Creative industries in the South Wales Valleys: a working paper.

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Summary:

Creative businesses are thinly spread in the Valleys, but there are development opportunities, if these can be pursued with patience against a background of sustained creative industries policy focus by the Welsh Government. The creative software sub-sector looks particularly promising, with emerging momentum in Wales and the Valleys, and low barriers to entry. The best approach would be to understand in detail business activity which already exists and to engage in dialogue about value-adding investments and initiatives, such as the provision of suitable premises/incubation space and, where possible, addressing the fast broadband deficit.

Local authority policy thinking and interventions with regard to creative business shows awareness of wider contexts, but is unevenly resourced and delivered. Little connection is made between the role of publicly funded arts projects and creative business. Peer to peer creative business networks have demonstrated their value and should be encouraged.

Broadband availability is problematic, but is being addressed by the Welsh Government. This is a make or break issue.

Educational provision, relevant to creative industries at the FE and HE level, is very substantial and supported by sustained student demand. This is a strength, but there is a need to ensure that what is offered is well articulated to emerging strategic business needs, diverse business models and genuine employment opportunities.

Better co-ordination of all these activities will add to the value of the whole approach. Good data-keeping and routine evaluation is important and largely missing from current approaches.

1. Objectives

This research attempted to meet the following overarching aims, with regard to the South Wales Valleys:

- To provide a factual profile of creative industries;
- To establish a picture of the current approach to education and training relevant to creative industries;
- To consider the potential for creative industries growth and development.

2. Background

Creative Industries emerged as a priority for UK economic development in 1998, when the newly formed UK Department of Culture, Media and Sport identified 13 business sub-sectors which "have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property." Based on this definition, the UK's creative industries have, in the last decade, consistently grown faster than the economy as a whole and today account for 5.6 per cent of UK gross value added. They deliver the UK's third largest contribution to exports, behind advanced engineering and financial and professional services. Within creative industries, the most dynamic sector has been video games and other forms of "leisure software".   The largest concentration of creative business activity is in the London area. The 13 creative industries sub-sectors are: advertising, architecture, art and antiques, computer games, crafts, design, designer fashion, film and video, music, performing arts, publishing, software, TV and radio.

Wales has had its own strategy to support creative industries since 2004. This was refreshed in 2010/11 following a review conducted by Professor Ian Hargreaves.[1] In the wake of this review, creative industries were confirmed as a priority area for Wales' economic development. According to the most recent Welsh Government data, in 2009, creative industries in Wales provided jobs for almost 20,000 people in 4210 enterprises; an increase in employment of 11 per cent since 2005, compared with growth of 6.8 per cent in all industries.   The creative sector is characterised by high levels of self-employment; the highest average full-time earnings of any sector in Wales (reflecting salaries in broadcasting) and an overwhelming preponderance of smaller companies (99 per cent are SMEs).   As in the rest of the UK, the most dynamic creative sub-sector of creative industries in Wales is software and electronic publishing (jobs up by 60 per cent to 6,865 in the four years to 2009), though allowance has to be made for re-classification of relevant industry statistical coding in this period. The definition of "software" and its place in creative industries remains the subject of debate.

These are some background facts which make creative industries an attractive prospect for economic development and regeneration. Wales, though a relatively weak player compared with South East England and some other UK regions, has certain advantages in creative business: a strong performance culture; a heavily funded (historically) public service broadcasting sector in two languages (providing a base of independent television production) and strong engagement with creative industries in the education system: Glamorgan University's Centre for Creative and Cultural Industries at the Atrium in Cardiff houses the largest centre for creative education in the UK, with 3250 undergraduate and 80 graduate students.

Modern digital communications also potentially helps mitigate some of Wales' historic economic disadvantages in terms of transport links because

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[1] Hargreaves, I. (2010). The Heart of Digital Wales. Cardiff: Welsh Assembly Government.

broadband technology can, in principle, be delivered across any topography, albeit at higher cost in mountainous and remote areas. In spite of this, according to a report from Ofcom in July 2011[2], Wales continues to lag: three of the five Valleys local authority areas have the lowest score on a five-point scale and the other two the second lowest in terms of available broadband speeds. The Welsh Government has committed to remedying these defects for the whole of Wales by 2015.

Much recent academic work is focused upon the broader potential of the "creative economy" in terms of its ability to generate value by enabling citizens in various types of micro-production, such as the creation of software applications for new media platforms like the i-pad, hyper-local blogging and even everyday acts of creativity, such as knitting and other craft-based activities. [3] The challenge is to nurture a range of successful business models, enabling the development of businesses at different scales. Good broadband connections are seen as vital in supporting such creative networks in terms of collaboration and routes to market.

Also important to the creative industries policy context is the overlap between creative industries and the world of publicly funded arts and public service broadcasting, indicating the importance of avoiding the traditional gulf of mutual incomprehension between policy towards arts, culture and heritage on the one hand and policy towards creative industries on the other. This was a strong theme in the Hargreaves review of creative industries in Wales.

This is the background against which we should consider the potential of creative industries in the Valleys. It became clear early in this research that geographically precise information on Valleys creative businesses was sparse and in the time available (one researcher working part time for six months) there are limits to the detail we have been able to uncover. None of the relevant core statistical data held by the Welsh Government or UK agencies is broken down by local authority area or other regional formation which corresponds to the Valleys (with the exception of the most recent Ofcom data). It is also important to take into consideration the fact that creative business and employment opportunities for people who live in the Valleys can often involve commuting to the major cities of South Wales, including Cardiff. A report by BOP consulting (2008)[4], found that a third of all creative jobs in Wales were based in Cardiff. The importance of Cardiff in the South Wales creative economy is likely to grow, with major investments such as the BBC Drama Village in Cardiff Bay (Porth Teigr). The potential for this "beyond the Valleys" creative industries growth was outside the terms of reference of this research, but is an important consideration in setting any Valleys-focused strategy or establishing investment and intervention targets.

We approached the research task as follows: first we first digested the information which exists in databases and on websites before targeting three

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[2] OFCOM (2011). UK Fixed Broadband Map 2011. Available online at: http://maps.ofcom.org.uk/broadband

[3] Howkins J: The Creative Economy: how people make money from ideas. Penguin. 2001/2007

[4] BOP Consulting. (2008). Arts & Creative Industries Economic Impact Study. Cardiff: Arts Connect.

domains for interviews: representatives of the Valleys County Borough Councils (CBCs); all further education colleges and the only University located in the Valleys; and a small sample of creative businesses, some of which also completed a short survey[5]. We then tried to compare the snapshots available from these different sources to achieve a picture of the scale and nature of creative industries in the Valleys, the current approach to education at the FE and HE level and from there to derive some thoughts about potential ways forward.

In this report, the South Wales Valleys are defined as covering five County Borough Councils: Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff and Torfaen. The councils vary considerably in size[6], both in terms of geography and population, and have comparatively high levels of economic inactivity[7].

Table 2.1: Population of the Valleys CBCs (2009).

County Borough Council	Population (2009)
Rhondda Cynon Taff	2,334,400
Caerphilly	172,700
Torfaen	90,700
Blaenau Gwent	68,600
Merthyr Tydfil	55,700

3. Context

3.1 Context: creative industries in the Valleys.

The Valleys have a strong tradition of performance and creative ambition which is most clearly illustrated by the emergence of diverse talents like the Manic Street Preachers, the Stereophonics, Julien Macdonald, Rachel Tresize and David and Clare Hieatt. Whilst it is difficult to find data relating to Wales which is organised according to the DCMS sub sectors, we do know (for example) that there are 24 Valleys bands or music businesses listed in the Welsh Music Foundation's network database. This ambition in the world of popular entertainment is reflected in a sustained Valleys presence in television talent shows like Britain's Got Talent and the X-Factor. It is important, in sifting through statistics, not to overlook this evidence of energy.

In 2008 BOP Consulting was commissioned by Arts Connect and the Valleys Creative Industries Forum to map arts and creative industries in the Valleys (including Bridgend and Monmouthshire). The report mapped arts and cultural services, using a definition of the creative industries that was not the

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[5] Five on-line, two by telephone.

[6] ONS (2009). Mid-year population estimates. Swindon: ONS..

[7] Beatty, C. (2010). Incapacity Benefits in the UK: an issue of health or jobs? Social Policy Annual Conference, 5-7th July 2010, University of Lincoln. Available online at: http://www.social-policy.org.uk/lincoln/Beatty.pdf

DCMS definition utilised in Welsh Government work and this report. It included heritage sectors. The BOP report noted that within local authorities in the area, arts and cultural services could be fragmented between different departments. Councils attached differing levels of importance to the 'role of the arts' (p.6) including how much was spent, how many staff were employed, and even if there was an arts strategy. Several Counties managed arts venues, such as theatres, although these were often in need of repair. Likewise, some Counties held 'major arts events' (p.14).

In order to establish an economic estimate of the impact of the arts within the extended Valleys area, BOP used data from the Annual Business Enquiry and the National Business Database. In order to create a larger amount of data to work with, the 13 DCMS categories were amalgamated in to four broader categories – itself an indication of the relative weakness of the creative industries footprint in the Valleys. As the data include Bridgend and Monmouth, as well as Heritage sector data, their relevance to this project should not be overstated.

In general, BOP reported a growth in businesses within the broad category of Visual Arts, Design and Audio-visual between 2002 and 2006. Other aspects of creative industries (books and press, and performance) remained relatively stable. However, alongside this growth in businesses was a reduction in employees. This trend of an increase in businesses, but a decrease in employees held true for all creative and heritage industries across the region between 2002 and 2006. Within all regions, approximately a third of all creative and heritage businesses were found to be sole traders. It is clear throughout the BOP report that within the Valleys, Councils tended to focus most of their attention on participatory art projects, using the arts to strengthen communities, rather than specifically aiming to create strong creative industries. Furthermore, a weakness in the area of training for the creative industries was noted (with the exception of RCT). The report pointed out that funding from Arts Council Wales was decreasing, adding further pressures to Valleys CBCs, although new funding was at the time of the report thought likely to come from the Heads of the Valleys initiative.

3.2. Context: creative education and training in the Valleys.

Skillset, the Skills Council for Creative Media, has been working to map the extent of creative industries and the provision of relevant education. However, Skillset not use the DCMS definition of creative industries. Early in 2011, Skillset produced Sector Skills Assessments for creative media[8] and fashion[9] in Wales. These reports show that in 2008/09, 1,100 FE and HE 'Skillset relevant' creative media courses were available in Wales, accounting for 6% of UK provision (p.67), and amounting to almost 50,000 learners, indicating that Wales (with less than 5 per cent of UK population) might

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[8] Skillset. (2011). Sector Skills Assessment for the Creative Media Industries in Wales. London: Sector Skills Council

[9] Skillset. (2011). Sector Skills Assessment for the Fashion and Textiles Sector in Wales. London: Sector Skills Council.

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reasonably be judged to be punching above its weight. The Skillset report[8] argues that creative industries are likely to continue to grow within HE.

Within Wales, further education provision has seen two recent changes. In 2010 the Principal Learning in Creative Media within the Welsh Baccalaureate Qualification was introduced at two colleges, one in Cardiff, the other in Barry. Alongside this, Skillset is currently piloting the Skillset Cymru Apprenticeship in Creative and Digital Media, with 11 apprentices employed by production companies in Cardiff who receive class-room based learning from Coleg Glan Hafren. No evaluation is yet available of these two projects.

There are seven Universities within South Wales (University of Wales, Newport; University of Wales Institute, Cardiff; University of Glamorgan, Cardiff University; Swansea University; Swansea Metropolitan University and University of Wales, Trinity Saint David). Most offer courses in creative industries, but only two have received the prestigious Skillset Accreditation, which identifies courses as preparing completers to work in the creative media industries 'confidently'[8]. Both are hosted at the University of Wales, Newport. Participation in an accredited course is intended to result in completers finding work within the creative media industries, in contrast to courses simply defined as 'relevant'. The Skillset definition of creative media industries excludes some DCMS creative industries sub-sectors, such as art & antiques, craft and architecture, even though the last of these has a school within Cardiff University. In the Further Education sector, the Valleys are served by four institutions: Coleg Gwent; Coleg Morgannwg; Merth**y**r Tydfil College and The College, Ystrad Mynach.

The Skillset review of creative media industries found that over half of all professionals in the area had undergone some training in the past twelve months, which was viewed as evidence of the professionals being 'relatively highly qualified'[8]. This coincides with a similar percentage of employers funding training for staff (although this does not touch freelancers – an important qualification with regard to the creative industries).

Skillset undertakes a yearly review of training required within the industries, with funding from S4C, Teledwyr Annibynnol Cymru (TAC) and the Welsh Government. In 2011, courses focus upon three priority areas: ideas generation, co-production and research skills. The Skillset report on fashion and textiles found that within fashion, there was a larger proportion (over half) of hard to fill vacancies than in other areas of creative industries[9]. Such difficulties in recruiting were attributed to the unstable working conditions within the industry, and a consequent loss of skilled workers. Within the workplace, a lack of time for training was identified as a barrier to increasing the skills of the work-force, although the vast majority of staff were seen as already competent at performing their role, and thus not in need of training.

Finally, CULT Cymru (Creative Unions Learning Together), funded by the Welsh Government, aims to support freelance workers within the industry, by holding training events at affordable prices. These events are mostly held in Cardiff, with some provision in North Wales.

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4. Research findings in detail

4.1. The Valleys County Borough Councils

This section presents data from CBC websites, interviews with CBC officers and data provided by these local authorities. It is not always easy to distinguish precisely between activities provided by CBC Arts Units, for the most part aimed at participation, and those provided under the heading of business development and regeneration. CBC Arts officers see their work with young people as offering potential starting points for careers in the creative industries. CBC Business Units did not have creative industry specific strategies and, with the exception of Caerphilly and RCT, did not prioritise particular business sectors; but their services were, of course, open to creative businesses. The level of interaction between arts, business and regeneration teams varied greatly.

4.2. County Borough Council websites

The first phase of the research involved a study of CBC websites. This was of value in preparing interview questions, but also as an indication of how the local authorities currently present their work externally. The search found that no website has a dedicated section concerned with creative industries as such, though the business support areas of many of the CBC websites detailed grants and practical support that were available for all SMEs.

Within Blaenau Gwent, regeneration is one of seven action areas which can require collaboration between different Council Departments. Within the 2009 Regeneration Strategy, creative industries are not identified as an area with potential for growth. Despite this, the aim of creating incubators for small businesses, and providing technology training for businesses at the Valleys Information and Communication Centre (ViTCC) in Tredegar, could in principle be relevant to creative businesses. Blaenau Gwent has three arts venues; Beaufort Theatre & Ballroom (Ebbw Vale), The Market Hall Cinema (Brynmawr) and the Met Cultural and Conference Centre (Abertillery). This enables a programme of cultural activities to be provided each year by the Blaenau Gwent Arts Development Team. Abertillery hosts an internationally recognised annual Blues Festival.

Within the 'Leisure and Tourism' section of the Caerphilly CBC's website, prominence is given to the importance of art in public spaces, along with a 'toolkit' advising how funding may be sought for public art projects. Art is presented as a way of tackling 'difficult issues and agendas'. The Arts Development Team organises a wide variety of events, including weekly samba classes and a youth theatre and art workshops, with participation the primary aim. Caerphilly Castle has been chosen as one of 8 sites throughout the UK to be part of the Cultural Olympiad under the name the 'Awen Project', and the website states that this will provide an opportunity for artists and local

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people to exhibit work or to host a performance. Caerphilly's 'businesses' department suggests that the Borough 'is recognised as one of the leading locations for businesses in the UK' and that it is able to provide ICT and e-commerce support for new businesses. Furthermore, the regeneration department is aiming to strengthen the economy and work force through 'diversification and entrepreneurship', and intends to do so by encouraging the growth of creative industry, alongside other sectors.

Within Merthyr Tydfil CBC, an 'Arts, Culture and Tourism Service' is part of the regeneration department and is responsible for much of what falls under the scope of creative industries. The department has one full time post: an Arts Development Officer. Items featured include an 'Arts and Cultural Media Forum' and an 'Exciting Writing Squad' aimed at young people. Both initiatives appear to be attempting to facilitate participation in the arts, rather than developing creative businesses. The Arts Development Officer has also compiled an 'Arts Handbook', in which people working in the creative industries can advertise their services, broken down into 12 categories, including arts and crafts and music. At the time of the research, there were almost 200 entries, of which around one quarter could be considered creative SMEs. A Google search for 'Merthyr Tydfil Arts' resulted in the handbook being the first result, indicating that attention had been given to the on-line marketing of the venture. Since 2007, Merthyr Tydfil CBC has played a role in running the Myfanwy Theatre, which is based at Merthyr Tydfil College. The CBC also organises a monthly series of open mic nights where authors can share their work. There is also an annual Welsh Music Festival, the Bedroc-Bedlinog Welsh Festival.

Rhondda Cynon Taff (RCT), the largest Valleys CBC, has the most ambitious range of services. It has a published Youth Arts Plan and its 'Arts Development Unit' organises events. These include participatory activities for young people including the SONIG Youth Music Industry project and the Take pART programme, linked to RCT Theatres. The CBC manages three cultural venues; the Muni Arts Centre (Pontypridd), The Coliseum Theatre (Aberdare) and the Park and Dare Theatre (Treorchy), collectively known as RCT Theatres and recently confirmed as an Arts Council of Wales Revenue Funded Organisation and one of 8 core venues across Wales. All three theatres are well used; for example the 2011 Zoom Film Festival was held at the Muni Arts Centre. Activities within these venues tend to focus on participation and performance rather than creative industries development, although an annual work experience programme, delivered through Careers Wales, is held at the theatres. A 'Youth Arts Small Grants Scheme' can make five awards of up to £500 per annum, to help the growth of young 'artists.' The CBC also aims, by March 2012, to 'develop and support industry based projects for those seeking careers within specific art forms' (Youth Arts Plan).

Torfaen CBC's website has three zones of potential relevance to creative industries. The 'leisure and culture' section promotes the 'Torfaen Young People's Music and Arts Trust,' offering grants for young people based upon aims that revolve around participation. The county's Regeneration Plan (2004-2016), focuses upon supporting manufacturing and entrepreneurship

generally but does not mention creative industries. The website provides details of an 'Enterprise Team, who are responsible for helping businesses access premises and finance.

4.3 Interviews with representatives from the CBCs

Interviews were undertaken with representatives of Arts Development Teams, Business Development Teams and Regeneration teams. An initial approach, by email to the Chief Executive Officer of each CBC resulted in varying combinations of officers for interview, as set out in the table below.

Table 4.1: Roles of interviewees from the CBCs

CBC	Arts Team	Business Team	Regeneration Team
Blaenau Gwent	1	0	0
Caerphilly	2	2	0
Merthyr Tydfil	2	0	0
Rhonnda Cynon Taff	1	0	2
Torfaen	1	0	0

In all CBCs, at least one senior officer or manager participated. The responses reported reflect the experiences and expertise of the individuals interviewed. However, when interviews were undertaken by Arts officers alone, prior to the interview, they appeared to have discussed the research questions with business officers.

Priorities for the five local authorities differed, but all expressed a strong interest in creating employment opportunities, though none made an explicit connection between this goal and creative industries. Within the Arts Development teams in each council, arts strategies were written, developed and evaluated. Their shared primary aim is participation for artists and other creators, along with audiences. The Rhondda Cynon Taff Artistic Strategy, created for RCT Theatres, also refers to commissioning services and co-production. RCT's Arts and Regeneration officers were also in the process of revising a Creative Industries Action Plan created some years ago for an earlier version of the RCT Regeneration Strategy.

Despite the participatory focus of current work, officers from the councils showed an awareness of Welsh Government policies promoting Creative Industries. An interviewee from Blaenau Gwent was currently preparing a creative industries strategy for The Works regeneration site in Ebbw Vale.
Officers from Business (Caerphilly) and Regeneration (RCT) discussed the growing priority attached to creative industries as a result of WG policy and recognised their potential value. This was feeding into RCT's Creative Industries Plan for those aged 14-19 as part of the Council's overall 14-19 Pathways programme. One officer from the RCT Regeneration team indicated that this was not a standard approach in other areas.

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Organisational structures within the CBCs vary markedly. In Torfaen, Arts, Business and Regeneration are contained within the same 'Neighbourhood Services' department, allowing for regular meetings of senior management. Within RCT there was an officer shared between the arts team, and the regeneration team, also allowing a shared agenda to be developed. In other areas, the structure of the CBC required a less formally coordinated approach. However, arts staff from all CBCs had some interaction with business and regeneration teams, although the frequency of this could vary significantly, and there was a feeling among many interviewees that more could be done given more resources.

The number of staff in each CBC dedicated to arts development varied from 42 full time staff in Rhondda Cynon Taff to one in Merthyr Tydfil. This can be explained by two factors: the relative sizes of the CBCs, and RCT's portfolio of three theatres. With the exception of the Officer from Torfaen CBC, who had a background in marketing, and Officer 1 for Merthyr Tydfil, who had a background in leisure, all arts interviewees had a background in participatory arts. These factors may contribute to a lack of focus on creative industry, but staff levels and tight budgets also impact upon arts officers' ability to meet wider business development objectives: 'It's hard to link to strategic plans when you only have one arts officer.' (Arts 1, Merthyr Tydfil).

The majority of CBCs had enjoyed stable levels of staffing over the past few years, but had been subject to budgetary reductions of up to 10% over the past year. The exception to this was Torfaen CBC, where the department has grown in the past four years, from 0.5 members of staff to 3.5. The use of external funding for arts related posts, both within and outside the CBC's team, was common, and these posts were often short term. At the end of such contracts, it could be difficult to find financial support to retain officers who were seen as an asset. As CBCs are required to make further spending cuts in the next two years, all officers anticipated that cuts would impact upon the programme and services they are able to provide.

In response, the Arts Service Managers of each of the Valleys CBCs, along with Monmouth and Bridgend, have proposed a shared arts service known as 'Arts Connect' which, if adopted, will enable them to work together as a shared service across the region. Arts Officer 1 from Merthyr Tydfil estimated that this would save around ten per cent in costs. At the time of the research, discussions regarding membership of Arts Connect were ongoing following Monmouth CBC's withdrawal (it had disbanded its arts department due to the loss of Arts Council Wales funding to Monmouth arts organisations). All interviewees indicated a strong commitment to working with neighbouring CBCs. However, Blaenau Gwent, Caerphilly and Torfaen CBCs had decided that they could not participate in Arts Connect at present, although they expressed interest in participating in the future. The issue of sharing services and, potentially, approaches to creative business development is one which merits consideration for the future.

When discussing creative industries development, a number of interviewees said that small creative businesses could be very hard to access by those responsible for delivering business assistance. In order to complete their Culture and Creative Industry plan, RCT officers were in the process of compiling information on creative industry SMEs in their area. Torfaen CBC officers, responding to our research, were able to compile a database of all creative industries within their area. The Torfaen database comprised the name and address of the businesses only, although subsequent internet searching allowed categorisation into the 13 subsectors. Of the 60 businesses identified by the council, this follow-up investigation led to ten organisations being removed from the database; one was based in Monmouth, another seven were not creative industries (one was a firm of builders and another performed translation services), and one was not found anywhere on the internet, including telephone directories. Of the remainder, 16 were photographers, mainly specialising in wedding photography. Consequently, the 35 creative industries within Torfaen are identified as:

Table 4.2: Creative industries in Torfaen by DCMS sub-sector.

Sector	Number of Businesses in Torfaen
Advertising	3
Architecture	4
Art and Antiques	2
Computer Games	0
Crafts	3
Design	6
Designer Fashion	0
Film and Video	2
Music	1
Performing Arts	2
Publishing	1
Software	10
TV and Radio	1

The most notable point here is the scale of returns in the software sector, corroborating other data brought together in this research. Three of these companies operate out of the Technium Springboard, indicating a measure of linkage between policy and business outcomes. It is also notable that Torfaen has more architects than appeared to be the case from an examination of the listings of the recognised professional body (RIBA). This indicates the limitations of UK professional association databases in establishing census data about creative firms. It is also likely that Torfaen's list failed to identify some micro-businesses. The Torfaen exercise, though rough and ready, provides a reasonable indication of the current state of creative industries in the Valleys: small in scale and fragmented, but with an emerging software presence and a visible base upon which to build.

4.4: Business support

All CBCs had a team to facilitate the growth of business. None had specific approaches aimed at creative industries, although interviewees provided anecdotal evidence that some creative companies had accessed generic business support and that their businesses were proving successful.

Across the CBCs, a wide range of grants were available, which could be used for costs, such as equipment and premises. Despite budgetary constraints, CBCs stressed that there were still grants available. Within Caerphilly, Community Economic Development Funding had recently been secured, allowing £1M of grants to be distributed throughout the CBC over the five years from 2011/12 to 2015/16. These awards were aimed at making businesses sustainable. In all other CBCs, a combination of Convergence Funding, seed-capital funding (HoV only) and grants provided from within the CBC's own budget were available.

The Business team at Rhondda Cynon Taff provided a breakdown of all grants that had been paid to creative industries in the 2010/11 financial year[10]. During the year, 24 Non-Convergence Fund grants, divided between 'Start Up Grants' and 'E-commerce Grants', were awarded throughout all industries. Four were awarded to creative businesses, including an architect and a business involved in design. These grants accounted for almost one quarter of funds paid out. Through the Convergence Local Investment Fund, the CBC awarded significantly larger funds, with five of 54 grants awarded to creative businesses, with three of these awarded to the film and video sector. To date there is no available evaluation of the impact of these grants.

In addition to generic business support grants, Torfaen CBC administered a grant for young musicians, which was funded externally. The grant was to enable young people to undertake high-level training. Similarly, within RCT, five grants of £500 are available each year from the 'Youth Arts Small Grants Scheme'. Furthermore, the Arts Council **of** Wales Nights Out Scheme was available throughout the region and Torfaen CBC noted that they supported residents to apply for the grant. It was noted by all CBCs that those working within the creative industries could be very talented in their area of expertise, whilst lacking business acumen.

A number of examples of good practice in providing business support were mentioned by interviewees. These included:

- Business clubs[11] (RCT, Caerphilly, Torfaen)
- Providing a template for businesses to create accounts (Caerphilly)
- Supporting businesses to write ('realistic') business plans (Torfaen, Caerphilly, RCT)

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[10] NB: this data does not include projects where the money had not yet been transferred to the applicant, and two further grants were at this stage.
[11] NB: in Merthyr Tydfil a business club is run by a group of local businesses external to the CBC

- Helping businesses to value the cost of their work in order to receive fair remuneration (Blaenau Gwent, Merthyr Tydfil, Caerphilly)
- Searching databases of grants er to find other avenues of funding. (Torfaen)
- Creating a low cost online 'trading portal' for town centres[12], enabling businesses to engage in e-commerce (Caerphilly) and
- creating an 'arts handbook' covering some creative industries (Merthyr Tydfil)

The provision of 'softer' business skills alongside grants was seen as important within all CBCs, but RCT noted that it was harder to know exactly what should be provided, as the needs of creative companies were not always clear. There was no evidence, for example, of work by the CBCs to support better business understanding of intellectual property issues, which are recognised to be of high importance for creative companies.

Alongside the support provided primarily by Business Units, the Arts Officers in some CBCs supported local businesses to increase their creative industry skills (RCT, Blaenau Gwent), by providing exhibition space in which to display their work (Blaenau Gwent), and to get contracts from within the CBC to teach or to provide public art work (Blaenau Gwent, Caerphilly, RCT). In addition, Blaenau Gwent provided significant assistance, both in terms of discounted theatre space and administrative support, to Ffin Dance Company who were in residence at the Met Theatre. Under the umbrella of RCT Theatres, RCT has supported local writers, comedians and musicians in its role as an Arts Council of Wales supported production house. Local artists have been supported to access training, for example in child protection issues. Again, there was an absence of formal evaluation of this non-grant business support.

Most officers interviewed recognised that the visibility of their services among creative businesses was an issue. Blaenau Gwent CBC noted that they currently had the capacity to support 'some more, but not too many more' businesses, but that the Arts team did not have the resources to identify suitable recipients. The CBC felt fortunate that an Officer, external to the Council, was able to direct some businesses to them for support. In Torfaen and Merthyr Tydfil, on the other hand, there simply were not enough staff within Arts units to promote this service.

By contrast, Business Officers from Caerphilly CBC described their 'proactive' approach. This included 'business surgeries' in areas of the CBC with low grant take up. In one day, the officer interviewed had found 44 businesses[13] eligible for support in Bargoed and New Tredegar. Furthermore, on a separate occasion 75 rock and pop bands attended an afternoon business surgery. However, the Business Officers also identified a significant issue in attempting to 'find' very small businesses that were often 'invisible'. Likewise, RCT CBC have held well attended creative industry seminars and also fayres where industry organisations where able to promote themselves. The

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[12] As part of a Welsh Government initiative

[13] These were not all creative industries as it was a generic business surgery.

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success of this approach indicates that where business support is well marketed, creative businesses will respond.

4.5 Young people and creative business

As already noted, the strategic aims of the Arts programmes within the five CBCs centered around participatory activities. Many of these can be seen as sowing seeds for later participation in creative industry, with some authorities actively seeking to identify progression routes. For example, Merthyr Tydfil has two 'Writing Squads', one using the medium of English, the other Welsh. These select students from primary and secondary schools who show potential in creative writing. Participants meet five times a year to work with a professional author to develop their talent. Young people can remain in the squad until the end of secondary schooling, and then may progress further with the support of Literature Wales (formerly Academi), which works across the Valleys area.

Likewise, Torfaen's youth theatre is strong and expanding, as is the youth dance company in Blaenau Gwent. Both had junior and senior branches, and logical progression routes beyond these. RCT Arts Development team currently receives funds from the RCT Education Welsh Government 14-19 grant allocation to facilitate 14-19 year olds access to the creative industries including photography, film production and the music industry. Initiatives have included support for the development of a music journalism group, who have created Plugged In, a magazine which enables young people to receive mentoring in journalism, graphic design and live photography, and to enable them to build up a portfolio of work. Plugged In is now an established, independent organisation. When visiting Coleg Morgannwg, it emerged that students had recently been visited by the editor of Plugged In and many were planning to submit examples of their work; a good example of an initiative reaching its target audience. Finally, within Torfaen CBC, a Youth Music Development Worker is part of the team. This work focuses upon non-traditional music provision, including a 'rock school' with includes tuition in sound engineering and band promotion.

Alongside these CBC initiatives, the Valleys have a plethora of activities encouraging young people to become involved in the creative industries including: Valleys Kids Art Works in RCT, Valleys Dance Partnership, Valleys Literature Scheme, Head for Arts, South Wales New Music Forum, It's My Shout and many, many more.

4.6: Events and venue management

All CBCs played some role in running big events, or managing venues. Big events were seen by the Arts Officer from Blaenau Gwent as providing an opportunity for the local community to enjoy experiences which might otherwise be inaccessible to them. In 2010 the Eisteddfod was hosted in Ebbw Vale, and in 2012 parts of the Cultural Olympiad will be hosted in Ebbw

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Vale, Caerphilly Castle and the World Heritage Site in Blaenavon (Torfaen). Blaenau Gwent's annual Abertillery Blues Festival attracts 500-700 attendees each year. Merthyr Tydfil has hosted the Global Village Festival, which show cases rock music, since 2005. The CBC hosts a diverse range of workshops in the two weeks leading up to th**is** event. RCT CBC hotss the Big Weekend each year**,** which attracts major acts to Ynysangharad Park in Pontypridd and allows for young bands to play in support of the headliners. Finally, Torfaen CBC hosts an annual Jazz festival in Pontypool which is now in its twelfth year.

Three of the CBCs play a role in managing theatres. Rhondda Cynon Taff has the largest portfolio, the 'RCT Theatres'; Muni, Pontypridd; Park and Dare, Treorchy; and Coliseum, Aberdare. The RCT Theatres are the only Arts Council Wales Revenue Funded Organisation amongst the five CBCs. Blaenau Gwent manages the Met Theatre in Abertillery, the Beaufort Theatre in Ebbw Vale, and the Market Hall Cinema in Brynmawr. Both RCT and Blaenau Gwent are able to support local performing arts groups by acting as booking agents. Torfaen leases the Congress Theatre from Prudential[14], with management in the hands of a trust. The venue is available for hire, but does not itself commission productions.

4.7: Premises and incubation

The premises needs of creative business vary greatly. Dragon Studios, a film studio near Bridgend, was launched in 2007 with substantial public funds behind it, but has never become fully operational. In the area of innovation policy, the Technium programme has attracted much criticism in terms of its value for money. By contrast, flexible, low-cost premises aimed at small clusters of creative companies have been a feature of many successful regeneration projects. Given the emerging picture of Wales' software sector, along with a growing network of creative micro-businesses, this may be the right approach for current circumstances. In the music industry, a programme of providing rehearsal rooms for bands has enjoyed success in Wales.

Torfaen CBC opened its 'Technium Springboard Innovation Centre', an incubation space for IT projects, in 2008. The CBC recognised the value of the centre in supporting new businesses and believed that it would be desirable to have a similar venture for creative industries, although this is not likely to occur in the immediate future. Incubation space, including for some creative industry SMEs, exists within Navigation Park in Abercynon RCT, as part of the University of Wales Graduate teleworking Initiative (GtI). The value of incubation space was also raised in interviews with Merthyr Tydfil and Blaenau Gwent. The representative from Blaenau Gwent CBC, who is seconded part-time onto the Works project in Ebbw Vale, said it was hoped that there would be scope for incubation space and further support for creative industries at the new site.

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[14] Who own much of Cwmbran town centre.

Although funding constraints will no doubt limit CBC ambitions for incubator and other purpose-built spaces, there are a number of examples of premises being adapted to meet the needs of creative organisations. For example, in Merthyr Tydfil's old Town Hall, Chapter Arts, a successful arts venue in Canton, Cardiff, will open a second branch. Furthermore, a local businessman is attempting to create a film studio on an industrial estate within Merthyr Tydfil, which he hoped would be able to use to provide young people with opportunities. In Torfaen, a grant is being sought for a work and exhibition space in Blaenavon which would enable a wide variety of artists and craft workers to have a low-rent workshop which would also provide a show room. A similar initiative is also underway in Pontypool. The Arts Officer interviewed was hopeful such projects would be useful for local SMEs.

4.8: Barriers to the growth of creative industry

Interviewees were not specifically asked to detail barriers to the growth of creative industry, although the difficulty of supporting people who were not business minded, and who were hard to access was frequently noted. Some people working in the creative industries were seen as not wanting to help themselves. One Arts Officer proposed a scheme[15] where artists could use empty shops to display their work for free, but none of the artists was ready to take responsibility for the shop.

Caerphilly council also noted the difficulty of attempting to attract existing creative industry into the area as a result of an inadequate broadband system. Whilst fibre speeds were achievable within the county, they were prohibitively expensive for most SMEs, and examples of businesses choosing not to invest in Caerphilly were given. This was also seen as an issue by the regeneration officers from RCT. This was a subject less on the radar of CBC arts officers, though the most recent data from Ofcom makes it clear that throughout the Valleys, slow broadband speeds are an issue (see section 2 above).

4.9: Local authorities: conclusions

The picture that emerges from the local authorities is one of patchy awareness of the WG prioritisation of creative industries in economic development. Given the relatively recent nature of this policy commitment and constraints on resources, it is not surprising that levels of activity in directly identifying opportunities to grow creative industries in these Valleys communities is subdued. Most authorities are comfortable with a relatively traditional approach to encouraging participation in the arts: the link between this and creative industries is made in some areas but not in others.

The conditions for high levels of success in creative industries - the confluence of small but rapidly growing creative businesses clusters in a particular area - does not appear to exist yet anywhere in the Valleys.

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[15] 3space - http://www.3space.org/

However, the County Borough Council officers who contributed to this research have a reasonable level of awareness of the theoretical potential of creative industries in terms of employment and prosperity. What they lack is examples of success to motivate greater investment of time and other resources. There is also a shortage of clear evaluation of what works and what doesn't in terms of general business support and the extent to which more specialised assistance (e.g. around intellectual property issues) might be needed by creative businesses. Given the potential for the emergence of networks of micro-business in the creative economy, supported by good quality broadband communication systems, the issue of broadband quality in parts of the Valleys is also a significant concern.

5. Creative industries and education.

This section focuses upon current and future provision of FE and HE courses directly relevant to the creative industries. The research sought to find out:

- What current provision exists in creative industries relevant courses?
- To what extent are these courses taken up?
- What is the post-course experience of students?
- Is current provision (eg in terms of curriculum) appropriate?

A wide range of courses is available at Level 3 (A Level equivalents) throughout the region, provided by four Valleys FE colleges: Coleg Gwent, Coleg Morgannwg, Merthyr Tydfil College and The College, Ystrad Mynach. In recent years three of the four colleges have also begun providing Foundation Degrees. Curricula have evolved over time, and it is anticipated that a predicted decrease in the numbers of students undertaking higher education will increase pressure for courses to be further tailored to the needs of industry. Courses taught at FE had high subject relevance to creative industries, although this did not translate into students being job-ready at the end of courses. This was reflected in the majority of level 3 students from Coleg Morgannwg who completed their course moving into higher education. At present, there is little information regarding outcomes for Foundation Degrees. The facilities available in the different institutions varied considerably, with the Coleg Morgannwg having outstanding facilities, whilst The College, Ystrad Mynach was in need of renovation.

The report will also consider HEIs, but more briefly. An interview was undertaken with a representative of the University of Glamorgan, which has the only university campus in the Valleys. Other locally relevant HEIs include the University of Wales, Newport; University of Wales Institute, Cardiff; Cardiff University, Swansea Metropolitan University and the University of Wales, Trinity Saint David. A review of course provision of these institutions was undertaken.

There was no readymade aggregated data, so interviews were undertaken with members of staff at the four providers of FE level creative industry

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training: Coleg Gwent, Coleg Morgannwg, Merthyr Tydfil College and The College, Ystrad Mynach. In addition to this, prospectuses and websites were searched, and some data were prepared in response to inquiries by Coleg Gwent and Coleg Morgannwg. Notes notes from a visit to the Works site, where a representative of the new learning quarter gave a presentation, were used as data. Following interviews, the representatives were given the opportunity to check a draft of the report for accuracy.

The majority of the colleges have more than one campus, some of which fall outside the Valleys area. For the purposes of this report, only campuses where creative industry related courses are taught will be included.   An illustration of each of the relevant campuses is shown on the map below.
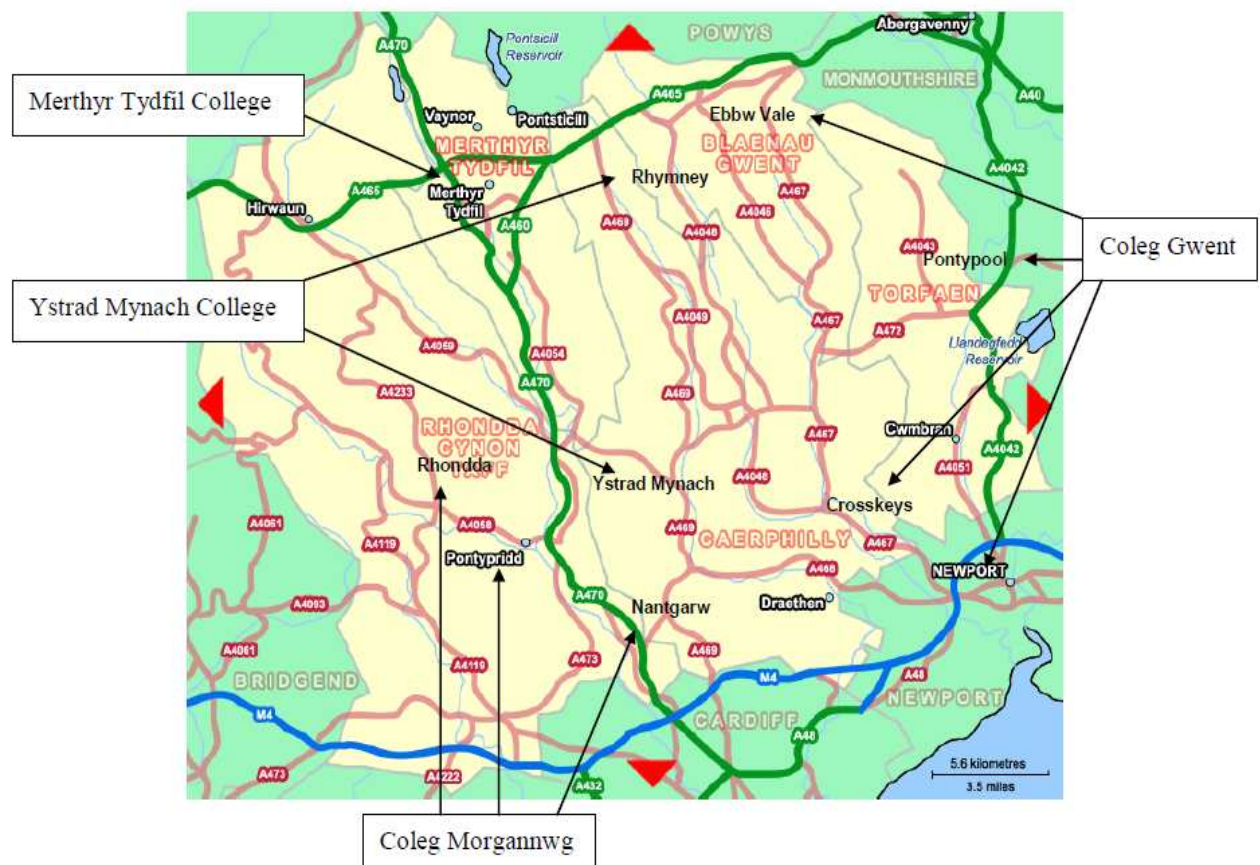

Figure 5.1: FE Campuses in the Valleys area.

5.1 Curriculum

Table 5.2, below, shows the range of creative industry courses provided across the region by the four FE colleges. Most provision at level 2 and 3 is provided through BTEC First and Extended (formerly National) Diplomas. The First Diploma is equivalent to 4 GCSEs and takes one year. The logical

progression route from this is to the Extended Diploma, which is equivalent to three A Levels and lasts for two years. Alongside this, a range of AS/A Level courses are the main source of provision at The College, Ystrad Mynach, and are also available at Coleg Gwent. Many students now also undertake the Welsh Baccalaureate alongside their Level 3 studies.

Coleg Gwent have five campuses, although two of these fall outside of the Valleys region. All campuses attract students from a wide geographical area, and the Coleg offers a wide programme of level 2, 3 and 4 provision and a selection of adult education courses. This includes a five day course which runs 2-3 times a year, aimed at enabling individuals with a business idea to solidify it into a solid business proposal. Whilst this is not exclusively directed at creative industries, like the provision offered by the CBCs, it does appear well targeted to a range of SMEs. For students at Coleg Gwent, the traditional A Level route is preferred to BTEC Extended Diplomas favoured by students at Merthyr Tydfil College and Coleg Morgannwg. This choice was rationalised by the representative for two reasons: firstly allowing students to take some creative industry qualifications, such as an A Level in photography, alongside more traditional A Level subjects for those who were not sure that a career in the creative industries was their long-term aim. Secondly, for students who believed themselves to be more academically capable, A Levels were seen as more prestigious and the route to a place at a 'good' University.

Coleg Morgannwg is the second biggest provider of creative industry courses across the region. Of their four campuses, it is the Nantgarw and Rhondda campuses that offer courses of relevance. The Coleg's representative noted the need to adapt to new courses and qualifications to suit the needs of industry and the changes likely in HE as a result of fee changes

In collaboration with the University of Glamorgan, Merthyr Tydfil College provides a wide range of BTEC affiliated courses and three Foundation Degrees. The only creative industry relevant A Level provided by the college was photography. The development of the Merthyr Learning Quarter in 2012/13 will change the provision available significantly, although it was not clear exactly what impact this would have.

The smallest provider in the area was The College, Ystrad Mynach, which concentrated exclusively on Level 2 and 3 provision, mainly providing A Levels. This was seen as providing what parents of students wanted; as parents were concerned about access to Higher Education, and thought that A Levels were the most useful route. The College does not offer a music or fashion course, nor does it offer an Access to HE course. It was seen as important by the College's representative to offer only courses that the college could deliver well, and it was hoped that once the College's renovation works were completed in 2014, the portfolio of courses could be expanded.

Table 5.2: Creative Industry FE provision throughout the south Wales Valleys.

Institution	Level 2	Level 3	Level 4
Coleg Gwent	BTEC First Diploma – art and design; creative media production; performing arts; music; photography OCN – Theatrical make-up NVQ 2 – Photography Principal Learning in Creative and Media – in collaboration with schools (aged 14-16) – full time course, can be delivered partly through the school	BTEC Extended Diploma – art and design; fine art; fashion and clothing; creative media production; interactive media; performing arts (acting), music; music technology; music theatre. VCTC Diploma in Theatrical and media make-up AS/A Level – art and design; drama and theatre studies; film studies; media studies; music technology; photography	WJEC Foundation Diploma – art and design UWN: Higher Education Certificate – Design for digital media UHOVI: Foundation Degree - creative enterprise (graphic communication); digital media; digital broadcasting; Uni Glam: Foundation Degree – creative industries (photography)
Coleg Morgannwg	BTEC First Diploma – art and design; music	BTEC Extended Diploma – art and design; media production; music; performing arts; production arts (make up).	Uni Glam: Foundation Degree – Costume Construction for stage and screen.

Merthyr Tydfil College	BTEC First Diploma – Art and Design; performing arts (acting); performing arts VTCT Certificate – Cosmetic make-up Pathways Programme – Production Arts; Media. Run in collaboration with schools for 14-16 year olds (5-6 hours per week)	BTEC National Diploma – Art and design; film and television; performing arts (acting); performing arts (technical theatre); music AS/A Level - photography	Foundation Degree – Art practice; creative industries (Film and Television); creative industries (performing arts/drama); creative industries (popular music technology); creative industries (drama – Welsh medium).
The College, Ystrad Mynach	OCR – Creative Media	AS/A Level – Art and design; drama and theatre studies; film studies; graphic design; photography; fine art OCR – Creative Media	

5.2 Industry-relevance of courses

The number of courses directly relevant to creative industries ha**s** been growing over the past five years, until the recent spending cuts. In light of these, community education was facing cuts (Merthyr Tydfil College) and provision in creative industries courses had to be increasingly linked to the possibility of job outcomes (Coleg Gwent). Furthermore, The College, Ystrad Mynach decided to drop a Level 3 BTEC in Performing Arts, because 'it wasn't as good as we wanted it to be'. When the College attempted to introduce the Principal Learning in Creative and Media course, a two-A-Level-equivalent qualification, it did not attract sufficient students. Alongside this, an attempt to introduce a Foundation Degree through UHOVI also failed. In light of spending cuts, sharing equipment and being sponsored were seen as alternatives to spending cuts by the representative of Coleg Gwent.

It was clear that all further education providers were concerned about how changes to higher education funding would impact upon students. Accordingly, it was felt by the representative of Coleg Gwent that it might be necessary to limit level 3 provision if there would not be a progression route for students at the end of it, so the Coleg could 'recruit with integrity'. Accordingly, the Coleg was looking to develop a programme of stand alone modules or 'short, sharp burst of activity' at level 4, in order to provide industry specific training that was suitable for individuals who did not want to study for a full Foundation Degree and for businesses who could not afford to sponsor a member of staff to undertake a full time course. These modules could be used, however, to accumulate credits, so a qualification could be attained over a longer period of time.

All colleges were dynamic in developing curricula in the area of creative industries, striving to make courses industry relevant, and staff seemed very adaptable to change. This should be seen as an asset. What was clear, however, was that there was little on-going dialogue between colleges, universities and industry. Creative and Cultural Skills, in collaboration with the Welsh Government, have been attempting to form a National Skills Academy for Wales, akin to England's National Skills Academy. One aim would be to enable providers of education and business to meet in order to ensure the industry relevance of the curriculum, and to agree standards. This research confirms that if Level 3 and 4 provision is going to enable students to progress into the industry, a more solid working relationship between these three groups will be needed.

The four colleges each have multiple campuses throughout the region. Coleg Morgannwg's Creative Industry building at the Nantgarw campus was purpose built, with liaison between architects and teaching staff. This has allowed for teaching spaces that are ideally suited to teaching creative industry and was viewed very positively by the Coleg's representative: 'as a building, it just works'. For example, the Coleg now has a workshop, a wet and dry area for dyeing fabric, a print room for printing fabric, a dark room for photography, a repro graphics area where a 3D model can be printed, a sewing machining

room, a shop to sell materials to students. These facilities were also viewed positively by students who went on to study at HEIs and reported back that the Coleg's facilities were superior.

The main Ystrad Mynach campus is due for renovation. The building in which creative industries courses are taught was seen as 'not fit for purpose any more'. In addition to this, the college's representative suggested that by providing the most modern facilities, student numbers would increase as they are attracted from poorer facilities at schools. The new building is due to include a theatre space and larger dark rooms (which will enable bigger cohorts of photography students) although it was still under design.

A significant change was also proposed within Merthyr Tydfil College; the new Merthyr Learning Quarter is due to be completed in 2013, which will result in expanded resources. Alongside this, the re-development of Merthyr Tydfil Town Hall by Chapter Arts will be leased to Merthyr College for 33 weeks of the year to create expanded teaching space.

The college representatives all had strong backgrounds in teaching, but as a result of high teaching loads, many teaching staff from the colleges were unable simultaneously to work in industry. Coleg Morgannwg appeared to be an exception, with many teaching staff were also active as practitioners. This was seen as enabling a high level of industry-relevant content to be taught. The representative of the Coleg felt that the excellent facilities and expert staff enabled Level 2 courses to be taught at a much higher standard than in schools, where staff typically taught across a wider area of subjects.

Some non-A Level courses taught by colleges include significant links to business, and this was judged as important by all college representatives. At Coleg Morgannwg, there was a focus on teaching subjects with live briefs (e.g. for Amnesty International). Students had won the Wales Enterprise Challenge, then achieved third place at the International Global Enterprise Challenge. At Merthyr Tydfil College, parts of the curriculum were delivered by 'industry based mentors'.

Interviewees were asked about students participating in work experience. Securing placements within creative industries was generally difficult and time-consuming, and this was a particular issue at The College, Ystrad Mynach, where tutors were not working in creative industry and had heavy teaching loads. A further issue noted by Coleg Gwent was that as schools were now also trying to find placements, there was increased competition. Additionally, the instability in creative industry SMEs created another difficulty as tutors had to constantly try to establish links with new businesses. For other colleges, once networks were established this became easier, although it was always a time consuming process.

One successful example of quality placements was the Costume Construction for Stage and Screen Foundation Degree at Coleg Morgannwg. The students here worked with the Welsh National Opera and also on Iron Clad, a film recorded at Dragon International Studios in Rhondda Cynon Taff. These and

other successes often depended upon individual relationships of course tutors. The representative of Merthyr Tydfil college felt that it was 'more difficult' to find industry experience for the Performing Arts course, as a director could not be expected to accommodate a cohort of students during a production. Accordingly, professional directors were hired to work with the students.

Colleges providing A Levels (The College, Ystrad Mynach and Coleg Gwent) noted that the curriculum itself had little relevance to business or how to market oneself. Despite this, innovative tutors had secured opportunities to involve 'live' briefs, such as for a local Housing Association's promotional DVD, although the difficult of 'staying creative after many years of teaching' was noted (The College, Ystrad Mynach). Whilst The College, Ystrad Mynach had run an innovative enrichment project, where students made short films, this was seen as having a negative effect on students' A Level performance, and over-stretching teaching staff. However, students at Coleg Gwent were required to 'pitch ideas' regarding their ongoing work to a senior member of staff, in order to increase their confidence in 'selling themselves' and this project was viewed positively by the college's representative.

All colleges provide careers guidance, some through Careers Wales, although the advice was not seen as being tailored to creative industries. Accordingly at all colleges more industry specific content was delivered by tutors and professionals. The use of professionals to provide careers advice was seen as crucial, as neither tutors nor the careers service were seen as 'entirely knowledgable' about working in the creative industries (Merthyr Tydfil College; The College, Ystrad Mynach). Interviewees noted that it was also seen as desirable to support students to think of a 'Plan B', as tutors understood that a full time employment (or self-employment) in creative industries could be hard to obtain hence the emphasis on transferrable skills in all four colleges.

Like officers of some of the CBCs, the representative from The College, Ystrad Mynach, felt that there was a 'very real problem' where providers of FE did not really know the needs of industry. When the representative had attempted to secure up to date knowledge of what creative industries required in their workforce, the only businesses who responded wanted to charge a prohibitive £3,000 for a one day training course.

5.3 Student numbers and completions

The largest provider of creative industry FE courses in the area was Coleg Gwent, which prepared data on their student numbers for the past four years, showing a stable level of students, with a small increase in the popularity of creative industry courses compared to other courses over time.

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Table 5.3: The number of students enrolled on full time Creative Industry relevant courses from 2006/07 to 2009/10 at Coleg Gwent.

	Enrolments on CI courses	% of Total College Enrolments
2009/10	4699	7.9%
2008/09	4693	7.6%
2007/08	4734	7.6%
2006/07	4744	7.2%

Student numbers were also felt to be 'fairly constant' by all of the other providers (Coleg Morgannwg), and take up in the year 2009/10 is summarised in table 5.4 below, showing that Coleg Gwent is by far the biggest provider. The second biggest provider was Coleg Morgannwg where 34 students enrolled at level 2, and approximately 210 Level 3 students, with 106 students completing their Level 3 course in 2009/10. The third largest provider was Merthyr Tydfil College, where 120-130 students were undertaking full time Level 3 courses in creative industry relevant subjects, with 50 of these enrolled on the Level 3 Extended Diploma in Art and Design. A further 60 students were engaged in Foundation Degrees. The smallest provider was The College, Ystrad Mynach with 47 students registered for the AS year, and 29 enrolled for the second year to make a full A Level. The highest numbers of students were in photography. The disparity between numbers of students for the AS and A2 years was seen as a result of the difficulty of A Levels. For those who leave the course after a year, many enter some other Level 3 education, and others seek work.

Table 5.4: The number of students enrolled on full time Creative Industry Relevant courses in 2009/10 in Valleys FE colleges

Institution	Student numbers in CI 2009/10
Coleg Gwent	4,699 (Level 2,3 and 4)
Coleg Morgannwg	299 (Level 2, 3 and 4)
Merthyr Tydfil College	180-190 (Level 3 and 4)
The College, Ystrad Mynach	76 (Level 3)

Data on completion rates were made available by Coleg Morgannwg and Coleg Gwent. Coleg Morgannwg's detailed breakdown of each course for the 2009/10 academic year showed successful completion rates were more than ninetyfive per cent on almost all vocational courses. However, only three quarters of A Level students successfully completed their course. Alongside this, Coleg Gwent provided a general 'successful completion rate' for Creative Industries courses over the past four academic years showing that the completion rate has improved considerably over time, but is still below Coleg Morgannwg's:

Table 5.5: Successful completion rates of Creative Industry specific courses at Coleg Gwent 2006/07-2009/10

	Successful Completion Rate
2009/10	76.7%
2008/09	71.9%
2007/08	70.8%
2006/07	58.5%

Furthermore, for the previous academic year, Coleg Gwent identified courses that had either particularly high or low successful completion rates, showing significant variation:

Better performing:
- A2 and AS Level Drama and Theatre Studies (L3) – 95% and 91%
- A Level Media Studies (L3) – 95%
- BTEC National Diploma in Music Technology (L3) – 85%
- BTEC First Diploma in Media (L2) – 84%

Poorer performing:
- BTEC Award in Visual Arts (L2) – 33%
- BTEC Award in Photography (L2) – 56%
- BTEC National Diploma in Art and Design (L3) – 60%
- BTEC First Diploma in Performing Arts (L2) – 63%

It is important to note, that in the context of students who fail to complete their course, several interviewees pointed out that these students often still achieve a recognised qualification for the part of the course they have completed. It is not possible to say if these trends in student take up and successful completion rates are similar to Wales or the UK more generally as a result of data limitations[16].

5.4 Student destinations

At present, college representatives felt that many course completers wanted to enter the creative industries, although students often felt that further study at the Higher Education level would be essential. Accordingly, high levels of students enter Higher Education after Level 3 courses (Coleg Morgannwg, Merthyr Tydfil College and The College, Ystrad Mynach). In both Coleg Morgannwg and Merthyr Tydfil College, some Level 3 students progress onto their in-house Foundation Degrees, although these are also joined by other students new to the college.

Anecdotal evidence of students progressing straight in to jobs was provided, such as one student from Coleg Morgannwg who immediately gained a job at the Welsh National Opera as a costume maker. However, these cases are the exception rather than the rule. For example, students from Merthyr Tydfil

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[16] A search of ISI Web of Knowledge and Ingenta Connect for '"Creative Industr*" AND education' was undertaken and revealed no relevant items.

college who did not move into HE after completing their Level 3 course were often able to 'pick up bits and pieces of work in terms of advertising, voice-over work and short films…but in terms of consistent (full time, secure) work, there's less out there…' Detailed evidence was provided by Coleg Morgannwg, which provided an anonymised account of the destination of all students leaving courses in 2009/10. Almost all level 2 students progressed onto level 3 courses, therefore table 5.6 (below) accounts only for Level 3 provision which can be summarised as follows:

Table 5.6: Destinations of students from Coleg Morgannwg Level 3 BTEC Extended Diploma courses 2009/10

Destination	Media Production	Music	Performing Arts	Production Arts: Make-up	Art and Design	3D Design	Fashion and Textiles	Total
HE - Creative Industry	11	10	6	1	10	3	9	50
HE – Creative Industry: Wales HEIs only	6	9	4	0	9	3	5	36
HE – non-creative industry	2	0	0	0	0	0	0	2
Gap year	3	0	1	1	2	5	2	14
Alternative FE	0	1	2	3	2	2	2	12
Employment – creative industries specified	0	0	1	0	0	0	0	1
Self-employment – creative industries	0	0	0	4	0	1	0	5
Employment non-creative industry/ not specified	3	2	4	2	0	1	1	13
Seeking employment	0	6	0	2	0	0	0	8
Unknown	1	0	0	0	0	0	0	1
Total students	20	19	14	13	14	12	14	106

The above table shows the destinations of all students who completed Level 3 courses at Coleg Morgannwg in 2009/10. Only a tiny minority of students move into creative industries employment, with a slightly larger minority entering self-employment. Almost half of all students progress directly onto a higher education course in the creative industries and many of these are in Wales, with high numbers of students studying at the ATRiuM (University of Glamorgan). If gap years and additional level 3 training is included, three quarters of all completers remained in education. The exception was the Production Arts: Make-up course, where only two of thirteen students continued into education and four became self-employed make-up artists.

Representatives of all colleges believed that this weight of traffic between FE and HE would change as awareness of higher University tuition fees grew. The representative of The College, Ystrad Mynach was concerned that without Education Maintenance Allowance (EMA), FE provision may become inaccessible to some.

5.5 Foundation Degrees

Alongside traditional FE courses, provision of Foundation Degrees (formally Higher National Diplomas) has increased in the Valleys, and these are now available at three of the four colleges. Of particular note, the Costume Construction for Stage and Theatre course at Coleg Morgannwg was awarded the prestigious Association of Colleges President's Award in 2010, because of the scope and ambition of the course. There has not yet been any evaluation of provision by Merthyr Tydfil College or Coleg Gwent, as the first cohorts of students will be completing in summer 2011 and 2012 respectively. However, Coleg Morgannwg provided data on students enrolled on their Foundation Degree in Costume. Table 5.7, below, shows that the majority of students have completed both years of the Foundation degree, showing a very high pass rate. It can be seen that the majority progress onto the BA at the University of Glamorgan, although a minority move into work.

Table 5.7: Foundation Degree Costume Construction for Stage and Theatre at Coleg Morgannwg, 2007/08 - 2010/11

Year		Enrolled	Withdrawn	Complete	Pass	Destinations	
						Work	BA
2007/08	Yr 1	14	2	12	12	-	-
	Yr 2	14	0	14	14	-	100%
2008/09	Yr 1	16	3	13	13	-	-
	Yr 2	12	0	12	12	33%	67%
2009/10	Yr 1	24	1	23	23	-	-
	Yr 2	13	0	13	13	15%	85%
2010/11	Yr 1	19	0	19	18		
	Yr 2	23	0	23	23	9%	91%

5.6 Higher education providers

The only University within the research site is the University of Glamorgan, with its primary campus in Trefforest, Rhondda Cynon Taff. However, the majority of creative industry relevant courses are taught at the University's ATRiuM campus in Cardiff. Valleys students can also readily access creative courses within Cardiff, Newport, Swansea and, where they wish to, beyond. This research utilised an archive search for all HEIs, and undertook an interview with a representative of the University of Glamorgan. The information contained in this section is indicative, rather than complete, in terms of the university options in creative studies open to students.

The University of Glamorgan has the largest faculty of Creative and Cultural Industries in the UK with 3,250 undergraduate, and 80 postgraduate, students. Although many courses relating to the creative industries are hosted at the Cardiff Based ATRiuM campus, the proximity to the Valleys, and the presence of the main campus in Rhondda Cynon Taff secured their relevance to the research. The ATRiuM campus has state of the art facilities, described as 'probably the best within England and Wales HEIs' by the Faculty's representative, including a render farm and the only non-BBC owned HD-TV studio in the UK.

The University hosts undergraduate and masters level provision in: animation; Communication design; Drama; Fashion and retail design; Film, photography and new media; Media, culture and journalism; and Music and sound. Course provision and curriculum are seen as highly relevant to the creative industries and many of the 93 teaching staff are active as practitioners, deploying live project briefs with students. As an indication of its alertness to change, the University is aiming to introduce a higher level of industry relevance into computer games courses (blending creative and software development skills) as identified by the Livingstone-Hope Review.[17]

Over the past five years, there has been significant growth in the provision of animation and fashion courses, although the representative confirmed the view of the college representatives in that lower full-time student numbers are expected in the future. Accordingly, the University is diversifying, like Coleg Gwent, into shorter courses. It is also anticipated that in the future some undergraduate courses may be taught over two rather than three years with additional summer semesters for internships. Changes are also likely in post-graduate courses, possibly including a 'Build Your Own Masters' approach, where students pick short-course modules from any faculty. The University has participated in the Creative Industries Workforce Development Scheme (CIDS) since May 2011, which has been developed around the NESTA toolkit, and has funding for three years. The project aims to support micro-

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[17] NESTA (2010). Next Gen. available online at:
http://www.nesta.org.uk/home1/assets/features/next_gen

businesses and unemployed individuals to become more employable, and will result in a 60 credit qualification.

University of Wales, Newport, also offers a wide range of undergraduate courses in: Advertising design; Animation; Applied drama; Computer games design; Creative sound and music; Fashion design; Film & video; Performing arts; Photographic art and Photography for fashion & advertising. The University also hosts MAs in Creative music business; Creative music practice; Film and script writing for film, media and stage. Alongside traditional full time provision, many of the undergraduate courses can be studied part time. A range of short course provision in business is available which may be of use to creative industry SMEs.

University of Wales Institute, Cardiff (UWIC)'s Cardiff School of Art and Design offers undergraduate courses in Architectural Design Technology (BSc); Product Design (BA/BSc); Illustration (BA) and Textiles (BA). In addition to undergraduate courses, Foundation Degrees and postgraduate (taught) courses are available. Many postgraduate courses can be taken part-time, but undergraduate courses are currently only available full time. The University also offers a BA in Dance as part of the Cardiff School of Sport.

Cardiff University hosts the Welsh School of Architecture, providing undergraduate and postgraduate level architecture courses, including: BSc (Part 1), MArch (Part 2) and the MA in Professional Studies (Part 3). The School also offers a wide range of other masters level courses including an MA in Urban Design. Cardiff's School of Journalism, Media and Cultural Studies has been providing highly rated vocationally focused postgraduate education in journalism for over 40 years and is regarded as one of the UK's leading universities in these subjects.

Swansea Metropolitan University offers a wide range of courses, at both undergraduate and postgraduate level; many of them part of a strong Faculty of Art and Design. Undergraduate provision includes courses in photography, video, fine art, textiles (surface pattern design), graphic design and advertising. In addition, the Faculty of Applied Design and Engineering offers undergraduate courses in architectural glass, computer animation, computer games design, digital media and music technology. The University also offers MA courses in Fine Art, Photography, Visual Communication and Textiles.

5.7 Student progression and completion

Data were only collected from the University of Glamorgan's Faculty of Creative and Cultural Industry. In comparison to the rest of the University of Glamorgan, levels of student retention were particularly high at 86%. Likewise, the Faculty has the highest level of year-to-year progression and the best number of upper second class and first class degrees. This was attributed by the representative, in part, to the high calibre of students

recruited, with an average offer of 320-340 UCAS points. All prospective students were interviewed, which the representative described as supporting the recruitment of the best students.

Table 5.8, below, shows that in 2008/09 the overall rate of employment for all graduates declined in comparison to previous years, probably as a result of the economic situation. However, overall, rates of employment, both full and part time, for graduates of the School of Creative and Cultural Industries are very close to those for the University of Glamorgan as a whole; challenging the view that creative industries graduates are less employable than other graduates.

Table 5.8: Employment destinations for students from the University of Glamorgan as a whole and the School of Cultural and Creative Industries 2006/07- 2008/9

Number of students/ Percentage →	University as a whole						Cultural &Creative Industries					
	2008/9		2007/8		2006/7		2008/9		2007/8		2006/7	
		%		%		%		%		%		
Full-time paid work	747	48.5	691	52.8	585	54.1	157	46.6	141	55.7	109	51.7
Part-time paid work	278	18.0	174	13.3	138	12.8	78	23.1	32	12.6	40	19.0
Voluntary/Unpaid work	33	2.1	19	1.5	5	0.5	6	1.8	5	2.0	1	0.5
Work and study	171	11.1	131	10	116	10.7	40	11.9	15	5.9	17	8.1
Further study	172	11.2	161	12.3	125	11.6	17	5	21	8.3	19	9.0
Assumed to be unemployed	84	5.5	71	5.4	60	5.5	25	7.4	18	7.1	15	7.1
Not available for employment	46	3.0	45	3.4	39	3.6	14	4.2	13	5.1	7	3.3
Other	10	0.6	17	1.3	14	1.3	0	0	8	3.2	3	1.4
TOTAL	1541		1309		1082		337		253		211	

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Additionally, the University of Glamorgan were able to provide a detailed database on the destination of all of their 2009/10 graduates from the School of Creative and Cultural Industries. The questionnaire was completed by students six to nine months after graduation. 443 responses were received, although 26 students refused to provide information, totaling 417 valid responses. Of these:

- 5 were unable to work
- 34 were defined as 'other'

Of the remaining 378 students, 36 were unemployed, and 74 were working in the creative industries of which:

- 39 were employed full time
- 8 were employed part time
- 23 were self employed/freelance
- 4 were unpaid volunteers

Excluding the volunteers, 17.5% of graduates were employed in the creative industries. Of the remaining 268 students, a wide range of jobs were found including lecturers (graduates of the MA Graphic Communication), teaching assistants and a range of administrative positions. The majority, however, were employed in hospitality (44) or retail (82).

This indicates an ongoing challenge for the University in supporting its creative graduates in the development of self-employed or other micro-business models. Glamorgan plans to open its first graduate incubator will in September 2011, providing not only space but also mentoring based upon the NESTA toolkit.

UK Wide data from the Higher Education Statistics Agency on graduate destinations of those studying 'creative arts and design', which accounts for much of the creative industry, with the exception of architecture, software and publishing, is shown in the tables below. It can be seen that almost two thirds of graduates from creative arts and design courses go on to gain employment in the UK within nine months, although this data does not identify the extent to which this employment is within the creative industries. Overall, almost 70% of graduates of creative art and design courses were employed and 10.4% were unemployed.

Table 5.9: Destinations of UK HE completers in 'creative arts and design' 2005/06 -2009/10, nine months after completing[18]

	Total	Percentage of all	Percentage of known
UK employment only	16395	50%	65%
Overseas employment only	625	2%	2%
Combination of employment and study	1515	4%	6%
Further study only	2400	7%	10%
Not available for employment	815	3%	3%
Assumed to be unemployed	2855	9%	11%
Other	440	1%	2%
Total of known destination	25045	76%	100%
Unknown	7805	24%	
Total	32850	100%	

5.8 Future ventures: The Works, Ebbw Vale

The Works site in Ebbw Vale, the largest regeneration project in Wales, has a significant focus upon education. Its Learning Zone, which aims to provide or co-ordinate lifelong education, is due to open in September 2012. Given The Works' emphasis upon jobs, digital communications, sustainability, health and education, there is an opportunity here to build relevant thinking about the creative industries into the curriculum and student offer at all stages. This approach, if successful, could have a widespread impact throughout and beyond the Valleys. Curriculum development is still under consideration and involves collaboration between the University of Wales Newport and UHOVI. The Works might also provide a test-bed and proving ground for digital media platforms and services, along with the nurturing of small, high technology companies supported by venture capital.

5.9 Education: concluding thoughts

This section of the report indicates that there is a wide variety of opportunities for level 2 and 3 courses in creative industries within the Valleys area, and that these are being taken up by students in considerable numbers. Courses can be broadly separated into A Level courses, and non-A Level courses. Although A Level courses were felt to carry more prestige by students and their parents, interviewees identified them as failing to meet the needs of

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[18] Source: HESA (2011). Destinations of Full Time First Degree Levers by Gender2005/06-2009/10. Available online at: http://www.hesa.ac.uk/dox/pressOffice/sfr162/sfr162_table_3.xls

creative industry employers. Staff at the further education colleges worked hard to introduce creative industry relevance into their teaching, including live briefs and work experience placements, although this was not always compatible with high teaching loads. The number of successful completions varied between Coleg Gwent and Coleg Morgannwg, who supplied detailed data, and varied significantly between some courses. After completing Level 3 courses, the majority of students progressed to higher education, indicating that for most young people wishing to get a job in the creative industries, a higher education qualification is believed to be a necessary requirement. Experience from the University of Glamorgan indicates that the combination of excellent facilities; highly motivated and well connected teachers and well-adapted courses results in healthy completion rates and overall post-graduation employment rates in line with other subject areas. But it does not result in quick access to creative industries job opportunities: less than one in five creative graduates gets a job in creative industries in the first six to nine months following graduation. All of this points to the need for courses that are of high quality and in tune with industry needs, given the competitive nature of the employment market. Given the fragmented structure of creative industries, preparation for a world of self-employment and micro-business development is also of growing value.

6. Creative businesses in the Valleys

6.1 Data Sources

The research in this area is, by necessity, far from a complete picture of all creative industry businesses in the Valleys. Twenty businesses from 12 of the 13 sub sectors were asked to complete a survey, seven of the group responded, showing a low response rate. This data confirms that no creative industries business sector is currently very strong the Valleys area. There are, however, pockets of activity, against a background in which a stronger digital communications network might well be capable of supporting growth of creative businesses. The representative of Business 7, for example, stated that there was cause for optimism in the computer games sector as a result of the introduction of Games Lab Wales. There is also an emergent software sector in Wales, including in the Valleys, about which more needs to be known, so that business support activities can be better focused.

In addition to this small survey and some interviews, a search of professional networks attempted to provide a picture of how many businesses were registered in the Valleys counties.

For the survey, 20 industry insiders from twelve[19] of the thirteen subsectors formed the sample. These spanned all five counties and were found via a

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[19] The use of professional networks and contacts at the Cardiff School of Fashion were unable to reveal any designer fashion businesses within the Valleys area.

range of professional networks, online networks, internet searching and through contact with the CBCs. Businesses were contacted primarily by telephone and asked to participate in a survey, which could be completed online or by telephone. Businesses from sectors where there was no response were followed up at least once. Seven businesses participated.

Table 6.1: Businesses in the research

	Sector	County	Trading since…	Number of staff	Grants/support
1	Art and antiques	RCT	1986-1990; Jan 2011	1 part time	2011 – support – WAG business development course RCT CBC – in process of applying for grants
2	Design/ Advertising	Caerphilly	'approx 2 years'	1 full time, plus 'network of local individuals' on ad hoc basis	Local Investment Fund – grant (unspecified amount); Venture Wales – grant (unspecified); Princes' Trust – support (unspecified) Caerphilly CBC Bisnet – practical support
3	Music/ Film and video	Blaenau Gwent	2 years	1 full time; 1 part time; 2 casual	Blaenau Gwent CBC £33,000; Princes' Trust - £10,000 WAG – some support, don't know details; Wales Co-op – grant for equipment and marketing and business plan support
4	Art and antiques/ Craft	RCT	April 2010	1 part time	Princes' Trust - £250 to buy supplies; free place at 'Business Enterprise' course
5	Film and video/ TV and radio/ Design	Caerphilly	2008	2 full time	Caerphilly CBC – 40% Match Funding (equipment)
6	Art and antiques	Torfaen	1995	6 full time; 2 part time	none
7	Computer Games/ Software	RCT	2000	Varies significantly	EU

The survey evidence provides very brief details on the businesses. It can be seen that these businesses were either growing or stable, although this cannot be assumed to be true for all creative industry businesses in the area. For two of the businesses in the arts and antiques sector, the sole-traders were not currently working full time in their businesses. For business 1, this was as a result of successfully working as a youth worker part-time. The interviewee intended to use a business creating high-end wooden products with youth work to train young people, and was investigating the possibility of applying for a grant from RCT Council in order to do so. The staff at the CBC were described as supportive and knowledgeable. Business 4 involves one individual making bespoke jewellery, working with silver and other materials. At present the company is based in the individual's home. The interviewee had investigated the possibility of renting a workshop/studio space, 'but decided against it'. Another arts business, business 6, had been running for 16 years and had grown significantly over time. This enterprise creates art and other products, and provides work to six full time staff, with a further two part time staff. The manager reported that they were able to find suitable staff locally during times of expansion, although the other two arts organisations felt that they would not be able to recruit suitably trained staff locally.

Business 3 was a social enterprise, which reported significant demand for its facilities. Business 5 made films for TV and other video platforms and reported that it had experienced an increase in business, enabling both founders to work full time for the business. The design and advertising business, business 2, has also experienced growth over time. Although the business currently still only employs one member of staff, the sole-trader is now 'utilising a network of local and national individuals to broaden (the) services (offered)'. This can be seen as a sign of success, and the individual felt that if the business required more staff, it would be possible to find individuals with the necessary skills.

6.2 Business Support

It can be seen from table 6.1 (above) that, with the exception of business 6, all businesses had received some financial support, and this had come from a variety of government sources, including CBCs, WAG, the EU and from the Princess Trust and the Wales Co-op. As a result of the majority of respondents completing the questionnaire online, no further details were given for these businesses, and some businesses were unable to identify the exact amount or purpose of their funding. Where details were given, funding was usually given for expenses in setting up their business, including purchasing equipment. The exception to this sparse data came from the two respondents who completed the questionnaire by telephone, providing in-depth responses to these questions and telling complicated stories involving a variety of bodies. These are described below.

The representative of business 1, in the arts and antiques sector, had set up a business in 1986 having graduated from university and completed the Graduate Enterprise in Wales programme. The programme was semi-

residential at Lampeter University (now part of University of Wales, Trinity Saint Davids). Following the course, the individual had been given financial support from the Princes Trust and also held an EU Regional Development Grant. Alongside this, business support was provided by the Welsh Development Agency, including mentoring by an artist. Following this, the interviewee was able to access a subsidised workshop space. Having decided to move into employed work in 1990, the individual returned to self-employed work in January 2011. At this point, the interviewee attended part of a Welsh Assembly Government course, provided by the Business Development Unit. Whilst the individual had been in negotiations with RCT CBC's Business Development Team to claim a grant in order to develop a website, the individual decided to create their own website. Having experiences of business support in two different times, the individual felt that the support given in 1986 was excellent, and that this level of support for graduates should be provided today in order to offer them the opportunity to establish their own businesses.

The second example of a support package comes from business 7. In order to make his experience fully understood the interviewee gave consent to be identified. Having graduated in Graphic Design in 1995, he worked in London creating computer games. In 2000, he returned to his home town in RCT, where he has established a number of companies including Genuine Games and, the company trading at present, Little Old Lady Games. Over the years, the interviewee has undertaken a number of employed roles on major computer games. At other times Little Old Lady Games has employed other developers. In order to form a graduate incubator, the interviewee has collaborated with the University of Glamorgan and Swansea Metropolitan University to create Games Lab Wales, which has received significant funding from Academics for Business, a collaboration between the Welsh Assembly Government and the European Union.

The questionnaire asked respondents if their current location was 'the ideal place for your company', and if there was potential for expansion within the area. Respondents fell into three main groups. Firstly businesses 1, 4 and 7, who chose the location because they wanted to live within the area. Respondents 1 and 7 spoke at length about how other locations would be more advantageous: the craft items produced by respondent 1 are more sought after in the affluent areas of the south east of England. Likewise, for business 7, the business had, in the past, opened an office in Scotland in order to recruit skilled workers. Businesses 2, 3 and 6 were very happy with their current location, which was described as 'perfect' by business 3. Business 2 stated that the: '(l)ocation in Caerphilly is ideal for utilising local businesses and council support.' Business 5 intended to move premises in the future, to enable greater proximity to the M4 motorway, but planned to stay within Caerphilly CBC.

Regarding the possibility of expansion, businesses were less sure. For business 1, it was likely that other commitments through an employed role and a lack of local skilled labour would prohibit the growth of the craft business. Likewise, business 4 did not intend to expand. Businesses 2, 3, 5

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and 6 expressed a desire to expand, with business 5 describing the sector as 'ideally suited for expansion.' All respondents were asked about the availability of skilled labour locally, should they require it for expansion. There was a consensus among five of the seven interviewees that there was a lack of specialised skilled labour locally. Business 3 stated: "We could probably find someone skilled in film or photography but it would more than likely be outside of Blaenau Gwent, but I think it would be very difficult to find someone skilled in sound engineering."

Skills lacking were those that required extended training or experience, such as high level craft work and more technical skills involved in film, TV and music production. It can be seen that despite holding a relevant qualification, graduates may not be seen as ready for employment even in relatively small creative businesses of the kind which contributed to this research. "There is a lot of graduate talent, but our needs are specialist. Employing someone will require a lot of training commitment from ourselves, but is something we are committed too." (Business 5, Film & video; TV & Radio; Design).

The experience of Little Old Lady Games is interesting. In 2003-2007, the owner set up a company in Scotland in order to employ 14 games developers. He has also recruited developers from Aberystwyth (which had a brief period of prominence in this sector) and from elsewhere in the UK and Europe. In the six months since the Games Lab Wales project has been running, the interviewee from Business 7 believes that a significant amount of talent has been harnessed and retained, which the interviewee hoped would lead to Wales' big break in the computer games industry[20]. This points to issues about the focus of creative industries policy in Wales in the 2004-2010 period, when it was chiefly concerned with film and television. By contrast, for two businesses in the art and design sub sectors, recruitment of suitable staff had not proved problematic.

All respondents were asked to describe additional support that would be useful for businesses in their area. These responses covered a lot of ground which can be summarised as:

- training opportunities, including specialist training (business 1, 2, 5, 7)
- continuing and/or increased business support (business 1, 2, 7)
- the ability to network (business 2)
- teaching children about creative industries from a younger age (business 3)
- 'more funding available for creative ventures, and more transparent pubic sector commissioning of work' (business 5)
- decreased bureaucracy and increased tax relief (business 6)
- continued support of graduate incubation space (business 1, 7)

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[20] The interviewee described how the Scottish computer games industry has survived on the reputation of 'Grand Theft Auto', and felt that Wales needed a similar 'big hit' in order to 'put it on the map'.

6.3 Creative business networks

In order to fill out our picture of creative industries in each of the 13 sub-sectors across the five counties, the websites of professional networks were searched for facts or for leads.   In some cases, well organised databases existed, such as the one provided by the Welsh Music Foundation through which it was possible to identify a range of businesses located in the Valleys. The Software Alliance for Wales has a database of 243 individuals in the five counties of the Valleys. These networks provide leads for business support and regeneration officers in the CBCs.

In other cases, where data was not publicly available, the networks were contacted by telephone or email and asked to provide the number of businesses (or individuals) in each of the five Valleys counties that were registered with their body. If this data was not available, and the body was not prepared to collate the data, the researcher offered to search their database within the guidelines of Cardiff University's ethics procedure.   This was refused in the case of the Advertising Association and BAFTA Cymru. Alongside this, the Film Agency for Wales's database consisted almost entirely of email addresses, so they were unable to give location specific data. Furthermore, the Design Council was unable to provide county level data, but did provide some data on Wales as a whole. Finally, the international bodies for fashion, PACT and TAC did not respond to requests for information.

Table 6.2 (below) shows the number of registered businesses with professional networks by sub-sector.   However, the numbers registered should not be taken as firm evidence of the total number of businesses on the ground.   For example, whilst the Business Software Alliance had no companies within the area, most of the companies on their network were international, and the data provided by Torfaen Council show a high number of software businesses within Torfaen.   Torfaen also reported more architecture practices registered in Torfaen than suggested by RIBA. Likewise, whilst membership of the Crafts Council Wales is low in the Valleys, the Cultural Enterprise website and Etsy e-shops show a number of craft businesses in the area that are not registered with the Council.   In other areas, memberships for Wales as a whole were low, such as the Chartered Society of Designers, which only had 8 members in the whole of Wales, and the British Fashion Council who did not appear to have any members in Wales.[21]   It is possible that low levels of registration/partication in Wales reflects a perception among small Welsh businsses that UK-wide or London-based organisations are unlikely to be helpful to them. Whilst there was no information available from Design Wales at CBC level, their in-house research suggested that design is not strong in Wales, with only 3% of the UKs businesses based in Wales. Furthermore, the number of businesses in Wales had showed decline since 2003[22].

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[21] The representative of the British Fashion Council stated that their members are entirely large fashion designers, rather than up and coming brands.

[22] Design Council (2010).   Wales.   Available online at: http://www.designcouncil.org.uk/our-work/insight/research/design-industry-research-2010/wales/

Table 6.2: Membership of professional bodies by county

DCMS Subsector	Professional Body	Number of members registered per County Borough Council				
		Blaenau Gwent	Caerphilly	Merthyr Tydfil	Rhondda Cynon Taf	Torfaen
Advertising	Advertising Association	-	-	-	-	-
Architecture	Royal Institute of British Architects	2	1	0	0	0
Art and Antiques	Society of Fine Art Auctioneers and Valuers	0	0	0	0	0
Computer Games	International Games Development Association	0	0	0	1	0
	TIGA: representing the games industry	0	0	0	0	0
Crafts	Crafts Council Wales	0	4	1	0	2
Design	Design Business Association	0	0	0	1	0
	Chartered Society of Designers	0	0	0	0	0
	Design Council	-	-	-	-	-

Designer Fashion	Fashion Group International (London branch)	-	-	-	-	-
	International Association of Clothing Designers and Executives	-	-	-	-	-
	British Fashion Council	0	0	0	0	0
Film and video	Film Agency for Wales	-	-	-	-	-
Music	Welsh Music Foundation	0	6	2	14	2
Performing Arts	Arts Council	0	1	0	0	0
Publishing	Welsh Books Council	1	0	0	3	0
Software	Business Software Alliance	0	0	0	0	0
	Software Alliance Wales[23]	19	84	24	59	57
TV and radio	British Academy of Film and Television Arts Cymru	-	-	-	-	-
	Producers Alliance for Cinema and Television (UK)	-	-	-	-	-
	Teledwyr Annibynnol Cymru: Welsh Independent Producers					

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[23] NB: The Software Alliance Wales database records individuals, as opposed to businesses.

One recent effort to improve creative industries networking in Wales came from The Network of Creative and Cultural Industries, set up in 2007 by Neil Cocker, a South Wales-based consultant and entrepreneur. NOCCI closed in October 2010, with its network established as shown below in table 6.3. It indicates very little penetration to the Valleys area.

Table 6.3: Businesses registered with NOCCI, March 2011

DCMS category	Blaenau Gwent	Caerphilly	Mertyhr Tydfil	RCT	Torfaen
Advertising	1	1	0	1	0
Architecture	0	0	0	0	0
art and antiques	1	0	0	1	0
computer games(and software)	0	0	0	0	0
Crafts	1	1	0	1	0
Design	1	2	0	3	0
designer fashion	1	1	0	1	0
film and video	1	0	1	0	0
Music	1	1	1	2	0
Performing arts	1	0	1	1	0
Publishing	n/a	n/a	n/a	n/a	n/a
TV and radio	0	0	1	1	0

6.4 Creative business in the Valleys: conclusions

This section of the research tends to confirm that creative industries in the Valleys area are small, fragmented and at risk of being poorly networked outside their own localities. As a result, some development opportunities have been missed. The picture also confirms, however, that creative businesses do exist and can grow in these conditions. There are substantial numbers of small enterprises in the software sector and a vigorous base in popular music. Well targeted support aimed at assisting businesses with premises (such as incubation units or rehearsal rooms), network development, links to education or access to genuinely appropriate skills can make a difference. Creative businesses in the Valleys tend to be there because the location suits their founders, indicating the importance of lifestyle issues in many creative business choices. The Works offers an obvious site to pursue these ambitions, but it would be a mistake in the case of creative industries to focus upon large, fixed institutional approaches.

7. Conclusions and recommendations

The review of existing data and literature found that little is known about creative industries specifically within the Valleys region, although the Welsh Government priority sector statistics have in the last year provided for the first

time information about the extent of the 13 creative sub sectors for Wales as a whole.

The information held on this subject by the County Borough Councils is itself very uneven and none of the CBCs currently has expertise or resource dedicated to developing creative industries within their areas. Responsibility falls between arts, business and regeneration teams. The research found some good examples of collaboration between these teams, which is to be encouraged. This research supports the picture which has emerged in the latest Welsh Government data: that the software sector is growing healthily, though policy-makers and business support units do not appear to have much knowledge of it. This offers an opportunity.

Where quality creative business networks, such as the Welsh Music Foundation, exist they appear to be associated with a lively base of activity. Support for them, and encouragement of networks in sectors that lack them, should be encouraged at the Welsh Government level.

With regard to education, the research established that the scale of provision directed towards creative industries subjects and themes is very considerable. Given that fewer than 20,000 people are employed in Wales' creative industries as a whole, Coleg Gwent's more than 4,000 students and the University of Glamorgan's more than 3,300 are strikingly high, though roughly half of Glamorgan's undergraduates come from the English side of the border.

Progression rates into creative industries employment (17.5 per cent for graduates of Glamorgan University) make the point that this is a highly competitive as well as a growing sector. That points to a need for high quality and well judged innovation in course development; there is scope to improve liaison between FE, HE and creative businesses and to ensure that teaching is relevant to current and emerging business needs. Given the prevalence of small and micro-businesses in the creative sector, there is an opportunity to develop graduates with transition to self-employment or in the creation of start-up enterprises.

In terms of business development and support, Welsh Government policy from 2004 to 2010 focused, in practice, upon film and television (the building of the Dragon Film Studios in RCT, never fully utilised, dates from this period). Current data indicate that the most promising creative sub-sector in terms of growth and jobs is likely to be software development. Those responsible for business development and regeneration in the Valleys would be well advised to pay close attention to this shift of focus, which may generate opportunities in the Valleys area. That means understanding in detail the needs of existing software businesses and using this knowledge to make interventions designed to accelerate growth and nurture more small businesses.

It has been noted by academic scholars that creative industry has formed a part of successful regeneration of parts of the UK, in the aftermath of industrial decline, and that there are small examples of success in the

Valleys[24] as well as in areas to which people living in the Valleys have access, such as Cardiff and the M4 corridor from Bristol to Swansea. The Valleys, however, have not benefited from the kind of strategic approach to developing creative industries that has proved fruitful in the very different settings of, say, Dundee, Bristol or Newcastle[25]. Not every UK region can successfully place creative industries at the heart of its regeneration strategy[26]. As the UK and the South Wales Digital Economy develops, new opportunities will arise. The following points will be relevant to any such programme of activity:

- The expanding software sub-sector represents an opportunity for accelerated growth;
- A quality, high-speed broadband infrastructure is essential;
- Creative industries policy needs to be supported by better data and evaluation, in line with efforts now being made at the Welsh Government level;
- Close collaboration between the publicly funded arts and creative business development is essential;
- The existing strength of the FE and HE creative sectors is an asset for the Valleys, but one which needs further refinement and co-ordination to connect it to strategic employment and business opportunities;
- Improvement is needed in the dialogue between creative businesses, FE and HE and government;
- Local authority business development activities will need to be better informed about the creative industries if they are to make an impact;
- Creative business networks should be encouraged.

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