

## **BRIEF FOR AN IMPACT STUDY OF WARWICK DISTRICT'S CREATIVE SECTOR**

Warwick District Council wishes to commission an assessment of the economic, social and cultural impact of the creative sector in Warwick District, focusing in detail on particularly prominent sub-sectors.

The impact study should result in a comprehensive report which clearly presents the current context, profile and impact of the District's creative sector, identifies key creative industries, highlights particular strengths and opportunities for future growth and reflects on areas of weakness, recommending a reasonable course of action to address them.

The results of the impact study will feed into the formation of the Council's strategic objectives including a new Cultural Framework, the Creative Quarter project, and a Public Art policy. Warwick District Council seeks to utilise the creative industries as a regeneration tool and to raise the region's national creative profile.

The findings of the study should be largely based on statistical data that is comparable on a local, regional and national basis for the purposes of informing strategic investment decisions and underpinning cost-benefit analysis of any intervention.

### **OVERALL AIMS**

- 1. To develop improved intelligence and provide the context of Warwick District's creative sector and establish its economic, social and cultural value**
- 2. To develop a robust methodology for assessing the impact of the District's creative sector, that has credibility within both the sector and elsewhere, that will enable comparable studies to be undertaken in the future by the Council**
- 3. To identify strengths and weaknesses across sub-sectors where Warwick District Council can make strategic interventions take a proactive approach in supporting the creative sector**

## **BACKGROUND & CONTEXT**

### **WARWICK DISTRICT**

Situated within Warwickshire in the West Midlands, Warwick District includes the towns of Warwick, Royal Leamington Spa, Whitnash and Kenilworth. The current population is approximately 140,000 and a large proportion lives in the District's villages and rural areas. The population is expected to grow rapidly over the next 5 – 10 years as the recently adopted Local Plan has allocated sites for 16,700 new homes, designed in part to address the overspill from neighbouring Coventry.

In 2017 Royal Leamington Spa was voted as the 'Happiest Place to Live' in a national survey conducted by Rightmove. The district is a largely affluent area with a well-educated demographic and house prices higher than the national average. However, in contrast there are also pockets of deep deprivation in both Leamington Spa and Warwick.

The Warwick District Council (WDC) headquarters are sited in Royal Leamington Spa. It employs more than 479 officers and deals with issues such as waste management, the collection of council tax, economic development, bereavement, car parking, parks and green spaces, planning/building regulations, benefits, community safety, council housing, council house repairs and cultural services. Warwick District Council's mission statement is 'To make Warwick District a great place to live, work and visit'. The Council's corporate strategy is 'Fit for the Future' which highlights its key internal and outward facing priorities through the three strands of 'People, Service, Money'.

### **THE LOCAL ARTS SECTOR**

The Council's Cultural Services team is divided into the sections of Sports & Leisure, Programme Management and the Arts. The Arts team supports a variety of professional and community arts organisations based in the district through advice, advocacy and grant funding. Key Clients include Playbox Theatre Company based in Warwick, which works specifically with young people, Heartbreak Productions which run a programme of outdoor theatre events, mainly in the summer months. Armonico Consort, based in Warwick, specialise in baroque choral productions and also have a strong youth programme. The international touring contemporary dance company Motionhouse (an NPO) is also based in Leamington. National rural touring promoter Live and Local (also an NPO) has its base in Warwick. The area has a successful programme of chamber music and music education delivered through Leamington Music.

As well as supporting the district's cultural infrastructure through Arts Development the Council owns and operates several key cultural facilities including the Royal Spa Centre which is the district's only professional theatre. A medium size receiving house, it delivers a programme of theatre, drama, comedy, film and community events in its 667-seat main house and 188-seat studio theatre/ cinema. The Royal Pump Rooms in Leamington is a cultural and tourist attraction with services including Leamington Spa Art Gallery & Museum. The Arts team are also responsible for Leamington Town Hall, which has a mixture of tenants and has hireable spaces for community events.

## **THE WIDER CREATIVE SECTOR**

A report by Kate Organ Associates, 'Warwick District Council & The Arts' commissioned by WDC in 2015, identified that Warwick District has a lively, diverse and high quality local arts scene and a population that is one of the UK's most actively engaged in the Arts as practitioners or audiences. This is a measurable and distinctive characteristic of the area.

A report by the Audience Agency, commissioned by WDC in 2016, also identified that Warwick District has an unusually high proportion of culturally engaged residents - comparable to the typical demographic of a large city. 40% of the District's population are 'highly engaged' with the Arts and regularly attend cultural events. Only 12% of the population of Warwick District are classified as typically 'hard to engage', who rarely engage in cultural activity - which is well below the national average.

It is estimated that 40% of Warwickshire's creative businesses are located in Warwick District. Leamington Spa, in particular, has a high concentration of creative firms and employment, especially the sub-sectors of Design, the Performing Arts, Advertising and Software. This reflects the national trend and is not particularly unique, as most cities have also found that the creative sub-sectors of Design, Software and Advertising are growing much faster than others. However, it is unusual to find such a strong creative sector flourishing outside of a city environment.

In July 2016 a report by NESTA, The Geography of Creativity In The UK, identified Leamington Spa as one of 47 'Creative Clusters' in the UK, with a high concentration and growth of creative industries. It estimated that 1,504 creative businesses employed an estimated 7,033 people, which equated to 4.6% the town's total employment and 6.5% of its GVA. The recent emphasis and attention has understandably been on the creative sub-sector of software and digital game design - as it makes up approximately 50% of the area's total creative industries GVA and is a major strength of the District. The Council's Economic Development team have long nurtured the digital gaming sector and invested heavily in it - creating the brand 'Silicon Spa'.

Against the National creative economic profile, Leamington is not unusual. There is a disproportionately high concentration of similar creative activity in the South East of England. Regionally, Oxford, Cheltenham and Northampton also exhibit a high concentration and growth of creative businesses. However, regionally there is a significant lack of significant creative growth elsewhere in the West Midlands. (Surprisingly, given its size and the amount of recent public investment into creative businesses, Birmingham did not meet the indicators required to be considered a 'creative cluster'.) In this context Warwick District is 'punching above its weight' and has a diverse, thriving creative economy. Until recently, this has not been widely understood and the potential has perhaps not yet been fully realised by WDC. The challenge will be to maintain and grow that digital strength moving forward and to fend off competition from other 'digital hubs'. Given the district's strength across the whole of the creative industries it is perhaps also uniquely placed to capitalise on the national 'Culture is Digital' initiative and bring the various sub-sectors together.

The City of Coventry recently successfully bid to become the UK's City of Culture in 2021. Although WDC is already a member of the associated 'club' of surrounding local authorities it remains to be seen what impact this will have on Warwick District – whether it will be an opportunity for increased tourism, development and growth or if it will weaken its own cultural infrastructure. At the time of writing Coventry City is also part of the West Midlands combined bid to relocate Channel 4's headquarters to the region (WDC also submitted a bid for Leamington Spa, but was unsuccessful – being the only town of its size to bid).

The Council has recently appointed a commercial developer, Complex Development Projects (CDP), to partner with the Council in the development of a Creative Quarter in the south of Leamington Spa. This is a 10 year agreement, during which time the developer will create a masterplan for the area and begin to develop sites with a cultural focus. This project is led by the Deputy Chief Executive and the Business Officer from Development Services. CDP is currently consulting with the wider community and has been tasked with creating a Masterplan for the project by the end of 2018.

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## SCOPE

### DEFINING THE CREATIVE INDUSTRIES

The study should use the Department for Digital, Culture, Media & Sport's (DCMS) definition of the creative industries as "*those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property*"<sup>1</sup>.

Any statistical analysis produced by the study should also closely follow the DCMS Sector Economic Estimates Methodology<sup>2</sup>.

The sub-sectors of the creative industries should be classified in the study as defined by the DMCS' grouping of Standard Industrial Classification (SIC) codes.

**Advertising & Marketing**  
**Architecture**  
**Crafts**  
**Design: Product, Graphic and Fashion**  
**Film, TV, Video, Radio & Photography**  
**IT, Software & Computer Services**  
**Publishing**  
**Museums, Galleries & Libraries**  
**Music, Performing Arts & Visual Arts**

The study should also analyse data on creative occupations held by the Office of National Statistics' (ONS) Virtual Microdata Laboratory (VML) in order to calculate the number of people in creative occupations outside the Creative Industries within the economy of the Warwick District.

### DEFINING THE GEOGRAPHY

The study should focus on all creative activity, as defined by the DCMS, situated within the boundaries Warwick District<sup>3</sup>. However, in order to comprehensively evaluate the economic as well as social and cultural impact of the District's creative industries the study should make necessary reference to the context of the county of Warwickshire and surrounding local authorities, the City of Coventry, the West Midlands region and also benchmark against national data.

### DEFINING KEY ORGANISATIONS TO BE INCLUDED IN THE STUDY

As well as an overview and focus on sub-sectors, the study should identify significant, key creative organisations in each sub-sector in and create a more detailed impact assessment for each.

For instance, the potential key **Music, Performing Arts & Visual Arts** organisations are:

Leamington Art Gallery & Museum (WDC), Leamington Spa  
The Royal Spa Centre (WDC). Leamington Spa  
Playbox Theatre, Warwick

<sup>1</sup> Creative Industries Mapping Documents 2001 <https://www.gov.uk/government/publications/creative-industries-mapping-documents-2001>

<sup>2</sup> DCMS Sector Economic Estimates Methodology [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/736270/DCMS\\_Sectors\\_Economic\\_Estimates\\_-\\_Methodology.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/736270/DCMS_Sectors_Economic_Estimates_-_Methodology.pdf)

<sup>3</sup> Warwick District Boundary <https://www.ordnancesurvey.co.uk/election-maps/gb/>

The Assembly, Leamington Spa  
The Loft, Leamington Spa  
Motionhouse, Leamington Spa  
Warwick Folk Festival, Warwick  
Leamington Studio Artists, Leamington Spa  
Warwickshire Open Studios, Warwickshire  
Warwick Castle, Warwick  
Warwick Words, Warwick  
Armonico Consort, Warwick  
Art in the Park festival, Leamington Spa  
Leamington Music, Leamington & Warwick  
Live & Local, Warwick  
Heartbreak Productions, Leamington Spa  
Kenilworth Arts Festival, Kenilworth

The study should collect and analyse data directly from leading creative organisations within each sub-sector in order to arrive at estimates of their individual direct and indirect impact.

The study should then use appropriate criteria in order to benchmark those organisations and identify which of them make the most significant impact upon the District and which of them could potentially become 'key strategic partners' of Warwick District Council.

The study should also attempt to quantify the impact of community or volunteer led creative activity taking place within the District as well as self-employed freelancers and artists.

## **METHODOLOGY**

Work on the impact study, including all consultation and research, should take place between April 2019 and June 2019. A final, agreed version of the report must be submitted to the Council no later than Monday 1<sup>st</sup> July 2019.

A suitably skilled and experienced team should carry out the impact study, with a consistent, named lead contact throughout to provide oversight.

The study should provide a clear overview of District's creative sector, broken down and grouped by sub-sector.

As a minimum, the impact study should include the following elements:

### **DESKTOP RESEARCH**

- An online and literature review should be undertaken, taking into account the activities of creative organisations in the District
- The latest national policy and relevant reports should be considered, including the Government's Industrial Strategy White Paper, NESTA's 'The Geography of Creativity in The UK', the DCMS' 'The Culture White Paper' 2016, the DCMS' 'Culture Is Digital' 2018 and the ACE's 'Contribution of the arts and culture industry to the UK economy' 2017 report.

- Analysis of wider arts employment and value data to provide a context for sampled data from the Office of National Statistic, business register and employment surveys.
- Analysis of financial figures and data provided by creative organisations themselves, including employment data, audience data and their expenditure on goods and services
- The study should use publically available data to evidence the size, scope and economic impacts of the creative sector for the local economy, the number of people employed in the sector, and how many creative business organisations are registered in Warwick District.
- The study should also consider the findings of previously commissioned impact studies

### **CONSULTATION**

The study should incorporate appropriate forms of consultation with a variety of stakeholders including interviews, online surveys and facilitated workshops to allow the different parts of the creative sector (employers, freelancers, educators and the general public) to feed directly into the study.

Consultation should provide the opportunity for stakeholders to express their view of the cultural and economic impact of the creative industries sector and suggest ways in which the Council could intervene more effectively to catalyse and underpin growth.

The study should also take into account any previous consultation that can be provided.

### **CASE STUDIES**

The study should provide appropriate case studies in order to provide context and comparison or demonstrate best practice.

### **SUPPORT TO BE PROVIDED BY WARWICK DISTRICT COUNCIL**

During the study Warwick District Council shall provide

- a nominated officer to be the primary contact during the study - to facilitate and provide guidance and direction
- spaces within its properties to hold public / sector consultation
- contact details and access to local organisations
- supporting documentation, including
  - o Kate Organ Associates, 'Warwick District Council and the Arts'
  - o Warwick District Council's Arts Strategy 2013
  - o Audience Agency audience data for the District
  - o Creative Quarter masterplan and consultation

## **OUTPUTS REQUIRED**

### **1. Written Report**

The findings of the study should be presented the Council in a professional, comprehensive written report which shall include an accurate, detailed account of the economic, social and cultural impact of the creative sector in the District, including:

- a. A summary of the key findings
- b. The Creative Profile: the scale and profile of the Creative Industries in the District - including location maps and data tables
- c. The Creative Economy: the value and significance - including GVA, employment etc.
- d. Creative Engagement - detailing 'soft' impacts, participants and audience demographics
- e. Challenges & Opportunities - including a SWOT analysis
- f. A Comparison with similar creatives clusters; the context within the West Midlands region and nationally - including appropriate case studies
- g. Interpretation of results, conclusions and recommendations - including trends, the most significant sub-sectors, competitors, and the advantages / challenges facing the District.
- h. Appendices - including source data and references

More detail regarding the detail required within these headings is included below.

### **2. Presentation**

A presentation which will communicate the key findings and recommendations of the study to an audience of Council officers, Councillors and creative organisations, including a facilitated discussion.

The presentation shall take place on Warwick District Council premises. It shall be delivered during half a day, within one month of the study being supplied.

### **3. Visuals**

A suitable range of infographics, graphs and graphics should be supplied to the Council which will help to simply illustrate the key findings to stakeholders and the public. These may be used by the Council to create a further public document and so must be easily understandable and in a creative and engaging style.

The visuals should be supplied to the Council in an unrestricted digital format and copyright should belong to the Council.

## **CREATIVE PROFILE**

The written report should clearly demonstrate the scale and profile of the creative sector in Warwick District, including:



- Particularly prominent creative organisations that have a significant impact on the District
- Particularly strong, successful sub-sectors and any weaknesses / gaps
- The number of creative organisations and their size (by type, number of employees and turnover)
- The percentage of the District's total industry which is based in the Creative Sector
- The number of creative workers employed – including the number / proportion of creative occupations by sub-sector
- Skills gaps and strengths
- A comparison against other similar sized local authorities, the regional and national context and other 'Creative Clusters'
- Illustrate the longevity of creative organisations and the number of recent start-ups.
- To map the location of creative facilities, organisations and businesses in the District identifying patterns and clustering

## **CREATIVE ECONOMY**

### **Contribution to the Gross Value Added (GVA)**

Establish the net annual contribution of the creative sector to the local economy (total revenue minus operating costs). The study should detail the extent to which the creative sector contributes to the economic success of Warwick District. Data presented in the study should demonstrate the direct economic impact of the creative industries including arts and cultural activities such as ticket sales and revenue generation.

Establish the number of creative businesses based in the District and estimate their total turnover.

Only expenditure that represents additional economic activity should be assessed – those economic benefits accruing as a result of creative activity which would not have otherwise occurred.

### **External Grant Funding**

The study should attempt to establish the value of capital or revenue grants specifically for creative activity that has been drawn into the District (that otherwise would not have been attracted).

### **Ripple Effect**

The study should also identify businesses that are dependent upon or contribute to the creative industries. The study should evidence the wider, indirect economic benefits to other sectors, for example those in the supply chain and those benefits from spending by spending on suppliers the creative industries employees and audiences such as shops, restaurants and hotels.

### **Employment**

- The number of jobs in the creative sector including operational staff, business development, marketing, admin etc.
- Creative employment as a percentage of the District's total workforce
- The size of creative firms (e.g. classified as micro: employing 0-9 or small employing 10-49)

- The average number of employees in creative firms (compared against national average)
- Vacancy rates
- The type of employment (i.e. contracted, freelancers, apprenticeships, internships)
- Any trends (i.e. growth or decline in employment)
- Identify skills gaps and recruitment issues

The study should also seek to address how creative individuals - the self-employed, freelancers, artists, apprenticeships, internships and volunteers impact upon the District.

The study should compare the creative economy to other key sectors within the District (e.g. engineering and manufacturing, construction or food and drink).

### **Cultural Tourism / The Visitor Economy**

The study should identify the value of Cultural Tourism to the District including secondary spend by visitors and audiences from outside of the region (e.g. food and drink, accommodation, parking, transport) where a cultural activity was the primary motivation for the visit (such as Shakespeare or Warwick Castle).

### **CREATIVE ENGAGEMENT**

The importance and value of the Creative Industries in Warwick District goes beyond simply the economic. They also provide invaluable learning and volunteering opportunities for people of all ages, community engagement and enriching cultural experiences. The study should demonstrate the social and cultural impact of the creative sector. This should include:

- The number of creative events / performances- by genre
- The number of participants and visits to cultural events, including performances, festival and exhibitions
- The demographic of audiences and identify any underserved
- The average distance that audiences travel into the District from
- The density and location of audiences within the District
- Identify the local, regional and national creative profile of the District – the public perception.
- The number of volunteer hours and number of people who volunteered for arts activities within the District
- Learning & Outreach – number of participants / demographic