



ANNEX E:

Creative Sector Deep Dive Evidence Report



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Solent LSIP Creative Sector Deep Dive

Evidence Base Report

21 June 2023

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1.0 Introduction

Scope of the Study

- 1.1 This evidence-base report has been prepared by Lichfields on behalf of the Solent Skills Advisory Panel ('SAP') to provide a focussed deep dive analysis of the Solent's creative sector, particularly current and future skills requirements to support the sector's growth. This deep dive includes a detailed review of demand and supply analysis of the skills needed to support a thriving creative sector, in addition to a review of the existing skills supply within the Solent. Ultimately, this deep dive identifies any key skills gaps within the creative sector within the Solent.
- 1.2 This deep dive, alongside another two deep dives focussing on the maritime sector and Freeport target sectors will be used to inform the development of the Solent Local Skills Improvement Plan ('LSIP'). This is being led by the Hampshire Chamber of Commerce ('CoC') which was designated by the Department for Education ('DfE') as the employer representative body ('ERB') in charge of developing, approving and implementing a LSIP for the Solent.

Sector Definition

- 1.3 The creative sector was originally defined by the Government¹ in 2001 as *“those industries which have their origin in individual creativity, skills and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”*. To allow the measurement of the creative sector, the Department for Digital, Culture, Media and Sport² ('DCMS') has (in 2015) developed a statistical definition which reflects this definition, and which is outlined below. A more detailed description (i.e. based on 4-digit standard industrial classification ['SIC'] codes) is included in Appendix 1, at the end of this deep dive.
- Advertising and marketing;
 - Architecture;
 - Crafts;
 - Design: product, graphic and fashion design;
 - Film, TV production, TV, video, radio and photography;
 - IT, software, video games and computer services;
 - Publishing;
 - Museums, galleries and libraries; and
 - Music, performing and visual arts.

¹ Department for Digital, Culture, Media and Sport (2001), *Creative Industries Mapping Document*. [Available at: <https://www.gov.uk/government/publications/creative-industries-mapping-documents-2001>].

² Department for Digital, Culture, Media and Sport (2015), *Creative Industries Economic Estimates Methodology*. [Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/499683/CIEE_Methodology.pdf].

- 1.4 To ensure that any measurement of the creative sector does not over-inflate employment, DCMS has determined a figure of creative intensity for each SIC code included within the definition. The level of creative intensity for each SIC code is included in the sector's definition in Appendix 1.
- 1.5 Based on the DCMS definition (which takes account of each sector's 'creative intensity index'³), it is estimated that the creative sector supports around 6,200 full-time equivalent ('FTE') jobs across the Solent Local Enterprise Partnership ('LEP') area, with major concentrations in Southampton (with around 1,300 FTE jobs), Portsmouth (with around 1,200 FTE jobs), Eastleigh (with around 900 FTE jobs) and New Forest (with around 840 FTE jobs).
- 1.6 Using a similar approach to that established by DCMS (but excluding the creative intensity index), it is estimated that there are around 1,700 creative sector enterprises within the Solent LEP area. The great majority of these businesses are concentrated within New Forest (371 enterprises), Southampton (266), Portsmouth (234) and Eastleigh (232) in line with the employment figures outlined above. Although New Forest has the highest number of businesses within the creative sector a large proportion of them are employ fewer than 20 people which explains the high concentration of businesses, but an overall smaller employment business base in the creative sector. The local authorities with the least number of businesses within the creative sector include Gosport (50), Isle of Wight (178) and Fareham (183). However, it should be noted that this analysis is likely to exclude sole-traders, and enterprises which fall under the value added tax ('VAT') threshold.
- 1.7 According to the latest Annual Business Survey (2022) and using the DCMS definition, it is estimated that the creative sector generates in the region of £60 billion of gross value added ('GVA') each year. This is equivalent to £105,000 GVA per FTE worker, which is in line with other sectors such as information communications and technology (£104,000 per FTE work), and significantly higher than other sectors such as hospitality and retail. Based on the above, it is therefore estimated that the creative sector in the Solent contributes over £600 million to the regional economy.
- 1.8 Research by Creative Network South puts total employment in the creative economy at around 15,000 jobs, across just under 3,600 enterprises, and estimates the sector's contribution in the Solent to be in the order of £2 billion GVA per annum. This uses a broader definition of the creative sector (focussed on the wider creative economy, rather than the DCMS-based definition).
- 1.9 This deep dive uses the DCMS definition (or a best fit approach) to defining the creative sector, and does not take account of the sector's creative intensity index when analysing the Solent's position (i.e. in terms of both demand and supply). Whilst this may present an inflated view of the opportunity at the Solent level, the make-up of the creative sector is such that it incorporates sectors and/or sub-sectors from other seemingly unrelated industries.

³ According to DCMS, the Creative Intensity represents the proportion of occupation in any industry that are creative.

Report Structure

1.11

The remainder of this report is structured as follows:

- **Section 2.0** reviews the skills demand position within Solent for jobs within the creative sector and future demand.
- **Section 3.0** assesses the skills supply position within the Solent taking account of provision within further education ('FE') and higher education ('HE') providers
- **Section 4.0** considers some of the challenges and opportunities associated with skills development in the creative sector focussing on insight generated as part of the Solent-wide engagement with employers and key stakeholders in the creative sector.
- **Section 5.0** summarises the findings of this deep dive exercise.

2.0 Skills Demand

2.1 This section provides an overview of the demand for skills in the creative industries in the Solent.

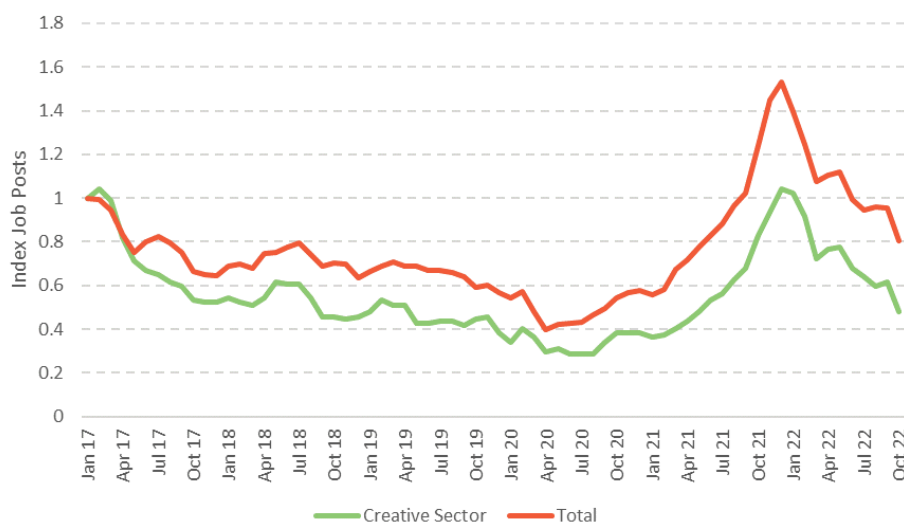
Macro-View

2.2 The latest data for job postings (i.e. vacancies) in the creative sector within the Solent (i.e. based on a best fit approach to DCMS’s definition of the creative sector), shows that there were around 3,400 job postings in the creative sector during 2022. This was lower than the equivalent number of job postings in neighbouring Enterprise M3 LEP (with around 9,100 job postings) and the South East LEP (with 10,300 job postings).

2.3 Medium-term data shows that job postings in the creative sector have been steadily declining since 2017. In the three years prior to the Covid-19 pandemic, the number of monthly job postings fell from 430 jobs postings in January 2017 to 140 postings in December 2019 (or an equivalent drop of -67.4% in monthly job postings).

2.4 Figure 2.1 below indicates that since mid-2017, demand for jobs in the creative sector has been trailing behind the wider economy’s average (i.e. based on a January 2017 baseline). This includes a period of recovery (i.e. in the number of job postings) from mid-2020 to December 2021. However, it should be noted that the peak in job postings is just slightly higher than the January 2017 baseline. At this stage, it is not known where/when the decline in job postings will bottom out – i.e. whether numbers will settle at around pre-Covid levels, and/or will remain higher over the longer-term.

Figure 2.1 Monthly job postings (total and creative sector) across the Solent, 2017-22



Source: Department for Education (2023), *Local Skills Dashboard, 2017-22*.

- 2.5 As highlighted previously the DCMS definition of the creative sector incorporates a wide range of employment sectors, and is based on a creative intensity index. A breakdown of job postings in arts, culture and media highlights that the majority of job postings in the Solent during 2022 relate to 2D Illustrators and designers (22.1%), 3D Illustrators and Designers (21.9%), journalists and editors (15.9%) and other roles in arts, culture and media (13.1%). Table 2.1 below provides an overview of top job postings in 2022 across the Solent region.

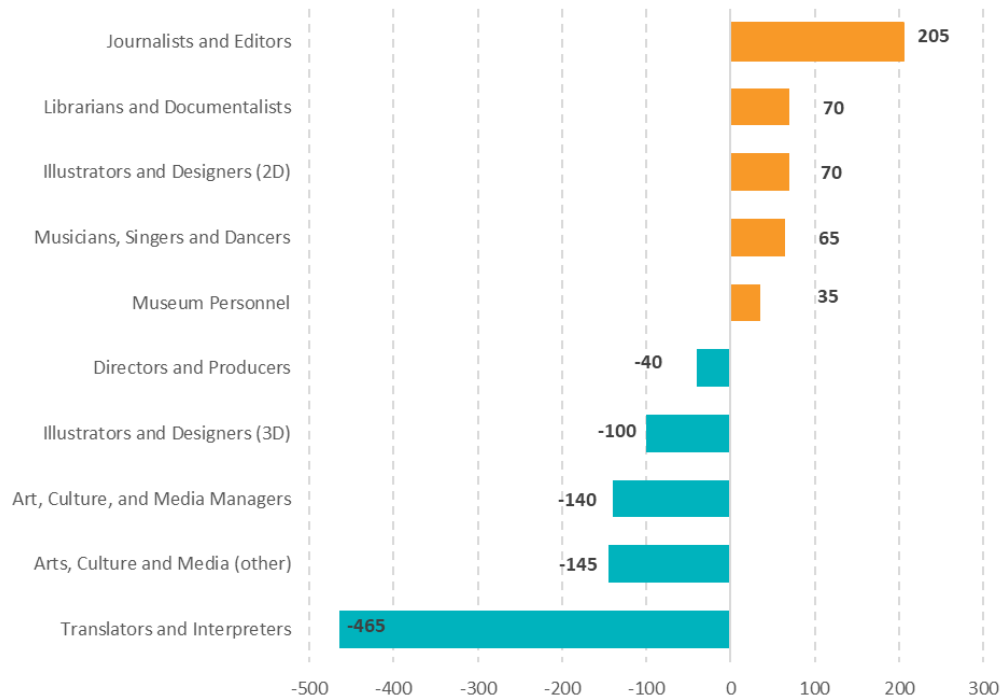
Table 2.1 Job posting within the DfE Creative Sector in 2022

Sub- Sector	No.	%
Art, Culture, and Media Managers	5	0.2%
Arts, Culture and Media (other)	435	13.1%
Audio/visual Editors	25	0.8%
Conductors, Composers, and Choreographers	0	0.0%
Directors and Producers	135	4.1%
Film, Theatre, Television, and Studio Technicians	165	5.0%
Illustrators and Designers (2D)	735	22.1%
Illustrators and Designers (3D)	730	21.9%
Journalists and Editors	530	15.9%
Librarians and Documentalists	240	7.2%
Museum Personnel	50	1.5%
Musicians, Singers and Dancers	65	2.0%
Photographers and Cameramen	40	1.2%
Presenters	0	0.0%
Translators and Interpreters	45	1.4%
Writers and Poets	130	3.9%
Total	5	0.2%

Source: Department for Education (2023), *Local Skills Dashboard, 2022*

- 2.6 Figure 2.2 below provides an overview of change in the number of job postings in the creative sector between 2017 and 2022 (i.e. both years inclusive). It highlights increasing demand for journalists and editors, librarians and documentalists, illustrators and designers (2D), musicians, singers and dancers, as well as museum personnel. In contrast, the number of job postings for translators and interpreters, illustrators and designers (3D), as well as directors and producers saw a decline in the overall number of annual job postings between 2017 and 2022.

Figure 2.2 Change in annual job postings in the creative sector in the Solent, 2017-22.



Source: Department for Education (2023) *Local Skills Dashboard, 2017-22*

2.7 Table 2.2 overleaf shows data provided by LinkedIn, which highlights the demand for job roles related to the creative sector base on the growth rate of percentage share of hiring between 2017 and 2021. Overall, the data indicates that the highest proportion of job hirings in the creative sector were for content producers, infrastructure engineer, digital marketing managers, social media coordinators and digital marketing specialists.

2.8 It is unsurprising that the majority of hiring within the creative sector relates to marketing and media sectors, as businesses typically identify the need for digital marketing services (in particular on social media platforms). Within the wider arts and design sector, as defined by LinkedIn, only architects have been identified as having a positive growth rate in the share of hiring within the Solent between 2017 and 2021.

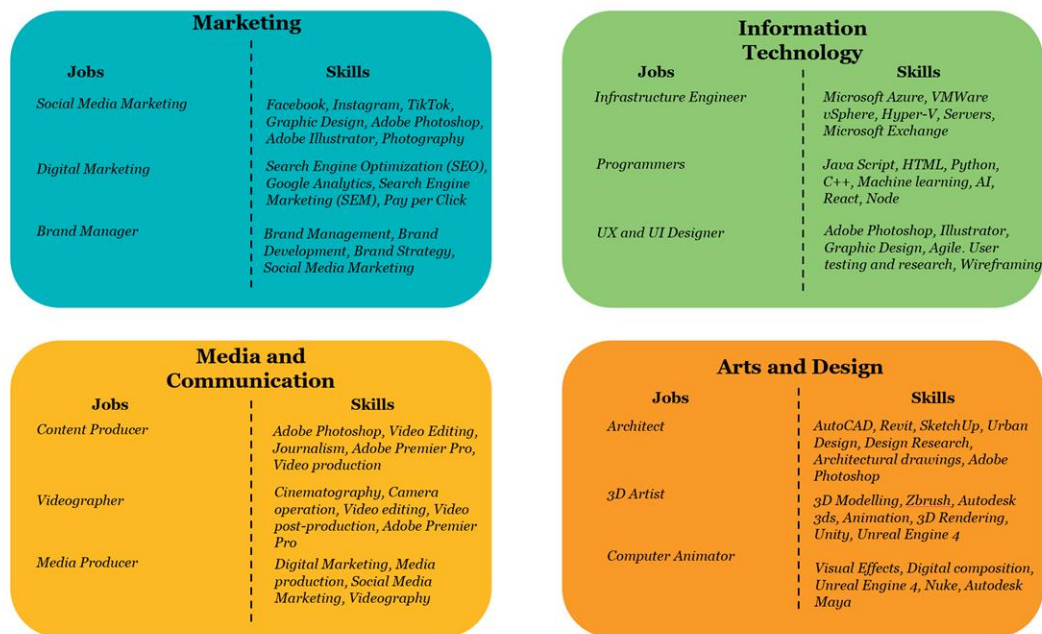
Table 2.2 Top jobs within the creative sector in the Solent

Job Sector	Job Name	Growth rate in % Share of Hiring by job (2017-2021)
Media and Communication	Content Producer	13.1%
Information Technology	Infrastructure Engineer	11.5%
Marketing	Digital Marketing Manager	11.5%
Marketing	Social Media Coordinator	10.4%
Marketing	Digital Marketing Specialist	9.4%
Marketing	Marketing Executive	5.7%
Marketing	Head of Marketing	4.3%
Marketing	Marketing Director	4.3%
Marketing	Marketing Assistant	4.1%
Marketing	Social Media Manager	3.8%
Marketing	Category Manager	2.8%
Media and Communication	Media Producer	2.3%
Marketing	Social Media Marketing Specialist	1.3%
Marketing	Brand Manager	1.3%
Media and Communication	Videographer	0.9%
Information Technology	Information Technology Manager	0.5%
Media and Communication	Content Manager	0.5%
Arts and Design	Architect	0.2%

Source: LinkedIn Data (2022)

- 2.9 Analysis of LinkedIn data has identified a series of skills requirements for job roles that fall within a best fit sector definition of the creative sector. These are set out in more detail in Figure 2.3overleaf.

Figure 2.3 Skills requirements across relevant jobs in the creative sector in the Solent



Source: LinkedIn Data (2022)

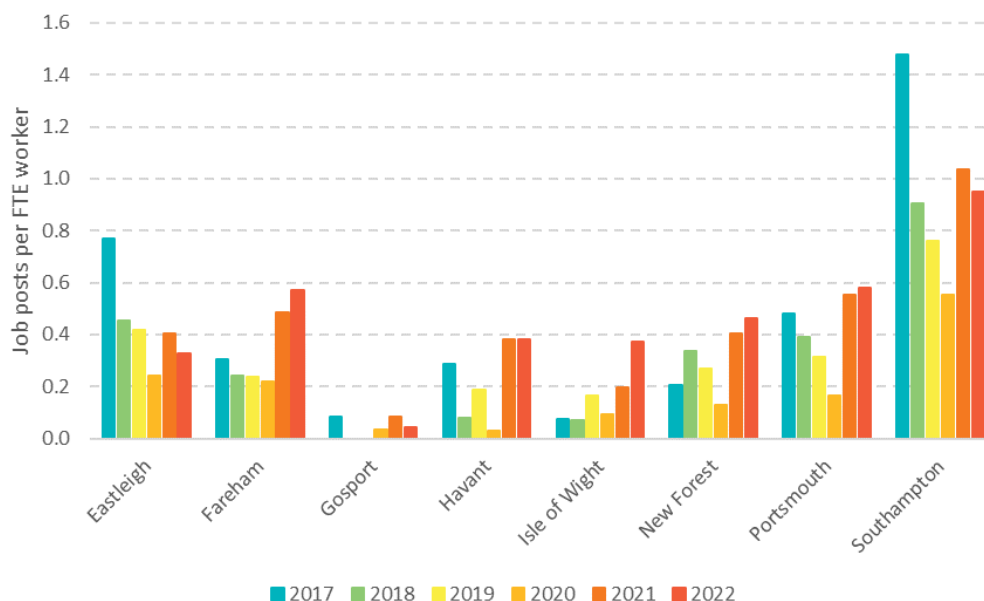
2.10 As highlighted above, each job requires both a series of technical more general common. Jobs within the information and technology ('IT') sector which are also relevant to the creative sector rely on experience with certain software, programs, and programming languages. Meanwhile in jobs in marketing sector often rely on interpersonal skills, communication and networking skills, as well as industry experience on what customers and users want out of a brand or experience and how best to market their target audience. In comparison job postings in arts and design focus on job occupations that require more technical skills such as an architects, 3D artists and computer animator which require knowledge on how to use industry software and programs.

Local Spotlight

2.11 Data from 2017 identifies Southampton (with 41% of job postings) as a key hub for job postings within the creative sector, followed by Portsmouth (18%) and Eastleigh (17%). In contrast, Havant (with 4% of job postings) and the Isle of Wight (2%) and Gosport (0%) had the lowest level of job postings in the creative sector.

2.12 When the number of jobs postings are considered on a per FTE worker basis (i.e. in the creative sector), Southampton (with 1.0 job postings per FTE workers) also shows the highest level of demand for jobs in the creative sector. Meanwhile, with 0.3 FTE job postings per worker, both Eastleigh and Gosport underperform, with Gosport having no job postings in the creative sector. Overall, Figure 2.4 below shows that the number of job postings per FTE worker in the creative sector has generally declined in the lead-up to the Covid-19 pandemic.

Figure 2.4 Job postings per FTE worker in the creative sector across the Solent region



Source: Department for Education (2023) *Local Skills Dashboard, 2017-22*

2.13

A closer look of job sectors within the main arts, culture and media sector across Solent local authority areas identifies a similar trend to that seen across the wider Solent region. Other notable trends include:

- Within Southampton and Portsmouth, the need for jobs in the creative sector is driven by a wide range of roles, including illustrators and designers (both 2D and 3D), journalists and editors, in addition to writers.
- Demand for illustrators and designers (both 2D and 3D) is a key driver for employment in the creative sector across the majority of local authority areas in the Solent.
- The only exception to the above is Gosport, where all demand is driven by the need for other (i.e. non-specified) roles in the arts, culture and media. However, it should be noted that this is likely to be skewed by the fact that Gosport had the lowest number of job postings across the Solent.
- The Isle of Wight had the highest proportion of job postings for directors and producers (13%) relative to other local authorities in the Solent.

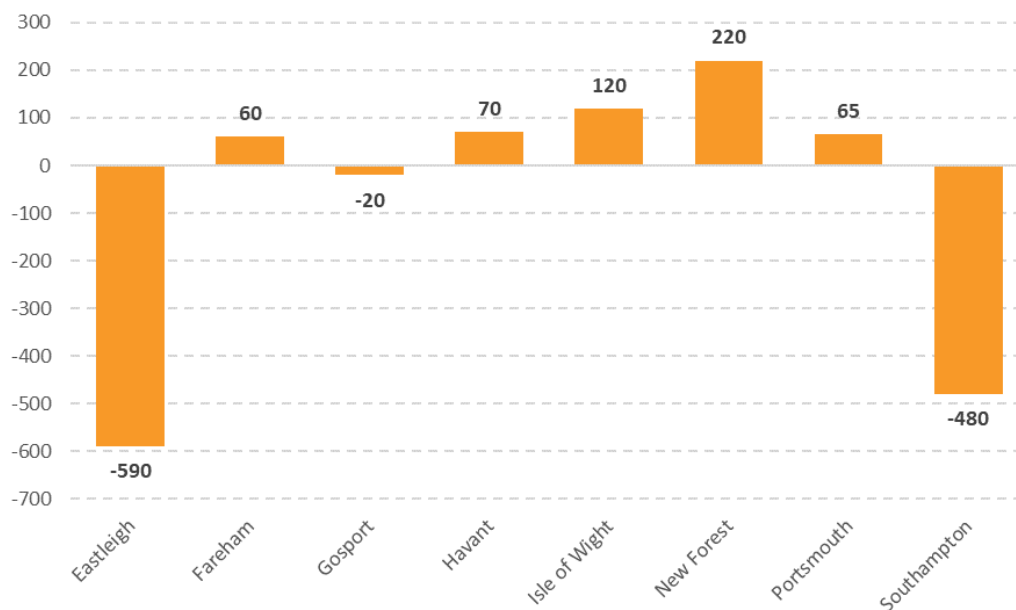
2.14

Between 2017 and 2022, local authorities in the Solent have experienced various degrees of growth and/or decline in the number of job postings related to the creative sector. As highlighted in Figure 2.5 overleaf, with 220 additional job postings New Forest district saw the highest growth in the number of annual job postings in the creative sector between 2017 and 2022, followed by the Isle of Wight (120 additional job postings) and Havant (70 additional job postings).

2.15

Meanwhile, both Eastleigh and Southampton experienced a decline in the number of annual job postings in the creative sector (although it should be noted that four out of ten job postings still occur in Southampton).

Figure 2.5 Change in Job Postings for Creative Sectors (2017-2022)



Source: Department for Education (2023), *Local Skills Dashboard, 2017-22*

Employer and Stakeholder Engagement

2.16 In addition to reviewing demand data, preparation of this deep dive included engagement with employers and other relevant stakeholders from across the Solent region. This was undertaken as part of the wider Solent LSIP work, and provides further insight into the challenges employers face when recruiting, in addition to skills training and continued professional development ('CPD').

2.17 Employer engagement consisted of an online survey in addition to a number of one-to-one discussions with businesses in the Solent conducted via MS Teams. Similarly, a number of stakeholders with interest in the creative sector were also consulted. A list of stakeholders consulted as part of this deep dive is included in Appendix 2 of this report.

Staff Recruitment

2.18 The online survey asked creative employers in the Solent to consider the challenges they face when seeking to fill positions within their business. It found:

- Over half of employers surveyed (61%) highlighted their main challenge in recruitment as the ability to find sufficient 'good' candidates with either sector experience and/or professional business experience.
- Almost half of employers (46%) also stated that they struggle to find employees with the right employability or interpersonal skills, which include teamwork, communication and/or resilience.
- A third of companies (33%) also stated that finding employees with specialist or technical skills relevant to the creative sector was a key challenge in finding suitable candidates.

- When asked to elaborate on the largest skills gaps within their current workforce, almost half (46%) of employers surveyed identified the need for specialist and/or technical skills, in particular the digital skills required for advertising and marketing roles.
- Furthermore, a similar proportion (46%) also identified gaps in sales and business development skills.

2.19 Discussions with employers and stakeholders have identified similar gaps and/or shortages within the Solent, some of which are identified below. It should be noted that this list is not exhaustive and is likely to be greatly influenced by the employers and/or stakeholders we engaged with. Nevertheless, given the alignment with the analysis of skills demand presented above and the wider stakeholder engagement, the following are considered to be representative of the wider creative sector across the Solent.

- Technical skills – such as production, set design/construction, hair dressing, lighting and sound design, coding, software-specific skills (e.g. Adobe suite, AutoCAD), virtual reality (‘VR’) design and implementation; and
- Generic / business skills – such as project management, leadership, fundraising, business development, digital marketing, digital literacy and data analytics.

Ongoing Professional Development

2.20 Employers were also asked to consider current employees’ skills development and CPD options. Almost a quarter of employers surveyed indicated that they do not have any budget allocated for skills training and/or professional development. Meanwhile, around a third (38%) state that they allocated up to £500 per staff member on skills training, whilst 30% allocated between £500 and £1,000 per staff member, and 8% indicated that they allocate over £1,000 per staff member. On average, it is estimated that businesses generally allocate around £600 per staff member for skills training and ongoing professional development.

Table 2.3 Allocation of training budget per member of staff

Allocation of training budget per employee	% of employers surveyed
None (i.e. £0)	25%
Up to £500	38%
£500 to £1,000	30%
Over £1,000	8%

*Please note that total may not add up to 100% due to rounding.

2.21 When asked about the main routes for developing team members’ skills, the majority of employers surveyed (77%) identified funded (i.e. free or subsidised) courses as their preferred pathway to training, followed by learning on the job through job shadowing (62%). Half of the employers also stated that they use free and/or low-cost training alternatives for their skills development, whilst another 15% of indicated that staff are responsible for developing their own skills.

2.22 The main barriers identified include the cost of training (reported by 62% of employers surveyed) and the time resources and capacity within businesses (reported by 46% of employers). In addition, employers also indicated that they found it difficult to find the

right training course/qualifications, suggesting a disconnect between employers and the wider skills ecosystem.

2.23 When asked what approached to skill development would best improve their skills supply, a little over half of all employers surveyed (i.e. 54%) reported access to online training courses and qualifications. A similar proportion also identified access to skills-related finance and/or funding opportunities would assist them, especially as the cost of training is one of the biggest barriers employers find when seeking to upskill their members of staff. Just under half of employers (i.e. 46% of those surveyed) also stated that access to short and modular courses would be helpful.

2.24 Finally, when asked what skills would be most in demand over the next five to ten years, 70% of employers identified IT and digital skills, followed by almost two-thirds (i.e. 62% of employers surveyed) identifying technical skills, such as film and digital media, architects, designers, automation and robotic operation skills.

3.0 Skills Supply

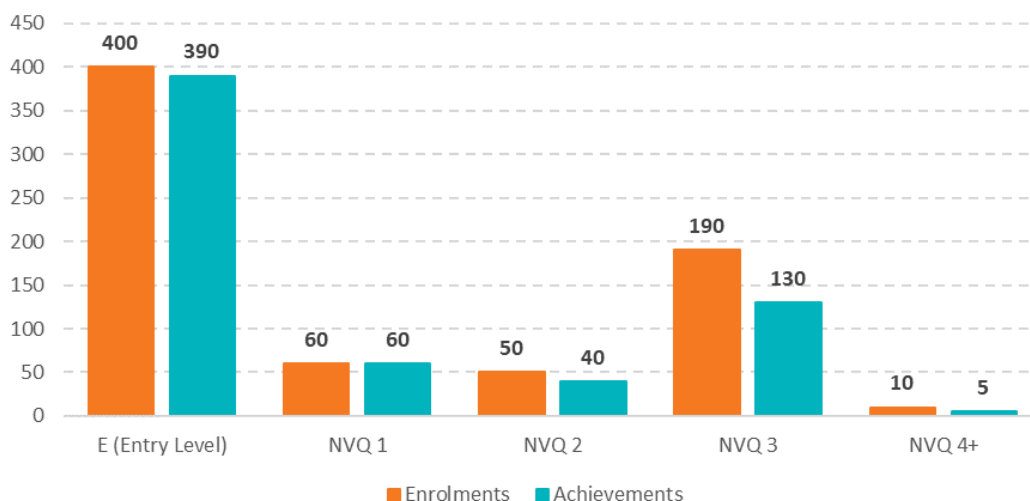
3.1 This section considers the skills supply position in the Solent by drawing on a detailed review of various training and skills routes in the creative sector across the region.

Macro-View

3.2 In 2021/22, the Solent region had a total of 780 learners enrolled in FE courses in arts, media and publishing subject areas. More than half (51%) of learners were enrolled within entry level courses, whilst 24% of learners were enrolled in NVQ 3 level qualification as shown in Figure 3.1.

3.3 Overall, 91% of learners enrolled within this subject area will go on to complete the course and training across the Solent, this is higher than recorded in the Enterprise M3 LEP (80.4%) and (73.2%) in South East Midlands LEP ('SEMLEP'). However, both Enterprise M3 and SEMLEP have a higher proportion of learners within the subject area at NVQ 3 level compared with the Solent where its majority proportion is found at entry level courses.

Figure 3.1 FE and training skills – Arts, media and publishing subject area



Source: Department for Education (2023)

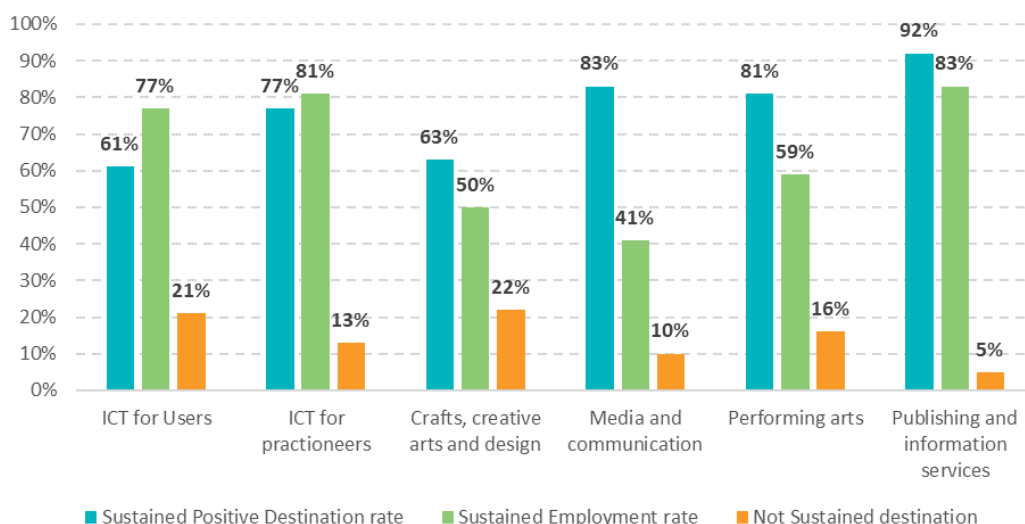
Local Spotlight

3.4 A review of enrolment and achievement data by local authority area indicates that the majority of FE learners enrolled in subjects related to the creative sector (in this case arts, media and publishing) are located in Portsmouth (with 380 learners in 2021/22), followed by Havant (110 enrolments), Southampton (80 enrolments), the Isle of Wight (50 learners) and the New Forest (50 enrolments).

Further Education Learner Outcomes

- 3.6 Analysis of the latest (i.e. 2019/20) DfE data on FE (Levels 3-5) outcomes-based success measures indicates that the Solent has a sustained positive destination rate of 88%, which is higher than neighbouring LEP’s including Enterprise M3 LEP (84%) and South East LEP (85%), as well as the national average (87%).
- 3.7 Building on the above, DfE data shows that in the Solent, 74% of FE learners move onto sustained employment locally, compared with an overall sustained employment rate of 84% for neighbouring Enterprise M3, 82% for SELEP and 63% nationally. However, despite the higher sustained employment rate, median earnings for learners coming out of FE provision in the Solent (i.e. estimated to be £17,700) are around £1,100 lower than equivalent earnings in neighbouring Enterprise M3 (i.e. of £18,800), but around £900 higher than earnings in SELEP (i.e. of £16,600). In addition, median earnings for FE learners in the creative sector in the Solent are around £1,400 higher than the national average.
- 3.8 Figure 3.2 learner outcome-based success rates based on subject areas most related to the creative sector within the Solent. It shows that publishing and information services has the highest positive destination rate of 92% - meaning that students pursue additional learning, including HE qualifications. Meanwhile ICT for practitioners saw the highest sustained employment rate of 81%, evidencing high demand for ICT skills locally. Crafts, creative arts and design students performed worse overall with 22% of students recorded as having no sustained destination, meaning that they did not complete the subject and did not go on to access other forms of education.

Figure 3.2 FE Outcome-based success (2021/22) for Creative Sector subjects across Solent



Source: Department for Education (2023), *Outcome Based success measures*

T-Levels

- 3.9 T-Levels are two-year courses which are taken after GCSEs, and are broadly equivalent to three A-Levels. Launched in September 2020, T-Levels have been developed in collaboration with employers and education providers so that their content meets the needs of industry, and better prepares students for entry into skilled employment, an apprenticeship or related technical study through FE or HE. T-Levels offer students practical and knowledge-based learning, in addition to on-the-job experience through an industry placement of approximately 45 days.
- 3.10 Table 3.1 highlights FE providers which currently offer qualifications in subjects related to the creative sector.

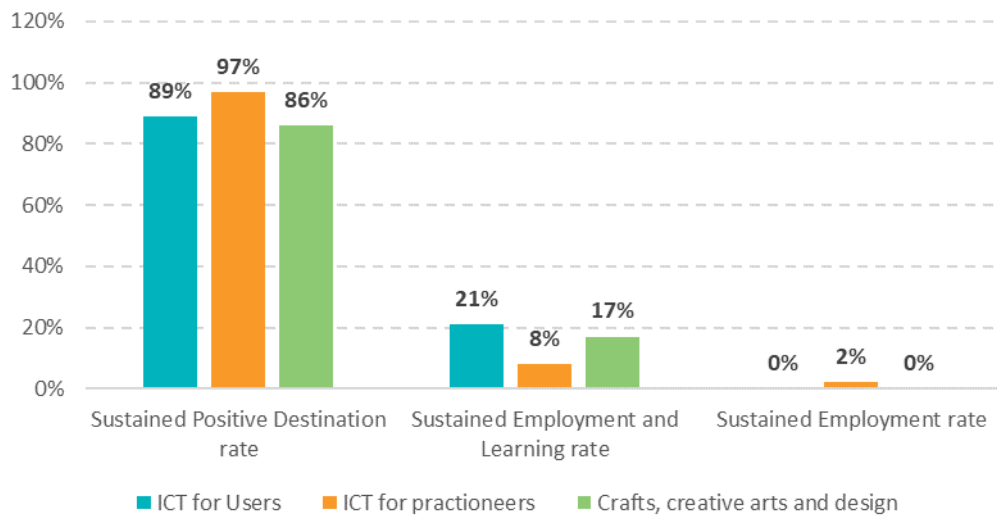
Table 3.1 FE sector providers in the Solent which provide T-Level courses in subjects related to the creative

FE Institutions	T-Level Courses related to the Creative Sector
Southampton City College	<ul style="list-style-type: none"> • Digital Production, Design and Development • Digital Support Services • Media, Broadcast and Production
Itchen College	<ul style="list-style-type: none"> • Digital Production, Design and Development • Media, Broadcast and Production
Richard Taunton Sixth Form College	<ul style="list-style-type: none"> • Digital Business Services • Digital Support Services
Fareham College	<ul style="list-style-type: none"> • Craft and Design • Digital Production, Design and Development • Digital Support Services • Media, Broadcast and Production
St Vincent College	<ul style="list-style-type: none"> • Digital Business Services • Digital Support Services
Bay House College	<ul style="list-style-type: none"> • Digital Support Services
UTC Portsmouth	<ul style="list-style-type: none"> • Digital Production, Design and Development
Havant and South Downs College	<ul style="list-style-type: none"> • Digital Production, Design and Development • Digital Support Services

Apprenticeships

- 3.11 The latest DfE data on outcome-based success for apprenticeships (2021/22), based on subject areas related to the creative sector shows that 86% of apprenticeships in subjects related to crafts, creative arts and design sustained a positive destination rate. This was lower than the equivalent rates in ICT for practitioners (97%) and ICT for users (86%). Only 2% of ICT for practitioner apprenticeships go into employment, with the majority going into further learning and training.
- 3.12 Overall, apprenticeships show a slight decline in sustained positive destination rates within all three subject areas when compared with data for 2017/18 where, ICT for users recorded 93% sustained positive rate, ICT for practitioners 98% and crafts, creative arts and design 87%. More drastically, the sustained employment rate shows a significant decline in 2021/22 for crafts, creative arts and design when compared to 2017/18 whereby 56% of apprenticeships sustained employment.

Figure 3.3 Apprenticeship Outcome-based success for subjects related to the creative sector in Solent, 2021/22



Source: Department for Education (2023), *Outcome Based success measures*

Higher Education Providers

3.13

The Solent is home to three universities (also referred to as HE providers) located in Southampton (i.e. Southampton Solent University and University of Southampton) and Portsmouth (i.e. University of Portsmouth) respectively. All three HE providers offer a wide range of undergraduate and postgraduate degrees relevant to the creative sector. Table 3.2 below provides an overview of some courses relevant to the creative sector in the Solent.

Table 3.2 HE providers providing courses related to the creative sector

HE Institutions	Courses related to the Creative Sector
Southampton Solent University	<ul style="list-style-type: none"> • BA Animation • BA Acting and Performance • BA CGI and Visual Effects • BA Computer Games (Art) • BA Fine Art • BA Graphic Design • BA Illustration • BSc Software Engineering • BA Fashion Design
University of Southampton	<ul style="list-style-type: none"> • BA Fashion Design • BA Film Studies • BA Music and Business Management • BEng Software Engineering • BA Textile Design
University of Portsmouth	<ul style="list-style-type: none"> • BA Animation • BA Computer Games • BSc Creative Computing • BSc Creative Media Technologies • BA Creative Writing

HE Institutions	Courses related to the Creative Sector
	<ul style="list-style-type: none"><li data-bbox="651 300 967 331">• BA Digital Marketing<li data-bbox="651 333 983 365">• BA Fashion Marketing<li data-bbox="651 367 951 398">• BA Film Production<li data-bbox="651 400 940 432">• BA Graphic Design<li data-bbox="651 434 887 465">• BA Illustration<li data-bbox="651 468 887 499">• BA Journalism

4.0 Challenges and Opportunities

Opportunity in the Solent

- 4.1 As outlined previously, high-level mapping of employment in the creative sector in the Solent puts total employment at around 6,200 FTE jobs. Whilst employment forecasts for the creative sector in the Solent are not available, a 2016 NESTA and Creative England report⁴ identifies a ‘high concentration and growth’ creative sector cluster in and around Southampton. This report finds Southampton to be one of several creative clusters along the South Coast (i.e. alongside Bournemouth and Poole, and Brighton), and identifies strengths in publishing.
- 4.2 Recent forecasts⁵ for the Solent indicate that the region’s economy is anticipated to grow by a further 60,800 jobs by 2040 (or the equivalent of +10.3% over 2021 employment estimates). A look at some of the constituent sectors within the creative sector (albeit excluding the ‘creative industry index’) suggests that growth in the Solent is anticipated to be driven by growth in the professional services sector (+24.9% growth), computing and information services (+21.8% growth), and media (+17.9% growth).
- 4.3 Whilst it may not be possible to quantify the economic opportunity (i.e. in terms of future employment growth) in the Solent, the following section considers a number of drivers / opportunities / investments which are likely to drive growth in the creative industry (and the Solent economy more widely) over the next decades.

Southampton City UK City of Culture 2025 Bid

- 4.4 Whilst the City of Southampton was unsuccessful in its bid to become the UK’s City of Culture in 2025 (with that honour going to Bradford), the recent publication of the City’s bid to DCMS highlights an ambitious programme of culture-led regeneration, alongside an ambitious programme of events which sought to build on and showcase Southampton’s world-leading technical innovation and creativity to a local, regional, national and international audience.
- 4.5 Despite being unsuccessful it is anticipated that the Southampton Culture Trust will “*re-package elements of the bid to be rolled out over the next three years, albeit at a different scale and pace, to maximise the legacy of the bidding process*”. The overall will be to boost tourism and the local economy, make Southampton more attractive to inward investors, whilst also making the city a better place in which to live, work, visit and play. The bid anticipated that hosting the UK City of Culture will result in a 17% increase to visitor numbers, in addition to a substantial increase in day and overnight visitor expenditure (of 20% and 24% respectively) by 2025. In addition, the bid also sought to increase graduate retention by up to 10% by 2026.
- 4.6 Considered in aggregate, the increase in visitor expenditure and graduate retention is likely to create opportunities for increased employment both in Southampton, and the Solent region more widely through direct, indirect and wider induced effects.

⁴ NESTA and Creative England (2016), *The Geography of Creativity in the UK. Creative clusters, creative people and creative networks*. [Available at: https://media.nesta.org.uk/documents/the_geography_of_creativity_in_the_uk.pdf].

⁵ From Experian

Solent Freeport

- 4.7 Whilst not being focussed on the creative sector, the Solent Freeport represents a once-in-a-lifetime opportunity across the Solent. The Solent Freeport Investment Strategy estimates that once operational, the Freeport has potential to support around 15,000 jobs directly, and a further 15,000 jobs more widely (i.e. through supply chain/indirect and induced effects). As outlined in the Solent Freeport Investment Strategy, the freeport's target sectors include advanced manufacturing and engineering, research and development ('R&D') and technology, and port activities and logistics. However, the Investment Strategy also suggests that the Solent Freeport will generate in the order of 1,000 jobs in other sectors, some of which are likely to be included under the definition of the creative sector used in this deep dive. In addition, the Solent Freeport will also generate additional supply chain jobs indirectly (including jobs in the creative sector).

Growth in Digital Technology

- 4.8 In addition, advancements in digital technology will see a blurring of the boundaries between sectors putting greater reliance on creative and lateral thinking. The development of new and emerging technology, such as virtual reality ('VR') and 3D printing, are being ubiquitously incorporated in other sectors of the economy (such as health and social care, engineering and hospitality), in the process generating additional demand for skills in the creative sector. Going forward, it is anticipated that reliance on emerging technology will increase, resulting in further demand for skills in the creative sector.

Skills Gaps and Challenges

- 4.9 As outlined previously, the Solent has a strong skills base and supply of the labour market to draw upon in order to meet the demand for jobs and skills required to support the anticipated growth across the region, and in particular the creative sector. However, it is recognised that the scale of opportunity within the Solent will require targeted interventions to upskill and reskill people, whilst also encouraging graduates to remain in the Solent to take advantage of job opportunities created.
- 4.10 Engagement with local employers and wider stakeholders (including a survey of employers in the creative sector undertaken as part of the LSIP) has identified a number of skills gaps and challenges (i.e. both current and future) which are likely to impact upon the creative sector's ability to meet the rising demand for skills in the Solent. This section presents an overview of some of the challenges and skills gaps identified as part of the wider stakeholder engagement. It should be noted that whilst discussions focussed on the creative sector, much of the feedback received reflects some of the wider trends across the Solent economy.

4.11 Drawing on the engagement, the following challenges and skills gaps are pertinent to the growth of the creative sector in the Solent region.

- **Size and availability of the local labour market** – Discussions with employers and stakeholders have suggested that one of the biggest challenges facing the creative sector (but also the wider economy) is the ability to recruit employees into businesses. Consultees suggested that the Covid-19 pandemic and Brexit (more precisely the end of the transition period) have had a major impact on the size and availability of the local labour market. This is echoed in recent research by the AHRC-funded Creative Industries Policy and Evidence Centre⁶ (‘PEC’) which “*points to worrying trends and a growing skills shortage for the UK’s Creative Industries since the Brexit vote*”.
- **Graduate retention** - In addition, graduate retention has been identified as a key challenge for the creative sector, with employers suggesting that graduates prefer to pursue employment in other parts of the country (in particular closer to London) where the level of opportunity is perceived to be higher. As outlined above (and Annex A of the Solent LSIP report), the Solent is home to three universities which together recruit over 60,000, a large proportion of whom are from outside the Solent (i.e. either UK-based, but live elsewhere and/or international). Within this context, even a small increase in graduate retention is likely to have a substantial effect on the local labour market.
- **Lack of awareness of opportunity across the Solent** – Related to the above, employers have suggested that in general, there is a disconnect between the FE and business environments, with engagement between the two being somewhat limited. In practical terms, this means that opportunities for work experience are somewhat limited to a small number of students each year. Whilst there are some exceptionally good examples where businesses work with learners to deliver commissions (e.g. students from the Solent University involved in the delivery of the Portsmouth Film Festival), this normally comes down to well-connected individuals who take it upon themselves to drive engagement. It has been suggested that within the Solent, the situation is further exacerbated by the lack of region-wide networking organisations/events that bring together both learners as well as employers and businesses in the sector.
- **Awareness of career pathways, including entry and exit points** – Discussions with employers indicate that in addition to the challenges outlined above, learners often struggle as a result of a lack of awareness of possible career pathways, including entry points into the sector. Employers acknowledge that for many individuals, work experience represents a key entry point into the sector. However, employers also acknowledge that there could be better pathways into employment, which runs alongside skills training. Furthermore, employers also acknowledge that the creative sector offers a unique opportunity for individuals to enter the sector’s workforce at different stages of their working lives (especially as upfront and start-up costs are significantly less than for other sectors). This has potential to address some of the wider challenges encountered across the wider labour market in the Solent.

⁶ See: <https://pec.ac.uk/news/growing-skills-shortage-international-trade-decline-post-brexit>

- **The need for diversity** – Discussions with employers indicate that diversity amongst the creative sector’s workforce in the Solent is low, and does not necessarily reflect either the region’s community and/or the sector’s profile of learners (which generally has a higher proportion of neuro-divergent individuals). Unlike other sectors in the Solent where physical disabilities might be a limiting factor (such as certain roles [e.g. cargo handling] in the maritime sector), the creative sector provides a unique opportunity to increase representation (i.e. in line with the Equality Act 2010),
- **Lack of business skills** – Employers have also indicated that whilst individuals working in the creative sector are highly talented, they rarely receive business-specific training. In addition, given that the typical business in the creative sector employs fewer than five individuals (i.e. usually defined as a micro business), they tend to be focussed on securing commissions and delivering work, rather than thinking about future skills planning and/or improving their overall business management. Moreover, employers have also suggested that any skills training will need to be bite-size, modular and flexible in nature, to allow for continued professional development (‘CPD’) in the creative sector.

5.0 Conclusions

5.1 The creative sector is estimated to support in the region of 6.200 FTE jobs across an estimated 1,700 enterprises in the Solent, and has major concentrations of employment in and around Southampton, Portsmouth, Eastleigh and the New Forest.

5.2 This deep dive considers the demand for skills needed by employers in the creative sector in the Solent, and maps these against current provision to identify supply-side gaps. For the purposes of this deep dive, the creative sector is defined based on the DCMS definition which incorporates:

- 1 Advertising and marketing;
- 2 Architecture;
- 3 Crafts;
- 4 Design: product, graphic and fashion design;
- 5 Film, TV production, TV, video, radio and photography;
- 6 IT, software, video games and computer services;
- 7 Publishing;
- 8 Museums, galleries and libraries; and
- 9 Music, performing and visual arts.

Skills Demand

5.3 A review of skills demand data for job vacancies in the creative sector suggests that the majority of job postings in Solent in 2022 within the sector relate to 2D Illustrators and Designers (22.1%), 3D Illustrators and Designers (21.9%), Journalists and Editors (15.9%) and Arts Culture and Media (other) (13.1%). Overall, Solent has seen an increase in job posting within the sector after a long period of decline as a result of the Covid-19 pandemic.

5.4 Solent local authorities have experienced various degrees of growth and decline in job postings across the creative sector. For example, the New Forest has seen the highest growth in job postings over the period between 2017 and 2022 followed by Isle of Wight and Havant. New Forest's growth is attributed to both 2D and 3D Illustrators and Designers, followed by Journalists and Editors.

Skills Supply

5.5 Analysis of supply-side data shows strong performance in terms of both the number of learners enrolling in FE courses in subjects related to the creative sector, and the number of achievements. Of the 780 learners enrolled in FE courses in arts, media and publishing subject areas in the Solent, a little over half (51%) of learners were in entry level courses, whilst 24% were enrolled in NVQ3 level qualifications. Overall, 91% of learners enrolled will go on to complete their training.

5.6 The Solent is home to a number of HE and FE providers which provide a number of courses that are included within the wider creative industry. These include T-Level courses in

digital production, design and development; media, broadcast and production; craft and design; digital business services and digital support services.

Challenges and Opportunities for the Creative Sector

- 5.7 Supporting an estimated 6,200 FTE jobs, the creative sector in the Solent region is anticipated to experience considerable growth over the coming decades. A 2016 study by NESTA and Creative England identifies a ‘high concentration and growth’ cluster in and around Southampton, supported by a number of initiatives such as
- The Southampton UK City of Culture (2025) Bid (which is now being re-packaged and rolled out to maximise the legacy of the bidding process;
 - The Solent Freeport which in addition to supporting employment in marine and port-related activities, also has potential to support growth in other sectors (including the creative industries) through wider/indirect effects; and
 - Growth and acceleration in digital technology, such as VR and 3D printing, and which are being incorporated in other sectors of the economy, ultimately generating additional demand for skills in the creative sector.
- 5.8 Discussions with employers have indicated that going forward a wide range of skills are likely to be needed, both technical (such as production, set design/construction, lighting, sound and coding), and more generic (such as project management, leadership, fundraising and business development). More broadly, employers suggested that new entrants to the industry are not work-ready.
- 5.9 Additionally, engagement with employers has also identified the following, broader challenges for employers and/or careers in the creative industry:
- Lack of awareness of career pathways in the creative sector.
 - The need for a brokerage service to support learners in the creative sector access placements and/or freelance opportunities whilst still learning.
 - Greater need for diversity and inclusion in the sector, particularly for individuals from deprived backgrounds, minority groups and/or people with disabilities.
 - Bite-size, modular and flexible continued professional development (‘CPD’) for the creative sector.

Appendix 1 Creative Sector (SIC Code) Definition

Creative Sector Definition

SIC Code	Creative Industries Groups	Description	Creative Intensity (%)	
70.21	Advertising and marketing	Public relations and communication activities	59.30%	
73.11		Advertising agencies	50.50%	
73.12		Media representation	48.30%	
71.11	Architecture	Architectural activities	61.50%	
32.12	Crafts	Manufacture of jewellery and related articles	56.20%	
74.1	Design: product, graphic and fashion design	Specialised design activities	62.10%	
59.11	Film, TV, video, radio and photography	Motion picture, video and television programme production activities	56.40%	
59.12		Motion picture, video and television programme post-production activities	56.40%	
59.13		Motion picture, video and television programme distribution activities	56.40%	
59.14		Motion picture projection activities	56.40%	
60.1		Radio broadcasting	62.70%	
60.2		Television programming and broadcasting activities	53.50%	
74.2		Photographic activities	77.80%	
58.21		Publishing of computer games	43.10%	
58.29		Other software publishing	40.80%	
62.01		Computer programming activities	55.80%	
62.02		Computer consultancy activities	32.80%	
58.11		Publishing	Book publishing	49.90%
58.12			Publishing of directories and mailing lists	31.00%
58.13			Publishing of newspapers	48.80%
58.14	Publishing of journals and periodicals		58.30%	
58.19	Other publishing activities		37.80%	
74.3	Translation and interpretation activities		82.20%	
91.01	Museums, galleries and libraries	Library and archive activities	23.80%	
91.02		Museum activities	22.50%	
59.2	Music, performing and visual arts	Sound recording and music publishing activities	54.10%	
85.52		Cultural education	34.60%	
90.01		Performing arts	78.80%	
90.02		Support activities to performing arts	56.80%	
90.03		Artistic creation	91.50%	
90.04		Operation of arts facilities	38.40%	

Source:

Appendix 2 Stakeholders Consulted

- Creative Network South
- Flythe Creative Media
- IW Creative Network
- Fruitful
- Portsmouth Guildhall
- Fareham College
- Artswork
- Havant and South Downs College
- Solent University
- University of Portsmouth

