



London Development Agency

Cox Review into Creativity and Business: LDA Response

July 2005



Executive Summary

London is a unique asset for both the UK's creative and manufacturing sectors. Given the cultural and economic importance of the region to the UK's overall economy, the Cox Review must ensure that policies developed at a national level can best support London. In particular, the following should be highlighted:

- Although there are creative services professionals working across the UK, it is only London which has them in such density, as part of a large, highly visible creative sector. This is particularly the case with London's globally important design sector.
- London has an unparalleled abundance of design-related educational and cultural institutes. This includes centres admired the world over for their academic specialisms, collections and fostering of new thinking, as well as educational institutes that work closely with local clusters to drive forward innovation.
- In many areas, London's manufacturing sector is relatively well integrated to its creative economy, and has been competing on the basis of productivity and quality, rather than low cost, for many years.
- London is one of a handful of truly international cities: a major hub within the global economy, London acts as a gateway for the rest of the UK. Creative service companies across the UK depend upon London's international trade routes and connections, and have a shared interest in maintaining London's reputation and global competitiveness.

Despite these strengths, London still faces considerable challenges to the effective uptake of creative services in the wider economy. Overcoming cultural barriers between designers and manufacturers, improving creative/technical skills, engaging closer with HE Institutes and raising awareness of good design practice are all major concerns for the LDA and partners. This is a particular priority given the emergence of cities and regions around the world that are now challenging London's position as a centre of the global creative economy.

In response to this, the LDA has pioneered innovative, targeted and high quality support and investment programmes, particularly around design-manufacturing. The Cox Review provides an opportunity to further support this innovation. With more resources and co-ordination, awareness raising campaigns and the rolling out of programmes on the basis of best practice, the progress made in recent years can be built upon. Within the context of the Cox Review, the LDA is already investigating and developing the following interventions:

(i) A network programming, bringing together directors from manufacturing and design businesses to encourage collaborations and new ventures

(ii) Support and expansion of the London Design Festival, reaching into the wider economy

(ii) Continued support for targeted programmes such as Eureka that work with designers-manufacturers across the value chain and close to markets

(iv) Pioneer more qualitative approaches to understand how designers and manufacturers can work together and thereby improve the effectiveness of support programmes

(v) Establish an intermediary body to engage with London's academic strengths in creative services, along the lines pioneered by the London Technology Network

The Cox Review provides the opportunity to build on these, and to develop a range of more ambitious and far-reaching interventions. We strongly recommend the development of a range of new approaches and initiatives, which we envisage being piloted in London or developed in partnership with the LDA:

- **National Design Centre:** We recommend the establishment of a national Design Centre in London. We envisage any such Centre as not being a new, stand-alone institute, but should look to draw on the strengths and specialisms of existing bodies such as the Design Council and London's renowned education and cultural institutes.
 - The Centre would have an important research and evaluation function, identifying and capturing existing good practice, and would be a vehicle for developing, piloting and evaluating some of the proposals outlined here.
 - It should investigate the development of more appropriate, longer-term metrics and funding criteria to encourage innovative and effective support programmes around designer-manufacturing.
 - Given the increased importance of the service economy both to London and UK, we would also recommend that it undertake to promote the value of service design.
 - The Centre would also play a valuable 'showcasing' role, promoting good practice nationally and internationally.
- **Higher Education:** The potential of London's world-class art and design HEIs is under-utilised.
 - We would recommend an audit of commercial assets held by these HEIs, with a view to exploiting those assets more fully and/or making them available to businesses.
 - We would recommend closer inter-departmental collaboration – linking design with, for example, engineering courses.
 - We see HEIF funding as one way of facilitating this, and would recommend that HEIF encourages partnerships focused around design and manufacturing.
- **International trade:** The international potential of London's design and creative sector should be exploited more for trade purposes. London's expertise in this area could be more fully promoted by UKTI in order to strengthen the London and UK position, particularly within the context of emerging global competition.
- **Business leadership:** The LDA would welcome the development of a range of targeted interventions to support the growth of medium-sized businesses, drawing on the success of programmes pioneered by RDAs. In particular, we think there is considerable scope for working with design and creative businesses to facilitate mentoring, and leadership training. Programmes developed will need to be sufficiently targeted for the needs

of businesses, and it will be vital to ensure that the programmes are developed and driven within a regional context.

- **Awareness-raising and promotion:** Initiatives being developed on a regional and local level could benefit from a national campaign of awareness raising and promotion, encouraging more, and more purposeful, demand for support programmes. Consideration should be given to the development of a national version of the London Design Festival, which – with strong backing from the LDA – has in two years established itself as an important vehicle for promoting and profiling London’s design expertise, and pushing design up the economic and cultural agenda.
- **Skills:** The LSC modern apprenticeships programme covers nearly 200 occupations, but does not yet include core design occupations such as product and graphic design. Discussions should be initiated between the newly established Creative and Cultural Skills SSC, LSC and other partners with a view to expanding the modern apprenticeship scheme to cover a greater range of design and creative service occupations.
- **Fiscal incentives:** Encouraging investment in design and creative services, particularly in SMEs. Extending the existing R&D tax credit scheme to cover design is one such approach - although we have reservations about its effectiveness, and feel that expanding the provision of targeted support is likely to have a greater impact.

1) Introduction and Methodology

This short paper sets out the LDA's response to the review, currently being overseen by George Cox, on "how best to use the UK's world class creative industries and universities to support and develop the creativity of SMEs". The response has been co-ordinated by the Sectors and Innovation team, on behalf of the Business and Skills Committee.

The terms of reference drafted for the Review can be summarised as follows:

- To review evidence that SMEs are making little use of the creative sector's capabilities
- in which sector, where in the supply chain, and in which aspects of business, is there most potential for creative industries to influence performance
- what can be done to address the gap
- what role, if any, for Government.

However, in the course of the Review, it has become clear that it is specifically looking at creative services, particularly design, and how these can most effectively add value and improve competitiveness in the UK's manufacturing sector.

The LDA welcomes this focus. Although there are a number of important questions around the wider role of creativity and innovation in the economy, by focusing on the specific issue of design into manufacturing, it is to be hoped that the Cox Review will result in practical findings and recommendations that can be readily applied, and lead to tangible positive impacts for both the UK and London's economy.

Given the short space of time, a comprehensive study of London's creative and manufacturing sectors was unfeasible and, in any case, unnecessary as in recent years the LDA and partners have built up a body of research evidence and support practice. In particular, the Mayor's Commission on the Creative Industries and the Production Industries Commission have both investigated the linkages between London's creative and manufacturing sectors.

As such the response drew on the following:

- Literature review of policy and research documents relating to the creative and manufacturing sector. This included documents produced/commissioned by the LDA and also those cited by officers as being of particular relevance
- Analysis of evaluation documents relating to specific intervention programmes and projects
- Interviews with LDA officers developing and managing programmes intended to support manufacturing enterprises and encourage the uptake of creative services into the wider economy
- International comparisons, including evidence from study tours to Milan and Toronto.

2) Profile: Why London is Different

In the course of the consultation, the point was often made that London is a 'special case': that there are economic characteristics, public institutions, opportunities and challenges which are sufficiently distinct from other UK regions to warrant particular attention. The deliberations of the Cox Review should take account of this (particularly given the cultural and economic importance of the region) to ensure that recommendations developed at a national level can best support London. In particular, the following should be acknowledged:

London's Creative Service Sector

London's creative sector is a well-known success story. The creative industries in London employ over half a million people, generate over £20 billion in turnover and display one of the fastest growth rates of job creation in any sector. They are essential to the success of the modern economy and London has strength in depth across the board, from architecture to crafts and from pop music to software.

In particular, London dominates the design sector, and is responsible for over 57% of total revenue for UK design businesses: in 2001, it was worth £2.1 billion in fees and £2.8 billion in products. The size of London design businesses is typically larger than the UK average: in 2002, 44% of London design agencies had a turnover greater than £1m, compared with 33% for the sector as a whole. Growth in London's sector has been considerable in recent years, with design employment increasing by almost 9% per annum between 1995 and 2000, compared with overall employment growth for the region of less than 3%¹.

However, whilst the total revenue of design consultancies in London dwarfs that of other UK regions, employment in design activities as whole (i.e. including design occupations within other sectors) displays a much more even spread. This is an important difference between London and elsewhere: although there are designers working across the UK, it is only London which has them in such density, as part of a large, highly visible design *sector*. There are similar findings for other creative services: while advertising/marketing activities occur throughout the UK, London is distinguished by having a substantial advertising sector – stand-alone agencies, with associated supply chains, rather than simply in-house marketing roles.

An internationally important creative services sector brings wealth, employment and cultural value to London, but there is a concern that the designers themselves may not integrate effectively with London's other sectors. Most design agencies work exclusively for very large corporations and regard themselves as part of the international marketing, financial and business services sector. Persuading talented designers within this sector to work with London's small manufacturing businesses is therefore a challenge.

Perhaps more significantly, the threat of global competition in creativity and design will mean that London needs to address itself more urgently to the potential of its creative sector and the extent to which it can build partnerships along the value chain, and into other sectors.

¹ Figures cited from Mayor's Commission on the Creative Industries: Design Profile (May 2003)

Education and Cultural Institutes

One of the key strengths of London's design sector is the wealth of design related institutes within the region. There are more than 40 higher education institutes in London, numerous FE institutes with specialist learning resources and countless cultural institutes and museums, libraries and archives.

London's strength in art and design training is recognised internationally. The reputation of such centres of excellence as the Royal College of Art, or Central St Martins is well known and there is little need to restate it here. Whether it is fine art, designer fashion, jewellery, graphic design, product design, interactive media, glassware or ceramics, London boasts extraordinary opportunities for research, learning and exhibition.

However, what is worth emphasizing is the sheer range of resources provided by these institutes. Not simply in terms of creative disciplines, but also the type of activity provided: instruction in design practice, cultural studies and aesthetics, lifelong learning, showcasing new talent, cultural enterprise, research and development, knowledge transfer programmes etc.

For policy makers, these assets provide seemingly huge opportunities for driving innovation and growth in London's economy. However, they also present a challenge and something of a dilemma. Despite the evolving future of HE Institutes, as outlined in the Lambert Review, universities remain primarily teaching and research centres, and how far they can, or even should, interact effectively with business is an issue well beyond the reach of this paper. However, in terms of London's design sector, the following observations can be made:

- Different institutes undertake very different activities, and it is important to respect specialisms instead of rushing to replicate. For instance, the Furniture Works initiative being run out of LMU is a highly successful instance of how a HE Institute has become embedded in an economic cluster, and encourages innovation in local business. This initiative has grown out of long-term relationships, local networks, and specialist expertise, and we must not assume that every design institute could embark on a similar project with the same success.
- Despite the pressures to bring public institutes and commercial enterprise closer together we must not encroach upon the academic freedoms that are required to nurture creativity. It can be argued that the kinds of creative leaps that can transform business models and productivity ('discontinuous innovations' as they are sometimes described) are actually more likely to emerge from those institutes which have little connection to short-term commercial demands. By contrast, those institutes that engage closely with business may have a better record of 'incremental innovation': continuously producing designers and design ideas that can readily feed into business, and the refinement and improvement of products and services.

London is fortunate in that it has both: centres admired the world over for academic excellence and new thinking, as well as institutes that work closely with local business to drive forward innovation. It is this which partly underpins its success as a creative capital, and it is important that the Cox Review contributes towards a policy climate in which both approaches can thrive.

London's Manufacturing Sector

As with much of the UK, London's manufacturing sector as a share of overall economic activity has been in decline for many years, as a result of new technologies, greater prosperity and global competition. In 1982, 17% of London's jobs were in manufacturing, while today it is approximately 6%. However, the sector is far from insignificant – in 2001, London had more than a quarter of a million manufacturing jobs, with an estimated output of close to £15 billion².

It should also be recognised that London's manufacturing sector, possibly more than in any other region, is already well integrated to its creative economy. For instance, two of the largest manufacturing sub-sectors, printing (responsible for more than a third of the capital's manufacturing jobs) and clothing/textiles, are strongly linked to publishing, media and designer fashion.

The GVA, or output per employee, in London's manufacturing sector is higher than the national average, and it has a more highly skilled occupation base. The role of creativity, the design innovation agenda, and the imperative to compete through higher value rather than lower costs, is already well understood by many in London's manufacturing sector, and is reflected in much of the research and policy work undertaken by the LDA, notably through the London Production Industries Commission, as well as the projects, often industry-led, described in Annex 1.

Indeed, as has been pointed out, this agenda for London is now more than 150 years old. As long ago as the 1830s, the Royal College of Art was founded to produce talented young designers for British industry, and to contribute to Britain's export drive. Prince Albert actively encouraged the establishment of London's design institutes, in response to fears of emerging competition from the rapidly industrializing continental Europe.

It would therefore be quite wrong to castigate London's manufacturing sector as somehow backward looking or ignorant of its competitive pressures. However, as discussed below, efforts are still required to help manufacturers to work effectively with the creative service sector, and ensure that best design practice is absorbed and applied.

The Wider London Economy

London is, of course, home to a globally important financial and business services sector. The City of London alone makes up 3% to the UK's GDP, and significantly contributes to net export earnings of £13billion a year³. London's Knowledge Intensive Business Services (KIBS) sector also includes such high value industries as media, ICT and bio-science. In addition, there are considerable strengths in London's more personal-based services: tourism, catering, retail, leisure and evening economy activities.

Of course, services rather than manufacturing increasingly characterize economic activity throughout the UK, but while the services sector accounts for about 70% of employment in the UK as a whole, this figure is close to 90% for the London region. In addition, the distinction between manufacturing and service is by no means a clear-cut

² GLA Economics, London's Economy Today (September 2003)

³ Corporation of London (2005)

one and manufacturing businesses also have to compete on the basis of service delivery. This is particularly the case in London, where a high proportion of occupations (much higher than the national average) are not undertaking production functions, but rather managerial, administrative or creative roles.

Although the focus for the Cox Review is around manufacturing, we would therefore highlight the emergence in recent years of service design as a recognised practice, and a growing interest in how the UK's design excellence can be better used by service providers, in both the public and private sectors. The standard ways in which designers work with manufacturing businesses (secondments, project teams, product briefs, prototyping) are well established, but as yet little work has been done as to how these are replicable across the economy, and what models are required for encouraging design innovation in the service sector.

London: A Global Hub

London is one of a handful of truly international cities: a major hub within the global economy, and a renowned cultural capital. It has Europe's leading financial services cluster and is the acknowledged centre for many international markets. In addition, London is a global centre for advertising, retail, tourism, legal and business services, education, media and entertainment. It is home to the headquarters of multinational corporations and senior decision-makers from across the economy.

London is therefore a unique business and cultural asset: providing an international gateway to and from the rest of the UK, providing unparalleled access to international markets, overseas trade and deal-making. London plays a critical role, therefore, in strengthening and securing the UK's position as a global design centre.

This is reflected in London's cultural, as well as economic, profile. There are more than 80,000 international students⁴ currently enrolled in London's educational institutes, and London's cultural assets (museums, galleries, libraries, theatres, festivals, events etc) attract millions of overseas visitors each year.

London is critically important for the UK's design sector, offering routes to international clients, customers, supply chains and investors – in 2002, more than £1.4 billion was earned in overseas fees for design services⁵. It should be noted that this is vital not simply for the capital, but for all of the regions' creative economies. Creative service companies across the UK depend upon London's international trade routes and connections, and have a shared interest in maintaining London's reputation and global competitiveness.

⁴ Higher Education Statistics Agency

⁵ Mayor's Commission on the Creative Industries: Design Profile (May 2003)

3) Recommendations Going Forward

Annex 1 provides short descriptions of existing and recent programmes intended to support the uptake of design and other creative services into London's wider economy. This includes projects delivered at a local or sub-regional level, London-wide programmes and national initiatives implemented within region. Together with supporting research and policy work, these constitute a significant body of learning and best practice, from which valuable insights have been drawn as well as highlighting barriers and difficulties. In particular, they suggest opportunities for further intervention and successful models that could be expanded and replicated.

The LDA is currently exploring such opportunities and issues within the context of the Cox Review, as co-ordinated support at a national and inter-regional level, would be welcomed as a means of raising their profile and maximising effectiveness. These are described in below. In each case, issues are described and accompanied by proposed LDA actions, as well as broader policy recommendations which the LDA hopes will directly inform the Review's deliberations and decisions.

Maintaining London and the UK's Global Competitiveness

As discussed above, London is a global economic and cultural centre, and a major hub of the world's creative economy. This is a vital asset for the UK as a whole, and it is in the national interest to ensure that London's position is maintained and strengthened.

This is a particular concern given the rising prominence of both established and newly emerging creative economies around the world. As commentators have frequently observed in recent years, cities such as Kuala Lumpur, Shanghai and Mumbai are all rapidly growing their economic base, not simply in large-scale manufacturing but also the more skilled and creatively intense activities, such as advanced engineering, software, audio-visual production and, of course, a range of design services.

To maintain London's pre-eminence in design and creative services, considerable investment is required. This will, of course, entail a wide range of different approaches and intervention points, many of which are described below. Alongside these, it is important that ambitious and high-profile options are considered, as the success of London's creative sector has always been underpinned by its landmark public, educational and cultural institutions. Many of these were established in the 19th century – the opportunities and challenges faced by London in the 21st may require a new, and equally bold, vision.

Recommendation: Establishing a National Design Centre

- **We recommend the establishment of a national Design Centre of Excellence in London – promoting, advocating and supporting the UK's design profile. We envisage any such Centre as not being a new, stand-alone institute, but should look to draw on the strengths and specialisms of existing bodies such as the Design Council and London's renowned education and cultural institutes.**
 - **The Centre would have an important research and evaluation function, identifying, capturing and promoting existing good practice.**

- **It would be a vehicle for developing and piloting new and innovative design interventions, and would play a valuable ‘showcasing’ role, promoting good practice nationally and internationally.**
- **It should investigate the development of more appropriate, longer-term metrics and funding criteria to encourage innovative and effective support programmes around designer-manufacturing.**
- **Given the increased importance of the service economy both to London and UK, we would also recommend that it undertake to promote the value of service design.**

Recommendation: International Trade

- **The international potential of London’s design and creative sector should be exploited more for trade purposes. London’s expertise in this area could be more fully promoted by UKTI in order to strengthen the London and UK position, particularly within the context of emerging global competition.**

Working with HE

In engaging with HE and other cultural institutes, we must be careful not to simply replicate intervention models that have emerged from science/technology. The standard development tool-kit (HE spin outs, incubators, IP licenses) deployed to encourage innovation in a sector such as pharmaceuticals do not simply translate into appropriate policies for creative services. As has been recently argued, a much more ‘people centric’ approach⁶ is required in which students, academics and resources are naturally integrated into a local cultural and social milieu. This is particularly the case in London, with its large student populations and historical associations between institutes and their local communities and economies.

The large number and diverse range of HE institutes in London means that collectively developing a regional sector policy with HE is challenging. Every one of London’s 40+ universities now has a business development team working across a range of commercial sectors and LDA officers would welcome greater rationalisation and coherence in working with HE around design or creative services, potentially through a credible intermediary or representative organisation.

One promising approach being developed through the Higher Education Innovation Fund programme is the encouragement of inter-organisational collaborations and partnerships. This is a potentially powerful strategy that draws upon London’s unique educational strengths, connecting academic specialisms with industry engagement from across different institutes, and providing new progression routes through learning, knowledge transfer and enterprise activities.

The London Technology Network has successfully pioneered an approach to engaging between London’s academic strengths in science/technology and the commercial sector. The LDA will explore the possibility of developing a similar intermediary body, tailored for creative services.

⁶ From Science to Growth (Article by Stephen Allott, Prospect Magazine, February 2005)

Recommendation: Unlocking the potential of London's HEIs

- **We would recommend an audit of commercial assets held by these HEIs, with a view to exploiting those assets more fully and/or making them available to businesses.**
- **We would recommend closer inter-departmental collaboration – linking design with, for example, engineering courses.**
- **We see HEIF funding as one way of facilitating this, and would recommend that HEIF encourages partnerships focused around design and manufacturing.**

Targeting Support for Innovation and Growth

It is important to emphasize the progress that has been made in recent years by LDA and partners in pioneering well-targeted business support programmes. This is particularly the case around design-manufacturing, where a legacy of top-down, generic public sector initiatives with poor reputations is being replaced by a 'new generation' of innovative and high quality programmes, which are succeeding in engaging with both design and manufacturing enterprises.

A view emerging as a result of such work across a range of programmes is that we should be realistic as to the kinds of business that are most likely to benefit from design-manufacturing projects. In particular, there is a feeling that medium sized enterprises (i.e. those employing around 50 or more) have the organisational capacity required to fully engage with creative professionals and good design practice, and bring these to bear on corporate strategies, processes and product lines.

For an agency such as the LDA, assessed on the economic impacts for its investment programmes, there is therefore a clear motivation to be targeting such middle-sized enterprises, as this is where the biggest gains in productivity will be achieved. It would be helpful for this issue to be fully considered by the Cox Review, to assess if London's experience is a common one and, if so, provide a framework for more targeted programmes that can most effectively add value to middle sized manufacturers, while ensuring that smaller enterprises can still access appropriate forms of support.

Recommendation: Business support

The LDA would welcome the development of a range of targeted interventions to support the growth of medium-sized businesses, drawing on the success of programmes pioneered by RDAs. Programmes developed will need to be sufficiently targeted for the needs of businesses, and it will be vital to ensure that the programmes are developed and driven within a regional context.

- **Building on good practice:** To undertake an audit of interventions and good practice developed within RDAs, with a view to developing a 'national framework' through which future interventions can be rolled out.
- **Business leadership:** In particular, we think there is considerable scope for working with design and creative businesses to facilitate mentoring, and leadership training.
- **Metrics:** Attempts to assess the long-term impacts of these programmes, rather than simply counting outputs, would help to improve their quality. Through discussions with RDAs and other investment bodies, the Cox Review should champion the adoption of more appropriate, longer-term

metrics and funding criteria to encourage innovative and effective support programmes.

Strengthening the Skills Base

The future of London's design sector as a means of bringing value and creativity to the wider economy depends upon a well trained and highly skilled workforce. This is both in terms of design students and new entrants, but also established professionals, who need to constantly update their skills and knowledge. Given the emerging technologies, new software tools and rapidly evolving fashions which characterize the design sector, this is a constant challenge if the sector is to retain its competitive edge.

The strengths of London's HE institutes have already been discussed, but FE colleges, trade associations/guilds and independent organizations (such as Clerkenwell Green Association) all have a role to play in ensuring that designers can acquire and replenish their technical and craft skills. In particular, many of London's FE colleges have particular design specialisms, and they have close and ongoing relations with industry partners and HE institutes, providing training and progression routes to employment and education opportunities.

Recommendation: Skills

- **The LSC modern apprenticeships programme covers nearly 200 occupations, but does not yet include core design occupations such as product and graphic design. Discussions should be initiated between the newly established Creative and Cultural Skills SSC, LSC and other partners with a view to expanding the modern apprenticeship scheme to cover a greater range of design and creative service occupations.**

Addressing Cultural Barriers

Despite the imperative to compete on the basis of creativity and quality, there are still too many firms who are locked into existing working practices and unwilling to innovate. There is also a well-observed cultural barrier between designers and manufacturers. They tend to 'talk a different language', have different educational and cultural backgrounds, and are often motivated by different things. Designers and manufacturers rarely meet in the normal course of their professional and social lives, and it is difficult for them to find one another, let alone work effectively.

It is felt that any intervention to develop commercial relationships and knowledge flows between creative and manufacturing professionals must be based on a genuine partnership, rather than being led by one side. In particular, designers cannot simply dictate to manufacturers, but rather have to work with them, understand and respect their craft and be prepared to learn from them.

A possible approach is through networks and events. For instance, the high growth of the technology and software industries over the last decade has partly been facilitated by public and private networking organisations (e.g. First Tuesday) that successfully broke down cultural barriers and brought together the scientific/technology communities with the business/finance sector.

The LDA is therefore considering programming a series of networking/showcasing events, intended to bring together directors from manufacturing and design businesses and to encourage collaborations and new ventures. Similar activities in the technology and audio-visual sector have already been successfully run and provide good models. A vehicle being considered for promoting this is the London Design Festival.

Recommendation: Raising design-awareness

- *Consideration should be given to the development of a national version of the London Design Festival, which – with strong backing from the LDA – has in two years established itself as an important vehicle for promoting and profiling London’s design expertise, and pushing design up the economic and cultural agenda.*
- *Although we have reservations about its complexity, extending the existing R&D tax credit scheme would provide a clear incentive for businesses to engage more actively with designers.*

ANNEX 1: Design/Manufacturing Support Programmes

The following projects are all ongoing, being piloted or under development with the support of the LDA. Although each has its own objectives and focus, they are all at least partly concerned with supporting innovation in design, and encouraging its uptake in the wider London economy.

Central St. Martin's Innovation Centre Recently established centre at London's largest art and design college will provide a structure for the commercial exploitation of the college's academic work in graphic and product design, architecture, fashion and digital media.

Cockpit Arts The LDA was a major investor in the Cockpit Arts site in Lewisham. Cockpit provides workspace for more than 60 designer-makers, with support facilities, incubator workshops, a resource centre, marketing events, specially tailored business support and gallery and retail outlets.

Concept to Market Pilot project that aims to close the gap between design and manufacture. The pilot enables companies to take concepts and product ideas quickly into production and commercial exploitation.

Design Immersion The LDA was one of two RDAs who partnered with the Design Council to pilot this programme, which worked with manufacturers to develop a new approach to design and supply-chain development. Participating London firms received up to 12 months free help from design experts together with a year's further support for a design mentor. Following its success, Design Immersion is being repeated and a second programme rolled-out. In addition, Design Matters was established – this was a similar, but less intensive programme, for those businesses that failed to make the final selection for Design Immersion.

Design in Business Week An event that promotes and raises awareness of what the implementation of design and innovation can do for business, specifically focused on the SME sector. The event seeks to give business advice and networking opportunities to 400 businesses.

Design into Manufacture Bureau The Design Bureau, run by Mazorca, brings together designers and manufacturers. Designers need a manufacturer to make up batches of products, the manufacturers often need to move into design-led products to replace traditional products where they have a declining market share. The Bureau helps the two sides work together by working with manufacturers to develop design briefs, sourcing designers to fulfill the briefs, helping designers to think about design from a manufacturer's point of view and helping both sides with marketing information.

Eureka Scheme which brings together designers, retailers and manufacturers with the aim of producing a collection for the High Street. Traditionally designers find it difficult to meet manufacturers' demands, so they produce small batch runs that are too expensive for big stores to take on. Eureka is designed to bridge the gap and has recently secured orders from the Conran Shop, Crabtree and Evelyn, Heals and Fired Earth.

Furniture Works The furniture industry in East London has seen a growth of small furniture designers and makers in recent years. With backing from the LDA, London Metropolitan University is providing a specialist support facility for the local industry, making its furniture making workshop available to local furniture makers and providing them with business and technical support. The facility also includes a showroom for new products, access to a specialist furniture library and a permanent exhibition of the historic Parker Knoll furniture collection.

London Apparel Resources Centre A specialist resource centre at the Florentia Clothing Village in Finsbury Park, which provides high-spec design tools for small clothing manufacturers, and runs training and networking events bringing together designers and manufacturers. It is partnered by the London College of Fashion.

Mazorca Specialist business support agency for designers in East London. The major emphasis is on marketing the work of over 2,000 designer makers, through the well-known Hidden Art events and successful website.

Metropolitan Works A major new resource centre for London's designers and manufacturers based at LMU. Metropolitan Works will make available to London's creative communities a range of state of the art equipment for digital manufacturing. It is intended to boost creativity and speed for London's designers and manufacturers of fashion and textiles, furniture and lighting, jewellery and also buildings.

Micro- and Nano-Materials Centre. Based at Queen Mary and Westfield College, Nano4ce is an industry-focused facility that will develop viable technologies to allow nanomaterials to be incorporated into product forms via coatings, surface features or the creation of nano-composites. The Centre will be used by industry and research organisations to develop manufacturing technologies and technology solutions, particularly for fashion and textile businesses. They will have access to both the equipment and facilities of the centre, plus additional development expertise drawn from the university and supporting bodies.

London Design Festival Annual event launched in 2003 that promotes and celebrates London's position as the capital of the design world. In September 2004 it ran for two weeks with a programme of openings, exhibitions, receptions, seminars, screenings, lectures, and tours. The festival is currently developing better links with London's retailers and manufacturers.

RCA Rapid Prototyping Facility. Based at the Royal College of Art's world-renowned industrial design centre, this facility provides specialist prototyping for design businesses. In partnership with the RCA and Imperial, the LDA has also been supporting a series of business advice seminars.

Urban Design Panel Consists of a panel of 21 individual design advisors (architects, high-level project managers, project procurers etc) with varying skill sets and experience to co-ordinate services for LDA, GLA and partners. Advisors are contracted until 2005. Services include: helping us to pick master planners, and preparing design briefs for our priority areas.

ANNEX 2: Lessons from International Competitors

As part of their efforts to increase competitiveness and growth rates in London, the Creative and Production Industries Commissions undertook study tours to examine aspects of the relationship between design and the production in Milan and Toronto. Examples from these cities are presented not in the belief that ideas can be mimicked in a simplistic way, but because overall approaches are sometimes transferable or can at least stimulate fresh ways of thinking about old issues.

The group visited a variety of both public and private sector organisations including:

- Domus Academy
- The Istituto Europeo di Design (IED)
- Camera Nazionale della Moda Italiana
- B & B Italia
- Toronto Economic Development Office and Corporation
- The Toronto Economic Development Corporation (TEDCO)
- Global Teknion
- Umbra
- The Design Exchange in Canada
- Fashion Design Council of Canada
- Toronto Fashion Incubator

Lessons for London

- **The public sector plays a different role in different contexts.** In Milan complexities and slowness of public support meant that public sector financial support was rarely expected or solicited, even for educational institutions, such as IED or the Domus Academy.
- Toronto has a much more active public sector. Toronto city council's Economic Development Office operates within a strong policy framework, backed up by substantial research
- In both Milan and Toronto, **LDA delegates were impressed by the degrees of interlinkage between designers and manufacturers and education.** One delegate argued that Milan's sources of innovation arose from the fact that "manufacturers speak the designers' language," creating a "movement of companies, designers, manufacturers and publishers" who worked together.
- **An overwhelming impression of members of the delegations was of the central role played by design in business strategy in both locations.** As one delegation member commented: "Companies in both countries have a strong focus on R&D and product development. Design informs all aspects of the production process: physical environment, working culture and methods, products."
- **A key factor in both cities, is openness to new ideas.** Toronto, Canada's top destination for immigrants – with more than 50,000 a year arriving – seeks to capture full economic advantage from its ethnically-diverse, multicultural population. Similarly in Milan's educational institutions, the great majority of students come from overseas but, during their studies, spend considerable time working with Italian companies.

ANNEX 3: Sources

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Mayor's Commission on the Creative Industries: Design Profile (LDA, May 2003)

Shaping New Attitudes, Policy Plan 2005-8, (Premsula Foundation, Netherlands, 2003)

Production Industries in London: Strategy and Action Plan 2005-08 (LDA, 2004)

Study to Inform Service Sector Innovation Service Development (Business Link for London, 2004)

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