

Creative London: Submission to Creative Economy Programme

1) Introduction and Background

This short paper presents a submission from Creative London and partners towards the Creative Economy Programme. As part of the LDA, Creative London is already helping to co-ordinate a paper on behalf of all the RDAs, but it was also felt that there should be a

It should be noted that this is very much a joint submission between Creative London and partners (listed in Annex Two), and this paper has resulted from a process of consultation, discussion and documented testimony. All of these partners have direct experience of working with businesses and professionals, and their contribution is informed by practice, direct insight into the support needs of the sector, and firsthand knowledge of the impacts of public intervention.

2) What's Different About London

It is well known that London is a world centre for creative industries, and the sector is disproportionately large in relation to the UK as a whole, but it is worth reminding ourselves of the extent of this dominance:

- The creative industries is the second biggest sector in London with £21 billion annual turnover.
- More than half a million people are employed in the sector, and 1 in 5 of all new jobs in London are in the creative industries.
- London's music industry has a turnover of more than £1.5 billion, approximately 50% of the UK music industry overall
- Over a third of all the UK's design agencies are based in London, and they account for 50% of the design industry's turnover
- Two thirds of the UK's full-time film industry jobs are in London, and 73 per cent of all UK post-production activity.
- More than two thirds of independent television production companies are based in London. Overall, UK's independent producers had a turnover of £1.5 billion in 2003
- The fashion industry is worth £8.1 billion to the UK economy and earns £400 million in exports. Some 85% of the UK's fashion designers are based in London
- London's publishing industry has an output of £3.4 billion, and accounts for around 36% of the UK industry

But, more than just being disproportionately large, there are important differences between London and the UK's other regional creative economies:

The Global Hub: London's creative sector sits within the global economy, and is linked to international supply chains and its business and financial services industries. For instance, two thirds of all multi-national advertising agencies have their European headquarters in London, while three quarters of London's design agencies have overseas clients.

Cultural Infrastructure: Alongside, and closely linked to the sector itself, are the capital's renowned educational and cultural institutions: national museums and galleries, and universities and research centres that attract and nurture creative talent and enterprise from around the world.

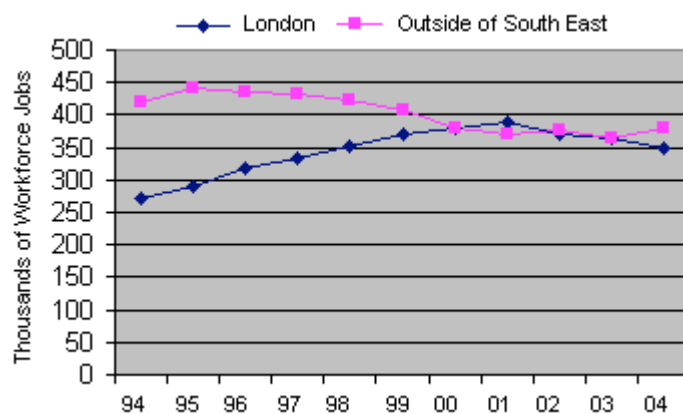
Diversity: London vies with New York as the most diverse city in the world, with 300 languages and more than a hundred ethnic minority communities containing 10,000 people or more. It is this variety of cultures and styles which drives dynamism and growth in the sector, but presents policy challenges to ensure equality of opportunity, and that all of London's communities can access and benefit from its creative economy.

3) Policy Issues for London's Creative Economy

Following from this, there are important policy implications for the Creative Economy Programme, or any other attempt to develop a national policy that incorporates and strengthens London's creative sector.

In particular, the corollary of having such a large creative sector based in the capital, is that London's economy is highly exposed to any disruptions and contractions in its creative industries. For instance, as part of the general downturn in the private sector from 2001-04, London and the South East together lost more than 50,000 jobs from the creative industries workforce, while creative sector employment in the rest of the UK remained fairly constant. As the graph below shows, London and the other region's creative industries have performed very differently in recent years, but it is vital that strategy and actions resulting from CEP reflect this, and that national policies and initiatives for growing the economy are also appropriate for London.

Figure 1: Creative Workforce Employment in and outside London (GLA Economics)



Many of the concerns and barriers to growth commonly voiced by sector analysts and representatives in other regions (lack of markets, no critical mass, absence of private investors, low profile etc) do not apply to London in the same way. Rather, London's creative economy requires more nuanced and targeted interventions, which reflect both the size and richness of the sector, and also the region's uneven socio-economic profile. In many parts of London, it is not uncommon to observe vibrant, high-growth creative clusters in the midst of long-term, and seemingly intractable, deprivation.

4) A Strategy for London and the UK's Creative Economy

There needs to be a national policy for working with the capital. As a major hub in the global economy, London is a unique asset. It is home to the headquarters of multinational creative and media corporations, Europe's leading financial centre, international trade events and much of the sector's markets and deal-making opportunities. Businesses across the UK's creative economy need access to

London's clients, customers and supply chains, while London's global competitiveness depends upon providing access to creative goods and services drawn throughout the UK's regions.

The UK creative economy therefore depends upon London. As such, the following constitutes an approach for growing London's creative sector, and hence the UK as a whole:

(i) Work through the Existing Support Infrastructure

In the last decade, there have been major achievements and innovations in establishing organisational structures, partnerships and delivery partners for the sector. The challenge now is not to create more, but rather to strengthen, co-ordinate and communicate the work of these existing bodies. Indeed, in some cases, streamlining should be considered – there are some concerns that creative enterprises are confused and frustrated as to how to navigate the support offering.

(ii) Better Business Engagement

Historically, training and support for creative businesses has suffered from being both too generic and too supply-led. In both instances this has improved markedly in recent years, but there is still scope for more and better private sector engagement at every level. This means more than sitting on government taskforces, but practical input into the design and delivery of programmes and a genuine sense of responsibility in the future development of their industry and meeting its support needs.

(iii) Encouraging Growth

Although there is now sufficient support infrastructure for start-up and micro enterprises, there is still a gap with regards to 'second stage' growth – creative enterprises with 10-15 staff, who are struggling to grow their business. These owner-managers need high quality tailored support if they are to become major employers and contributors to London's creative economy. Critical to this are better understanding and skills development around how to value, defend and exploit intellectual property.

(iv) The Global Market Place

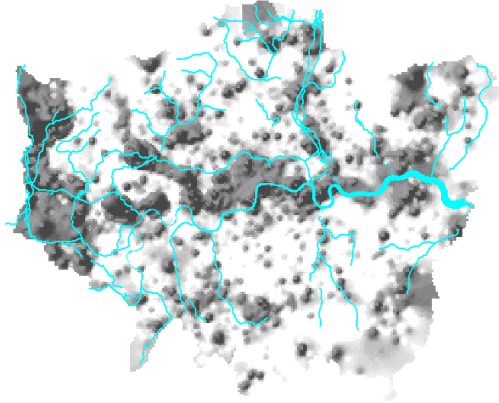
It is through London that much of the UK's export activity takes place. For instance, three quarters of all UK design consultancies with overseas clients are based in London. But, as well as a source of creative production, London is a centre for sector intermediaries (publishers, commissioners, financiers, brokers, agents etc) who ensure that the UK's creative producers can access global markets and supply chains. Any strategy for growing the UK's creative economy overall must therefore consider how best to support this critical part of the sector's value chain.

London's successful bid to host the 2012 Olympic and Para Olympic games provides an unprecedented opportunity for the UK's creative sector. In the run up to the games and beyond, it is expected that the capital will become a 'shop window' for UK products and services, and this is particularly the case of creative businesses, where are good opportunities to link their activities with proposed Olympic events and festivities.

(v) Support across London

London is a large region spread across thirty-three local authorities, and with uneven levels of creative industries activities. While central London, and parts of the west and inner east are characterized by their internationally significant creative clusters, the sector is much less visible in many other areas, as shown below.

Figure 2: Distribution of London's Creative Businesses (GLA Economics)



For those working to support the creative economy in London's outer sub-regions (particularly the north and south), it is often felt that they are 'off the radar'. While government and public sector cultural agencies (such as BBC, NESTA etc) have a commitment to engage with the other nations and regions, there is less political will to strengthen and support those creative businesses within the London region. It would be helpful if national government could recognise this deficiency, and ensure that the broader London region is incorporated into future initiatives, strategies and programmes.

Annex: Sources

The following sources were principally used:

"Creative London" (LDA, 2004)

"London's Creative Sector: 2004 Update" GLA Economics (April 2004)

London: Regional Snapshot (DCMS, December 2004)