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**"Ideas &
opportunities in the
creative sector SW"**



Nicola Mendelsohn CBE
Industry Co-Chair, Creative Industries Council
VP EMEA, Facebook

SECTION 1

FOREWORD

This strategy is developed for and by industry, with support from government. It represents a shared vision and is action-oriented. We truly believe that our sector is as vital to the UK's economy as the more traditional powerhouse industries.

Nicola Mendelsohn CBE
Industry Co-Chair, Creative Industries Council
VP EMEA, Facebook

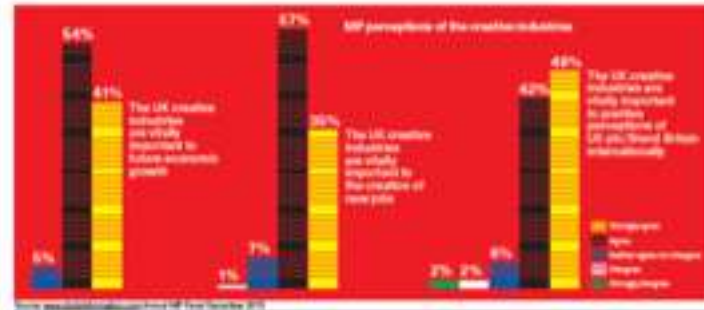
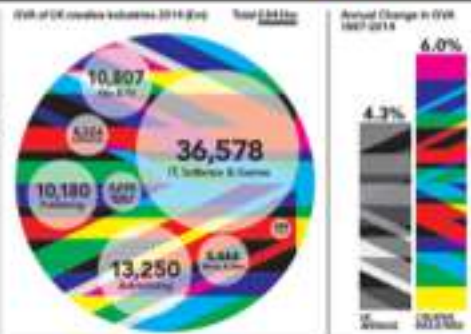
It's an exciting and pivotal time for the UK creative industries. Recent statistics show the sector is growing at

8.9%

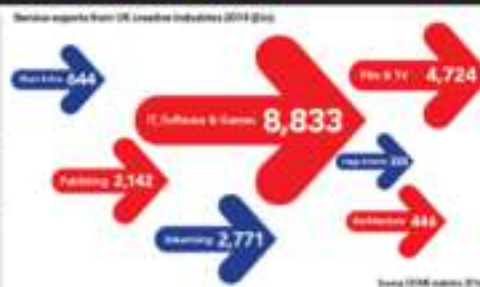
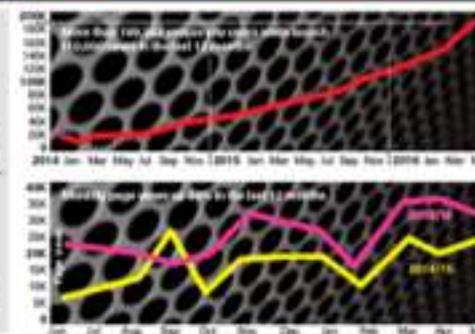
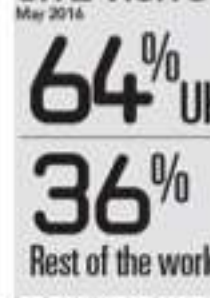
a year, making it the second fastest expanding industrial sector. This value spreads beyond these industries into the wider economy.

CURRENT MEASURES OF SUCCESS

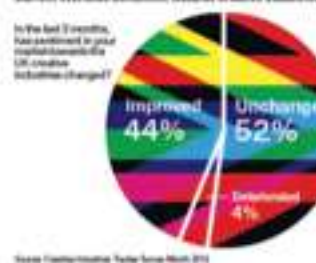
JOBS



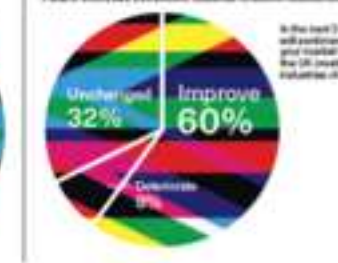
SITE VISITS



Current overseas sentiment towards creative industries



Future overseas sentiment towards creative industries



SECTION 2

8 DRIVERS FOR GROWTH

The CIC has refreshed its strategy to better reflect the challenges and opportunities facing UK creative industries



DIGITAL INFRASTRUCTURE

INTRODUCTION

IN ORDER FOR THE UK TO REALISE ITS AMBITION TO HAVE AMONG THE BEST DIGITAL CONNECTIVITY IN THE WORLD, FAST, UBIQUITOUS AND RELIABLE CONNECTIVITY IS CRITICAL TO THE FUTURE OF ALL OF THE UK CREATIVE INDUSTRIES.

Much of the innovation, regional and international growth, via exports, that the UK's creative enterprises are enjoying is fed and supported by digital networks. By 2020, major improvements to digital infrastructure must be in place. To ensure all creative organisations and talents, large and small, and across the UK, benefit from these upgrades we must act now to tackle remaining barriers to technology investment and use.



3 Big Wins

01 Include requirements for digital connectivity in new workspace build rules and National Planning Guidance from central government.

02 Local Enterprise Partnerships (LEPs) should support local broadband voucher schemes for small businesses, following success of national voucher schemes.

DIVERSITY

INTRODUCTION

INTUITIVELY, WE KNOW THAT DIVERSITY MATTERS. THERE IS INCREASING EVIDENCE THAT IT ALSO MAKES SENSE IN PURELY BUSINESS TERMS.

Businesses in the top quartile for gender or racial and ethnic diversity are more likely to generate superior financial returns, according to research by McKinsey and others.

More diverse companies are better able to win talent and improve customer orientation, employee satisfaction, and decision making. Given the ideas-based products and services they sell, creative businesses may stand to benefit from having culturally diverse workforces and leaders even more than other sectors.



At **10%** of the UK's GDP the digital economy already accounts for a bigger percentage of the economy than in any other G-20 country

to download speeds. Problems faced by businesses are often with equipment on site or other parts of the chain such as servers for online services. Metrics such as upload speed and latency can be more important to companies than is often appreciated. At the moment, investment is still hindered by the inability of digital infrastructure providers to install facilities as a building is built, or delays in getting timely connectivity into newly commissioned sites, in the way that utilities such as water and gas are committed to do.

In bridging industry and government, we will promote understanding of needs and problems on both sides in this fast-moving territory.

PROGRESS

- By 2017, superfast coverage will have reached 95% of UK premises, and mobile operators are expected to have achieved 98% 4G coverage.
- Recent government initiatives such as the Broadband Delivery UK (BDUK) Voucher Scheme have helped with this, covering £1.600 to initial costs.

ABOUT **11.4%** OF CREATIVE INDUSTRIES JOBS were filled by Black, Asian and Minority Ethnic (BAME) people

About 11.4 per cent of creative industries jobs were filled by Black, Asian and Minority Ethnic (BAME) people. This figure is higher than the UK economy average (10.9 per cent), but below the BAME proportion of the population, particularly in areas such as London where the BAME proportion is higher. (Source: Creative Industries: Focus on Employment, DCMS, July 2016)

The 'more advantaged groups' (two-thirds of the UK workforce) occupy 91.9 per cent of creative industries jobs. Between 2011 and 2015, these groups experienced more than 20 per cent employment growth in the creative industries, compared to just 6 per cent growth for the 'less advantaged'. (Source: Creative Industries: Focus on Employment, DCMS, July 2016)

Work is also needed to monitor and improve the representation of employees with disabilities in the creative economy.

RECOMMENDATIONS

There are bold and exciting initiatives in individual industries. But the CIC members acknowledge that more needs to be done.

The objective is to establish guiding principles and a diversity strategy to provide a framework for change. Shared goals and thinking will highlight a public commitment and create a platform for sharing best practice, research and intelligence. The challenge for the Diversity working group is to create a joined up approach, which also recognises the unique qualities of each industry.

Source:

INDUSTRY SHOULD

Commit to encouraging businesses and organisations to measure and monitor diversity data, whilst acknowledging each sector's distinct issues and barriers. Comprehensive and detailed workforce and output data will allow sectors to understand the gaps and take action. The TV industry has created DIAMOND, a standardised monitoring system across broadcasters providing comprehensive data on who makes TV and who is on TV. The sector would report back on progress after two years.

Set aspirational targets on diversity. Each industry would create distinct goals for their businesses or organisations on workforce diversity for review in 2020. Setting aspirational targets sends out a message about the commitment to diversity and creates a visible framework from which trade bodies and organisations can take action. It is important to acknowledge that there isn't a one size fits all solution here. The games industry for example wants a focus on improving entry level diversity due to an acute shortage of skilled talent at mid and senior levels, whilst the IPA has specific goals to have women fill 40 per cent of senior levels of industry and 15 per cent from BAME. Sectors are asked to report back to the CIC two years after sign up to review progress.

Engage leaders across industry. This principle is vital to the success of diversity and inclusion and necessary for creating engagement and workforce buy-in. Each sector should identify a cohort of sector leaders who will report back to the CIC annually on progress.

Source:
Robert Quinn, 2016, 2016
Creative Industries: Focus on
Employment in Arts and Media
and Entertainment Industries
Thought, Photo © David Turner
Creative Industries: Focus on
Employment in Arts and Media
and Entertainment Industries

EDUCATION & SKILLS

INTRODUCTION

THE CIC IS COMMITTED TO BOOSTING CREATIVE INDUSTRIES' COMPETITIVENESS BY ACHIEVING A SKILLED, TALENTED AND PRODUCTIVE WORKFORCE.

This requires an industry-led skills system that enables growth in companies of all sizes and supports individuals from all backgrounds at all levels of employment. It must be built on an education system which promotes creativity and encourages young people to see the creative industries as a career choice.



3 Big Wins

01 Apprenticeship and statutory levy reforms consider creative industries structures and skills needs to drive increase of quality apprentices

02 Employers collaborate to shape new technical education & joined-up careers information for jobs in the creative economy

03 Reform tax rules to encourage freelancers to benefit from training

FINANCE FOR GROWTH

INTRODUCTION

IT HAS NEVER BEEN EASIER TO START A CREATIVE BUSINESS IN THE UK THAN IT IS TODAY, BUT SCALING UP A CREATIVE ENTERPRISE, PARTICULARLY FOR THE GLOBAL MARKET, IS A QUITE DIFFERENT CHALLENGE

To realise their full potential, the UK creative industries need an investment approach that enables both new and growing businesses in all parts of the UK to flourish. At its heart must be an expanded dialogue between industry, investors, professional services groups and government with a specific focus on making sure small creative businesses can access the information and support they need to grow from start-ups to sustainable businesses.



Providing opportunities for young people to study a

'fused' combination of creative, technical, scientific and entrepreneurial subjects

PROGRESS

Much good work followed the publication of the CIC's 'Create UK' strategy in 2014. The online network Hive (see Case Study overleaf) has quickly become a valuable resource for professionals and new entrants in the creative industries.

Roundtables to increase knowledge between industry and schools have been piloted. The profile of creative apprenticeships has been boosted by schemes such as the Creative Pioneers programme run by the IPA.

Our specific recommendations:

INSPIRING THE NEXT GENERATION

- Support for University Technical Colleges (UTCs)², Studios and Free Schools with creative industries specialisation in partnership with local provision
- Work with Inspiring the Future³, to develop more roundtables of knowledge exchange between schools and employers
- Encourage schools to achieve Arts Mark, the kite mark recognising high-quality and relevant arts provision in schools
- Have a joined-up careers strategy for the creative industries, working

Thanks to Growth

Successes include the establishment by Edge Investments, with support from the British Business Bank of a

£40 Million creative industries-specific investment fund

AIMS

The landscape for private sector investment in creative industries reflects the UK's overall business and entrepreneurial environment. It requires deep-rooted change to close the gap between those looking to invest and those with a creative business or idea which could benefit from growth capital. Working with partners in finance and government, the CIC aims to help engender this long-term cultural shift.

Specifically, we aim to help bridge the worlds of finance, government and industry. We want to improve knowledge and skills on all sides, ensuring that more creative businesses are investment-ready and that the financing options available are appropriate to creative enterprises.

PROGRESS

There have been significant successes since the 2014 launch of the Creative Industries Strategy.

- Establishment by Edge Investments, with support from the British Business Bank, of a £40m Creative Industries-specific investment fund
- Creation of a new tax credit for pre-recorded and live-action children's TV and amendments to make existing Film and high-end TV tax credits more competitive
- A new prototype fund for videogames projects
- Resources such as the ICAEW's Creative Industries - Routes to Finance, to help creative businesses navigate finance options
- High profile events around the

country that have provided businesses with practical support and access to professionals and advisers.

RECOMMENDATIONS

Strengthen sign-posting and networks

Although resources, both generic and sector specific are increasingly available, it is desirable to improve their visibility by better sign-posting and connections to financial and creative networks. This is particularly the case outside London where private finance networks are less well developed and the creative industries often have a lower profile.

To ensure we maximise existing efforts, we recommend:

- Forging stronger links among creative trade bodies and increasing dialogue with finance support organisations such as the British Bankers Association (BBA), Institute of Chartered Accountants, England and Wales (ICAEW) and The British Business Bank (BBB)
- Working with intermediaries - accountancy bodies, lawyers, business growth coaches - to spread awareness of available infrastructure
- More active engagement by industry and finance partners with regional VCs, private investors and public agencies (e.g. Arts Council England, Creative England) to ensure creative businesses are seen as viable investment opportunities across the country
- Regular interaction with policy-makers to keep creative industries front of mind, including the British Business Bank.

Supports the first round of CIC's funding drive with Creative Industries - Routes to Finance, a new tax credit for pre-recorded and live-action children's TV and amendments to make existing Film and high-end TV tax credits more competitive

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INTERNATIONAL

INTRODUCTION

IN ANY DISCUSSION OF THE UK STANDING IN THE WORLD, THE CREATIVE INDUSTRIES WILL INEVITABLY FEATURE.

British creativity directly generates significant amounts of exports and inward investment. It also shapes broader perceptions of the appeal of 'Brand Britain' that benefit diverse other sectors.

Yet the global market for creativity is an increasingly crowded place, and the UK cannot afford to stand still.



Exports of creative industries services hit

£19.8 BILLION IN 2014
accounting for 9% of total exports of UK services

3 Big Wins

01 UKTI to develop additional support for new exporters

02 Improve visibility of regional creative clusters via road shows and articulating benefits of dual, 'London + non-London' resource to foreign investors and partners

03 Create a single government role to co-ordinate and improve creative economy data across departments

AIMS

The CIC aims to promote the international growth of the UK's creative industries as measured by these industries' exports and share of Foreign Direct Investment. It aims to ensure that all sizes of creative business and all parts of the UK can participate in this international growth.

By bridging industry and government, and speaking for all the creative sectors, the CIC seeks to demonstrate how connectedness and collaboration help the UK creative industries realise their international growth potential.

ALLIANCES & CLUSTERS

The UK's approach to overseas markets should take the form either of an 'alliance', a forum for business and policy-makers to address obstacles to trade, or a 'cluster', a physical co-location of UK creative firms in an overseas territory

- Priority high-growth, alliance markets up to 2020 are China (including Hong Kong) and Brazil.
- Tier-two markets will be India, South Korea, Russia, UAE and Japan
- The Cluster approach should be taken forward by industry as in future UKTI will lay less emphasis on the

REGIONS & CLUSTERS

INTRODUCTION

UK CREATIVITY HAS ALWAYS DRAWN FROM A RICH POOL OF CULTURES AND TALENT IN ALL PARTS OF THE UK.

With rising demand for creative services globally, it will be vital to strengthen creative economies in every region to enhance the UK's creativity, productivity and competitiveness.



3 Big Wins

01 Local infrastructure plans to incentivise growth in the creative economy

02 Local Enterprise Partnerships (LEPs) to work with local universities, other education providers and employers to ensure a sustainable skills pipeline for their region

03 The distinctive contribution of the creative industries to the wider economy of each region should be recognised, with improved investment flows

CONTEXT

DCMS statistics show that since 2011 employment in the creative industries has grown very quickly in some parts of England including by 53% in the East Midlands and by 27% in Yorkshire and the Humber. However these figures conceal significant inequalities in access to finance, overseas markets, productivity and skills. Such disparities are well illustrated by the Core Cities Group, which estimates that the difference in GVA per capita between London and its ten member cities represents a loss to the economy of £66bn.

Devolution must be accompanied with continued investment. For many regions, the local business support services key to the building of creative clusters come from national and European public funding bodies, particularly the European structural and innovation funds. The continued levels and effectiveness of such support will be critical in addressing regional imbalances.

The creative industries have already proven to be

powerful drivers in regenerating individual cities and neighbourhoods

AIMS

The UK welcomes the government's commitment to enabling and promoting greater devolution. We anticipate this will make it easier to achieve a judicious balance between policy initiatives at national level that can benefit the growth of creative industries in the regions, and policy initiatives that can be originated and developed at cluster, city, local authority and regional level.

PROGRESS

The creative industries have already proven to be powerful drivers in regenerating individual cities and neighbourhoods, raising their profile, making them more distinctive and more attractive and stimulating places for people to work and live.

More can be done to work with local business communities to achieve these broader outcomes and in particular, recognise the importance of freelancers and the self-employed to the creative economy in many regions.

RECOMMENDATIONS

- Re-think government business and investment support programmes so that they are better fitted to support creative SMEs and micros. Initiatives should focus on growth through increasing productivity as much as job-generation, and assisting scale-up and second stage businesses as well as start-ups. This should aim to increase connections between private investors and business clusters
- Consider how existing ES/SEIS schemes could be expanded specifically to encourage private investment activity outside of London and the South East regions

Regions & Clusters

EDUCATION AND SKILLS

- Better co-ordination to identify and address regional skills needs between stakeholders. These stakeholders include local authorities, Local Enterprise Partnerships (LEPs), Higher Education Institutions (HEIs), Creative Skillsnet, Creative and Cultural Skills, and national funders such as the BFI, Arts Council England and Creative England. Collaboration should account for the variety of local creative economies and seek to foster regional collaboration
- Consider ways of developing one-on-one and group mentoring schemes as a way of improving business skills at local and regional level, and as a way of building more effective creative networks and clusters
- Commission work to better understand the contribution of HEIs to local creative economies, and how Research Council investment might be integrated with growth strategies and cluster development.

INFRASTRUCTURE

- Consider ways of incentivising local authorities to work with broadband providers to assist the development of creative clusters by provision of local hi-speed networks
- Re-think procurement powers to enable and incentivise local authorities to procure goods and services locally. This should build on the work of Design Council, Creative England and others in using creative industry skills to re-design and implement local services, including health and education. Such an approach would make it easier to optimise the contribution of the creative sector to the success of the Northern Powerhouse, the Midlands Engine, the Great Western Cities and

Openable large vehicle
Image from gallery by Matt Holmes, a commission by Creative England awarded as part of the Creative Cluster Fund of James Company

Openable small vehicle
Production services are made from funding on the East Creative England award with local authorities and LEPs from all over England to facilitate working in the creative regions

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The logo for Design Council, featuring the words "Design Council" in white text on a red square background.The logo for the Creative Innovation Centre (CIC), consisting of the letters "cic" in a stylized font with a red vertical bar to the right containing the letters "CIC" in white, and the text "creative innovation centre" below.

The Design Economy in the South West

This briefing draws on in-depth analysis of data from the Office of National Statistics to illustrate the scale and scope of the design economy at constituency level. We believe it provides useful information on the contribution design already makes to and its potential for even greater impact.

The value of design to the UK

Our research reveals for the first time the major contribution design makes to the UK:

- Design's contribution to the UK economy is £71.7bn in gross value added (GVA), equivalent to 7.2% of UK total GVA
- In 2013, the total value of exports where design had made a key contribution was £34bn
- 5% (1.6m) of the UK workforce were employed in the design economy in 2014
- Design economy workers produce £47,400 in output (GVA per worker) compared to £33,600 across the rest of the economy

This research highlights a rich, key part of the economy which means good news for the UK.

The Design Economy in the South West

- In 2014, there were 5,710 design firms employing 159,100 people. These firms and design workers have:
- Created £1.4bn in gross value added to the South West. This represents an increase of 14% between 2011-2013
- Contributed to exports worth £3.35bn. This represents an increase of 17% between 2011-2013. Outside of London and the South East, the South West makes the largest contribution to design-influenced exports in the UK.
- Generated a combined turnover of £2.3bn. This represents an increase of 37% between 2011-2013

The design economy plays a key role in the South West in terms of employment, and our research also shows:

- In 2014, 5% of the region's workforce were employed in design occupations, earning a median gross weekly salary of £673. This represents an increase in pay of 13% between 2011-2014
- Our research shows how employment is changing within the region's design economy, with an increase in the number of design workers of 24% between 2010-2014
- Finally, in terms of productivity levels we are also able to see the contribution these individuals make to the region. In 2013, design economy workers in the South West produced £48,184.90 in output (GVA per worker)

The key differences within the region

Cluster analysis combines firm counts and employment estimates for each location. Each of these measures is ranked, and an average rank score calculated for each location. This average score is then itself ranked to give the overall concentration rank used in the analysis.

The table below shows how each local authority areas in the South West regions rank against each other. The figures refers to their total UK rank. This means Bristol is in the top 10 places to design activity in the UK.

Local authority	Region	2014 rank
Bristol, City of	South West	10
Bath and North East Somerset	South West	34
South Gloucestershire	South West	82
Cheitelham	South West	29
Wiltshire	South West	46
Cotswold	South West	99
Stroud	South West	90
Mendip	South West	144
Swindon	South West	88
Poole	South West	123
East Dorset	South West	231
North Somerset	South West	145
Cornwall	South West	102
Tewkesbury	South West	153
West Dorset	South West	131
South Somerset	South West	138
North Devon	South West	*
Bournemouth	South West	117
Plymouth	South West	101
Gloucester	South West	200
Forest of Dean	South West	243
South Hams	South West	159
Taunton Deane	South West	194
Christchurch	South West	199
Sedgemoor	South West	296
Exeter	South West	151
East Devon	South West	177

Helping South West exporters
Across sectors, markets and across the world

EUROPEAN UNION
Funding to Fuel Progress
European Regional
Development Fund (ERDF)

UK
TRADE &
INVESTMENT

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Clarks

dyson

Brain Flakes

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WORLD CLASS LEATHER

UK Trade & Investment | Exporting for Growth

18

The UK has a long and successful history of trading with all parts of the world.

Its creative industries are a huge success story, delivering over £17.9 billion of exports in 2013, 8.7% of all UK exports.

Music, television, film, games, fashion, design and architecture have been notably strong at developing content, products, services and talent for overseas markets

Other key documents :



UK Design Skills Alliance



- Industry**
- Design-led Business
 - Professional Services
 - Professional Development
 - Campaign
 - Strategic Analysis & Future Training
 - Programme of Professional Practice (PP)

- Colleges & Universities**
- Working Design Professionals
 - Multi-disciplinary Networks
 - Careers Advice and Guidance

- Schools**
- Designers working with schools
 - Design Mark for schools
 - Teacher Development

Creative Clusters

1. Using the model of City Deals, government should launch a 'Key Creative Clusters' competition, supported by a new five-year £500 million Creative Clusters Fund, to accelerate regional growth and create models that can be passed on to other creative clusters and sectors.
2. Industry should work with a small number of universities and existing creative clusters on a flexible, modular 'Creative Leaders' scheme to cultivate a network of highly skilled cluster leaders around the UK.



Ten Pillars of the Industrial strategy.
 Creating the right institutions to bring together sectors and places – we will consider the best structures to support people, industries and places. In some places and sectors there may be missing institutions which we could create, or existing ones we could strengthen, be they local civic or educational institutions, trade associations or financial networks.



IDEAS

Regional Clusters

Higher Level Creative Apprenticeships

Use Local Design Agencies -



Increasing exports is a critical part of the Government's strategy to rebalance the UK economy, and there are several measures that have been introduced over the last few years to support this, including focusing on sectors that the UK has great strengths in, such as Creative Industries, Aerospace and Automotive.

Design is a vital ingredient for any business wanting to make more of their exports. Our research has demonstrated that for every £1 companies invest in design to support their growth they can expect to return £5 in exports.

"For every £1 companies invest in design to support their growth they can expect to return £5 in exports"

IDEAS

Social Benefit -

Benefits of participating in the arts

Participation in the arts improves quality of life, creates empowerment for society and impacts on reducing welfare payments, lowers sickness costs and provides more 'gross national happiness'.

SROI of £4 for every £1 invested in the arts.

All-Party Parliamentary Group on Arts, Health and Wellbeing Inquiry Report Creative Health: The Arts for Health and Wellbeing July 2017

"For every £1 companies invest in design to support their growth they can expect to return £5 in exports"

IDEAS

Social Benefit - SROI of £4 for every £1 invested in the arts.

NOT A BAD RETURN ON INVESTMENT

"For every £1 companies invest in design to support their growth they can expect to return £5 in exports"