

Appendix one

Building on the Success of the Creative Industries in the South East LEP Area

With a GVA contribution of £1.1 billion per annum, the creative industries in the South East LEP area contribute more to the UK economy than those of any other LEP outside of London. Creative sector business leadership in partnership with SELEP, are in an unparalleled position to drive innovation to grow the creative workforce, generating high skilled, high value employment in places that can most benefit from diversifying their local economies.

If the talent pool in London, the world's leading centre for creative industries, continues to move East into the Thames Gateway and beyond, the SELEP area is poised to realise the potential for growth more than any other LEP area, because of its proximity to London, its transport infrastructure and its proactive approach to advancing a key sector in the new economy of 21st century.

It is these competitive advantages that leading players including: the Royal Opera House, Glyndebourne, Maidstone Studios, Acme Studios, De La Warr Pavilion, Folkstone Creative Quarter, Turner Contemporary, Jerwood Gallery, METAL, Firstsite and Chatham Historic Dockyard have capitalised on. With the opening of the National Skills Academy for the creative industries and the relocation of the UK Skills Council for the creative sector to High House Production Park, this is a timely opportunity to harness resident world class acumen to accelerate growth.

Executive Summary

To unleash the potential of the creative and cultural industries in the SELEP area, a network of key industry representatives propose to:

- 1. Establish Creative Industries Innovation Hubs**
- 2. Build incubation space for new talent alongside workspace for innovative SMEs**
- 3. Forge stronger industry led partnerships with Higher Education**
- 4. Devise innovative skills solutions to create new jobs**
- 5. Grow a creative industries supply chain with London**
- 6. Increase innovation in place making and tourism**

The Value of Creative Industries

The creative industries (CIs) are one of the UK's greatest economic success stories. Taking into account creative professionals working across all sectors:

- **The industry accounts for around one-tenth of the whole economy and provides jobs for more than 2.5 million people - more than in financial services, advanced manufacturing or construction¹.**
- **In the SELEP area, CIs employ 30,000 people and generate £1.1 billion in GVA – the largest GVA contribution of any LEP outside of London².**
- **The creative talent and innovation that originates in this sector has become indispensable to other sectors such as health, IT and the services economy³.**

Creative Innovation: Our Strongest Asset

Innovation is part of this sector's DNA: creative economies are innovation economies. Businesses in the creative industries are almost exclusively SMEs or micro-businesses - 94% have fewer than 10 staff - and the nature of creative work ensures that they are often compelled to work on a collaborative, project-by-project basis. Flexibility and responsiveness to change are built into the structure of the sector, which has responded to the threat of economic stagnation by embracing and improving new technologies and by developing innovative new business models. Consequently:

- **In an average year, the number of CIs introducing a new product is around 20%, compared with only 9% for non-creative sector firms⁴.**
- **The GVA contribution made by a creative professional is almost double the average GVA contribution of an employee across the South East's wider economy⁵.**

Creative Innovation: Benefits to the Wider Economy

Individuals working in the creative sector are highly qualified. In the South East, 55% of all workers are qualified to first degree level or above, as compared with a UK average of 37%⁶. This talent pool brings huge benefits to the wider economy:

- Creative sector businesses contribute ideas, processes, products and talent, all of which spread beyond the creative industries in ways that drive economic growth and productivity.
- They drive ancillary markets (e.g. by creating demand for electronic devices and online platforms that support the music, design and publishing industries).

¹ NESTA, A Manifesto for the Creative Economy, (2013)

² Creative & Cultural Skills, Impact and Footprint 2010/11, (2010)

³ Stuart Cunningham, Hidden Innovation: Policy, Industry and the Creative Sector, (2013)

⁴ NESTA

⁵ University of Birmingham, Creative Industries in the South East LEP, (2011)

⁶ Creative & Cultural Skills, Impact and Footprint 2012/13, (2012)

- Creative expertise, solutions and working methods are now embedded throughout the wider economy.
- 53% of creative professionals in the Greater South East now work in a creative capacity outside the CI sector⁷.
- Firms that spend double the average on creative industries inputs are 25% more likely to introduce products or services that are new to the firm or market⁸.

Capitalising on Potential for Growth of the Creative Industries through Smart Specialisation

In the 2010 Plan for Growth, the Government named the “digital and creative industries” as one of six priority growth sectors with the potential to drive economic recovery in the coming years, and outlined their ambition for the UK to become a world leader in the creative industries⁹. Although the creative industries have significant potential for growth, they are at significant risk of failing to meet this potential due to a lack of recognition and sustained, long-term planning and investment.

- **Economic projections drawn up in 2010 suggested that with proactive investment in skills, training and R&D, the GVA contributed by the sector to the UK economy could have grown by as much as 31% between 2010 and 2020¹⁰. Employment in the industry was forecast to grow by 32%¹¹.**
- **However, recent research indicates that whilst the creative industries have proved resilient, they are not growing at the rate these figures suggested is possible¹², due in part to the lack of investment in incubation, R&D, innovation and skills.**

The evidence suggests there is a material need to support the development of creative industries in the SELEP area, in order to be in the best possible position to succeed in an increasingly competitive global marketplace. Given the potential, to fail to proactively plan for and to invest in the sector would represent a lack of foresight and self-confidence about the SELEP area’s new economy, and could have a disproportionately negative effect in the very

⁷ NESTA, Mapping the Creative Economy

⁸ Chapain et al., Creative clusters and innovation: Putting creativity on the map, (2010)

⁹ BIS, The Plan for Growth, (2011)

¹⁰ Creative & Cultural Skills, Creative and Cultural Industry: Occupational, Skills and Productivity Forecasting, (2011)

¹¹ Creative & Cultural Skills, Sector Skills Assessment for the Creative and Cultural Industries (2010).

¹² Creative & Cultural Skills, Impact and Footprint 2012/13, (2012)

locations that face some of the greatest challenges and lack skilled workforce and job opportunities.

Driving Innovation in the Creative Industries and beyond: Key Initiatives

1. Establish Creative Industries Innovation Hubs

Creative businesses benefit enormously from clustering – whether this is through physical proximity to other creative businesses, or through other forms of networking – because such proximities allow innovative practices to spread, facilitate dynamic new partnerships, and allow small businesses to build capacity and share risks.

At present, the sector in the SELEP area does not yet have critical mass in the key locations, which means that creative businesses suffer from isolation from other businesses, find it difficult to access finance and lack dedicated affordable workspace. Business isolation creates a lack of awareness about local expertise, which hinders the development of economies of scale through collaboration, sharing of good practice and cross-fertilisation of innovative ideas.

Creative sector business leaders from across the SELEP area have formed a practical alliance to work together to raise the profile of the creative industries and to devise flagship innovation programmes to meet the skills, training and R&D needs of creative SMEs and start-ups.

Working with local government colleagues, the locations in the SELEP area that have been identified as having strong potential for further growth of a creative cluster include :

- **Chatham Rochester**
- **Colchester**
- **Hastings**
- **Margate**
- **Southend**
- **Thurrock**
- **Folkestone**

Initiatives already underway in these locales will make a step change through the establishment Creative Industries Innovation Hubs. The hubs will form a SELEP area wide innovation network. This initiative will build on existing centres of excellence in these locations and will be driven by business-led partnerships that are committed to fostering innovation to accelerate growth.

2. Build incubation space for new talent alongside workspace for innovative SMEs

Innovation is not just about forging virtual connections between businesses: it is firmly grounded in the provision of shared workspaces that allow businesses, freelancers and graduates to work side-by-side, allowing ideas and collaborations to develop informally. Workspace as part of Creative quarters can also absorb some of the investment risks businesses make when they hire spaces, invest in training or introduce new products.

Lack of affordable workspace has been identified as one of the main issues facing the creative sector in the SELEP area. For example, creative businesses in and around Colchester have identified the need for an additional 540,000 sq. ft of workspace. Hub leaders across the SELEP area cite the need for affordable space and incubation support for recent graduates – both local graduates and those who choose to relocate from London. It is not just about the provision of workspace offered by traditional incubation centres and enterprise hubs but a new generation of ‘creative zones’ in which cross sector experimentation and prototyping can be nurtured in an environment with a unique mix of ‘fab lab’ technologies, maker spaces, a range of differing studios, training facilities and presentation areas that will enable a new collaborative model for start up and creative entrepreneurial approaches.

In Hastings, there are plans for acquisition of underused buildings to provide much needed studio, exhibition, practice and performance space for creative professionals to support the growth of fledgling businesses and to stimulate job growth. These plans build on the model developed by the Creative Foundation – the Folkstone Creative Quarter. The Creative Quarter has transformed Folkstone, creating over 900 jobs and prompting the restoration of over 90 buildings.

3. Build stronger industry led partnerships with Higher Education

Creative sector business leaders in the SELEP area recognise the need to move away from ad hoc projects with higher education to more ambitious long term innovation partnerships that are based on shared ambitions to increase the impact of the sector. There is a step change to be made. We will draw on successful examples, such as Plymouth University’s Centre for Innovation for the Creative and Cultural Industries, which connects those working in the creative and cultural sectors with the expertise of the academic community.

We will encourage new relationships with world class institutions such as University of the Arts London, who are in early discussions with High House Production Park, Thurrock to develop an innovation partnership that could encompass work with schools to inspire the next

creative generation to devising enterprise and incubation support for graduates relocating from London into the SELEP area. In return, the university will offer its graduates opportunities to maintain a profile in London in order to open up routes to the UK's biggest market.

4. Devise innovative skills solutions to create new jobs

Addressing skills shortages, is one of the primary barriers to growth in the creative sector. An end to end approach to developing a skilled workforce in the SELEP area, will represent a significant return on investment, because unlike many other industries, the skill set creative workers develop is highly transferable, adaptable, and associated with high GVA contribution. Innovative, industry led schools partnerships, work placements, apprenticeships, graduate incubation and other forms of skills development and job creation calls for a change to the status quo. The benefits cannot be underestimated in areas which historically lack economic resilience and skilled jobs, and which suffer from youth unemployment rates above the UK average.

Traditional skills solutions serve most parts of the UK economy well: this is not the case for the creative industries, where Further Education, Higher Education and Business Support mechanisms are often failing to support the development of appropriately skilled creative workers. In terms of employers, the industry is an area of the economy where formal investment in training has been difficult to implement, a problem which largely relates to the prevalence of small and micro-businesses:

- The vast majority of creative businesses (94%) have neither an internal training budget nor any record of accessing external training funding (89%).
- Small businesses have less time and money to train staff, and portfolio working, seasonal productions and contract-based work make it difficult to offer anything more than ad hoc, on the job training.

To address this challenge, The SELEP area Creative Industries Innovation Network will devise a new approach with the support of its locally based UK sector skills council and national skills academy. The network will initiate a co-ordinated approach to enhancing skills development in key locations¹³. Creative & Cultural Skills will broker an innovation programme which will include:

- Supporting hubs to deliver a cultural entitlement in local schools
- Providing inspirational careers guidance and organising careers events with each hub.

¹³ This proposal builds on The Arts Education Interface research of 2001 https://www.nfer.ac.uk/nfer/publications/AE101/AE101_home.cfm?publicationID=164&title=arts-education%20interface:%20a%20mutual%20learning%20triangle?

- Supporting businesses in each hub to deliver a shared programme of engagement with local schools, CPD and industry placements for teachers.
- A new approach to providing inspirational work experience and traineeships for NEETs.
- A structured approach to apprenticeships: each hub will develop its own Group Training Association supported by Creative & Cultural Skills and Further Education partners, designed to remove the administrative burden from businesses and to put them in the driving seat.
- Business start-up and incubation: final year HE students will be supported to engage with the hubs, as a prelude to joining incubation units for new graduates and creative entrepreneurs.

5. Forge a creative industries supply chain with London

The Creative Industries Innovation Network in the SELEP area will identify strategic opportunities to partner with London’s creative sector leaders and its LEP to establish a two way creative supply chain relationship. One that enables the sustainable growth of the sector by capitalising on the South East role as the cradle of creative industries that successfully incubates talent and establishes strong routes to London, a key market. This will require a proactive approach to supporting creative sector graduate talent, SMEs and microbusinesses establishing themselves in the SELEP area rather than in the capital.

6. Increase innovation in place making and tourism

The fortunes of the creative industries in key locations in the SELEP area, are closely interlinked with those of the Visitor Economy. Aggregations of creative businesses improve ‘liveability’ of local areas by strengthening community identity, improving environmental quality, and promoting reuse of underutilised spaces, making areas more attractive for visitors and benefitting other, non-creative businesses¹⁴. Investment in the creative and cultural locally will improve perceptions of the SELEP area, attracting inward investment from creative businesses committed to generating skilled and sustainable jobs; this, in turn, will attract investment from non-creative businesses more generally and raise ambitions locally.

At present, the visitor economy in the SELEP area remains underdeveloped, and key historical and creative assets are not utilised to their full extent. Despite this, tourism in the SELEP area accounts for 8% of all jobs and generates £8 billion annually¹⁵. Given that

¹⁴ Markusen and Gadwa, Creative Placemaking, (2010)

¹⁵ Visit England

the industry as a whole generates £97 billion per annum across England¹⁶, there is significant scope for tourism to create jobs and opportunities for businesses in key locations across the SELEP, particularly given proximity to London.

Creative sector businesses are in a unique position to design and develop the services needed to ensure high quality visitor experiences across the accommodation, hospitality and leisure industries. The process works both ways: if an area suffers from poor perceptions, it will not attract inward investment or be seen as desirable place for the highly skilled professionals to set up businesses. These synergies between the creative economy and the visitor economy exemplify the ways in which creative products, processes and expertise are increasingly embedded throughout the whole economy. To ignore the creative industries is to ignore a key driver of growth across the whole SELEP economy.

Next Steps

With the endorsement of SELEP, the creative sector business leaders group will continue to develop the programmes outlined in the paper and prepare a costed delivery plan. The Group has identified an indicative total investment target of c60 million pounds to implement the flagship activities of the creative industries innovation network across the SELEP area during the period 2014 to 2020. Drawing on European funding and relevant domestic growth funds, the sources of match funding under discussion include: Arts Council England, Heritage Lottery Fund, Creative England, Visit England, Skills Funding Agency, research councils, NESTA, TSB, Big Lottery Fund, and a range of private trusts and foundations and developers.

¹⁶ Visit England

Appendix two

A new alliance for cultural entitlement in Thurrock

High House Production Park partnership, Thurrock Council and Thurrock Head teachers are to establish an alliance to develop an entitlement to excellent arts and culture, as a key means of increasing local expectations and of unleashing the ambitions of young people.

A new integrated approach to cultural education will be co-produced by education and cultural leaders, moving away from a practice of one off projects, to a sustained engagement with every local school.

To achieve this shift will require collective effort:

- a) To envision what success looks like, if every child in Thurrock has planned opportunities throughout their school years, to experience excellent arts and cultural activity and is encouraged to pursue clear progression pathways to nurture their knowledge, talent and skills.
- b) To re-align resources between all partners based on a collective agreement to engage with a range of excellent products and activities to advance shared outcomes that benefit all.
- c) To establish a leadership alliance of education and cultural practitioners in Thurrock that can demonstrate outstanding creative learning and outstanding creative practice.

The Education Commission provides an excellent context for this ambitious commitment and work is underway to propose a framework for a cultural entitlement offer that will address the following:

- What is every child and young person's entitlement? Give examples shared commitments from primary through to post 16.
- What steps are needed to establish an ongoing programme that will enhance the pupil's experience both inside and outside of the classroom and also develop outstanding teaching and creative practice?
- What high quality products eg Artsmark, Arts Award can be adopted by all, as part of the entitlement offer?
- How can other local cultural services and activities be part of the entitlement offer eg music education?
- How will quality assurance be designed in from the outset?
- What role can digital technology play in terms of reaching and connecting all?

- How can a seamless approach to the co-ordination and delivery of an on going programme of cultural education and training be put into practice?
- How can High House Production Park become more of a resource, expert broker and knowledge sharing hub? A place for celebrating achievement, the place for extraordinary collective experiences, a great environment for CPD and R&D, the place for unique opportunities to work alongside industry professionals.
- How can a cultural entitlement programme become regularised activity- in a way that teachers can rely on, in order to embed it into the wider curriculum?
- What other high quality cultural and HE organisations, based outside of Thurrock, do we want to broker a strategic partnership with to contribute to the entitlement offer?
- What approach to executive leadership, governance and financial investment can be developed, to ensure a cultural entitlement offer is sustainable?

Appendix three

Thurrock Creative industries Innovation Hub

Thurrock boasts a key asset in High House Production Park (HHPP), a centre of excellence for creative industries. HHPP is an inspirational fourteen acre site, designed to accommodate specialist production, training, business support and workspace for creative organisations, businesses, individuals and learners. The Production Park works in collaboration with Thurrock Council to advance creative industries led growth. Its resident partners include The Royal Opera House, Creative and Cultural Skills, ACME Studios. Drawing on these assets, the Hub has specialisms in live events production, technical skills, craft skills and artist workspace. The Hub is also the UK headquarters of the Creative Industries Skills Council. It is a BREEAM excellent site and the partners are committed to improving environmental sustainability and sharing learning with the sector.

Over the next few years, HHPP wants to take a proactive role with its partners to: attract more creative SMEs and microbusinesses to locate in and around the park in a sustainable way; work with education leaders to embed the creative sector in schools; look to a more ambitious partnership with further and higher education to address CIs skills needs; incubate graduate enterprise; and develop a world class supply chain for London and other key markets globally.

Projects which the Hub seeks to take forward include:

- Building a graduate creative enterprise and innovation centre with a leading specialist HEI and major employers;
- Building a vocational CIs school with local education leaders, FE and HE partners and CCSkills;
- Establishing a local business network and work with it to address barriers to growth through fit for purpose business support; and
- Encourage the sector to engage with apprenticeships and traineeships with specialist support from CCSkills.

Both the Graduate Creative Enterprise and Innovation Centre and Creative Industries Vocational School would be flagship innovation projects that are currently under discussion. These are projects that could be replicated elsewhere in the SELEP area creative industries network.

Early and positive discussions are also currently underway with FE and HE to devise a shared prospectus for creative skills and innovation in the local area and beyond.

By 2020 , Thurrock’s Creative Industries Innovation Hub will be an international exemplar of successful business led collaboration that secured the growth of creative industries and played a leading role in maintaining the momentum needed to regenerate local communities .

