

Creative Industries Policy & Evidence Centre

Led by **nesta**

Insights from our Industry Champions

How policymakers can support local growth in the creative industries

Introduction

As part of the Creative Industries Policy and Evidence Centre (PEC)'s research agenda around growth, the PEC has consulted its [Industry Champions](#) on their experience of local policy interventions aimed at growing the creative industries.

The PEC's Industry Champions are trusted and respected practitioners, drawn from all parts of the creative industries and from across the UK. They have deep knowledge of industry practice and a desire to inform academic research that leads to better policies for the creative industries.

We convened an Industry Panel on 23 January at the World Museum in Liverpool which brought together some of the Industry Champions to address three questions:

- What does success in the creative industries look like in your geographical area?
- Which local interventions have been successful in unlocking this growth and which have not?
- What additional local interventions are needed?

The panellists came from a diverse range of industries including marketing, museums, crafts, graphic design, audio, film and visual arts, and have an experience of working across the UK. A Rapid Evidence Review, produced by BOP Consulting and which will shortly be published, was distributed beforehand and used to structure the discussion. The Panel was chaired by Caroline Julian, Director of Policy and Programmes at the Creative Industries Federation.

The purpose of the Panel was for industry experts to share their experience of local, regional and devolved government interventions. The insights in the report apply to the

UK as a whole but the panellists had a particular experience of Local Enterprise Partnerships (LEPs) in England.

This report records the key points discussed by the Panel. In addition to implications for local, regional, devolved and central government, there are also insights for industry and the PEC's own work. These are listed at the bottom of this note.

Insights

Local variations in support

The panellists observed that the creative industries were no longer perceived as a 'nice to have' by policymakers, but rather as an important sector in the economy. However, they believed that the sector needed to continue to make the case to policymakers to ensure that they get the support they need. The implication is that **industry and industry bodies should continue to inform policymakers of the local impact of their businesses.**

Some panellists felt that the national [Creative Industries Sector Deal](#) had encouraged many of England's LEPs to include the creative industries within their strategies. They believed that within the LEPs they were familiar with, there was some understanding of the creative industries. However, the level of that understanding varied greatly. One panellist spoke about moving back home to a smaller town after living in a city to start their creative business, and how they had found that their council was unequipped to help due to a lack of familiarity with creative business issues. Other panellists agreed that support varied by location and that being based in an established creative industries cluster meant that creative businesses gained further support.

There was a consensus amongst panellists that local council cuts (local councils in England have experienced a [34.9%](#) fall in funding for cultural and related services between 2011/12 to 2016/17) had reduced the sector's growth and diminished the cultural offer outside of London. One panellist added that when local councils changed political hues, they often changed or even reversed existing policies. From a business perspective, this made planning ahead a significant challenge. **An implication for local councils and other policymakers is to consider providing greater support and information for firms, including creative businesses, if policies change following an election.**

A number of the panellists argued that having a thriving local cultural scene was also key to attracting and retaining creative talent in their areas. Having a number of - or cluster of - local cultural spaces and creative businesses increased job opportunities for people, and made the area more attractive to work (and live) in. One panellist pointed to the importance of strong local social networks for retaining talent.

Signposting and business support

All the panellists felt that it was difficult to navigate what business support services were available for creative businesses at a local level. Panellists felt that advice was often disjointed and unclear and better signposting was needed as to the financial support and resources available for businesses and freelancers. One panellist reflected on the significant challenges in growing a creative business when day-to-day problems can be overwhelming. Perhaps this was an area where policymakers with an understanding of the local context could help?

Another panellist who worked with a number of small businesses remarked that in their experience business support in areas like finance, HR, legal advice and protection of intellectual property rights was particularly needed. Existing support in hubs or clusters was identified as helpful.

Perhaps surprisingly, much less was said about other public providers such as universities and colleges providing business support. This may have been because the conversation focused more on government support.

An exception was a panellist who described a university as subsidising local businesses to hire its graduates. The panellist who had made use of this particular fund said that it had helped to grow their business whilst also providing the graduate with a decent wage.

The panellists generally concluded that, in England, LEPs were best placed to act as a one-stop shop for creative businesses. One suggestion was that each LEP should host an annual forum, with information and signposting for local businesses. Another panellist suggested that the model of [Creative Enterprise Zones](#) in London might be usefully replicated elsewhere. In their experience, the model had had significant local economic impacts. This programme aims to help artists and creative businesses find permanent affordable space to work, supports startups, and helps local people to learn creative skills and find new jobs. In any case, **an implication of the points made is that more work needs to be done on signposting to creative businesses the support that is locally available to them.**

Mentorship was singled out as especially valuable for the growth of creative businesses. The [Design Business Association](#) was praised by one panellist for having a wide geographical network of mentors. Other mentoring circles mentioned included [Fluid Mentoring](#) and the [Stephen Lawrence Trust](#) who had also helped to increase diversity and inclusion within the creative sector. A qualification was that, if unchecked, mentoring schemes could end up with mentees competing for the same work as their mentor, as local opportunities were necessarily limited in number. For this reason, some

panellists felt that mentoring schemes worked better on a national rather than a local scale.

Access to finance

Local access to finance opportunities was also highlighted as an issue for panellists who had started their own businesses, with many describing funding processes as laborious and slow. But there were exceptions. One panellist noted that the Liverpool City Region's [Strategic Investment Fund](#) proved easy to navigate. The Fund encouraged local businesses to apply for startup funding and talked directly to businesses without a cumbersome application procedure. Other good examples of financial support we could learn from included Greater Birmingham and Solihull LEP's £1.3m [Creative Scale Up](#) programme.

Local councils and LEPs (in England) who provide access to finance for creative businesses may wish to consider how they can simplify their application procedures. LEPs should look to replicate successful strategic funds like the Liverpool City Region funds.

Space to work

Helping creative businesses and freelancers secure affordable spaces to work was a local policy priority for a number of panellists. One panellist noted that when they had been looking for an artist studio in Liverpool, they had found that a number of more central locations either had excessive rental costs or had short leases (as they were about to be converted into flats). It was only when they looked to parts of the city further outside the centre that costs were more reasonable. Insofar as many of the other resources needed for creative talent are found in the centre this impeded their work.

One panellist noted the example of Bristol City Council renting out property in [Spike Island](#) and in the [Watershed](#) for "peppercorn rents". This enabled local creatives to have access to space in a central location. It was no coincidence that Spike Island had subsequently gone on to be recognised for its public benefit, through its art exhibitions, talks and events, as well as its studio spaces for artists.

Another panellist suggested that closed shops or shopping centres on the high street should be temporarily allocated for reduced rent to creative startup businesses or artist studios. This would prevent dereliction of the buildings whilst at the same time allowing creative businesses to grow.

One panellist described their experience of first having moved to Newcastle: they had received support from a business incubator in the form of free office space.

Schemes reducing business rates also received praise from the panellists, with one explaining that Lambeth Council in London had allowed their small business to rent an office without having to pay business rates at all.

Policymakers who want to attract and grow creative businesses in their local area should consider opening up available empty space, subsidising rent for creative businesses as they set up, and reducing creative business rates.

Public procurement

One panellist highlighted the difficulties many small creative businesses face in securing public procurement contracts because of the high fixed costs. Even if tenders were open to SMEs, cost barriers included the high fees for indemnity insurance. The need for a long track record of work acted as a catch 22, benefitting incumbents and preventing fresh, new ideas from entering into the public realm even though these are sorely needed. Smaller contracts were available but these did not support business growth. The panellists believed that policymakers should introduce initiatives to make it easier for SMEs to bid for procurement contracts including targeted support and guidance.

An implication is that local governments should review their procurement practices to remove impediments for small creative businesses. Understanding the barriers to public procurement from creative businesses compared with SMEs more generally may merit further research.

Capital investment and infrastructure

A number of panellists argued that public capital investment played an important role in driving growth in local creative industries. One example given was the building of a new theatre in Prescott, Merseyside which had drawn in a number of people to an area which did not previously receive large numbers of visitors, boosting the local economy. The relocation of a number of the BBC's departments from London to Salford was also highlighted as having had positive impacts on the local economy (the subject of a forthcoming PEC Discussion Paper).

There was some discussion about the impact of Section 106 agreements in new developments (applicable in England and Wales, although similar legislation applies in Scotland and Northern Ireland), where the developer mitigates the impact of new homes on the local area. In some cases this had involved embedding cultural organisations into the new development. However, this has had mixed results. Some theatres (such as the Bridge Theatre in London) had done well from the regulation but other performing arts venues (particularly live music) had not been popular with

developers, as tenants had concerns about the late night economy. **Further research may be needed on the impact of Section 106 agreements.**

Investment in local transport infrastructure was also highlighted as crucial for creative businesses, with a number of panellists expressing concerns about local train and bus connections. An example was in regards to train connections within the North of England, and how it could take longer to get to Wakefield from Southport, say, than it did to get from Wakefield to London. **An implication for local (and central) government is that policymakers should consider where local infrastructure restrictions are likely to be harming business growth, not just infrastructures in travelling to London.**

Notwithstanding the importance of physical infrastructure, perhaps surprisingly much less was said about the importance of digital infrastructure needs. Perhaps this is because it is seen as a national government responsibility rather than a local one. One panellist highlighted the many opportunities in the creative industries where digital infrastructure is more important than physical. They gave the example of the audio sector where podcasts could be successfully produced in more remote areas around the UK.

Cross-sector working

A panellist suggested that cultural institutions in the capital should work with smaller players outside of London to support the growth of creative clusters. Another argued that publicly funded organisations had an obligation to provide this support and share learning. In the cultural sector, the [National Theatre's Theatre Nation](#) partnerships were mentioned as a good example of a publicly funded institution sharing knowledge to help regional partners broaden and increase their audiences.

Panellists also raised concerns that public and private sector initiatives to grow creative businesses were not coordinated. For example, many banks provide support for small creative businesses, seemingly unconnected to the support services provided by government.

Policymakers should consider whether programmes to support growth in the local creative industries can encourage more cross-sector working and collaboration, as a means to grow business capacity.

Implications

The points made in the Industry Panel point to a number of implications.

Implications for policymakers include:

- Consider providing greater support and information for local businesses if policies change following an election.
- More work on signposting to creative businesses about what support is locally available.
- Local councils and LEPs (in England) who provide access to finance for creative businesses should consider how they can simplify their application procedures.
- LEPs should look to replicate successful strategic funds like the Liverpool City Region funds.
- Consider opening up available empty space, subsidising rent for creative businesses as they set up, and reducing business rates.
- Review their procurement practices to remove impediments for small creative businesses.
- Consider where local infrastructure restrictions are harming business growth, instead of just considering the restrictions in getting travelling to London.
- Consider whether programmes to support growth in local creative industries can encourage more cross-sector working and collaboration, to grow business capacity.

Implications for industry include:

- Inform policymakers of the local impact of their creative businesses.

Implications for the PEC include:

- Understanding what the barriers are to public procurement from creative businesses compared with SMEs more generally may merit further research.
- Further research may be needed on the impact of Section 106 agreements.