Creative Futures:

Building the Creative Economy through Universities

Final Report

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1. Introduction

The creative industries are founded on innovation. They are responsive, multi-faceted and evolving and have developed new models of business in order to adapt and contribute to a world in economic, social and cultural flux.

Over the past two decades UK universities have positioned themselves to provide pre-entry professional training for the creative economy. In their capacity as mediators between students and industry, universities have the capability to provide industry-relevant courses and learning opportunities. By maintaining close links with the creative economy, universities demonstrate both responsiveness to industry needs and reciprocity by acting as catalysts and centres for knowledge exchange in helping to support innovation and development. Section 2 provides an overview of the creative economy in the UK and of the contribution of universities to it. In section 3 we provide evidence and examples that indicate a strengthening of teaching practices that ensures graduates are fully prepared for the realities of employment. The section also stresses the benefits to be derived by regional industry from the expertise and facilities offered by universities.

In section 4 we assess the availability and levels of funding for higher education institutions seeking to develop innovation and enhance the economic impact of the creative industries. We recognise the key role played in funding the creative industries sector by the Arts and Humanities Research Council (AHRC). We also examine more recent streams of funding put in place by UK government for research and knowledge transfer in the creative industries, such as those of the Technology Strategy Board.

The report draws on data collected from Million+ subscribing universities. This was supplemented with more general material from the Arts and Humanities Research Council, the Department of Culture, Media and Sport and the Technology Strategy Board. Data from the Higher Education Statistics Agency was consulted through the Higher Education Information Database for Institutions but these did not provide the level of detail required. Case studies

were more rewarding in their specific illustration of the principles and practices underpinning the contribution of universities to the creative economy. This qualitative approach particularly strengthened the discussions within section 3. The whole report benefited from a number of previous studies of aspects of the creative industries and the creative economy; these studies are acknowledged at the appropriate point in the footnotes.

2. The Creative Economy

Defining the Creative Economy

The creative economy in the UK is the sum of 'those activities 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'.[1] The DCMS listed the specific economic activities as: art and design; advertising; drama and the performing arts; fashion; film, television and radio; interactive computer software; music; and publishing. Moreover, these activities are linked by a common set of factors: they are based on individuals with creative skills, yet they depend on collaboration with managers and specialists in a diversity of technologies; they create outputs marketed to consumers; and at the heart of their economic value lies intellectual, that is, intangible property. The creative economy has greatly increased in significance within the overall UK economy over the past two decades.

Creative individuals tend to work in fluid teams on a project basis with other knowledge workers and manufacturers. They depend on the commercialisation of creativity and the protection of intellectual property rights. The application of creativity takes place in a changing economic and cultural environment, within which the creative industries need to be flexible and responsive.

[1] Department of Culture, Media and Sport (2001) *Creative Industries Mapping Document 2001*, 2nd edn. London: DCMS.

The general impact of the creative industries on the economy can be summarised in the table below:[2]

Direct economic impacts	The creative industries serve as a main source of contents for the cultural industries, the media and value-added services of the telecommunications industries.
	They create jobs and contribute significantly to Gross Domestic Product (GDP).
	Associated cultural institutions, events and activities create locally significant economic effects, both directly and indirectly through multipliers.
	Works of art and cultural products have their own autonomous 'value-adding' markets (e.g. gallery sales and fine-art auctions), which often give them good investment potential.
Indirect economic impacts	The arts are 'socially profitable' in that they offer cultural credit or esteem for people and institutions (e.g. financiers, sponsors, collectors or connoisseurs).
	The creative industries and their associated cultural products create national and international stocks of ideas or images that can be exploited by the cultural industries (e.g. in advertising or cultural tourism).
	The creative industries and their associated cultural products can enhance and so add value to the built environment.

[2] Adapted from Reeves, M. (2002) *Measuring the Economic and Social Impact of the Arts: A review*. London: Arts Council England.

Importance of the Creative Economy to the UK

The creative industries as defined above represent the fastest-growing new economy sector. Within the EU, growth rates of 5% to 20% are found, representing high-level sustainable employment requiring a range of graduate skills. On a global scale, the largest and most profitable companies are likely to be 'creative', operating as media producers, publishers, software designers: from News Corporation, through Disney to Microsoft. This reflects the much longer move in the developed world towards PIKE (Predominantly Information and Knowledge Economies) in contrast with much of the developing world still characterised by PACE (Predominantly Agricultural and Commodity Economies).

The UK now has the largest creative sector in the EU and, relative to GDP, probably the largest in the world. The creative industries account for 7.3% of the economy – comparable in size to the financial services industry.

Government estimates that the sector contributes £60 billion per annum to the British economy, with exports accounting for around £10.3 billion. With an average growth rate of 6% per annum between 1997 and 2005, the creative industries are growing twice as fast as the economy as a whole. Advertising alone contributed £6.5 billion, with exports of £1.3 billion.

Contrary to some stereotypical thinking, the creative industries provide high-level sustainable employment that, in particular, requires graduate skills. Across the UK, around 2 million people are currently employed in 'creative jobs'. In Scotland, employment in the creative industries grew by almost a third between 1999 and 2004 and accounted for almost a tenth of the increase in the number of jobs during that period. The sector currently employs around 60,000 people. It contributes over £4 billion to the Scottish economy with growth estimated at 10% per annum and reaching as much as 20% for the digital content sub-sector.

In most British cities, creative industries account for between 2% and 8% of the workforce; in London the figure is closer to 20%. In 2005, 680,000 people

were employed in London's creative industries and the sector accounted for 15% of London's economy with a turnover of £25 billion–£29 billion per annum.

Creative industry firms live up to their name: they are highly innovative, with 78% of firms classed as 'innovation active' and innovative products accounting for a greater share of turnover than in the average firm. The creative industries workforce is highly qualified, with 49% of employees having at least a degree-level qualification, compared with an economy-wide average of 31%.

Universities which have embraced this new economy can also be described as 'innovation active': they have played a major role in contributing to the success of the creative industries by providing graduate-level education to meet employers' need for staff capable of continual innovation in evolving markets.

For example, UK universities have been in the forefront of supplying graduates, technologies and research for computer software and gaming, which has now developed into the largest sub-sector of the creative industries, accounting for over 50% of turnover growth between 1995 and 2005. In response to a worldwide shortage of 3D programmers, UK universities now offer 76 degree-level courses in games design, 52 in games technology, 38 in games production and 7 each in video games and video games design.

Case Study

The University of Abertay, Dundee, launched the world's first taught Masters degree in Computer Games Technology in 1997 and has been offering a range of undergraduate programmes in the computer software and gaming fields, including degrees in Computer Arts, Game Art & Animation, Games Design & Production Management, and Computer Game Application Development. Students at the university are educated and trained on the very

best industry-standard facilities, including a Sony-sponsored Playstation 2 Linux Development Studio (the largest in Europe).

The value to the UK is more than economic. The creative economy of the twenty-first century is a key driver in the revitalising of cities and regions that were previously reliant on manufacturing industry. Creative industries help cities, regions *and* nations shape and communicate their identity. They offer a much more variegated base for economic development than either the heavy industries or the service industries that have replaced them in many regions of the UK. It is this variegated dimension of the creative industries that requires flexibility and responsiveness from institutions of higher education.

Together, creative industries and universities have played an important role in social and urban regeneration, creating community cohesion and building citizen confidence. Contrary to some suggestions in *Creative Britain*[3], the student profiles of the universities that have contributed significantly to the development of the creative industries are currently the most representative in higher education in terms of age, ethnicity and background of students.

This diversity has allowed employers to recruit graduates who are themselves representative of the market for their products. Some surveys, though, have evidenced social exclusion in certain professional areas. For example, despite the number of degrees in journalism throughout the UK, the Sutton Trust has found evidence of social exclusion: out of 100 leading journalists in the UK, more than half had been to fee-paying schools. Of those with a university degree over half had been to Oxford or Cambridge.[4] It would be open to employers in these areas to review their recruitment practices in order to reap benefits. Other elements of the creative industries have recognised the real value to their markets and products of the diverse student profiles of

[3] Department for Culture, Media and Sport (2008) *Creative Britain: New talents for the creative economy*. London: DCMS, p. 13.
[4] Sutton Trust (2006) *The Educational Backgrounds of Leading Journalists*. London: Sutton Trust.

universities that have been in the forefront of developing creative industry programmes.

Structure of the Creative Economy

The creative industries are no longer limited to these historic settings. Creative activities take place across a rich range of enterprises and commercial locations, as departments or projects within large-scale organisations, as small and medium-sized enterprises and even as one-person micro-businesses. Geographical locations are equally diverse: as the internet has now become an integral part of economic, social and cultural life, geographic boundaries for collaboration, promotion and trade are being eroded. Local businesses may collaborate with ventures on the other side of the planet; transnational networks for marketing and distribution are now available for even the smallest micro-business. However, creative industries are more often than not 'clustered' within urban environments such as Glasgow, London or Manchester close to centres of higher education. While these clusters may primarily develop as a result of interdependence between different creative activities, they also derive from the creative 'buzz' in these locations that the creative industries draw on and contribute to.

The concept itself of the creative industries is a hybrid, bringing together the large-scale activities of the cultural industries and the individual talents of the creative arts. The creative industries are not based on the classic manufacturing model of monolithic organisations built on mass production; the creative industries are based on highly responsive and flexible organisations that are focused on the consumer. In an interactive world, users communicate with businesses not merely as consumers and complainants, but as proposers and improvers, where consumers themselves have the capacity to produce and create. Creative industries look to the consumption end of the value chain.

Diversity, hybridity and active consumption in the creative industries mean that their philosophies and practices need to be dynamic and responsive. The stability (some might say the inflexibility) of the old models of the heavy

industries is inappropriate in these new contexts. The development and application of creativity and knowledge in the responsive and shifting contexts of research and development, and of commercialisation, are happening within an equally shifting social and cultural environment.

Training and Creativity

Training in the creative industries has tended to be 'on the job' and often takes the form of lowly paid (or unpaid) apprenticeships, for example, working as a runner in broadcasting or film. There has been little tradition, just because of the small and fluid nature of much of the creative industries, of formal, transferable or accredited training. Indeed, there may be a residual scepticism in some areas about the value of such training resulting from an over-valuation of the 'hands-on' approach that many of those managing creative industries themselves experienced at the beginning of their careers. The scepticism is particularly directed at the value of pre-entry qualifications. The BBC graduate training scheme may embody something of this philosophy, taking in predominantly Oxford and Cambridge graduates without specific professional or skills-related qualifications and then providing in-house training. In some of the other creative industries, such scepticism about formal training may arise from a perception of creativity as something intuitive and raw rather than as a quality that can be strengthened and enhanced.

On the other hand, several reports have highlighted skills gaps within specific sectors of the creative industries:

Advertising

> The advertising industry tends to recruit 'individuals who show particular attitudinal characteristics, rather than qualifications'.
>
> Advertising agencies reported that among key skills missing in graduates are IT, creativity, management, and marketing.[5]

[5] Bewick, Tom (2007) Cross Sector Panel Event, 5 July 2007, www.creative-choices.co.uk/upload/pdf/cross_sector_panel_review_document.pdf.

Design

Design employers have reported that entry-level graduates are 'over-qualified' from courses that 'lack relevance' with skills in business management and industry-relevant IT lacking.[6]

Fashion and Textiles

A lack of intelligence about employment opportunities, skills and training is hindering recruitment and progression.

Recruits are ill-prepared for work in the sector because education and training is misaligned with skills needs.[7]

There are technical skills gaps in recruits, including a need to improve knowledge of design technologies.[8]

Music and Performing Arts

The National Skills Academy consulted with the music and performing arts industries in 2006/07 and revealed that '73% of employers felt that their workforce were not coming through the system with adequate skills and training'.[9]

Only 19% of owner/managers of SME music businesses have had any 'training, professional mentoring or coaching in business skills…and demonstrate limited awareness of / interest in establishing basic business processes around planning, budgeting and forecasting'.[10]

20% of businesses in the music sector report that new recruits lack technical skills.

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[6] Bewick (2007).
[7] Skillfast (2008) *Achieving our Potential: Draft skills strategy for the fashion and textiles sector*. Leeds: Skillfast-uk, p. 1.
[8] Skillfast (2007) *A Sector Skills Agreement – Action Plan for Design*. Leeds: Skillfast-uk, p. 2.
[9] Bewick (2007).
[10] BOP [Burns Owen Partnership] (2006) *SME Music Businesses: Business growth and access to finance.* London: DCMS, p. v.

Publishing

There has been cause for concern over the lack of applicants with 'the required attitude, motivation or personality' and a lack of graduates with the required skills.[11]

There are problems filling experienced-level associate professional and technical positions within the sector.[12]

Visual arts

New applicants for jobs in the visual arts lack experience and skills in management, IT and technical proficiency.[13]

These skills-related needs have contributed to the agenda of those universities active in the creative industries.

[11] Publishing Skills Group (2004) *Skills Foresight, 2004: Analysis of employment and skills-related issues in the publishing sector.* London: Publishing Skills Group, p. iii.
[12] Department of Education and Science (2002) *An Assessment of Skill Needs in the Media and Creative Industries*. Nottingham: DfES, p. 63.
[13] Bewick (2007), p. 15.

3. Building the Creative Economy through Universities

The universities that have responded to the fast-changing nature of the creative industries have done so through innovative course design, often developed in consultation with industry and industry-led bodies such as the sector skills councils and accrediting bodies such as the Broadcast Journalism Training Council and the Periodical Publishers' Association. Courses for the creative industries are designed to be responsive and flexible.

This response built on the combination of a very strong 'art-school' tradition of critical and creative practice and a 'polytechnic' expertise in technical training at advanced levels. The diversity and expansion of the creative industries are reflected in the nature and number of courses that are available. A survey of 28 universities that have led this agenda identified more than 1,300 individual degree programmes focused on the creative industries that are taught at both undergraduate and postgraduate level. Analysis of the programme titles revealed several common approaches to teaching. The Illustrative, Graphic and Computer Arts courses are commonly taught in conjunction with 'design' and various 'new media' emphases; audio-visual industries (film, TV, radio, computer software and music) have a focus on 'production' and 'technology'; and the Performing Arts focus on 'professional practice' and 'production'.

The design of many courses not only reflects the diversity of the industries but also acknowledges that there is scope for including courses that complement one another and embody the interdependence within creative industries. Universities have successfully developed approaches to teaching and learning that bring together the traditional methods of scholarly enquiry with those of the world of business and commerce, through the development of entrepreneurial skills and 'live project' studies in collaboration with real-life businesses.

To engage with live projects exposes the students to the philosophy and practices of business planning and strategy, financial planning, marketing and public relations. Many universities have also adopted a dynamic,

interdisciplinary approach to learning that matches the needs of the creative industries. These universities have also developed successful programmes of articulation with 'feeder' institutions such as colleges of further and higher education. The close relations that have been forged between providers of pre-university education and degree programmes mean that staff across the two sectors together manage the transition of students smoothly and productively. This transition is managed by close attention both to the content of courses and to their teaching and learning methods.

The Need for Flexibility and Diversity

The nature of the creative industries – founded on innovation, responsiveness and change – has implications for graduates from creative industries courses that relate to their careers, the workplace and the market they find themselves entering. Many graduates must find alternative routes for career progression should they choose to stay within the sector. Rather than a single career in 'big business', graduates typically find that career pathways are in constant flux and that they themselves have to be flexible and adaptable to cope with the vicissitudes of the modern employment market. They will need to create and innovate in a variety of environments throughout their professional lives. Consequently self-employment and freelance work become more than options: increasingly they are essential.

Just as the creative industries are responsive, multi-faceted and evolving, so students need to think in terms of portfolio careers that are equally flexible and can meet the demands of industry at the same time as the students themselves develop skills to shape and manage those demands. A portfolio career requires the flexibility to work in a wide range of industrial settings (from small to large, from temporary, project-based enterprises to more established and long-lasting institutions); to blend education and training, both formal and informal, accredited and non-accredited – in short, to engage meaningfully in lifelong learning.

Higher education in the UK is rising to this challenge: the practices of the leading universities in this field demonstrate how well they understand the

nature of this challenge, how they respond to it and how they actively contribute to the success of the creative industries. It is no longer enough (it has not been so for many years) for universities merely to react to the needs of industry and to supply in perpetuity what industry thinks it needs. Nor is it enough for universities to think that they alone know how best to educate the workforce. The best universities have developed compacts with industry where both parties work together to develop research and teaching practices that meet the requirements of these newly established, evolving and interdisciplinary industries. Education and industry are able to work together creatively and continuously with common goals.

In training students for the creative industries, universities need to take into account the fast-changing nature of the creative industries. Universities must be diverse and flexible in their responses to industry. Higher education needs to develop students who are actively engaged in their own learning, the better to equip them as independent learners throughout their professional careers. This requires innovative approaches to course design, course content and links with industry.

These courses foster environments where students are not merely equipped with skills; students become ‘thought leaders’, producing graduates who are capable practitioners, able to drive forward innovative ideas by combining creative practice with entrepreneurship and other business skills. Increasingly, degree courses in the creative industries are portfolio degrees and universities themselves can be described as ‘portfolio’ universities, allowing students to learn how their own subjects connect with those of other students, e.g. between journalism and public relations, or theatre studies and event management.

Interdisciplinarity in Course Design

The growth of the knowledge economy in the last quarter of the twentieth century has been accompanied by a move towards interdisciplinarity. Across industry and education alike, the traditional ‘silos’ of isolated disciplines and skills have become outmoded as practitioners and educators have integrated

knowledge from what had once been separate fields. In higher education we have seen the rise of interdisciplinary subjects such as media and cultural studies, as well as industry-focused subjects such as fashion design, consumer software computing, and radio and television studies.

The Myth of Media Studies

A popular conception of teaching about creative industries in universities is its association with media studies. Media studies have come in for much criticism from media pundits and politicians; a government-commissioned report has criticised them, claiming that 'the majority of university media courses do not teach the relevant skills'.[14] This claim is not substantiated in detail, but – like the many negative portrayals of media studies by journalists and employers – it suggests that media studies are professionally and vocationally irrelevant. However, these portrayals are quite inaccurate.

They ignore the successful integration of critical approaches to the study of media into many university courses with a vocational focus. A survey of students from four modern universities shows how the students themselves see the value of thinking critically about the media; it encourages them to think more creatively when producing practical work.[15] This is especially the case in education for creativity in, for instance, broadcasting and filmmaking. The report rebuts the oft-quoted negative comments from some employers by showing that many employers also see the value of courses that train students to think as well as to 'do'. Such employers recognise that the employability of graduates is not solely dependent on vocational training, but is equally dependent on training graduates to think critically about the industries in which they will be working. Students and employers alike – along with academics – are increasingly thinking beyond the artificial division of critical ('intellectual') education and vocational ('practical') education. Government surely recognises this when it acknowledges the contribution that

[14] Work Foundation (2007) *Staying Ahead: The economic performance of the UK's creative industries.* London: Work Foundation: Annex, p. 9.
[15] Thornham, Sue and O'Sullivan, Tim (2004) 'Chasing the "Real": "Employability" and the media studies curriculum', *Media, Culture and Society* 26(5): 717–736.

universities make in providing an education that enables students to 'respond creatively and confidently to changing situations and unfamiliar demands'.[16] The very principles of 'challenge, dissent and argument' that the Work Foundation[17] argue are at the heart of creative thinking and practice are also at the heart of media studies; graduates are putting the principles to work in an applied, industrial context.

Case Studies

Leeds Metropolitan University's BA in Art Event Performance enables students to become multi-skilled creative practitioners by studying and engaging in a diversity of art forms (music, journalism, theatre and clubs) through a variety of media (visual, audio, digital and live).

On the course students from different cultural backgrounds learn to enhance their intellectual and critical approaches, challenge boundaries and develop original thinking. They develop innovative thinking through collaboration with professional practitioners, and international collaboration and exchanges with projects in Romania and Spain.

Music education provides a vivid example of diversity within a creative sub-sector. The application of technology to music is found in courses that cover music studio technology, performance and entertainment technologies, and music production. There are courses in sound design, sonic arts and sound engineering. Entrepreneurial and business skills are not only embedded into music courses, they are the foundation of many, such as Music and Arts Management (Buckinghamshire and Middlesex), Music and Media Management (Gloucestershire), Music Industry Management (Southampton Solent) and Music and the Creative Economy (Kingston). More traditional courses in composition and performance have also been diversified to better prepare students for work in areas like film and television (Thames Valley), music for computer games (Coventry) and music therapy (Roehampton).

[16] Department for Culture, Media and Sport (2008) *Creative Britain: New talents for the creative economy*. London: DCMS, p. 13.
[17] Work Foundation (2007): 6.5.

The University of Wolverhampton's foundation degrees in Music Industry Practice and Sound Production prepare students for a career in corporate industry and for self-employment. Lecturers have worked with many internationally known musicians and are therefore able to deliver courses that emphasise highly professional practice, entrepreneurship and work-based learning.

Napier University's BA in Popular Music combines instrumental tuition and professional performance skills with business skills and industry knowledge. The course is designed to equip students with the ability to work both in the commercial music industry of concerts and recordings, as well as in public sector initiatives such as music in the community.

More traditional courses in composition and performance have also been diversified to better prepare students for work.

Roehampton University's MA in Music Therapy provides the opportunity for trained musicians to extend and apply their musical skills while undertaking professional training as therapists. Students use their musical knowledge to adapt and explore how their musical skills can be used to meet therapeutic needs of clients.

The design of these courses not only reflects the diversity of the industry they serve but also acknowledges breadth and scope by including complementary subjects. In addition to studying single disciplines many options exist for both interdisciplinary and intradisciplinary courses. Interdisciplinary courses bring together subjects that had been previously thought of as separate, such as health studies and music in music therapy. Intradisciplinary courses engage students in an extremely wide range of approaches to a specific subject. For example, broadcasting will deal with practical skills for radio, television and the internet in the UK, but it will also explore comparative practices across the world, different professional models of broadcasting as well as amateur forms such as blogging, and engage in law, ethics and critique. The aim is to

produce a fully rounded professional able to respond to and innovate in a changing media landscape.

Middlesex University offers a programme that brings together modules in Film Studies, Video Production and Digital Interactive Media in their BA Film, Media and Interactive Arts degree. This structure enables students to progress into either art or industry. Students are able to choose between seven approaches in the University of Northampton's MA in The Arts. Interdisciplinary core modules in research can be linked with either a single subject or 'synthesised' with any of the key disciplines including arts management, curatorial studies, fine art and performing arts. Bath Spa University's BA in Creative Arts similarly gives students the chance to combine any of six arts disciplines (art, creative writing, dance, drama studies, music and textile design) by allowing them the choice and combination of elective modules from any of the creative arts subjects.

Further evidence of 'unity within disparity' in course design has been the development of generic undergraduate and postgraduate degrees in areas such as 'creative industries' and 'creative technologies'. These group several interrelated industry modules into the one course. Coventry and Glasgow Caledonian universities offer degrees in Creative Technology that focus on the interconnections between multimedia and creative computing, games technology and digital entertainment. Coventry also provides a business approach to the study of the creative industries with both a BA and an MBA programme in Creative Industries Management.

Kingston University has recently devised a suite of 20 Masters degrees, each demonstrating how a particular industry relates to the creative economy. Each degree draws on a wide spectrum of interdisciplinary and specialist activities that aim to foster collaboration and networking with other students on creative industry courses at Kingston as preparation for the requirements of their future careers.

These programmes were developed partly as a response to government policy and aim to encourage and facilitate communication between the creators and the marketers, promoters and producers who are increasingly necessary to bring enterprises to fruition.

Examples of these Masters degree programmes include: Advertising and the Creative Economy, Journalism and the Creative Economy, Digital Media and the Creative Economy, and Management and the Creative Economy.

The Need for Entrepreneurial and Other Business Skills

Industry acknowledges a greater need for business and entrepreneurial skills to be integrated into creative industries teaching.[18] The need for such skills is further reinforced by the changing nature of the employment market within the creative sector, making it necessary for students to develop sets of skills and attributes while at university beyond those of a purely vocational nature. Variously termed 'transferable', 'tactical', 'soft' and 'generic' skills, they include skills that relate to teamwork, confidence, communication, self-awareness and leadership. They endow graduates with the means to cope and adapt to the increasingly complex and variable nature of business irrespective of employer and are key ingredients of successful career management.

Within the curriculum, the teaching of employability skills takes place across a range of institutions through a number of approaches. First, there are teaching links between 'core' creative industries subjects and business courses. These include advertising and business (Coventry), product design, innovation and marketing (Derby); design studies with fashion promotion (Southampton Solent) and experimental and commercial digital art (Thames Valley). Coventry's BA in Creative Industries Management course is delivered as a collaboration between the Business Faculty and the School of Art & Design.

[18] For example, BOP [Burns Owen Partnership] (2006) *SME Music Businesses: Business growth and access to finance.* London: DCMS; and Skillfast (2008) *Achieving our Potential: Draft skills strategy for the fashion and textiles sector*. Leeds: Skillfast-uk.

Management and leadership are core learning goals in Kingston's suite of Masters degrees, and students undertake assignments in financial planning and market analysis. In most cases the entrepreneurial elements of the course are taught separately in the university's business school. Employability skills may also be embedded into the core curriculum.

Case Studies

London Metropolitan University's BA in Arts Management explores how business and management issues relate and apply to a wide range of creative and cultural activities. The programme teaches how marketing and promotional practices as well as policy development and events management can be applied to museums, galleries, heritage sites and the performing arts.

Performing arts courses at the University of Coventry integrate entrepreneurialism rather than use 'bolt on' business modules. Reflection and self-criticism are central to this approach, as is 'the effective and imaginative integration of business knowledge and creative skills'.[19] The University of Bedfordshire's MediaTrain project helps students to prepare for employment in the media sector by acting as a 'half-way house' between university and employment. One feature of the project is the mentoring of students by recent media graduates. Coventry's Add+Vantage Scheme develops students' employability and career management skills through a series of integrated modules that are embedded into the curriculum of all full-time undergraduate students during their first two years. They prepare students for various employment options within the creative industries and enable students to identify the employment competencies they need, such as entrepreneurialism, commercial awareness, creativity, individualism and influence.

The Centre for Employability Through the Humanities is a £4.5 million funded five-year project at the University of Central Lancashire and is a national

[19] Evans, M. (2006) *ICEbreaker: An examination of the models and practice for the effective integration of creative practice and entrepreneurial skills and understanding, at both undergraduate and postgraduate level, within Performing Arts*. Lancaster: PALATINE [the Higher Education Academy Subject Centre for dance, drama and music].

centre of excellence in humanities and employability teaching. It offers a unique environment in which students learn to develop their employability skills alongside the taught academic content of their courses. Central to the project is a range of elective modules that are each aligned to the main humanities subjects. On each module students receive the opportunity to gain work experience in the Centre's Realistic Work Environments.

Preparing graduates for the world of work is also being achieved through the development of personal development planning (PDP) and employability skills.[20]

Anglia Ruskin University's Employer Mentoring Scheme matches students with a mentor from a business or company relevant to their degree. Mentors work with the student over a period of six months to devise an individual, work-based programme that addresses their professional development needs. Past mentees have praised the scheme for increasing their awareness of the adaptability required when working in organisations and for providing access to contacts and networks that have been followed up since graduation.

In 2007 Napier University launched 'Confident Futures', a programme of personal and professional development part-funded by the Centre for Confidence and Well-Being. All students are required to enrol on the programme, and its completion counts towards their final degree. The programme is designed to enable students to take an increasing responsibility for their own personal and professional development, for them to engage in their programme of study and develop attributes including self-awareness and self-evaluation that are essential for career preparation. All students are assigned a personal tutor who works with them on their personal and professional development. The purpose of this initiative is to enable the student to reflect on their current studies as well as their future professional career. Students identify new opportunities for learning during their university

[20] Bleetman, J. and Webb, L. (2008) 'PDP for creative practitioners – beyond skills to employability', *Networks: The Magazine of the Art Design Media Subject Centre (ADM-HEA)* (3), Spring: 17–19.

life and at the same time prepare themselves for careers that, like the creative industries themselves, will be characterised by development, change and adaptation.

Active Learning and Research–Teaching Linkages

Whereas PDP takes a wide approach to employability by concentrating on generic skills, other institutional practices take a more focused approach to employability that allows students to engage and 'learn by doing'. These practices exhibit a range of emphases and variety in their approach. The development of active learning, where students participate actively in their education rather than being audiences or empty vessels, is now firmly established in those universities with the highest profile in creative industries. The historical development of these universities is located within teaching and research environments that blend studio and workshop approaches with scholarly enquiry.

These environments encourage individual creativity within social settings. They typically encourage experimentation and risk-taking in a structured and safe environment. They provide disciplinary knowledge not for its own sake but 'to develop capabilities'. Universities involved in educating for the creative economy should not simply 'inculcate a body of knowledge, but … develop [among students] the capability to act responsibly towards others, to take initiative and to work creatively and collaboratively'.[21] The model promoted by universities which have been at the forefront of supporting the creative economy embeds research – often in the form of live projects – into all levels of undergraduate and taught postgraduate study. For these universities the linkage of teaching and research provides an essential basis for professional employment.

Leading universities in the creative industries also recognise that the linkage of teaching and research provides an essential basis for professional employment in the twenty-first century, where 'the professionals of the future

[21] Leadbeater, C. (1999) *Living on Thin Air: The new economy.* London: Viking.

[need to develop] the ability to investigate problems, make judgments on the basis of sound evidence, take decisions on a rational basis, and understand what they are doing and why'.[22] The recent PALATINE report, *Creative Graduates: Learning and research in the creative arts*[23] demonstrates how learning in arts, media and design subjects is enhanced by projects that, while not pure research, are 'research-like'. Media practice, for example, depends on a range of skills that actively involve students in the production of knowledge.

The traditional model of higher education separates teaching from research, with the latter being the province of scholars and research students. The new model promoted by modern universities embeds research – often in the form of live projects – into all levels of undergraduate and taught postgraduate study.

Case Studies

Southampton Solent University's suite of undergraduate popular music courses brings together students in performance, engineering, management, public relations and journalism to work on live projects that replicate the complexities of real-world industrial practices. Courses including Popular Music and Record Production have applied and practical modules that take advantage of the new Centre for the Professional Development in Broadcasting and Multimedia Production. The Centre acts as creative hub by attracting students of the communications and music industries as well as web-designers, broadcasters and artists where inter-collaboration between students and departments is fostered. Students on the Popular Music Performance course organised and staged a concert for several groups also on the course at a local venue that was promoted by students on the Music Promotion course.

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[22] Brew, A. (2007) 'Research and teaching from the students' perspective', *International Policies and Practices for Academic Enquiry: An International Colloquium* held at Marwell conference centre, Winchester, UK, 19–21 April.
[23] Whistlecroft, L. (ed.) (2008) *Creative Graduates: Learning and research in the creative arts.* Lancaster: PALATINE.

The University of Sunderland's Dance Apprentice – Mentor Learning and Teaching Model project is a mentoring scheme that addresses the need for the ongoing education and training of dance artists, students and graduates. Mentors and apprentices work together in the community, often in challenging environments (such as working with pupils who have been excluded from mainstream school at Key Stage 3/4). The project enables dance students to apply their subject knowledge and skills within an artistic community and so be more prepared for employment on graduation. Entrepreneurship is also achieved through students working independently in the commercial world with the support of their university. The University of Bedfordshire's BA (Hons) in Contemporary Theatre Practice enables students to set up and run their own touring companies. This allows students to perform in full-scale theatre productions, gain experience of working in community and educational environments, and develop a portfolio of entrepreneurial expertise to professional standards.

At the University of Northampton, undergraduate drama students studying the 'Theatre Futures' module regularly work at the Royal and Derngate Theatre. Students use the experience to develop their critical skills by writing reviews of performances and to collect ideas for their own practical work. Students are also able to shadow directors, actors, stage managers and marketing staff in preparation for work.

Live Projects

The previous section showed how live-project work enhances students' critical research skills. Live projects are also central to the work experience of students. They are especially useful in the creative industries sector, where many businesses and public organisations do not have the infrastructure to offer a formal programme of industrial placement. The live project enables an employer to achieve a specific goal that is core to their business. Where many work placements can be passive experiences for students and often emphasise lower-level skills, 'live projects' in creative industries courses give students valuable professional experience of working to a brief and to deadline, which often entails multi-skilling at a high level.

Case Studies

The key to the most effective live-project placements is direct interaction between students and companies. Bath Spa University's online Artswork Exchange enables students to offer their expertise and seek opportunities to develop and apply technical skills. Students on Bath Spa's Creative Enterprise module produced a promotional DVD for Sure Start, the government initiative established to improve the quality of life for young children and disadvantaged families. The project was wholly managed by the students, from initial storyboarding to final production. Students from two courses at Buckinghamshire New University (BA Spatial Design and BA Video Production) have worked with the Wycombe Swan Theatre to produce a public exhibition on the theme of Cinderella and a DVD of a local youth dance project. Students of Buckinghamshire's BA (Hons) Live Music and Events Management regularly work with professional clients on the promotion and staging of classical and popular music concerts.

Students on the BA (Hons) Drama course at the University of Northampton regularly work at the Royal and Derngate Theatre on placement, shadowing directors, actors, stage managers and marketing staff in preparation for work. 'Real-life' work experience is available to students of the University of Salford's BA Television and Radio degree on Manchester's Channel M broadcast TV station. Students write, research, produce, film and direct four different types of programme including a documentary series and an arts and current affairs show. All journalism degree students at the University of Teesside engage in live briefs with Trinity Mirror at the *Evening Gazette* in Middlesbrough. Each student has a 'beat' – an area of Teesside in which they glean stories and which can be posted on the Gazette Lived website and worked up for possible publication in the newspaper.

Entrepreneurship for Graduates

Institutions have established and developed support for graduates, particularly in self-employment, which is increasingly seen as a serious alternative to working for larger companies. This is often, but not always, due to the size of businesses in a specific sub-sector. Many institutions offer business start-up,

enterprise development and incubation facilities to final-year undergraduate students and graduates of professional Masters programmes.

Before students and graduates get to the stage of requiring incubation facilities and access to expertise to help in their business start-up, they must first have an idea. Given the nature of the creative sector employment market, the University of Salford has set up a Student Enterprise Academy to support and encourage students who are thinking about starting up in business on their own. The Academy also contains the Student Entrepreneurs Network, where sessions are held in marketing and planning techniques and business administration skills in addition to wider employability development.

Case Studies

The University of Sunderland provides students and graduates with incubation facilities in The Hatchery. Additional services include advice and support from academics and business mentors, contacts with external organisations including Business Link and The Prince's Trust, office facilities and membership of various North East enterprise agencies. Business support focused specifically for creative industries students wishing to start their own business is available through the Creativitiworks Small Business Enterprises Scheme, administered by the School of Art, Design Media and Culture. The University of Derby**,** in partnership with the Crafts Council, runs 'Make It Happen', an extra-curricular professional development programme of workshops for postgraduates who have decided on self-employment within the creative sector.

The University of Abertay Dundee's Embreonix programme offers postgraduate entrepreneurial education, training and business advice alongside incubation facilities. It offers a postgraduate qualification in Enterprise Creation, as well as business networking opportunities through the Aspire Society for Enterprise, which has close links with Scottish Enterprise, Tayside Business Gateway and the Prince's Scottish Youth Business Trust.

Bedfordshire's Knowledge Hub provides enterprise education and training to students and local entrepreneurs. Its focus is on business development and portfolio planning. The Knowledge Hub also runs the PACE project (Professional Training for Artistic and Creative Entrepreneurs) for current employees within the creative sector and graduates seeking self-employment. The University of Greenwich's Upstart programme includes a summer school for new creative entrepreneurs, as well as a postgraduate course, Creative Commerce, which includes a mentoring programme.

Leeds Metropolitan University's Leeds Met Business Incubator supports young companies under three years old throughout West Yorkshire, especially SMEs and those set up by graduates. Over three years it has supported over 100 businesses and has created over 260 jobs in the region. Business Start-up @ Leeds Met supports graduates at all stages of business development from original idea to established practice. The University of Wolverhampton leads the HEFCE-funded SPEED project (Student Placement for Entrepreneurs in Education). Southampton Solent, a partner in the scheme, offers support for creative business start-ups for students while they are still studying for their degrees. Screen Academy Scotland's Screen Futures initiative (based at Napier University) aims to open up the screen industries to underrepresented groups, namely, women, black and ethnic minority people and those who are 'geographically disadvantaged' (a key concern in Scotland). Screen Futures offers business support, mentoring and networking opportunities.

The provision of sustainable entrepreneurship education, however, is uneven across the higher education sector. The strength of local and regional links with industry is not in doubt, but these are can be dependent on short-term arrangements often brokered by individual academics. There is scope for a whole-sector approach to strategic and holistic practices, in order for universities to share information about what works.

Recommendation 1

Very strong traditions and a variety of robust programmes and practices in creative industry courses have been developed by those universities in the forefront of responding to the needs of the creative economy; these courses support and promote employability and the development of business and entrepreneurial skills; entrepreneurship is embedded within courses promoted by these universities in acknowledgement of the key role of the graduate as self-employed practitioner or small business creator within the sector.

Recommendation 2

As part of an overarching strategy to promote the creative economy, Government should work with universities the industries and other partners to develop a pro-active strategy to promote the value of creative industry pre-entry, graduate and postgraduate qualifications and challenge popular stereotypes that continue to suggest that these courses are academically trivial and lack professional relevance.

Knowledge Exchange and Transfer Activities

Universities that have developed out of a tradition characterised by studio and workshop approaches to learning are successfully combining the art-school philosophy of experimentation and risk-taking with industry-focused educational aims. This enables them to structure the 'liberal-romantic idea of a happening space'[24] more effectively than either their predecessors or the more traditional universities. Consequently, universities that lead the delivery of teaching, learning and research in the creative industries are able to foster an environment that is conducive to developing creativity in a structured setting. Students have the freedom to take risks and to experiment in an environment that is supportive, where their efforts are nevertheless directed towards constructive, commercial goals. This is an approach to education for creativity recommended as long ago as 1999 in the Robinson Report, *All Our Futures*.

[24] Schlesinger, P. (2007) 'Creativity: From discourse to doctrine?', *Screen* 48(3): 377–387.

Universities that have developed such approaches are sensitive to the particularities of specific industries within the sector, at specific times and specific locales. A one-size-fits-all approach that ignores the need for diversity and seeks to homogenise practices will not provide graduates capable of complex and flexible thinking in creative practice; instead it will stifle the development of imagination and expression, preventing the growth of 'spaces of interpretation'.[25]

The extent to which particular universities engage in these needs to take into account factors such as geographic location (the number of businesses in the university's catchment area), the size of the businesses, the size and range of facilities available in the university, and the opportunities for external funding. For example, small and micro-businesses are less likely to take up continuing professional development (CPD) opportunities because small employers find it hard to justify taking key staff away from their core business. CDP programmes, like knowledge transfer schemes (such as that of the Arts and Humanities Research Council), can often be better suited to larger commercial organisations.

Nevertheless, there have been conspicuous successes in knowledge transfer partnerships.

Case Studies

Glasgow Caledonian University's Curious Group employs 60 members of staff and has a turnover of around £6 million. The group provides business services for creative industries sub-sectors such as fashion, gaming, interior design and multimedia technology. Coventry's Centre of Excellence for Product and Automotive Design was funded by a £2.5 million grant from the Higher Education Funding Council for England (HEFCE). Here students are able to take advantage of the Centre's industrial links with international companies such as Jaguar and Reebok to enhance their cultural awareness of global creative practices.

[25] Work Foundation (2007), 5.3.22.

There have been successes in providing small businesses with access to university facilities. The University of Abertay Dundee's White Space Solutions offers digital media resources; Birmingham City University's Media Content Lab offers web development and design services. Business incubation services are hosted by, amongst others, the universities of Bolton (where there is an emphasis on digital studio facilities) and Derby, which offers 'dirty spaces' more suited to artists and craftsworkers.

The University of the West of Scotland is a key partner in the new Scottish Centre for Enabling Technologies. The Centre, based at Pacific Quay in Glasgow, encourages industry–university partnerships for SMEs that contribute to the local economy. Academics provide knowledge and skills in enabling technologies for content and knowledge management, including wireless technologies, digital publishing and virtual reality.

In recent years the role of the academic as a consultant has emerged as an additional, core, activity of university functions. Universities are thus contributing to the creative industries through providing consultancy services. This is especially the case in some areas where this activity is seen to have benefits for teaching and research, as well as being a potentially very useful source of revenue for universities. While academic consultancy has been seen by some as too radical a departure from the core task of generating new knowledge through traditional research, especially within an applied area of work as is characteristic of the creative industries: 'consultancy can, in theory, provide excellent opportunities to test concepts and techniques in empirically rich settings, and to provide the contemporary, "real world" examples beloved of the research-led teaching perspective'.[26]

The reliance on local and regional industrial links, particularly for knowledge transfer and work placements, is a strength. The flexible and adaptive nature

[26] Docherty, I. and Smith, D. (2007) 'Practising what we preach? Academic consultancy in a multi-disciplinary environment', *Public Money and Management* 27(4): 274.

of many employment initiatives is a further strength, especially in terms of higher education's contribution to regional regeneration.

Regionalism and Regeneration

Many universities are located within heavily populated provincial urban areas formerly dominated by manufacturing industries. Industries were often served by these universities in their former capacity as polytechnics or technical colleges. The decline of many of these industries and the consequent 'out-migration' from these regions in the 1970s and 1980s has now been slowed. Regional Development Agencies are assisting the continued regeneration through funding initiatives that seek to nurture and encourage business development and graduate retention within the regions. This is done in two ways: by concentrating on an industry that has historical connections to the area (ceramics in Staffordshire and Sunderland, automotive engineering in Coventry) or by developing new industries in the area (computing in Dundee and Teesside). Universities have come to play a significant part in both types of regeneration.

The location of universities near centres of both traditional and emergent industries allows for the creation of links and partnerships. Industry can help institutions to design relevant and innovative courses that vocationally prepare students for employment within the sector, while institutions can offer the industry's workforce their facilities, expertise and opportunities for re-skilling, as well as courses in continuing professional development.

The role of higher education in developing creative talent is increasingly recognised as important at regional planning levels. Regional and local funding, whether from regional development agencies or from the commercial sector, has added economic and social value, including by promoting innovative schemes to retain and develop creative graduate talent, enriching both local businesses and communities.

Mapping exercises undertaken in different parts of the UK have demonstrated that creative businesses tend to cluster around centres of academic and

creative excellence.[27] Increasingly universities benefit from regional and local funding, whether from regional development agencies or from the commercial sector.

Case Studies

The University of Sunderland, for example, delivers its glass and ceramics training at the National Glass Centre, an arrangement that benefits both organisations and underpins the city's reputation for glass design and ceramics. The link with the Glass Centre and the support of Cohesion, the local glass makers' network, encourage graduates to stay in the region and establish their own businesses.

The West Midlands has a rich history in manufacturing and continues to be of major importance to the region's economy. Advantage West Midlands has set out a strategy to continue development in key industries by encouraging enterprise and innovation, raising skill levels in the respective workforces and providing finance and business support to local companies. Universities such as Coventry, Staffordshire and Wolverhampton are continuing to contribute to the region's economy through their business support and incubation facilities, courses and programmes, skills education and graduate supply. Advantage West Midlands is currently undertaking research into future high-level skills needs for specialised consumer products industries. This has involved the identification of skills shortages and requirements in SMEs operating in design in the manufacturing sub-sectors, including ceramics, textiles, furniture, glass and jewellery. Already local universities have responded through the provision of courses in jewellery, silversmithing, glass and ceramics. The industry-led Work-Learn Incorporated Project at Staffordshire University assists with creative and design development for the ceramics industry through the provision of undergraduate and postgraduate modules and CPD courses. The

[27] For example, Culture Northwest (2004) 'A Snapshot of the Creative Industries in England's North West'. Available at: www.englandsnorthwestculture.com/cultural/news_updates.asp; and Department for Culture, Media and Sport (2001).

long-term aim of the project is to apply its knowledge in addressing high-level skills gaps in the ceramics industry to other creative sectors.

The University of Teesside opened a multi-million pound Institute of Digital Innovation (IDI) as part of its Centre for Creative Technologies in 2007. It forms a central component in Middlesbrough's DigitalCity regeneration initiative to support new and growing businesses in digital media and technology. Other partners include Tees Valley Unlimited and One NorthEast regional development agency, which contributed over £5 million towards IDI.

Business start-up support and incubation facilities are available through the university's DigitalCity Fellowship Scheme. This is open to graduates, alumni and regional artists in the digital animation and games software sector. Teesside forms the focus of a vibrant digital and creative industry cluster and the intention is to 'rekindle the spirit of enterprise' that formerly characterised the region in the late nineteenth and twentieth centuries with the heavy and manufacturing industries.

The University of Bolton has been supported by the North West Regional Development Agency and the European Regional Development Fund to set up a web portal (The Nerve Centre) for Bolton's arts and creative industries, in collaboration with Bolton Council and Bolton at Home.

The Nerve Centre provides a one-stop-shop for creativity in the town. The site is free to access and allows users to read and post information relating to events, vacancies, creative opportunities and news, together with a searchable directory of individuals and organisations that contribute to Bolton's creative community. It also lets users keep up to date with all partners' projects and initiatives. Networks like the Nerve Centre enable micro-businesses and single-person companies to benefit from each other's knowledge and skills.

Coventry University has been supported by the West Midlands Manufacturing Advisory Service to develop a prototype suitcase for waste electronic and

electrical equipment (the WEEE Suitcase) with students on its BA (Hons) Automotive Design programme. Coventry's Serious Games Institute, launched in September 2007, was supported by £3.3 million of funding from Advantage West Midlands, the Regional Development Agency. At the University of Greenwich, research into small-scale independent music production and distribution has been funded by the London Development Agency.

Birmingham City University's Next Big Thing project is funded from Advantage West Midlands to offer design and business development services to local designers and craftspeople. The University of Teesside offers Collaborative Innovation Partnerships in product design, media and computer games design that are funded by the regional development agency One NorthEast. Like the AHRC's Knowledge Catalyst scheme, these partnerships enable a recent graduate and an academic to work with companies for six months at a time.

Anglia Ruskin University's Creative Futures programme is delivered in partnership with Business Link. It comprises a series of lectures, workshops and networking events for students and graduates, as well as the general public interested in starting their own business. Local regeneration initiatives such the University of Central Lancashire's In Certain Places project depend on funding (whether financial or in kind) that comes from a range of partners. In Certain Places is a public art project that encourages public debate about art and regeneration. Partners include Preston City Council, Lancashire County Council and the Harris Museum and Art Gallery, as well as private companies. Also in partnership with Preston City Council, the university has set up Headspace, a virtual incubator for the creative industries.

Funding for regional economic development might also come from Europe. The University of Bolton has won two European funding bids to offer financial and continual professional development support to creative industries practitioners and businesses in Greater Manchester and across the north-west region. Bolton's Design Studio (opened in 2005) was built with partial funding by the European Regional Development Fund.

Anglia Ruskin University's Creative Industries Business Improvement Partnership (CIBIP, working with Screen East and Theatre Resource) was funded through a European Social Fund grant of £192,000 over two years. CIBIP is open to any creative industries business in the Cambridge area and particularly targeted at groups who are currently underrepresented in the workplace, that is, disabled people, people from ethnic minorities and those aged over fifty. CIBIP offers help with business plans, bursaries towards the cost of training, and support from a network of mentors. It also offers creatives the opportunity to train as mentors themselves.

Recommendation 3

Without imposing unnecessary regulatory burdens or targets, local economic development bodies and local government should work closely with universities to match strategic priorities and funding opportunities in the creative industries, including those at European level.

Internationalisation and Influence

Regionalism need not mean parochialism. Higher education has a major role to play in the internationalisation of the creative industries. The internationalisation of UK higher education in terms of the number of EU and overseas students enrolled has been a significant success of the last decade. The number of EU students coming to the UK to study increased by 6% between the academic years 2005/06 and 2006/07 while non-EU overseas students increased by 7%. Universities UK claimed in 2005 that the enrolment of overseas students had become a major export industry worth more than food and drink, tobacco, insurance, ships and aircraft. There were157,000 overseas students in 2006/07; the Home Office estimated that their value to the UK economy was almost £8.5 billion a year.[28]

At present, business and administration is the most popular subject among overseas students; engineering and technology takes second place. Courses

[28] Lenton, P. (2007) *Global Value: The value of UK education and training exports – an update*. London: British Council.

associated with the creative industries are not high up the list of preferences. However, the courses in the creative industries developed by UK universities have the potential to add value to the international higher education market, not only through study in the UK, but also through transnational education partnerships such as those with China and India.

A major task then of universities, with the support of the British Council, must be to promote the value of such courses to overseas students in terms of shaping the creative industries of their countries of origin and in the development of creativity and innovation. Where other subjects such as business and administration may face strong competition from the USA and Australia, creative industries-related courses, building on the strong international reputation of the UK creative industries themselves, can expand the number of overseas students and increase their value to the UK economy.

The value of recruiting overseas students lies not only in the short-term fee income they generate but also in the influence that they will later exercise within the economies and governments of their countries of origin. Successful overseas graduates from creative industries-related courses will be of continuing benefit to the UK economy in their privileging of the creative industries, in terms both of employment of personnel and purchase of technologies. They will also be conscious of the values and principles underpinning the creative industries in the UK. There is a major opportunity for government to support UK universities to market creative industries programmes.

Recommendation 4

An international strategy to promote the excellence and relevance for international students of the creative industry courses and graduate qualifications offered in the UK should be developed by Government working with universities that have added real value to the UK's creative economy, the British Council and other relevant partners, including from the creative industries themselves.

Conclusion

Approaches to teaching and learning are diverse and appear sensitive to existing and emerging demands of the creative industries themselves. Approaches include courses with specific applications to industry and professional practice, as well as hybrid courses that emphasise the interdisciplinary nature of much university teaching and practice. There is an equally diverse range of approaches to employability, enterprise and other business skills. The reliance on local and regional industrial links, particularly for knowledge transfer and work placements, is a strength. The flexible and adaptive nature of many employment initiatives is a further strength, especially in terms of higher education's contribution to regional regeneration.

While most curricula have been profitably reviewed in terms of a 'fit for purpose' framework (for example, the integration of key skills into the curriculum using the QAA subject benchmarks and the National Qualifications Framework),[29] this criterion for quality assessment tends to focus on the educational processes within universities. However, it can be argued that it ought to extend into the examination of the output consequences of teaching. This would amount not just to fitness for purpose, but also to 'achievement' of purpose – including its creative, critical and economic impact. Such a 'final' fit-for-purpose approach could be gauged through tracking the impact of the educational process on industry and society. One approach to achieve this is systematically to study employability and student destinations.

Although most institutions conduct audits of the employability content of programmes and modules they offer in the creative industries (for example, the University of Central Lancashire[30]), it appears that the final outcome of the teaching process of creative industries (that is, entry into the creative industries) is not consistently assessed. However, the last half-decade has seen considerable proactive development of employability in higher education

[29] As shown in Harvey, L., Locke, W. and Morey, A. (2002) *Enhancing Employability, Recognising Diversity*. London: Universities UK.
[30] Sewell, P. (2001) 'Higher level skills in creative industries in Lancashire & Cumbria', *LMI Briefing,* 26 July. North West Labour Market Partnership.

institutions augmented by collaborative activities with employers. Employability initiatives are varied and increasingly are being integrated into programmes of study. Furthermore, some institutions are taking a strategic approach to employability development.

The provision of sustainable entrepreneurship education, however, is uneven across the higher education sector. The strength of local and regional links with industry is not in doubt, but these are can be dependent on short-term arrangements often brokered by individual academics.[31] There is scope for a whole-sector approach to strategic and holistic practices, in order for universities to share information about what works. Such an exchange of information could also be of benefit to policymakers and funding bodies, to enable them to make strategic funding initiatives based on evidence from the universities themselves.

[31] National Endowment for Science, Technology and the Arts (2007) *Entrepreneurship Education for the Creative Industries.* London: NESTA.

4. Funding for the Creative Industries in Higher Education

Universities are well placed to respond to the new challenges of educating present and future generations for participation in the rapidly changing global economy and, more broadly, for citizenship in their communities, home nations and worldwide. Rapid cultural, economic and societal changes require corresponding innovative responses. The funding of research is key for universities to contribute to the nation's economic progress.

Although the return on investment in basic research and knowledge transfer is not always immediately apparent, there can be a wholly unforeseen and dramatic return over the long term.[32] The British Academy has argued that the UK's cultural, intellectual, social and economic well-being is dependent upon the contributions made by teaching and research activities, as well as the successful interplay of all aspects of knowledge in universities.[33]

A New Research Council

The strengths and potential of the creative economy identified in *Creative Britain* and by the Scottish Government and the innovative responses, activities and potential of the creative universities analysed in *Creative Futures* need to be exploited by innovative models and funding regimes in higher education. In the same way that the Engineering and Physical Sciences Research Council has strengthened links between science and engineering research and the knowledge economy as part of a Government strategy to boost the importance and relevance of science and technology to the economy, a similar forward-looking policy for the creative industries at Research Council level could promote a new deal and further innovation in

[32] Birgeneau, R. J. (2005) 'The role of the university and basic research in the new economy'. In Jones, G. A., McCarney, P. L. and Sholnick, M. L. (eds.) *Creating Knowledge, Strengthening Nations: The changing role of higher education*. Toronto: Toronto University Press.
[33] British Academy (2004) *'That Full Complement of Riches': The contributions of the arts, humanities and social sciences to the nation's wealth*. London: The British Academy.

the relationships between the creative industries, universities at the cutting edge of innovative course design, research and the knowledge economy.

The AHRC (established by Royal Charter in April 2005, after seven years of life as the Arts and Humanities Research Board) forms one of the eight Research Councils operating across the UK that are funded by the UK Government from the Science Budget. The AHRC is a key contributor to the shift of the creative industries in the UK from the margins to the mainstream of economic policy. In order to signal the relevance of the creative industries to the economy, the AHRC could be reconstituted as the Arts, Humanities and Creative Industries Research Council (AHCIRC) with representatives on the Council from the creative industries, including entrepreneurs, and a much wider spectrum of representatives from universities including those who have led innovative practice, research and course development in the newer creative industries.

Arts and humanities academics represent about one-quarter of all academics in UK universities. There were 12,000 of them listed as research active in the 2001 Research Assessment Exercise. Of these, 7,000 came from departments rated as of international research quality. A central responsibility of the AHRC is to encourage the researchers it funds to disseminate their research findings so as to transfer the knowledge they produce into new contexts outside academia where it will have a demonstrable impact. The creative industries form an important context for the research and knowledge transfer activities of many of the researchers.

Although arts and humanities academics represent about one quarter of all academics in UK universities, the AHRC typically receives less than this proportion might suggest. In 2007–2008 the AHRC received £96,792,000 from the total Science Budget of £3,382,423,000. This is only 2.8% of the total budget, the smallest percentage of funding among the seven research councils. There are historical reasons for this, not least the dominance of science and technology in economic strategy and the costs of research infrastructure in those areas.

The lower priority given to the AHRC in Science Budget funding is called into question by the emergence of creative industries research that also involves research infrastructure requiring investment in workshops, studios and specialist equipment and that, as in science and technology, requires regular updating. Research in computer games, design and music, for example, is as reliant on technology as scientific research, and this is especially the case for research with industrial applications.

A newly constituted and focused Arts, Humanities and Creative Industries Research Council, historic patterns of under-funding, new requirements for state-of-the-art industry-standard research infrastructure in some areas of the creative industries and the need to incentivise the links between the arts, humanities, creative industries and the creative economy suggest that an increase in the AHCIRC budget would be justified.

Recommendation 5

An Arts, Humanities and Creative Industries Research Council (AHCIRC) with representatives, including entrepreneurs from the newer creative industries and a wider spectrum of representatives from universities should be considered; an enhanced budget would also underwrite the AHCIRC's role as a driver of research and knowledge transfer for the creative economy.

Funding for Undergraduate Teaching

Learning by doing – and learning from failure – is a more costly procedure than learning by watching without experimentation. While it might not be possible always to specify this additional cost (as opposed to the added value derived from it), it is reflected for example in the lower staff–student ratios needed for practice-based learning such as forms of musical tuition, in the levels of technical support needed for areas such as product design, and in the specialist accommodation needed for broadcasting or drama. There is current evidence of the strains within the sector caused by failure to fund at a level that recognises these needs for creative industries-related learning. The corollary is a risk that the practice element within courses is reduced (and the critical element increased) in order to fit budgetary constraints. This would be

to the detriment of the creative economy in the UK through loss of ‘creativity’ and, in particular, loss of graduates able to make a contribution to these industries on first entry.

In spite of their economic and social impact, creative industries courses are the poor relations in university funding. Funding of undergraduate students in the UK through the Higher Education Funding Council for England (HEFCE), and the corresponding bodies in the devolved administrations, comes partly through the general teaching grant allocated by the funding councils to each higher education institution on a formula basis of student numbers broken down across a number of categories. A key means of categorisation is through four ‘price groups’ that are weighted according to the nature of learning and teaching practice and the facilities required.

The four HEFCE price groups and their weightings are:

Price group	Description	Cost weight
A	The clinical stages of medicine and dentistry courses and veterinary science	4
B	Laboratory-based subjects (science, pre-clinical stages of medicine and dentistry, engineering and technology)	1.7
C	Subjects with a studio, laboratory or fieldwork element	1.3
D	All other subjects	1

Creative industry courses fall into the lowest price groups, i.e. C or D. Group C includes subjects with a studio element and D no studio or workshop element. The teaching of creative industries increasingly requires regular and sustained use of studio and workshop facilities in ways similar to the laboratory-based subjects (funded more generously in group B). Specialist equipment and accommodation, and technical support, are key to teaching the creative industries. A recent review of drama provision in Scotland raised concern about the funding of undergraduate provision, but funding is an issue

of concern for all practice-based courses in terms of access to and updating of specialist equipment and accommodation, as well as the staffing costs of technical support.

Given the importance of the creative industries to the UK economy and given the hands-on, 'learning-by-doing' nature of practice-based courses, it is clear that a review of teaching support, focusing on moving these courses to group B, is long overdue.

Recommendation 6

The Higher Education Funding Council for England and the corresponding bodies in the devolved administrations should review current levels of funding for teaching practice-based courses in the creative industries in particular, for those that require specialist and expensive equipment in dedicated facilities to promote employability skills.

Funding for Postgraduate Teaching

Richard Florida has argued that vibrant and successful postgraduate environments incubate creativity.[34] They attract talented students who support the ongoing development of an innovative and entrepreneurial economy. Universities have developed a range of taught courses, often in collaboration with or accredited by the creative industries. These taught postgraduate courses enhance the employability of graduates and ensure a steady stream of entrants to these industries. They give graduates a set of pre-entry skills that reduces the cost of training within the creative industries.

These courses have to be fully funded from fees and non-funding council income. The provision of funding for professional Masters courses is a key to ensuring diversity and equality of entrants to professions such as journalism and publishing where a postgraduate degree has become one of the most common entry routes. The Arts and Humanities Research Council (AHRC) is

[34] Florida, Richard (2002) *The Rise of the Creative Class, and How it's Transforming Work, Leisure, Community and Everyday Life.* New York: Basic Books.

the major funder of professional Masters courses in the UK. The level of funding has recently weakened as a result of the AHRC's overall reduction of funded postgraduate places from 1,500 to 1,000 in 2008/9 (which includes professional preparation Masters, research preparation Masters and doctoral awards). AHRC has advised that this will be a temporary restriction and that in 2009/10 the number will return to 1,500.

However, the number of professional Masters awards proportionate to those available for research (preparation Masters and doctoral) is currently unfavourable. In 2006, the AHRC made only 349 (23%) awards for professional Masters, from a total of almost 1,500. Doctoral awards account for just over 45.2% of this total (672 awards), with research preparation masters accounting for almost 31.3% (466 awards).[35] Further, the introduction by the AHRC of a Block Grant Partnership for future postgraduate awards will see the majority of awards ring-fenced for five years to a small number of higher education institutions, principally universities focusing on research within the traditional arts and humanities disciplines (such as English and History) where professional Masters courses are less common.

This emphasis on conventional research will dilute further the resources available for taught postgraduate courses serving the creative industries.

Recommendation 7

The proportion of funding available to professional masters courses should be increased by the AHRC, for example, by providing 700 places on a recurrent annual basis, of which at least 500 should lie outside the Block Grant Partnership scheme.

Research Funding

Universities also contribute to the development of the creative economy through research and knowledge transfer. The chief form of the latter is the flow of well-qualified and innovative new graduates into the creative

[35] Arts and Humanities Research Council (2007) *Review of the Year: 2006-07.* Bristol: AHRC.

industries. Universities have undertaken more direct forms of knowledge transfer through working with local and national companies to optimise their effectiveness. Research has been undertaken that informs policy and provides opportunities for commercial exploitation. Universities offer students and staff alike the opportunity, including the provision of infrastructure and audience, to experiment, to innovate and to fail (before trying again) that is at the heart of creativity.

The UK has a dual-support funding system for publicly funded research in universities through Quality Related (QR) funding from the Funding Councils, based on past performance in the Research Assessment Exercise (RAE), and project-based funding from the Research Councils. The AHRC is the key Research Council for subjects serving the creative industries.

The dual-support funding system, combined with the Government's policy of supporting research of international significance over research of national significance, have resulted in universities that have led in the new creative industries not receiving public funding for research infrastructure. In 2007/8 HEFCE allocated an additional £22 million to support research in seven well-established subject areas. Three of these areas are related to the creative industries: art and design; communication, cultural and media studies; and drama, dance and the performing arts. This allocation at least recognised that historically these areas have been under-funded.

However, the current subject groupings of the Research Assessment Exercise (a five-year retrospective review of the quality of research) make it difficult to assess the highly interdisciplinary research that is common in creative industries. It is proposed that the RAE be replaced by the Research Excellence Framework (REF). The REF (or any future replacement for the RAE) must fully recognise the nature of research in the creative industries. The interdisciplinary nature of much of this research has to be acknowledged and defended against the restrictions of a framework rigidly based on traditional disciplines and academic departments. Moreover, there are currently three subject-based research cost bands: A (the highest), B and C.

Creative industries subjects fall into bands B and C, while STEM subjects (science, technology, engineering and medicine) are consistently in band A.

Recommendation 8

Quality-related research funding allocations, including the January 2009 decision that will determine the QR grant to universities up to 2013, should recognise the interdisciplinary nature of much creative-industries related research and provide universities which have responded to the demands of the creative industries with capacity to invest in research infrastructure and respond to new and emerging areas.

Recommendation 9

The higher costs of equipment, accommodation and technical support associated with practice-based research in the creative industries should be reflected in the subject weighting used to determine the annual amount of Quality-related research funding.

Recommendation 10

Any future research assessment framework must take full account of both interdisciplinarity and intradisciplinarity, which are key features of creative industries courses and research, and allow for future innovation.

Knowledge Transfer

The value of industry-related research has begun to be recognised by the AHRC itself, which has begun to make funding available for knowledge transfer activities. However, schemes such as its Knowledge Catalyst initiative, geared towards the needs of SMEs, have made only a small number of modest awards.

The AHRC's Knowledge Catalyst scheme aims to commercialise arts and humanities research and connect it to organisations that would previously have been deemed inappropriate for the Technology Strategy Board's Knowledge Transfer Partnership scheme. The AHRC has deliberately adopted a wide definition of knowledge transfer to include interactions with

business, voluntary groups and public sector organisations such as museums and galleries. Projects may last anything from 3 to 15 months, which benefits small-scale interactions, particularly micro-businesses. The scheme offers 60% of the cost of a project, which includes the employment of a recent graduate by the 'Enterprise Partner' to develop the project with the support of an academic; this enables industry to experience at first hand the benefits of employing an arts and humanities graduate. Despite the scheme being able to accommodate small businesses and public bodies working with the arts and humanities in universities, so far the take-up of the Knowledge Catalyst scheme has been slow. Only 10 awards were made in 2007 and 2008; the value of awards ranged from £11,000 to around £40,000.[36] The range of projects – including computer games, design, video, animation, web-based archives and resources – also suggests that the funds are being spread thinly across the creative industries sector.

The AHRC's Knowledge Transfer Partnership scheme encourages longer-term projects with duration of up to three years. In 2007 and 2008, 21 awards were made, ranging from £9,000 to £335,000 in value. This scheme enables academics with partner organisations to commercialise an existing piece of research. Awards made to date include partnerships with museums, archives, schools, visual artists and the radio and television industry. The overwhelming majority of these were awarded to universities involved in the traditional arts and humanities disciplines. The AHRC has also itself managed a successful partnership with the BBC and has recently initiated a further one with BT in the field of digital heritage.

Despite the small number of awards made, compared with the more long-standing research awards, such schemes are able to offset the disadvantage that universities have when competing against professional consultancies. One reason for the small number might be due to an abiding concern amongst arts and humanities academics that the priorities for knowledge transfer funding have moved too close to that of science and technology.

[36] Arts and Humanities Research Council (2008) *Award Listings,* www.ahrc.ac.uk (accessed 30 April 2008).

Professor Geoffrey Crossick, former Chief Executive of AHRC, has argued that the change of status of AHRC from board to council resulted in the 'arts and humanities [becoming] more explicitly governed by ideas of "knowledge transfer" – and closer to the priorities of the science policy machinery'.[37] Further, many arts and humanities scholars do not yet fully recognise their work as part of the creative industries; they come from traditions that have emphasised the lone scholar, communicating within an invisible college of other academics, only rarely engaging in what we now think of as cultural enhancement in public settings.

From the perspective of employers – save perhaps for those working in the arts and heritage sectors – the work of arts and humanities scholars can seem to have little relevance to their core business. This explains the presence of the successful awards on museums and archives, and of projects that have industrial partners in creative enterprises that are already established in higher education, such as computer games and design. Moreover, the AHRC tends to focus on discipline-specific projects and existing research in those disciplines. This can make it difficult to shape a project for an industry-specific need that lies across or between disciplinary borders.

Further investment focused towards the wider spectrum of the creative industries and those universities that have supported newer markets is required to consolidate these awards and partnerships and to ensure that the needs of the small and medium enterprises (SMEs) that are predominant in the creative industries, are recognised in an expansion of the Knowledge Catalyst scheme.

Currently, the AHRC's knowledge transfer schemes require SMEs to contribute 40% of a full economic-costed project. This is challenging for SMEs in the creative industries working to tight budgets and could be addressed by a reduction in the 40% threshold. Two other aspects of the knowledge

[37] Cited in Schlesinger (2007), p. 386.

transfer schemes need consideration: first, many SMEs may be ignorant of such schemes and of university-based expertise in the creative industries; second, there is a view among some arts and humanities academics that knowledge transfer is for scientists and engineers, but not for them.

Recommendation 11

The proportion of resources available from the AHRC for knowledge transfer should be increased and refocused to augment the number of Knowledge Transfer Catalyst projects in the newer creative industries.

Recommendation 12

A reduction in the current requirement for a 40% contribution from creative industry SMEs acting as partners with universities in Knowledge Transfer Catalyst projects should be considered to incentivise and promote SME involvement.

Recommendation 13

The AHRC should raise awareness of its own knowledge transfer schemes and the research expertise available in higher education with the full range of the creative industries, including promotions at industry fairs.

Technology Strategy Board

Despite the limits of AHRC funding, the research agenda promoted tends to speak the language of arts and humanities scholars. Other funding initiatives for the creative industries come from bodies where there have until recently been no disciplinary links with the arts and humanities.

The Technology Strategy Board (TSB) is a business-led public body, established by government to promote and support research into the development and exploitation of science and technology for the benefit of business. The creative industries have been identified as a new market application area for the TSB, driven by the significant contribution the sector makes to the UK economy and the wider role of technology in driving and inspiring innovation. The immediate priorities for the TSB include *the launch of*

a knowledge transfer network for the creative industries, an overarching network to promote horizontal sharing of knowledge and best practice across the sub-sectors of the creative industries. The board also seeks to *promote participation in multidisciplinary collaborative research* through the launch of a collaborative programme that will command relevance and have a broad appeal across the industry.

In November 2007 the TSB allocated £7 million to invest in highly innovative, collaborative research in the application of digital technologies. However, this is only relevant to one sub-sector of the creative industries. It works with an existing business model of knowledge transfer based on technology-based research and development. This model is appropriate in this case, but not necessarily relevant for the creative industries as a whole. The Board expects significant commercial impact from such research within two to five years, and for project outcomes to be deployed across a range of businesses and sectors.

The bulk of the creative industries are clustered around two poles of business model: the large-scale corporation and the micro-business. Knowledge transfer schemes for science and technology, by contrast, have mostly been concentrated on medium-sized enterprises.

The TSB's knowledge transfer partnerships seem predicated on the involvement of large companies, due to the length of projects and the requirement for associates (seconded from the company) to undertake a period of study at the collaborating university. Such requirements are inappropriate for knowledge transfer in a sector that is predominately populated by micro-businesses and small to medium-sized enterprises.

There seems to be scepticism among smaller creative businesses towards knowledge transfer schemes, viewing them as cumbersome and inappropriate in their formality. In recognition of this, UK government has recently announced that the TSB will administer a fund of £10 million to promote collaboration between universities, research and technology organisations

and small creative businesses. This is welcome recognition of the significant contribution of small companies in the creative industries and goes some way to acknowledging the complex diversity of creative activity in the UK. In particular, the initiatives have the potential to open up TSB's funding stream to a wider range of universities.

Recommendation 14

The Technology Strategy Board should continue to develop its funding for knowledge transfer between universities and small and micro-businesses in the creative industries. This funding must accommodate projects whose commercial impact might be more gradual than that expected under existing funding regimes, and to take into account in particular the needs of micro-businesses.

Collaborative Funding

The AHRC seeks to work closely with the TSB's Knowledge Transfer Network for creative industries to invest £4.5 million in the Government's Creative Economy Programme, to support and stimulate innovation in the creative industries. The project aims to address barriers to innovation through providing access to hitherto untapped research, networks and individual expertise in the arts and humanities. This collaborative effort brings together non-technological and technological innovation through novel R&D and knowledge exchange models that have been successfully piloted in partnership with BBC Future Media and Technology.

Collaboration between funding bodies is welcome, as long as it enables creative industries academics to take advantage of funding opportunities and helps them appreciate how knowledge in the 'softer' creative industries might be transferred to benefit the economy. This initiative shows promise, but greater clarity is required as to how this money will be targeted and whether the level of funding is sufficient.

The centrality of partnerships in ensuring the sustained development of the creative industries and their contribution to UK's economy cannot be

underestimated. Thus, an effective strategy requires collaboration between higher education, government agencies (regional and national), arts organisations and creative professionals themselves.

However, a generic strategy may not be appropriate: 'homogeneous patterns of training and funding could be counter-productive. The visual arts thrive on a rich diversity of practice and innovation which all contribute to our quality of life. Conversely they wither under the influence of conformity and regulation.'[38] This argument may be applied to the creative industries in general.

The Need for Diversity in Funding Regimes

Creativity and innovation work in different ways across the sub-sectors of the creative industries. They might require alliances between universities, industry and local government that differ in their aims, in timescale and in outcome. The diversity of approaches to knowledge transfer – such as business incubation, local networks and a range of CPD activities – suggests that funding regimes need to be sensitive and responsive to the array of business models and business sizes within the creative industries.

The range of interventions and support that universities can bring to industry need to reflect the diversity within cultural sectors. Music and film, for example, 'span the spectrum from individual creativity to intensely formulaic market-tested products … different industries work in different ways and hence need different sorts of interventions'.[39] Funding regimes need to be sensitive to 'the support of fragile ecologies such as entrepreneurial networks'[40] that might need nurturing beyond the shorter-term priorities of existing funding policies.

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[38] Ball, L. (2003) Future Directions for Employability Research in the Creative Industries', www.adm.heacademy.ac.uk (accessed 30 April 2008).
[39] Oakley, K. (2004) 'Not so cool Britannia: The role of creative industries in economic development', *International Journal of Cultural Studies* 7(1): 67–77 (p. 72).
[40] Oakley (2004), p. 75.

Recent knowledge partnership and knowledge transfer initiatives from national funding bodies are intended to develop university links with industry. However, one reason for the relatively low take-up of these schemes within the creative industries sector may be that such funding is not considered to contribute to the reputation of a university's research profile. The challenge for the higher education funding councils (HEFCE and SHEFC) is to ensure that relevant and essential work by universities in the creative industries is properly recognised within a redrawn landscape of research assessment. A more inclusive approach to research assessment should also encourage the interdisciplinary work that typifies so much activity within the creative industries. Risky, innovative and experimental – like the creative industries themselves – academic research and knowledge transfer will often need to take unconventional paths and have uncertain outcomes.

Research in the creative industries often entails methods of enquiry that do not permit predictable and measurable returns.[41] Quantifying the impact on society and the economy is not always straightforward. Outcomes are not always smooth, predictable and linear: they are often indirect. However, this does not make them less important to the economy and society; indeed it is from such fluid and uncertain processes that innovation often comes. Funding councils and other providers, such as the Technology Strategy Board, need to take more account of the particularities of the creative industries and the diverse nature of strategic and economic alliances that are possible between universities and industry.

It is important to note that, despite the strong rate of growth and the high political profile of the creative industries in national and regional development plans, private investors still tend to view new creative businesses as too non-conformist to risk putting money into them. The degree of readiness of public bodies in the creative sector to work with specialist higher education institutions has also been another area of difficulty. Many publicly funded arts organisations lack funds for development work, and grants from bodies such

[41] British Academy (2004) and Hayes, P. (2004) *Regeneration and Renewal*. London: Haymarket Business Publications.

as the Arts Councils rarely encourage links with higher education institutions.[42]

Conclusion

There have been notable successes in the funding of creative industries departments in higher education. However, funding cuts, particularly in the arts and humanities, jeopardise continuing research and postgraduate education in the sector. New funding initiatives need to take account of the particularities of creative industries practices in higher education and in industry. Consequently models adopted from the science and technology sectors may not be the most appropriate. Universities and industry need support to apply better models of knowledge transfer and knowledge partnership. Universities have been successfully funded from a range of sources, including Europe and regional development agencies. The emphasis of such funds on training could stifle broader and more innovative learning and research.

[42] Brown, R. (2005) 'Performing Arts Creative Enterprise: Approaches to promoting entrepreneurship in arts higher education', *International Journal of Entrepreneurship and Innovation*, 6(3): 159–167.

5. Conclusion

Creative Britain recognises the role of universities and their contribution to the creative economy of the UK. It emphasises the role that higher education needs to play in working with schools and the further education sector to ensure that education for creativity is consistent and articulated from childhood to adulthood and suggests that, in doing so, universities – along with other educational institutions – need to open up the creative industries to people from all backgrounds.

The Scottish Government's plans for Creative Scotland also acknowledge the role of universities, but a recent report from the Creative Scotland Transition Project makes only very general statements about higher education institutions as 'engaged players' and 'strategic partners.'[43]

In planning Britain's creative economy both governments need to engage more thoroughly with universities. *Creative Britain* acknowledges this when it states that 'we will do more to understand and analyse the contribution of our creative universities'.[44] This is an important acknowledgement because, as it stands, *Creative Britain*'s view of our 'creative universities' is a rather narrow one.

Creative Britain shows how universities have responded to the Leitch review of skills and how, working with sector skills councils such as Skillset, higher education is providing industry-focused skills-based courses. It states that there is a need for the integration of entrepreneurial skills into these courses. *Creative Britain* also announces a number of funding initiatives, primarily from the Technology Strategy Board and the National Endowment for Science, Technology and the Arts, to encourage creativity and innovation through knowledge exchange and transfer partnerships between education and industry.

[43] Creative Industries Working Group (2008) *Public Support for Creative Industries Report.* Dundee: CIWG.
[44] DCMS (2008), p. 30.

These initiatives are welcome, but their strategies are based on models from science and technology that are not easily and equally transferable to the diversity of sub-sectors in the creative industries. They do not address the equally diverse practices of teaching and research that are already achieving much of what *Creative Britain* considers as areas for improvement.

Furthermore, *Creative Britain* commits the Government to encouraging the provision of 'ground-breaking new innovative places of learning'. However, the report *Creative Futures: Building the Creative Economy through Universities* shows how universities are already providing these through innovative blends of teaching, learning, research and knowledge transfer. *Creative Futures* demonstrates that these strengths lie not in a 'one-size-fits-all' approach to education for the creative industries. Instead, the success of the creative universities lies in their diverse approaches, just as *Creative Britain* itself celebrates the economic and creative diversity found in Britain's creative industries.

Diversity and innovation are shown in the way universities have contributed to innovative economic regeneration in regional industrial clusters such as the north east of England and the east of Scotland; in the way universities have developed productive and innovative links with industry to ensure the employability of graduates; and in the way business skills such entrepreneurship have been developed alongside relevant, skills-specific courses that are informed by critical academic thinking – producing all the essential attributes for a modern university graduate.

But *Creative Futures* does more than celebrate. The report's evidence and arguments show ways forward. In particular, the report draws attention to the need for government and funding bodies to be sensitive to the diversity of approaches. Innovations in education require innovations in funding; the old models are not sufficient. In a sector dominated by micro-businesses, funding regimes need to be flexible enough to meet the needs of small business and they need to recognise and address the old priorities and assumptions that continue to dominate the distribution of public funding for higher education.

Universities and government also need to work together to ensure that academics in arts and humanities see that models of business development are relevant and beneficial to higher education and the wider economy.

6. Summary of Recommendations

Recommendation 1

Very strong traditions and a variety of robust programmes and practices in creative industry courses have been developed by those universities in the forefront of responding to the needs of the creative economy; these courses support and promote employability and the development of business and entrepreneurial skills; entrepreneurship is embedded within courses promoted by these universities in acknowledgement of the key role of the graduate as self-employed practitioner or small business creator within the sector.

Recommendation 2

As part of an overarching strategy to promote the creative economy, Government should work with universities the industries and other partners to develop a pro-active strategy to promote the value of creative industry pre-entry, graduate and postgraduate qualifications and challenge popular stereotypes that continue to suggest that these courses are academically trivial and lack professional relevance.

Recommendation 3

Without imposing unnecessary regulatory burdens or targets, local and regional economic development bodies and local government should work closely with universities to match strategic priorities and funding opportunities in the creative industries, including those at European level.

Recommendation 4

An international strategy to promote the excellence and relevance for international students of the creative industry courses and graduate qualifications offered in the UK should be developed by Government working with universities that have added real value to the UK's creative economy, the British Council and other relevant partners, including from the creative industries themselves.

Recommendation 5

An Arts, Humanities and Creative Industries Research Council (AHCIRC) with representatives, including entrepreneurs from the newer creative industries and a wider spectrum of representatives from universities should be considered; an enhanced budget would also underwrite the AHCIRC's role as a driver of research and knowledge transfer for the creative economy.

Recommendation 6

The Higher Education Funding Council for England and the corresponding bodies in the devolved administrations should review current levels of funding for teaching practice-based courses in the creative industries in particular, for those that require specialist and expensive equipment in dedicated facilities to promote employability skills.

Recommendation 7

The proportion of funding available to professional masters courses should be increased by the AHRC, for example, by providing 700 places on a recurrent annual basis, of which at least 500 should lie outside the Block Grant Partnership scheme.

Recommendation 8

Quality-related research funding allocations, including the January 2009 decision that will determine the QR grant to universities up to 2013, should recognise the inter-disciplinary nature of much creative-industries related research and provide universities which have responded to the demands of the creative industries with capacity to invest in research infrastructure and respond to new and emerging areas.

Recommendation 9

The higher costs of equipment, accommodation and technical support associated with practice-based research in the creative industries should be reflected in the subject weighting used to determine the annual amount of Quality-related research funding.

Recommendation 10

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Recommendation 11

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