

Creative Industries in the Rural East Midlands

CASE STUDY REPORT



Harley Gallery, Welbeck, Nottinghamshire

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BURNS OWENS PARTNERSHIP



JANUARY 2008



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Burns Owens Partnership Ltd produced this report for Culture East Midlands, with financial support from East Midlands Development Agency and Arts Council England. It forms part of a larger study of the rural creative economy in the East Midlands which is available from Culture East Midlands or from www.ruralculture-em.org

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FOREWORD

The importance of the creative industries to the UK economy is now well recognised in Government and there has been increasing support from cultural agencies, local authorities, Regional Development Agencies and other partners as well as the industry itself. Many towns and cities have invested strongly in developing creative clusters and cultural quarters to attract and nurture new creative businesses. The benefit to local economies and to the cultural offer has often been substantial.

But the creative industries are still seen largely as an urban phenomenon, associated with ideas of modernity and innovation that the city has long claimed as its own. The idea that the countryside, with its old-fashioned market towns, villages and farms, could incubate contemporary creativity surprises many people.

Yet, as Burns Owens Partnership's research clearly shows, there is an important and growing creative industry sector in the rural parts of the East Midlands. Interestingly, the sector's profile is different from that often found in urban areas, with fewer young and start-up companies and more businesses with established markets. There appears to be a complementary relationship between urban and rural creative industry sectors that policy-makers should take account of in planning their support.

This report is part of a substantial body of work undertaken for Culture East Midlands by Burns Owens Partnership (BOP). In addition to this regional overview, separate statistical reports have been published on 27 rural and partly rural districts in the region, alongside a narrative report based on interviews with creative businesspeople.

The innovative but robust methodology developed by BOP, based on Government statistics supplemented with up to the minute market intelligence, marks a major step forward in our understanding of the creative industries sector in the East Midlands. We are delighted that, following the completion of work on rural areas, East Midlands Development Agency (EMDA) and EM Media have agreed to extend the work to cover the remaining urban districts. We are also very grateful to Arts Council England and EMDA for their support of the research.

As the diversification of the rural economy continues, and the countryside's relationship with urban centres changes, it is essential that economic and cultural development agencies work together to support creative and cultural businesses. This report and its counterparts are a vital support for that.

Sukhy Johal

Chief Executive,

Culture East Midlands

1 INTRODUCTION

This document is a summary of the findings and implications of a series of case studies of rural-based creative and cultural businesses carried out by Burns Owens Partnership Ltd for Culture East Midlands in 2007. It forms part of a wider study of creative industries in rural districts of the region, which also includes a statistical data mapping and individual reports on each of the participating local authority districts. This document supports the main Regional Report produced for the study. A detailed report on the findings of the statistical data mapping is also available from Culture East Midlands.

2 CREATIVE PLACES

2.1 Rural Context

Almost all the businesses we interviewed are rurally based for opportunistic or lifestyle rather than strategic reasons. Only one company moved into its rural setting because it offered needed facilities. We found no other examples of relocation in response to specific provision of facilities or support for incoming businesses.

One Leicestershire design company moved out of an urban setting into industrial accommodation purpose built by a local farmer. They had specific needs for large scale, affordable, clean, contemporary space with unlimited potential for expansion, which they found difficult to find in an urban setting. Good broadband connections made the move feasible.

The most important factor for the remainder was quality of life. Businesses may be set up where people already live, or they may return to where they were born or brought up. In a few cases we came across businesses set up by urban dwellers with no previous local connections but this seems rare. Once a decision is made to locate rurally, then advantages such as available support, and disadvantages such as lack of broadband or poor infrastructure, are dealt with as they come.

A director of a music festival based in a market town said 'we have an enthusiasm for living here – it is a wonderful environment, exciting, and we have strong links with the local visual arts community. I suppose we would like to share a vision for beautiful cultural things happening in beautiful places.'

One theatre experience company relocated from London to the area in which one of the directors was brought up. Due to technology clients often still assume they are London-based.

A garden nursery business, based at the owner's home, diversified into providing a garden based sculpture gallery, this has now eclipsed the original business

A second major factor in location is the desire to make use of existing premises or to deliver a service locally: the craft gallery at Rufford Country Park may have been set up in 1977 to make use of redundant estate buildings and to enrich the offer to park visitors.

In North Nottinghamshire a theatre, music studio and rehearsal space was originally started because local musicians lacked facilities. It has since expanded into a very successful therapeutic arts programme.

Certain types of business are more suited to taking advantage of a rural location: small scale services and craft makers are able to set up at home or in small workshops, and are able to work in greater isolation than other types of business. They will often have few recruitment needs, and can communicate largely electronically.

However, through PERA¹ we came across high technology rural companies, which also manufactured. These tended to be larger than the creative industries companies, had problems with recruitment of creative talent and logistics, but were based rurally because that was where the directors lived and wanted to work.

Only two of our interviewees were in custom-built workshop space, including the design company in new industrial premises, and a publisher in a converted mill. However, several have adapted disused buildings independently for work, including a gallery and workshop in a Jacobean barn (privately owned, next to the owner's home), a publisher in a converted mill providing creative workspace, a festival office in a disused chapel (owned by a charitable foundation). Overall it was more common to work from home, and homes might be adapted or extended for this.

A music festival in Northamptonshire was originally run part time by the director from his home, but is now situated in a disused chapel adjoining his house. A second festival worker works from home nearby in the same market town, and they communicate electronically.

A jeweller has adapted an extension to her house to accommodate her workshop.

A husband and wife who run a Lincolnshire arts tourism project are more than happy to work from home: 'what is on offer is too expensive, and what people don't realise is that it is creative people who create the bohemian workspaces that have historically worked so well'.

Dedicated workshop space is available in parts of the region, but availability is variable and workshop space does not seem to be well publicised. Most interviewees were not aware of availability in their area. In some areas, workshop space designed for small creative companies appears to be underused, (one interviewee said that his market town had 'oodles of accommodation, so much so that they will find it hard to let'); but this may be a short term phenomenon as creative industries continue to grow in rural areas, and networking and publicity improves.

Overall, ideal rural location depends on individual companies' needs: for some access to close by urban populations is essential for employees, for access to market, and for easy transport. For some access to a market town or tourist hub is more

¹ PERA are an international technology-based consulting and training group

important, for access to audiences and tourism infrastructure. A third group are able to work virtually anywhere with good Internet access. For them lower costs and rural quality of life are paramount.

2.2 Proximity

The rural work settings we looked at varied from those close to major conurbations, to those in relatively isolated parts of the region such as north-east Lincolnshire. Dependence on the proximity of local urban centres differed widely according to the type of business.

Several businesses were not dependent on proximity to urban centres at all: micro-enterprises or sole traders, were able to trade from any location, did not need to meet suppliers or clients on a regular basis, did not manufacture and thus had fewer logistical problems. They tended to be craft makers or artists, and to have pan-regional, national and sometimes international networking and client bases. Access to broadband in lieu of proximity to networks and clients is particularly essential for this group of businesses, and is discussed further later.

Even these companies agreed that transport infrastructure could be a problem, and that car ownership was essential. Good transport links were needed for visits to clients, shows and for networking.

A craft-maker in Leicestershire whose markets are national and international and accessed through trade shows. 'The infrastructure is good round here if you drive.

A music promoter in a mill in rural Derbyshire: 'many of my clients assume I am in London and are always surprised', an observation made also by a theatre and performance company based in rural Northamptonshire.

However, for most the proximity of a major conurbation was important in providing markets, audience or employees:

Recruitment: We came across few larger companies but also interviewed PERA about the experiences of their clients; high technology rurally based manufacturers, who said that rural companies generally had a smaller pool of talent to recruit from, especially in more remote parts of the region, and so often paid a premium. It paid companies to locate near to similar businesses, to offer job transferability to those moving into the region for work. However, workforces were often more loyal and staff retention may be higher.

For some rurally based companies a rural location close to a number of large conurbations actually widened the recruitment pool.

A new media company employing 34, many of whom commute from Stockport, Manchester, Nottingham and Stoke to a Derbyshire market town: 'we are ideally located'.

Markets: the only companies for whom major conurbations provided markets were those needing an audience for an event or experience, such as festivals, theatres, art or craft centres, and even here some companies felt that their audience was not dependent on local urban populations.

A Northamptonshire festival with an under-populated rural hinterland depends on audiences from nearby Peterborough, and even Cambridge and Nottingham. These cities also provide crucial sponsors.

An arts festival in north Lincolnshire is limited in the audience it can attract by the distances from Grimsby, Lincoln and Hull.

A local authority run craft centre struggles to achieve its inclusion policy because poor public transport means that 'most of the audience are white middle class car owners'.

Finally nearby towns and cities provide a useful source of support in terms of networking events, courses, access to advisory services.

2.3 Market towns

Market towns do not appear to act as a hub for networking for creative communities in their dispersed rural hinterlands: we spoke to nobody who used their local market town as a networking centre. While creating and maintaining networks is a concern for all, and a problem for some, market towns do not appear to be big enough or culturally diverse enough to deliver.

A north Lincolnshire writing festival is based in one of the district's several market towns, 'the most active in terms of arts' but the town still lacks 'a cultural focus for networking, with no gallery, no university, no cultural quarter, no collegiate atmosphere. We are not exactly Wirksworth.'

Much more important are networks based on specialisms, on nearby cities or virtual networks (see networking below).

There is some evidence of a desire for local rural networking: one newly arrived sole trader, working at home would like workshop space specifically to reduce isolation, and networks to meet for collaborative marketing and support. This may suggest that any new physical, as opposed to virtual or electronic, networks should be based around more practical networking hubs where they exist, such as workspace, gallery, or local city university.

However, market towns are important to some visitor-based businesses, providing an infrastructure of venues, cafes, accommodation and complementary tourist attractions, as well as (for some) a baseline audience.

The north Lincolnshire writing festival bases itself in a market town to provide 'venues, cafes, and a locally recognised locus'.

One Derbyshire festival located in a strong tourist centre finds it 'crucial' to be in a market town for audience, tourist infrastructure and venues

For more businesses access to cities remains more important, for networking, showcasing and to transport links ensuring easy access to and from clients and suppliers.

A designer-maker based in a market town values easy access to major cities, but would value more networking locally.

A rurally based craft centre sees its market as extending for a 30 mile radius, encompassing the cities of Sheffield, Chesterfield, Derby and Leicester.

2.4 Relationship with tourism

Festivals, events and visitor attractions are closely integrated with the tourism industry. They benefit from the ability of their locale to market itself as a destination, and contribute to the reputation and attractiveness perceived by outsiders and visitors.

An arts festival describes itself as located in 'a very attractive town, a great size for festivals, and a town that's very good at attracting tourism'. This town's tourism offer is spread across spa activities, culture and a local Peak District country pursuits base. The festival has trebled its audience since 1999.

A music festival in a small town finds the town an attraction to visitors, but a lack of complementary tourism activity limits the facilities available to festival goers (accommodation, food, performance venues), and ultimately may hamper the expansion of the festival. Linking venues and tourist infrastructure for expansion during the festival, they are diversifying into more educational activities, moving into out of town venues, and events across the year.

Clustering: Some tourism-related businesses are away from established tourism routes and they have various strategies to overcome this: for example, by encouraging creative (and non-creative) businesses to cluster to provide and to market a rich destination of their own.

An art gallery clusters with retail, craft workshops open to the public (including a blacksmith), catering and even a hairdresser and market as 'a wonderful day out... set in beautiful English countryside'.

A sculpture garden in Leicestershire describes itself as 'well networked into the local Tourism Information Office' and uses the local luxury hotel/restaurant to market itself as a day trip destination.

Cultural Leicestershire markets the north west of the county as a destination for a combination of high quality culture, events, heritage, tourism and food. www.culturalleicestershire.co.uk

Where an audience dependent business is completely off the tourist route, and does not have an urban hinterland to farm for audiences, it will struggle.

A Nottinghamshire theatre in the coalfield is dependent on audiences to cross subsidise its successful therapeutic arts work but struggles to find a local audience and cannot tap into tourist markets: 'it's a kind of arts VSO: you really are up against it here. If you put on pole dancing and tribute bands they would come in droves'. This business thus seeks specialist enthusiast audiences in the gig-going community nationwide, but has insufficient advertising budget to draw them.

Diversification: businesses diversify in a number of ways: festivals put on events across more of the year, and move into venues outside the festival location; one gallery owner also provides generic business training for craftspeople on behalf of Creative Leicestershire; other craft makers either teach in local education institutions or provide private training events, another gallery owner has just opened a second gallery in a nearby village.

A gallery owner in 'semi-rural' Derbyshire operates as artist, gallery, art materials shop, café, workshop promoter and educator, venue for hire, garden, participatory arts promoter.

Market expansion: several arts destinations are consciously attempting to widen their geographic reach by marketing more widely and gaining a national or international reputation for their specialism.

The national centre for craft and design takes about 65% of its visitors from the East Midlands, and a growing 4% international, its aim is to 'be recognised nationally and internationally as the leading centre for the promotion, celebration and exhibition of the best of craft and design'.

A craft centre in the north of Nottinghamshire is ambitious to extend its market reach beyond its current 40-mile radius to take in the major cities of Sheffield, Derby and Lincoln.

Finally several companies dependent on visitors see rural isolation from established tourist markets as an advantage, reducing competition and distraction locally, providing 'a captive market' and ensuring a loyal repeat audience.

Relationships with local tourist information services are variable: while some find it very useful, one large arts festival finds its local office 'uninterested and unhelpful'. Several interviewees feel there is substantial untapped potential for cultural tourism in their areas, and would like creative businesses, culture, arts and heritage, food, and events more actively marketed on a collective district or county basis. Creative Leicestershire was cited as a good model.

Those creative businesses not dependent on attracting visitors do not appear to have a strong link to local exhibition or selling outlets, and mostly have a national or international marketing perspective. This may be because exhibition or selling outlets in the region do not generally seem to have a strong local sourcing policy. There may be potential to strengthen links between local makers and outlets, as well as local creative services companies such as design.

The Nottinghamshire Collection has worked in the past to provide a collective exhibiting and selling presence at various local arts and heritage venues, but currently lacks funding.

Many companies do have a heavy dependence on artists and other freelancers to provide training and education sessions, installation and exhibition design and, these are largely regionally based if not rurally based.

3 CREATIVE PEOPLE

3.1 Graduate retention

Many of the creative companies interviewed did recruit employees who had trained locally, although local included Manchester and Sheffield, cities which are local for Derbyshire.

Some worked in partnership with local HEIs to take work placement students, often on a regular basis. They tended to have relationships with universities with expertise in their specialist areas, or universities with an active graduate training programme and proactive stance to working with local businesses.

An art gallery employs five staff, all of whom are trained locally, the gallery regularly takes a work placement from Derby University. They have since employed one former work placement student.

One art gallery is committed to employing staff locally whenever possible, and has six of its ten employees trained at local universities.

An industrial design company with three staff takes regular student placements from universities with which it has an R&D relationship (De Montfort, Newcastle, Loughborough, & Warwick), and has employed those students in the past. This company experienced problems recruiting skilled people that were willing to move, and so made great use of HEI links and of national advertising.

Some businesses are too small to recruit permanent staff regularly or to take work placement students, but most were interested in the potential of taking students, and might do so with some support.

A newly set up jeweller has been approached independently by students but cannot take them on until her business is more established.

A community theatre company in a coalfields area is talking to Birmingham University about taking students in social policy and theatre administration. They feel they will need to use personal networks to HEIs to work with.

These examples suggest that universities could be more proactive in approaching rural creative businesses, and could offer additional support for them in taking work placements. Several creative industries support agencies are supporting start-up rural businesses and new graduate entrepreneurs, including The Nottinghamshire Collection and Focusing Creativity.

Many companies employ a substantial number of freelancers and often have supply chain of networks of freelancers and small subcontract companies, which can be regional in character. The freelance pool may be one way for graduates to establish a rural business on graduation.

A design company has a pool of around 150 professionals with whom it works on a semi-regular basis; the majority live in the East Midlands.

However several companies who do employ large numbers of freelancers do so on an national or international basis, because of their particular specialism, or because it is possible to collaborate wholly electronically.

A Derbyshire arts festival employs an average of 150 musicians and artists with national and international reputations each year.

A publisher based in a converted mill in the Peak District has admin and office management done by freelancers based in Gloucestershire 'but they could be anywhere'.

A garden sculpture festival commissions work from around the UK.

There were few examples of the business founder having trained and stayed in the region, but a craft maker born in a Leicestershire village, trained at Leicester and Loughborough universities and returned to her village to live and work.

The most common recruitment relationship for companies to have with HEIs was to take work placements; often where other relationships such as R&D support existed. We found no examples of universities organising support for their own graduates to establish businesses or to seek employment in established businesses. HEIs may be concentrating on urban companies, which they find easier to find and communicate with.

3.2 Attracting incomers

Companies set up in rural locations for a variety of reasons: only two of the companies we interviewed had moved from an urban location in order to set up a creative business.

An innovative arts company in remote rural Lincolnshire run by a husband and wife partnership relocated from London specifically in order to explore ways of bringing contemporary visual art to rural communities.

A design company moved from a suburban setting to a rural one in order to gain a large good clean professional space to which they could bring clients with the potential to expand, which they found in new build industrial accommodation built on farm land, but still helpfully close to major conurbations.

The most commonly cited reason for locating rurally was either because it was where business founders lived, or for quality of life reasons, and most frequently both. Rural workplaces are described as 'quiet and picturesque', 'definitely good for my mental health', 'a perfect setting for my work', 'a better pace of life, a more creative thought space'.

A music festival was set up in a market town in Northamptonshire because it was where the director already worked and lived, and because it was suited to that activity and 'because I liked the place'.

A mother bringing up her children in the village, in which she was born, re-trained as a jeweller and now works in an extension to her house.

A self employed designer now works from home in a small Derbyshire market town, having moved from a city to follow his wife's job: it was easy to do because of the flexibility of his job, but he is finding it difficult to replicate his urban networks.

A community music and performance space set up initially because musicians living in the north Nottinghamshire town lacked rehearsal, studio and venue spaces.

Many found quite distinct disadvantages to rural working, but thought these less important than working where they lived and wanted to live. Sole traders may be most likely to succeed in rural locations since they can operate from small premises or home (jeweller, music agency, publisher, designer) and businesses which take advantage of existing rural tourism (art or craft galleries, gardens).

Rural settings can also provide sources of materials, images and inspiration, for example for a folk music agency based in rural Derbyshire, or a publisher of local rural history.

Some creative businesses are set up in direct response to a specific rural setting: local authorities set up and run a number of rural arts initiatives either to make use of buildings, or because of perceived need.

Examples include Rufford Arts Centre, Wolds Words Festival in east Lincolnshire, the Harley Gallery (set up by a charitable trust by the owner of the building in 1977).

We found no evidence in these interviews of companies responding to any incentives offered to move to rural settings, but several got support from public agencies of various kinds once there. There may be some weak evidence that more commercially facing companies (such as industrial design) may relocate to rural premises for lower costs or better accommodation, and that the provision and marketing of such workspace may further encourage incomers. One product designer commented 'the rural creative industries scene is very crafty; there is a lot of stigma attached to this, paradigms need to shift. More and more designers are moving to a rural location, mainly for quality of life and costs.'

3.3 Networks and Showcasing

These case studies do provide evidence that networking is important to rurally based businesses, but interviewees varied greatly in what they used or wanted networks for, and what kinds of networks they used. Research for Focusing Creativity² showed that networking was ranked highly as a need by users.

Most businesses belong to informal or formal specialist networks, that were usually nationally or internationally based, that networked them into their own specialist discipline. These networks can be virtual, or may be accessed through electronic communication.

A classical music festival works informally with other music festivals around the UK, is a member of the British Arts Festivals Association, has a partnership with the Royal College of Organists, and has widespread relationships with musicians and music organisations across the UK and in France.

Other specialist national networks used included contemporary jewellery, publishing, folk and traditional music networks, the British Designers Network, the Independent Craft Gallery Association, Museums Association, Equity, Women in Rural Enterprise, tourism networks.

However, most businesses also either use or seek more local or regional networks, most frequently mentioned being the Federation of Small Businesses, but also Business Link, Chamber of Commerce. Some of these are networks in local cities such as CIN in Derby and View from the Top, a women's network in Nottingham.

Use seems to be made too of specific creative industries networks set up sub-regionally: Design Factory, Focusing Creativity, Creative LeicesterShire, The Not-

² Focusing Creativity is a free business support programme offering workshops' and specialist mentoring and grant assistance for the Creative Industries in Derbyshire

tinghamshire Collection, Greenhouse, and Derbyshire Arts Network. It is not possible to estimate just how widespread this use is, or how valuable to its users.

These more local networks appear to be used for two purposes: firstly for exchange of ideas and opportunities and to reduce isolation, and secondly to work collectively to exhibit, showcase, market and exchange skills.

These creative networks are not distributed evenly around the region and are lacking in more isolated districts. Two interviewees said that local creative businesses needed to network more effectively, to 'get things going for themselves and become more visible'.

A sole trader recently moved from Manchester misses his previous urban networks, and finds them hard to replicate in his small market town. He would value a support network to help retain confidence and belief in his work, but found that he had to travel to a London event to come across his local Arts Council and Design Factory contacts, which he found 'slightly ludicrous'.

The Nottinghamshire Collection provides a promotional website, and has in the past provided opportunities to showcase at local tourism destinations. A small group of designer makers still meets, and funding is being sought to extend this to support new start up businesses in the county.

However, the businesses that we talked to do not showcase collectively or through regional networks. Many gain business through attending national and international exhibitions, via specialist press coverage and advertising and through direct mail to client databases.

The use of broadband is essential both to showcasing and networking, and where it is not available, businesses are seriously hampered (see broadband and new technologies below). Businesses use broadband to network, research, collaborate virtually, and market their products. Some also trade on the web. However, Phil Bullimore at PERA pointed out that for many of his clients, trust and personal contact were important elements of supply chain management, limiting the ability to rely on internet communications.

Finally, most businesses described wholly practical informal networks based on supply chains, of freelance and sub-contract relationships, of basic suppliers, of local tourist links, of PR, press, design and specialist support, and these networks are usually local in character. Long-standing companies may have very well established local supply chain networks, which can be enriched by incoming staff's own networks, but start ups report it as more difficult to establish personal networks in rural situations than urban.

An industrial design company has a network of companies, freelancers and universities in allied disciplines, mostly within the region, much of it imported from their previous urban existence.

3.4 Young people and Women in Enterprise

Women: The case study research uncovered a number of women working in rural creative enterprises, and we are also aware of a large number of women craft makers occupying workshop premises at venues such as the Ferrers Centre and the Harley Gallery. It is likely that there are more rural women craft makers than men.

A young woman from a commercial textile background who set up a business in 2003 making commissioned one-off garments from recycled clothing, and who also runs craft workshop sessions for the public, based in a Harley Gallery workshop space.

After bringing her children up in the village in which she was born, a mother in her late thirties retrained as a jeweller at local colleges and university, and replaced part time office admin work running her own so far very successful start up business from her home. 'I would definitely class myself as a woman in enterprise'.

A woman retrained as an artist after bringing up children, and soon realised that her barn workshop had enormous potential. It now houses exhibitions, events and installations, workshops, a retail outlet, café and garden, which the proprietor combines with continuing practice as an artist, and some training and teaching.

A craft gallery run by the Leicestershire Rural Businesswoman of the Year 2006, who took over the established gallery in 2002 at the same time as having her first child: 'I started off as a creative person and then just joined the corporate treadmill. I decided to do something I had always wanted, which was to open a craft gallery'. She recently opened a second gallery, has ambitions for national recognition and is a repeat award winner for quality and service.

None of the female entrepreneurs had received substantial support specifically as women although one had a very helpful relationship with WIRE (Women in Rural Enterprise). Some had however made extensive use of available support and training for creative enterprise in the region, including from the Federation of Small Businesses, Focusing Creativity, the Design Factory, the LCB Depot in Leicester, Creative LeicesterShire, Arts Council East Midlands, Business Link and private sponsorship.

What may be significant is that three of these women entrepreneurs either combined running their businesses with bringing up children, or began entrepreneurial careers once their children were old enough. Small-scale rural enterprise may offer women returners and mothers the ability to work in the places that they live, and thus it may be valuable to support and encourage this pattern of re-skilling.

Young people: We came across little evidence on young people setting up rural enterprises, one designer who moved from an urban setting had previously had support from the Prince's Trust as a mature student of 27 (although when he lived in a city). The little evidence we did find was project in Derbyshire called the Gateway which is part of the Leader+³ project, it was set up to develop opportunities for communities and individuals in rural areas to take part in the arts by developing their own arts projects. This project partnered Youth Enterprise⁴ another Leader + programme, through this partnership a young mosaic workshop artist and a young theatre company were both supported to start creative businesses.

This lack of young entrepreneurs may itself be significant, suggesting that support for young entrepreneurs may be insufficiently focussed on rural opportunities, and that universities are insufficiently geared up to support and incubate new enterprise for their graduates in the rural hinterlands of the cities in which they operate.

3.5 Training and continuing professional development

Most of our interviewees were graduates, and had trained in their own creative specialism, or in PR, marketing or business management, often in a regional city university.

The two larger and more commercially focused businesses we spoke to both reported local skills shortage, which they overcame by recruiting through national specialist press, networks and agencies, by locating close to a number of urban areas to widen the employment pool, and by working in partnership with universities and work placement schemes. This was confirmed in interview with PERA who said that many of their clients found it difficult to recruit creative and technology skills, particularly in more remote parts of the region. Staff were less likely to want to relocate to an area with only one potential employer. It was felt that rural employers often paid a premium for high skill sets, but that rural companies often had a very loyal staff, with robust team spirit.

³ Leader+ Peak, Dales & Moorlands is a European Community Initiative worth £2.5million that is assisting rural communities to improve the quality of life and economic prosperity in their local area.

⁴ Youth Enterprise focuses on new business start-ups and offers encouragement and support to young entrepreneurs aged between 14 and 30. It hopes to counteract the increasing trend for young people to migrate to the adjoining urban centres to start their careers.

A web design and software company employing 34, often employs graduates from Stoke on Trent University, and uses specialist recruitment agencies. Staff often commute from nearby cities.

Work placements are one way that businesses can overcome local skills shortages, by converting students into employees. But support for work placements could also strengthen relationships between rural creative businesses and HEIs and give graduates valuable experience of the potential for working rurally.

We came upon several cases of people who had changed career direction, including a garden nursery owner whose business was losing money, diversified three years ago into developing a sculpture garden in order to boost sales, through a partnership with a local arts consultancy. The sculpture garden now breaks even, and the nursery will close this year in order to concentrate on the sculpture garden business. The owner had no training to support this change of direction, but has had some public sector support (from Business Link, and has applied to the Arts Council).

An office worker and mother retrained in her late thirties with an HND at Leicester College and then a degree at Loughborough University and is now working as a jeweller in her home in a Leicestershire village. She too has had public sector support and training since setting up.

... after serving in the armed forces for many years a couple returned to the UK looking for a change in career direction. Both decided to re-train and they have since built up a successful blacksmith's business in Lincolnshire that is able to combine their newly required skills.

A scientist who had always lived 'semi-rurally' who retrained as an artist, set up her own workspace and quickly diversified into providing a cultural destination, with gallery, retail, workshops, and café.

4 CREATIVE SUPPORT

4.1 Market Expansion

Most of the support agencies we talked to in the region agreed that generic business skills and specifically marketing skills were the most serious skills gap experienced by rural creative companies especially arts based and micro- enterprises. However the case studies that we interviewed seemed very able and successful at marketing their products and services, using a wide range of tools, and often had a wide marketing reach.

Across all types of businesses interviewed the geographic marketing reach was consistently high varying from about 10% of business national or international to about 90% national or international.

These businesses can be divided into those that are location specific (visitor dependent) and those who could operate from anywhere but chose to operate rurally. Clearly visitor destinations such as galleries and festivals have less potential for market expansion than those who can sell services and products globally, but what is clear is that both groups of businesses do substantial business outside the region and are ambitious to do more.

A craft gallery takes about 75% of its trade from regional audiences within a 30 mile radius, about 20% are national, and about 5% are international.

A music agency gains only about 5% of its clients locally, and 55% nationally or internationally.

A web design company with clients in most major UK cities, and 60% of business outside the East Midlands. They describe most of their competitors in the region as 'more focussed on a regional clientele'.

Tools for marketing varied according to business type: tourist and visitor destinations tended to be more reliant on print, brochures, press coverage, and where affordable, print advertising (often in county lifestyle glossies). But this group were increasingly using web marketing and were interested in extending this use. Other companies used internet marketing more fully, with targeted email and web showcasing common and web trading increasing (limited for some by lack of broadband). Some used sophisticated analysis of customer demographics, and more established businesses often had extensive customer databases to work from.

However, much more important than either of these was word of mouth, referrals, and repeat business. Nearly all those interviewed said that repeat business was a

huge element of their trade, and that relationships with audiences and customers were loyal and close, probably more so than their urban equivalents.

A craft gallery owner gets most of its business through word of mouth, as locals bring visitors who become regulars and bring more new trade in. Currently 10% of business is national or international.

A regional design company gets 90% of its business through recommendation, and has close relationships with a loose network of clients who may also become suppliers (and vice versa). It has a 90% successful tender ratio, as it rarely goes in cold, and built up some of this network through a very useful relationship with Business Link and specifically with the Smart programme.

A second important source of new trade, particularly for craft makers, is trade exhibitions and events, often international, sometimes regional.

These patterns of marketing suggest three areas of potentially useful support: financial and practical support for showcasing and exhibiting on a national and international basis; support for the acquisition of broadband and for extending the imaginative use of it; and strengthening linkages with tourism and heritage marketing on a local destination basis.

4.2 Broadband and new technologies

Broadband was described as crucial to all the businesses and support agencies we interviewed. It is difficult to tell if it is a more important tool than for urban businesses but given the reliance on virtual networking, difficulties with access to ready markets, and the sense of isolation, it is extremely likely.

Broadband is increasingly being used as a marketing tool and a trading tool: all the businesses have websites and all use them for marketing. Several already trade on the web, and more are actively interested in doing so, if they had the broadband capacity or the marketing and IT skills. Many are moving their sites into more sophisticated portal, showcasing and networking functions.

Broadband is also used by support agencies to allow distant access to their services, increasingly by larger organisations for recruitment, for multi-office communications, and in one case to enable virtual office admin to be done by freelancers in Gloucestershire.

A small recently set up craft-maker now has her own website, and hopes to sell on it soon, having taken internet marketing advice from the Design Factory.

An arts festival finds that its internet ticket sales volumes double year on year. It also uses broadband for communicating between its two offices, for research into funding and potential artists and for networking. 'Broadband is wonderful stuff – it changes your life'.

However, we came upon no evidence of any other new technologies being used such as electronic conferencing.

Several businesses use broadband in what they describe as 'predictable ways' but feel that they are failing to capitalise on its full potential, through lack of time and knowledge. One music venue would like to utilise YouTube.

Access to and predictability of broadband services is a concern for many. Where broadband has been only recently available it has been a 'god send and has affected the level at which I operate tremendously' and where it is still not available it is a great limitation on efficiency. Two businesses currently do not have full broadband.

An art gallery with only half broadband capacity is unable to provide access to archive collections, online selling or to Own Art loans, or to function effectively for office functions. They qualify for the local rural business broadband scheme but the suppliers cannot provide the facilities. Wireless is an option but would be extremely costly and involve costly alterations to the historic building. The inability to showcase a wide selection of work has an impact on the gallery's ability to support and develop local artists.

Despite overwhelming agreement on the necessity for broadband and access, the availability of broadband is not often a deciding factor in locating (see rural context above). However, there is some evidence that larger technology based companies relocating into rural settings will not do so without reliable access to broadband.

An industrial design company recently relocated from an urban setting to purpose built rural industrial buildings with full broadband and wireless facilities. This company does 90% of its communications electronically.

4.3 Cultural infrastructure

When we asked cultural businesses what their local networks and connections were they were more likely to cite tourism links or networks for small businesses or basic supplier networks than links with other cultural institutions.

A literary festival that depends on the tourism infrastructure of shops, cafes, venues.

A Derbyshire arts festival makes use of local designers, print, artists and has a close partnership with the local opera house.

An art gallery situated in a complex of related creative and cultural businesses finds it offers frequent opportunities for collaborative working.

There appears to be relatively little use of local showcasing opportunities: designers and makers made much more use of national and even international networks, exhibitions and press. However, there are some examples of helpful opportunities to showcase work in the region.

A jeweller based in Leicestershire who has exhibited at Leicester, Nottingham, Derby and the Harley Gallery.

The group of artist makers supported by the Nottinghamshire Collection have shown and sold at a range of local heritage destinations. However, a craft shop set up by this group at a local country house failed because it did not make enough profit, and group members could not spare the time to staff it.

Rural exhibition spaces such as the Harley Gallery and the Hub often have incubation or artisanal workspace attached. We did not interview any of the tenants of these spaces but it would be interesting to see in what ways locating at an exhibition space and a visitor destination has positive benefits for those micro-businesses.

There was little evidence of businesses selling direct to cultural organisations either in the region or more widely: from this limited set of studies it would appear that most designer makers sell to the public and not to other businesses. However, we did come across an arts consultancy business based in Rutland, who brokered commissions between artists and makers and blue chip companies.

There was no evidence that cultural businesses locate near to other cultural businesses intentionally in order to improve trade. Businesses tend to locate where their founders want to live. But once established businesses do benefit from proximity to other cultural and tourism businesses.

Overall the evidence from this group of case studies would suggest that opportunities for cultural organisations and creative businesses to benefit each other are relatively undeveloped and that scope exists to encourage more symbiotic relationships across the creative, cultural, heritage and tourism sectors.

4.4 Public Sector Interventions

Sector specific support: A large number of the businesses we interviewed used both generic and sector specific support services. The sector specific agencies men-

tioned included the Design Factory, LCSi, CIN (a Derby creative industries network), Creative Leicestershire, Arts & Business, the LCB Depot in Leicester, Arts Council East Midlands, and Focusing Creativity.

An arts festival recently got funding from the Arts Council to pay for organisational development. As a result they plan to separate the two main elements of their business, festival performances and the education and support of young musicians.

Generic support: support from generic sources included Business Link, the Chamber of Commerce, the Federation of Small Businesses, local authorities (for generic courses), district councils (for small scale funding), EMDA, local university business development programmes, Women in Rural Enterprise, and the Princes' Trust. Business advice from Business Links is not greatly valued ('adequate, not amazing', and 'not life-changing') but the ability of Business Links to refer clients to businesses was mentioned several times and seems to be on occasion a highly useful resource.

Private sector support: several businesses found the most useful source of generic business support was from the private sector, the bank, accountant or business consultancy: 'the best business advice has been from our accountant'.

An industrial design company have had extremely useful referrals from Business Link in the past via initiatives like the Smart Awards, but have found most recently that the intensive support of a private business adviser has enabled them to feel confident about hitting their target of quadrupling turnover: 'there has been a hole in our skills base, knowledge base and understanding but now we are getting to grips with it'.

Local authority support: support from district and county councils appears to be extremely variable: several businesses reported that they did not know who their arts officer was, or that the post was vacant, or that they had contacted the district council but not received any help. Several said that they felt their district council was not particularly interested or knowledgeable about the potential of creative businesses. One interviewee, a community arts officer who runs a writing festival said 'there is currently an intangible essence of people out there doing things, and I have argued the need to invest in the sector. This area is never going to support the manufacture of widgets, but the creative industries could come to a place like ours. But at the moment I am a bit of a lone voice'.

Types of support: we interviewed several sector specific support agencies across the region: the Nottinghamshire Collection, Creative Leicestershire, Creative Connections, Focusing Creativity and Greenhouse. Some had a solely rural remit and

others included urban areas; and some focussed on artists and makers, while others covered the whole DCMS creative industries spectrum. However, the types of support they offered were broadly similar, encompassing small grants or bursaries, opportunities to network, training, mentoring and one-to-one support, business advice and opportunities to showcase either physically or virtually.

For most, generic skills were the most crucial, and particularly marketing and branding. Business skills are needed at a most basic level, as well as more sophisticated business development for more established businesses, and networking is seen as a widespread need. Several gave grants for capital equipment and to enable exhibiting.

An evaluation report for Creative LeicesterShire (November 2006) and an internal interim progress report for LCSi (May 2007), both suggest that their services were highly valued by participants and that participants in both projects had experienced substantial increases in turnover over the period of involvement. Other interesting indicators from these reports suggest that Creative LeicesterShire is enabling a more strategic approach to the sector in the county, and that LCSi are beginning to build a creative industries supply chain within Lincolnshire. What seems to be most valued is the bespoke one-to-one nature of the services, and for Creative LeicesterShire, the online support mechanisms delivered by web site and E-bulletin.

4.5 Mature Businesses

We do not have sufficient evidence on mature businesses to come to conclusions about how such businesses establish and flourish, and how younger businesses can learn from their development. We are aware of businesses such as Rare, a flourishing computer games business started in a small market town in Leicestershire in 1977, recently bought out by Microsoft, and now located in a custom-built multi-million pound development in the Leicestershire countryside. The long-established companies we were able to talk to are so very diverse that no clear pattern emerges.

However, the success of companies as diverse and long-standing as Rare, the Rufford Gallery in Nottinghamshire, and the Buxton Opera Festival suggest that long term support and nurturing are necessary to ensure not only a healthy start up rate but a strong long-term survival rate.

APPENDICES

Appendix 1: Methodology

As part of the research commissioned by Culture East Midlands and East Midlands Regional Development Agency (EMDA), BOP has undertaken 26 interviews which were evenly distributed across the region. These interviews have helped develop 14 thematic case studies in order to develop an understanding of the development of different kinds of creative businesses in rural areas.

The steering group members each produced a list of contacts and then became responsible for brokering relationship between BOP and the individuals/organisations. All interviews were then completed via phone, using the agreed questionnaire (see below). BOP then produced a document that analysed the thematic spread of the interviews to ensure enough evidence was being collected for each theme.

We were able to find sufficient evidence in all themes apart from 'Creativity in Other Sectors' (as originally discussed with the steering group), however we were able to develop a theme around re-training and up-skilling in its' place. The case study themes are as follows:

- Graduate retention
- Attracting incomers
- Proximity
- Tourism related
- Market towns
- Mature Businesses
- Rural Context
- Networks and Showcasing
- Cultural infrastructure
- Young people in enterprise
- Women in enterprise
- ICT/Broadband
- Public Sector Interventions
- Retraining /Up-skilling
- Market Expansion

Appendix 2: Case Study Questionnaire

Introduction

The case studies will be used to gather information from creative industries businesses in the rural areas of the East Midlands. The information will be categorised and analysed to bring together the qualitative evidence to illustrate and augment the findings from the quantitative research. The findings from the case studies are designed to:

- Engage key players using local 'stories'/evidence
- Illustrate the different business models and how they address success and barriers to growth
- Position the creative industries within wider framework linked to wider cultural, social and economic issues

Headlines from the quantitative research (so far – more analysis is underway) between 2001 and 2005 there was a significant growth in creative industries employment in rural areas of East Midlands particular in audio-visual and visual arts

- Growth in businesses is also strong – visual arts businesses grew by something nearer 50%
- There was growth in both employment and the number of businesses in all the sub-regions/county areas

These are interesting and positive findings and now we need to talk to you about your business. The interview will take about 30minutes.

Company Background

1. Could you confirm your name, job title, and what your organisation/company does? (vision/objectives)
2. In what year did you start trading? Is it the same as when the company first formed?
3. What is your professional background? (Probe if necessary to identify characteristics including graduate, young enterprise, women in enterprise?)
4. How many staff do you employ? (Split between FT/PT)
5. Do you work with freelancers, sub-contractors, temporary staff? How many/ often?
6. How do you recruit and does this include local graduates?

Rural Context

7. Have you always worked in a rural location?
 - (If no, what attracted you to working rurally? / could you have set up without existing networks?) - in-migration
 - (If yes, how have you built up your networks, what keeps you in a rural location?)
8. What are the benefits and weaknesses of working rurally?
9. What is your knowledge of other creative businesses in your area?
10. Do you have access to broadband? (if so, do you trade on the www?)
11. What part does technology (broadband/telephone conferencing) play in allowing you to operate in a rural context?

The Market

12. In terms of percentage breakdown could you tell me where you get most of your business from? (Locally, regionally, nationally, internationally) –
13. Is it crucial for your business to be in close proximity to a market town or urban area?
14. How do you exhibit/showcase/sell your work? (Locally, regionally, nationally, internationally)
15. How do you form your business relationships? (Is it repeat trade or one-off)
16. Do you belong to any trade association or networks? (If so, which ones and how important are they to your business?)
17. Would you say your business is seasonal? (e.g. is it driven by tourism/Xmas trade)

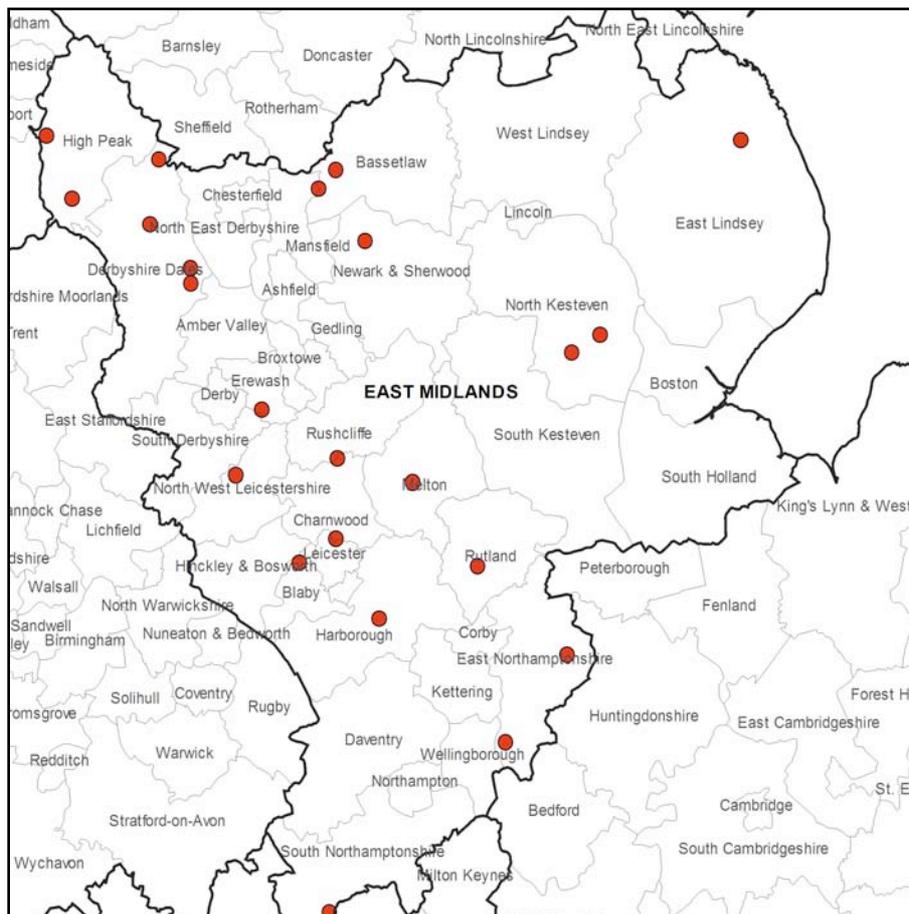
Support

18. What contact have you ever had with your local council? (Planning Dept, Licensing, Financial help, etc)
19. Have you ever received any business support or advice? (e.g. Business Link) was this useful?
20. Do you rent space for your business locally? (if yes, is this publicly owned, privately owned or subsidised?). Also note homeworkers
21. Is there sufficient workspace for creative businesses in your area? (Has there been any development linked to regeneration projects, use of farm buildings or specific creative industries initiatives?)
22. Have you ever worked with Universities or Colleges i.e. supporting work placements?

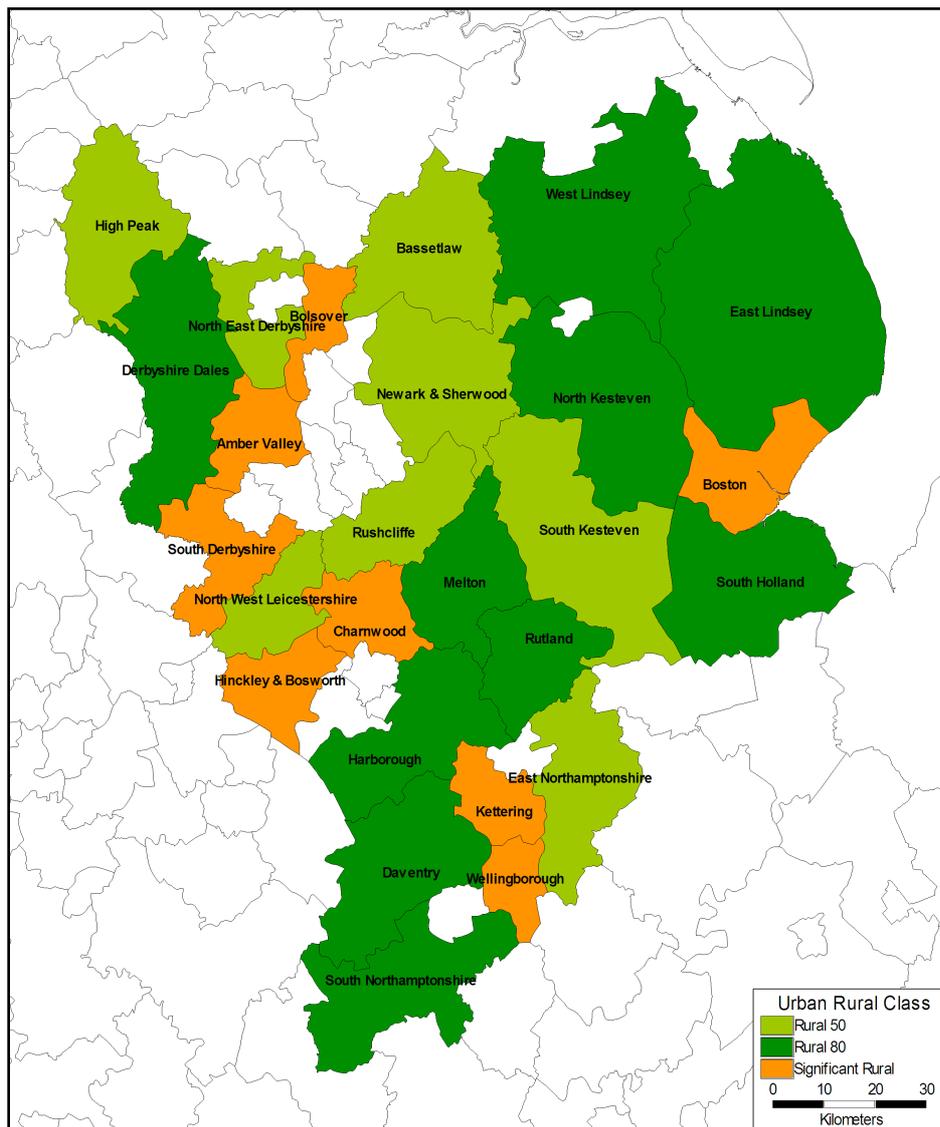
Future

23. What do you see as your main needs for your development?
24. What do you see as your main goals for the next 5 years?
25. What are the main factors hold you back in achieving your goals?
26. What would you like to see happen in the future of the rural creative industries?
27. Would you be interested in hearing/seeing the results of this study? Y/N

Appendix 3: Geographical Spread of Interviews Map



The Rural East Midlands



Rural districts of the East Midlands

This study concerns local authority districts of the East Midlands English region which are categorised in one of the three most rural classes in the Department for Environment, Food and Rural Affairs (DEFRA) Classification Of Local Authority Districts And Unitary Authorities in England, 2005. These are indicated on the map above. The three classes are:

- **Rural 80:** districts with at least 80% of their population in rural settlements and larger market towns
- **Rural 50:** districts with between 50% and 80% of their population in such settlements
- **Significant Rural:** districts with more than 37,000 and at least 26% of their population in such towns; a mixed urban/rural category.

