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Policy and
Evidence Centre

Led by Newcastle University with RSA

Creative Industries: the future of growth

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LGA ANNUAL CONFERENCE AND EXHIBITION 2024, 23 OCTOBER, HARROGATE CONVENTION CENTRE

UKRI Arts and Humanities Research Council

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Creative PEC is led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council.

We provide independent research and policy recommendations to support the inclusive and sustainable growth of the UK's Creative Industries.

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Our regional and local policy work

- **Embedded approach:** working with policymakers to develop local and regional creative industries strategies and policy
- **Sharing relevant local data and evidence** with local and combined authority partners
- Place-specific **policy roundtables**
- **Events** in partnership with local universities and stakeholders
- Policy-relevant **research and development projects**
- Developing **resources for local government** partners

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A fast-growing sector

- **Gross Value Added**
  - **£124.6bn in 2022, 5.7% of UK GVA** [(DCMS GVA, 2024)]
  - **growth** (in real terms)
    - **6.8% between 2021 and 2022 (vs 4.4% UK)**
    - **50.3% from 2010 (vs 21.5% UK)**
- **Employment**
    - **2.4m, +17% since pandemic** [(DCMS Employment, 2024)]
- **International Trade and Investment**
    - **£45.6 billion service exports, 14.6% of UK** service exports (up from 14.2% in 2020 and up from 11.9% in 2019) [(DCMS Trade, 2024)]
    - **13% of Inward Foreign Direct Investment projects between 2020-2023** [(Creative PEC report, 2024)]

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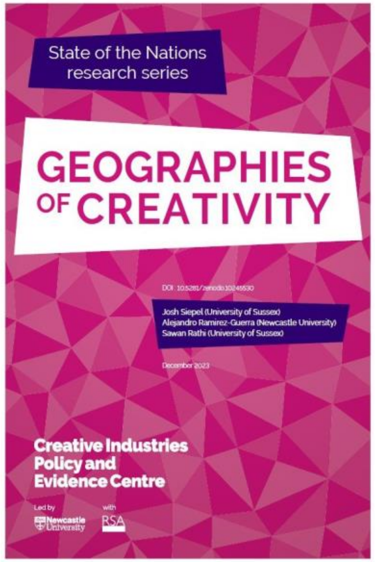

Clusters, microclusters, corridors

The first **Creative PEC State of the Nations** report explored the different levels of creative industries activity across the UK:

- **Creative Clusters** (As identified by DCMS at Travel to Work Area level)
- **Creative Microclusters** (Streets, neighbourhoods and towns with at least 50 creative businesses in close proximity)
- **Creative Corridors** – Areas with opportunities for pan-regional links between clusters

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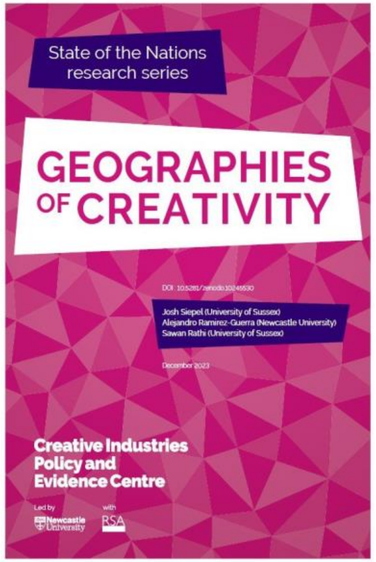


55 Clusters (DCMS, 2022)

Figure 2.1 Map of DCMS-55 creative clusters[34, 35]

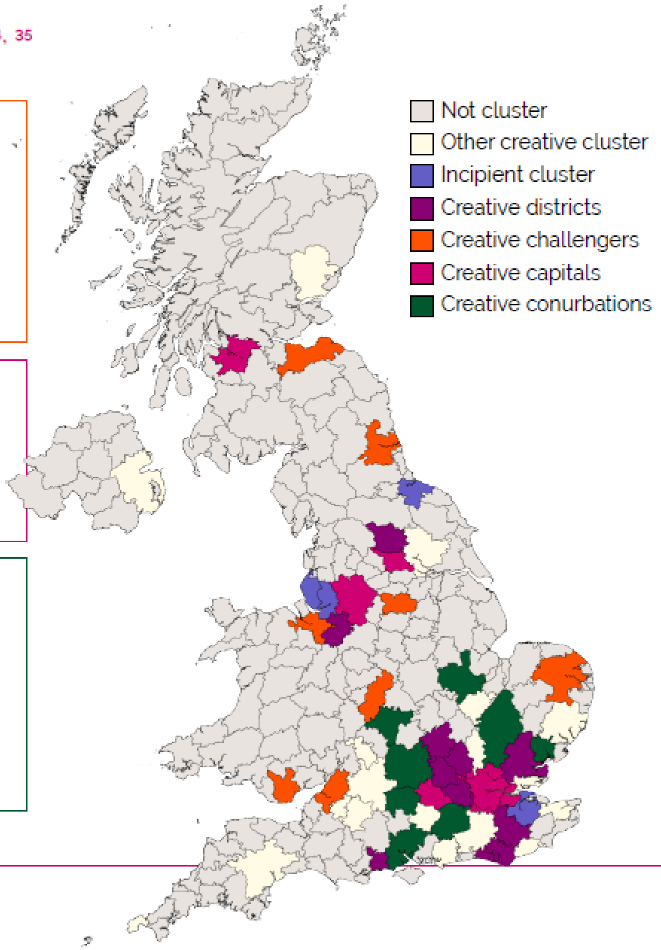
Incipient clusters
Medway
Liverpool
Middlesbrough and Stockton
Warrington and Wigan

Creative districts
Slough and Heathrow
Luton
Brighton
High Wycombe and Aylesbury
Milton Keynes
Crewe
Northampton
Bournemouth
Tunbridge Wells
Harrogate
Eastbourne
Chelmsford

Creative challengers
Birmingham
Edinburgh
Bristol
Newcastle
Chester
Sheffield
Cardiff
Norwich

Creative capitals
London
Manchester
Reading
Leeds
Glasgow

Creative conurbations
Oxford
Cambridge
Guildford and Aldershot
Colchester
Leamington Spa
Southampton
Newbury
Peterborough



Source: DCMS and Frontier Economics, 2022.

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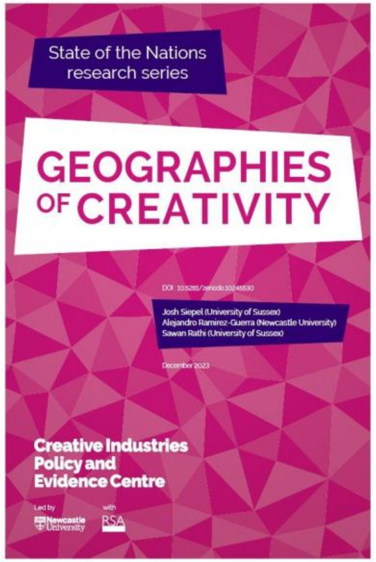
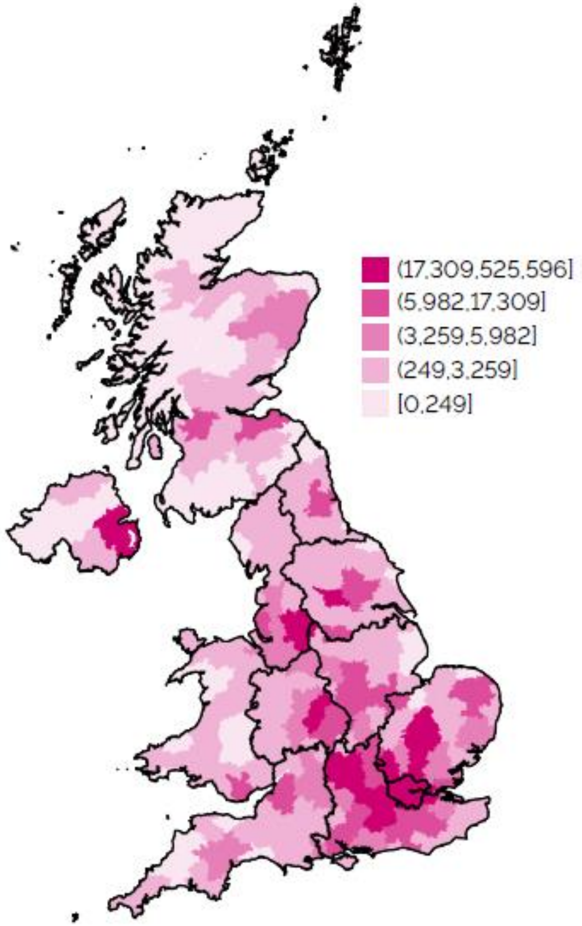
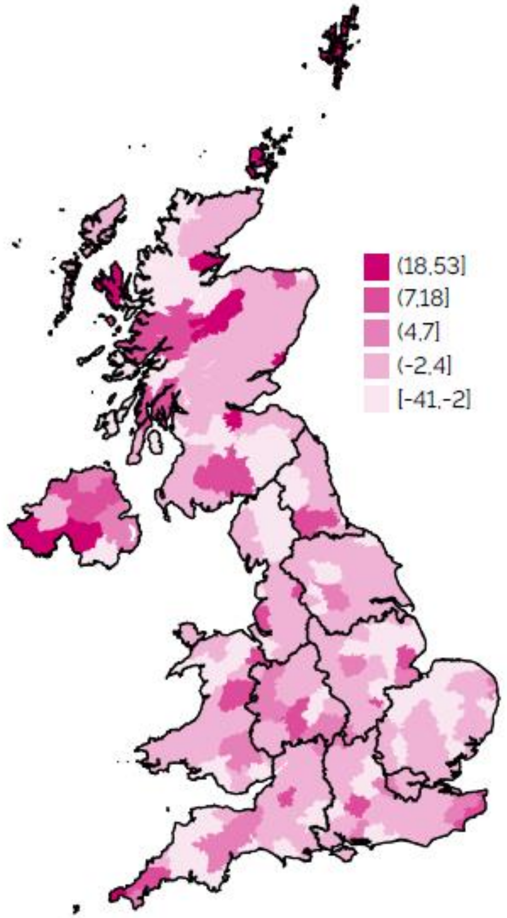


55 Clusters (DCMS, 2022)

CI employment within TTWA 2021 (Number of jobs)



CI employment TTWA (Average growth rates % 2019-2021)



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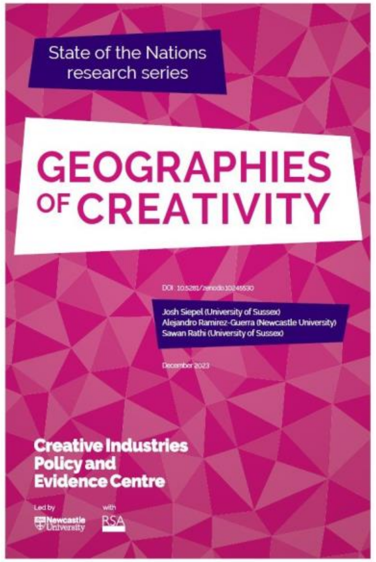
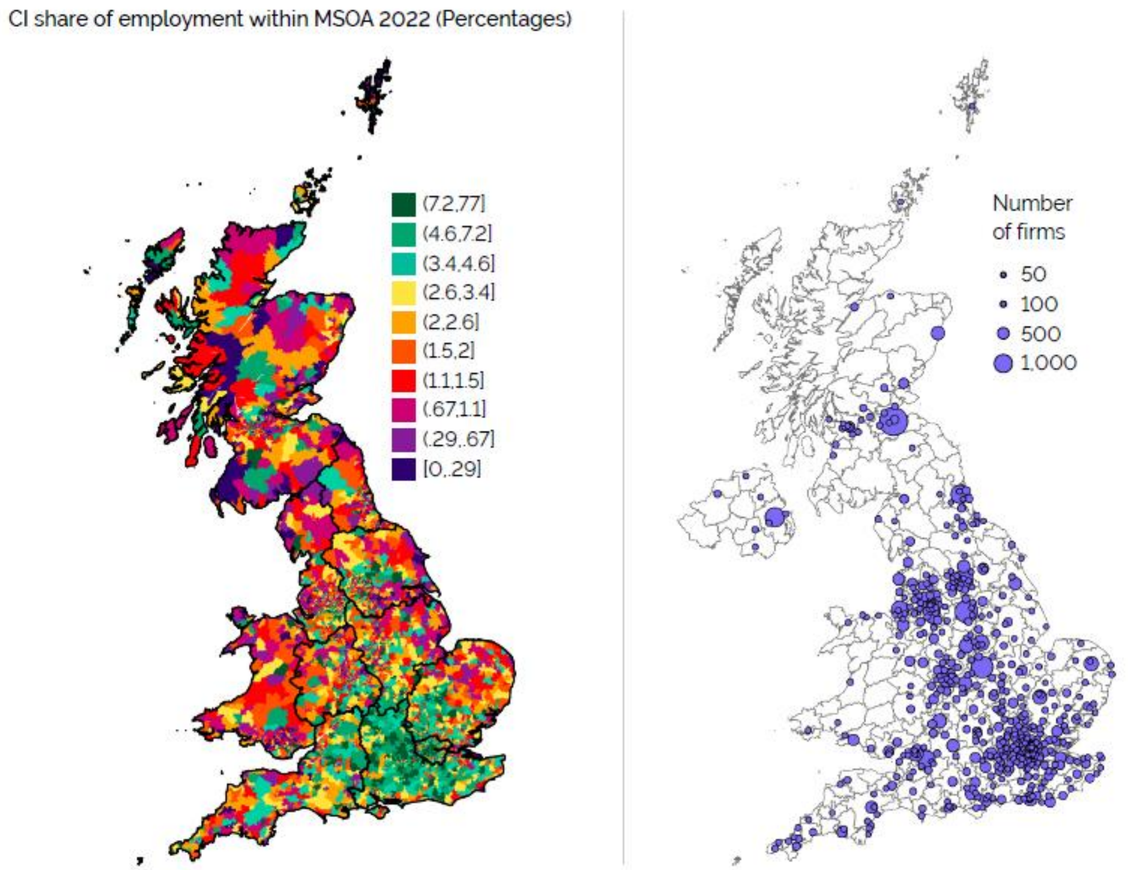


Employment by MSOA & microcluster

Figure 3.1 Employment share by MSOA (left) and creative microclusters (right)



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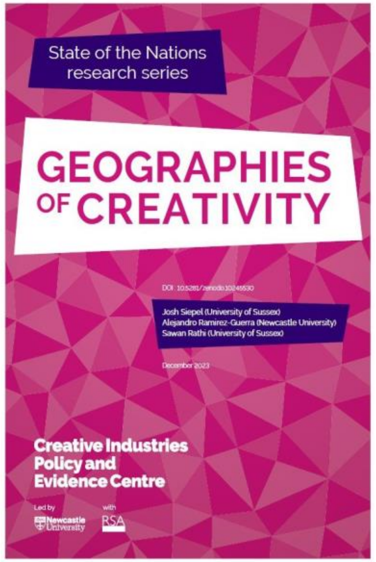
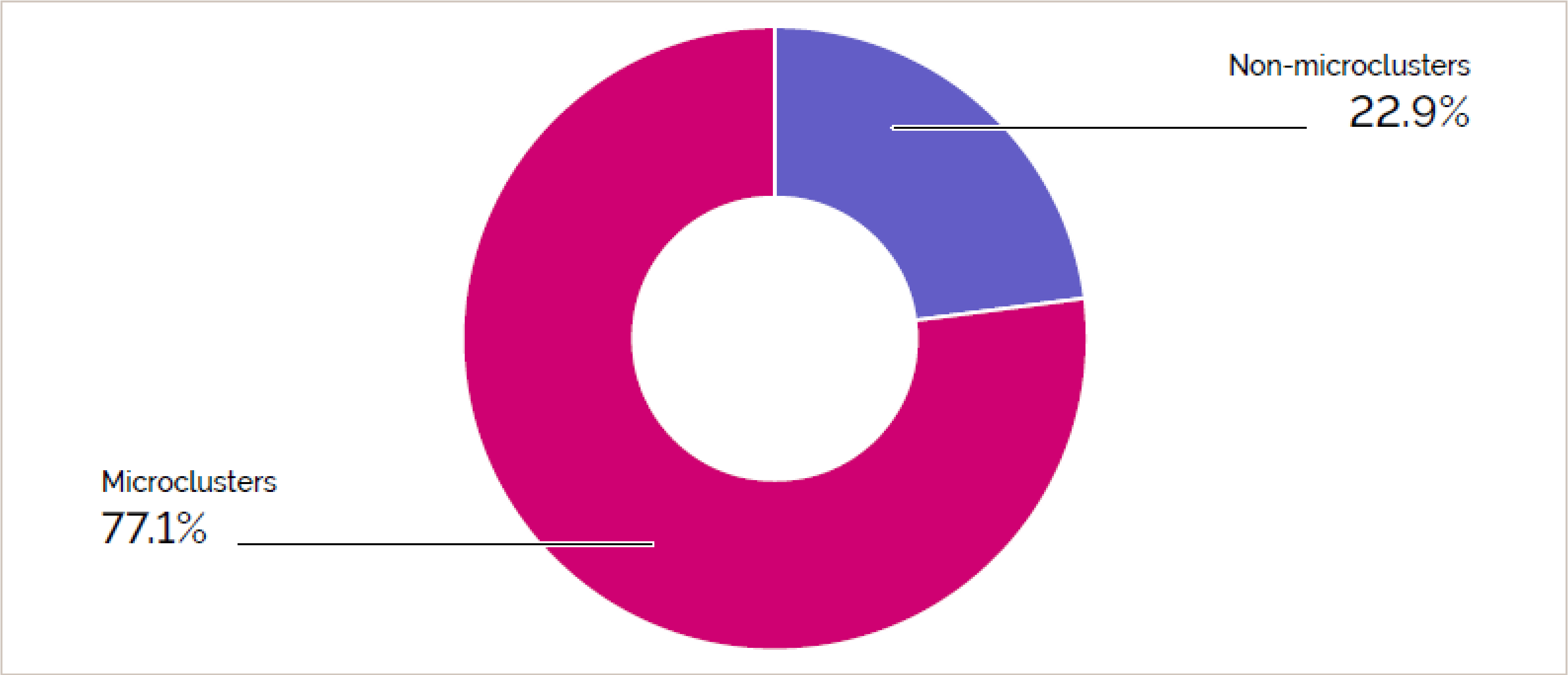


Employment by MSOA & microcluster

Figure 3.4 Net new jobs created in microclusters vs non-microclusters, 2019-2022



Source: Authors' elaboration based on ONS Business Register and Employment Survey data.

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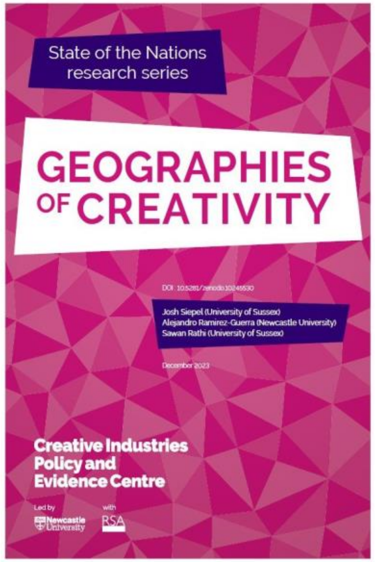

Key insights from Geographies of creativity

• Notwithstanding the pandemic, the **creative industries have grown in many parts of the UK, but significant national and regional inequalities remain.**

• **Creative clusters grew faster than other parts of the UK before the Covid-19** pandemic, but not on average during it.
However, the 55 creative clusters identified by DCMS (2022) continue to make an outsized contribution to the UK's creative industries.

• **Creative microclusters as growth hotspots**. Many found outside the group of creative clusters. However, microclusters outside clusters have been hit harder by the pandemic.

• Based on experimental geospatial analysis, we point to **broad geographic areas** in the UK's nations and regions which could be further explored for their potential to **become creative corridors.**

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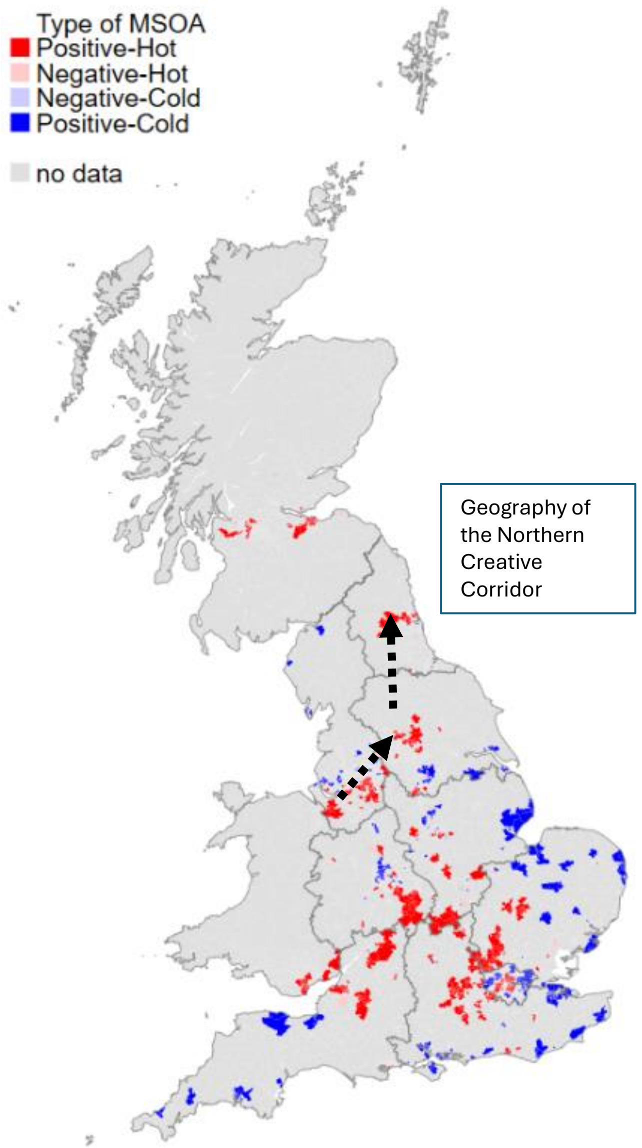
A Northern Creative Corridor?

- Creative PEC "Geographies of Creativity" report drew on mapping data of clusters and micro-clusters.

- The report highlighted the value of agglomeration effects and the pan-regional approach.

- Creative Corridors connect groups of neighbouring creative clusters across a geographic region that will benefit from coordinated regional strategies and networks.



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What can a Northern Creative Corridor do?

Long-term aim: to connect creative industry clusters and micro-clusters into a Northern Creative Corridor, that creates value for citizens, places and the wider economy.

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Who are the stakeholders?

- **Mayoral Combined Authority and Local Authority partners**
- **Creative Industries experts** from across the North of England (e.g. Ubisoft, BBC, Screen Alliance North)
- **Universities** across the region (e.g. N8 universities)
- **National funders** (e.g. Arts Council England and AHRC)
- **Creative Industries advocacy bodies** (e.g. Creative UK)

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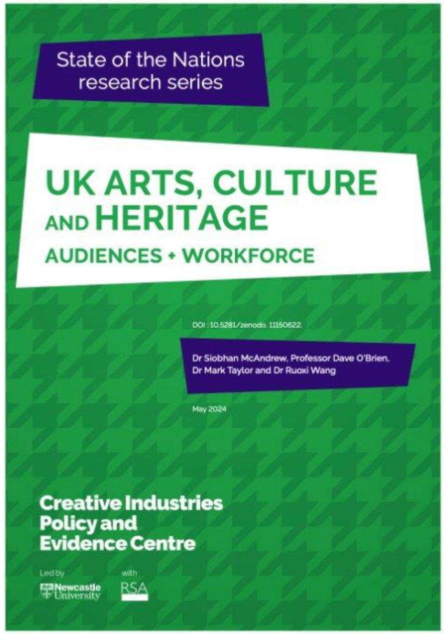
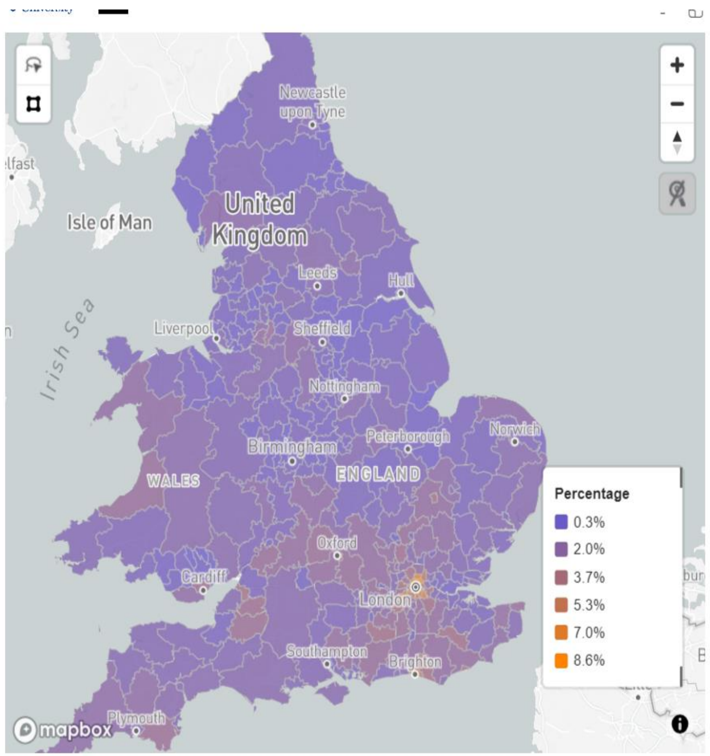


Arts, culture and heritage

The first **Creative PEC State of the Nations** report **on Arts, Culture and Heritage** used Census data to explore the audience and workforce demographics in the culture sector:

- **Workforce**: Workforce demographics, entries and exits into occupations
- **Audiences:** In person attendance at cultural events, digital engagement, attendance at historical sits, museums and galleries.

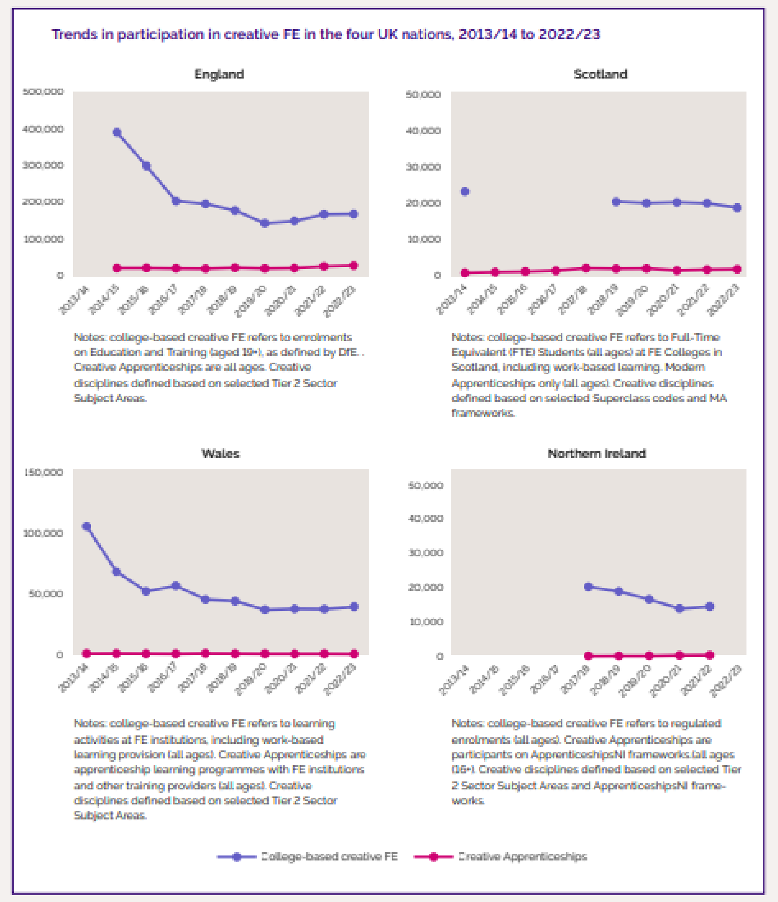
Data is visualised through interactive maps and dashboards on the Creative PEC site



Sources: Office for National Statistics (2023). Occupations of those in employment, by local area, working pattern, employment status

Creative Further Education

- Creative FE enrolments declining at faster pace than other subjects
- Low take up of apprenticeships
- High concentration of Creative FE in urban cities and regions
- Room to improve diversity and widen access



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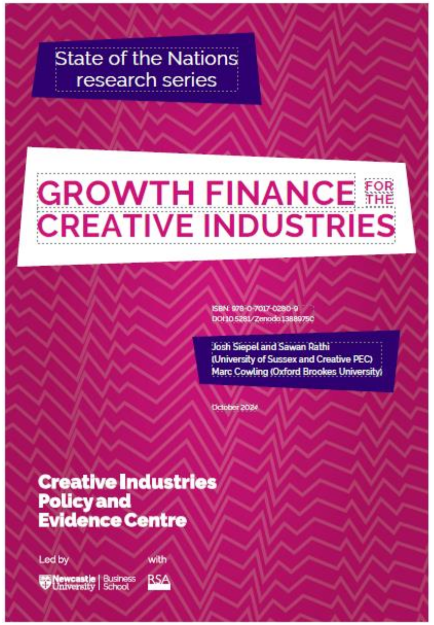
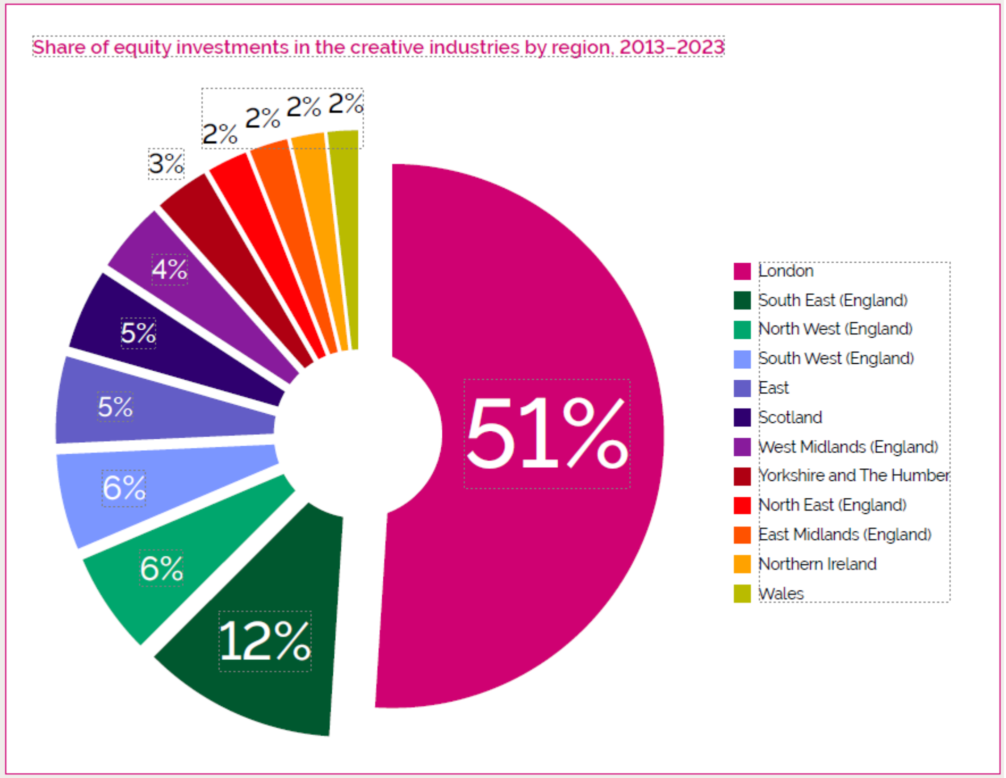


Access to Growth Finance

- Creative industries firms more likely to identify investment opportunities, particularly for R&D, but also likely to be dissuaded from seeking the required capital
- Investment heavily concentrated in London and the South East
- businesses in creative clusters and microclusters are more likely to receive VC investment (95% of investments)
- need for support to make businesses "investment ready", especially across sectors and regions where equity capital is not prevalent.



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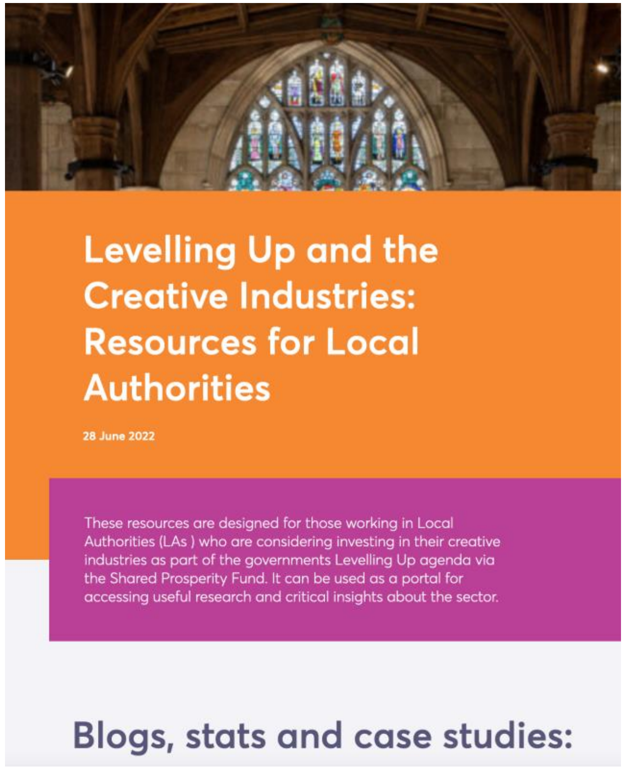
Resources for Local Authorities Project 2025

To build a quantitative database for local authorities to download and visualize to support policy development in their local creative industries, and support the delivery of Local Growth Plans.



Creative industries activity and performance (e.g.)

- Business counts, survival rate, turnover
- Employment, self-employed creative workers.
- LA micro-clusters and clusters.

Relevant supporting data (e.g.):

- Broadband speed
- Skills demands
- Wages

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