CREATIVITY | CULTURE | INNOVATION

Cities and Creativities

The creative economy outside the city centre: a British perspective

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BOP Consulting – who we are

- BOP is a research and strategy consultancy specialising in culture and the creative economy.

- One of our main areas of activity is mapping creative industries employment for local government bodies in Britain.

- We have carried out such exercises recently in Birmingham, Wales, the West of England, Yorkshire and parts of London.

Structure of presentation

- The creative industries – what they are, what are their needs?
- The national picture
- Trends in London
- Trends in suburban/small town areas (Basingstoke, Milton Keynes-South Midlands)
- Trends in East Midlands, Yorkshire
- Concluding thoughts – what do the trends mean for the way ahead?

The creative industries

Art

Antiques

Radio and TV

Advertising

Design

Music and Performing Arts

Film and Video

Architecture

Print and Publishing

Designer Fashion

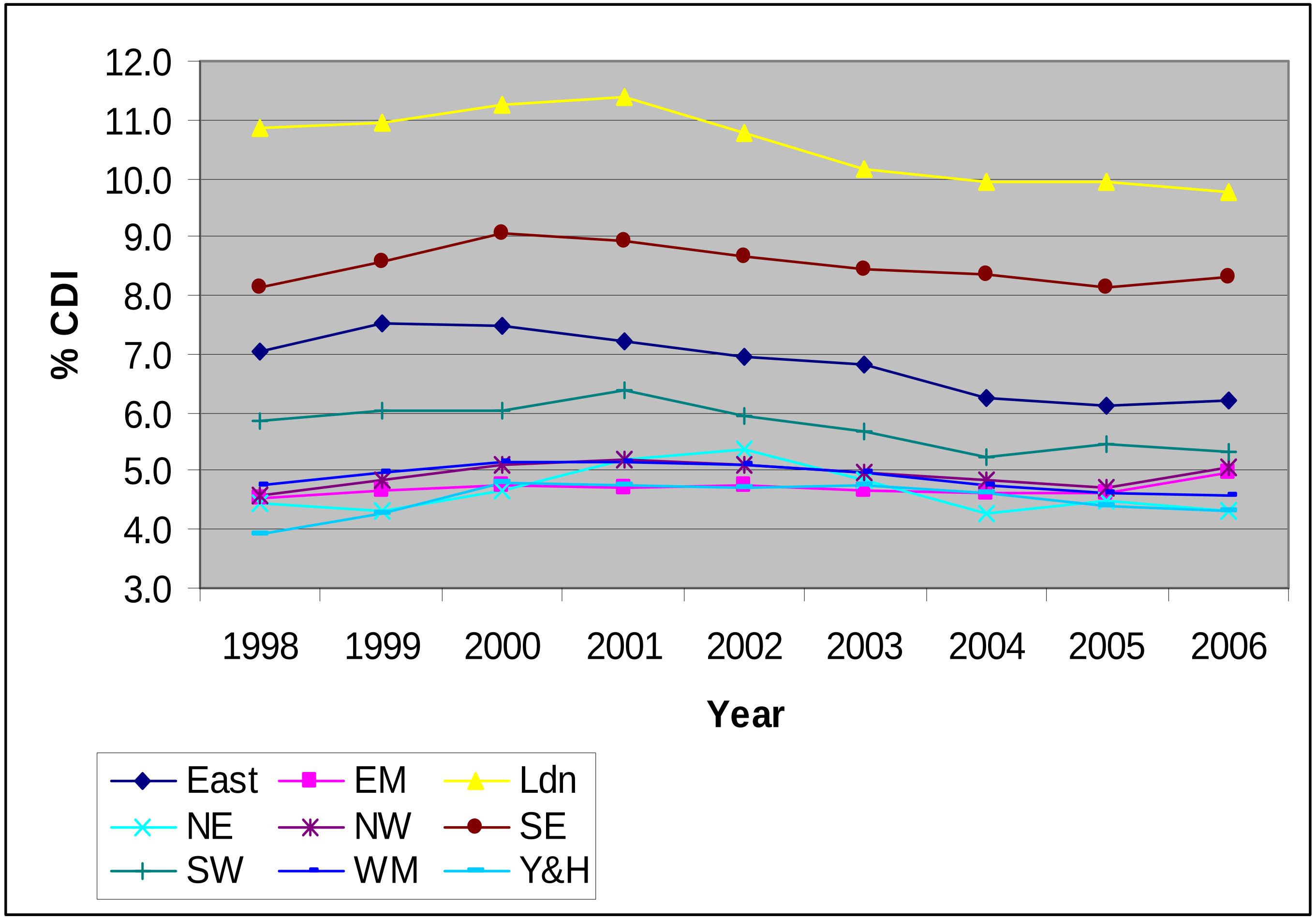
Computer software

Influences on UK debate

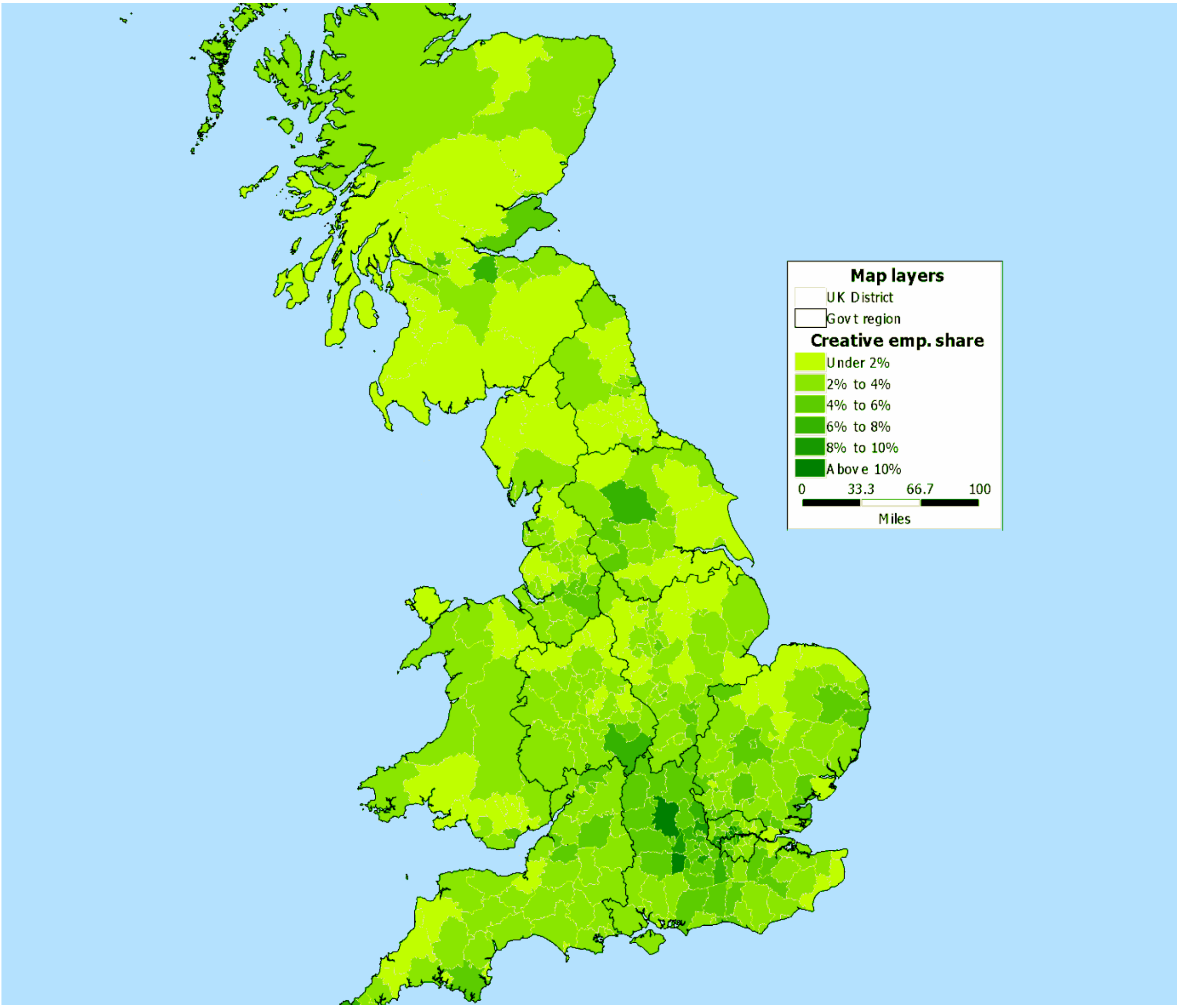
Factors affecting creative industries

- Good environment for ‘lifestyle’ businesses – most creative businesses are small
- Good transport links
- Dependence on educated labour
- Access to affluent consumers and a strong private sector
- In Britain, these factors tend to be found in parts of central and west London, and in the wider London city-region

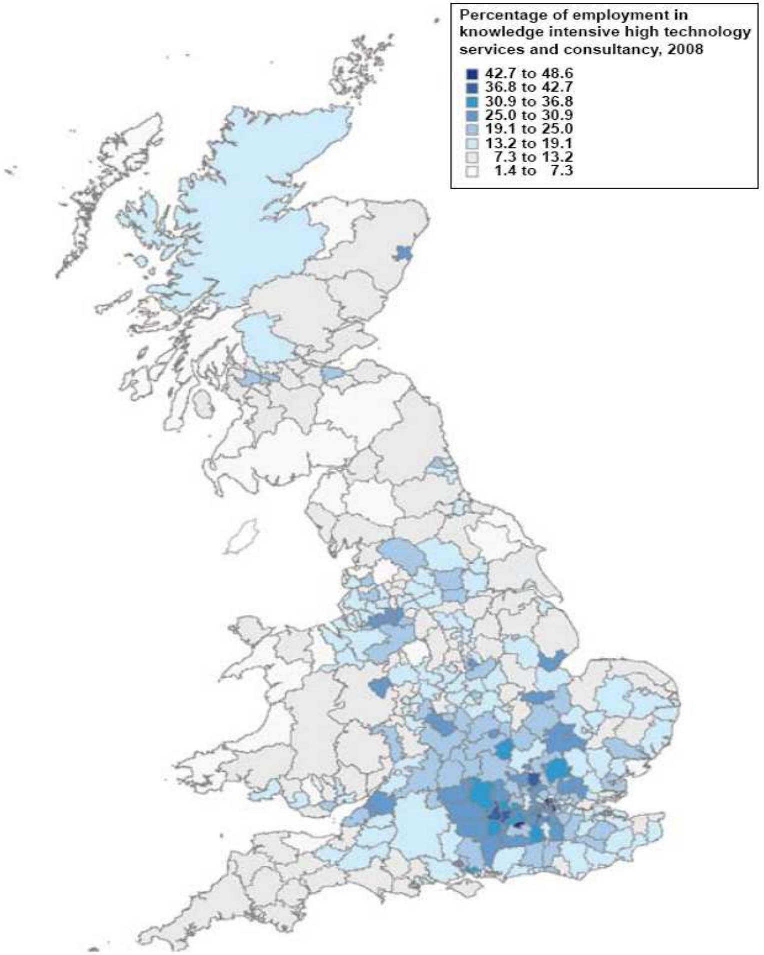
Trends in creative employment



Creative industries across Britain



Knowledge-intensive industries across Britain



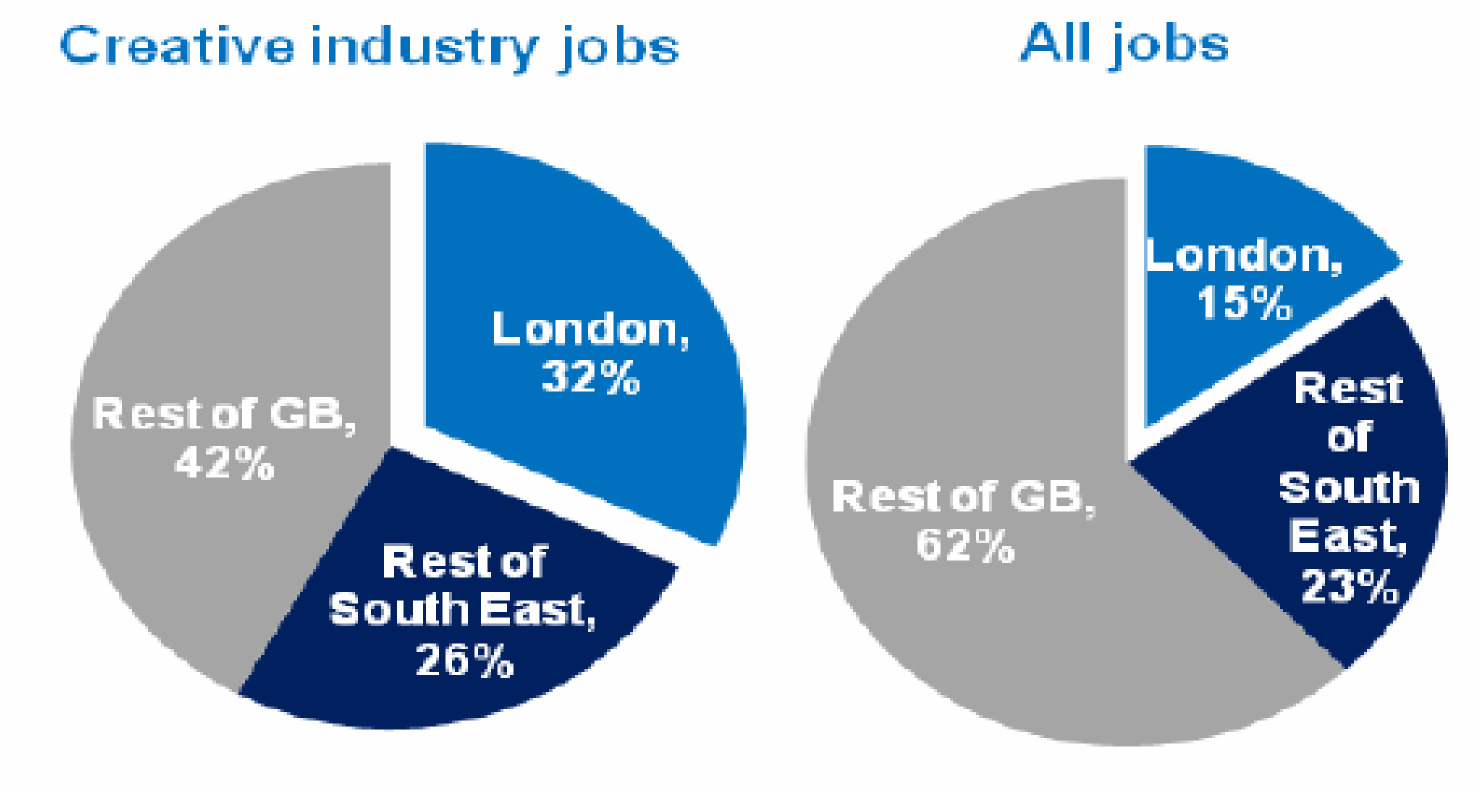
Source: ABI, figures for 2008 (latest data)

Strong cities ...

City	% with high skills
Cambridge	51.8
Edinburgh	45.1
Aberdeen	41.2
Oxford	40.8
Cardiff	38.5
Brighton	38.1
London	37.7
Reading	36.3
York	36.3
Glasgow	35.2

City	% employed in Knowledge Businesses
Cambridge	35.2
Oxford	33.0
Edinburgh	29.6
Milton Keynes	28.0
Reading	27.7
London	26.5
Leeds	25.3
Bristol	24.7
Norwich	23.4
Brighton	23.2

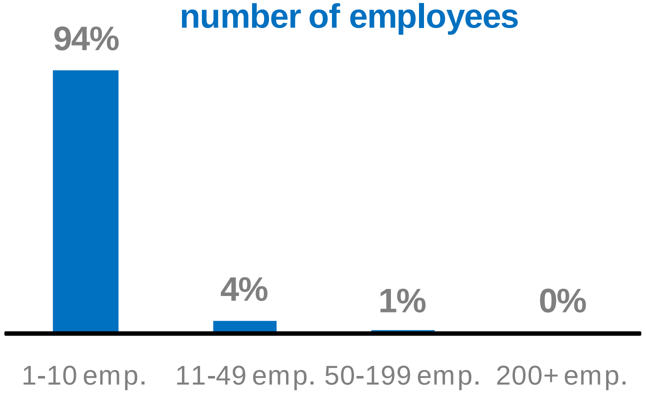
London still the focus ...



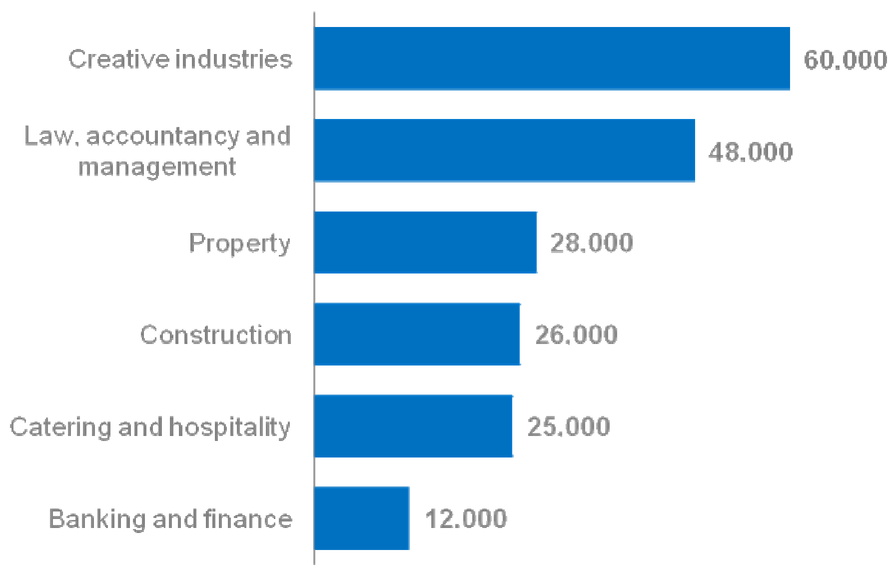
Creative businesses small but numerous …

- One-third of the UK’s creative jobs are based in London
- 55,000 creative businesses in London operating out of 60,000 workplaces
- 94% have under ten employees

Percentage of creative businesses in London by number of employees



Number of workplaces in London



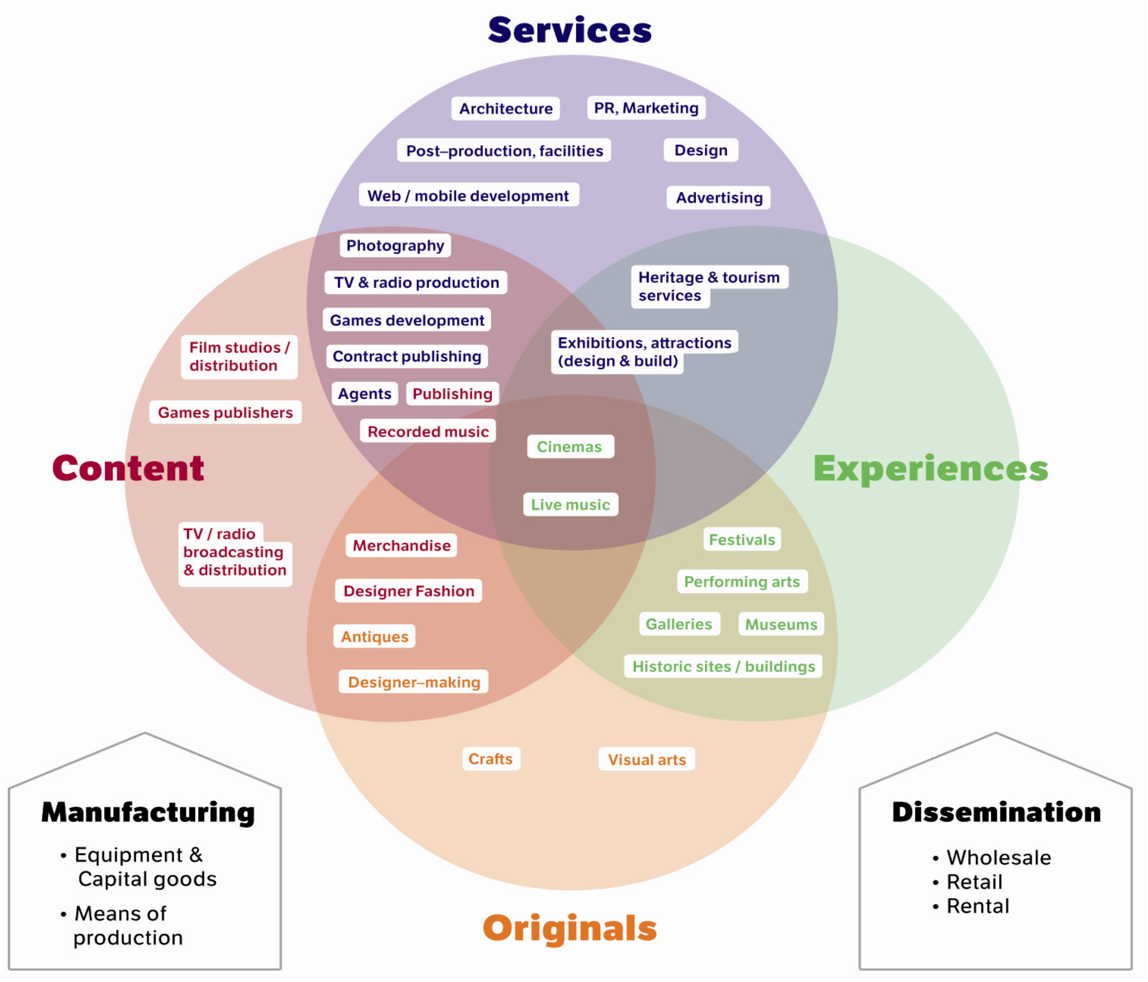
ONS data from ABI - 2008 data. Each Workplace is a specific premises for a company – e.g. Each branch of a bank would count as one workplace.

Sources:
BOP ONS 2009
DCMS 2008

3. London's four types of creative business

1) Creative Services businesses provide marketing, communication and design services to other businesses, charging for their time and skills. Their fortunes are linked to London's financial services, government, property and construction, retail and tourism.

64% of London's creative businesses, all sizes.



Source: Developed for Creating Growth, Nesta (2006)

3. London's four types of creative business

2) Creative Content businesses exploit IP, selling to customers through sales, advertising or subscription *e.g. the BBC and other broadcasters, publishers and the film industry*

14% of London's creative businesses, including some of the biggest.

3) Creative Experiences businesses sell the chance to experience a performance or event, which is consumed 'live'. Very specific large scale space and accommodation requirements, but also need 'back office' space. *e.g. Royal Opera House, Odeon Cinemas*

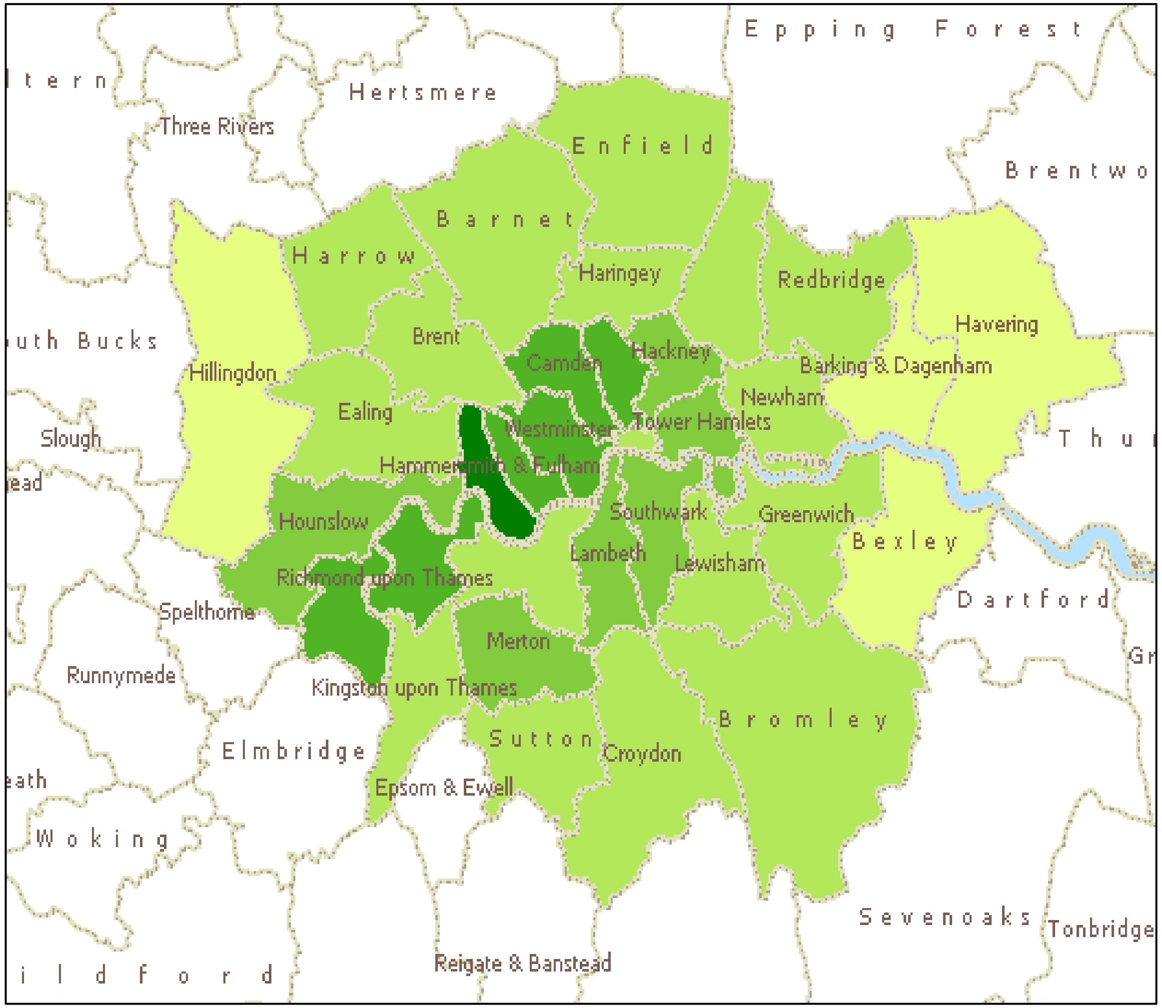
3% of London's creative businesses, often big.

4) Creative Originals businesses make or sell one-offs or small run designs or objects. They depend on consumers having high levels of disposable income. Includes designer fashion, luxury goods, crafts, arts *e.g. Damien Hirst, Stella McCartney*

16% of London's creative businesses, often small.

But patterns may be shifting

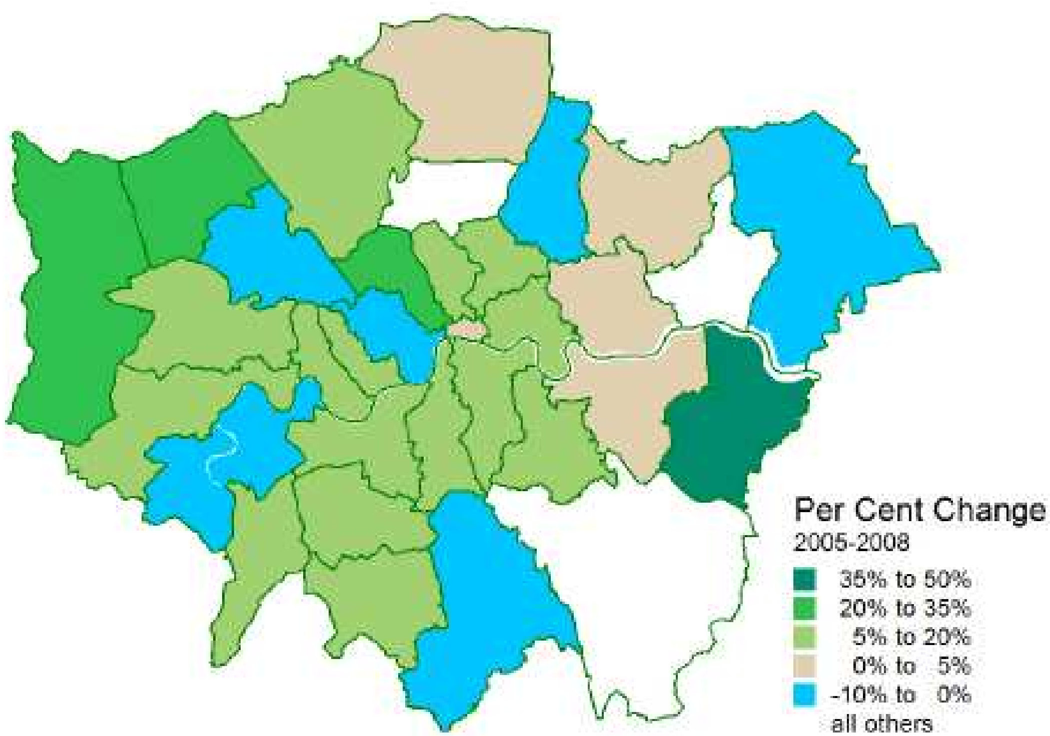
- Soho and the West End remain at the heart of the UK's creative economy.
- High concentrations of businesses are found in a 'South-West Stripe',
- Mini-clusters of creative industries are scattered across London, often in and around individual buildings.



Decentralisation and outmigration

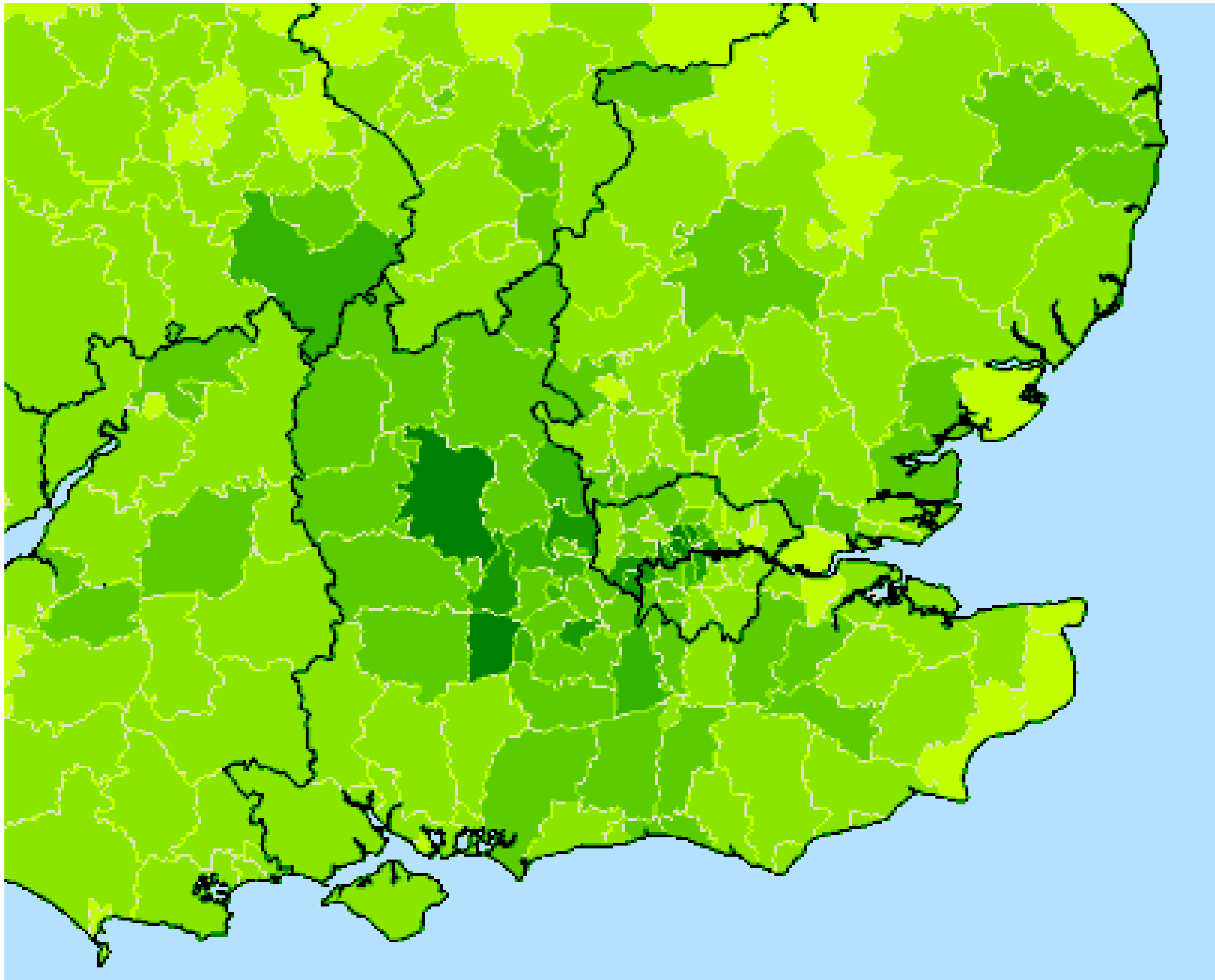
- The recent trend is movement towards zone 2/3 residential areas offering cheaper property closer to owners and managers homes but still with easy access to clients and collaborators in Soho, the West End and City
- Particularly westwards – also more accessible for Heathrow and clients in the M3/M4 corridor

Change in creative industry jobs 2005 - 2008

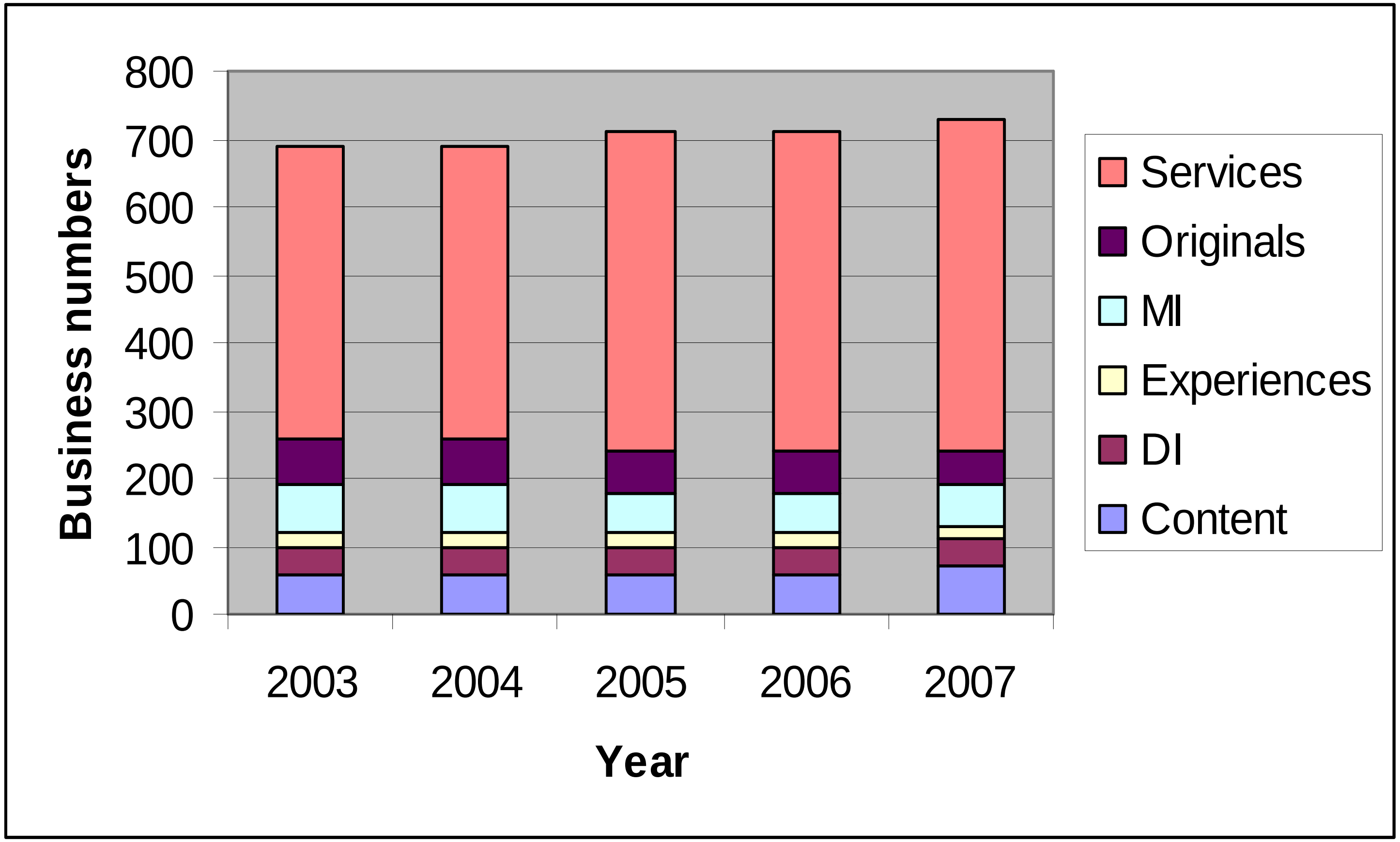


Source: GLA Economics Unit (2010) Working Paper 40: London's creative workforce (2010 update)

Creative industries in London's hinterland



Creative industries in Basingstoke

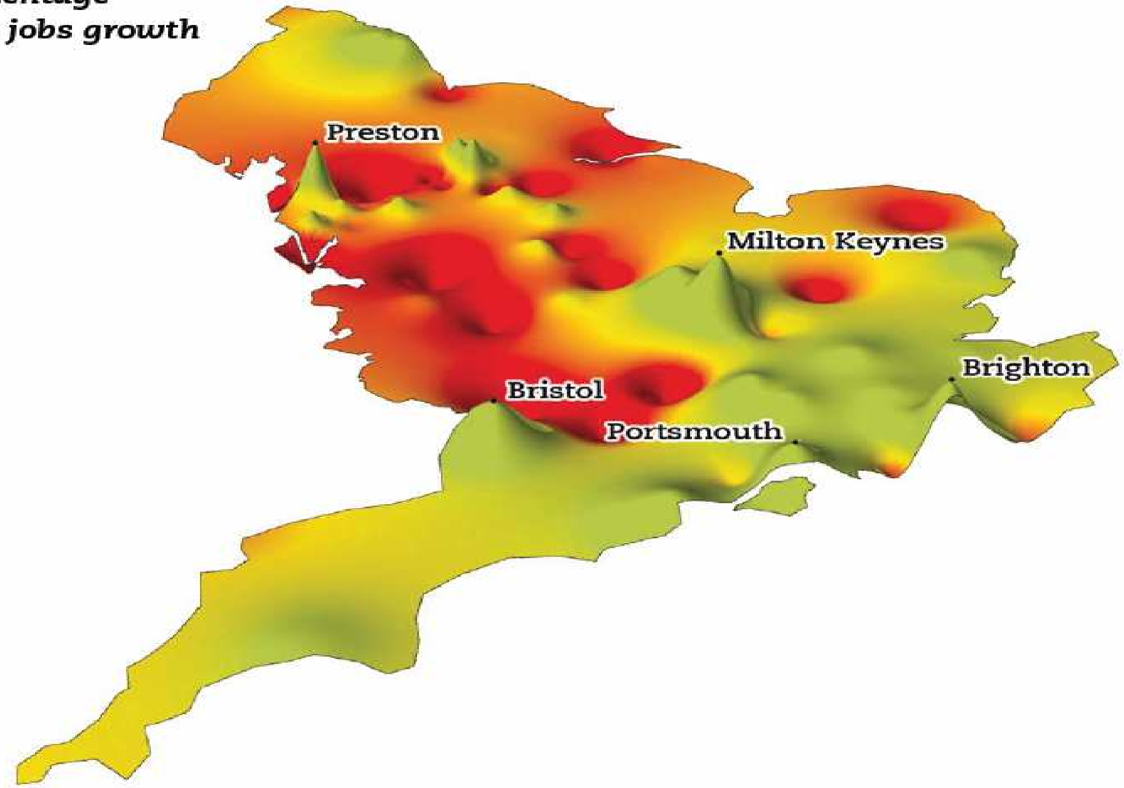


Creative industries in Milton Keynes-South Midlands

- Research commissioned by Arts Council, carried out by NMP, published in Feb 2008 (so pre-recession)
- NMP's research suggested creative industries doing reasonably well – around the national average – but low-profile
- Found 4,700 creative businesses employing 27,500 people
- Turnover was estimated at £1.1bn
- Largest cluster was in Milton Keynes, but 44% of all businesses based in rural or semi-rural areas
- Main challenge was identified as developing the sector's infrastructure – networks, workspaces, information sources.

Milton Keynes performing very well generally

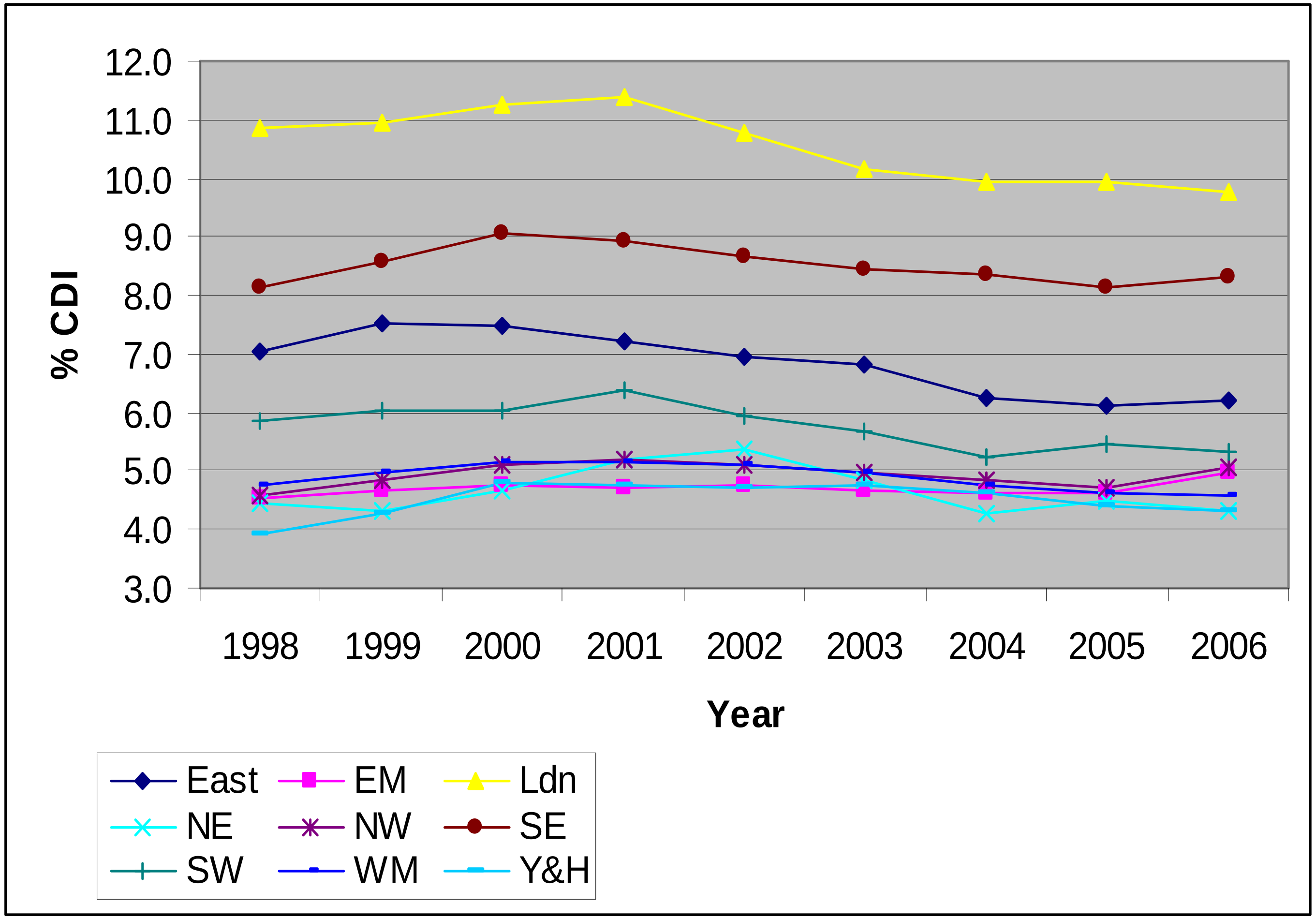
c. Map of percentage private sector jobs growth



Source: *NOMIS 2010, Annual Business Inquiry, workplace analysis. Estimates based on jobs added between 1998-2005 and 2006-2008 to take into account changes in ABI methodology.*

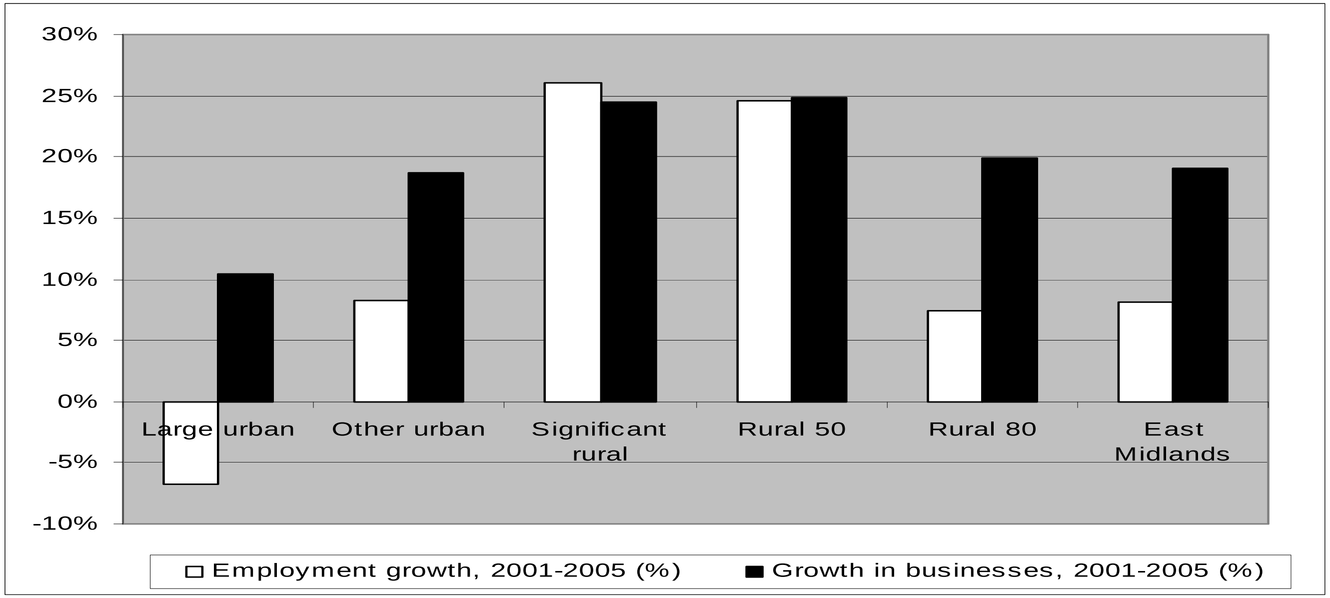
Source: Centre for Cities

Outside the London city-region – a reminder

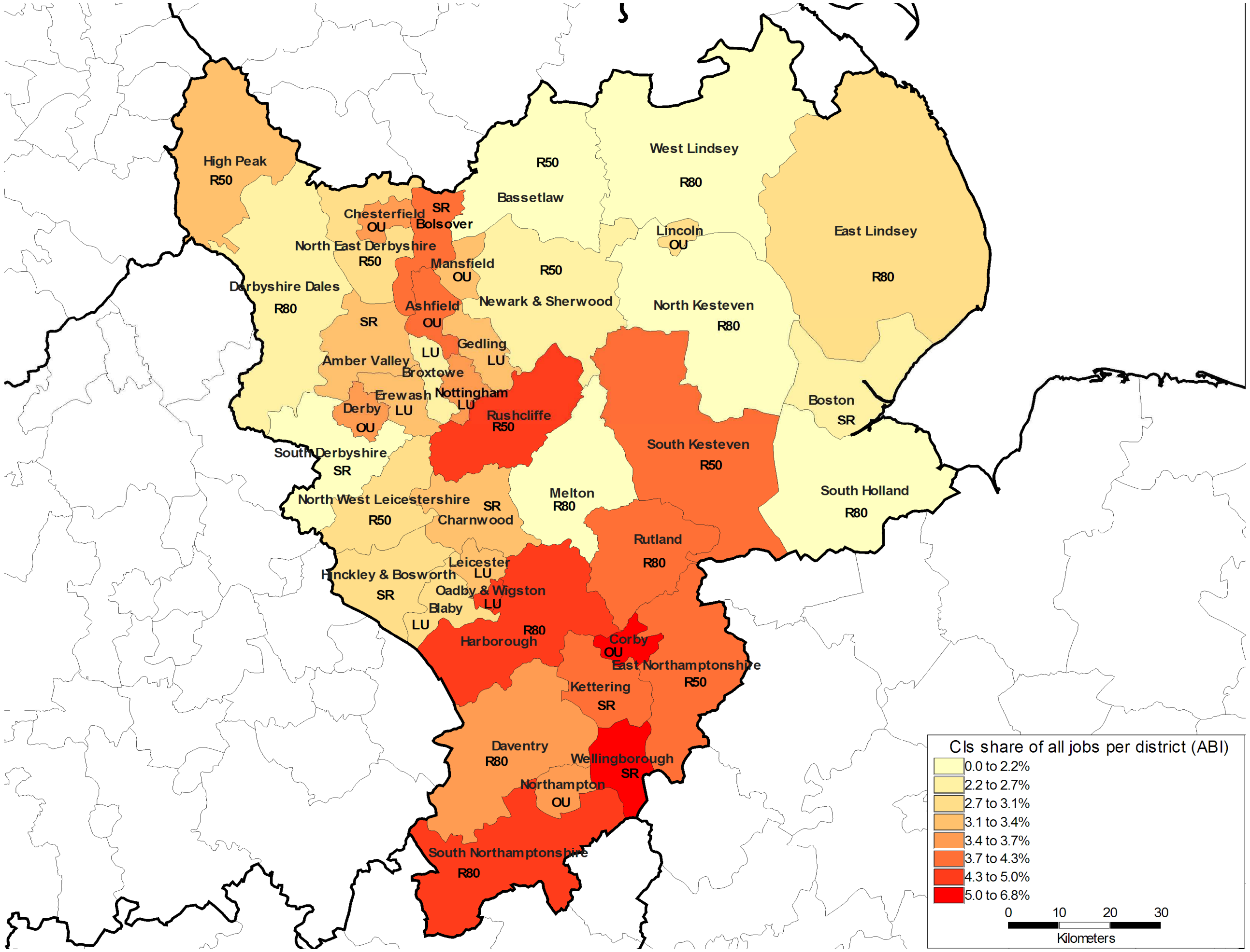


East Midlands – where the growth is

	Creative industries employment	Share of all employment in class of district
Large Urban	17,200	3.3%
Other Urban	16,700	3.7%
Significant Rural	10,400	3.1%
Rural 50	9,800	2.9%
Rural 80	8,400	2.6%



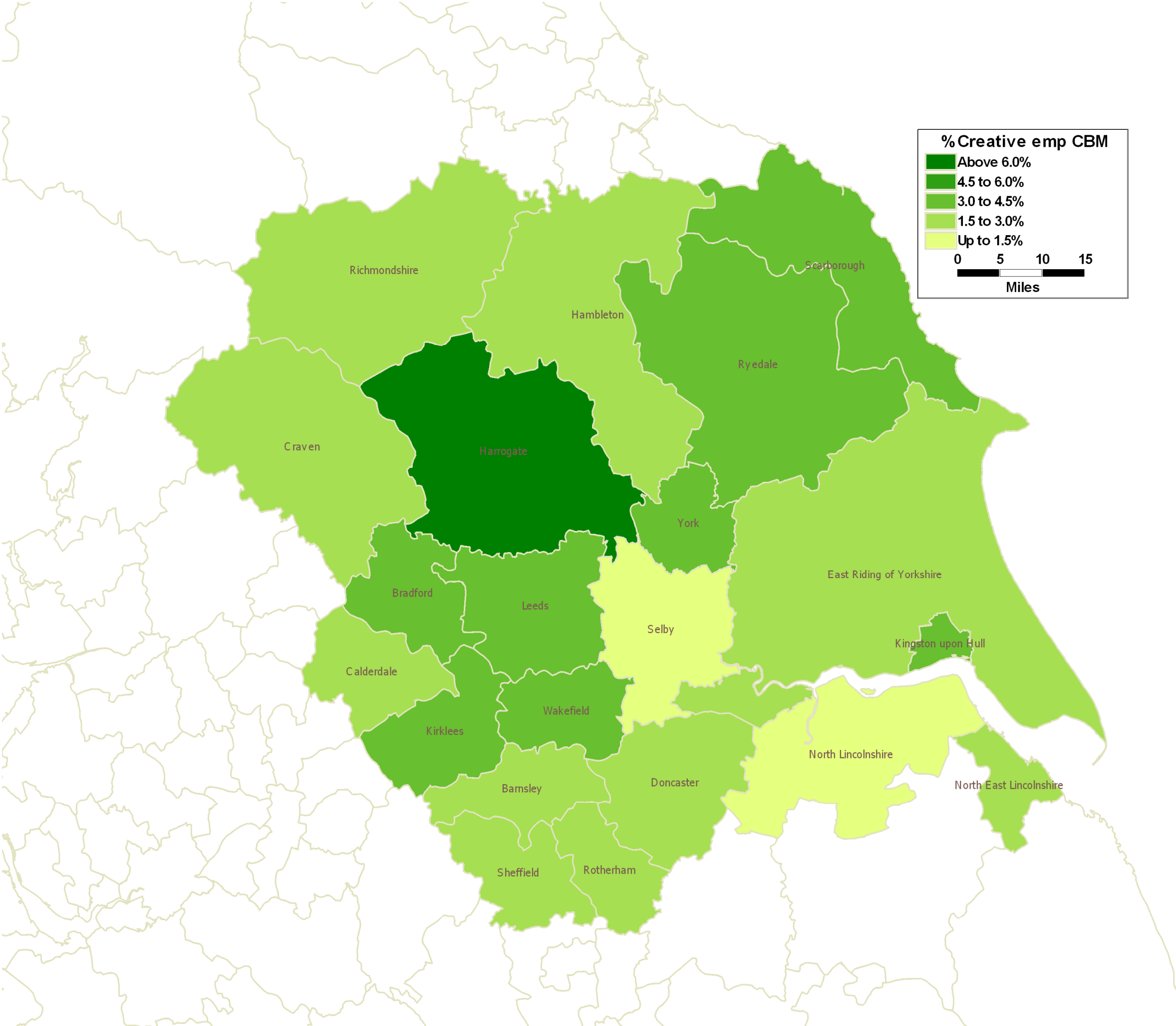
East Midlands – the London effect?



Yorkshire and Humber

- Underperforming area economically
- Unemployment high, old industries declining, low skills
- Has long had a focus on culture and creativity - Huddersfield as a creative city, Sheffield's early cultural industries quarter, creative industries a priority sector for region.
- Limited success – deeper problems holding region back
- Creative industries cannot defy economic gravity

Yorkshire and Humber



What is the role of the creative industries?

- Some evidence creative industries are aid to innovation – through design, branding, advertising
- May be reinforcing economic divide rather than helping regeneration
- Shiny new buildings don't necessarily lead to economic success. Cultural projects may primarily affect tourism.
- Need to pay attention to key factors – such as education levels

- Creative industries offer opportunities for well-connected, medium-sized and smaller cities. Policymakers may need to rethink strategies as a result.

What might strategies for intermediate cities look like?

- Milton Keynes-South Midlands approach. Creative industries ‘joining up’ other agendas
- Low carbon live/work + quality design + place-making + creative industries suggests a pioneering new role for mksm: the Creative Suburb?
  - Virtually and physically connected and networked
  - Low carbon and sustainable lifestyles
  - Live/work units, workhubs and spaces for home working

Appealing both to local residents and to creatives migrating out of London and other large cities

Thank You

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