CREATIVE INDUSTRIES: KEY QUESTIONS ON REGIONAL IMPACT (SOUTH WEST)

INTRODUCTION[1]

In the past 18 months, surveys of both the creative industries and the wider DCMS defined Cultural Sector in the South West have been commissioned by Culture South West, the South West RDA and South West Screen. In addition, a number of sub-regional mapping initiatives have been undertaken in Bristol, Cornwall, Gloucestershire, Swindon and Somerset. All have identified the Creative Industries sector as one which has actual and potential strategic significance in both the economic and social profile of the region.

Among the key quantitative economic indicators (presented and analysed in more detail below) and according to recent (2004) research[2], the sector:

- **is a significant employer,** providing direct employment for 89,000 people in the South West, or 3.6% of the regional workforce;
- **is growth-oriented:** two thirds of all creative businesses have ambitions to grow over the coming year, and business start-up rates are almost twice that found in the Creative Industries sector on a national level;
- **is private-sector focused:** private sector businesses predominate (83%), in a region in which the public sector has accounted for a disproportionate component of recent employment growth;
- **is growing faster in the South West than elsewhere:** the period 1998 – 2001 saw an 8.2% growth in employment across the sector in the South West, compared to 2.6% nationally, despite the concentration of Creative Industries activity in London);
- **responds positively to intervention:** in Cornwall, Objective One investment is reflected in employment growth rates of 30% during the period 1998 – 2001;
- **creates significant added value:** in comparison with a regional average of £14.9K per annum, per employee, the Creative Industries sector produces an average of £25.8K;
- **has strong identified clusters :** in TV and Film Production, computer graphics and interactive media; and,
- **is capitalising on: the development of broadband services and digital interactive media** for purposes of creation, production and reproduction, marketing, distribution and point of sale.

Key qualitative social indicators are, as yet, less robust and evidence-based in this region as in other regions and nationally, but clear trends are emerging in the following areas:

- The sector has special and policy-relevant connections to **social inclusion and cultural diversity agendas** both in terms of employment patterns and potential and in terms of the 'identity-content' of the sector's outputs.

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[1] NB there may be additional strong clusters in other sub-sectors, which have yet to be identified.
[2] The following indicators are adapted from Culture South West's Draft *Creative Industries Sector Strategy* (August 2004)

- The sector has **significant quality of life dimensions** which are relevant also to inward investment strategies and tourism.

- The sector has, therefore, **more than a purely economic role** to play in the future profile of the region, especially in a context where the development of a knowledge-based economy is a key priority.

Given both the nationally high quality of life rating by both residents[3] and visitors and the high regional spend on cultural and leisure goods and services[4] it is clear that the Creative Industries sector is well positioned to play a major role in both the economic and social development of the region.

[3] According to a national MORI survey commissioned by the East of England Development Agency in 2003, the South West has the highest percentage of residents (58%) stating that they are 'very satisfied' with the region as a place to live. MORI, *Life in the East of England*, EEDA, 2003.
[4] Family expenditure on the category 'Recreation and Culture' is, at £49,80 per week the second highest category of expenditure. Less than on 'Transport' but more than on 'Food and non-alcoholic drinks' and 'Housing, Fuel and Power. See *Family Spending: a report on the 2002-2003 Expenditure and Food Survey*, Office for National Statistics, The Stationery Office, London, 2004.

1.0 Key Questions on Regional Impact

1.1 The impact of the Creative Industries sector in terms of economic development (GDP/GVA, employment and business count)

GVA and Factor Productivity

- Gross Value Added of the sector in the region is calculated at £1.68 billion or 2.8% of regional GVA. This is below the GB average of 4.1% but, excluding London, which has the lion's share of sector activity, is only marginally below the average for all other regions (2.9%).

- Factor productivity – GVA per FTE worker – is £35,642 which is high and roughly 12% above the regional average for all industries in the South West (£31,824) and slightly lower than the average for the sector in other regions excluding London (£36,646).

Employment

- Employment (including FTE employees and FTE self-employed) is calculated at 59,500 on a low count[5] or 89,000 on a high count'.[6] 27% of the sector is self-employed against a GB average of 14% for all sectors. The employment location quotient against other regions, excluding London, is 1. This means that the relative importance of the sector in the South West is in line with all other regions excluding London.

- Employment growth in the sector was around 21% in the 1998-2001 period. This is 4% year on year compared to 2.5% for the whole of Great Britain.

- Absolute level of earnings is the fourth highest of the seven Key Sectors in the South West.

Business count and clustering

- The total number of businesses is calculated at 8608 or 3.7% of all sites in the region with small enterprises accounting for 98% of all sites. The stock of businesses grew by 9% in the 1998-2001 period.

- The highest employment location quotients, indicating critical mass of clusters are, in descending order, the West of England (Bristol, Bath and North East Somerset, South Gloucestershire), Gloucestershire, and Wiltshire and Swindon.

1.2 The impact of the Creative Industries Sector on Regeneration

There is no consolidated record of – or analytical work on - the impact of the sector on regeneration projects in the region. However, there are major infrastructure-based regeneration initiatives which have gained significant national and regional impetus and recognition, including:

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[5] As reported in Arthur D. Little, *State of the Key Sectors*, South West RDA, 2004.

[6] As reported in Burns Owen Partnership and the School of Performance and Cultural Industries, University of Leeds, *Creative Industries Mapping and Economic Impact Study*, Culture South West and South West RDA, 2004.

- Tate St Ives, Cornwall
- The Eden Project, St Austell, Cornwall
- Lemon Street and Quay developments, Truro, Cornwall
- National Maritime Museum, Falmouth, Cornwall
- Newquay Beach Hut Café and Extreme Academy, Cornwall
- Barbican Maritime Village, Barbican Glassworks and Theatre Royal Production Centre, Plymouth
- Consolidated and ongoing Bristol Harbourside, Montpelier and St Pauls district developments
- Swindon Town regeneration
- Bath, Walcot Street area
- Gloucester Docks

There are many others in which culture and the creative industries are – or could be- playing an important role in regeneration in, for example, South West RDA's *Creating Excellence* programme involving the *Market and Coastal Towns Initiative* (MCTi), *Rural Renaissance* and *Building Communities*. The implications both of and for the sector have not been mapped in any systematic way. However, it is clear that there is a strong actual or potential link between creative industries and regeneration in the provision of workspace and incubators, production centres, the role of visual and performing arts institutions in reviving local economies, in stimulating cultural tourism and attracting highly skilled workers to an area.

1.3 The Creative Industries and Social Inclusion

As with regeneration there is no consolidated or analytical mapping of the impact of the sector on social inclusion (and cultural diversity) agendas and policies and few documented examples of the interface between the sector and social inclusion. Most work in the region on social inclusion has tended to be cross-sectoral and generic in orientation.

There are notable initiatives and policy frameworks such as the *Bristol Media Strategy* which has an explicit commitment to:

- Enhancing opportunities for excluded communities to become economically active.
- Empowering people by encouraging access to training, employment, production and exhibition.
- Encouraging the production of work that reflects the cultural diversity of the city.
- Developing audiences by encouraging the programming of work produced by and established for all sections of the community.

Bristol is also host to *Negritude*, a leading black film festival and supports the work of the *Bristol Black Writers Group*, *Black Pyramid Film and Video Project*, the *Kuumba* African Caribbean centre in St Pauls, and other initiatives.

South West Screen has an explicit commitment to social inclusion in its *Business Plan 2004-2006* and the *In Steam* project targeted at young socially excluded people.

Arts Council England, South West also has an explicit commitment to social inclusion in the sector-relevant areas of its remit, including visual and performing arts and writing. Relevant projects include *Creative Partnerships* work in Bristol and Cornwall. Creative Partnerships is a nationally coordinated programme developing creative learning and teaching through partnership with the creative sector

Championing cultural diversity is a core priority for Arts Council England in the South West. The *Decibel Performing Arts Showcase* and *Decibel Publications* promote the work of culturally diverse artists in all art forms. Further initiatives are taking place such as the recent *Reverberations* performing arts showcase in Plymouth.

1.4 The Creative Industries, education and skills

The Creative industries sector - as a domain of research, practice and cultural production and participation - is moving up the agenda of education and training institutions in the South West and the ADL report notes ‘a formidable set of strengths’ in this area. There are three specialist arts HEIs in the region – Dartington College of Arts, Falmouth College of Arts, and the Arts Institute Bournemouth – and two specialist Further Education Colleges – Plymouth College of Art and Design and Somerset College of Art and Technology.

The South West RDA supports knowledge transfer across all the region’s HEIs, through the Knowledge Exploitation South West (KESW) initiative. Creative Industries sector development is supported within this. The HE sector is actively developing programmes for widening participation to develop a diverse workforce within the creative industries, and providing support for professional practitioners through business support and Continuing Professional Development (CPD). ‘Proof of Concept’ funding for pre-business start up has also been provided through KESW, including support for academics to set up creative businesses and thereby exploiting fully the sector’s strength in practice-based research.

At the regional strategic and inter-institutional level there is strong evidence of a shift towards taking the creative industries sector seriously in both practice and research.

Notable examples of this shift include:

- The Higher Education Regional Development Association – South West (HERDA-SW) establishment of a specialist steering group for the sector and the special section on Creative Industries relating to graduate retention in their 2003 report *Choices and Transitions: a study of the graduate labour market in the South West*.

- Culture South West’s research and analysis in the field in 3 commissioned reports: *Stepping into the Creative Industries: a study into the potential for student placements from Creative Higher Education Courses* (2001), *Culture Sector Skills in the South West* (2002) and *The Development Needs of Cultural Sector Managers in the South West* (2002).

- South West Screen also has an active commitment to research, analysis and skills development with a Director of Education and Skills specifically for the area and the publication of a number of studies including *A Media Skills and Business Development Review in Cornwall and Devon* (1999), *Skills for the Future* (2002), *Wessex Media Sector Action Research* (2003) and in 2004 *A Digital Content Strategy* with clear implications for training and skills development. The South West RDA funds the **Media Skills Development**

Programme which is being delivered by South West Screen. This follows on from the earlier **Training for Convergence** project.

- At sub regional level there have also been important studies such as the Gloucestershire Learning and Skills Council's commissioned report *An Introduction to the Creative Industries Sector*, prepared by the Gloucestershire Labour Market Information Unit, and the *Plymouth Travel to Work Area Sectoral Workforce Development* report on creative industries prepared by the Social Research and Regeneration Unit at the University of Plymouth.

- In terms of education and training provision it tends to be the 'new universities' and combined FE/HE institutions leading the field with the University of the West of England, Bournemouth University, the University of Plymouth, Dartington College of Arts, and Somerset College of Art and Technology active in training across the sub sectors of the creative industries.

  - Dartington Plus, a partnership between Dartington Hall Trust, Dartington College of Arts and King Edward VI Community College in Totnes is one of only three centres of excellence for music funded by Arts Council England. It focuses on developing pathways for regional talent, bringing education and the industry together and supporting the music profession

  - In the new and strongly emergent field of digital content, UWE runs a postgraduate School of Animation Programme. Bournemouth hosts the National Centre for Computer Animation with an associated spin-off company, Red Balloon Enterprises, working with George Lucas' Industrial Light and Magic. The Arts Institute in Bournemouth, Bath Spa University College, Falmouth College of Arts, the University of Bath, and the University of Bristol all host significant programmes and centres in related more technical areas of computer generated imaging and animation.

  - Dartington College of Arts hosts the **Centre for Creative Enterprise and Participation** (CCEP) concentrating on 'third stream' work on knowledge transfer and innovation between academic, business and community contexts, The Arts Institute at Bournemouth hosts incubator units for sector development, and incubation programmes are planned also at Bath Spa University College, at the University of Plymouth, and at Falmouth and Dartington Colleges of Arts. These are lead examples of 'third stream activity' in the region using, applying and exploiting university knowledge outside the academic environment with businesses, industry and communities. Focussing on enterprise and knowledge transfer this work is funded and supported as a programme and policy commitment by the Higher Education Funding Council for England (HEFCE).

- Continuing Professional Development for the sector is also active in the region as evidenced in the report *Connections and Collaborations: Developing Higher Education's Continuing professional Development provision for art and design practitioners* produced by Falmouth College of Arts and Dartington College of Arts and part funded by the European Social Fund, and the *Arts Matrix* project providing skills development, resources and mentoring for sector practitioners.

- *ArtsMatrix* has been established on a consortium basis as the independent regional agency for CPD in the creative sector, providing professional development services, infrastructure development and advocacy services both regionally and nationally. *ArtsMatrix* is due for development into an independently constituted organisation in early 2005.

- Work is underway to maximise the effectiveness of sector-specific CPD services provided by *ArtsMatrix* and the HE / FE sector, and generic business support services provided by Business Links. This has resulted in the production of a database of business support services, and is an integral part of the non-media Sector Strategy under development by Culture South West.

- The proposed Combined Universities of Cornwall plans to have Creative Industries along with Environmental Studies as one of its two core programmes at establishment.

- Research of a more conceptual type into the creative industries sector is not well-developed in FE and HE institutions in the region – as elsewhere – and this is largely to do with the lack of recognition of the field as a legitimate research domain by the major funding councils and the imperatives of the Research Assessment Exercise (RAE). We note, however, that the Arts and Humanities Research Board (AHRB) is developing an active interest in the field.

The ADL report [7]notes the following skills issues for the sector and sub-sectors

- Web design, production accounting, graphic design and software applications for the Audio Visual sub -sector.
- Technical and ICT skills in Performing Arts
- New media, web design, advanced IT, software and digital imaging for Publishing.
- ICT, business and management skills at all levels across the sector
- Entrepreneurship and commercial skills across the sector

Additionally, the BOP/UL report identified the need for the expansion of diagnostic skills audits and a number of skill gaps identified by sector businesses , in order of importance, as follows:

- Technical and job specific skills including 'Advanced IT and software skills'

- Entrepreneurial and business management skills including 'Project Management' and 'Business Planning'

- Communication and customer handling skills including 'Marketing', 'Client-customer relationships', 'Identifying sales' and 'selling products'

The BOP/UL report also notes the following specific skills issues:

- Certain specific skills shortages were reported in the region in specialist areas of expertise, typically related to innovation or better quality product (e.g. new writing and commercial entertainers respectively).

- Skills gaps associated with a general lack of entrepreneurial aptitude were also identified in many new entrants to the labour market.

- The seeming lack of desire to attempt the change the sales base – as indicated by a similar focus on the South West in the market most regularly identified for growth – may be linked to businesses' perceived lack of skills in sales and marketing.

The ADL report also notes, in line with the HERDA-SW report above, the problem of qualified graduates leaving the region to work elsewhere. The South West RDA calculates that 8% of all students in the region (7,700) are in courses related to the creative industries sector.

1.5 Exports

Exports appear to be a weakness in the economic performance of the sector. The relevant reports by Arthur D Little (ADL) and Burns Owen Partnership/University of Leeds (BOP/UL) report the following:

- Markets for businesses are very locally/regionally focussed: exports account for only around 4.5% of sales and UK markets outside the South West account for about a quarter (BOP/UL).
- Despite many success stories (e.g. Aardman Animation) exports from the creative industries are relatively low. At £131 million, they account for only 4% of the sector's total output and only 1.3% of the region's exports. (ADL).
- Net trade, taking into account both Overseas and UK regional exports and imports trade is negative, standing at -£1.353 million. (ADL)

1.6 Innovation and entrepreneurship

South West RDA has a number of programmes and initiatives relating, generically, to innovation and entrepreneurship including, generically:

- The development of incubation units and science parks
- Developing a strategy to increase business birth rate
- Establishing a Regional Venture Capital Fund
- Supporting identified Key sectors for the region
- Developing the South West Observatory, based in Taunton as a regional centre for data gathering and analysis across all sectors and policy fields. The Culture South West Research Officer (Cultural Sector) works from this base.

The South West RDA also has a team with special responsibilities for the sector and area-based Enterprise and Innovation Managers/Advisers who had input to the *Regional Mapping and Economic Impact Study of the Creative Industries.*

With the Government Office for the South West the RDA has also established the *Inspire South West* programme, an initiative specially focussed on EU ERDF Objective 1 and 2 areas and part of the ERDF Innovative Actions Programme. *Inspire South West* brings together stakeholders and specialists from higher education, business support organisations and small businesses to create change in business behaviour so that companies become more future orientated and more responsive to change. It forms part of the RDA's *Regional Innovation Strategy*.

Cluster strategies are also important for innovation and entrepreneurship and this is an active agenda in the South West at regional and sub-regional levels. Whilst there are strategies in place for cluster development across the sector, they are most advanced in the audio visual sub-sector and include:

- The Bristol Cluster, the new business network aiming to develop and promote the film TV and interactive media production industries (replacing Bristol Interactive Cluster/ BRIC);;
- Wessex Media Group (Bournemouth)
- InterACTIVE (Bath/Corsham)
- Digital Peninsula Network (Penzance)
- Plymouth Media Partnership
- Gloucestershire Media Group (Cheltenham/Gloucester)

There are also significant identified publishing clusters in Bath and Swindon.

2.0 Potential for growth of creative industry sub-sectors

The relevant macro indicators of sub-sector significance and growth from the BOP /UL and ADL reports are:

- Highest Employment Location Quotient ratings (compared to the rest of the UK excluding London) for Audio-Visual production, Publishing, and Artistic and Literary Creation (ADL).

- As illustrated by the Labour Market data and, particularly, the economic performance data, the audio-visual sub-sector[8] is key to the creative industries in the South West (BOP).

- Strong regional specialisation and growth rates in practically all sub-sectors compared to other regions of the UK (ADL)

- Strong identified clusters of activities in TV and film production, computer graphics and imaging…and interactive media around the M4 corridor, Bournemouth and Plymouth. (ADL)

More fine-grained detail from the BOP/UL report and other sources indicates that:

- Two thirds of all Creative Industries businesses in the region have ambitions to grow over the coming year.

- There have been particularly secure and steady employment increases in the performance domain[9] and the visual arts domain.

    (In 2002, 7% and 26% of sector employees were working in the performance and visual arts domains respectively. NB this is despite the music industry not being included in the performance domain).

- Employment growth in Cornwall over the past four years has exceeded national and regional averages, demonstrating the positive impact of investment and intervention.

- The predominance of single-site, indigenously-owned micro-enterprises means that the sector is less prone to the kind of shocks that affect some other sectors in the region (such as manufacturing), namely changes in corporate decision-making taken outside the region in a small number of predominantly externally-owned subsidiaries and branch plants, which nevertheless have great significance sue to the high concentrations of employment.

- The visual arts domain[1] produces markedly high levels of Gross Value Added per employee, in comparison to other Creative Industries sub-sector and to the economy as a whole.

    (The visual arts domain produces £35K GVA per employee per annum, in comparison with an average of £25.8K for the sector in the region.

[8] The Audio Visual sub-sector comprises the following principal activities represented by separate SIC codes: Radio Activities, Television Activities, Advertising, Motion Picture Production, Publishing and Reproduction of Sound and Video recordings, Motion picture and video distribution, Motion picture projection.

[9] The 'performance domain' – as defined by the DCMS Evidence Toolkit - includes theatre and dance, but not music. The visual arts domain includes design, architecture and craft. See South West RDA / Culture SW (2004).

The figure for the visual arts domain is over twice that for the regional economy as a whole (£14.9K per employee, per annum[10]).

- The contribution made by the Bristol area to the Creative Industries economy is significant, with high growth rates in Bath, North / North East Somerset and South Gloucestershire areas, combined with the stable and relatively strong performance of Bristol itself. The sector in Bristol is more established than in other parts of the region and trades more beyond its boundaries, but is more vulnerable to fluctuations in the external business environment.

  (CI employment in Bristol is the second highest in the region, at 3.7% of local employment. Although at 1.7% its growth between 1998 and 2002 is relatively small, this is seen as a positive indicator of stability. Looking at the Bristol area more broadly, growth of 12.8% 1998 – 2002 is considerably higher than the regional average of 8.2% despite the stability of the Bristol conurbation itself. This growth can partly be attributed to the inclusion of Bath / NE Somerset, which is the area with the highest CI employment level in the region, at 4.8%).

- New business formation rates are healthy, in a region which is below the GB average in this respect.[11]

  (Between 1998 and 2002, the stock of Creative Industries businesses grew by 9% across the region, compared to 5% across the country as a whole).

- Private sector businesses predominate (83%), in a region in which the public sector has accounted for a disproportionate component of recent employment growth. [12]

The interpretations of the available data presented above share some common features:

- There is strong growth in the South West in all creative industry sub sectors in employment and turnover.

- The 'Digital Content' industry which embraces, in effect, all forms of content creation from writing through visual arts and performance to audio visual production and publishing, is not so much a sub-sector as the new platform and catalyst for all of the other sub sectors and at every stage of the production chain from creation to consumption. Findings from South West Screen commissioned report *Exploratory Statistical Study of the Digital Media Sector in the South West* (2004) undertaken by Burns Owen Partnership, using the

[10] South West Observatory 2004
[11] Local Futures (2004)
[12] Local Futures (2004)

DCMS Evidence Toolkit (DET) approach, show the significant size and impact of this ‘missing’ sub sector of the Creative Industries in the region.

3.0 Sub-sectors identified for prioritisation by the RDA

No sub-sectors have yet been identified for prioritisation by the RDA in the non-media sub-sectors.

Within the audio-visual domain the priority sub sector is Digital Media/Digital Content Creation including games and leisure software.

4.0 Gaps in research to support creative industries development in the region

Many of the research related issues and gaps identified in Culture South West's 2003 report *Joining the Dots: Cultural Sector Research in the South West of England* have now been addressed by subsequent work and initiatives including the appointment of a Research Officer (Cultural Sector) and the commissioning, in partnership with South West RDA, of a major region wide creative industries mapping report Mapping and Economic Impact Study of the Creative Industries in the South West (2004).

From this report and from the Arthur D Little report for South West RDA – *State of the Key Sectors* (2004), we can identify the following persisting research gaps.

- Solid data on the performance of the constituent sub-sectors of the creative industries.
- Solid data on the sector and sub-sectors at sub-regional level (with a few notable exceptions).
- Lack of reliable evidence, both quantitative and qualitative, on the contribution of the sector to the quality of life, image and attractiveness of the region
- Lack of consistent evidence on the skills development needs of the sector as a whole and the non-media sub sectors.
- Lack of research into the Books and Press sub-sector.
- Lack of research into the connections between the Creative Industries Sector and the sustainable tourism agenda.

In its draft *Sector Strategy* (see section 8), Culture South West has outlined the following responses to these research gaps

- Baseline research update
- Books and press research
- Venue infrastructure strategy research
- Creative Industries input to South West Tourism research on cultural assets / sustainable tourism
- Creative Industries incubation research

5.0 Strengths and characteristics of the region

The South West is the largest of the English regions geographically, with the longest coastline and with a distinctive historical pattern of settlement and economic development. It is also the premier tourism region in England. For its geographical area the region has a relatively small number of urban conurbations and none with a population of more than 500,000. This is anomalous in relation to all other English regions and has implications for the urban 'critical mass' which has been historically important in the development of creative industry clusters and means that the West of England sub-region dominates the region as a whole in sector employment, turnover and business count. The regional creative industry count, however, does not indicate that the South West is significantly disadvantaged by these historical and settlement factors as, in employment, business growth and GVA per capita, the region is on a par with – or exceeds – all others with the exception of London.

5.1 Education and training

As we note above, however**,** the ADL report identifies the region's 14 universities[13] and other HE institutions as a 'formidable strength' in developing the region's skill (and research) base for the sector and the existence of a Creative Industries Group within the HERDA-SW structure is an important indicator of the sector being taken seriously. Various initiatives, especially by the new universities and colleges in Bristol, Plymouth, Bournemouth – and The University of Bath's new campus in Swindon – will be central to improving the skill and knowledge base for the sector.

5.2 Small business formation

Small businesses dominate the sector. According to the ADL report they make up 98.3% of all business sites and, from all of the data mapping, there appears to be steady growth in all sectors. As the BOP/UL report notes: 'Many businesses are relatively young: there has been a strong pattern of new business formation over the last 5 years (1999-2004) which accounts for over one quarter of all businesses'.
The BOP report also notes that the **Performing Arts and Music** sub-sector 'is growing strongly: it has a higher rate of new business formation…harbours more ambitions to grow; has a more diverse industrial structure and income base; is more likely to have increased turnover and employment..' A similar pattern, though not quite so strong, is evident in the **Visual Arts and Design** sub-sector.

5.3 Links to regeneration

As we note above there is an active regeneration agenda in the region assisted by South West RDA's *Creating Excellence* programme, the *Market and Coastal Towns Initiative, Rural Renaissance* and *Building Communities*. Regeneration is also firmly on the agenda of local government as one of the seven **Shared Priorities** agreed between central government and the LGA. This is mostly evident in the major urban areas but is also evident in, for example, the growing use of rural agricultural buildings to house and support sector activity. This will develop as the trend towards 'downshifting' of people from urban to rural areas gathers momentum. The publication of the recent DCMS report *Culture and Regeneration* will assist in the process of integrating culture and regeneration as will the process of integrating cultural strategies and community plans at local level.

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[13] Including the Open University.

5.4 Links to tourism

Links between the sector and tourism are beginning to gather momentum after a somewhat faltering start. Arts Council England, South West (as South West Arts) was involved in discussions with South West Tourism prior to the establishment of Culture South West and a momentum is now being developed by the latter body. Sub-regional research in Cornwall has clearly indicated the potential of the sector in attracting high yield tourists who spend more and stay longer. Tate St Ives has clearly demonstrated this in its own research].
Film and TV production locations in the South West used in for example *Vanity Fair, Chocolat, The Truth about Love*, and *He Knew he Was Right,* offer opportunities for profiling the region and attracting domestic and incoming visitors. South West Screen is exploring the potential for collaboration with South West Tourism.local authorities and the South West RDA for promoting 'quality of life' and attracting inward investment.
South West Tourism has clearly indicated its interests in developing the cultural tourism agenda and Culture South West's *Joining the Dots* report recommended 'a region wide impact study for the Tourism sub sector focussed especially on the relationship between tourism and the region's cultural assets'.

As the UK's premier tourism region the potential for sustained links between the creative industries sector and tourism is enormous. This connection is reinforced by South West Tourism's strategy 'Towards 2015', and will be further explored in the South West Tourism research on cultural assets / sustainable tourism mentioned in section 4**.**

6.0 Strengths, Weaknesses, Opportunities, Threats

From the ADL report, and with some additions from BOP/UL and elsewhere, we can identify the following characteristics across the CI sector and the region as a whole**:**

Strengths

- Strong regional specialisation across the sub-sectors
- strong identified clusters in TV and film production, computer graphics and interactive media
- High standards of ICT research in regional HEIs
- Industry relevant HEI provision
- Relatively agile support and cluster/network organisations
- Strong sub-sector growth in Performing Arts and Music and Visual Art and Design

Weaknesses

- Lack of data on sub-sector performance and subsequent lack of understanding on their regional contribution
- Lack of adequate sub-regional data
- No regional forum available for the Creative industries
- Gaps in both general sector business skills e.g. ICT and specific sub-sector skills e.g. web design
- Few major events or high profile projects
- Lack of access to funding opportunities including venture capital for SMEs
- Local/regional sales base for many sub-sectors
- Lack of business management, sales and marketing skills in some sub-sectors
- Low export volume

Opportunities

- New market opportunities from changes to the Communications Act
- The development of the film industry in the region as a themed visitor attraction
- Boosting demand for digital content creation through showcasing benefits of broadband to businesses.
- Further substantial development of the sector in Cornwall and the Isles of Scilly
- Increasing prosperity of SMEs through facilitation of access to talent
- Clear benefits for the Performing Arts and Music and Visual Art and Design sub-sectors through links with a cultural tourism strategy
- More research and mapping at sub-regional level.

Threats

- Failure to increase scale of operations
- Face-to-face continued consolidation of multimedia and broadcasting industries
- Under investment in Audio Visual and Digital Content sub-sectors in the UK market
- Continued outflow of talents to London, Brighton or other centres offering better opportunities.
- Lack of cultural diversity in the workforce which may be a significant barrier to participation and attendance by minority groups
- Risk of being overshadowed by new centres of excellence in other regions of the UK

7.0 Organisational and Support Infrastructure

The South West RDA's support for the sector is co-ordinated by a Creative Industries and ICT team, working with two other principle agencies which inform its approach to Creative Industries policy and investment.
These agencies are:

- Culture South West, which undertakes a joining-up role across the sector as well as focusing on non media sector delivery;

- South West Screen, which focuses on the media sub-sectors.

The RDA funds posts in both agencies - a Creative Industries Development Manager at Culture South West, and a Director of Business Development at South West Screen – to develop and implement non-media and media strategies respectively. These strategies are developed for and with the involvement of all regional partners, and are not specifically South West RDA strategies.

Important support structures are also beginning to emerge at sub-regional level and most notable among these is *Creative Kernow*, a sector support agency for Cornwall with ERDF Objective One funding. *Creative Bristol* and *Creative Plymouth* have also been established for sector support and promotion by the Councils in the region's two major cities.

8.0 Specific Strategies and Programmes

SOUTH WEST RDA

The South West RDA's plan for the sector has three key aims:

- Increase the sustainability, growth and productivity of the region's key creative industries and their capacity to contribute to the region's competitiveness.

- Maximise the potential for the key creative industries sub-sectors to contribute towards the wider policy agendas of social, economic and cultural regeneration and enhancement of regional image.

Improve the infrastructure for key creative industries support and development across the region through improved communications and partnerships.

CULTURE SOUTH WEST

Culture South West, in collaboration and partnership with South West RDA and its partner agencies, especially South West Screen and Arts Council England, South West is playing a major and lead role in developing and consolidating organisational and support structures for the sector. At the time of writing, a draft Culture South West Non Media Creative Industries *Sector Strategy* (to be finalised early in 2005) exists with comprehensive proposals and objectives in the following 3 main areas:

Creative Business Development:

- Cluster development
- Creative incubation
- Creative business courses
- Creative mentoring
- Opening doors to investment and the public sector

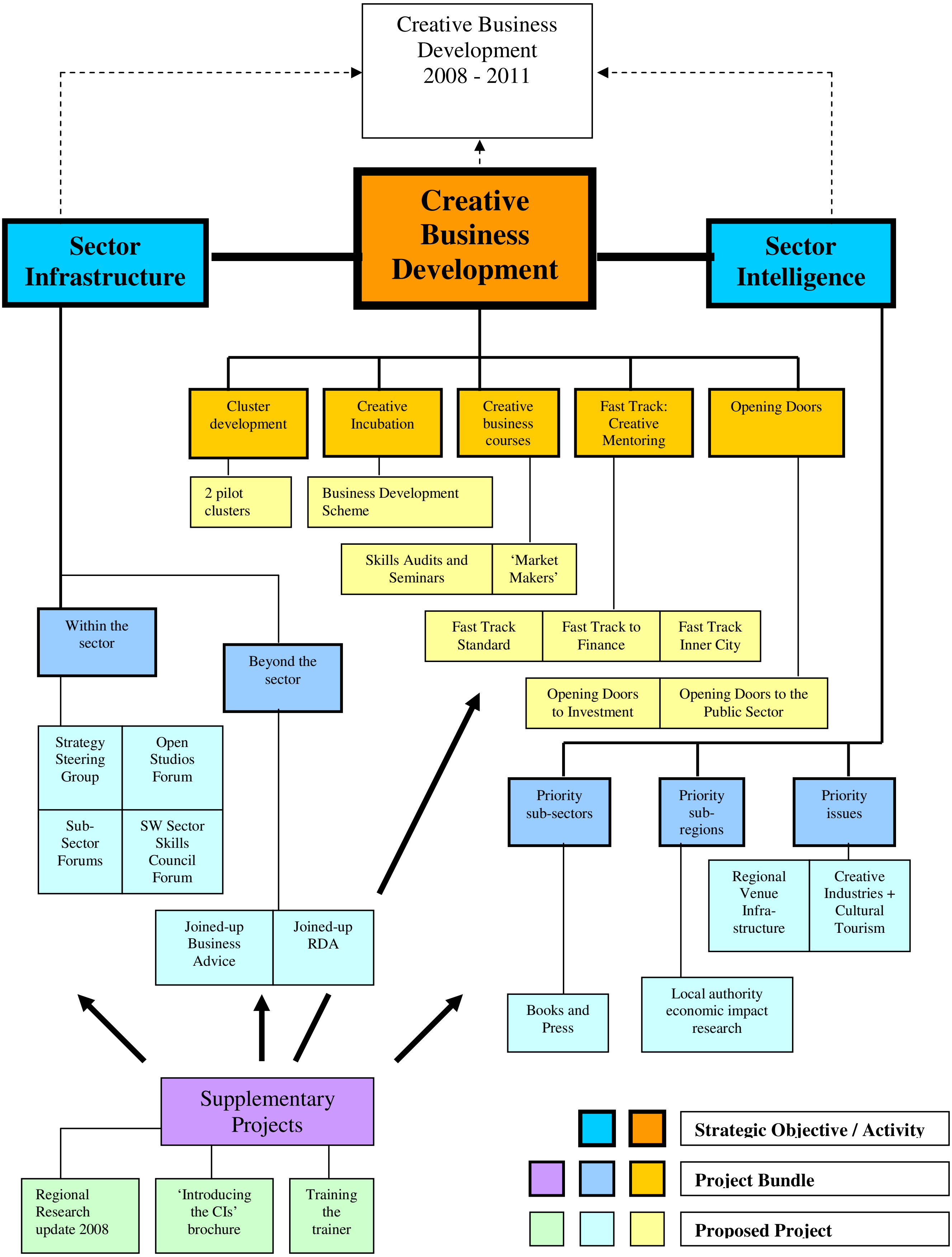
Sector Infrastructure:

- Within the sector
- Beyond the sector

Sector Intelligence:

- Priority sub-sectors
- Priority sub-regions
- Priority issues

The Strategy has been developed in close collaboration with the South West RDA (as stated above), and in consultation with other stakeholder partners including ACE, SW , local authorities and Business Links. It is a comprehensive framework and strategy for developing and consolidating organisational and support structures for non-media creative industries at a regional level, for the period 2005-2008. The flow diagram overleaf sets out the architecture and logic of the strategy, in its draft format.


Creative Business Development 2008 - 2011
Creative Business Development
Sector Infrastructure
Sector Intelligence
Cluster development
Creative Incubation
Creative business courses
Fast Track: Creative Mentoring
Opening Doors
2 pilot clusters
Business Development Scheme
Skills Audits and Seminars
'Market Makers'
Fast Track Standard
Fast Track to Finance
Fast Track Inner City
Opening Doors to Investment
Opening Doors to the Public Sector
Within the sector
Beyond the sector
Strategy Steering Group
Open Studios Forum
Sub-Sector Forums
SW Sector Skills Council Forum
Joined-up Business Advice
Joined-up RDA
Priority sub-sectors
Priority sub-regions
Priority issues
Regional Venue Infra-structure
Creative Industries + Cultural Tourism
Books and Press
Local authority economic impact research
Supplementary Projects
Regional Research update 2008
'Introducing the CIs' brochure
Training the trainer
Strategic Objective / Activity
Project Bundle
Proposed Project

SOUTH WEST SCREEN

South West Screen's *Business Plan 2004-2006* identifies 4 key objectives for its support of the sub-sector:

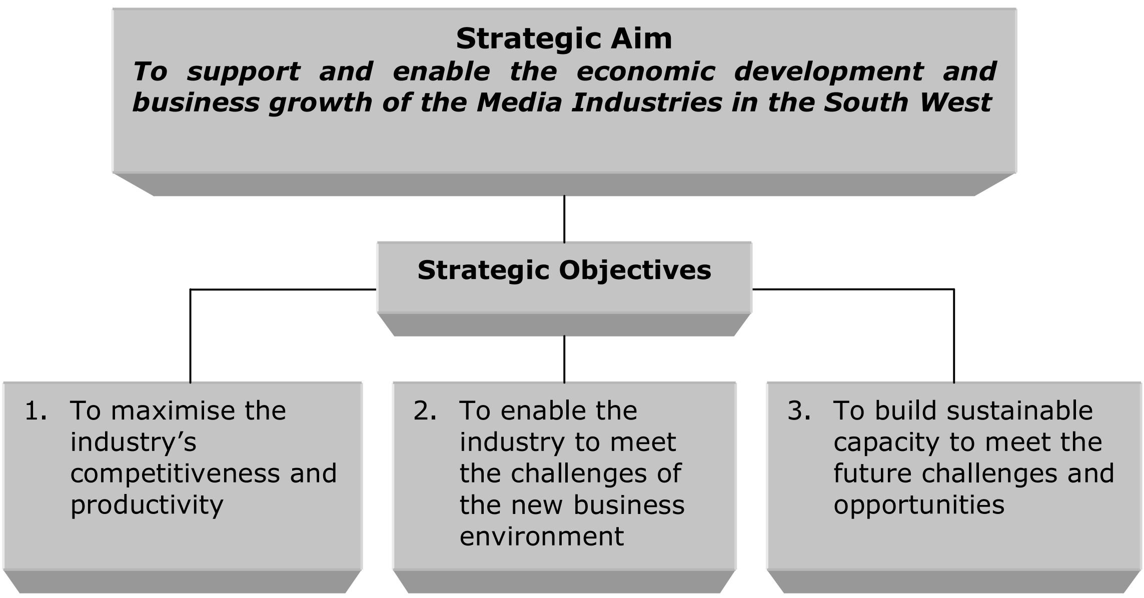
- **1. Strategic Leadership and Marketing**: SWS will ensure the development and delivery of a coherent and co-ordinated media strategy for the South West. South West Screen will also seek to promote the whole sector, raising its profile within the region, nationally and internationally.

- **2. Infrastructure, Investment in People and Competitiveness**: SWS, in conjunction with regional and national partners, will intervene strategically to increase competitiveness and ensure the South West region has the physical and human infrastructure to support and grow strong film, television and digital content businesses.

- **3. Developing Creativity**: To build creative people and businesses by fostering talent and supporting the development of a dynamic, creative and innovative moving image culture.

- 4. **Participation and Audience Development**: To ensure that the South West region has a vibrant and dynamic moving image culture and that all communities in the region contribute and access it.

The *South West Media Strategy (Strategy for the Development of the Media Industries in the South West of England)*, published in 2004 and endorsed by the South West RDA (see above), has the following principal strategic aims and objectives set out in chart form:



The strategy identifies the following two Priority Areas of activity:

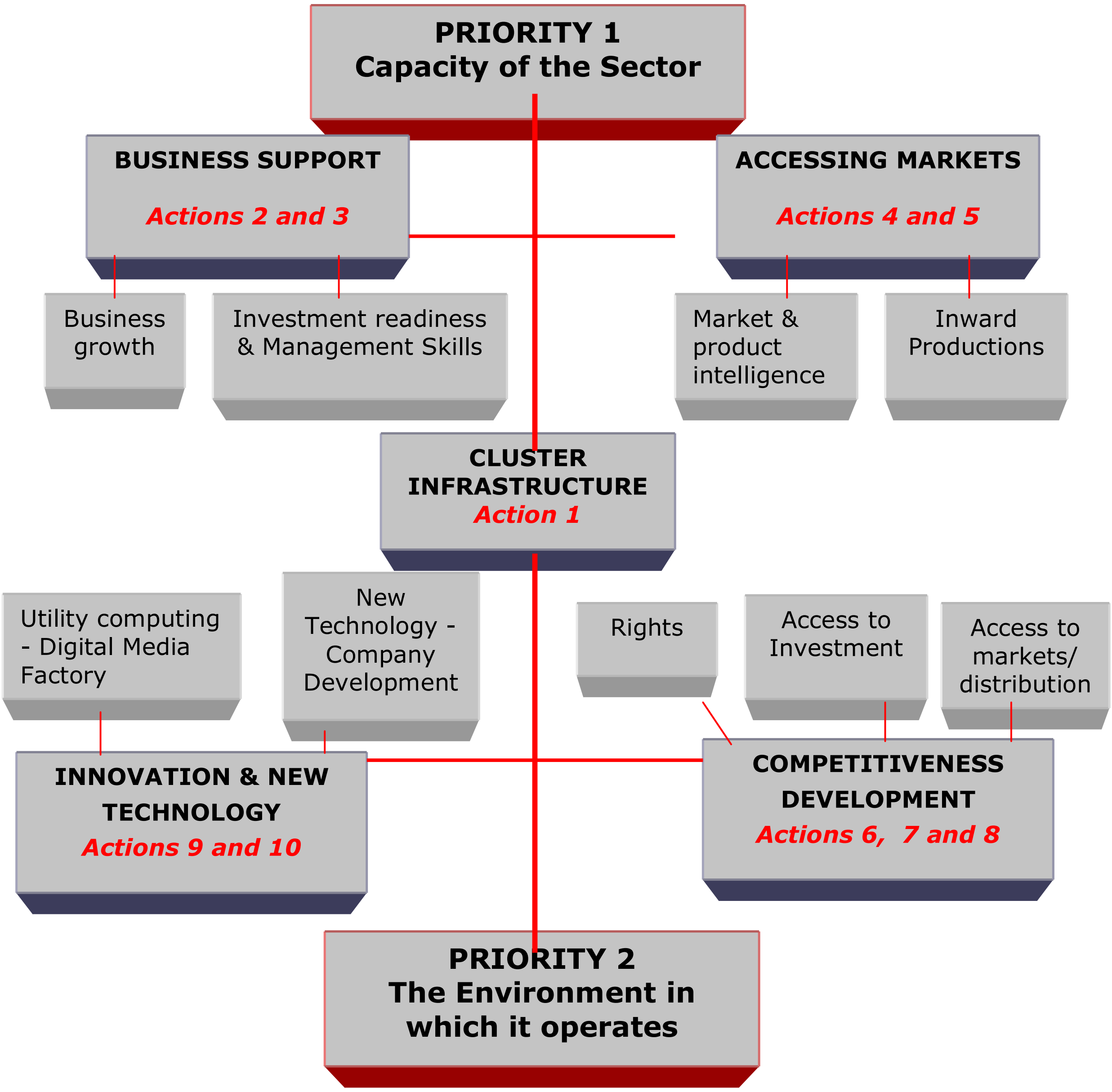
Priority 1: CAPACITY OF THE SECTOR

- To support the development of industry networks and supply chains.
- To support the development and growth of the sector's businesses and companies of scale.
- To support the sector to expand into new and existing markets and maximise its economic potential.

Priority 2: The Environment in which it operates

- To support the sector achieving access to investment, markets and distribution.
- To support the sector's drive and capacity for successful innovation, and product development.
- To provide strategic leadership and support for the sector to respond to key issues and opportunities arising in the national and international business environment.

The Strategy will be implemented through **10 Priority Actions with Cluster Infrastructure** at the core of the strategy, linking Capacity and Environment, as set out in the diagram on the following page.


PRIORITY 1
Capacity of the Sector
BUSINESS SUPPORT
Actions 2 and 3
ACCESSING MARKETS
Actions 4 and 5
Business growth
Investment readiness & Management Skills
Market & product intelligence
Inward Productions
CLUSTER INFRASTRUCTURE
Action 1
Utility computing - Digital Media Factory
New Technology - Company Development
Rights
Access to Investment
Access to markets/ distribution
INNOVATION & NEW TECHNOLOGY
Actions 9 and 10
COMPETITIVENESS DEVELOPMENT
Actions 6, 7 and 8
PRIORITY 2
The Environment in which it operates

ARTS COUNCIL ENGLAND, SOUTH WEST

In its sector-relevant activities there are two principal ways in which ACE, SW is contributing to the creative industries sector agenda:

- Through support of and participation in **ArtsMatrix** – a network of arts organisations that provides information, advice and guidance on skills development to arts practitioners across the South West of England. ArtsMatrix offer access to information on skills development resources and events, workshops, conferences, short courses, mentoring schemes and placements. Partners in this innovative programme are a mixture of public, private and community-based organisations including: Arnolfini (Bristol) **,**Art Shape Ltd (Gloucester), ACE, SW, Creative Skills Consortium (Truro), Dartington College of Arts, Devon Guild of Craftsmen, Equata (Devon), Folk South West (Somerset), Kuumba (St Paul's, Bristol), PVA Media Lab (Bridport), Watershed Media Centre (Bristol) and Wren Trust (Devon).

- Through **Local Government Partnership Agreements** supporting creative industries mapping at local/sub-regional levels.
  ACE, SW has identified local area/sub-regional creative industries mapping as a core function of its Local Government Partnership Agreements with local authorities in the current triennium.
  Mapping of the cultural/creative industries sector, with different methodologies, has been undertaken in Cornwall, Gloucestershire, Somerset and Swindon. This agreement with ACE,SW will develop the momentum significantly.

- Through **Creative Partnerships** working at the interface of education and the creative industries within the ACE remit. The aim of Creative Partnerships is to:

  - foster effective, sustainable partnerships between schools and the widest possible range of cultural and creative professionals, in order to deliver high quality cultural and creative opportunities for young people to develop their learning, both across and beyond the formal curriculum.

The sector relevant objectives are:

- build the capacity of schools and teachers to work effectively with the cultural and creative sectors, and provide opportunities for teachers to enhance their creative teaching skills, cultural knowledge and critical appreciation through working with cultural and creative professionals;

- build the capacity of the cultural and creative sectors to work effectively with schools, and provide opportunities for cultural and creative professionals to enhance the skills they need to work effectively in educational settings*;*

- provide rigorous evidence, through an agreed programme of research and evaluation, of the effects of engagement with the programme on young people, teachers, cultural and creative practitioners and on whole school improvement, which can be used to support further policy development.

Phase I Creative Partnerships (to 2004) have been established in Bristol and Cornwall. A Phase 2 Creative Partnership (from 2004) was established in Plymouth and a Phase 3 partnership (in place by 2006) is scheduled for the Forest of Dean.

9.0 Significant Public Programmes for Sector Development

The most significant public programme for sector development in the South West is the Objective 1 ERDF funding for Cornwall which has been used for a range of sector-relevant initiatives including:

- The funding of the region's first sub-regional (County) creative industries mapping study – *Creative Value: the impact and significance of the creative industries in Cornwall* (2003).

- The establishment of *Creative Kernow* as a lead agency for sector development in Cornwall.

- The development led by South West Screen of a major bid (awaiting result) for business capacity building of media production companies in Cornwall *Cornwall Film*

Objective 2 ERDF funding of £0.5 million has also been allocated for supporting Creative Industries development in rural Devon under the Articulture project.

Other public funding programmes operational in the region include the Phoenix Development Fund support for, most notably, Bristol East Side Traders (BEST) which has commissioned and published a report on the sector (*Creative Industries Audit: Supporting the Creative Industries in Bristol's Inner City.* www.bristoleastsidetraders.co.uk). Phoenix funding for BEST, originally allocated for the 2001-2004 period has now been extended to 2006 along with the Co-Active initiative in Plymouth.

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