

6 Supporting creative clusters

Challenge

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Regional Creative Economic strategies

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The UK's creative economy has some of the best infrastructural support in the world. Our colleges and universities are world-renowned. The formal and informal networks that connect the best of contemporary British arts practice with them and the creative industries generate a 'virtuous circle' of great economic, social and cultural significance.

Some creative businesses flourish particularly well when they form clusters – groups of competing and co-operating businesses that enhance demand for specialist labour and supply networks in a particular location. Such infrastructure depends not only upon the vitality of the creative sector itself, it is also underpinned by public policy and significant public investment.

Location matters. People and firms operate in and across different locations. Their interaction can either support or constrain the development of the creative industries. Getting both the policies and the investment right will be crucial for continuing creative and commercial success.

North East games cluster

The North East of England is home to one of the largest clusters of computer games companies in the UK. Its success has been built around the local universities, which provide a highly skilled pool of labour, hi-tech facilities and close links with business. Five universities in the region produce over 14,000 graduates a year, many specialising in software or digital media subjects. The University of Sunderland houses Britain's largest ICT training facility, while the University of Teesside is considered one of the best for computer games courses. University of Teesside has also invested heavily in the development of DigitalCity, a state-of-the-art research and development facility which brings together digital businesses and academic research. Another contributing factor to the success of the industry in the region has been the growth of the GameHorizon network, which has brought companies together to collaborate on projects, network and promote the sector.

OneNorthEast

Bringing coherence to public investment in local creative economies

- 6.1 People and firms operate in and across different places; how they both come together in specific locations can support or constrain the creative industries in the UK.³⁷ It is therefore important to consider the creative industries and their role in the regional, sub-regional and local economies. The importance of place highlights the benefits of targeting policies at the right spatial level. The Government's *Review of Sub-National Economy Development and Regeneration* (July 2007) identified key principles to help illuminate the relative strengths and limitations of different levels:
- managing policy at the right spatial levels
 - ensuring clarity of roles
 - enabling places to reach their potential.

Salford Media City

mediacity:UK is being built on 200-acres of waterfront property on the Salford Quays in the North West. It will be an innovative, creative hub for the United Kingdom's media industry. It will host large and small enterprises, both established and start-up firms that create, produce and distribute content. The area will host eight BBC departments, and will include space for a thousand media, creative and related businesses, as well as housing the UK's largest TV production studio block.

mediacity:UK's enterprises will develop open research and development networks with one another and with organisations around the globe. They will complement regional and city programmes to provide the academic training, on-the-job learning and entrepreneurial support that will empower the next generation of creative professionals.

www.mediacityuk.co.uk

³⁷ As set out in *Communities and Local Government Economics Paper 1: A Framework for Intervention* (www.communities.gov.uk/publications/corporate/economicpaper1).

- 6.2 London, which accounts for nearly a third of all creative industry employment in the UK, has what may be the greatest concentration and range of creative industries of any city or region in the world. Inevitably, it dominates any analysis of the UK's creative industry infrastructure. However, many important centres of activity in cities and regions all over the UK have the combination of specialist skills and critical mass to be global hubs in their own right. The Government wants to see each region identify and exploit its area of comparative advantage in the creative industries; not every region should try to copy London, but each area should support those industries that have the best capacity for local production and skilled recruitment.

Publicly funded culture stimulates local and regional regeneration:

Watershed Media Centre in Bristol is a major regional centre for cinema, digital media and new technology. It provides access to moving image work beyond the mainstream marketplace. It also provides opportunities for artists to develop their use of digital media and film and participation and learning programmes.

www.watershed.co.uk

- 6.3 The creative industries play a role in local and regional regeneration. This is one of the main reasons why Ministers for the regions have put this issue firmly on their agenda. As a sector characterised by clusters, many rooted in a particular region, city or neighbourhood, the creative industries play a growing role in local economic development. They also bring wider social and cultural benefits. As a result, a growing number of local and regional authorities are developing strategies to attract and support creative industries and to maximise the impact they can make to the quality of life and sense of pride in their town or region.

Museums, galleries and libraries are a significant part of the creative infrastructure, engaging the public in questions of design, while raising aspirations and providing an essential resource to creative industry students, teachers and practitioners. 35% of visitors to the Victoria & Albert Museum fall into this category; as the tributes from 150 leading creative designers to mark the museum's 150th anniversary last year demonstrated, it is a source of inspiration for many of them.

The **British Library** supports business, the creative industries in particular, through networking events and tailored workshops. The Library's Business and IP Centre provides a combination of excellent facilities, information and expertise, offering a unique combination of business and IP information, including free access to more than 30 high-value subscription databases, hundreds of market research reports, and the resources of UK-IPO.

The Centre has been used by over 26,000 people since it opened in March 2006. An independent survey of 230 users in 2007 showed that it had helped to create 47 new companies, took a further 48 to start-up and created 115 new jobs. Since opening on 9 March 2006, the Centre has run an average of five workshops a week, with a total of over 2,000 attendees, over half of which have been women and over a third from BME communities.

www.bl.uk/bipc

Commitment 18

The Regional Development Agencies will pilot regional creative economy strategic frameworks in two regions, the North West and South West

- 6.4 The RDAs will establish a 'task and finish' group to pilot the development of a regional creative economy strategic framework in the North West and South West. The group will:
- Take forward the Creative Economy Programme agenda by identifying roles for partners, exploiting opportunities for efficiency savings through joint-working and recycling those savings to the creative economy. The group will work with DCMS NDPBs to improve co-ordination of regional engagement with the creative economy.
 - Work closely with the regional beacon network (see paragraph 4.17) to develop models to use the new business support products to best effect across all partners and activities.
 - Explore the potential for a broader cultural and creative strategic framework and its potential benefits for regions.
 - Work with the creative Sector Skills Councils to develop and implement their regional action plans.³⁸

Create KX

There are 300 creative and industrial firms in the King's Cross area of London alone, and a further 850 on its fringes. These figures were uncovered by a 2003 study by the London Development Agency, with the King's Cross Partnership and Camden and Islington Councils. This discovery led to the creation of **Create KX** to champion and secure resources for the creative sector in the King's Cross area.

www.createkx.org.uk

South Kensington hub

South Kensington, with the Royal College of Art, Imperial College, the V&A, Natural History Museum, Science Museum and the Serpentine Gallery is a ready-made creative hub.

- 6.5 In developing and evaluating these pilots, we will need to consider the role of the creative economy in regional growth and future regional strategy development and implementation.

Living Places, a new partnership between the Government and its key cultural agencies, is working towards empowering communities to make cultural and sporting activity a part of their lives.

³⁸ 'Encouraging clarity and simplicity in the delivery of and support for skills and talent development by building on Regional Skills Strategies developed by the three Sector Skills Councils as part of their Sector Skills Agreements'. RDAs' Working paper, p. 5.

Developing infrastructure

- 6.6 The creative industries can contribute to a city or locality's sense of identity: place is a significant element in the success of some creative industries. A rich infrastructure of arts and cultural institutions, universities, bars, clubs, low-cost workspace and vibrant public spaces provide the soil in which creative industries put down roots and flourish. Clusters grow organically, developing their own specialisms, characteristics and scale. Public policy can help provide a more favourable climate for them to grow. We will encourage the development of more clusters across the country.

Film in Soho

Historically, Soho has been an entertainment area with literary and artistic connections and thriving music clubs. It is an attractive area for creative individuals to live and work. Over time, a cluster of film production services has developed in Soho, specialising in special effects and computer generated content. The presence of the cluster has led to better networking, finance and marketing. Sohonet, a pioneering and privately funded broadband link between studios and post-production houses, started in 1995. It enabled high-speed transfer of digital content, allowing the cluster to operate more efficiently and enhancing its networking capability. Several specialist banks and brokers in the area provide film finance. The cluster also includes a number of specialist marketing firms, linking the film cluster with the local advertising cluster, who can help promote new films.³⁹

Commitment 19

The Government will review what the barriers to investment in next generation broadband may be

- 6.7 The UK has seen significant success in broadband growth, driven by competition and effective regulation. This has resulted in greater choice of supplier, wider range of service offerings and reduced prices. 99.8% of the population are able to access broadband and half of UK homes are now connected.
- 6.8 The widespread availability of broadband has seen increased opportunity to deliver media content over the Internet, leading to new services such as online video games, video and music distribution and, most engagingly, user-generated content. It is the last of these that perhaps reflects best the liberating effect of broadband-enabled internet and also provides the greatest challenge to the network providers to match future demand.
- 6.9 While the current infrastructure adequately meets current demands, growing consumer expectations, driven by burgeoning internet content, both professional and home-generated, will lead to demand for reliable faster and more symmetrical broadband connections. It is commonly recognised that the current ADSL technology was not designed for the heavy demands of the internet and the Government wants to help create market conditions that will enable the investment that will enable the networks to be kept ahead of the demand curve.

³⁹ Trans-local production chains and local clusters: a case study of the film industry in London, Andy Pratt and Galina Gornostaeva, 2007 (forthcoming publication)

- 6.10 The Government will therefore review what the key barriers to investment in next generation broadband may be. Further details of the review will be announced by BERR in due course. Ofcom is continuing its work on developing the most appropriate approaches to regulating next generation access under the existing regulatory framework, taking into account the work and conclusions of the review.

Commitment 20
Through the Local Government Association, and with the Regional Development Agencies, we will develop a ‘menu for local infrastructure’

- 6.11 We will put together a menu of options to help local authorities who wish to improve their creative infrastructure. The menu will be delivered in April 2008 through the Local Government Association, with the support of RDAs, DCMS and other government departments. It will offer advice on:
- setting a helpful planning framework
 - providing access to flexible office and business space where there is market need, suitable for the needs of small and medium sized businesses and consistent with the business support portfolio announced in the 2007 pre-budget report
 - offering access to rehearsal and studio space and associated facilities
 - protecting existing performance and exhibition venues, and providing new ones
 - the protection of existing markets and related means of enabling small creative product businesses gain access to markets, and the provision of new marketing opportunities
 - developing links between universities and business
 - encouraging and promoting festivals and events which enable commercial as well as cultural development
 - encouraging local networks and networking where they are seen as helpful by local creative businesses
 - providing and encouraging projects which enable creative talent to develop in social and community programmes with the chance to move on to commercial success where possible.

Commitment 21
The UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council, will help develop ‘mixed media centres’

- 6.12 The UK Film Council will support popular arts media venues with cinema at their heart to act as hubs for creative economy businesses in their city regions. Led by the UK Film Council, in association with Arts Council England and the Arts and Humanities Research Council, we will work with exemplar venues to exploit their contribution to the creative economy and to maximise their potential to facilitate knowledge transfer. The venues are
- Broadway, Nottingham
 - Cornerhouse, Manchester
 - Foundation for Art and Creative Technology (FACT), Liverpool
 - Sheffield Media and Exhibition Centre (The Showroom)

- Tyneside Cinema, Newcastle-upon-Tyne
- Watershed, Bristol

Manchester's Oxford Road Corridor is home to the most diverse and concentrated group of academic institutions, cultural venues and creative businesses in any English city outside London. Excellence in creative businesses meshes with leading science and technology institutions, creating an environment that leads to innovation, collaboration and knowledge transfer.

The city aims to develop the Corridor into a research and development 'laboratory', involving recent graduates, artists and established creative businesses, helping to drive growth in the creative industries and influence the wider economic and social capacity of the city – health, environmental development and digital technology.

www.miriad.mmu.ac.uk/innovation/oxfordroad

Commitment 22

In line with the recommendations of the Live Music Forum we will encourage the protection of live music venues, building on the examples set by the work of the Mayor of London

- 6.13 For our live music scene to continue to thrive it is vital that there is a wide range of venues across the country, to support the development of our musicians of the future. Our vibrant and diverse musical heritage is built on this network of venues ranging in size and type. For example, the Academy Group has just opened mid-sized venues in Leeds, Sheffield and Brighton. We encourage local authorities across the country to consider live music in their strategies.
- 6.14 Live music has always been an important part of the capital's cultural life. Venues like the Roundhouse, the Royal Festival Hall, Koko and the O2, make a great contribution to this thriving scene. However, unique London venues such as the Spitz and the legendary Hammersmith Palais have recently closed.
- 6.15 The Mayor has made clear that he wants London to be a city where a range of venues, musicians and performers can thrive. This includes established and celebrated venues, as well as new developments. His planning advisors are developing guidance on how this can be done so that the future of the sector is secure.

Conclusion

- 6.16 The UK as a whole is a global creative cluster in its own right. But it also contains a number of regional and local clusters. Sustaining and developing those clusters, and providing the infrastructure for new clusters to flourish, involves significant public investment. We need to ensure that interventions are properly targeted to grow the local infrastructure necessary for creative businesses to thrive, and to make the fullest possible contribution to place, regeneration and the economy.