Space for Creativity

East of England Creative and Cultural Industries Strategy

Commissioned by EEDA, Arts Council of England, Living East and Screen East, 2004

Prepared by Tom Fleming Creative Consultancy with David Powell Associates and Bucknall Austin

---

(*to view the complete report please contact Tom Fleming Creative Consultancy on 07989 950 112*)

tom fleming / **creative consultancy** / specialist research and support for the cultural and creative industries sector.
with / David Powell Associates and Bucknall Austin

Contents

Executive Summary

The Creative and Cultural Industries have emerged as a key element of the knowledge based and content hungry new economy and is one of the fastest growing sectors in the UK economy in recent years; growth fuelled by technological development and convergence. Talent, content origination, innovation and imagination are the fuel that drives this sector throug the generation of ideas, their exploitation through IPR and the delivery of products to the market. The CCIs help provide cultural infrastructure, creative ambience and quality of life that makes towns and cities attractive to the highly skilled workers demanded by all parts of the knowledge economy.

In the East of England, creative and cultural industries are a priority sector in the region's economic development strategy, which predicts that they will continue to outperform the regional economy as a whole. 5.3% of the regional workforce is employed in creative occupations and the region has over 17,800 CCI businesses. The sector grew by 17% in the period 1998-2001.

Regional strengths include the Computer Games, Software and Electronic Publishing sub sector, which employs 41% of those working in the sector in the region; and other content rich elements of the sector, such as the performing, visual and literary arts and in the Film and audiovisual industries. There are opportunities to build on recent dramatic growth in Norfolk, Suffolk and Essex and in cities like Peterborough, the west of the region, bordering London, remains at present the location for the major concentrations of employment and business location.

Even with these strengths, creative and cultural industries have a low profile across the region and are not well understood by public and private sector investors and support agencies. It is in need of greater industry based cohesion and leadership as well as greater championing and more coherent and concerted public policy interventions.

This diverse and often high specialized part of the region's economy is built upon very small businesses and the work of sole traders and tending to contract based and flexible employment patterns. It experiences a range of clearly identified and specific barriers to business growth – these include better and more targeted business support and advice services; improving access to investment finance; ensuring access to high speed internet connections and building local and regional supply chains.

The fragmented nature of the sector and the complexity and diversity of regional geographies emphasize in particular the need to develop connectivity, networking and knowledge transfer to support business growth within and between sub-sectors, between urban concentrations of activity and scattered rural creative communities and between the sector as a whole and the wider economy of the region.

A Shared Approach for Four Agencies

EEDA, ACE, Screen East and Living East have commissioned this strategy, acknowledging of the existing and potential contribution of the sector to the region's economic aspirations. The strategy seeks to:

- Remove inhibitors to the growth and success of creative and cultural businesses
- Encourage competitiveness, critical mass, profile and reputation across the creative and cultural sector
- Enable the four agencies to work closely together in pursuit of these aims, with a wider group of institutional and business partners in its delivery.

The strategy sets as priorities for 2004/5 two priority tasks, each to be piloted in two counties:

- the development of a Creative Knowledge Network
- building wider and deeper understanding amongst the region's public sector, business support and industry led agencies and networks.

The strategy proposes a number of steps – strands of activity – which the agencies could take together to build the creative, management strength and competitiveness of the smaller creative and cultural business in the East of England and to link them to the wider regional and national economy:

- providing dedicated support to improve business sustainability, competitiveness and readiness for investment
- expanding, strengthening and connecting current clusters of creative and cultural activity
- building trading relationships between companies of different sizes, sectors and locations
- accelerating access to broadband for smaller creative and cultural businesses.

Looking for Legacy – an Entry, Not an Exit, Strategy

The strategy takes as its central challenge how best to enable a wide range of individuals and small companies to work together, share best practice, and to connect with development and market opportunities both in the East of England and elsewhere. Experience from other regions and countries tells us that better and more intelligently networked business and economic support activity increases competitiveness and raises industry and regional profile – in particular where they are spread across many specialist kinds of business and technical activity and across a regional geography which has little commercial or cultural logic or connectivity.

A highly networked creative economy, clearer and more confident about the ways in which it can connect with market and audience opportunities will engage better with the regional, sub-regional and local public sector, which itself needs to become better informed and more aware of how to capitalize on opportunities and exploit the value which creative and cultural business brings to the places where it is successful and active.

Section 1: Introduction

The Value of Creative and Cultural Enterprise

Creativity, talent, imagination and innovation are essential ingredients of a modern and prosperous economy. Government and industry increasingly recognise creativity as the mainspring of successful enterprises across all business sectors. Creative and cultural businesses – spanning the design industries, music, the performing arts, the moving image, publishing and broadcast sectors – share these qualities with some of the most significant industries within the region such as biotechnology. It is particularly true of the creative and cultural industries (CCIs), where a wide range of individuals, micro-businesses and some of the world's largest companies are active in the region. Inventive businesses of all sizes turn ideas and content into intellectual property, creative business services and cultural product and find markets in which to deploy these for a wide range of commercial, cultural, social and educational ends.

The challenge confronting EEDA, Arts Council England, Living East and Screen East is how, as policy and funding agencies, they can effectively embed CCIs as a structural part of the regional economy and get their value recognised by a wide range of public and private partners (sometimes persuaded, often sceptical) as central to the region's future prosperity and reputation. They wish to ensure that the creativity, talent, imagination and innovation of artists, practitioners, creatives, entrepreneurs is enabled to grow and develop, to create wealth and employment, and to improve the quality of life in their communities.

Definition

The DTZ Pieda and The City University study, Creative Industries Advice and Analysis, provided an analysis of the following sub-sectors, which collectively are called the Creative and Cultural industries for the purposes of the current study. DTZ Pieda and the City University provided detailed technical notes on this definition which form Appendix 2.

- Advertising
- Architecture
- Art/Antiques Trade
- Computer Games, Software, Electronic Publishing
- Designer Fashion
- Film
- Music & the Visual & Performing Arts
- Publishing
- Radio & Television

What the Evidence Shows

The evidence base for the strategy is contained within the research carried out by DTZ Pieda (analysis of company and related data and a survey of c300 creative and cultural businesses) carried out for EEDA, Arts Council England, Living East and Screen East in 2002/3; and the survey of data, documentation and interview programme carried out by DPA/Bucknall Austin in 2003. In addition, alongside the development of this strategy, Screen East commissioned New Media Partners to carry out business planning and development activity, and the four agencies also commissioned BOP to develop a creative and cultural sector Skills Matrix.

There is a considerable agreement between these independent research initiatives, borne out by experience elsewhere in the UK, of what most creative and cultural businesses are looking for to grow, to compete more effectively, and to play a role in the economy and life of the region. This has driven the strategy to focus on business to business networks; deepening the understanding of the sector and its business needs amongst the region's institutions; developing readiness for investment and growth; creating the right development and infrastructure context where growth or regeneration priorities are sharpest; and increasing access to supply chains and broadband.

None of this should be unexpected. For the East of England, sustaining and developing knowledge-based industries, supporting innovation and developing clusters and networks are critical to the economy and economic development. The CCIs are a priority sector within the region's economic development strategy, which predicts that they will continue to outperform the regional economy as a whole.[1] CCIs also play an important role in providing the cultural infrastructure, creative ambience and quality of life that makes towns and cities attractive to the highly skilled workers demanded by all parts of the knowledge economy.

[1] 5.3% of the regional workforce is employed in creative occupations and the region has over 17,800 CCI businesses. The sector grew by 17% in the period 1998-2001.

The region has particular strengths in the computer games, software and electronic publishing sub sector, which employs 41% of those working in the sector in the region. This high value element of the creative economy has strong links with the region's strengths in high technology innovation, located especially in Cambridge, and with a global market place for its products and services. The region also has strengths in other content rich elements of the sector, in the performing, visual and literary arts and in the film and audiovisual industries.

However the sector in the region is fragmented, performs unevenly and is unevenly spread. While evidence suggests significant opportunities to build on recent dramatic growth in Norfolk, Suffolk and Essex and in cities like Peterborough, the west of the region, bordering London and the M1, M11 corridors, remains at present the location for the major concentrations of employment and business location.

The Shape of the Strategy

The purpose of the strategy is to:

- Remove inhibitors to CCI business growth
- Encourage competitiveness, critical mass, profile and reputation
- Enable the four agencies to work closely together in pursuit of these aims

An initial slate of six projects has been developed for EEDA, Arts Council England, Living East and Screen East, which will allow a phased, incremental three year programme of support activity to take place. Each of the six areas proposed for this collaborative activity are set out in working papers lodged with the four agencies, as is the proposed approach for an initial year's activity:

- Focus on business to business networks
- Deepening the understanding of the sector and business support capacity in the region's institutions
- Developing readiness for investment and growth
- Creating the development and infrastructure context where growth or regeneration priorities are sharpest
- Increasing access to supply chains
- Increasing access to broadband

Developing Collaboration which Supports Agency Priorities

The four agencies are proposing to develop their collaborative support for the CCI sector by taking forward two of these – networks and capacity building – on a pilot basis to test, in two or three counties and/or aimed at one or more of the stronger sub sectors highlighted above – how leadership, project support and investment can both be shared amongst there own number, and also attract other institutional partners. These will include local authorities, Learning and Skills Councils, Small Business Service, industry based support initiatives, Further and Higher Education Institutions, and some of the region's larger creative sector employers.

The strategy is embraced by the four agencies' overall priorities for creative and cultural development – Learning and Skills; Investment, Business Dynamics; Spatial Development and Infrastructure; and Regional Profile and Marketing. The programme of action will enable EEDA, Arts Council England, Living East and Screen East to bring other partners aboard, and to locate this evolving area of creative and cultural economy development within their own agendas for regional delivery.

(*to view the complete report please contact Tom Fleming Creative Consultancy on 07989 950 112*)