



# AHRC Creative Communities

Policy Lab: Skills | London

Skills [drive economic growth](#) through improving the talent pipeline, productivity and supporting people to work and generate prosperity. Bringing new skills, experience and knowledge to [creative communities](#) can benefit the entirety of the innovation ecosystem and maximise national resources, enabling cross-sector participants to work more closely on shared challenges. The [rapid growth](#) of the creative industries in the UK and the rise of AI means that digital and creative [skills development](#) will be vital to ensuring the UK continues to thrive and grow by developing the workforce of tomorrow.

Creative Communities skills underpin the [Labour UK Government missions](#), the [devolution](#) agenda, the DCMS [Creative Industries Sector Vision](#), Arts Council England's [delivery plans](#) and devolved powers for [adult education](#), as well as private sector development needs.

## Greater London Authority and Devolution

Some Mayoral Combined Authorities [control their Adult Education Budget](#), with responsibility for [commissioning and funding AEB provision](#) for post-compulsory learners in their areas. The Greater London Authority (GLA) has been responsible for London's annual £320m Adult Education Budget (AEB). The [Mayor's priorities](#) for jobs and skills are to empower all Londoners to access the education and skills to participate in society and progress in education and work; meet the needs of London's economy and employers; and to deliver a strategic city-wide technical skills and adult education offer.

The [Skills Roadmap for London](#) (2022) sets out to make skills provision more locally relevant by providing a more joined-up skills and employment offer that meets the needs of Londoners and the local economy. London suffers from [high levels of structural inequality](#), exacerbated by Covid-19, and in London's highly skilled labour market, those without higher level skills can be trapped in low-paid work. [Data shows that](#) this not only limits employment prospects but impacts on social outcomes including health, wellbeing, and civic integration.

## Devolution and Skills

In England, the Labour UK Government has announced the launch of [Skills England](#), to bring together central and local government, businesses, training providers and unions to meet the skills needs of the next decade across all regions, providing strategic oversight of the post-16 skills system aligned to the government's Industrial Strategy. Skills England will be established in phases over the next 9 to 12 months. The Skills England Bill will transfer functions from the [Institute for Apprenticeships and Technical Education](#) (IfATE) to Skills England.

This sits alongside work to [devolve adult education budgets](#) to mayoral combined authorities, to address adult skills needs directly and support growth in their areas. Skills England will hold responsibility for maintaining a list of levy-eligible training, and the government will also bring forward a strategy for post-16 education to break down barriers to opportunity, support the development of a skilled workforce, and drive economic growth through the Industrial Strategy.

The Arts and Humanities Research Council supports [early career researchers](#) to build thriving, inclusive research and innovation skills that connect discovery to prosperity and public good. They also provide [funding opportunities](#) for mid-career and established researchers to upskill, offer funding opportunities to [support PhD students'](#) study, training and development, and [Clare Fellowships](#) to develop cultural leadership.

## UK Creative Economy and Skills

The [economic contribution of the UK creative industries](#) grew by 6.8% to reach £124.6bn in 2022, 12% higher than before the Covid-pandemic and over 50% higher than in 2010. The creative industries grew more than twice as fast as the [UK economy as a whole](#) in 2022. The creative industries account for 5.7% of total UK GVA. 7.2% of creative industries businesses reported at least one [skills shortage vacancy](#) in 2022, while 17.6% of creative industries businesses had at least one vacancy. 10.5% of creative industries businesses reported at least one skills gap in their workforce. The percentage of vacancies reported to be skills shortage vacancies were 33% for the creative industries in 2022.

Creative industries and research institutions are highlighted in the [Labour UK Government's 2024 manifesto](#), as part of a sectoral approach to a pro-business environment that supports innovation, investment, and high-quality jobs. Labour will implement a creative industries sector plan as part of their new Industrial Strategy, creating jobs and accelerating growth in film, music, gaming, and other creative sectors.

Creative UK's recent [Our Creative Future: The Manifesto](#) (2024) calls for radical action to secure the UK's creative future. It advocates for growing the future workforce by prioritising creative skills and a culture-rich education for young people from all backgrounds; an ambitious and resilient approach to financing the Cultural and Creative Industries; and building and retaining creative talent and their businesses.

The [Creative Industries Sector Vision](#) (2023) supports the creative industries and culture sector to grow and contribute to the UK economy. Almost half of creative employers report skills issues and the CI Sector Vision sets out plans to grow UK creative clusters through: £50 billion more in GVA, building a highly skilled and inclusive workforce for the future, supporting 1 million more UK jobs, and maximising the positive impact of the creative industries on individuals and communities, the environment and the UK's global standing. It commits to building a pipeline of talent, supporting the current generation to learn new skills and progress, and ensuring the UK's creative workforce can access necessary vocational training and skills. New technologies including AI tools and supporting R&D will be key to future growth in the creative industries.

The 2018 [Creative Industries Sector Deal](#) set out almost £150 million of public investment, matched by more than £200 million from industry. This included support for creative

clusters in the form of the £56 million [Creative Industries Clusters](#) Programmes, managed by the AHRC, which ran until 2022 and drove R&D across the UK. Also in 2018, DCMS started the Creative Careers Programme, which was further developed by Arts Council England in 2020/21 and has now evolved into the [Discover! Creative Careers Programme](#). DCMS, ACE and industry partners are working together to deliver the £1 million second phase across priority areas of England.

## Digital Sector Skills

In 2022, the [digital sector contributed £158.3 billion](#) to the UK economy. This was 7.2% of total UK GVA, compared to 7.1% in 2021. The digital sector GVA grew by 4.4% in 2022, at the same rate as the UK economy as a whole. From 2019 to 2022, the digital sector GVA grew by 9.1%, faster than the UK economy, which was adversely affected by the Covid-19 pandemic in 2020 and 2021.

[The Labour UK Government's 2024 manifesto](#) commits to supporting the development of the AI sector, removing planning barriers to new data centres, and creating a National Data Library to bring together existing research programmes and helping deliver data-driven public services, whilst maintaining strong safeguards and ensuring public benefit.

The vision of the [UK Digital Strategy](#) (2022) is to be the best place in the world to start and grow a tech business, aiming to grow the UK tech sector's annual GVA by an additional £41.5 billion by 2025, and create a further 678,000 jobs. Despite this, there remain significant UK workforce gaps in digital skills and literacy. Only 48% UK employers believe that young people are leaving full-time education with [sufficient advanced digital skills](#) and 76% of businesses believe that a lack of digital skills would impact their profits.

## Creative Communities and Skills

Adobe have developed their own [creative community platform](#) using the Creative Cloud and new digital technologies to connect creatives across continents. This includes using AI-powered innovations putting cutting edge AI and machine learning into users' hands, to improve complex workflows and enable creative collaborations across mixed media for freelancers, small business and large enterprises. Through the metaverse, new creative communities have been formed, with Adobe playing a central role in community building through games and 3D design, as well as businesses utilising such advancements to develop product on a digital basis.

Adobe Live is a [digital community connecting creative people](#), where online creative communities can form and stream tutorials, share projects, and start conversations. Artists [livestream](#) on Adobe's free platform, from beginner challenges to masterclasses, in sessions which are designed to help people level up their existing skills, as well [developing their skills](#) with free career resources, and interacting with creators and the community in real time.

## Pre Lab Provocations

- What are the priorities for digital and creative skills development in your sector?
- What one new policy would support the development of a more robust digital and creative skills talent pipeline in your area of work?
- How can we ensure digital and creative skills development opportunities throughout careers?
- What should Skills England do first to tackle the creative and digital skills gap?
- How can inclusive innovation support creative communities to develop digital and creative skills?