

NEWS RELEASE

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MAKING BRITAIN THE BEST PLACE IN THE WORLD FOR THE CREATIVE INDUSTRIES TO THRIVE

- More than £150 million will be jointly invested by government and industry to help the country's world-leading cultural and creative businesses thrive as part of landmark Sector Deal
- Britain's creative industries are worth £92 billion, employ two million people and are growing twice as fast as the rest of the economy
- New Cultural Development Fund will see cities and towns have access to £20 million to invest in culture and creative industries
- Plans to nurture and develop the next generation of creatives include industry-led careers programme and a new London Screen Academy

BRITAIN's world-leading creative industries are set to consolidate the country's position as a global creative powerhouse, following a groundbreaking new Industrial Strategy deal agreed between Government and the Creative Industries Council (CIC) on behalf of the sector.

As part of a Creative Industries Sector Deal, to be announced today by the Digital and Culture Secretary Matt Hancock, Business Secretary Greg Clark and Co-Chair of the CIC, Nicola Mendelsohn, more than £150 million is being jointly invested by Government and industry to help cultural and creative businesses across Britain thrive.

A Cultural Development Fund will also be launched for cities and towns to bid for a share of £20 million to invest in creative and cultural initiatives. The power of culture and creative industries to boost economic growth is evident across the country. In Hull nearly 800 jobs have been created and almost £220 million invested in Hull's tourism and cultural sectors since the city was named UK City of Culture 2017. And in Bristol creative hubs like the Bristol Temple Quarter are delivering thousands of jobs in design, media and music businesses.

The Sector Deal aims to double Britain's share of the global creative immersive content market by 2025, which is expected to be worth over [£30 billion](#) by 2025. To seize on the opportunity of this expanding market, government is investing over £33 million in immersive technologies such as virtual reality video games, interactive art shows and augmented reality experiences in tourism.

Britain is already leading the way in developing immersive technologies. PWC have predicted that the UK's virtual reality industry will grow at a faster rate than any other entertainment and media industry between 2016-2021, reaching £801 million in value, and that by 2021 there will be 16 million virtual reality headsets in use in the UK.

Improving the nations skills is at the heart of the Government's modern Industrial Strategy and to ensure the industry has the skilled workers it needs to deliver this, up to £2 million will be made available to kickstart an industry-led skills package, including a creative careers programme which will reach at least 2,000 schools and 600,000 pupils in two years. A new London Screen Academy, with places for up to 1000 students, will also open in 2019.

Secretary of State for Digital, Culture, Media and Sport, Matt Hancock, said:

"Britain's creative industries are an economic and cultural powerhouse and this ambitious deal will make sure they continue to thrive as we build a Britain fit for the future.

"Our creative industries will help develop the talent of the future, ensure people are rightly rewarded for their creative content and give our firms the support they need to compete on the global stage. Millions of people around the world enjoy our world-class artistic and cultural output and we want Britain to stay a frontrunner in these vibrant sectors."

Business Secretary Greg Clark said:

"The Industrial Strategy is all about building on our existing strengths and seizing the opportunities of the future. Our creative industries have been, for centuries, world renowned and at the forefront of innovation. That's why I was determined to place the Creative Industries at the heart of our Industrial Strategy.

"To boost this innovation, we put the creative industries at the heart of our ambitious Industrial Strategy and this joint deal is a landmark moment for our relationship with this world-leading sector. By working together with universities and industry, and by investing £150 million, we will unlock growth across the UK.

"The Deal is evidence of our continued commitment to our world leading creative sector, establishing a partnership that can build on the UK's position and reputation as one the most creative places on earth."

Investment in Virtual and Augmented Reality

Creative businesses are constantly innovating, matching creativity with technology to develop exciting new products and new ways to engage growing audiences. To seize on the opportunity of this expanding market, immersive technologies such as virtual reality video games, interactive art shows and augmented reality experiences in tourism, will receive over £33 million of government funding.

Exceptional growth is forecast for the virtual reality and video game sectors in the next five years with UK consumer spending on video games set to reach £5 billion by 2021.

Government will also support the highly successful UK Games Fund with an additional £1.5 million over the next two years so that it can further boost young entrepreneurs and new product creation in the trailblazing games sector.

The UK's video games industry is already established as the largest in Europe and the fifth largest globally, and this investment will drive growth further.

Flagship film studios expansion

Film studios across the country are increasing their capacity to keep up with demand for production space, including multi-million pound expansions at Pinewood and Warner Bros. Studios Leavesden, as well as significant new projects such as Pacifica Ventures' £100 million investment in Barking and Dagenham and Liverpool's Littlewoods Studios.

Over the last five years inward investment in Britain's film and high-end TV industries has grown by more than 100 per cent to over £2 billion production expenditure a year, and with the right conditions that annual figure could double again by 2025.

The Sector Deal demonstrates business confidence and investment opportunities in the sector, is at an all-time high. Britain's creative industries are worth £92 billion, employ two million people and are growing twice as fast as the rest of the economy. The sector includes music, fashion, design, arts, architecture, publishing, advertising, video games and crafts.

The deal contributes to the Industrial Strategy's vision of good jobs, greater earning power for all, and prosperous communities across Britain. It aims to unlock future growth across Britain, create jobs and develop the cutting-edge technology of the future. The creative industries already export substantially more than their share of the economy and growth at home will also help power the sector to make further strides abroad.

The commitments include:

- £72 million from the Industrial Strategy Challenge Fund with £39 million for the Arts and Humanities Research Council to support **eight creative research and development partnerships across Britain** and **£33 million to invest in immersive technology products, services and experiences**. This will support new uses of virtual reality in areas like video games, interactive art shows and augmented reality experiences in tourism that will capture the world's attention and double Britain's share of the global creative immersive content market by 2025.
- **£2 million to extend the ['Get it Right'](#) campaign to tackle online piracy** and educate consumers on the value of copyright and direct them to legitimate websites.
- A new **free school based in Islington with places for 1000 students** (16+) from across the capital. The London Screen Academy's curriculum will include UAL Creative Diploma and A-levels and is set to open in Sept 2019.
- Improved access to finance from the British Business Bank for high-growth creative businesses outside of London, **with up to £4 million to be invested in a new programme of investment readiness support for creative businesses**.
- A **new creative industries Trade and Investment Board**, comprising industry and government, to replace the current Sector Advisory Group with the ambition of increasing creative industry exports by 50 per cent by 2023 and boosting the number of creative businesses exporting.

- **New action to crackdown on copyright infringement.** A landmark code of practice brokered by government and industry in 2017 reduced the prominence of illegal sites returned in search results. A series of roundtables between rights holders and platforms will consider the need for and develop a similar approach in relation to the online advertising industry, social media, and online marketplaces.

Nicola Mendelsohn, Co-Chair of the Creative Industries Council, said:

“This breakthrough deal represents a huge vote of confidence in our creative industries to continue to deliver the world class economic performance and workforce that the UK needs. We look forward to working together with Government to realise its full benefits and the potential of the creative industries in all parts of the UK.”

Commenting on today's Creative Industries Sector deal Josh Berger, President & Managing Director Warner Bros. UK, Ireland & Spain and Chair of the British Film Institute said:

“From developing state of the art facilities to helping train the next generation of creative talent to the entire business of producing our films here, Warner Bros. has been investing in the UK for many years because for us this country is, alongside Hollywood, the best place in the world to make movies.

“Incredible crews, fantastic facilities and the Government's direct and continuing support for the creative industries, including now their formal inclusion in the industrial strategy, continue to make our experience here such a positive one and underpin our ongoing investment in the UK.”

John Kampfner, Chief Executive of Creative Industries Federation said:

"The Creative Industries Sector Deal is a welcome first step, highlighting the significant contribution our sector makes to UK innovation, productivity, and growth. But government's commitments cannot end here. We look forward to continued commitment in supporting the next generation of creatives which will ensure our creative industries remain world-leading. To this end, the Federation will be leading on a Creative Careers Campaign to showcase the richness and diversity of creative careers to young people, teachers, parents and carers across the UK. We look forward to working with government to equip the next generation for future work."

Notes to editors

1. The Creative Industries Sector Deal will be launched tomorrow morning at The Roundhouse, Camden. Call 0207 211 2210 if you would like to attend.
2. This agreement follows the independent Bazalgette review, published in September 2017 led by the current Chair of ITV Sir Peter Bazalgette which outlined key recommendations on how the Creative Industries can underpin Britain's future economic growth.

3. The creative industries Sector Deal - an agreement between the government and industry concluded with the Creative Industries Council - seeks to unlock growth for creative businesses.
4. The Cultural Development Fund will be administered by the Arts Council England (ACE).
5. *Each Sector Deal theme sets out a programme of action:*

Place

The Industrial Strategy committed to helping prosperous communities thrive across the country. Creative industries help to deliver this objective because they give places strong identities, as well as driving employment and growth. While research has identified some 47 clusters of creative businesses around Britain almost half of creative businesses are concentrated in the capital and the south east. New Government investment and industry backing for leading creative industry clusters with the potential to compete globally - helping project Global Britain to the world.

Ideas

The deal helps drive innovation by joint public and industry investment in eight partnerships of business and universities, backed by a national research centre, and a commitment to investigate barriers to creative businesses taking up R&D funding. It also pledges joint investment in a strategic innovation challenge set to transform creative content: immersive technologies like Virtual, Augmented and Mixed Reality.

Business Environment

Creative businesses are nimble, fast growing and globally exporting - but they also face barriers to achieving scale. There are recognised market failures in access to finance, especially outside London. This Sector Deal sets out measures to make it easier for creative businesses to get the finance they need to grow and how industry and government will create a new partnership to realise greater value and impact from public support for exports - as we respond to the challenges and opportunities associated with leaving the EU. It also seeks to safeguard copyright and address the transfer of value from the creative industries.

People

Britain boasts world class skills and talent across the creative industries. This deal sets out how government and industry are taking steps to overcome existing barriers to entry, as well as addressing future skills needs; from improving understanding of the sector among students, parents and teachers via a substantial careers programme, to monitoring uptake of apprenticeships and ensuring that apprenticeship standards for roles identified as important to the Industrial Strategy, are prioritised.

