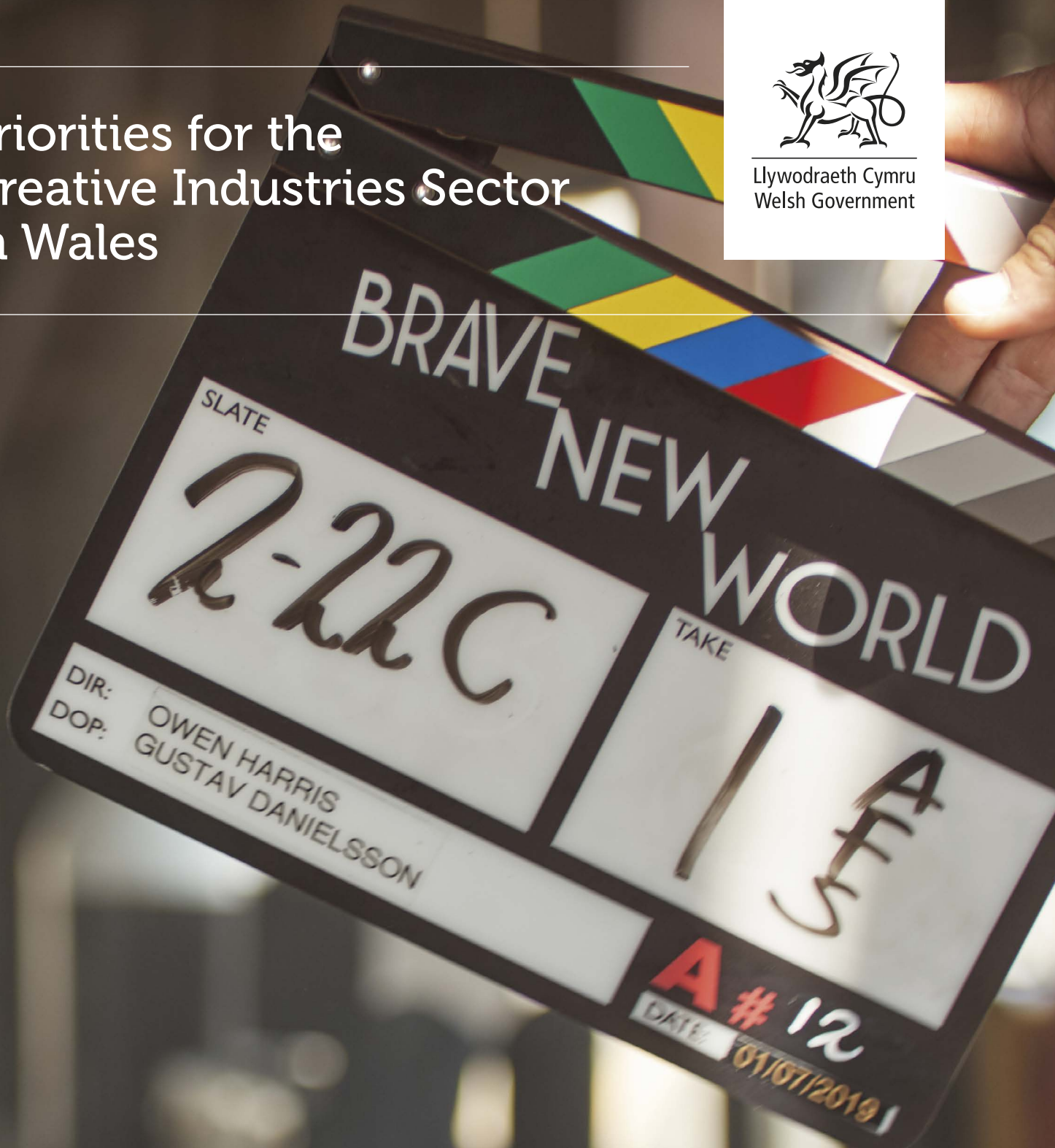


Priorities for the Creative Industries Sector in Wales



Llywodraeth Cymru
Welsh Government



BRAVE
NEW
WORLD

SLATE

2-22C

TAKE

1 A

DIR:

OWEN HARRIS

DOP:

GUSTAV DANIELSSON

A # 12

DATE: 01/07/2019

Cover image: Brave New World (© Steve Schofield/Peacock)

Below: Skills Guru Live (© BAFTA Cymru)

My vision for Creative Wales is for an organisation that will take the existing successes in the screen industry and build on these to drive growth across the whole sector; developing a skills base that is world class, expanding support to other parts of the sector and positioning Wales as the place to locate your creative business.



Introduction

The creative industries has been one of the fastest growing parts of the Welsh economy for a number of years. The sector doesn't just create jobs and wealth – it contributes to a strong national brand and helps to promote Wales and its culture and talent to the world. A creative society in its widest sense promotes well-being and a more inclusive society.

Whilst the creative industries has now moved to my portfolio of Culture, Sport and Tourism, it's importance as an economic driver remains and I am very proud of the achievements that the sector has made in recent years, and will continue to make with the direct support of Welsh Government. In particular, our support for the Screen Industry, which includes our assistance to Bad Wolf to base themselves in Wales and deliver significant high end productions out of their studio in Cardiff Bay. They have already completed the first season of Sky One's *A Discovery of Witches* which aired last year and a second season has recently filmed in Pinewood Studios Wales. The first season of *His Dark Materials* was filmed out of Wolf Studios Wales and has recently aired on BBC. The second series is due for release later this year.

We have also invested in world-class home-grown talent such as Gareth Evans on his Netflix feature *Apostle* and upcoming TV series *Gangs of London* as well as providing support to the global Netflix hit *Sex Education*.

We have made a significant contribution to the growth of the tech industry in Wales – which employs 28,000 people and has a turnover of £5.1 billion. Support provided by the Digital Development Fund between 2012 and 2016

helped to nurture a new wave of disruptive creative digital businesses – for example Wales Interactive – Bridgend based games designer and publisher, Pwinty – a photo printing technology company and MyPinPad – a company developing secure access technology. Today's entrepreneurs are creating wealth through a different kind of innovation than in the past. They are tech-aware, and delivery of their marketing, branding and operations through digital channels is as embedded in their products and services as it is in their operations. Often, they are creating disruptive business model based companies – or innovating through service and delivery rather than traditional intellectual property.

Creative Wales is committed to growing the commercial music industry and will build on the success of current initiatives such as PRS Momentum; Forte and PYST so that they continue to deliver for the needs of Welsh music. It has a key role in ensuring Welsh language music can develop commercial opportunities, as demonstrated this year, where a new focus on exploitation of digital platforms has seen artists distributed by PYST achieving over 9 million streams. Popular music is more than an economic interest. Wales has always been known as a land of song and music intrinsically links us to our cultural identity. We want to work closely with the industry and key partners to develop effective pathways for talented people to develop long term careers in Wales, support industry networks and help the music industry to grow organically, especially at grass root levels.

The creative industries sector is already a Welsh success story and its direct contribution to the Welsh economy is significant. For example, in 2018-19 alone, film and TV productions made

here spent over £55M on Wales based suppliers of goods and services. The impact of these successes extends beyond the industry into all parts of our economy; hospitality, tourism, construction and transportation all benefit from the presence of a successful creative industries sector.

In recent years, support for the creative industries has been focussed on those subsectors most likely to generate the greatest economic impact and provide the best opportunities for industry growth. These were identified at the time as screen – in particular high end television– and digital media. However, recent industry growth has changed the landscape considerably and the sector is at a tipping point where opportunities and challenges are converging. This signals a need for a change of direction for the future, one which embraces the synergies between the economy, culture and talent, is truly cross-sectoral and focuses more on supporting growth from a grass-roots level up. This must reflect the importance of the Welsh language to the sector and to delivery of our ambitions for the creative industries. With the right support over the coming years, I am confident that growth and success will be significant, making Wales the country of choice to set up and grow a creative business – where talent is nurtured, supply chains are healthy and support is in place to deliver these aspirations.

This brings me to the main themes of my ambitions for the creative industries sector in Wales.

Firstly, to build on the great strides that we have made in recent years in growing the sector, by **establishing Creative Wales** as a discrete

function within Welsh Government to enable us to be more responsive and flexible to the needs of such a diverse sector. Creative Wales will drive the growth of the Creative Industries sector in Wales with a more targeted regional and sector focus; our primary measures of success will be economic, such as increased turnover, numbers of workers, business births, retained intellectual property and spend in the Welsh economy. Broader benefits are expected to include a stronger supply chain, improvements in skills and better, more inclusive talent pathways – as well as substantial cultural and social benefits that can and will be achieved from the activities of Creative Wales. With culture and the economy so closely intertwined we will work closely with other organisations and key partners to support and promote joint goals.

Secondly, to ensure that we **develop the right skills** across the sector to support continued growth, recognising that this cannot be done in isolation and will require closer working with industry.

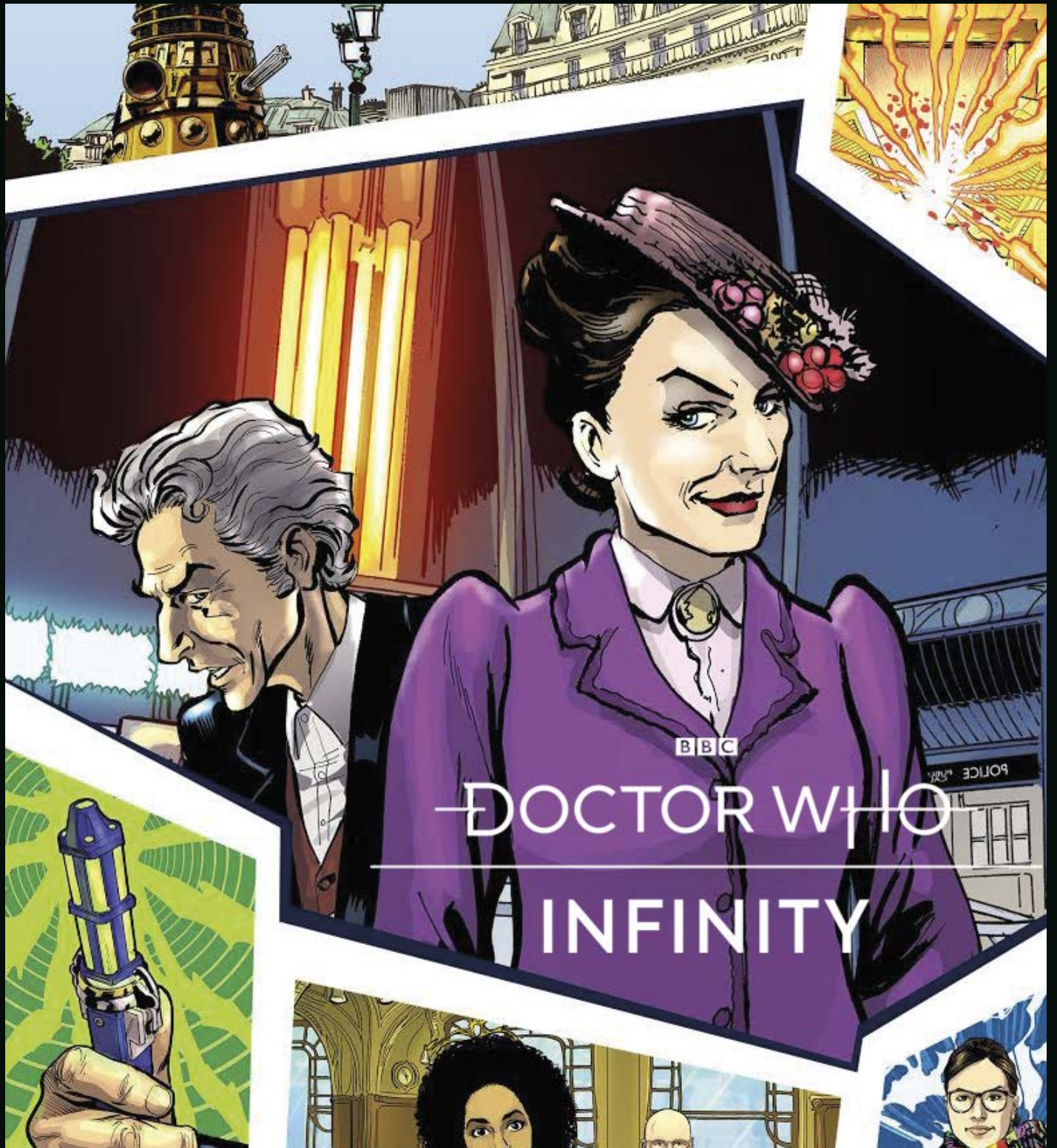
Thirdly, and in collaboration with industry, **to raise standards and promote diversity and equality across the sector**. This must include developing commitments from all partners with regards to inclusion, fair pay and working practices. We, as a government, intend to drive change and any future funding will be tied closely to a commitment from industry in these areas.

Fourthly, we will simplify our **funding support** for the creative industry and ensure that we are able to respond to the fast pace in which this sector moves in. All of our funding will be delivered through an Economic Contract

that ensures we get public good in return for public investment, a something for something approach.

Finally, drawing upon our experience with Visit Wales and the development of the Wales brand, we will take a lead role in the **marketing and promotion of the creative industries in Wales to the world**, via a new Creative Wales brand. Through the new brand we will promote the contribution that the creative sector makes to our global reputation and success.

These themes are all interdependent and this integrated approach will be the foundation for enabling the creative industries in Wales to continue to thrive.



Establishing Creative Wales

In April 2016 there was a manifesto commitment to establish 'Creative Wales', as a separate body to support the creative industries in Wales. Behind this commitment was a recognition of the need to offer a more streamlined, flexible and innovative service to a sector of the economy which is evolving rapidly within Wales.

I recognise that the aims behind this commitment remain valid, but I am not convinced that an arms length body is required. Instead, we have established Creative Wales as an internal agency based on the similar models also within my portfolio of Cadw and Visit Wales, where working within government has not hampered their ability to succeed in their respective fields. Being part of Government means that Creative Wales can lever its position for best possible effect.

Creative Wales will be more customer-focused and build on the previous successes of the creative industries team within Welsh Government. It will be a pan-Wales service with a greater regional presence and focus as well as having a clearer and more accessible web presence and social media. It will have a strong brand that will harness digital, social and media platforms to create a community of influence around the creative industries in Wales.

However, there will also need to be a rebalance of the assistance it will provide both in terms of subsector focus and in the types of support it will offer. In the past that support has been mainly in the form of funding to film and TV through grants and the Media Investment Budget, and the video games, software and creative digital sector through development or job creation based grants. Maintaining and

supporting a pipeline of film and television productions and continuing to position Wales as a top location for production will remain a priority, but I want to see more of a shift towards developing and strengthening the crew base and supply chain, and also to support other areas, such as other TV genres e.g. factual and light entertainment, digital content creation and commercial music, to grow at similar rates.

Creative Wales will not proactively cover all sub-sectors equally and in the short-term there are clear areas of priority:

- Acknowledging the important role of creative services and agencies in providing talent beds, permanent employment and R&D investment; as well as delivering powerful creative output in their own right.
- Creative Wales's support will concentrate on opportunities presented by digital platforms – reflecting the increasing importance of digital across all relevant sub-sectors.
- Further developing the film and television supply chain, including post-production and VFX industries, and continuing to position Wales as a top location for high-quality film and television production.
- Support for creative content creators who exploit technology, including animation and games.
- Industry-led support to improve pathways to viable careers in the music industry.

For example, parts of the live music scene across Wales have been under threat in recent years and many grassroots venues have closed. I want to look at ways in which targeted support can help secure a prosperous and sustainable

future for them. We also need to be aware that commercial strength needs recognition and support in other areas of the creative industries. Looking at the recent growth and global sales impact of companies like Hiut Denim and Spectrum Collections in the fashion industry, demonstrates the importance of nurturing and promoting more of these success stories. We also have to accept that the sectors of strength in the past may not be the ones of the future.

We will need to be agile enough to recognise when priorities change, always remaining focussed on economic impact, industry growth, fair pay and working conditions and global markets. That is why I also want Creative Wales to explore flexible funding that is tailored to the sector's needs and can respond to the various models of business in the sector. By this I do not simply mean realigning existing Welsh Government funding. Welsh Government will continue to support key investment projects, but we also need to explore other funding streams and offer brokering and signposting to other areas of support. Networking and helping to join the dots between businesses can be just as effective as direct funding to support further growth.

Although Creative Wales will operate within government, it will be structured as an internal agency with similar outlook, values and flexibility as other internal government agencies, such as Cadw and Visit Wales. I have asked my officials to work on developing a framework and new structure for Creative Wales to make sure it can provide the right balance of industry expertise and support and advice to Ministers. I want to ensure Creative Wales is structured to take on board the best feedback from the

creative industries sector, and we will establish and support an industry representative group, selected from within trade and industry to speak for the sector and its best interests and be truly cross-sectoral. This is an approach mirrored on the Historic Environment Group that has worked superbly in that sector, and it is one that I believe will work for the creative industries.

Creative Wales will also work closely with the Public Service Broadcasters (PSBs) in Wales. They have a significant economic impact and have been vital to the growth of the creative industries in Wales in recent years. It is crucial that this should continue.

In addition to being a vital part of our thriving creative industries, the PSBs have a crucial role in Welsh civic life and contribute greatly to the cultural, social and political landscape. They also have a vital role in contributing to the Welsh Government's priorities for the Welsh language and the target of a million Welsh speakers by 2050.

The Welsh Government's support to the publishing industry in Wales via the Welsh Books Council is also key to delivering our Welsh language strategy, as well as supporting the English language sector. Creative Wales will hold the lead relationship with the Welsh Books Council going forward.

Supporting a successful, bilingual publishing industry in Wales not only makes a contribution to our wider economic growth strategy for the creative industries in Wales, it also supports numerous micro business initiatives mainly based in rural Wales that contribute to their local economies.



Developing the right skills and talent

With such a fast-paced growing industry in Wales, it is important that we are able to meet the increased demand for a skilled workforce. Creative Wales will focus on supporting skills development and progression including establishing a strong entry route and pathway for future talent and looking at ways that funding can be used to support bespoke training and development opportunities.

We know that the growth momentum in the screen industry cannot be maintained unless there is support for developing industry skills and improving the talent pathway. We have already responded to this challenge in a number of ways, such as funding a number of full-time trainee placements, youth theatre projects and support to increase the diversity of the screen industry in Wales. We have recently, with ScreenSkills, funded Sgil Cymru to deliver a new Stepping Up programme for 2019, wherein 20 people will be trained to take their career in F&TV to the next level.

We no longer invest in screen projects unless the production company have a commitment to training and up-skilling on the production. This will continue under Creative Wales.

We will continue to build on these foundations and the launch of Creative Wales provides us with an opportunity to review and further support the provision of skills and training initiatives across the sector as a whole, maximising the effectiveness of talent pathways into the creative industries sector. One of the first things to do will be to develop a skills strategy for the Creative Industries in Wales and there will be a dedicated skills function within Creative Wales to support the industry.

We know that skills are crucial to continued growth as they underpin innovation, entrepreneurship and diversification. Roles within the creative sector are increasingly multi-faceted and often require broad skillsets to enable them to adapt to globalisation and continuing advances in technologies. There are also increasing demands for digital, marketing, communication and financial skills to enable businesses, often SMEs, to remain sustainable.

Creative Wales will need to work with Welsh Government education and skills colleagues, further and higher education institutions and industry representatives to consider the effectiveness of current provision and future requirements. There will also be a mapping exercise undertaken, working with Industry, to assess the gaps and the best ways of targeting them. This will include working with trade union BECTU's CULT Cymru learning initiative funded via the Welsh Government's Wales Union Learning Fund that works in partnership with sister unions Equity, the Musicians' Union and the Writers' Guild of Great Britain. It provides a broad range of learning opportunities including business, digital and hands-on skills training, one-to-one support and bespoke events for creative workers across Wales to enable them to sustain and progress in their careers.

Improving standards and working in partnership

Our vision for the sector is one in which everyone, regardless of circumstances or background, can access opportunities and thrive; a diverse industry where work is fair and workplaces are inclusive. We will engage and work in genuine partnership with a broad range of stakeholders, from industry representatives to trade unions, to build on our successes and contribute to the fair work agenda. We will capitalise on Welsh Government proposals to strengthen social partnership arrangements through a clear legal framework to ensure Creative Wales is both the representative voice of the sector within government, as well as the government's voice within the sector.

To date, the success of the creative industries in Wales has been built on a foundation of successful partnership working. This has ranged from funding agreements which lever in additional funding to Wales through to working with organisations that bring together people with industry expertise for the benefit of the whole sector. For example, we have been working with Bafta Cymru to increase awareness of the creative industries in Wales and showcase some of the successes.

Our current partnership with Clwstwr is ensuring that the impact of UK government R&D funding in the creative industries is amplified, in particular through our support for grant schemes to businesses engaged with Clwstwr.

Another successful partnership is PYST, an initiative co-funded between the creative industries and Welsh language divisions of Welsh Government as the first digital distribution and label service primarily for Welsh language music. To date artists and labels distributed

by PYST have achieved over 9 million streams across all digital platforms, with Alffa, a young, Llanrug based blues rock duo having delivered over 3 million of those streams, the majority generated internationally. Over 40 of the Wales-based labels are already using the service for their new releases and catalogues and are seeing an increase in streaming income generated for both them and the artists. PYST is now establishing its live music booking and coordination service and is delivering monthly touring circuits alongside working with many of Wales's premier music festivals and promoters. This work is taking place both within Wales and beyond on regular shows and events. PYST is also trialling a monthly tour of three Welsh language acts visiting Glasgow, Manchester and London working alongside promoters in those markets.

Nurturing successful partnerships and supporting collaborative working will be an important component for future growth and to ensure the sector and its talent are nurtured to represent the creative industries in its broadest sense. Providing direct funding to a project is often not the right answer. I would like to see Creative Wales do more to provide information and guidance to companies in Wales to help them to find new markets at home and abroad. This will include a networking service and making connections between businesses, freelancers and other stakeholders to bridge gaps and enable people to work together. This will also support creative spaces and enable the entrepreneurial working practices required in the freelance economy and empower the sector to respond quickly to new opportunities as they develop.



Simplifying the models of funding to respond to the sector

Creative Wales will have a clear offer of financial support. It will continue to offer funding where there is evidence of market failure or the need for strategic government support and will have a dedicated annual budget to invest in further economic stimulus.

We recognise that much of the creative industries sector is freelance/self-employed and the continuing growth of the sector will rely on a range of different funding models. I am keen that future funding will be flexible and decisions will be agile, showing a greater appetite for risk and also enable the development and retention of intellectual property within the sector in Wales. The time taken for funding decisions must be proportionate to the level of funding requested and the associated risks.

Support will continue to include direct Welsh Government intervention through a variety of means including grants and sponsorship. However, we will also be considering other funding streams available to the sector such as the Development Bank for Wales, private and third sector funding and the role of Creative Wales will be to help broker these financial partnerships.

Where businesses are seeking direct financial support from Creative Wales they will be required to commit to an Economic Contract aimed at stimulating growth, increasing productivity and making Wales fairer and more competitive. A key consideration for the Welsh Government through Creative Wales will be that individuals gain fair employment and fair terms and conditions.

Marketing and promotion of the creative industries in Wales to the world

As part of the development of Creative Wales my officials will be undertaking a branding exercise, building on the Cymru Wales brand family and elevating Wales's status and strengths in the sector.

Wales is already well known internationally for its brilliance in film and television, with productions such as *Doctor Who* and *Sherlock* that have been running for several years and are recognised across the world. More recently, successful productions such as *His Dark Materials*, *A Discovery of Witches*, *Their Finest* and *Journeys End* have received critical acclaim and have helped to elevate Wales's position in the international market. There is no doubt also that our collaborations with key international partners such as Pinewood have contributed to this success.

For screen projects in particular, Welsh Government has been successful in attracting significant investment from overseas markets. The UK tax incentives make the UK very attractive to productions seeking to film here. Wales has been, and still is, in a unique position to benefit from this, due to our excellent financial incentives, our close proximity to major cities such as London, Bristol, Liverpool and Manchester and breadth of locations available with castles, beaches and cities all close by.

We must ensure that the production sector in Wales continues to thrive. To do this we must strike a balance between supporting home grown production, investing in big inward productions and investing in skills, talent development and infrastructure. We will look to do this, for example, through the terms of funding we offer to projects that either promote

Welsh culture or commit to using and promoting Welsh talent.

We have experienced first hand how rapid advances in digital technologies are breaking down barriers to accessing global markets. The creative digital sector has achieved significant success in the last five years, putting Wales on the map. Most recently a Welsh led consortium won one of four 'Audience of the Future' demonstrator projects and £2.4m of funding. Support has been provided to digital agencies, software development companies, games and interactive media companies and we have built strong relationships with emerging clusters and representative bodies such as the UK Government Creative Industries Knowledge Transfer Network. We have also created opportunities to showcase what Wales has to offer in international events such as the Games Developer Conference in San Francisco, and Gamescom in Cologne.

The creative industries in Wales are a good vehicle to promote Wales in the world – not only as a centre for creative excellence, but also as a great place to visit, live and work. Locations are showcased through film and television productions made here, and our global talent across the sector generates interest in Wales as a country of rich cultural value.

We must now build on this to ensure we continue to promote our home grown talent, but also to ensure that the right support is in place for Welsh businesses to maximise opportunities for their products and services, not only internationally but also to key UK markets. To do this, we will need to take a truly cross-sector approach, broadening our reach

Conclusion

to those sectors such as music, gaming and fashion through focussed annual campaigns and promotions.

We have achieved a great deal in recent years and we now have the opportunity to deliver further growth. We will need to continue to invest both in securing inward investment and ensuring appropriate support is available to help existing Welsh creative businesses exploit the opportunities created by our recent successes. Wales is a place of inspiration and ambition. I want to ensure creative talent can continue to flourish here and creative ideas can be turned into economic success.

