Regeneration Scrutiny and Performance Panel

16th July 2012

Agenda Item No. 6

Growing the creative industries in Walsall

Ward(s) All

Portfolios: Cllr Adrian Andrew – Deputy Leader and Regeneration

Executive Summary:

This report builds on and continues the work started by the Regeneration Scrutiny and Performance Panel last year, in relation to understanding the role and potential for growth within the creative and digital industries in Walsall.

It has been established that there are many benefits that growing the creative and digital industries in Walsall could bring, especially in relation to the synergies with established sectors such as manufacturing and engineering, together with its potential to contribute to town centre regeneration and development.

Feedback from a number of previous Scrutiny Panel focus groups has indicated that there are many challenges which are preventing the growth of this sector, but equally there are also plenty of strengths and opportunities.

Scrutiny Panel members have stated that they wish to continue reviewing the needs of local businesses, and have agreed to focus on those of the creative industries sector within Walsall.

As part of this review, officers will present on-going reports setting out how this sector is represented in Walsall, together with its treats and opportunities for development, recommending to members what actions they may consider etc.

A Sector briefing note is attached as Appendix A

Reason for scrutiny:

The Creative and Digital Industries sector is a significant employer in the UK and contributes a similar proportion of National GDP to the manufacturing sector, with strong growth potential being predicted.

It is recognised that areas such as Bristol, Manchester and Birmingham have established a vibrant and growing creative and digital industries sector. The Regeneration and Scrutiny Panel has expressed a wish to explore how Walsall may exploit the opportunities created through this sector for our economy.

It is also understood that the sector can support the place-making and cultural offer of areas where it is established, such as town centres, which in turn attracts both visitors and employers.

Recommendations:

Over the next four meetings of the Regeneration Scrutiny and Performance Panel it is proposed to:

1. Prepare an analysis of creative and digital businesses in Walsall, including case studies
2. Develop a SWOT analysis of the sector and present an appraisal of options for consideration by the panel.
3. Develop an action plan setting out what could be achieved against the agreed options etc.

Background papers:

John Howkins (2007)*The Creative Economy: How People Make Money From Ideas*
Department of Culture, Media and Sport (2011) *The Creative Industries Economic Assessment*
Office of National Statistics (2010) *UK Business – Activity , Size and Location*
NESTA (2008) *Beyond Creative Industries*
EEF (2012) *Driving Growth in Partnership with Industry* (speech given by Steve Radley, Director of Policy, at Science and Innovation conference, London, June 2012)
Walsall Local Economic Assessment (2011)
Black Country Local Economic Assessment (2011)

Resource and legal considerations:

Resource and legal considerations will be presented in an options appraisal if agreed by the panel. The report authors will prepare the reports in the recommendation as part of their existing work programmes.

Citizen impact:

There are considerable benefits for citizens from growing the creative and digital industries in Walsall, most notably around employment opportunities in areas that are matched more closely with the aspirations of young people, the potential for the sector to attract investment in leisure and retail activity, and new community-led development activity funded by Arts Lottery and Heritage Lottery.

Environmental impact:

Any environmental impact of support for the creative and digital industries is likely to be negligible.

Performance management:

Supporting the creative and digital sector has the potential to improve outcomes in Council priority areas by assisting economic growth, engaging people through arts and culture to improve health and well-being and improve community cohesion.

Together with the ability to link to existing key employment sectors as creative industries support growth by playing an important role within these sectors.

Equality Implications:

No impact assessment has been prepared in association with this report.

Consultation:

- Libraries Heritage and Arts Service Areas: NAG, Forest Arts, Libraries and Museums
- Town and District Centre management
- Partnership organisations
- Local businesses and traders, artists and craftspeople
- University Hub
- The Vine Trust

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Attachment A – Creative & Digital Industries, Sector Briefing Note.

Sector information

Due to the difficulties in defining the creative and digital industries sector, it has been notoriously difficult to estimate the size of the sector. The market size of the creative and digital industries was £108bn in 2007, nearly 10% of Gross Value Added, which is the same as manufacturing. It accounts for 7% of all UK employment, but earned 9.6% of all earnings – the average income for a worker in the sector is 37% higher than the UK average (NESTA, 2008).

Yet, in 2011, the Department of Culture, Media and Sport published a report claiming the sector accounted for 5.1% of all UK employment, 5.1% of all UK businesses and accounted for 10.6% of all exported services (not goods) but represented a much smaller share of total Gross Value Added.

The reasons for these inconsistencies are down to the variety of differing understandings and therefore exclusion and inclusion of different types of companies to form the creative and digital industries sector.

We use the definition included in the above 2011 report, which defined the creative and digital industries as;

"those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of economic property".

They include:

1. Advertising
2. Architecture
3. Art and antiques
4. Crafts
5. Design (including research & design within industry, modelling and prototyping)
6. Designer fashion
7. Film and video
8. Interactive leisure software
9. Music
10. The performing arts
11. Publishing
12. Software and computer services
13. Television and radio

There are no regional data within the above reports. However, the Office for National Statistics Publish data from the Annual Business Survey which details the size, location and activity of businesses. In 2010 in Walsall, businesses with the "arts, entertainment, recreation and other services" made up 6.5% (6.4% in 2009, 7.1% in 2008) of the total business population, which is close to the UK average of 7%.

The 2011 Black Country Local Economic Assessment did not identify the creative and digital industries sector specifically as a key growth sector in the Black Country. Nevertheless there are more established sectors in Walsall's economy, most notably manufacturing and engineering, which have significant expertise in design, and would benefit from activity to support and promote design across Walsall.

According to the manufacturers' organisation EEF, the importance of design for manufacturers will increase as firms seek to distinguish themselves from their competitors by improving quality, broadening product range, improving processes and developing their brand.

It is possible to prepare a more detailed analysis of the creative and digital industries sector, looking at the businesses within the Standard Industrial Classification (SIC) codes of the 13 sub-sectors listed above registered in Walsall.

Focus groups feedback

Following the last meeting of the Regeneration Scrutiny and Performance Panel, meetings were held with two focus groups drawn from Walsall businesses and sole-traders within the creative and digital industries.

1	There was some scepticism in both focus groups from some of the more established companies/ individuals have been involved in previous discussions which they feel didn't result in any change or progress.
2	There were some misconceptions about LA role.
3	There is a general desire to improve image and opportunities to network (both virtually and physically)
4	Some innovative new digital companies are winning exciting international work and using innovative methods to fund projects.
5	Artists and crafts people are keen to have a go at pop-up creative activity, but want a genuine exchange and that their skills are valued.
6	Artists and crafts people are keen for some shared spaces. Whilst all were supportive of NAG and frequent visitors to it, there has not been success with trying out retail and little opportunity to exhibit. All were keen to see other more local quirky marketing activity and some interest in flexible studio workshop space, especially for occasional project work/ large commissions that need short-term larger spaces and to deliver workshops to the public.
7	New potential activity with NAG bid to host the Turner prize 2015 Damien Hirst Exhibition over the next year will create visitor interest. This could potentially lead to a bid for UK Capital of Culture.
8	Some feel let down in not knowing or being able to tender for local authority-led project work.
9	All thought that Walsall had a lot of creative people and activity but that a lot was hidden.
10	There was support for collective marketing, especially for a web portal for networking, marketing, branding and sales.
11	Businesses felt that the poor environment and lack of a coherent "business quarter" and appropriate amenities made it difficult to meet customers and find employees willing to work in Walsall
12	Businesses felt there is a shortage of appropriate office space in terms of appearance and quality
13	One participant told the group that he had moved his business out of Walsall

	partly because of poor broadband access and reliability
14	Forest Arts centre has a new partnership as part of the Music Hub development with Apple and with Back Stage Academy, leaders in the development of stage craft and technical skills for the music industry. There is a skills gap in this sector.
15	Businesses felt that there are opportunities around collecting successes of creative businesses and people and promoting Walsall as a creative place, in order to challenge negative perceptions of Walsall as deprived, polluted or unimaginative.
16	The proximity of Birmingham and its growing creative and digital industries sector offers a significant opportunity for Walsall businesses