

HOUSE OF COMMONS  
ORAL EVIDENCE  
TAKEN BEFORE THE  
CULTURE, MEDIA AND SPORT COMMITTEE

**SUPPORT FOR THE CREATIVE ECONOMY**

TUESDAY 13 NOVEMBER 2012

IVAN DUNLEAVY and ANDREW SMITH

JOHN MATHERS and MAT HUNTER

Evidence heard in Public

Questions 1 - 122

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## Oral Evidence

Taken before the Culture, Media and Sport Committee

on Tuesday 13 November 2012

Members present:

Mr John Whittingdale (Chair)  
Mr Ben Bradshaw  
Angie Bray  
Tracey Crouch  
Philip Davies  
Paul Farrelly  
Steve Rotheram  
Mr Adrian Sanders  
Jim Sheridan  
Mr Gerry Sutcliffe

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**Examination of Witnesses**

*Witnesses:* **Ivan Dunleavy**, Chief Executive, Pinewood Shepperton plc, and **Andrew Smith**, Director of Strategy and Communications, Pinewood Shepperton plc, gave evidence.

**Chair:** Good morning. This is the first session of the Committee's examination of support for the creative economy and I should like to welcome, as our first witnesses, Ivan Dunleavy, the Chief Executive of Pinewood Shepperton, and Andrew Smith, the Director of Strategy and Communications.

**Q1 Mr Sanders:** Can you give the Committee a brief overview of your businesses, the services you provide and the clients you attract?

**Ivan Dunleavy:** Pinewood Studios is most well known for its fantastic heritage of film-making, but in reality our business is providing the infrastructure that producers of content use. We are a support services activity and increasingly we are participating more in broader services provided to the creative industries. Our vision for the future is effectively to create a one-stop shop of those services for content producers and to leverage our investment across the range of activities that would be uneconomic for them to create for each individual production. We now have an international focus and the Pinewood brand is currently in four territories around the world. We would like to continue to expand that focus. As an example of the wider range of services that we provide, we are investing our own financing in qualifying film production here in the UK and have recently raised third party funds to invest in those kinds of productions alongside Pinewood's own investments.

**Q2 Mr Sanders:** What proportion of your clients are based in the UK?

**Ivan Dunleavy:** In the UK, 100% of our clients are UK production entities. Much of our film activity will, of course, be associated with and financed potentially by some of the Hollywood studios.

**Q3 Mr Sanders:** Has there been any significant change to your business in recent years, for example the mix between games, TV, advertisements and film?

**Ivan Dunleavy:** Having started off with that wonderful heritage of films that I referred to, our focus is more increasingly on the screen-based sector. We are now seeing more videogames participants at our studios at Pinewood or Shepperton. We are undertaking a lot of television, particularly some of the larger television productions, the former driven television programmes like *Got to Dance* and *X Factor* and that kind of television show. I think what is interesting is the reason for that, and it goes back to that point about leveraging infrastructure across what is becoming increasingly the same kind of production activity. I am sure the Committee will be familiar with the phrase “high-end television”. That is effectively shot and produced in an almost identical way to a feature film and so our ability to use our assets flexibly is a key component to the increasing level of activity that we have seen in recent years.

**Q4 Mr Sanders:** In relation to the high-tech side of the operation, games for example, who at the beginning invested in the infrastructure that was needed for that? There is a great deal of computer kit required. Was that driven by Pinewood looking to the future or did it come in as a result of people bringing it with them in order to use the facility?

**Ivan Dunleavy:** The digital world is with us, and we have been investing incrementally over the last decade in improving our digital capability. Historically, we have been using that principally for film and television, but increasingly we are using our data services, our large storage capacity and our fibre optic network to service videogames producers. It is around the theme of: it is very expensive for an individual producer to create and we can get better and more efficient use out of it by providing it to them when they need it rather than having it sitting idle when they do not need it.

**Q5 Chair:** Can you tell us a little more about the competitive position of Pinewood? Are you finding it harder to persuade very mobile film investment to come to the UK, and who are the major competitors? Is it Eastern Europe, North America, Asia?

**Ivan Dunleavy:** We are competing globally. It is really against the world. The kind of large budget productions that we are very associated with have the financing and the budgets to choose where they go. Inevitably, their first decision is to run a slide rule over the costs in any territory of the world, and we compete on quality and efficiency. The UK is a high-cost territory and we recognise that, so we have to compete on efficiency and skills, and drive that efficiency. But it would be perfectly possible to rent a disused car factory in Michigan to use as a facility in which to film a single project so in that sense we are competing with anybody and everybody. We are the largest studio facility in Europe. We are directly comparable with anything that is available in the US in terms of scale and we would argue that the skills in the UK are as good as anywhere else that you will find in the world.

**Q6 Chair:** As good as?

**Ivan Dunleavy:** As good as.

**Q7 Chair:** Let’s say I am going to make *Mission Impossible V*, what is your pitch to me to make it at Pinewood? I know one was made in Australia and others have been made around the world.

**Ivan Dunleavy:** Increasingly, such productions are sensitive on cost and typically it would cost in excess of \$100,000 a day to keep that style of production running. If you lose a day’s production value, it is a real cost to your bottom line. The UK, and Pinewood in particular as a centre of film making activity here in London and the south-east, has the ability and flexibility to call on services from any discipline that is needed in your production of *Mission Impossible V*. That is a key attribute to the offer in the UK and Pinewood’s offer. But

security, for instance, is of paramount concern. If you are investing those kind of sums of money in your production, you do not want bits of footage leaking out into the internet. When you refer to fibre optic cables, they are private networks. That is not material going over the internet, because people need to protect it from leaking out and disrupting the economy of their release into the future.

**Q8 Chair:** That is very interesting. Is the security of the studio and production a serious consideration of a film-maker?

**Ivan Dunleavy:** Physical security and intellectual security is a vital component, and we are blessed with a good regime in this country.

**Q9 Angie Bray:** You talk about the importance of being competitive and that we are as good as anywhere. Is there anything that you would say we are actual world leaders on?

**Ivan Dunleavy:** It is my nature to be slightly modest on these things. I think we have a world-leading advantage in terms of our skills and our creativity in this country. If I was being too modest, forgive me.

**Q10 Angie Bray:** But is there anything that you would single out where we are really leading the world, for instance animation? Is there something where we have a head start?

**Ivan Dunleavy:** Our post-production houses here in the UK are world leaders. They are top of the class. For film production, if you look at the end credits of a feature film you will see a huge range of skills and I think it is the ability to have best in class in all of those skills that is the uniqueness of the UK's offer.

**Q11 Chair:** For post-production in London you do not need to use Pinewood, presumably? You could make the film in Hungary and then still do post-production work over here?

**Ivan Dunleavy:** That is true.

**Q12 Jim Sheridan:** It is perhaps a rather naïve question, but from a British perspective, the legacy from the Olympics when we saw Daniel Craig and the Queen and that magnificent event that was shown all over the world, has that helped your industry? Is there any tangible evidence that it has helped your industry?

**Ivan Dunleavy:** It has been a huge profile raiser and a magnificent advertisement for the UK. We were particularly privileged to have a lot of film themes through that opening ceremony. I think the excerpt you referred to with Daniel Craig was just simply wonderful and caught everybody's imagination. Hopefully, I will not need him in the Committee room, if you have seen *Skyfall*.

**Q13 Tracey Crouch:** I want to turn briefly to the issues around policy and barriers to growth. In what ways do you look to the Government to co-ordinate better its policy response to the creative industries?

**Ivan Dunleavy:** There has been a growing knowledge of, firstly, the value of the creative industries in terms of its economic power in the UK economy, and more recognition of that would be welcome. It is a diverse sector, but at its core it is the creative spark. The initiative on film tax relief, in terms of policy, has been a tremendous success, and we hope that the Government's consideration of high-end television, animation and videogames will bring equal success. Particularly in film—and it perhaps goes back to the point about being overly modest—sometimes we do not set ourselves enough of a goal within the sector. In terms of the agencies that apply to film, for instance, sometimes we are guilty of thinking that

last year it was a success—I would rather say, “How good could it have been?” and look to raise the bar in that way.

**Q14 Tracey Crouch:** How good could it have been?

**Ivan Dunleavy:** It would certainly be better than just simply targeting a positive trend.

**Andrew Smith:** I think the other trend that we have seen probably goes back to a document called *Creative Britain* that really pulled the creative industries together. That was several years ago. Since then you have seen much more engagement. For example, the Treasury’s Growth Team has been down with us recently looking at barriers to growth. You have the CBI, and John Cridland particularly, championing the creative industries, and it is a fundamental part of their *Playing Our Strongest Hand* document, in which it is one of the sectors for growth. The creation of the Creative Industries Council, bringing Government together, has been a big help.

**Q15 Tracey Crouch:** Do you think that Government Departments should be represented on the Creative Industries Council or just given a role in policy development?

**Andrew Smith:** You have DCMS and BIS and the council is chaired by the Joint Secretaries of State. I think it would be helpful, particularly as it is a key growth area of the Treasury and the Government, if there was some Treasury representation because growth is clearly incredibly important for this sector.

**Q16 Tracey Crouch:** Would you like a seat on the Creative Industries Council?

**Andrew Smith:** I think there are enough people around the table at the moment.

**Q17 Tracey Crouch:** What major films have been lost to the UK as a result of the studio capacity constraints that you mention in your written submission?

**Ivan Dunleavy:** By way of example, there is a production called *47 Ronin* that has not yet hit the cinema screens. We were unable to provide all of the services for that film. It was shot in Hungary. There are lots of other examples, and that includes television and I am particularly conscious of the impending demand that may come from high-end television. For something like 18 months now, our studios have been saying to customers, “We can’t fit you in”. That is becoming known among the community and that is not good news for the UK. It is not that everything has to come to Pinewood, but we are treated as a bit of a bellwether of what the sector is doing.

**Q18 Tracey Crouch:** You referenced planning as one of the issues there. How do you think the planning system could be changed to prevent this happening in the future?

**Ivan Dunleavy:** We would argue that growth and jobs are of paramount importance at the moment, and we have had a planning application rejected. We are not simply going to do nothing about that. We will seek more planning consent. We recognise that we have to make a special circumstances case in our particular instance. The only land that is available to grow is greenbelt land, and we understand the sensitivity of that, but let me give you a specific example. In our application we had a training academy as part of what we wanted to build, and the view was taken that that was not a special circumstance. It was a training academy for the film industry. I think there is no better place to put training than actually on the shop floor, but we will not be able to do that in our next application.

**Q19 Tracey Crouch:** That is very interesting. What more do you think the Government can do to help the industry?

**Ivan Dunleavy:** Like other businesses, we would talk about working progressively on things like planning, on regulation, those kind of activities, but it would be helpful if we could foster a more goal-orientated objective within the sector.

**Q20 Tracey Crouch:** Do you think that other national governments across the world are better at helping their creative industries than the UK Government has perhaps been?

**Ivan Dunleavy:** I think what the UK Government has done in terms of film tax relief has been incredibly successful, but one looks at governments such as in Canada where they have taken a whole view across the creative sector and are very aggressive in the way they commercially target growth for the creative economy.

**Q21 Mr Bradshaw:** On the specific planning problem you are having at the moment, how effective do you think those Government departments that one would think would be your cheerleaders—DCMS, BIS, even No. 10 and the Treasury—have been in your support when battling with the CLG and the local authority?

**Ivan Dunleavy:** We have had representations from the officials to come back and not be disheartened by the initial failure, and that has been helpful. I think the joined-up approach, which my colleague Andrew referred to, between BIS and DCMS is to be welcomed and we are pleased with that.

**Q22 Mr Bradshaw:** Do you think they have been battling as hard as they can on your behalf?

**Ivan Dunleavy:** Within what is permissible, yes.

**Andrew Smith:** The last time in the application we had all-party support and Jeremy Hunt as DCMS was battling. I think you made representations yourself. We had Don Foster. We had a lot of national political support. Where it fell down was the planning inspector. I don't think she understood the concept and so it was fundamentally flawed when it went up to CLG.

**Q23 Paul Farrelly:** I want to explore this a little further, because I remember seeing the maps when we visited some time ago. Your planning application was not simply turned down at a local level; it was referred to the Secretary of State, who used his or her discretion and then it went to a planning inquiry. Is that correct?

**Ivan Dunleavy:** Yes, it went through a planning inquiry, but I think the report from the Planning Inspectorate was such that the Secretary of State had little option other than to adhere to the negative recommendation.

**Q24 Paul Farrelly:** Was it stated in that report that a training academy was not an exception?

**Ivan Dunleavy:** Regretfully, yes.

**Andrew Smith:** As I think you probably know, the greenbelt is not written around the Pinewood site. It is around the buildings. The only area we can expand and need to expand is on the greenbelt, but it is incumbent on us to make these very special circumstances.

**Q25 Angie Bray:** There has been a change in emphasis with national planning guidelines and driving through important infrastructure. Are you saying you think there is a real case for the creative industries to be seen as something that is an important part of infrastructure driving growth and that, therefore, you should be treated in that way?

**Andrew Smith:** I think the infrastructure around the creative industries is just as important as airports, roads and rail, particularly as it is a clear growth sector of the economy. Yes, I do think so, and that is something that we are going to talk to the Treasury about.

**Ivan Dunleavy:** Having referred earlier to the fact that we leverage our infrastructure to provide a cost-effective solution to our clients, the core of our argument is that the most sensible place to add to the infrastructure is where it already exists, because that is where you get the cost benefit.

**Q26 Mr Sutcliffe:** Can we move to tax incentives and funding issues? You say in your written evidence how important the introduction of the tax relief in 2006 was. Can you quantify that in terms of what that has meant in terms of UK films in cinemas?

**Andrew Smith:** If you look at the private sector investment and expenditure that has gone into the film industry as a result of that policy, there is a £100 million development at Warners at Leavesden, Pinewood has invested around £70 million over that period, and we are looking at our new development that would contribute another £200 million. If you round it up and look at other studios as well, you are probably talking about approximately £1 billion of private sector investment as a result of stability of policy. Then if you look at the contribution that the film industry makes—and we commission a report with the various agencies every other year—it is about £4.6 billion to UK GDP. So it has worked very well. For every £1 the Treasury spends they get £12 back.

**Q27 Mr Sutcliffe:** Building on that success, you are looking now for that to go further. Ivan, you talked about high-end television. Do you think that definition of high-end television is robust enough? Does it catch everything that you want to catch? Also in your submission you said you would be happy for tax reliefs and tax incentives to go to other sectors such as games and other things. How would that work?

**Ivan Dunleavy:** There are two parts to that question. I think the model that has been employed in film tax relief has worked incredibly well, as we have just discussed, and applying that model, with rigorous checks, in the other sectors is to be welcomed. We particularly think it is beneficial because increasingly the production methods for that kind of screen-based material are very similar to the way film is produced. If you are watching a computer game, you want to see it on your 50-inch television screen and see the same kind of quality that you see from a feature film. It is important that there are benchmarks. I understand that the current proposal is to be set at around £1 million of expenditure per television episode, for instance, on high-end television. I think that is a sensible level. What we do not want to do is fall into the trap that has existed in previous structures, where it was open to abuse. In that sense, it is well envisaged.

**Q28 Mr Sutcliffe:** So you think it is well defined?

**Ivan Dunleavy:** We have yet to see the detail of course.

**Q29 Mr Sutcliffe:** Yes. You talked earlier about the capacity issues. If you are successful, will there be capacity issues to stop the growth because the incentives will be there? How will you deal with that?

**Ivan Dunleavy:** I hope we can double Pinewood and we will still have a capacity problem.

**Andrew Smith:** It was refreshing that the Treasury acknowledged, in their consultation document on the creative tax reliefs, that there was a need to create the necessary mass of infrastructure and skills in order to cope with the increased demand, and that is very important.

**Q30 Mr Sutcliffe:** Good. Moving on to other sources of direct funding, what would you single out to be particularly important? Who benefits from the BFI's new Film Fund and when and why isn't tax relief enough? There could be opportunities when it might not be enough.

**Ivan Dunleavy:** The increased funding that is now becoming available through the Lottery to smaller independent productions is to be welcomed. In part, some of the issues are not necessarily just about funding the production, they are also about funding the distribution of the film or the project and making sure they can get to market and find the audience that the BFI aspire to. That is a work-in-progress issue. But I think the actual mechanisms that now exist between the public funding, which comes from the BFI, Lottery-led, or BBC Film or Channel 4 Film, is really supporting that UK independent sector.

**Q31 Mr Sutcliffe:** Do you think there is a development in terms of the public's understanding of the value of the creative industries? I know in my own region in Yorkshire, Film Yorkshire and all the bodies that are around there. Are you confident that the man and woman in the street gets the impact of the creative industries?

**Ivan Dunleavy:** I do not think they understand how much it is worth to the economy. I think they value the cultural inputs, and they certainly recognise that James Bond and Harry Potter play internationally, but when I say to friends and people I meet that the creative economy is worth 7% of the UK economy, they are staggered. It is a very broad church, but it is a sector that we are very good at and we can use it to rebalance part of the economy.

**Mr Sutcliffe:** We need to develop further.

**Q32 Steve Rotheram:** Mr Dunleavy, you said that film tax relief has been extremely successful. You have also mentioned some of the statistics—the industry being worth £4.6 million in GDP and the £12 return for each £1 invested. But just following on from Gerry's questioning, to encourage a reduction in tax relief or direct funding—you might argue, conversely, that that should not happen—could more be done to promote private investment or should there be an increase in central Government funding? Could you perhaps highlight in your response how you have attracted overseas investment?

**Ivan Dunleavy:** This may be a slightly long answer and let me try to illustrate a path to get to where you want to get. Exports of UK film was worth about £2.1 billion in 2010. That is the last statistic that is out there. The global film economy is worth about \$86 billion. Sorry to mix currencies. The bulk of UK film export goes into the USA. We have about a 10% market share of the US market. For the rest of the world, that market share is less than a third of 1%. If we could create more exports of UK films, that would clearly create more funding and financing opportunities, and that may be the route to a more successful UK film industry.

**Andrew Smith:** China's box office is predicted to grow by 23% between now and 2016. They have 9,100 screens. They are putting up eight new screens a day. There are some challenges in China because they have a foreign film quota, but if we could get a small proportion of that box office, then you can see real potential in increasing film exports.

**Q33 Steve Rotheram:** But you have not explained how you are doing that. Both of you used the phrase, "If we could create". How do we create?

**Ivan Dunleavy:** It is certainly something that we, as a business, are wrestling with to try to create those opportunities, but we are starting from a very low base. At the moment, we can't even measure how much UK film goes into China. That seems like a flaw in the industry's thinking and if we can do more about that, that would be welcome.

**Q34 Steve Rotheram:** To go back to the original question, is it something that central Government could help the industry with, or do you think that you need to stand on your own two feet and get some private sector investment that would enable you to do exactly what you have highlighted?

**Ivan Dunleavy:** I think it is a combination of both. China is a particular territory with its own set of rules. In other territories around the world perhaps private sector should take the lead rather than Government.

**Q35 Steve Rotheram:** Could you briefly outline what overseas investment you have been able to attract into your business?

**Ivan Dunleavy:** The Film Fund I referred to earlier is the Isle of Man, so it is slightly overseas.

**Steve Rotheram:** It is from Liverpool.

**Ivan Dunleavy:** Our partners in our international studios are all either provincial governments or, in the case of Malaysia, the Sovereign Wealth Fund of Malaysia is partnering with Pinewood to build a brand new studio adjacent to Singapore. That speaks, perhaps, to the power of our brand and the heritage that has been built up over the 75 years that Pinewood has been in existence.

**Q36 Paul Farrelly:** I have a couple of questions to do with tax relief. The Oxford Economics study concludes that for every £1 invested from the Treasury in terms of tax relief given, £12 in GDP is generated. Are those figures accepted by the Treasury as reliable in terms of additionality from the scheme?

**Ivan Dunleavy:** I think they are. It is widely quoted by Ministers both in Treasury and DCMS. This is the fourth report that we have done over five or six years, and it is regularly quoted.

**Q37 Paul Farrelly:** You have talked about high-end television and targeting that next, but in your submission you also said that you strongly support the extension of tax relief to other creative sectors, including animation and videogames, with the aim of building up the concentration and the skills in the UK to continue to be world class. There was a measure, a proposal by the last Government to help the videogame industry, but it was dropped. Are you aware of what was so unattractive about it?

**Chair:** It has been reinstated.

**Paul Farrelly:** It has been reinstated?

**Chair:** Yes, it is coming, it is coming.

**Paul Farrelly:** It is a shame we dropped it in the first place. I was not aware of that. I am now interviewing the Chair. It has been reintroduced in the same form?

**Chair:** As far as I know. I think it is pretty similar.

**Ivan Dunleavy:** I think the two industry bodies are quite happy with it.

**Paul Farrelly:** Chair, thank you very much.

**Q38 Mr Bradshaw:** What has been the impact of the abolition of the UK Film Council?

**Ivan Dunleavy:** I think the reduction in funding that has been available to the British Film Commission, which is the particular aspect that promotes the UK overseas, has caused people to scratch their heads and try to work a little bit better. That was a short-term concern, but it is working well now. The transfer of the Lottery funding aspects into the BFI has worked seamlessly, and we are very pleased about that. Some of the other issues are

understandably not getting as much focus and regrettably we have to work within the confines of the economy as it is.

**Q39 Mr Bradshaw:** Such as?

**Ivan Dunleavy:** Some of the training aspects, the skills development, perhaps some of the more social aspects in terms of the promotion of diversity have suffered as a result.

**Q40 Mr Bradshaw:** Would you like to elaborate a little bit more on that? Can you give us some specific examples?

**Ivan Dunleavy:** We would be delighted to, but perhaps I could write in to the Committee with that one.

**Chair:** Yes, that is fine.

**Q41 Jim Sheridan:** Can I go back to the funding? Are you totally reliant or dependent on public funding, whether it be in the UK or internationally, and particularly the EU Culture Programme funding? Do you receive anything from that?

**Ivan Dunleavy:** We receive no direct funding benefit from anyone. We work with our shareholders' resources.

**Q42 Angie Bray:** Can I go back to the issue of exporting our films? You say we have about 10% of the American market. Does that tend to come and go depending on whether British films are in fashion? It does seem to be that sometimes a British film really takes off and then everybody is very interested in all things British. It may not even be a film. *Downton Abbey* is an example of where suddenly everybody in America is very interested in all things British.

**Ivan Dunleavy:** There will be peaks around a success such as *The King's Speech*, but the longer-term trend is fairly consistent with that level. One of our advantages is that our stories are universally well received, so period film or television in particular goes down incredibly well in places like Japan. I think there is an empathy between the storytelling nature of our film industry and many of the other cultures around the world.

**Q43 Angie Bray:** Why is it that we seem to be doing better with our exports to the US and we do not seem to be able to get our exports going to the rest of the world? You look at India; Bollywood has made it a huge thing. Why can't we do that?

**Ivan Dunleavy:** There is a focus on the US. Perhaps the Oscars have an influence and people chase that kind of recognition.

**Q44 Angie Bray:** Do we need to do more to build our brand UK?

**Ivan Dunleavy:** We need to do more on the economic side, yes. It is a business. It is slightly unique in that it deals with a cultural product.

**Q45 Jim Sheridan:** Could we go back briefly to the skills agenda? Is there anything you can suggest that the Government could do to encourage industries to take on more apprenticeships, invest in more training? Secondly, what are you doing yourselves?

**Andrew Smith:** We identified at Pinewood a skills deficit particularly on the crafts side—the plastering, carpeting, wig-making and so on—so about three years ago we set up the Pinewood Group Apprenticeship Scheme. Roughly 10% of our work force are on various forms of apprenticeships that range from sound maintenance through to drapes. One of the drapes apprentices is doing a 23-month course in Nottingham. We partner local colleges—Amersham and Wycombe. We have a whole variety of apprenticeships that we are working

on at the moment. We have just introduced, working with Skillset, the Pinewood Studio Management Diploma. We have done that because there is going to be a shortage of skills in the management of facilities. The course has been oversubscribed already. We are piloting at Pinewood.

We take it very seriously. With Skillset and the Film Skills Council we are targeting two areas. One is the craft and technical skills, which I mentioned, and also the high-end, the visual effects side. We had a meeting of the Film Skills Council a couple of weeks ago and it is appalling to find out that 53% of those employed had to be brought in from outside the UK because we did not have enough skills in that area. It is an area where the UK is probably the best in the world in Soho, in the visual effects side. That is an area that we have to do a lot more on.

**Q46 Jim Sheridan:** You said 53% from outside the UK?

**Andrew Smith:** I will double check that figure, but I am fairly sure it was 53%.

**Q47 Jim Sheridan:** I think that is incredible.

**Ivan Dunleavy:** What is interesting is that the skills that apply in film post-production and CGI, special effects, are almost identical to the skills you need in the videogames industry.

**Q48 Jim Sheridan:** Are the apprenticeships for three, four, five, six years?

**Andrew Smith:** It depends. I think our drapes apprenticeship is a 22-month one. They are very hands-on apprenticeships. I think there was a *Panorama* programme recently about *The Great Apprentice Scandal*, and Pinewood was used to show that it is not just classroom-based, it is actually in the work force. That is the emphasis we are placing on that.

**Q49 Mr Bradshaw:** You said earlier that Britain was a world leader in creativity, and I think that is right. How important do you think the creative arts are in our school curriculum?

**Andrew Smith:** There is a new initiative about Studio Schools, which is something we have come to quite recently. I think the first ones come on stream in the autumn of next year. We are involved. Shepperton is sponsoring one in Hastings and Rye. There is another proposal for one at Pinewood. But the Studio Schools initiative around the UK is quite an interesting development.

**Q50 Mr Bradshaw:** Young people discover their creativity at school usually, through art and craft and feeling inspired, don't they? Other people such as Nick Serota have taken a view on the Government's proposed changes to the curriculum. Do you have a view on those?

**Ivan Dunleavy:** My personal view is there should be an element of arts and appreciation of film and television media within the school curriculum, but I do not think I am best placed to say at what level and how that should be delivered.

**Q51 Mr Bradshaw:** You see people coming through who have acquired skills because they have had their natural creativity tapped into, if you like, in one way or another by their secondary or even primary education. Is that not something that, as someone who uses those skills, you value?

**Ivan Dunleavy:** I am not sure that skills may have been created there. I think if there was a creative spark that was fostered there, that would be good. I am sure you have heard the criticism of what are generically called media studies classes; I have said before that we do

not need people who can give us lectures on 20th century Russian film. That is of no use to us at all. We need people with practical skills.

**Andrew Smith:** There is a thing called the *Livingstone-Hope Review* that identified the shortage of skills in Soho on the visual effects side, and it needs to take that back to the classroom. Obviously the visual effects side is better qualified to say this, but they would explain to you that children are coming out of schools very competent on Excel and PowerPoint, but we have lost the computer programming that we used to have in the 1980s and that is what we need to go back to if we are going to address this skills deficit.

**Q52 Paul Farrelly:** Some parts of what we call the creative industries have been very vocal against the proposed EBac and its narrowness. In fact somebody, whose name escapes me, said that narrow focus could wipe out the UK's creative skills base in 10 years. You probably do not want to go that far. Could I ask you hopefully not too leading a question. When it comes to looking at what you were talking about, programming or vocational subjects, do you think that the chalk and mortar boards type proposals for the content of the EBac are perhaps too narrow and not keeping up with modern times?

**Ivan Dunleavy:** I do not think I am best placed to answer that question. I would need to go away and research it a little bit better. Not directly answering your question, but perhaps by way of illustration and returning to the previous question, there are centres of excellence like Bournemouth in the videogames sector, like Nottingham who have a wonderful course for set designers. I think if schools can be the feeder into those kind of applications then we would certainly value that.

**Andrew Smith:** The other thing that we should not forget is an initiative the UK Film Council launched that was helping those in the creative industry, particularly film, to understand business as well. That is critically important. The National Film and Television School has just introduced a course for those in the wider creative industries to ensure that they are able to run a business, because they are very creative. We have 300 tenant companies based across Pinewood and Shepperton and we see young people who have these fantastic ideas. When it comes to looking at balance sheets and margins and running a business, that goes on the pile to look at another day, but ask them to design something and it will be done tomorrow. So I think that is important as well.

**Q53 Mr Sutcliffe:** It is a similar theme really. If you look at the demographics of the UK work force and projected demographics in terms of an older work force, I wonder if people are in the right places for you to be able to tap into that. Have you had a look at that? In Bradford, we have a high birth rate and a young working population forecast, but have you had a look around the country at where the sort of centres are going to be where the younger workforce are going to come forward?

**Ivan Dunleavy:** I think there is a tremendous amount of talent out there, and we should foster that talent. Whether it continues to work in its region of origin is a slightly different question, but there is no monopoly on creativity anywhere and wherever it is we should be backing it.

**Q54 Mr Sutcliffe:** What I am trying to get to is that there are specific hotspots where there will be a younger work force and you might be able to tap into that. Can we can do some work around that?

**Ivan Dunleavy:** Yes.

**Q55 Angie Bray:** Can I move you on a bit to issues around clusters and hubs? It is pretty clear from the submission that you put in that you do not see any merit in this talk

about too much focus on hubs. You think the hubs are the way forward and you are not so keen on this idea of geographical spread. Do you want to talk us through that and why you think that the hub is the way forward and not a greater geographical spread?

**Ivan Dunleavy:** From an economic point of view, it goes back in part to the earlier discussion about leveraging the infrastructure that already exists. There are good hubs around the UK. It is not all in London and the south-east. There is Manchester, Cardiff, Bournemouth; we talked about videogames earlier. I think it is backing the potentially strongest hands, and that for me would be key.

**Q56 Angie Bray:** But it is pretty London-centric, isn't it, and in your own submission you make the point that London and the south-east is the centre of it all?

**Ivan Dunleavy:** I think London and the south-east is not just a cluster or a hub, it is an international hub. If you look at the screen-based industries, on the film side you have Leavesden, Pinewood, Shepperton, Ealing, Elstree, on the television side you have Sky News facilities, you have Chiswick Park, you have ITV, Channel 4. It is huge, and they have all the post-production houses. But there are regional centres of excellence; you have Pacific Quay, Glasgow, the BBC's facilities in Bristol and Cardiff, Salford Media City. But I think we should not just see London as a UK hub. It is a global hub for creativity.

**Q57 Angie Bray:** But do you think building on the strength that already exists in London is going to increasingly focus on London, because everybody will want to be there, and that some of these regional centres are going to be driven down as a result of this increasing focus on London?

**Ivan Dunleavy:** Whether that is a direct motivation or whether it is an accidental by-product—

**Angie Bray:** A consequence of it.

**Ivan Dunleavy:** —a consequence of it, I would not get overly concerned about it. If one looks to the US, there is Silicon Valley. They have not tried to create Silicon Valley II somewhere else. They have backed their strongest hand, and I think we should do that in the UK.

**Q58 Angie Bray:** You also use communications technologies to collaborate on a global scale?

**Ivan Dunleavy:** Yes. There is no reason why someone could not design a product in Rotherham and it be used productively somewhere else in the UK.

**Q59 Angie Bray:** Do you think that there would be benefits in helping to develop creative clusters in other parts of the United Kingdom? Do you think it would be a good thing?

**Ivan Dunleavy:** I would back the ones that currently exist rather than trying to create new ones.

**Andrew Smith:** I think there are examples of facilities that have been built and have been lying empty. In Wales, for example, the Dragon Studios is a fantastic facility, but I do not think it has had a single film since the day it opened. So, it is focusing where our strengths are.

**Q60 Angie Bray:** Whose mistake was it to invest that money?

**Ivan Dunleavy:** It was partially funded by the Welsh Government.

**Q61 Steve Rotheram:** I am interested in the last set of responses. I can understand the need for a physical hub for filmmaking and stuff like that, but for lots of the digital industries there is not really that need because obviously anything can be sent down line now. I know Salford is a hub in the north-west, but places like Liverpool, which was not mentioned, have a huge independent creative sector. If what you are doing is creating a hub, what you need is spokes and you need to have that linking back in. That is the idea of that model, and it did not seem that you had even started to consider areas other than regional hubs.

**Ivan Dunleavy:** There is a question of balance in all these things. The idea that digital connections could, in my example, take a designer from Rotherham and feed his product into a central hub is quite important. Even though we talk about material that is created digitally, there is still a tremendous amount of focus on the collaborative effort. If one examines the sort of computer-generated animation that is produced by companies like Pixar, they have a very clear campus mentality where 100, 200, 300 people are brought together to create an animation show. In terms of physical process, that could be done in the four corners of the planet, but it is the collaborative effort that creates the product that everybody wants to see.

**Andrew Smith:** The other good thing is that Creative England has been established and that is to help create the creative industries outside London. It is something we are very active with, so that is certainly targeting. One thing Creative England has done is to bring the various sectors of creative industries together regionally, which should be applauded.

**Q62 Steve Rotheram:** It would be interesting if there was any sort of statistical evidence of that happening, because I have not seen it myself. This sector is benefiting from UK film tax relief and therefore the opportunities should be across the UK to link into this. Hopefully those jobs and those opportunities are not going abroad, like you said before, with the 50%-odd in some of the trade areas. If we are going to create a creative industry, then it needs to be the indigenous people here who get the opportunities, otherwise what you are doing is giving our competitors an advantage over us.

**Andrew Smith:** Absolutely, I agree. I think Creative England has just commissioned some evidence—I am not sure it has been published yet—about the importance of regional clusters and hubs. That piece of research has been commissioned.

**Q63 Jim Sheridan:** It would be unfair for you to leave without talking about intellectual property law and, indeed, its importance. How big a problem is the piracy threat to television and films? Do you think the current law is effective?

**Ivan Dunleavy:** Piracy is clearly a global problem. As I am sure the Committee is aware, there are two streams to the issue. One is what is characterised as the downloading at home by teenagers who regard the product effectively as free for their consumption. The other is the more criminal-backed element of doing it for commercial gain. Both are challenges to the revenues of all creative economies, and they need to be dealt with. We do have a good regime of IP protection here in the UK, but it does need updating. There have been various proposals through the reports written by Gowers and Hargreaves, which I am sure you are familiar with, which are yet to be implemented, and we hope that they can be.

**Q64 Jim Sheridan:** Just on the global aspect, France has made some move towards improving its enforcement law but this is a HADOPI law

**Ivan Dunleavy:** That one is not something I am familiar with.

**Q65 Jim Sheridan:** This is a three strikes and you are out area. Do you think that would be helpful?

**Ivan Dunleavy:** In that particular case it is going to depend on enforcement, so again probably we will have to wait and see. But I think the point that you make is that this can't just be a UK-driven initiative, it has to be based on co-operation internationally.

**Q66 Jim Sheridan:** HADOPI published a report saying there has been a 29% decrease in visits to pirates, equivalent to a 66% drop in illegal file-sharing traffic, but there were not any increased revenues for the creative industries as a result. So I assume that, no matter what laws we bring in, it is not going to bring in more revenue for the industry.

**Ivan Dunleavy:** On a commonsense basis, that seems surprising, but I think there are some basic things that we could do, and I am sure the Committee has heard this from others. For example, why is camcording in a cinema still permissible? Why would someone bring a camcorder into a cinema if not for some kind of commercial gain?

**Chair:** The Committee did recommend making it illegal, I think about five years ago. Sadly it does not seem to have been taken up.

**Q67 Jim Sheridan:** But there was an Open Rights campaign about three strikes and you're out and how that would impact on internet users. Is that the case?

**Ivan Dunleavy:** I am not sure I can answer that question.

**Q68 Paul Farrelly:** I was struck earlier on when Andrew, I think, said that the *Creative Britain* document of six or seven years ago was what pulled stuff together in terms of having a focus from different Departments and the Treasury. Is there now perhaps, as part of a growth strategy—John talked of *Mission Impossible V*—a compelling case for a *Creative Britain II* document, or have there been enough initiatives, reports written and worthy work done to make it satisfactory just to adopt a piecemeal approach to bringing various initiatives forward to help the various creative industries?

**Ivan Dunleavy:** I would suggest it is something that we constantly need to look at and, as the Committee is doing, we should keep it at the forefront of our minds in terms of how we create growth and opportunity for the creative economies. Whether that is best in the form of a report or through any other kind of policy mechanism, I think is for debate.

**Q69 Paul Farrelly:** Do you see evidence at the moment of an overarching strategy that demonstrates that the industry has been given sufficient priority? That is really the nub of the question.

**Ivan Dunleavy:** There is certainly evidence in the screen-based industries that that policy is starting to produce benefits. Other colleagues from other parts of the creative industries could answer from their own experience.

**Q70 Mr Bradshaw:** I was in the Cabinet when we were trying to respond to the financial crash and we published a document called *Building Britain's Future* in which the creative industries were central. They were one of three or five strategic sectors of our economy that the whole Cabinet agreed needed pushing. Are they still there? Do you sense that they are still essential to this Government's economic and growth policies?

**Ivan Dunleavy:** Yes, I do.

**Mr Bradshaw:** You do?

**Ivan Dunleavy:** Yes.

**Q71 Mr Bradshaw:** I have a couple of questions about intellectual property. We have heard from other people in the creative industries that they are worried that the Government is going slow on the implementation of the provisions of the Digital Economy

Act and they feel that the Government have been bamboozled by Google, to paraphrase. Do you share that general concern?

**Ivan Dunleavy:** It is puzzling why some things that seem to have broad agreement are not getting through the system.

**Mr Bradshaw:** Such as?

**Ivan Dunleavy:** There has been a lot of comment about orphan works and those kind of issues and there seems to be a broad consensus on what should be done, but it does not yet seem to have got through the system.

**Q72 Mr Bradshaw:** And the Google?

**Ivan Dunleavy:** Again, I probably pass. That question is beyond my sphere of expertise.

**Chair:** I think that is all we have. Thank you both very much.

**Ivan Dunleavy:** Thank you for your consideration.

*Witnesses:* **John Mathers**, Chief Executive, Design Council and **Mat Hunter**, Chief Design Officer, Design Council, gave evidence.

**Q73 Chair:** I welcome for the second part of this session John Mathers, the Chief Executive of the Design Council. Mr Hunter, what is your role?

**Mat Hunter:** Chief Design Officer at the Design Council.

**Chair:** Thank you. Just before we begin, my colleague Mr Farrelly wishes to make a statement.

**Paul Farrelly:** This is just for completeness. I thought I should declare an interest, as we have the Design Council in front of us. I am the founding patron of Urban Vision North Staffordshire, which was one of the CABA-sponsored architectural and design centres about the country, and CABA, of course, is now part of the Design Council.

**Q74 Chair:** Can you begin by giving us a brief overview of the work of the Design Council in supporting the creative industries?

**John Mathers:** Can I apologise in advance? It is a very new role for me. I have been in post since 1 November, so please treat me carefully, although I suspect there is some roasting going on somewhere in the vicinity.

**Chair:** The Director General of the BBC had only been in post a few weeks. We will be nicer to you than him.

**John Mathers:** It probably is important to give a bit of context so that people understand that the Design Council is no longer a non-governmental department body. It is now an enterprising charity and that happened after the comprehensive spending review a couple of years ago. At about the same time we merged with an organisation called CABA, which was the Commission for Architecture and the Built Environment. So the two bodies have now come together in a much reduced state.

The Design Council is about championing good design. I think we might well have a debate today about what good design is all about, what design is all about and the role of design in the creative through to innovation spectrum. We use design to enable people to design for innovation, tackling big social issues. It is about driving growth as well and it is about improving the built environment. Essentially we have a number of ways of working. We partner with local and central Government. We run what are called open innovation challenges. These are the things that tackle the really big challenges that society faces. We

provide design-led coaching programmes for business, universities and service providers. We also offer design support for developers and infrastructure providers in the built environment. So it is a fairly broad remit.

**Mat Hunter:** We see ourselves as connecting supply and demand, to bring the supply of design and the use of design to areas where it has not been used before, but also to drive up the quality of design where people even have started to use it. It is about design in places where it does not exist and even better design where it does.

**John Mathers:** It is important to say we do not represent the design industry per se. There are other bodies that represent the design industry and designers, but what we do is champion good design and that is really what it is all about.

**Q75 Chair:** Is it possible to quantify the economic contribution of design? We can ask the film industry how much that contributes to the economy, but design is rather harder to pin down, I should imagine.

**John Mathers:** It is. I think where we can quantify it—and that is amply documented in the written evidence that we provided—is where we intervene with design; we can see the tangible improvements that can come in turnover, in increased net profit, in exports and so on. One of the statistics I am aware we did not put into the written evidence is that particularly where we intervene with small businesses, SMEs, we know that we can make a tangible improvement, particularly in jobs. For every intervention that we make, we reckon that we create about six jobs. So there is that tangibility about what we do. We know that there are some statistics on the size of the design industry as well and the growth of the design industry.

**Mat Hunter:** Those are essentially that Imperial College in 2011 estimated that the value design brings to the economy is 2.2% of GDP, which is £33.5 billion.

**Q76 Chair:** You say you can particularly help small businesses. Does a small business approach you or do you go out and say, “Your products could be much better designed”?

**John Mathers:** In our leadership and mentoring programme we approach small businesses and universities and the like. It is understanding the role that design can play. I think there is a great deal talked about creativity, but creativity is quite a difficult thing to pin down. It is a question of how we harness creativity to produce innovation, which ultimately produces growth. It is the design element that introduces the standards, the procedures, the processes, the ways of thinking that can turn creativity into reality. It is often that element that small businesses don’t really get. They sort of know it is there, but what they don’t know is how they can use it to best effect. The programme that we have means that we approach small businesses and introduce the design element to them. We are quite a small organisation—centrally we have about 75 people—but we have about 300 design associates and built environment experts who are the interface with organisations. That is the way it works really well.

**Q77 Chair:** Our principal concern is what Government can do to help the creative industries. Are there any particular areas where you think Government could be more active?

**Mat Hunter:** There are two areas that we always think of: how does design support industry better to use design and how does the Government itself use design? Certainly one of the things we understand is that Government itself needs to be a leader in using design effectively to create better policy, better products and better services, and by exemplifying design leadership, as we have seen for instance in the Olympics, which maybe we will come on to later. At the same time, I think it is necessary for the Government to continue to support these outreach activities to help the industry to understand design. So there is a sense again of

this ethereal quality of design and the challenge of taking the creativity and really drawing a line of sight with economic value. Therefore, both for Government and for industry we need more engagement so that people experience it and get the benefits of it and ultimately build more confidently on that. We find that whenever we work with civil servants in using design for policy or whenever we engage small and medium enterprises with design, all they need is one experience to get the hang of it and then to move forward, so our interventions typically are very few in order to get them on the right path.

**Q78 Paul Farrelly:** I am familiar with the consequences of the CSR for CABE and the design review process for the built environment that we started to get going around the country. Design review is like submitting scientists to peer review in scientific magazines so you get a reliable and good product in the end, and the same goes with architects and major schemes for our local environment. I have seen the consequences there. You described the Design Council, since the CSR, as being in a much reduced state, but also the benefits of your interventions. Could you give us a brief overview, from the Design Council's side of things, of how much reduced your state is and what, in your opinion, have been the consequences?

**John Mathers:** In terms of reduction, I think our challenge is that we still get some funding from both BIS and CLG, but there is no long-term guarantee to that funding. So we are having to investigate ways of ensuring our long-term future by self-sufficiency, and that has necessitated a degree of introspection and changed priorities. We are still meeting the reduced funding liabilities that we have, but that means that we are intervening with fewer SMEs, fewer universities and fewer other bodies. Our interventions are less and therefore our impact is less. I would say that is probably by about a third compared to where we were a couple of years ago.

**Q79 Paul Farrelly:** Has anyone noticed?

**John Mathers:** Yes, I think people have noticed. We work very closely with BIS, which is constantly looking at how we can up our ante and get better productivity.

**Q80 Angie Bray:** Can you help me understand exactly what it is you do? You said earlier that perhaps one intervention with an SME could deliver six extra jobs. Could you tell us what that intervention might be and how it actually works and how the impact works? Give us an example.

**John Mathers:** I will give a broad study and Mat can talk about a specific example. We would work with a company that, for instance, was manufacturing in a particular marketplace. That marketplace has become stagnant. They need to look for some way of innovating to look for new opportunities, but the processes that they have internally, the people they have internally aren't really capable of understanding how to go about that. We will liaise with them, understand what their needs are, to find the problem in many respects, and then introduce a design element. Our job as well is to grow the design industry, so we don't do design intervention ourselves. We do that work through our associates and through the broader design industry. We will introduce the right design associate, the right design firm to help that particular organisation look afresh at the challenges they have. I can think of several examples, for instance, where through that innovation process we have identified completely new ways or new marketplaces for them to look at, using the existing technologies and the existing strengths and skills that they have internally. So, I think the pipe story.

**Mat Hunter:** I think there are two cases in point. As John was saying, we are advisors to the leaders of the organisation, helping them in some cases to create new businesses and in the other cases to refine existing businesses. You get a clay pipe manufacturer making a very high-quality product, but we can all imagine what is happening in terms of pricing pressure

with exports. What do they do? How do they move into a new market? Rather than creating drainage products, perhaps they should move into garden wares, so they make high-quality, frost-proof ceramics—“Let’s make Yorkshire flowerpots”. So now more than a third of their revenue comes from that new business.

A very different example, however, might be a haulage firm, a logistics firm in the middle of England that is doing quite well but essentially doesn’t understand how brand and service design will help them to better win customers and to exhibit their strengths. We would connect them in this case with, rather than the product designers earlier on, brand and service designers. We helped them procure an award-winning rebrand that now lets them project much more confidently and they begin to win millions of pounds more of orders.

So we are talking sometimes product design, sometimes service design, sometimes branding design, many different disciplines. Our design experts go in to help you understand which discipline might help you and how to write the most effective brief and then how to procure the right talent so that you can effectively spend the right amount of money to get the right benefit.

**Q81 Angie Bray:** Where does the figure come from that therefore an intervention can lead to six extra jobs? That sounds quite specific.

**John Mathers:** It is across the board on average. We have done quite a lot of research, and a recent study evaluating what our impact across 200 firms that we have intervened with has produced, and on average the figures that we quoted in our written evidence support that.

**Q82 Angie Bray:** The second of your examples I can see would be very specifically a design issue around branding, but I am quite interested in the first example with clay pipes. In many ways, I would think that might just be a kind of managerial decision, that a good management would be thinking about how they can expand into different markets.

**Mat Hunter:** A key area that is not understood in design is how design helps us to move forward to create new strategy. We also work with university technology transfer organisations, because essentially one has to understand that design is making great things for people. In other words, it is a very interesting and powerful form of speculative marketing. What is it that people need and how should we satisfy that need? This is exactly the point that design, when working at the most strategic level, helps to create new businesses because it has a very good grip on what people want. When John spoke earlier about the great sort of societal challenges that we take on, we work, for instance, with the Department of Health around issues of long-term social care or dementia care and begin to create fundamentally new products and services that will reduce the burden on the state and improve people’s lives. So we are in the business at times of creating new businesses just as much as we are in the business of evolving and improving existing business.

**Angie Bray:** It is business solutions, yes.

**Q83 Tracey Crouch:** You are represented on the Creative Industries Council. What do you see as being the fundamental role of the CIC?

**John Mathers:** I think it is to do what it is set up to do, which it is to some extent doing quite well. It is the conduit between Government and the creative industries. It is working well in its early stages. A couple of reports have been produced. I think we could do more with those reports.

**Tracey Crouch:** Such as?

**John Mathers:** I think the first report was produced some six months ago and I am not sure that much tangible action has been taken since then. It meets only every six months and I think it could meet more. The sub-groups could work more cohesively, we could have more

Government representation on it, and we could also have greater representation across the design industry. The Design Council is perhaps the only body on it that represents design per se, and I think there may be opportunities to have greater representation.

**Q84 Tracey Crouch:** From your response, do you fear that it could just become a talking shop?

*Mat Hunter:* We believe it has created two important reports around skills and around finance, and we believe those to be high quality. Ultimately if, as John implied, those recommendations and insights are not acted upon then of course, by definition, it is a talking shop, but I think it has attempted to put forward ideas and if those ideas can be acted on, then it has impact.

*John Mathers:* I don't think we feel it is a talking shop yet, but I think we need to keep the momentum up to make sure it doesn't become one.

**Q85 Tracey Crouch:** I noticed that, like Pinewood, you think that the Treasury should be represented on the Council.

*John Mathers:* Yes. We had some very interesting conversations with the Treasury just recently, talking about large infrastructure projects. This relates to a topic we will maybe come on to, which is the Olympic legacy. I believe we have a huge amount of skills that can help those big infrastructure projects. There are a lot of other large infrastructure projects around at the moment where I think the design review process as well could really help. I think the Treasury struggles a little bit to understand what that role could be and how there could be more effective intervention, but we have had some very useful conversations, and it may well be that the Treasury is getting more on board with that.

**Q86 Tracey Crouch:** Do you think there are other ways of improving collaboration between the creative industries? The Creative Industries Council is designed to co-ordinate policy and activity. Do you think that perhaps encouraging or facilitating the hubs and the clusters that we were talking about earlier is one way of better co-ordinating activity?

*John Mathers:* It is quite interesting, because I come from the design sector and coming into the Design Council is quite an interesting perspective, because when you are on the outside you do feel very much that the design industry in particular is a very disparate and dysfunctional body. I think there is a huge opportunity to become much more cohesive and unified in terms of what we do. One of the challenges that the Design Council has over the next few years is to see whether we can bring that slightly dysfunctional team of bodies together to be more cohesive and more consistent.

**Q87 Tracey Crouch:** Do you think clusters and hubs could be the answer?

*Mat Hunter:* I think one of the perspectives we have is that again design—perhaps slightly unusually within the creative industries—is as much about spreading creativity outside of the creative industries as it is about creating great films and architecture and fashion. So the point is that when we talk about hubs and connections, we are as interested in the connection between design and biosciences and life sciences and material sciences as we might be between design and film and everything else. So, yes, we have to think about creative industries collaborating with one another, but just as importantly, if not more so, given the push around science and technology and the Government-enabled support around science and technology, we need to ensure that this creativity can be quite strategic, really identifying new opportunities and new markets, and that this is an integral part. Wherever we find technology hubs and clusters, we need to make sure that at the very least there are design components at a very senior and powerful level.

**Chair:** You referred to the Olympics. That brings us on to Gerry Sutcliffe.

**Q88 Mr Sutcliffe:** The Olympics and Paralympics and the tremendous success of those Games in so many different ways. Quite rightly, in your written evidence you talk about the role of design in there and you point to the example of the Olympic Torch. How much of the success of Games could we put down to success through design; what were the design impacts on that?

**John Mathers:** It is quite interesting, because we were talking about this yesterday and, in a funny sort of way, great design is the stuff that you don't necessarily see. If any of you attended any of the Olympic events, a huge part of it was the ease with which you accessed the venue, the way you found your way around the stadium or whatever event it was, the way that everything worked effectively. To my mind, that is what great design is all about. What you would notice more is bad design, when things don't work, when you have problems or issues with the way that you interface with something or someone or whatever else. I certainly feel that the role we played, particularly with the design review process that we undertook, made a massive difference to the way the infrastructure worked.

I believe that we can play a huge role in terms of intervening at an early stage in many of the major infrastructure projects that are going on with the Government at the moment. I believe there may be an announcement this afternoon about High Speed 2, where our intervention may well be part of that process. I would welcome that, because I think intervention to make things better at an early stage and advise on the challenges and the issues is much better than bringing us in at a later stage when it is often too late to make changes or, if changes are made, they are much more expensive and complicated logistically.

**Q89 Mr Sutcliffe:** I know we could have a good two-hour discussion on designing the Olympics and Paralympics, but how best can we take this forward in terms of what lessons can Government learn from the success of design in the Olympics and the Paralympics to help the GB brand when we go to other countries, like Rio for 2016 and other major sporting events? We clearly showed that we could put on a fantastic show, so how can design help and how can Government help design to get into those other markets?

**Mat Hunter:** John mentioned it earlier in terms of having design leadership there at the core of the team right from the beginning. LOCOG had strong design capability within it, but at the same time that helped them to understand what they really understood at a world-class level and what they didn't, so they also used a large number of advisory boards and agencies. We helped LOCOG to procure the Olympic Torch design and engineering. Essentially, it is to have design there right at the beginning, understanding the strategic competence, but also to understand how to collaborate with world-class experts and to have it all the way through, but to be looking for quality as much as anything else. We have discussed a little bit about good and bad design, difficult as it is about a qualitative judgment—is it good?—and that requires great skill.

**John Mathers:** Can I add to that? One thing that we haven't yet done as a country is showcase the great design that went into the Olympics, and part of that is the issue of individual publicity around the role that individuals—

**Q90 Mr Sutcliffe:** That is what I wanted to come on to. I have a constituency company which is suffering because it can't advertise the fact that it was successful in design. I think it was something to do with the Velodrome. But it is now becoming a bigger issue for lots more companies. How do we deal with that and how do we get Government to deal with that, LOCOG to deal with that or the IOC to deal with that?

**John Mathers:** We have an idea that we have been discussing with Ed Vaizey, who is a strong supporter of this—what we need to do is to have some sort of showcasing great design event that gets around any of the complications about the individual publicity of individual company roles. The Design Council can be the curators of that exhibition or that showcase of the great design that went into the success of the Olympics and Paralympics. So we are in general discussion about that. It is early stages yet, but that is something—

**Q91 Mr Sutcliffe:** I think it is a great idea and I would support that, but I still think there is a difficulty for companies to be able to go to bidding nations to say, “This is what we did in London”. It is because of the protective branding of the Olympic brands, and we need to find a way through that.

**John Mathers:** Yes. I am not an expert on this. The difficulty is that what companies are not allowed to do is publicise it. I think when they have individual conversations with organisations they are allowed to talk about the role they played. It is how do you get that company or that organisation on the radar in the first place, and so I think there is a role that Government can play in doing that.

**Q92 Mr Sutcliffe:** I also think there is probably a role for the sporting organisations, whether it is the BOA, UK Sport or whoever, to help you in terms of branding the success of those companies in that, and I think that might be another way around it as well.

**John Mathers:** I think you are right.

**Q93 Steve Rotheram:** We were looking next at barriers to growth and we heard earlier about the need for improvements in the business skills of the industry. What do you think needs to happen to allow an improvement to business skills, and will developing those individual skills for companies be enough to secure adequate finance for the design sector? It was interesting, in one of the earlier responses in the last session, that one of the witnesses said that while people within the industry might be very good at what they do, when they get stuff that is of business interest it is put to the bottom of the pile. I think that could be said right the way across the board in this sector.

**John Mathers:** We would wholeheartedly agree with you. We need to introduce business skills into the curriculum at an earlier stage, particularly in the design industry, where there tends to be a proliferation of often quite small firms that start. Some of them grow to be bigger, but many of them stay small and they stay small because they like being small and because they don’t have the abilities and the wherewithal to grow. The more we can introduce those skills at an earlier stage in the process, the better.

I am sure we will get on to education in a moment, but I think you will find that we have a very different and more vociferous view about the need for education at a much earlier stage and the continued role of design in the curriculum. I can give you an example. There is a school in Esher called Reed’s School that had to build a new design and technology building. Rather than just build the old-fashioned design and technology building, they had some outside help and they decided they were going to blend the whole thing together, design, technology, art, entrepreneurship. They created this amazing building that they have called FutureTech, which apart from anything else, has the kids totally excited about the whole thing. They are building a curriculum around everything that I just talked about. It is not just design and technology, not just art; it is about business finance, it is about entrepreneurship, it is about IPO and so on, so that the children at a very early stage are starting to think on a much bigger scale. It is that sort of thinking that we need to be inculcating across the whole of our education spectrum.

I will just keep going, if I may. The really worrying thing is that British design, much vaunted, great reputation globally—but 300,000 designers are coming out of China every year. We saw a 16% drop last year in applications to design-related university applications in 2012 or 2011. I know there was a drop overall, but that was bigger than the overall drop. China has made a much-publicised commitment that they are going to be moving from “Made in China” to “Designed in China” and I think there is a huge challenge about whether in the future Britain can still keep its much-vaunted reputation as the best in design.

**Q94 Steve Rotheram:** Would you join in what was said earlier about the EBac? Do you think that that will have a negative impact on your sector?

**John Mathers:** Absolutely.

**Mat Hunter:** We have been working very hard with the Design and Technology Association and others, and I know that a large part of the design industry is very eager to have a much stronger representation of design and design technology.

**John Mathers:** I think we need a sixth pillar in EBac, which is design technology and art. We would actively fight any move to remove design and technology or design and art from the national curriculum. We think it is shooting ourselves in the foot.

**Chair:** We are coming on to that shortly. You are jumping the gun.

**Q95 Steve Rotheram:** Sorry, Chair, yes, slightly jumping the gun. Do you believe that the financial sector is sufficiently attuned to the needs of your particular industry?

**Mat Hunter:** You mean in terms of financing for design-centred enterprises?

**Steve Rotheram:** The opportunities that your industry can provide to attract investment, but also to give that investment a decent return on its money.

**John Mathers:** Yes and no. I think the financial services industry uses design quite effectively in one respect, in that it uses it to promote itself quite effectively, but I don’t think it necessarily understands the opportunities of design. Particularly in that thing I talked about earlier—the conduit between creativity and innovation—I don’t think finance understands the role that design can play. Mat said it, it is a very difficult thing to communicate, but it is only through building awareness that we are going to do that more effectively.

**Q96 Steve Rotheram:** What can Government do to assist you in your roles and the industry per se to promote design?

**Mat Hunter:** I think we have said already that it is ultimately for the Government to understand design itself, for all policymakers to understand how design creates better policy, creates better communications with citizens and engagement in public services. This is something where we are seeing some great traction so far, some work at the No. 10 design summits with the Cabinet Office a couple of weeks ago, but it is very early days. We are beginning to see that the Government Digital Service, for example, again coming from the Cabinet Office, has shown very clearly that a design-led approach to digital services can make things far more effective and less expensive. We are seeing from that point of view the Government being a leader and champion of design within the public realm. This is very early days, but we see in other countries, notably Denmark with MindLab, that they understand much more deeply how design can make a big impact in terms of the way in which effective policy is created and delivered to and with citizens. That is one of the ways, certainly.

**Q97 Steve Rotheram:** It seems you are indicating that Government to date have not understood the role that they could play, but that there are some green shoots?

**Mat Hunter:** Yes and no. If we take the Government departments that we have collaborated with in order to show effective design, clearly, as you know from our funders, we have worked with the Department of Communities and Local Government and BIS, but equally, over the past five years and more, we have worked with the Department of Health around infection control in hospitals and reducing violence and aggression in hospitals against staff. We have looked with the Home Office at design against crime. We are looking with the Department of Energy and Climate Change about how consumer behaviour affects the way in which they consume energy and therefore emit carbon. But I would say at the moment the volume of those discussions and engagements has diminished in the past couple of years rather than increased, so we have two things going on. One is a general sense of awareness and capability building of policymakers to understand the role of design. The other is sometimes some of the bigger showcase initiatives that begin to demonstrate that creative ways of thinking can help us with, as I have mentioned before, dementia, long-term care demand and all the rest of it. I think at the moment it is very mixed. We are seeing some green shoots, but we had a little bit more engagement before the past few years, I think.

**John Mathers:** There is one other thing that is slightly more tangible as well, which is procurement. The Government procurement system—I have experienced this on both sides of the fence now—is one of the most unwieldy procurement systems I have ever encountered in my entire life. It is a risk-averse system. It takes any chance of innovation or new opportunities out of the system, rather than building them in. It totally discourages smaller design firms from ever even getting involved in the process, because the amount of manpower and resource and time and money required to compete makes it untenable. There is clearly work going on in the Cabinet Office, which is a good example, but there is a huge amount more that can be done, and Government should be leading by example. If Government makes the procurement process easier, that should percolate down through all the other industries. We should make it easier for smaller companies to bid. We should make it perhaps not doing the whole thing in the round. Look at bidding for smaller chunks of the bigger pies so that more people can get involved. I think there is an awful lot that can be done in that particular respect.

**Q98 Steve Rotheram:** This is your great opportunity now, so magic wand time. If there is something tangible that you would like the Government to do and if there was any regulation specific to your industry that you would like to see done away with, according to rule 101, what would those two things be?

**John Mathers:** I have been told I must take the opportunity to write in with further thoughts, so we will probably do that on this particular one, but I think there are probably two things. One is there are clearly some parts of Government that are leading on this one, so how can we use those parts of Government to show best example, best practice? So let's think about how we can take that and show best practice. The second thing that we need to do is introduce a completely new way of looking at procurement so that we can eliminate the red tape, and have one consistent way of doing it so that if you have to go through the procurement hoop once then that is it, you don't ever have to go through it again. So you don't have to produce reams of paperwork that are of a completely different nature the next time around for another Department. Let's make it consistent.

**Q99 Mr Bradshaw:** When Britain has the best architects in the world, why are they all much more celebrated abroad than they are here?

**Mat Hunter:** That is a good question. We feel that the vast majority of the work the Design Council has done has been in driving up demand for design. We clearly have the talent and yet, be it Zaha Hadid or anyone else who started their architectural career here, they

are abroad. We don't really know. I think the simple truth is that at times when we are talking about innovation and the drive to create new things, in this country perhaps there can be a sense of being slightly more risk averse and therefore not willing to see an opportunity as an opportunity to innovate but merely an opportunity to get something wrong. So there is something to do with risk aversion and to do with the drive for innovation. It is not quite as strong in this country as we see in the tiger economies of Asia or, of course, in the USA.

**Q100 Mr Bradshaw:** Do you think the heir to the throne plays a helpful role in this regard?

**John Mathers:** If I can go back to your first question, I think that within the industry British architecture is widely regarded and widely recognised. I don't think that we publicise it as much as we should do and we can do more about that. Some of the things that we were discussing earlier about LOCOG could be an excellent opportunity to do just that. I wouldn't be able to answer your second question.

**Q101 Mr Bradshaw:** But you have a new governance status now, don't you, a bit more independent from Government, so you are freer to speak out about these things and champion our great modern architects?

**Mat Hunter:** Yes, and we will be, absolutely.

**John Mathers:** What we will be doing is championing great modern architecture rather than architects.

**Mr Bradshaw:** Excellent. I will look forward to that.

**Q102 Jim Sheridan:** You would have heard from the previous session the questions and answers about intellectual property, and it will be good to hear a perspective from the Design Council. You say that when companies try to protect their design products it is fraught with complexities. What do we mean by "fraught with complexities"?

**Mat Hunter:** They are big processes and the costs associated with them are quite onerous, and I think James Dyson was speaking recently about the cost of renewing protection. In general, they are large, complicated and often expensive processes that are much more suited to the resources of a large organisation than a small one.

**John Mathers:** I think it is the scale issue particularly. If we can make it easier and more affordable for smaller companies—

**Q103 Jim Sheridan:** How do we do that?

**John Mathers:** We have been working quite a lot, not particularly on my watch but previously, with the IPO, and we support all of the work they are doing in terms of simplifying the process and making it more accessible. I think they are doing a really good job and they just need to get the support to allow that to be progressed further down the track.

**Q104 Jim Sheridan:** Do you think the current law is effective?

**John Mathers:** No. We know that—

**Jim Sheridan:** All of this three strikes and you're out stuff doesn't necessarily affect you, but—

**John Mathers:** It doesn't affect us, but it is a good idea.

**Mat Hunter:** But in general we know that the take-up of intellectual property protection by the design industry is very low, and so that continues to be one of the areas to resolve.

**Q105 Chair:** I have had complaints from designers that it is very difficult to establish a sort of copyright on a design. Is that a problem that you encounter?

**John Mathers:** Yes. The trouble is that the high-publicity cases are usually between the L’Oreals and the Sainsburys of this world, who have the legal and financial back-up to be able to take that to court. Smaller organisations fall at the first hurdle, and I think that is part of it.

**Q106 Chair:** The British Brand Association has been campaigning on copycat packaging for a long time. Would you see that as an example of failure to enforce design copyright?

**John Mathers:** Yes, absolutely.

**Q107 Jim Sheridan:** You are probably aware that the Government is out just now to consultation on plain packaging and that there is some controversy about that. Do you have a view on that in terms of cigarette packaging?

**John Mathers:** In case anyone doesn’t understand, this is about introducing completely plain packaging on cigarettes in particular and who knows where else it could go in the future? I personally think this is more of a brand issue than a packaging and design issue. It is about the power of the brand and the ability of the brand to communicate effectively over and above just something that appears on an individual pack. I think you will find that those big brand owners are more than up to dealing with the challenges that will arise from not being able to put their brand on a pack. They will use many other methods to make sure that their brand is communicated strongly.

**Q108 Mr Sutcliffe:** But it is interesting that the Government are going to regulate to make sure that it is unified and that, in my view, goes in the face of the ability of the companies to have their intellectual property. I know there is a health issue and we all understand the health issue around tobacco, but I think the principle is one that will have to be watched because it means it could happen, as you said, in other sectors.

**John Mathers:** I think ultimately it is an understanding of what the role of the state is. If the role of the state is to dictate what you can and cannot do, then there is not much the design industry can do about that.

**Chair:** I think that is slightly separate from the area we are looking at.

**Mr Sutcliffe:** It is an interesting issue.

**Q109 Paul Farrelly:** There are a couple of aspects of intellectual property, but before I do that, lest anybody thinks that the Design Council, by virtue of its name, is a fluffy quango that is an expensive luxury in times of austerity—I think you have dispelled that today—what would be really good is if you sent us some endorsements from the different types of companies that you have worked with so that we can look at those in black and white and potentially reproduce them, along the lines of the questions that Angie was putting to you earlier.

**John Mathers:** We would be very happy to do that. We have a lot of evidence, both the large tangible evidence but also the stories of the interventions that we can make. For us it is really important to tell those stories and we have many good examples.

**Q110 Paul Farrelly:** I have seen the drawing in *Design Review*, which in terms of appreciating the built environment goes to Ben’s question of appreciating the architects and designers that we have in this country, and it is a great shame. Anyway, that is one hobbyhorse I have mentioned.

My other hobbyhorse is the ceramics industry, which is very big in the Stoke-on-Trent area where I come from. For a number of years the ceramics industry has lobbied to be counted as a creative industry. You have to stop somewhere otherwise you will have every manufacturer in the definition, but it was really a plea for recognition because long gone are the days when you could turn out earthenware mugs of bad design and survive. Now design is at the forefront of everything. Just in the year that we have knighted Jonathan Ive, the Apple Brit, you mentioned that 300,000 designers are coming out of China every year. We see the effect of this day in, day out in the industry in my area, because as soon as a company produces a design on an industrial and professional scale, within weeks that design is copied and offered and sold around to major buyers at a third or quarter of the price, probably not of the same quality.

One of the problems that we have is getting the Government to recognise that product marking and origin marking can not only have brand value but also help in the enforcement against counterfeit goods. For example, in the ceramics industry if you open a container-load of something purporting to be from Wedgwood at Felixstowe, you know it is fake because there is no parallel trade in it around the world. We don't import the stuff. That is an issue we have found it very difficult to get BIS to look at. They take the view that initiatives like this are protectionist in nature and do not see it as an attempt to promote our products. Have you given any thought to the issue of the role of origin marking in promoting brands and helping the enforcement of copyright by addressing the counterfeiting issue?

**John Mathers:** I will be perfectly honest, I don't think we have, but it is a very good topic to raise.

**Paul Farrelly:** I want to get it on the record.

**John Mathers:** It is on the record now.

**Paul Farrelly:** The danger is if we just talk about copyright and film and books in this inquiry, so—

**John Mathers:** Interestingly, on a strategy away day recently we were talking about the future role of the Design Council and, if our role is to promote great design, how we can tangibly do that more effectively. So it may be that there are things that we can be looking at around that.

Somebody talked about tangible things that we could do more effectively. I think even in the short time I have been in this role, I have been in that BIS building several times, and as a building that is meant to be showcasing the best of creativity and innovation within Britain, it is one of the most disappointing and dull lobbies I have encountered in my entire life. If you go to places like Denmark, they use their government buildings in the most fantastic way to promote what their industry is all about, so that is what I think we should be doing.

**Chair:** We may have a BIS Minister come before us at some point so we will bear that in mind.

**John Mathers:** If you could ask him that, that would be great.

**Q111 Angie Bray:** Skills base. I know this is something you have been itching to get on to all morning, so we are finally there. This is obviously an issue of huge importance to you. What representations have you made to Government to include art and design teaching in schools?

**John Mathers:** I know that we have made our relevant submissions to the appropriate bodies whenever we have been asked and even when we have not been asked.

**Q112 Angie Bray:** What has been the reaction? What is the feedback?

**John Mathers:** It disappears into a void, I think is the answer.

**Mat Hunter:** We have been working to look at both primary education and secondary education. We did manage, I think, to get design and technology into primary, and then the question is around secondary. I think the question is always to what extent this is a really strong, powerful subject, which isn't sort of airy-fairy and lost in the abstract. I almost want to throw in something that came up a little bit in the previous submission around what we really mean. This is a lot to do with making and this is not always abstract expression. Design, as one of the creative industries, is fundamentally about making, so the arc of the submission has often been about, as Sir Christopher Frayling, the former Chairman of the Design Council and Director of the Royal College of Arts, said, "There are three Rs, reading, writing and wroughting", and so the sense has been very much that making things is incredibly important.

**Chair:** Reading, writing and what?

**Mat Hunter:** Wroughting, as in wrought iron. As much as design is a strongly intellectual exercise in imagining things and reshaping things, it is also about a practical act of making. The question was to what extent we try to suggest that it has a long lineage, it is an absolute basic and we need to bring it back in; it is not just some rather complicated, synthesised neologism of education. We are still in discussions, but it is very hard to make progress.

**Q113 Angie Bray:** I include myself as being a little bit—"confused" is too strong a word. We talk about including art and yet then I hear you talking about advising the National Health Service on protecting staff against violence. I wonder that has to do with teaching art in schools and how teaching art in schools is going to get somebody from good painting or whatever to advising the National Health Service on violence against staff?

**John Mathers:** There is a spectrum and that spectrum is art perhaps at one end, design in the middle, technology at the other end, and it is the blend of those skills that is the important blend. I know there was a lot of stuff in the press this weekend, with Mr Dyson talking about not encouraging art in school and rather encouraging science and technology. I think even he misses the argument to a certain extent in that it is the breadth of the thing in totality that is going to make a difference. It is the way you think about things and the way art, design, science and technology encourage a young mind to think about a problem and approach it from a different way that is the really important thing. It is that bit that we are really worried about missing from the curriculum.

**Q114 Angie Bray:** But you appreciate that time in a week is short to be teaching all the things you need to teach, and I can see that an awful lot of people do art who are not necessarily heads up on some of the issues you were talking about, which seem to carry a completely different skillset with them. Are you optimistic that the Government will at least see the point that somewhere in there, there is a very important mindset and skills that you are wanting to—

**John Mathers:** For me, it is the bit about the Government needing to be joined up. At one end we have Vince Cable and BIS pushing innovation and science as the essential future for Britain, and at the other end we are potentially taking away the feeder that will feed into making that a reality. I can't understand how it doesn't connect up.

**Mat Hunter:** We very much speak from the position of design, and one of the tricky things when we talk about design in education is that it is delivered in two components, art and design and design and technology. Design and technology is very much more a compound activity, where design and technology work together to make useful products and services for people. In art and design, often design is not connected to art and art is the act of self-expression and therefore there is a less clear link to industry.

**Angie Bray:** Yes, so maybe the design and technology is the—

**Mat Hunter:** That has been very much what we have been pushing, while recognising the role of art and design in terms of self-expression being very powerful. But yes, we speak from the role of design as an engine of innovation to make useful things for people that improve quality of life and drive economic growth.

**John Mathers:** But recognising it is all on a spectrum as well.

**Q115 Angie Bray:** Yes, but then you have the time issue, haven't you? How wide is the spectrum and how much time do you have?

What I thought was interesting too, hearing from the witnesses from Pinewood, was that in many ways it is less about fluffiness. They are looking for the business skills and they are very keen on people being taught the business of creativity. Are you trying to persuade colleges and universities to embed business skills in their teaching of art and design? Is that something that you think is important?

**John Mathers:** Yes, it is very much so, and the National Skills Academy, for instance, is something that we strongly promote and are actively involved in, and wherever we can, we promote bringing business skills into the curriculum at an early stage.

**Q116 Angie Bray:** How widely is that already the case, or do you think it hasn't been done enough?

**John Mathers:** Not particularly. It is not as wide as it should be.

**Q117 Angie Bray:** Why isn't it?

**John Mathers:** I think it is because you don't have the right lecturers in place in the first place, and then it is not transferred to the student body. I think it is as simple as that.

**Q118 Angie Bray:** But could that be part of the confusion I was talking about earlier; that too many are drawn to it because they think it is going to be an artistic kind of event?

**John Mathers:** Yes.

**Q119 Angie Bray:** They haven't prepared themselves for the fact there is a business requirement as well?

**John Mathers:** Yes. In that case, if you go back, there probably aren't enough advisors in schools who articulate effectively the story that we have been talking about here today.

**Mat Hunter:** It may also be a slight product of history, where design was taught at art school and everything else was taught at university. Again, there is a sort of historic bifurcation where collaboration wasn't possible between the business department and the design department.

**Angie Bray:** That is a good point.

**John Mathers:** It goes back to that example I talked about—Reed's school. If you call something FutureTech and put it in the most amazing building, it suddenly becomes real for kids in a way that going into the old DT building just didn't.

**Q120 Paul Farrelly:** I am a school governor. From recent conversations at my school's governing body, I can sympathise with your fears about design technology, because I think the reality is that where schools are influenced by what the Government wants to measure, they will choose that subject because otherwise they will drop down the league tables. Subjects such as yours, which are not part of that, will wither and die. Would you agree that we need to be very careful about the unintended consequences of what we do, in the same way that we, as a Labour Government, should have thought through the

consequences of not making modern languages compulsory, because it has been disastrous, quite frankly?

**John Mathers:** The simple answer is yes, but it is how you do that. I would like to think that there might be a way that we can make the inclusion of those subjects more tangible than we do at the moment, because if you can link it to the future then somehow you can make it more important.

**Q121 Paul Farrelly:** Years ago, what you might call design technology now—I am 50—would have been called technical drawing and different types of people took technical drawing, but it was on offer and the system wasn't designed with an incentive to squeeze technical drawing out, so there is a—

**John Mathers:** It was woodwork in the Inverness Royal Academy.

**Q122 Tracey Crouch:** I have a specialist technology school in one of the less well-off areas of my constituency and it has seen its results in core subjects improve quite dramatically because it is engaging youngsters in the design and technology offering that it provides, so I have some sympathy with your concerns about the design skills base being threatened by potential changes in school education. What I don't understand is why you view university technical colleges as a potential threat, and I wondered if you could perhaps elaborate on that, particularly given your earlier points about how hubs should perhaps be centred around other areas to do with life sciences and so forth? These university technical colleges are effectively supposed to try to do that, so I wondered if you could explain a bit further your concern about university technical colleges.

**Mat Hunter:** I think it might be something that we should come back with a written response to.

**John Mathers:** Apologies. Can we come back to you on that?

**Tracey Crouch:** Yes.

**Chair:** In that case, thank you very much for giving evidence.