

# Agenda Item 7



## Policy and Scrutiny

### Open Report on behalf of Andy Gutherson, Executive Director - Place

Report to:	<b>Environment and Economy Scrutiny Committee</b>
Date:	<b>10 September 2019</b>
Subject:	<b>Creative Lincolnshire Research Project</b>

#### **Summary:**

To provide an overview of the Creative Lincolnshire research project, including key findings.

#### **Actions Required:**

The Environment and Economy Scrutiny Committee are requested to consider and comment on the Creative Lincolnshire research project.

## **1. Background**

Creative Lincolnshire Project (CLSP) is a research and development programme to support the growth of the creative economy across the Greater Lincolnshire Local Enterprise Partnership area, including the County of Lincolnshire and unitary authorities of North East Lincolnshire and North Lincolnshire. The project is led by the Centre for Culture and Creativity at Lincoln University, together with local and regional partners, including Lincoln City Council, Greater Lincolnshire LEP, Lincolnshire County Council, Arts Council England, Lincolnshire Economic Action Partnership and Investors in Lincoln.

The University of Lincoln and partners commissioned consultants Tom Fleming Creative Consultancy and We Made That to undertake a programme of research and development, producing detailed plans to guide the partners in acting to stimulating growth. The aim of the work is to:

- Provide a baseline position on the cultural and creative industries in Lincolnshire and assess key opportunities for growth. This includes a focus on boosting GDP through sector development and generating positive spill-over effects to other priority sectors and agendas (eg, tourism, inward investment and place-making).
- Identify the key priorities for sector investment and support. This includes the priority investment of a new creative hub in Lincoln and a set of support, networking and hub interventions across the County.

- Support partners in shaping a new plan for the cultural and creative industries in Lincolnshire which supports inclusive growth, connects the diverse geography of the County, and helps other sectors to innovate.
- Provide an evidence base to support the key theme of 'Place' in the evolution of the Local Industrial Strategy for Greater Lincolnshire

This paper sets out an overview of key findings and recommendations of this work, with two priorities for investment. This work is still underway, with final recommendations to be presented early Autumn 2019.

## **2. Why the Cultural and Creative Industries matter**

As the Government's Sector deal for the Creative Industries acknowledges, cultural and creative industries are very important to our economic future. They have grown twice as fast as other sectors since 2011 and now account for more than 5% of the UK economy's GVA. They are worth over £100 billion to the UK economy and employ two million people. This is 6% of UK employment, showing 28.6% growth since 2011.

This growth has partly been driven by activities related to digital and technology (e.g., video games, film and television). Yet growth has also been characterised by increasing interdependencies and value-chain relationships between different types of creative and cultural activities, including those traditionally "subsidised" sectors such as visual and performing arts. There have been related positive trends in fashion, arts, music, performing, visual arts, literature and publishing; collectively contributing to a creative economy that has art and culture at its core.

UK Labour Market projections illustrate that this buoyant trajectory is likely to continue and that creative occupations will grow by over 5.3% over the next six years. This is double the projected job growth across the national economy and represents an additional 119,495 creative jobs by 2024.

With targeted investment, Nesta and the Creative Industries Council forecast that over 1 million new creative jobs could be created by 2030. These will help drive innovation and bring wider benefits for those places that see the most growth.

The recent Cultural Cities Enquiry highlights how culture delivers a growing part of the UK's economic output – now valued at £10.9 billion a year, growth of 57% since 2010. At the same time though, public investment in culture is falling – down 11% in the 4 years from 2011/12 to 2016/17, driven largely by a 19% fall in local authority funding which is the mainstay of cultural investment in the UK.

Several LEPs across the country are championing the cultural and creative industries as a priority for growth and competitiveness. This includes OXLEP (which has developed an investment plan for the sector and is aligning approaches to the creative industries with housing-led growth, smart tourism and technology); SEMLEP (which has developed a creative economy portfolio and investment plan); New Anglia LEP and Lancashire LEP (which have developed cultural strategies and

investment plans); and D2N2 (which has a Creative and Digital Sector Action Plan serviced by an Action Group).

### **3. The Cultural and Creative Industries in Lincolnshire**

Lincolnshire has emergent, but undeveloped, cultural and creative industries. The County has not significantly benefitted from the very high growth of the creative industries nationally and internationally and lacks the hubs and associated agglomeration effects seen elsewhere. The quality of place, access to talent (via the University of Lincoln and wider education sector), relatively low cost of living, and strong local culture, all point to the potential of establishing a high growth and high value creative economy:

- The Cultural and Creative Industries in Lincolnshire presents a nascent and fast-growing sector of the economy. It currently accounts for 2.4% of all employment across the Greater Lincolnshire area, but has growth 7% between 2015 and 2017.
- The GLLEP area has over 3,000 creative, cultural and digital businesses and employment in the sectors estimated to be 10,710.
- The creative, cultural and digital sectors are significant employers in Lincoln, North Kesteven and South Kesteven where they account for 4.0%, 4.7% and 4.0% of all employment respectively. The three districts together account for nearly half of all Greater Lincolnshire creative, cultural and digital businesses and 60.0% of creative, cultural and digital sector employment.
- The Tech Nation 2018 report shows all the GLLEP area is below the national average national density of digital and tech businesses. Lincoln Travel to Work Area has the highest digital specialisation across the GLLEP area but still below the UK average at 0.69, Grantham 0.52, Boston 0.33, Skegness and Louth 0.14, Scunthorpe 0.12, Spalding 0.12, Grimsby 0.03.

### **4. Opportunities and Barriers**

The cultural and creative industries sector in Lincolnshire can be described as one of significant potential. The City of Lincoln is growing as a cluster of regional significance and can drive growth across the County with the right network, hub and business support mechanisms. Grimsby, which is one of just 5 areas selected for the Cultural Development Fund, will invest £3.2 million in a new programme of international events and public art to revive the town centre, provide a business support programme for local creative businesses and create new production facilities in the town's historic centre. Coastal Lincolnshire is growing its offer for cultural tourism, festivals and events. Market towns and villages across the County are becoming micro-hubs for micro creative businesses which can, with the right network and support infrastructure, build capacity for growth and innovation. Plus the rural creative economy is growing, with digital infrastructure making sector development

viable and the quality of place across Lincolnshire increasingly attractive to micro creative firms.

Opportunities include:

- The establishment of Lincoln as a creative hub, accessing talent and expertise from the University and plugging into regional clusters such as Nottingham to attract and retain talent. This will involve more effectively linking assets in culture, education and the creative industries – so that knowledge exchange, innovative practice and research are more aligned.
- Connecting the creative economy of the County – via the development of spaces, networks and platforms for exchange and trade – where creative and digital businesses can access knowledge, skills and markets in a hub/network environment.
- The growth of key sectors such as digital, design and audio-visual – to build the creative employment base in the County and enable micro firms to scale.
- Links with the established Mosaic Lincoln Digital Hub created and supported by the digital business sector.
- The generation of value chain relationships with key sectors such as agri-food and the visitor economy – via the innovation they foster and the role they can play in enhancing the attractiveness of Lincolnshire as a place in which to live, work and invest. For example, the creative industries can enhance the performance of the Holbeach Food Manufacturing Centre of Excellence via innovation in design and tech. It can also help develop smart and accessible tourism product.
- The growth of festivals as key drivers for innovation, talent and market development; and as catalysts for inward investment and place-making (such as Gravity Fields and Frequency festivals).

Barriers include:

- Capacity and critical mass: The City of Lincoln and wider County lack the types of specialist creative hubs which can drive growth and power innovation across the economy. Without building the critical mass of the creative industries and mobilising collaboration and exchange, the creative economy of Lincolnshire will not grow to its potential and talent will continue to leave.
- Access to talent: with creative SMEs and micro firms struggling to recruit appropriately skilled talent and too few firms considering Lincolnshire as a viable location for growth.
- Access to markets: with limited reach B2B and B2C and barriers to growth such as poor public transport and patchy digital provision reducing the capacity to reach markets.

## 5. Rationale for Priority Interventions

Focus Area	Cultural and Creative Industries
Vision	<ul style="list-style-type: none"> <li>- Lincolnshire is known for its flourishing, high growth and value-adding sector</li> <li>- Distinctive place-based hubs and clusters with Lincoln as a vital regional creative city</li> <li>- Strong supply of high quality talent via HEIs and FEIs</li> <li>- Significant culture-led regeneration – e.g. in coastal and industrial districts</li> <li>- Significant spill over effects to the tourism, knowledge and tech sectors</li> <li>- Delivery of inclusive growth – in line with the Local Industrial Strategy</li> </ul>
Justification and Evidence	<ul style="list-style-type: none"> <li>- A high growth sector nationally – driven through SMEs and micro firms</li> <li>- Under-leveraged opportunities in Lincolnshire, with scope for growth</li> <li>- Talent retention is low across the County. The sector can increase the attractiveness of Lincolnshire across the economy. It can also help deliver inclusive growth in line with the Local Industrial Strategy</li> <li>- Lack of a distinctive creative and identity for the County.</li> </ul>
Links to National Priorities and Other Sectors	<ul style="list-style-type: none"> <li>- £150m UK Government Creative Industries sector deal</li> <li>- Cultural Development Fund – targeting Grimsby</li> <li>- Arts Council England new 10 Year Strategy to focus on place. This includes <i>Transported</i> (Creative People and Places fund)</li> <li>- English Heritage to deliver on the Shared Prosperity Fund</li> </ul>
Gaps	<ul style="list-style-type: none"> <li>- Lack of dedicated creative and cultural hubs to provide specialist support and infrastructure and drive collaboration</li> <li>- Lack of network and business support</li> <li>- Lack of join up to other key sectors – e.g. agri-food and tourism</li> </ul>
Interventions	<ul style="list-style-type: none"> <li>- A new creative hub for Lincoln – to be the catalyst for network and hub development across the County. This builds from the Lincoln Growth Plan and positions the city as a key centre for innovation and creative production. This is a <b>Pipeline project</b> for GLLEP.</li> <li>- Creative Industries business support and skills platform to encourage knowledge exchange and growth</li> <li>- Marketing to promote the quality of creative firms and talent</li> </ul>

## **A New creative Hub for Lincoln which serves sector development across the County**

The City of Lincoln, with a growing University that delivers teaching and research of international excellence, and with a quality of place built over many centuries, can operate as a driver for the growth of the creative economy County-wide.

To achieve this requires new types of infrastructure which enable the creative industries to co-locate, converge and collaborate. This involves hubs of workspace and activity space which convene talent and enable new types of commercial and R&D activity to co-locate and grow. As demonstrated in nearby cities such as Nottingham and Sheffield, or urban centres comparable to Lincoln such as York or Chester; it is important to generate critical mass in one place to lift the competitiveness of hubs across a wider geography.

Research has highlighted the limited diversity of creative workspace in the city, illustrating in particular a lack of desk-only workspace, studios for 'messier' practice, and interdisciplinary innovation space. There are currently no shared equipment or open access facilities for creative production in the city, and managed workspace is typically limited to desk-based activity only. This limits the breadth of creative activity that is able to take hold and grow within the city, as well as restricting creative sector supply chain activity. The City of Lincoln and wider County currently lack creative hubs of a scale, quality and specialism capable of catalysing growth in the creative industries and driving innovation and competitiveness across the wider economy. This includes interdisciplinary hubs that connect activities across the arts, design and digital sectors; maker-spaces to encourage prototyping and user-facing experimentation; and impact-driven creative practice which focuses on innovation for social return. In turn, this limits the potential of hubs and networks across the County because of their physical distance from the types of infrastructure available in other rural counties; and because of the lack of a focal point and catalyst capable of delivering step change for the overall creative economy of Lincolnshire.

With the University of Lincoln a key driver for the economic success of the County and a vital enabler of cultural activity, tourism, inward investment and talent retention / attraction; it is vital to build on this success by establishing Lincoln as a nationally significant hub and cluster for the creative economy. The first and very important step is to develop a new type of creative hub which connects the University to the City, the City to the County and the County to the world. Options and specifications for this hub are close to completion.

Timeline:

- Proof of concept and detailed options completed July 2019
- Detailed feasibility for preferred option by December 2019
- Delivery 2020-21

## **A Lincolnshire-wide "wrap around" programme of creative industries business support, skills development and network activity**

This will generate a 'hub to hub' approach to sector development. It will facilitate local growth in emergent hubs across the County. These include the Grantham Technology and Innovation Centre, Horncastle Technology Hub and emergent provision across the County (such as in Grimsby). It will include:

- A programme of networking events to encourage B2B and B2C interaction.
- A new creative business network for the County – as a membership platform with access to sector trends, markets and news.
- A tailored package of specialist business support – to include workshops on investment readiness, intellectual property and market development.
- A profile-raising activity for the cultural and creative industries via *The World of Work* – to raise the profile of the sector as a viable career pathway and build links to employers.
- A festival development programme which builds their capacity as platforms for creative talent and catalysts for industry growth (e.g. *Frequency* as a generator of new business opportunities for the County's creative and tech sectors).

This can be developed as a commissioned programme of support – such as that provided through the South East Creative, Cultural and Digital Support Programme (SECCADS)<sup>1</sup>. This SECCADS is a two-year programme with three categories of support on offer:

- Cluster-it: support to encourage cluster development across the SELEP area and into key markets such as London
- Design-it: support for business start-ups in the sector
- Grow-it: support for business growth.

A less extensive and intensive example is the work of Creative Leicestershire<sup>2</sup> or Creative Lancashire<sup>3</sup> – which operate as intermediary development organisations to provide a shared platform and networks for the creative industries; connect rural and urban areas; promote jobs; act as champion and advocate; and deliver tailored support and advice.

### *Timeline:*

- *Proof of concept and preferred option completed September 2019*
- *Detailed feasibility and business plan for preferred option by December 2019*
- *Delivery 2020-21.*

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<sup>1</sup> <https://www.sctp.org.uk/wp-content/uploads/2018/05/SECCADS-Core-Description.pdf>

<sup>2</sup> <https://www.creative-calling.co.uk/>

<sup>3</sup> <http://www.creativelancashire.org/>

## **6. Conclusion**

Creative Lincolnshire is an ambitious research and partnership programme to support the creative industries of the county to flourish and grow to their potential. This requires uplift in capacity and infrastructure via a new hub and a wrap around of support services. The research is moving to its final phase where a priority site for a Lincoln creative hub is being tested and a wider set of network and business support options are being tested. These will form a strategic road map to establish Lincolnshire as a viable base for inclusive and sustainable growth in the creative economy.

## **7. Consultation**

### **d) Have Risks and Impact Analysis been carried out?**

Yes

### **e) Risks and Impact Analysis**

This research exercise is in itself a risks and impact analysis on how to support and develop the creative economy of Lincolnshire.

## **8. Background Papers**

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