



THE UK CREATIVE INDUSTRIES

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CEO FOREWORD

It is a little over a year since the Creative Industries Federation warned of the potentially devastating economic effects of Covid-19 on our creative businesses and workforce, calling for the urgent introduction of support measures. One year on, and, thanks to the imagination and resilience of creative people and their businesses, combined with significant support from government interventions such as the £1.6 billion Culture Recovery Fund, our worst fears were thankfully not fully realised.

Parts of the sector have been hit hard, with the performing arts, live events, museums & galleries and freelancers most significantly affected. But more than anything, the Cultural and Creative Industries have demonstrated the thing that we as a country need most of all: incredible resilience.

Across all parts of our sector, the Creative Industries have adapted business models, finding innovative new ways to engage with audiences and consumers. This ability to tackle problems with bold and fresh thinking has always been key to the creative sector's success. As we move forward, it will be more instrumental than ever in addressing new challenges. We must seize the opportunity to do things differently and, through our recovery, position the creative sector more confidently as what it really is: an industry and workforce at the vanguard of future health, wealth, and prosperity.

Of course, many creative businesses have faced crippling hardships during the past year, and we are still seeing too many talented individuals leave the sector as job losses continue. The pandemic has exacerbated existing inequalities and we need to ensure that we build back in a way that drives inclusive growth, that creates opportunity and that enables people everywhere to thrive. So, we need to take stock and assess the damage caused by the pandemic to ensure we are better informed to build back stronger, and crucially, fairer, because the value of our creativity is so much greater than economics and employment.

This report is packed with examples of creative businesses who are enterprising and innovative – creating sustainable solutions for many of society's biggest challenges. For decades, our cultural

heritage has been vital to forging lasting international relationships that strengthen our soft power across the globe. And business leaders from other industrial sectors remain passionate about the need for a broad creative education for all young people, because they know it results in a cadre of intellectually curious, creative problem-solvers from all walks of life; exactly the people they need for the jobs of tomorrow.

This report is the first joint publication from Creative England and the Creative Industries Federation, who have come together as the Creative UK Group. It is apt that this research explores the many beneficial contributions the Creative Industries can make to rebuilding our country, while we as an organisation are setting out how best to positively impact the future of our sector. We could not have done this without the help of our partners and sponsors – Innovate UK, Bloomberg, Open University, and the University of Nottingham - who not only provided resource, but insight, data and strategic thinking. Our hope is that this report provides the evidence to amplify the voices of the many others in our sector who know that the Creative Industries are essential to making the UK more prosperous, our society more equal, and our communities happier and healthier places for everyone.

I am so grateful to the many members, colleagues and partners across industry and government who contributed in countless ways to the report's delivery, and I know that their willingness to collaborate will be a cornerstone of how we move forward as a sector. Creativity is rarely devised in complete isolation; ideas are inspired by what has come before, developed in partnership with peers, and shared for others to experience, enjoy, and benefit from. If we can continue collaborating, working together, and sharing ideas, we can collectively capitalise on the power of the Creative Industries to reshape our future for the better.



**Caroline Norbury MBE,
CEO, Creative UK Group**

SECRETARIES OF STATE FOREWORD

Our world-class Creative Industries are one of the UK's greatest success stories. Dynamic, groundbreaking and with a truly global reach, they increasingly drive our economy - with employment having grown at roughly three times the national average over the past decade.

We welcome this report from the Creative UK Group, which highlights how creative businesses, workers and communities are unleashing innovation, and leading the charge on a number of priorities set out in Build Back Better: our plan for growth - including our net zero goal, and our ambition to level up all parts of the UK. It's clear that we need the best of British creativity to help us achieve these goals more equitably and sustainably than ever before.

We have supported the Creative Industries throughout the challenges of the COVID-19 pandemic with economy-wide support packages for businesses and freelancers, including the Coronavirus Business Interruption Loan Scheme, the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme. We've also made millions more available in tailored sector-specific support, including our unprecedented £2 billion Culture Recovery Fund - the single largest package of support for the arts. Our groundbreaking Film and TV Production Restart Scheme has kept cameras rolling all over the country throughout the pandemic, and has already protected a further 44,000 jobs since it launched last summer. Thanks to this support, and to the innovative and entrepreneurial spirit of the sector, the Creative Industries have continued to adapt to the challenges of COVID - from deploying tech to reach new global audiences, to fashion, design and craft businesses pivoting to produce PPE. Such inventiveness has always been the hallmark of the Creative Industries. Over the years, people in this country have applied that creativity across a number of different industries, making the likes of **Rolls-Royce PLC** and **Jaguar Land Rover** world-renowned. Those ideas are the UK's Intellectual Property, and we must develop, retain and protect it over the

coming years. Our Innovation Strategy, which will be published this year, sets out how we will further boost private sector innovation, ensuring that the UK remains a vibrant home where businesses can capitalise on these established strengths.

It is because of this creativity, resourcefulness and ingenuity that Oxford Economics predicts the Creative Industries will generate 300,000 more jobs and an additional £28 billion in GVA across the UK by 2025. This is incredibly positive - and government has a vital role to play to help unlock this potential and support the continued growth and success of the UK's vibrant Creative Industries. We will consider the recommendations set out in the report, and look forward to working with the Creative UK Group and our world-leading Creative Industries towards this common goal, as we build back better from the pandemic.



The Rt Hon Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport



The Rt Hon Kwasi Kwarteng MP
Secretary of State for Business, Energy & Industrial Strategy



EXECUTIVE SUMMARY

Creative Industries are the industries of the future. They are a motor of economic growth and job creation. They drive innovation, and they make communities in all parts of the UK happier, healthier places for us to live.

Prior to the pandemic the Creative Industries contributed £115.9bn in GVA and employed 2.1 million people, with an additional one million new jobs projected by 2030. The sector was growing at four times the rate of the UK economy as a whole.

New research from Oxford Economics, published for the first time in this report, evidences that the true impact of our creative sector was greater still: an extra 1.4m jobs were reliant on the sector through its supply chains - a combined total of 3.5 million, or more than 1 in 10 UK jobs.

The figures also reveal that the Creative Industries were one of the country's greatest money-makers: the sector's pre-pandemic economic footprint of £115.9 million multiplies to £178 billion when we take into account the sector's direct supply chains. This means for every £1 the Creative Industries contributed directly to GVA, they generated another 50p elsewhere in the economy. And that is before any consideration of the indirect impact that this well spring of creative talent brings to UK innovation and value creation across all sectors.

And they have the potential to contribute even more.

With the right investment, Oxford Economics projects that the sector could recover faster than the UK economy as a whole, growing by over 26% by 2025 and contributing £132.1 billion in GVA – over £28 billion more than in 2020, and more than the financial services, insurance and pension industries combined. In that same timeframe, they could create 300,000 new jobs - enough new jobs to employ the working-age population of **Hartlepool** and **Middlesbrough** twice over.

In all this talk of jobs, it can be easy to forget that jobs mean people. People in all parts of the country, of all backgrounds, ethnicities, talent and abilities, living in vibrant communities buzzing with culture and crucially, given the opportunity to thrive.

As we emerge from the devastating impact of Covid-19, the sector's capacity to generate wealth and create jobs will be vital for stimulating recovery across our country and communities. And the power of creativity to drive innovation and help us think differently will be essential not just for rebuilding, but for reshaping our future and finding new solutions to tackle society's biggest problems. Achieving net zero will only be possible with creative solutions and innovations. And an inclusive society will only be possible if we ensure that those on television, film, in books, in the media, on the radio, truly reflect the diversity of the UK.

So, we need to get it right.

Government and industry can take action now: investment in creative businesses, people and places will unleash innovation, level up all parts of the country, create opportunities and unlock entrepreneurialism, creativity and sustainability throughout the economy. It will future-proof UK industries and jobs and strengthen our global competitive edge.

UK Government's introduction of measures such as the £1.57bn Culture Recovery Fund and £500m Production Restart Scheme have supported many parts of the sector through the pandemic, and as we look ahead, we must ensure the UK does not lag behind competitors like the USA, Canada, France and Germany who continue to introduce ambitious investment and favourable policies to stimulate and support their Creative Industries. There's a big cost associated with being behind the global curve, and it's not just economic: the UK is currently third on the Global Soft Power Index, but this position is easily lost and would be difficult to build back.

The UK is also at risk of leaving people and places behind: modelling undertaken by Oxford Economics outlines that without proper investment, certain areas of the UK, industries reliant on footfall and audiences, and freelancers – a vital part of our workforce – will be much slower to bounce back than the rest of the sector. Existing inequalities will be exacerbated. This is highly problematic for a number of reasons: it withholds revenue and work from those who need it the most; it removes vital opportunities from people and businesses across our nations and regions; and it limits the potential for our sector to give back to their local economies – for every £1 created by the Creative Industries in **Wales** and the **North East**, a further £2.50 is generated elsewhere in the local economy, and for every job created in the **East Midlands**, another 1.6 jobs are sustained in the region.

We need to learn from the UK's response to the 2008 financial crash, which – due to a lack of targeted investment and support – saw the Creative Industries consolidate and grow far more in **London** and the **South East** than the rest of the UK. The Creative Industries have recognised these problems and are making huge strides to ensure an equality of opportunity by driving inward investment, innovation and entrepreneurialism into places across the UK: £55m of public investment in the Creative Industries Clusters Programme, which involves many hundreds of small creative businesses, is set to leverage an impressive £149m in private investment by 2024, while Creative England's £24m Creative Growth Finance Fund - in partnership with Triodos Bank – is supplying much needed growth finance to

creative enterprises. Opportunities extend beyond finance, but money is so often needed to unlock opportunities. By leveraging over £12m of industry investment, the Creative Careers Programme has reached over 92,000 young people in just 16 months and helped to break down barriers to future creative roles.

But more needs to be done.

In this report, we outline what's needed to avoid repeating past mistakes and to avert the very real threats to our country, our world-leading status and soft power. It includes new analysis from Oxford Economics which captures the impact of the pandemic and Brexit on the sector so far and modelling to outline the growth and global opportunities that could be realised. This report is the result of a major consultation exercise undertaken with Creative Industries Federation members and wider industry, spanning all parts of the sector and UK.

It covers the economic potential that the Creative Industries could unlock with the right investment, policy frameworks and support. However, we recognise that there are many challenges and opportunities beyond the economic. The events of the past year have brought to the fore how much more our sector – and country – needs to do to drive growth that is truly inclusive.



“This report shows clearly – once again – the need for the UK government to get foursquare behind the country’s dynamic Creative Industries and support them with actions across education, careers, finances and investment, and through offering strong support for local and regional decision-making that can deliver even greater creativity. The UK is well-known for the success of its Creative Industries, but risks getting left behind in the post-pandemic world without supportive action to ‘build back better’. The Open University, as one of the country’s largest providers of arts higher education, stands ready to play its full part. Whether working in close collaboration with some of our great arts institutions or supporting non-traditional and diverse learners to start their journey into an arts education, we will do what we can to deliver some of that essential support to help turbocharge the impact of our valued Creative Industries sector.”

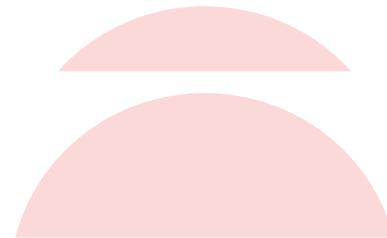
– Professor Ian Fribbance
Executive Dean of the Faculty of Arts & Social Sciences, and
Professor of Economics Education,
The Open University



POLICY RECOMMENDATIONS

In summary, ahead of government’s Comprehensive Spending Review, we’re calling for investment into:

1. Creative ideas to help us combat society’s biggest problems.
2. Creative Industries to regenerate our places, driving job creation, economic growth, opportunity and community cohesion.
3. Creative skills to create future-proof jobs.



IDEAS

- Secure an ambitious innovation funding settlement that unleashes the potential of creative ideas.

Creative innovation strengthens the UK’s ability to achieve net zero, remain globally competitive and become more resilient. Public investment should take the shape of challenge-based innovation funds, building on the success of Innovate UK’s *Fast Start* and *Creative Industries Fund*, which have supported the creative sector to respond to market failures, and major Research & Development programmes including Creative Industries Clusters, Audience of the Future and the Creative Industries Policy and Evidence Centre. R&D tax reliefs should also be expanded to include the arts, humanities and social sciences in scope.

- Introduce an “Innovation Enterprise Allowance” to unlock the UK’s creative potential.

Creative ideas are everywhere but opportunity is not. An Innovation Enterprise Allowance could build on government’s New Enterprise Allowance, de-risking entrepreneurialism for those out of work yet brimming with creative solutions and business ideas. It could aim to incentivise not only those with prospects of high-growth and new markets, but also innovative responses to local regeneration, health challenges, climate change and sustainability. This would need to be accompanied with support on the creation and protection of Intellectual Property.

- Introduce an “Innovation Employment Scheme” to increase UK businesses’ capacity to generate creative solutions and ideas.

Demand for creative skills is high and is set to increase as the UK economy seeks to keep up with global competitors and future-proof its workforce. An Innovation Employment Scheme could build on the model of government’s Kickstart Scheme, incentivising employers to take on creatives, with a focus on freelancers and those out of work, to support particular projects, challenges and/or business opportunities. The Scheme could be time limited and act as a “Year One” strategy in government’s “Plan for Growth”.



PLACES

- Establish a Creative Industries Investment Bank to unlock finance, inward investment and export opportunities, benefiting a greater diversity of people, businesses and places.

This would incentivise new intermediaries providing private sector finance and should include investment through the government-owned British Business Bank (BBB) to leverage significant additional private capital. It would act as the next stepping stone to the pilot recently established by the Start-Up Loans Company – a subsidiary of the BBB – and the UK’s Creative Industries, which will ensure money and support reaches creative entrepreneurs across the country, complement the successful business investment and grant programme delivered by Innovate UK, and be accompanied by investment readiness support, building on the government-led Creative Scale-Up programme.

- Build on the success of the Creative Industries Clusters Programme to unlock the creative potential of places across the UK.

This Research & Development programme has been key to accelerating new cutting-edge ideas, drawing on the expertise of our world-renowned research institutions and the strength of creativity in towns and cities, ranging from **Edinburgh** to **Bristol**. Further ambitious and targeted investment should be accompanied by support for businesses and entrepreneurs to effectively respond to market failures and retain, export and protect their Intellectual Property. Creative Industries Tax Reliefs should also be harnessed to maximise inward investment opportunities for all parts of the country.

- Empower places across the UK to drive cultural recovery, regeneration and opportunity through the UK Shared Prosperity Fund.

EU funding contributed more than £400 million to 1,915 projects supporting the arts, museums, and Creative Industries in **England, Wales** and **Scotland** between 2006 and 2017, creating jobs, supporting entrepreneurs and opening up access to vital digital and physical infrastructure in places that need it the most, including suburban, rural and coastal communities. Ambitious investment in culture and the arts is needed in all UK nations, including a replacement for the Creative Europe Culture sub-programme, building on the success of initiatives such as the Global Screen Fund.



PEOPLE

- Establish a new compact between government and freelancers to incentivise entrepreneurialism and future-proof the UK’s workforce.

The next generation of entrepreneurs will drive economic prosperity, but are amongst those impacted the most by the pandemic. Their entrepreneurialism could be incentivised through, for example, extending government’s Kickstart Scheme to provide an allowance for young people looking to become a freelancer, start up their own business or progress onto further education and training. Entrepreneurialism should also be de-risked through the introduction of strengthened social security for freelancers, as adopted by many OECD countries, some of which have specifically targeted those working in the creative sector.

- Increase the ambition of government’s “Opportunity Guarantee” to ensure everyone has access to creative education and training.

Given that creative skills are in high demand across the economy both now and in the future, denying access to acquiring these skills risks locking people out of the market for good. UK government should take learnings from the devolved nations and global competitors, who have integrated creative education and training – at all levels and points in life – into their economic strategies. Creative education needs to be recognised by UK government as a strategic priority, key to meeting the ambitions set out in its “Plan for Growth”.

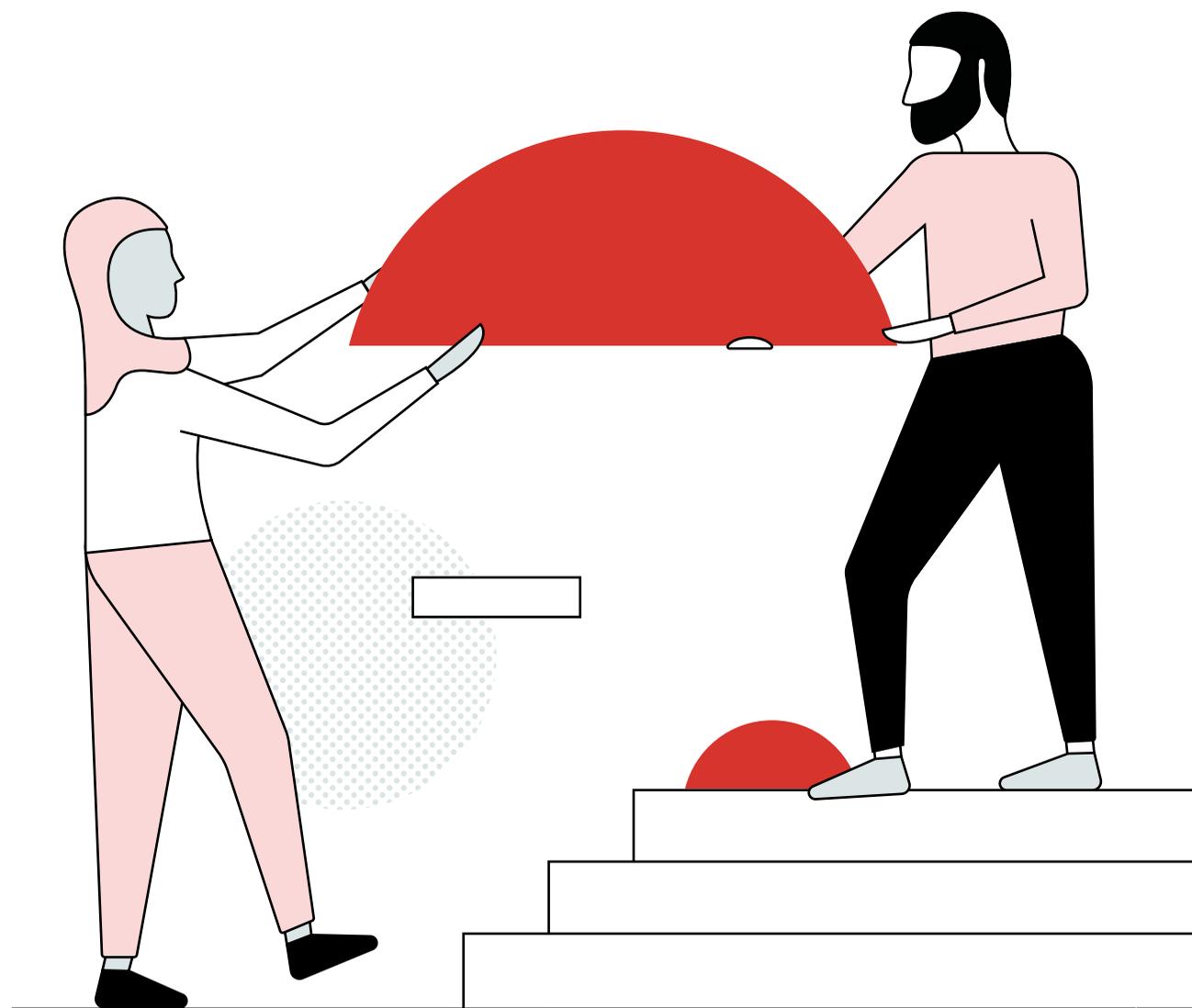
- Upscale the successful Creative Careers Programme, targeting young people and places most impacted by the pandemic.

This programme was established by industry to diversify the talent entering into the sector, and this priority is now more important than ever as we look to ensure opportunity is more evenly spread in the UK’s post-pandemic recovery. £2m start-up funding from government unlocked £12m industry investment, enabling the creative organisations and individuals to directly engage with 92,000 young people across England, providing education, insight and guidance on creative careers. This now needs to be upscaled and expanded to become UK-wide.



CHAPTER 1

WE ARE THE CREATIVE INDUSTRIES



We sit at the heart of the UK's economic, social and cultural DNA. We shape conversations, bringing ideas to life and joy to millions.

We enable communities to flourish and are indispensable to the UK's global soft power.

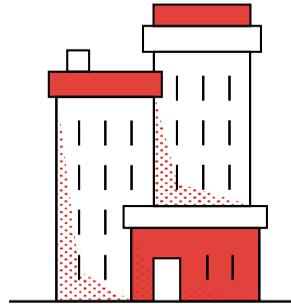


WE ARE EXPANSIVE

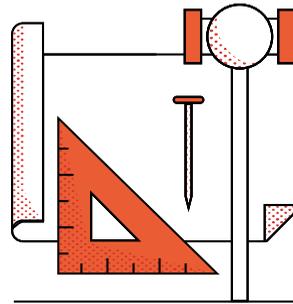
We are made up of nine sub-sectors:



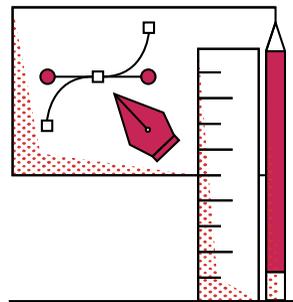
Advertising



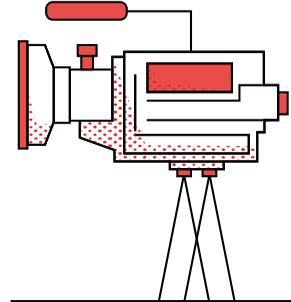
Architecture



Crafts



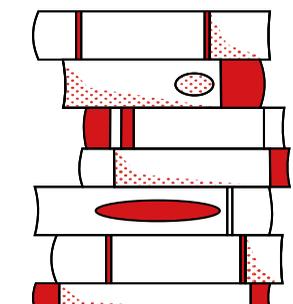
Design (product, graphic, fashion)



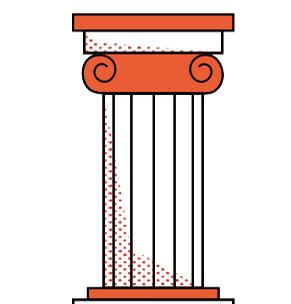
Film, TV, video, radio + photography



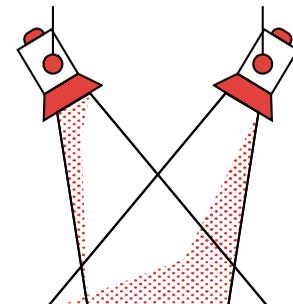
IT, software, computer services + video games



Publishing



Museums, galleries + libraries



Music, performing + visual arts

DCMS definitions

WE ARE MIGHTY

Although the UK is world-renowned for big creative names such as **Tate**, **Burberry** and **Working Title Films**, the creative sector is predominantly comprised of small businesses, micro businesses, and freelancers. Together we punch above our weight in terms of impact.

2.1million

In 2019 (the last year that figures are available), **2.1 million** people worked in the Creative Industries

1.4million

A further **1.4 million** jobs were directly supported by the Creative Industries through their supply chain*

3.5million

That's **3.5 million** jobs dependent on the Creative Industries, more than **1 in 10 UK** jobs and **4 x** the workforce of the five largest UK supermarkets combined

1/3

1/3 of our workforce is self-employed

90%

90% of creative businesses employ **9** people or fewer

40k

1 in 10 new start-ups are creative businesses. In 2019 alone, **40k** new creative businesses were born (that's more than digital)

3x

Pre-pandemic, creative jobs were growing at **3 x** the UK average

1 in 7

1 in 7 self-employed people in the UK work in the Creative Industries

*Those industries that provide goods and services to the creative sector

Although the largest proportion of Creative Industries jobs are in **London** and the **South East**, creative jobs have been growing significantly up and down the UK.

Between 2011-2020, Creative Industries jobs grew by:

68% in the North East

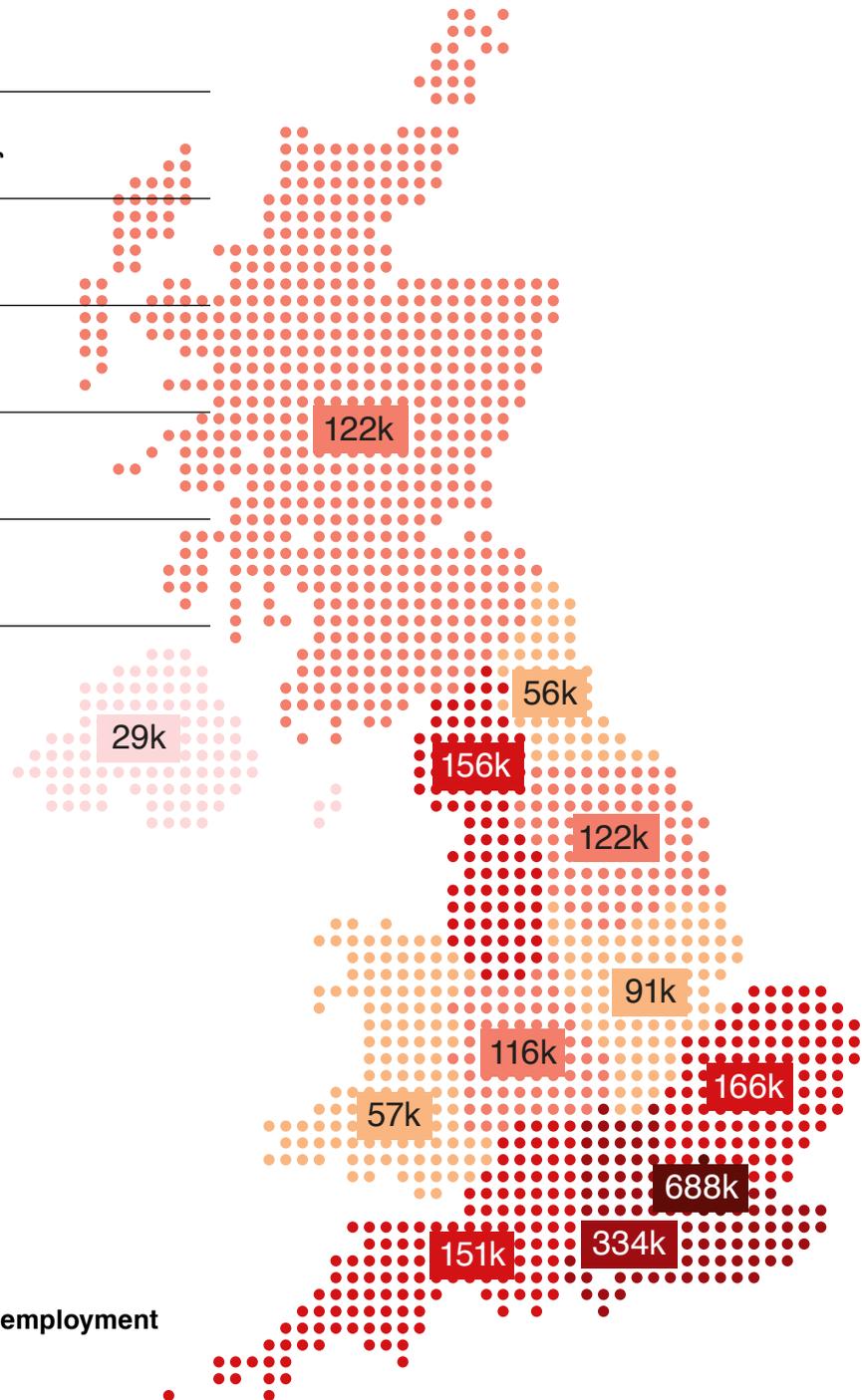
61% in Yorkshire and Humber

60% in the West Midlands

29% in Scotland

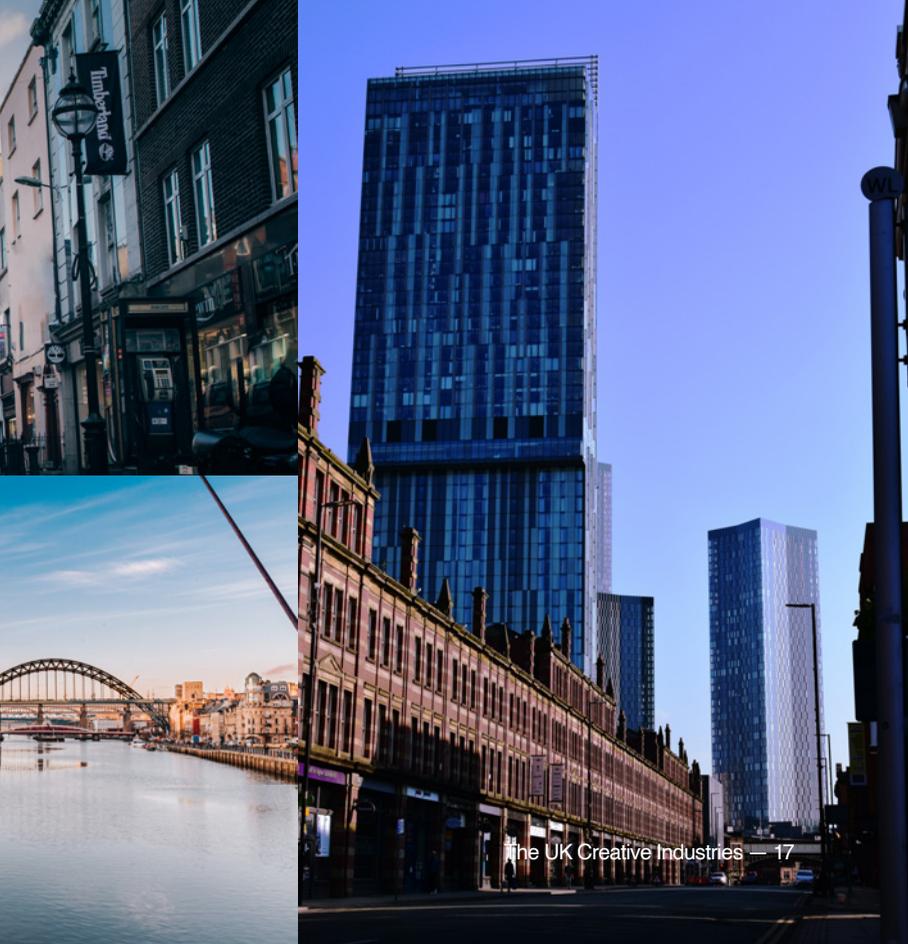
22% in Wales

15% in Northern Ireland



UK map showing distribution of employment

Source: Oxford Economics

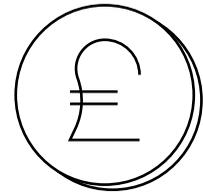
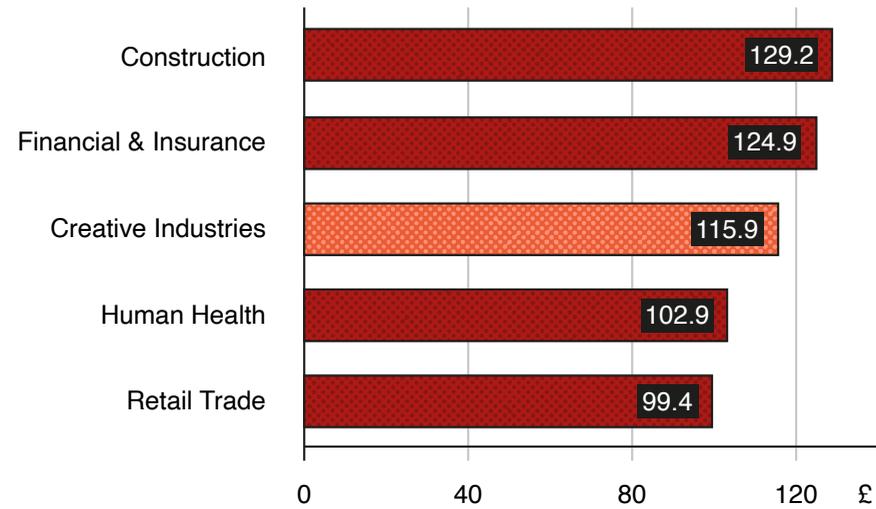


WE ARE MONEY MAKING

Before the pandemic, the Creative Industries were one of the UK's biggest money makers.

Contributions to the economy – sector comparison:

Source: DCMS



£116bn

We were contributing **£116 billion** to the UK economy, that's more than aerospace, automotive, life sciences and oil and gas sectors combined

£13.2m

That's equivalent to: **£13.2m** per hour and **6%** of total UK GVA

4x

Growing at **4 x** the rate of the wider economy

When we consider those businesses who supply goods and services to the Creative Industries, we contribute even more:

50p

For every **£1** the UK Creative Industries contribute directly, a further **50p** is generated in the wider economy

£178bn

This makes a total combined GVA of: **£178bn**, or **9%** of total UK GVA

Some subsectors have a huge impact on the supply chain:

£1

For every **£1** contributed directly by Film, TV, video, radio + photography, they generate an extra **70p** in the wider economy

£4.40

Advertising generates an extra **80p**... and Museums, galleries and libraries generate an extra **£4.40**

The Creative Industries support a whole range of other sectors across the UK:

1/4

1/4 of professional services and

61%

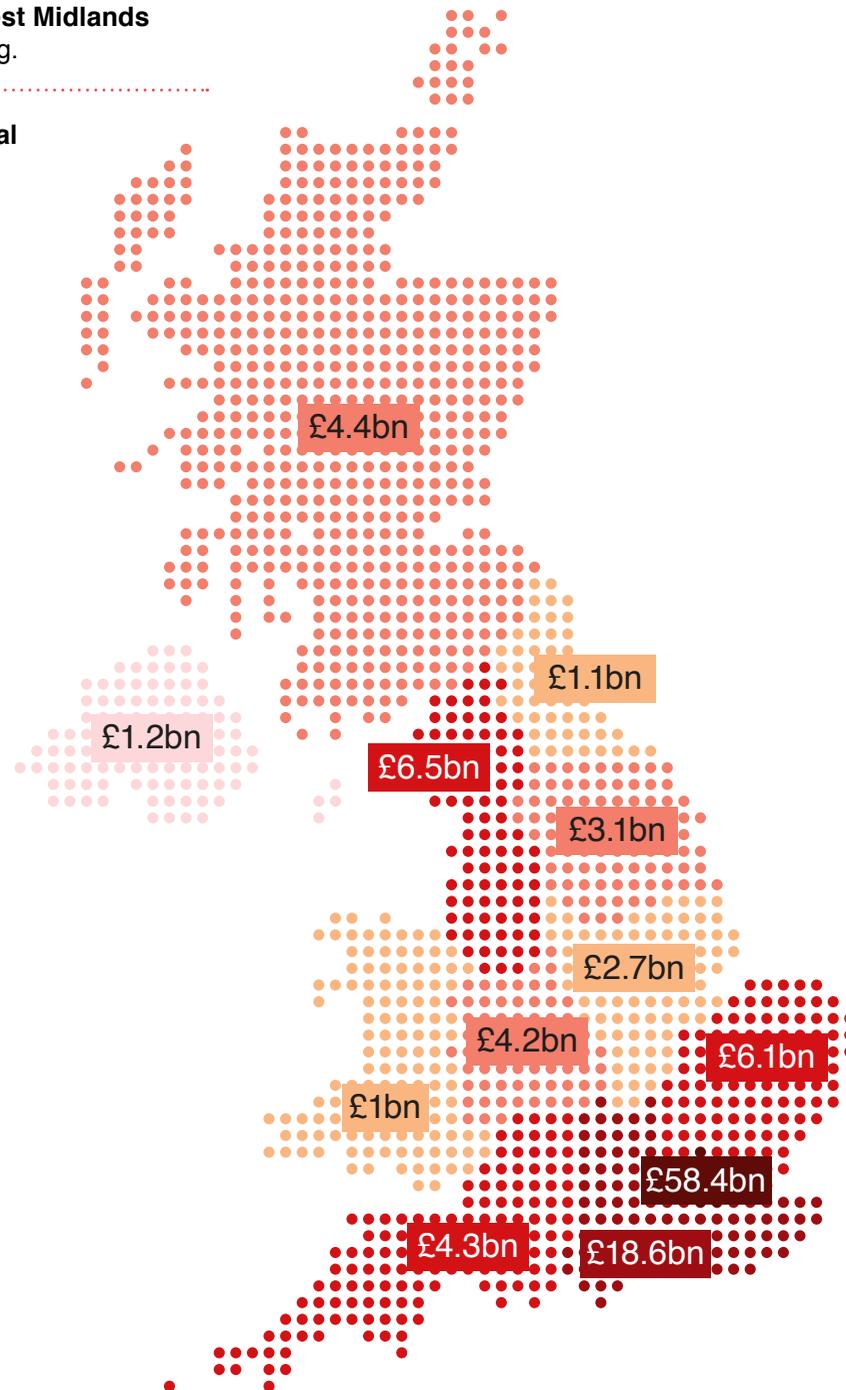
61% of information and communications services are dependent on the Creative Industries

WE ARE PLACE MAKERS

The past decade has seen a significant acceleration in Gross Value Added (GVA)* generated across the Creative Industries in all parts of the UK and the devolved nations; **Scotland**, the **North West** and **West Midlands** are the top three highest performing.

Creative Industries direct regional GVA contribution

Source: DCMS



*The amount contributed to the economy

On top of this, Creative Industries up and down the country make a significant contribution to our wider economy through supply chains.

For every £1 the Creative Industries contribute directly to the local economy, much more is generated in the wider economy. An extra:

£2.50

in the North East

£2.50

in Wales

£1.90

in the East Midlands

£1.40

in Yorkshire and the Humber

£1.20

in the West Midlands

£1.10

in the East of England

£1.10

in Northern Ireland

£1

in the South West

70p

in Scotland

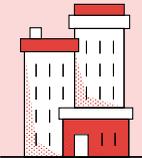
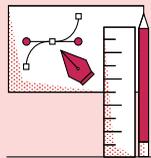
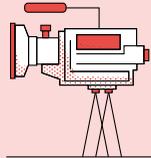
WE ARE GLOBAL

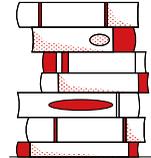
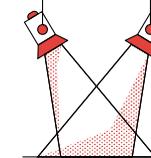
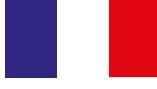
The UK's creative output is in strong demand, in all parts of the world.

We export **£46 billion** of creative goods and services each year, and **12%** of all UK services exports.



Exports of services across subsectors, 2019

Advertising	Architecture	Design (product, graphic, fashion)	Film, TV, video, radio + photography
			
 £822.8m United States	 £52.0m China	 £155.3m United States	 £1.92bn United States
 £533.4m Ireland	 £47.9m Saudi Arabia	 £46.2m Switzerland	 £581.0m Sweden
 £340.3m Switzerland	 £52.2m Russia	 £38.2m Netherlands	 £470.9m Germany

IT, software, computer services + video games	Publishing	Music, performing + visual arts
		
 £7.81bn United States	 £1.05bn United States	 £352.4m United States
 £1.93bn Germany	 £295.5m Germany	 £86.2m Germany
 £1.02bn Ireland	 £186.9m France	 £79.6m France

WE ARE CREATIVE

CHAPTER 2

WE ARE RESILIENT

CREATIVE INDUSTRIES AND COVID-19



The Covid-19 pandemic has had an enormous impact on the UK's Creative Industries.

Whilst the financial repercussions have hit hard, our sector has led the way in creating world-leading content, exploring new innovations, and bringing people together at a time when we needed it the most.

Through virtual exhibitions, augmented reality experiences, live streamed performances, online festivals, and a myriad of other creative innovations, our world-leading Creative Industries have come to the fore to adapt their businesses, providing new ways to engage creatively across all parts of the UK.

Resilience in the face of Covid

Architecture

Architects and designers pivoted their expertise to develop an immediate response to the crisis, applying their skills to everything from building the new Nightingale Hospitals, to looking at how public spaces might mitigate the Coronavirus risk through innovative ventilation and filtration systems.

Publishing

Grazia magazine responded to the crisis by spotlighting specific UK medics on their covers and offering free subscriptions to NHS workers.

Advertising

Billboard Media replaced their traditional advertising with a 'Thank You NHS' advert, placed on roads leading to hospitals – specifically targeting those key workers not able to stay home.



Encouraging innovative Covid-19 solutions: Innovate UK's Fast Start Programme

In Spring 2020, Innovate UK launched Fast Start, a £40 million programme recognising the role of businesses in boosting the UK's resilience to the long-term impact of the Coronavirus outbreak and similar situations in the future. Applications from the Creative Industries were received from innovative start-ups, and established businesses pivoting to diversify their revenue models or pivoting to address challenges directly related to Covid.

Applicants to the scheme included:

CurtainCall, who in response to the impact of the pandemic on the work of thousands of freelancers, sought to develop a talent booking marketplace with a unique matching algorithm to connect people to projects, and to enable creative and technical freelancers to collaborate and work remotely.

Icarus, who developed a project to address PPE shortages through reusable design, localised manufacturing and live tracking tool to support the NHS and bring about significant cost savings.

However, despite the versatility of our sector, the fallout from the pandemic has hit hard.

Before the pandemic, the Creative Industries were contributing £115.9bn in GVA to the UK economy, greater than the aerospace, automotive, life sciences, and oil and gas sectors combined, and creating jobs at three times the UK average.

Independent analysis by Oxford Economics commissioned for this report projects that the Creative Industries' GVA was set to reach £122 billion by the end of 2020, employing well over 2.2 million people.

As a result of the pandemic, Oxford Economics estimates that:

£12 billion

(10%) of Creative Industries GVA was lost in 2020 alone

112,700

Creative Industries jobs are set to be lost by the end of 2021 (1 in 20)

Targeted support measures, such as the Culture Recovery Fund, Job Retention Scheme and Self Employment Income Support Scheme have been a lifeline for many.

However, parts of our sector, including freelancers, those dependent on audiences, and certain parts of the UK, such as **Wales** and the **North East**, have suffered more than others. As we look beyond the pandemic, without the right investment and policy framework there is a risk of leaving these crucial parts of the UK behind.

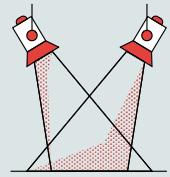


"The Edinburgh Festival Fringe brings an economic impact of well over £200m annually to

Scotland and the UK, but with the Fringe not taking place in 2020, we faced a revenue gap of £1.5m and this impact didn't materialise. This directly affected those who make up the Fringe itself: the many micro businesses from across the UK, including around 323 venues plus hundreds, if not thousands, of producers, designers, technicians and creative professionals, and the 2,840 full-time jobs in Edinburgh and over 3,400 across Scotland and the UK that the Fringe supports. With some support from Scottish Government and other Covid response funds we have been able to retain our core charitable activities, and develop an online offer for artists and audiences. The emergence of small scale live activity this summer will go some way to ensuring our artists and producers are able to earn a living too but there is much more work needed to help rebuild this festival. The offer in 2021 will be a testament to the hard work and resilience of the fringe collectively and we hope the start of a brighter outlook for 2022, our 75th anniversary year."

– Shona McCarthy, Chief Executive, Edinburgh Festival Fringe Society

IMPACT OF COVID



Music, performing and visual arts

Music, performing and visual arts were the creative sector hit hardest by the pandemic.

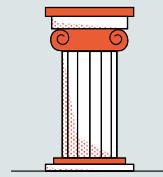
Prior to the pandemic, they contributed £10.6bn in GVA and employed 314,000 people. For every £1 they contributed directly in GVA, an additional 40p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

39% of GVA (-£4bn)

26% of jobs (80,000)

By 2025, their GVA is still projected to be £1.9bn less than pre-pandemic levels, with 57,000 fewer jobs.



Museums, galleries and libraries

Museums, galleries and libraries were another creative sector heavily impacted by the pandemic.

Prior to the pandemic, they contributed £970m in GVA and employed 96,000 people. For every £1 they contributed directly in GVA, an additional £4.40 was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

32% of GVA (-£310m)

14% of jobs (13,000)

By 2025, their GVA is still projected to be £64m less than pre-pandemic levels, with 5,500 fewer jobs.



Publishing

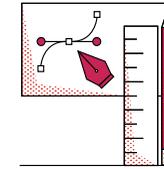
Prior to the pandemic, Publishing contributed £11bn in GVA and employed 196,000 people. For every £1 it contributed directly in GVA, an additional 70p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

14% of GVA (-£1.5bn)

6% of jobs (12,000)

Publishing is projected to generate an additional £182m in GVA by 2025 (+2%) but with 2,600 fewer jobs (-1%).



Design and designer fashion

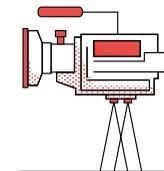
Prior to the pandemic, Design and designer fashion contributed £3.6bn in GVA and employed 171,000 people. For every £1 they contributed directly in GVA, an additional 40p was generated in the wider economy through supply chains.

Oxford Economics estimates that during the pandemic they have lost:

14% of GVA (-£490m)

7% of jobs (12,500)

By 2025, they are projected to generate an additional £137m in GVA (+4%) but with 3,000 fewer jobs (-2%).



Film, TV, radio and photography

Prior to the pandemic, Film, TV, radio and photography contributed £21.6bn in GVA and employed 239,000 people. For every £1 they contributed directly in GVA, an additional 70p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

12% of GVA (-£2.6bn)

5% of jobs (12,800)

By 2025, they are projected to generate an additional £1.2bn in GVA (+6%) and create 2,800 new jobs (+1%).



Advertising and marketing

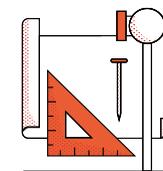
Prior to the pandemic, Advertising and marketing contributed £17.1bn in GVA and employed 189,000 people. For every £1 they contributed directly in GVA, an additional 80p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

11% of GVA (-£1.9bn)

6% of jobs (11,000)

By 2025, they are projected to generate an additional £1.2bn in GVA (+7%) but with 1,500 fewer jobs (-1%).



Crafts

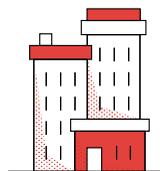
Prior to the pandemic, Crafts contributed £350m in GVA and employed 10,000 people. For every £1 they contributed directly in GVA, an additional 70p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

8% of GVA (-£27m)

2% of jobs (225)

Crafts is projected to generate £11m more in GVA by 2025 (+3%) but with employment falling further by 12% (1,250).



Architecture

Prior to the pandemic, Architecture contributed £3.6bn in GVA and employed 112,00 people. For every £1 it contributed directly in GVA, an additional 30p was generated in the wider economy through supply chains.

Oxford Economics estimates that they have lost:

5% of GVA (-£165m)

But created 481 jobs (+0.5%)

By 2025, Architecture is projected to generate an additional £629m in GVA (+17%) and create 9,500 new jobs (+8%).



IT, software, computer services and video games

Prior to the pandemic, Creative Technology - which includes games - contributed £47bn in GVA and employed 775,000 people. For every £1 they contributed directly in GVA, an additional 40p was generated in the wider economy through supply chains.

Oxford Economics estimates that the Creative Technology subsector experienced the smallest impact from the pandemic:

A temporary drop in GVA of 1% (-£535m)

Creating 70,000 new jobs (+9%)

They are projected to experience more growth than any other sector by 2025, generating £9.8bn more in GVA (+21%) and creating 146,000 new jobs (+19%).

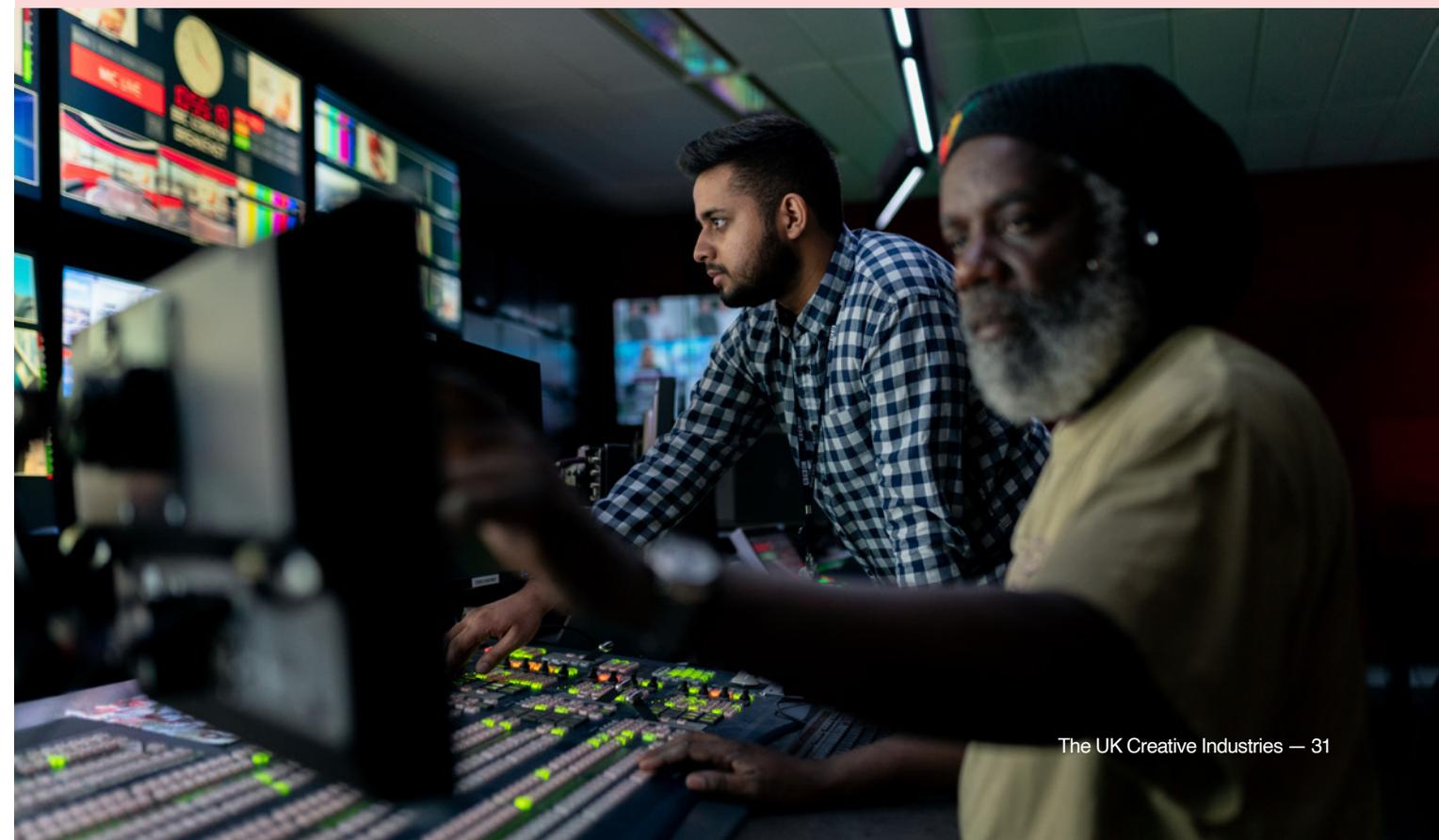
IMPACT OF COVID ON THE CREATIVE INDUSTRIES ACROSS THE UK

A similar story can be told for UK regions and communities up and down the country. Newly commissioned data from Oxford Economics estimates that:

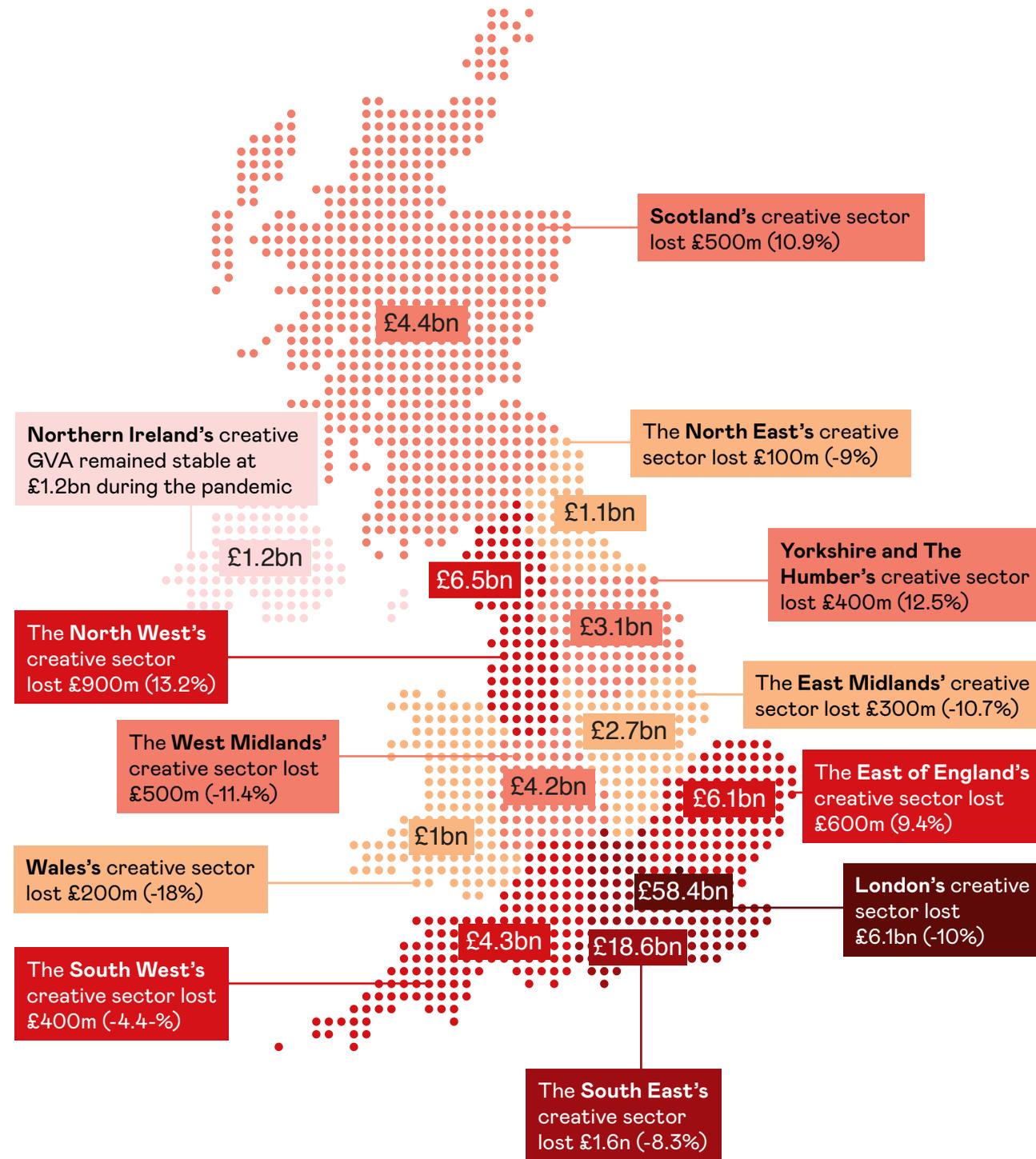
The **North East's** Creative Industries will be the slowest to bounce back, with jobs not projected to return to pre-pandemic levels until 2023, and economic growth stagnating. This is concerning as for every £1 directly contributed in GVA by the Creative Industries in the North East, an additional £2.50 in GVA is generated elsewhere in the region's wider economy.

Wales's creative sector was one of the hardest hit by the pandemic, seeing a drop of almost a fifth of the sector's GVA (£200 million) in 2020, and a loss of 1 in 10 creative jobs by the end of 2021. This is concerning as for every £1 directly contributed in GVA by the Creative Industries in Wales, an additional £2.50 in GVA is generated elsewhere in the nation's wider economy.

London will have lost the highest quantity of Creative Industries jobs, with 34,000 jobs projected to be lost by the end of 2021.



CREATIVE INDUSTRIES GVA LOST DUE TO THE PANDEMIC IN THE REGIONS AND NATIONS:



DOING NOTHING RISKS A DIVIDED UK

The findings across the page paint a stark picture of the impact of COVID-19 across the different parts of our sector, across the UK nations and regions.

At the heart of this analysis is a hard but crucially important truth; that without strategic government investment and the right policy framework, certain parts of the sector, people and places will be left behind, economically; those reliant on footfall and audiences, crucial parts of our workforce, including freelancers, and places, like Wales and the North East.

HOWEVER, THE OUTLOOK IS BRIGHT IF WE TAKE ACTION NOW

Using official statistics, analysis by Oxford Economics demonstrates that a more ambitious level of investment in the sector on 2019 levels could unlock huge potential for the UK, allowing the Creative Industries to play a leading role in driving economic growth and prosperity.

Taking into account the impact of Covid, that's a GVA growth of over 20% and the creation of an additional 300,000 jobs; enough new jobs to employ the working age populations of Hartlepool and Middlesbrough twice over.

Oxford Economics projects that an increase in spend and investment in the Creative Industries of 20% on 2019 levels would, by **2025**, result in:

Prior to the pandemic, the UK's Creative Industries were a motor of growth. The sector has enormous capacity to drive the UK's post-Covid economic recovery. It also has the power to spread opportunity more widely, to combat social inequalities, to drive tourism and to lead the way in carving out a new place for the UK on the global stage, with ideas and innovation at the forefront of everything we stand for.

£132.1 billion
in Creative Industries GVA

2.3 million
jobs

CHAPTER 3

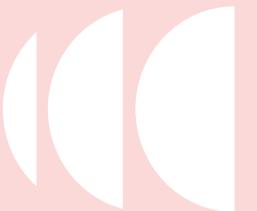
WE ARE GLOBAL

BREXIT: IMPACT AND OPPORTUNITIES



Through its Creative Industries, the UK has cultivated and attracted world-leading creative talent, generated and supported new ideas and innovations, and become a creative leader on the international stage.

The ease of movement of both people and goods, and regulatory alignment on everything from qualifications to data, has been crucial to the sector's economic and global success. Negotiating and navigating a suite of new trade deals post-Brexit has brought with it both challenges and opportunities.



THE UK'S CREATIVE INDUSTRIES AND THE EU

Whether it's through delivering world-class theatre shows and musical performances or exporting games, films and designer goods, Europe has long been the UK Creative Industries' biggest trading partner.

In 2019, the UK exported **£20 billion** in creative goods and **£38 billion** in creative services

32% of the UK's **£58 billion** creative exports were to the EU

This included:

25% of the UK music industry's **£3bn** streaming export revenue

75% of the UK fashion industry's **£10bn** export revenue

Talent from Europe has been critical to the success of the UK's creative industries:

1 in 13 creative sector workers in the UK are from the EU. In certain subsectors, this is much higher....

1 in 9 people working in architecture in the UK are from the EU

Prior to Brexit, **1 in 3** people working in the UK's VFX sector were from the EU

Funding from the EU has contributed to our world-leading creative output:

EU funding contributed more than **£400 million** to 1,915 Creative Industries projects between 2006 and 2017, including **£80 million** to the UK screen sector

The EU programme Creative Europe funded **1,766 projects** across the UK, with two-thirds of that funding going to outside of London

The impact of EU funding

EU funding has been enormously beneficial to the UK's Creative Industries, up and down the country:

In the **North West**, the Connecting Cumbria project, awarded £48m of the European Regional Development Fund, has played an essential role in enabling more than 12,000 video games, visual effects, architecture, graphic design and other small creative companies to set up in the local area.

In the **South West**, the Cultivator programme, awarded £1m in European Social Fund money, has worked with 420 Cornish creative businesses to develop internships for local residents not in employment, education or training.

Production for the award-winning drama Hinterland was unable to go ahead until they secured funding from Creative Europe, alongside Welsh Government support. Filmed entirely in **Aberystwyth**, it is now estimated to have brought in £700,000 to the local area. Through the contribution of tourism and the multiplier effect, the production company estimates that the economy in the area has seen a further £2 million worth of investment due to the show.

Creative Europe provided close to €2m in 2017 to support **Opera Vision**, run by the Royal Opera House in partnership with 29 other opera houses in 19 countries. The project creates a freeview, online platform for European opera curated to attract young, emerging audiences.

LEAVING THE EU

In 2016, the UK voted to leave the European Union. After an extended transition period, the UK officially withdrew from the European single market and customs union on 31st December 2020.

OPPORTUNITIES POST-BREXIT

Although the impact of Brexit cannot be understated, with the right government interventions and trade agreements, there are opportunities for the UK's Creative Industries to carve out a new place for themselves on the world stage.

Tax credits help drive investment

A range of Creative Industries tax credits have been highly effective in driving inward investment and enabling the UK's creative content and services to become world-renowned and highly profitable.

Video games tax relief has enabled the UK Games sector to compete against overseas competitors such as South Korea, Canada and Singapore. Meanwhile, the introduction of film tax relief in 2007 helped create a total of 137,340 jobs by 2016, delivering a total of £7.91 billion in GVA.

Brexit has the potential to impact upon inward investment, highlighting an urgent need for the kind of high growth that tax credits are able to facilitate. It is vital that the incentive they provide is maintained, streamlined and, where appropriate, extended to encompass more of the Creative Industries. Successful Creative Industries tax reliefs should be extended, in particular the Museums and Galleries Exhibition Tax Relief which currently has a sunset clause and is due to expire in April 2022.



"The music industry as a whole is one of the few Creative Industries in the UK which does not currently benefit from a system of tax credits. The UK needs to seize the huge opportunity that music tax credits offer to turbocharge the music industry's eco-system. With the right support, UK music can help drive our country's post-pandemic economic and cultural recovery and deliver jobs and growth for decades to come."

– Jamie Njoku-Goodwin, Chief Executive, UK Music



"The global impact of the UK's Creative Industries is unquestionable. People are sometimes surprised when I talk about the lengths my production company Douglas Road Productions goes to, to ensure that projects are properly funded. We work closely with support bodies to ensure that our projects are properly resourced through tax credits and financial aid, leaving us to get on with making the very best shows we possibly can. The collaboration on our latest film 'My Name is Leon' is testament to this."

– Sir Lenny Henry.

FUTURE TRADE AGREEMENTS WILL CREATE NEW OPPORTUNITIES

UK creativity is in demand all over the world. As we agree new trade agreements with the EU and beyond, we have an opportunity to deliver our world-renowned creative content to even more corners of the globe.

Over the course of the past year, the UK has signed trade agreements with 62 countries. Some of the biggest of these deals include agreements with Canada, Mexico, Turkey, Japan, Norway and Switzerland, and many others are also in negotiation, including a much-anticipated Free Trade Agreement with the USA.

Although there are provisions laid out in some of the new deals that make reference to the Creative Industries, for these types of opportunities to be maximised, the ability for people and their equipment to move easily to deliver creative services is essential. A robust Intellectual Property regime must also be embedded.



Where next? Exploring potential post-Brexit trade opportunities

Major export opportunities for the UK's Creative Industries exist all over the world, particularly in the fields of games, advertising, music, film and fashion. According to sector experts, major trade opportunities for the post-Brexit era lie in the US (podcasts and podcast-making expertise), Switzerland (crafts), and the Gulf states (jewellery and gem stones).

For digital goods, the most promising opportunities are expected to be in markets that are just beginning to take up digital technology, such as Asia and Latin America, whilst for the recorded music sector, key trade opportunities include Europe, North America, Asia, South America and Australasia.

It is important to note, however, that these new agreements cannot replace the arrangements previously in place with the EU: as our largest trading partner, the world's biggest trading bloc and second biggest economy, the importance of negotiating improved trade mechanisms with the EU cannot be understated.



POST-BREXIT, WE FACE SOME IMMEDIATE CHALLENGES

UK creative practitioners must be enabled to work in the EU

Touring – and the creative sector's ability to visit, exhibit, perform and deliver services across the world – has been key to the UK's creative economy.

As no agreement on a visa waiver for short-term creative work was agreed, UK citizens are now treated as non-EEA visa nationals when entering the EU to undertake paid work.

This means that creative organisations and workers need to navigate different regulations, requirements and visa charges across the 27 EU member countries.



“As a musician who has toured the EU extensively for 16 years, I now see obstacles instead of opportunities when I look at the EU market. Our industry depends on travelling in order to work and my worry is that, in the future, only more affluent new artists will be able to be part of this historically important cultural exchange, with bureaucracy and prohibitive costs excluding someone from a working-class background, like myself.”

– Paul Smith, Maximo Park

Some of the challenges facing UK creative professionals undertaking temporary work in the EU, post-Brexit:

Different visa charges and regulations for each EU country visited

A1 forms to prove they make national insurance contributions in the UK

£360 carnets to allow temporary movement of goods, such as equipment for fashion shows, art for exhibitions and music and stage equipment for performing arts

CITES Musical Instrument Certificates for some musical instruments

Additional restrictions on movement of goods, which can cause major delays at the border

These increased administrative and financial burdens will impact creative organisations with lower turnovers the most. The new regulations also have the potential to price smaller creative organisations out of the market, while reducing the competitiveness of larger organisations who will now have to account for increased costs when their EU competitors do not.

We need access to global talent

The UK is home to a myriad of exceptional, renowned and celebrated creative organisations from the **Edinburgh International Festival**, **V&A Museum** and publishing giant **Penguin Random House**, to **Glastonbury Festival**, the **Tate Galleries**, the **Hallé Orchestra** and the **BBC**. Our enviable reputation means our Creative Industries are able to attract the brightest and best talent from across the world.

- Recruiting talent from outside the UK supports our international competitiveness and position as a global trailblazer.
- Drawing staff from a wider range of backgrounds helps companies understand and sell into a greater number of markets. It helps advertisers to land accounts internationally and broadcasters to develop audiences.
- The UK also has a shortage of creative skills, with creative roles making up 30% of government's Shortage Occupation List. This includes architects, artists dancers and choreographers, musicians and graphic artists.



EU creative professionals applying to work in the UK are now subject to the tiered visa system, with most entering the UK on a Tier 2 or Tier 5 Visas. Added to this, the end of mutual recognition of qualifications poses a risk to the ability of creative professionals, such as architects, to work between the UK and EU.

Visas and challenges

- Tier 2 (medium-longer term) visa applicants are subject to a points-based immigration system, with points accrued for sponsorship, proficiency in English, skill and salary level. This remains challenging for the Creative Industries, where highly skilled roles are not necessarily well-paid.
- Tier 5 (shorter term) visa applicants are not able to undertake multiple engagements under one sponsor. This weakens the UK's ability to attract talent on a temporary basis as it does not allow for the freelance, project-based nature of creative work.

The administrative and financial burdens of the new system are significant, particularly for smaller creative businesses and those operating on tight margins. Extra fees for employers include sponsor license application fees and an annual immigration skills surcharge. Meanwhile, incoming creatives are required to meet the cost of an annual NHS surcharge.

We need easy movement of goods

The Creative Industries play a major role in driving the UK's exports.

One in six UK creative enterprises were exporting creative goods or services, prior to the UK leaving the EU.

Compounded by the impact of the pandemic, there is evidence to show a decrease in exporting between the UK and its key EU partners since the UK voted Leave. The Office for National Statistics highlighted that UK goods exports to the EU fell by 41% in January 2021.

Although tariff and quota-free trade has been upheld, leaving the EU means that the UK is now subject to other barriers such as customs checks, border procedures and compliance and certification requirements, all of which make UK goods less competitive in EU markets.

These additional administration barriers also affect movement of goods between Great Britain and Northern Ireland, with some British suppliers refusing to ship to Northern Ireland.

"73% of UK adults are in the market for craft and the sector is one of the highest creative exporters. Brexit has shaken craft businesses' confidence, with the increased cost of transport, tariffs, and administration squeezing profit margins that are even more fragile following the impact of Covid. We need tools such as tax credits on shipping costs and VAT reductions/suspensions for makers to attend fairs and exhibitions, so that businesses survive."

– Rosy Greenlees,
Executive Director, Crafts Council

We need robust Intellectual Property and copyright regimes

UK creative content is in demand all over the globe. Intellectual Property (IP) rights, such as copyright, patents and registered trademarks and designs, mean that creators are recognised for their work and are, crucially, able to monetise and scale up their ideas.

"For the Creative Industries, Intellectual Property is vital. It provides creators, and those businesses that invest in their creativity, with the underpinning that allows those ideas to be commercialised. Many countries have standards far lower than the UK, meaning we can't maximise the income that flows back to the UK and the exchequer. Negotiations on these agreements must not threaten the UK's framework and instead be used to raise standards in the countries with which we are negotiating."

– Dan Guthrie, Director, Alliance for IP

"The copyright exhaustion regime that the UK government adopts post-Brexit will have a significant impact on the UK publishing industry. Alongside the Publishers Association, we are urging the government to prevent a radical shift to the way the book industry operates, avoiding an international regime and maintaining the current exhaustion model. For UK publishers, this issue is about safeguarding the value of Intellectual Property rights and supporting a thriving publishing industry domestically, whilst also ensuring the UK maintains its current position as the world's biggest exporter of physical books"

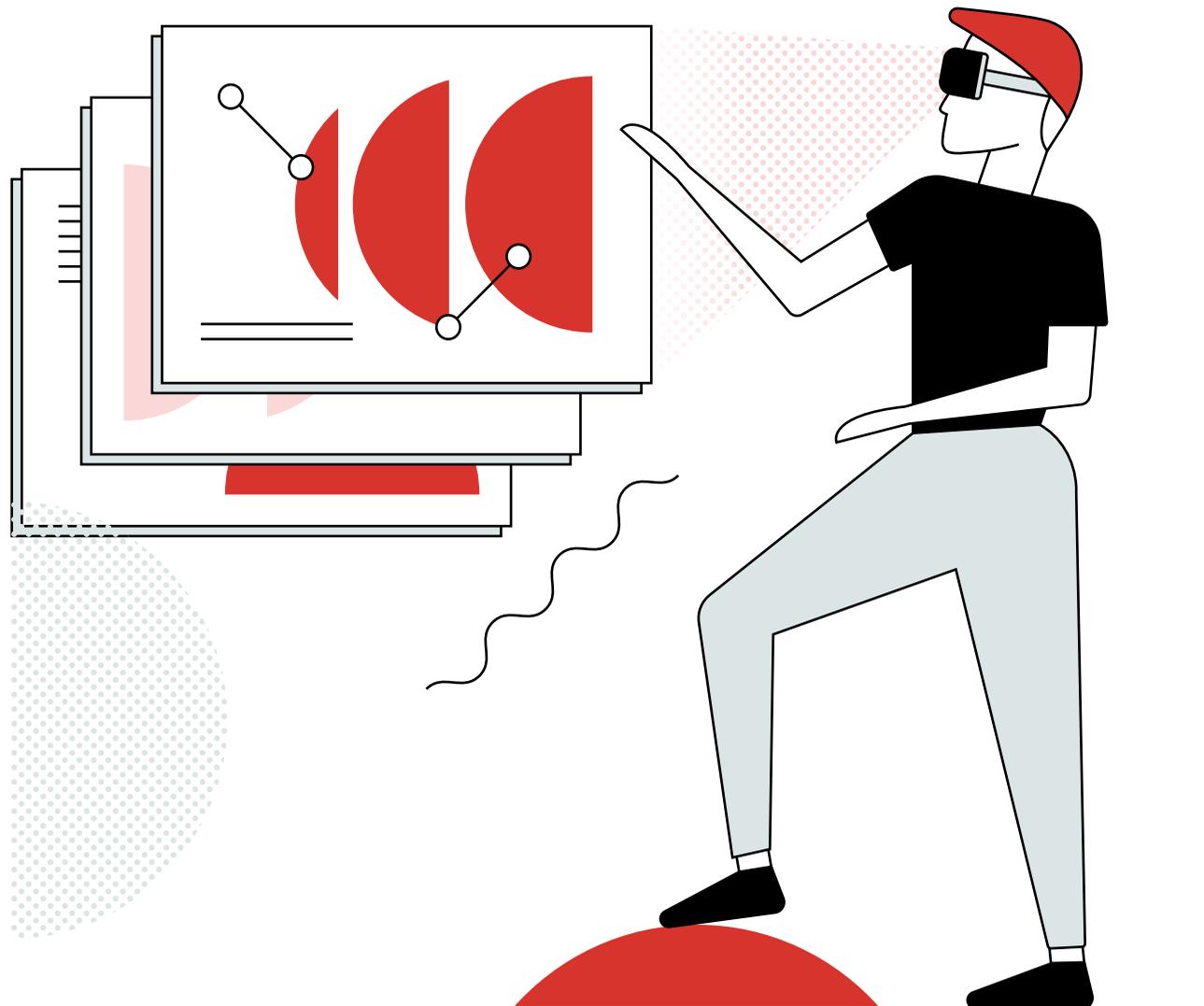
– Tom Weldon, CEO, Penguin Random House

CHAPTER 4

WE ARE

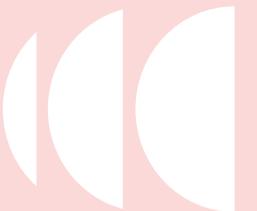
THE FUTURE

BUILDING THE WORKFORCE OF TOMORROW



Our future is creative.

As we look to the future, creative skills will be needed across all parts of our economy, to drive the next big idea, fuel entrepreneurship and generate inward investment. As more and more roles are replaced by machines, this need will only become greater. Creative jobs have been found to be future-proof for this reason: 87% of highly creative roles are resistant to automation. Emerging economies such as China, Singapore and South Korea are increasingly recognising the strategic importance of creativity and investing more in creative education as a result.





“By some estimates almost 50% of jobs in the US will be automated by 2030 and 50% of jobs will be

freelance by 2027. For young and old, this means preparing for work that does not yet exist, in a business yet to be founded, using technology not yet invented, with skills that have yet to be defined - 65% of kids in primary school today will do jobs that do not currently exist.

In a world where change is the only constant, the Illuminati are those with the ability to thrive in ambiguity, see around the corners, learn constantly, imagine a future and then go create it. They are the creatives. Creativity has become a superpower, and the digital age is more than ever a human age. I believe now more than ever, we need to invest in creativity, nurturing that human superpower that enables us not only to cope with change, but lead it.”

– Craig Fenton, author “Playful Curiosity” and Director at a large technology company

CREATIVE SKILLS ARE IN DEMAND ACROSS THE UK ECONOMY

Creative skills are the skills of tomorrow. However, the UK is facing a major creative skills shortage: creative roles currently make up 30% of UK government’s Shortage Occupation List and this is only likely to grow, given the impact of Brexit.

Creative skills are not just essential for the Creative Industries, they are needed across all parts of the economy.

Use of innovative craft applications in Bentley cars

Bentley, the British luxury car manufacturer, is a craft-driven organisation. Its uses of traditional craft techniques, combined with technological innovation, contribute to Bentley’s value added, and helps the firm to be distinctive and competitive in an international market for luxury.

To achieve the quality required, Bentley invests heavily in the development of the required crafts skills. While the process of delivering Bentley’s bespoke products is costly, the company reports that the finished products are highly valued by customers all over the world.

The sentiment from business leaders confirms this: there is increasingly high demand for creative skills, ideas and problem-solving across employers of all industries.

In a study across 35 million UK job adverts over a four-year period, research by the Creative Industries Policy and Evidence Centre found that creative skills are in high demand across industrial sectors, well beyond the scope of the Creative Industries. The importance of creative skills will only increase over the coming decades.



“In the rapidly changing world of work, creative skills are in increasing demand from employers, including in engineering

industries. Endowing young people with the confidence and knowhow to create, innovate and collaborate is one of the best investments we can make in the next generation.”

– Dr Hayaatun Sillem CBE, Chief Executive, Royal Academy of Engineering



“Creative skills are a necessity for our next generation of entrepreneurs - fostering the problem

solving, ideation and innovation that will produce new cutting edge technologies, products and services. Our future entrepreneurs must continue to be creative to remain globally competitive and grow our inward investment into the UK.”

– Bindia Karia, Innovation Expert + Advisor, Venture Partner, Draper Esprit

THE UK IS WORLD-RENOUNDED FOR ITS CREATIVITY

The UK is known across the world for its creative output and ideas, from James Bond, Stormzy and Doctor Who, to Tom Jones, Vivienne Westwood and Grand Theft Auto.

In the QS World Subject Rankings 2021, seven UK education institutions were ranked in the top 50 for Art & Design, eight UK institutions for Communications and Media Studies, and 13 UK institutions for Performing Arts.

In 2020, UK creative technology companies attracted twice as much investment as the next biggest European market, with venture capitalists investing record amounts into UK businesses that bring creative skills together with technologies such as Artificial Intelligence.

“The success of Brand Britain overseas is crucially intertwined with the global recognition of the UK’s creative dynamism. Across the entire economy, businesses are innovating, problem solving and generating value for our economy by fostering creativity and creative skills. This hasn’t gone unmissed by governments overseas. Our capacity to think creatively, bolstered through our renowned educational institutions, is our best soft power tool on the world stage.”

– Jo Johnson, former Minister of State and Chair of Access Creative College

BUT CREATIVITY MUST BE INCLUSIVE

We need a strong, diverse creative talent pipeline, to generate original ideas, and ensure that businesses remain relevant to a wide range of audiences. However, with creative opportunities often limited to those with wealth and connections, there is a danger that creativity is becoming the preserve of the elite.

x2

Research from the Creative Industries Policy & Evidence

Centre shows that those from wealthier backgrounds are more than twice as likely to land a job in a creative occupation, with the issue further compounded when class is combined with gender, ethnicity, disability and skill levels.

“The arts create community – whether it’s dance classes for toddlers, a mural at the market, poetry on prescription or a matinee at the local theatre. Yet we don’t have a sector for all. 22% of the population are disabled people, yet we only average 6% of the arts work force. The issue doesn’t lie with us, it’s with the barriers that stop us. Remove the barriers and the whole sector benefits. There is a massive opportunity to ensure building back means building back better. It has to be a priority.”

– Jo Verrent (MBE),
Senior Producer, UNLIMITED



“Our Creative Industries play an important role in contributing to the growth of the UK economy by creating

jobs and prosperity for people and communities in every part of the country. Through investment, we can ensure that our world-leading creative sector is powered by people from every walk of life.”

– Karen Blackett, WPP UK Country Manager and GroupM UK CEO



“When I was at school, I wanted to be on TV but I had no idea how to make it happen: there wasn’t a GCSE

in TV or Presenting. Without the support of mentors, industry colleagues and forward-thinking employers, I wouldn’t have been able to forge my career. More needs to be done to support young people like me into fulfilling and rewarding careers in the Creative Industries.”

– Swarzy Macaly, TV and Radio Presenter

THE WORKFORCE OF THE FUTURE

To build the workforce of the future, and remain competitive internationally, the UK must invest in creativity for all; in creative education, creative skills and in future ways of working.

Creative education must be guaranteed, for everyone.

Emerging economies such as China, Singapore and South Korea are increasingly prioritising creative education, recognising just how integral creativity is to their future economy. Research from YouGov, commissioned by Kingston University in 2021, showed that businesses felt that global competitiveness was a major fear for them, as emerging economies invest more in creativity.

However, despite recognition by UK government of the value of our Creative Industries and ideas in their recent “Plan for Growth”, the education system in England has de-prioritised rather than promoted the acquisition of creative skills.

Between 2010 and 2020 there was a **37% decline** in arts GCSE entries and a **30% decline** in arts A-Level entries

The Office for Students has consulted on proposals to reduce additional funding for creative HE courses such as performing arts, creative arts and media studies by **50%** in the 2021-22 academic year

The English Baccalaureate disincentivises the delivery of creative subjects

This is despite numerous studies demonstrating the value of creative education – to the economy, to society, to innovation and beyond

One way that **England** is recognising the importance of the Creative Industries to future jobs is by adding more flexibilities into the apprenticeship scheme, including part-funding an apprenticeship pilot with ScreenSkills. However, a much greater review is needed to create the right cultural environment to enable creative people and skills to thrive.

The UK’s devolved nations and other countries around the world, have taken a far more strategic and cross-cutting approach to creative education and skills. **Scottish** government, for example, has made moves to ensure creativity and the creative sector are strategically integrated across a number of policy areas, from education to health.

“At CodeBase, we fully recognise the absolute necessity of combining creative, entrepreneurial and technical skills to build breakthrough products. This combination is ever more required as we seek to retool the new economy in an inclusive manner that will allow Scottish companies to address global markets. Creative education, at all levels, will be vital to foster a strong talent pipeline that is fit for the future”

– Dr. Jamie Coleman,
Co-founder and Chair, CodeBase

We need to dispel misconceptions around creative careers

3.2 million jobs are creative, that's more than **1 in 10** jobs UK jobs.

However, studies show that the value of creative skills and what they could lead to in terms of careers, is not well known by students and their teachers, parents and guardians.

In a survey of 1,000 parents, Escape Studios found that **26%** held negative perceptions about the viability of creative jobs.

This is despite the World Economic Forum listing creativity as one of the most-needed skills for the future workforce.

“At least 2.5m people use design skills in their day-to-day work. This is equivalent to one in 12 UK workers (8%), with demand for workers with these skills growing at twice the national rate of employment.”

– Design Council

Creative Careers Programme Pilot, December 2018 to March 2020

The Creative Careers Programme (CCP) inspires young people about careers in the Creative Industries. Kick-started with funding from the Department for Digital, Culture, Media and Sport through the Creative Industries Sector Deal, it has been shaped and supported by industry and delivered by Creative & Cultural Skills, ScreenSkills and the Creative Industries Federation, in partnership with The Careers & Enterprise Company and Speakers 4 Schools.

Through a programme of practical activities and resources, the CCP informed young people about the opportunities in our world-leading sector through meaningful encounters with industry professionals, combined with online tools, training and support. Its ultimate outcome was to cultivate a workforce that is fit for the future by driving a stronger and more diverse supply of talent into the Creative Industries and wider creative economy.

In just 16 months, the CCP delivered strong outcomes:

92,000 school-aged students benefiting from direct interactions with industry

1,000 employers engaged in facilitated opportunities with students in schools and in workplaces

£2 million government investment

£8.5 million industry investment

£22 - cost per beneficiary

We need to embrace future ways of working

The Creative Industries – with their high volume of micro businesses, freelancers and highly-skilled project-based work – are an archetype of the future of work.

A third of the sector's workforce are freelance, with freelancers having a particularly strong presence in some creative sub-sectors.

Freelancers make up:

70%
of Music, Performing and Visual Arts

60%
of Design and Designer Fashion

50%
of Film and Video Production

However, the pandemic has exposed the fragility of the freelance model, with many creative freelancers seeing all their work dry up overnight. Although some benefited from the Self Employment Income Support Scheme, many others found themselves 'falling through the gaps', finding themselves ineligible for most types of government support.

As we look to future ways of working, entrepreneurialism will be needed more than ever. Ensuring a new compact between freelancers, government and industry, that supports the self-employed and enables them to flourish, will be essential to a burgeoning economy. **Welsh** government is already taking a forward-facing approach when it comes to their future workforce and the wellbeing of the nation through, for example, the establishment of their Future Generations Commissioner and the ongoing development of a Freelance Pledge.



“Through collaboration the UK TV industry's Coalition for Change hopes

to address the significant issues affecting the TV industry and freelancers, aiming to once and for all eliminate historic problems faced by people working the sector.

We all have our part to play in this industry, whether it's broadcasters, indies or freelancers. By stepping up to the challenges we all face as one cohesive unit, the Coalition has the potential to be the microcosm of cooperation we would one day like to see in the industry as a whole.”

– Abby Kumar, TV Producer and Freelance Advocate Organiser, Coalition for Change

CHAPTER 5

WE ARE PIONEERS

CREATIVITY AND INNOVATION



Creative Industries are at the forefront of innovation. Whether through creating the next big product development or applying creative solutions to local and global challenges, ideas are at the very heart of what we do.

Across the UK, there is a wealth of evidence to demonstrate that our sector is a core driver of innovation not just within the Creative Industries, but across many other parts of the economy including manufacturing and healthcare technology.

Unlocking the sector's innovation potential has the propensity to generate huge amounts of investment into the UK, propelling us forward as a global leader in creativity.



UNLOCKING INVESTMENT THROUGH INNOVATION

Creative innovations drive colossal inward investment, creating jobs and generating revenue in all parts of the UK, Creative Technology (CreaTech), for example, is a hub of innovation and a significant growth sector, attracting twice as much investment as the next biggest European market in 2020, and raising nearly £1bn in venture capital investment. This places the UK's CreaTech industry third in the world for venture capital investment, just behind the US and China.

Public investment has been integral to driving this growth, with public funding from URKI - Innovate UK proving to be a catalyst for creative companies in helping them diversify business models, increase productivity and generate cutting-edge creative ideas that put the UK on the world stage, whilst responding to major global challenges and leading the charge to net zero.

Flagship programmes like Creative Industries Clusters (CICP) and Audience of the Future have recognised the enormous innovation potential of the creative industries, driving job-creation and delivering significant return on investment: £55m of public investment in CICP is set to leverage an impressive £149 million in private investment by 2024. With the impact of the pandemic, Innovate UK's Fast Start programme was hugely instrumental in helping creative organisations to innovate and adapt their business.

Research from DCMS in 2020 revealed that:

Over half of Creative Industries firms introduced new or significantly improved products or services in the last three years

Over a quarter introduced new or significantly improved products or services that were completely new to the market

And the Design Council found that, across UK businesses:

Design is one of the top 3 drivers of innovation

Innovative solutions during the pandemic

Lucky Mary, Bristol, funded by Fast Start

Supported through Innovate UK's Fast Start programme, **Lucky Mary** is a cutting edge, **Bristol-based** Extended Reality (XR) studio which is applying research and development to enable the continuation of the entertainment and live events in times of lockdown and self-isolation. Lucky Mary's Studio Giggle is implementing innovative ways to continue to broadcast and engage audiences, with examples ranging from making animation projects in place of film shoots, to creating streamed events for home-based attendees in the place of live events.

Future plans for the company include the launch of an Extended Reality Studio at their Bristol base, which, will be the most innovative of its kind, with only a very small handful of others available globally. This state of the art space will not only bring the very highest production value and streaming experiences to all sorts of broadcasts and events, it will also immediately create work for a significant swathe of leading creative talent that have seen their work disappear overnight.

Pioneering new creative technologies

Microsoft Mixed Reality Capture technology

Innovate UK funded the Microsoft Mixed Reality Capture technology at **Dimension Studio, London**, with the Digital Catapult.

Dimension Studio was the first partner outside of the US who had access to this state-of-the-art volumetric and 3D capture technology – attracting international clients including Sky and Universal.

Growing UK post-production facilities has had an enormous knock-on effect on our production infrastructure: the expansion of University of Reading's Thames Valley Science Park will become the UK's biggest film studio, creating 3,000 jobs. The UK is now renowned globally for its post-production expertise and has become a catalyst for Foreign Direct Investment.

Major new studio developments are underway in every corner of the country, in the **south-east of England, Cardiff, Northern Ireland, Yorkshire, Manchester** and **Scotland**. On top of this, all of the existing big studios have ambitious expansion plans.

Audience of the Future Challenge

Launched in 2018, the Audience of the Future Challenge fund brings together creative businesses, researchers and technology experts to create striking new experiences to captivate the world's imagination, helping to pioneer new ways of storytelling, and growing the UK's position as a leader in creative content.

One of the four Audience of the Future (AotF) demonstrator projects, **Dream**, was run by the **Royal Shakespeare Company**, in collaboration with **Manchester International Festival, Marshmallow Laser Feast** and **Philharmonia Orchestra**. Inspired by Shakespeare's *A Midsummer Night's Dream*, audiences were able to directly influence the live performance from wherever they were in the world, using the latest gaming and theatre technology together with an interactive symphonic score designed to respond to the actors' movement during the show.

Since launch, public investment of £39 million in the AotF programme has leveraged an additional £23 million in private investment.

CREATIVE INNOVATION FOR SOCIAL GOOD

As well as using innovation to generate huge amounts for the economy, Creative Industries have repeatedly used innovation for social good. With the impact of the pandemic, architects and designers have applied their skills to everything from building the new Nightingale Hospitals, to looking at how public spaces might be made safer through innovative ventilation and filtration systems. Meanwhile, **English National Opera** has been working alongside the NHS and Imperial College London to develop a breathing programme to help those recovering from the long-term effects of Covid.

Sea Hero Quest

Sea Hero Quest is a specially designed game, to be played on mobile phones, that can detect people at risk of Alzheimer's disease. Created by Deutsche Telekom, in partnership with game developers, Glitchers, Alzheimer's Research UK, University College London and the University of East Anglia, the game helps researchers to better understand dementia, by seeing how the brain works in relation to spatial navigation. As players navigate the game, researchers translate every half second of play into scientific data.

The research journal PNAS reported that "every two minutes spent playing the game is equal to five hours of lab-based research. And having three million players globally equates to more than 1,700 years' worth of lab-based research."

Climate Change and Environmental Sustainability

Creative industries have no shortage of brilliant, innovative ideas to help us combat major global challenges, including climate change.

Advanced Clothing Solutions, Glasgow, funded by Innovate UK's Fast Start

Fashion retail has been hit hard by the pandemic and now faces an even bigger long-term crisis: it is the second biggest polluting industry in the world, projected to use 25% of the world's carbon budget by 2050. Advanced Clothing Solutions (ACS) is the UK's No.1 men's formal-wear rental specialists and have been successfully providing rental services to High Street Retailers and Independent Stockists for over 20 years. Funded by Innovate UK's Fast Start programme, ACS capitalised on the lull in business demand caused by Covid-19 to transform from a Traditional Men's Hire-wear Provider to a Global Centre of Expertise in Sustainable Fashion. The ACS project provided a fully managed Clothing Hire Service to retailers, offering a complete, environmentally conscious, solution. ACS's software made it easy to integrate and manage every aspect of resale and retail; promising zero waste to landfill through innovative sanitisation and reuse. ACS' expert consultancy also helped retailers take advantage of the multi-billion-pound opportunity offered by rental and resale, whilst reducing the quantity of clothing returns and the impact on the planet. ACS has sought opportunities to further innovate by significantly developing the social and environmental dimensions of their business model, including working towards B-Corporation Status in 2021 and towards achieving Zero Carbon Emissions by 2025.

Piñatex™

Support from Innovate UK has been integral in developing Piñatex™, a material made from the natural fibre of pineapple leaves, that harnesses advanced technologies to create a totally sustainable natural textile. Bridging the gap between leather and petroleum-based textiles, Piñatex™ is now being sold to companies ranging from furniture producers to shoes and accessories. Innovations made through Piñatex™ not only support the circular economy but have also had a wide ranging international economic impact by working directly with farming cooperatives and creating sustainable income streams for pineapple farmers in the Philippines.

Cupsy

London's StoryFutures partnered with Heathrow Airport during 2020 to co-develop an immersive recycling programme called 'Cupsy'. The programme fused a unique combination of consumer psychology, computer vision, emotion recognition and augmented reality (AR) technologies. It resulted in an upturn of 130% in recycled coffee cups, with over 6,000 cups recycled during the test period.



Community building and reducing social isolation

The creative industries are also prime examples of how organisations can work with local communities and drive social wellbeing, particularly through the use of creative technology, enabling people to overcome isolation and enhancing community cohesion.

The **Creative Informatics** programme in **Edinburgh** facilitated a number of Expanded Reality projects during the pandemic. These ranged from the development of an AR 'socially distanced' tour of heritage sites to digital platforms that supported sufferers of Chronic Fatigue Syndrome to creatively engage with virtual environments.

In **Bristol**, the immersive cinema group **Compass Presents**, whose planned productions were cancelled during the pandemic, brought the skills and knowledge they'd gained through immersive practice to disadvantaged communities in partnership with Knowle West Media Centre. Supported by BFI Film Hub, the organisation delivered 12 weeks of training in immersive screening to a group of young people in South Bristol, culminating in them organising their own immersive event for their local community.



HOW WE CAN UNLEASH EVEN MORE INNOVATION

Creative ideas are everywhere, but the opportunity to turn these into reality often is not. The creative industries have no shortage of brilliant ideas, ready to combat society's biggest problems. However, accessing the money to turn these ideas into reality is often a big challenge.

Research and Development tax credits

In the UK, the definition of what constitutes Research and Development (R&D) activity for tax relief purposes is limited to activities advancing science and technology. This means that many parts of the creative industries fall outside of the scope of what is recognised as R&D.

55% of all Creative Industries firms have conducted R&D in the last year

But only a quarter of these would qualify for R&D tax relief

In contrast, other countries including Brazil, Czech Republic, Denmark, France, Italy, Canada and Korea, include these areas in their scope. This puts the UK at a major competitive disadvantage.

Evidence from the Creative Industries Policy & Evidence Centre shows expanding R&D tax reliefs and accompanying this with tailored guidance, investment and business support would maximise our ability to generate world-beating ideas, in all parts of the country and ensure a much greater diversity of innovative entrepreneurs. Without this, the ability to turn ideas into assets will be the preserve of the few, rather than an opportunity for the many.

Investing in creative innovation

The pandemic has highlighted the need for innovation, in every part of our society. However, it has also laid bare the need for further investment in those creative organisations and programmes whose work presses the boundaries of possibility and shapes the future operations of industries across the UK. Innovate UK is already taking enormous steps to address this, with the welcome introduction of the Creative Industries Fund across all sub-sectors, however additional investment has the potential to propel the UK even further forward as a global leader in creativity.

Business support & access to finance

Innovation funding is in huge demand across the Creative Industries, in all parts of the UK: 12% of all successful Fast Start applications were from, or supporting, the creative industries; three times higher than expected.

Alongside public programmes, wrap-around business support is also an important tool for encouraging creative innovation. Initiatives such as mentoring, coaching, business advice, funding via grants and access to finance are all key in helping creative businesses to thrive, and fundamentally, in supporting them to innovate.

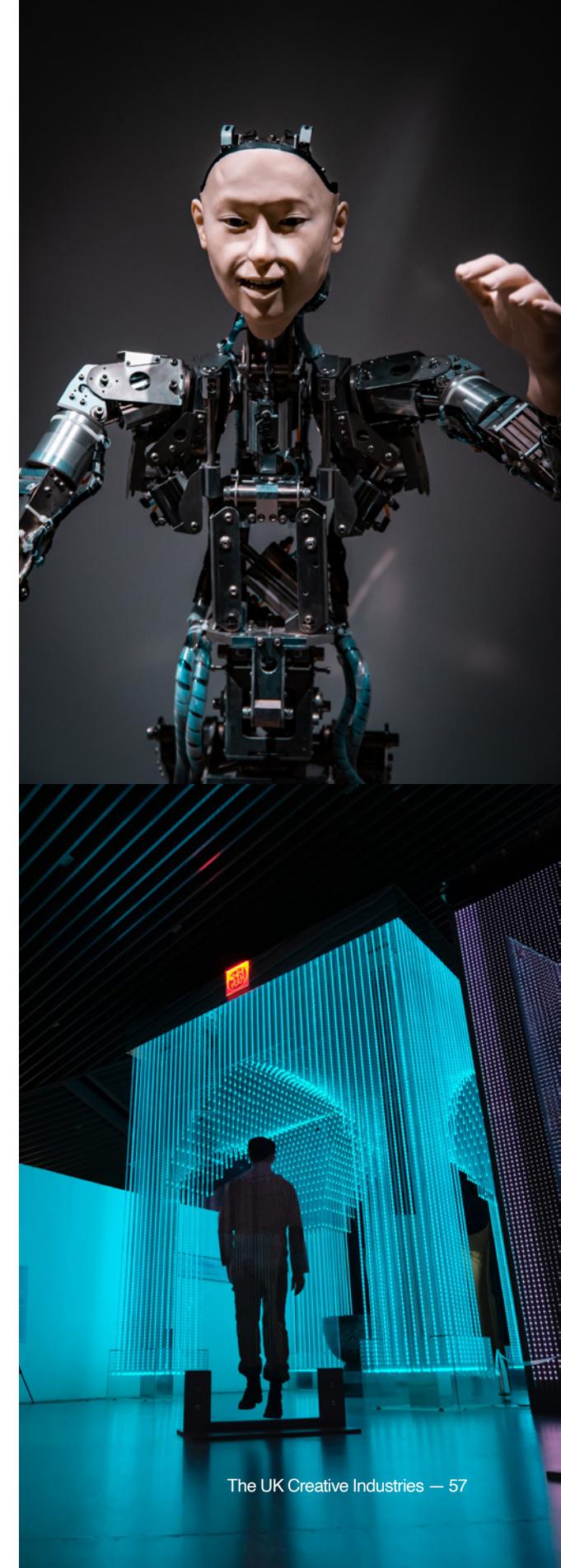
As well as finding it tricky to access business support, creative businesses and entrepreneurs frequently experience difficulties accessing the finance they need to grow and to develop and test new ideas, with freelancers and microbusinesses, who make up the majority of the sector, often perceived to be high risk by mainstream lenders.

3x

Creative entrepreneurs are three times more likely to use their own money, or investment from family and friends, compared to small-medium businesses in general

This means that it can be enormously challenging for those without wealth and connections to start a creative business, and is why specialist lenders and business support programmes, such as Creative Growth Finance, the Creative Scale-Up Programme and Creative England's partnership with the Start Up Loans Company are so important.

Access to finance must be accompanied by a robust Intellectual Property regime, combined with support to develop, retain and protect creative ideas.



CHAPTER 6

WE ARE

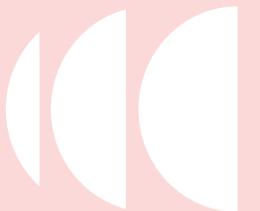
PLACE MAKERS

THE POWER OF CREATIVE PLACES



Whether it's Liverpool's musical heritage, Manchester's film scene or Dundee's thriving video games industry, creativity and culture play a key role in making our communities more attractive and cohesive places to live.

With the right investment, Creative Industries can play a key part in building our post-pandemic future, distributing wealth more evenly and driving inclusive and sustainable growth in all parts of the country.



CREATIVE CLUSTERS

There are hotspots of Creative Industries across the UK. These are known as creative clusters or micro-clusters.

Creative Clusters

A 'creative cluster' is defined by NESTA as a 'travel to work' area defined by either high concentration or high growth of Creative Industries. It includes well known hotspots such as **Brighton, Manchester** and **Edinburgh** as well as areas such as **Peterborough, Slough** and **Heathrow**, and **Tunbridge Wells**.

A "micro-cluster" is defined by the Creative Industries Policy & Evidence Centre as an area with a higher-than-normal concentration of creative firms and organisations as shown by Creative Industries Policy & Evidence Centre research. Micro-clusters include areas such as **Inverness, Omagh** and **Strabane**, and **Falmouth**.

Some of the UK's most established creative clusters have sprung up around major towns and cities, such as the concentration of film and high-end TV in **Manchester** and **Cardiff**, design in **London** and games in the **West Midlands**.

Meanwhile, micro-clusters can exist at a very concentrated geographical level (down to neighbourhoods). They are also more likely to want to grow, alluding to the potential of the Creative Industries to boost employment and innovation not just in cities, but across rural, coastal, and ex-industrial areas.

Creative clusters and micro-clusters are a key driver of place-based growth. They drive tourism but also provide many other social and economic benefits.



“Channel 4’s new National HQ in Leeds has already been the catalyst for a clustering of TV, film and creative organisations

in the city and surrounding area, supporting the growth of the regions thriving creative sector. It is also enabling us to tap into exciting new talent pools, including from Leeds’ burgeoning digital sector. This digital talent base is helping drive the success of our new Yorkshire-based digital unit 4Studio, which has a clear focus on reaching young audiences wherever they consume content. This is a digitally-native team of 70 people, with an average age of around 25. They’ve already achieved more than 11 billion views of our content across digital media in Year 1 and become the most-viewed branded content brand in the UK, across all platforms and categories.”

— Alex Mahon, Chief Executive, Channel 4

Creative cluster: Liverpool

Liverpool is a UNESCO city of music and has a strong creative history. The city is home to iconic music venues, the **Liverpool International Music Festival**, and **Liverpool Museums**. Liverpool City Region’s Cultural Strategy noted that “culture and creativity will continue to be central drivers for the regional economy” and they are a vital differentiator for place-based growth.

49% of business rates in Liverpool come from the cultural sector

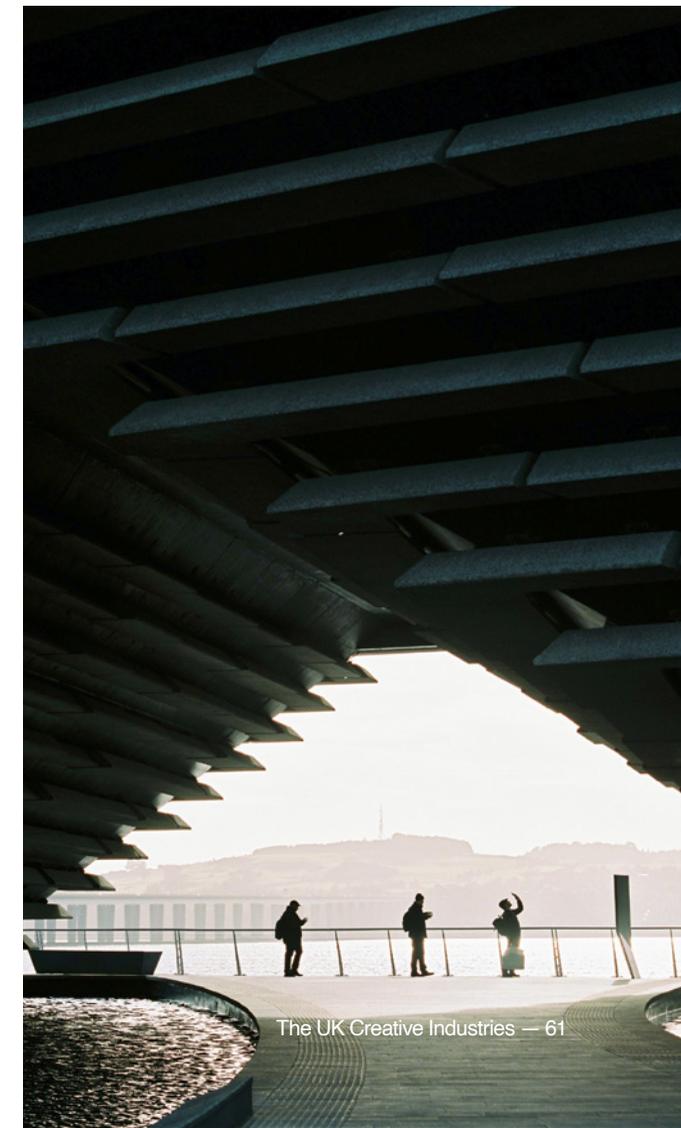
Micro-cluster: Dundee

Dundee has a flourishing video games industry, with expertise in comic book design, fashion, textiles and jewellery. The city is also a powerhouse for gaming: **Grand Theft Auto** and **Lemmings** were first created in the city, and **Minecraft** is made for console there. The £700m Tay Cities Deal highlights the Creative Industries as one of the key areas for growth opportunities, offering innovative ideas, products, services and digital content.



“The only UNESCO Creative City of Design in the UK, Dundee has an ambitious agenda for regeneration through creativity, culture, and innovation. Building on the strong foundation of design within its industrial heritage and the longstanding role of art, design and architecture, education and research, Dundee is home to a generative and vibrant network that cultivates local skills, innovation, information sharing, and placemaking.”

Professor Anita Taylor, Dean, Duncan of Jordanstone College of Art and Design, University of Dundee and Board Member, V&A Dundee



CREATIVITY DRIVES LOCAL GROWTH AND PROSPERITY

The UK's creative clusters are world-leading. Many of them are also major cultural destinations, driving local growth and reputation overseas.

Some of the UK's largest cities have benefitted from longstanding cultural investment and global recognition, which has enabled them to unlock the benefits that the Creative Industries can bring. But not all places in the UK have traditionally had a global, or even domestic, platform. In recent years, there have been a number of significant domestic and international programmes looking to rectify this.



Creative Clusters Programme: investing in innovation

The Creative Clusters Programme, delivered on behalf of UKRI by the Arts & Humanities Research Council (AHRC), aims to create jobs and drive the creation of companies, products and experiences that can be marketed around the world.

The programme has provided £80 million to innovative creative projects across the UK, with projects including StoryFutures, which looks at the future of story forms, and Future Screens NI, which delivers growth and technical development to the **Northern Irish** screen sector.

Creative Clusters Programme & Clwstwr Creadigol

Part of the Clusters Programme, **Clwstwr Creadigol** in South Wales is creating a platform for small media businesses and freelancers to compete against the highly integrated global players.

Clwstwr's first funding call received 134 expressions of interest, with 23 companies chosen to receive the programme's first £1m. The funded projects are wide ranging, from news services for school children, to the use of 'layered reality' immersive technology to transform the way people experience dance, to **Plan V**, who are developing a low-cost, virtual reality studio to help small visual effects design businesses be competitive.

Many of these projects have the potential to create and develop original content that is made and based in **Wales** - crucial if the region is to make its highly respected screen industry more sustainable.

“Being City of Culture has given a chance for communities in Coventry to come together, share experiences and moments, and see their home in the spotlight. The pandemic has had a large impact on the region; however, City of Culture status is giving the region a unique opportunity for both cultural and economic renewal.”



– *Martin Sutherland,*
Chief Executive – UK City of Culture

City of Culture: world leading cultural destinations

Following the success of **Liverpool's** year as European Capital of Culture in 2008, a working group was set up by the DCMS to consider a regular UK City of Culture.

Making culture a central part of inclusive growth strategies can not only drive local economic development, but also boost local pride and cohesion. This impact has been seen in **Hull**, the UK's 2017 City of Culture, which saw a markedly positive change in visitor perceptions of the city.

The **Coventry** City of Culture research programme will aim to go even further and should aim to join with other interventions to provide a more comprehensive picture of the social and economic dividends that come with investing in our cities.

Whilst the significance of these benefits to communities and local economies can't be understated, new research from the Creative Industries Policy and Evidence Centre highlights that a long term, realistic legacy strategy, involving local businesses is essential to realise the benefits of such programmes.

Hull, UK City of Culture 2017 – Economic and social impacts

Hull's successful bid to become the UK City of Culture was based on a compelling story of “a city coming out of the shadows”. A selection of the social and economic benefits that were generated during the City's delivery of 365 days of transformative culture include:

The delivery of more than 2,800 events, cultural activities, installations and exhibitions across 300+ venues and spaces

Visitor numbers to the city's galleries and museums in excess of 1.4 million, and with more than 9 in 10 residents engaging in at least one cultural activity

High national awareness level of Hull as the UK city of culture (66%), and statistics to suggest around half of the UK (46%) positively changed their perceptions of Hull

3 in 4 residents reporting they felt proud to live in Hull

£3.4bn in public and private investment into Hull since submission of the city's successful bid in 2013

A projected £22m in GVA to the local economy with more than half of this stemming from tourism growth

Leading rural creative economies

The UK's rural and coastal Creative Industries are a key part of the creative ecosystem and showcase the breadth of creative talent across the UK.

£2bn

A recent House of Lords Select Committee report highlighted the £2bn GVA contribution of the rural Creative Industries and their potential in helping drive vibrant rural economies.

Cornwall

With a rate of growth faster than any other sector in the county, **Cornwall's** Creative Industries range from vibrant local events to micro libraries, attracting artists, entrepreneurs, designers and makers.

Coinciding with the recent G7 Summit, The G7 Cultural Programme was delivered as a partnership between the **Hall for Cornwall, Cornwall Museums Partnership, Cornwall Council, Wildworks, Screen Cornwall** and **Creative Kernow**, with each delivering a project that encapsulates real-life contemporary Cornwall. The Programme served to not only create opportunities for local communities, whilst promoting a greener, more prosperous future, but also to highlight the importance of the creative, heritage and cultural sectors to contemporary Cornwall, and the region's capacity for creativity and innovation.

CREATIVE INDUSTRIES ALSO DRIVE SOCIAL COHESION

As well as the economic and reputational benefits, Creative Industries drive opportunity, having an enormous effect on social wellbeing up and down the country.

Research suggests that arts and cultural activities bring communities closer together, support public health improvement, deter crime and promote offender rehabilitation, restore trust and participation in the night-time economy, and help disadvantaged groups capture more of the benefits of other regeneration initiatives.

“The Weald & Downland Living Museum was set up by dedicated volunteers and is a testament to the value local communities placed on heritage assets around them. The last year and urgent concern for our climate reminded us of our interconnectedness, need to value our built and natural environment, and wellbeing that beautiful places and green spaces bring. Our programming raises awareness, which is the first step towards change.”

– Lucy Hockley, Cultural Engagement Manager, Weald & Downland Living Museum

Creative Black Country

Supported by the Arts Council, the World's first Punjabi pub signs were hung at seven Desi pubs across the **Black Country**, celebrating 18 months of artist and landlord collaboration for a landmark project.

This significant event is just one that has been captured by Creative Black Country as part of Arts Council England's Creative People & Places Programme commissioned artists and Desi Pub landlords in the Black Country over the past year, producing a new body of work that tells the stories of migration from the Punjab to the region.

The important role that creativity and culture play in supporting communities, increasing cohesion and enhancing quality of life, is well recognised by local authorities across the UK. In **England**, councils are the largest public investors in cultural activity and attractions, with a spend of £1.1bn across 3,000 libraries, 350 museums, 116 theatres and numerous castles, monuments, historic buildings and heritage sites.



MAKING THE CREATIVE AND CULTURAL INDUSTRIES A STRATEGIC PRIORITY

Creative Industries have the power to drive growth, everywhere. Post-pandemic, they can bring people back to our towns and cities, drive inward investment and rebuild communities in all parts of the UK, from major cities to rural and coastal areas. Though the current crisis has had huge impacts on the most vulnerable areas of this sector, evidence from the Creative Industries Policy & Evidence Centre shows it has also generated new opportunities for employment, investment and revenue through the development and expansion of new digital platforms and technologies. As we look to rebuild, the Creative Industries' unique capacity for innovation, for community building, and for driving inclusive growth, will be needed more than ever.

Supporting the potential of the Creative Industries to power local economies

Recognising just how important the Cultural and Creative Industries are to the **North of Tyne's** regeneration and future economic growth, the combined authority is working in partnership with Creative England to deliver a first of its kind Culture and Creative Investment Programme across a whole Combined Authority region. The two-year partnership will invest £2.6 million in the North of Tyne's Creative and Cultural Industries, combining grants and loans with wraparound business support, specialist workshops and mentoring sessions.



“Early in 2020, Scotland adopted a new strategy to ‘strengthen, transform and empower through culture’. The Creative Industries can deliver on this ambition, building back an even more vibrant, innovative and agile creative Scotland. With strong, continuing investment – from both public and private sources – our Scottish Creative Industries can embrace a future where creativity and enterprise enlivens every community and is celebrated around the world.”

– *Steven Roth, Executive-Director, Scottish Ballet*



“We are enormously proud of our Creative and Cultural Industries in the West Midlands. We know that these industries create jobs, bring money into the region, bind communities together and help respond to pressing social and economic challenges and as such, they are a major strategic priority for us. For these reasons and more, the creative sector is an investment opportunity that we and UK government can’t allow to pass us by.”

– *Andy Street, Mayor of the West Midlands*



“As we begin to heal from the pandemic, it is vital that we don’t lose sight of the huge potential the arts, culture and Creative Industries present to create jobs and develop skills, as well how they enrich lives and improve wellbeing. Here in West Yorkshire, we have some of the finest creative and cultural people, festivals, and destinations anywhere in the country. I am enormously proud of the rich and diverse culture and talent we have on offer across our region.”

– *Tracy Brabin, Mayor of West Yorkshire*



“The Sheffield City Region is proud to be home to a whole range of Creative Industries and a wealth of creative talent. In our recent Strategic Economic Plan, we highlighted the enormous potential within the Creative Industries in our region. They are a vital part of our recovery and renewal, contributing to healthy and sustainable communities, strong local identities, and vibrant places, as well as to our economic recovery. There is a real opportunity now to level up the North. If supported and nurtured, the Creative Industries can help drive growth and realise untapped potential that deserves to be unleashed.”

– *Dan Jarvis, Mayor of Sheffield City Region*



ACKNOWLEDGEMENTS

This report would not have been possible without the input and feedback of our diverse membership – creative businesses, practitioners, trade bodies and unions, and education providers across all parts of the Creative Industries and throughout the UK. Governments and arms-length bodies, at both UK and devolved levels, have been central to analysis carried out by ourselves and Oxford Economics, and there are many more from across the wider industry, both within and outside of our sector, who have advised and supported this piece of work.

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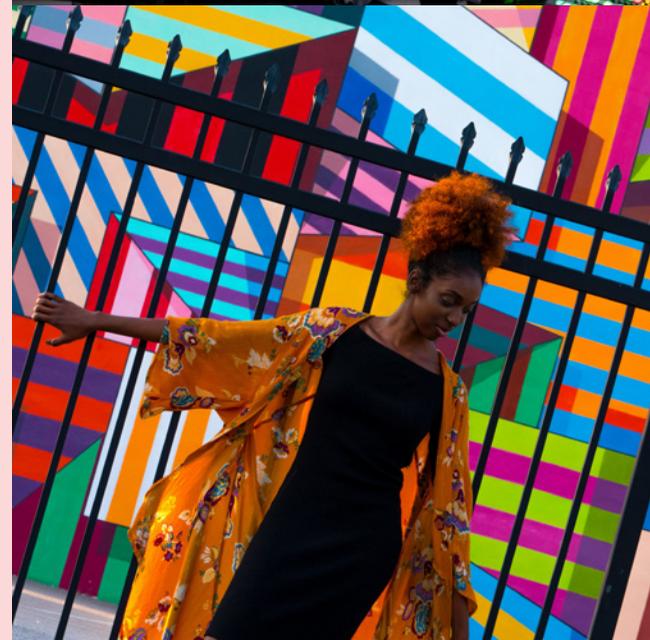
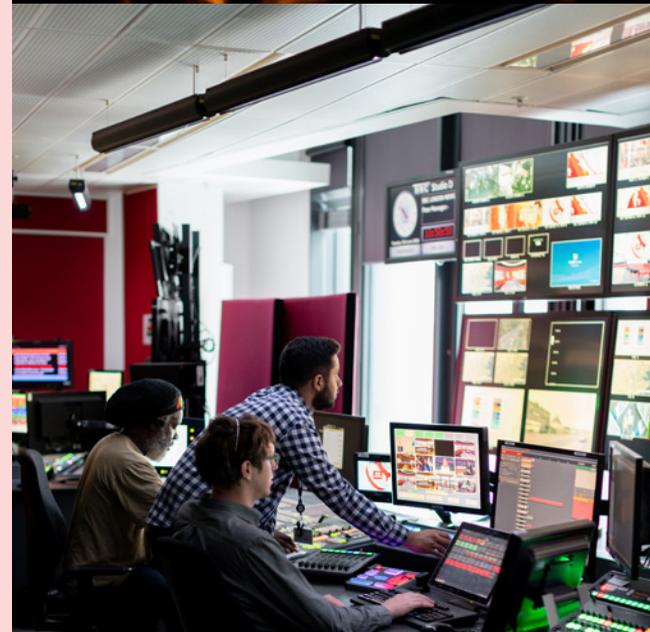
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The full Oxford Economics report “Developing Economic Insight into the Creative Industries” is available for members and on request, as is a full list of references and further reading.



This report has been proudly supported by



Full reference list can be found [here](#).



We uncover creative voices, invest in creative businesses and empower creative communities to grow.



We are the membership body that represents, champions and supports the UK's Creative Industries

