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Mapping the Creative Industries in the West of England

Final Report

November 2007

Burns Owens Partnership Ltd with Jules Channer

Acknowledgements

Burns Owens Partnership Ltd and Jules Channer would like to thank the commissioning partners, the project steering group and all those we consulted for their time and input into this research.

Contents

1 Executive Summary

Burns Owens Partnership (BOP) was commissioned by a consortium of local authorities and public-sector bodies in the West of England to map the creative industries across the four local authority districts – the City of Bristol, Bath and North East Somerset, South Gloucestershire, and North Somerset – that make up the sub-region. This project came about in response to a perceived gap in recent research on the creative industries in the South West.

This report begins with an initial review of the existing literature and its context, before turning to a statistical analysis of the data, which was carried out using Experian's National Business Database (NBD) and the Office for National Statistics' (ONS) Annual Business Inquiry (ABI). By using two sources we were able to produce weightings which allow for a more accurate assessment of the size and type of creative industries in the area.

Main findings:

- There were 26,600 people employed in the creative industries in the West of England in 2005, in 4,900 business units (ABI).
- Creative industries account for 12% of all businesses and 5% of all employment in the West of England.
- The largest domain in employment terms is Audio-visual, which constitutes half of all creative industry jobs. It is followed by Books & Press with 29%, Visual Arts and Design with 18%, and Performance, with 3%.
- Creative industries employment grew by 3% while the number of businesses expanded by around 6% over the four years from 2001 to 2005.
- However, the creative industries' share of the economy as a whole declined fractionally; in other words, they grew more slowly than the whole economy.

More detailed breakdowns for the four local authorities showed that net growth is taking place in just one local authority: South Gloucestershire. Much of that district's expansion seems to be occurring in Bristol's northern and eastern fringes, which spill across the city's administrative boundaries. In particular, there is a noticeable cluster where the M4 and M5 intersect, around the Cribbs Causeway shopping centre and the Aztec West business park. The other three areas – the City of Bristol, Bath and NE Somerset, and North Somerset – have seen falls in creative industry employment levels over the four years.

The primary reason for this is evident from the analysis of the domains. Books & Press is seeing significant declines in both employment and business numbers across most of the sub-region. This chimes with the national trend and is likely to be influenced by the loss of jobs in large printing companies. It is a particular problem for Bath and NE Somerset, where Books & Press is the largest domain.

This decline has only partially been offset by growth in other sub-sectors. The largest of the four domains in the West of England as a whole is Audio-visual (including computer

software), which accounts for half of all creative industry jobs and which has grown by 3% from 2001 to 2005. Even here, though, the pattern is mixed. Such employment is declining in the City of Bristol and North Somerset, but rising sharply in South Gloucestershire, where it now constitutes almost two-thirds of creative industries employment. The only domain to be growing in all four authorities is Visual Arts & Design. The most dramatic growth in this sub-sector has again been seen in South Gloucestershire, where such employment has risen by 56% between 2001 and 2005. Performance, the smallest of the domains, is struggling, although there is a bright spot: North Somerset has seen employment in Performing arts expand by 54% from a low base.

Comparisons with sub-regional averages suggest that the Audio-visual domain is particularly strong in Bristol and South Gloucestershire. The reasons for this differ: Bristol has a relatively diverse sector with strengths in broadcasting and other media, while South Gloucestershire's success is very much driven by the computer software sector. Books & Press is disproportionately important in Bath and North East Somerset, while North Somerset's relative strength lies in Visual Arts & Design.

The scope for analysing individual creative industries based on Standard Industrial Classification (SIC) codes is limited by statistical reliability and confidentiality constraints. Many SIC codes cover only small numbers of businesses and staff, especially at local authority level. Drawing firm conclusions or trying to project trends at this scale from just two years' data would be unwise. Even with these caveats, though, we can make some observations about specific sub sectors. It is clear that 'Software Consultancy and Supply' is the largest of them in all four authorities, both in terms of jobs and businesses. Publishing and printing sectors are important employers, but there is some evidence that their profile is changing. Printing and 'other publishing' codes are declining, but publishing of books, newspapers and magazines seem to be holding their own.

We conducted a series of phone and email interviews with representatives of business networks and support organisations (see Appendix 1) to ascertain the strengths and weaknesses of business support structures in the West of England. Four topics came up repeatedly as areas of particular concern: promoting businesses outside the sub-region (access to markets), providing more suitable and varied workspaces, attracting and retaining talent, and improving the business and management skills of creative industry workers.

Finally, we combined the results of the mapping exercise with the insights gained from the literature review and interviews to produce a number of recommendations for the partners. These are described in Section 6 of the report.

2 Introduction

2.1 BOP's Brief

BOP Ltd was commissioned by an Arts Council England South West partnership group to map the creative industries in the West of England sub-region. This group comprises Bristol City Council, Bath and North East Somerset Council, South Gloucestershire Council, North Somerset Council, South West Screen, Culture South West, the South West Regional Development Agency (SWRDA) and the West of England Partnership. There were a number of stages to this process: a review of the existing literature and policy documents, primary statistical research to provide a comprehensive analysis of the industries, and interviews with people who work in or with the creative industries. These steps were designed to give a clear picture of the nature and shape of the industries and the challenges they face.

While this data analysis was the principal focus of the report, it was also agreed with the partners to make a series of outline recommendations on business support, using the report's research as an evidence base. These were intended to act as a spur for more detailed thinking on the subject.

2.2 The Creative Industries in the West of England: Background and Context

The creative industries have come to prominence in recent years as their contribution to the national economy has been recognised as a possible cluster of excellence among Britain's industrial sectors. Although definitions of the industries vary, one widely cited estimate suggests that they accounted for a million jobs in the UK in 2005 (just under 3% of total employment) and 121,900 businesses – 7% of the country's total[1]. They have become a focus of government attention, from Chris Smith's 'Creative Britain' report in 1997, to the appointment of the first creative industries minister, James Purnell, in 2005. This interest has been sustained – a new Green Paper on the creative economy is due in late 2007 – and the government has declared that Britain could become the world's 'creative hub'. Whatever the plausibility of this vision, it has helped to trigger a wave of research into these industries across the country. This section provides an overview of the existing literature on the subject in the West of England, and draws attention to some of the issues affecting the sectors and local authority districts with which our report is concerned.

The West of England sub-region consists of four local authority districts: Bristol City Council, Bath and North-East Somerset, North Somerset, and South Gloucestershire. Just under one million people lived in the sub-region in 2001, but it is dominated by Bristol, the suburbs of which spill across the city's administrative boundaries into the other authorities. The Bristol urban area as a whole was home to some 550,000 people

[1] Work Foundation (2007) *Staying ahead: the economic performance of the UK's creative industries*

in 2001[2]. (We will also refer to this as greater Bristol in this report.) Bath and Weston-Super-Mare are the other major population centres in the area, with around 90,000 and 70,000 people respectively.

The creative industries were named as a priority in the South West's current Regional Economic Strategy and have also been the subject of a separate strategy document from SWRDA this year[3]. Considerable research has already been carried out into these industries in the South West of England (some of it by BOP), but this work has tended to focus either on the region as a whole or on individual counties, including Cornwall, Devon and Gloucestershire. Arts Council England SW has identified a gap in creative industries research with regard to the West of England sub-region, and has commissioned BOP to remedy this.

Given this gap, perhaps the best place to start in reviewing the existing literature is with the *Regional Mapping and Economic Impact Study of the Creative Industries in the South West*, conducted by BOP and the University of Leeds in 2004[4] for SWRDA and Culture South West. The report examined the creative industries using definitions drawn from the *Regional Cultural Data Framework.* This was developed for the Department for Culture Media and Sport (DCMS) and was the forerunner of the Data Evidence Toolkit (DET), which is used as the basis for this study. The 2004 study identifies four sub-groups, or domains, within the sector: Audio-visual, Books & Press, Performance, and Visual Arts. The key findings included:

- Almost 90% of creative industries businesses in the region were micro-businesses – the same proportion as nationally.
- More than a third (34%) of people were self-employed, a high proportion by national standards.
- Some businesses had grown in the four years under review (1998 to 2002) from micro- to small businesses.
- Employment patterns were shifting away from the making of creative products towards their retail and exhibition.
- The Audio-visual sector was the most significant in terms of economic performance and wealth generation, but was also the most volatile.
- Books & Press was the largest employer of the four domains but has a low profile within creative industries work.
- Both Performance and Visual Arts showed steady employment growth, and generated surprisingly high levels of Gross Value Added (GVA).

[2] The ONS introduced a new unit in its analysis of the 2001 census: the urban area, which aimed to capture the sprawling nature of many towns and cities. The Bristol urban area incorporates Bristol itself, Kingswood and Mangotsfield, and had a total population of 551,066 in that year.
[3] SWRDA (2007) *Creative Industries Strategy: Unlocking the creative business potential of the South West*
[4] Burns Owens Partnership and the School of Performance and Cultural Industries, University of Leeds (2004) *Regional Mapping and Economic Impact Study of the Creative Industries: Summary and Key Observations Paper* Culture South West

The *Regional Mapping* report estimated that in 2002 the creative industries provided direct employment for 89,000 people in the South West – 59,000 as employees, and nearly 30,000 as self-employed workers. This equated to 3.6% of the total workforce in the region, with the largest concentration of these found in the West of England.

The profile of the creative industries in the South West was encouraging. Many of the businesses were young and originated in the region. The rate of such business formation was high and the large majority were in the private sector – valuable in an area which has been dependent in recent years on the public sector for its employment growth. However, other studies have come up with different estimates of the size and scope of creative industries in the South West and the West of England. A calculation for the South West in 2003 using a revised DCMS definition, for example, produced an estimate of 55,000[5], while a recent Sector Profile of the creative industries in Bath and North East Somerset[6], drawing on ABI figures for 2004, suggested 8% of residents in the West of England worked in the sector, a rate that rose to 10% in Bath itself.

Recent internal research by Bristol City Council[7] (2007) also drew on ABI data to estimate employment levels in the creative industries in 2005 as follows:

Bristol	9,000
Bath and North East Somerset	4,000
North Somerset	1,600
South Gloucestershire	4,500

Gauging the overall size of the creative industries is not straightforward. Different studies have used different definitions, and the small size of many of the industry sub-groups in local authority areas raises questions of statistical reliability. We have tried to tackle this, as the section on methodology makes clear, by following the DET as far as possible and consolidating SIC codes into broader 'domains'.

While this addresses the lack of quantitative data on the creative industries in the West of England, the report also sets out to identify the challenges and opportunities facing the industries. For this, a more qualitative approach is necessary. We have chosen to conduct a series of phone and email interviews to do this, but we were able to build on a number of earlier studies of the sub-region, especially in Bristol. Although Bath has a number of significant creative businesses, including Future Publishing, a major magazine publisher, Bristol is the dominant location for creative industries employment in the sub-region. This is particularly so given that the city's northern and eastern fringes stretch into South Gloucestershire. Notable businesses in this greater Bristol include the BBC's Natural History unit, Aardman Animation, and Endemol West, an independent television production company. The city also has a number of important arts venues, including the Arnolfini art gallery, the Watershed Media Centre and Colston Hall.

It has often been assumed that the creative industries are a particular strength of Bristol's, with workers being attracted by the city's relaxed way of life. The BOP *Regional Mapping* report (2004) found that Bristol was maintaining its strong position and its

[5] South West Regional Development Agency (2006) Economics Review issue 4 second quarter, May
[6] Jenner, K. (2006) *Creative Industries Sector Profile: Bath and North East Somerset*
[7] Usmar,S. (2007) Unpublished statistical analysis of the Creative Industries Sector for Bristol City Council

relative degree of specialisation in this sector compared with the other seven Core Cities in England. It indicated that, in 2002, Bristol had a higher location quotient for creative industries than any of the other cities except Manchester. In other words, there was a higher concentration of creative industries businesses in Bristol than was 'normal' for the eight core cities. In some fields in particular the city does very well. SWRDA's Creative Industry Strategy quotes Broadcast magazine as saying that "In broadcast terms Bristol punches far above its weight" (p3). In 2006 Aardman Animation was the largest regional independent production company in the country by turnover.

However, the picture for the creative industries is not entirely rosy, as Bristol City Council acknowledged in its creative industries strategy, launched in 2005[8]. Although the strategy is optimistic about the role and prospects of the creative industries in the city, and also highlights their potential secondary benefits, such as boosting tourism and helping to improve community cohesion, it accepts that the sector has particular characteristics which may be holding it back. The vast majority of firms are very small – often sole traders – and "many creative practitioners do not see themselves as businesses in the traditional sense of the word" (p13). There is a widespread lack of managerial and entrepreneurial skills, but also a reluctance to access existing business support services, while a shortage of suitable workspaces is also an issue. One consequence of all this is that "export activity, and indeed market development beyond the local/regional, is poor" (p13).

Other sources reinforce this analysis. An audit by BEST[9] in Bristol's inner city found that many "people in the arts don't have confidence in their own skills and experience of business and financial management" (p9) and indeed that many of them had little intention of expanding their businesses or of recruiting additional staff. It also noted that only a quarter of those it surveyed made all their income from their creative business.

The creative industries in the other three authorities also face challenges and opportunities. In Bath, the creative sector has the opportunity to build on the possibilities presented by tourism's central role in the local economy – the city is a World Heritage Site. Large numbers of affluent tourists should mean that Bath can support a much bigger creative sector than most towns of its size. The *Creative Industries Sector Profile*[10] suggested the sector could have an important role in strengthening and modernising Bath's cultural 'offer' to its visitors, but the buoyancy of tourism and strict planning regulations means that competition for business premises may be tougher.

For South Gloucestershire and North Somerset the issues revolve to a large extent around their relationship with Bristol. A significant proportion of these districts' populations live in Bristol's suburban and commuter belts. Sub-regional arrangements such as the West of England Partnership are a recognition of this reality, but there is also a need to balance the unarguable influence of the city of Bristol on the economy of its neighbours with the needs of the other districts' more outlying, rural businesses.

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[8] Bristol City Council (2005) *The New Energy: Creative Industries Strategy for Bristol,* Bristol City Council, Bristol

[9] Bristol East Side Traders (2003) *Creative Industries Audit: supporting the Creative Industries in Bristol's inner city*

[10] *Bath and NE Somerset Sector Profile: Creative Industries* (2006)

2.3 Structure of the Report

This short literature review has raised a number of topics for this report to address. We begin this process in Section 3 with a statistical mapping exercise for the West of England as a whole and each of its four constituent authorities. In Section 4 we summarise the responses from our interviews on business support structures in the sub-region, and use these as the basis for a SWOT analysis in Section 5. All three of these elements – the data analysis, the interviews and the SWOT – are then brought together to help determine our recommendations to the partners in Section 6.

3 Statistical Mapping

3.1 Introduction

The statistical mapping is the main section of this report. We begin with a description of our methodology. Next, there is a summary of the main findings to provide an overview of the research. This is followed by a more detailed analysis, starting with an examination of the West of England's creative industries as a whole by domain and SIC code, and then the four constituent local authorities – the City of Bristol, Bath and NE Somerset, South Gloucestershire and North Somerset – in turn. This gives us an idea of the local strengths of each area's creative sector. We also consider the role the computer software sector plays in the apparent success of the Audio-visual domain. After this, we look at an alternative measure of strong employment sectors derived from Experian data, before going on to map the geography of creative businesses in the West of England.

The next phase of the research is to explore different aspects of the structure of creative businesses in the sub-region, to gain a sense of their size and dynamism. We start with an analysis of the turnover and GVA data. This leads into an examination of company size and a discussion of the importance of sole traders to this sector. We conclude with a model of the production chain which allows us to explore the type of work done by local firms.

3.2 Methodology

The methodology is based on the DCMS's Data Evidence Toolkit's (DET) definition of creative industries, which provides Standard Industrial Classification (SIC) codes for each creative industries sub-sector across the whole production chain. Individual SIC codes are often too small and too affected by problems of statistical reliability and confidentiality to be usable on their own in this kind of analysis. Aggregating them into broader domains allows for greater confidence in our results. The SIC codes are organised into four 'domains', shown below:

Audio-visual (AV)	Books & Press (BP)
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, mobile etc) Computer software	Publishing (books, magazines, newspapers) Literature Printing
Performance (P)	**Visual Art & Design (VA)**
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

These definitions enable us to interrogate data from the ONS Annual Business Inquiry (ABI) to determine the size of the domain in each of the local authority districts, both in terms of employment and numbers of businesses. However, there is one major difficulty with using the DET. Some of the SIC codes included within its definitions do not exclusively relate to creative industry activities. Our solution is to use Experian data to determine appropriate weightings for these codes, allowing the 'non-creative' industries to be filtered out. A fuller discussion of this methodology is included in Appendix 2.

The remainder of our analyses are derived from the Experian dataset. While this differs from the ABI in certain respects and hence is not directly comparable, it does give indicative snapshots which enrich our understanding of the creative industries in the West of England.

3.3 Main Findings

The main findings from our research are as follows:

- There were 26,600 people employed in the creative industries in the West of England in 2005, in 4,900 business units (ABI).
- Creative industries accounted for 12% of all businesses and 5% of all employment in the West of England.
- The largest domain in employment terms was Audio-visual, which constitutes half of all creative industry jobs. It was followed by Books & Press with 29%, Visual Arts and Design with 18%, and Performance, with 3%.
- Creative industry employment grew by 3% while the number of businesses expanded by around 6% over the four years from 2001 to 2005.
- However, the creative industries' share of the economy as a whole declined fractionally; in other words, they grew more slowly than the whole economy.

More detailed breakdowns for the four local authorities showed that net growth took place in just one local authority: South Gloucestershire. Much of that district's expansion seems to have occurred in Bristol's northern and eastern fringes, which spill across the city's administrative boundaries. In particular, there is a noticeable cluster where the M4 and M5 intersect, around the Cribbs Causeway shopping centre and the Aztec West business park. The other three areas – the City of Bristol, Bath and NE Somerset, and North Somerset – saw small falls in creative industry employment levels over the four years.

The primary reason for this can be seen in the analysis of the domains. There were significant declines in Books & Press in both employment and business numbers across most of the sub-region. This fits in with the national trend and is likely to have been influenced by the loss of jobs in large printing companies. It is a particular problem for Bath and NE Somerset, where Books & Press was the largest domain.

This decline was only partially offset by growth in other sub-sectors. The largest of the four domains in the West of England as a whole was Audio-visual (including computer software), which accounted for half of all creative industry jobs and which grew by 3% from 2001 to 2005. Even here, though, the pattern was mixed. Such employment declined in the City of Bristol and North Somerset, but rose sharply in South Gloucestershire, where it constituted almost two-thirds of creative industries employment by 2005. The only domain which grew in all four authorities was Visual Arts & Design. The most dramatic growth in this sub-sector was again in South Gloucestershire, where employment rose by 56% between 2001 and 2005. Performance, the smallest of the domains, struggled, although even here there was a bright spot: North Somerset saw employment in Performance expand by 54%, albeit from a low base.

Comparisons with sub-regional averages suggest that the Audio-visual domain is particularly strong in the city of Bristol and South Gloucestershire. The reasons for this differ: Bristol has a relatively diverse sector with strengths in broadcasting and other media, while South Gloucestershire's success is very much driven by the computer software sector. Books & Press is disproportionately important in Bath and NE Somerset, while North Somerset's relative strength lies in Visual Arts & Design.

3.4 West of England

Audio-visual was the largest of the four domains in the sub-region as a whole, accounting for 50% of all jobs and 46% of all businesses in 2005. The computer software sector was a significant part of this. The domain grew slowly – Audio-visual jobs grew by 3% and the number of businesses by 9% from 2001-2005. The fastest growing domain, however, was Visual Arts & Design, where jobs increased by a quarter and the number of businesses by 13%. By 2005, this domain made up 18% of employment and 33% of firms in the creative industries. By contrast, Books & Press saw both employment and company numbers decline by 8%, although this still amounted to 29% of jobs and 14% of businesses in the creative industries sector in 2005. These figures suggest Books & Press firms are relatively large. There was little growth in Performance employment – it rose by just 1% – and business unit numbers fell by 7%. Performance accounted for only 3% of creative industry jobs and 7% of firms in the west of England in 2005.

Figure 1

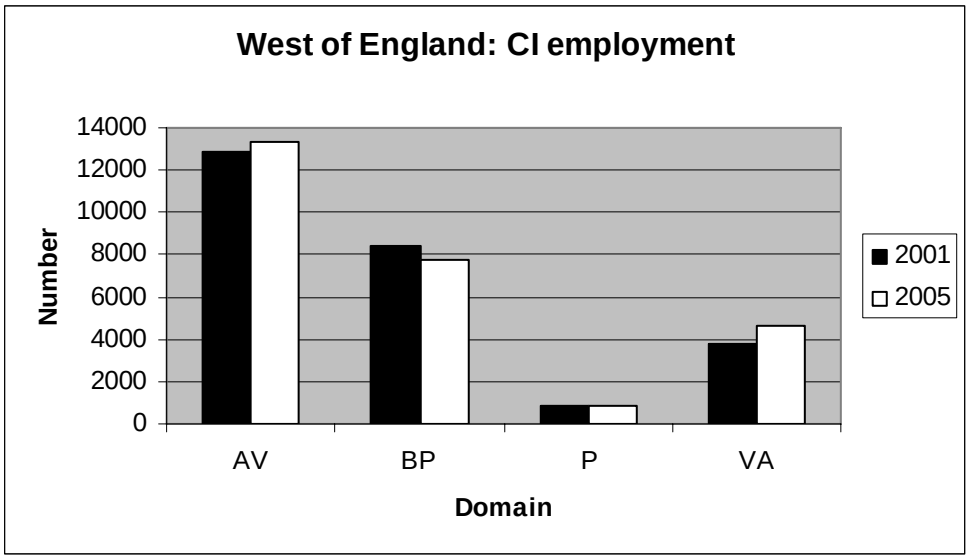
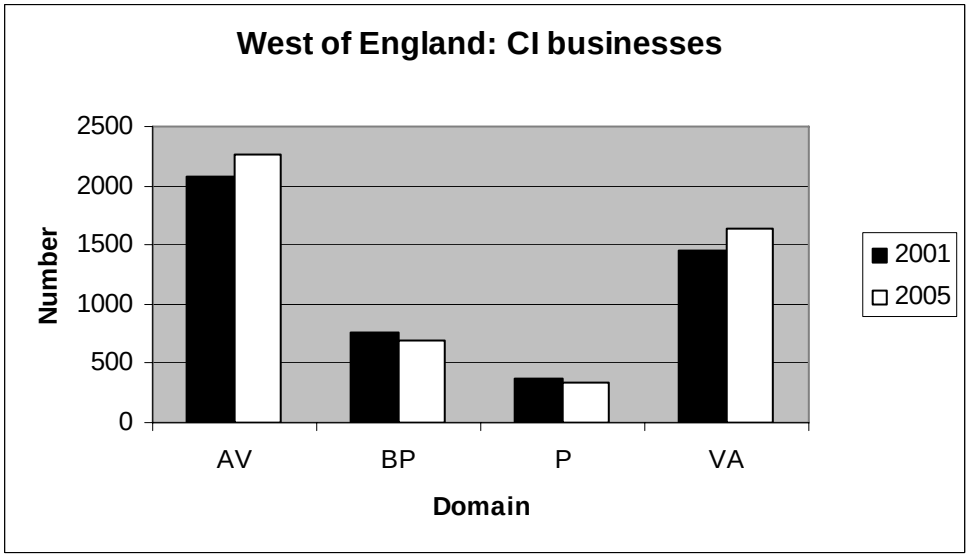


Figure 2



Sub-sectors

The scope for analysing individual creative industries sectors based on their SIC codes is limited by statistical reliability and confidentiality constraints. Many SIC codes cover only small numbers of businesses and staff, especially at local authority level. Drawing firm conclusions or trying to project trends at this scale from just two years' data would be unwise. Even with these caveats, we can draw some conclusions about specific sub-sectors. It is clear that 'Software Consultancy and Supply' is the largest of them in all four authorities, both in terms of jobs and businesses. Publishing and printing are important employers, but there is some evidence that their profile is changing. Printing and 'other publishing' SIC codes show declining employment, but publishing of books, newspapers and magazines seem to be holding their own.

See Appendix 7 to compare these statistics for the West of England with research on creative industries in the UK, other regions and other parts of the South West.

We now turn to each of the four constituent local authorities in turn.

3.5 City of Bristol

There were 12,300 people employed in creative industries in Bristol in 2005, in 2,100 businesses. The city of Bristol accounted for 46% of creative industry jobs and 42% of creative industries businesses in the West of England. Creative industries made up 12% of all businesses and 5% of all jobs in the city. However, there was a marginal decline in employment and business numbers over the four years: both fell by around 1%.

The Audio-visual domain accounted for 57% of creative industries jobs and 48% of companies in Bristol but, while the number of firms was unchanged, the number of AV jobs fell by 6% from 2001 to 2005. Nevertheless, these levels are still higher than the sub-regional average. The Books & Press and Performance domains made little progress. Books & Press employment was static over the four years, and business numbers fell by 8%. The domain accounted for 27% of creative industries jobs and 15% of firms in 2005. Jobs in Performance decreased by 2% from 2001 to 2005, while business unit numbers fell by 7%. The domain has just 4% of the employment and 8% of the firms in Bristol's creative industries.

The only domain to show significant growth was Visual Arts & Design, where jobs rose by 14% and business numbers grew by 5% in the four years. Despite this, its share of the city's creative industry sector as a whole – 16% of jobs, 29% of firms – was still a little below the sub-regional average.

Figure 3

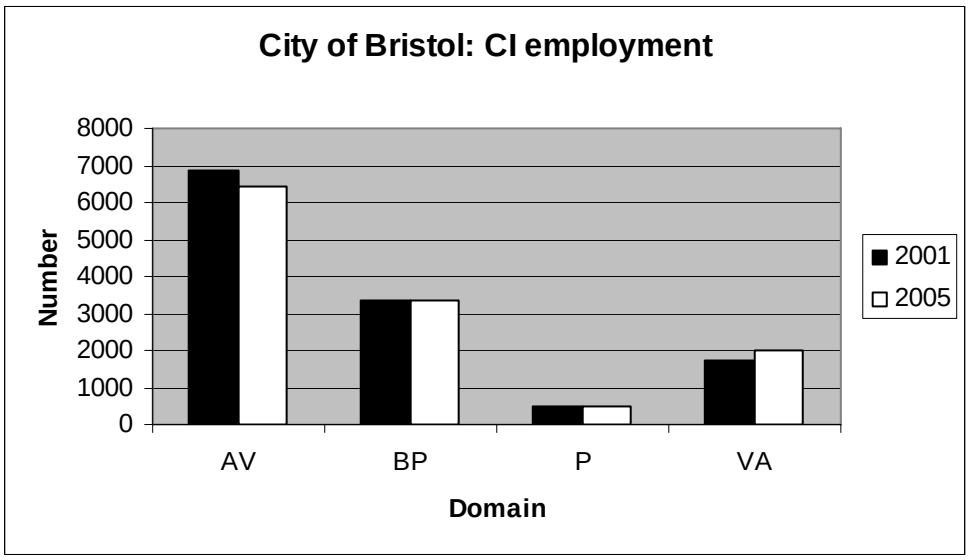
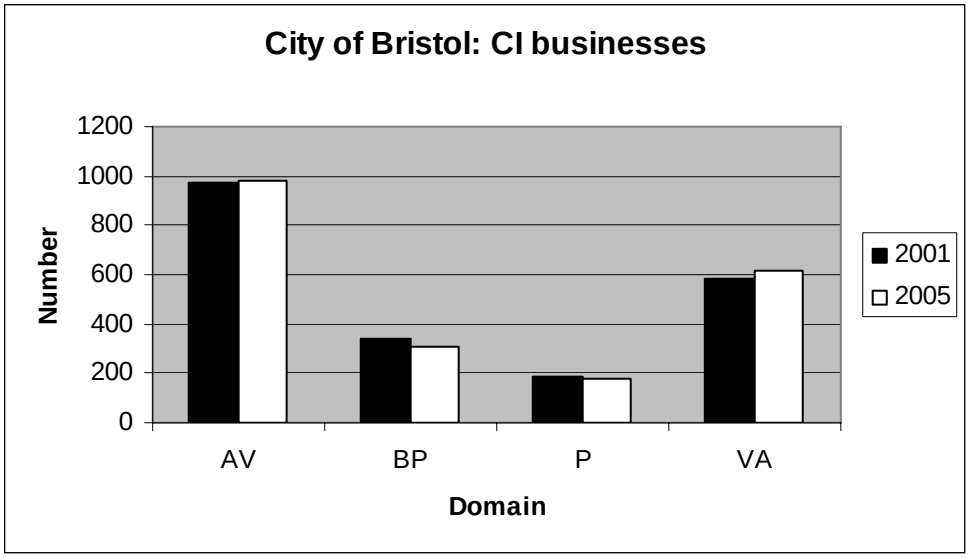


Figure 4



Sub Sectors

Turning to specific sub-sectors, as indicated by individual SIC codes, the largest numbers of businesses and employees in the city of Bristol are found in the 'Software Consultancy and Supply' sector. In 2005, 2,600 people worked in this field, an 11% increase over the four years. 'Radio and TV activities' was the second largest employer by SIC code, with 1,500 people – a 3% increase since 2001. Third largest was 'Advertising', but the numbers employed here have fallen by 37% over the period, to 1,000.

3.6 Bath and NE Somerset

This local authority accounted for some 22% of creative industry jobs and 23% of businesses in the sub-region. The creative industries made up 7% of jobs and 14% of firms in the local authority, the highest percentages in the West of England. In all, 5,800 people were employed in creative industries in 2005 in the district, in 1,100 businesses.

Creative industry employment fell by 4% overall in Bath and NE Somerset between 2001 and 2005, although business unit numbers rose by 10%. The domains have had mixed fortunes over the four years. Audio-visual saw jobs increase by 21% and business numbers grow by 19%, but is still somewhat smaller than the West of England average. In Bath and NE Somerset, AV accounted for 36% of the creative industries employment and 40% of its firms in 2005. Visual Arts & Design also saw strong growth: both employment and firm numbers expanded by 14%. The domain is now responsible for 17% of creative industries jobs and 35% of businesses in the area. However, these good figures were offset by weaknesses in the largest domain, Books & Press. This recorded a 21% drop in employment and a 6% decline in the number of firms from 2001 to 2005. Despite this, the domain still accounted for 43% of creative industries employment and 17% of businesses in Bath and NE Somerset, well above the sub-regional average.

Performance is a much smaller domain, but has also been struggling. Jobs have declined by 10% and businesses by 9% over the four years, leaving it with just 3% of creative industries employment and 8% of firms in the local authority district.

Figure 5

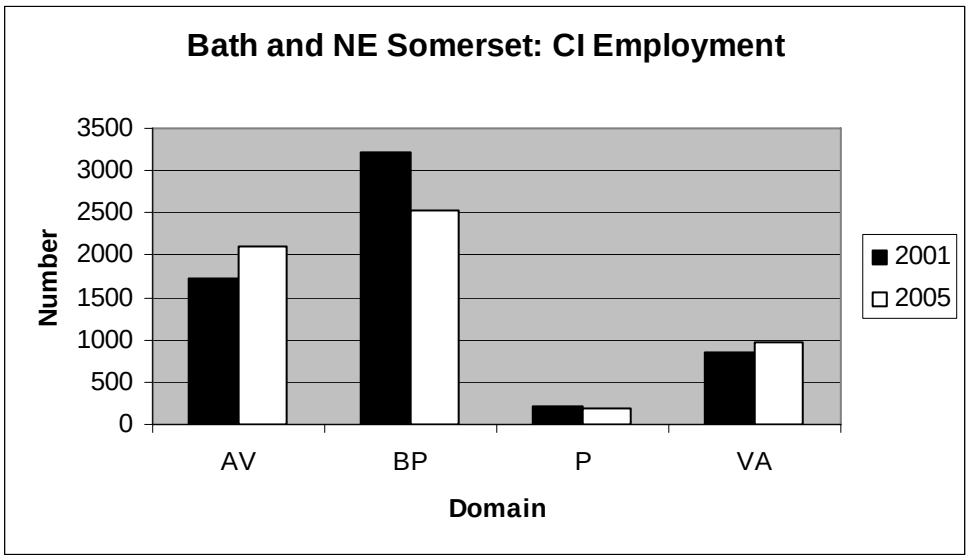
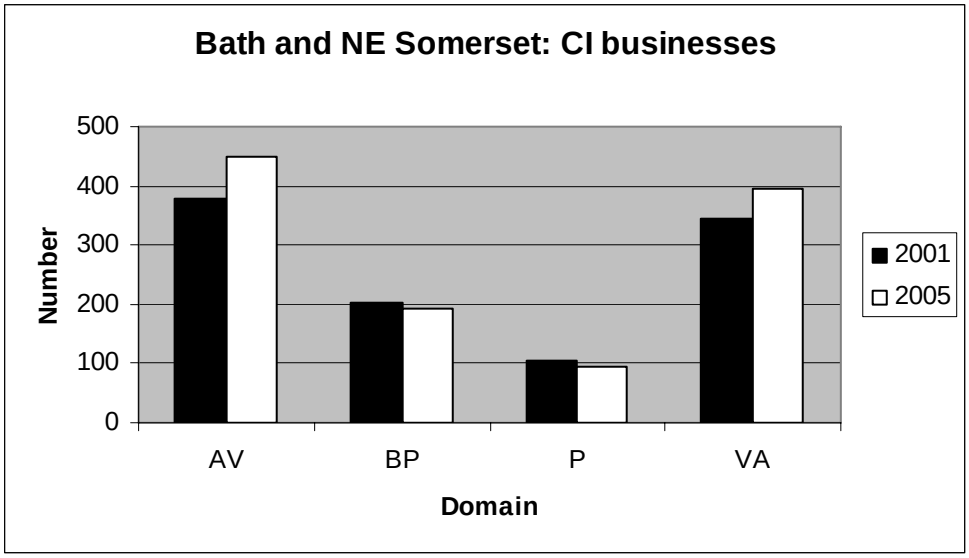


Figure 6



Sub Sectors

Examining individual SIC codes shows us that 'Software Consultancy and Supply' has the largest number of businesses and workers. In 2005 there were 1,200 people employed in this code, a 28% increase over the four years. It is classed within Audio-visual, helping to explain that domain's good performance. The second largest sector, 'Printing not elsewhere classified', has seen employment levels drop by 14% over this time period, to 1,000, but 'Publishing of journals and periodicals', the third largest category, has seen jobs grow by 15%. This suggests a shift may be taking place within the Books & Press domain away from printing to publishing.

3.7 South Gloucestershire

South Gloucestershire had around the same number of people working in the creative industries as Bath and NE Somerset – 5,800 in 2005 – but a smaller number of firms: 900. The authority accounted for 22% of all creative industries jobs in the sub-region and 19% of businesses. Creative industries constitute 4% of all employment and 10% of all businesses in the district's economy.

South Gloucestershire saw rapid growth in its creative industries from 2001 to 2005. Jobs increased by a quarter overall, and business units by 17%. The creative industries in this authority are dominated by the Audio-visual sector: by 2005 it accounted for 64% of creative industries jobs and half of creative industries businesses, well above the sub-regional average. It had been helped to this position by strong growth since 2001. AV employment expanded by 24% over the four years, while business unit numbers rose by 20% in the same time period.

However, even this impressive performance was exceeded by the Visual Arts domain. Jobs here grew by 56% from 2001 to 2005 while the number of firms rose by 25%. The domain accounted for 17% of creative industries employment and 35% of businesses in 2005, and has caught up with the Books & Press domain in employment terms. Even so, Books & Press has done reasonably well in South Gloucestershire. Employment has grown by 9% between 2001 and 2005, while business units have declined by only 3% – good figures by the standards of the rest of the sub-region. The overall size of the domain is still relatively small, though: it accounted for 18% of creative industries jobs and 10% of firms in the local authority.

Once again, the Performance domain is much the smallest of the four. In 2005 it made up just 1% of employment and 4% of businesses in South Gloucestershire's creative industries. The numbers of jobs and firms have declined since 2001, by 4% and 10% respectively.

Figure 7

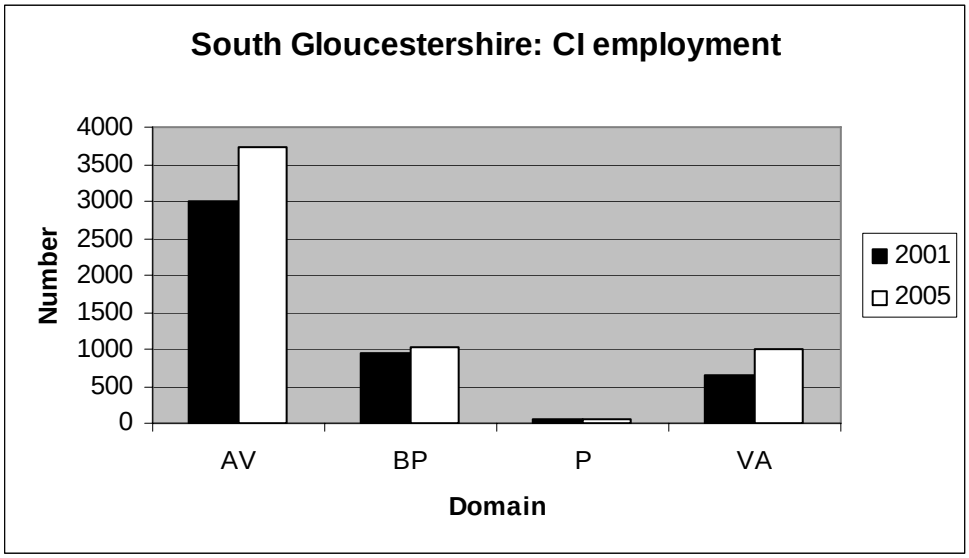
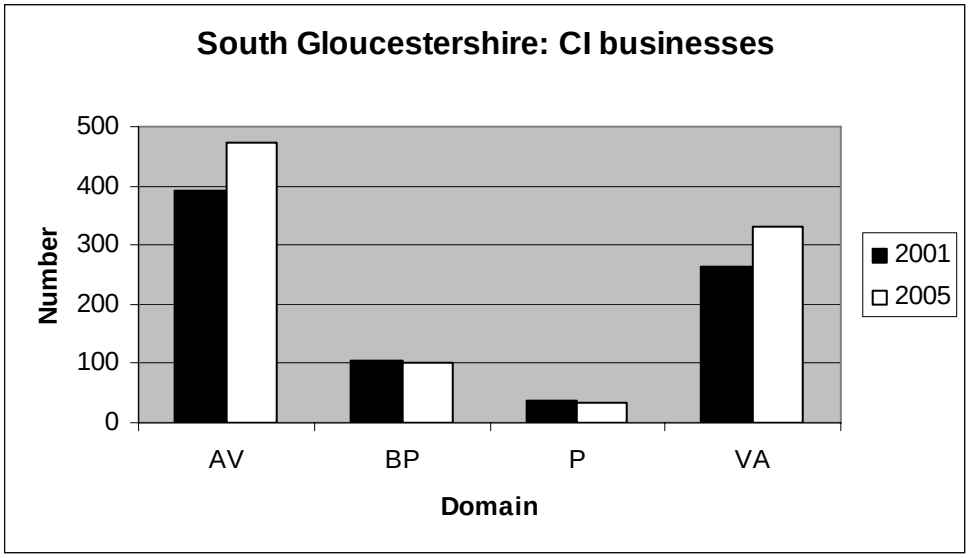


Figure 8



Sub Sectors

'Software Consultancy and Supply' is the largest sub-sector (indicated by SIC code) both in terms of business numbers and jobs. Employment levels have risen by 55% over the four years, to 3,200. Unusually, printing has also grown – a 36% rise in job numbers between 2001 and 2005, to 600.

3.8 North Somerset

North Somerset had the smallest numbers of people and businesses involved in the creative industries – 2,700 and 800 respectively in 2005 – of any of the four authorities in the West of England. These figures corresponded to 10% of the sub-region's creative industries jobs and 16% of its creative industries firms. North Somerset's creative industries accounted for 4% of all jobs and 10% of all businesses in the district. The recent picture has been mixed, with employment declining by 4% but business numbers growing by 9% between 2001 and 2005.

Audio-visual was again the largest of the four domains, but shed 21% of its jobs between 2001 and 2005. AV business numbers, on the other hand, rose by 9%. In 2005, the domain accounted for 39% of jobs and 46% of firms in North Somerset's creative industries, somewhat below the West of England average.

Books & Press also struggled. Employment numbers were down by 9% and business numbers by 15% over the four years. Nevertheless, its share of the authority's creative industries still amounted to 31% of jobs and 11% of firms in 2005. Visual Arts & Design did much better. Jobs increased by 42% and business unit numbers by 20% between 2001 and 2005, with the domain accounting for 26% of creative industries employment and 38% of firms in 2005. These are unusually high shares by West of England standards.

Performance employment growth from 2001-2005 was even more rapid, albeit from a low base. The number of jobs rose by 56%, much faster than the increase in the number of businesses (4%). The domain was responsible for 4% and 5% respectively of creative industries employment and businesses in North Somerset in 2005.

Figure 9

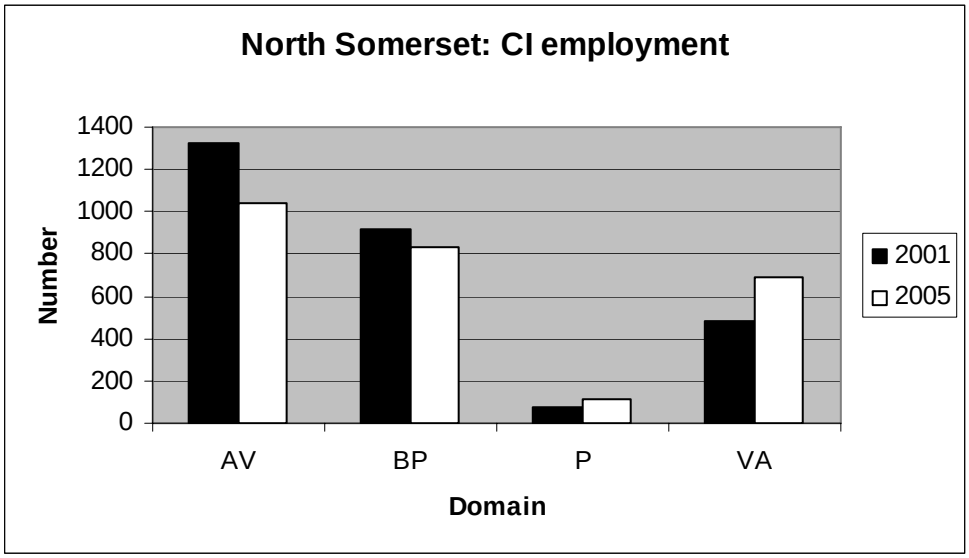
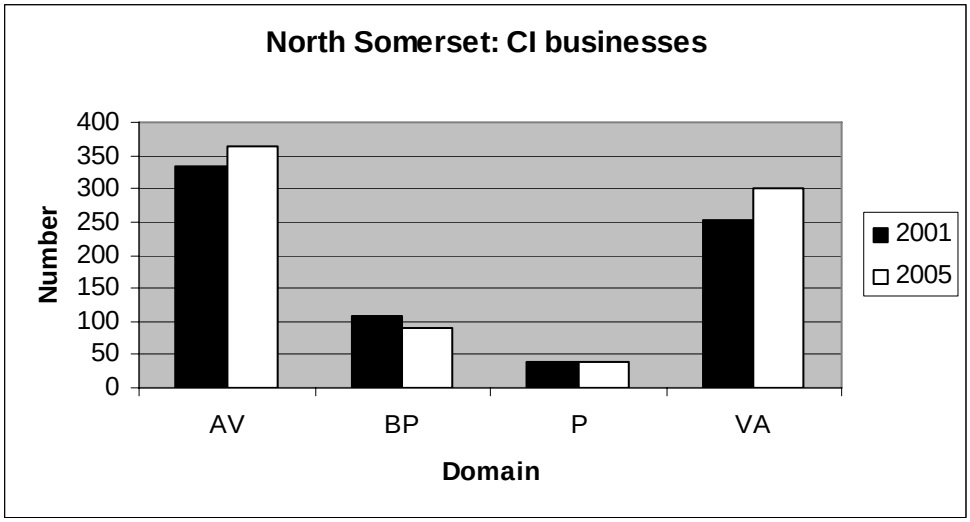


Figure 10



Sub Sectors

The largest individual sub sector in terms of both businesses and employment is once again 'Software Consultancy and Supply'. Jobs here have grown by 9% over the four years, to 600. 'Publishing of journals and periodicals' employs 300, but the number has dropped by 22% since 2001. There has also been a 90% fall in 'Photographic Activities' employment. This amounts to a loss of more than 300 jobs and largely explains the fall seen in the AV domain to which it belongs. This reason for this is not clear, but may be related to the rapid changes in that sector's structure as a result of the switch to digital photography.

3.9 Computer Software

Although the Audio-visual domain is the largest employer of the four, much of this is accounted for by the computer software sector. The DET counts this among the creative industries on the grounds that it achieves value through the generation of intellectual property. However, its inclusion is problematic. It is a large sector, but is difficult to break down into smaller sub-groups which might more obviously be thought of as 'creative', such as games design. A recent report by Pixel Lab for South West Screen[11], for example, noted that 'the games industry appears to be well hidden' in the South West (p22) and that there was little sign of a critical mass of companies that might support a cluster. Of those firms they did find, almost half were based in Bristol, and were often linked to the animation and broadcasting companies in the city.

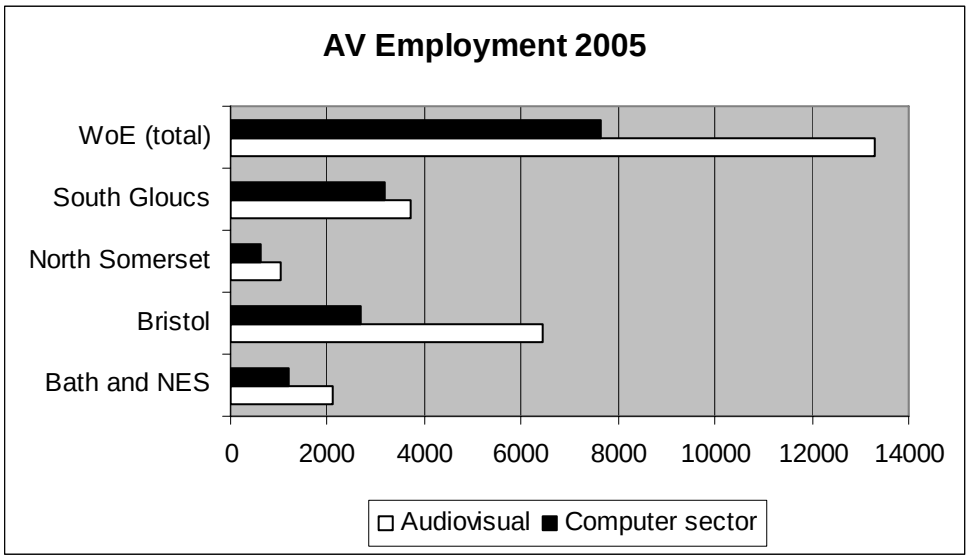
The Yellow Pages classifications from Experian are of limited use here, since they too are comparatively broad. In this study, three of these classifications were incorporated into the weightings. Computer consultancies made up 27% of the sector, computer software development 42%, and internet web design 31%.

The computer software sector accounted for well over half of employment in the Audio-visual field across the sub-region in 2005, a figure which rises to 85% in South Gloucestershire. The number of business units shows a similar pattern.

The share of Audio-visual employment taken by computer software is lowest in the city of Bristol, at just over 40%. This suggests that other Audio-visual businesses – film, television, digital media – are relatively strong in the city.

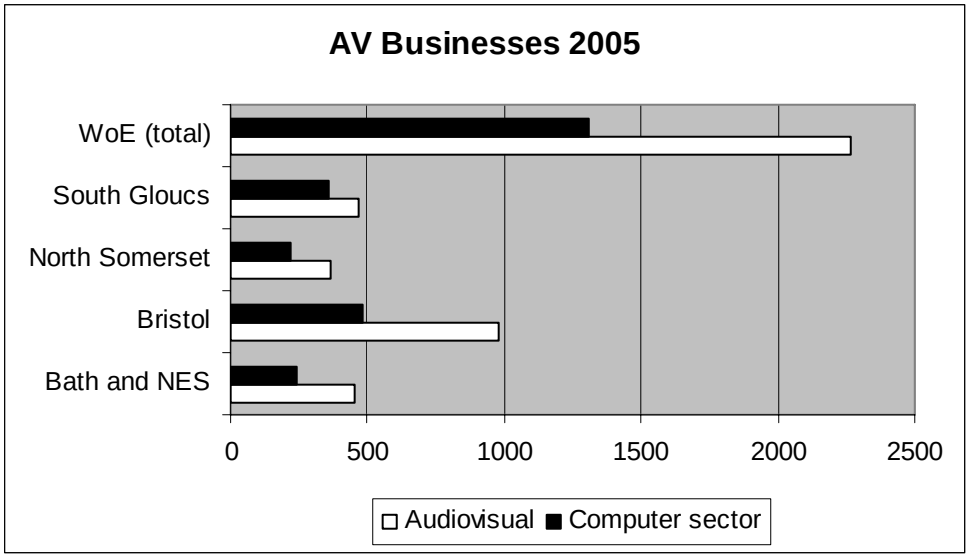
Figure 11 and Figure 12 below show the proportion of overall Audio-visual employment and businesses attributable to the computer sector.

Figure 11



[11] Pixel-Lab (2007) *Final Report: Exploring the Computer Game Sector in the South west of the UK*

Figure 12


AV Businesses 2005
WoE (total)
South Gloucs
North Somerset
Bristol
Bath and NES
0
500
1000
1500
2000
2500
Audiovisual
Computer sector

3.10 Experian Yellow Pages Classes

We have used the Experian data principally to devise our weightings for the ABI data. The DET is designed to be used in conjunction with National Statistics data such as ABI, and these also enable us to track growth trends over time and to make comparisons with other regions and industrial sectors. The ABI gives a higher overall figure in terms of employment numbers for the creative industries in the sub-region, at 26,600, than the Experian figure of 23,900 (in 2007). Nevertheless, we can still use the Experian data to give an indicative snapshot of the state of business in the West of England. In particular, we can use the Yellow Pages classifications it includes in its datasets to give a further idea of the largest categories of employment in the sub-region and its districts. (It should be noted, though, that some creative industries companies are not included in the Experian dataset for data protection reasons.)

Figure 13: Largest employment categories, West of England

Yellow Pages classification	Number of workers
Computer Software Development	2930
Publishers & Publications	2210
Printers & Lithographers	1460
Telemarketing	1240
Broadcasting Services	1240
Newspapers & Magazines	1230
Architects	1100
Computer Consultancy	1100
TV, Film & Video Production Services	800
Designers-Advertising & Graphic	790
Marketing & Advertising Consultants	710
Booksellers	690
Design Consultants	560
Advertising Agencies	540
Internet Web Design	410
Theatres & Concert Halls	410
Printers' Services	400

Source: Experian, 2007

Figure 13 shows all Yellow Pages classifications in the West of England which employ 400 or more people (rounded to the nearest ten). Computer software, publishing and advertising categories are especially prominent.

Figure 14: Largest employment categories, City of Bristol

Yellow Pages classification	Number of workers
Computer Software Development	1340
Telemarketing	1230
Broadcasting Services	1150
Publishers & Publications	750
Printers & Lithographers	660
Architects	530
TV, Film & Video Production Services	510
Marketing & Advertising Consultants	420
Designers-Advertising & Graphic	360
Advertising Agencies	310
Booksellers	300
Theatres & Concert Halls	270
Cinemas	260
Computer Consultancy	240
Internet Web Design	230
Printers' Services	210

Source: Experian, 2007

Figure 14 shows the Yellow Pages categories which employ more than 200 people in the City of Bristol (according to the Experian dataset). It is a varied list, including computer software, publishing, broadcasting and architecture.

Figure 15: Largest employment categories, Bath and NE Somerset

Yellow Pages classification	Number of workers
Publishers & Publications	1040
Newspapers & Magazines	770
Computer Software Development	380
Computer Consultancy	370
Architects	360
Designers-Advertising & Graphic	210
Bookbinders' Eqpt & Supplies	200

Source: Experian, 2007

Figure 15 lists the seven categories which employ more than 200 in Bath and NE Somerset. There are fewer such classes for this authority than for Bristol. Classes related to publishing and computing dominate here.

Figure 16: Largest employment categories, South Gloucestershire

Yellow Pages classification	Number of workers
Computer Software Development	950
Printers & Lithographers	440
Publishers & Publications	360
Design Consultants	290
TV, Film & Video Production Services	230
Computer Consultancy	220
Architects	170
Booksellers	150
Advertising-Point of Sale	120

Source: Experian, 2007

Figure 16 shows the classes that employ more than 100 people in South Gloucestershire. Its creative industry employment is dominated by computer software, but design consultancy is unusually prominent. Film, TV and Video production services include Aardman Animation.

Figure 17: Largest employment categories, North Somerset

Yellow Pages classification	Number of workers
Computer Consultancy	260
Computer Software Development	260
Newspapers & Magazines	230
Printers & Lithographers	220
Designers-Advertising & Graphic	150
Photographic Processing & Printing	100

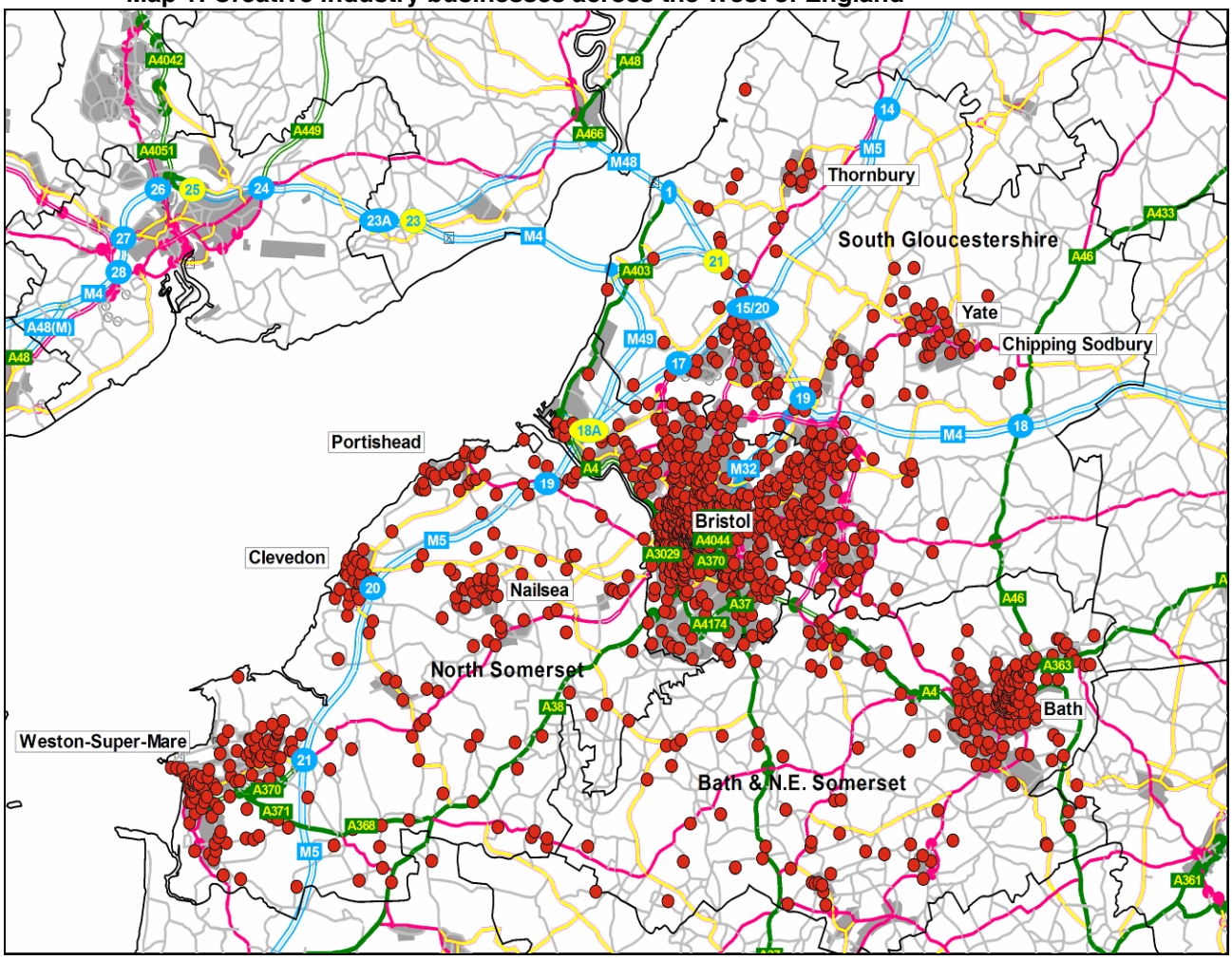
Source: Experian, 2007

North Somerset has the smallest creative industry sector of the four local authorities. It has only six classes with 100 or more people, in computing, publishing and printing, and design (see Figure 17).

3.11 Creative Industries Maps

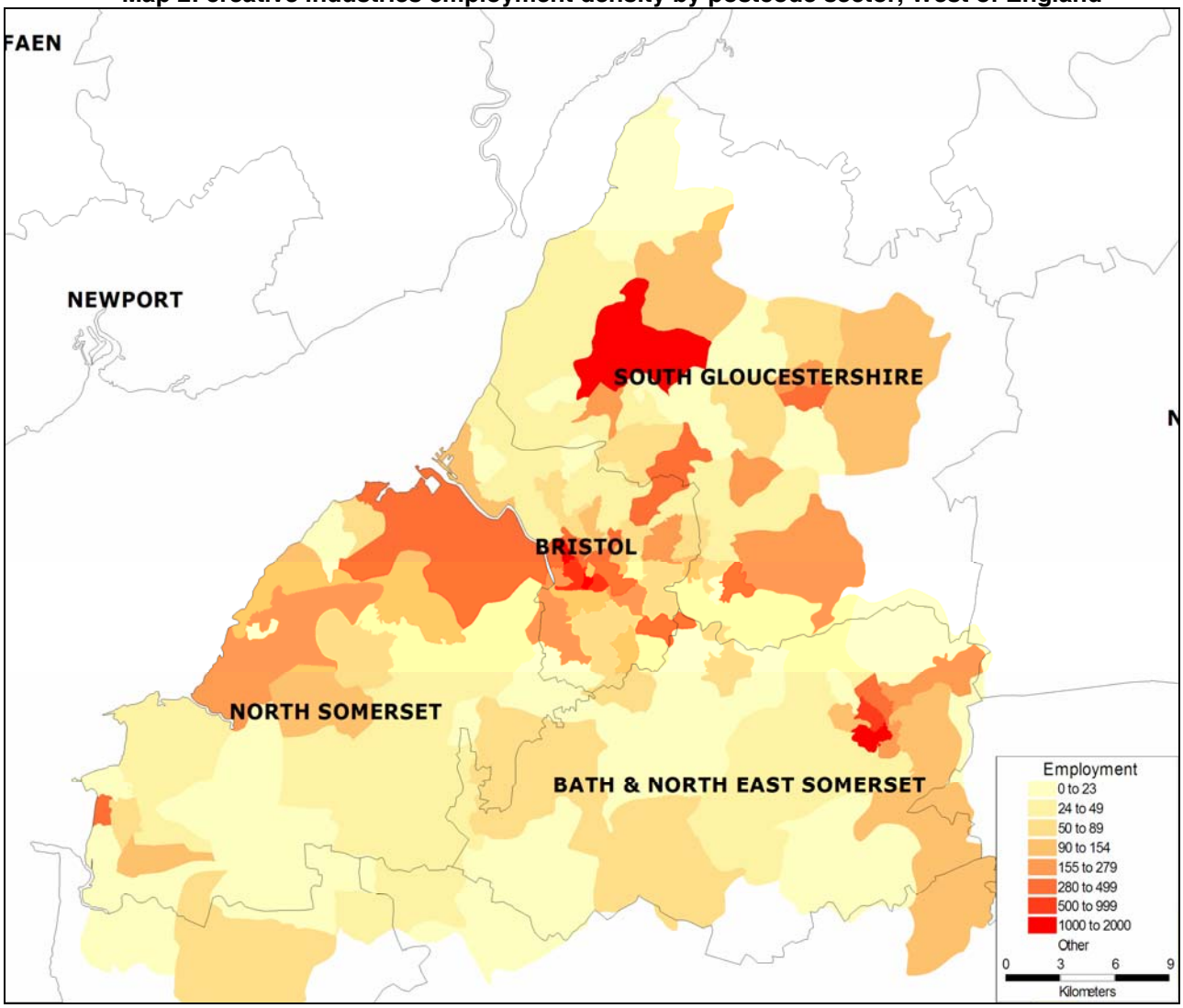
The Experian data can also be mapped to show the spatial concentration of creative industry businesses in the West of England. Map 1 shows that the vast majority of such firms are found in urban areas (shaded grey). The biggest cluster is found in and around Bristol, with Bath and Weston-super-Mare also prominent. However, even the smaller towns in the area, such as Yate, Nailsea, Portishead and Clevedon, each have a handful of creative businesses. There are few creative industry firms in truly rural locations.

Map 1: Creative industry businesses across the West of England



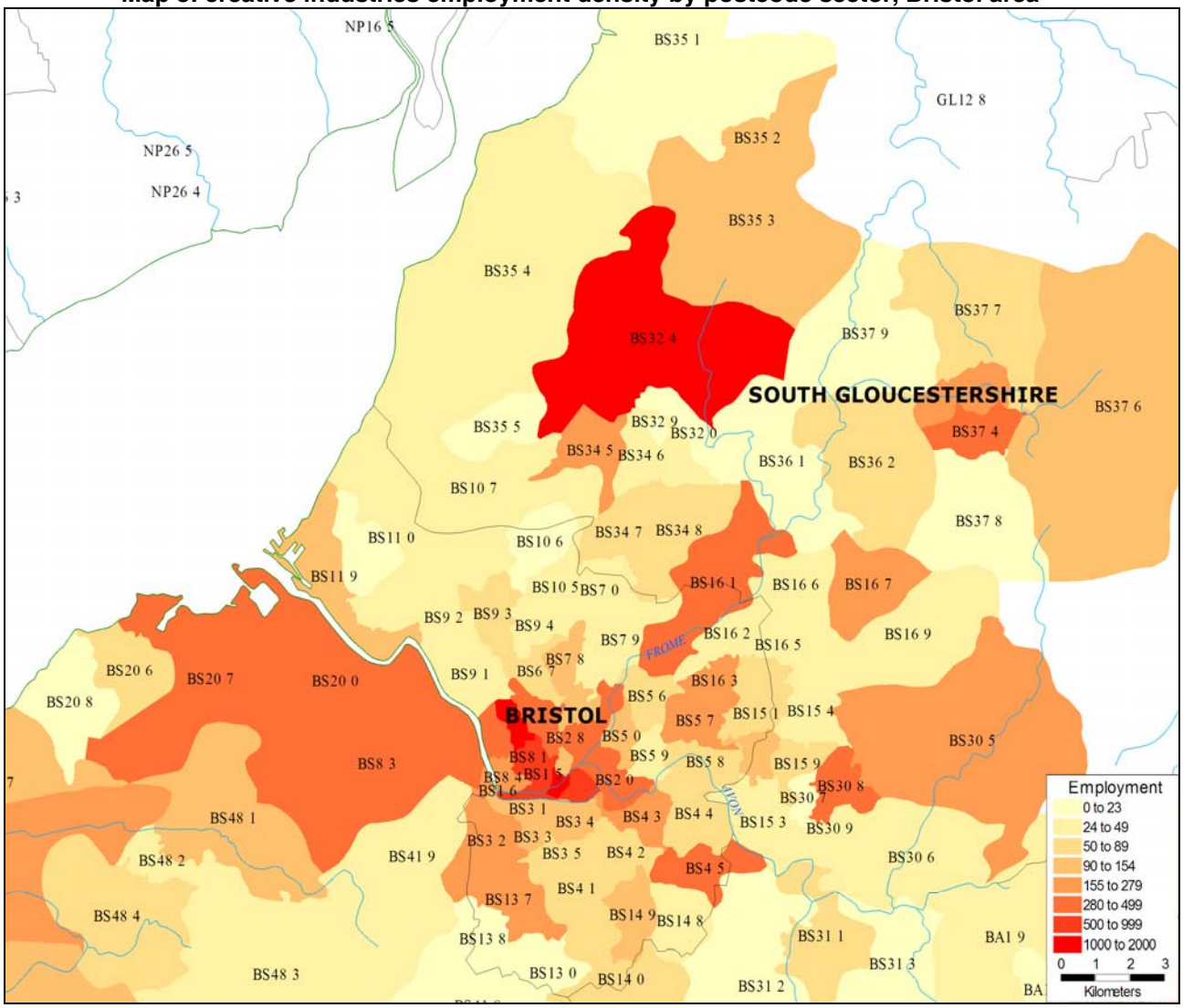
Map 2 shows the density of creative industries employment across the sub-region by postcode sector. The highest densities are found in South Gloucestershire – the M4/M5 triangle – and in Bristol, though relatively high scores are also seen along the North Somerset coast. Bath seems to be a smaller, relatively self-contained cluster, while Weston's creative industries employment is mostly to be found in the town's central postcode sector.

Map 2: creative industries employment density by postcode sector, West of England



Map 3 zooms in on the employment density patterns in and around Bristol. It shows that, with the exception of the M4/M5 triangle, the highest densities are generally to be found in Bristol city centre, north of the river, especially in the BS1 postcode. However, a number of postcode sectors around the edge of the city also have relatively high densities.

Map 3: creative industries employment density by postcode sector, Bristol area



3.12 Turnover and GVA in Creative Businesses

The second set of research results are concerned with exploring the size, productivity and role of local creative industries companies. The first measures we consider are turnover and GVA. Figure 18 shows that turnover per business unit in 2005 was highest in the city of Bristol, having overtaken both South Gloucestershire and Bath and NE Somerset since 2001. The latter authority and North Somerset saw average turnover decline between 2001 and 2005.

Figure 18

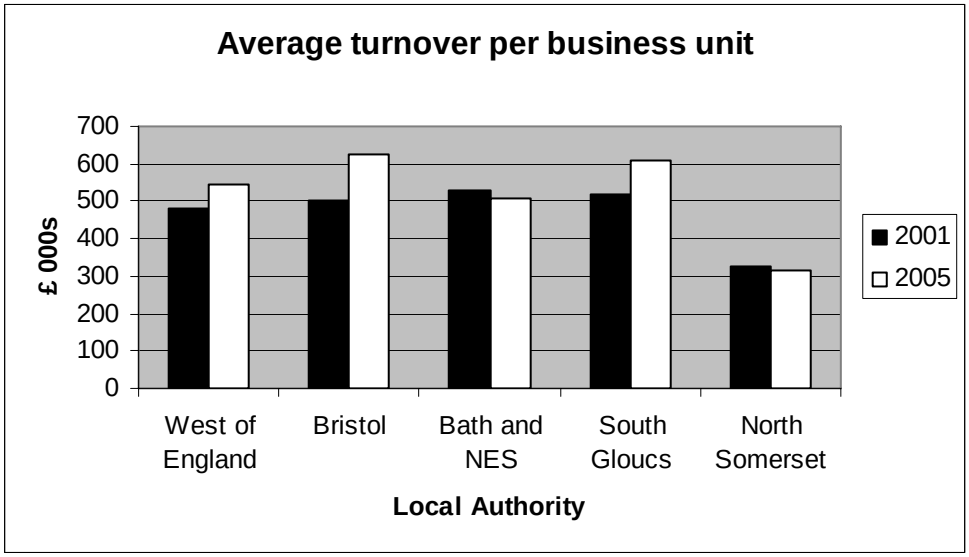
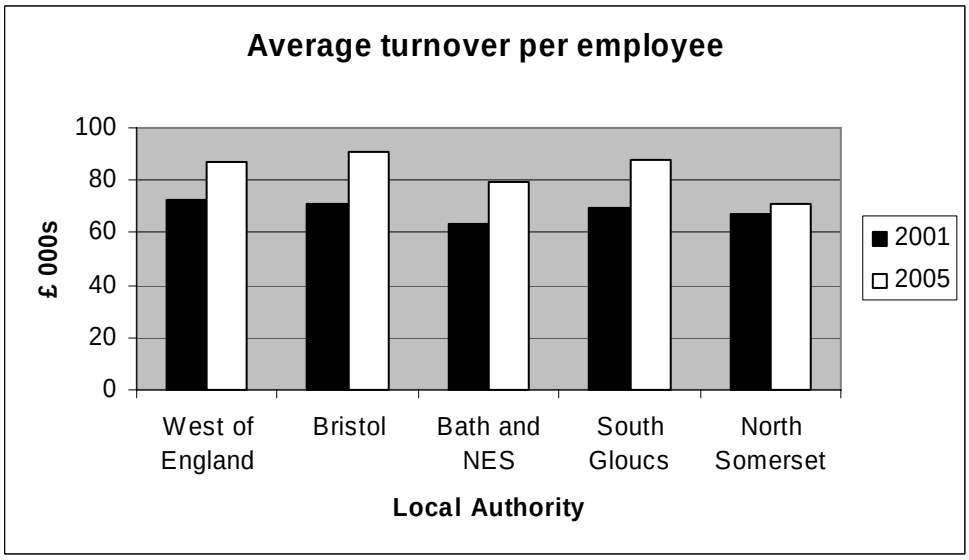


Figure 19 shows that there was growth in all four authorities. Bristol led the way with average turnover per employee of just over £90,000, with South Gloucestershire not far behind. The lowest was North Somerset, with average turnover per employee of just over £70,000.

Figure 19



Gross value added (GVA) measures the difference between the value of the goods and services produced by a business or sector and the cost of the inputs used to produce those goods. It is thus an indication of the contribution made by a firm or sector to the economy as a whole. Figure 20 illustrates the patterns in GVA per business unit, which rose in the region as a whole and in three of the four authorities. The exception was Bath and NE Somerset, which may be related to the problems being experienced by the Books & Press sector there.

Figure 20

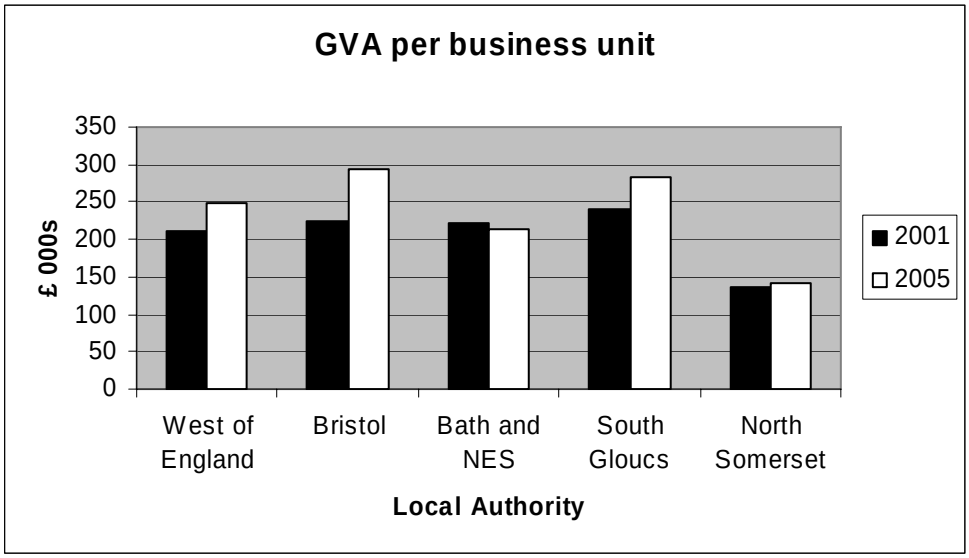
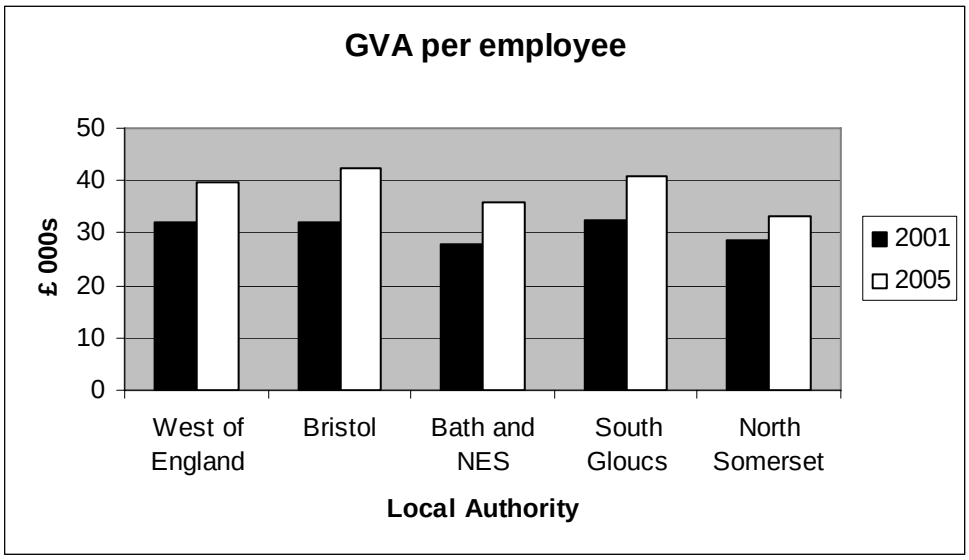


Figure 21 shows that GVA per employee has been growing strongly across the sub-region[12]. Once again, Bristol and South Gloucestershire had the highest levels – £42,000 and £41,000 respectively – and North Somerset had the lowest levels. Average GVA per head in creative industries across the West of England as a whole was £39,600 in 2005, up 24% from 2001 (when GVA for the sector was £32,100).

Figure 21



These figures are broadly in line with a separate estimate of GVA per full-time employee (FTE) produced by the West of England Partnership Office, using Econi software and the South West Regional Accounts[13], and covering the years 1998 to 2001. The Econi figures record a somewhat higher estimate of GVA – £36,300 in 2001 for the creative sector in the West of England, compared to £32,100 in the same year in this study. It is probable that the discrepancy can, to some extent, be explained by the definitions of the creative sector used in the respective analyses[14]. The Econi data also indicates GVA growth of 15% from 1998 to 2001, compared to growth of 24% between 2001 and 2005 in this study. This may indicate an acceleration in the rate of GVA growth, but a more detailed comparison of definitions and methodologies would be required before this could be claimed with certainty.

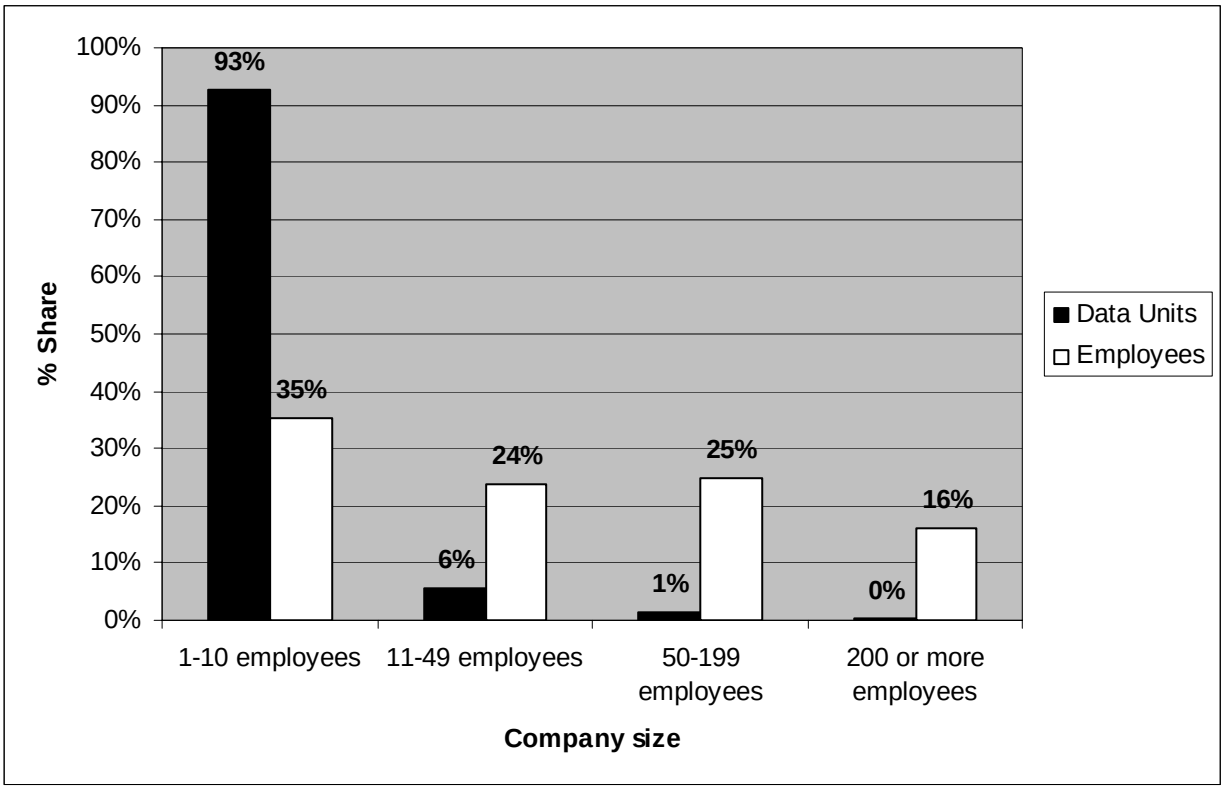
The ONS also produces figures for GVA per workforce job for broad industry sectors. While this is not exactly the same as our measure, it allows for rough comparisons to be made. In 2004 GVA per workforce job in the services sector was £35,000 in England as a whole and £31,500 in the South West. Even allowing for a further year's growth, in which an increase of around £2,000 might be expected, this suggests the creative industries have higher than average levels of GVA by regional standards.

[12] Note that these figures have not been adjusted for inflation.
[13] Internal document
[14] The Econi estimate of the number of business sites (excl. self-employed) in the Creative sector in the West of England in 2001 is 2,900, compared to 4,700 in this study. This suggests that this study (with its production chain approach) employs a broader definition of the creative sector, which may include a higher proportion of lower-value-added businesses than the Econi definition.

3.13 Company Size

It is apparent from our data that the large majority of creative industry businesses in the sub-region are small. More than 90% of them have no more than ten employees.

Figure 22



Source: ABI

Firms with 50 or more staff make up just over 1% of businesses, but account for 41% of total creative industries employment.

As we have explained before, the Experian data is not exactly comparable to the ABI data. Nevertheless, we can use it to identify some of the sub-region's bigger companies. According to our analysis of Experian NBD, there are eleven creative businesses which employ 200 or more people. They are a varied bunch, including telemarketers BT Business Connections and Broadsystem; the BBC and Aardman Features; publishing companies Future Publishing, Standbrook Guides, The Bath Chronicle, and IOP Publishing; printers and bookbinding suppliers Alcan and CPI Bath Press; and a computer consultancy, Cramer Systems. There are a further 72 companies which employ 50-199 workers.

3.14 Sole Traders

It is commonly believed that sole traders and freelancers make up a large slice of the creative industries sector – there is a stereotype of the artist or craftsperson ploughing their lonely furrow. However, measuring the number of people in this group is not straightforward. ABI data excludes sole traders, and although Experian data does include them, there are several reasons why this might not be a complete count. Experian's data is taken from business directories such as Yellow Pages and Thomson, and freelancers might choose not to be listed in these. Their creative work may not be their main source of income, as the BEST survey quoted earlier suggested, or their skills may be too specialised for such general listings to be of much use to them – they find work through industry contacts.

Despite these caveats, the Experian data can give some insights into the numbers of sole traders in the West of England's creative industries. There were just over 900 of them in the Experian NBD dataset, accounting for a third (33%) of creative industries businesses in the sub-region. This rate is highest in North Somerset, at 39%, and South Gloucestershire, at 36%. In the city of Bristol the rate is 32%, while in Bath and NE Somerset it is just 30%. However, sole traders account for only 3.8% of total creative industries employment.

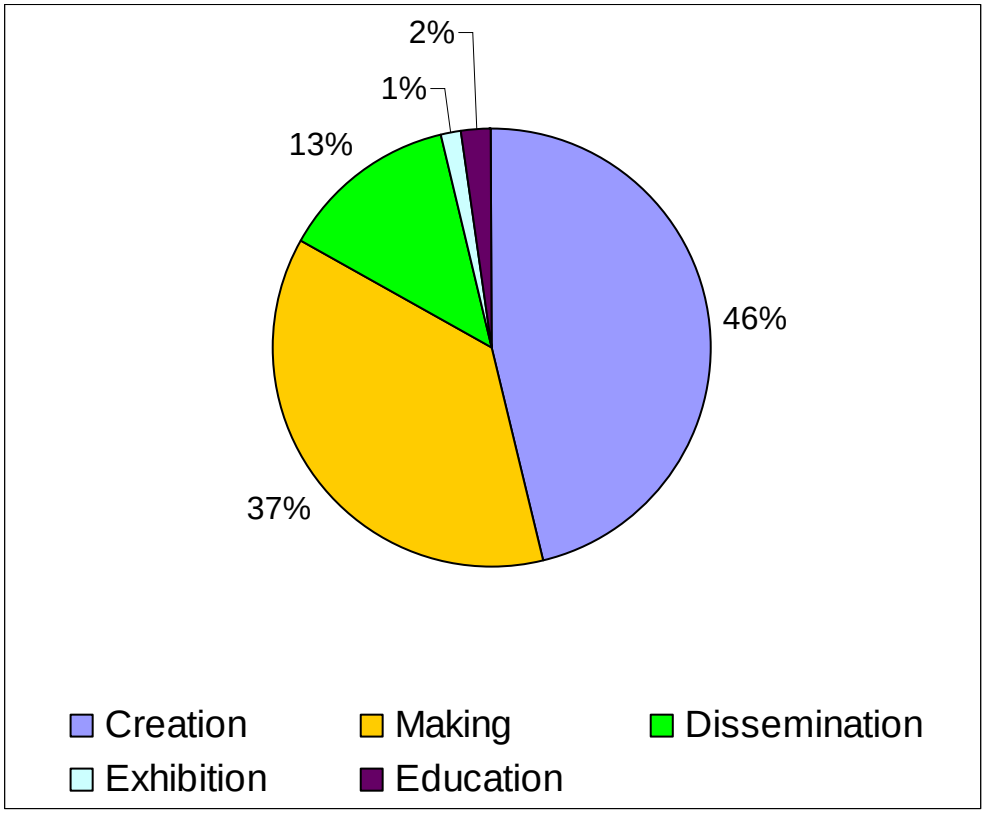
These percentage shares are somewhat higher than those for the 'non-creative' parts of our chosen SIC codes. Around 20% of those businesses are sole traders, and they provide just 1.8% of employment.

These figures suggest that, while sole traders may account for a sizeable share of creative businesses, they do not constitute a significant share of employment. Although many successful businesses start off as sole traders, it does not follow that all (or even most) sole traders are looking to expand their operations and to take on staff. This implies that public policy and action in this field may need to make a distinction between their approaches to small and larger firms.

3.15 Production Chain Functions

Our final piece of research is an analysis by function. This aims to give an indication of the stage in the production chain occupied by local firms. This is inevitably an approximate measure – businesses may undertake more than one of these roles – but our analysis suggests that the majority of local firms are involved in the creation and making phases.

Figure 23: creative industries businesses by place in production chain, 2005



The distinction between making and creation is a fine one, and there is a degree of overlap between the two. 'Making' covers two types of business: those responsible for the tools or the means of reproduction which aid an act of creation, such as printers or bookbinders' suppliers, and those involved in realising a creative product without necessarily initiating it – many radio and TV activities, for instance.

Creation has a narrower definition, encompassing those firms which initiate creative products or generate intellectual property in the course of their activity. It includes obvious groups such as artists, musicians and authors, but also embraces categories like internet consultancy and art and antique valuers.

Dissemination largely covers the retail of creative industries goods, while exhibition refers to venues, including cinemas, which show creative works. Education includes specialist establishments such as dance or drama schools, but not specialist teachers working in general educational institutions.

4 Business Support Assessment

4.1 Introduction

We complemented the data analysis with a series of phone and email interviews with 23 individuals who are heavily involved in the running of business networks or support organisations in the sub-region (see appendix 1). The 23 were selected to ensure that a good range of industries and geographical locations were represented and both the public and private sectors were included. These conversations have enabled us to identify some of the challenges facing the creative industries and the role business support structures play in the sub-region. Our assessment is also influenced by local authorities' creative industries strategies.

A consensus emerged among our interviewees on the main difficulties. Four stood out: promoting businesses outside the sub-region (access to markets), increasing the availability of suitable workspace, attracting and retaining talent, and improving the business skills of creative industries workers.

4.2 Access to Markets

Partly due to their small size, many local creative industries businesses find it difficult to gain access to markets outside the sub-region, either in the rest of Britain or overseas. Such firms need to raise their profile, through improved marketing or attending trade fairs and exhibitions, for instance. Business networks would seem to offer a good way to do this. The West of England already has many networks and forums, including Bristol Media, the West of England Design Forum and the newly-formed Creative Technology Network. One network which shows what might be possible is Bristol Books and Publishing, a group for independent publishers in Bristol and Bath. It came about in response to a realisation that small publishers in the area were not known to booksellers. Its members have developed a website to allow joint online selling – 5,000 books have been sold in less than two years – and have taken part in joint marketing exercises, including taking stands at book fairs and attending the Bristol trade expo in Bordeaux. This approach could act as model for other networks in the West of England

4.3 Workspace

Workspace was frequently mentioned as a concern. As most creative industries firms are very small, often sole traders, many of them are operated from home and therefore do not need a separate workspace. However, once firms begin to grow it does become an issue. A study of creative workspace by New Media Partners (NMP)[15] suggests that 97% of creative workspace units in Bristol are let and that there is considerable demand for new space. Among our interviewees there were high levels of awareness of projects like Paintworks and Creative Depot in Bristol, which suggests the subject of new workspace is at the forefront of their minds. Finding suitable workspace in Bath was even more

[15] New Media Partners (2007) *Bristol Creative Industries Workspace Study (draft version)*

problematic. Some interviewees felt that more shared or incubator premises were necessary to allow small creative firms to learn from each other and grow, and there was a belief that existing university incubators were geared more to high-tech start-ups. Social enterprises were considered to be a possible supplier of space for creative start-ups.

There was also a sense that there was a local shortage of more specialised types of space, such as dance studios, while bigger firms needing warehouse premises often had to look to the northern fringe of Bristol.

4.4 Attracting and Retaining Talent

Most interviewees felt that the South West of England offered an attractive environment and a good quality of life. Despite this, attracting and retaining talented people was thought to be a problem, as it is for all regions outside London. Both the West of England and the wider South West were viewed as needing to do more to retain graduates. The literature review found that a number of initiatives have been undertaken to address this but provision is patchy, with sub-sector gaps in, for example, visual arts and design. It was considered that further development of placement and entry-level schemes such as those run by University of the West of England and Bath Spa University would be useful.

Staff retention was also a pressing issue, particularly at middle and senior managerial levels. In some sectors, notably design, employers in the area struggle to compete with London. The capital is the centre of the creative industries and is important for building reputations. Even if an individual job is sufficiently attractive, consultees reported a reluctance by candidates to step off the London career ladder – they worry that the West of England doesn't offer sufficient opportunities to progress upwards.

4.5 Improving Business and Management Skills

Several interviewees felt that poor skills were a major area of weakness in the sector. Although creative industries workers have specialised skills they often lack more general business ones. The small size of many creative firms (many are sole traders) means that to be successful they need at least some knowledge of a broad range of business skills. While networks can offer some support here, it was felt that their value to the members was social as much as commercial, and there was a need for better training and advice. Existing training was thought to be expensive and of uneven quality. Generic business support such as that offered by Business Link was not thought to be adequate either; there was a desire for more sector-specific training and advice on topics such as charging rates, developing business plans, and marketing strategies.

It was also felt that the Higher Education (HE) sector had had only limited success in engaging with the creative industries in terms of training or professional development. In any case, the small size of many creative industries firms means that they may have difficulty in affording continuous professional development (CPD) programmes or in sparing the time for training.

The West of England faces a challenge at the other end of the scale too, as it is the main economic hub for the whole South West. Bristol is the largest city in the region, and the Bristol urban area has many of the biggest and fastest-growing companies. Given that

the area struggles to hold on to higher-level managers, it needs those who are here to have strong skills.

5 Strengths, Weaknesses, Opportunities and Threats (SWOT)

A SWOT analysis of the creative industries in the West of England is presented below. It is based on findings extracted from the literature review, the statistical analysis and views expressed by interviewees during the consultation phase. Project partners requested a 'top-line' state of the sector and the SWOT entries are therefore based on BOP's professional assessment and are not intended to be a definitive list.

STRENGTHS	WEAKNESSES
Flagship businesses: - Aardman Animation - Bath International Music Festival - BBC Natural History Unit - Brief Encounters Short Film Festival - Colston Hall - Endemol West - Feilden Clegg Design - Future Publishing - The Playhouse, Weston-super-Mare - Proctor and Stevenson Ltd - St Paul's Carnival - Theatre Royal Bath - Watershed Media Centre - Wildscreen Film Festival	Majority of creative industries across all domains are micro/ SMEs with low growth capacity Strong competition from other regions and globally which can reduce businesses' ability to: - win commissions - attract audiences - secure public investment awards
Creative Industries sub-sector economic contributions to local & UK economy: - Animation in Bristol/ S Gloucestershire - Computer software in South Gloucs - Independent TV production in Bristol - Design in Bristol and Bath - Publishing in Bath - Visual Arts in North Somerset	Effects of fluctuations in market demand which can: - destabilise a sub-sector's lead companies with subsequent knock-on effect on local supply companies - restrict new business start-ups/ re-locations - reduce public/ private inward investment
Bristol as: - regional economic driver - creative industries 'hub' for SW & West of England - Core City (one of only eight such English cities) & New Growth Point - Most ethnically diverse place in SW	Urban centric view of sector development in the West of England which: - neglects needs of rurally dispersed micro/SME companies - concentrates investment in urban 'hubs' & capital projects

Urban regeneration projects and housing growth (see Draft Regional Spatial Plan): - Bristol inner city - Bath inner city - Weston-super-Mare centre	As above
People, Places and Spaces: A Cultural Infrastructure Strategy Draft (Culture SW: 2007): - Planning Area for Culture identified Bristol, Bath and Weston-super-Mare - Bristol as focus for investment - Colston Hall as regional priority	As above
Infrastructure support: - good transport links (via M4, M5, mainline rail and Bristol International Airport) - skills & learning (4 HEIs, 6+ colleges with creative industries listed courses) - networks (e.g. Bristol Media, West of England Design Forum, RIBA Wessex, Bristol Music Foundation, Bristol Books & Publishing, Theatre Bath, Theatre Bristol, Creative Technology Network, Creative People)	
Creative image: - national image of Bristol as biggest AV centre outside London - national image of Bath as World Heritage Site and creative place - popular entertainment in Weston-super-Mare	Reliance on past track record and traditional image leading to complacency and an acceptance of the status quo
Connections within creative industries and to other sectors : - traditional media with new media/ interactive games and ICT e.g. Hewlett Packard, IBM, Orange - TV production companies with health, education, hospitality - creative industries with tourism e.g. crafts and performance with visitor attractions	'Silo' thinking by practitioners and development agents alike

OPPORTUNITIES	**THREATS**
West of England Partnership: - acknowledgement of role of creative & cultural industries in economic & social growth - willingness to explore 'joined up' approach to strategic planning	Inability of West of England partnerships to work together and identify shared goals
Public/ private partnership working through: - West of England Partnership - Bath Cultural Development Partnership - Bristol Cultural Development Partnership - SW RDA funded SW Creative Economy Programme 2008-11 - Business Simplification agenda & its impact on Creative Enterprise Gateway & Business Links	Competition between sub-sector agencies, partnerships, networks, local authorities: - for lead role/ influencing role - for investment funds - for achieving targets including LAA
New building developments & workspaces: - Animation Academy (Bristol) - Comedia in Bath - Creative Depot in Bristol - Paintworks in Bristol - Western Riverside in Bath incl. Bath Spa Media Centre	New build developments may: - set unrealistic Business Plans - have no clear market for their services/ products - have insufficient financial resources for setting up and for longer term viability - not take advantage of 'creative' input in their design & fail to inspire
HE/ Industry engagement in West of England: - new Knowledge West business support projects - Knowledge Transfer Partnerships - HE internships & graduate placement schemes - Student/ graduate talent shows linked to regional festivals, trade shows, EU events - 2012 Olympiad bid by HERDA-SW - 'Creative Attractions' project by HERDA-SW 2008-11	HE institutions: - are unsuccessful in their funding bids - fail to respond to business skill needs & CPD opportunities - do not improve careers services/ work readiness of students leaving creative courses in West of England - do not attract school & college leavers to higher level study in creative subjects
Clusters & networks development: - broader remits e.g. access to markets initiatives, festivals, showcases, CPD - combined sub-sector networks e.g. media & design - new 'virtual' or physical networks e.g. Bath, N. Somerset area	Clusters and networks are unable to: - grow their membership - diversify their sources of financial support - have no purpose beyond social networking

2012 Olympiad: - training centres in West of England e.g. Bristol, Bath - Cultural Olympiad Programme in SW	2012 Games & Cultural Olympiad are short term projects which have limited impact on West of England creative industries
Population growth over next 10-20 years which will bring: - new talents and skills - a more diverse workforce	Population growth over next 10-20 years will: - place more demand on suitable business/ work spaces - bring an over-supply of basic skills (whereas creative businesses need higher level craft, business & managerial skills)

6 Implications and Recommendations for Partners

This section provides outline recommendations for the support and development of creative industries in the West of England. These are intended to help the project partners to address the issues outlined above, and are based on the findings of the literature review, data mapping and consultation phases of this study. It was not within the scope of this study to develop a comprehensive business support strategy, so the recommendations below should therefore be considered in the context of existing policies and initiatives, at regional, sub-regional and local levels.

6.1 Introduction

The existing literature on the creative industries raises a number of questions. If they are to continue to thrive in the sub-region, creative businesses need to raise their profile, move upmarket, and look for new opportunities outside the area. Yet most such firms are small: how can more of them be encouraged to 'think big' and grow? A related issue is the lack of confidence many creative workers have in their business skills – how can this be remedied? Finally, we need to think about the profile of the industries in the West of England. Are public bodies focusing on the right areas or are important employment sectors, such as publishing, in danger of being neglected? Are there geographical differences between the four authorities that need to be acknowledged in public policy?

The mapping exercise has sought to quantify the size and scope of the creative industries in the West of England. Although we should be cautious about drawing too many conclusions from a comparison of two years of data (2001 and 2005), we can see broad trends. The creative industries represent a significant proportion of employment and business numbers in the West of England, and are regarded as a particular strength of the sub-region. Comparisons with regional and national data are difficult because of differences in definitions, but there is evidence that Bristol is the largest creative hub in the South West region, and that creative industries make up a bigger share of the sub-region's economy than they do of the national one.

GVA data suggests creative industries productivity is improving quite sharply, and relative turnover also seems to be rising. Despite this, however, overall employment is only growing consistently in one domain across all four local authorities – Visual Arts & Design. The Books & Press domain, on the other hand, seems to be under pressure across the West of England. The only local authority district to exhibit net overall growth in creative employment is South Gloucestershire.

6.2 Policy Context

The West of England Partnership is already developing a joint strategy for the sub-region's overall economic policy and planning. Adopting a similar approach to creative industries' strategic planning and capital projects across the sub-region makes sense. 'Greater Bristol' dominates the creative economy of the West of England and stretches across the city's administrative boundaries into neighbouring local authority areas. There

is a strong case for the agencies and authorities to harness the positive influence of Bristol for the wider benefit of businesses and workers.

A more coherent approach to business support across the West of England should not, however, ignore intra-regional differences. While Bristol has a concentration of larger companies and more established clusters and networks, the other local authorities display different patterns. Bath has a smaller, relatively self-contained cluster of companies but no single physical creative 'hub'. North Somerset has widely dispersed, low-turnover firms in its mainly rural environment; talk of 'clusters' has less resonance in this context.

The recent formation of the South West Creative Economy Partnership and the publication of a Creative Industries Strategy for the South West 2008-11 both offer the West of England an excellent opportunity to develop its support of creative businesses. By building on existing business and skills programmes, and by responding to the needs identified in this report, the project partners are well placed to take forward their work in this field.

This belief helps shape our recommendations to the partners. We will follow the four broad categories identified in the business support assessment (Access to Markets, Workspace, Attracting and Retaining Talent, Business and Management Skills) and develop a number of recommendations under each theme. The themes are closely inter-related, and should not be considered in isolation. They also need to be considered and acted upon in the light of two important policy initiatives, one region-wide, one national.

The South West Creative Economy Partnership is taking its work forward in a coordinated way through a 'Development Framework' for the sector. This sets out the key areas of support for the creative industries, with clear roles for regional, sub-regional and local partners. Our recommendations all read across to the ten main points of the framework (see Appendix 3).

The national initiative is the Business Support Simplification Programme (BSSP), designed to simplify the whole edifice of business support for those accessing it, and reduce duplication of supply. Some of our recommendations deal with aspects of business support which are already available within mainstream support. The partners will need to ensure that any creative industries business support programme meets the criteria of the BSSP, or draws on existing provision.

6.3 Access to Markets

The data analysis showed that the vast majority of creative industries firms in the West of England are small. This is particularly true for Visual Arts & Design, the fastest-growing of the four domains. However, the largest 1% of firms (those with 50 or more employees) employ more than 40% of creative workers. Our recommendations therefore acknowledge that, in some areas, a different approach may be appropriate towards smaller and larger firms.

For smaller firms and sole traders:

- **Supporting networks**: Networks provide invaluable business and social support, especially for smaller firms and sole traders. Personal connections and contacts are particularly important in many sectors of the creative industries as a means of finding

contracts, employment, developing creative projects – and accessing business support. It is crucial to ensure that this 'softer' side of support is available to creative firms and practitioners. A range of sector networks already exists in the West of England, although many of these consider themselves to be under-resourced. Some do not have any dedicated administrative support and are entirely reliant on time and work-in-kind donated by their members; funding administrative assistance enables these networks to be less precarious and more ambitious in their activities – to arrange more events, build better links with stakeholders, markets etc. Alternatively, networks can be supported to achieve specific ends and to develop their markets – by building websites or funding their attendance at trade fairs, for example. Other recommendations in which the networks could play an important role include:

- **Co-ordinated trade missions and product showcasing**
- **Establishing links with national specialist organisations for advice**
- **Building links with Higher Education institutions**

However, there is some overlap between existing networks. It is important to ensure both that there are appropriate links between existing networks, and that there are appropriate networking opportunities for all sectors that require them.

The sustainability of networks will also influence investment decisions. Criteria for assessing sustainability could include: whether a network has been active for some time; whether its membership is growing; whether it charge for membership or the work/events it supports (in other words, do the members value its work?); the extent of its wider regional or national links; whether it has a broad-based private sector membership.

For larger firms:

- **Direct engagement between large employers and support/policy bodies**

Given the imbalance between large and small creative industry firms in the West of England (as in much of the UK), and the disproportionate influence of the largest firms on levels of employment and investment, it is worth considering the best ways in which policy bodies might engage directly with large employers to discuss areas of mutual interest. There are already good links between some companies and public bodies (e.g. Aardman and South West Screen), but stronger links could be developed with other firms. In addition to the eleven businesses employing 200 or more (see Section 3.13), there are only a further 72 with 50 or more workers across the West of England. The establishment of a forum for the largest employers (either in the sub-region, in a local authority district or in specific domains/sub-sectors), would enable companies to convey their needs in terms of skills and infrastructure, and help to identify how companies might be able to make a bigger contribution to the development of the overall creative sector (e.g. sponsorship of networks).

6.4 Workspace

Workspace is most likely to be identified as a pressing need by smaller firms and for those which need specialised space. The interview responses suggested that many small creative industries firms benefit from sharing space with others – by keeping overheads low and facilitating the exchanges of ideas and development of informal networks. In addition, the following workspace issues were identified:

- **More workspace with restricted tenure for start-up businesses.** A shortage of suitable start-up and early-stage workspace was cited as a problem, particularly in Bath. This can be exacerbated if sitting tenants in existing developments do not move on. Restricted tenure encourages businesses to find new accommodation as they become established, ensuring a regular turnover of start-up space for new companies. An adequate supply of move-on space is also required.
- **Involvement of creative industries practitioners in new workspace development and urban public realm planning.** Consultation with creative industries companies – via intermediaries and networks where appropriate – will help to ensure that their needs are considered when planning workspace and public realm developments. There may also be opportunities for companies in the West of England (e.g. designers, architects, visual artists) to contribute to the design of such developments.
- **Need for more specialist types of space e.g. studios for artists, dance groups, exhibitions**. NMP's report[16] into creative industries workspace in Bristol notes that there is increasing pressure on such spaces. Rising property values and the fashion for loft living are leading to the redevelopment of warehouse space (some of which was previously available to creative companies), while the closure of the Old Vic in Bristol has hampered performing groups, which were able to use it on an *ad hoc* basis.

6.5 Attracting and Retaining Talent

Tackling the supply of skilled creative professionals requires a number of approaches. One of the most important issues raised in the consultation exercise was the influence of London, which exerts a strong pull on many creative people, and can offer a wider range of opportunities and (often) better financial rewards. The key is to nurture strong links between London and the West of England, to ensure that the flow of talent between the capital and the sub-region moves in both directions. Specific initiatives could include:

- **Joint talent initiatives and sub-regional creative industries' profiling and advertising.** It is in the interests of the West of England's creative industries to promote the sub-region as an attractive and creative place to work. (Any such efforts should be aligned with regional initiatives to promote the South West.)
- **Enhanced careers information service and sub-regional profiling of creative industries sector/places.** Build stronger links with schools and FE/HE institutions and their alumni groups; encourage students to think of the creative industries as a career option; expand opportunities for students to undertake placements in creative companies; offer student memberships to creative networks.
- **Public infrastructure.** Joint approach at the West of England strategic level to encourage flagship capital projects that raise the sub-region's creativity profile nationally and internationally. These may be new to the area, such as the Dyson Centre for Innovation or the Animation Centre of Excellence, or be an expansion of existing facilities such as the Colston Hall or Bath City of Festivals.

[16] NMP (2007), op cit

- **Further develop the area as a 'creative place'.** The absence of 'creative' venues and hubs is an issue for the three authorities outside Bristol. Places like the Watershed in Bristol play a very important role as meeting-places, but other towns lack equivalent venues. This was cited as a particular problem in Bath, which also lacks a city-wide creative network.
- **Include cultural projects and creative industries as part of regeneration and tourism schemes** Where the creative industries have less of a presence in the sub-region, there may be a case to 'repackage' them as part of wider generic schemes. This might apply, for example, to the creative industries' role in Weston-super-Mare's regeneration plans, for example, or to rural redevelopment initiatives in Bath & NE Somerset and parts of South Gloucestershire.
- **Tourism.** Local tourist bodies may place a stronger emphasis on heritage than contemporary arts (particularly in Bath) when considering what the sub-region has to offer in cultural terms. While not disputing the value of sights such as the city of Bath and the Clifton Suspension Bridge, more could be made of the West of England's genuine strengths in creative industries. This recommendation would complement the approach being developed in the West of England Tourism Development Plan.

6.6 Improving Business and Management Skills

The following recommendations are based both on the strengths and weaknesses of the sub-region and the evident need to encourage successful competitive businesses. They should be pursued where possible through, or with, networks, but some would better led by the public sector.

For small firms/sole traders:

- **One-to-one assistance with expansion plans, business development.** One-to-one assistance to point small firms towards sources of training and funding (often a problem for creative businesses) or help them with preparation of business and marketing plans. For those firms wanting to grow, such support is a critical starting point, and it is an issue that the West at Work Learning and Skills Council is directly addressing. Provision should be aligned with BSSP.
- **Mentoring schemes.** For those owner/manager/creatives who work alone but are hoping to expand, mentoring offers an effective solution. These could take two forms: low-cost, 'soft' arrangements made through networks, or more structured schemes delivered through the agencies' and the Sector Skills Councils' (SSCs) skills programmes.
- **IP knowledge training.** Building on models used by South West Screen, ArtsMatrix and Knowledge West, the expertise of local larger companies, law firms and Higher Education departments can be 'cascaded' down at network events. For more generic basic training in IP and other business skills, Business Link courses should be more effectively promoted to sole traders and freelancers (as should the services of West at Work).

For larger firms there may be possibilities in:

- **R&D collaboration with Higher Education.** There are major opportunities for greater collaboration between creative industries businesses and the three

universities in the sub-region (with the University of Gloucestershire also being close by). This could help with commercialisation of business ideas to maintain firms' technological skills and to help them move upmarket. The recent Sainsbury review of Science and Innovation policies recommends an expansion of knowledge transfer activity between HE and creative and service industries, and recommends an expansion of 'Knowledge Transfer Partnerships' – including simpler arrangements more appropriate to small companies – as a means of facilitating joint R&D between HE and the private sector.

- **CPD Training.** Given the creative industries sector's difficulties in recruiting and retaining talented workers in the sub-region, increasing the capacity and improving the skills of existing employees should be a priority. Efforts should be made to raise awareness of CPD opportunities – through marketing, network events etc. – and to identify the needs of businesses through regular consultation. Subsidised training/bursaries may be beneficial in some areas.
- **Work with Sector Skills Councils.** Partners and training providers should work closely with the SSCs for the creative industry sector (primarily Skillset and Creative & Cultural Skills) to ensure that education and training provision matches wider industry needs, and ensures the supply of talented and suitably qualified people over the longer term.

For networks or industry bodies

- **Industry involvement in curriculum development.** Networks are well-placed to coordinate a greater level of local employer involvement with universities, colleges and training providers. Such direct engagement helps develop more industry-relevant vocational courses and provides up-to-date careers guidance to students. Where appropriate, network representation on relevant boards and fora should be explored.

6.7 Matching Provision to Sector Profile

This report has revealed the size and variety of the creative industries in the West of England, and the views of those involved in them. It is clear that the creative industries form a significant part of the local economy.

We hope that the recommendations above will help the commissioning partners to continue to support the growth and development of the West of England's creative industries – but they are not the only conclusions to draw.

The report is perhaps most useful in helping us to think more generally about the characteristics of the creative economy in the West of England. Does the provision of support match the profile of the companies in Bristol, Bath and NE Somerset, South Gloucestershire and North Somerset? Media industries – especially film and television – and the performing arts tend to attract the most attention from public-sector bodies. Audio-visual is indeed the largest of the four domains in the sub-region, but almost half of that is due to the computer software sector. The Performing Arts are a small sector. Visual Arts & Design is growing more strongly than either, and Books & Press remains a significant employer in absolute terms despite a decline in jobs. Not all sectors or

companies require assistance and support as much as others, but it is important to ensure that policy initiatives and strategic plans encourage the growth and development of the whole creative industries sector.

Appendix 1: List of Interviewees

We would like to thank the following people for providing valuable insights into the state of the creative industries in the West of England:

Sonja Andrew, South West Textile Forum
Pam Bedard, Bristol Media
Johanna Bolhoven, South West Screen
Adrian Bossey, HERDA – SW/ SW Music Forum
Barbara Brunsdon, Creative People
Kate Castle, Dance South West
Marcus Cole, North Somerset Council
Caroline Green, North East Somerset Arts
Kate Jenner, Bath and North East Somerset Council
Chris Kemp, Suited and Booted
Karen Macdonald, Bath Area Networks of Artists
Robin McDowell, Bristol City Council
Catherine Mason, Bristol Books and Publishing
Alicia Miller, Bristol Visual Arts Consortium
Bob Mytton, West of England Design Forum
Alison Needler, Knowledge West
Roger Proctor, South West Design Forum
Sally Reay, Bristol Creatives
Lee Stephen, Gloucester Media Group
Jessica Vallentine, Creative Enterprise Gateway
Jon Watkins, RIBA Wessex
David Wells, North Somerset Council
Elin Williams, Theatre Bristol

Appendix 2: Research Methodology

We undertook a comprehensive data mapping exercise for each of the four local authority districts, based on a two-stage process of analysis. We used the Department of Culture, Media and Sport (DCMS) Data Evidence Toolkit's (DET) definition of creative industries, which provides Standard Industrial Classification (SIC) codes for each creative industries sub-sector across the whole production chain. These are organised into four 'domains', as below:

Audio-visual (AV)	Books & Press (BP)
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, mobile etc) Computer software	Publishing (books, magazines, newspapers) Literature Printing
Performance (P)	**Visual Art & Design (VA)**
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

The SIC code definitions of creative industries provided by the DET enable us to interrogate data obtained from the Annual Business Inquiry (ABI) workplace analysis to determine the size of each domain in each of the four local authority districts, both in terms of employment and numbers of businesses. Run by the Office for National Statistics (ONS), the ABI is an annual survey of VAT registered businesses in Great Britain which collects data on employee numbers, turnover and Gross Value Added (GVA), and classifies that information according to SIC codes. Every year approximately 80% of businesses place returns, making the ABI a reliable data source. Such data can be analysed for different years, giving an indication of growth trends over time, and so helping with forecasting.

However, there is one major difficulty with using the DET. Some of the SIC codes included within its definitions do not exclusively relate to creative industries activities. For example, the code that includes architecture (a sub-sector of Visual Arts & Design) also includes activities such as structural engineering and surveying which are not considered to be creative industries. The non-creative industries data therefore needs to be filtered out.

Our solution is to use another data source to determine ratios, or weightings, which can be applied to the problematic SIC codes in order to identify the creative industries part of the data. We purchased commercially licensed data from Experian's [17] National Business Database (NBD) for each of the four local authority districts. The NBD contains records for individual businesses derived from a wide range of sources, including Yellow Pages,

[17] A commercial data provider.

Thomson and Companies House. Business records are classified both by SIC code and by other classification frameworks that allow for a more detailed, 'fine-grained' analysis. By examining these records in detail, it is possible to calculate what proportion of businesses identified by a particular SIC code in a specific geographic area are creative industries companies (based on the DET definition), and therefore to generate weightings that can be applied to ONS ABI data. These tables of weightings can be supplied to economic development and research officers in each of the participating local authorities, enabling them to repeat the data analysis exercise in future years. This will help them to track the development of the creative industries and give an indication of the effectiveness of business support strategies.

The Experian NBD data also serves a number of other important functions. First, it provides information about the geographic location of businesses, which has been used to produce GIS maps of business distribution and employment density. Second, our analysis of NBD tells us something about the number of sole traders in the creative industries (this is not possible using ABI data). Third, the business records (with contact details) can be provided to the project partners to augment existing information about companies in their districts.

Appendix 3: Creative Industries Collaborations Development Framework

This appendix is taken from Section 4 of *Creative Industry Collaborations: Developing the Creative Economy in the South West of England*, produced by BOP in 2006/07 for Culture South West (and partners). The framework below is designed for regional implementation, but the sub-regional recommendations provided in Section 6 above should be considered within this wider regional context, and taken forward with reference to the work of South West Creative Economy Partnership and its member organisations.

A Regional Creative Industries Development Framework

The proposed Creative Industries Development Framework provides the partners with a list of **10 areas** in which to work collectively to ensure an effective support environment for the creative sectors:

i. *Industry fora and clusters*: the 'soft' infrastructure for nurturing the creative industries, the bedrock of the regional support. In the South West a way of connecting business with each other and with support structures (to simulate density of core places) and a key channel for ideas and market intelligence. Increasingly important to encourage convergence of networking between creative industries sectors (e.g. the 'digital media' space) and with other sectors (e.g. technology and tourism).

ii. *Basic start-up/survival toolkit*: information, advice and basic business skills for individuals and for micro-enterprises. Arts Matrix and Creative Skills are a nationally significant model aimed mostly at individual practitioners, but need to work with Business Link and other partners such as South West Screen to develop micro-enterprise support.

iii. *Graduate retention and progression*: overlaps with the above two, but a range of other incentives and programmes.

iv. *High growth and investment readiness*: enabling accelerated growth for small proportion of companies with potential = low volume, high impact.

v. *Skills development*: working the education and training sector and industry (including the four relevant Sector Skills Councils) to develop appropriate training and learning opportunities at all levels and in many different contexts

vi. *Business innovation and 'convergence' programmes*: linking Creative industries to the markets, collaborators and ideas which enable them to develop new products, services and business models. A mixture of softer network approach and more formal R&D programmes.

vii. *Promotional platforms and external marketing*: showcases, events and campaigns to promote companies to national and international markets and promote the region to Creative industries elsewhere

viii. *Infrastructure*: 'flagship' projects – usually based around buildings and/or technology which provide a focus and platform for creative industries support. (Distinct from, but linked the broader more complex cultural infrastructure.)

ix. *Evidence and intelligence*: up to date data and intelligence on the economic performance and potential of the Creative industries which help to shape a regional agenda and priorities for intervention

x. *Branding and internal marketing*: coordinated efforts by providers in the region to market, develop and deliver support services

The framework may have to be viewed as a interim 'check-list' for the partners to work to, as the business simplification process goes forward and more specialist support is drawn into mainstream provision and as partner relationships develop and new opportunities emerge. The nine areas correspond roughly to the simplified 'product and services portfolio' proposed by BSSP.

Main Areas	**Programmes/Tools**	**Package (*BSSP Products indicated in italics*)**	**Priorities and *Lead Partners***
1. Industry Clusters and Fora (regional and sub-regional)	Database Market intelligence Events Web presence Coordinator Network of networks Cross-over activity with other sectors	SWRDA & ACE (including GftA) *Infrastructure: Clusters and Hubs* *Innovation*	Set up regional books and publishing cluster *ACE/CSW* Extend media clusters to include design, digital and creative services *SWS* Increase investment in design and music *ACE/SWRDA* Activities with cluster groups in other key sectors *SWRDA* Funders to agree 3 year exit strategy
2. Start-up/survival toolkit	Information, advice and guidance (mostly online & telephone) Diagnostic (mostly f2f) Business skills Enterprise in education IP Awareness/Skills	Arts Matrix/Creative Skills & Business Link to roll forward Skills Development Programme South West Screen programmes Skillset careers Local provision from HEIs (Business Relations) via KESWA2/HEIF3	*Strategic Project 4:* Engagement programme with SWRDA Simplification Team *ACE/CSW* Establish 'core curriculum'; Strengthen AM/BL relationship, with SWS providing media input and HERDA the HEI linkages Re-design CEG *ACE & SWRDA/BL, initially with SWS*

		funding SWRDA\ACE\LSC package +Local contracts *Enterprise* *Economic inclusion* *Skills*	Set three year funding package
3. Graduate retention and progression	Start-up toolkit Seed funds Work experience Graduate mentoring Research/innovation links Incubation/first-rung workspace	Links to above HERDA projects Industrial Studentships NESTA *Enterprise*	Strengthen links between HEIs, delivery agencies and clusters/fora *HERDA – CI SIG*
4. High Growth and Investment Readiness	Diagnostic Mentoring Brokerage High-level business skills Access to finance	BL High Growth Coaching NESTA S/M/L HEI sector specialists *Finance*	Pilot accelerator scheme, marketing through clusters and HEIs *SWS with some HEIs*
5. Skills Development	Management skills within education vocational education Workforce development Support of in-house training	Skillset Academies COVEs HEI Higher Level Skills Pathfinder Proposed Aardman Animation Academy HERDA Higher Level Skills Pathfinder Arts Matrix/Creative Skills cpd progs Industry-based programmes: eg SWS with Endemol *Skills*	Work with Sector Skills Councils to achieve single regional skills strategy (already in train)
6. Business innovation and 'convergence' programmes'	Cross-over networks Specialist schemes HEI/industry links CI/cross-over links (technology and tourism)	Inspire Southwest HERDA/KESW2 HERDA Flagship Business Relations Great Western Research Industrial Studentships SWS Innovation Alliances SWS links to major broadcasters SWS international trade initiatives	Market innovation programmes to creative industries clusters and fora *SWRDA/BL*

		Innovation	
7. Promotional platforms and external marketing	Events Festivals Virtual showcasing Marketing campaigns	SWRDA/ACE regional package Linked to sub-regional versions Link to infrastructure projects CEG as window *Globalisation*	*Strategic Project 2:* Devise and execute international marketing strategy *SWRDA* *Strategic Project 3*: South West 2012 *SWRDA* Cultural tourism strategy Develop market hubs HERDA Flagship
8. Infrastructure	Building and/or technology based projects: platforms for promotion, innovation, education and enterprise Development of excellent programme provision	Various	Launch Regional flagship Develop digital media hubs
9. Evidence	Mapping studies Sector-specific research Case studies and exemplars	ACW/SWS/SWRDA Observatory	Establish standard measures and data framework
10. Branding and internal marketing	Clear identities across indiv. orgs and groupings Clear marketing message about CI Development Framework	Joint branding Joint marketing strategy Use of CEG	Agree marketing and comms strategy Develop toolkit for partners/delivery agencies *SW-CIP* Linked to all of the above

Appendix 4: Bibliography

A wide range of literature on the creative industries and related policies in the West of England and the South West region was reviewed. In addition to those cited in the main report, the key texts were:

Arthur D. Little (2004) *The State of the Key Sectors*, SWRDA
Bristol City Council (2006) *West of England Small Workspace Strategy*
Burns Owens Partnership (2007) *Creative Industry Collaborations: Developing the Creative Economy in the South West of England*
Culture South West (2007) *People, Places and Spaces: A Cultural Infrastructure Strategy for the South West Draft Consultation*
DCMS (2006) *Creative Economy Programme – Access to Finance and Business Support Working Group Final Report*
Elson, M. and Downing, L. (2005) *Culture and the Regional Spatial Strategy*
Fleming, T. (2006) *Creative Industries Mapping and Economic and Social Impact Study for Bournemouth and Poole*
Jackson, A. (2002) *Managed Workspace Survey*
Perfect Moment (2006) *Building Creative Success: The State of Creative Industries in Devon and Torbay*
South West Regional Development Agency (2006) *South West Regional Economic Strategy 2006-2015*
Taylor, J. (2007) Creative Summit – *Six Degrees of Separation: Knowledge Transfer, Creative Industries and the Spaces in Between*
The Tourism Company (2006) *West of England Tourism Development Plan*

Appendix 5: Data Tables

This appendix provides data tables showing creative industries employment and number of businesses[18] in each DET domain in the West of England, Bristol, Bath & North East Somerset, South Gloucestershire and North Somerset. Statistics for 2001 and 2005 are shown, and the % change between the two years.

These statistics are derived from ONS ABI data, using the definition of creative industries specified in the DCMS evidence toolkit (DET). Weightings applied to selected SIC codes were calculated based on separate analysis of the National Business Database licensed from Experian, a commercial data provider.

Note that all figures are rounded to the nearest 100, in accordance with ONS regulations. As a result, some totals may appear to be incorrect. Values of less than 50 are shown as 0. Percentage figures were calculated prior to rounding.

West of England

Creative Industries Employment

Table 1: creative industries employment in West of England

Employment	2001	2005	% change
Audio-visual	12900	13300	3.1
Books & Press	8500	7800	-8.3
Performance	800	900	1.2
Visual Arts & Design	3700	4700	24.9
TOTAL	**25900**	**26600**	**2.5**

Source: BOP (2007), from ONS ABI

Creative Industries Businesses

Table 2: No. of creative industries businesses in West of England

Data units	2001	2005	% change
Audio-visual	2100	2300	8.7
Books & Press	800	700	-8.0
Performance	400	300	-6.6
Visual Arts & Design	1400	1600	13.2
TOTAL	**4700**	**4900**	**6.2**

Source: BOP (2007), from ONS ABI

[18] Note that 'data units' have been used as a proxy for businesses. More accurately, 'data units' refers to business premises. A single business may occupy more than one property. However, because the vast majority of creative industries businesses are very small, and only occupy one premises, data units provide an accurate estimate of the number of businesses.

Bristol City Council

Creative Industries Employment

Table 3: creative industries employment in Bristol CC

Employment	2001	2005	% change
Audio-visual	6900	6400	-6.2
Books & Press	3400	3400	-0.1
Performance	500	500	-1.7
Visual Arts & Design	1700	2000	13.9
TOTAL	**12500**	**12300**	**-1.5**

Source: BOP (2007), from ONS ABI

Creative Industries Businesses

Table 4: No. of creative industries businesses in Bristol CC

Data units	2001	2005	% change
Audio-visual	1000	1000	0.2
Books & Press	300	300	-8.4
Performance	200	200	-6.7
Visual Arts & Design	600	600	4.5
TOTAL	**2100**	**2100**	**-0.6**

Source: BOP (2007), from ONS ABI

Bath and NE Somerset

Creative Industries Employment

Table 5: creative industries employment in B&NES

Employment	2001	2005	% change
Audio-visual	1700	2100	21.3
Books & Press	3200	2500	-21.5
Performance	200	200	-9.8
Visual Arts & Design	900	1000	14.3
TOTAL	**6000**	**5800**	**-3.7**

Source: BOP (2007), from ONS ABI

Creative Industries Businesses

Table 6: No. of creative industries businesses in B&NES

Data Units	2001	2005	% change
Audio-visual	400	500	19.1
Books & Press	200	200	-6.0
Performance	100	100	-9.3
Visual Arts & Design	300	400	14.3
TOTAL	**1000**	**1100**	**9.7**

Source: BOP (2007), from ONS ABI

South Gloucestershire

Creative Industries Employment

Table 7: creative industries employment in South Gloucestershire

Employment	2001	2005	% change
Audio-visual	3000	3700	24.3
Books & Press	900	1000	9.0
Performance	100	100	-3.9
Visual Arts & Design	600	1000	56.2
TOTAL	**4600**	**5800**	**25.3**

Source: BOP (2007), from ONS ABI

Creative Industries Businesses

Table 8: No. of creative industries businesses in South Gloucestershire

Data units	2001	2005	% change
Audio-visual	400	500	19.8
Books & Press	100	100	-3.4
Performance	0	0	-9.5
Visual Arts & Design	300	300	24.9
TOTAL	**800**	**900**	**17.0**

Source: BOP (2007), from ONS ABI

North Somerset

Creative Industries Employment

Table 9: creative industries employment in North Somerset

Employment	2001	2005	% change
Audio-visual	1300	1000	-21.2
Books & Press	900	800	-9.5
Performance	100	100	56.2
Visual Arts & Design	500	700	41.7
TOTAL	**2800**	**2700**	**-4.4**

Source: BOP (2007), from ONS ABI

Creative Industries Businesses

Table 10: No. of creative industries businesses in North Somerset

Data Units	2001	2005	% change
Audio-visual	300	400	8.5
Books & Press	100	100	-15.3
Performance	0	0	4.3
Visual Arts & Design	300	300	19.5
TOTAL	**700**	**800**	**8.6**

Source: BOP (2007), from ONS ABI

Computer Software

Section 3.9 above provides an analysis of the Audio-visual domain, and the proportion of Audio-visual companies and employment accounted for by the Computer Software sector (which includes games and web design). Full statistics are provided below.

Table 11: Computer software as share of Audio-visual employment

Employment	Audio-visual	Computer Software	% Computer Software	Remaining Audio-visual
Bristol	6400	2700	42	3800
B&NES	2100	1200	57	900
South Gloucestershire	3700	3200	85	600
North Somerset	1000	600	59	400
West of England (total)	**13300**	**7700**	**58**	**5600**

Source: BOP, from ONS ABI (2005)

Table 12: Computer software as share of Audio-visual businesses

Data Units	Audio-visual	Computer Software	% Computer Software	Remaining Audio-visual
Bristol	1000	500	50	500
B&NES	500	200	53	200
South Gloucestershire	500	400	76	100
North Somerset	400	200	61	100
West of England (total)	**2300**	**1300**	**58**	**1000**

Source: BOP, from ONS ABI (2005)

Appendix 6: Weightings

This appendix provides the weightings generated from analysis of Experian NBD data and then applied to ONS ABI data to produce creative industries statistics. Separate sets of weightings are provided for numbers of businesses and employment. These weightings are for the West of England.

SIC codes

The SIC codes listed in the left hand column correspond to the DET definition of the Creative industries. The codes presented here are from the 1992 SIC classification. If using 2003 SIC classification, the same 4-digit SIC codes apply, with two exceptions:

- 72.20 in SIC 1992 is replaced by 72.21 and 72.22 in SIC 2003.
- 74.84 in SIC 1992 is replaced by 74.87 in SIC 2003.

Some descriptions of SIC codes have also been updated in SIC 2003.

The domain that each SIC code belongs to is indicated in brackets:

- AV = Audio-visual
- BP = Books & Press
- P = Performance
- VA = Visual Arts & Design

Weightings and Size Bands

The centre columns provide the weightings to apply to each SIC code. Weightings represent the percentage of the data for each SIC code that *is* counted as creative industries.

If the DET specifies that all of the data in a specific SIC code is counted as creative industries, then the weighting is given as 100%. (That is, no weightings need to be applied to data obtained from ONS ABI for that SIC code.)

Weightings for the remaining SIC codes are indicated in the tables below. These are weightings calculated specifically for the West of England.

Different weightings were calculated for each of four size bands: companies with 1-10 employees, companies with 11-49 employees, companies with 50-199 employees and companies with 200 or more employees. ONS can supply ABI data in these size bands. The correct weightings must be applied to the corresponding size bands before totals are calculated.

If weightings are indicated as 0%, this means that no creative industries companies in the corresponding SIC code and size band were identified in analysis of Experian NBD for the West of England. If a 0% weighting is indicated for all size bands, then no creative

companies of any size were identified in the corresponding SIC code in analysis of Experian NBD (although the code is included in the DET definition of creative industries).

Creative Industries Components

The final column provides notes on the creative industries sectors that are included within specific SIC codes.

Weightings for Numbers of Businesses (data units)

Table 13 Weightings for Creative Industries Data Units

	Weighting (% counted as Cis)				*Creative industries components*
SIC code (1992)	**1-10 employees**	**11-49 employees**	**50-199 employees**	**200+ employees**	
2211 : Publishing of books (BP)	100	100	100	100	
2212 : Publishing of newspapers (BP)	100	100	100	100	
2213 : Publishing of journals and periodicals (BP)	100	100	100	100	
2214 : Publishing of sound recordings (AV)	100	100	100	100	
2215 : Other publishing (BP)	100	100	100	100	
2221 : Printing of newspapers (BP)	100	100	100	100	
2222 : Printing not elsewhere classified (BP)	100	100	100	100	
2223 : Bookbinding and finishing (BP)	100	100	100	100	
2224 : Composition and plate-making (BP)	100	100	100	100	
2225 : Other activities related to printing (BP)	100	100	100	100	
2231 : Reproduction of sound recording (AV)	100	100	100	100	
2232 : Reproduction of video recording (AV)	100	100	100	100	
2233 : Reproduction of computer media (AV)	0	0	0	0	
2430 : Manufacture of paints, varnishes etc (BP)	3	8	0	0	*Includes specialist printing inks.*
2464 : Manufacture of photographic chemicals	100	100	100	100	
2465 : Manufacture of prepared unrecorded media (AV)	0	0	0	0	
3210 : Manufacture of electronic valves etc (AV)	0	0	0	0	*Includes television camera tubes etc.*
3220 : Manufacture of TV/radio transmitters etc (AV)	0	0	0	0	*Includes TV, video, radio equipment etc.*
3230 : Manufacture of TV/radio receivers etc (AV)	85	0	0	0	*Includes TVs, DVD players, hi-fi etc.*
3340 : Manufacture of optical instruments etc (AV)	1	0	0	0	*Includes cinema equipment.*
3630 : Manufacture of musical instruments (AV)	100	100	100	100	
5143 : Wholesale of electrical household goods (AV)	2	0	0	0	*Including CDs, DVDs etc.*
5147 : Wholesale of other household goods (AV)	0	0	0	0	*Including musical instruments and photographic goods.*
5245 : Retail sale: electrical household goods (AV)	66	33	0	0	*Includes record shops etc.*
5247 : Retail sale of books/newspapers etc (BP)	16	30	75	0	*Includes bookshops.*

	Weighting (% counted as Cis)				*Creative industries components*
SIC code (1992)	**1-10 employees**	**11-49 employees**	**50-199 employees**	**200+ employees**	
5248 : Other retail sale: specialised stores (VA)	7	4	0	0	*Including photographic and software sale.*
5250 : Retail sale: second-hand goods in stores (VA)	97	50	0	0	*Including arts & antiques shops.*
7140 : Renting: personal/household goods not elsewhere classified (AV)	42	63	0	0	*Including video rental etc.*
7220 : Software consultancy and supply* (AV)	100	100	100	100	*For this study, includes all software consultancy and supply (including web design and games).*
7420 : Architectural/engineering activities (VA)	33	23	18	0	*Including architecture.*
7440 : Advertising (AV)	100	100	100	100	
7481 : Photographic activities (AV)	100	100	100	100	
7484 : Other business activities nec** (VA)	42	21	0	0	*Including 'speciality design activities' (graphic design, fashion design, interior design, jewellery design etc.) and agents.*
9211 : Motion picture and video production (VA)	100	100	100	100	
9212 : Motion picture and video distribution (VA)	100	100	100	100	
9213 : Motion picture projection (VA)	100	100	100	100	
9220 : Radio and television activities (VA)	100	100	100	100	
9231 : Artistic and literary creation etc (P – 50%, VA – 25%, BP – 25%)	100	100	100	100	
9232 : Operation of arts facilities (P)	100	100	100	100	
9234 : Other entertainment activities nec (P)	100	100	100	100	*Includes dance halls, circus etc.*
9240 : News agency activities (BP)	100	100	100	100	
9272 : Other recreational activities nec (P)	0	0	0	0	*Includes film, TV, theatre casting.*

* For SIC 2003, substitute 72.21 + 72.22
** For SIC 2003, substitute 74.87

Source: BOP (2007)

Weightings for Employment

Table 14: Weightings for Creative Industries employment

	Weighting (% counted as Cis)				*Creative industries components*
SIC code (1992)	**1-10 employees**	**11-49 employees**	**50-199 employees**	**200+ employees**	
2211 : Publishing of books (BP)	100	100	100	100	
2212 : Publishing of newspapers (BP)	100	100	100	100	
2213 : Publishing of journals and periodicals (BP)	100	100	100	100	
2214 : Publishing of sound recordings (AV)	100	100	100	100	
2215 : Other publishing (BP)	100	100	100	100	
2221 : Printing of newspapers (BP)	100	100	100	100	
2222 : Printing not elsewhere classified (BP)	100	100	100	100	
2223 : Bookbinding and finishing (BP)	100	100	100	100	
2224 : Composition and plate-making (BP)	100	100	100	100	

	Weighting (% counted as Cis)				*Creative industries components*
SIC code (1992)	**1-10 employees**	**11-49 employees**	**50-199 employees**	**200+ employees**	
2225 : Other activities related to printing (BP)	100	100	100	100	
2231 : Reproduction of sound recording (AV)	100	100	100	100	
2232 : Reproduction of video recording (AV)	100	100	100	100	
2233 : Reproduction of computer media (AV)	0	0	0	0	
2430 : Manufacture of paints, varnishes etc (BP)	8	15	0	0	*Includes specialist printing inks.*
2464 : Manufacture of photographic chemicals	100	100	100	100	
2465 : Manufacture of prepared unrecorded media (AV)	0	0	0	0	
3210 : Manufacture of electronic valves etc (AV)	0	0	0	0	*Includes television camera tubes etc.*
3220 : Manufacture of TV/radio transmitters etc (AV)	0	0	0	0	*Includes TV, video, radio equipment etc.*
3230 : Manufacture of TV/radio receivers etc (AV)	84	0	0	0	*Includes TVs, DVD players, hi-fi etc.*
3340 : Manufacture of optical instruments etc (AV)	7	0	0	0	*Includes cinema equipment.*
3630 : Manufacture of musical instruments (AV)	100	100	100	100	
5143 : Wholesale of electrical household goods (AV)	4	0	0	0	*Including CDs, DVDs etc.*
5147 : Wholesale of other household goods (AV)	0	0	0	0	*Including musical instruments and photographic goods.*
5245 : Retail sale: electrical household goods (AV)	62	34	0	0	*Includes record shops etc.*
5247 : Retail sale of books/newspapers etc (BP)	16	40	67	0	*Includes bookshops.*
5248 : Other retail sale: specialised stores (VA)	6	4	0	0	*Including photographic and software sale.*
5250 : Retail sale: second-hand goods in stores (VA)	97	43	0	0	*Including arts & antiques shops.*
7140 : Renting: personal/household goods not elsewhere classified (AV)	52	55	0	0	*Including video rental etc.*
7220 : Software consultancy and supply* (AV)	100	100	100	100	*For this study, includes all software consultancy and supply (including web design and games).*
7420 : Architectural/engineering activities (VA)	29	22	19	0	*Including architecture.*
7440 : Advertising (AV)	100	100	100	100	
7481 : Photographic activities (AV)	100	100	100	100	
7484 : Other business activities nec** (VA)	33	22	0	0	*Including 'speciality design activities' (graphic design, fashion design, interior design, jewellery design etc.) and agents.*
9211 : Motion picture and video production (VA)	100	100	100	100	
9212 : Motion picture and video distribution (VA)	100	100	100	100	
9213 : Motion picture projection (VA)	100	100	100	100	
9220 : Radio and television activities (VA)	100	100	100	100	
9231 : Artistic and literary creation etc (P – 50%, VA – 25%, BP – 25%)	100	100	100	100	
9232 : Operation of arts facilities (P)	100	100	100	100	

	Weighting (% counted as Cis)				*Creative industries components*
SIC code (1992)	**1-10 employees**	**11-49 employees**	**50-199 employees**	**200+ employees**	
9234 : Other entertainment activities nec (P)	100	100	100	100	
9240 : News agency activities (BP)	100	100	100	100	
9272 : Other recreational activities nec (P)	0	0	0	0	*Includes film, TV, theatre casting.*

Appendix 7: Comparisons with Other Areas

It is not possible to make direct comparisons between the statistics for the West of England outlined in this report and other parts or the region or UK. The creative industries evidence base – nationally and regionally – uses a range of definitions for the sector, and focuses on different periods of time. Moreover, because this study employs statistical weightings calculated specifically for the West of England, it is not possible to apply the same method to regional or national data from ONS for the purposes of comparison. However, if we keep these 'health warnings' in mind, broad comparisons can be made with existing research for other areas – as summarised below.

Research and coverage	Employment and Businesses	Share of Economy	Growth	GVA	Key sectors	Definitions and Sources
Mapping the Creative Industries in the West of England (BOP with Jules Channer, 2007) West of England	26,600 jobs in WoE 4,900 businesses	5% of employment 12% of businesses	3% employment growth, 2001-2005 12% growth in businesses, 2001-2005	Av. GVA per employee (2005): £39,600	Audio-visual is largest domain. Computer software accounts for around half of this domain.	DCMS DET with Experian NBD
Research Mapping and Economic Impact Study of the Creative Industries (BOP, 2004) South West	59,000 employees* in 2002 (89,000 including self-employed) 9,300 businesses in 2001 * nb – excludes computer software	2.4% of employment (3.6% including self-employed)	Employment growth 17.4%, 1991-2002	3.6% of regional GVA, 2001	Books and Press – largest employer Audio-visual – second largest employer, largest contribution to GVA	Regional Cultural Data Framework. (Similar to DET, but excludes computer software)
Creative Industries Statistical Bulletin (DCMS, Sept. 2006) UK	1,200,000 jobs in 2005 (not including creative jobs in non-creative industries sectors) 117,500 businesses – 7.2% of all businesses on IDBR		Average employment growth 2% per annum, 1997 – 2005 (compared to 1% in whole economy) Average GVA growth 5%, 1997 – 2005 (compared to 3% in whole economy)	CIs accounted for 7.3% of GVA in 2004.	Software, computer games, electronic publishing. Design and designer fashion.	DCMS definition, but not DET.

Research and coverage	Employment and Businesses	Share of Economy	Growth	GVA	Key sectors	Definitions and Sources
CEP Evidence Base (Frontier Economics, 2007) UK	728,000 jobs in 2005 (in 'Layer 1'?)	'Layer 1' (core creative roles) account for 2.5% of employment	Software, TV and radio, advertising and film responsible for 88% of all creative industries growth in 'Layer 1'		In 'Layer 1': Software and computer services (41%), TV and radio (18%), advertising (16%)	Frontier Economics – proposed 5-digit SIC code definition for CEP evidence base, across 5 Layers, with core creative activities in Layer 1, and other production chain functions in other layers
Creative Industries in Gloucestershire 2005 (Comedia, 2006) Gloucestershire		4.8% of employment 9.8% of VAT-reg businesses	Employment growth 5.8%, Business growth 2.7% (1997-2002) – but decline 2000-2002			DCMS CI economic estimate definition (scaling used)
Creative Value: The Economic Significance of Creative Industries in Cornwall (2003) Cornwall		2.1% of employment (2002) [from BOP, 2004, see above]	4% employment growth, 1998-2002		Audio-visual (55% of jobs)	
Building Creative Success: The State of the Creative Industries in Devon and Torbay 2005 (2006) Devon & Torbay		3.7% of employment	Uneven growth patterns between Devon CC and Torbay.		Audio-visual (53% of jobs), Books & Press (32% of jobs)	DCMS DET (scaling used)
Creative Dorset Strategy (Tom Fleming, 2006) Dorset		2.7% of jobs [from BOP 2004, see above]	Fluctuating.		Audio-visual (48% of jobs), Books & Press (44%)	ABI, DET
Creative Industries Mapping and Economic Impact Study for Plymouth (2006) Plymouth		3.1% of employment	Declined by 16%, 1998-2001		Audio-visual (57%), Books & Press (35%)	DCMS DET (with scalings)

Research and coverage	Employment and Businesses	Share of Economy	Growth	GVA	Key sectors	Definitions and Sources
Social and Economic Impact of Creative Industries in Wiltshire Wiltshire		5% of jobs 9% of VAT-reg businesses	10% job growth (2000-2005)		Audio-visual (60%), Books & Press (26%). Software alone (27%)	DCMS DET (including software). No scaling.
Creative Industries Mapping, Economic and Social Impact Study for Bournemouth and Poole (2007) Bournemouth and Poole		2.7% of employment	35% employment growth (2002-2004)			DET definition using ABI, plus additional survey and research
Creative Industries in the South East: A Framework for SEEPs, ACE SE, Business Link Kent, SEEDA, UCCA, (BOP, 2006) SE England region	72,450 employees (plus 41,850 self employed) Plus, 85,440 employees in software and computer services 12,800 businesses Plus 15,000 software businesses		Businesses grew by 2% (2000-20004) Employment (including self-employment) fell by 3% (mostly in advertising).	GVA grew by 18% (2000-2004)	In terms of employment: Advertising, then music and performing arts.	DCMS creative industries economic estimates (software analysed separately)
East Midlands Rural Creative Industries Study: Regional Report (BOP, Oct 07) Rural districst of East Midlands region	28,600 jobs 7,800 businesses In 26 most rural districts of East Midlands region	3% of employment 8% of businesses	Jobs grew by 20% (2001-2005) Businesses grew by 23%	Av GVA per head (2004): £24,500	Audio-visual (33% of jobs), Visual Arts & Design (51% of businesses).	DCMS DET with Experian NBD (same methodology as West of England study)