Warwick District Council

Warwick District's Creative Sector

Analysis of Impact and Strategy for Growth

June 2019

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BOP Consulting

Credits

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Data credits

Survey of the creative sector of Warwick District run by BOP Consulting. Office of National Statistics (ONS) surveys – Annual Business Survey, Business Register and Employment Survey (BRES), Annual Population Survey

Image credits

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Executive Summary

Warwick District Council recognises the value of its creative sector to its economic and social goals. It supports the sector through provision of impressive cultural facilities, including the Royal Pump Rooms, the Royal Spa Centre and the Town Hall.

With this research providing new evidence on the scale of its achievements, the District Council is to be commended for celebrating its creative sector.

But the District's creative sector has reached a fork in the road.

There is a scenario where it consolidates and extends its strengths by finding new means of collaboration. There is also a scenario where it slips backwards.

Now is the time for the District Council to act to prevent erosion of competitiveness and consolidate strengths through collaboration.

Warwick District's creative sector has much to celebrate

Warwick District has key strengths in performing arts, with two organisations, Motionhouse and Live & Local, holding National Portfolio Organisation (NPO) status with Arts Council England. Others, from Playbox Theatre to Armonico Consort, the Loft to Heartbreak Productions, Leamington Music to Talisman Theatre and Arts Centre, and more besides, make up an impressively rich and varied performing arts sector.

Leamington Studio Artists (LSA), an organisation sustained entirely by voluntary activity, helps to underpin a similarly strong local arts offer. There are also numerous well-established cultural events, e.g. Art in the Park, Kenilworth Arts Festival, Leamington Music Festival, Warwick Folk Festival, and Warwick Words.

The widespread support for volunteering and educational activities shown by the creative sector reflects a robust ethic of volunteering within the District and makes a significant social contribution. Together, these create a strong sense of place and indicate that the District sees culture as important to its future.

Warwick District's creative sector makes a significant contribution to the local economy

Overall, the creative industries contributed nearly half a billion pounds of Gross Valued Added (GVA) to the economy of Warwick District in 2017.

We have estimated employment in the District in 2017 on three definitions of the creative sector (with these definitions outlined in greater detail in chapter 2):

- **Cultural sector:** 555 jobs – a subcomponent of the creative industries
- **Creative industries**: 7275 jobs – defined in the government's 2001 *Creative Industries Mapping Document* 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"
- **Creative economy**: 12975 jobs – the creative industries plus those working in creative occupations (as defined by the government) outside the creative industries.

Overall, on this broadest definition of the creative sector (the creative economy) an employment contribution is sustained considerably larger than that provided in the same geography by, for example, Retail (6000), Accommodation & Food Services (7000) and Manufacturing (6000).[1] The creative economy is, therefore, fundamental to the economy of the District.

When Nesta[2] published *The Geography of Creativity in the UK* (2016) Leamington Spa was placed at 17th in a ranking of creative clusters across the

[1] 2017 BRES data on Warwick District

2 Formerly NESTA, National Endowment for Science, Technology and the Arts, Nesta was established in 1998 with an endowment from the UK National Lottery. In 2012 Nesta became an independent charity. It is an innovation foundation and important to shaping policy for the creative sector in the UK.

UK. This placed a town in the District higher than any other creative cluster in the Midlands.

This impressively high ranking for Leamington Spa was driven by its games sector. However, we use Location Quotient analysis here to provide evidence of employment clusters within the District in other creative sectors: architecture, crafts and design.

The strengths of the District in performing and visual arts, as well as games, are perhaps already recognised but its strengths in other parts of the creative industries should not be overlooked. There are, for example, 120 design enterprises in the District. 10 of which employ 10 or more people. Overall, employment in the creative industries in the District increased by 9% between 2015 and 2017.

The success of the creative sector in the District is largely built on microenterprises and freelancers. 94% of creative sector enterprises in the District are micro (employing nine or less people) and 17% of creative sector workers are freelance. At the same time, there are some substantial organisations within the District's creative sector. Five enterprises in the IT, Software and Computer Services sector employ over 50 people.

The creative sector drives much of the local economy

The District benefits from an unusually large number of workers in creative occupations (as defined by DCMS) outside of the creative industries (as defined by DCMS). 70% of those in creative occupations in the District are not working in the creative industries – a higher proportion than in Coventry (55%) or Coventry and Warwickshire (58%). These workers bring creative insights, practices and processes to the wider economy of the District, which might help it be more productive and innovative.

Furniture manufacture is not considered a creative industry (by DCMS). Yet the District's creative sector helped to secure inward investment to the District from a furniture manufacturer. "*When we outgrew the expense and congestion of London*," Mark Adams of Vitsoe has said, "*we were looking for both a creative and digital community but also excellent transport connections to the capital*."

As well as encouraging investment in the District, the creative sector encourages tourism. Tourism brings over 3.8 million people to the Warwick District each year with a combined spend of over £282.6m.[3] While visiting heritage sites/castles is by far the main reason for visiting Warwickshire,[4] the cultural offer of the District is also important. There is potential for culture-led tourism to the District to further grow.

There is also potential for local supply chains to be strengthened. While our survey indicates that a considerable proportion (42%) of supplier expenditure by the creative sector is retained within the District, 57% of the survey respondents indicated that local supply chains could be strengthened – implying that there is potential for more than 42% of supplier expenditures to be retained in the District.

The District's creative sector can achieve more

Sir Peter Bazalgette independent review of the creative industries in 2017 called for partnerships of councils, LEPs, higher education and business to build local creative clusters. The District has the potential to benefit from a world class creative cluster. Yet has never pursued this through a growth strategy for its creative sector.

The District Council should now change this. In doing so, it should take inspiration from elsewhere.

In 1999, the Mayor of Laval (in France) took a strategic decision to put all the city's central government innovation funding (from FrenchTech, akin to UK Research & Innovation) into establishing a hub for virtual and augmented reality - Laval Virtual. This decision has led to this relatively small, provincial city becoming a globally renowned centre of VR and AR.

In Brighton, an independent and business-led cluster organisation, Wired Sussex, is well respected across the sector and integrated into LEP structures.

[3] Warwick District Council website, March 2019

[4] Warwickshire Visitor Profiling Report, ngisolutions 2017

Helped by strong engagement with the Universities of Sussex and Brighton, Wired Sussex has been able to attract central government funding into Brighton for a series of sector initiatives.

The District has numerous opportunities to benefit from creative sector growth akin to Brighton and Laval. These include: major events occurring nearby (i.e. Coventry 2021 and Birmingham Commonwealth Games in 2022); the eagerness of Coventry and Warwick Universities to deepen their engagements with the creative sector of the District; the West Midlands being the UK's first large-scale 5G testbed; and new capital investment (e.g. the Creative Quarter/1 Mill Street), which might include facilities required to strengthen local supply chains (e.g. motion capture and audio suites for games development).

There are risks that the District's creative sector will slip backwards

While we are potentially entering an exciting period for the creative sector of the District, there are risks that its impact slips backwards.

When asked about challenges and weaknesses of the creative sector in the District, survey respondents underlined the availability of suitable premises: 40% of survey respondents indicated that this is a major barrier to the development of creative businesses in the District. This was followed in order of importance by a perceived lack of business networking opportunities (16%), broadband quality (11%) and access to talent and skills (9%).

Laval and Brighton have taken steps to improve access to workspace. Both universities (e.g. Sussex Innovation Centre) and the private sector (e.g. The Werks, The Projects, Spaces) have played a role in Brighton. Laval has recognised the need to create new and dedicated studio and workspace – La Licorne – to help address costs and shortages of accommodation for early stage businesses within a heritage environment.

While the District should be inspired by what has been achieved elsewhere, it should also recognise that it is in competition with such places. The battle for talent is one dimension of this competition. 57% of games businesses in the UK employ EU workers and on average, EU employees make up 34% of these companies' headcount.[5] Nearly one-fifth of businesses in the District's creative sector have struggled to fill vacancies in the past year, according to our survey.

The recent closure of the Assembly also, unfortunately, weakens the District's cultural offer.

Collaboration is key to achieving more and managing risks

To build upon the success of the creative sector and manage the risk that it regresses, we make the case for overlapping and reinforcing recommendations to be advanced by the District Council and the creative sector in collaborative partnership.

We recommend that the District:

1. **The District Council to develop and implement a growth strategy for its creative sector.** This strategy should support collaborations within its creative sector that enable the sector to:

a) Strengthen the drivers of creative sector activity

b) Grow the downstream benefits of the creative sector

c) Seize the opportunities open to the creative sector

d) Tackle the weaknesses of the creative sector

e) Make creative sector supply chains more robust within the District

f) Help the District be a creative place to live as well as work

2. **Consider the development of a Creative Sector Compact for Warwick District**

3. **Move ahead with the Creative Quarter**

4. **Utilise Creative Sector Compact and Creative Quarter to support collaboration.**

[5] Ukie, *State of Play, The UK games industry's priorities for EU negotiations*, March 2017

We provide more detail on these possible steps in our Recommendations chapter.

The time is now

Some of these opportunities open to the creative sector are time-limited: most centrally, Coventry 2021 and Birmingham Commonwealth Games 2022. These international events will have impacts across the West Midlands but maximising their impact upon the District requires action now.

There is also a need to act now to seize the advantages of the Creative Quarter. The alternative to doing so is that the competitive challenges facing the creative sector (e.g. lack of adequate workspace) become more acute and its growth is curtailed.

The District Council enjoys extensive relationships with the creative sector and has developed, through this research, a deeper understanding of the opportunities and challenges facing it. These relationships and understanding make the District Council, rather than other agencies (e.g. Warwickshire County Council, CWLEP), best-placed to develop and implement a growth strategy for the creative sector within the District.

At the same time, the District Council is closely involved with the initiative (the Creative Quarter) that has the potential to do most to seize these opportunities and address these challenges.

Nonetheless, not least given the continued pressure upon public sector budgets, there are limits to how much the District Council can achieve in isolation. To achieve more, therefore, the District Council should seek to enable collaboration within its creative sector.

Collaboration should be the leitmotif of the District Council's creative sector growth strategy. But without action now from the District Council, these collaborations will not happen. They require a catalyst and that catalyst should be the District Council.

We hope that this report can be a step toward securing this collaboration.

Source: Royal Leamington Spa Lantern Parade, BID Leamington

2. Introduction

2.1 About BOP Consulting

BOP Consulting[6] is pleased to work with Warwick District Council to assess the impact of its creative sector and develop a strategy for growth.

BOP Consulting is an international consultancy specialising in culture and the creative economy. We celebrated our 20th birthday last year.

Along with the Mayor of London, we convene the World Cities Culture Forum (WCCF)[7], a network of 35 megacities that is building up an evidence base on the importance of culture to sustainable urban development.

Our pioneering research has helped shape the support provided for the cultural and creative industries outside London, including mapping the creative economy of Greater Birmingham & Solihull (GBSLEP)[8] and developing a games strategy for Coventry and Warwickshire (CWLEP)[9].

We also developed a Creative Industries Toolkit for the Creative Industries Council, which provided a series of case studies to help local leaders identify appropriate growth and planning strategies to grow the distinctiveness of the creative economy and cultural industries in their areas.

Brief from Warwick District Council

Warwick District Council set BOP Consulting three research 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 and take a proactive approach in supporting the creative sector.

2.2 Context for this work

The creative industries are increasingly important

The creative industries are of increasing economic significance to the UK and Warwick District boasts a major cluster of creative industries activity.

In November 2018, DCMS reported that the creative industries contributed £101.5bn to the UK economy in 2017, an increase of 53.1% since 2010 (£66.3bn). Based on current trends, the creative industries are expected to deliver close to £130bn GVA by 2025 and approximately one million new jobs could be created by 2030.[10] Creative jobs are highly resistant to automation, with 87% of creative workers in the UK assessed as being at low or no risk.[11]

There is a potentially world-class creative cluster in Warwick District

When Nesta[12] published *The Geography of Creativity in the UK* (2016) Leamington Spa was placed at 17th in a ranking of creative clusters across the UK. This placed a town in Warwick District higher than any other creative cluster in the Midlands.

The global video games industry is an economic and cultural success story. As BOP reported in 2017 for CWLEP, around 130 of the UK's best games businesses are based in the West Midlands - notably in and around Leamington

[6] http://bop.co.uk/

[7] http://www.worldcitiescultureforum.com/

[8] https://gbslep.co.uk/wp-content/uploads/2017/12/Creative-Economy-Mapping-GBSLEP-Dec17-full-report.pdf

[9] http://www.cwlep.com/sites/default/files/games_industry_-_blueprint_for_growth.pdf

[10] Projections provided in Sir Peter Bazalgette, *Independent Review of Creative Industries*, 2017

[11] Bakhshi, H. Frey, C.B. Osborne, M. *Creativity vs. Robots – The Creative Economy and the Future of Employment*, 6 (Nesta, 2015)

12 Formerly NESTA, National Endowment for Science, Technology and the Arts, Nesta was established in 1998 with an endowment from the UK National Lottery. In 2012 Nesta became an independent charity. It is an innovation foundation and important to shaping policy for the creative sector in the UK.

Spa - creating, highly skilled, productive jobs and opportunities throughout the region. At any one time, there are between 2,000 and 2,500 full time employees in 50+ games companies in and around Leamington, out of a total of 3,000-3,500 games industry professionals across the West Midlands.

"*Our video games grip the imagination of the world*," wrote Sir Peter Bazalgette in his independent review of the creative industries in 2017. "*However, this creative strength cannot be taken for granted as if it were an endless natural resource: it needs to be nurtured through our education and skills systems else we risk falling back as countries such as China move forward*."

Sharpening international competition was not the only challenge identified by Bazalgette. "*The geographic spread of the Creative Industries is a concern; they are one of the most unevenly spread sectors, behind only agriculture, finance and insurance*."

Nonetheless, Bazalgette sees potential for this geographic spread to become more even.

> We have clusters around the UK with the potential to reach world-class status, with many more middle-ranking clusters besides. The challenge is for local partnerships of councils, LEPs, higher education and business to develop long-term strategies which merit and receive tailored support from government and national agencies.

The strength of its games cluster gives Warwick District its strongest claim to having potential world-class cluster status. However:

1. The creative strengths of Warwick District extend far beyond games
2. While Bazalgette calls for local partnerships of councils, LEPs, higher education and business, Warwick District has never previously benefitted from a strategy for its creative sector.

The purpose of this report is to gather evidence on the current impact of the creative sector in Warwick District and to move toward such a strategy for the District.

This evidence has previously been more consistently gathered at UK-wide and regional-levels. For example, when Arts Council England published *Contribution of the arts and culture to the UK economy* (2017), it found that for every £1 of GVA generated by the arts and culture industry, an additional £1.30 of GVA is generated in the wider economy through indirect and induced multiplier impacts of the industry.

BOP partnered with Arts Council England and other organisations to deliver the report of the Cultural Cities Enquiry earlier this year.[13] This found: "*Public investment in culture is falling – down 11% in the 4 years from 2012/13 to 2016/17. This is driven primarily by a 19% fall in local authority funding, the mainstay of cultural investment in the UK, reflecting the continuing pressures on council budgets*."

This ongoing pressure on public sector budgets makes it even more important that local creative sectors achieve the kind of partnerships highlighted by Bazalgette.

Where these partnerships can be built, and evidence of growth potential demonstrated, there is potential for localities to access additional government funding. For example, at the launch of the West Midlands Industrial Strategy earlier this year, an additional £28m of funding was announced to seek to ensure that the Advanced Propulsion Centre has the best possible equipment to develop the processes that will make electric cars part of everyday life.[14]

Other agencies relevant to this potentially world-class cluster

This £28m of additional funding means that the West Midlands has a track record of building the kinds of partnerships between public, private and HE

13 https://www.corecities.com/sites/default/files/field/attachment/Cultural%20Cities%20Enquiry%20%5Bweb%5D.pdf

14 https://www.gov.uk/government/speeches/west-midlands-local-industrial-strategy

sectors that can attract additional government backing. These partnerships, however, have been more usually built by the West Midlands Combined Authority and the LEPs of the Midlands. These agencies also have a range of other initiatives intended to support the creative sector of Warwick District.

In this case, the agency seeking to catalyse new partnership is Warwick District Council. In doing so, it does not seek to duplicate the efforts of other relevant agencies, including Warwickshire County Council, as well as the Combined Authority and CWLEP. It intends to complement these efforts to ensure that the creative sector of the District achieves its full possible to fulfil the economic, social and cultural ambitions of local people.

2.3 Our approach

We reviewed relevant data and literature. We also partnered with Warwick Business School (Professor Jonothan Neelands and Professor Stephen Roper) to access additional data on the local economy and develop a deeper understanding both of this economy and the local cultural sector.

We ran a survey and two workshops with relevant stakeholders and practitioners working in the cultural and creative sector in Warwick District.

BOP Consulting created a survey exploring the current status, composition and scale of the cultural and creative sector in Warwick District. Additionally, the survey explored how the sector perceives its main opportunities for growth and barriers to this growth. This survey ran from 14 May to 31 May 2019.

Among the 245 valid survey respondents:

- 44% (n=108) were individual workers in the creative and cultural industries practising in Warwick District
- 27% (n=67) were profit-seeking businesses based in Warwick District operating in the creative and cultural industries
- 18% (n=43) were not-for-profit organisations based in Warwick District
- 11% (n=27) characterised themselves as “other organisations, such as public sector, third sector and/or university”.

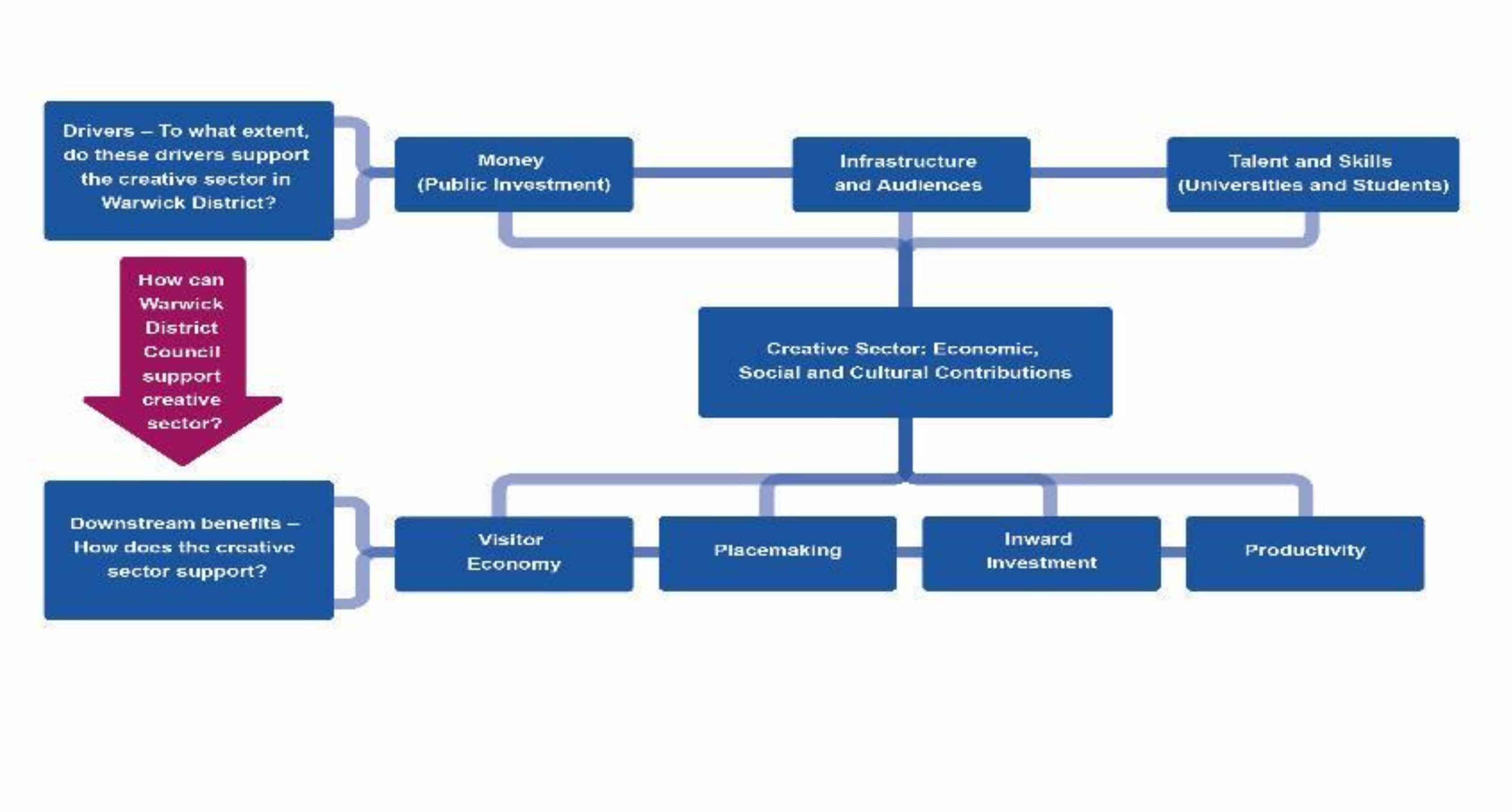
We presented and discussed initial results from this survey at two workshops in Warwick District. These workshops were attended by creative practitioners and other relevant agencies (e.g. CWLEP, Warwick University, Coventry University). These workshops involved helpful discussion on what these partners are looking for from a creative strategy for Warwick District.

We are grateful to everyone who completed the survey and/or attended a workshop. Thank you.

2.4 The framework: Maximising the benefits of the creative sector

The analysis provided in this report is wide-ranging. The interrelationships between issues complex. We benefit, therefore, from a structuring device to navigate this analysis and the issues that it covers. We provide this structuring device in the form of the framework illustrated in the figure below.

Figure 1 Conceptual framework for analysing key drivers of the creative sector in Warwick District and its downstream economic impacts



Source: BOP Consulting

2.5 Unpacking the framework

At the heart of our analysis is the creative sector of Warwick District, which makes a range of contributions to the District:

- **Economic:** the employment and Gross Value Added (GVA) sustained by the creative sector of the District, as well as the degree of creative clustering that it demonstrates
- **Cultural:** the engagement, specialisation and employment that shapes the culture of the District
- **Social:** the social capital and inclusion built by the activities of the creative sector.

The strength of the creative sector of Warwick District is dependent upon a range of drivers, while the extent of this strength determines the capacity of the creative sector to drive a series of downstream benefits. The framework in **Error! Reference source not found.** illustrates both the main drivers of the c reative sector in the District and the downstream benefits of this sector.

The drivers are:

- **Money (public investment):** because the more money is spent on culture in the District, the more vibrant the creative sector of the District should be
- **Infrastructure and audiences:** because the more cultural infrastructure and audiences that exist in the District, the more vibrant the creative sector of the District will be
- **Talent and skills (students and universities):** because the more people trained in cultural and creative disciplines and related activities, as well as the dedicated facilities to support them, the more vibrant the creative sector of the District will be.

The more vibrant the creative sector of the District, the more these downstream benefits can expect to be secured:

- **Placemaking/physical regeneration:** because cultural activities and amenities help to build pride in localities and to ensure that economic development is inclusive
- **Visitor economy:** because the more culturally engaging the District is, the more people will want to visit the District, staying for longer and spending more money
- **Inward Investment:** because a more culturally engaged place should enjoy a better quality of life, making it more likely to benefit from inward investment from firms looking for new locations in which to open and/or expand
- **Productivity:** because the more culturally animated the District is, the more likely it is that this will spillover into the wider economy, not least via a category of creative economy worker that we define in our next chapter: those in creative occupations but outside the creative industries.

The framework is, thus, a structuring device formed by a core relationship: drivers that contribute to the creative sector of the District, and the creative sector of the District helping to secure downstream economic benefits.

Of course, culture has many more benefits than we have outlined within the framework. For instance, participation in culture is linked with better well-being. Better health and well-being are intrinsically valuable and have an economic value – for instance, through reduced healthcare costs and fewer working days lost to illness. However, precisely quantifying the methodologically complex contribution of culture in the District to these kinds of ‘transversal’ benefits for the District was not part of the current brief.

Therefore, it should be noted that the framework is not:

- Exhaustive: from improved mental health to enhanced investor perceptions, culture can deliver many benefits, not all of which are illustrated in our framework
- A precise econometric model: it does not quantify the extent of downstream benefit that might be expected to be secured from, say, an increase of public investment in culture in the District by £Xm per year

— A set of relationships that only apply only in one direction: while, for example, culture strengthens the visitor economy, more visitors also tends to strengthen the cultural sector too.

The framework does, however, enable us to present an analysis rooted in a large amount of data gathering and analysis. It organises this analysis in a way that focuses upon some key relationships – in particular, relationships that are relevant to the main economic contributions of the creative sector. This has been intended to make our data gathering and analysis easier to navigate, as well as more likely to illuminate important conclusions.

2.6 Report structure

Our next chapter provides definitions of the creative sector that we have used in this research.

We then move on to thee chapters that mirror the structure of the framework above:

— Drivers of creative sector

— Creative sector contributions

— Downstream benefits of the creative sector

We then have chapters that provide:

— Case studies (Brighton and Laval, France): intended to provide inspiration for what the District might achieve

— SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis of the creative sector of the District

— Finally, we conclude with recommendations.


Music
ART in the
Love LEAM

3. Definitions

While the central focus of this research is the creative industries, three creative sector definitions apply throughout:

1. Cultural Sector
2. Creative Industries
3. Creative Economy.

As we move through these definitions, they encompass an increasing number of activities. More activities are encompassed by the creative industries than by the cultural sector; in turn, more activities are encompassed by the creative economy than by the creative industries.

This expansion of activities is represented in Figure 2 below. In terms of the content of the different activities encompassed by each definition, they map onto the 'concentric circles' model that was established in the last decade in studies of the cultural and creative industries in both UK and international contexts.[15]

In essence:

4. **Cultural Sector**: DCMS bundle Standard Industrial Classification (SIC) codes into definitions of the cultural sector and the creative industries.[16] The cultural sector is defined here as those SIC codes that are allocated by DCMS to the cultural sector and which are also contained within the DCMS definition of the creative industries.[17] This includes arts and heritage activities that pre-date industrialisation. These maps onto the first three of six cultural 'domains' identified within UNESCO's well-established definition of culture: Cultural Heritage, Performance and Celebration, Visual Arts and Crafts.[18] The DCMS definition of the cultural sector also includes the media industries that developed when technologies of mass reproduction were applied to cultural products from the end of the nineteenth century onwards.
5. **Creative Industries**: Groupings of SIC codes that, on the DCMS definition, form the nine industry sub-groupings of the creative industries. The creative industries were defined in the government's 2001 *Creative Industries Mapping Document* 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". Within these creative industries are those working in creative occupations, which are those identified as being jobs that are creative in nature and defined by Standard Industrial Occupation (SOC) codes, and those working in other kinds of occupation (e.g. a receptionist at an advertising agency).
6. **Creative Economy**: This includes both the creative industries and all the creative occupations outside the creative industries. Graphic designer, for example, is considered a creative SOC, with those employed at design agencies falling within the creative industries and those employed elsewhere within the creative economy.

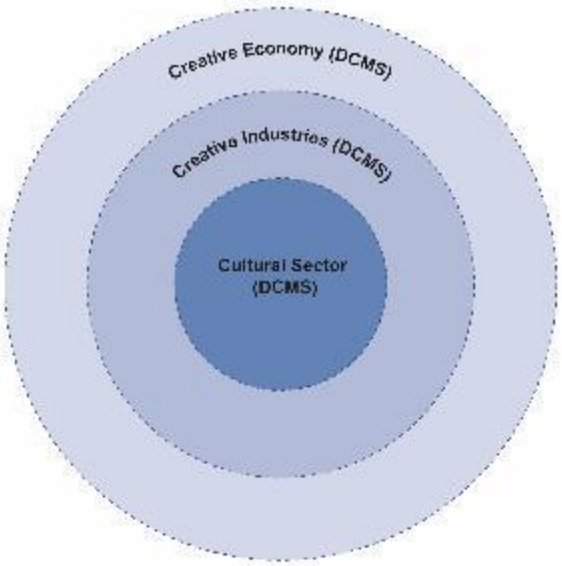
[15] See, for instance, Work Foundation (2007) *Staying Ahead: the Economic Performance of the UK's Creative Industries*, for the Department for Culture, Media and Sport; and KEA (2006) *The Economy of Culture in Europe*, for the European Commission (Directorate-General for Education and Culture).

[16] https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology

[17] This excludes from the cultural sector the limited number of activities that DCMS define as being within the cultural sector but outside the creative industries, i.e. reproduction of recorded media, manufacture of musical instruments, retail sale of music and video recordings in specialised stores, operation of historical sites and buildings and similar visitor attractions. As the creative industries are the main focus of this research, we are interested in those parts of the cultural sector taken to be contained within the creative industries.

[18] UNESCO (2009) *Revised Framework for Cultural Statistics*.

Figure 2 Creative sector definitions



Source: BOP Consulting

Culture exhibits a mixed economy. That is, it contains organisations that are wholly private sector and exist in the market, as well as a range of charitable, non-profit and public sector organisations whose operational models combine elements of earned income generation with public investment of various kinds, and/or contributed income from individuals, trusts and foundations and businesses.

The importance of public investment to the mixed economy of culture is why we look specifically at level of public (rather than private) investment in culture in Warwick District.

The private sector is more extensively represented within the creative industries. Within the DCMS definition of the creative industries, DCMS includes four sub-sectors that make-up their definition of the cultural sector:

1. Crafts
2. Film, TV, Video, Radio and Photography
3. Museums, Galleries and Libraries
4. Music, Performing Arts and Visual Arts

and add to these four with a further five sub-sectors to complete their definition of the creative industries:

5. Advertising and Marketing
6. Architecture
7. Design: Product, Graphic and Fashion
8. IT, Software and Services
9. Publishing

4. Drivers of creative sector

The drivers are:

— **Money (public investment):** because the more money is spent on culture in the District, the more vibrant the creative sector of the District should be

— **Infrastructure and audiences:** because the more cultural infrastructure and audiences that exist in the District, the more vibrant the creative sector of the District will be

— **Talent and skills (students and universities):** because the more people trained in cultural and creative disciplines and related activities, as well as the dedicated facilities to support them, the more vibrant the creative sector of the District will be.

This chapter reviews evidence on these drivers.

4.1 Public investment in culture in Warwick District

In the financial year 2017/18 cultural organisations and practitioners based in Warwick District received a total of £3.4m from public authorities to support operational and production activities in the area and beyond. This compares to the £3.5m received in 2016/17, indicating that public investment reduced by 4% between 2016/17 and 2017/18.

These public investment figures comprise funding invested in the area's cultural sector by the two main Arts Council England funding streams (ACE Portfolio and Grants for the Arts[19]) and Local Authority spending on culture.

Local Authority here refers to Warwick District Council. As this excludes spending on culture by Warwickshire County Council, it understates public investment in culture in the District – but we have not been able to isolate the proportion of spending on culture by the County Council that occurs in the District, as oppose to elsewhere in Warwickshire. Nonetheless, we recognise that Warwickshire County Council sustain two significant heritage assets in the District:

— Market Hall Museum is in the Market Hall, a 17th century landmark in the heart of Warwick. Recently refurbished with funding from the National Lottery Heritage Fund, the museum tells the story of Warwickshire. It attracted 78,977 visitors in 2018/19

— St Johns House, a Jacobean mansion located in the town of Warwick. With a history spanning almost 900 years, it attracted 6,279 visitors in 2018/19. These visitors all came via organised school groups, as the museum is not open to the general public. Separately, however, St Johns House is also the home of the Royal Warwickshire Regiment of Fusiliers Museum.

As shown in Figure 3, two National Portfolio Organisations (NPOs) have secured continuous funding from ACE both in 2016/17 and 2017/18 (Live & Local Ltd, Motionhouse). The number of Grants for the Arts received decreased from 15 to 10, resulting in a reduction by 24% in the amount of funding received via Grants for the Arts in the District between 2016/17 and 2017/18.

Figure 3 Public investment in culture in Warwick District (2016/17 and 2017/18)

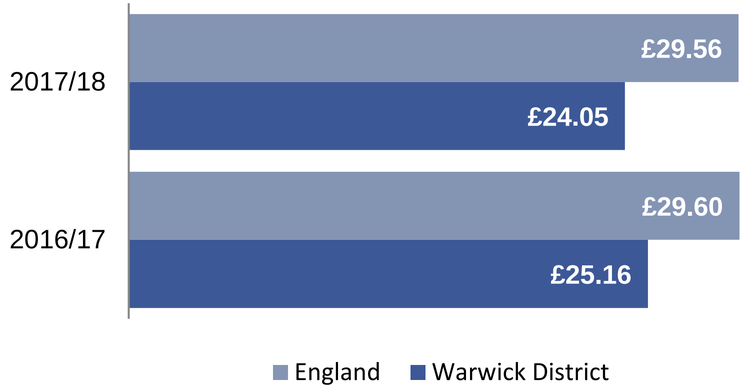
		2016/17		2017/18	
Funder	**Programme**	**£**	**No.**	**£**	**No.**
ACE	National Portfolio Organisations	£ 630,270	2	£ 630,270	2
ACE	Grants for the Arts	£ 231,638	15	£ 175,902	10
Warwick District Council	Revenue Outturn 5: Selected Cultural, Environmental, Regulatory and Planning Services	£ 2,656,000	--	£ 2,556,000	--
Total		£ 3,517,908		£ 3,362,172	

Source: ACE, MHCLG

[19] Since March 2018, ACE Grants for the Arts is named Arts Council National Lottery Project Grants

Figure 4 indicates that in England, there was a per capita reduction in cultural funding of £0.01 between 2016/17 and 2017/18, whereas there was a per capita reduction of £1.11 in the District over the same period.

Figure 4 Public investment in culture in per capita Warwick District and England (2016/17 and 2017/18)



Source: ACE, MHCLG

4.2 Infrastructure and audiences for culture and creativity

The District Council backs culture

Warwick District Council is an important part of the mixed economy of culture in the District.

The Council's own cultural facilities attract approximately 565,000 annual attendances to a programme of over 1,000 arts events (performances, exhibitions, workshops, screenings and functions). This approximately breaks down as follows:

- Royal Pump Rooms: 400,000
- Royal Spa Centre: 95,000
- Town Hall: 70,000

Approximately 54% of attendees – just over 300,000 – travel from outside of the District.

The Royal Pump Rooms houses Leamington Spa Art Gallery & Museum, Leamington Library, Visitor Information Centre, the Royal Spa Centre's Box Office, the Assembly Rooms and a café. Prior to redevelopment in the 1990s, the Royal Pump Rooms contained Royal Leamington Spa's finest spa baths and assembly rooms. It is located at the southern end of the Pump Room Gardens, opposite the landscaped Jephson Gardens, and at the bottom of The Parade. This central location connects Leamington's New Town to the Old Town on the south bank of the river Leam.

In addition to the Royal Pump Rooms, the Arts Service (Warwick District Council) manage and operate the Royal Spa Centre and the Town Hall. All of which host a range of community events and entertainment.

The Royal Spa Centre is a receiving house theatre with 667 seats, and a Studio Cinema with 188 seats. The Studio Cinema functions as a smaller performance space and an independent cinema that runs in house.

The Town Hall is located on Leamington's Parade. It features the Council Chamber and The Assembly Hall. In addition to being used for council committee rooms, the Assembly Hall hosts a wide range of other events, including recitals.

The Town Hall also houses Leamington Learning Grid. Around 40 computers and desks are available to University of Warwick students, allowing students based in Leamington to study without visiting campus.

The Council also has a support and grant giving function – allocating, in addition to guidance and support, total grants of £23,850 to arts organisation working in the District.

The District Council also backs the games cluster

Warwick District Council is committed to supporting the games cluster that exists in and around Leamington town centre.

The District Council set up a games-specific incubation centre (26HT) with grant funding from CWLEP. It also hosts several studios in the Althorpe Enterprise Centre and Creative Arches.

The District Council have run, funded, supported and facilitated a series of events of different scales, ranging from multi-day conferences (e.g. Interactive Futures) to one-off karaoke-style coding workshops. The District Council view these events as essential to helping deliver a sense of place to those working, or aspiring to work, in the industry, while also facilitating networking opportunities.

Beyond this, the District Council seeks to support the games cluster in many other ways and is keen to ensure its continued growth within the District.

Performing arts are a strength of the District

Theatre provision within the District is impressive. In addition to the theatre in the Royal Spa Centre, there are numerous amateur theatres:

- The Bridge House Theatre (Warwick School)
- Loft Theatre Company (Leamington Spa)
- Priory Theatre (Kenilworth)
- Talisman Theatre and Art Centre (Kenilworth)

Furthermore, the Playbox Theatre Company is based in Warwick, working specifically with young people. It was founded with the aim of creating an artistic environment in which all children and young people flourish. For over 30 years, it has facilitated the artistic development of young people in the District and, through international collaborations, across the globe.

Motionhouse is another performing arts organisation that has been based locally for over 30 years. Its activities include:

- Full-length productions that tour to theatres across the UK and internationally
- Flexible outdoor productions that tour to festivals and non-theatre spaces
- Large-scale outdoor events
- Education and training at a studio in Leamington Spa, throughout the UK and further afield

The Artistic Director of Motionhouse Kevin Finnan MBE was Choreographer and Movement Director for the Opening Ceremony of the London 2012 Paralympic Games.

As noted above, Motionhouse is one of two NPOs in the District, with the other being Live & Local. This is a not-for-profit arts organisation working with a network of voluntary groups across Derbyshire, Staffordshire, Warwickshire, Worcestershire, Nottinghamshire, Lincolnshire and Leicestershire. Its professional team is based in Warwick and provides practical support and advice by helping volunteers to choose shows, as well as by co-ordinating the bookings, subsidising performances and helping them to attract an audience.

There are other impressive music organisations locally:

- Critically acclaimed choir and instrumental ensemble Armonico Consort is based in Warwick and entertains audiences across the country with its concerts, recordings and projects. Central to Armonico Consort is an education programme, AC Academy, that reaches 15,000 children a year across the UK through its in-school Choir Creation Scheme and after-school AC Academy Choirs in partnership with music hubs nationwide
- Warwick Folk Festival this year celebrates its 40th birthday. It has established itself as a highlight on the British music calendar, attracting people from across the UK and beyond. Live music and dance are programmed around the town centre, with a free concert and dancing in the Market Place. It also features workshops, storytelling, and theatre,

as well as a real ale & cider festival, wine bar and craft market. The festival runs over 4 days in July and has a daily capacity of 5000

— Heartbreak Productions, based in Spencer Yard, Leamington Spa, has been touring open-air theatre, across the UK and Ireland, since 1991. They collaborate with actors, designers, composers and crew to create exciting experiences for audiences. There is also an educational dimension to their work, with the Heartbreak Hub meeting locally on Saturday mornings during term time. This provides training in acting to students aged 5 to 18 years-old

— Leamington Music was launched in July 2006. It organises the Leamington Music Festival and, working with Warwickshire Music, takes musicians into schools across the county of Warwickshire.

Therefore, in addition to performing arts being a strength of the District, relevant organisations – Armonico Consort, Heartbreak Productions, Leamington Music, Motionhouse, Playhouse Theatre – have extensive educational and youth engagement activities. The District, consequently, is a place that sees art and culture as being important to its future.

While performing arts are a strength of the District, The Assembly, a music venue in Leamington Spa, recently closed, unfortunately. The company that ran the Assembly attributed this closure to rising rent and business rates along with the high costs of maintaining a listed building.

Visual arts are another strength of Warwick District

Leamington Studio Artists (LSA) is based at East Lodge in Jephson Gardens, Leamington Spa. It aims to foster and increase public interest, awareness and appreciation of the visual arts. The membership of LSA includes artists working in a wide range of media: painters, ceramicists, photographers and jewellers.

It is entirely run by volunteers and boasts significant achievements:

— Running Art in the Park, an annual, free, arts festival based in Jephson Gardens, since 2014 and which attracts 40,000 visitors

— Publishing and distributing its journal, ArtSpace, since 1998

— The Galleries at East Lodge, which also feature artist studios, are open to the public from Wednesday to Sunday every week.

Warwickshire Open Studios supports LSA and Art in the Park. Since 2000, Warwickshire Open Studios has been helping visual artists and designer makers across Warwickshire connect with art-lovers who enjoy, buy, commission and participate in their work. During the annual Open Studios Summer Event, over 300 artists, many of which are based in Warwick District, open their homes and studios to the public.

Heritage assets, public spaces and events

There are numerous heritage assets in the District – such as, for example, the National Trust properties at Baddesley Clinton and Wroxall Abbey, as well as Stoneleigh Abbey and Country Park in Kenilworth, which has been inhabited since 1154 when King Henry II granted the lands to a community of Cistercian monks.

The District also benefits a range of public spaces, including Jephson Gardens and Newbold Comyn in Leamington Spa and Abbey Fields in Kenilworth, which covers 68 acres and features a swimming pool (both indoors and outdoors), a lake, a children's play area and heritage trails. These spaces help to facilitate cultural and creative events.

We have already referenced Art in the Park and Warwick Folk Festival as important cultural events within the District. Others are:

— Warwick Words is a festival of the written and spoken word in the historic town of Warwick

— Since 2000, the Royal Pump Rooms have hosted the Leamington Music Festival, an acclaimed festival of chamber music, attracting visitors from all over the country

— Interactive Futures, a national expo attended by 1720 people, showcasing the latest developments and opportunities in the gaming industry.

4.3 Coventry and Warwick universities and District's creative sector

There are two renowned universities in and around the District (Coventry and Warwick).

University of Warwick is home to the largest multi-platform Arts Centre outside of London. Coventry University is a leading provider of applied creative and cultural undergraduate and postgraduate courses.

These provide courses in a range of disciplines relevant to the creative sector:

— Game Technologies

— Serious Games

— Simulation Centre

— Computer Sciences

— Digital and Creative Media.

Dr Elpida Prasopoulou, Coventry University has commented upon the relationship between the universities and the creative sector:

> “ The Universities of Warwick and Coventry are supporting the local creative economy through their cultural and creative partnership. This includes investing in community skills, partnering academics with creative professionals, graduate placements and support for social enterprises.
>
> Dr Elpida Prasopoulou

Looking ahead to how the relationship between the creative sector of the District and the universities may evolve, both universities:

— Have ambitions for graduate retention and gain in Leamington and Coventry

— Are actively pursuing Industrial Strategy and other funding to support growth in digital creative and cultural partnerships

— Have plans for digital and creative incubators and shared workspaces in Leamington

Source: the Imagineers Lady Godiva at Warwick Business School March 2016

5. Creative sector contributions

Key social contributions made by the creative sector relate to support for volunteering and educational activities. When reviewing the cultural infrastructure and audiences of the District in our previous chapter, we discussed these social contributions.

These social contributions are impressive. There is a robust ethic of volunteering in the District. With substantial cultural organisations (e.g. LSA) sustained entirely by voluntary activity. Provision of educational activities is also a common feature of cultural organisations based in the District – indicating that the District sees culture as being important to its future.

This chapter reviews evidence on the economic, social and cultural contributions of the creative sector to Warwick District. However, as these social and cultural contributions have been discussed in our previous chapter, this chapter is more economic in focus. We also revisit these social contributions in the section in our next chapter concerned with placemaking.

5.1 Geographic spread of activity

Using responses to the survey conducted by BOP to understand the geographic spread of cultural and creative activity, we notice that activities are concentrated in Leamington Spa and Warwick. Areas such as Kenilworth and Whitnash demonstrate fewer of these activities.

The map in Figure 5 shows the level of activity across the District (PANEL A) and focusing on areas of high activity (PANEL B). Both maps should be considered indicative and not exhaustive, as solely based on the survey respondents.

Figure 5 Distribution of survey respondents within Warwick District employed in cultural organisations (red placeholder) and creative businesses (green placeholder)

PANEL A: Warwick District

PANEL B: focus on high-density areas

Source: BOP Consulting, (n=62)

5.2 Importance of freelancers

The survey asked about the number of employees working in creative businesses and cultural organisations. As shown in Figure 6, *Film, TV, Video, Radio & Photography*, and *Music, Performing Arts & Visual Arts* have a high proportion of freelancers (52% and 40% of all employees). Overall, nearly one-in-five workers (17%) are freelance.

Figure 6 Freelancers as proportion of workforces by creative sector, based on survey respondents[20]

	Employees (FTE)	Freelances (FTE)	%
IT, Software & Computer Services (including games design)	350	45	13%
Design: Product, Graphic and Fashion	55	11	19%
Music, Performing Arts & Visual Arts	18	7	40%
Advertising and marketing	49	8	15%
Film, TV, Video, Radio & Photography	12	6	52%
Other (please specify)	28	12	43%
Total	512	89	17%

Source: BOP Consulting, (n=47).

5.3 Number and scale of creative sector enterprises

In the figure below, we have analysed the number and scale of enterprises by creative sector in Warwick District. This indicates:

— 94% of creative sector enterprises in the District are micro (employing 9 or less people)

— 59% of creative sector enterprises in the District operate in the IT, Software and Computer Services sector

[20] Some creative sectors – Publishing; Architecture; Museums, Galleries & Libraries – provided too few survey responses to be included in this analysis. It should also be noted that the total number of businesses and organisations providing these details was relatively small (47).

- 5 enterprises in the IT, Software and Computer Services sector employ over 50 people. No enterprises in any other creative sector employ so many people
- The second most significant creative sector, in terms of number of enterprises, is design, with 120 enterprises. 10 of which employ 10 or more people.

Figure 7 Number of enterprises by creative sector and size in District[21]

	Micro[22]	Small[23]	Medium[24]	Total
Advertising and Marketing	65	5	0	70
Architecture	60	5	0	65
Design: Product, Graphic and Fashion	110	10	0	120
Film, TV, Video, Radio & Photography	50	0	0	50
IT, Software & Computer Services	535	35	5	575
Publishing	30	0	0	30
Music, Performing & Visual Arts	60	5	0	65
Total	910	60	5	975

Source: UK Business Counts, ONS, BOP analysis

5.4 Creative sector employment and clustering

We have used UK Business Register and Employment Survey (BRES) data compiled by the Office of National Statistics (ONS) to assess the amount of employment in the creative industries in the District and how this changed between the year for which data is most recently available (2017) and two years prior to that (2015). These data have limitations,[25] which we have attempted to correct for in the case of the games sector,[26] and which may result in the local employment contributions of some sector being underestimated.

These data, nonetheless, indicate that 555 people work in the District in the cultural sector (the sectors in *italics* in the figure below). The rest of the creative industries are a much more significant employment contributor – especially, IT, Software & Computer Services (responsible for 80% of creative industries employment in the District). Some sectors experienced falls in employment between 2015 and 2017 (Advertising and Marketing; Design; Film, TV, Video, Radio and Photography) but overall, the sector grew in employment importance to the District over this period, with a 9% increase in employment.

[21] UK Business Counts did not report upon two creative sectors (Crafts and Museums/Galleries/Libraries) in Warwick District

[22] 0 to 9 employees

[23] 10 to 49 employees

[24] 50 to 249 employees

[25] For example, underreporting of freelancers, creative activities not neatly corresponding to SIC codes, and misallocation of creative activity to SIC codes outside the DCMS definition of the creative industries.

[26] Games is poorly represented within the SIC code system. Therefore, the SICs allocated by DCMS to IT, Software and Computer Services tend to underestimate the contribution of games. We have, therefore, added to the employment estimate derived from these SICs, the most recent estimate of games employment in the District (as reported in the District's bid to Channel 4).

Figure 8 Employment in the creative industries in the District (2017) and percentage change since 2015

	Employment (2017)	% change since 2015
Advertising and Marketing	260	-10
Architecture	300	20
Crafts	20	100
Design: Product, Graphic and Fashion	175	-30
Film, TV, Video, Radio & Photography	*245*	*-13*
IT, Software & Computer Services	5825	10
Publishing	140	22
Museums, Galleries & Libraries	*100*	*33*
Music, Performing & Visual Arts	*210*	*31*
Total	7275	9

Source: BRES and BOP analysis

Location quotients describe the extent to which there is a comparative cluster of employment. It compares the density of certain kinds of workers in an area to the nation average. A figure of 1 or above means a higher density than the Great British average, and lower than 1 indicates less density.

On this basis, the LQ numbers in the table above indicate that the District has numerous creative employment clusters. Most strongly in IT, Software and Computer Services but also architecture, crafts and design. The overall figure of 1.9 indicates that there are an unusually large number of people in employment in the District in the creative industries.

Figure 9 Location Quotient (LQ) scores by creative sectors in District (2017)

	LQ (2017)
Advertising and Marketing	0.6
Architecture	1.3
Crafts	1.4
Design: Product, Graphic and Fashion	1.1
Film, TV, Video, Radio & Photography	*0.5*
IT, Software & Computer Services	3.4
Publishing	0.4
Museums, Galleries & Libraries	*0.4*
Music, Performing & Visual Arts	*0.6*
Total	1.9

Source: BRES and BOP analysis

5.5 GVA of creative sectors in district

We gathered data on GVA-per-worker[27] and applied these to our employment estimates to derive the estimates of GVA by creative industries sectors in Warwick District. Overall, the creative industries contribute nearly half a billion pounds of GVA to the economy of Warwick District.

[27] From past research undertaken by Warwickshire Economics

Figure 10 GVA of creative industries in District (2017, £m)

	GVA (2017, £m)
Advertising and Marketing	14.8
Architecture	16.3
Crafts	1.1
Design: Product, Graphic and Fashion	11.0
Film, TV, Video, Radio & Photography	19.3
IT, Software & Computer Services	407.7
Publishing	12.6
Museums, Galleries & Libraries	4.1
Music, Performing & Visual Arts	8.6
Total	495.4

Source: BRES and BOP analysis

5.6 Importance of local markets to creative sector

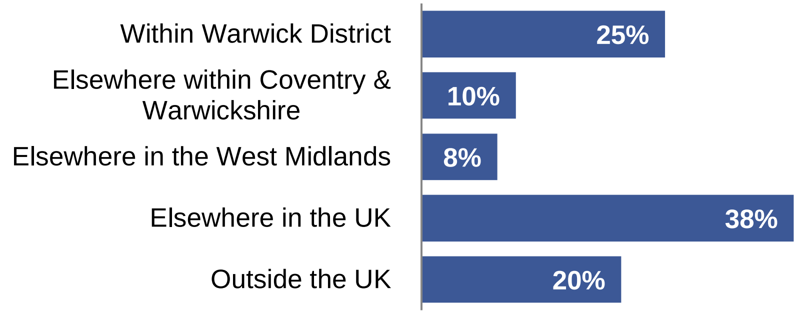
PANEL A in the figure below indicates responses to a question in our survey regarding the geographic origin of turnover generated by the creative sector of the District. We used these answers to approximate the overall importance of these various geographies to the turnover of the creative sector of the District.[28] This estimate indicates that the District itself is an important generator of turnover, with around a quarter of the turnover of the creative sector being generated in the District. Equally, the creative sector is a generator of exports, with one fifth of its turnover coming from outside the UK.

Figure 11 Geographical sources of turnover by creative sector

PANEL A

	Percentage of turnover				
Source of turnover from…	0-19%	20-39%	40-59%	60-79%	80-100%
Within Warwick District	11	5	4	2	5
Elsewhere within Coventry & Warwickshire	9	5	2	1	0
Elsewhere in the West Midlands	8	5	2	0	0
Elsewhere in the UK	4	11	5	5	7
Outside the UK	5	5	4	4	2

PANEL B



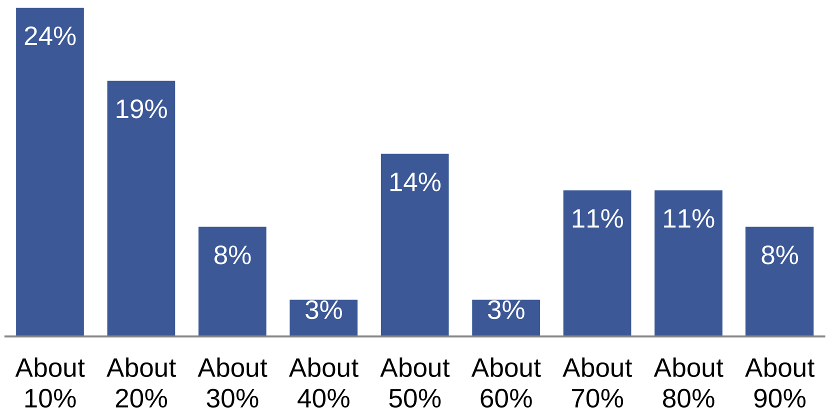
Source: BOP Consulting, (n=45)

The figure below shows responses to a question asking the creative sector what percentage of their supplier expenditure is retained within the District. These responses imply that across the creative sector 42% of supplier expenditure

[28] We multiplied each entry by the mid-point of the percentage band to which it is allocated (e.g. the 11 responses that indicated that between 0 and 19% of turnover is generated in Warwick District were multiplied by 9.5% - 11 multiplied 9.5%). The products of these multiplications were summed in each row. The totals in each row were then divided by the combined total of the rows to generate the percentages illustrated in PANEL B.

stays within the District.[29] While this is a considerable proportion, 57% of the survey respondents indicated that local supply chains could be strengthened – implying that there is potential for more than 42% of supplier expenditures to be retained in the District.

Figure 12 Percentage of supplier spending retained in District

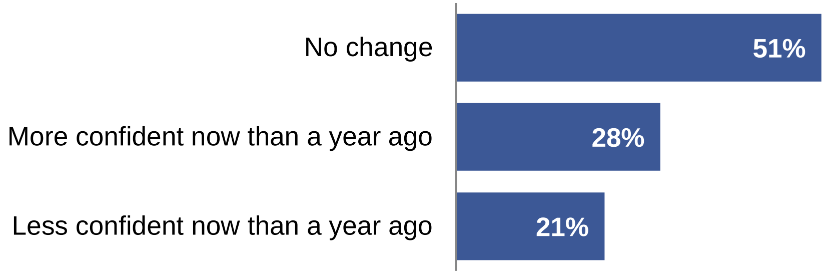


Source: BOP Consulting, (n=37)

5.7 Looking ahead

More than the half (51%) of businesses and cultural organisations consulted through the survey indicated that their level of confidence in the business environment of the District was unchanged from a year ago. 28% said that they feel more confident than one year ago and 21% said that they feel less confident now than they did then. This is a net positive of 7% (28% minus 21%) but it is concerning that around one-in-five of respondents have experienced an erosion of confidence in the District's business environment.

Figure 13 Business confidence in District relative to a year ago



Source: BOP Consulting, (n=116)

[29] We multiply 24% (the proportion of respondents that estimate that about 10% of their supplier expenditure is retained in the District) by 10%, 19% by 20%, 8% by 30% and so on, then we sum the products of these multiplications.

6. Downstream benefits of creative sector

The more vibrant the creative sector of the District, the more these downstream benefits can expect to be secured:

— **Placemaking/physical regeneration:** because cultural activities and amenities help to build pride in localities and to ensure that economic development is inclusive

— **Visitor economy:** because the more culturally engaging the District is, the more people will want to visit the District, staying for longer and spending more money

— **Inward Investment:** because a more culturally engaged place should enjoy a better quality of life, and which has higher levels of creative sector specialisation, is more likely to benefit from inward investment from firms looking for new locations in which to open and/or expand

— **Productivity:** because the more culturally animated the District is, the more likely it is that this will spillover over into the wider economy, not least via a category of workers in the creative economy but outside the creative industries.

This chapter reviews the current extent of these downstream benefits in the District.

6.1 Placemaking/Physical Regeneration

Leamington Spa was ranked the happiest place to live in Britain in a 2017 study undertaken by Rightmove, the property website. Rightmove said Royal Leamington Spa scored highly for friendly neighbours and a strong sense of belonging.

The creative sector contributes to these positive local attributes. Survey responses from creative practitioners and businesses give a sense of how the creative sector contributes to local wellbeing:

— Providing high quality education in music and the arts for various segments of the population (especially young people), contributing to their wellness and mental health

— Developing a distinctive sense of place, enriching the lives of both residents and visitors

— Collaboration across venues and organisations sustaining audiences.

This comment from a cultural organisation gives a further indication of these local impacts:

> “We open access to our creative work. We build corporate partnerships. We inspire our community to see the world in a new way through work that speaks about the human condition and our place in the world. Our participatory work is of benefit to health and fitness, self-esteem and community engagement.
> Cultural organisation

This community engagement benefit means that residential developments that incorporate access to cultural amenities are more likely to successfully integrate. The local capital development most directly relevant to the creative sector, however, is the Creative Quarter.

The Creative Quarter

Complex Development Projects Ltd have been appointed by Warwick District Council to deliver a masterplan to enhance the Old Town of Leamington Spa as a new Creative Quarter.

The ambitions for the Creative Quarter are:

— *Regenerate and breathe new life into the Old Town of Leamington Spa whilst enhancing the economic development of the new town and joining up the two distinct areas.*

— *Build upon and reinforce the importance of the Creative and Digital Industries in Leamington Spa.*

— *Create a vibrant, unique and desirable destination for residents, employers and visitors alike.*

— *Position the stakeholders to take advantage of the opportunities as they present themselves in delivering the vision*

— *Create a framework that fosters inward investment in the cultural and creative sector and the built environment*

These ambitions are relevant to many issues explored through our research, including:

— Helping to tackle the shortage of appropriate workspace in Leamington Spa

— Providing physical spaces that ensure collaboration between:

- Different parts of the creative sector
- The creative sector and the wider community
- The creative sector and the wider economy

— Creating a place that is creatively stimulating, both to work and to spend leisure time, from first thing Monday morning to the end of the weekend

— Projecting a new narrative about the District, underpinning initiatives to promote inward investment and tourism, that places creativity at its heart

Given these potential advantages, we recommend that the District move ahead with the Creative Quarter, as we discuss in greater detail in our recommendations chapter.

6.2 Visitor Economy

The presence of an active and vibrant cultural offer plays an important role in the perception of a place, and thus, on its capacity to generate tourist visits.

Tourism brings over 3.8 million people to the Warwick District each year with a combined spend of over £282.6m and accounts for 6.3% of all employment in the district.[30] Visit England has identified Warwick as a national "attract brand", meaning one of England's best-known destinations, based on research of visitor numbers and consumer perceptions.

There are many hotels in Leamington Spa, Warwick and Kenilworth. Two of the largest are The Regent Hotel and the Hilton Hotel at Warwick. These beds need to be kept as occupied as possible throughout the year.

Periodically, sporting events assist with this (e.g. racing at Warwick Racecourse, bowling championships at Victoria Park, Leamington Spa). For the most part, however, heritage attractions are the strongest driver of visits to the District – with the potential for culture to be a stronger driver.

Research conducted on tourism in Warwickshire, has shown that visiting heritage sites/castles is by far the main reason for visiting the county (38% of respondents).[31]

Heritage-led tourism

Warwick Castle and Kenilworth Castle are leading examples of heritage-led tourism.

Warwick Castle

Warwick Castle is the top visitor attractions of Warwick District, attracting 800k visitors annually.[32] Besides its heritage offer, the castle is known for offering

[30] Warwick District Council website, March 2019

[31] Warwickshire Visitor Profiling Report, ngisolutions 2017

[32] https://publications.parliament.uk/pa/cm200102/cmselect/cmpubacc/359/35905.htm

shows and evening events. It is a popular destination for families. The venue is commercially operated by Merlin Entertainment.

Kenilworth Castle

Kenilworth Castle is a visitor attraction in Warwick District, which attracts around 110k visitors annually.[33] It has visitor facilities and a venue for education, community events and weddings. An impact report by GHK calculated that, taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site supports 35 FTE jobs and GVA of £1.0 million in the local economy, and 47 FTE jobs and GVA of £1.4 million in the regional economy.[34]

Culture-led tourism

Art in the Park and Kenilworth Arts Festivals are examples of culture-led tourism. Given the how widely known Warwick Castle is, it may be that culture-led tourism has greater growth potential than heritage-led tourism. Equally, culture-led and heritage-led tourism can complement one another, with a stronger cultural offer helping to reinforce the attractions of heritage destinations, e.g. there may be scope to bring new visitors to the many heritage attractions in the District by providing new artistic events at these heritage attractions.

Art in the Park

Art in the Park is a free weekend festival taking place in Leamington Spa every August showcasing crafts, visual and performance arts. It is run by a Community Interest Company supported by sponsors and grant-providers.

In 2018 the festival was estimated to have generated around £1.78 million worth of economic activity. Besides its impact on local communities and artists, the event is successful at generating cultural-led tourism: in 2018, 37% of its visitors were attracted to Leamington from outside the area, bringing to the area 16,900 unique visitors.

Kenilworth Arts Festival

Kenilworth Arts is an annual, multi-genre festival, launched in 2016. It takes place over 10 days in September, with events, workshops and exhibitions held in various venues around the town. It has previously featured events with best-selling authors Kit de Waal and Sarah Moss, and organised 30 events over the 10 days of the festival in 2018.

Survey findings

The figure below lists those organisations that have reported the highest number of visitors in our survey.

Figure 14 Survey respondents only: Top 10 organisations by annual number of visitors attracted to Warwick District

Organisation	No.
Leamington Art in the Park festival	42000
Leamington Studio Artists	18300
Warwick Folk Festival	10000
Playbox Theatre	6170
Warwick Words History Festival	4500
Armonico Consort Limited	2100
Motionhouse	2000
Da Capo Chamber Choir	300
The Really Youthful Theatre Company	200

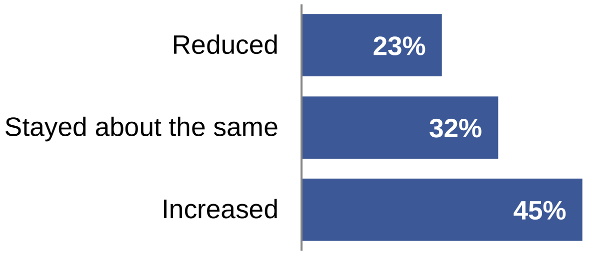
Source: BOP Consulting, data provided by survey respondents

As illustrated in the figure below, when asked how the number of visitors evolved over the past 12 months, 45% of the cultural organisations that participated in our survey said that visitors had increased.

[33] 2018, ALVA

[34] GHK for Historic England, 2010 https://historicengland.org.uk/content/heritage-counts/pub/impact-of-historic-visitor-attractions/

Figure 15 Responses to question 'How has the number of visitors to your organisation evolved over the past 12 months?'



Source: BOP Consulting, (n=22). Given the small sample for this question, do please consider these results as indicative

6.3 Inward Investment

The ability of the creative sector to assist inward investment into the District in other sectors has been demonstrated by Vitsoe. In 2017, this furniture manufacturer opened its new headquarters in Leamington. The new building, spanning 135 metres in length, 25 metres in width and 6 metres in height is a place of making and creativity, embracing offices, research and development, product assembly, kitchen and dining, overnight accommodation and more – including space used for rehearsals by Motionhouse (as illustrated). Vitsœ exports to over 60 countries and has shops in London, New York, Los Angeles and Munich.

The importance of the creative sector to the relocation of Vitsoe to the District are illustrated by the quotation below:

> "When we outgrew the expense and congestion of London we were looking for both a creative and digital community but also excellent transport connections to the capital.
> Mark Adams, Vitsoe

Thus, the stronger the District's creative sector, the more likely it is to attract more inward investment of this sort.

Source: Vitsoe/Motionhouse

6.4 Productivity

An important mechanism by which the creative sector raises the productivity of the District is via the innovations, ideas and dynamism of those working in creative occupations outside of the creative industries. As discussed in Chapter 2, the creative economy is formed by adding the creative industries to those in creative occupations outside the creative industries.

Data on creative employment across the UK is available in the Annual Population Survey (APS) – a sub-sample of which is included in the Labour Force Survey. At the level of the UK or regions the APS provides large and robust samples. For smaller geographies the APS samples for individual years are small and to provide more robust estimates we use here the APS combined sample for three years 2015, 2016 and 2017.[35] Even this combined sample is relatively small in Warwick District Council, however, and our estimates are, therefore, subject to some uncertainty. APS observations are weighted to give results which are representative of the District Council area. Comparative estimates are also provided for Coventry and the Coventry and Warwickshire LEP area.

From 2015-17 around 8200 people were working in creative occupations in the District compared to 7300 in Coventry. Creative occupations accounted for 24,900 jobs in the broader CWLEP area.

Figure 16 shows how these creative occupations break down between the creative and other industries in each of these geographies, while Figure 17 presents these distributions between the creative and other industries in percentage terms. While noting the small sample sizes within this analysis, it is noticeable that a larger proportion of those in creative occupations work outside the creative industries (70%) than in Coventry (55%) or CWLEP (58%).

Figure 16 Number of workers in creative occupations in creative and other industries by geography (2015-17)

	Creative industries	Other industries	Total
Warwick District Council	2,500	5,700	8,200
Coventry	3,300	4,000	7,300
Coventry and Warwickshire LEP	10,500	14,400	24,900

Source: APS and Warwick Business School analysis

Figure 17 Percentage of workers in creative occupations in creative and other industries by geography (2015-17)

	Creative industries	Other industries
Warwick District Council	30	70
Coventry	45	55
Coventry and Warwickshire LEP	42	58

Source: APS and Warwick Business School

We are interested in identifying those non-creative sectors in which creatives are embedded. Here, data for the District becomes unusable due to small samples and instead we focus on the sectoral distribution of those in creative and non-creative occupations in non-creative industries across the UK. This analysis suggests that while creative occupations are present across all sectors, those in creative occupations are concentrated in Manufacturing (17.2%), Wholesale and retail (14.2%) and Professional and Scientific services (14.4%).

[35] Office for National Statistics, Social Survey Division (2019) Annual Population Survey, Three-year pooled dataset January 2015 -December 2017, 2nd Edition. UK Data Service. SN: 8370, http://doi.org/10.5255/UKDA-SN-8370-2.

These percentages are reflected in terms of estimates of numbers of creative workers within non-creative illustrated in the figure below.

Figure 18 Number of workers in creative occupations by non-creative sectors in Warwick District (2015-17)

	Workers in creative occupations
Manufacturing	980
Professional and scientific services	821
Wholesale and retail	809
Financial and insurance	462
Education	376
Other	2252

Source: APS and analysis by Warwick Business School and BOP

Here, we complete our estimates of employment sustained in the District by the three definitions of the creative sector in chapter 2:

— **Cultural sector:** 555 – a subcomponent of the creative industries indicated by those sectors in *italics* in Figure 19

— **Creative industries**: 7275

— **Creative economy**: 12975

In Figure 19, we assume that the employment contribution of creative sectors to the creative economy is proportionate to their contribution to creative industries employment.

Overall, on this broadest definition of the creative sector (the creative economy) an employment contribution is sustained larger than that provided in the same geography by Retail (6000), Accommodation & Food Services (7000) and Manufacturing (6000).[36] The creative economy is, therefore, fundamental to the economy of the District.

Figure 19 Creative industries and creative economy employment by creative sectors in Warwick District (2017)

	Creative industries	Creative economy
Advertising and Marketing	260	464
Architecture	300	535
Crafts	20	36
Design: Product, Graphic and Fashion	175	312
Film, TV, Video, Radio & Photography	*245*	437
IT, Software & Computer Services	5,825	10,389
Publishing	140	250
Museums, Galleries & Libraries	*100*	178
Music, Performing & Visual Arts	*210*	375
Total	7275	12975

Source: BRES/APS and analysis by Warwick Business School and BOP

[36] 2017 BRES data on Warwick District

7. Case Studies

This chapter provides two case studies (Brighton and Laval, France) that are intended to provide inspiration to the District's creative sector. In both cases, we review:

— Relevance of case study to Warwick District

— Achievements of Brighton/Laval

— Lessons for Warwick District

7.1 Brighton

Relevance of Brighton to District

In its scale and location, Brighton is somewhat similar to Warwick District. While Brighton's city core is larger than that of the towns of the District, it is the hub of a similarly sized travel to work area. Brighton is roughly one hour from London and 30 minutes to Gatwick airport by train.

Brighton & Hove is a historic and cultural city, whose Regency heritage forms part of a diverse cultural offer that includes its gay community, independent retailers, music and night-time economy, as well as a long-established coastal visitor economy. Equally, its built heritage and coastal location also impose constraints on the amount, scale and type of development that can take place to accommodate demand for workspace.

Brighton faces pressures on affordability that are arguably more acute than those in Warwick; there, a combination of inbound migration from London and housing demand from commuters working in London means house prices are higher than neighbouring coastal towns.

Both Brighton and the District have an international reputation in computer games; and Brighton and Coventry & Warwickshire are among the top five locations in the UK in terms of concentration of immersive content businesses.

Each locality benefits from strong relationships with both a research-led and a 'new' university: the contributions of Warwick and Coventry universities reflect those of Sussex and Brighton.

Achievements of Brighton

An independent and business-led cluster organisation, Wired Sussex, is well respected across the sector and integrated into LEP structures. Helped by strong engagement with the Universities of Sussex and Brighton, Wired Sussex has been able to attract central Government funding for a series of sector initiatives:

— a Digital Catapult hub

— a 5G testbed

— Brighton DX, a co-operatively owned and run digital exchange that helps improve connectivity and reduce prices for local businesses.

Despite the pressure on affordable housing imposed by its desirability as a location and its relative proximity to London, Brighton and Hove continues to be widely perceived as cool, metro/cosmopolitan and diverse.

This diversity – festivals, music, theatre and television, as well as digital – is reflected in Wired Sussex's directory of local businesses.[37] Along with its creative industries, a strong independent retail sector and a vibrant night-time economy are important elements of this place narrative.

Inbound migration, alongside foreign direct investment, has been harnessed to local growth to create a creative economy that contains both large corporates and SMEs.

Both universities (e.g. Sussex Innovation Centre) and private sector (e.g. The Werks, The Projects, Spaces) contribute to workspace provision.

37 https://www.wiredsussex.com/directory/

Lessons for District

Brighton successfully differentiates itself from London, whilst remaining complementary to it. Its use of 'shabby chic' and an appeal to ecologically aware young families make a virtue of re-use and recycling, including creative thinking about workspace.

New England House houses the Digital Catapult, 5G testbed and Brighton DX. This is a great example of exploiting what would otherwise be a redundant public building and transforming it into a vital physical hub.

Brighton's initiative in launching the 'Fuse' research, which looked at the relationships between the city's creative and digital businesses, demonstrated the importance of a vibrant and mixed economy, not over-dependent on a single creative sector.

7.2 Laval (France)

Figure 20 Laval Virtual Centre

Source: Courtesy of Laval Virtual Centre, 2019 (https://www.flickr.com/photos/123929093@N05/albums/72157708508360804/with/47817071501/)

Relevance of Laval to District

Laval mirrors Warwick as a city with a population of 50,000 that is the administrative capital of a district of 300,000 (Mayenne). While further from Paris (300 km) than Warwick is from London, travel times are similar. Warwick is 70 mins by train from London and Laval is 2 hours from Charles de Gaulle international airport in Paris.

Like Warwick, Laval is a historic city. It was the birthplace of Henri Rousseau. At the centre of the town is a 12th century château, with other distinguished examples of ecclesiastical architecture including Cathédrale de la Trinité de Laval and the Basilique Notre-Dame d'Avesnières. These attractions, and Laval's status as one of France's designated 'towns of art and history', support a strong local visitor economy.

Achievements of Laval

In 1999, the Mayor of Laval took a strategic decision to put all the city's central government innovation funding (from FrenchTech, akin to UK Research & Innovation) into establishing a hub for virtual and augmented reality - Laval Virtual. This decision has led to this relatively small, provincial city becoming a globally renowned centre of VR and AR.

Laval Virtual's annual conference is now in its 20th year. It attracts investors from across the world. The city has seen an increase in businesses and jobs, with 19 VR and AR SMEs supporting around 300 highly skilled and high-value jobs. In addition, a unit of Eon Reality (one of the world's largest multinational virtual reality and augmented reality software developers, headquartered in California) employs around 50 people in Laval Mayenne Technopole[38] - one of the first tech incubators to be opened in France.

Laval is a hub for development of the new skills required by these industries. Institut Arts et Metiers de Laval offers a dedicated series of courses that provide methodology, tools and practical training for production of immersive content and technology. Université de l'Ouest and Estaca (a specialist engineering university) have a combined annual intake of 200 students in immersive content and technology disciplines each year. Laval Virtual is able to offer internships and mentoring for those graduates, and for the two or three PhDs that emerge from the Institut's programme each year.

Lessons for District

The focus, international reputation and scale of Laval's immersive content sector reflects the District's smart specialisation in computer games. The City of Laval has recognised the need to create new and dedicated studio and workspace – La Licorne – to help address costs and shortages of accommodation for early stage businesses within a heritage environment.

Laval has determinedly built its global reputation through outreach, exemplified by its annual conference and Laval Virtual's three month 'road trip' around other European VR/AR hubs (due to be repeated in Autumn 2019).

Laval enjoys the fifth-highest employment rate of any town in France; and only 3-5% of students at the Institut come from Laval. There are more local job opportunities than local people seeking jobs. This, and the reality that many of its graduates return to larger cities (e.g. Paris, Lyon and Bordeaux) to establish businesses, explains Laval Virtual's focus on creative and technical education to meet the needs of the immersive content sector from beyond the city itself. This influences the course offer at institutions across the wider Loire region, and at the Institut's own facility focused on uses of immersive content in the automotive sector near to Renault's HQ in Eastern France, helping Laval to maintain and secure a pipeline of new talent for this fast-growing sector.

The excellence of the city's augmented and virtual reality industries also reinforces the importance of Laval in context of the development of national heritage and cultural offers. Laval Virtual works with museums, arts organisations and festivals locally, across the region and nationally to develop immersive visitor experiences.

[38] https://www.laval-technopole.fr/

8. SWOT of creative sector

This chapter presents a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of qualitative and quantitative information gathered from desk research, our survey and two workshops.

8.1 Strengths of creative sector

When asked about the strengths that Warwick District offers to the cultural and creative industries, survey respondents highlighted:

- **Silicon Spa:** the presence of a games industry cluster in Leamington Spa and its branding as 'Silicon Spa', makes the District well-known nationally and even internationally
- **Rail transport:** There is excellent connectivity with bigger urban centres, such London and other major cities (e.g. Birmingham, Leeds, Manchester)
- **Attractiveness and placemaking:** The District enjoys well-preserved heritage and architecture, which contribute to making it an attractive place to live and work
- **Community:** The District has a relative abundance of residents that might be described as "traditional culture vultures", as well as a relatively civically and socially engaged population, which creates both audiences for and volunteers at local cultural events and activities
- **Support:** Generally, cultural organisations feel that there is a supportive and positive attitude towards the arts, which is manifested in 'in kind' contributions and volunteering. This attitude is shared both by the engaged community as well as by the District Council itself.

These strengths are further illustrated by some comments made by survey respondents:

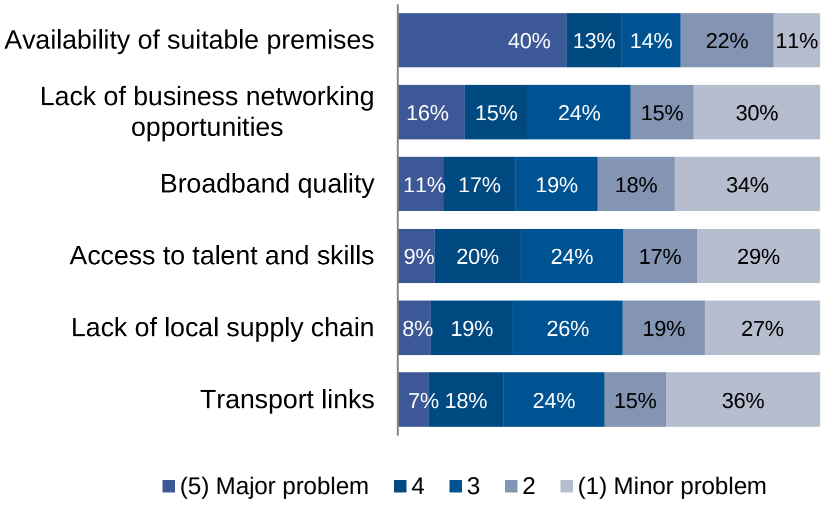
> "[We] benefit strongly from a good rail link to London which allows us to book excellent London-based professional musicians who can access Warwick and Leamington relatively easily.
>
> Cultural organisation

> "As an attractive architectural environment and being geographically well-located, Leamington Spa has for many, many years attracted artistic individuals, followed later by companies.
>
> Survey respondent

8.2 Challenges and weaknesses of creative sector

When asked about challenges and weaknesses of the creative sector in the District, survey respondents underlined the availability of suitable premises – with 40% of survey respondents indicating that this is a major barrier for the development of creative businesses in the District. This was then followed by the perceived lack of business networking opportunities (16%), broadband quality (11%) and access to talent and skills (9%).

Figure 21 Challenges as perceived by local creatives (on scale of 1 to 5 – with 5 indicating major challenge and 1 a minor challenge)



Source: BOP Consulting, (n=77-107).

When BOP reported to CWLEP on the local games cluster in 2017, we argued: *A review of the physical environment for workspace, business incubation and inward investment suggested that greater coordination is needed to present the opportunities to businesses and investors in a way that is 'more than the sum of its parts' … Developers and investors were keen to identify larger floorplates that would allow companies to scale quickly and build development teams*.

The pressure on workspace in the District seems to have increased since then. It was a feature of our consultation at that time but is now a resounding message from our survey. From which, we discern two key messages:

— **Affordable and suitable space:** Cultural organisations and creative businesses alike strongly underline the lack of available space for their operations. Survey respondents raise this issue in the context of music venues, studio space, offices, art exhibition space, rehearsal rooms, and storage spaces

— **Collaboration/networking:** There is perceived to be a lack of capacity (physical space and organisational) for networking among creative professionals in the area. Survey respondents stress the importance of this for organisational and business development through collaborations, partnerships or shared marketing strategies.

These survey comments provide further insight on these issues around workspace and collaboration:

> “ Office space is expensive here, and we need more of it. Many companies would like to set up shop in this cultural creative hub, and we don't want only large, faceless corporations of little or no cultural value to be able to afford it. That's terrible for business.
> Gaming company

> “ The biggest challenge for [us] is suitable facilities. At the moment we are located at four community halls and venues […] but pay hourly rates to hire. At any time, we could be told we cannot have the space and therefore lose the ability to deliver classes and therefore lose income. It's not a sustainable business model and makes it hard for us to plan for growth in the long term.
> Creative business (creative education for young people)

> “ The most pressing challenge is the lack of a cohesive and strategic plan for the whole district and a complete lack of connectivity between all artists and

organisations. The Council could be promoting and championing what they have going on right now […] currently all are operating as isolated silos with no connected platform to promote them.
Cultural organisation

Other issues raised through the survey include:

— **Local transport:** While connections between Warwick/Leamington Spa with urban centres (e.g. London/Birmingham/Manchester) are strong, survey respondents identify more weaknesses in relation to local transport infrastructure, e.g. limited public transport connections from rural parts of the District to town centres; lack of parking in Leamington Spa

— **Poor broadband**: This was raised as an issue by some survey respondents. Coventry & Warwickshire, we noted our 2017 report to CWLEP, is in the bottom 10% of LEPs in terms of access to ultrafast broadband. As the West Midlands becomes the UK’s first large-scale 5G testbed, there is an opportunity to address this

— **Games industry vs the rest:** Some cultural organisations express a feeling of being neglected by public institutions in favour of more dominant local industries, with the gaming industry and high-end hotel sector citied as being such industries

— **Leamington vs the rest:** More creative sector activity, especially the games sector, happens in Leamington than elsewhere in the District. There is a need to ensure that growth of the creative sector is experienced as something that benefits the whole District, not just certain sectors (e.g. games) and places (e.g. Leamington Spa)

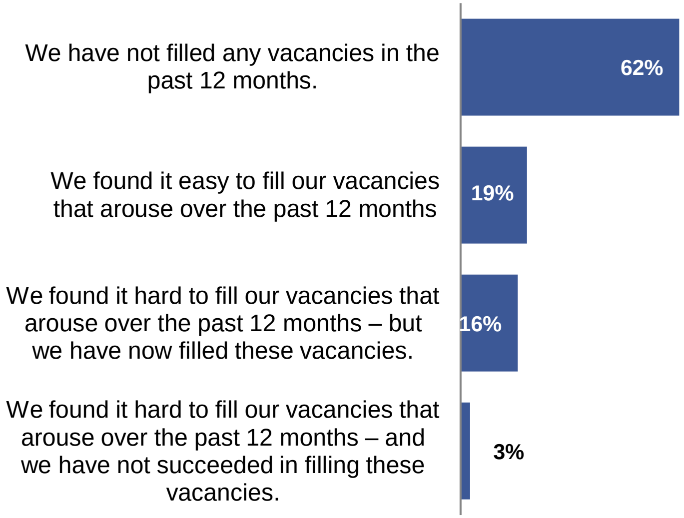
— **Community art space:** It is suggested that the District lacks a cultural space where practitioners and audiences can meet, discuss and create collectively.

This desire for more community art space is further illustrated by this survey comment:

“ One of the biggest challenges for the creative community is the lack of a community art space. In Leamington we need a large central walk in facility […], where people and community arts group could come together, to 'make'/'do' art, learn, develop skills, to bring people together. Since 'the old library' was sold into private ownership and Bath Place burnt down, we have lacked such a facility. We need a place where children to pensioners can come together to make music, paint, dance, do crafts etc. take part in workshops etc. In a time and age where social prescribing is becoming increasingly popular and loneliness is one of the biggest factors of mental health issues, a community arts centre could also assist vulnerable members of our society to reconnect.
Freelance professional

Recruitment challenges are also raised by some survey responses. Another survey question gives some sense of the scale of these issues. The figure below shows that nearly one-fifth of local businesses in the creative sector have struggled to fill vacancies in the past year.

Figure 22 Proportion of local businesses by creative sector that have found it hard to fill vacancies in past 12 months



Source: BRES and BOP analysis

8.3 Opportunities for creative sector

The overarching opportunity is to drive more of the downstream benefits that we have identified: stronger placemaking; more visitors; increased inward investment; and enhanced productivity.

When asked about opportunities that would allow Warwick District to overcome challenges for creative businesses and practitioners, survey respondents highlighted:

— **Creative Quarter:** Survey respondents are keen for the Creative Quarter to advance, in close collaboration with the creative sector

— **Strengthened supply chains**: 57% of the survey respondents indicated that local supply chains could be strengthened. Suggestions for doing so span from producing a Cultural Strategy for the District, to supporting closer collaboration between local partners in the creative industries. We also understand that the proposed development at 1 Mill Street includes plans for audio suits for games development/motion capture, which has the potential to strengthen local supply chains. In a local economy with a preponderance of freelancers, shared facilities, which would otherwise be prohibitively expensive for freelancers and small businesses to purchase, have this potential

— **Major cultural, leisure and capital development opportunities** happening in Coventry and Birmingham (i.e. Coventry 2021 and Birmingham Commonwealth Games in 2022) create opportunities, as recognised by survey respondents, for Warwick District to position itself as part of an exciting and internationally engaged region and sub-region

— **New residents:** According to the masterplan for the community stadium site, which is to be developed in Leamington Spa, the site is to have a residential development of around 28 three or four-bed detached and semi-detached houses. These new residents will potentially provide new audiences and participants for cultural activities

— **Networking**: This is something that survey respondents are keen to see extended, with one respondent saying:

> “Start talking to artists and artist groups, get involved understanding what they are doing in the community and support them.
>
> Artist

8.4 Threats to creative sector

By threats, we mean actions taken outside of the District that have the potential to undermine the competitiveness of the District and thus, limit growth here. In this context, we highlight:

- **International competition:** Games are a global industry and places across the globe are taking active steps to secure for themselves as much of this industry as possible (e.g. Laval, as discussed in our case study)
- **UK competition**: As well as international competition, the District experiences competition from elsewhere in the UK. Brighton, our other case study, is a place with a joined-up approach to creativity. This kind of coordination makes it more likely that places will access the finite national funding to support local growth ambitions
- **Brexit**: 57% of games businesses employ EU workers and on average, EU employees make up 34% of these companies' headcount.[39] Given this, it may be that Brexit is contributing to recruitment challenges in the District. Brexit may also create other kinds of competitive threats to the District, such as barriers to international trade.

[39] Ukie, *State of Play, The UK games industry's priorities for EU negotiations*, March 2017

9. Recommendations

In this chapter, we make the case for overlapping and reinforcing recommendations to be advanced by the District Council and the creative sector in collaborative partnership.

These recommendations are:

1. **The District Council to develop and implement a growth strategy for its creative sector.** This strategy should support collaborations within its creative sector that enable the sector to:

a) Strengthen the drivers of creative sector activity

b) Grow the downstream benefits of the creative sector

c) Seize the opportunities open to the creative sector

d) Tackle the weaknesses of the creative sector

e) Make creative sector supply chains more robust within the District

f) Help the District be a creative place to live as well as work

2. **Consider the development of a Creative Sector Compact for Warwick District**
3. **Move ahead with the Creative Quarter**
4. **Utilise Creative Sector Compact and Creative Quarter to support collaboration.**

Across these recommendations, there are three key actors (the District Council, the Creative Quarter, and the creative sector) and three key kinds of action (support for collaboration from the District Council, physical spaces and infrastructure for collaboration from the Creative Quarter, and the Compact to structure and direct collaboration within the creative sector).

As illustrated in the figure below, these actors and actions interact, and efforts should be made to ensure that they are as complementary as possible.

Figure 23 Key interactions as relevant to our recommendations

Source: BRES and BOP analysis

9.1 Warwick District Council: A strategy for creative sector growth

Warwick District Council recognises the value of its creative sector to its economic and social goals. It supports the sector through provision of impressive cultural facilities.

As indicated in the previous chapter, we have identified new opportunities to be seized by the creative sector, e.g.

— Creative Quarter

- Strengthened supply chains
- Coventry 2021 and Birmingham Commonwealth Games in 2022
- New residents in the District, bringing new audiences and participants
- Appetite for more networking from creative sector

Some of these opportunities are time-limited: most centrally, Coventry 2021 and Birmingham Commonwealth Games 2022. These international events will have impacts across the West Midlands but maximising their impact upon the District requires action now.

There is also a need to act now to seize the advantages of the Creative Quarter. The alternative to doing so is that the competitive challenges facing the creative sector (e.g. lack of adequate workspace) become more acute and its growth is curtailed.

The District Council enjoys extensive relationships with the creative sector and has developed, through this research, a deeper understanding of the opportunities and challenges facing it. These relationships and understanding make the District Council, rather than other agencies (e.g. Warwickshire County Council, CWLEP), well-placed to develop and implement a growth strategy for the creative sector of the District.

At the same time, the District Council is closely involved with the initiative (the Creative Quarter) that has the potential to do most to seize these opportunities and address these challenges.

Nonetheless, not least given the continued pressure upon public sector budgets, there are limits to how much the District Council can achieve in isolation. To achieve more, therefore, the District Council should seek to enable collaboration within its creative sector.

Collaboration should be the leitmotif of the District Council's creative sector growth strategy. But without action now from the District Council, these collaborations will not happen. They require a catalyst and that catalyst should be the District Council.

We make recommendations here for the kinds of collaboration that this strategy should involve.

Collaboration to strengthen the drivers of the creative sector

This means:

- Support efforts to draw more funding for culture into District
- Best utilise physical assets to support culture and creativity in District
- Work with universities to deepen their support for the creative sector in District

Cultural funding in District

The number of Grants for the Arts received from Arts Council England in the District decreased from 15 to 10 between 2016/17 and 2017/18. Given this, consideration might be given to shared resources that increase the likelihood of successful funding bids from the District, e.g. workshops that advise projects on funding bids.

Meanwhile uses

While other forms of economic regeneration can depend upon major refits, cultural activities can bring positive change with relatively minimal investment. Indeed, as they can occur in advance of long-term uses being identified, they can be referred to as 'meanwhile'.

There has been a focus in recent years upon the promotion of 'pop up' or meanwhile uses of empty premises, which the District Council might seek to extend locally by:

- Providing information on vacant properties and ownership
- Audit empty council owned property and assess potential and parameters for meanwhile use, creating a database of available properties
- Mapping ownership of privately-owned properties and approaching landlords to seek their consent to add their properties to the database

One property that has, sadly, recently fallen into disuse is the Assembly in Leamington Spa and the Council should support steps to bring this music venue back into operation.

Higher Education

The District Council should work with local universities to accelerate their activities relevant to the creative sector:

— Ambitions for graduate retention and gain in Leamington Spa and Coventry

— Active pursuit of Industrial Strategy and other funding to support growth in digital creative and cultural partnerships

— Plans for digital and creative incubators and shared workspaces in Leamington Spa

Collaboration to grow the downstream benefits of the creative sector

This means:

— Seek to grow culture-led tourism to District

— Deploy creative sector strengths to encourage inward investment

— Strengthen links between creative sector and wider economy

Culture-led tourism

Tourism is economically important to the District - bringing over 3.8 million people to the District each year with a combined spend of over £282.6.[40]

Heritage-led tourism is particularly important. Research conducted on tourism in Warwickshire, has shown that visiting heritage sites/castles is by far the main reason for visiting the county (38% of respondents).[41]

Given the creative strengths of the District, there is potential for culture-led tourism to be further grown. Culture-led tourism may be further from hitting its maximum potential for visitors to the District than heritage-led tourism. Culture-led tourism may also complement heritage-led tourism (e.g. using arts events to bring new visitors to heritage attractions).

Culture-led tourism and a Warwick District narrative of creativity should be made central to efforts to promote the District as a tourist destination.

Inward Investment

The relocation of Vitsoe to Leamington Spa demonstrates the power of the creative sector to assist inward investment initiatives for the District. The District has a preponderance of creative businesses, as well as a range of cultural strengths. It is, consequently, well-placed to position itself as a creative and stimulating place to live as well as to work.

These creative strengths should be emphasised in efforts to secure inward investment for the District.

Links to wider economy

The District benefits from an unusually large number of workers in creative occupations (as defined by DCMS) outside of the creative industries (as defined by DCMS). These workers are bringing creative insights, practices and processes to the wider economy of the District and helping it to be more productive and innovative.

This diffusion of creativity across the wider economy is assisted by collaborations between the creative sector and the wider economy. This collaboration can be facilitated by networking events and physical spaces that encourage serendipitous encounters, as well as more formal cross fertilisation of ideas between different economic sectors.

With globally significant engineering firms like JLR and research-intensive universities, the West Midlands is undoubtedly a region of excellence in STEM (Science, Technology, Engineering, Mathematics) but the ambition should be to be an outstanding region in STEAM (Science, Technology, Engineering, Arts,

[40] Warwick District Council website, March 2019

[41] Warwickshire Visitor Profiling Report, ngisolutions 2017

Mathematics). This is because the productive gains of STEAM tend to be greater than those of STEM.

The creative strengths of Warwick District are highly relevant to the STEAM attributes of the West Midlands and the District should encourage initiatives that bring together the arts and engineering, positioning itself as a creative locality where cross-sector collaboration regularly occurs.

Collaboration to seize the opportunities open to the creative sector

This means working with creative sector of District take advantage of opportunities that emerge from:

- Major upcoming events in region: Coventry City of Culture 2021 and Commonwealth Games Birmingham 2022
- Regional and sub-regional agencies: West Midlands Combined Authority and CWLEP
- National policy and initiatives, e.g. Creative Industries Council
- The emerging cultural strategy of Warwickshire County Council

We argue below that a Compact for the creative sector, or something akin to this, is a potential vehicle for seizing these opportunities.

Collaboration to tackle weaknesses of the creative sector

The survey asked respondents to score issues out of 5 in terms of how big a priority they should be for the District Council. As illustrated in the figure below, the 5 issues with the highest proportion of respondents scoring them at 5 (indicating a high priority for District Council intervention) are:

1. Affordable workspace and resources
2. Delivering the Leamington Creative Quarter
3. Highlighting local strengths in the cultural and creative industries to better position Warwick District nationally and internationally
4. Spreading the benefits of the cultural and creative industries across the whole of Warwick District
5. Facilitating networking events to bring together different parts of the cultural and creative industries in Warwick District

1 and 2 we interpret as related issues and involved with our recommendation below: move ahead with Creative Quarter.

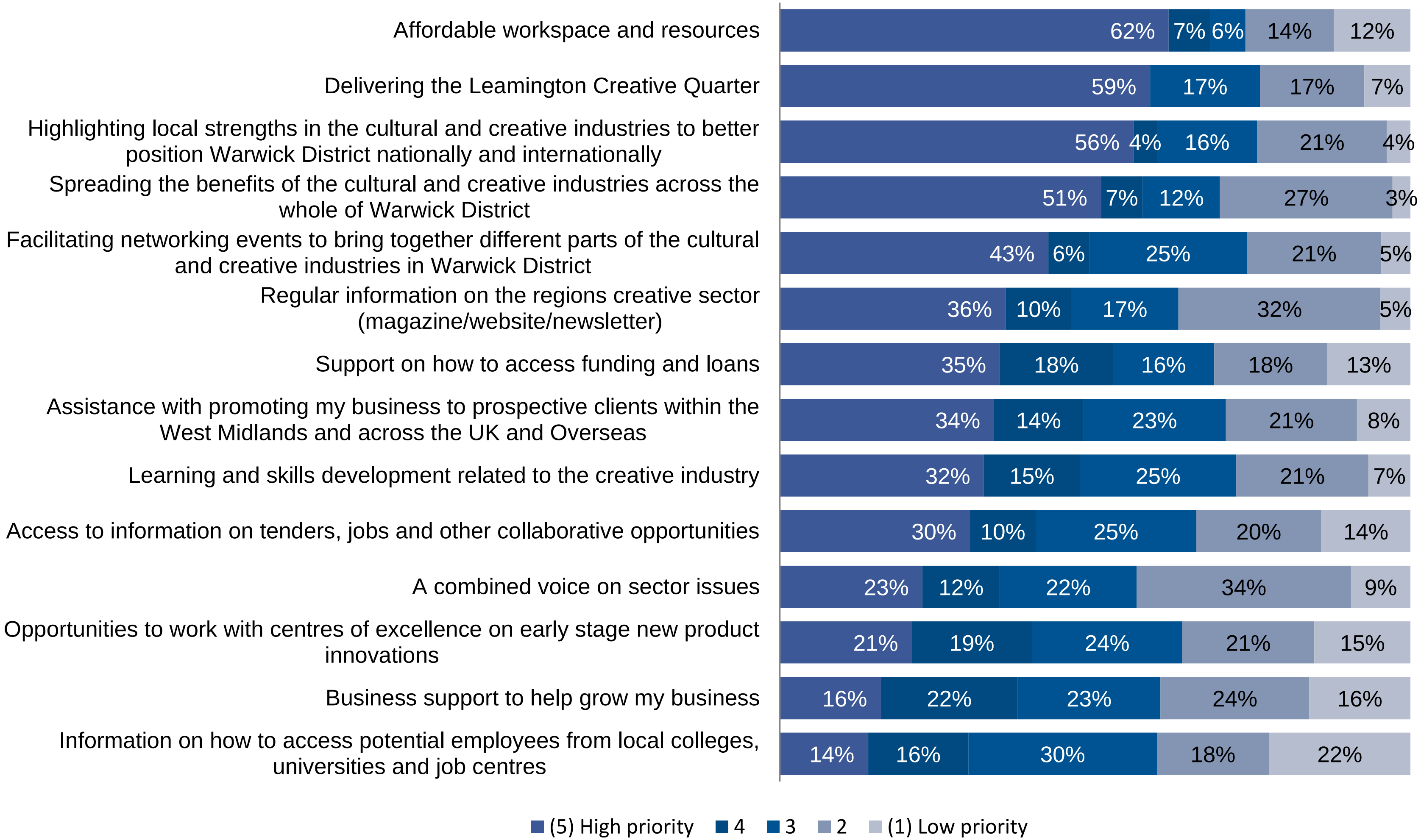
3 we interpret as providing support to our recommendations above regarding the utilisation of culture and creativity within tourism and inward investment efforts for the District.

As our case study notes, Laval has determinedly built its global reputation through outreach, exemplified by its annual conference and Laval Virtual's three month 'road trip' around other European VR/AR hubs (due to be repeated in Autumn 2019).

We see 3 as indicating an appetite for similar outreach from the District – and certainly, given the creative strengths of the District and the potential for the creative sector to deliver more gains to the District, such outreach seems likely to deliver a return to the District.

As we discuss below, 4 and 5 should be captured within a Compact for the creative sector – or something akin to this.

Figure 24 Opinion of creative sector on most important role of District Council (on scale of 1 to 5 – with 5 indicating greatest importance)



Source: BOP Consulting, (n=109-105).

Collaboration to make creative sector supply chains more robust

Two results to emerge from the survey are:

- Potential for local supply chains to be strengthened – 57% of the survey respondents indicated that local supply chains could be strengthened
- A high presence of freelancers – 17% of workers in the creative sector, according to our survey

Tending to have relatively limited financial capital, freelancers benefit from facilities to share resources and equipment.

Audio suites for game development and motion capture were identified as a local infrastructure gap during consultation for this research.

As far as possible, it would be advantageous to build this infrastructure in to new capital developments in the District (e.g. Creative Quarter, 1 Mill Street).

Collaboration to help the District be a creative place to live as well as work

As well as stimulating workplaces, creative people appreciate a range of options for fun, relaxation and stimulation outside of work. When deciding where to open and grow a business, especially a creative business, it is not simply a matter of what a locality offers during work hours (e.g. workspaces, broadband, skilled workers), it is also a question of what it offers outside of work hours (e.g. leisure options, natural capital, night-time offer).

Not least due to the contribution of its creative sector and backing for this sector from the District Council, the District has a strong offer outside of work hours. But further steps should be taken to have the District be a creative place to live as well as work. For example, a public arts strategy should be developed to ensure that the District is as artistically animated as possible.

9.2 Creative sector Compact for Warwick District

When the Cultural Cities Enquiry reported earlier this year, it advocated:

> *The City Compact for Culture will bring together local partners with a shared interest in maximising the civic role of culture. These partners will work together to create and deliver a plan to drive social and economic benefits from a thriving cultural ecosystem. Compact partners will include business, universities, local authorities, the cultural sector and LEPs, and will pledge to align focus around key goals, in order to unlock new resources for cultural projects.*
>
> *Compacts will have business plans to drive measurable progress against local priorities such as reanimating city centres, increasing income from tourists or international students, or establishing a creative cluster. Compacts will also take the lead in establishing cultural property portfolios, Corporate Social Venture Funds, improving diversity and relevance of cultural offering, and skills strategies for creative talent – according to local need.*

There is a case for the District seeking to move ahead with a Compact. To give sector-led momentum to local collaboration.

Whether it is via the Compact model or some other approach, it is important that the creative sector takes ownership of mechanisms for creative collaboration within the District, rather than seeing this as being entirely the responsibility of the Council.

9.3 Move ahead with Creative Quarter

As it is deeply relevant to the ambitions and challenges of the creative sector, it is important to move ahead with the Creative Quarter. It is relevant in these senses:

- Helping to tackle the shortage of appropriate workspace in Leamington Spa
- Providing physical spaces that ensure collaboration between:

- Different parts of the creative sector (e.g. workspaces that are shared by different kinds of creative activity; infrastructure that is shared by different creative businesses – such as, audio suites for game development and motion capture)
- The creative sector and the wider community (e.g. spaces that are sufficiently versatile and fluid to facilitate stimulating encounters between the creative sector and the wider community. With the community able, as appropriate, to witness creative processes and to engage with these processes and their practitioners. One means by which this might be done would be through the inclusion of an Impact Hub[42] within the Creative Quarter)
- The creative sector and the wider economy (e.g. spaces for networking, which might also be utilised for networking and engagement with the wider community, and utilisation of shared workspaces by workers from outside the creative sector)

— Creating a place that is more creatively stimulating, both to work and to spend leisure time, from first thing Monday morning to the end of the weekend

— Projecting a new narrative about the District, underpinning initiatives to promote inward investment and tourism, that places creativity at its heart

While the above seem to us the benefits of the Creative Quarter to the creative sector, progress with the Creative Quarter is likely to depend upon the continued engagement of the creative sector itself with the Creative Quarter.

The Compact that we propose below may be a vehicle for structuring this engagement and ensuring that the Creative Quarter can be positively defined (i.e. by what it is, rather than what it isn't) in terms that are recognised and valued by the creative sector.

9.4 Compact and Creative Quarter to support collaboration

We stress above the importance of the Council supporting different kinds of collaboration. We see a Compact (or some other sector-led vehicle) and the Creative Quarter as reinforcing these Council efforts to support collaboration.

This is because:

— The Creative Quarter has the potential to provide additional physical spaces intended to facilitate collaboration

— The Compact is a vehicle intended to generate and sustain collaboration by the creative sector itself, as well as with the wider Higher Education, business and resident communities

Given this, we suggest that an overarching goal for a Compact should be to provide a more unified and clearly articulated voice in respect of strategic opportunities to the local sector, e.g.

— Articulating what creative sector wants from Coventry 2021 and Birmingham 2022 – in ways that benefit all parts of the District, not just Leamington Spa

— Creative Quarter – advancing a positive agenda from the creative sector for this major development

— Universities – similarly, advancing a positive agenda with Coventry and Warwick universities such that their activities in the District bring maximum benefit to the creative sector

— Local representation to national initiatives – the creative sector is of national significance and should, therefore, be seeking to bring its voice to relevant national forums (e.g. Creative Industries Council)

[42] "An Impact Hub consists of three distinct elements. First, it is a vibrant community of passionate and entrepreneurial people who share an underlying intention to bring about positive change and act as peers to cross-fertilize and develop their ventures. Second, it is a source of inspiration that provides meaningful content through thought-provoking events, innovation labs, learning spaces, programs and facilitated conversations that support positive impact. Third, an Impact Hub is a physical space that offers a flexible and highly functional infrastructure to work, meet, learn and connect." https://impacthub.net/get-to-know-us/#frequent

These issues are overlapping, and the Compact should seek to ensure that they join-up to maximum benefit.

BOP Consulting is an international consultancy specialising in culture and the creative economy.

BOP convenes the **World Cities Culture Forum** (WCCF), an international network of more than 35 cities. www.worldcitiescultureforum.com

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