

Jane Humphries
Team Leader
Digital & creative industries Growth Review
Department for Business, Innovation & Skills
1 Victoria Street
London SW1 0ET

17 December 2010

Dear Jane,

ALT response to the BIS call for evidence for the “Digital & Creative Industries Growth Review”

The Association for Learning Technology (ALT) is a charity and learned body with over 700 individual and over 200 organisational members including most UK universities, many FE colleges, and a wide range of businesses and agencies with an interest in technology in learning.

We invited member organisations with an interest in the digital and creative industries to provide comments on the BIS question-set. The response below is an edited and condensed version of the responses we received.

We are grateful to Ryan Flynn (from the University of Greenwich School of Computing and Mathematical Sciences), Rob Arntsen (Chief Executive of MyKnowledgeMap), Sally Evans (from learndirect), Michael Powell, and the director of one digital agency who chose to remain anonymous for taking the trouble to submit responses in the limited time available¹.

Responsibility for this document overall rests with ALT. If BIS wishes to follow up on any of the issues identified we can put you in contact with respondents.

Thank you for the opportunity to contribute.



Seb Schmoller
Chief Executive

¹ The request for evidence from BIS was circulated on 1/12/2010 for response by 20/12/2010.

Registered Charity No: 1063519

Central Executive Committee: *Liz Bennett, Haydn Blackey, John Cook, Linda Creanor, David Dyet, Carol Higginson, Liz Masterman, Dick Moore, Martin Oliver, Fred Pickering, Vanessa Pittard, Gilly Salmon Nicola Whitton.*

ALT Ambassadors*: *Dame Wendy Hall DBE FREng FRS, Professor of Computer Science at the University of Southampton; Terry Mayes, Emeritus Professor at Glasgow Caledonian University; John Taylor, past member of JISC and past Chair of the Becta Board.*

* Ambassadors provide informal advice to ALT on matters within their area of interest, and act as advocates for ALT.

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1. Are the issues on which BIS is concentrating the right ones?

We asked respondents to rate each of the six issues summarised by BIS in Jane Humphreys's call for evidence on a five point scale ranging between "This issue is not at all important" to "This issue is very important".

Our respondents believe all six issues to be important, albeit only marginally so in respect of *"How can the international regulatory regime, including intellectual property, adapt to the rise of the internet and its threat to our ability to protect and monetise creativity?"* and *"Removing blockages in the skills system that mean the needs of employers in the sector are not fully met, drawing on UKCES. How can we attract the brightest international talent?"*.

They judged to be important:

- *"How can the competition regime, and its application, be best structured, empowered and guided to deliver a competitive and thriving UK media sector?"*
- *"Improving international competitiveness – greater opportunities for exports as well as encouraging inward investment – particularly in digital content which is an ongoing area of strength for the UK."*
- *"Do we have the right structures in place to allow our creative industries to exploit developments in technology to maximum benefit?"*

The question judged to be very important was *"Problems with access to finance and business support that are particularly related to the creative industries"*.

2. General comments

One respondent (the director of a regional-based digital business) made the following rather bitter observation:

We are a digital agency that has spent the last decade building up a roster of public sector or publicly funded bodies as clients and we've suffered very heavily since the change of Government. Reference projects are being snuffed out, our clients are being wound down or their budgets so heavily denuded that they can no longer procure. The current Government needs to understand the role that the public sector "as client" plays in promoting innovation and stimulating and supporting the private sector.

Learndirect made important general comments in relation to e-learning. We reproduce these below in full:

Over the last 10 years, learndirect has helped nearly three million people improve their skills. By bringing together a unique combination of technology, content and people, we have helped people gain the skills to transform their lives and help businesses thrive. Adult skills and business success are critical to the growth of the

economy. We have proven that technology is the enabler which allows the large scale delivery of learning.

With the further education and skills budget under pressure we were pleased the Skills Strategy announcement in November saw training providers being given more freedom to deliver. Although not explicit in the Skills Strategy, we believe this should lead to more use of technology in the supported delivery of skills and training.

Doing more with less is vital if we are to deliver a sea change in the nation's skill levels. Indeed, the efficiency benefits outlined by the UK Digital Champion Martha Lane Fox in providing more public services digitally show the potential scale of the change that can be made.

We believe e-delivery:

- enables choice, freedom and flexibility for learners, business and also for providers;*
- facilitates community and communication;*
- offers value for money and efficiency within a tight fiscal climate;*
- is innovative and modern, building on the rapid roll-out of superfast broadband everywhere.*

3. Detailed responses

We asked respondents to provide evidence in relation to each of the issues identified by BIS in its call. As might be expected, responses made to one issue have a bearing on others, so rather than separate the responses by issue or sector we present them below in a single group. Some responses have been very lightly edited to improve flow whilst retaining meaning.

The games industry will thrive as long as it is allowed to do so on fair and balanced terms, and one issue preventing this at the moment is the tax breaks offered by Canada and Singapore (amongst others) that prevent UK developers working on a level playing field with their international competitors.

We need a proactive focus to ensure that UK SMEs can grow through public sector contracts, and ensure that cash flow payments are practical and not geared towards the capabilities of larger companies with better access to project finance.

Finance for growth is not currently available on terms that are practicable for entrepreneurs. This even applies to finance for contracted orders with the public sector.

We need proactive support to UK SMEs in export markets by increased investment in UKTI support resources aimed at our sector.

Support is needed for HE-based Skillset-accredited courses in game development, visual effects, and animation.

The games industry can work in a largely decentralised model for some development processes, so it is more about making sure that international workers can be employed, and under fair terms.

There is a shortage of high quality Learning and Instructional Designers (LD/IDs). Although there are apparently numerous people on the market in these roles, our experience, and that of trusted suppliers is that it is very difficult to find a good designer and that the good ones will attract premium salaries. This has caused problems for some of our larger suppliers, and their response is to set up their own in house training schemes to 'grow' their own designers. Part of the problem is perhaps the lack of a formalised qualification route/ career structure in the UK for LD/IDs as opposed to the US where the role is more established².

The way people live their lives is evolving fast due to technological advances and use of social media and we cannot stand still - the way people learn new skills needs to evolve at the same pace. For the e-learning sector to continue to flourish, the following key changes are needed:

- *continued investment in the country's technical infrastructure – including access to high speed broadband for all;*
- *system interoperability;*
- *widespread e-assessment;*
- *simplified funding infrastructure;*
- *simplified technical infrastructure.*

Skills shortages in the games area are directly attributable to the artificial separation of art from technology education. Game development and visual effects require technically proficient artists, and this is hard to achieve under the current structure where schools segregate the disciplines, something that is further exacerbated at HE level. Schools should focus on developing fundamental literacies in mathematics, art, english, music and performance, languages and sport, and stop teaching ICT (which in many instances is really just "how to use powerpoint"³).

² ALT, with its partner the eLearning Network and relevant member organisations, who sit on both the training demand and training supply sides, would be keen to discuss this issue further with BIS.

³ The joint response by ALT and the Association for Colleges to the Royal Society's call for evidence about the teaching of computing in schools is also relevant here. The response can be accessed on the ALT Open Access Repository at <http://repository.alt.ac.uk/840/>.