



OUR CREATIVE FUTURE

Nurturing World Class Creative Industries

FOREWORD

by Ivan Lewis MP, Shadow Culture, Media and Sport Secretary

As we renew Labour as an effective opposition and credible alternative Government, it is appropriate that the future of our creative industries is an important focus of our policy development process.

They are integral to Labour's vision for a prosperous and fair Britain which supports business growth and innovation and ensures the jobs of the future are available to people based on their talent not their social background.

Throughout history, Britain's creativity has inspired the world. From the BBC's original programme content and cutting edge journalism to Dyson's range of cutting edge engineering and design products, to the creation of the now global mobile phone microchip by ARM Holdings. From the British engineering dominance of Formula One, to iconic fashion designers such as Vivienne Westwood and Sarah Burton. From the RSC and the National Theatre to many of the world's leading orchestras, bands and solo performers. From Adele to Harry Potter to video games such as Tomb Raider and Little Big Planet. It is central to our ability to sustain what Ed Miliband describes as the Promise of Britain, where the next generation has better opportunities than the last.

We are rightly proud of our creative industry legacy. Chris Smith's decision in the early stages of Labour's first term in Government, to define a creative industry sector was groundbreaking and has been subsequently replicated by many other countries.

Our analysis confirms that many of our creative industries are world leaders and that collectively they are the second largest driver of UK jobs and growth after financial services. But it is also clear that this great UK success story is at peril due to global competition, piracy, the challenges of digitisation and the Conservative-led Government's policies which are undermining the ecosystem that supports our creative industries. We also share long standing concerns that access to jobs in our creative sector is too often determined by social background not talent. This is unfair, but it also has a direct impact on businesses' capacity to compete and succeed in an increasingly competitive environment.

Looking to the future, we have identified the need for an ambitious vision led by business and supported by an active, joined up Government. This vision will only be achieved if we can support far more of our creative businesses to scale up and become global enterprises, invest in an education and skills system with creativity at its heart and responsive to business needs, maintain a strong commitment to public investment in culture, adopt a coherent intellectual property regime and develop robust intelligence about the performance, challenges and opportunities relating to each of the thirteen industries. We must also be proactive in opening up internships, apprenticeships and jobs to all sections of our society. We cannot afford to waste any talent as we strive to maintain our position as world leaders.

I want to thank all those who have given their valuable time and wise counsel over the last six months. It is rooted in the experiences and aspirations of many people whose innovation, enterprise and passion for our creative industries is truly inspirational. Some represent large global companies and trade bodies but the vast majority work in micro businesses engaged in an ongoing struggle to survive and grow in a challenging global environment. Irrespective of political affiliation, they want to be the best and for Britain to be the best. That is our shared ambition and in the months and years ahead will be our shared mission.

LABOUR'S VISION

Labour's vision for the UK's creative industries is that they will continue to grow, create many of the jobs of the future and in many sectors retain their status as world leaders. An important element in this continued success will be opening up access to internships, apprenticeships and jobs to people with talent from all social backgrounds.

We are proud of our groundbreaking decision in Government to create a distinct creative industry sector and support its development. A decision which has subsequently been replicated by many other countries. However, we now need a forensic reappraisal of the challenges and opportunities facing our creative industries accompanied by urgent and smart action to ensure their continued success. Labour is determined to ensure that the potential of these key industrial sectors and the economic and social potential of our diverse talent, is fully realised. Our creative industries should be a key driver of jobs and growth in our economy, but they also have a cultural value which means they are at the heart of the kind of society which we want to nurture in the UK.

Significant investments being made by a range of emerging economies, combined with an enlightened, activist approach by a number of other Governments, means that the creative industries of other nations are rapidly expanding and therefore the global environment is becoming much more competitive. Digitisation is challenging existing business models. This rapid global change combined with a Conservative-led Government which has an inadequate plan for jobs and growth, and is imposing too fast and too deep cuts, poses a serious challenge to our position as world leaders in many sectors. If we fail to invest in our young people we run the risk of creating a lost generation and choking off the talent pool which will fuel our businesses of the future.

We have a vision for the creative industries in this country which will unleash the UK's creative talent and which will allow our businesses and our people to flourish and to grow.

The key principles and values shaping Labour's policies in this area can be summarised as follows:

1. A clear commitment to long term sustainable growth in our creative industries.

We need a balanced deficit plan that puts jobs first – of course we need tough decisions on tax and spending cuts, but getting people off the dole and back into work is best way to get the deficit down.

We can have no future as a low skill, low pay economy, falling behind other major countries in high-skill, high-tech manufacturing and industry. Britain is in a global race for many of the industries of the future especially in the creative industries. Government action in these industries has a crucial influence on the kind of market Britain becomes. We want a relentless focus on private sector growth across all areas of the country, with more people working in businesses, leading businesses and setting up businesses, and none more so than in the creative industries.

The role of government is not to pick winners, but it is to support the sectors of the future. That means we need an active, intelligent government doing all it can to create the conditions for private companies to invest, succeed and grow, in key sectors and across the wider economy.

2. A focus on the next generation - investing in future talent

We believe that a major British competitive advantage in the global economy is its creativity. We will lose this strength if we stop investing in our future talent and fail to open up access to our creative industries to our diverse population. The nation-wide promotion and support of talent, access to education and skills training that is not dependant on financial circumstances and talent based routes to employment are all necessary, not just because it is right, but to ensure we have a dynamic and inventive

economy. For social and economic reasons we can and we must create better opportunities for the next generation. This “Promise of Britain” is being threatened by the Conservative-led Government’s approach to the creative industries, which demonstrates a lack of urgency in providing the action-orientated leadership which is necessary for the sector. They are making disproportionate cuts to our creative and cultural infrastructure and threatening creativity in education. The failure to honour a pre-election commitment to introduce a tax credit for the video games industry has further weakened our global competitiveness.

These two objectives of maximising growth and supporting opportunity and aspiration are central to Labour’s vision for a better Britain.

What does this mean for the creative industries?

We need a recognition of the role of government, in these industries shaping and supporting markets, industry and business, and in our future economic success, to ensure that the UK stays ahead. A strategy which understands and supports the complex eco-system of funding and provides support across a range of inter-dependent sectors - from the arts to computer games, from education to exports.

That strategy will be:

- Explicitly international in orientation, in the context of ever more challenging competition
- Business led, with Government support
- Interdepartmental: we need a cross Government approach
- Focused on where Government can intervene to add the most value in sectors and policy areas
- Heavily influenced by the urgent need to maximise the return for UK plc by creating a stronger synergy between creativity and business acumen. We need knowledgeable investors providing access to finance, to build business capacity, and support the scaling-up of more businesses across the sector.

- Informed by better, more robust economic data which drills down into each of the thirteen industries.

We need to position this within the context of a strong cross-governmental commitment to creativity, which will:

- Go to the heart of the education system – formal and informal, school and life-long learning
- Embrace the arts, culture and the creative industries
- Look at the ways public sector investment, government procurement and other policy levers can contribute to the growth of the creative economy
- Protect the integrity of intellectual property
- Be underpinned by a clear commitment to opportunity and access.

NEXT STEPS

1. Creative Industries Network

We are launching a Creative Industries Network of businesses, sector bodies, arts organisations and trade unions. The Creative Network will facilitate business to business contact, signpost creators to business support, build relationships between businesses, cultural and educational organisations, host regular events on issues of interest and ensure Labour's policy development is informed by the experiences and priorities of the people on the frontline of the UK's creative industries. Andrew McGuinness, Chair of the Advertising Association and founding partner of Beattie McGuinness Bungay, will chair the Creative Network.

2. The Fairness Pledge – internships, apprenticeships and jobs

We will use the Creative Network to pilot a new fairness pledge. Creative organisations will be encouraged to sign up to a pledge that in future they will take

positive steps to ensure internships, apprenticeships and jobs are opened up to people based on their talent not their social background.

3. Building scale and competitiveness in the UK's creative industries

Transforming many more of the UK's creative ideas into global business successes is the key to our future prospects. Patrick McKenna, the founder and Chief Executive of Ingenious, has agreed to report on the changes which are necessary to ensure far more home-grown creative businesses have the business skills and private investment to scale up and become global enterprises which secure jobs and growth benefits for the UK.

4. Robust analysis leading to smarter policy

We believe that the current economic data relating to the UK's creative industries is inadequate. The Government should address this as a matter of urgency. Labour will engage with each of the thirteen industries to "drill down" into the detail and identify both generic and industry specific trends and challenges. Our aim is to better understand which sectors could most benefit from Government promotion and support, and what interventions and support are required to stimulate growth, jobs and opportunity in this very dynamic area of the economy.

5. Develop a better understanding of 'creative value'

We will work with colleagues across the Shadow Cabinet to develop a better understanding of the role and value of culture and creativity across the economy and society.

We also intend to do further work on how the value of art and culture can be measured, moving beyond the false choice between intrinsic value and instrumentalism.

6. *The ecosystem*

The success of our creative industries is built on some key foundations including public investment in culture and education. In the period ahead we will work with others to promote the importance of creativity remaining at the heart of our education system. This is not only important for young people's learning but also the future of our economy. We will continue to pressure the Government on this issue and ensure it is reflected in the development of our education policies.

7. *Communications Bill and the future of public service broadcasting*

We have a revolution taking place in our global media environment. Industry innovation, convergence and changing consumer demand are resulting in exciting new opportunities and ask new questions of industry and Government. The effect new digital technologies are having on business models and value chains in the UK's creative industries, means that there needs to be significant reform of the regulatory system and robust enforcement of intellectual property.

The future of the BBC, in the context of 16% cuts over the next four years and Charter renewal, together with the renewal of Channel 3, 4 and 5 licences and switchover, will also have a major impact on our wider creative industries.

In the period ahead we will be developing a distinctive Labour position on a new Communications Act which must protect non-negotiable principles while modernising our regulatory framework to reflect this rapidly changing global environment. Although we are concerned that the Government's approach and timescale does not recognise the need to address these issues in a coherent way.