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Creative and Cultural Industries
An Economic Impact Study for
South East England

Improbable Theatre
‘Streets of Brighton 2001
© Zap Productions

Research report by

David Powell Associates Ltd. for

South East England Cultural Consortium and

South East England Development Agency

July 2002

Cowes Week 2001© Skandia Life

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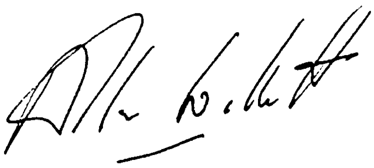
FOREWORD

The South East England Cultural Consortium (SEECC) and South East England Development Agency (SEEDA) have joined forces with regional cultural and sports bodies to produce this report which demonstrates the value of the creative and cultural industries to the economic health and vitality of the South East.

Our rich heritage and cultural resources play an important part in our quality of life, contributing to the sustainability of the natural and built environment and developing a skilled and inclusive workforce. This research also demonstrates for the first time the real contribution of culture and the creative industries to the economy of the South East.

The South East's creative and cultural industries provide jobs for 560,000 people and contribute an annual turnover of £46.5 billion. The sector has grown more than any other region, including London, with employment increasing by 28.4% in the South East in 1995-2000, almost double the average for England as a whole.

This study provides important input to the Regional Economic Strategy to be published later this year. For the first time we will be in a position to fully recognise the enormous contribution of the sector to the economy of the region and to work together to preserve and enhance our cultural assets and to nurture and further grow the creative and cultural industries.



Allan Willett CMG
Chair of the South East
England Development Agency

Sir David Watson
Chair of the South East
Cultural Consortium

CONTENTS

1 INTRODUCTION AND SUMMARY OF FINDINGS

This report has been commissioned by the South East England Cultural Consortium (SEECC) and South East England Development Agency (SEEDA) as the first phase in a programme of work to assess the contribution of the Creative and Cultural Industries (CCI) to the South East (SE) regional economy. The scope of this study covers both the areas of arts, cultural and creative activity now widely included within the CCI sector (from Advertising to Television and Radio) and also Sports, Tourism and Countryside Recreation. For some of its assessment, the report simplifies the wide span of activity under review by aggregating these 24 subsectors into four Sectoral Groupings – Heritage and Information Management; Tourism Recreation and Sport; Media and Digital; and Arts and Design. This is detailed in Section 5 and 6.

This study was commissioned from David Powell Associates Ltd. (DPA), working with Comedia and Dr Andy Pratt (London School of Economics) to provide a first assessment and broad overview of the scale and range of CCI economic activity in the region and to identify fruitful areas for future research. DPA have not been asked to provide a policy analysis or prescription for SEECC and SEEDA, other than to recommend further areas or research.

1.1 SUMMARY OF KEY FINDINGS

This report sets out the very significant contribution of the region's cultural and creative industries to the post-industrial knowledge economy of the South East and of the UK as a whole. The CCI sector in the SE – spanning multinationals like Nokia and the myriad of freelance and individual artists, new arrivals like Rebellion and long established institutions such as the Bodleian Library – turnover c£46.5bn p.a. making it one of the largest business sectors in the region. Taken with London – a region which the SE outperforms in a number of important dimensions and with which there is a largely healthy symbiotic relationship – the South East is one of the major international centres of cultural and creative activity. Underlying this is the crucial importance of "content origination", where the intellectual and knowledge assets of the region are created, adding very significant value to the economy: more than half the region's CCI workforce contributes to this part of the creative and cultural industry production cycle.

- Employment in the CCIs grew by 28.4% in the South East in the period 1995 – 2000; almost double the average for England as a whole.
- About 560,000 people are employed in the CCIs in the South East, 19% of England's total employment in this sector.
- The SE and London together account for over 50% of England's CCI employment.
- Employment in this sector accounts for 13.2% of the regional workforce
- An additional 90-100,000 self-employed people work in the CCI sector in the region.
- The CCIs in the South East generate a turnover of c£46.5bn
- 54% of the region's CCI workforce is involved in content origination.
- About 51,000 VAT registered CCI businesses and organisations are located in the region

- A small number of very large businesses and organisations and a large number of very small businesses and organisations dominate the sector as a whole.
- 73% of total turnover is generated by 2% of businesses and organisations in the sector whilst only 3% of total turnover is generated by 56% of businesses and organisations.

1.2 KEY CONCLUSIONS

Importance of the cultural and creative sector

The creative and cultural industries are one of the fastest growing sectors of the UK economy and make a central contribution to the emergence and development of a knowledge-based economy. This economic activity is founded on original creativity, on the generation of ideas and on their successful delivery to the market place. The sector is also a steward and manager of knowledge content, held in great historic sites and collections as well as in contemporary creative and business practice. This latter has huge but largely unexploited economic value. In a post-industrial knowledge economy, the management and exploitation of knowledge will rely greatly on finding ways to make the libraries, archives and collections of the region accessible to students, scholars, researchers and businesses. Content origination derives as much from knowing what has been created and what is known as it does from exploring the future.

The value of the whole is significantly greater than the sum of its parts. Sub-sectors of the creative and cultural industries are often intimately connected and mutually supporting. Creative skills also make a significant contribution across many sectors of the economy. More than this, the value of a thriving and successful creative and cultural sector in the national or regional economy cannot be underestimated for its impact on the quality of life of a community, or region, on the education and ambition of individuals and communities and on the sustainability of the natural and built environment.

Role in the regional economy

The creative and cultural industries in the South East play a significant role in the regional economy. It is located on the border with London, one of the world greatest creative and cultural hubs, with easy access to international and European markets through Gatwick, Heathrow, the Channel Tunnel and the channel ports. With an inheritance of an outstanding built and natural heritage the region is also home to many individual artists and makers as well as to a significant media and digital sector.

The economic contribution of CCIs and their value in creating a quality of life and environment cannot easily be separated. This works at least in two dimensions; the cultural part of the CCI sector is responsible for the great parts of the natural, man made and knowledge heritage of the region – these integral elements in the health of the region’s culture and what that offers to its communities and to visitors. They are resources for education and research, for pleasure and for recreation. They are essential parts of what attracts highly sought after, talented and mobile creative and knowledge workers into the region. This functional view of the region’s cultural assets and those who manage them should not be allowed to diminish the importance - in their own right - of the work of artists, works of art, collections, buildings and environments and those who nurture and support them.

London and the South East

The South East is a very significant location for creative and cultural economic activity in national and international terms. Much of this relates to the London CCI economy, as market, as competitor, as a source of talent and entrepreneurial skill. The relationship is symbiotic, each region depending greatly on the success and strength of the other. More research is required better to understand the cultural and commercial connections between the two regions. What is without doubt is that London and the South East between them represent one of the world's super regions for this area of activity. Between them the account for more than half the UK's creative and cultural employment. Successful competition in global markets, and meeting the needs of major companies currently or potentially investing in the region both require a considered view of the relationship between London and the South East.

Many of the issues facing the CCIs in the South East are shared in common with the sector in London. The findings of this study confront the widely held myth that the SE CCI sector suffers from its close location to one of the great global creative and cultural economic hubs. The evidence suggests that quite the opposite is true.

Industry structure

Large and very large companies are critical to the overall health of the economy because of the amount of employment and income which they generate within the regional economy. 73% (c£34bn) of total CCI turnover in the South East is generated by 2% (c870) of CCI companies. It is unclear what percentage of these are owned in the UK, let alone the SE, but it would appear that very many of these are multinationals, whose investment or retrenchment decisions will be taken outside the region and the country.

Small and very small firms are critical to the supply of skills and services and products in all of the CCI sectors. In common with much of the rest of the economy of the South East the CCIs are dominated by a very small number of very large companies and a very large number of very small companies – 56% of all firms (c29,000 companies) turnover less than £100,000. This "hourglass" effect is replicated in this sector across Europe. This indicates the importance of business support and investment that is targeted at the particular needs of creative micro businesses.

As a whole the CCI **workforce** earns on average 20% more than the regional workforce as a whole and 17.5% more than CCI workers in the UK. The workforce as a whole is highly qualified - c30% hold at least a degree level qualification. However, there are significant variations across the workforce. The apparent strength of the region in the area of Content Origination may be affected in the longer term by the extremely high cost of living in the region which is not reflected in average earnings. The Content Origination workforce also has only marginally higher skill levels than that of the UK as a whole. The same pressures may be felt in Heritage and Information Management where over 40% of the workforce have at least a degree level qualification but where average weekly earnings fall well below average earnings for the workforce as a whole in the region. The strengths of the region's Tourism, Leisure and Sports sectors may face pressures if an address to the low percentage of higher-level skills (c7.3%) is not made.

Creativity in the production chain

Content Origination is the strongest part of the production chain in the SE with 70% of CCI businesses and organisations active in this area. Its employment base (54%

of the region's workforce) has grown significantly faster in the SE than any other part of the UK including London. This is the core function of the CCI sector and sits at the heart of the knowledge-based economy.

Exchange denotes the places or moments where the creative and cultural product meets the market, the consumer the audience or the user - venues, historic buildings, libraries, shops and very large parts of the tourism business. This employs 34% of the CCI workforce of the region and generates 36% of turnover (c£16.6bn).

Manufacture and Reproduction (equipment, plant, materials: printing, broadcasting and other forms of mass production) are the smallest components of the regional production chain. reflecting in part the degree to which these more traditional parts of the sector have been displaced by creative and service activities, and overshadowed by their growth. Nonetheless, as well as companies in these areas being critical to local and subregional economies, they are significant contributors to the regional economy as a whole: CCI manufacturing companies turnover c£9.7bn –c21% of the turnover for the whole of the SE being generated by 7% of the workforce.

The strengths of the four sectoral groupings

Media and Digital, dominated by a small number of very large companies and a very large number of small ones, is the strongest creative and cultural sector - in terms of employment, turnover, number of businesses and its position relative to all other regions of the UK. This area generates c85% of CCI turnover in SE, and grew more in the SE than in the UK as a whole including London.

The SE has a strong **Tourism Recreation and Sport** sector with 21% of the region's CCI workforce and c6,700 companies turning over c£5.7bn. The scale and significance of the Sports sector in the region illustrates some very important connections to other parts of the regional and national economy (see two out of the four cluster studies in Section 7.3). The Tourism sector contributes to the regional economy in terms of employment and turnover, but is heavily dependent of the quality of the "content" (ie what people come to see and do, and the quality of environment etc.) originated within the region.

Arts and Design employs something like a quarter of the regional CCI workforce, even allowing for significant self-employment, with c6,600 companies turning over c£1.4bn. Nonetheless this sectoral grouping appears to be significantly under performing (see Location Quotients (LQs) in Section 2.2) and not helped either a lack of detailed research and policy formulation, nor by inconsistent and inadequate long-term investment in UK owned and regionally determined production capacity.

Heritage and Information Management is the smallest sector and shows a small decline in employment 1995-2000. It is the sector most dependent on public and charitable funding, and the least amenable to this sort of analysis. It is one of the most educated and knowledge based areas of CCI activity (indeed of all economic sectors) but average earnings are significantly lower than all other sectors. This reflects the lack of any cogent analysis as to how to make better economic value of its intellectual assets.

Issues for SEEDA and the Cultural Agencies

This study was commissioned to take a broad overview of the economic role of the creative and cultural sector in the region. The definition of the sector was unusually wide ranging and much of the economic and creative activity reflected in the findings is based in the commercial sector. Much of this is outwith the current policy scope and frame of reference of the cultural agencies. At the same time, public sector provision and cultural infrastructure forms a significant part of the cultural economy and knowledge asset of the region. Increasingly the boundaries between the public and the private and between different areas of creative activities are permeable.

SEECC and SEEDA play an essential role for part of the sector under examination – particularly in cultural, publicly funded activities. The findings of this report underscore how important it will be to establish sustainable relationships with the creative and commercial parts of the sector. Markets, businesses, organisations and individuals take little regard of geographical and definitional boundaries which – for many public agencies – are significant barriers to partnership and shared action. SEEDA and the members of the Consortium – individually and collectively – have access, through this report, to some very significant evidence, and a number of very influential arguments, which have largely been undervalued by other regional and national agencies and partners.

A number of regional cultural bodies have been reorganised over the last 2 years, for amongst other reasons to consist with the formal regional boundaries for the SE. The research period for this study has spanned one such change. On 1st April 2002 the Regional Arts Boards and the Arts Council of England joined together to create a new single arts funding and development organisation. At the same time Southern Arts (SA) and South East Arts (SEA) joined together to create a new regional arts council for the south and south east of England, Southern and South East Arts (SSEA).

The agencies charged with the support of these creative and cultural sectors will need to develop a greater understanding of the structures and dynamics of the CCIs. They need to give serious thought to the way in which individually, and collectively through SEECC, they can engage effectively with the full range and scope of CCI activity in the region. The horizontal linkages that exist between different parts of the sector and between different areas of creative practice, and the increasingly hybrid nature of creative innovation also need to be acknowledged, embraced and reflected in the workings of the agencies and the consortium.

This study makes clear the scale and economic significance of the CCIs in the South East Region's economy. It starts to indicate the complex and at times fragile ecology of the creative and cultural sector in the region. There are a number of policy implications, not least of which is the importance of the region's economic and cultural development agencies working closely with other public and private partners to put in place structures which will ensure that the needs of this economically significant sector are properly valued and addressed at a regional level. The creative and cultural sectors require the same level of political, economic and strategic support and advocacy, as other better recognised and better organised industrial and service sectors.

The research which SEEDA has recently commissioned – this study included – provides clear evidence that the creative and cultural sector makes a very significant contribution to the health and prosperity of communities, towns, cities, and rural areas; as a force for social inclusion; as a medium for education; in ways which protect and help sustain the environment. Perhaps least quantifiably, the cultural and creative sector delivers, supports, sustains and improves the quality of life for all who live, work or visit the South East. It is widely acknowledged that these contributions will all be essential in making sustainable and competitive knowledge economies.

With vision and determination the region is strongly positioned to maximize the contribution of the creative and cultural industries to the quality of life of the communities of the South East and to its economic ambitions.

1.3 STRUCTURE OF THE REPORT

The report is set out in the following sections:

1. Introduction and Summary of Findings
2. Methodology
3. Regional Overview
4. Regional Workforce
5. Regional Analysis – Cultural Industries Production System
6. Sectoral Groupings and Sub-sectors
7. CCIs at a sub-regional level – County-based data and Clusters
8. Priorities for Future Research

There are seven appendices which include the following contents.

App 1. Terms of Reference, Consultants and Client
App 2. Methodology
App 3. Cultural Industries Production System Additional Data
App 4. Sectoral Groupings Additional Data
App 5. CCIs at a subregional level
App 6. Case studies and examples
App 7. Bibliography

The original data – on which are based the summaries in the main report and the further analyses in the technical appendices – is held by SEEDA and SEECC.

2 METHODOLOGY

DPA's assessment of employment and economic data for the CCI sector in South East England is based on the following principles:

- To avoid any double counting between different sub-sectors or parts of the production chain.
- To enable data to be capable of aggregation and disaggregation within and between sectors, the production chain and counties.
- To assess data on the basis of the primary activity of the business or organisation, the employee or the self employed worker.
- To avoid making claims for employment and economic data which cannot be attributable directly to the CCI production chain.
- To focus not only on the CCIs in sub-sectoral terms but also and equally in terms of a production chain analysis (Cultural Industries Production System – CIPS)

It is important to stress that this study is not a policy document. It does not seek to provide policy prescriptions for any particular sector of the CCIs in the region, nor, given the objectives and scope of the study, does the study aim to discuss the particular sub-sectoral policy priorities or agendas of particular cultural agencies in the region.

The study is based on the analysis of existing data (as set out below). No primary research was included in the brief for this study.

2.1 DEFINITION OF CULTURAL AND CREATIVE INDUSTRIES

The definition of CCIs used for this study is exceptionally broad and includes the following sub-sectors of creative and cultural activity:

> Advertising: Architecture: Archives: The Arts and Antiques Market[1]: Countryside Recreation: Crafts: Design: Designer Fashion: Digital Media: Film and Video: Historic Sites, Buildings and Houses: Interactive Leisure Software: Libraries, Information and Knowledge Management: Museums: Music: Performing arts: Publishing: Software and Computer Services: Sports: Tourism: Television and Radio.

The definition of the cultural industries splits into two dimensions: breadth and depth. The definitions used by the DCMS fit solely into the former. The debate here is how to draw boundaries. For its 'Mapping Document'[2] the DCMS choose to include, in addition to the traditional areas of Plastic Arts, Fine Arts, Crafts, Performance Arts, and Audio-visual activities (notably, film and TV), Architecture, Design, Antiques and Designer Fashion in what it terms the 'creative industries'. Outwith the DCMS definition are Sport, Tourism, Libraries, Information and Knowledge Management, Archives and Galleries. As well as including these sectors, SEEDA and the SEECC have further extended their list to include cultural dimensions of the countryside economy. Definitions in this area are dominated by public policy-making concerns, and the traditional bureaucratic boundaries of responsibility. New concerns with regulation, changing technologies and social practices are likely to continue to make conventional boundaries and definitions inadequate.

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[1] Including contemporary visual arts
[2] *Creative Industries Mapping Document 2001*, DCMS 2001

The second dimension, depth, is more controversial. In the breadth definition, the count is made based upon the primary practitioners in each cultural form or area of activity. By contrast, the depth based definition recognises that the production of cultural 'products and services' requires the input of a number of other people and skills beyond that of the practitioner. These include skills and resources such as materials, technologies of distribution and consumption such as exhibition and performance spaces, or equipment, as well as people skilled in their operation and management, as well as the production of those tools (for example, musical instrument makers). Added to this are the resources and expertise to train both practitioners and supporting professionals, technicians and workforce. The list is extensive: Archives, Education and Training, Infrastructure, Facilities, Manufacturing, Distribution and Exchange, Administration.

Definitions using this principle are commonly called 'production chain' approaches. Depth approaches are particularly useful for strategic policy making. When considered together the two dimensions are termed the 'cultural industries production system' (CIPS).

2.2 DATA AND RESEARCH

Key Data Sources

Any definition of culture for policy purposes runs up against the practical problems of measurement. There are two issues here: what to measure, and how to obtain the data. The 'what' question can be applied to employment and output, as well as participation and infrastructure. The most common measure is employment, although, compounding the definition issue is a debate about counting based upon occupation (more akin to breadth measures), or/and employment (usually used in depth measures). The 'how' question is even more difficult. The commercial dimensions of cultural activities are very difficult to count either way as government statistical collection has not until very recently counted sub-divisions of cultural activity, in part because they were not previously seen as important, or because they are simply too new to have made it into the statisticians' lexicon.

This study has used seven national and regional sources which yield data relevant to an analysis of the part played by the CCIs in the regional economy. These have relative strengths and weaknesses in supporting the research objectives. The methodology and sources available provide a basis for comparison between regions and sub-regions and between different parts of the creative and cultural economy. For technical reasons including non-disclosure, rounding and the variations between sources the data works better for comparisons of strengths and trends and less well for the provision of absolute numbers.

Title	Source	Description	Characteristics
Annual Business Inquiry (ABI)	Office for National Statistics (ONS) via NOMIS	An annual survey of about 75,000 employers, which gives data on numbers of enterprises and employees, broken down by Standard Industrial Classification (SIC) to four digits, and by location to district or ward level.	• Employer-based survey. • Large regular survey producing robust data. • Time series enables analysis of growth patterns. • Does not include self-employed or very small enterprises.
Annual Employment Survey (AES)	ONS via NOMIS	Former annual survey of employers, replaced by ABI in 2001. Data from AES has been re-scaled to be	• Employer-based survey. • Large regular survey producing robust data. • Time series enables

Title	Source	Description	Characteristics
		comparable with ABI.	analysis of growth patterns. • Does not include self-employed or very small enterprises.

Labour Force Survey (LFS)	ONS	Quarterly survey of 60,000 sampled households, giving data on employment and unemployment, qualifications, previous employment, training, broken down by SIC to four digits and by location to district level. For reasons of statistical reliability, LFS estimates of less than 10,000 are not published.	• People-based survey. • Large regular survey produces robust time-series data. • Includes self-employed and occasionally-employed people. • Detailed SIC classifications only available at region level.
Yellow Pages Business Data Services (YPBD)	Yellow Pages	Analysis of businesses registered with Yellow Pages, includes data on type (by SIC 4-digit and YPBD's own classifications), location (by postcode sector and post town), limited data on turnover and number of employees.	• YPBD's classification is far more detailed that SIC and tells more about the nature of business. • Only those companies listed with YP are included so not comprehensive. • Tends to reflect employers rather than self-employed, but includes many small enterprises. • Postcode data is valuable for some analysis, such as clusters. Names, addresses and contacts listed.
Companies Register	Companies House (CH)	Available on a searchable database listing all companies currently registered (and de-registered) at CH.	• Comprehensive listing • Limited information. • Does not distinguish active from non-active company registrations • Location listed by postcode, so useful for detailed cluster analysis • Includes SIC codes if registered
Inter-departmental Business Register (IDBR)	Office for National Statistics (ONS)	IDBR is ONS' register of all UK businesses. It is updated from 3 main sources: ONS business surveys, information from Customs & Excise about businesses registering for VAT, and information from Inland Revenue about businesses registering for PAYE. IDBR uses the 5-digit SIC classifications. For the purposes of this report, ONS has supplied IDBR data based on VAT derived information only.	• Cross-tabulated listing of company records with VAT returns, providing a valuable source of reasonably robust research data. • Includes turnover bands, SIC codes and legal status. • Does not cover enterprises or individuals not registered for VAT. • 5-digit SIC gives more accurate information on sectors. • Has many disclosure restrictions
SEEDA Business Database	SEEDA	A commercially provided business database listing for the SE region.	• Names, addresses and contacts are listed • Classified to 4-digit SIC • Limited business description information • Very limited data on

			employment and turnover • Not wholly consistent with CH listings

Data from ABI and LFS is derived from data for Year 2000, which is the most recent available and IDBR data is derived from March 2001and therefore predates the Foot and Mouth disease outbreak and the events of September 2001. Yellow Pages Business Directory is derived from data for Winter 2001/2, postdating these significant events.

Research Methodology

- A selected range of SIC 92 classifications to be included in the statistical part of the study was agreed with the client. As data sources use SIC 92 differently, a specific list of classifications to be included was developed for each source. These are set out in Appendix 2 of this report.
- Two alternative analytic frameworks were used in the study to enable comparative and contrasting views of the make-up of sub-sectors to be obtained. Four sectoral groupings were agreed with the client. These are Heritage and Information Management; Tourism, Recreation and Sport; Digital and Media; Arts and Design. Specific SIC 92 4- and 5-digit classifications were identified for each grouping.

  The Cultural Industries Production System analysis, adapted to encompass the range of industry sectors included in the study was also used. This comprises four groupings: Manufacturing Inputs; Content Origination; Reproduction; Exchange. Specific SIC 92 4- and 5-digit classifications were identified for each grouping. Please refer to the introductions to Section 5 and Section 6 for a detailed description of these groupings.

- Where statistically permissible, analysis was made of some sub-groups within these two frameworks.
- ABI and AES use the 4-digit SIC 92 classifications. Employment data from ABI 2000 was used and AES 1995 data, re-scaled to match ABI, was used as a comparator. Data on employment by industry, location and full/part-time was obtained by detailed searches of the NOMIS statistical service database.
- LFS employment data by place of residence, industry and type of employment for the Spring quarter 2000 and 1995 was obtained from ONS. LFS uses SIC 92 4-digit classifications except for two sectors, wholesale and retail, where the 2-digit classification is used. The 2-digit classification is too coarse a measure for this study, and so these sectors were excluded from the LFS part of the analysis.
- ABI/AES provides data to county level and below (subject to there being a sufficient sample). For the purposes of this study employment data has been assessed to sub-regional level, based for convenience on the historic county boundaries including unitary authorities. Further analysis at a more local level is possible subject to there being a sufficient sample and could be employed at a later date.
- LFS data has only been available at a regional level and thus no sub-regional or county-based evidence is presented for self-employment and workforce analysis.

- Company and turnover[3] data is based primarily on analysis of the IDBR. IDBR data in this report is derived from the total of all VAT registered enterprises, businesses and sole traders including their non-vatable supplies and so is comprehensive. IDBR therefore excludes enterprises, businesses and sole traders not registered for VAT. IDBR provides SIC classifications to the 5-digit level. This enables a more accurate picture to be drawn, as there are some significant sub-sectors where the 5th digit provides a finer focus on the areas of interest of this study. March 2001 data on count, employment and turnover for VAT-based enterprises and businesses in specified groups of 4- and 5-digit SICs was obtained from ONS.
- It should be stressed that ABI, LFS and IDBR are independent data sources the analysis of which provides for a rounded view of a sector. However variations between the data generated by each source is inevitable.
- Analysis of data sets from ABI, LFS and IDBR is subject to rounding and marginal variation.
- AES, ABI and IDBR data is of a non-disclosive nature to protect the identities of individual companies. Total aggregated figures for IDBR are accurate. However, as a result of non-disclosure, grouping data by turnover reduces accuracy. For this reason, data assessed by turnover band is generally presented as a share of the total rather than as a value.
- In addition the Yellow Pages has been assessed for a further analysis of company information. Yellow Pages Business Data Services provided listings of companies registered with YP from its database. YP classifications were compiled to match approximately with the range of SIC classifications used in the study. YPBD allows for some precision in type of company as well as location. The data provided is available for further analysis.
- Location Quotients (LQs) have been used from time to time in this study. LQs offer a broad indication of the success or otherwise of an economic sector relative to a region's population. In other words they indicate if a sector is performing worse, as well as or better than expected in a particular region. This provides for a measured analysis of significant employment, rapid growth and high level skills in the CCIs in the region

Additional jobs and turnover

There is no consistent nationally agreed methodology for reaching a view on the extent to which any CCI sub-sector generates additional jobs or turnover in related industries in absolute terms. For this reason the study has excluded all employment in the catering industry (SIC Codes 553 and 554), and in retail and wholesale (where there is no direct production chain link with the CCIs). Nor has this study sought to indicate secondary impacts through the use of multipliers. This study has sought to provide a baseline of what we know and not an estimate of what we may surmise. This ensures that our analysis enables consistent comparison across and between regions and sub-regions and between different sectors and sub-sectors.

[3] For the purposes of this report, the IDBR definition of turnover is used: turnover is the total quantity of business transacted by a company in a year, for which total expenditure is usually used as a proxy.

Tourism data

The Tourism industry however, provides detailed research into visitor spend in all sectors of the economy (i.e. including retail, catering) and the most recent detailed evidence on visitor spend in the region has been assessed and is contained in Section 6.

The Tourism industry has for many years undertaken an analysis of employment based on an assessment of SIC codes. This approach differs from the one presented in this report because:

- in some cases SIC codes were not included in the data search for this report (i.e. catering, pubs etc, see rationale above)
- in some cases employment in cultural sectors (i.e. Sports, Museums, Libraries) - counted by the Tourism industry as Tourism employment - is counted here on the basis of its primary purpose.

In order to avoid any confusion, and to ensure that the full economic contribution of Tourism to the regional economy is understood and acknowledged this report also sets out the Tourism industry's own analysis of employment in the region in Section 6 of this report.

The regional cultural and creative industries agencies collect different data in different ways. Data from these sources is rarely consistent and even more rarely susceptible to aggregation. For this reason, and in order to provide a level of consistent analysis across all sectors and all parts of the region, the consultants have elected to base their primary findings on a limited number of key data sources. Data relevant to this study and which illuminates the structure, funding, participation levels and hotspots of activity in the cultural sectors is included in Section 6.

2.3 COMPLEMENTARY STUDIES

SEEDA and its partners commissioned this report at the same time as a number of other studies which have some bearing on the CCI economy of the region. As set out elsewhere in this introduction, the estimation of employment and related economic data in the creative and cultural sector is of necessity an inexact science. The choice of sector definition and the subsequent identification of appropriate SIC codes will determine the final research findings. These complementary studies are:

IMPACT study into the training needs of the Tourism and Cultural Industry

- The Group of Cultural Industry National Training Organisations in the South East, IMPACT, has undertaken a study into the training needs of the "Tourism and Cultural Industry" sector in the region.
- The IMPACT study employs a different sector definition than that used for this study and as a result the IMPACT study's findings on employment and related data varies considerably from the data contained in this report. The IMPACT group did not include Skillset; the NTO for the audio-visual industries, and employment in the audio-visual, media and design sectors is not included in the study. Conversely the IMPACT Study does include employment in Restaurants, Pubs, Bars and Cafes which was excluded from this study in order to avoid making claims for employment and economic data which cannot be attributable directly to the Creative and Cultural Industries production chain.

The Environmental Economy of the South East

- The SEEDA report into the Environmental Economy of the South East (Land Use Consultants 2002) will assess the significance of the environmental economy and point to potential growth areas. It is likely that this report will point to contribution and the costs of a number of cultural and creative activities which form part of the scope of this study – particularly in the areas of sport, countryside economy, tourism and heritage related sectors. The research findings of the Environmental Economy report are not part of this research, nor vice versa.

Economic Impact of Sport in the Region

- Sport England has commissioned a study into the Economic Impact of Sport in the Region, as one of three pilot studies with a view to developing a national methodology and assessment of the economic impact of sport.

2.4 RESEARCH PROPOSALS AND DATA MANAGEMENT

DPA has provided SEECC and SEEDA with an assessment of the research priorities which follow on from this initial survey. Each of the sections of the report (see 1.5 above) has had identified a small number of research priorities which will enable the clients to hold onto the knowledge advantage which report should provide them with. This is set out in Section 8. In addition, the data sources listed in section 2.2 above provide significantly more detail than can be fully used in a summary report. The further interrogation of the data now held by SEEDA and SEECC is a significant task which will enable the agencies responsible for support and development of the sectors to extract further value adding data.

2.5 CASE STUDIES

A number of case studies have been deployed in the report to illustrate the diversity of the cultural and creative economy in the SE, and to help point to some of the issues which the survey of data and agency information has provided. These are referenced in footnotes, and related text and illustrations will be found in Appendix 6.

2.6 HOW TO READ THIS DOCUMENT

The following abbreviations and terms have been adopted throughout.

Businesses and Organisations	Used generically in the report to include companies, non-profit distributing organisations and public agencies, excluding self-employed sole traders. IDBR data includes VAT registered enterprises or businesses and thus excludes very small traders and others not registered for VAT.
CCI/CCIs	Creative and Cultural Industry/Industries
CIPS or “production chain”	Cultural Industries Production System see 2.2 for definition
LQ	Location Quotient
Sector	The whole CCI area of activity
Sectoral Groupings	4 sets of subsectors grouped for assessment and comparison: Heritage and Information Management; Tourism, Recreation and Sport; Media and Digital; The Arts and Design.
SE/SEE	South East/ South East England
SSEA	Southern and South East Arts
Sub-regional	Counties (historic and current) and Unitary

	Authorities
Sub-sectors	Component areas and activity of Sectoral Groupings e.g. Libraries, Information and Knowledge Management, Museums, etc
Turnover	Total quantity of business transacted by a business or organisation in a year, for which total expenditure is used as a proxy. This is distinct from GDP (the total market value of all final goods and services produced in a country/ region in a given year) for which no data has been available.

3 REGIONAL OVERVIEW

3.1 SUMMARY OF KEY FINDINGS

Employment

- Employment in the CCIs grew by 28.4% in the South East in the period 1995 – 2000, almost double the average for England as a whole. [chart 3.1]
- About 560,000 people are employed in the CCIs in the South East, 19% of England's total employment in this sector. [chart 3.2]
- The SE and London together account for over 50% of England's CCI employment. [chart 3.2]
- Employment in this sector accounts for 13.2% of the regional workforce [chart 3.3]
- An additional 90-100,000 self-employed people work in the CCI sector in the region. [chart 3.4]
- Self-employment in the SE has declined faster (3.3% 1995-2000) than the UK as a whole (0.1%) [chart 3.5]
- Location Quotients for CCI employment in the region indicates that the sector is performing better than expected, controlling for region size. [chart 3.6]

Industry size and structure

- The CCIs in the South East generate a turnover of c£46.5bn or c11% of total business turnover in the SE [chart 3.7 & 3.8]
- About 51,000 CCI businesses and organisations are located in the region [chart 3.9]
- A small number of very large businesses and organisations and a large number of very small businesses and organisations dominate the sector as a whole. [chart 3.9]
- 73% of total turnover is generated by 2% of businesses and organisations in the sector whilst only 3% of total turnover is generated by 56% of businesses and organisations. [chart 3.9]

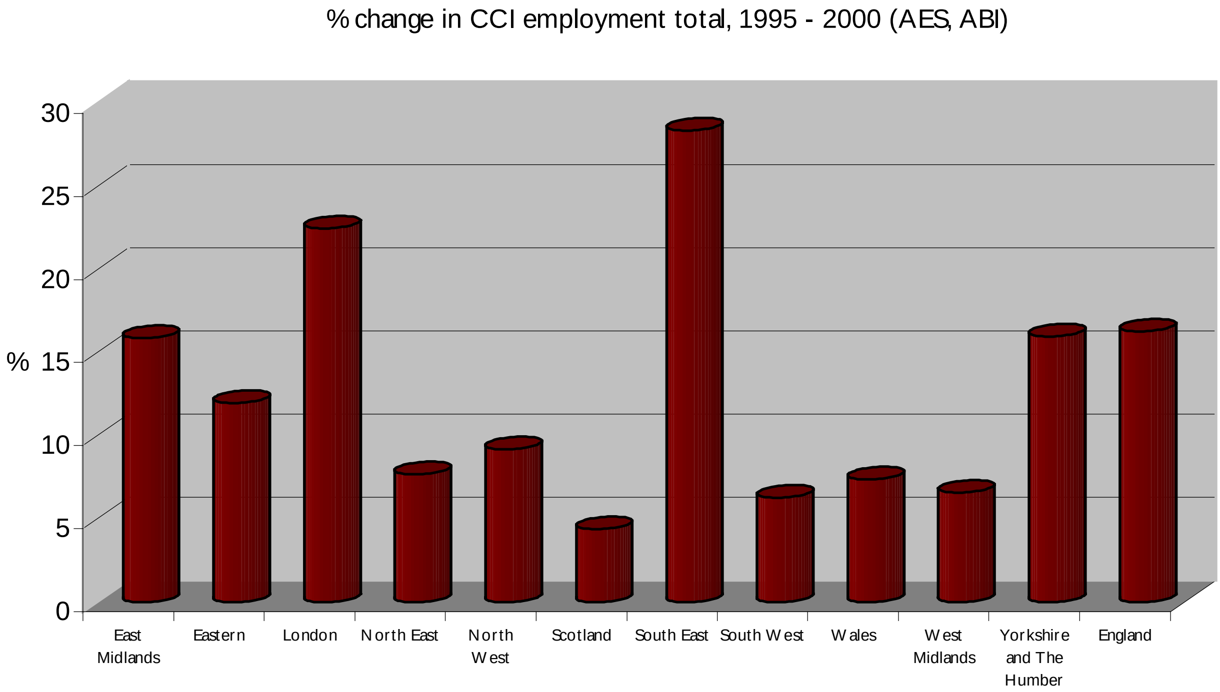
3.2 EMPLOYMENT – GROWTH

The CCIs across the UK have been experiencing dramatic growth in recent years. Growth in the numbers of people employed in the whole sector is a key indicator of its health. Figure 3.1 indicates clearly the speed and strength of growth in the sector in the period 1995 and 2000[4], and provides for comparisons between the SE and England, the English regions, Scotland and Wales.

- Employment in CCIs grew by 16.3% in England between 1995 and 2000. Distribution of employment growth is uneven across Great Britain, and there is a radical concentration of growth in London and the SE.
- Employment in the CCIs in the South East grew by 28.4% in the period 1995 to 2000.

Employment growth in the sector in the South East has exceeded employment growth in the sector in London (22.5%). This is perhaps the strongest indicator of the health of the sector in the region and offers strong evidence that the proximity of this global centre of creative and cultural economic activity is not a drain on the prospects of the sector in the South East as has been suggested in the past.

Figure 3.1



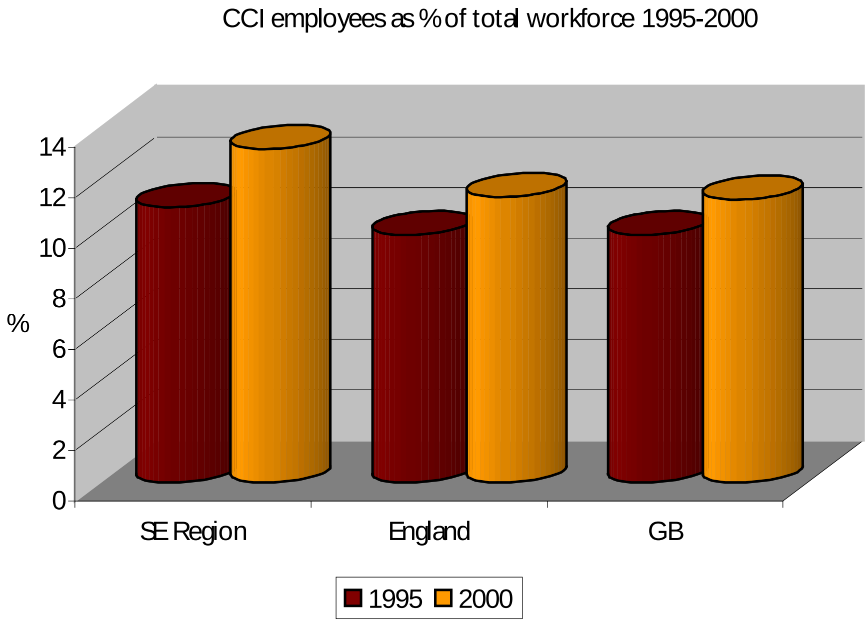
4 All employment data in this report is based upon AES 1995 and ABI 2000 unless otherwise stated.

3.3 EMPLOYMENT – NUMBERS

- c560,000 people are employed in the CCIs in the South East.
- The South East employs c17% of the CCI workforce in Great Britain.
- The South East employs c19% of the total CCI workforce in England
- Taken together London and the SE have 54% of the CCI employment in England.
- CCI employment accounts for 13.2 % of the SE workforce. This share of the regional workforce has increased from 10.9% in 1995, an increase of almost 2.5%.
- The CCI share of the regional workforce exceeds the CCI share of the national workforce. In England 11.3% and in Great Britain 11.2% of the workforce are active in this sector.
- The CCI sector's share of the workforce has also increased by a greater degree in the South East than in England or Great Britain, where growth in CCI sector employment as a percentage of the workforce has been +/- 1.5% as compared to almost 2.5% in the South East.

Figure 3.2

Figure 3.3



3.4 SELF-EMPLOYMENT

The CCIs have been regarded as a sector with particularly high levels of self-employment. Based on evidence from the Labour Force (LFS) survey it is possible to draw some conclusions about levels of self-employment in the sector in the region.[5]

- LFS indicates that in the UK 21.7% of the CCI workforce is self-employed. In London this rises to 33.8%. In the South East self-employment in the CCI sector is lower than the UK average at 18.4% of the total CCI workforce.
- Based on the data provided by LFS there are in the region of 90–100,000 self-employed people working in the CCIs in the SE Region.
- The total number of employed and self-employed people working in the CCI sector in the SE Region is therefore c650,000.
- Over the period 1995 to 2000 there has been a very marginal (-0.1%) decline in self –employment in the sector in the UK as a whole although there are significant variations across GB. London shows the most marked increase in self-employment in the sector at 7.2% - although this growth is significantly less than employment growth in the sector as a whole.
- In the South East self-employment has declined by 3.3% in the period. This is a significantly greater decline than the UK average.

[5] Baseline employment figures for employees in the region in this report are drawn from an analysis of AES/ABI – an employer based survey. Data on self-employment is from LFS using the same SIC codes and groupings. Because LFS is a survey based on individuals not companies there are inevitably some variations between the findings of the two surveys. However because LFS surveys for self-employment, it is reasonable to indicate total CCI employment in the region – employed and self employed – based on ABI + LFS self employed.

Figure 3.4

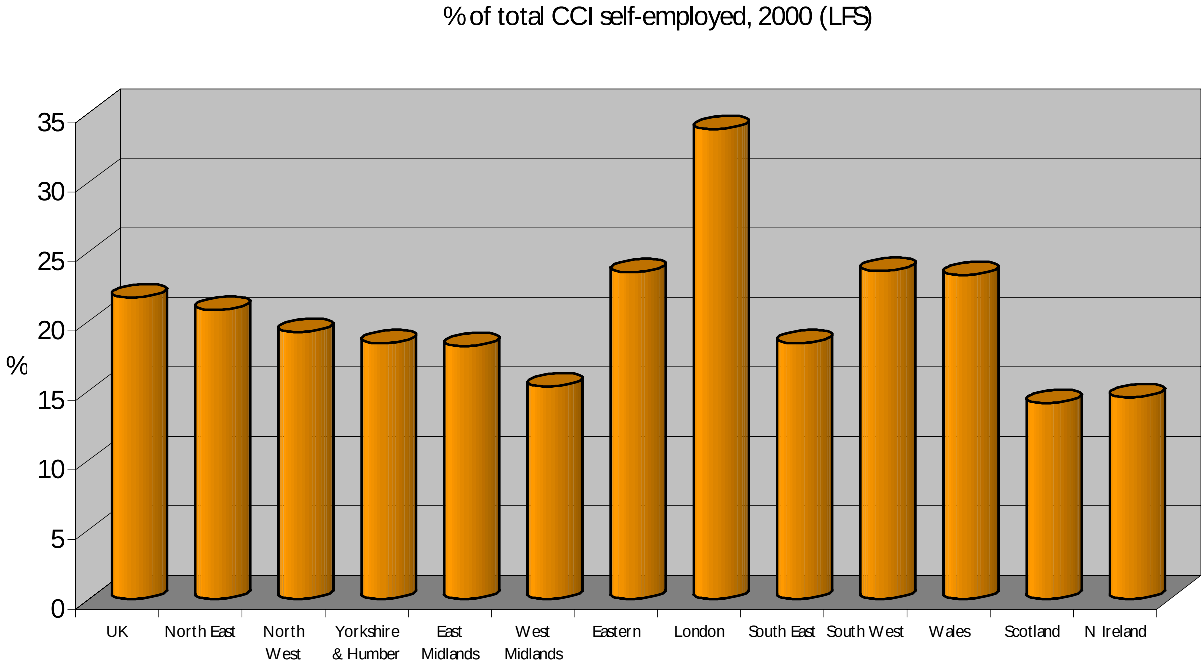
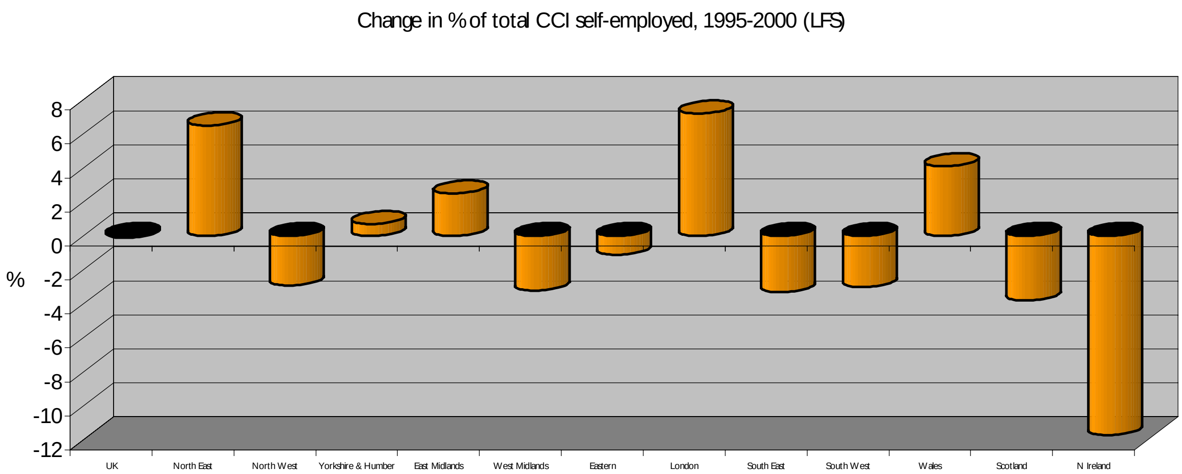


Figure 3.5

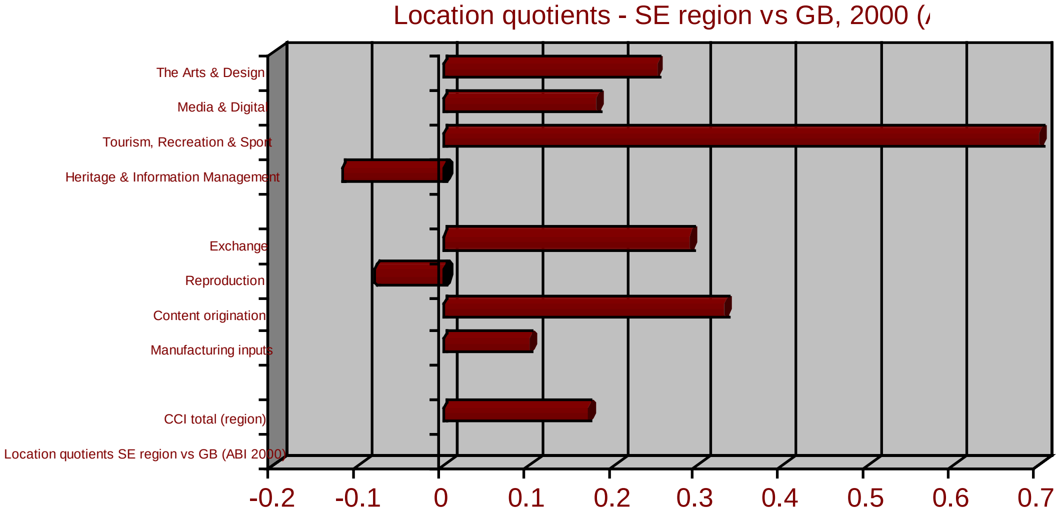


3.5 EMPLOYMENT - LOCATION QUOTIENTS

By assessing CCI employment in terms of employment patterns in the South East and Great Britain as a whole it is possible to draw some conclusions as to the extent to which the region is achieving a higher or lower level of employment in the sector than expected. A Location Quotient (LQ) of less than 0.0 indicates a poorer performance than expected. An LQ of 0.0 means that the industry sector performed as expected (controlling for region size). An LQ of over 0.0 suggests that the industry sector is performing better than expected and indicates a concentration of activity.

- This analysis indicates that whilst employment in the sector is growing at an exceptional rate (see figure 3.1 above) the region's CCIs are only performing marginally better than would be expected, with an overall LQ of +0.17.
- Analysis of employment LQs by Sectoral Groupings and by CIPS indicates some variation within the CCIs as a whole offering some evidence of concentrations of CCI activity in the region.
- The margins of variation fall within the boundaries of – 0.12 (Heritage and Information Management) and + 0.7 (Tourism, Recreation and Sport). Only Heritage and Information Management and Reproduction show negative LQs.

Figure 3.6



3.6 INDUSTRY SIZE AND STRUCTURE

- There are c51,000 VAT registered CCI businesses and organisations[6] located in the SE representing 20.3% of all VAT registered businesses in the region.
- These businesses and organisations generate a turnover of c£46.5bn, or 11.3% of the turnover of all VAT registered businesses in the region.
- Employment in VAT registered CCI businesses and organisations in the region accounts for 13.9% of total regional employment in VAT registered businesses, broadly in line with the CCI share of the total workforce[7].
- The CCIs in the SE are structured around a very large number of very small businesses and organisations and a very small number of very large businesses and organisations. 86% of VAT registered businesses and organisations turnover under £500,000. The average number of employees across the region is c8 and the average turnover of CCI businesses and organisations in the region is c£900,000.
- 73% of total CCI turnover is generated by only 2% of VAT registered businesses and organisations, all with turnovers exceeding £5m. These businesses and organisations account for 52% of total CCI employment in the region. These businesses and organisations represent c16% of the region's total number of

[6] All business data in this report is based on IDBR March 2001 unless YPBD or other sources are specified. IDBR data is derived from the total of all VAT registered businesses but includes non-vatable supplies.
[7] See section 3.3 above.

businesses generating over £5m and generate 10% of the turnover of this size of company in the region.

- Only 3% of total CCI turnover is generated by 56% of VAT registered businesses and organisations all with turnovers of less than £100,000 and which employ 11% of the regional CCI workforce. These CCI micro-businesses and organisations represent c24% of the region's total number of VAT registered businesses generating under £100,000 and contribute c24% of the total turnover generated by this size of business in the region.
- 7% of turnover is generated by 30% of VAT registered businesses and organisations all with turnovers between £100,000 and £499,000. They employ 14% of the workforce. These CCI businesses and organisations account for c17% of the region's total number of VAT registered businesses of this size and generate c16.5% of the total turnover of this group of the region's businesses and organisations.
- 4% of total turnover is generated by 6% of VAT registered businesses and organisations all with turnovers between £500,000 and £999,000. They employ 7% of the CCI workforce. These CCI businesses and organisations account for c17% of the region's VAT registered businesses of this size and generate c17% of their turnover in the region.
- 13% of turnover is generated by 6% of VAT registered businesses and organisations with turnovers of £1m - £4.999m. They account for 16% of employment in the CCIs in the region. These CCI SMEs account for c18% of the total number of VAT registered businesses of this size in the region and generate 18% of their turnover in the region.

Figure 3.7

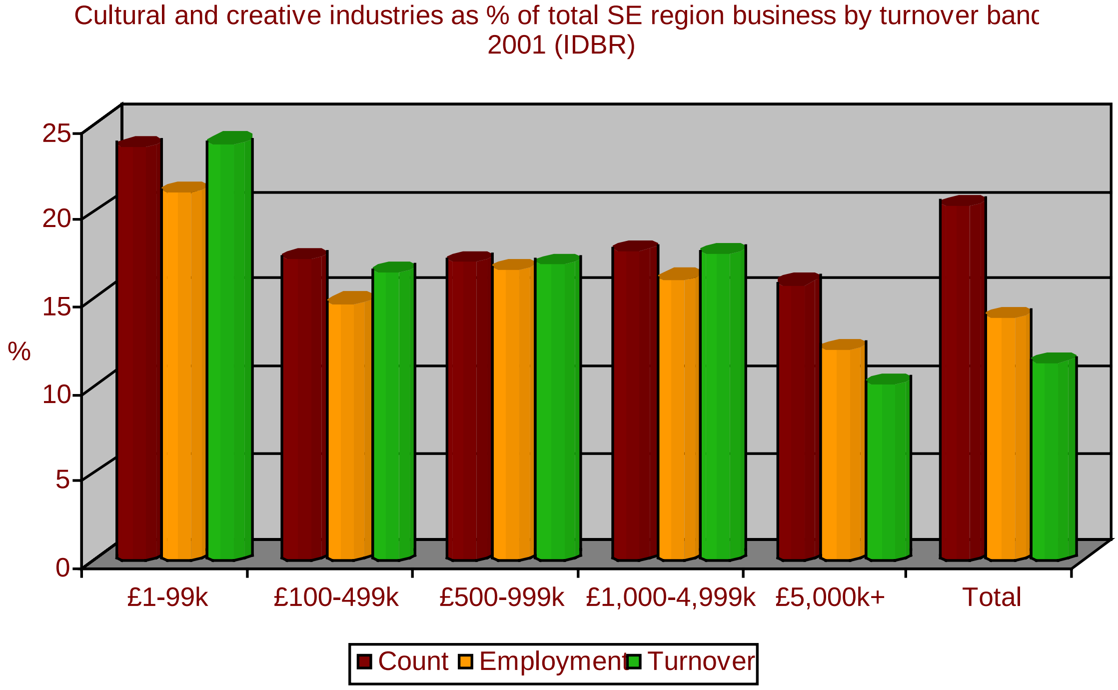


Figure 3.8

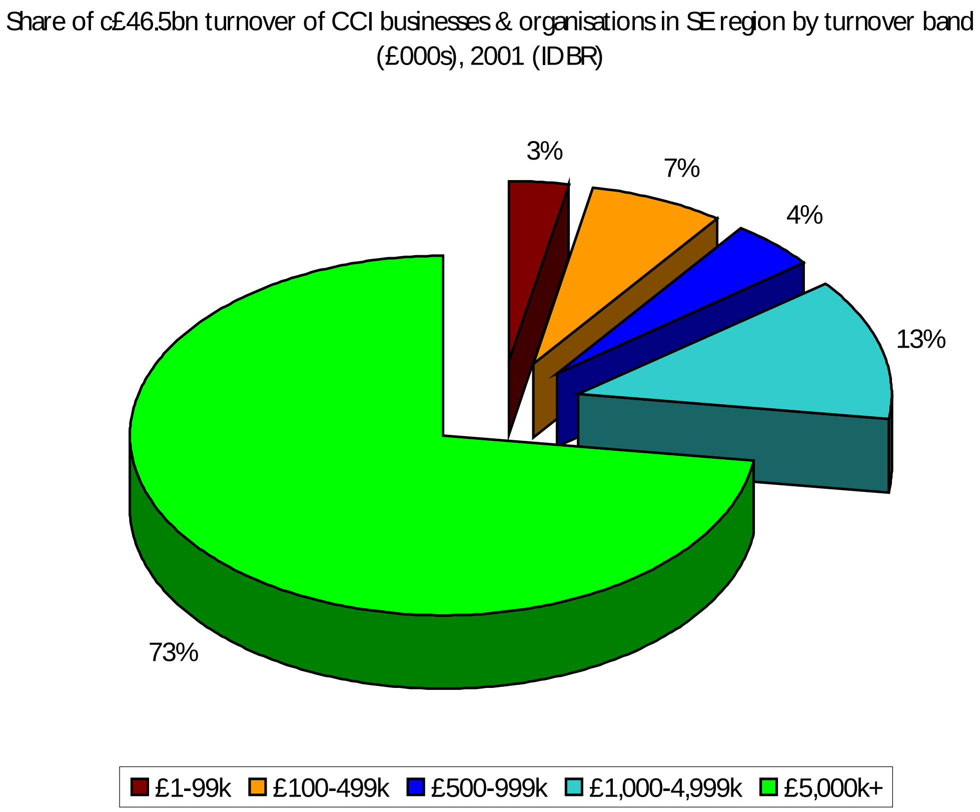


Figure 3.9

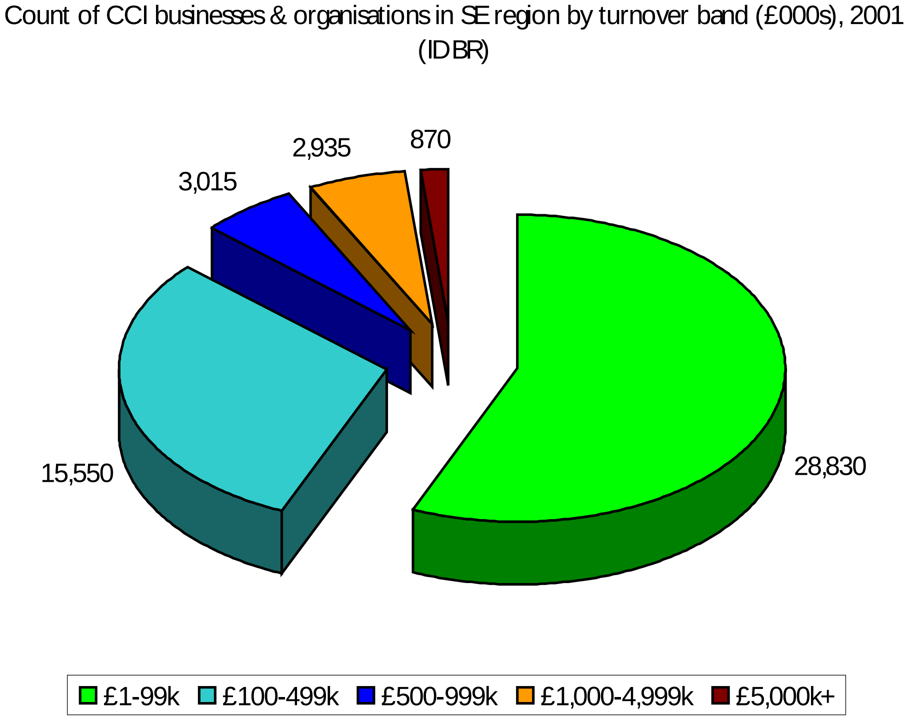
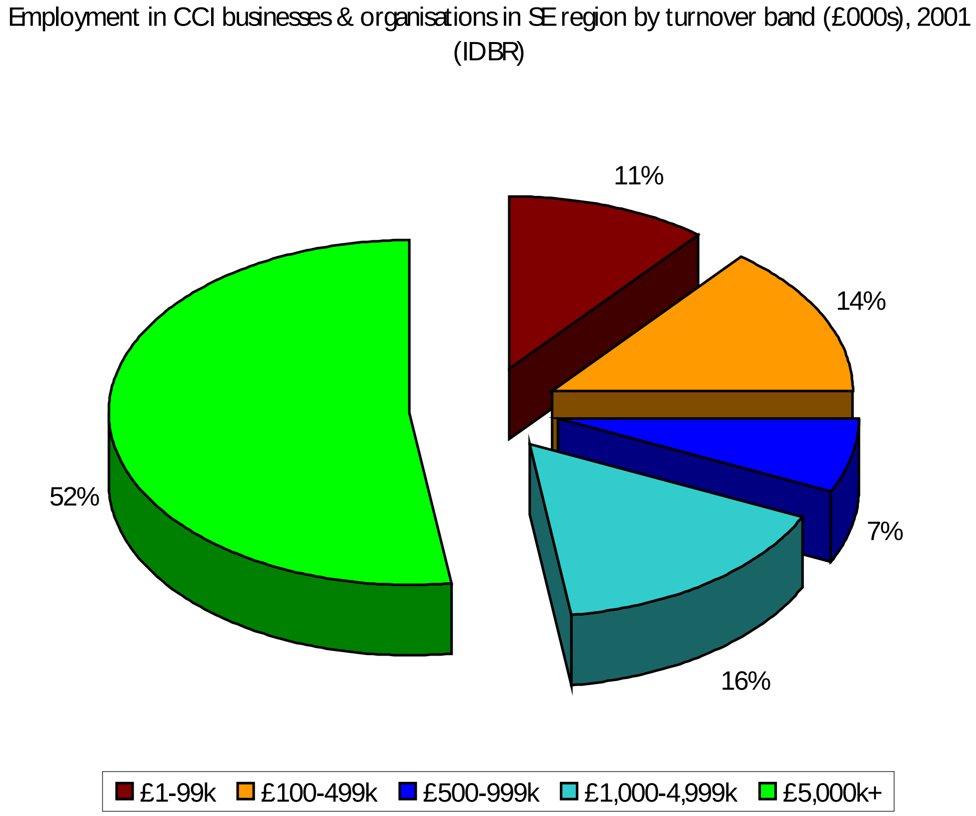


Figure 3.10



4 REGIONAL WORKFORCE

4.1 SUMMARY OF KEY FINDINGS

FULL AND PART TIME WORK

- 30.4% of the CCI workforce work part time[8]. [chart 4.1]
- Over 50% of Heritage and Information Management employment and c47% of Tourism, Recreation and Sport employment is part time. [chart 4.2]

EARNINGS

- Average full time weekly earnings are 20% higher than the regional average for the whole workforce[9] [chart 4.4]
- Full time CCI employees in the South East earn c18% more than those in the UK as a whole. [chart 4.4]
- The region generates c21% of total UK CCI annual earnings. [chart 4.5]
- Earnings and qualifications in the knowledge based part of the production chain, Content Origination, are slightly above the UK average. [chart 4.6]
- Earnings in Heritage and Information Management are almost 40% lower than the sector's overall average in the region failing to reflect the high skills levels and knowledge base in this sectoral grouping. [chart 4.6]

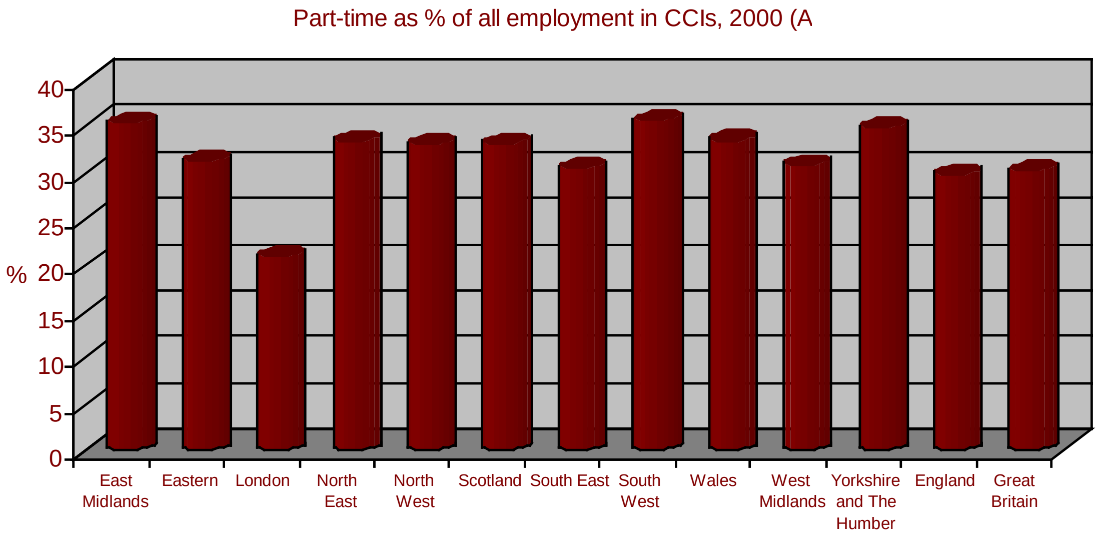
QUALIFICATIONS

- 30.1% of those working in the CCIs hold at least degree or equivalent level qualifications compared to 19.7% of those working in the SE economy as a whole[10]. [chart 4.7]

[8] Part Time data based on ABI 2000.
[9] Earnings data based on LFS 2000
[10] Qualifications data based on LFS 2000

Full-time/Part-time work

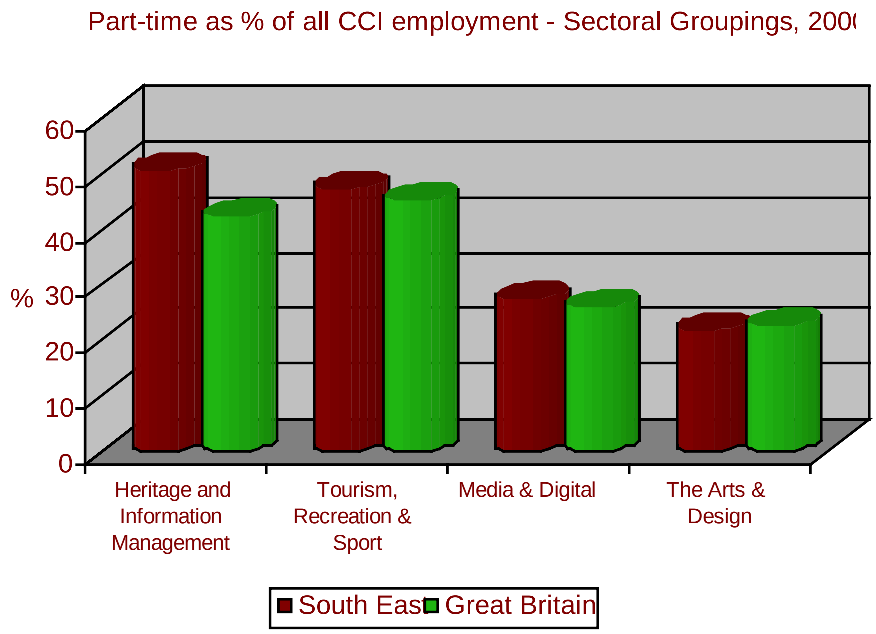
Figure 4.1



Some parts of the CCI sector are notable for significant levels of part time and / or seasonal working.

- 30.4% of those employed in the CCIs in the South East work part time, only marginally more than the percentage of part time employees in the CCIs in Great Britain as a whole (30.1%).
- Apart from London (20.9% part time) the South East has the lowest percentage of part time CCI employees in the English regions, Scotland and Wales.

Figure 4.2

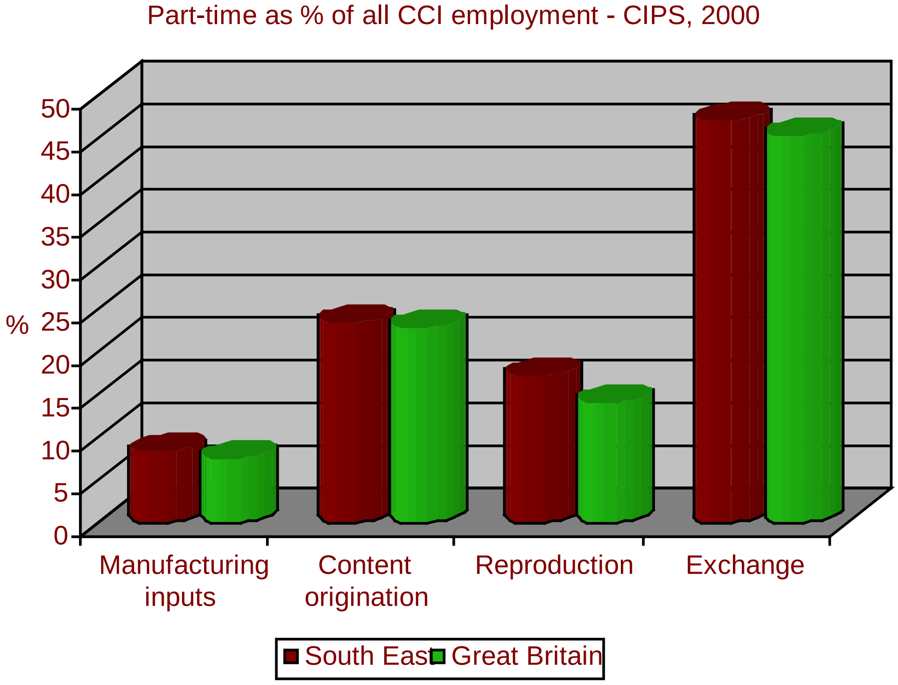


Analysis of part time employment by sectoral grouping indicates significant variations in levels of part time and / or seasonal employment.

- 50.4% of those working in Heritage and Information Management are employed on a part time basis. This in part reflects the seasonality of employment in Built and Natural Heritage organisations, in part pressures on the finances of smaller museum and archives organizations and in part on the structure and delivery of public library services. However part time working in this sectoral grouping in the South East is somewhat higher than the GB average (42.1%) and this may indicate particular regional pressures, for example in funding and resourcing.

- 47.1% of those working in Tourism, Recreation and Sport in the region are employed on a part-time basis. Again, this strongly reflects seasonality in the Tourism sector and the structure of many jobs in both the sports and recreation sectors. This is a slightly higher percentage than in GB as a whole.
- Part time employment in the Media and Digital sector is, at 27.2% is again only marginally higher than in GB as a whole where 25.8% work part time. Part time working in the Arts and Design is perhaps surprisingly a lower percentage of the workforce than in other sectoral grouping.

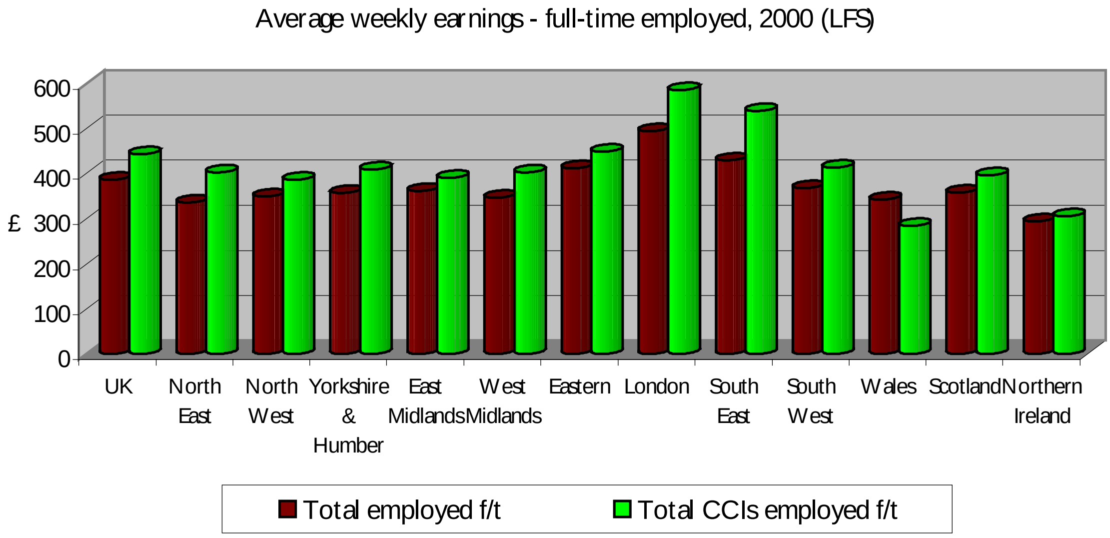
Figure 4.3



Viewed from the perspective of the CIPS analysis, the distribution of part time employment appears to mirror the national picture with particularly high levels of part-time employment in the Exchange part of the production chain (46.9%). Only the Reproduction phase with 17.2% working part time shows any real variation with the GB average (14%) and this is marginal.

Earnings

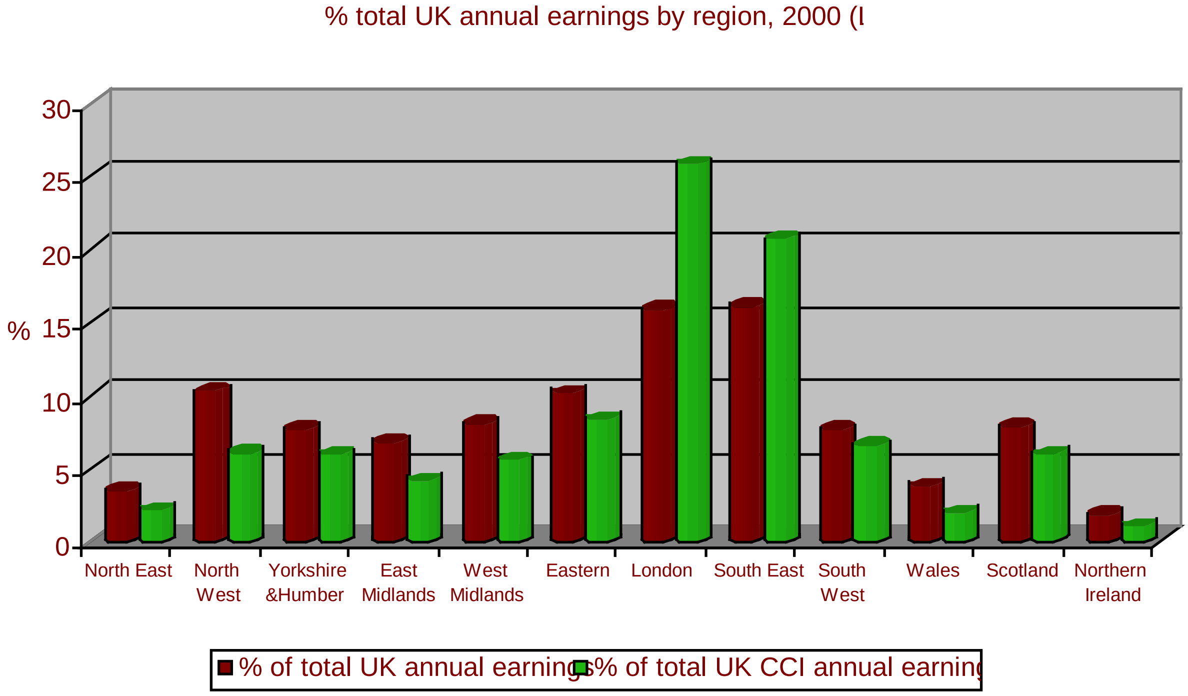
Figure 4.4



Average weekly earning in the CCIs in the UK are (with the single exception of Wales) higher than UK average weekly earnings. The disparity between average weekly earnings and CCI earnings is greatest in London and the South East

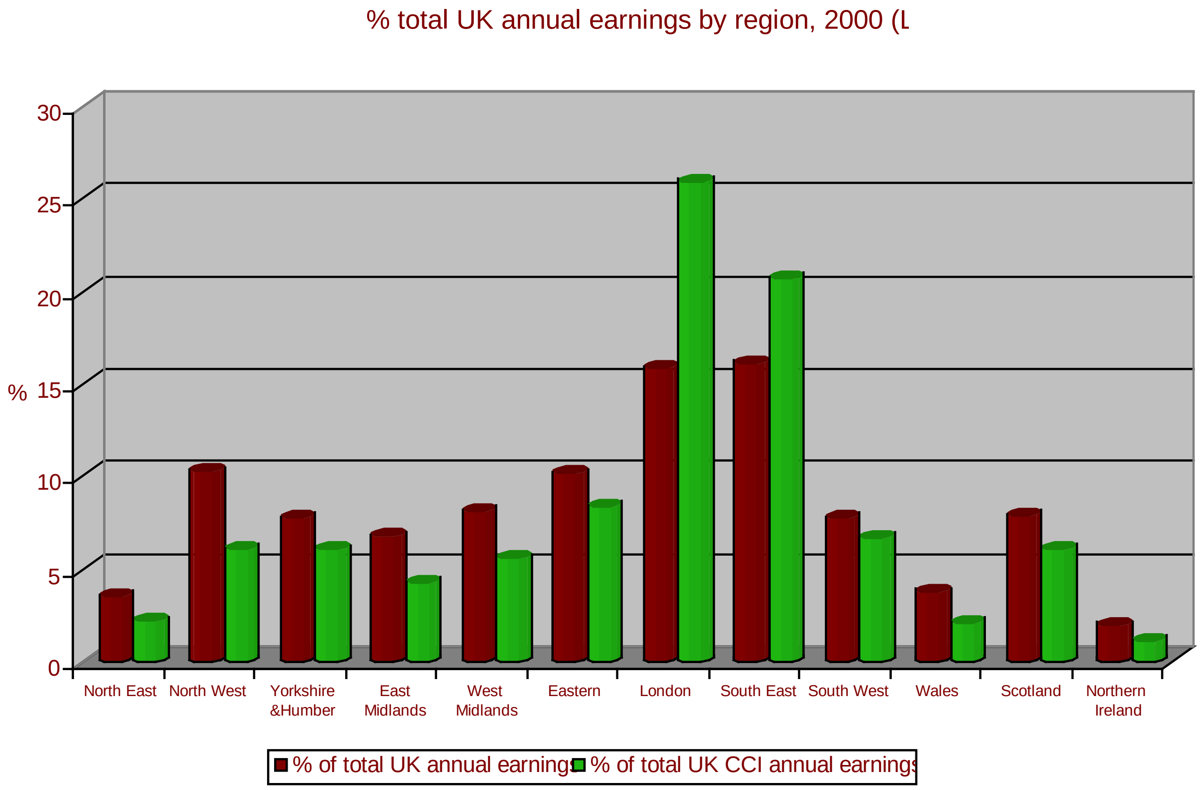
- The average weekly earnings for a full time CCI employee in the South East are c£539, or c20% more than the average weekly earnings in the South East economy as a whole of c£429
- In London CCI earnings are 15% higher than the regional average.
- Full time CCI employees in the South East earn c18% more than those in the UK as a whole where average earnings for the sector are c£443 or only 13% above earnings for all sectors of the economy.

Figure 4.5



- The CCIs in the South East generate c21% of the total UK earnings in this sector. (The South East economy as a whole generates c16 % of total UK earnings.)
- London and the South East together generate almost half of the total UK earnings in the CCI sector.

Figure 4.6



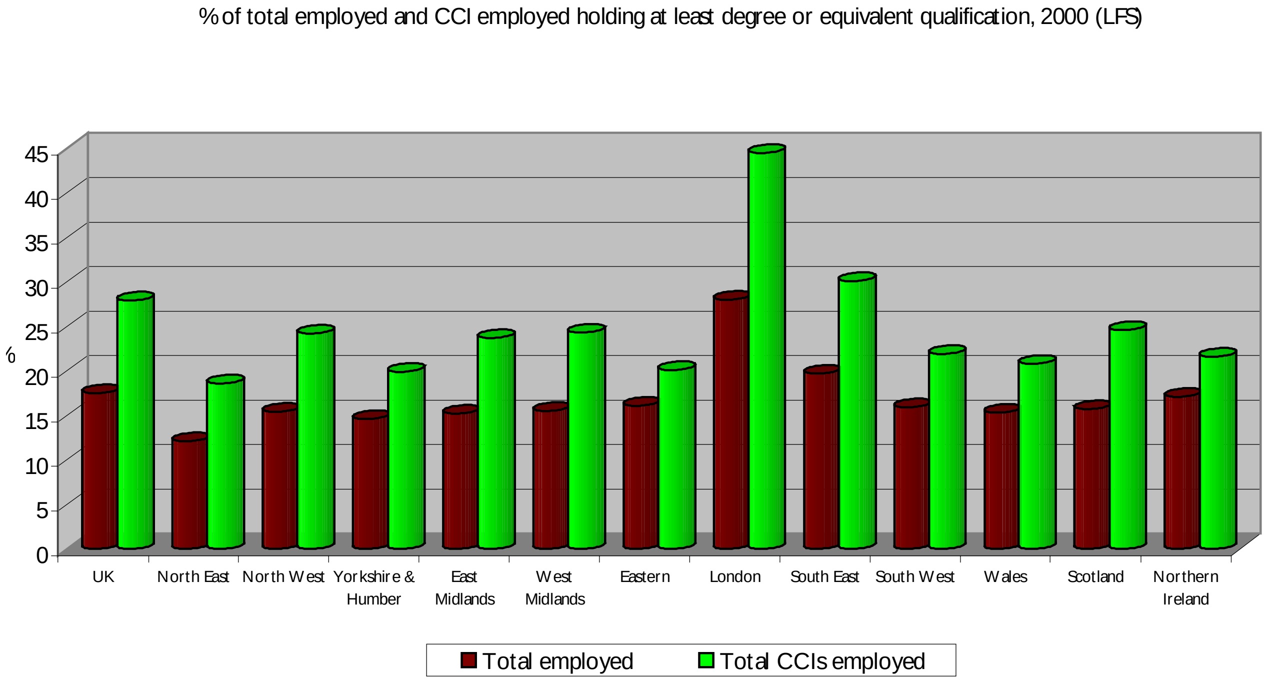
Analysis of earnings in the CCIs in the South East by sector groupings and by the CIPS analysis reveal a more variable picture of earnings in the sector in the South East.

- Earnings in Manufacturing Inputs and Exchange in the South East are respectively c29% and c23%higher in the South East than in the UK as a whole at c£461 and c£356.
- Earnings in Reproduction of c£391 lag behind the UK average which is c2.3% higher. In light of the high cost of living associated with living in the South East it is possible that comparatively low earnings reflect and / or are contributing to the trend of decline in employment in this part of the CCI production chain in the region.
- Of greater concern is the only marginal difference in earnings between the South East and the UK as a whole in the core area of the CCI production chain – content origination. Average earnings in this sector in the South East of c£564, are only c5.5% higher than in the UK as a whole.
- Whilst employment in Content Origination has outstripped the rest of the country in the period 1995 – 2000 earnings evidence may indicate a possible threat to sustainability of the sector. The high cost of living in the South East and the demand for highly skilled content origination employees across the UK with limited skills supplies in these knowledge rich areas of activity may make a labour market known for its mobility and flexibility look elsewhere for its employment.
- E-business makes location an increasingly less significant issue for some businesses and organisations in this part of the creative economy. The attraction of location out of the region for some businesses and organisations and their employees may present a medium term threat not only to the CCIs in the South East but to the drive to develop a knowledge rich economy in the region.

- Earnings in Heritage and Information Management (c£340) are c37% lower than the sector's overall average earnings in the region and only marginally higher than the UK average for this sectoral grouping. This fails to reflect the high skills levels (c40% with at least degree or equivalent qualifications), the knowledge base and knowledge management contribution of this sectoral grouping.
- Workers in Tourism, Recreation and Sport earn on average c£381, significantly more than the UK average for this sectoral grouping of c£273.
- Perhaps surprisingly the highest average weekly earnings in the sectoral groupings are found in The Arts and Design – which also have the highest percentage of workers with at least a degree level qualification (see below). Workers in this sectoral grouping earn on average c£569, c12% more than Arts and Design workers in the rest of the UK and c3% more on average than those working in the Media and Digital sectoral grouping who earn on average c£519.

Qualifications

Table 4.7

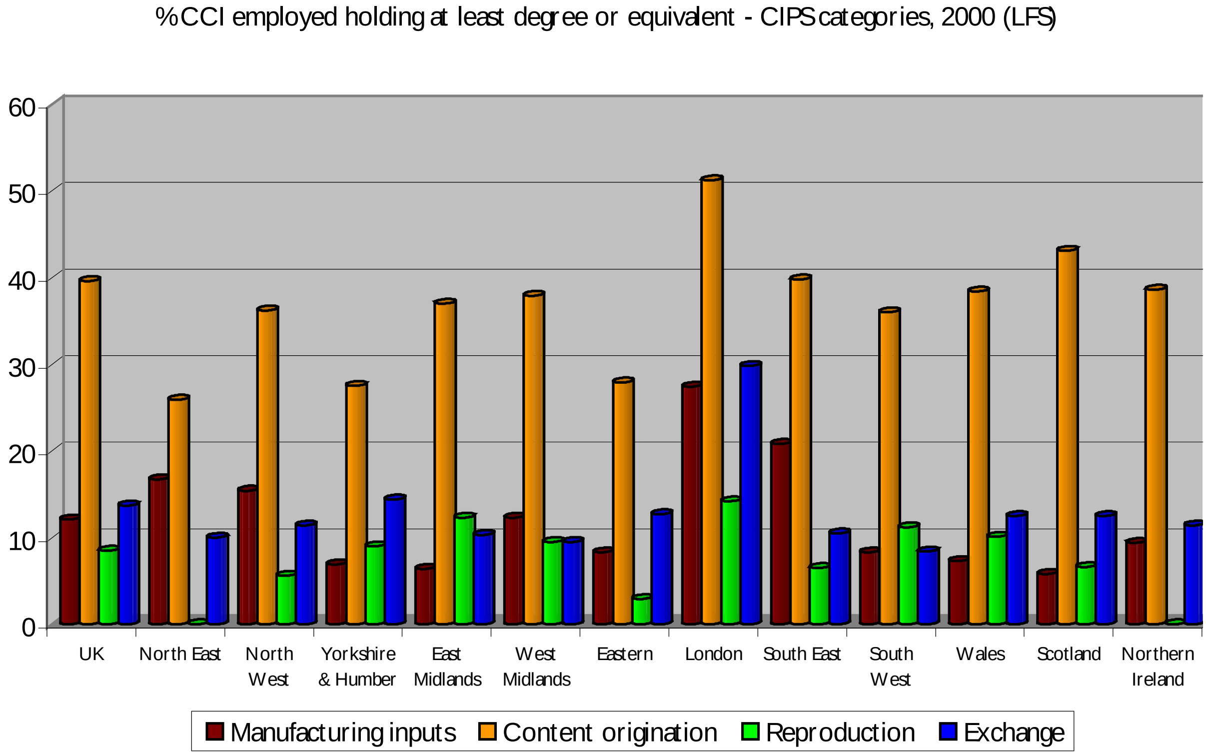


The CCI workforce is highly skilled with c28% of the UK CCI workforce holding at least degree or equivalent qualifications compared to 17.5% in the economy as a whole.

- In the SE 30.1% of those working in the CCIs hold at least degree or equivalent level qualifications compared to 19.7% of those working in the SE economy as a whole. Only in London (44.5% / 28%) do CCI degree level or equivalent qualifications significantly outstrip the national average.
- The SE CCI's workforce has only marginally higher percentages of higher skill qualifications than the UK as a whole. The region is a net exporter of higher education but a net gainer of graduates. Destinations of first-degree students graduating in 1998 show 50% finding employment in the SE and a further 25% in London. In terms of subjects studied the region has a relatively high percentage

of students studying creative arts and design, education, humanities and languages.[11]

Table 4.8

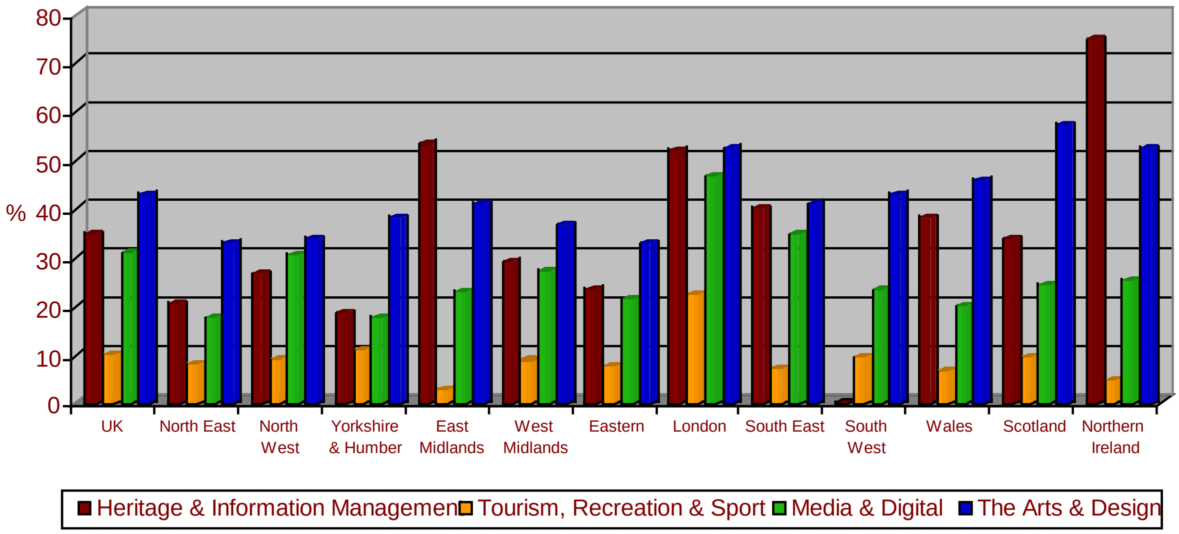


The overall high average for degree or equivalent level attainment in the CCI sector is subject to very significant variation when viewed from the perspective of the Production Chain and the Sectoral Groupings.

- Content Origination has a very marginally higher average for degree level or equivalent education than the UK as a whole (39.8% as compared with 39.6%) and only London (a startling 51.2%) exceed this. Content Origination, as one might expect, has the highest averages for higher-level education of all parts of the production chain across the UK.
- Manufacturing inputs has significantly higher levels of higher-level skills than the rest of the UK (at 20.8%), outside London. This points to the concentrations of technology manufacturing in the region.
- Qualification levels in Exchange and Reproduction are respectively 3% and 2% lower than the UK average.

[11] *The Regional Mission, the Regional Contribution of Higher Education, The South East*, Higher Education South East 2001

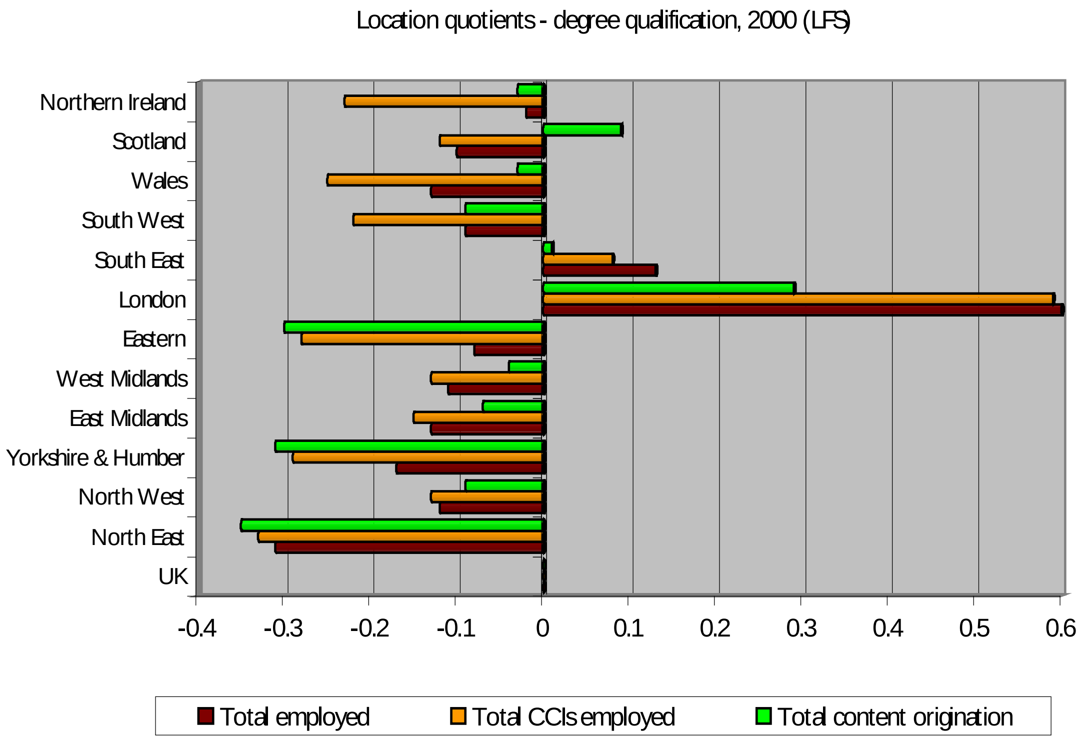
Table 4.9



The stark differences between higher-level qualifications in the CCI sectoral groupings are clear in the table above.

- The Arts and Design and Heritage and Information Management sectoral groupings have over 40% of workers with a minimum of a degree or equivalent level education. In the Media and Digital grouping this declines slightly to just less than 35%, still in excess of the UK average.
- Apart from London the SE has the highest percentage of workers in the Heritage and Information and Media and Digital sectoral groupings with these higher-level qualifications.
- Despite the very high levels of degree level education (as a minimum) in The Arts and Design sectoral grouping it is notable that the South East lags behind the UK average (c41% compared to c43%), and behind three other English Regions, Scotland, Northern Ireland and Wales in this respect.
- Tourism, Recreation and Sport shows dramatically different results. Only 7.3% of those working in this sector have this level of qualification more than 2% fewer than the UK average. In this respect the South East performs poorly against regionally comparators with only Northern Ireland (4.9%), Wales (6.6%) and East Midlands (2.9%) having fewer workers with this level of qualification.

Figure 4.10



Higher-level qualification by LQs indicate that, whilst the South East as a whole has a slightly higher percentage of workers and workers with higher levels skills than expected, the levels do not indicate a significant concentration of skills of the sort required to drive through a knowledge economy driven agenda. More striking is the fact that in the core CCI area of content origination – the key to high value and high quality knowledge driven activity in this sector – there is no evidence to suggest that the SE workforce has significantly higher percentages of higher skilled people in its workforce.

5 REGIONAL ANALYSIS – CULTURAL INDUSTRIES PRODUCTION SYSTEM (CIPS)

ANALYSIS OF CREATIVE AND CULTURAL INDUSTRIES BY CIPS:

SUMMARY OF KEY FINDINGS

5.1 MANUFACTURING INPUTS[12]

- Employs 7% of the total CCI workforce in the region. [chart 5.1]
- c4% of the SE's CCI businesses and organisations generate a turnover of c£9.7bn or 21% of total CCI turnover. [App 3 chart 1]
- Dominated by a small number of very large businesses and organisations and a large number of very small businesses and organisations, 42% generate less than 1% of regional turnover whilst only 4% generate 93% of regional turnover. [App 3 chart 2,3]

5.2 CONTENT ORIGINATION[13]

- Employs 54% of the CCI workforce in the region. [chart 5.1]
- Employment has grown by c46% compared with average growth across England of 30.4% in the period 1995 – 2000 [chart 5.1]
- 70% of all CCI businesses and organisations in the region, generating turnover of c£17.3bn (37%) [App 3 chart 4]
- Dominated by a very large number of very small businesses and organisations – 65% have a turnover of less than £100,000 whilst only 1% turnover in excess of £5m. [App 3 chart 5]

5.3 REPRODUCTION[14]

- Employs c6% of the regional CCIs workforce [chart 5.1]
- c7% of the SE CCI businesses and organisations in the region, generating turnover of c£2.9bn (6%) [App 3 chart 7]
- 2% of the total number of businesses and organisations have a turnover exceeding £5m and generate 55% of total turnover [App 3 chart 8]

5.4 EXCHANGE[15]

- Employs c34% of the CCI workforce in the region [chart 5.1]

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[12] Manufacturing Inputs: production of tools and materials- e.g. musical instruments, editing machines, paint
[13] Content Origination: the source of new ideas and intellectual property rights.
[14] Reproduction: mass production of cultural and creative product: e.g. printing, music, broadcasting.
[15] Exchange: getting product to the audience or market place: e.g. distribution, retail, venues, facilities etc,

- c19% of CCI businesses and organisations in the region, generating turnover of c£16.6bn (36%) [App 3 chart 10]
- 77% of turnover generated by 3% of total businesses and organisations. [App 3 chart 10,11]

Cultural Industries Production System (CIPS).

This section assesses the available economic data from the perspective of the Cultural Industries Production System (CIPS). CIPS is sub-divided into 4 parts associated with major functions. Whilst there are distinct linkages across the whole chain, this is what defines the sector, some strong linkages may occur within particular parts, or between parts, depending upon the production process: this may give rise to clustering.

In order of their impact on the cultural and creative economy of the region, these parts are:

- **Content origination**: the generation of new ideas – usually authors, designers or composers – and the value derived from intellectual property rights.
- **Exchange:** the relationship to the audience or market place. This takes place by physical and virtual retail, via wholesalers and distributors, as well as in theatres, museums, libraries, galleries, historic buildings, sports facilities and other venues and locations.
- **Reproduction:** most cultural industry products need to be mass-produced; examples include printing, music, broadcasting, production of designed materials and product.
- **Manufacturing inputs**: ideas must be turned into products and prototypes using tools and materials; this might cover the production and supply of things as diverse as for example musical instruments, film or audio equipment or paint.

Figure 5.1

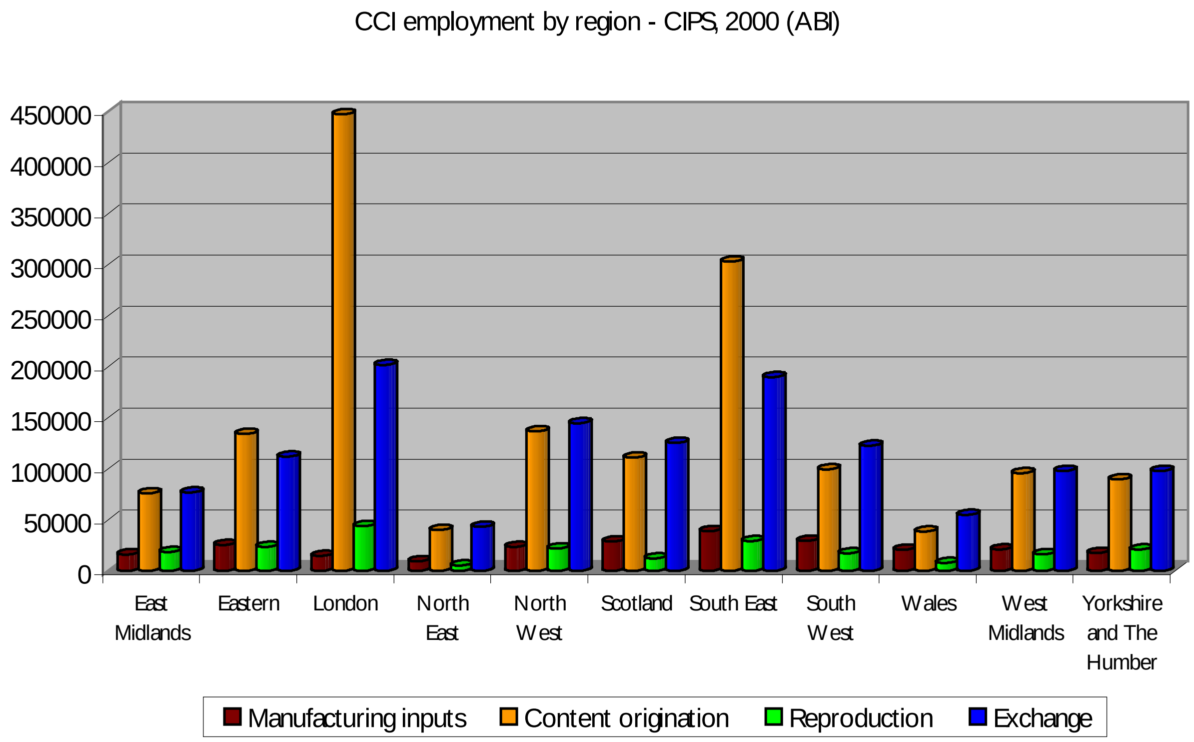


Figure 5.2

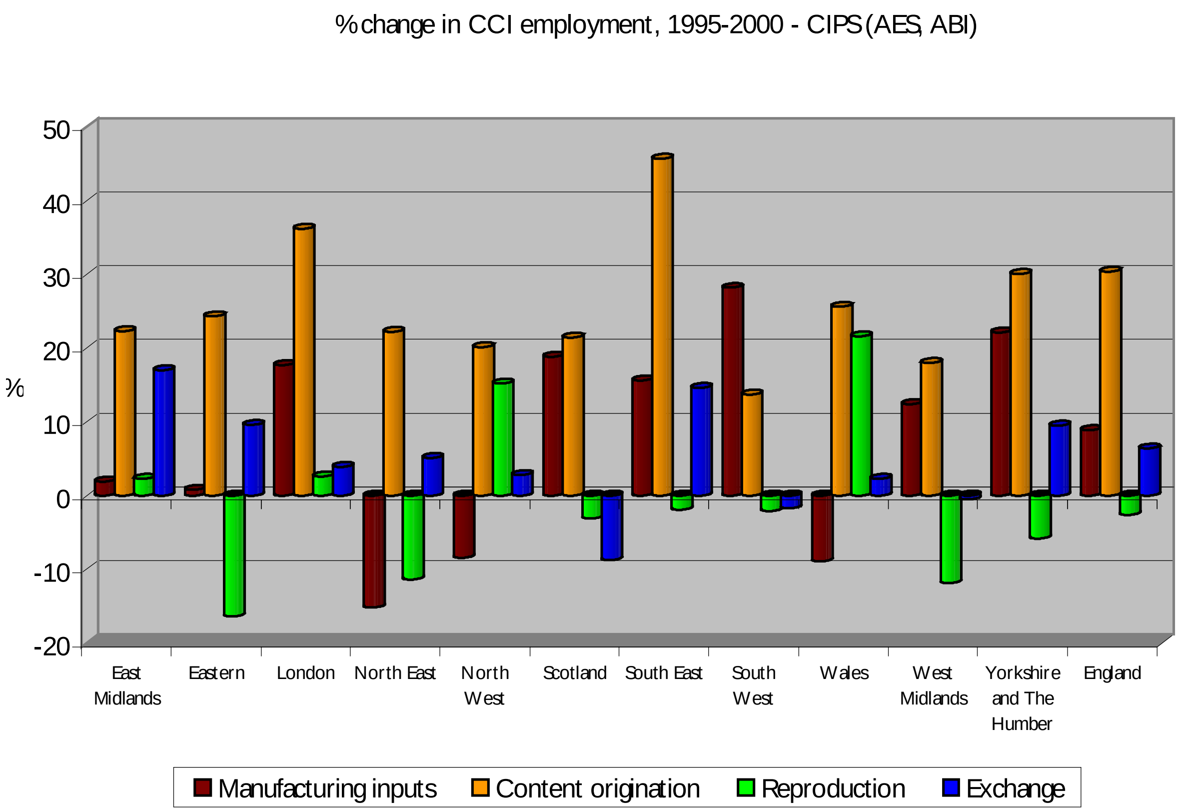


Figure 5.3

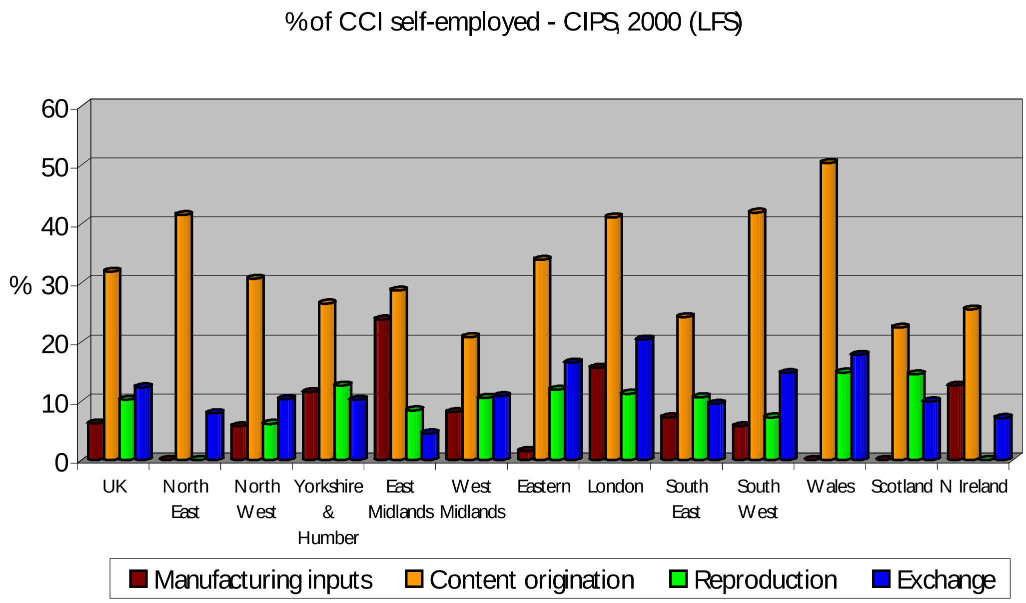


Figure 5.4[16]

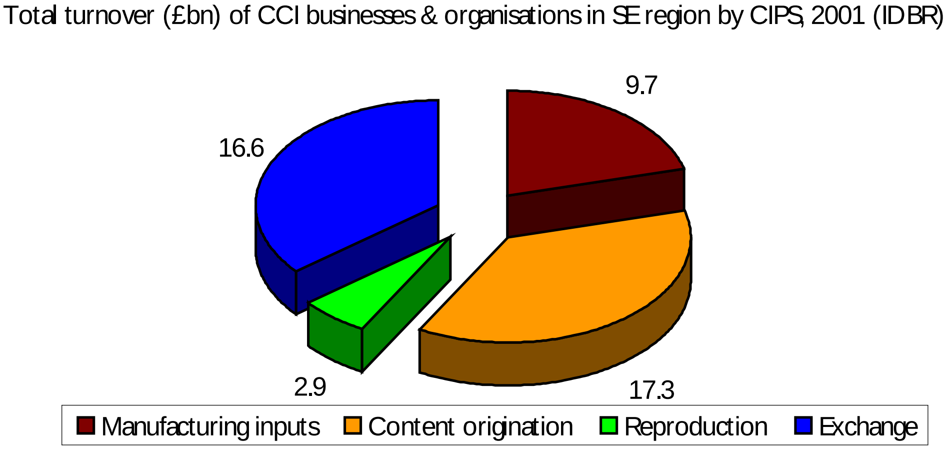
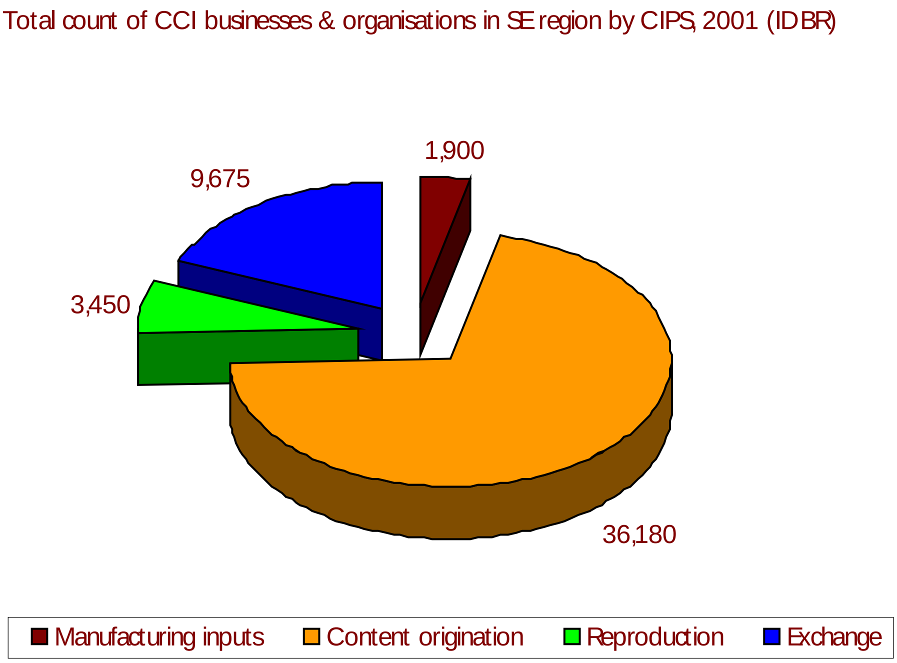


Figure 5.5[17]



5.1 MANUFACTURING INPUTS

The SE Region employs c39,000 people in Manufacturing Inputs in the CCIs, the largest total employed in this part of the production chain in any region of England, and in Scotland and Wales. This accounts for almost 16% of employment in this

[16] IDBR data is derived from the total of all VAT registered businesses but includes their non-vatable supplies.
[17] Marginal variations in the total of CCI companies in the region between CIPS and Sectoral groupings are due to rounding.

sector in GB. Manufacturing Inputs, however, account for c7% of the South East's total employment in the CCIs.

Employment in Manufacturing Inputs grew by 15.6% in the South East in the period 1995 – 2000; almost double growth in England as a whole (8.9%). Growth / decline in manufacturing is variable with a number of English regions growing at a faster rate than the South East (London 17.7%, the South West 28.2% and Yorkshire and Humberside 22.1%) but some others showing significant decline in this part of the CCI production chain (North East –15.2%, North West –8.4%).

Analysis of LFS indicates that in addition 7.2% of the Manufacturing Inputs workforce is self-employed.

Analysis of IDBR[18] provides a count of just under 2,000 VAT registered businesses and organisations with a total turnover of c£9.7bn or 21% of regional CCI turnover. 42% of these, all with turnovers of less than £100,000 and employing 4% of the workforce, generate less than 1% of total regional turnover in this part of the production chain. A further 44% of businesses and organisations with turnovers of between £ 100,000 and £1m generate only 2% of total turnover and employ 12% of workers. Only 4% of Manufacturing Inputs businesses and organisations turnover at least £5m and these generate 93% of total regional turnover and 69% of employment in this part of the production chain.

- Average Turnover: £5,125K[19]
- Average Turnover per employee: £280K[20]
- Average size: c18 employees[21]
- Average weekly earnings: £461.37[22]
- 8.2% of the Manufacturing Input workforce work part time
- 20.8% hold at least a degree or equivalent qualification

[18] Please refer to Appendix 3 Charts 1 – 3 for further analysis of IDBR company and turnover profile for manufacturing inputs.
[19] See Appendix 3 Chart 13
[20] See Appendix 3 Chart 15
[21] See Appendix 3 Chart 14
[22] Please refer to Section 4 The Regional Workforce for detailed analysis of earnings, qualifications and part-time working.

5.2 CONTENT ORIGINATION

Content Origination is the core part of the production chain in the cultural and creative industries. Content Origination rests in the generation of creative ideas which can be developed into product that can deliver successfully to the market place. Across Great Britain, Content Origination has the largest share of CCI employment. The South East region employs just over 300,000 people in Content Origination based on ABI data; this represents almost 20% of total employment in Content Origination in England, Scotland and Wales and, apart from London, outstrips employment in this core area of creative activity in every other part of Great Britain.

The South East's closest regional rival (discounting London) is the North West Region which employs considerably less than half the number of people in this part of the production chain as compared with the South East. Employment in content origination in the South East accounts for almost 54% of the total employed in the CCIs.

Employment in Content Origination has grown considerably more in the South East than in any other part of Great Britain including London. Employment has grown by almost 46% in the period 1995 – 2000 as compared with average growth across England as a whole of 30.4%.

In addition LFS indicates that c24% or a further c70,000 of the Content Origination workforce is self-employed. The South East has one of the lowest percentages of self-employment in Content Origination in the UK which has an average figure of c32% self-employed. Self-employment in this part of the production chain has also declined in the period 1995 – 2000 by 7.8% significantly more than the UK average decline of 1.7%[23].

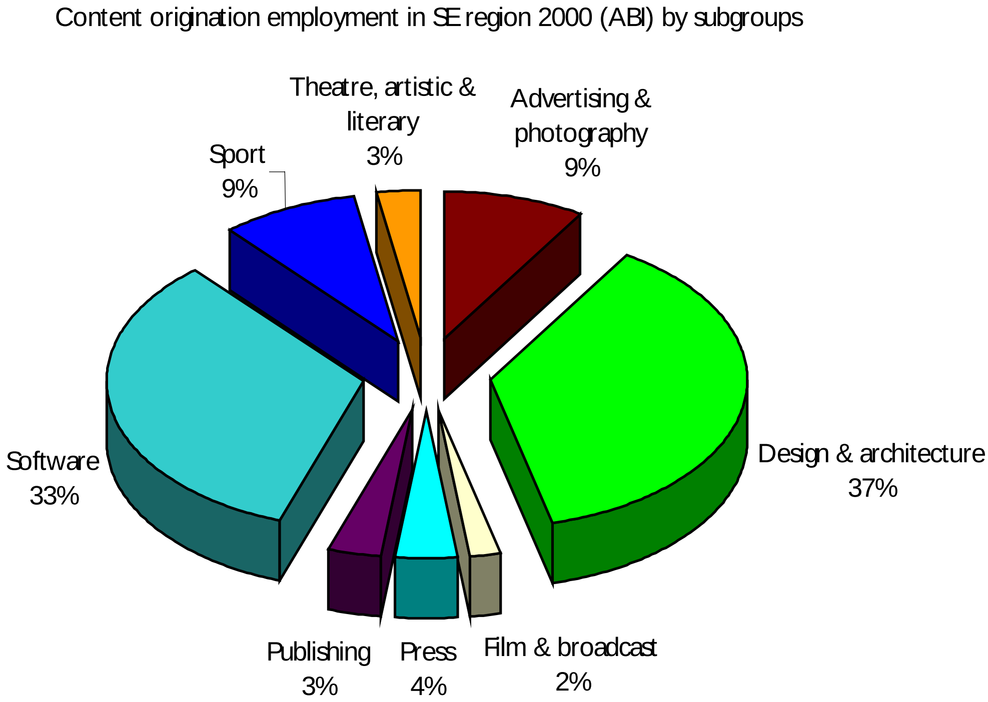
Analysis of IDBR[24] indicates about 36,000 VAT registered Content Origination businesses and organisations in the South East – c70% of the production chain. These businesses and organisations generate a total turnover of c£17.3bn or 37% of total CCI turnover in the region. 1% of VAT registered businesses and organisations in this part of the production chain have turnovers exceeding £5m and generate 61% of regional turnover in Content Origination. This small number of businesses and organisations provides 45% of employment. Conversely, 65% of Content Origination businesses and organisations generate turnover of less than £100,000 and only 7% of total Content Origination turnover in the region. This large number of very small businesses and organisations provide for 19% of regional employment in this part of the CCI production chain. 30% of Content Origination businesses and organisations have turnovers of between £100,000 and £1m and generate between them 16% of the total turnover of these businesses and organisations in the region.

- Average Turnover: £478K[25]
- Average Turnover per employee: £96K[26]
- Average size: 5 employees[27]
- Average weekly earnings: £563.81

[23] See Appendix 3 Chart 16 for % Change in CIPS Self – Employment, 1995 – 2000, LFS
[24] Please refer to Appendix 3 Charts 4 - 6 for further analysis of IDBR Company and Turnover profile for Content Origination
[25] See Appendix 3 Chart 13
[26] See Appendix 3 Chart 15
[27] See Appendix 3 Chart 14

- c23% of the workforce work part time
- c40% hold at least a degree or equivalent qualification[28]

Figure 5.6



Analysis of ABI employment data gives an indication of the relative strengths of Content Origination sub-groups in the region. In terms of employment Content Origination is dominated by Design and Architecture Activities (37% of employment) and Software (33%).

5.3 REPRODUCTION

Reproduction is, marginally, the weakest element in the CCIs across GB and this trend is mirrored in the South East. Reproduction employs just fewer than 30,000 people in the region, with c13.5% of the total employed in this part of the production chain in Great Britain. Employment in Reproduction accounts for just under 5.2% of the total employed in the CCIs in the region based on ABI data. Employment in this part of the production chain is nonetheless greater in the South East than in any other English region, Scotland or Wales with the exception of London.

Growth and decline in employment is variable across the English regions, Scotland and Wales with growth in the North West and Wales but a general trend downwards. The South East exactly matches the average with a decline in employment of 1.9%.

In addition LFS indicates that 10.6% of the region's Reproduction workforce is self-employed. There has been a slightly greater decline in self-employment in Reproduction (- c3%) than the UK average.

[28] See Section 4 for detailed discussion of The Regional Workforce

IDBR indicates a total of about 3,500 VAT registered businesses and organisations with a total turnover of c£2.9bn in the reproduction phase of the production chain in the region. 2% of these businesses and organisations have turnovers of over £5m and generate 55% of total regional turnover and 34% of employment in this phase of the production chain. 78% of businesses and organisations turnover less than £0.5m and generate 12% of total regional turnover in Reproduction - half of these businesses and organisations generate only 2% of regional turnover -together they have 27% of the reproduction phase employment in the region[29].

- Average Turnover £832K[30]
- Average Turnover per employee £99K[31]
- Average size c8 employees[32]
- Average weekly earnings £391.05.
- c17% of the workforce work part time
- 6.5% hold at least a degree or equivalent qualification[33]

5.4 EXCHANGE

ABI indicates just under 190,000 people are employed in the Exchange segment of the production chain in the South East. This accounts for almost 34% of those employed in the CCIs in the SE and represents c15% of Great Britain's total employment in this part of the production chain. The Exchange segment includes venues – theatres, cinemas, galleries, and museums, libraries and sports facilities. It also includes all hotels and tourist accommodation in the region. Employment in this part of the production chain is only outstripped by London.

Employment has grown by c14.5% in the period 1995 – 2000, more than double employment growth in England as a whole and the second largest % change in employment after the East Midlands (17%) in Great Britain. Analysis of LFS indicates that 9.5% of the total Exchange workforce is self-employed.

IDBR provides evidence of a total of something under 10,000 VAT registered businesses and organisations generating a regional turnover of c£16.6bn in the Exchange phase of CIPS. 77% of Exchange turnover in the region is generated by only 3% of businesses and organisations with individual turnovers in excess of £5m whilst only 1% of turnover is generated by 35% of the total businesses and organisations which have individual turnovers of under £100,000. 52% of VAT registered Exchange businesses and organisations have turnovers of between £100,000 and £1m and employ 19% of the Exchange phase workforce in the region but only generate 10% of regional turnover.[34]

- Average Turnover: £1,716K[35]
- Average Turnover per employee: £102K[36]

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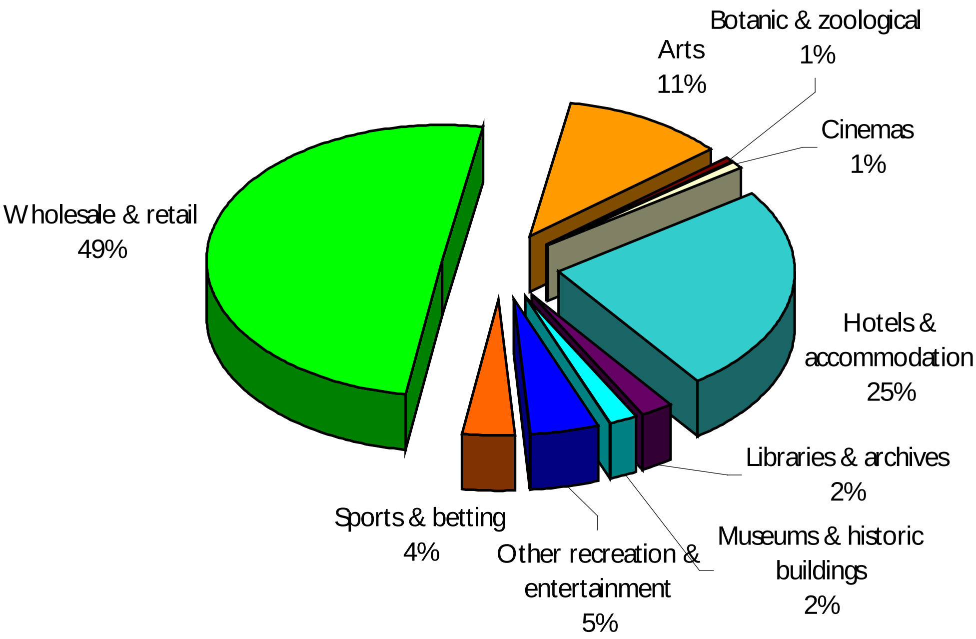
[29] Please refer to Appendix 3 Charts 7 - 9 for further analysis of IDBR Company and Turnover profile for Reproduction businesses and organisations in the region
[30] See Appendix 3 Chart 13
[31] See Appendix 3 Chart 15
[32] See Appendix 3 Chart 14
[33] Please refer to section 4 for analysis of The Regional Workforce.
[34] Please refer to Appendix 3 Charts 10 - 12 for further analysis of IDBR Company and Turnover profile for Exchange businesses and organisations in the region
[35] See Appendix 3 Chart 13
[36] See Appendix 3 Chart 15

- Average size: c17 employees[37]
- Average weekly earnings: £356.28.
- 46.9% work part time
- 10.5% hold at least a degree or equivalent qualification [38]

Figure 5.7

Exchange employment in SE region 2000 (ABI) by subgroups



Employment in the Exchange phase of the production chain is, perhaps unsurprisingly, by the wholesale and retail of creative and cultural goods with 49% of employment. Hotels and other tourist accommodation has 25% of exchange employment and the arts (theatre, arts centres, galleries etc) 11%.

[37] See Appendix 3 Chart 14
[38] See Section 4 for detailed analysis of The Regional Workforce

6 SECTORAL GROUPINGS AND SUBSECTORS

6.1 SUMMARY OF KEY FINDINGS

Heritage and Information Management

- Employs c2% of the region's CCIs workforce
- At least 1,300 businesses and organisations operating in SE [39]
- 140 businesses and organisations identified by IDBR generate c£0.08bn turnover
- Dominated a small number of large businesses and organisations 30 of which generate 80% of the total turnover and 74% of total employment.

Tourism Recreation and Sport[40]

- Employs 21% of the region's CCI workforce
- c13% of the region's CCI businesses and organisations generate turnover of c£5.7bn (12% of regional turnover)
- 2% of all businesses and organisations generate 65% of turnover and 57% of employment.

Media and Digital

- Employs c54% of the region's CCI workforce.
- 74% of CCI businesses and organisations in the region
- Turnover of c£38.5bn or 85% of total CCI turnover in SE.
- Dominated by a small number of very large businesses and organisations and a very large number of very small businesses and organisations. 56% of all businesses and organisations turnover under £100,000. 2% of the total number of businesses and organisations generates 75% of total turnover.

The Arts and Design

- Employs up to 23% of the region's CCIs workforce.
- c61,000 self-employed in the region
- 13% of total CCI businesses and organisations in SE with a total turnover of c£1.4bn or 3% of regional CCI turnover
- Dominated by a large number of small businesses and organisations. 94% of businesses and organisations in this sectoral grouping have turnovers of under £500,000.

[39] Based on evidence provided by regional agencies
[40] This includes data on Tourism, recreation and Sport derived on the basis set out in section 2.2. The basis on which this relates to data collected by the Tourism industry is set out in Section 6.4.

6.2 CCI SECTORAL GROUPINGS

The Cultural and Creative Industries as defined for the purposes of this study encompasses a wide range of economic and creative activities. This section provides an assessment focusing on a small number of CCI sector groupings.

Heritage and Information Management

Archives
Historic Sites, Buildings and Houses
Libraries, Information and Knowledge Management
Museums

Tourism, Recreation and Sport

Countryside Recreation
Sport
Tourism
Betting and Gambling

Media and Digital

Advertising
Digital and Media
Film and Video
Interactive Leisure Software
Music
Photography
Publishing
Software and Computer Services
TV and Radio

The Arts and Design

Architecture
The Arts and Antiques Market (including contemporary visual arts)
Crafts
Design
Designer Fashion
Literature
Performing Arts including Theatre, Dance, Live and Street Arts, New Circus and Festivals

Whilst providing a framework for analysis and policy development it should be understood that there is no suggestion that the sectoral groupings are mutually exclusive. Indeed, there are many strong horizontal linkages between activities within different groupings (for example between the performing arts and broadcast media, film and video; between literature and publishing or between design and the digital media sector). Inevitably within each group there are some anomalies. Music is included in the Media and Digital sector because it is largely electronically mediated. Libraries, Information and Knowledge Management are included in the Heritage and Information Management sector but equally play a significant role in learning, and in knowledge management across many different sectors of the economy, some of which is purely commercial.

In some cases, the regional cultural agencies have responsibilities across more than one sectoral grouping. The areas of responsibility covered wholly or partially by SEECC member agencies are set out below.

Figure 6.1 Areas of responsibility covered by South East England Cultural Consortium member agencies

Lead SEECC agency **Areas partially covered by SEECC** **Areas not covered by SEECC**	**Responsible bodies**	**SSEA**	**SEMLAC**	**Regional Sports Ccl**	**S/SE ETBs**	**Eng Heritage**	**Screen South**
Heritage and Information Management							
Archives			✓			✓	✓
Historic Sites, Buildings and Houses			✓			✓	
Libraries			✓				
Museums			✓				
Tourism, Recreation and Sport							
Countryside Recreation	Countryside Agency			✓		✓	
Sport				✓			
Tourism					✓		
Betting and Gambling							
Media and Digital							
Advertising							
Digital and Media		✓					✓
Film and Video		✓					✓
Interactive Leisure Software							
Music		✓					
Photography		✓					
Publishing		✓					
Software and Computer Services							
TV and Radio		✓					✓
The Arts and Design							
Architecture	CABE[41]	✓					
The Arts and Antiques Market (including contemporary visual arts)		✓					
Crafts		✓					
Design	Design Ccl						
Designer Fashion	B Fashion Ccl						
Literature		✓					
Performing Arts including Theatre, Dance, Live and Street Arts, New Circus and Festivals		✓					

This section assesses the available regional economic, employment and businesses and organisation data from the perspective of the four Sectoral Groupings as well as reviewing and summarising information provided by cultural and economic development agencies in the SE.

[41] Commission for Architecture and the Built Environment

Figure 6.2

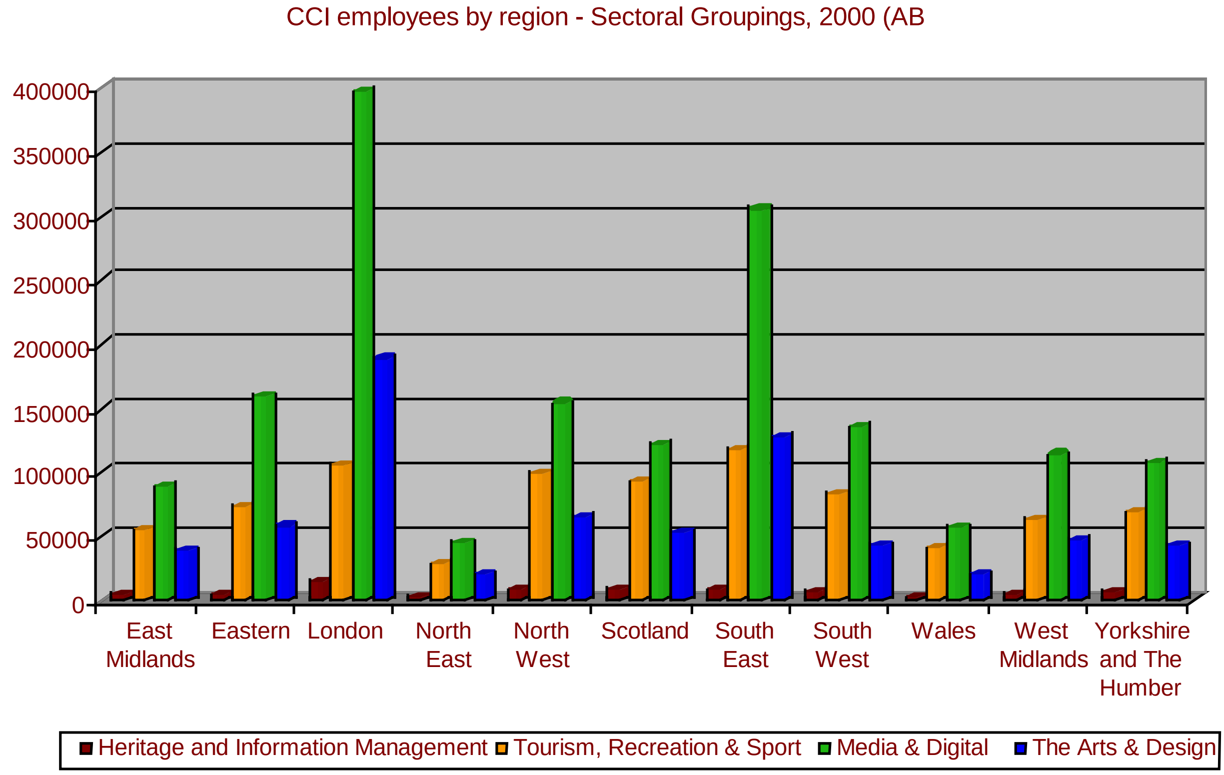


Figure 6.3

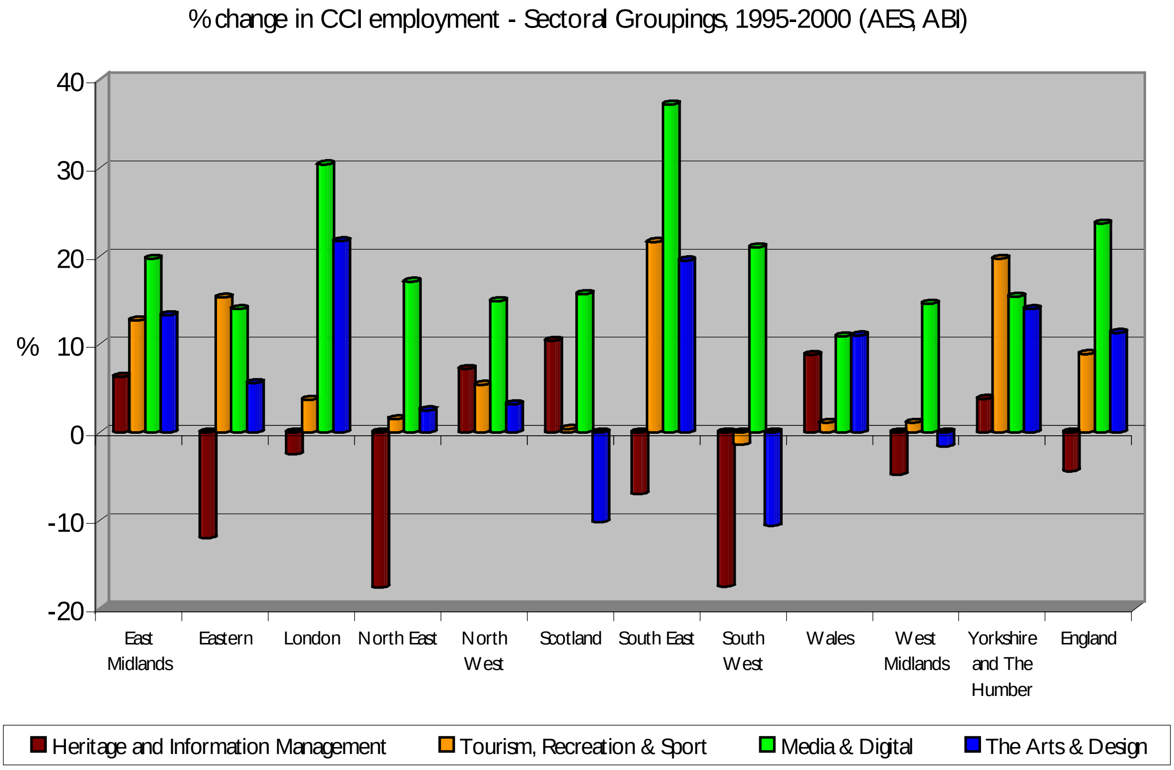


Figure 6.4

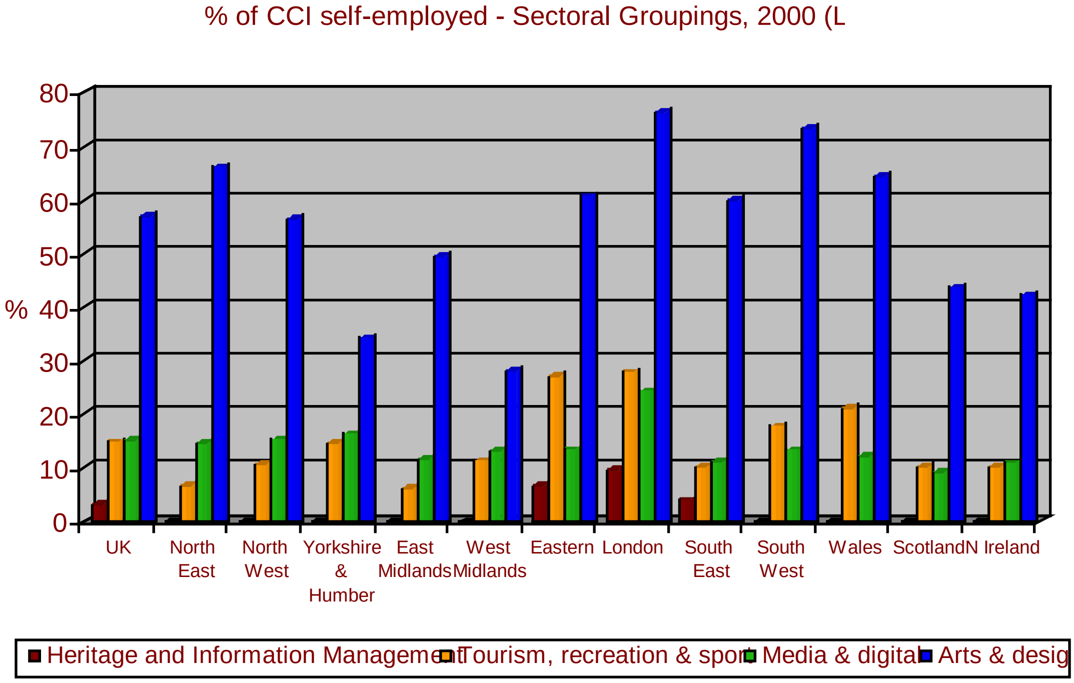
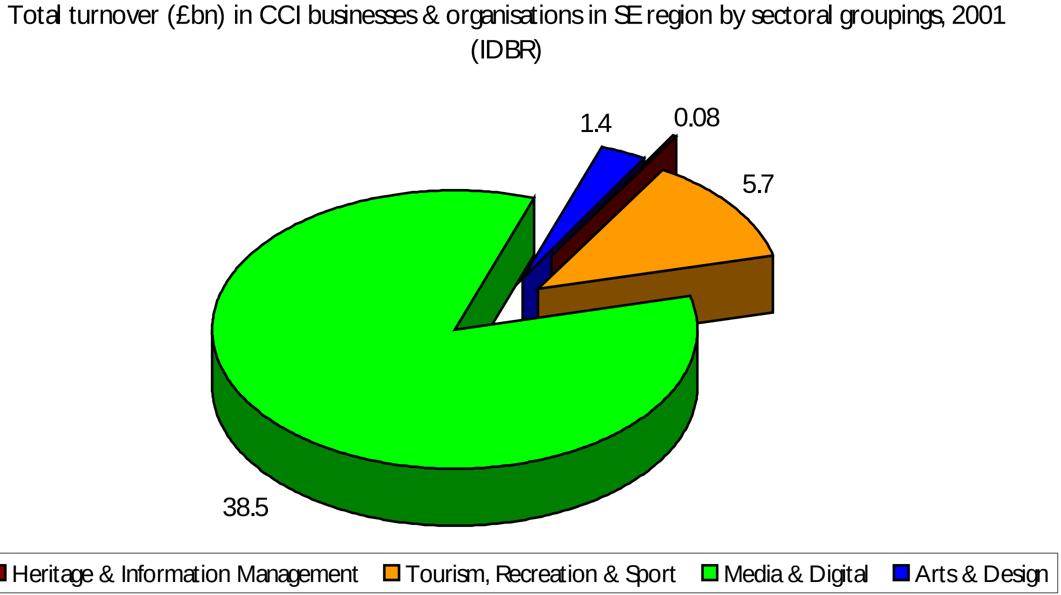


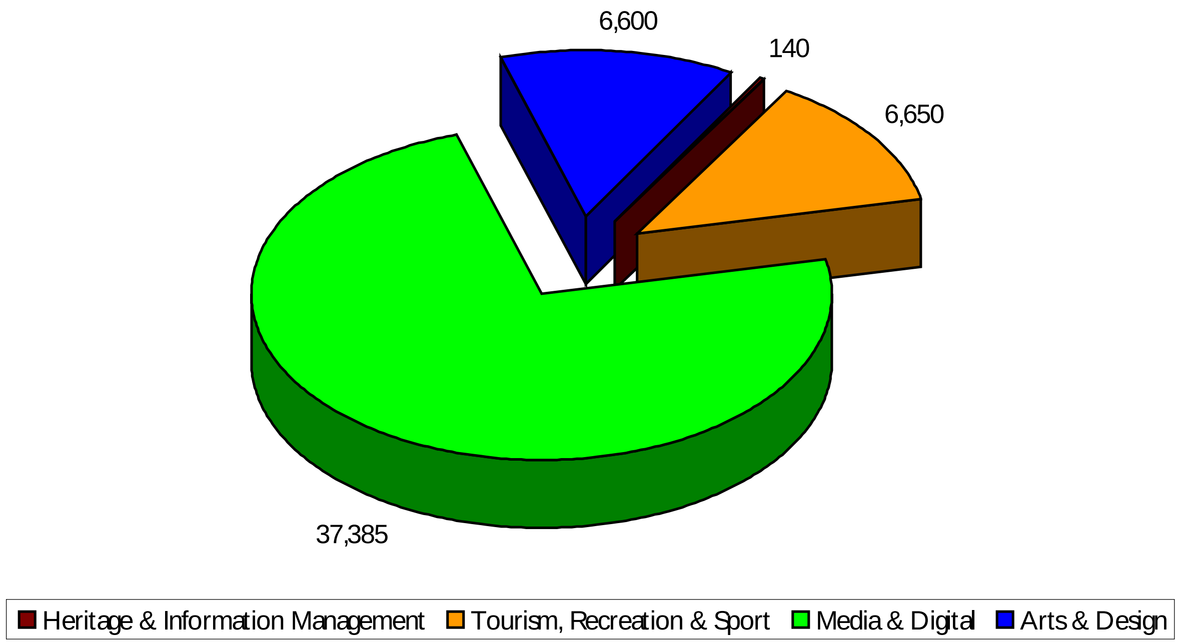
Figure 6.5[42]



[42] IDBR data is derived from the total of all VAT registered businesses but includes their non-vatable supplies and so is comprehensive

Figure 6.6[43]

Total count of CCI businesses & organisations in SE region by sectoral groupings, 2001 (IDBR)



6.3 HERITAGE AND INFORMATION MANAGEMENT

This sector of the CCIs employs about 9,500 people in the South East or just over 12.5% of the total employment in this Sectoral Grouping in Great Britain. Employment in this Sectoral Grouping accounts for less than 2% of CCIs employment in the region.

The Heritage and Information Management Sectoral Grouping shows a slight decline in employment in the South East of 7% in the period 1995 to 2000. Growth and decline in employment is highly variable across Great Britain. Evidence from regional agencies indicates that decline in employment in this Sectoral Grouping is possibly due to the squeeze on funding from national and regional agencies and local authorities.

Evidence from LFS indicates that self-employment in Heritage and Information Management is negligible and has declined only marginally in the period 1995 – 2000 (-0.6%).[44]

Analysis of data provided by a range of regional cultural and creative industries agencies indicates at least 1,276 businesses and organisations in the South East in the Heritage and Information Management grouping[45]. A search of YPBD for the region provides a count of a total of 976 Heritage and Information Management businesses and organisations[46].

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[43] Marginal Variations in Sectoral Grouping and CIPS Totals are due to rounding.
[44] See Appendix 4 Chart 17 for % Change in Self Employment for Sectoral Groupings
[45] Based on Data provided by English Heritage, the National Trust, SEMLAC, South East Tourist Board, Southern Tourist Board,
[46] See Appendix 4 Chart 13

IDBR provides data on only 140 VAT registered Heritage and Information Management businesses and organisations in the region generating a total turnover of c£0.08bn[47]. Of these 22% of the total number of businesses and organisations with turnovers of over £500,000 generate 80% of total turnover and employ 74% of the workforce. 42% of businesses and organisations have turnovers of between £100,000 and £499,000 and generate 17% of total turnover and employ 21% of the workforce whilst 36% of businesses and organisations with turnovers of under £100,000 generate only 3% of turnover and employ 5% of the workforce.

Heritage and Information Management forms a larger part of the CCI economy and knowledge asset of the SE than indicated by this data. Significant levels of under-reporting on economic data is due to a number of factors:

- IDBR data is based on VAT registered businesses and organisations only and this combined with the effects of non-disclosure rules significantly restricts access to data on very small companies.
- The activities of many libraries, archives, museums and historic sites will be contained within the returns of local authorities, HEIs, NHS and other public, commercial and not- for-profit businesses and organisations. This is impossible to capture in a survey of this kind. For example, in 1998-99 local authorities in the SE spent c£105.05m on library services alone[48].

The economic data available offers some evidence as to the structure of this part of the CCI economy. Further detailed organisation-by-organisation research is required to gain more detailed evidence of economic contribution. It has not be possible in the course of this study to pinpoint the economic value of Library, Information and Knowledge Management activity within the commercial business sector and again further company by company analysis would be required to achieve a full view of the impact of that part of the sectoral grouping in the wider economy.

- Average Turnover: £573K[49].
- Average Turnover per employee: £26K[50].
- Average size: c22 employees[51].
- Average Weekly Earnings: £340.32.
- c50% of workforce work part-time.
- c40% of workforce holds at least a degree or equivalent qualification[52].

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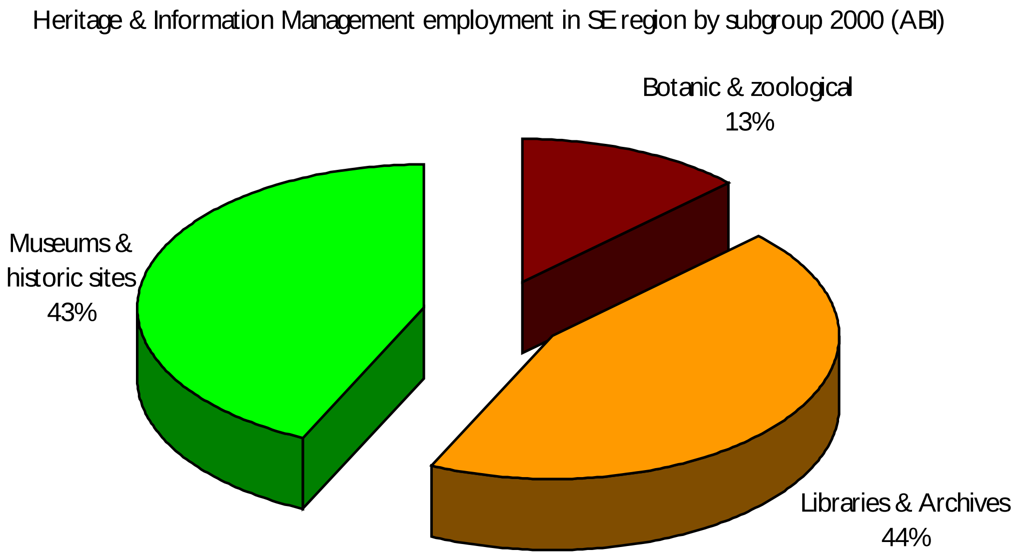
[47] Please refer to Appendix 4 Charts 1 – 3 for further analysis of IDBR company and turnover profile for Heritage and Information Management.
[48] See Libraries, Information and Knowledge Management below.
[49] See Appendix 4 Chart 14
[50] See Appendix 4 Chart 15
[51] See Appendix 4 Chart 16
[52] For a full analysis see Section 4 The Regional Workforce

Figure 6.7



The public sector plays a central role in supporting the infrastructure of facilities and services in Heritage and Information Management and plays a significant role in both the management of and access to the region's knowledge assets. Public and charitable organisations make a major contribution to sustaining the built and natural heritage and to maintaining collections.

Museums[53]

The region has the largest number of museums in England, with 274 registered museums of a total of at least 300.

- 12 museum collections within the region have been designated as being of pre-eminent importance of international and national significance:
    - The Mary Rose Trust, Portsmouth
    - National Motor Museums, Beaulieu
    - Royal Engineers Museum, Gillingham
    - Decorative Art and the Non-Western Art
    - Anthropology collections and the Booth Museum in Brighton and Hove
    - Southampton City Cultural Services' Fine Art and Archaeology collections
    - Oxford University Ashmolean, Natural Science, Pitt Rivers and History of Science Museums
    - University of Reading Museum of Rural Life
    - Weald and Downland Open Air Museum, West Sussex.
- The region is especially rich in defence heritage museums and archives including regimental and armed services museums[54].
- Approximately 60% of museums in the region are independent charities.

[53] All Museums data provided by South East Museums Agency, 2002 unless otherwise stated.
[54] See Case Study Defence Heritage in Hampshire

- Many museums in the region have won national accolades. The River and Rowing Museum, Henley and the Weald and Downland Museum in West Sussex have won a Museum of the Year award. Hampshire's hands-on education centre in Gosport, SEARCH, and Buckinghamshire County Museum's Roald Dahl Gallery in Aylesbury, are both past winners of the Gulbenkian museum award for the most imaginative education work[55].
- Over 10 million people visit the region's museums and galleries each year.
- There are over 7,500 museum volunteers in the region
- Based on the available and limited data local authorities in the region invested in the region of £24.5m in “Art Galleries” which we take to include Museums, Galleries and Arts Organisations.[56]

Libraries, Information and Knowledge Management

Libraries in the public and commercial domains play a significant role in the management of and in creating access to the knowledge assets held in the region and beyond. They play a central role in education, training and in community and lifelong learning and a key, less visible role in business intelligence[57]. Many Library, Information and Knowledge Management professionals are employed in the Regions' Higher Education Institutions, in the Health Service and in the business sector. It is likely that employment totals for librarians gathered from analysis of SIC Code 9251 (Library & Archive Activities) fail to capture a significant quantity of employment in this Sectoral Grouping.

The public sector, through Local Authorities, Local Education Authorities and through Higher Education Institutions supports the core infrastructure of library services in the region, as it does across the UK.

- 19 Library Authorities in the region provide almost 500 branch libraries[58]
- In 1998/99 Local Authorities in the region spent c£105.05m on library services[59].
- In 1998/9 48m people visited public libraries in the region and the services made an average loan of 8 items per head of population per year and dealt with over 7m enquiries[60].
- At least 1,804 Public Library Volunteers[61].
- 97 National Health Service Libraries.[62]
- At least 89 HEI / Academic Libraries including the Bodleian Library at Oxford University[63].
- 492 Secondary School Libraries; 2729 Primary School Libraries and 21 Sixth Form Libraries[64].

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55 See Case Study Buckinghamshire County Museum
56 Local Government Financial Statistics N011, DTLR, 2002
57 See Case Studies on the Halo Project and the cross-sectoral library and information network, Hatrics.
58 SCLSE, 2001
59 ibid
60 ibid
61 SEMLAC 2002
62 ibid
63 LISCU 2002
64 SEMLAC 2002

- 2,621 members of the Libraries Association in the South East[65].

The public sector has strong links with the c148 commercial Business Libraries in the region through the region's 3 cross-sectoral library & information networks, HATRICS – the southern information network; SASLIC – Surrey & Sussex Libraries in Co-operation and KILN – Kent Information and Library Network[66]. Public libraries also have a key role to play in supporting small businesses with access to basic information[67].

In addition to commercial business libraries there are at least 49 commercial picture libraries and agencies in the region[68].

Archives[69]

- 250 Archive repositories and collections in the region
- 18.9% of England's Archive staffing including over 20% of England's professional archivists and conservators
- 11.3% of England's archival holdings
- SE is above the national average in all areas of archival activities and services
- Almost 100,000 readers visiting and using County archive services with many more making use of County archive services and information by telephone, post and internet/e-mail[70].
- 84 Higher Education Archives of which 66 are held in Oxford.
- Important regimental and armed services archives in Hampshire (8), Surrey (3), Kent (1) and Oxfordshire (1)
- Cluster of creative / cultural archives in the South East includes the South East Film and Video Archive, the BBC Written Archive, the Design Council Archive and the National Resource Centre for Dance Archive.
- To May 2001 HLF had invested c£7.5m in the region's archives since 1994.

Built Heritage

The built heritage of the South East plays a central role in its attractiveness to visitors and businesses and in the quality of life experienced by the communities of the South East. The recently completed Review of the Historic Environment[71] has asserted clearly the important role of public sector agencies, notably English Heritage and CABE in sustaining the historic environment in the face of environmental degradation and development and land-use pressures. It points to the need for Regional Development Agencies to take a sensitive and proactive role in considering the long-term implications of economic and land-use development on the historic environment.

[65] Libraries Association 2002
[66] ibid
[67] See Case Study, HATRICS
[68] Libraries Association 2002
[69] All Data South East Regional Archives Strategy, 2001
[70] See Case Study, West Sussex County Records Office
[71] DCMS 2001

- English Heritage owns 68 Historic sites in the South East of which 31 charge admissions[72].
- English Heritage sites attracted a total of 1.34m visitors in 2000 generating admissions income of £2.2m and an average retail spend per head of £1.15 (c£1.5m in total).
- Key English Heritage sites in terms of visitor throughput include Dover Castle (320,000 visitors in 2000); Osborne House (270,000 visitors in 2000) and Battle Abbey (180,000 visitors in 2000).
- There are 2500 scheduled ancient monuments, 6 historic battlefields in the SE.
- The National Trust's 77 properties in the region attracted c3m visitors in 2000[73].
- Key National Trust sites in terms of visitor throughput include Waddesdon Manor (154,610 visitors in 2000), Bodiam Castle (170 visitors in 2000), Chartwell (152,246 visitors in 2000) and Cliveden (127,192 Visitors in 2000).
- 6,584 volunteers support the work of the National Trust in the region.
- The South East has c170 market towns of which c90% are historic.
- The region's 5,400 Grade I and II* listed buildings spread across the region's cities, towns and villages are, largely, privately owned and used as domestic dwellings. Managing their maintenance and restoration is a key role for English Heritage. This role is underpinned by a large number of specialist historic building contractors in the region whose own businesses are developed and sustained as a direct result of the sheer quantity of historic buildings in the region.
- The region's great historic cities – Oxford, Winchester and Canterbury – are major visitor attractions in their own right. Southern Tourist Board has estimated that £125m is generated into the local economy by Tourism to Oxford. Canterbury Cathedral attracts the highest visitor numbers (1.3m) in the region[74].
- Creative new uses of historic sites can play a significant role in the process of regeneration. Examples in the region include the regeneration of Chatham Historic Dockyard[75] and the redevelopment of Portsmouth Historic Dockyard.
- The Heritage Lottery Fund has invested £143,659,709 in the region since 1994.[76]

6.4 TOURISM, RECREATION AND SPORT

Analysis of ABI data indicates that this Sectoral Grouping employs fewer than 118,000 people in the South East or c14% of the total employment in this Sectoral Grouping in Great Britain. Employment in this Sectoral Grouping in the South East outstrips all other English Regions, Scotland and Wales taken individually. Employment in this Sectoral Grouping accounts for 21% of CCI employment in the region.

Employment in this Sectoral Grouping grew by c21.6% in the South East in the period 1995 to 2000, nearly 2.5 times as much as in England as a whole with employment growth in the period of 8.9%.

[72] All English Heritage Data, English Heritage 2001
[73] All National Trust Data, National Trust 2001
[74] Star UK, 2002
[75] See Case Study Historic Dockyard Chatham
[76] HLF funding includes funding to museums and collections.

Analysis of LFS indicates that 10.2% of the Tourism, Recreation and Sport workforce, or an additional c10,000 people are self-employed. Self-employment in this Sectoral Groupings has declined by the greatest degree (-5.1%) in the period 1995 – 2000[77].

IDBR provides evidence for c6,700 VAT registered businesses and organisations working in Tourism, Recreation and Sport in the region turning over a total of c£5.7bn or 12% of regional CCI turnover[78]. Only 2% of these businesses, all turning over in excess of £5m, generate 65% of this sectoral grouping's turnover and employ 57% of the workforce. 46% of VAT registered Tourism, Recreation and Sport businesses and organisations have a turnover of less than £100,000 and generate only 2% of the sectoral groupings total turnover whilst employing 5% of the workforce. 45% of all businesses and organisations generate turnovers of between £100,000 and £1m and contribute 16% of the sectoral grouping's total turnover and 20% of its employment. 7% of businesses and organisations turnover £1m-£5m and generate 17% of total turnover and employ 18% of the workforce.

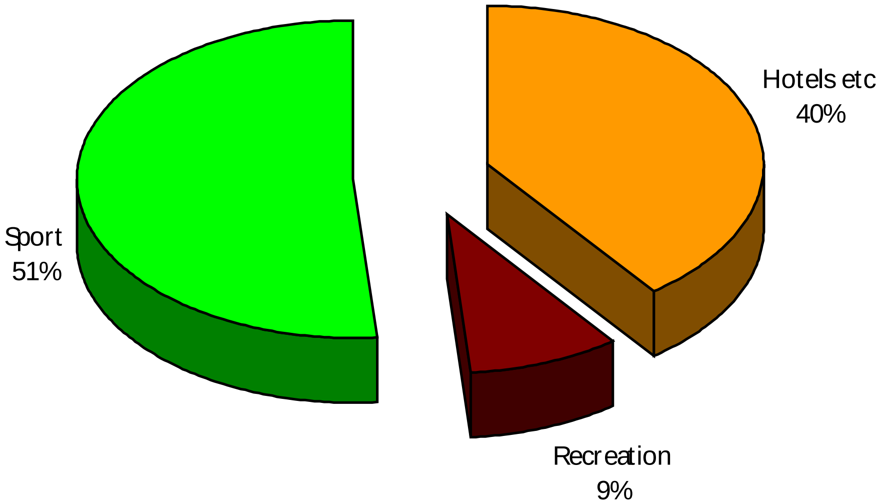
The total number of businesses and organizations identified by IDBR in this sectoral grouping (6,650) is likely to be considerably smaller than the total number of businesses and organization in the region. Star UK provides evidence for just over 10,000 hotels and accommodation establishments in the region[79] for example. YPBD offers evidence of 9,337 businesses and organizations in the Tourism, Recreation and Sport Sectoral grouping of which 3,786 are hotels and other tourist accommodation[80].

- Average Turnover: £853K[81].
- Average Turnover per employee: £43K[82].
- Average size: c20 employees[83]
- Average weekly earnings: £381.38.
- 47.1% work part time
- 7.3% of the workforce holds at least degree or equivalent qualification[84].

[77] See Appendix 4 Chart 17
[78] Please refer to Appendix 4 Charts 4 - 6 for further analysis of IDBR company and turnover profile for Tourism, Recreation and Sport.
See Appendix 4 Chart 5
[79] See Figure 6.15 below
[80] See Appendix 4, Chart 13
[81] See Appendix 4 Chart 14
[82] See Appendix 4 Chart 15
[83] See Appendix 4 Chart16
[84] For a discussion of the Regional Workforce see Section 4.

Figure 6.8

Tourism, recreation and sport employment in SE Region by sub-group 2000 (ABI)



ABI indicates that 60% of employment in this sectoral grouping is in Sport and Recreation. This includes just under 7,000 people employed in betting and gambling activities. 40% of employment in this sector is in hotels and other tourist accommodation, including camping, Bed and Breakfasts and Guest Houses.

Tourism

Tourism is a significant industry in the region and benefits from the outstanding built and natural heritage of the region, from seaside and marine activities and from the host of major sporting and cultural festivals and events held in the region every year.

The Tourism industry at a national and regional level collects detailed data and has developed a methodology for assessing the widest impact of tourism and day visitor spend and for assessing employment in the tourism sector.

Employment in Tourism in the South East Region

The Tourism Industry has for many years undertaken an analysis of employment in the sector based on an assessment of SIC codes. The Tourism Industry's analysis differs from the one presented in this report because in some cases SIC codes were not included in the data search for this report (i.e. catering, pubs etc, see methodology section 2 above) and in some cases employment in cultural sectors (i.e. Sports, Museums, Libraries) counted by the Tourism Industry as Tourism employment is counted here on the basis of its primary purpose. [85]

In order to avoid any confusion, and to ensure that the full economic contribution of Tourism to the regional economy is acknowledged the sector's own assessment of its employment profile is set out below. Data is based on the combined employment statistics for both the South East England and Southern Tourist Board areas. The Southern Tourist Board covers part of the popular holiday destination of Dorset which is outside the GOSE / SEEDA region of the South East.

[85] A full list of SIC codes used for data search and analysis in this report is attached as Appendix 2

Figure 6.11 Employment in Tourism – Related Industries in the South East England and Southern Tourist Board areas, December 2000 (Drawn from Star UK 2002)

Employing Sector	SIC Code Counted in Total	Total Employed in SE England and Southern Tourist Board Areas (000)
Hotels and Hospitality	5511 Hotels and Motels without a restaurant 5512 Hotels and Motels with a Restaurant 5521 Youth Hostels and Mountain Refuges 5522 Camping Sites including Caravan Sites 5523 Other provision of lodgings nec (i.e. Guest Houses, B&B's)	55.8
Restaurants, cafes and snack bars	5530	62.3
Public houses, bars, night clubs and licensed clubs	5540	70.9
Travel Agencies / Tour Operators	633	18.1
Libraries, Museums Built and Green Heritage and Other Cultural Activities	9251 Library and Archive Activities 9252 Museum Activities and the preservation of historic sites and buildings 9253 Botanical and zoological gardens and nature reserve activities	9.9
Sports and other recreational activities	9261 Operation of Sporting Arenas and Stadiums 9262 Other Sporting Activities (including for example a 5 digit codes for The Activities of Racehorse Owners)	46.3
TOTAL		**263,300**

The Star UK employment data set out above *includes* employment data for the area of Dorset covered by Southern Tourist Board. It is important to stress that *all* employment data below includes employment without the GOSE region whilst comparable data held in the body of this report is based on employment in the South East region only. For this reason, for example, whilst the data table below shows total employment in hotels and accommodation at 55,800 this includes c9,000 employed in hotels and accommodation outside the SE.

Data is based on ABI 2000 to allow for consistency with data in the rest of this report.[86]

On the basis of this analysis, just over 263,300 people were employed in Tourism Industry related employment in the areas covered by Southern and South East England Tourist Boards.

The Economic Value of Tourism: Visitor Spend

In order to give a full picture of the Tourism Industry's own analysis of the economic impact of Tourism in the South East recently released visitor spend data for South East England and Southern Tourist Boards have been combined[87]. In some cases it has not been possible to abstract data covering the popular Dorset destinations

[86] All data is taken from the Star UK web pages and data sets "Employment in Tourism-related industries by region December 2000"
[87] Abstracted from Star UK data for South East England Tourist Board and Southern Tourist Board, 2002 unless otherwise stated

which are currently served by Southern Tourist Board and which fall outside the region of the South East.

The total combined spend of Tourists and Day Trippers in the region of the South East in 2000 was £9,404m.[88] This figure includes visitor spend in hotels and accommodation and in visitor attractions, heritage sites, museums, galleries etc. This element is reflected in the turnover data indicated by this reports analysis of IDBR. Tourism spend also includes visitor spend in the catering, retail and other sectors of the economy and this is in addition to the data on turnover provided in this report.

- 23.5m UK residents and 4.05m overseas residents visited the region in 2000[89]
- There were 210.6m day trips to the region in 2000[90] with a total spend of £5.053bn

Figure 6.12 Volume and Spending of Tourists in South East England 2000 (SEETB and STB Combined excluding E Dorset)

UK Residents		
Trips (M)	Nights (M)	Spending (£M)
23.5	73.2	£2,992
Overseas Residents		
Visits (M)	Nights (M)	Spending (M)
4.05	29.1	£1,359

- Average Spend Per Trip (UK Residents) £179.6[91]
- Average Spend Per Night (UK Residents) £50.25[92]
- Assessment of Tourism spend covers all areas of spending during a visit:

[88] This figure excluded total for Tourists in Dorset but includes Day Trippers to Dorset
[89] Excludes Dorset
[90] Includes Dorset
[91] SEETB and STB combined includes Dorset
[92] SEETB and STB Combined includes Dorset

Figure 6.13 Tourism Expenditure by category (Average of SEETB and STB) 2000 (includes domestic)

Category	**UK Residents %**
Package Trip	5
Accommodation (non Package Trip)	22.5
Travel	16
Services or Advice	5
Buying Clothes	6.5
Eating and Drinking	19
Other Shopping	7
Entertainment	8
Other Expenses	11
Total	**100**

Figure 6.14 Most Visited Paid Admission Attractions in the South East (SEETB and STB combined – Dorset excluded)

Attractions	**Location**	**Number of Visits 2000**	**Number of Visits 1999**
Legoland	Windsor	1,490,000	1,620,000
Canterbury Cathedral	Canterbury	1,263,140	1,318,065
Windsor Castle	Windsor	1,127,000	1,280,000
Thorpe Park	Chertsey	925,000	926,000
Wisley Garden	Wisley	613,987	615,034
Leeds Castle and Gardens	Leeds	527,594	596,505
Fort Fun	Eastbourne	410,000	380,000
Paradise Park	Newhaven	341,780	341,784
Royal Naval Museum	Portsmouth	324,157	204,458
Royal Pavilion	Brighton	323,628	365,459
HMS Victory	Portsmouth	317,459	319,255
National Motor Museum	Beaulieu	315,947	329,490
Dover Castle	Dover	310,761	321,025
Wakehurst Place	Ardingly	304,890	292,883

The Economic Value of Tourism: Hotels and Accommodation

Figure 6.15 Tourist Accommodation in the South East (SEETB and STB Combined totals – excludes Dorset[93])

	No of Establishments	**Capacity**
Hotels, Motels, Inns, Guesthouses	3,213	144,505
Bed and Breakfast	3,660	26,139
Farmhouses	361	1,862
Group & Youth Accommodation	100	22,161
Self Catering	2,291	7,348
Camping and Caravan Sites and Holiday Parks[94]	394	31,942

[93] based on data provided by STB 2002 and Star UK 2002
[94] Includes static and touring pitches and units

Key Tourism and Hospitality Sector F&HEI activity in the region includes:

Thames Valley University: Hospitality and Leisure Faculty and piloting a Hospitality Foundation degree
Oxford Brookes University: Piloting a Hospitality, Tourism and Leisure Foundation Degree

Sport

Commercial and public sector infrastructure combine to make sport and recreation a major feature of the quality of life in the region. Over £500m a year is spent on sports related goods and services in the South East, 17% of average weekly household expenditure.[95]

Figure 6.16 Public Sector Sports Infrastructure

Facility Type	Number in SE
Indoor Sports Centre	290
Swimming Pool	178
Ice Rink	9
Indoor Tennis Centre	35
Dry Ski Slope	11
Synthetic Turf Pitch	132
Athletic Tracks	34

- Sports infrastructure also includes at least 12,000 sports clubs across the region with over 120,000 active volunteers.
- 89% (c7m people) participate in sport in the region, the highest percentage of population the country and local authority sports centres are the most popular venue for sports participation.
- Local Authorities invested £76m[96] in Sports and Recreation centres in 1998/99 and there are Sports Development Officers in every local authority.
- Almost £175m has been invested in the sports infrastructure through the national Lottery in the region. Major Lottery projects include The Quays Swimming and Diving Complex at Southampton (£6.6m Lottery Investment); the Jubilee Sailing Trust in The Solent (£3.4m Lottery Investment); the Thames Valley Athletic Stadium (£3.4m) and the Horntye Cricket and Hockey Centre in Hastings (£3.3m).

For many sports the region is home to their national or high performance centres, or their training bases. Major sites include:

- Athletics: Thames Valley Athletics Centre, Eton
- Badminton: National Badminton Centre, Milton Keynes
- Diving: The Quays, Southampton
- Hockey: The National Hockey Stadium, Milton Keynes
- Sailing: Hayling Island Sailing Club
- Trampolining: Medway

[95] All Data Sport England, 2002 unless otherwise stated
[96] Local Government Financial Statistics, op cit

- Canoeing: Reading and Elmbridge
- Rowing: Henley-on-Thames and Marlowe
- Tennis: Bisham Abbey
- Judo: High Wycombe
- Skiing: Wycombe Summit and Milton Keynes

The region is home to leading institutions in Sports Science and Medicine at:

- The Universities of Southampton, Brighton and Portsmouth, University College Chichester and Christchurch College, Canterbury.
- Southampton General Hospital is the only NHS hospital providing sports medicine services.

The region is also home to major commercial sporting sectors and events. These include:

- Motor Sports at Brands Hatch[97]
- Racing – major Race Courses and race meetings including Royal Ascot, Windsor, Sandown Park, Kemptown Park, a cluster of international training stables in Lambourn.
- Shooting at Bisley
- Golf at Wentworth. There are at least 152 golf courses in the region.
- The Solent is an international centre for yachting[98]
- Extreme Sports – Brighton is emerging as a centre for extreme water-based sports including windsurfing.

Countryside Leisure and Recreation[99]

The outstanding natural environment in many parts of the region plays a significant part in attracting visitors to the region and in contributing to the quality of life of those who live there. Recreational use of the region's countryside has increased considerably over recent years and expenditure generated by trips to the countryside and rural tourism contributing significantly to rural businesses and local employment[100].

The recent outbreak of Foot and Mouth Disease (FMD) has highlighted the interrelationship between urban and rural economies, underlined the vulnerability of rural economies and emphasized clearly the close connections between agriculture and related industries and rural tourism. Although the South East had very few cases of FMD (9 compared to 1,724 in England as a whole) the closure of large areas of the countryside to the public from February to July 2001 impacted heavily on rural businesses that rely on visitors for much of their income.

The South East England and Southern Tourist Boards estimate that the total loss to Tourism arising from FMD will be in the region of £545 million and that the UK saw a

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[97] See Oxfordshire Motor Sports Cluster Case Study in Section 7
[98] See Case Study Recreational and Marine Yachting Cowes Week 2001 in Context
[99] Unless otherwise stated all data in this section from State of the Countryside London and the South East, Countryside Agency, 2001
[100] See Case Study South East Walks Partnership

21% decline in overseas visitors. In particular rural businesses affected include farm bed and breakfasts and self-catering units, farm and animal based attractions and businesses specializing in rural recreational and leisure pursuits.

The coastal resorts of the region have traditionally played a significant part in its prosperity and identity, with strong links to the defence and tourism industries. Decline in both of these industries in coastal regions has had a significant impact on their wider economic and environmental decline. Arts, Media and Heritage businesses and organizations are now working closely with regeneration and other public sector agencies towards the regeneration of many such areas[101].

The 1998 Day Visitors Survey indicated the scale of day trips to the South East Countryside – 52m a year to the Chilterns AONB and 32m to the Sussex Downs AONB alone. In total in 1998 it was estimated that annually some 313m day trips were made and visitors to the countryside of the South East spent a total of £2.1bn. Tourism in the countryside employs approximately 65,000 people with a further 8,000 jobs created indirectly.

- 4 National Trails – the Thames Path; North Downs Way; South Downs Way and The Ridgeway.
- Areas subject to protective designation cover 40% of the Region.
- over 40% of England's total stock of semi natural ancient woodland.
- c33,754km of footpaths, bridleways and byways open to all traffic.
- 22 Country Parks
- At least 79 farm parks, wildlife centres and animal collections open to visitors
- Designation of the New Forest and the South Downs as National Parks under consideration.
- 72km of England's designated Heritage Coast
- The highest proportion of parishes in England with a Village Hall (89% compared to average 85%)
- The highest proportion of parishes with a pub (84%) of any English region (average 75%)

6.5 MEDIA AND DIGITAL

Analysis of ABI data indicates that this sector of the CCIs employs almost 306,000 people in the South East, almost twice as many people as its nearest regional competitor the Eastern Region (c160,000). The region is only outstripped in terms of employment by London which employs almost 400,000 people is this sectoral grouping. The region has c19% of Great Britain's employment in this sector of the economy. Employment in this sector accounts for c54% of CCI employment in the region.

Employment in the Media and Digital sectoral grouping grew by just over 37% in the period 1995 to 2000. Employment growth has been significantly greater in the South East than in Great Britain as a whole (22.6%) and when compared to all English Regions including London where employment grew by just over 30% in the same period.

[101] See Cases Studies Brighton Seafront, Folkestone and Turner Centre Margate.

In addition LFS indicates that 11.3% of the Media and Digital workforce is self-employed. Based on LFS Media and Digital employment data this is the equivalent of an additional c30,000 people working in the sectoral grouping in the region. Levels of self-employment have only declined slightly (-1.4%) in the period 1995 – 2000[102].

IDBR provides evidence of over 37,000 VAT registered Media and Digital businesses and organisations, 74% of the total number of VAT registered CCI businesses and organisations in the region. These businesses and organisations generate a total turnover of c£38.5bn or 85% of the total regional CCI turnover[103]. 56% of VAT registered businesses and organisations in this sectoral grouping turnover under £100,000 and generate only 3% of total turnover in the region, they employ 13% of the workforce. 2% of Media and Digital businesses and organisations with turnovers of over £5m generate 75% of total turnover and create 51% of total employment. 30% of businesses and organisations have turnovers of between £100,000 and £499,000 but between them generate only 6% of the total turnover. Only 12% of Media and Digital businesses generate turnovers of between £500,000 and £5m, they contribute 16% to total Media and Digital turnover in the region.

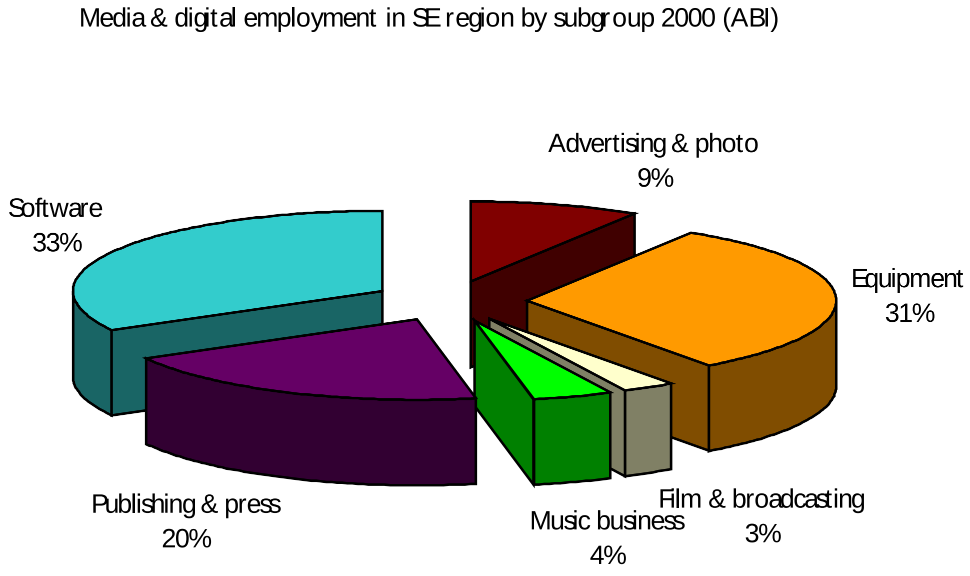
- Average turnover: £1,029K[104]
- Average turnover per employee: £157K[105]
- Average size: c7 employees[106]
- Average weekly earnings: £550.58
- 34.6% of the Media and Digital workforce hold at least a degree or equivalent qualification
- 27.2% work part time[107].

This sectoral grouping is exceptionally strong in the SE, showing dramatic growth in employment in the period 1995 to 2000. In 1999 the report Media in the South East[108] estimated the total turnover of the sector in the South East at £3.8bn based on 1998 figures and projected that turnover might rise to £10bn by 2003. Evidence from IDBR for 2001 indicates a total turnover of VAT registered companies in this sector of c£38.5bn or 85% of the total CCIs turnover in the region.

Over 60% of employment in this sectoral grouping is located in software and in equipment reflecting the region's strengths in digital technologies and in hi-technology manufacturing. A further 20% of employment is created in the publishing sector reflecting significant print industry in the east of the region and the major publishing cluster in Oxford in the west[109].

[102] See Appendix 4 Chart 17
[103] Please refer to Appendix 4 Charts 7 - 9 for further analysis of IDBR company and turnover profile for Media and Digital.
See Appendix 4 Charts 7 and 8
[104] See Appendix 4 Chart14
[105] See Appendix 4 Chart15
[106] See Appendix 4 Chart16
[107] For a full discussion of the Regional Workforce see Section 4 of this report
[108] Media in the South East, Human Capital, 1999
[109] See Section 7.3.2 of this report for a detailed discussion of the Oxford Publishing Cluster.

Figure 6.17



The vast majority of activity this sectoral grouping takes place in the commercial sector. Public sector agencies and HE institutions do however make a contribution to the development of this sector of the creative and cultural economy in the region. SSEA has a particularly significant role to play in supporting parts of this sectoral grouping – in music, artist's film and video, photography and new media activity.

- The significant cluster of digital media businesses and organisations based in Brighton and Hove is supported by Sussex Enterprise and SEEDA through Wired Sussex, and by Sussex Innovation Centre based at the University of Sussex. Brighton University also has significant strengths in Digital and Media education. The Brighton Enterprise Hub, supported by SEEDA, brings together regional and subregional business support and development agencies, will have a particular focus on the creative and media sector.
- The development of the wired agencies across much of the region is supported by SEEDA. Wired Sussex who lead the development of wired networks is a singular model of professional networking, brokerage, business advice and support amongst the CCIs in the region.
- The South East Media Broker, supported by SEEDA, played a significant role in supporting and offering business brokerage services to media businesses and organisations in the region.
- Key HEIs in this sectoral grouping in the region include:
    - Christchurch Canterbury University College
    - Kent Institute of Art and Design
    - Oxford Brookes University
    - Southampton Institute
    - Surrey Institute of Art and Design
    - Thames Valley University
    - University of Reading
    - University of Brighton
    - University of Kent

    - University of Surrey
    - University of Sussex

- SSEA provides support to a number of media based organizations including for example core support for Lighthouse in Brighton.
- Screen South, the new agency supporting film in the region will spend c£913,000 in the SE in 2002/3[110].

Key clusters of media activity in the region include:

- Brighton and Hove[111]: digital and new media businesses and organisations including Victoria Real, the 2nd fastest growing technology company in the UK in 2000[112].
- Surrey, Berkshire, Hampshire and Oxfordshire have all seen significant increases in employment in software development and other computer activities.
- A major publishing cluster in Oxford[113],:Digital Media businesses and organisations in North Oxfordshire.
- Leisure Software/Games in Guildford[114].
- TV Studios in the region include Meridian Southampton, Meridian Maidstone, The Maidstone Studios at Vinters Park, Bray Studios.
- There are three Restricted Service Licenses in the region: TV Six - The Oxford Channel; TV 12 on the Isle of Wight and MY TV in Portsmouth
- In the last year Spice Factory in Brighton produced more feature films than the BBC and Channel 4 together
- Major film studios in the SE are at Pinewood and Elstree.

6.6 THE ARTS AND DESIGN

Analysis of ABI data indicates that this sectoral grouping employs c125,000 people in the South East - apart from London this represents the largest concentration of employment in this sector in Great Britain and represents 18% of Great Britain's employment in this sector. Employment in this sector accounts for almost 23% of the region's CCI employment.

Employment has grown by 19.5% in this sector in the period 1995 – 2000 more than double the rate of growth for Great Britain as a whole (9.3%) and only outstripped by London with a growth rate of 21.7%.

Assessing total employment in the Arts and in some parts of the design industry is particularly complex. The Arts and Design have significant levels of self-employment which are not reflected in ABI data. Analysis of LFS data indicates that c60% of those working in the sector are self-employed, based on LFS data this is equivalent to c61,000 people.

[110] Screen South Business Plan November 2001
[111] See Cluster Case Study in Section 7 of this report
[112] Sunday Times Tech Track 11/11/01
[113] See Cluster Case Study in Section 7 of this report
[114] See Cluster Case Study in Section 7 of this report

ABI data is used consistently throughout this report as a baseline for employment figures, and comparisons between the South East and other parts of Great Britain are therefore consistent. However ABI data includes SIC Code 7484 (Other Business Activities) which captures a diverse range of economic activity activities but includes some important parts of Arts and Design employment.

Employment data based on the IDBR offers a very different picture. This excludes those elements of SIC Code 7484 which are not relevant to this study and, because it enables us to look at five digit codes, makes it possible to exclude engineering activities from SIC Codes 7420 (Architectural, Engineering etc). IDBR indicates employment in the Arts and Design at c20,000 in total. This very significant variation is in part due to the exclusions mentioned above and in part due to the inevitable variation between data sources. IDBR data is based on VAT registered businesses and organisations only and this combined with the effects of non-disclosure rules significantly restricts access to data on very small companies. It is likely that just as ABI may over-count Arts and Design employment so IDBR significantly fails to capture the scale of employment in this sector.

By way of comparison, YPBD lists a total of 9,322 businesses and organizations in The Arts and Design –c30% more businesses and organizations than recorded by IDBR[115]. Moreover, as a self-selecting marketing tool for active businesses and organizations YPBD rarely realistically reflects the number of individual professional artists, small creative partnerships and short term / touring performing arts businesses and organisations in any area.

This report can offer reliable comparators; however, only further company-based primary research will provide a more accurate assessment of total employment in the Arts and Design in the region.

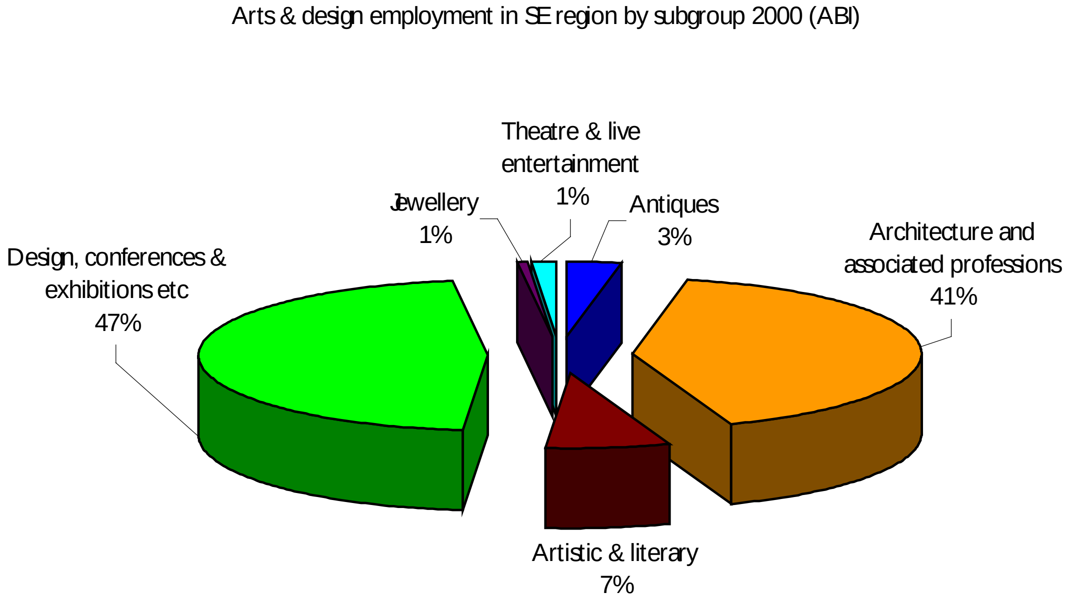
Based on the limited data provided, IDBR provides evidence for 6,600 VAT registered Arts and Design businesses and organisations in the region generating a total turnover of about £1.4bn[116]. 67% of businesses and organisations have individual turnovers of under £100,000 and generate 14% of total turnover and 32% of employment whilst less than 3% of businesses and organisations (those with turnovers exceeding £1m) generate 47% of total turnover and provide for 34% of employment. 27% of businesses and organisations turnover £100,000 to £499,000 and generate 26% of total turnover and 25% of employment. Less than 1% of VAT registered Arts and Design business and organisations in the region turnover £5m or more – a total of only 30 companies.

- Average Turnover £206k[117].
- Average Turnover per employee £73k[118].
- Average number of employees c3[119].
- Average weekly earnings £568.79
- c41% hold a minimum of a degree level or equivalent qualification

[115] See Appendix 4 Chart 13
[116] Please refer to Appendix 4 Charts 10 - 12 for further analysis of IDBR company and turnover profile for The Arts and Design.
[117] See Appendix 4 Chart 14
[118] See Appendix 4 Chart 15
[119] See Appendix 4 Chart 16

- 21.7% work part time[120]

Figure 6.20



The Arts

Pubic sector support has a critical role to play in supporting the development of cutting edge practice in some, although not all, areas of creative practice

- SSEA's predecessors – South East Arts Board and Southern Arts Board – together invested over £13m in arts organizations and individual artists in 2000/2001[121].
- SSEA supports about 600 arts organizations annually in the region but the actual number of arts organizations and aspiring artists is likely to be significantly higher than this[122].
- Business sponsorship of the arts in the region in 1999/2000 amounted to £3,380,397[123].
- The National Lottery has made a significant contribution to the development of the arts infrastructure in the region a total of c£135m since its inception[124].
- The region's local authorities play an important role in supporting both local arts activity and a number of important venues of at least regional significance. Local Authority arts funding continues to be under real pressure with a number authorities reporting plans for significant reductions in support to creative and cultural organizations planned for the financial year 2002/03. Based the available and limited data local authorities in the region invested in the region of £24.5m in

[120] For a full discussion of The regional Workforce see Section 4 of this report
[121] South East Arts Board, Southern Arts Annual Reports 2000/01. The research for this report was conducted before the merger of the two boards as the new Regional Arts Council for the South East England, Southern and South East Arts (S&SEA).
[122] The Cultural Cornerstone, SEECC, 2001
[123] Arts + Business, 2002
[124] DCMS January 2002

"Art Galleries" which we take to include Museums, Galleries and Arts Organisations[125].

The depth and range of professional arts activity reflects on the diversity and geographical spread of the region. Key hotspots of professional arts activity include:

- Performing, Live and Street Arts in Brighton and Hove and the surrounding area including the Brighton Dome, Komedia, Gardner Arts Centre, Zap Productions, Brighton Festival and Same Sky and Glyndebourne Opera[126].
- Visual Arts and Crafts have particular strengths across the region with a large number of professional designer-makers living in the South East. Key areas for activity include Southampton (John Hansard, Millais and City Art Galleries), Oxfordshire (Museum of Modern Art and Oxfordshire Art Weeks – the largest open studios event in the country), Brighton and Hove (c1,000 visual artists working in the City, Phoenix and Red Herring Studio Groups and a growing number of small visual art and craft galleries and shops in the Lanes and North Laines)[127].
- Three major lottery funded projects to develop high profile gallery spaces will place the South East's Visual Arts in a highly competitive position – the development of the Turner Centre in Margate[128], the restoration and redevelopment of the De La Warr Pavilion, Bexhill on Sea; and the redevelopment of the Towner Gallery, Eastbourne.
- Contemporary Dance across the region includes the National Dance Resource at the University of Surrey, South East Dance Agency supporting small and innovative dance companies clustered in Brighton and elsewhere in the South East and a range of small businesses and organisations based in Hampshire.
- The region has some strengths in subsidized and commercial theatre provision including The Oxford Playhouse, Chichester Festival Theatre[129], New Victoria Theatre, Woking, and Yvonne Arnaud Theatre in Guildford, and the cluster of theatre venues in Brighton and Hove however the region is relatively weak in the number of producing theatres with only 3,500 seats in producing houses.

Many of the region's universities have a particular specialism in arts practice and this is reflected in the relatively high numbers of students in the South East studying practical arts subjects[130]. Key HE Institutions include:

- Brighton University: Architecture, design, crafts and dance, digital media
- Brunel University: Design.
- Kent Institute of Art and Design: The largest university-level art design and architecture institution in Europe.
- King Alfred's College of Higher Education: Performing Arts
- Royal Holloway: Drama and Music
- University of Surrey: National Resource Centre for Dance

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125 Local Government Financial Statistics, op cit
126 See Case Study Zap Productions
127 See Case Study Designer Makers in Hampshire
128 See Case Study The Turner Centre, Margate
129 See Case Study Chichester Festival Theatre
130 *The Regional Mission: The contribution of Higher Education in The South East*, Higher Education South East 2001

- Surrey Institute of Art and Design University College: Art, Design, Media

There is only limited evidence of effective professional networking in the arts sector or between the arts sector and associated creative sectors (Digital Media, TV, Film, Video, Radio) at a regional level. There also remains endemic under funding combined with, in some cases, poor business skills, and these taken together serve to undermine the potential of creative activity in the region.

Design and Architecture

Design and Architecture are significant areas of commercial activity in the Arts and Design sectoral grouping. Of 9,322 Arts and Design businesses and organisations listed in the Yellow Pages Business Directory, 2,382 (c35%) are Design or Architecture businesses and organisations. There are significant numbers of people employed in Architecture in Surrey (14,000) and Oxfordshire (6,500)

The Antiques Market is also a significant, albeit scattered, area of commercial activity which plays a role in attracting visitors to historic Markets Towns across the region.

7 CREATIVE AND CULTURAL INDUSTRIES ACROSS THE REGION

7.1 THE PATTERN OF CCI ACTIVITY IN SOUTH EAST ENGLAND: THE STRATEGIC PICTURE

In a region as large, diverse and populous as the South East it is inevitable that there will be significant variations in the density of CCI activity across different parts of the region. Variation will also occur in the range and type of CCI activities and organisations, and in the existence of identifiable clusters of CCI activity.

The performance of the cultural and creative sector is affected by many of the local and sub regional conditions and constraints that affect the other part of the economy. With some 51,000 of the region's VAT registered businesses and organisations, (c20% of the total) it is not surprising that access to transport – links with London, with international gateways, and across counties and sub regions like the South East coastal strip – is as important to heritage, tourism, media, and the arts as to other service sectors. Constraints in the housing market and issues of quality of life are as important for recruitment and retention in low wage sectors like heritage or tourism and they are in the media and digital sectors. In general, the economic performance of CCIs in the sub regions is consistent with the performance and prospects of those sub regions. There are also factors that affect subsectors and more specialised activities in specific ways, for example constraints which affect sectors which are highly dependent on public funding, such as archives, the public library sector and museums.

The sub regional and more localised view of the distribution and performance of the cultural and creative economy complements the overall economic performance of the region, as prosperity and performance rise as you travel from east to west. This section looks at the subregional context on the basis of data assessed on the basis of existing (for Berkshire, historic) county boundaries, incorporating data relating to the Unitary Authorities within each geographic county boundary. The Isle of Wight has been separated from Hampshire for this study.

To the west, Berkshire, Buckinghamshire, Surrey, Oxfordshire CCIs share of the local workforce is well above national and regional averages. There are very significant levels of media and digital activity and Berkshire, Surrey and Oxfordshire show high levels of content origination - and only Surrey within the SE shows a significant employment concentration on Arts and Design. Hampshire and the Isle of Wight show significant concentrations of employment in Heritage and Information Management (as does Kent). West and East Sussex and Kent CCI's have well below national and regional average shares of the local workforce.

Other significant factors include

- the importance of transport corridors - for example access to London and Heathrow has attracted the very large numbers of multinational media, digital and related service businesses and organisations to the M3/M4 zone west of London; the Gatwick/M20/A20/ Brighton axis for smaller media, design and related creative and service businesses and organisations; the M2/M20/CTRL connection shows the same potential
- the quality of the marine and rural environment - particularly in the AoNBs, national parks and coastal areas in the west of the region - is self evidently essential for the marine leisure industry; for the equine sector; and for heritage and countryside based activities and the tourism sector which services them.

- relationship to London - access to market and specialised skills and facilities within a 60 minute travel zone enables CCI businesses and organisations to access London's legal, intellectual property, financial, advertising and market making functions.

Figure 7.1

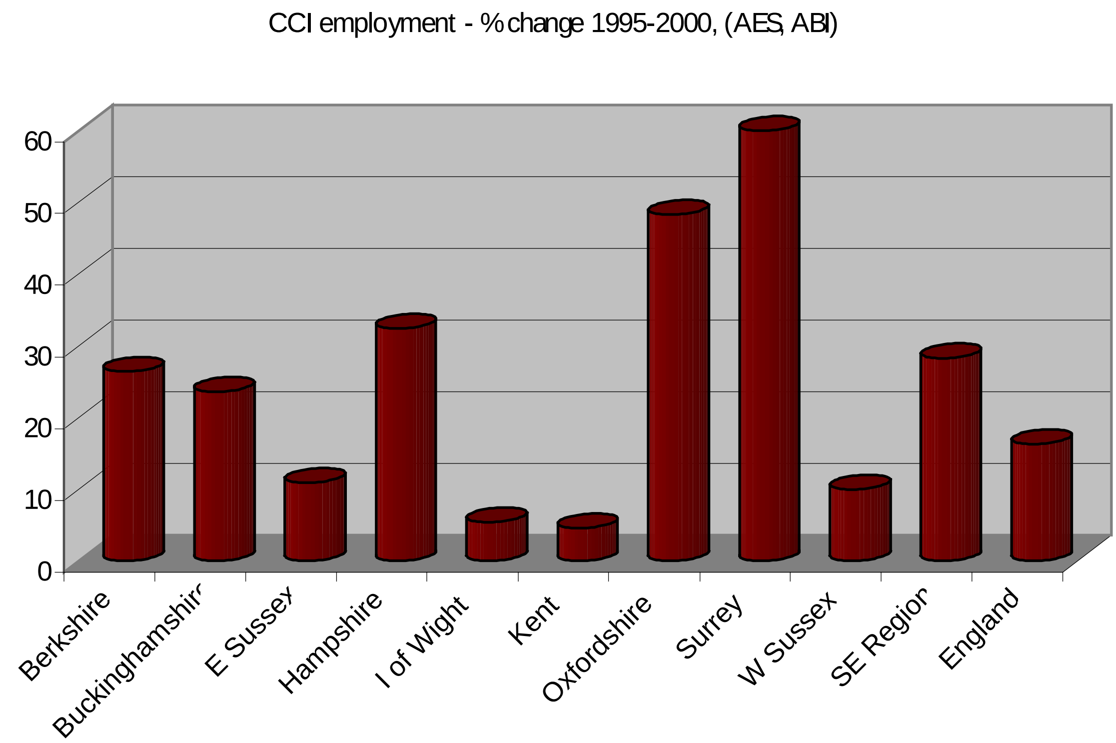


Figure 7.2

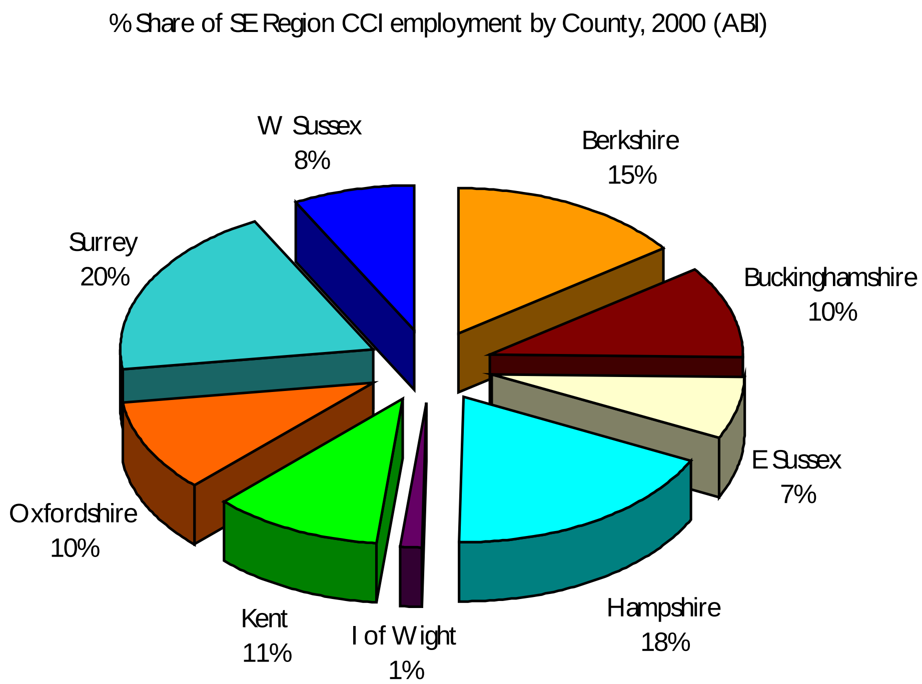


Figure 7.3

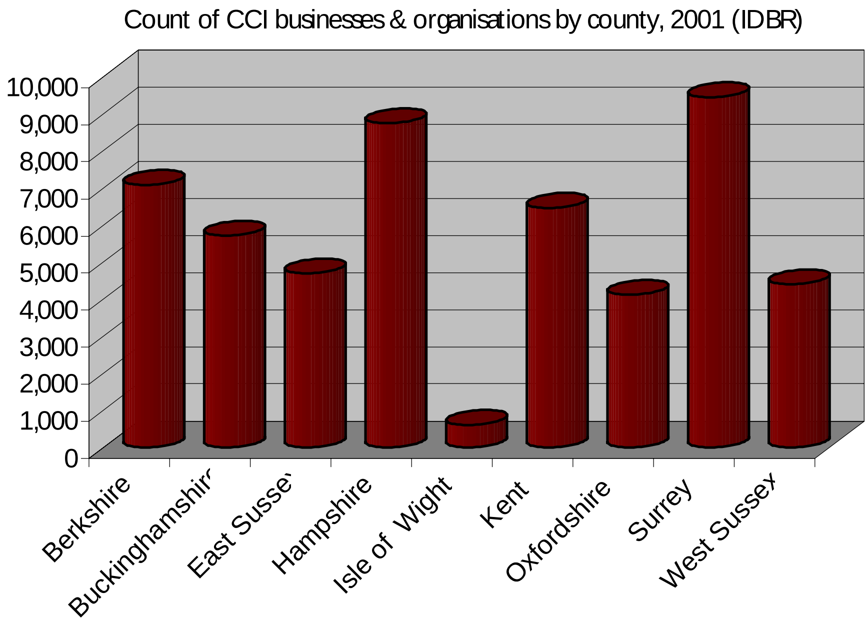


Figure 7.4

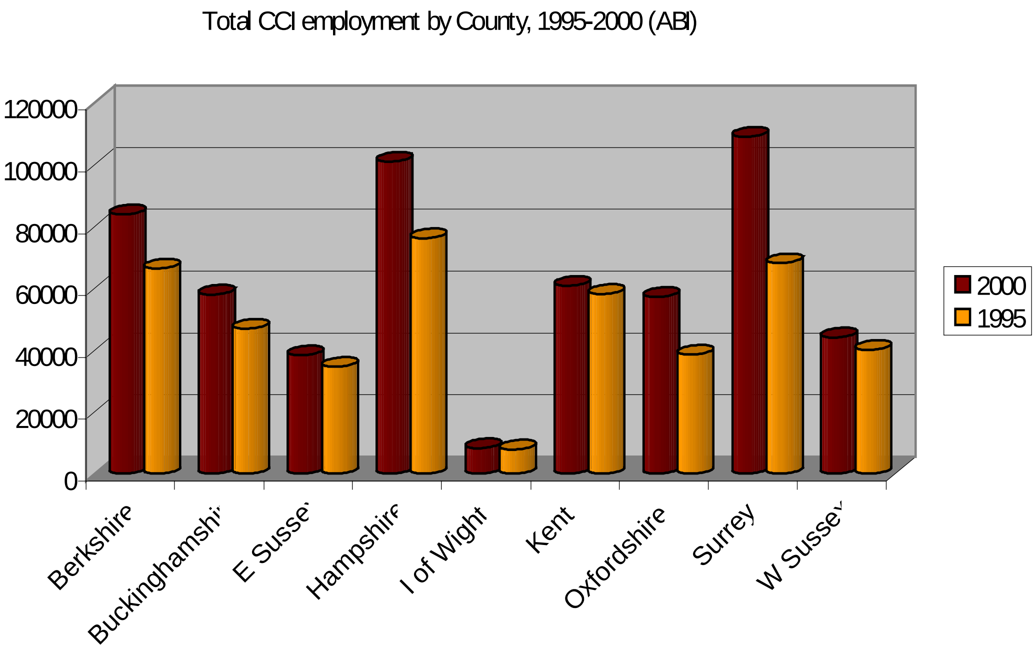
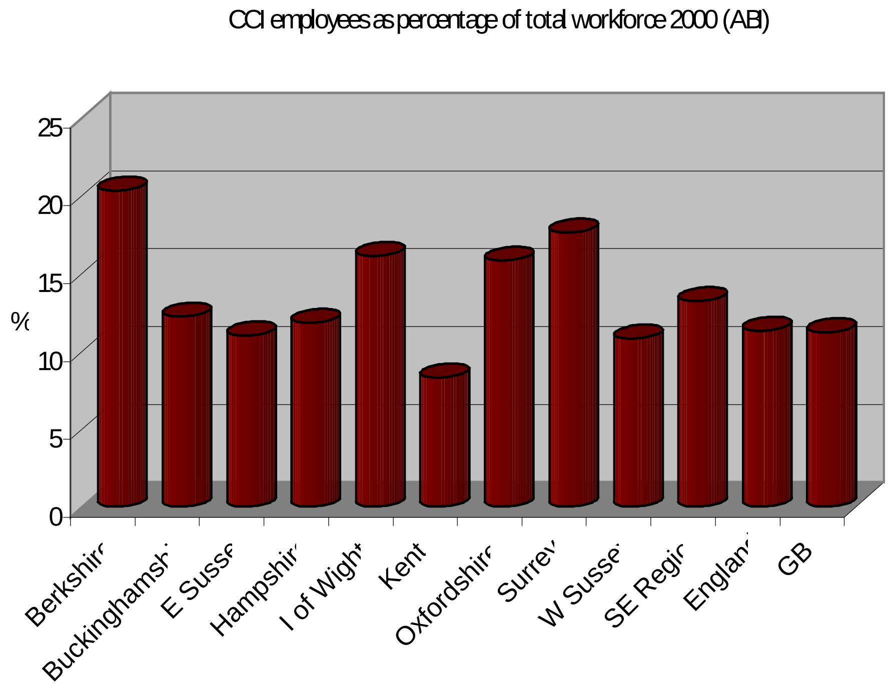


Figure 7.5


CCI employees as percentage of total workforce 2000 (ABI)
25
20
15
10
5
0
%
Berkshire
Buckinghamshire
E Sussex
Hampshire
I of Wight
Kent
Oxfordshire
Surrey
W Sussex
SE Region
England
GB

7.2 CCIs BY COUNTY (COUNTIES AND UNITARY AUTHORITIES)

BERKSHIRE (INCORPORATING THE UNITARY AUTHORITIES)

Berkshire has experienced employment growth in the CCIs of 26.4% just below the regional average rising from 66,370 in 1995 to 83,922 in 2000[131]. Berkshire's CCI workforce represents 20.3% of the total county workforce[132], considerably in excess of the regional average share of workforce (13.2%) and has 15% of the region's CCI employment in the sector[133]. At c22% of the workforce Berkshire has the lowest percentage of part time CCI workers in the region, c8% lower than the regional average for this sector[134].

The high growth areas of software development and computer consultancy have grown by 115% from under 13,000 in 1995 to over 28,000 in 2000. IDBR indicates 7,070 VAT registered CCI businesses and organisations in the county of which 5,695 are in the Media and Digital Sectoral Grouping[135].

Concentrations of film and digital media employment in Berkshire may be reflected in LQs of +0.1 for employment in Media and Digital and +0.2 for employment in Content Origination in the county. Berkshire has negative LQs for Heritage and Information Management (-0.6), Tourism Recreation and Sport (-0.2) and Arts and Design (-0.1)[136].

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

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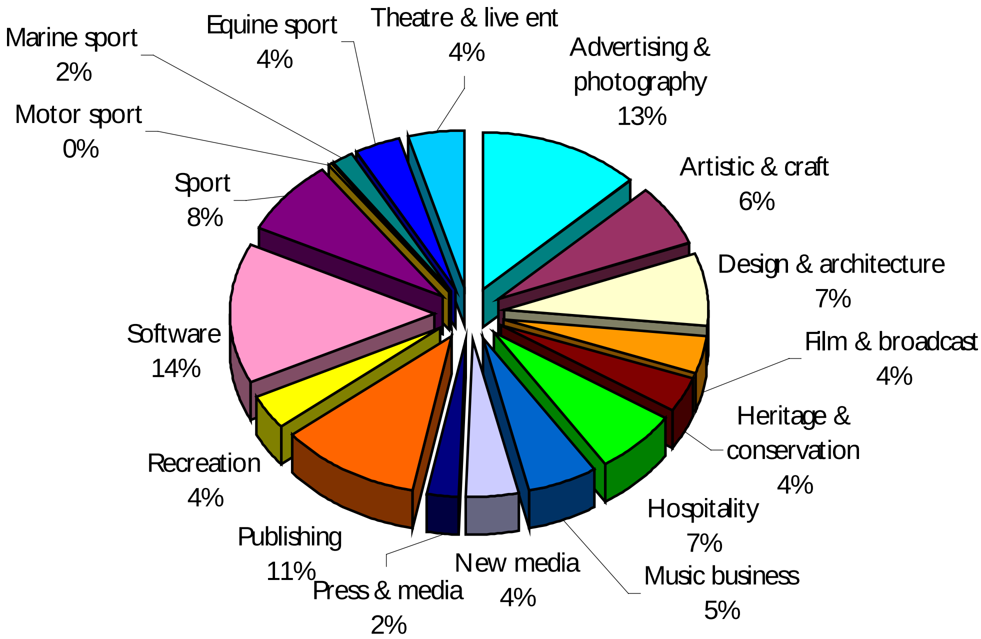
[131] See Figures 6.1 and 6.4 for County Employment and Growth rate figures.
[132] See Figure 6.5 for CCI share of County Workforce
[133] See Figure 6.2 for County share of regional CCI employment
[134] See Appendix 5, Chart 1 for County based part-time employment data
[135] See Figure 6.3 for county-based IDBR analysis. Please refer to Charts 2 and 3 in Appendix 5 for analysis of IDBR County data assessed by CIPS and Sectoral Groupings
[136] See Appendix 5, Charts 4 & 5 for further LQ evidence by County

Berkshire total of Yellow Pages CCI listings by subgroup 2001



BUCKINGHAMSHIRE (INCORPORATING THE UNITARY AUTHORITIES)

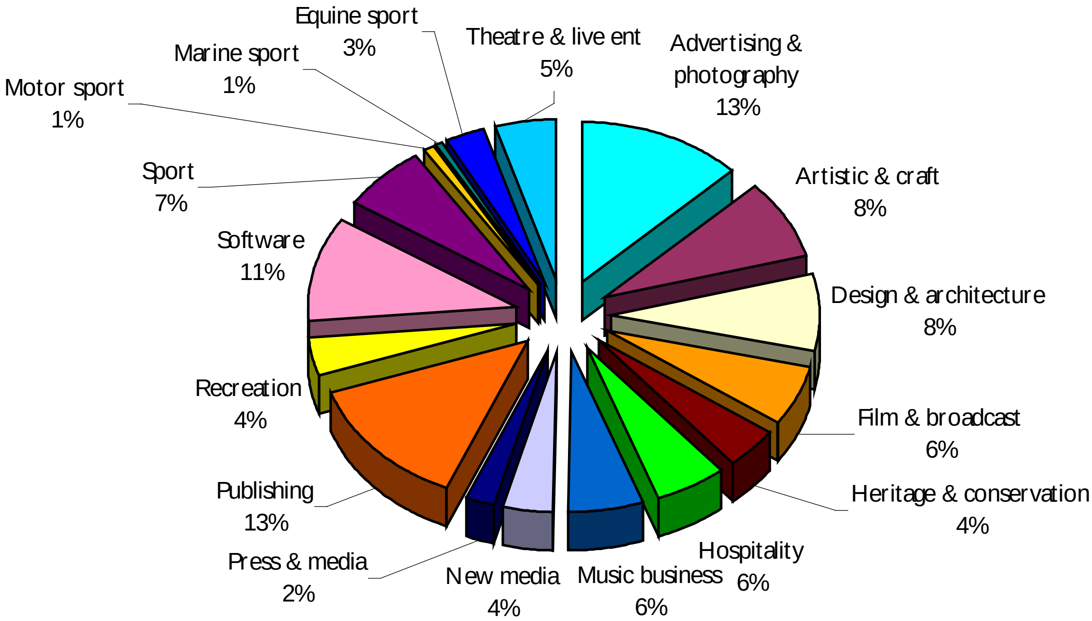
Employment growth of 23.6% in the sector has been experienced in Buckinghamshire rising from 46,922 to 57,997 or 10% of total regional CCI employment in 2000. CCI employment in the county accounts for 12.2% of the workforce, slightly below the regional average. Part Time working is c6% lower than the regional average in the County at 24.7% of the CCI workforce.

39% of the region's employment in Film is located in the county reflecting the significant cluster of film studios in Pinewood and Elstree. 4,305 of the 5,710 VAT registered CCI businesses and organisations, indicated by IDBR, fall within the Content Origination phase of CIPS.

Concentrations of Film and Digital media in Buckinghamshire may be reflected in an LQ of +0.1 for Media and Digital. The County has negative LQs for Heritage and Information Management (-0.3), The Arts and Design and Tourism, Recreation and Sport (both –0.1)

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

Buckinghamshire Yellow Pages CCI listings by subgroup 2001



EAST SUSSEX (INCORPORATING THE UNITARY AUTHORITIES)

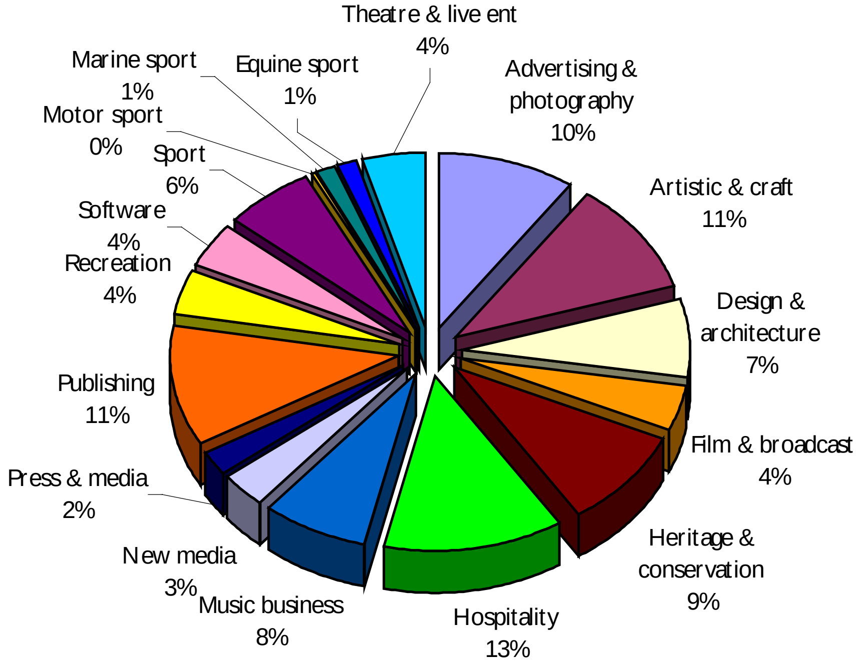
East Sussex has experienced less employment growth than the national average at 10.9% with employment rising from 34,634 in 1995 to 38,408 in 2000. CCI employment accounts for 11% of the county workforce. Part-time employment in the county is the highest in the region at c42% - c12% higher than the regional and GB averages.

East Sussex has 7% of the total regional CCI employment and 45% of all CCI employment in the county is located in Brighton and Hove. 60% of Brighton and Hove's CCI employment is in the Media and Digital sectoral grouping with a further 25% in The Arts and Design. Viewed from the perspective of the production chain 54% of Brighton and Hove's CCI employment is in Content origination. 3,075 Media and Digital businesses and organisations form the majority of the 4,690 VAT registered CCI businesses and organisations in the County according to IDBR.

Analysis of employment LQs for the county shows that East Sussex shows poorly for both the Arts and Design and Media and Digital sectoral groupings both with LQs of –0.2 despite the known concentrations of activity in and around Brighton and Hove. The County also has a negative LQ of –0.3 for Content Origination. East Sussex has positive LQs of +0.5 for Tourism Recreation Sport, and Exchange, and of +0.3 for Heritage and Information Management.

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

E Sussex Yellow Pages CCI listings by subgroup 2001



HAMPSHIRE (INCORPORATING THE UNITARY AUTHORITIES)

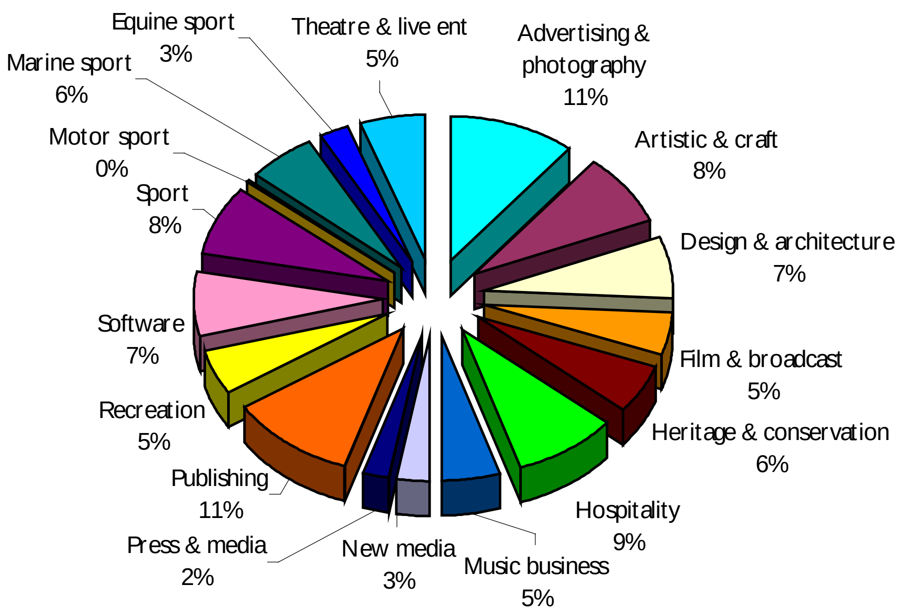
Employment in Hampshire has risen by 32.4% only marginally greater than the regional average growth rate but almost double the national average. Growth in Hampshire has been from a strong base of 76,222 in 1995 to 100,956 in 2000. The County has 18% of total regional CCI employment but CCI employment accounts for 11.8% of the County workforce, lower than the regional workforce share average. C34% of the county workforce works part time – c4% higher than the regional and GB averages.

Once again growth is exceptional in Software consultancy and other computing activities with a 66% rise from under 9000 in 1995 to nearly 15,000 in 2000. The area of specialized retail employed 10,000 people in 2000 an increase of 35% over 5 years. The key sporting employment codes also show growth of 46% in the same period. The county has 8,735 VAT registered CCI businesses and organisations according to IDBR of which 6,675 are in the Media and Digital sectoral grouping.

LQs for CCI employment in the county indicates concentrations of activity in Heritage and Information Management (+0.3) and Tourism, Recreation and Sport (+0.2) and, in the production chain in Manufacturing Inputs (+0.5). The County has a negative LQ (-0.1) for Content Origination.

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

Hampshire Yellow Pages CCI listings by subgroup 2001



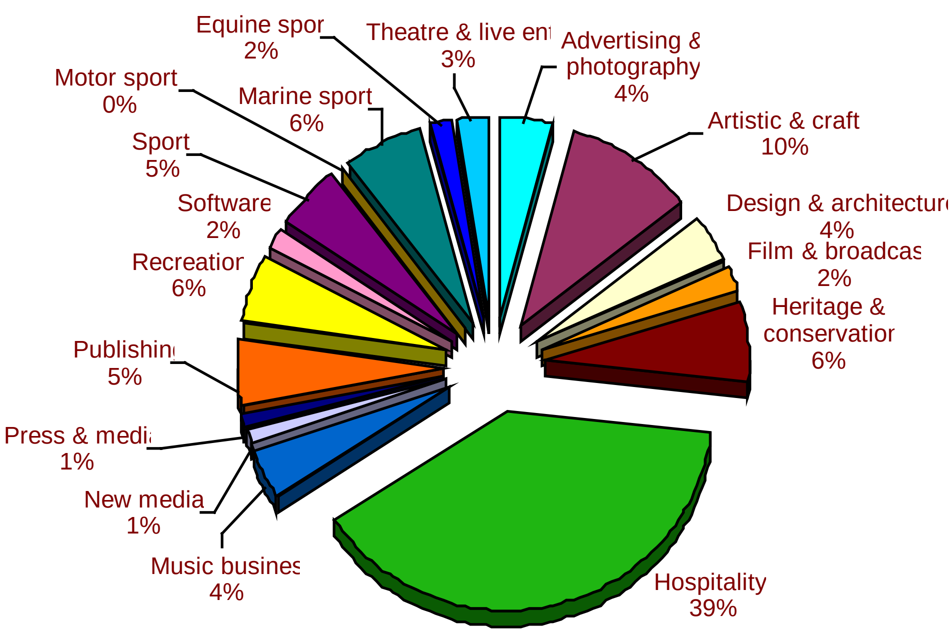
ISLE OF WIGHT

The sample for the Isle of Wight is small and shows a rise in employment from 7,874 to 8,302 in the period, an increase of 5.4 %. CCI employment on the Island represents 16.1% of the workforce, considerably in excess of the regional average. The Isle of Wight has high levels of part time working which, at c41% reflect the strength of the Tourism, Recreation and Sport sectoral grouping in this county.

There is evidence of some significant employment in Manufacturing Inputs which appears to be located in electronics manufacture (Transmitters for TV and Radio) and boat building. The Isle of Wight also has significant employment (relative to size of workforce) in Hotels and Holiday Accommodation. IDBR indicates that the Isle of Wight has 600 VAT registered CCI businesses and organisations of which 290 are in the Tourism, Recreation and Sport Sectoral Grouping.

Analysis of employment in the CCIs by LQ indicates the strengths of the Island in Heritage and Information Management and Exchange (both +0.8) and Manufacturing Inputs (+1.5). The Island has negative LQs for Tourism, Recreation and Sport of –0.9 and in Content Origination of –0.7.

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).



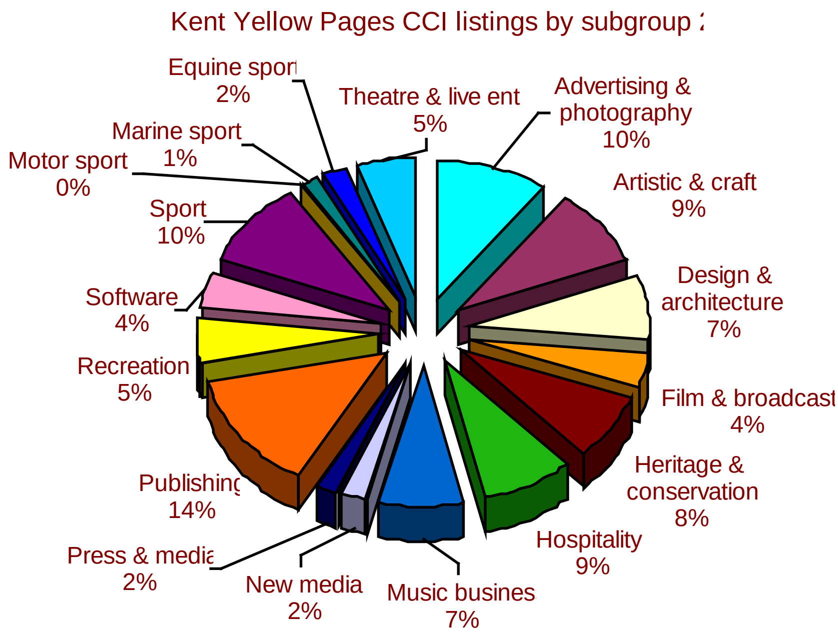
KENT (INCORPORATING THE UNITARY AUTHORITIES)

Kent has experienced weak growth compared to England as a whole and especially when compared to the regional average. Employment in the CCIs grew by only 4.6% between 1995 and 2000 rising from 58,171 to 60,826. The County has 11% of the total regional CCI employment and CCI employment accounts for only 8% of the county workforce. Part time working at c38% in the county reflects the strengths of the Heritage and Information Management and Tourism, Recreation and Sports sectoral groupings in the county.

Employment in Tourism and Heritage both show up strongly in Kent with employment focused in SIC code 9252, Museums and Historic Houses focused in Maidstone, Sevenoaks and the Medway Towns areas. IDBR indicates 6,455 VAT registered CCI businesses and organisations of which 4,420 are in the Media and Digital sectoral grouping.

Kent shows strongly in Heritage and Information Management with an employment LQ of +1.3, and in Reproduction (+0.7). Employment in Tourism Recreation and Sport has a positive LQ of +0.2 but employment in the Arts and Design has a negative LQ of -0.2, and in Content Origination of -0.3.

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).



OXFORDSHIRE (INCORPORATING THE UNITARY AUTHORITIES)

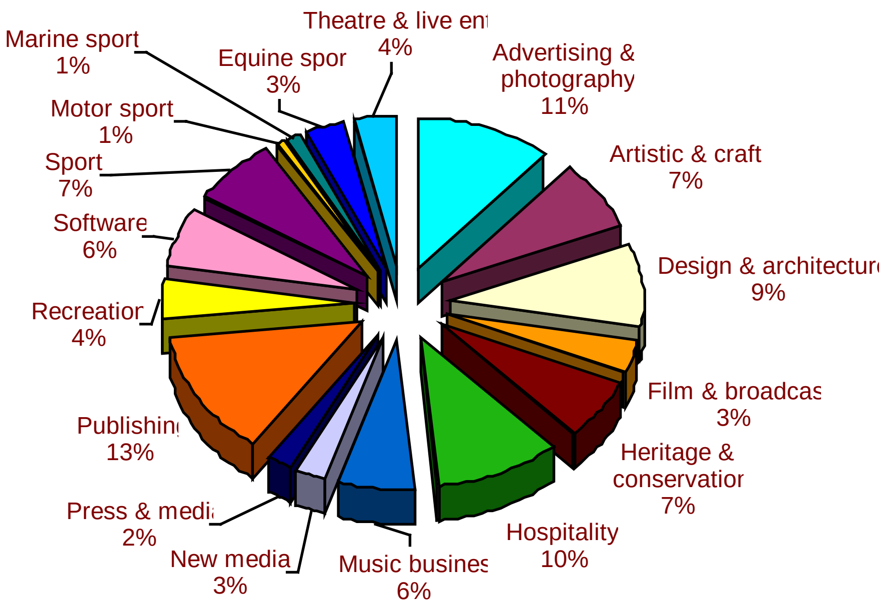
Oxfordshire has seen significant growth in employment of 48.3% over the same period although from a lower employment baseline of 38,602 in 1995 to 57,265 in 2000. The County has 10% of total regional CCI employment and employment in this sector accounts for 15.8% of the county workforce. c29% of Oxfordshire's CCI workforce works part-time.

Employment growth in the County has followed similar patterns to Surrey with a 123% rise in employment in Software and Computer, a 42% rise in sporting activities and the operation of sporting arenas and stadiums. Architecture and allied activities has seen a rise of 35% in employment from 4,800 in 1995 to 6,500 in 2000. Oxfordshire has 4,110 VAT registered CCI businesses and organisations of which 2,855 are in the Content Origination phase of CIPS.

Concentrations of publishing employment and some digital media activity in Oxfordshire may be reflected in LQs of +0.1 for Media and Digital and for Content Origination in the County. Perhaps surprisingly the County has negative LQs for both Heritage and Information Management (-0.3) and for Tourism, Recreation and Sport (-0.2).

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

Oxfordshire Yellow Pages CCI listings by subgroup



SURREY (INCORPORATING THE UNITARY AUTHORITIES)

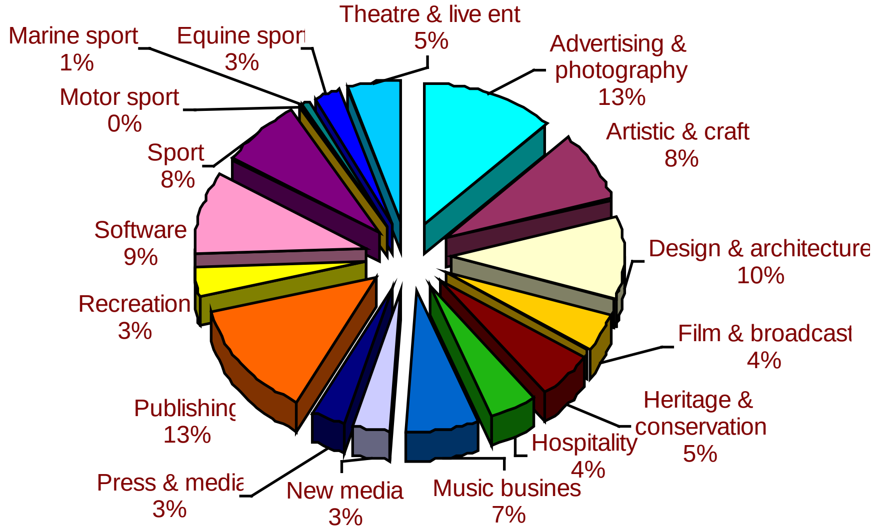
Employment in the CCIs grew by 60% in Surrey in the period 1995–2000 from an actual employment figure of 68,133 to 109,031. Growth in employment is more than three times the average growth rate in employment for the CCIs in England and more than double the South East Region growth rate and the County has 20% of total regional CCI employment and CCI employment accounts for 17.6% of the county Workforce, well in excess of the regional workforce share of 13.2%. c26% of the CCI workforce works parts time, slightly less than the regional average (30.4%).

Growth in Surrey has been driven by an increase of 110% in employment in Software Consultancy and Other Computer Activity. There has also been significant growth of almost 80% in employment in the operation of sporting arenas and stadiums and other sporting activities, this includes a significant element of equine industry employment. Architecture and allied businesses are a significant activity in the county employing nearly 14,000 in 2000, a 45% increase on 1995. IDBR indicates a total of 9,440 VAT registered CCI businesses and organisations in the County, 7,230 of which are in Content Origination.

Analysis of Location Quotients for CCI employment in the County indicates that Surrey shows particularly poorly in terms of Tourism, Recreation and Sport (LQ -1) and Heritage and Information Management (LQ -0.6). However Surrey is the only SE County with a positive LQ (+0.5) for The Arts and Design – the region as a whole does not appear to be performing well in terms of employment in this sector from this perspective. Content Origination has a positive LQ of +0.3, but all other parts of the production chain have negative LQs.

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organizations in the region by sub-groups (below).

Surrey Yellow pages CCI listings by subgroup



WEST SUSSEX (INCORPORATING THE UNITARY AUTHORITIES)

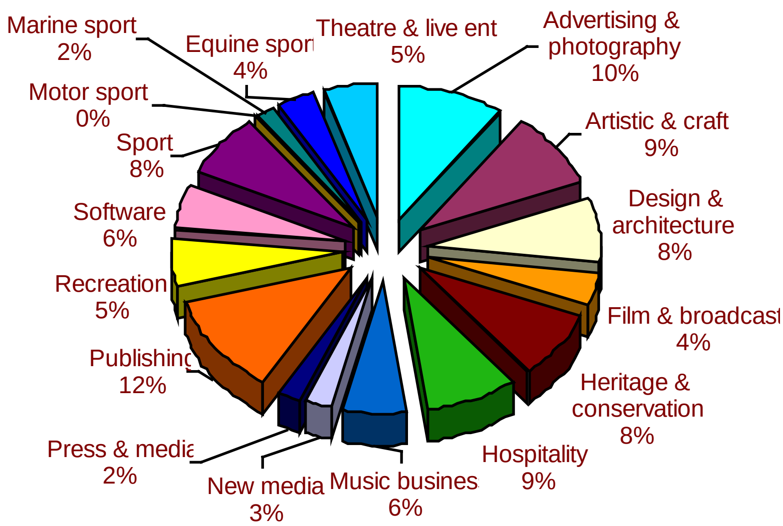
Employment in West Sussex grew by 10%, significantly under the national and regional averages for this sector of the economy rising from 40,113 in 1995 to 44,116 in 2000. The county has 8% of the region's CCI employment and this accounts for 10.8% of the county workforce, somewhat below the regional average. Part time employment is above the regional average at 33.5%.

Whilst there is a notable clustering of employment in botanical and zoological gardens numbers are too small to be reliable in general in this county. IDBR has evidence for 4,395 VAT registered CCI businesses and organisations in the county of which 3,160 are in the Media and Digital Sectoral Grouping.

Analysis of Location Quotient for CCI employment reveals that the County has a positive LQ for Manufacturing Inputs (+0.2), Exchange (+0.2) and Reproduction (+0.3) but a negative LQ (-0.2) for Content Origination. The County has positive LQs for Tourism, Leisure and Sport (+0.1) and for Heritage and Information Management (+0.3)

Analysis of YPBD gives a graphic indication of the spread of CCI businesses and organisations in the region by sub-groups (below).

W Sussex Yellow Pages CCI listings by subgroup



7.3 CREATIVE AND CULTURAL INDUSTRY CLUSTERS IN THE SOUTH EAST

The scope of this did not include any comprehensive work on identification or analysis of CCI clusters across the region. Instead the study identifies a small number of CCI clusters – some of which are already well understood and recorded in the region (i.e. Motor Sports, Brighton and Hove New Media) others of which are recognized but have not been studied in this context in any detail before (e.g. Marine Recreation). In the case of the games industry (Guildford,Oxford) although it is commonly held in the region that this is a significant cluster there was, surprising, no clear evidence for or analysis of this cluster.

Initial research for this study has not immediately identified other recognizable clusters of creative and cultural activity in the region. The film industry, for example, although regarded as being important because of the presence of film studios in the west of the region, does not appear to show significant evidence of clustering. Research into the dynamics of the film industry in the London / South East M40 /M4 “Western Wedge” could indicate otherwise and more detailed research is required. Further research, especially into “cultural” clusters in the region, is regarded as an absolute priority.

The review of the dynamics of economic clusters and the four examples below (and indeed some of the smaller case studies) illustrate a range of potential issues which would best be developed by further detailed research.

7.3.1 Clusters and the Creative and Cultural Industries

The lay understanding of the term ‘cluster’ – as in spatial co-location – can be misleading. The economic understanding of cluster is not specifically related to co-location as to the density of interactions between those co-located[137]. Thus, we should be wary of thinking of clusters as simple locational preponderance: for example, the number of people employed in one area[138]. The first point to establish is that clusters are not simply a spatial grouping of a random group of businesses and organisations; clusters are characterised by the co-location of related businesses and organisations. There is some disagreement as to what ‘related’ might be (see below). Generally, we can say that clusters are sector specific; but they are not necessarily exhaustive of all the activities in a locale.

Clusters have the following characteristics; all must be present in a fully-fledged cluster:

Critical Mass: there is a large concentration of employment in either one industrial activity, or related activities within a spatial unit. There is a preponderance of small enterprises. The actual mass (employment), and spatial unit may vary by particular industry characteristics. Concentration can be measured by Location Quotient. ‘Related activities’ refers to linkages in a production process. Critical mass may also relate to labour pool effects, or spillover effects, that sustain a large a diversely skilled (relevant to the sector) labour market.

Interaction: There is a high degree of interaction between businesses and organisations within the ‘mass’. This will normally involve both buyer-supplier

[137] see for example Thrift 1992; Krugman 1991; Martin 1999; Martin and Sunley 1996; Porter 1990; 2000; Steiner 1998
[138] see Feser and Bergman 2000

linkages and some exchange of knowledge and skill, often through word of mouth or via labour market transfer (usually termed traded and untraded interdependencies). Buyer-supplier linkages can be measured by input output analyses, and industrial linkage analysis and social network analysis. It almost always requires primary data collection[139].

Governance: There tends to be a mode of co-ordination in mature clusters that can be very informal, but develops a formality in the creation of 'intermediaries', or 'brokers'. These agencies play a vital role in day-to-day co-ordination, as well as acting as 'knowledge banks'. Domination by one large firm (the internalisation of governance) negates the cluster idea (see Cooke and Morgan 1998; Morgan 1997).

The DTI survey of Business Clusters, whilst it is built upon a firm logical proposition, is significantly flawed. First, the analysis only measures the concentration of employment in particular places, no measure is made of interaction. So, employment is a surrogate. However, as the analysis is based upon a 'market definition' of industry it is not relevant to a production chain. For example, a more logical approach might have been to map sectors[140]. Second, the SICs available lead to an under-representation of service and cultural activities (see SIC paper for reasons). There are no digital media clusters, as there is no digital media SIC code. Hence, it is important to see the DTI clusters report (based on quantitative, secondary analysis only) as a first approximation. In fact, employment data, and co-locational data, are only surrogates for interaction: interaction can both be traded (goods and labour) and untraded (usually very specific processes, product and market knowledges)[141]. Thus, if the DTI analysis were to be useful for strategic purposes, it would need to be re-done with sectors or production chains, and fortified with interaction data. It is likely that once identified some detailed case studies, based upon primary data, would be beneficial.

It is for these reasons that we can only offer a best approximation at clusters based upon a range of secondary quantitative and qualitative data, and fortified by expert knowledge of clusters more generally. A definitive analysis would require detailed, primary, quantitative and qualitative data collection. To our knowledge only one example of this type of research, relevant to the study here, has been carried out; namely that reported in Pinch and Henry (1997; 1999).

7.3.2 Four South East CCI "cluster" case studies

MOTOR SPORT VALLEY: NORTH OXFORDSHIRE

The focus of the British Consumer Motor Industry has long been the West Midlands; and it might at first be assumed that the Motor Sport industry might simply be a 'spin-off' from this. However, research findings discount this and point instead to an historical link to the aviation industry. The link relates to the 1940/50 period were Government Defence funding created a labour market and a number of specialist suppliers of avionics expertise in the region; with demobilization many remained in the area.

There appears to be a link between these engineers and technicians and racing cars; there was clearly an overlap of performance engineering. The aviation industry had an expertise in airframe, aerodynamics and chassis design that was readily adapted

[139] see Grabher 1993; Granovetter 1985; Henry et al 1996
[140] see for example Best 1989; 1990; Geddes 1992; Pratt 2001, 2002b
[141] see Storper and Salais 1997; Storper 1995; Scott and Storper 1992

for motor racing design. The ready availability of a large number of recently disused airfields created a ready site for racing cars. A network of small racing clubs, and cottage industries grew up and in so doing provided the means of animation of the specialist and in established a 'learning network' that was tested by competition and fired by enthusiasm.

Beyond this historical legacy place continues to hold sway. International struggles for the ownership and control of the F1 industry play a part in the story; but of prime importance is the expertise that builds cars and wins races. The small number of F1 teams, 7 in all, plus a small group of lesser formula and rally teams, totalling less than 50 in total in the UK, plus approximately 160 specialist component and service suppliers yields approximately 3,000 employees; with approximately 1,800, and 100 businesses being in the South East Region. This makes for a classic labour pool spread across these racing teams and the network of specialist suppliers. There are significant groupings of businesses in North Oxfordshire close to the Silverstone race track, and around Guildford; however, the industry is spread quite widely across the West of the region.

Despite the global nature of racing competition, especially in F1, the local spatial relations of car production are significant: hence this is where clustering takes place. Research has pointed to the relative insignificance of transport costs, and cost reduction per se, in the industry due to specialist suppliers; a commonly asserted reason for clustering. In fact, in this industry-players are prepared to pay 'over the odds' for a winning component.

However, as Pinch and Henry[142] point out it is the local knowledge networks that are facilitated though first a high level of labour market circulation: a rapid turnover of staff (e.g. engineers, drivers, designers and mechanics) in teams/ businesses reinforced by high rates of firm failure and new firm formation lead to transfer and reconfiguration of staff in new businesses. The dense network of specialist suppliers is also a key node of information circulation as information `leaks' through links with component suppliers. Other strategically important information is exchanged through informal collaboration (e.g. on technical panels to determine rules, for racing formulae but also covertly between businesses) and gossip, rumour and knowledge gained through personal contact networks (both inside and outside the industry); and finally through direct observation in the pit lane at race meetings.

The consumer end of the industry and the life style associated with it, plus the lucrative TV deals and tobacco sponsorship, means that the industry has been cash rich; consequently high wage elite workers are able to exert residential preferences commensurate with the industry location. However, there have been recent signals that this may not be sustainable and that there will be. F1 is owned by Kirch the German based TV media conglomerate KirchGruppe, which is in serious solvency difficulties. Motor sport, with Football, is likely to see significant restructuring of its industry finances, and already it is clear that there will be some regional casualties.

RECREATIONAL MARINE INDUSTRIES: SOLENT AND THE SOUTH COAST PORTS.

The composition of the Recreational marine cluster encompasses the production chain for leisure craft; from boat building, through specialist manufacturing, to mooring, repairs and outfitting. The RMI clearly have a locational pull to water;

[142] See Pinch, Henry and Turner 1997; Pinche and Henry 1999, Henry, Pinche and Russell 1996; note their critique of the superficial report of Aston and Williams (1996)

however, specifically the determining factor is mooring. Implicitly, the historical linkage here is with the naval dockyards of the Solent that have provided historical berthing opportunities, as well as the traditional concentration of the Naval industries. Whilst commercial marine and naval industries are dominated by a handful of larger companies; the recreational marine sector is small firm dominated.

The clustering of the industries has a natural hub in mooring areas, however the network of supplier linkages is more dispersed. Whilst, there is a locational focus on the Southern ports, and notably those of the Solent, the cluster is dispersed, with its focus in Hampshire. The RMI is showing positive growth year on year in terms of GDP and export earnings. The South East has 44% of national revenue and 27% of employment in the industry. The majority of jobs are found in Boat-building (35%), Mooring (12%) and Equipment manufacturing (14%). Employment is approximately 8,800 in the SE.

There are three drivers within the cluster. First, there are connections with defence contracting and larger commercial applications from where, for example, navigational systems may be spun off for leisure users. A dependency on defence contacts and spending budgets has been a vital component in past growth of the sector; however, it obviously opens up vulnerability. It is important to note that the South East was identified as having a Marine Technologies cluster by DTI. Whilst these elements are not of direct importance to the RMI, the spin off effect of technologies, labour markets and skill base are important. It is likely that much of the training for the sector emanates from the Naval and Commercial sector and is transferred to the RMI via labour market transfers.

Second, the yacht-racing industry – similar to the F1 motor racing industry - performs an important research and development function for cutting edge technologies. Whilst the F1 industry is focused around suppliers and a cash-rich race industry the recreational marine is focused around the consumption of sailing boats and 'festivals' around yachting competitions. An international focus in this area is the Cowes festival; such an event provides further opportunity to exploit the tourist potential of yachting. There are some potential synergies between the Motor Sport cluster and RMI clusters around key technologies in the region. An example is carbon fibre used in both. Again, both share similar technologies with the aviation industries also co-located in the South West of the region.

Third, the huge population within 'catchment', and growth in wealth and consumer disposable incomes in the South East provides the fuel to drive the RMI in the South East. (This is one of the rare examples of a cluster 'pulling' from London). At a simple level, disposable income translates into a demand for boats, and this into a demand for mooring. There is an unsatisfied demand for mooring in the South East. Moorings, or specialised marinas, provide a logical site for boat repair and maintenance as well as second hand boats. Given the South East's expertise in Financial Services; there is a large and uncounted trade and expertise in leisure marine insurance and leisure boat financing services.

The positive point in terms of expenditure is that the average spend per person is likely to be higher; thus the multiplier effect of RMI tourism is likely to be greater that other tourism; additionally, it is less sensitive to weather. Another means of capturing boat sales is through 'Boat Shows'; the Southampton event is the largest purpose built marina in Europe. Notably, sales do not seem to have been hit by the 'Sept 11 effect'. However, as a key item of discretionary spending, marine leisure is potentially highly responsive to national economic trends.

PUBLISHING: OXFORD

Oxford has been a centre of publishing since the printing press was invented. However, the major economic spur to development of publishing was the granting of the right to publish the Bible to the University in C17th. The foundation of Oxford University Press rests upon this core product, as does its international reach. Currently the OUP is the largest University Press in the UK (c1,000 employees); and it is one of the largest publishers.

OUP has major competitors in the educational field. Macmillan Education (part of the Macmillan Group, based in Basingstoke, Hants, though owned in Germany) and the independent Blackwells, and Butterworth-Heinemann (owned by Elsevier Science, also located in Oxford, who in turn are part of Reed Elsevier) plus a number of smaller more specialist companies (Berg, Hart, Helicon: Hutchinson Encyclopaedia) also compete in the education market. Specialist social science academic journal publishers Carfax (a subsidiary of the Taylor and Francis group, head office in London) are also located in Oxford. This is a notable feature given the extreme processes of consolidation that have overtaken the publishing industry in the last 20 years.

Clearly, Oxford's niche in this internationally competitive market is educational publishing; the links through OUP and Blackwells to the lucrative scientific journals market has most likely built upon reputation gained through close interaction with academics at the University. OUP is actually a Department of Oxford University and re-invests a proportion of profits in the University. The education book market relies upon specialist knowledge of markets and educational programmes, and thus close links to educational institutions, and it relies upon reputation. In it not surprising that Oxford publishers have sought to expand their range back through the age range to children's publishing too. Less significant, compared to the general volume book trade, are the role of intermediaries such as agents, and the link to diffuse popular markets.

The University, plus Oxford Brookes, also provide a substantial potential labour supply for publishers located in the area. In part, there is a residential magnet that holds graduates. More specialist training and educational links have been pioneered at Oxford Brookes with their International Centre for Publishing Studies, and a number of specialist degrees aimed at both traditional and digital media publishing is also offered.

As we can note from the ABI survey, Oxford dominates publishing much of the printing activity is done elsewhere, mainly in Kent. Printing does not require such close day-to-day interaction as publishing; distribution likewise is not closely linked.

The cluster is clearly an old one that has roots that run very deep into the University. However, the shift to on-line media raises questions about the continuing dynamic of clustering in the educational publishing world, especially as journals, the major revenue base, go on-line (Elsevier Science has been very aggressive in this market). OUP is exploiting digitisation with regard to its Dictionaries and Encyclopaedia. However, the pressures in the international publishing market are severe.

NEW MEDIA: BRIGHTON /GUILDFORD

The digital media cluster is a very young one with: the 'full graphics' internet is less than 10 years old. By all accounts a cluster should not exist at all, transport costs are almost zero and suppliers and programming skills can be sourced globally. However, research has shown that this industry has a small number of globally significant production clusters that are in part based around face-to-face knowledge exchange[143]. The digital media sector can be best understood as having two strands: computer games, and web based content. Each has a distinct market structure and organisational form. The South East has two clusters, one in each strand. The two clusters have little to do with one another at a formal level, but there is clearly a labour market overlap. Essentially both are software producers; however, they are also delivering content. In fact the market position of this content is crucial. Companies literally live or die by successes. It should be noted that whilst the South East does have a significant strength in software digital media bears little relationship to it at all. The potential for overlap is currently being tested at the interface between mobile telephony and digital media. This could be a significant opportunity for the SE.

WEB DESIGN AND CONTENT: BRIGHTON

Web design and content related companies are dominated by the micro- enterprise; there are, globally, very few independent large players, and even these do not have significant market share. The Brighton companies are not the largest grouping in the UK, London clearly holds that crown; however, it is a competitor for second place. The key aspect of digital media clusters the world over are links to markets, proximity to other digital media companies, and a large labour market that is multi-skilled. As the old name for digital media – multimedia- suggests, digital media requires a melding of a number of disparate skills, both technical and artistic; it also requires convergence and overlap with old media technologies as they increasingly digitising. It is a fast moving, experimental and interactive business. Given its convergence with old media the final market could be enormous.

Brighton's alternative culture more broadly is reflected in the artisanal retailing activity in the historic 'Lanes' area of central Brighton, also the vibrant nightclub culture. Brighton Media Centre (BMC) was opened in 1992 and moved several times, but has recently found a site in the Lanes[144]. It is the hub of the cluster. BMC owes its existence in many respects to Lighthouse. Lighthouse was started in 1986 as Brighton Film and Video Workshop where it acted as a training organisation; it shifted its focus to digital media in 1993. Lighthouse was instrumental in the establishment of BMC (with funds from the local council, SEA and the British Film Institute). Lighthouse established a Certificate in Multimedia (Digital Arts) in 1998 with funding from the Arts Council. There have also been productive education links established with Sussex University. BMC and Lighthouse have been tremendously successful in developing a profile for digital media locally, as well as nationally. BMC hosted 'Field' which is a regular meeting, a cyber café located in the BMC, for digital artists to meet and discuss their work. This functions as a knowledge exchange and a key networking opportunity; in addition to the networking that is facilitated on Lighthouse training courses, Recently, a new 'wired, multi-tenanted, building' has been opened and this is perhaps an indication of a cluster growing. However, this building is located in the north of the town, not in the Lanes.

Wired Sussex is working to grow the local sector through marketing and promotional activities, encouraging partnerships between digital media companies and by driving the development of innovative digital media development. Activities have included the hosting of Sussex companies at trade shows and brokering partnerships to develop strategic networks. Wired Sussex played a key role in brokering a partnership between four digital media companies, called the *Strata Consortium*.

[143] see Pratt 1999; 2000; 2002a
[144] See Pratt and Gill 2000

Wired Sussex is unique and by far the most advanced and focused English regional agency solely concerned with digital media.

In 1999 there were digital media 350 companies in Sussex, 150 of which are located in Brighton, 40 of these are in the Brighton Media Centre. Comparing with a survey in 1997 there has been a growth of 75%. The remaining 200 or so are spread along the coastal strip. It is estimated that employment is approximately 2,000. There are strong links to music, film and TV, post-production. Over half of Brighton's creative cluster is media related[145].

THE GAMES INDUSTRY: GUILDFORD

The computer games industry has a distinctive structure. It developed from a 'bedroom' activity through a rash of individual developers; however the industry has quickly matured into a global industry with the emergence of the 3 major platforms (Sony, Sega, Nintendo). Games developers must license their games with a publisher/platform. The emergence of PC based games has slightly weakened this structure. The UK is enormously strong in games development, accounting for 60% of all games worldwide. The games industry is like the music industry in that it is 'chart orientated'. As hardware has advanced, game development costs have escalated. A 2-year lead-time and £2m budget is not uncommon; the crunch is that titles commonly have 8-10 weeks to recoup these costs in sales. This is a high risk, high reward business[146].

The recent games industry restructuring led to a major shake out, takeovers and re-financing by French companies. Games companies are thus structured around publishers and licensing agreements. Games tend to be integrated in-house productions. Spin-offs occur when developers take successful titles, or seek to develop new titles in a new company. Thus, the games industry does not have clusters; rather, there are groupings of companies. There are undoubtedly some labour market effects.

The UK industry comprises of 20,000 employees in the whole chain, of this some 6,000 are in development; the key value added element. There are some 780 developer companies. In terms of UK employment the SE has 13%, and London 18%. There are a small number of games major groupings in the UK: Warwick, Bristol, Derby, Liverpool and Dundee; as well as London and Guildford. Guildford has the European headquarters of the largest publisher – US company Electronic Arts – and a number of development studios including Lionhead Studios, Big Blue Box, Lost Toys, Mucky Foot, and Simis[147].

As noted above, labour market skills are valued; one of the problems is sourcing this; another is developing business and management expertise. The South East is notable for having only one higher education direct collaboration, that of Kent Institute of Art and Design which has strong links with Electronic Arts. Although it is 'out of region', there is also a strong higher education programme at Bournemouth University for computer games development.

[145] see DPA 2001
[146] see CEC 1997
[147] see Human Capital 2001

8 PRIORITIES FOR FUTURE RESEARCH

8.1 THE CONTEXT FOR FUTURE RESEARCH

Research of this sort in the CCI sector is limited by the data available and in particular by the limitations of SIC classifications. This is an acute issue for the South East as it is over-represented in “new industries” not dealt with in standard classifications. Analysis of SIC based data sources – ABI, LFS and IDBR – also has real limitations in other key CCI sectors in the region. In Heritage and Information Management and the Arts, the combined impacts of inappropriate SIC Classification, high levels of local government employment and high levels of self employment all serve to obscure the detail and scope of these elements of the wider CCI sector.

At the same time, the regional and national bodies charged with the support and development of parts of the CCI sector, operating as they do across the public and commercial sectors, collect and analyse different data in different ways and for differing ends. In the commercial sector, Trade Associations can hold detailed economic data which is commercially sensitive and often only available to purchase at commercial prices.

The South East is not alone in experiencing the frustrations inherent in assessing the creative and cultural economy. The need for a coherent approach to data collection and analysis for this sector – starting with issues of definition – driven by DCMS and the Office for National Statistics (ONS) cannot be over stressed. The South East’s Regional Cultural and Creative Agencies, organizations and businesses and SEEDA should together press their national agencies, DCMS and ONS for swift and decisive progress on these issues.

The hard data will in any event tell only a part of the story and this is crucially true in the CCI sector. The interpretation and understanding of the dynamics of these industries remains in general terms inadequate. Primary and secondary qualitative analysis will also be required in order that the region learns more about the way in which these industries operate. Data driven research cannot easily address processes, nor can it address the added value that a vibrant and diverse creative and cultural sector brings to a region or to particular communities.

Some of this added value is located in secondary economic impact; there is almost no available evidence relating to this in the creative and cultural sector outside of the Tourism Industry. Much of this added value is in the quality of life, educational opportunity and environmental sustainability that the creative and cultural sector offers in to a region. It also lies in the wealth of knowledge assets held in the regions’ creative and cultural organizations but so often under exploited.

This report was commissioned as the first phase of a longer programme of research and development to understand the structure and scale of the sector and to identify and respond to the support needs of the CCIs in the region. In this context priorities for future research are set out below and linked to the relevant chapter of the main report.

8.2 THE REGIONAL OVERVIEW: RECOMMENDATIONS FOR FUTURE RESEARCH

REGIONAL OVERVIEW 1: STRATEGIC POLICY IMPLICATIONS OF THE ECONOMIC ASSESSMENT

This study highlights not only the scale and structure of the CCIs in the region but also points to significant strategic policy implications for the sector in the region. The brief for the study did not however require an in-depth strategic analysis of the implications of the report's findings. We therefore recommend that SEEDA and SEECC commission a focussed piece of work to assess the strategic implications for the CCIs and the region that emerge from the findings of this report.

REGIONAL OVERVIEW 2: FURTHER ASSESSMENT OF ECONOMIC DATA AND ECONOMIC IMPACT

This study sets the frame for further more detailed analysis of the economic impact of the CCI in the region's economy. In order to develop a detailed understanding of the CCI economy in the region we recommend two further areas of work:

A. Developing a coordinated approach to data collection across regional agencies

Regional agencies collect different data in different ways. Data collection across agencies varies widely in detail, scope and accuracy. As a priority, we recommend that the Cultural Consortium agencies, SEEDA and GOSE work together to explore and specify a coordinated approach to data collection by:

- Identifying existing data collection systems and dynamics in regional cultural and development agencies
- Working to establish a common framework for core CCI information
- Identifying national agency data collection, analysis and management issues in this context
- Working towards an agreement on baseline CCI data collection in the region and its updating and maintenance
- Identifying:
    - technical implications
    - budgets and resources
    - Data Protection issues

We recommend that the database format and content is developed and piloted with the new Regional Arts Council.

B. Building on data acquired for this study

Priorities for further regional economic CCI research are:

- The value added element of the CCI in terms of ideas, IPR and GDP/turnover/exports.
- The secondary economic impact of the CCI in the region's economy including
    - Direct (i.e. jobs supported, revenues dependent etc)
    - Indirect (i.e. attractiveness to inward investment)
- Identification of the business support, investment and development needs of CCI start-ups and micro businesses.

There are 2 options which might be pursued to make more use of the data acquired for this study to address these priority areas.

Option 1: Survey of all businesses and organisations in the region (plus freelancers) and analysis of the results as the basis of follow-up surveys of sampled sub-sectors on a sound foundation.

- Option 1 would offer a comprehensive data resource, but would be a significant commitment of time and resources not just to initiate but also to keep up to date.

Option 2: Qualitative and quantitative information collection by sample or by sector

- Option 2 might for example be the most advantageous approach for agencies working in particular sectors, although such an approach might give best value if coordinated across the CCI spectrum.

Combining SEEDA's business database and Yellow Pages would give a starting point for the creation of a series of sampled surveys, and some focus-grouping, to get a better picture of the way some selected sub-sectors work. This could well fit in with industry associations in some areas. Surveys could include much more economic information, training needs, market information, export and all kinds of sector-specific information as relevant. It would also be an opportunity to build links, networks and associations along the way.

A number of strategic alliances should be established in terms of information collection and policy development between London and the South East. The work that is being commissioned on the Western London Wedge and the media industries is one such initiative; research work proposed within the Thames Gateway London is a second. It is recommended that SEEDA works with the London Development Agency to identify shared areas of interest in CCI research on a trans regional level and undertake joint research programme where there are common themes and priorities. These might include, for example research into the links between labour markets and housing markets; and the potential threat to growth and sustainability of parts of the CCI sector in the wider region of the South East.

REGIONAL OVERVIEW 3: UNDERSTANDING AND EXPLOITING KNOWLEDGE ASSETS

There are significant issues to be resolved in the area of management of knowledge assets and the exploitation of those substantial parts of the region's knowledge resources held in the cultural sector. This is particularly the case in the Museums, Archives and Libraries, Information and Knowledge Management sectors of the CCI and in the Arts. This is a complex area and has been subject to very limited exploration in the past. For this reason we recommend initial scoping research to be undertaken by SEMLAC and SEA to identify:

- The issues and opportunities for exploitation of knowledge assets held in these sectors
- Information / Knowledge management skills shortages / needs in these sectors
- The potential for partnerships with commercial organisations in the region
- Identification of case studies

8.3 THE REGIONAL WORKFORCE: RECOMMENDATIONS FOR FUTURE RESEARCH

REGIONAL WORKFORCE 1: NETWORKS

Large parts of the CCI sector, notably but not exclusively the Media and Digital and Arts and Design sectoral groupings, depend on social capital, on networks and contacts for the success of their businesses. Virtual communities play a significant role but face-to-face contact and exchange is vital. Further research is required to:

- Map existing virtual and face to face CCI networks in the region
- Identify opportunities for the development of CCI networks and leadership

REGIONAL WORKFORCE 2:FREELANCERS

People who work freelance account for c18.5% of the CCI workforce in the region. Freelancers dominate the Arts and Design sectoral grouping. Further qualitative and quantitative research is required to

- Identify the business support needs of CCI freelancers
- Identify particular CCI sub-sectors with unsupported but significant freelance communities
- Identify locations with significant numbers of CCI freelance communities and to develop local support strategies

There are significant areas of cross over between these two research strands and it may be appropriate to develop a single research and development project to address the full range of issues.

8.4 CULTURAL INDUSTRIES PRODUCTION SYSTEM - RECOMMENDATIONS FOR FUTURE RESEARCH

Content origination

Further research will be required to ensure a better understanding of the role of content origination in the region's economy. This is an issue with resonance for London, the national and the international economy, and might commend itself to a collaborative approach across regional and sectoral boundaries.

Relationship of large companies, micro businesses and freelancers

There appears to be little information available in particular sub sectors or from the CCI sector as a whole about the way in which micro businesses and freelancers interaction with SMEs and large companies. This is a critical for economic and workforce development agencies in a region such as the South East where:

- CCI industry structure is strongly characterised by the hour-glass – with very small numbers of large companies providing very high percentages of employment and turnover
- Rapid growth in the numbers of creative start ups and micro businesses
- Increasing prevalence of self employment
- A highly skilled and mobile workforce commuting in and out of London

8.5 THE SECTORAL GROUPINGS; RECOMMENDATIONS FOR FUTURE RESEARCH

Research for this study has identified a significant range of sector specific research needs. Initially and as a priority however the major gaps in economic and related research should be addressed as follows.

The Arts and Design:

The Arts

Consistent core data for the arts in the region is extremely patchy at a regional level. The lack of even a complete basic contact information database for professional artists and arts organisations in the region is of course exacerbated by the very recent merger of what were two quite separate Arts Boards and by the practical difficulties of developing and maintaining such data.

However without this basic information it will continue to be very difficult to undertake a more detailed regional assessment. The current study will provide some tools (primarily Yellow Pages Business Directory) for the development of core data but further research is required to put this in place along with systems for maintaining and updating information.

We recommend therefore that Southern and South East Arts:

- Research and establish a database of professional artists and arts organisations in the region using existing data based on mailings, grant in aid etc, data obtained in the course of this study, data held by County, District and Unitary Councils and where possible by Arts and Cultural Organisations.
- Employ this research and development project as a pilot for the Cultural Consortium in the development of shared approaches to data collection.
- Undertake additional research into the arts economy of the South East to address the limitations of SIC based research.
- Commission pilot studies into the economic impact of the arts in identified local economies in the region. This should include a more detailed analysis of direct, primary impact as well as assessment of secondary impact.
- Commission research into the relationship between the media and digital sectors and the arts sectors of the creative economy and, more broadly between the "subsidised arts sector" and the rest of the commercial arts economy and develop strategic policy recommendations for future practice and policy in the region.

Heritage and Information Management

1. Museums, Archives, Libraries, Information and Knowledge Management

Economic and other core data is variable across Museums, Archives Libraries, Information and Knowledge Management. With the creation of a new single regional agency, SEMLAC, a medium term objective should be the development of a coherent and more detailed understanding of the economic impact of these three sub-sectors in the region. This should include a more detailed analysis of direct, primary impact (evidence from IDBR for this sector is limited, for example, because much is concealed within local government finance and commercial information and knowledge management activity is almost impossible to identify through analysis of SIC code based data) as well as assessment of secondary impact.

This is a task of some substance. The museums sector has recently completed a very detailed mapping exercise which has the capacity to form the framework for more detailed economic impact analysis. Use of this mapping research along with further exploration of the data generated for this study will provide an effective starting point for an initial study into the economic impact of the museums sector in the region. It is therefore recommended that:

- The SEMLAC undertake a phased programme of research with a view to developing a coherent view of the economic impact of Museums, Archives, Libraries, Information and Knowledge Management in the regional economy.
- In the first instance to undertake a study into the economic impact of the Museums sector in the regions to build on recent mapping research.
- To develop a methodology which can then be employed in future phases of research in the Archives, Libraries, Information and Knowledge Management sectors.

2. Built and Natural Heritage

Economic data is very limited and this sector is perhaps least susceptible to the analysis set out in this report. Analysis in this report has been unable for example to highlight the connections with (non-tourism related) economic activity e.g. in construction. (The links between Built Heritage and specialist Architects, Builders, craftspeople, horticulturalists – probably would be significant in some parts of the region). For this reason it is recommended that research into the wider and secondary impact of the Built Heritage is undertaken as follows:

- A pilot study focussed on a single County or Historic City to explore the primary and secondary impact of the Built and natural heritage and to develop a methodology for wider application across the region.

Tourism, Sports, Recreation

Sports, Recreation

Research for this study has indicated the need for a detailed regional understanding of two CCI sub-sectors:

- The Equine Industries: evidence suggests that this is a significant and growing sector playing an important role in the region's rural economies in particular (see Case Study)
- Marine Recreation: Initial research undertaken for this study indicates the significance and further potential of the recreational marine industries in the region. It is recommended that this be referred to SEEDA's Marine Industries sector group for further study.

8.6 CCIs ACROSS THE REGION: RECOMMENDATIONS FOR FUTURE RESEARCH

1. Clusters

This study has identified the need for further research into creative and cultural clusters in the SE as a major research priority. We therefore recommend that SEEDA and its partners in the cultural consortium commission detailed research to identify and map the full range of CCI Clusters in the South East to include:

- Further identification, mapping and research on
    - CCI clusters identified in this study
    - CCI clusters in the region and their support needs

- potential / growing CCI clusters in the region and their development needs
- the role of Historic / Cathedral Cities
- the role of key HEIs and CCI based innovation centres in cluster development

2. Thames Gateway

The regeneration of the Thames Gateway is a strategic priority for central government, for regional agencies and for local government. The regeneration of the North Kent area is a priority for SEEDA, the Medway Towns and the Thames Gateway Kent Partnership. It is recommended that SEEDA undertake or commission work to:

- identify the scope of the CCI sector to contribute to the regeneration and economic success of the Thames Gateway.
- build effective strategic connections between the SEEDA Thames Gateway and Thames Gateway London Partnership's creative and cultural industry development programme.

3. Counties and Unitary Authorities

This study focuses on the CCI in the South East. Section 6 (CCI Across the Region) sets out an initial analysis of data assessed at a County level. Data gathered for this study, along with evidence held at a sub-regional, County and/or Unitary level could however be employed to provide a far more detailed analysis of the CCI economy at the County and Unitary level. It is recommended that SEEDA and the Cultural Consortium agencies work with local government in the region to undertake:

- More detailed assessment of the creative and cultural economy of the nine county areas of the region and in the Unitaries
- Exploiting data gathered for this report, locally held data, and further ONS data available only through Local Government (i.e. sub-regional / county based analysis of LFS).
- Assessment based on a shared methodology based on that used for this report in order to provide for pan-region comparators and understanding.

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CREATIVE AND CULTURAL INDUSTRIES – AN ECONOMIC IMPACT STUDY FOR SOUTH EAST ENGLAND

APPENDICES

JULY 2002

APPENDICES

1. **TERMS OF REFERENCE, CONSULTANTS AND CLIENT**

2. **METHODOLOGY**

3. **CREATIVE INDUSTRY PRODUCTION SYSTEM ADDITIONAL DATA**

4. **SECTORAL GROUPINGS ADDITIONAL DATA**

5. **CCIS AT A SUBREGIONAL LEVEL**

6. **CASE STUDIES AND EXAMPLES**

7. **BIBLIOGRAPHY**

APPENDIX 1: THE BRIEF

SOUTH EAST ENGLAND

CULTURAL INDUSTRIES ECONOMIC IMPACT STUDY

REVISED BRIEF DECEMBER 2001

1 BACKGROUND

The South East England Cultural Consortium (SEECC) was established in 2000 as one of eight regional Cultural Consortia and is charged with championing the whole spectrum of cultural and creative interests in each region, including tourism and sport, forging links across this spectrum and creating a cultural strategy. The Cultural Cornerstone was produced in June 2001.

1.1 The South East Region covers the counties of Buckinghamshire, Oxfordshire, Berkshire, Hampshire and the Isle of Wight, East Sussex, Surrey, West Sussex and Kent. It is the third largest of the English regions in terms of area, and the largest UK region in terms of its population of 8 million.

1.2 The South East England Development Agency (SEEDA) published the Regional Economic Strategy in October 1999 and this is now due for revision. A major aim of this study is to influence that revision and emphasise and begin to quantify the importance of the Cultural Industries to the region.

1.3 SEEDA has identified the Cultural Industries as an important sector. There is a strong concentration of creative industries in the South East – together the South East and London account for some 50% of all employees in Great Britain (Creative Industries Mapping Document 2001, DCMS).

1.4 Concentrations of advertising, publishing, performing arts, interactive leisure software, arts and antiques market, film and TV production, web design, internet services and software have been identified in the South East with creative industry clusters featuring in a number of enterprise hubs announced by SEEDA (Southampton, North Oxfordshire, Brighton, East Sussex, Surrey) and in Winchester. Digital media is a regional strength particularly in Brighton and Hove and Slough. The South East was the birthplace of commercial film-making in the UK and the broadcasting industry is a vibrant one. Music, theatre and the performing arts in particular are thriving in the region, despite the gravitational pull of London, but theatre capacity is poor. It has the largest number of museums of any region in England. Festivals and street arts are also a regional strength and motor sports a feature at Brands Hatch.

1.5 There is an urgent need for economic data and research into the contribution of the cultural sectors in the South East. To undertake a full and detailed study would be both lengthy and expensive and therefore a three phase approach is suggested. Phase 1 should provide a broad overview as well as some sector specific baseline data, as well as scoping studies on the way forward. If existing case study research is available from SEECE agencies these could be incorporated into the report to provide qualitative analysis.

1.6 SEEDA is co-ordinating the project on behalf of the Project Management Group.

2 PROJECT

2.1 Cultural industries is a diverse sector; It is likely to include advertising, architecture, archives, the arts and antiques market, crafts, design, designer fashion, film and video, historic sites, houses and countryside, interactive leisure software, libraries, museums, music, performing arts, publishing, software and computer services, sports, tourism and television and radio.

2,2 The project will assess the range, economic contribution and impact of the cultural industries in South East England. The project will be done in 3 phases and this tendering process is for Phase 1 only. The finished project should inform the following phases.

2.3 This project is intended as the first phase of a continuing study to describe, assess and quantify the extent of the cultural sectors in the South East and their contribution to the prosperity and economy of the region. The aim is to produce credible and quantifiable baseline evidence of the cultural industries' size, scale and economic impact and, in the longer term, to identify key issues emanating from the mapping exercise.

3 TARGET AUDIENCE

3.1 Information from the study should inform the following organisations:

- National bodies - the Department of Culture, Media and Sport (DCMS) the Arts Council of England, RESOURCE, Sport England, English Tourism Council, English Heritage, Countryside Agency, Heritage Lottery Fund
- Regional bodies – SEEDA, South East England Regional Assembly, Government Office for the South East, the South East England Cultural Consortium
- Funding bodies – local authorities, Heritage Lottery Fund, New Opportunities Fund

- Regional Cultural Agencies - South East Museums Service, South East Arts, Southern Arts, Southern Tourist Board, South East Tourist Board, Sport England, LASER, English Heritage

3.2 The study should particularly seek to inform the review of the Regional

Economic Strategy which will be taking place over the next six months, with a consultation draft due to be published in April.

4 REQUIREMENTS

4.1

The consultant(s) should link with DCMS who are undertaking a scoping exercise on the economic impact of the cultural industries and will be producing a definition which should be used for the purposes of this study; the consultants should liase with DCMS statisticians.

4.2

The report should research, analyse and quantify the economic impact/contribution of the cultural industries in the South East and allow the cultural sectors to be benchmarked against the following indicators. The level of sub regional, subsectoral or other detail, indicated in 4.3-4.7 below, which will be able to be presented in the report at the end of February 2002 will depend significantly on the availability of information as requested by the consultants and as delivered to them by the start of January 2002 by SEEDA, member agencies of the South East England Cultural Consortium, national agencies and others. The consultant will liase closely with the client on the progress of this element of the project.

The key research areas, using primary and secondary data, where available, should include:

4.3 Infrastructure

- Number, location and usage of facilities
- Type of organisations - activities
- Map activity across the region to establish distribution and potential concentrations/clusters (geographic concentration and evidence of inter-agency working, exchange of intelligence)

4.4 Employment

- Job numbers broken down by size of sector, sub-sector and sub-regions
- Number of volunteers working in the sector
- Number of people in self-employment.
- Part-time capacity

4.5 Economic Performance

- GDP (absolute figure)

- Regional percentage of GDP
- Contribution to regeneration and comparative advantage
- Turnover
- Profitability (gross value added)
- Receipts, SE public sector funding, investment income, grants, and business sponsorship. Figures for last 2 years to track increase/decrease.
- Expenditure including revenue and capital
- Purchase of goods and services
- Export information

It is noted that there is little national and regional GDP and other economic performance information available for the creative and cultural sectors at national or at regional level. The fulfilment of this section of the brief will largely be dependent on the proposed third phase of this brief, and not as part of the current contract.

4.6 Participation

- Number of participants
- Audience, consumer, customer information
- Demography of users
- Markets including tourism impact whether region wide, UK wide and overseas. Is it predominantly a regional, national or international business?

4.7 Training and education

4.7.1 Training

- Numbers in training
- Number of training places

4.7.3 Education

- Formal Learning activity ie. number of school visits, schools
- loans/activities
- Informal Learning activity i.e. U3A, Adult education

5 KEY OUTCOMES

5.1 Phase 1

- Review available secondary statistical information and reports (desk/secondary research)

- Published report "The economic contribution of the Cultural Industries in the South East" – broad statistical information and initial interpretation on the economic impact and contribution of the cultural industries to the South East, including issues and areas for future consideration and research. The report will define the Cultural Industries Sector in the South East's economy and provide baseline figures to establish its value in order to inform future planning. The analysis should cover the whole of South East, and where possible identify sub-regions and counties. The report should be capable of being disaggregated by sector for each agency (for discussion and agreement with successful tenderer) including sub-regional breakdowns. The report should include a number of case studies as examples of the impact of the sector, for example, Foot and Mouth Disease and successful venues (museums, tourist attractions); and a scoping study on future research priorities.

5.2 Outputs

5.2.1 10 printed reports and copy of report in electronic format

5.2.2 Electronic copies of databases, tables, spreadsheets, contacts and other information collated in order to inform report

6 PROCESS

6.1 The consultant shall present the results of a scoping study to the contract steering group by 7th January 2002, identifying the data sources to be used in the project, the form of the study and the planned format and measures by which results are to be presented in a final report. This presentation will be provided in written as well as verbal format, and will allow the project steering group to respond where revision to proposals need to be accommodated by the contractors. The contract may be terminated at this point should a satisfactory resolution of terms prove unrealistic; payment for works undertaken by the contractor to this point may be claimed up to a limit of 10% of the total contract value.

6.2 Following agreement on the scope of works to be undertaken, the contractors will undertake their works, maintaining regular contact with the nominated officer for this contract, acting on behalf of the project steering group. Any deviation from the agreed format must be agreed first with the nominated officer.

6.3 The contractors will produce an outline report for consideration by the project steering group by January 31st, together with a draft summary publication. The project steering group will submit one agreed set of comments on the drafts, identifying areas where revision is required, within 2 weeks of receiving the draft text.

6.4 The contractors will finalise the report to the agreed standard and in line with project steering group comments by 28 February 2002.

7 FURTHER INFORMATION

7.1 A project management group comprising the main funding partners will be established to review progress with this project with the contractors.

7.2 Ownership of all data and information resulting from this contract will be the property of the Project Management Group.

8 CORRESPONDENCE AND COPYRIGHT

8.1 Any correspondence produced in connection with this project will be on the Consultant's own business stationary

8.2. The copyright of all work will remain with the Project Management Group although the consultants may use the work with the previous agreement of the Group.

8.3 The consultant will be credited with the work on the front cover of any resulting report or in publicity relating to the work. Wording to be agreed.

8.4 All documents/reports collected during the course of the project, the 'project archive', will be deposited with the Project Management Group.

9 NOMINATED OFFICER

9.1 The nominated officer for the contract will be: Alison Marsh, Southern Arts

PROJECT MANAGEMENT GROUP

Stella Bellem, SEEDA

Dan Chadwick, DCMS / GOSE

Peter Colling, STB

Helen Jackson. SEMLAC

Alison Marsh, SSEA (SA)

Guy Purdey, SEMLAC

Debra Reay, SSEA (SEA)

CONSULTANCY TEAM

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DPA provides research and policy analysis for national, regional and local agencies seeking to understand and support the creative and cultural economy. It has an extensive research, analysis and cultural project development and management record.

- David Powell: Director Project Direction and Research
- Prudence Robey: Director of Research for DPA: Research Direction
- Caroline Cochrane Researcher/project assistant
- Dr Andy Pratt, Senior Lecturer in Human Geography, London School of Economics; member of Media@LSE Cluster review; future research needs

Comedia

Comedia is an international cultural planning consultancy which has recently undertaken detailed studies of the cultural and creative economy in East Midlands and the North, and seven English city regions.

- Fred Brookes: Principal Consultant Data analysis

APPENDIX 2: METHODOLOGY

CONTENTS:

2. 1 A GENERAL NOTE ON THE INDUSTRIES, SECTORS AND CLUSTERS.

1. Introduction

This note sets a foundation for the production of data relevant to strategic advisors. It points out the problems of traditional approaches (and classifications) that rely upon out of date notions of an economy dominated by manufacturing and large-scale vertically integrated organisations. We outline the notion of the sector as a logical basis upon which to collect and analyse data. Finally, we point to its utility in the analysis of business clusters.

2. The Standard Industrial Classification and the foundation of 'industries'

Traditional approaches to industrial structure have used the industrial categories and grouped them only by output (market). This is the logic of defining activities: for example all firms producing shoes are included in the 'shoe industry'. There are two points to note here. First, the SIC categories (that yield the relevant 'industry' categories) were devised in the 1940s; although they have been revised several times at the margins the basic structure remains that which reflects the industrial structure of that period. The simple observation is that manufacturing activities are over-represented, and services under-represented compared with the structure today. Additionally, few new sub-divisions of services have been introduced. Thus, more employment is concentrated in a taxonomy that is, in effect, cruder. This point has an exaggerated impact in the field of 'new activities' such as those associated with 'new technology' and the expansion of leisure activities. The cultural and creative industries are a case in point. Second, the SIC taxonomy is reflective of the industrial organisation of the post-war period. At this time there was a greater preponderance of vertically integrated production units: put simply, raw materials enter the factory and finished products emerge out the other end. Since the 1980s in there has been a dramatic vertical disintegration of economic activities: the result is a rise of small firms, and sub-contracting. The SIC was devised against a background of integrated manufacture, with some sub-contracting; thus, to take the ‘boot and shoe industries’ again, these proliferated categories of shoe manufacture sub-activities that were sub-contracted. As noted above the growth of the service sector, and the failure to proliferate industries of sub-contracted service activities, let alone ‘new activities’ makes the use of the SIC difficult.

In summary, the task of making the SIC useful and relevant to the contemporary industrial structure and organisation is a difficult one. First, there are technical issues of a. the under representation of all non-traditional manufacture, and b., that new industries are not included (or, rather are aggregated under catch all ‘any other activities’). Second, the classification of firms by industry (defined by market) had weaknesses at the time of the introduction of the SIC, but with the organisation shift in production it has even less relevance. As industry is defined by market, no effort is made to describe the flow or process of production. Thus, there is the shoe market, the haulage market, the wholesale market and the retail market.

3. Cultural Industries Production System and Sectors

The logic of the CIPS system is that of the production chain or the ‘filiere’. This notion attempts to capture all of the activities that are required to originate, produce, distribute and consume products. As the name suggests, the ‘production system’ is made up of ‘individual industries’. The production chain, filiere, or more generally the system describes the logic unit of analysis, the unit that for practical purposes is relevant to industries through their inputs and outputs of part-finished products, services and knowledge.

The notion of the production system seeks to highlight the process nature of economic activity. So, the concentration is not simply on outputs but on flows and inter-dependencies. Historically, regional economists have used input-output analyses to capture this sort of flow. This is a simple idea, though tremendously difficult in practice, to measure the inputs and outputs, (firm) origins and (firm) destinations of every product. Classical input-output analysis is used to estimate the impact of marginal changes in factor inputs on final output. Modifications of this produce an analysis of the ‘multiplier effects’ of such a change as it works its way through an economy. A neglected side of Input-output analysis is that it reveals, in a clear manner, the strength of (economic transactions) linkages between industries. In fact, it reveals the ‘production chain’. Another body of economic and sociological thought has sought to use this practical set of inter-dependencies as a logical basis of classifying economic activity. Broadly based upon institutional economics the idea of a ‘sector’ captures the inter-related set of firms.

4. Strategy, Sectors and Clusters

The CIPS uses the SIC as surrogate to produce firms and thus sectors. As we have noted, ‘industry’ is an approximation of ‘firm’; and that many firms/activities are lost in aggregated categories. However, CIPS is firmly rooted in the logic of sectoral analysis. The important point is that sectoral analysis produce an research output that is relevant to strategic advisers because it highlights the more closely coupled activities; it can provide a basis for targeting further investigation of strengths, weaknesses and threats for the sector posed by weaknesses, or strengths in individual firms or processes. Allied to this, analyses of the spatial location of sector components can be carried out which can reveal strategic dependencies on external regions that might be a future threat to a whole sector. Moreover, it can provide the basis for analysis of a value chain to assess the value added by components of a sector. Finally, it can help to identify the appropriate agencies that have responsibility for improving conditions across a sector.

Whilst a region may have several elements of a sector, it might only have the low value added components. Analysis might feed into strategic attempts to attract high-value activities. Finally, looking inside the region sectoral analysis provides a logical basis for identifying the physical co-location of elements of a production chain; if these are a co-location of highly dependent and high product or knowledge flows then they constitute a ‘cluster’. A value chain analysis could reveal whether this was a high value (hot) or a low value (cold) cluster.

2.2 STANDARD INDUSTRIAL CLASSIFICATION CODES USED FOR THIS STUDY

4-digit	5-digit
	1740/2 : Manufacture of canvas goods, sacks etc.
2211 : Publishing of books	
2212 : Publishing of newspapers	
2213 : Publishing of journals and periodicals	
2214 : Publishing of sound recordings	
2215 : Other publishing	
2221 : Printing of newspapers	
2222 : Printing nec	
2223 : Bookbinding and finishing	
2224 : Composition and plate-making	
2225 : Other activities related to printing	
2231 : Reproduction of sound recording	
2232 : Reproduction of video recording	
2233 : Reproduction of computer media	
2464 : Manufacture of photographic chemicals	
2465 : Manufacture of prepared unrecorded media	
3210 : Manufacture of electronic valves etc	
3220 : Manufacture of Tv/radio transmitters etc	
	3220/2 : Manufacture of TV/radio transmitters etc
3230 : Manufacture of TV/radio receivers etc	
3340 : Manufacture of optical instruments etc	
	3340/3 : Manufacture of optical instruments etc
	3420/3 : Manufacture of caravans
3512 : Building and repairing of pleasure and sporting boats	
3622 : Manufacture of jewellery and related articles nec	
3630 : Manufacture of musical instruments	
3640 : Manufacture of sports goods	
3650 : Manufacture of games and toys	
3663 : Other manufacturing nec	

2.2 STANDARD INDUSTRIAL CLASSIFICATION CODES USED FOR THIS STUDY

3663/9 : Other manufacturing nec

5143 : Wholesale of electrical household appliances and radio and television goods

5147 : Wholesale of other household goods

5245 : Retail sale of electrical household appliances and radio and television goods

5247 : Retail sale of books, newspapers and stationery

5248 : Other retail sale in specialist stores

5250 : Retail sale of secondhand goods in stores

5511 : Hotels and motels with restaurant

5512 : Hotels and motels without restaurant

5521 : Youth hostels and mountain refuges

5522 : Camping sites, including caravan sites

5523 : Other provision of lodgings nec

7220 : Software consultancy and supply

7260 : Other computer related activities

7420 : Architectural/engineering activities

7420/1 : Architectural activities

7440 : Advertising

7481 : Photographic activities

7481/9 : Photographic activities nec

7484 : Other business activities nec

7484/2 : Speciality design activities

7484/3 : Activities of exhibition and fair organisers

7484/4 : Activities of conference organisers

9211 : Motion picture and video production

2.2 STANDARD INDUSTRIAL CLASSIFICATION CODES USED FOR THIS STUDY

9212 : Motion picture and video distribution

9213 : Motion picture projection

9220 : Radio and television activities

- 9220/1 : Radio activities
- 9220/2 : Television activities

9231 : Artistic and literary creation and interpretation

- 9231/1 : Live theatrical presentations

9232 : Operation of arts facilities

9233 : Fair and amusement park activities

9234 : Other entertainment actitivities NEC

9240 : News agency activities

9251 : Library and archives activities

9252 : Museum activities and preservation of historical sites and buildings

- 9252/1 : Museum activities
- 9252/2 : Preservation of historical sites and buildings

9253 : Botanical and zoological gardens and nature reserves activities

9261 : Operation of sports arenas and stadiums

- 9261/1 : Operation of ice and rollerskating rinks

9262 : Other sporting activities

- 9262/1 : Activities of racehorse owners
- 9262/9 : Other sporting activities NEC

9271 : Gambling and betting activities

9272 : Other recreational activities NEC

2.3 Total CCI Employment in SE Region by SIC Code, 2000, (ABI)

SIC 92 4-digit	ABI 2000
2211 : Publishing of books	7579
2212 : Publishing of newspapers	2475
2213 : Publishing of journals and periodicals	9095
2214 : Publishing of sound recordings	312
2215 : Other publishing	2104
2221 : Printing of newspapers	256
2222 : Printing nec	22054
2223 : Bookbinding and finishing	1373
2224 : Composition and plate-making	1033
2225 : Other activities related to printing	2037
2231 : Reproduction of sound recording	532
2232 : Reproduction of video recording	504
2233 : Reproduction of computer media	181
2464 : Manufacture of photographic chemicals	295
2465 : Manufacture of prepared unrecorded media	36
3210 : Manufacture of electronic valves etc	4923
3220 : Manufacture of TV/radio transmitters etc	11588
3230 : Manufacture of TV/radio receivers etc	5865
3340 : Manufacture of optical instruments etc	5631
3420 : Manufacture of motor vehicles bodies etc	1479
3512 : Building repairing of pleasure boats etc	1784
3622 : Manufacture of jewellery nec	672
3630 : Manufacture of musical instruments	374
3640 : Manufacture of sports goods	776
3650 : Manufacture of games and toys	944
3663 : Other manufacturing nec	5184
5143 : Wholesale of electrical household goods	11675
5245 : Retail sale: electrical household goods	13406
5247 : Retail sale of books/newspapers etc	13671
5248 : Other retail sale: specialised stores	52602
5250 : Retail sale: second-hand goods in stores	3857

2.3 Total CCI Employment in SE Region by SIC Code, 2000, (ABI)

SIC 92 4-digit	ABI 2000
stores	
5511 : Hotels and motels, with restaurant	40953
5512 : Hotels and motels, without restaurant	699
5521 : Youth hostels and mountain refuges	99
5522 : Camping sites, including caravan sites	1273
5523 : Other provision of lodgings nec	3699
7220 : Software consultancy and supply	79781
7260 : Other computer related activities	20792
7420 : Architectural/engineering activities	52874
7440 : Advertising	22260
7481 : Photographic activities	4989
7484 : Other business activities nec	59587
9211 : Motion picture and video production	2313
9212 : Motion picture and video distribution	499
9213 : Motion picture projection	1558
9220 : Radio and television activities	3846
9231 : Artistic and literary creation etc	8832
9232 : Operation of arts facilities	1805
9233 : Fair and amusement park activities	1524
9234 : Other entertainment activities nec	1479
9240 : News agency activities	182
9251 : Library and archives activities	4176
9252 : Museum activities etc	4050
9253 : Botanical and zoological gardens etc	1215
9261 : Operation of sports arenas and stadiums	17703
9262 : Other sporting activities	25896
9271 : Gambling and betting activities	6951
9272 : Other recreational activities nec	7449
Total	**560781**

2.4 YELLOW PAGES BUSINESS DIRECTORY CATEGORY SEARCH

YPBD Category
Acoustic Engineers
Adventure and Activity Centres - children's
Advertising Agencies
Advertising Contractors
Advertising - Outdoor
Advertising - Point of Sale
Advertising - TV, Radio & Cinema
Amusement Parks and Arcades
Antique and Art Valuers
Antique and Curio Wholesalers
Antique Dealers
Antique Repair and Restoration
Archaeologists
Architects
Architectural Antiques
Architectural Decorations
Architectural Ironmongers
Architectural Metal Workers
Architectural Services
Architectural Technologists & Technicians
Arms and Armour Antique
Arts &Craft Shops
Arts & Craft Eqpt & Materials
Art & Design Schools
Art Galleries & Dealers
Art Galleries - Public
Art Publishers & Dealers
Art & Handicraft Schools
Artists
Artists Agents
Artists - Commercial & Industrial
Arts Organisations
Auctioneers & Valuers
Audio-visual Services
Authors & Playwrights
Authors & Scriptwriters

YPBD Category

Badge & Emblem Makers

Bagpipe Makers

Bait Merchants

Ballet Shoes

Balloons - Hot Air

Basket makers

Bellfounders & Bell Hangers

Bingo Clubs

Binoculars & Telescopes

Bird Centres

Blacksmiths & Forge masters

Bloodstock Agencies

Boat Builders & Repairs

Boat Delivery

Boat Hire

Boat Moorings

Boats & Small Craft

Bookbinders

Bookbinders - Eqpt & Supply

Bookbinding Machinery & Supply

Bookmakers

Booksellers

Books - rare & Secondhand

Broadcasting Services

Bouncy Castles & Inflatables

Bowling Centres

Brush Makers - Artists

Butterfly Farms & Breeders

Calligraph y

Camping & Outdoor Eqpt

Canals & canal carriers

Canvas Goods

Caravan Hire

Caravan Parks - Holiday

Carvers & gilders

Casinos

Church Craftsmen & restorers

Cinemas

YPBD Category

Cinema Equipment & Services
Clay Pigeon Shoots & Rifle Ranges
Coin & Medal Dealers
Collectors Items
Comics
Compass Makers & Adjusters
Computer Aided Design Services
Computer Consultancy
Computer Games
Computer Software Development
Computer Software - Sales
Concert Agents
Conference Organisers
Conservation Organisations
Copyright Agents
Cycle Hire
Dancewea r
Dancing Schools
Design Consultants
Designers - Advertising & Graphic
Designers - Product
Designers - Textile
Designers - TV, Film & Theatre
Digital Imagining
Discos & Dance Halls
Discos - Mobile
Display Artists & Designers
Drama Schools
Driving Ranges - Golf
Engravers
Engravers Supplies
Entertainers
Entertainment Agencies
Entertainment Centres
Entertainments
Etchers
Exhibition Designers
Exhibition & Show Organisers

YPBD Category

Exhibition
Fashion Agents
Fashion Artists
Fashion Designers
Film Libraries
Film Processors
Film Producers & Directors
Fireworks
Fisheries - Sport
Fishing Tackle Mfrs & wholesalers
Fishing Tackle Shops
Fitness Eqpt
Flying schools
Football Pools
Football Pools promoters
Gamekeepers
Games Shops
Gaming Eqpt
Garden Designers
Genealogists
Glassworkers
Goldsmiths & Silversmiths
Golf Clubs, Courses & Professionals
Golf Eqpt
Graphic art Materials
Guesthouses
Halls
Health Clubs & Fitness Centres
Hi-Fi Accessory Mfrs
Hi-Fi Dealers
Hi Fi Mfrs & Distributors
Historic Buildings & Stately Homes
Holiday Accommodation & Parks
Holiday Centres
Horse Boxes
Horse Breeders & Dealers
Horse Drawn Carriages
Horse Supplies

YPBD Category

Horse Trainers
Horse Transport Operators
Hotels & Inns
Hunt Kennels
Ice Rinks
Illustrators - Technical & commercial
Interior Designers
Internet Web Design
Jewellers
Jewellery Mfrs
Jewellers Supplies
Jewellery Wh'salers
Journalist
Juke Boxes
Karaoke
Karting
Kites
Landscape Architects
Leisure Centres
Libraries
Literary Agents
Lotteries
Make-up Artists & Services
Marinas
Marketing & Advertising Consultants
Martial Arts
Metal Restoration & Maintenance
Metal Workers
Model Agencies
Modeling Schools
Models Architectural & Engineering
Motor Boats & cruisers
Motor Sports
Multimedia Services
Museums
Music Arrangers & Composers
Music management & Promotion
Music Publishing

YPBD Category

Music Schools
Music Studios & Practice Rooms
Music Systems - Commercial
Music Teachers
Musical Directors
Musical Instrument Accessories
Musical Instrument Mfrs & Wh'salers
Musical Instrument & Music Shops
Musical Instrument Tuning & Repair
Musicians
Nature & Wildlife Parks
News & Photo Agencies
Newsagents Wholesale
Newspapers & Magazines
Night Clubs
Organ Builders
Organ Dealers
Outdoor Pursuits
Packers - Fine Art
Paintball & Combat Games
Parachuting / Paragliding
Parks & Gardens
Personal Trainers
Photograph Libraries
Photographers - Cine
Photographers - Commercial & Industrial
Photographers - General
Photographers - Press
Photographic Equpt Repairs
Photographic Goods Retailers
Photographic Goods Wh'salers
Photographic Processing & Printing
Photographic Studio Hire
Piano Dealers
Piano Mfrs
Piano Tuning & repair
Picture Cleaners & restorers

YPBD Category

Picture Framers & frame makers
Poster & Picture Printers
Pottery Eqpt Mfrs
Pottery Mfrs & Suppliers
Potters Materials & Services
Printers & Lithographers
Print Finishers
Printers Services
Printers Supplies
Publicity Consultants
Publishers & Publications
Publishers' Services
Record, CD & Tape Mfrs & Wh'salers
Record Companies
Recording Eqpt
Recording Services - Sound
Records, CDs & Tapes - Retail
Researchers - Literary
Riding Kit
Riding Schools
Saddlers & Harness Makers
Sail Makers
Sailing Instruction
Salvage & reclaimation
Sculptors
Ship Chandlers
Shooting & Fishing Agents
Skating Rinks
Ski Centres
Skiing & Snowboarding
Smiths
Speech & Drama Teachers
Sports Goods Shops
Sports Ground Contractors
Sports Promotion & Management
Sports Surfaces - Artificial
Sports Training & Coaching
Squash Courts

YPBD Category

Stables
Stamp Dealers
Stained Glass Artists
Stone Masons & Dry Stone Wallers
Stud Farm Proprietors
Swimming Instruction
Theatres & Concert Halls
Theatrical Companies
Theatrical Services
Theatrical Supplies
Theatrical & Variety Agents
Ticket Agencies
Translators & Interpreters
Tourist Attractions
Tourist Information Centres
Tourist Information Services
Tours & Sightseeing
Toy & Game Mfrs & importers
TV, Film & Video Production Services
Video & Film Distributors
Video/DVD Hire & Rental
Video/DVD Wholesalers
Video Services
Video tapes - Hire & Retail
Walking Stick Mfrs
Wedding Services - Capture the Day on Film
Wedding Services - Music & Entertainment
Wood Carvers
Wood Turners
Yacht Brokers
Yacht Chandlers
Yacht Designers
Yacht Eqpt
Yoga
Zoos

2.5 DATA PROTOCOLS

IDBR (Interdepartmental Business Register)

Data from the IDBR was purchased for a single use by DPA in order to assist with analysis (in particular) of Creative and Cultural Industry Businesses, Business Structure and Economic Data. Its purpose is to enable the consultants to provide a more thorough analysis of the sector than would be possible from the information made available to us by the public sector agencies.

The Office of National Statistics has confirmed that the raw data may be passed to the commissioning bodies (SEEDA and SEECC) at no additional charge.

Labour Force Survey

DPA purchased LFS data from ONS: this is subject to Crown Copyright and may not be published or passed to third parties without the written permission of Her Majesty¹s Stationery Office (HMSO). LFS has confirmed that the raw data may be passed to the commissioning bodies (SEEDA and SEECC) at no additional charge.

ABI

ABI data from NOMIS is free of charge but restricted. Access to this data was available to the consultants through a Chancellor of the Exchequer's notice specific to this project and was time limited to end of March 2002. The data cannot be passed on to anyone who has not got a similar CotE notice for this project. For this reason the raw data has not be passed to the commissioning bodies.

All other NOMIS data is unrestricted and free.

SEEDA Business Database

The SEEDA Business Database has been searched against the same specification as IDBR. The database is purchased by SEEDA from a commercial data provider and has been made available to us only after clearance from both the data provider and SEEDA. There is no cost associated with accessing the data which has been used to assist with analysis (in particular) of Creative and Cultural Industry Businesses, Business Structure and Economic Data. Future access to and use of the SEEDA Database is an issue for SEEDA but the normal constraints on use of the data would usually apply.

Yellow Pages Business Directory

The data purchased from Yellow Pages Business Services for this study is for a single use of the data and the data cannot be sold on or used to create directories or databases. Notwithstanding this the further analysis and re-analysis of the YPBS data, or a part of it, by any of the partner agencies can be allowed. This means for example that if Southern and South East Arts wanted to look at the raw data and pull out data on a part of the Arts Sector it could do so for the purpose of analysis and interpretation.

Telephone numbers for all companies counted in the YPBS search were purchased for future use and were not used in this phase of the research. They may be used at a point in the future - again for a single use. The reason for purchasing the telephone numbers now is that there is a very significant saving if the data is purchased as a bundle.

The contract for the purchase of the Yellow Pages Data is held with SEEDA.

2.6 FULL SET OF DATA ANALYSIS CHARTS

A full set of data analysis charts are held by SEEDA and the SEE Cultural Consortium on a CD ROM. This contains copies of all data analysis charts used by the consultants in the development of this study. Whilst many of the data charts have been used in the main body of the report on in appendices, some have not and this documentation therefore provides a full Technical Appendix to the report.

Files on this CD ROM are as follows:

- Appendix 2: 2.6.1 Analysis of Labour Force Survey 1995 and 2000
- Appendix 2: 2.6.2 Analysis of Yellow Pages Business Directory 2002
- Appendix 2: 2.6.3 Analysis of Annual Employers Survey 1995 and Annual Business Enquiry 2000
- Appendix 2: 2.6.4 Analysis of Interdepartmental Register 2001

APPENDIX 3: REGIONAL ANALYSIS – CIPS

DATA CHARTS BY CULTURAL INDUSTRIES PRODUCTION SYSTEM

MANUFACTURING INPUTS

Chart 1

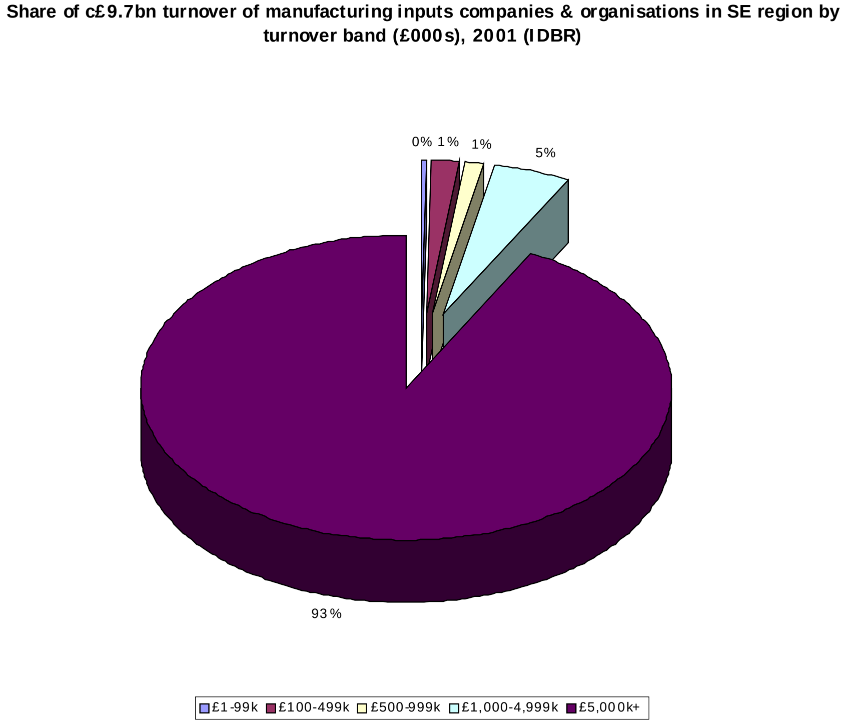


Chart 2

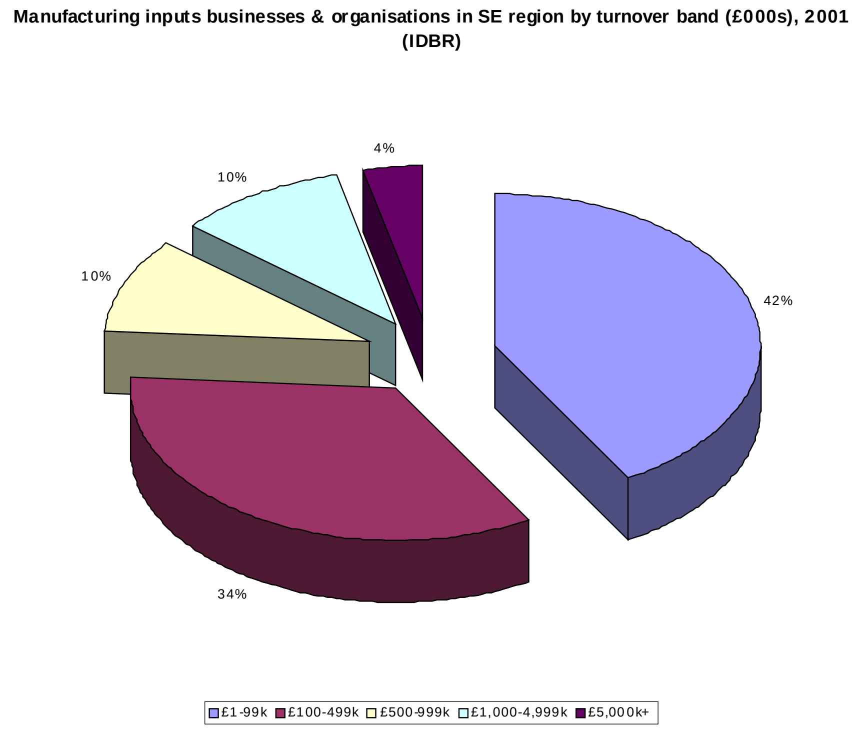
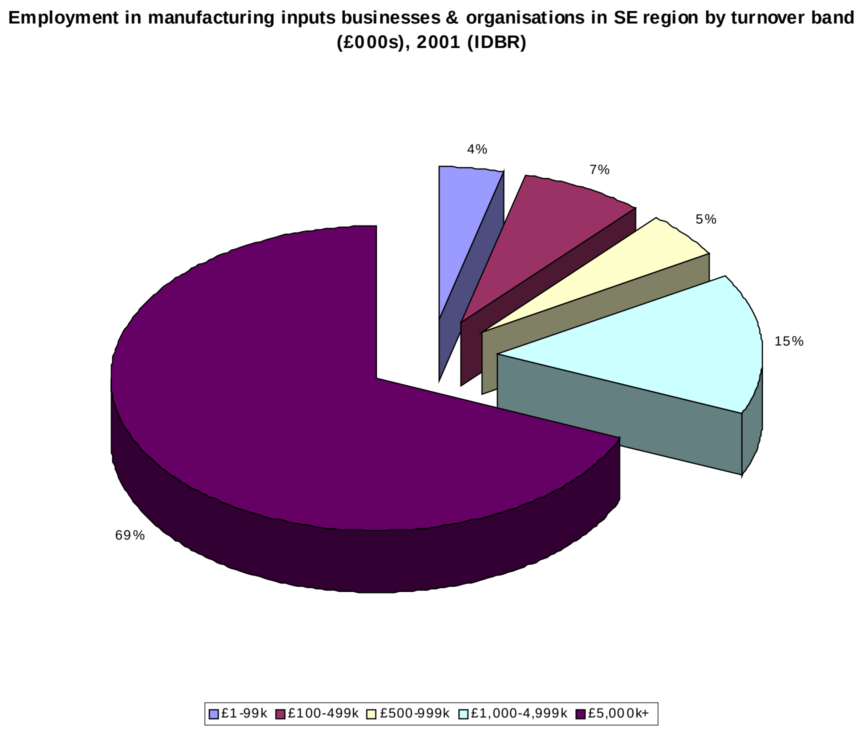


Chart 3



Content Origination

Chart 4

Share of c£17.3bn turnover of content origination businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)

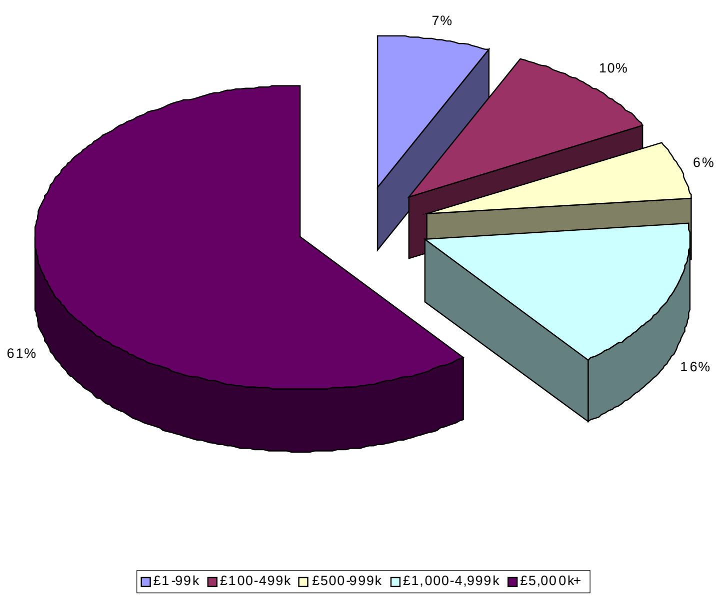


Chart 5

Content origination businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)

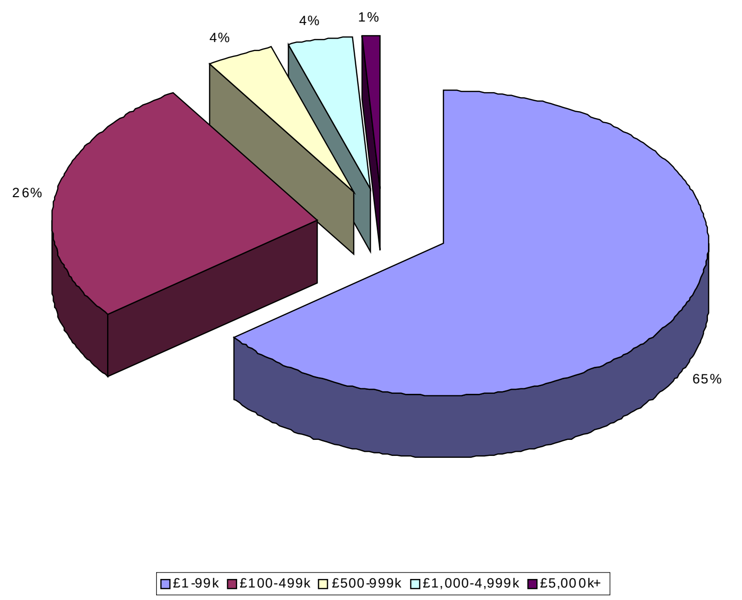
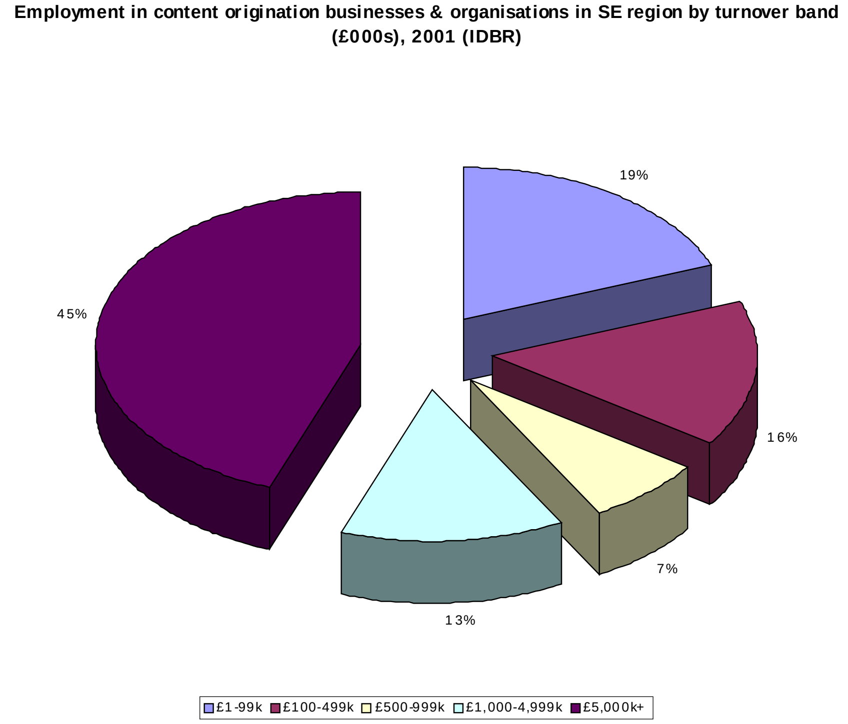


Chart 6



Reproduction

Chart 7

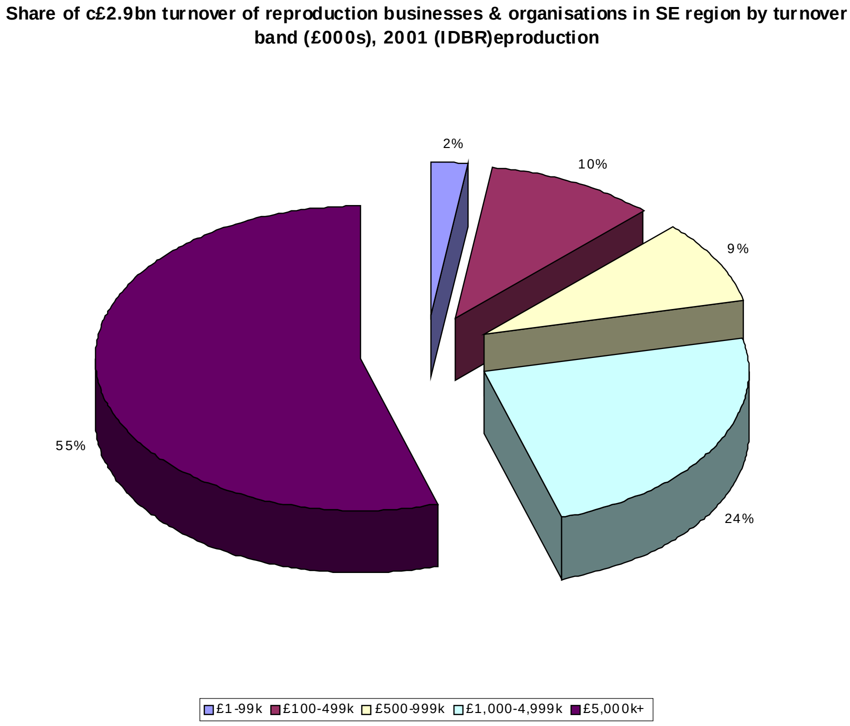


Chart 8

Reproduction businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)

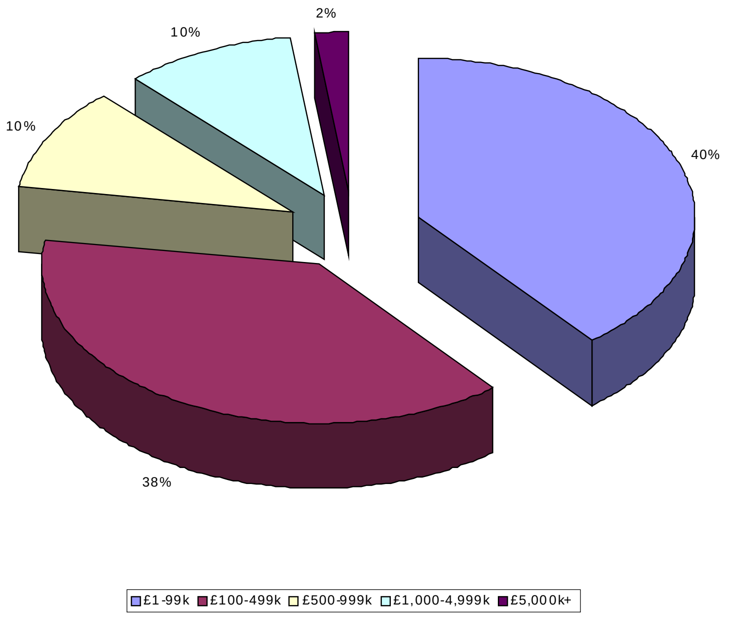
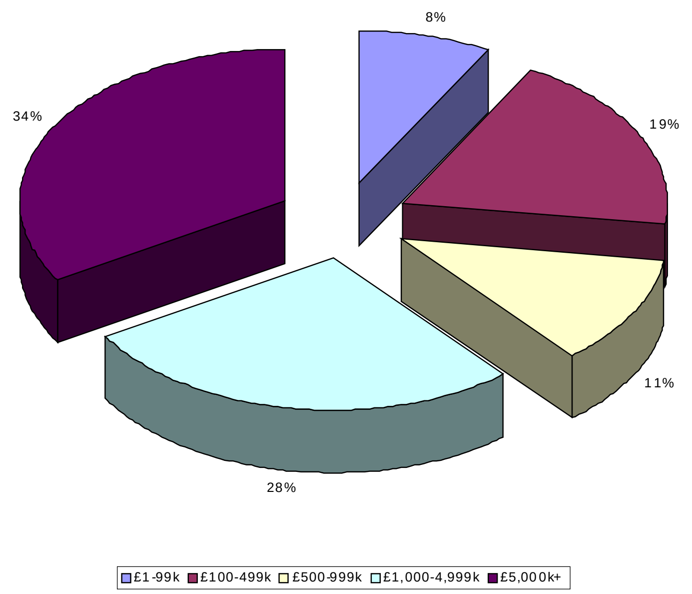


Chart 9

Employment in reproduction businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)



Exchange

Chart 10

Share of c£16.6bn turnover of exchange businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)

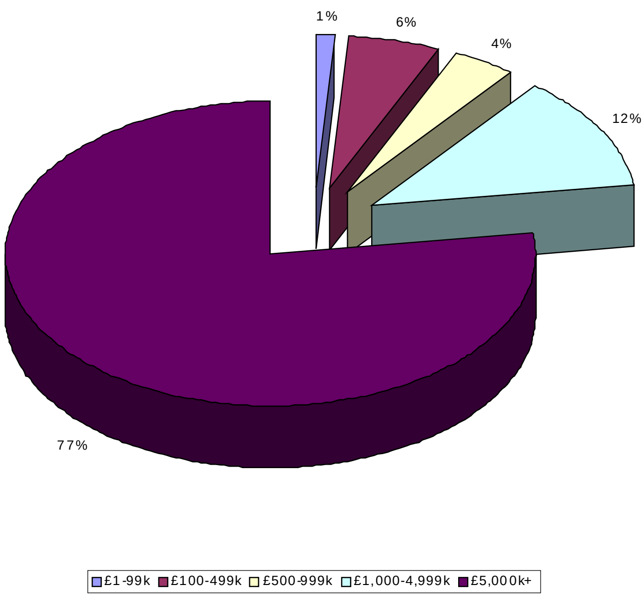


Chart 11

Exchange businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)

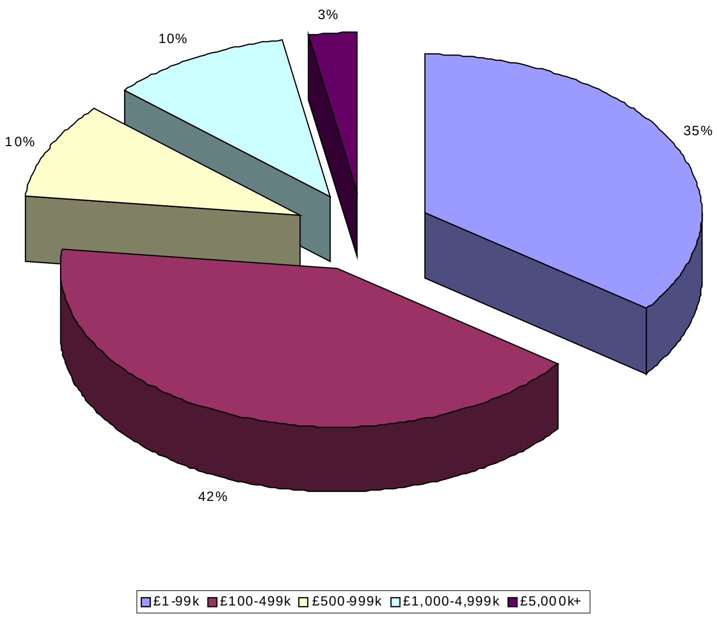
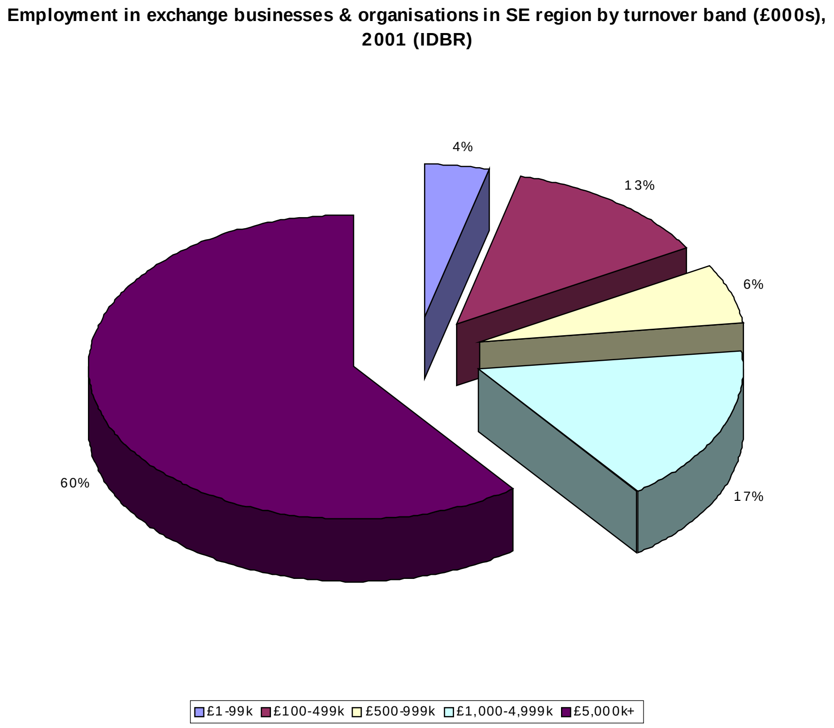


Chart 12



ADDITIONAL DATA CHARTS – CIPS

Chart 13

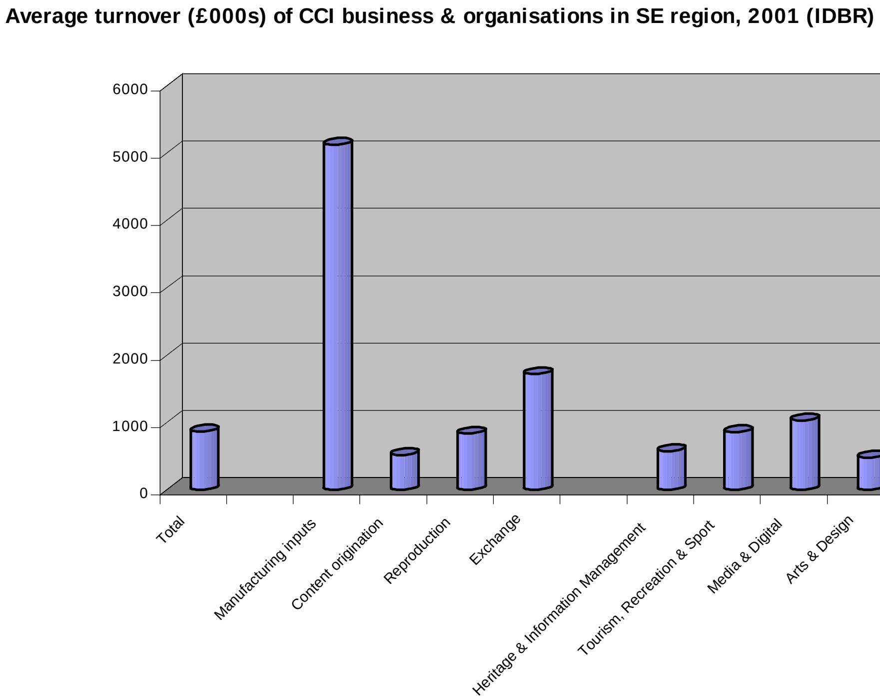


Chart 14

Average employment size of CCI businesses & organisations in SE region, 2001 (IDBR)

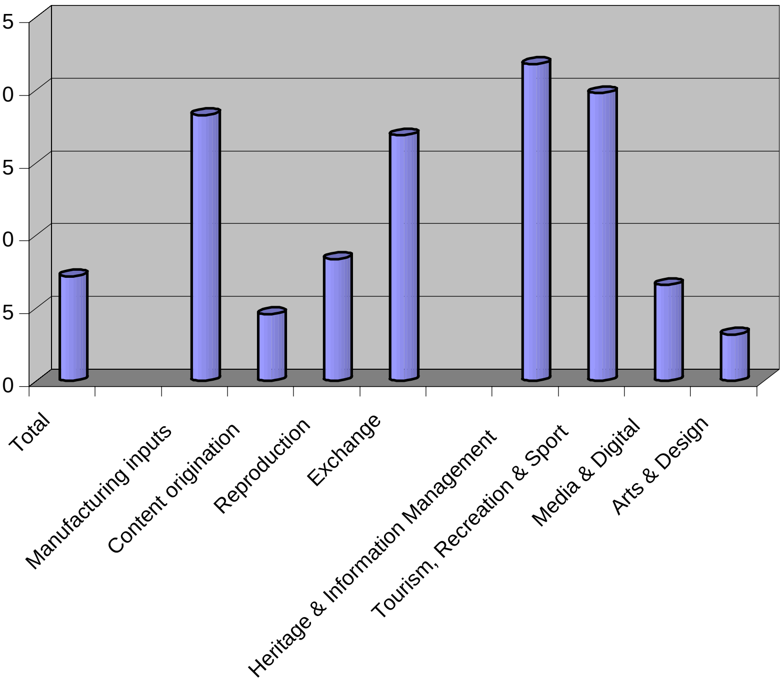


Chart 15

Average turnover (£000s) per employee of CCI businesses & organisations in SE region, 2001 (IDBR)

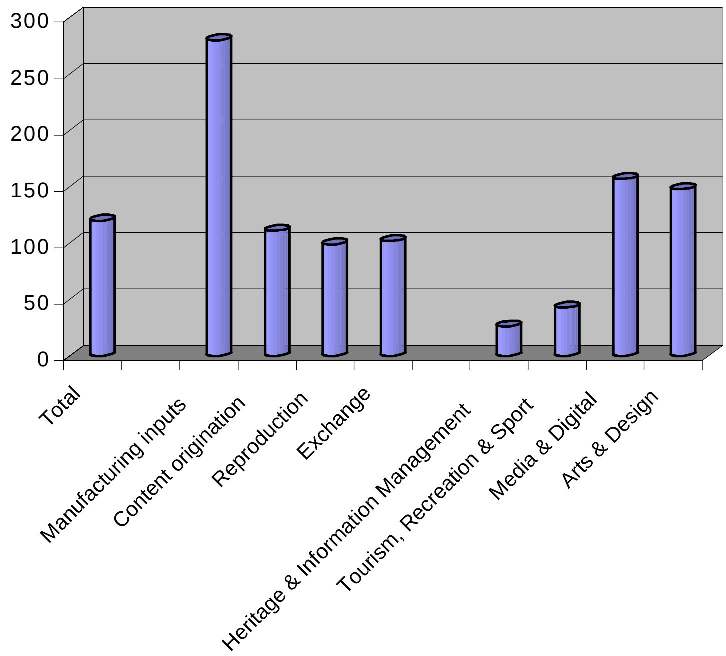
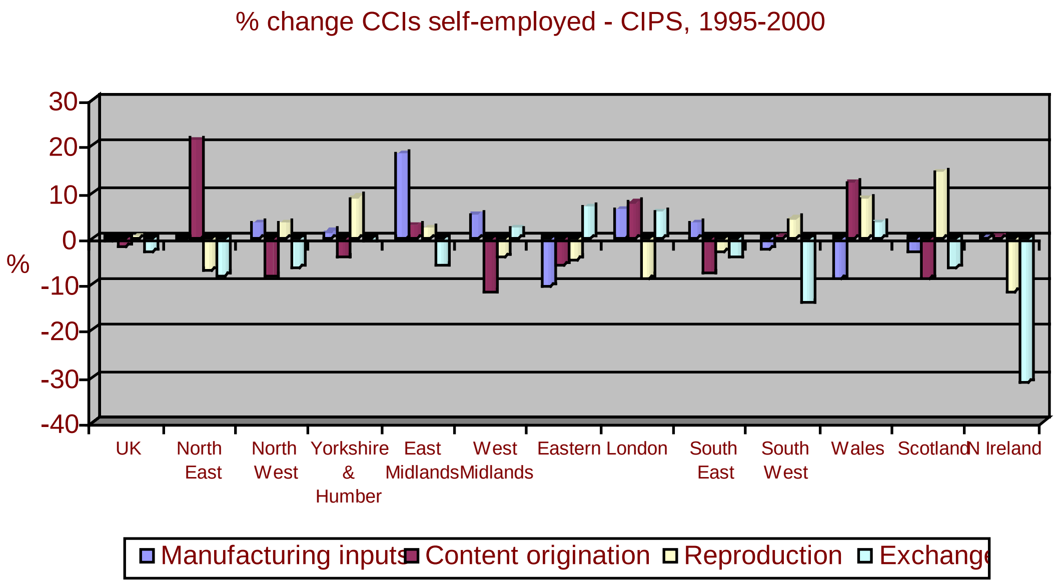


Chart 16


% change CCIs self-employed - CIPS, 1995-2000
%
30
20
10
0
-10
-20
-30
-40
UK
North East
North West
Yorkshire & Humber
East Midlands
West Midlands
Eastern
London
South East
South West
Wales
Scotland
N Ireland
Manufacturing inputs
Content origination
Reproduction
Exchange

APPENDIX 4: SECTORAL GROUPINGS

4.1 DATA CHARTS BY SECTORAL GROUPING

HERITAGE AND INFORMATION MANAGEMENT

Chart 1

Share of c£0.08bn Turnover of Heritage & Information Management businesses & organisations in SE region by turnover band, 2001 (IDBR)

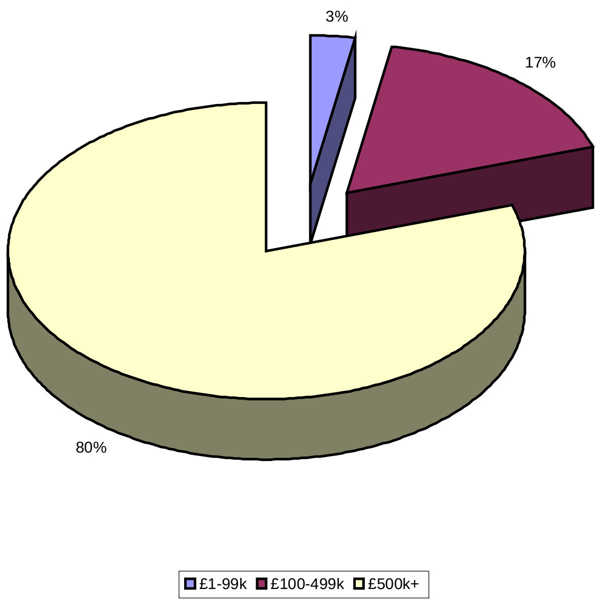


Chart 2

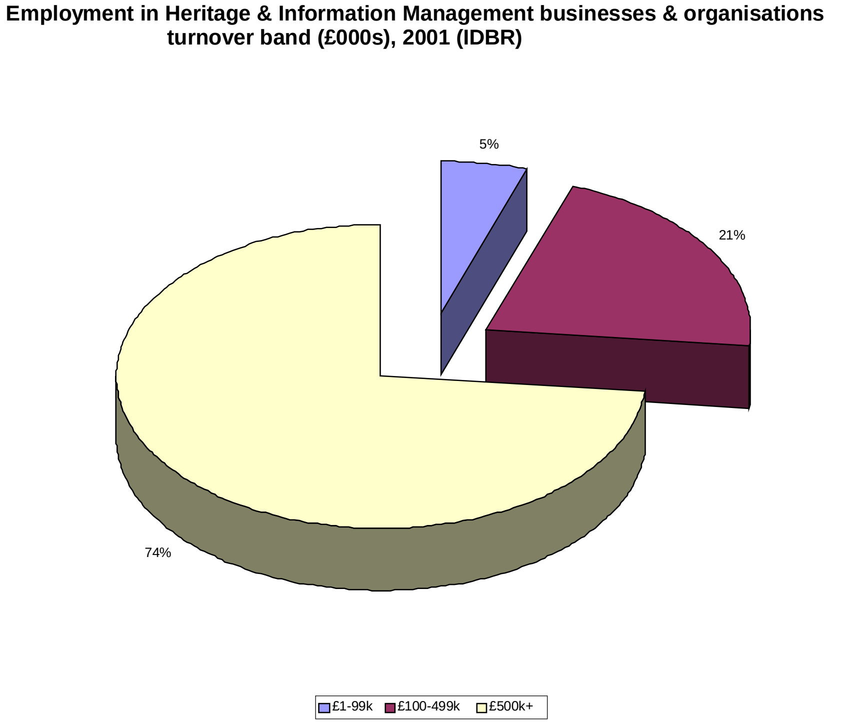
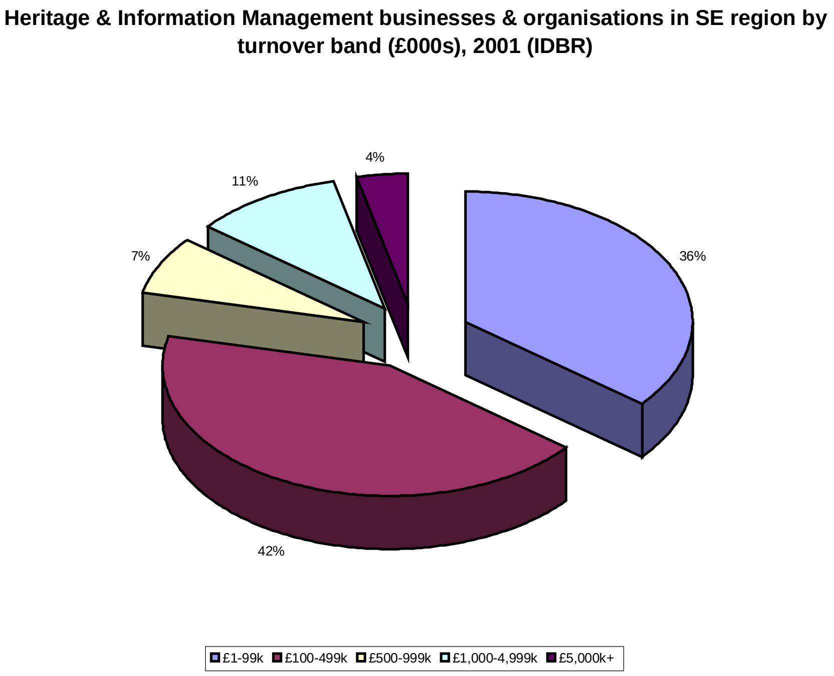


Chart 3



TOURISM RECREATION AND SPORT

Chart 4

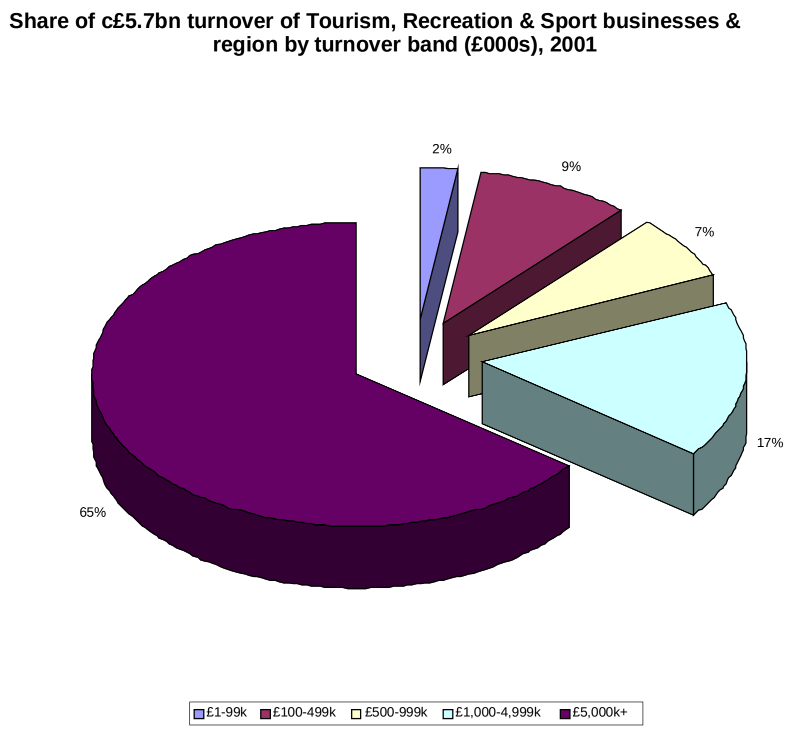


Chart 5

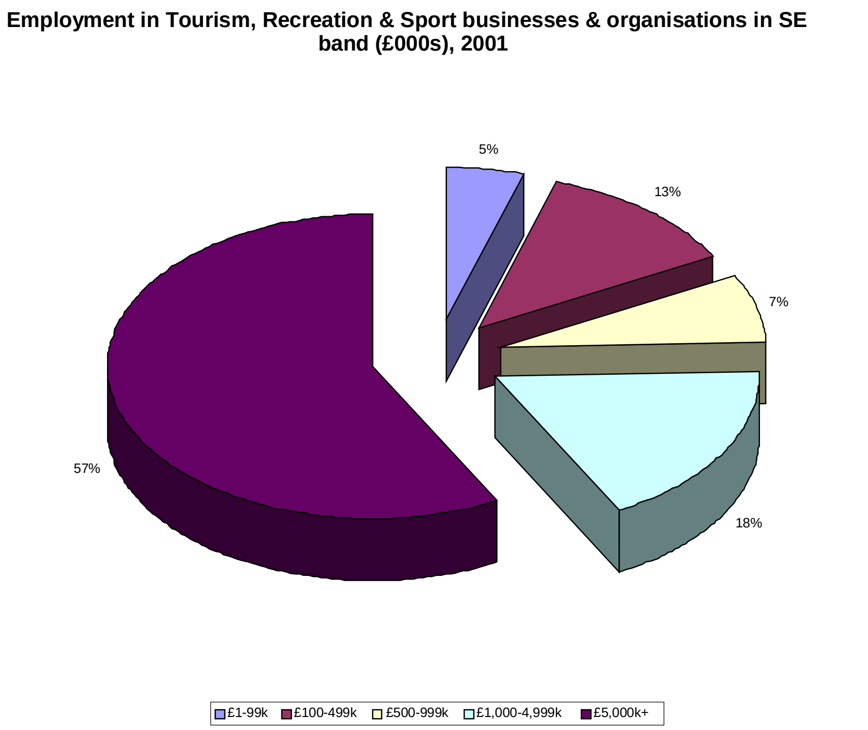
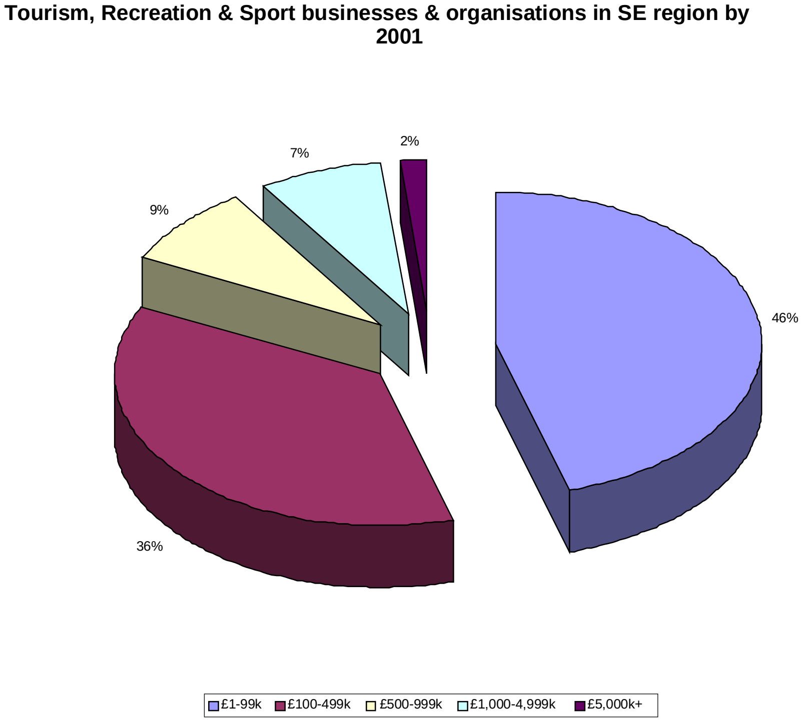


Chart 6



MEDIA AND DIGITAL

Chart 7

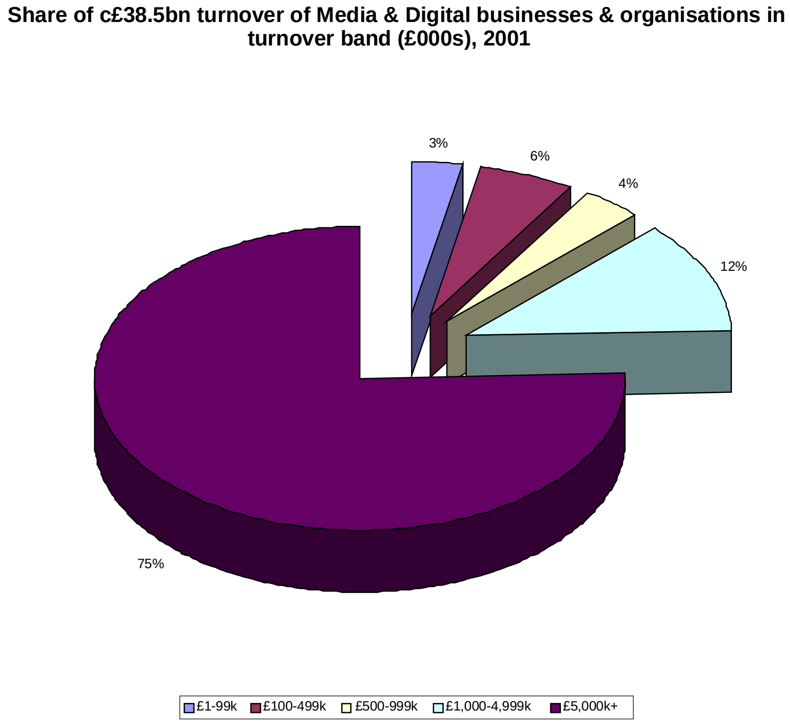


Chart 8

Employment in Media & Digital businesses & organisations in SE region by (£000s), 2001

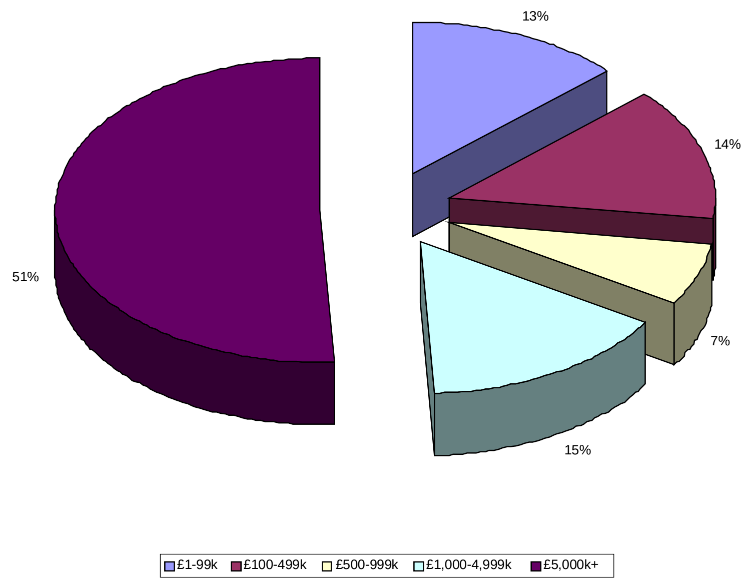
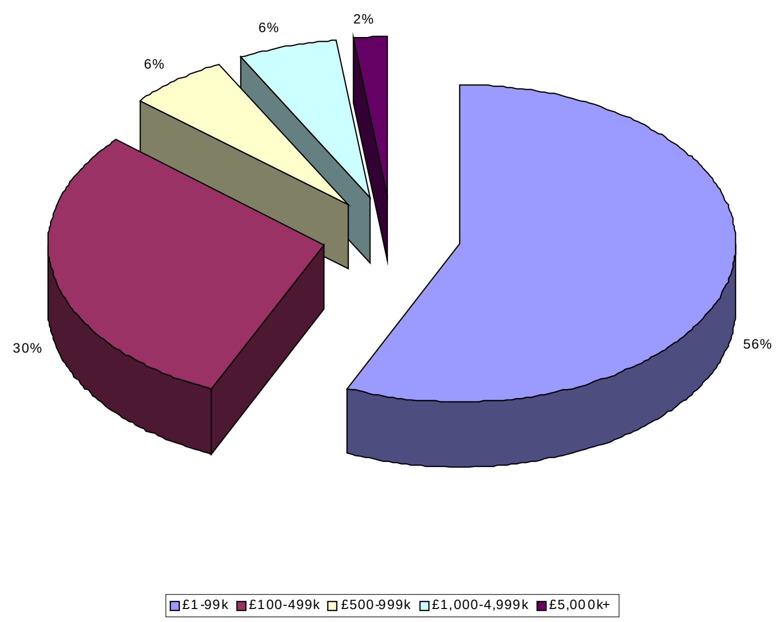


Chart 9

Media & Digital businesses & organisations in SE region by turnover band (£000s), 2001 (IDBR)



The Arts and Design

Chart 10

Share of c£1.4bn turnover of Arts & Design businesses & organisations in SE band (£000s), 2001

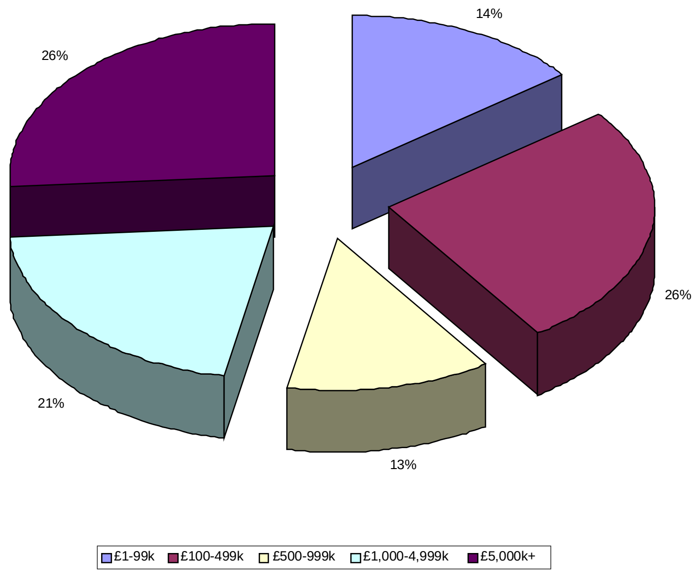


Chart 11

Employment in Arts & Design businesses & organisations in SE region by 2001

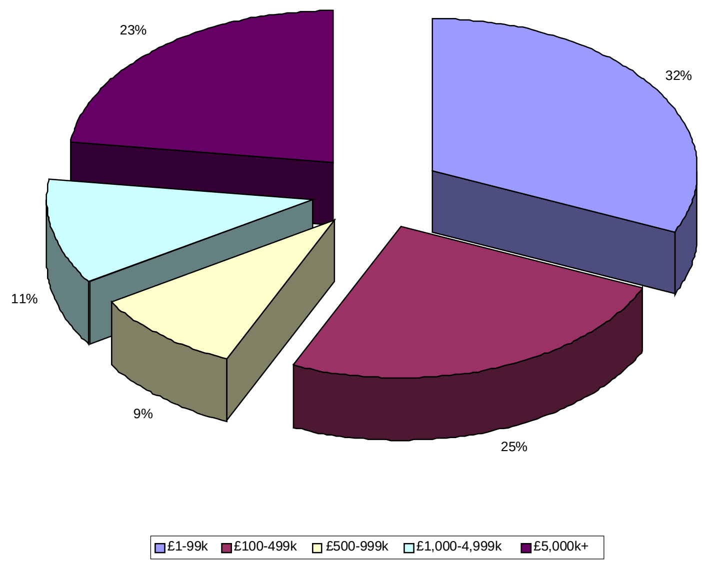
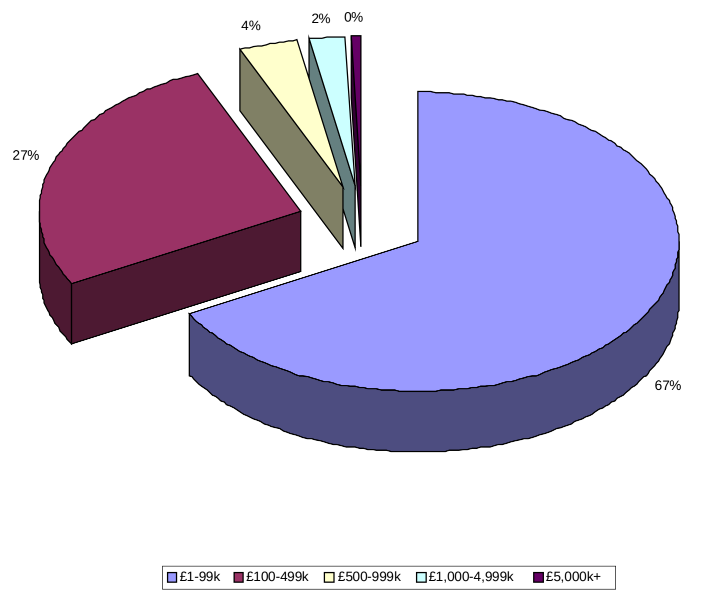


Chart 12

Arts & Design businesses & organisations in SE region by turnover



4.2 ADDITIONAL DATA CHARTS

Chart 13

Region total of Yellow Pages CCI listings by subgroups 2001 (Y

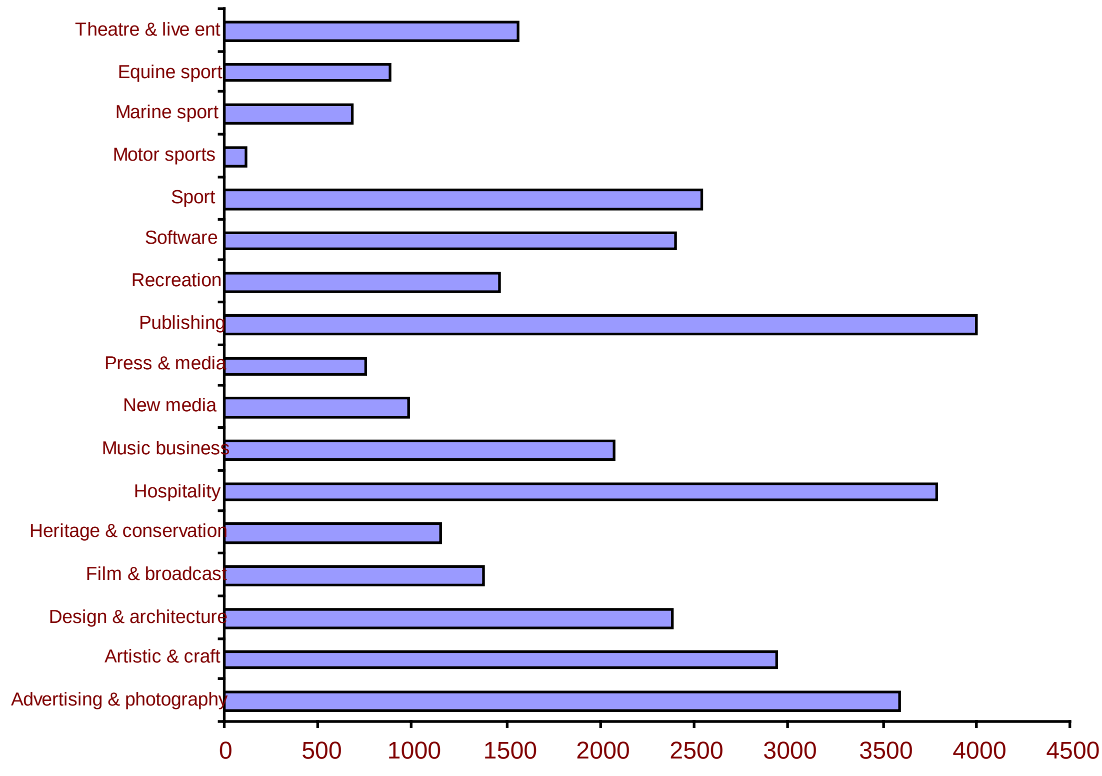


Chart 14

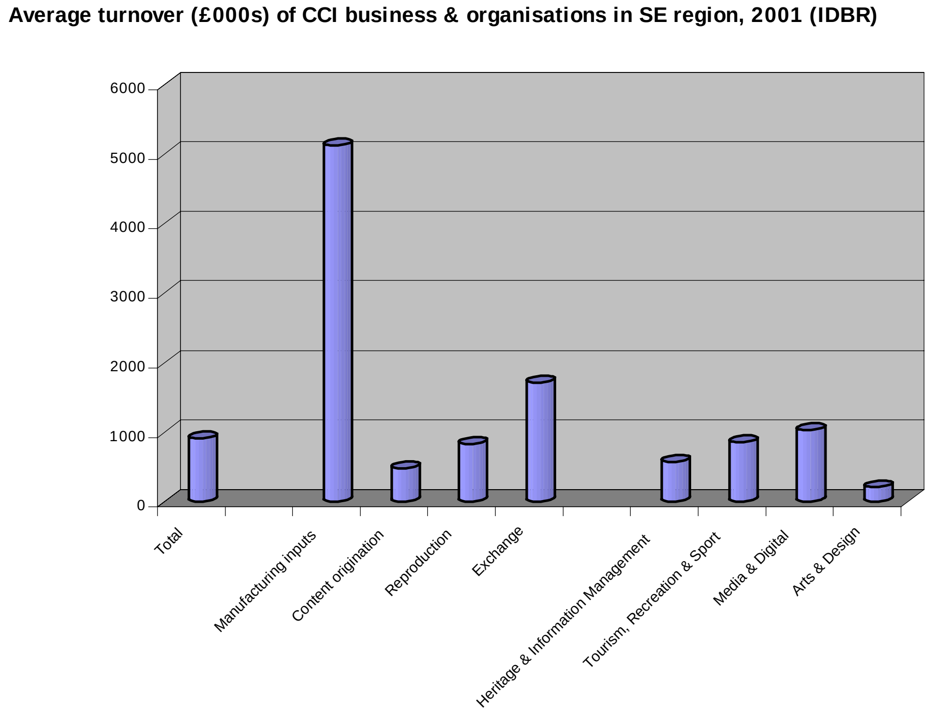


Chart 15

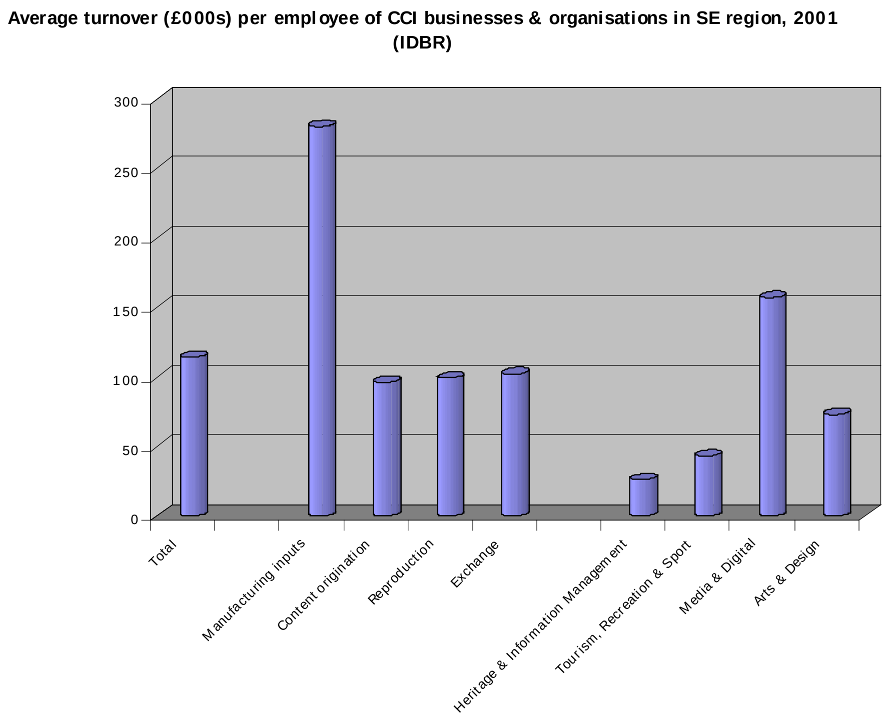


Chart 16

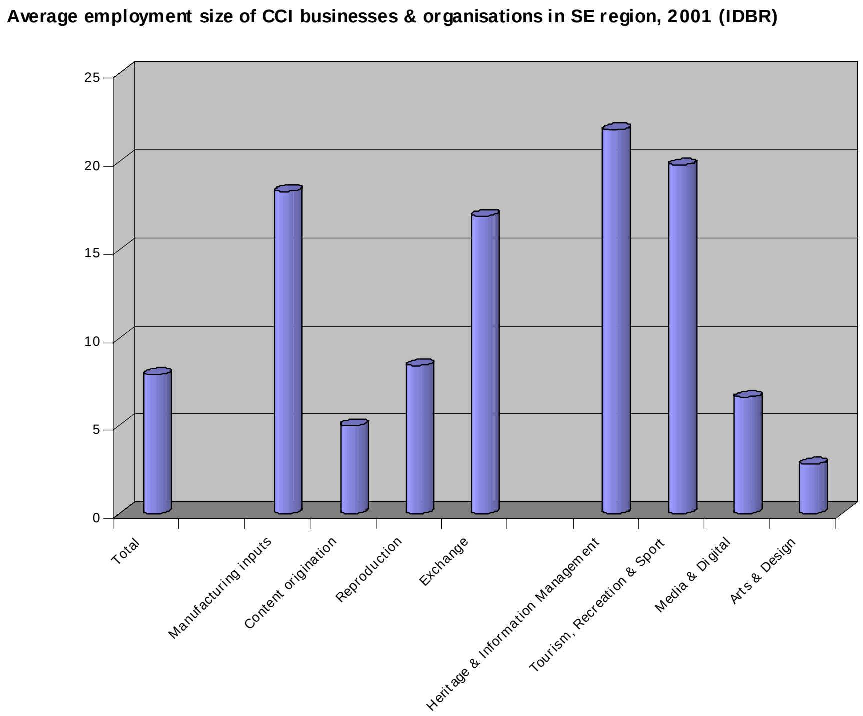
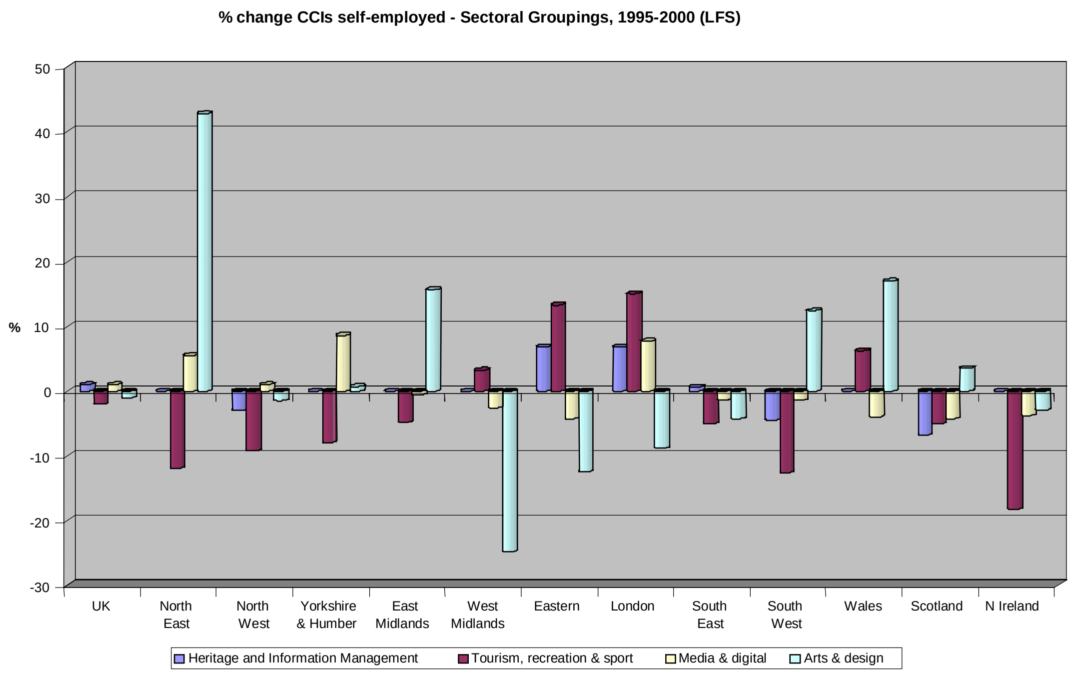


Chart 17



APPENDIX FIVE: CCIs ACROSS THE REGION

Chart 1

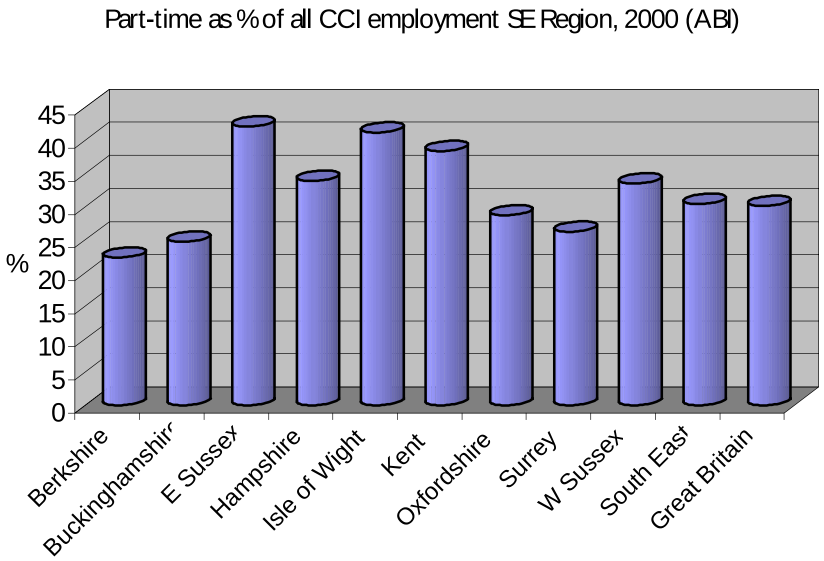


Chart 2

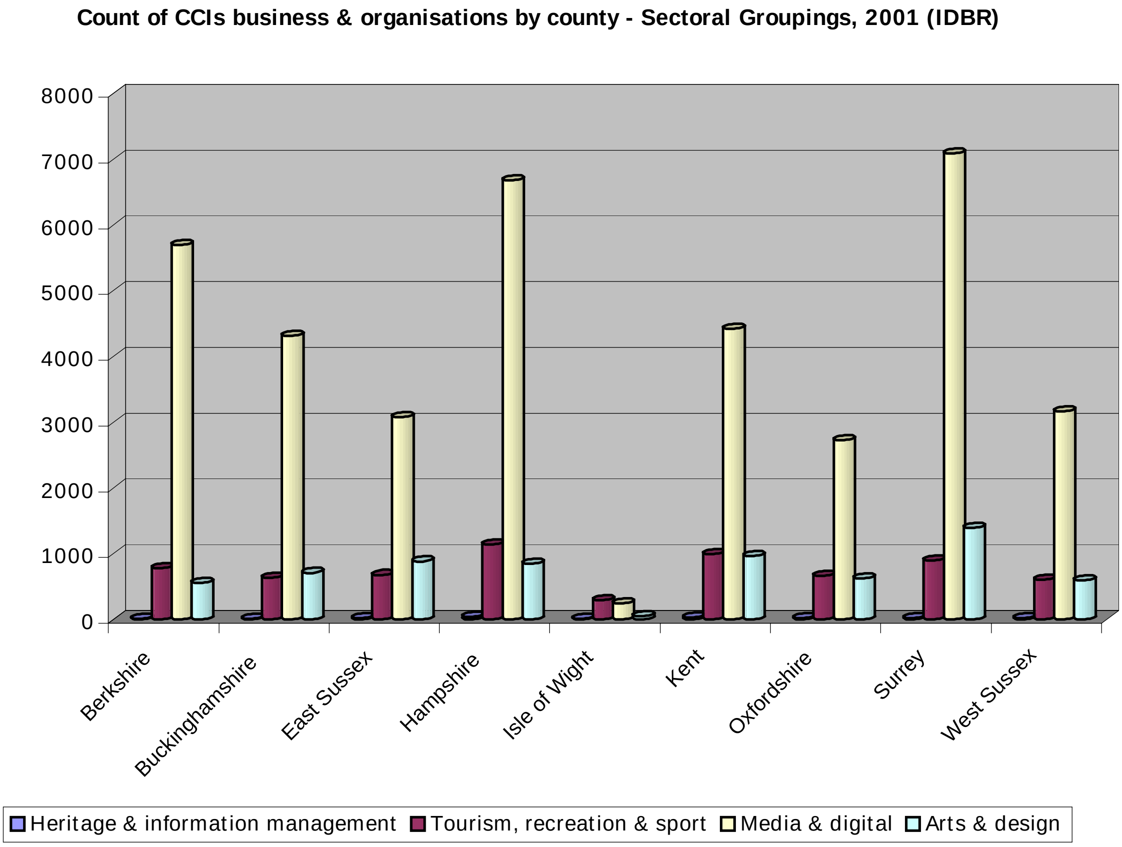


Chart 3

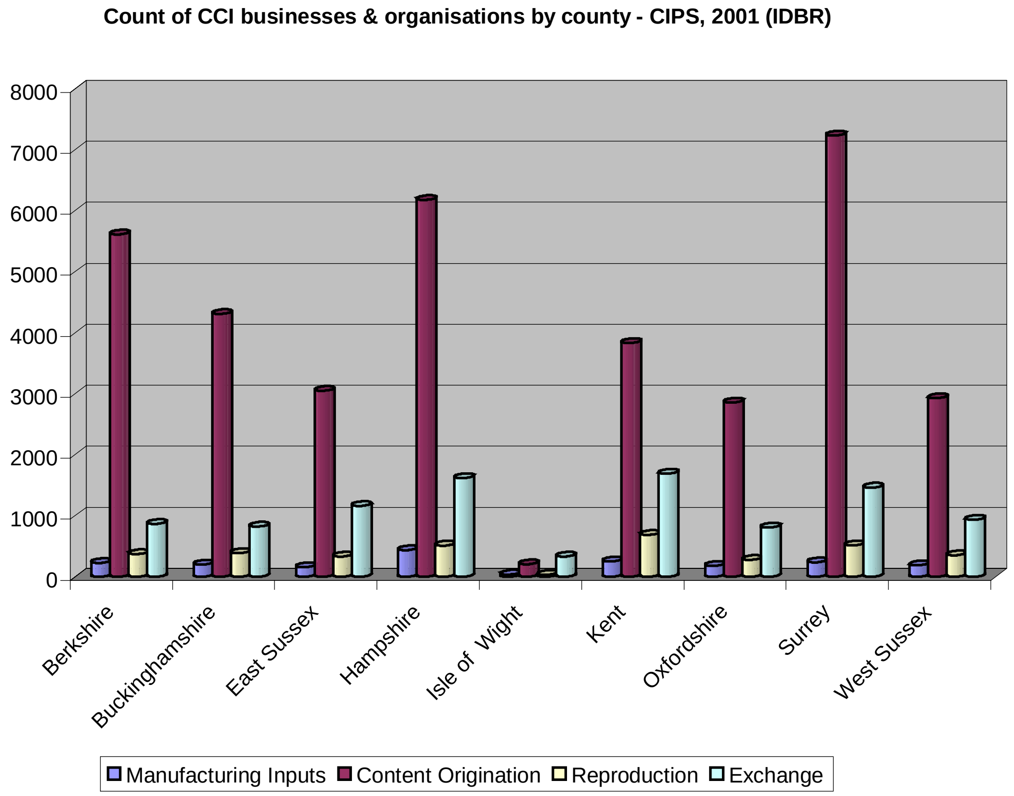


Chart 4

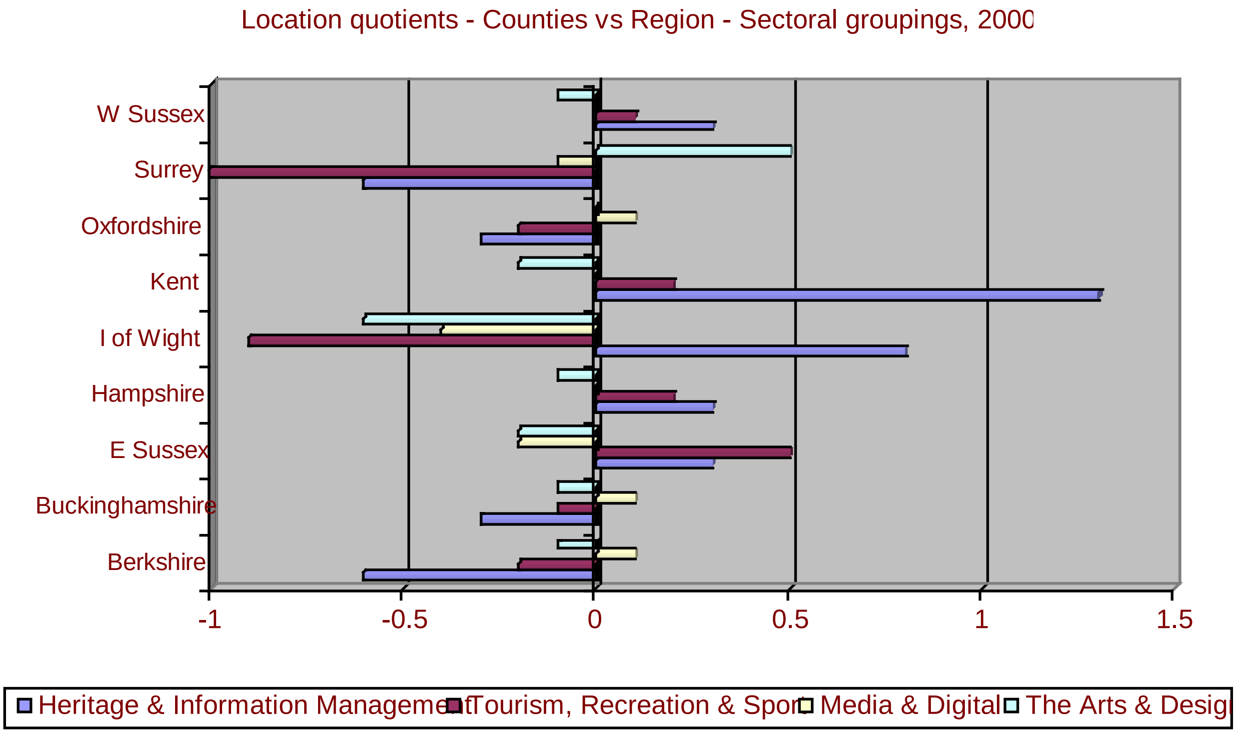
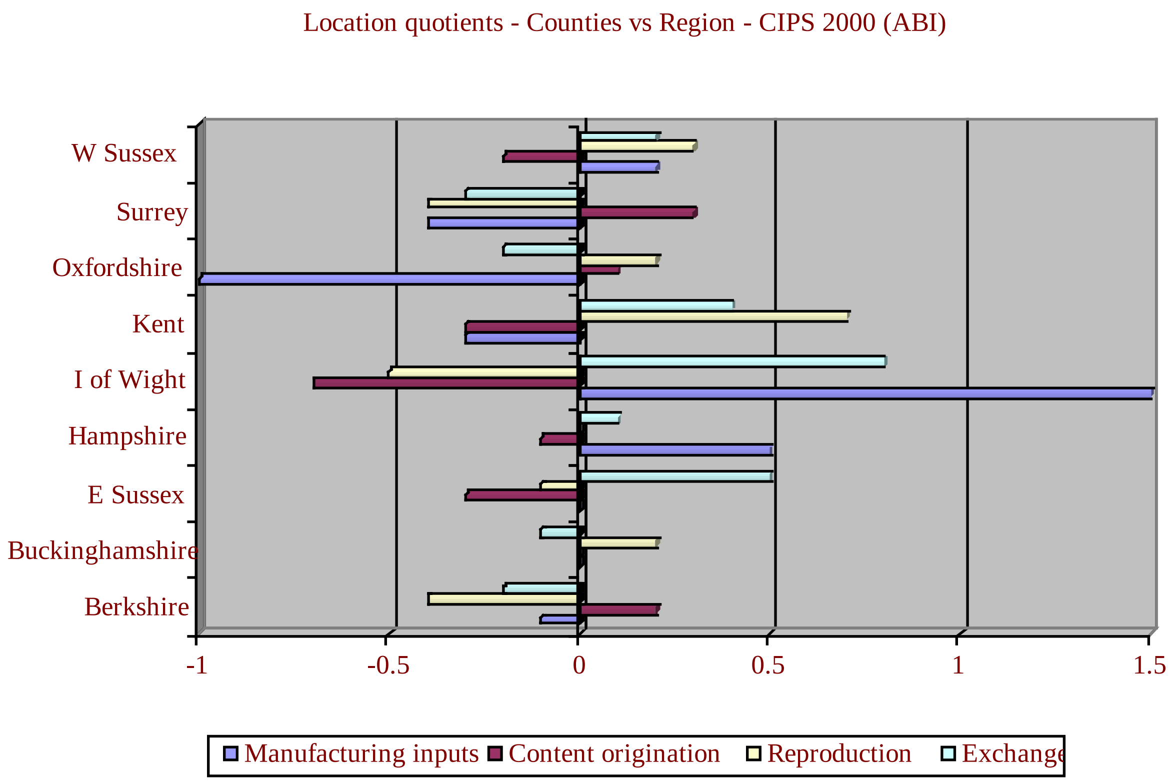


Chart 5


Location quotients - Counties vs Region - CIPS 2000 (ABI)
W Sussex
Surrey
Oxfordshire
Kent
I of Wight
Hampshire
E Sussex
Buckinghamshire
Berkshire
-1
-0.5
0
0.5
1
1.5
Manufacturing inputs
Content origination
Reproduction
Exchange

APPENDIX 6 CASE STUDIES

These case studies have been appended to illustrate the diversity of the cultural and creative economy in the SE, and to point to some of the issues which the survey of data and agency information has provided. They have been compiled from information, reports and other publicly available material, provided in most cases by the organisations or projects which are their subjects. DPA was asked to include these to illustrate a range of activity, but not as objective, independently researched assessments.

BUCKINGHAMSHIRE COUNTY MUSEUMS – ECONOMIC IMPACT[1]

Based in the historic centre of Aylesbury, Buckinghamshire County Museums holds a wide-ranging local collection and the innovative Roald Dahl Children's Gallery that won the Gulbenkian award for Education in 1997.

Southern Tourist Board assessed the economic impact of the museum on the local economy in 1998. This research showed that in the previous 12 months 91,915 people had visited the museums (excluding school trips), 46% of whom lived outside Buckinghamshire. Visitors from outside the county rose to 61% during the school holidays. 68,000 visits to the Museum were "additional" (i.e. the museums was the only or main reason for Visiting Aylesbury and / or the Aylesbury area). An additional 10,322 children and teachers visited the museum in the same period and 95% of these visits were classified as 100% additional. In total day and staying visitors to the museums were estimated to have spent c£1.15m a year in the Buckinghamshire economy of which £521,000 was additional and therefore directly attributable to the museum. 85% of the total schools expenditure - £8,160, is estimated as additional. It was estimated that the museum itself contributed c £912,000 directly into the county economy creating a total of over £2m spent by the museum and its visitors in the local economy every year of which 1.4m was directly attributable to the museum.

It is estimated that 74 full time equivalent jobs are sustained by the expenditure of the museum and its visitors of which 58 (83 actual jobs) are directly attributable to the museums.

http://www.buckscc.gov.uk/museum/index.stm

The main exhibition gallery at Buckinghamshire County Museum

[1] Source: Southern Tourist Board 1998

THE HISTORIC DOCKYARD, CHATHAM[2]

The Royal Dockyard at Chatham served the Royal Navy as a fleet base and centre of shipbuilding for over 400 years. Its closure in 1984 left behind a unique legacy: the most complete dockyard of the Age of Sail to be found anywhere in the world.

Creating a sustainable future for the 80-acre Historic Dockyard site was a great challenge. The Chatham Historic Dockyard Trust was established to preserve and interpret the site for public benefit. With the help of Heritage Lottery grants of £10 million, many historic buildings have since been restored and brought back into use, 4 major galleries have been opened, 3 historic ships have been acquired for preservation and traditional ropemaking has been preserved in the unique 18th century ropery. Over 1.5 million members of the public have visited the site.

The Historic Dockyard has played an important part in the regeneration of the local economy. Not only is it a tourism beacon for the Medway area, but it is also the home for over 100 small businesses employing approximately 1,000 people. Many volunteer groups are active on the site, whilst a substantial residential community of approximately 400 people now lives within the Dockyard's walls. The Trust is also working with Medway Council and the South-East England Development Agency to promote community-based initiatives such as family learning and outreach programmes, including work with excluded pupils in Kent.

http://www.chdt.org.uk/

Title: Visitors at Interactive Display, Historic Dockyard, Chatham
© Historic Dockyard, Chatham

[2] Source :Historic Dockyard, Chatham Press Office; DCMS / Ministerial Statement on the Review of the Historic Environment "The Historic Environment: A Force for Our Future"

CHICHESTER THEATRE[3]

Chichester Festival Theatre consists of two theatres, restaurant, bar, club and shop just outside Chichester city centre. A theatre of national importance and with a long reputation for generating high quality productions, which it tours, it attracts between 30,000 and 40,000 visitors in the summer months, c350,000 a year. More than 200,000 come from outside the District; 65% of the audience come from a 45 minute catchment area, with the "summer" audience coming from as far away as London and Bournemouth. About half all theatre goers expect to spend more than £50 locally during their visit, and 20% are visitors staying locally.

Income from all sources in 1998/99 was estimated at £7.5 million – 55% from the box office. The study estimated that Chichester Theatre generated £9.5 million of local expenditure, with total direct expenditure into the local economy estimated at £5 million. It is estimated that the theatre is responsible for up to £26 million of output in the local economy (1.6%) of total, and 2.5% of all jobs.

http://www.cft.org.uk/

[3] Case study: University of Portsmouth 2000 (all figures 1998/9999 unless notes)

COWES WEEK 2000: RECREATIONAL AND COMPETITIVE YACHTING[4]

Yachting activity – including both input activity and associated tourism is an important feature of the cultural and economic life of the Solent Gateway, the Isle of Wight and the western portion of the West Sussex Coast. Historically the focus of this activity has been Cowes Week. Cowes has long been regarded as the premier yachting centre in Britain and Cowes week one of the most important of international yachting regattas.

During Skandia Life Cowes Week 2000 over 710,000 visitors and Yachtsmen and women visited Cowes as a direct result of the regatta. Of these about 32,956 were associated with the 1,000 yachts entered and 15,840 were racing yacht crewmembers. Visitors to Cowes Week spent approximately £29.9 million and a further £8.1m was spent elsewhere on the island as a direct result of visits to Cowes. Visiting yachtsmen and women spent a further £18.7m in Cowes and a further £5.5m elsewhere on the island. This spending – as direct result of the regatta is estimated to support about 1,850 Island jobs.

The wider area of the Solent gateway and West Sussex coast is home to over 600 mainly leisure craft businesses employing 10,000 people with a further 5,000 employed in Marinas and boat repair. Leisure yachting activities appear to be set to grow further. Portsmouth is developing a reputation as a major yachting centre and both Brighton and Hove and Southampton are developing their marinas.

www.cowesweek.co.uk

Title: Cowes Week 2001

[4] Sources: State of the Region Report: Southern Tourist Board Economic Impact Cowes Week 2000, Skandia Life Cowes Week web site

THE IMPORTANCE OF DEFENCE HERITAGE IN HAMPSHIRE[5]

For over 1000 years Hampshire has played a key part in the defence of the country. With the growth of Portsmouth as a naval base and Southampton as a major commercial port, the south coast of Hampshire was a logical place for potential invaders to launch an attack on England. Portsmouth developed to become the home of the Royal Navy and, in Victorian times, Aldershot was chosen to be the home of the British Army.

The result is that Hampshire has a unique legacy of castles, forts, military museums and historic ships scattered throughout the county. Many of these now have a new lease of life away from the Ministry of Defence and are open to the public as visitor attractions. They are marketing together as a consortium known as Defence of the Realm.

Defence of the Realm is co-ordinated by Hampshire County Council and all the visitor attractions pay to belong to the consortium which is also funded by the County Council, Portsmouth and Winchester City Councils and Gosport and Rushmoor Borough Councils.

Altogether approximately 1.27m people a year visit the 40 visitor attractions in Defence of the Realm, a reflection of the enormous interest there is in the country's history and heritage.

www.hants.gov.uk/leisure/photo_library/

[5] Source: Hampshire County Council 2002

DESIGNER CRAFTSPEOPLE IN HAMPSHIRE – SNAPSHOT OF SMALL-SCALE CREATIVE BUSINESSES IN HAMPSHIRE.[6]

The South East is home to a large number of professional designer makers / craftspeople who design, make and sell their unique products locally and regionally and in some cases nationally and internationally. Largely individual sole traders, often non-VAT Registered, the economic performance of individual designer-makers is hard to capture through both employment data and Business Databases. A Survey of Designer Crafts people in Hampshire (including Portsmouth and Southampton) in 1997 gives an indication of the economic contribution of individual artists across the region.

A total of 294 professional designer craftspeople were identified living or working in Hampshire and the total value of their sales estimated at £5M. 130 of these worked full time and generated gross sales of £4,407,130 and an overage gross turnover of £34,000 per annum. Of these 130 individuals 48 sold their work overseas. 82% of craftspeople worked alone. Whilst the majority of sales were by through individual commission, many sold through craft fairs and in the year in question 89 professional Crafts Fairs were held in the county attracting many thousands of people.

Hampshire CC and Southern Arts have been developing a proposal for a major crafts project - MOMC - which will, if successful, significantly raise the profile of contemporary crafts practice, marketing and public appeal within the region, nationally and internationally. Plans include new galleries, research facilities, workshops and marketing outlets, based on a series of linked sites around the county.

http://www.arts.org.uk/directory/regions/southern/
http://www.hants.gov.uk/

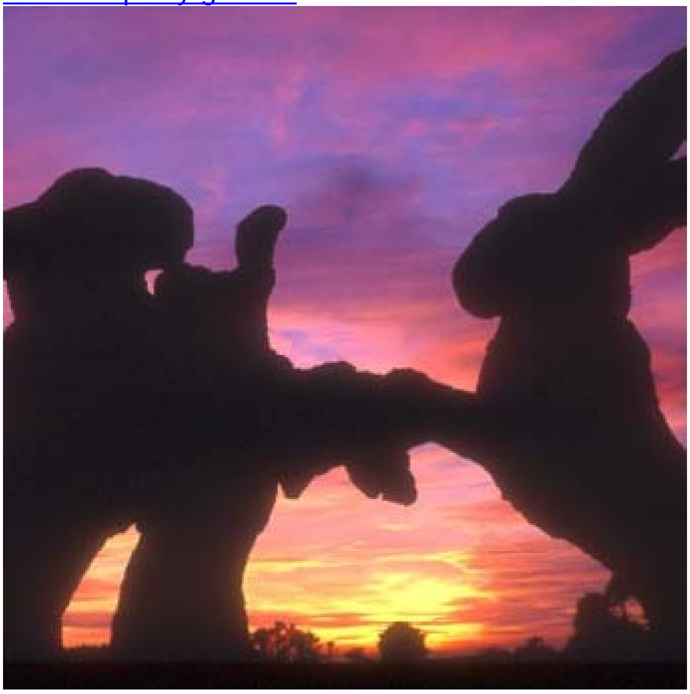
[6] Source: A Survey of Professional Designer Craftspeople in Hampshire, Arts Marketing Hampshire 1997

FOLKESTONE OLD TOWN - CULTURE, COMMUNITY AND BUSINESS INVOLVEMENT[7]

Business, public and cultural agencies are sponsoring an ambitious development programme aimed at the cultural regeneration of the centre of Folkestone and at Shepway as a whole. The Metropole Arts Centre, based in a glorious turn of the century hotel, and recently reopened to provide East Kent with a range of galleries and studio spaces, has been awarded a total of £80,000. These funds have been provided by the SEEDA-funded Believing In Folkestone SRB initiative, Shepway District Council, The Arts Council of England, South East Arts, Kent County Council, South Kent College and Saga Group Ltd. to take the lead role in initiating the programme. Shepway District Council, working closely with private, public and cultural sector partners like the Metropole and Southern and South East Arts, is looking to link a series of regeneration projects. These will include a creative quarter in Folkestone Old Town, a sculpture trail along the Leas (described in the 1930's as "the finest marine promenade in the world"), and a new performing arts centre.

Saga is one of East Kent's largest employers with 2000+ employees in Folkestone alone. Saga's involvement arises from the recognition by its Chairman Roger De Haan that culture and its vibrant and energising effect on the quality of life in an area are important to companies seeking to recruit and retain skilled staff, and that they can be effective tools in the regeneration of run down areas. "We recognise that the creative and imaginative life of our staff is important to the success of our business and that of the district in general. The Metropole has the potential to play a key role in supporting the development of a genuinely creative community." Pfizer, another major East Kent employer, also shares this assessment. Roger De Haan became Chairman of the Metropole Arts Centre in 1998, and has overseen a turnaround in its profile, programming quality and its ability to attract funds. The company brought skills and well as funds to the Arts Centre, which is now reinvesting these in the town as a whole.

www.shepway.gov.uk/



[7] Sources: Metropole Arts Centre; Arts Professional (5 November 2001)

Title: Sophie Ryder, Hares at Metropole Arts Centre

HALO PROJECT, DOVER[8]

Kent County Council and Dover District Council are joining forces with the intention of creating an inspirational learning centre for the people of Dover. The White Cliffs Experience building would be transformed into The Dover Discovery Centre providing facilities such as a library for adults and children, Adult Education centre, internet café, community arts space as well as Dover District Council's existing award winning Museum; future plans may include a crèche and theatre workshop.

This pioneering idea is part of KCC's vision for the future of community learning. *"The Halo"* concept will be able to build on existing successes by combining local facilities under one roof. This project fits in with the Council's plans for the redevelopment of the St Radigans, Priory and Butler wards area and with the Single Regeneration Budget programmes to enhance skills and community development

Funding for this project will be coming from a number of sources. A successful bid through the Capital Modernisation Fund has realised funding to set up the UK online centres within the district. Capital receipts from the sale of existing KCC library and adult education buildings will be reinvested into the project, Dover District Council is making a significant contribution by providing the building and 2 bids have been made to SEEDA (through the Single Regeneration Budget) and the Learning and Skills Council.

www.dover.gov.uk
www.kent.gov.uk/e&l/artslib/ about/partnerslocal.html

[8] Source Client Manager - Dover Discovery Centre/ DCC website/press release/

HATRICS – A WEB-BASED PARTNERSHIP OF 300 REGIONAL KNOWLEDGE-BASED ORGANISATIONS[9]

Hatrics – the Southern Information Network, covers Hampshire, Portsmouth, Southampton, West Sussex and the Isle of Wight, as well as areas to the west of the SEEDA region, Hatrics is the public and private sectors working in partnership to support the free flow of information in the region, thereby contributing to the development of a healthy local economy.

Hatrics - the Southern Information Network - is a Web-based partnership of 300 regional knowledge-based organisations *Hatrics* aims to support the free flow of published information and ideas across the region in support of the local economy. Key activity is the rapid supply of information and documents relevant to business needs, co-ordinated via its Website and network of *Hatrics Centres* based in major public regional reference libraries. Vosper Thornycroft, a long-standing Hatrics member, is set to move into new ship halls at Portsmouth later in 2001. This relocation will support the regeneration of Portsmouth Dockyard

Foundation members include major companies such as BAT, IBM, Pirelli, Plessey, Vosper, DERA sites, the Universities of Southampton, Portsmouth & Reading, the Public Library Services for Hampshire, Portsmouth, Southampton, the Isle of Wight and West Sussex. The Farnborough Aerospace Consortium has been awarded funding under the Skills Development Programme to help improve the competitiveness of manufacturing companies in the South East. The consortium (made up in part of Hatrics members) will be working with EEF South.

Other leading Hatrics members include BAE Systems, Colt International, Eli Lilly, Kvaerner, The Maritime & Coastguard Agency, Nokia, and major Health Sector bodies. 80% of Hatrics members are in the private sector. Membership is open to any organisation in the area dealing in technical, research, industrial, commercial or scientific information, and willing to share fully in the partnership. Highbury College (a Hatrics member) has opened two new "future rooms" at the college's Compass and Unicorn Centres, to help local businesses. The future rooms allow SME's the chance to get online. In addition they offer free training to businesses in the area.

Running costs are as low as £100k per annum. 50% of this is provided by the participating local authorities through contributions in kind, of staff, stock etc. Members match this contribution through their annual subscriptions which are based in part on their use of the network in the previous year.

www.hatrics.org.uk

[9] Sources SEMLAC; Hampshire County Library

THE HEART OF SLOUGH INITIATIVE: CREATIVITY AND CULTURE PLAYING A CENTRAL ROLE IN TOWN CENTRE REGENERATION.[10]

A new centre to showcase the arts in Slough has recently been awarded £3m of lottery funding from the Arts Council. The combined Regional Media Production Centre and performance venue will be the flagship for the Heart of Slough project. The venue will provide a showcase for the arts in Slough, including Black, Asian and Chinese talent in the performing arts, whilst also supporting emerging and new film talent.

Slough's vision is to create a major, international cultural quarter for creative industries and the people of Slough. The Heart of Slough initiative comprises the redevelopment of 29 acres of the town centre between the mainline railway station and principal shopping area. This area, surrounding the William Street roundabout, will encompass Brunel Bus station and Thames Valley University. The scheme is a joint venture between Slough Borough Council, Thames Valley University (the two main landowners), and the development partner, Development Securities and Berkeley Homes.

The current Heart of Slough concept plan, published in March 2002, incorporates a mixed-use regeneration scheme for the town. The components being considered are; housing, offices, public open spaces, community facilities including a new library and museum, an entertainment venue for theatre art and music performances, cafes and restaurants, community facilities for young and old, and training facilities. Taken together it is hoped that the redevelopment will help to provide over 4,000 new jobs, over 600 homes, improve public transport links and invigorate the town centre.

The Heart of Slough initiative expects that these ambitious plans will establish Slough as an internationally recognised cultural quarter for creative media, information and communications industries. The initiative is committed to ensuring that the redevelopment includes world-class buildings and open spaces which incorporate innovative use of architecture, design and public art. The final design is likely to be the subject of an international architectural design competition.

www.slough.gov.uk

[10] Source: Slough BC website

REBELLION[11]

Oxford based 'super-developer' Rebellion® creates games on PC, PlayStation 2, PlayStation 1, Xbox, Dreamcast and Game Boy Colour. After nearly ten years of world-class development Rebellion® has grown from the two-person outfit started in 1993 by the brothers Jason and Chris Kingsley into a sixty five strong company of expert programmers, producers, artists, animators and designers. Both founders were at Oxford University and many key technical members of staff were recruited from there. With studios based in central Oxford, London and Birmingham Rebellion® runs teams of every size from three man Game Boy teams to forty strong teams developing across a range of platforms. Rebellion® was a founding member of TIGA (The Independent Games Developers Association) set up in January 2001 to represent game developers not owned or controlled by other organisations.

Rebellion® bought the complete 2000AD stable of comics in June 2000, famous for its Judge Dredd® character and a rich source of characters and scenarios featured in comics since 1976. CTW (Computer Trade Weekly) described the purchase as: *"undoubtedly one of the boldest and most imaginative moves made by anyone in the games business in living memory."*

The Oxford-based computer games firm has also clinched a £28m two-picture deal with an American film company. Now the owner of 2000 AD comics - Rebellion plan to bring comic book hero Judge Dredd back to the big screen in Judge Dredd: Dredd Reckoning. The film will coincide with the release of a Judge Dredd computer game, Dredd vs Death, currently under production at Rebellion.

To further develop the characters in 2000AD Rebellion® is starting work on a number of games featuring 2000AD comic characters and commissioning new comic strips featuring characters from its own games. At the start of 2000, Rebellion® set up a company, Fearnort, to produce feature films, with a view to gaining expertise that can be applied to next generation game production and especially FMV sequences. Fearnort's first film is due for release in 2001.

http://www.rebellion.co.uk/

[11] Sources Rebellion web site; Human Capital; BBC News story online 6 Dec 2001 web site

SEA FRONT & ROYAL PAVILION, BRIGHTON: REGENERATION & HERITAGE/STEWARDSHIP & TOURISM[12]

Brighton has been one of Britain's favourite seaside towns since the middle of the 18th century - yet until recently the stretch of seafront between its two famous piers was looking distinctly shabby. The lower level of the promenade had little to offer except seedy fish-and-chip shops and a few down-at-heel stalls selling the famous Brighton rock.

Like all coastal resorts, Brighton is dependent on unpredictable weather, so the aim, in redeveloping the seafront, was to create an all-year-round attraction, which complemented the vibrant feel of the new city. The first phase concentrated on the area between the two piers and benefited from funding of around £10m, which has been invested in the area since 1993, from the local council, private sector investment and a contribution from the Government's Single Regeneration Budget.

This extensive and comprehensive regeneration programme has given Brighton a seafront to rival almost any in Europe. The lower promenade has been widened, new shops, cafes and artists' workshops encouraged, and a programme of public art commissioned. As a result, the seafront now plays an important part in the city's life, with performances and festivals staged right by the beach and a wide range of permanent clubs and other venues. It is estimated that the improved areas of the seafront now attract between 20,000 and 30,000 people during warm summer evenings.

The five completed phases of the project include the introduction of new boardwalks and paved areas; seating; volleyball and basketball courts; performance spaces; several major sculptures, and smaller artworks that are integrated into the hard landscaping. Given the exposed nature of the site, the materials used have had to be robust, and include wood, stone, tiles and specially commissioned elements such as carved bollards. The design of the promenades includes sinuous pathways, unusual yet appropriate carvings and artworks, places to sit outside cafes and watch the world go by.

The completed phases one to five of the regeneration scheme recently won the Special Landscape Award at the Civic Trust 2001 Awards. Work is continuing along the seafront - the current phase, which takes the development westwards from the West Pier, includes a new children's paddling pool and play area.

The Royal Pavilion, which attracted 324,000 visitors in 2000 (SETB), shares the position of the most visited museum in the region with the Royal Naval Museum in Portsmouth. It is one of the most iconic historic buildings and museums in the South East, and is both a key part of the Brighton & Hove's offer to cultural tourists, as well as being one of the magnets to the city itself. It is the only Royal Attraction in the UK to be owned by the local authority. Brighton is a city in which 20% of the economy is dependent on culture.

The combined impact of the Foot and Mouth epidemic, the events of September 2001 and the effect of the UK's continued role in international affairs have had a direct and downward effect on visitor numbers. Since Sept 11th there has been a major negative impact on Brighton's tourism economy because of the loss of

[12] Source DPA Civic Trust Awards - 2001; The Journal of Landscape Design - May 2001interview with B&H Council:

confidence overseas in terms of the UK being a viable tourist destination. The impact on the Royal Pavilion has been a drop in visitors of c12% compared to earlier years. In the same way, the number of overseas (in particular European) student group visits to Brighton decreased as a result of foot and mouth outbreak. At least 25% of Brighton's visitors are overseas tourists £380m is brought into the Brighton economy as a direct result of tourism expenditure, supporting over 13000 jobs.

Loss of income at the Royal Pavilion will be c£120,000 in 2001/2002 In the case of Brighton & Hove (as it will be with other local authorities in the South East running popular charging cultural venues) this has also had an immediate consequence on other parts of the Council's cultural budget. The income is kept within the city's cultural sector for libraries and museums, and the impact has been felt in arts education projects, conservation, curating exhibitions, and related services. The cumulative effect of the two events on Brighton and Hove's overall budget will be very substantial, as it will be on private operators and visitor related businesses. This illustrates the direct link between cultural investment/activity, economic vulnerability and tourism. It also shows how vulnerable these are to external events.

http://www.brighton-hove.gov.uk/

The South East Walks Partnership[13]

The South East Walks Partnership includes five County Councils in the South East (Surrey, Hampshire, Kent, East and West Sussex), the Sussex Downs Conservation Board, the High Weald AONB Unit, the South East England Tourist Board and the Countryside Agency. It formed in 1997 with the aim to establish the region as a leading walking destination through the provision of a high quality path network and to encourage sustainable tourism in rural areas.

The South East is home to the best network of long distance paths in the country and the eleven trails in the Partnership total over 878 miles across some of the most attractive scenery in England. The eleven footpaths of the network were selected according to certain criteria: they are well managed, properly signed, have high landscape appeal and are well placed in relation to public transport, places to stay and visitor attractions.

Walking is the most popular outdoor recreational activity in England. The Partnership aims to build on this interest in order to maximise the range of benefits for rural communities whose economies have been hit by declining incomes from farming and other traditional land-based industries. As walking is a year round activity, it can also help improve the seasonal spread of tourism incomes outside the main holiday season.

A range of promotional initiatives is underway. These include

- the website www.southeastwalks.com (which provides information about the path networks, a countryside calendar of events, walking holiday operators, walking advice, a walk of the month and more);
- the annual South East Walks Festival held in a different part of the region each year;
- a Walking South East newsletter available to the public and industry sector;
- attendance at overseas and domestic exhibitions;
- production of various brochures and a major PR campaign.

The aim is to develop a self-supporting network of routes in which accommodation and attractions, catering and public transport are available to visitors to bring business and prosperity to the rural economy.

http://www.southeastwalks.com/

Sources: The State of the Countryside London and South East: The South East Walks Partnership

TURNER CENTRE, MARGATE[14]

In November 2001, Kent County Council and Thanet District Council announced that the Anglo Norwegian partnership of architects Snohetta and Spence (designers of the spectacular new Alexandra Library, Egypt) as winners of the architectural competition to build a new iconic £11.5 million centre for contemporary visual arts within a total scheme cost of £17.2m. The district and county councils, Southern and South East Arts and the Arts Council of England are investing heavily in the project and the cultural quarter, in an area of significant deprivation, to release potential for a transformation of the local economy, through culture and creativity. The economic impact of the project suggests the centre can attract almost 160,000 visitors a year, create 100 plus jobs, and generate over £3m a year of local investment.

Kent County Council has invested in excess of £800K already, including the cost of the architectural competition, which attracted over 150 worldwide entries, as well as o promising £495K in revenue grants to the Turner centre. In return, The Arts Council has also promised £4.1m from National Lottery Funds towards the £15m development. Yinnon Ezra, former County Community Services Officer (and now with Hampshire County Copuncil) asserts, "The Turner Centre will be the premier contemporary visual arts centre in the South east region and will occupy a spectacular position on Margate seafront. Developed with the advice of the Tate Gallery it will create a lively new image for all of East Kent. This Lottery award turns our dream into reality".

Thanet District Council have been leading the regeneration of Margate Old Town, with investment in cultural infrastructure, refurbishing buildings, investing in new media workspace, and encouraging other cultural groups, studios and galleries to locate there. This £2m programme has helped to provide a strong community base and sustainable foundation for the Turner Centre, which it is hoped will act as a catalyst for further investment, enhance education and increase access to culture. Margate is an area where traditional seaside holiday tourism has declined heavily over the last decades, and where there are high levels of deprivation and low levels of economic activity. Investment in cultural institutions is seen as a high profile strategy to complement spatial development, transport, communications, and business infrastructure and community development improvements

www.thanet.gov.uk
www.kent.gov.uk
www.snoarc.no/projects/turner.htm

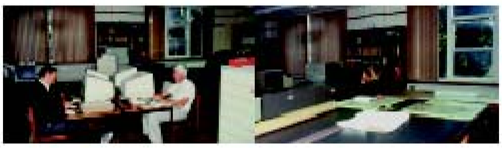
Turner Centre Margate (image)

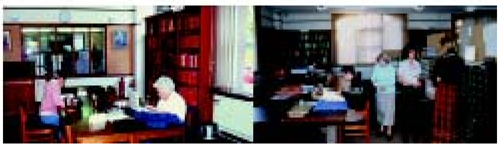
[14] Source TDC and DPA research

WEST SUSSEX RECORD OFFICE[15]

Based in Chichester the West Sussex Record Office provides access to the county Archive to over 13,000 readers every year. A recent survey highlighted the contribution made by visitors to the Records Office to the wider economy of Chichester. 81% of those visiting the Archive did so as the main purpose of their visit to the city and whilst the majority (89%) intended to visit the area for only one day, almost 10% intended to stay for up to one week. Nearly three quarters of archive users also used local shops and services and almost 40% ate out locally whilst visiting the record office. 20% of archive users visited other places of interest in the area and almost 7% paid for overnight accommodation. These figures are based on a sample of 176 West Sussex Records Office users as part of a larger national and regional survey.

http://www.westsussex.gov.uk/RO/home.htm





West Sussex Records Office, Chichester © West Sussex CC

[15] Sources: Regional Archives Strategy; CIPFA Survey of West Sussex Record Office

ZAP PRODUCTIONS[16]

ZAP Productions, based in Brighton, aims to bring new arts to new audiences through presenting innovative and accessible arts and cultural programmes throughout the UK and the world. Acknowledged as one of the key companies driving forward the street arts agenda nationally and commissioning more new street art than any other single organisation, ZAP Productions produces events across the SE bringing in an estimated £1 million into the region. These events include the Streets of Brighton, the Commonwealth Event in Surrey, the Tunbridge Wells Winter Festival, a regular outdoor cultural event in Slough, 3 years of Brighton's new years eve celebrations and the south east's main contribution to BBC Music Live in 2000. The ZAP Club had already provided an example of how innovative arts initiatives can impact on wider regeneration and social inclusion with its pioneering role in establishing the formerly run down Brighton seafront into a cultural centre for the city.

Interest in outdoor art and street arts has grown rapidly over the last 5 years. There are more artists, more events and more support from funding bodies, the education system and local authorities. These events drive regeneration through impact on economy, education and training and culture, identity and inclusion. This has been demonstrated by the success of street arts initiatives in achieving SRB and ERDF outputs.

Geographically and culturally the south east is ideally placed to lead the way in outdoor event practice, adapting European models and practice, developing international partnerships and offering a cosmopolitan cultural product in the streets, on the shore, in parks and town squares. The Streets of Brighton is a partner in an exchange with French street arts festivals established as a result of a 3 year funding programme from the EU through the Interreg 2 scheme, which is intended to be developed through Interreg 3. The Streets of Brighton and the associated national Street Arts Conference have been supported by SEA since their inception.

In Hastings ZAP is looking to establish a street arts creation centre which with a programme of outdoor arts events will help fulfil many strategic objectives and move Hastings forward in terms of developing new creative industries in the area. Regular outdoor arts and cultural events impact on the local economy by creating jobs, encouraging tourism, attracting inward investment, developing creative industries and providing work for local suppliers, fabricators, technical, administrative, marketing and support staff Education and training projects are used in the formal education system, in the wider cultural industry and for lifelong learning in the community. This includes a wide range of skills from performance to production, administration, marketing, stewarding, fundraising and so on. The activity helps to promote the town to residents and visitors as a vibrant place to live, work and visit. A recent study has indicated that a 3-day street arts event could generate economic activity of £2 million with £1.5 million coming from visitors[17].
http://www.zapproductions.co.uk/

[16] Source: Zap Productions
[17] 'Survey of the economic impact and analysis of the audience of the 20th Fira de Teatre al Carrer de Tarrega', Rubio, Gallart, Roig (2001)

Title: Improbable Theatre ‘Sticky’ performed at Streets of Brighton 2001 and due to appear in Hastings 2002 © Zap Productions

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www.artsfestivals.co.uk - British Arts Festivals Association
www.artsinsussex.com - Sussex Arts Marketing
www.artsworld.com - Arts Television Channel
www.bectu.org.uk - Broadcasting Entertainment Cinematograph and Theatre Union
www.beta-uk.org - British Equestrian Trade Association
www.bmif.co.uk - British Marine Industries Federation
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