# CREATIVE NETWORK SOUTH

# SOLENT CREATIVE INDUSTRIES DECLARATION

HAMPSHIRE chamber of commerce

push Partnership for Urban South Hampshire

CREATIVE NETWORK SOUTH

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# WELCOME

**Welcome to our declaration of support for the creative industries, the fastest growing sector in the Solent economy.[1] This declaration aims to promote business incubation, pathways to employment and connectivity; the key success factors needed to ensure the creative and digital economy continues to thrive in the Solent LEP area.**

**MAUREEN FROST**
**Chairman, Creative Network South**
**Chief Executive, Hampshire Chamber of Commerce**

The UK's creative economy is worth £84bn and employs 2.9 million people.[2]
In recognition of the sector's significance to the economy the Government has appointed Sir Peter Bazalgette to undertake a review to ensure the UK Industrial Strategy reflects the needs of the sector.[12]

## SIMON TERRY
## MANAGING DIRECTOR
## ANGLEPOISE

"I have worked in London for most of my life and part of our business is based there. However there is a reason why our web development agency is based on Haying Island. There are pockets of genuine creative talent and skills that can be found in this region. By putting design at the centre of their organisations, understanding the need to be competitive - to stand out - this local talent is making a real impact on the local economy. People have moved down from London, others are home grown, but all are flying the flag that says local can be just as good, if not better. And thanks to the valuable support of larger local businesses, they're succeeding."

## ED GOULD
## CREATIVE DIRECTOR
## CARSWELL GOULD

"The creative industry in Hampshire is a hidden gem and one of the UK's top creative areas that drives economic growth. It is vital to the development and prosperity of the region with it creating thousands of jobs a year and generating millions of pounds to the economy. It is important, therefore, we all recognise the key role of the industry and pull together to make sure it continues to flourish both today and in the future."



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"The Partnership for Urban South Hampshire (PUSH) is pleased that it is continuing to support the creative and digital economy, which is one of the fastest growing sectors in our local economy"

COUNCILLOR SEÁN WOODWARD
Chairman of the Partnership for Urban South Hampshire

# CREATIVE NETWORK SOUTH (CNS)

**CNS works in and around the Solent LEP area. Our geography is loose as people and businesses work across administrative boundaries.**

Creative Network South's objectives are:

- To support the growth of the creative economy
- To support the development of creative and digital businesses
- To open pathways to employment in the creative and digital economy

We achieve our objectives by working in partnership with others who share mutual goals.

Since 2015, Hampshire Chamber of Commerce has acted as the host organisation for CNS. Members include businesses, creative industry development agencies, universities and local authorities.

# THE CREATIVE SECTOR

**The creative sector focuses on activities based on individual creativity, where skill and talent are used to create wealth and jobs through the development of intellectual property.[2]**

Sub-sectors include: advertising, architecture, craft, design, film, TV, video, radio, photography, IT software and computer services, publishing, museums, galleries and libraries, music and performing arts.

The sector is highly dynamic and responsive. The set-up costs for creative businesses are low and the average company size is very small. On average creative businesses employ 4.4 people, compared with an average of 8.4 for all businesses in the UK.[5]

Many creative businesses deliver projects by utilising networks to form loose alliances which dissolve when the projects end. Job growth in the sector, therefore, tends to be driven by the formation of new businesses as much as by expanding employment within individual businesses.

Half the jobs in the creative economy are based in non-creative businesses. These jobs include designers working in the marine, aerospace or advanced manufacturing sectors and games coders working in the finance, insurance or defence sectors.

Between 2010 and 2015 the number of creative businesses (businesses which fall within the Department for Digital, Culture, Media, and Sport DCMS definition of the creative sector) in the Solent area grew by more than 1,400. The number of people employed by creative businesses grew by approximately 6,000 (representing over 30% growth over five years). The total number of people employed in the creative economy (people working in creative occupations for either creative or non-creative businesses) in the Solent area exceeds 40,000. In the past 5 years this figure, using current definitions, has increased by approximately 10,000.[4]



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# OFFICE OF NATIONAL STATISTICS (ONS) DEFINED TRAVEL TO WORK AREA IMPACTING ON HAMPSHIRE AND SOLENT LEP AREA

**KEY**

- Travel to work area
- Hampshire boundary
- Boundary of Local Authority members of Solent LEP.

## HANNAH MURPHY
## DIRECTOR GLOBE FIT LTD

"The mentoring I received has given me a new focus on my business and where it is heading. It has helped me increase my confidence in my product and I have realised the areas that make the money and the areas that don't. I have had to cut my losses with some aspects of my business in order to give the full attention to the areas of the business that are working. The mentoring was a great experience and just what I needed to find clarity."

## LEE PAYNE
## ASSOCIATE ARTIST NEW THEATRE ROYAL CREATIVE LAB

"There is nothing like having an amazing group of people willing to put in just as much time and effort into helping me achieve my highest peak as I have into creating pieces and shows. The creative lab is a gift to all artists that have something to offer but they don't have the support to move further on."



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## ESTIMATE OF CREATIVE INDUSTRIES EMPLOYMENT AND GROSS VALUE ADDED (GVA) BY TRAVEL TO WORK AREA DERIVED FROM NESTA GEOGRAPHY OF CREATIVITY DATA SPREADSHEET[4]

| Travel to work areas | Total GVA | Creative jobs | CI employment | GVA per job |
|---|---|---|---|---|
| Newbury | £0.4bn | NA | 4,954 | NA |
| Andover | £0.1bn | NA | 1,065 | NA |
| Guildford and Aldershot | £2.9bn (£0.5bn Hants) | 40,000 | 38,000 (7K Hants) | £72,000 |
| Basingstoke | £0.6bn | NA | 7,800 | N/A |
| Southampton | £1.0bn | 21,000 | 13,000 | £48,600 |
| Bournemouth | £0.2bn | 9,800 | 4,300 | £23,000 |
| Portsmouth | £0.4bn | 16,000 | 4,900 | £25,000 |
| I.O. W | £0.06bn | NA | 800 | N/A |
| Solent LEP (all Local Authorities estimate) | Approx £1.5bn | 40,000 | 21,000 | £38,000 |
| London | £41.8bn | 485,000 | 442,000 | £86,000 |
| Manchester | £2.3bn | 63,000 | 43,000 | £36,500 |
| Birmingham | £1.0bn | 34,000 | 17,000 | £30,000 |
| Bristol | £0.8bn | 34,000 | 15,000 | £24,000 |
| Brighton | £0.6bn | 18,000 | 7,700 | £33,000 |

## CREATIVE BUSINESS COUNT AND CREATIVE INDUSTRIES EMPLOYMENT BY LOCAL AUTHORITY DERIVED FROM ANNUAL BUSINESS INQUIRY SURVEY

| | Creative business count | Change in number of creative businesses 2010-2016 | Creative industry jobs 2016 | Change in jobs 2010-2016 |
|---|---|---|---|---|
| East Hampshire * | 805 | 24.80% | 1,818 | 29.1% |
| Eastleigh | 515 | 56.10% | 2,456 | 26.6% |
| Fareham | 405 | 39.70% | 1,500 | 65.6% |
| Gosport | 120 | 14.30% | 669 | 89.5% |
| Havant | 345 | 35.30% | 927 | 40.9% |
| Isle of Wight | 285 | 26.70% | 809 | 41.9% |
| New Forest* | 725 | 30.60% | 1,725 | 23.2% |
| Portsmouth | 480 | 43.30% | 1,950 | 33.1% |
| Southampton | 500 | 33.30% | 2,469 | 58.8% |
| Test Valley* | 625 | 42.00% | 1,768 | 19.7% |
| Winchester* | 860 | 20.30% | 5,242 | 21% |
| **Total** | **5,665** | **33.6%** | **21,333** | **32.8%** |

*East Hampshire, New Forest, Test Valley and Winchester are also members of Enterprise M3 LEP



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# THE AMBITIONS

The declaration sets out four ambitions which we believe need to be achieved through collaborative effort, if the creative economy in the Solent area is to continue to thrive.

We understand that partnership working between our network members, the community of creative enterprises and individuals, the universities, local authorities, the wider business community and the Solent LEP will be key to the future success of the sector.

## VISIBILITY

**The creative economy in the Solent area should be made more visible**

The key contributions made by the sector to the local economy should be noted. These include:

- The creative economy in the Solent LEP area generates £1.5bn GVA. That is more value than the creative economy generates in the Birmingham travel to work area.[4]
- The creative economy in the Solent area employs 40,000 people (more than in Brighton and Bournemouth put together).[4]
- The Solent economy has grown more than 1,400 extra creative businesses and 6,000 creative industry jobs between 2010 and 2015.[5]

- Place-based industrial strategies in the areas served by the Solent LEP should recognise the contributions the creative and digital sectors make to the local economy, and the support needs of the sector.
- Creative Network South should act as the lead agency promoting the development of the sector in the area.

## ENTERPRISE

**Creative and digital businesses in the Solent LEP area will be given the support they require so they can drive employment and business growth**

Creative and digital businesses in the Solent LEP area should be able to access sector-specific business advice via the Solent Growth Hub. This should include:

- Support for businesses and freelancers on a pathway to sustainability, turning over less than £20k.
- Focused support for businesses with 2-3 years of trading experience, which are preparing for growth.
- Business acceleration programmes that help creatives smash through the VAT barrier.
- High quality moderated sector-specific mentoring.
- A range of affordable specialist creative workspaces including both digital incubators and artists' studios should be available to creative businesses based in Southampton, Portsmouth, Hampshire and the Isle of Wight.
- Access to industry-standard equipment and software, located in universities and colleges. This will enable start-up businesses and new graduates to maintain professional standards and skills by using up-to-date equipment and technology.



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# SKILLS AND PROGRESSION

**No one with talent should be excluded from developing a career in the creative and digital sectors in the Solent area. Creative and digital businesses should be able to recruit the talent they need so they can thrive**

- Local skills strategies in the Solent area should prioritise creative and digital literacy as key skills necessary to promote participation in the labour force.
- Entrepreneurship should be embedded in all creative industry training programmes.
- Creative education partnerships should map, open, and promote inclusive talent pathways that lead to employment in the sector.
- A programme of events targeting career advisors should be organised to help increase their understanding of opportunities in the creative and digital economy.
- A range of careers events should be promoted to signpost pathways to employment and success in the sector.
- Fun, hands-on activities such as hackathons should be held regularly and promoted widely, so as to provide practical opportunities to develop and demonstrate the skills needed to drive innovation in the sector.
- A wide range of paid work-based learning opportunities, including specialist creative and digital apprenticeships, higher apprenticeships and paid internships should be offered.
- Support should be given to small and micro creative or digital businesses wishing to employ apprentices or paid interns. This could include assistance with the brokerage of shared apprenticeships between two or more employees, and a guarantee for apprentices employed on project based roles that they will be able to complete their training even when the project they are engaged in ends (possibly with another employer in the sector.)
- New freelancers establishing creative and digital businesses should be provided with business support and mentoring to help them achieve a sustainable turnover.

**Employers in the Solent economy will need to fill 2,200 vacancies for creative posts each year between 2017 and 2025[12]**

# CONNECTIVITY

**The Solent area should aspire to be among the best connected locations for creative business**

- Businesses in the Solent area should have excellent physical and digital connectivity with London, the rest of the UK, Europe and other continents.
- Creative businesses should enjoy excellent access to digital infrastructure including, fibre to premises broadband and 5G mobile broadband.
- A close partnership should be cultivated between creative businesses, universities, colleges, and training providers. This would ensure the sector has access to world class talent, knowledge and technology.
- Creatives in the Solent area should be tightly interconnected with other business sectors including advanced engineering, marine and aerospace to maximise mutual added value.
- Creative clusters in the Solent area should be networked and interconnected so that the sector becomes more mutually reliant and less dependent on London.



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# EXECUTIVE SUMMARY

## THE CONTRIBUTION THE CREATIVE AND DIGITAL SECTORS MAKE TO THE SOLENT ECONOMY

**The creative economy in the Solent employs 40,000 people, more than Brighton and Bournemouth combined. Over 21,000 people are directly employed by creative businesses.[4] A further 19,000 people are employed in creative roles by businesses operating in other sectors.**

In the Solent LEP area the creative economy generates more than £1.5bn GVA and is therefore bigger than the creative economy in Birmingham.

The creative economy is growing fast in the Solent area. Between 2010 and 2015 employment within creative businesses grew by more than 30%.

The Centre for Cities Anchoring Growth report[1] 2013 showed how the creative industries were the fastest growing sector in the South Hampshire economy.

Between 2010 and 2020 it is likely that 20%[7] of all the new jobs generated in the Solent LEP[7] area will be based in the creative economy.

A major driver of innovation and growth is the fusion of creative imagination and digital technology. More than 70% of creative jobs and 75% of the projected new creative jobs in Solent LEP area are shared with the digital sector. If the digital aspects of design, architecture, advertising and marketing are considered, this figure rises to nearly 90%.

**THE CREATIVE ECONOMY IN THE SOLENT LEP AREA GENERATES MORE GVA THAN THE CREATIVE ECONOMY IN BIRMINGHAM**



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# ENTREPRENEURSHIP

**Approximately half of all new creative industry jobs in the Solent LEP area are provided by new business start-ups, or the growth of micro businesses taking on one or two extra members of staff.**

Between 2010 and 2016 the number of creative businesses identified by the ABI[5] survey in the area increased by 1,400, from 4,200 to 5,600. The total number of creative businesses is however significantly higher as many trade below the VAT threshold and do not appear in the ONS data.

Creative start-ups are frequently initiated by people in mid-career. The sector provides many opportunities for project work and increasingly commissioning organisations are "hollowing out" so they can outsource work which was once done in-house. The trend towards outsourcing has in part been driven by the wide availability of broadband facilitating home working. The choice to work freelance or establish a small business suits many, reducing travel time and cost, while enhancing quality of life. Others, however, may face limited choices and become reluctant entrepreneurs.

Creative Graduates, Creative Futures[8] identified that in finding a pathway to a career in the creative sector during the first three years after leaving university, 40% of graduates will work on short term contracts, freelance or set up a business. Increasingly due to the relative affordability of accommodation and the growth trajectory of the creative economy, more of this talent is being retained in the Solent area.

In the VAT-registered part of the sector, GVA per head is healthy, averaging around £38k per year.[4] However, in the non-VAT registered parts of the sector some evidence exists of very low turnover. The Portsmouth creative census identified over 50% of businesses turn over less than £20k.[9]

Business support infrastructure geared to the needs of the creative and digital sector in the South has improved significantly. The Solent Growth Hub includes a creative and digital channel to help navigate businesses to appropriate advice.

Portsmouth University Innovation Space delivers free training for creatives. A wide range of creative industry workspaces and incubators have opened across the Solent area in the past five years. City Eye and Southampton Solent University have initiated a project to make state of the art equipment available to local film makers on an affordable basis.

However, many creatives would welcome further support.

This might include:

- Sector specific business advice accessed via the Growth Hubs.
- High quality sector specific mentoring.
- Access to a range of affordable flexible workspaces ranging from artists' studios to digital incubators.
- Affordable access to technology and software (possibly achieved through partnerships with universities and colleges).
- Targeted support for businesses with potential which are turning over less than £20k.

Between 2010 and 2016 the number of VAT registered creative businesses in the Solent area increased from 4,200 to over 5,600

# SKILLS AND PROGRESSION

**The creative sector in the Solent LEP area includes more than 5,600 businesses with an average of less than four employees each. For micro businesses of this size it is imperative that new recruits hit the ground running. Experience and up-to-date skills are therefore prerequisites when recruiting new staff. Businesses also look to employ people who are adaptable and will fit in with existing team members.**

Digital and creative literacy are increasingly recognised by many businesses as essential life skills, vital not only in the creative but in all business sectors. People without digital skills are increasingly at risk of exclusion from the labour force.

Micro businesses often find it hard to engage with training providers, colleges and universities in designing or implementing work-based learning initiatives due to lack of dedicated HR staff and capacity.

New approaches are therefore required to develop work-based learning opportunities in the sector. The experience of the Artwork Creative Apprenticeship programme suggests these approaches may include:

- The development of close high-trust working relationships between training provider and businesses.
- The sharing of apprentices between two or more businesses.
- Specialist delivery to relatively small cohorts of trainees.

The four Hampshire universities produce around 10,000 creative graduates each year. Historically after graduating many creative graduates have left the area to gain experience, frequently in London. However, due to the increasing opportunities in Hampshire and the high cost of living in London more graduates are staying in the county and providing a ready talent pool to be tapped by local businesses.

For many young people (and their parents) understanding the range of opportunities available in the creative sector is hard. Given that 50% of creative jobs are based in non-creative businesses and that for 40% of graduates the pathway to a career in the sector involves freelancing, self-employment or portfolio working, good quality careers advice is badly needed to prevent talent being wasted.

Working in the creative industries is frequently perceived to be a high-risk career choice. The perception that jobs in the sector are insecure and poorly paid means that too frequently only those with contacts, family security and access to financial resources take the risk of entering the sector. The sector has, therefore, had a problem in attracting and retaining a diversity of talent.

The capacity of art, music and creativity to engage people at risk of exclusion from education and employment, mean that people with skills (rather than formal qualifications) can progress in the creative economy in ways which are becoming increasingly difficult in other parts of the economy.

Work-based learning initiatives and apprenticeships, which allow industry entrants to earn while they learn, offer significant potential to widen pathways to employment in the sector and increase the range of new entrants to the sector.

### Sector requirements include:

- The promotion of career information events explaining pathways to success in the sector.
- Fun, hands-on activities such as hackathons or design mobs, engaging businesses and people with talent in finding innovative solutions to practical business challenges.
- The development of a range of paid work-based learning opportunities including digital and creative internships, apprenticeships and higher apprenticeships.

Particular attention should be given to the needs of small and micro creative or digital businesses wishing to employ apprentices or paid interns as this can be a major driver of productivity. Support could include the brokerage of shared apprenticeships between two or more employers , and a guarantee for apprentices employed on project based roles that they will be able to complete their training even when the project ended.



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# MAKING THE SOLENT AREA ONE OF THE BEST CONNECTED PLACES TO DO CREATIVE BUSINESS IN THE UK

**Connectivity to London, relative affordability, and the growing strength of the creative community in the area are key reasons for the rapid growth of the creative economy in the Solent area.**

The area's competitive advantages are, however, under threat.

- Infrastructure improvements in other parts of the country such as crossrail 2, the Oxford Cambridge Expressway and HS2 will make towns north and east of London increasingly attractive to creatives. These locations may also be more affordable than locations in the south.
- Loss of access to the single digital market could cause businesses to relocate or expand in Europe rather than growing their activity in the local economy.
- Over reliance on commissioning organisations in London rather than mutual reliance on local businesses makes freelancers in the south vulnerable to global outsourcing.
- The National Endowment for Science Technology and The Arts (NESTA) note the creative economy is growing faster than other economic sectors in almost all travel to work areas in the UK, with many areas targeting further growth in local place based industrial strategies.

It is vital that organisations working to promote the economic development of the Solent area recognise the importance of the creative industries to the local economy and embed support for the sector in future place-based industrial strategies.

Support should include:

- **Increased visibility of the sector**
  This might be achieved by supporting the development of Creative Network South so that it can act as a sector lead organisation, promoting the sector, facilitating collaboration, and attracting funding.
- **Enhancing connectivity**
  Ensuring the Solent area is at the forefront of government initiative to deliver fibre broadband to premises and 5G access, encouraging free Wi-Fi in city and town centres, reducing congestion in major towns and enhancing east-west rail communications to join up the south coast Bournemouth-to-Brighton creative industries super cluster.
- **Promoting interconnectivity within the creative sectors and between the sector and the rest of the economy.**

  **Within the sector**
  Encouraging the growth of a community of creative producers across Hampshire, Southampton, Portsmouth and the Isle of Wight.

  Supporting the growth of creative businesses by encouraging further development of affordable workspaces and incubators, providing access to skills training and technology and by encouraging a diverse range of networking events.

  **Across sectors**
  Promoting links between the creative community and other strong sectors in the Hampshire and Solent economy, such as advanced engineering, aerospace and marine technology to harness the potential of creativity to drive innovation and productivity.

  **Across geographies**
  NESTA identified creative clusters in Bournemouth, Southampton, Andover, Basingstoke, Guildford, Aldershot, Portsmouth, and Chichester. All of them have good connectivity to creative communities in London but the connectivity between these clusters is relatively weak. Significant growth could be achieved and resilience embedded if connectivity between the clusters could be developed.



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The creative industries in the Solent area are hidden gems that are vital to the prosperity and growth of the area. After all, the Solent's creative economy employs 40,000 people and generates £1.5b GVA.[4]

# THANK YOU

TO GET INVOLVED WITH CREATIVE NETWORK SOUTH CALL LISA HALL ON 01329 242 420 OR EMAIL LISA.HALL@HAMPSHIRECHAMBER.CO.UK

## THE INGREDIENTS


**PREPARATION**
The declaration was envisioned by Stewart Dunn, former chair of Creative Network South (CNS) and prepared by Charles Freeman, coordinator at Creative Network South. www.creativenetworksouth.co.uk

**CREATION**
Carswell Gould. www.carswellgould.co.uk

**DATA**
Data was drawn from the NESTA Geography of Creativity report 2016 and an analysis of the Office of National Statistics Annual Business Inquiry Report prepared by the Burns Owen Partnership. http://bop.co.uk/

**ACKNOWLEDGEMENTS**
The declaration's content was informed by discussion at the CNS Research Network Conference "Growing Hampshire's Creative Economy" held at The Point Eastleigh November 2016 http://creativenetworksouth.co.uk/research.

The conference was organised by Dr Paul Spencer, Sessions were chaired by Simon Eden, Professor Suzanne Dixon, Dr Daniel Ashton and Dr Cheryl Butler, and Papers were delivered by: Dr Brian Hracs, Dr Alexandra Reynolds, Dr Roberta Comunian, Jane Bryant, Dr Carol Ekinsmyth, Dr Julie Brown, Dr Paul Spencer, Charles Freeman and Elaine Rust.


**FOOTNOTES**
The footnotes are listed in the full report, which is available on the Creative Network South website: **www.creativenetworksouth.co.uk**

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