

# Counting on Creativity



**An assessment of the impact of Objective One funding on Creative Industries enterprises in Cornwall 2000 – 2006**

Perfect Moment  
June 2007



Perfect Moment

# Counting on Creativity

This report was commissioned by Cornwall Arts Centre Trust with funding from Arts Council England South West and the European Social Fund via Cornwall's Objective One Programme. Our conclusions and recommendations are the results of our professional experience and judgement and are based on secondary data and information provided to us by a range of agencies, plus primary research based on survey and interview information provided to us by creative sector businesses and practitioners in Cornwall.

## **Disclaimer**

Any use which a third party makes of this document or the information contained herein, or any decisions they make based upon it are entirely the responsibility of the third party and they should exercise due care and diligence in the use of such information. In such cases Perfect Moment accepts no liability or responsibility for any damages suffered by any third party as a result of action taken or decisions based on information contained within this document.

## **Copyright**

Copyright © 2007 is held by the research commissioner (see above) under the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this document may be reproduced, stored in retrieval systems, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

CORNWALL ARTS CENTRE TRUST LIMITED is a Registered Charity  
Charity number 292138

This document acts is available in digital form from Cornwall Arts Centre Trust at [www.actcornwall.org.uk](http://www.actcornwall.org.uk) or from Perfect Moment Consultancy at [www.perfect-moment.co.uk](http://www.perfect-moment.co.uk)

**Julia Twomlow & Kevin Brownridge**  
Joint authors of the report

# Counting on Creativity

## The big picture

- In total almost **£43m** was invested in the Creative Industries in Cornwall under Objective One
  - **£33m** was invested in capital projects – including nearly £30m to the Tremough Campus for University College Falmouth
  - **£9.88m** was invested in business and skills support programmes to develop the sector
- **£9.8m** investment of EU funds into the support structure stimulated the sector to generate an estimated **£104m** extra income
- Approximately **350** beneficiary companies and between **2,400 to 2,500** individuals benefited directly from the sector support programmes
- Employment in the sector grew by approximately **19%** between 2000 and 2004, with an estimated **10,200** now employed in the Creative Industries in Cornwall including freelancers and sole traders. This compares with a national growth rate of 3% for the sector for the same period
- The cost of creating a job in the sector through the Objective One programme was £23,864 of EU funding. This is in line with programme targets for cost per job creation as laid out in the Programme Complement in 2005
- Between 2000 and 2004 approximately **560** jobs were created in the sector
- According to Annual Business Inquiry (ABI) statistics, Gross Value Added (GVA) in the sector increased by **34%** between 2000 and 2004. The national figure according to Department for Culture Media and Sport (DCMS) estimates was 7% for the same period
- GVA per head for the sector in Cornwall is **£28,540**
- Turnover in the sector grew from **£326m** to **£421m** between 2000 and 2004 – **29%** growth (ABI statistics)
- **30%** of Creative Industry businesses earn 100% of their income from Cornwall and **42%** earn at least half of their income from outside Cornwall
- **53%** of beneficiaries were over 36 years old whilst only **5%** were under 25
- Over **75%** of company and individual beneficiaries were located in the area bounded by Penzance, St Ives, Truro and Falmouth

# Counting on Creativity

## Contents

The big picture	3
Acknowledgements & credits	6
1. Foreword	7
2. Background & purpose of the study	9
3. Executive summary	11
3.1. Overview	12
3.2. Headline figures	13
3.3. Best practice	16
3.4. Recommendations for developing strategy & improving delivery	16
4. Introduction & background	19
4.1. Objective One	20
4.2. The programme for Cornwall & the Isles of Scilly	20
4.3. Baseline	21
4.4. How the creative sector responded - an overview of the key steps	22
4.5. Sector support initiatives	24
5. Approach & methodology	29
5.1. Definition of the Creative Industries	30
5.2. Use of DCMS Evidence Toolkit (DET)	30
5.3. Structure & methodology of the research	31
5.4. Statistical health warning	33
5.5. Invisible employment figures	34
6. Scope of the investment	35
6.1. Summary	36
6.2. Direct bidding	36
6.3. Generic support	37
6.4. Co-financing	40
6.5. Delegated funds	40
6.6. Priorities & Measures	41
6.7. Investment clusters	44
6.8. Funding streams	45
7. Strategy development	46
7.1. Findings of the strategy level research	47
7.2. Key findings	52
7.3. Recommendations on strategy	53
8. The support structure	54
8.1. Overview of services	55
8.2. Findings on support structure & the delivery agencies	55
8.3. Analysis & evaluation of the findings on the support structure	61
8.4. Summary findings on individual agencies	61
8.5. Overall findings on support & delivery	64
8.6. Recommendations on support & delivery	64

# Counting on Creativity

9.	Beneficiary profile and impact	66
9.1.	Summary of findings from overall dataset analysis	67
9.2.	Data issues & definitions	67
9.3.	Geographic, demographic & sub-sector spread	68
9.4.	Beneficiary findings from the telephone survey	71
9.5.	Recommendations for beneficiary impact	78
10.	Best practice - findings from the in-depth studies	79
10.1.	Overview of the in-depth study	80
10.2.	Characteristics of best practice	80
10.3.	Future aspirations and needs	81
10.4.	Comments	82
10.5.	Recommendations from in-depth studies	82
11.	Setting the context	83
11.1.	A successful creative ecology for Cornwall	84
11.2.	How this translates in Cornwall - size of organization to turnover	84
12.	Recommendations & conclusions	86
12.1.	Main issues	87
12.2.	A strategic group to represent the sector	87
12.3.	Consistent data collection	87
12.4.	Marketing support	88
12.5.	Shared space & resources	88
12.6.	Simplified infrastructure for support	88
12.7.	Access to high-level sub-sector expertise in marketing, skills & product design & innovation	88
12.8.	Support with long-term business plans & strategies	89
12.9.	Pathways of support	90
12.10.	Relevance to current policies	93
	Appendices	94
	APPENDIX A: Abbreviations	95
	APPENDIX B: Project brief	96
	APPENDIX C: Questionnaires used for research surveys	101
	APPENDIX D: Full list of creative sector grants	113
	APPENDIX E: Bibliography	120
	APPENDIX F: Lists of interviewees	122
	APPENDIX G: DCMS definitions of the creative & cultural industries	124
	APPENDIX H: Standard Industrial Classification codes for the Creative Industries	129
	APPENDIX I: Responses to strategy level interviews	131
	APPENDIX J: Jobs & income generated in Cornwall	134

## Acknowledgements & credits

The Research Team gratefully acknowledges the support of the Research Advisory Group. We would also like to thank those working in the Creative Industries in Cornwall and related support agencies and strategic bodies who gave freely of their time to the telephone survey and the in-depth interviews which provided the information on which parts of this report were based.

In carrying out this work we have been supported by a large number of people without whom this would not have been possible and whose unfailing goodwill and co-operation has been instrumental in pulling this work together:

- The Research Advisory Group: Ross Williams (Cornwall Arts Centre Trust), Julie Seyler, Rose Barnecut & Amanda Webb (Creative Unit, Cornwall County Council), Gillian Burnett (University College Falmouth), Andrew Green ( Learning Partnership for Cornwall and the IoS Ltd), Malcolm Brown (Cornwall County Council), Miranda Bird (Cornwall Arts Marketing), Jane Sutherland (Creative Skills), Sue Lovell (Truro College), Jeanette Reed (Learning & Skills Council), Tamzyn Smith (formerly Creative Kernow), Matt Owen (Cornwall College), and Janet Woolley & Philip Charlesworth (Government Office for the South West)
- The following individuals who provided us with detailed knowledge and expertise regarding Objective One activities: Garry Elderbrand, Janet Woolley & Jane Caro (Government Office for the South West), Sarah Reed & Mark Williams (Learning & Skills Council), Allyson Glover (Unlocking Cornish Potential), Samantha Mavin (Business Link Devon & Cornwall), Mike Wall (Finance Cornwall), David Slattery (University College Falmouth), and Julie Davis (formerly Creative Kernow)
- The support agency organizations which provided datasets (within the terms of the Data Protection Act) to assist us with constructing a sampling frame for the project using beneficiary returns data: Creative Kernow, Cornwall Arts Marketing, Cornwall Film, Celtic Film Festival, University College Falmouth - Creative Enterprise Cornwall, and Creative Skills
- Respondents to the telephone survey who gave up their time to contribute to this study
- The in-depth interview participants who gave up their time to contribute to this study
- Beth Henry from the Office for National Statistics for her hard work on the Annual Business Inquiry statistics
- Amanda Webb (Creative Unit, Cornwall County Council) and Elisa McLeod (Cornwall Arts Centre Trust) for their help with databases, co-ordination and administration.

### The Research Team

Kevin Brownridge	Senior Consultant
John Lancaster	Senior Consultant
Julia Twomlow	Project Consultant
Gareth Hart	Project Consultant
Paul Richards	Project Consultant
Jane Val Baker	Interviewer & Telephone Researcher
Paula Matson	Administrator & Data Entry Co-ordinator

**Julia Twomlow & Kevin Brownridge, Perfect Moment 2007**

# Counting on Creativity

## **1. Foreword**

**“The aspiration was to connect outside Cornwall and that has been achieved.  
The next thing is to harness that.”**

Pauline Sheppard - Member of Cultural Industries Taskforce & Freelance writer

# Counting on Creativity

*Counting on Creativity* captures the success story of Cornwall's Creative Industries under the European Union's Objective One programme and helps prepare the ground for future economic growth under the EU's Convergence programme.

We are delighted to see in this report that the sector has grown not only in size, but also in terms of real prosperity for the workforce. It is also very good to see that the investment made by the Objective One programme in the Creative Industries has been highly effective, with £10 m of investment in business support and skills development resulting in £104 m extra turnover generated by the sector.

Whilst much has been achieved, there is much still to be done if Cornwall's Creative Industries are going to make a significant mark globally. The international market for Creative Industries products and services is predicted to triple in value by 2020, so undoubtedly the potential for further significant growth is there. To take full advantage of this, Cornwall's creative sector enterprises will need to hone their business and marketing skills still further and grasp the opportunities offered to them by the radical changes in new technology. Convergence funding gives Cornwall the opportunity to build on the achievements of Objective One and realize the step-change necessary to shift Cornwall out of its current low wage, low value economy. We believe that the findings and recommendations contained within this report will help the sector and its partners to devise and deliver another effective investment programme.

In delivering this research, the formal project lead was taken by ACT (Cornwall Arts Centre Trust), supported by an Advisory Group drawn from the sector, from further and higher education, from local authorities and from key government agencies. Following open tender, Perfect Moment were contracted to carry out the research work and to write this report. Both they and the Advisory Group would like to thank all the agencies, local authorities, businesses and individuals who gave freely of their time to assist with the study.

Cornwall has long been recognised as a hotbed of creativity, but until more recently the economic significance of this could only be guessed at. As this and previous reports such as *Creative Value* show, the importance of the sector to Cornwall, both in economic and employment terms, should not be underestimated. Cornwall's Creative Industries in 2007 have a workforce of more than 10,000 people. But in addition to their direct economic value, the reputation and quality of our Creative Industries help to raise Cornwall's profile both in the UK and internationally. This in turn contributes significantly to the overall quality of life which is one of Cornwall's greatest assets.

Part of the future challenge for Cornwall's Creative Industries is to communicate clearly to our regional and national partners the value and scale of the sector and its ambitions. *Counting on Creativity* is integral to that argument. This report shows that Cornwall's creative sector is thriving and has, we believe, the will, tenacity and wherewithal to fight for its position within the national and global marketplaces.

**Ross Williams**

*Chair, Cultural Industries Task Force*

**Julie Seyler,**

*Co-Director, Creative Unit - Cornwall County Council*

# Counting on Creativity

## **2. Background & purpose of the study**

**“...that seems to me to be true of the culture of the country too. It just feels different - more confident, more assertive, more creative and alive.”**

Tony Blair, March 2007

# Counting on Creativity

This study was commissioned in 2006 by Cornwall Arts Centre Trust<sup>1</sup> in partnership with Creative Kernow<sup>2</sup>. Its main purpose is to examine the overall impact on Creative Industry enterprises of Objective One funding into skills development, marketing and business support in Cornwall in order to make recommendations to inform the sector's response to the forthcoming European Convergence programme.

The key aims of the study are to:

- Establish what the overall impact of Objective One funding into business support and skills development has been on the Creative Industries sector
- Identify good practice within the Creative Industries sector's Objective One funded business support and skills development programmes
- Identify key weaknesses in these programmes and recommend ways to overcome them
- Evaluate and improve the overall structure of the support mechanisms for the Creative Industries sector
- Evaluate the overall appropriateness and effectiveness of the sector's Objective One funded business support and skills development programmes
- Identify any significant gaps in provision and make recommendations for future activity
- Disseminate findings to other sectors within Cornwall
- Ensure that all findings inform the construction of future public sector funded investments in the Creative Industries' sector
- Make recommendations as to how the sector can make best use of the next round of investment from the European structural funds.

*(For a full copy of the Project Brief, please see Appendix B)*

1 Cornwall Arts Centre Trust (ACT) is one of Cornwall's key creative industries organizations, running a number of projects in Cornwall and across the wider South West region.

2 Creative Kernow was formed in 2003 to raise the profile of creativity in Cornwall. A voluntary sector organization, it worked closely with a wide range of local and regional partners and funders to promote business growth for the sector as well as championing the use of creativity in regeneration. In autumn 2006 Creative Kernow merged with the County Council Arts Office to form a new Creative Unit.

# Counting on Creativity

## **3. Executive summary**

**“With improved IT communications and the move towards flexible working, more and more businesses are choosing Cornwall as their business location. When we ask ‘why Cornwall?’ the majority identify the county’s thriving creative business community and effective networks as well as the opportunity to work in an inspirational environment.”**

Lucy Thom - Cornwall Pure Business

# Counting on Creativity

## 3.1. Overview

*Counting on Creativity* takes place as Cornwall reaches the end of six years of European Objective One funding and immediately prior to the commencement of Convergence funding. This research looks at one sector - the Creative Industries - and its response to the opportunities and challenges presented by the funding. It also looks at the immediate impact on its enterprises and offers recommendations on how to engage with the next round of funding for maximum effect. Funded by Objective One and Arts Council England, the study was carried out on three main levels - strategic, delivery and beneficiary. Primary data was collected through in-depth interviews with key individuals across all three levels as well as a telephone survey of beneficiaries. Data was gathered and studied from the records of the various agencies and offices involved with the allocation, management and delivery of the funds and the funded programmes. National and regional statistics were also studied for the 2000 to 2006 period.

Under Objective One around £43m was invested in the Creative Industries in Cornwall. Mainly, this went into major capital flagships like the University College Falmouth Campus at Tremough, but nearly £10m was also invested via skills and support programmes. In total, around a quarter of the sector received direct support from one or more of the various schemes available, including Creative Skills, Cornwall Arts Marketing, Creative Kernow, Cornwall Film and Creative Enterprise Cornwall. The support available varied widely from individual mentoring and travel bursaries to seeding the first music sessions at the Eden Project and launching a national marketing campaign via *The Guardian* newspaper. National statistics for the size of the sector, in terms of Gross Value Added, employment and turnover, show that during the course of this investment the creative sector grew significantly not only in numbers employed but also in terms of real prosperity.

Our findings showed that, when Objective One first began, Cornwall's Creative Industries formed a disparate but energetic group barely recognizable as a sector. Much of the very early work on Objective One was carried out by a few key individuals and was, in truth, fairly opportunistic; crafting a respectable semblance of a sector from the networks and schemes that already existed. Six years on, there is little doubt that a coherent sector now exists where none did before. Alongside this emergence, the general level of activity, energy and aspiration has grown enormously. The profile of Cornwall as a destination has also changed greatly in recent years and there is a general belief that this has, in no small part, been influenced by the efforts of the Creative Industries. However, our findings showed that there were a few notable variations in support. For example, support tended to be concentrated in the districts of Penwith, Kerrier and Carrick. Visual Arts, as a rule, fared better than the other sub-sectors. Also, women outnumbered men as beneficiaries by 2:1. Some gaps were identified in provision at the high-end, while entry-level and early stage support was considered very strong.

For reasons of geography, or possibly lifestyle choices, Cornwall has a very distinctive creative ecology. Freelancers and micro-businesses make up a huge part of the sector in Cornwall but remain largely invisible to the radars of national and regional statistics. There are very few multi-million-pound creative enterprises while the majority earn less than £20,000 per year. The most significant turnover bracket in terms of generating economic value in Cornwall lies in the mid-scale (£200,000 to £1.5m). Interestingly, a significant number of respondents to our research identified their businesses as being at a point of *transition*, i.e., poised to move from one turnover or employment bracket to another, and in need of support or investment to facilitate that change. In order to generate maximum economic return for Cornwall, we deduce that this group is an important target for future investment. Accelerating enterprises from early-stages to mid-scale or through mid-scale would seem to be particularly desirable.

Perhaps unsurprisingly, our study showed that the most successful enterprises are those that have already achieved a good balance within their operations in three key areas: great product with great marketing, leadership skills, and financial and business acumen. We suggest that the same balance needs to be achieved in order to replicate this success in other enterprises. In order to grow

# Counting on Creativity

further, not only does the sector need more of the same support that Objective One has allowed, it also needs specific, targeted investments. This should include sub-sector-specific and high-level support to raise the standards bar. We therefore recommend that a range of pathways of support should now be designed and delivered for Cornwall's creative sector, enabling entry and pre-entry support, accelerated growth through incubation and specific and focused intervention for companies at points of transition.

Cornwall has forged a Creative Industries sector where none existed before. The sector has raised its profile significantly both within and outside Cornwall, and has contributed to the increased draw of Cornwall as a destination. The aim now should be to consolidate and harness what has already been achieved under Objective One and to invest in a level of excellence in its creative sector that will grow enterprises, extend markets, and win national and international recognition and attention both for Cornwall and its Creative Industries.

## 3.2. Headline figures

### 3.2.1. Changes to the sector

- In 2004 the number of people working in the Creative Industries sector in Cornwall was c 10,200.<sup>3</sup> This represented an increase of 19% from 2000 figures and compares with a national growth rate of 3% for the sector for the same period.<sup>4</sup>
- The number of Creative Industry businesses increased by 23% between 2000 and 2004<sup>5</sup>
- According to Annual Business Inquiry (hereafter ABI) statistics, Gross Value Added (hereafter GVA) across the sector increased by 34% between 2000 and 2004. The national figure according to DCMS estimates was 7% for the same period<sup>6</sup>
- GVA generated per worker in the creative sector is around £28,540 compared with a GVA per head of £33,514 for the creative sector in Devon<sup>7</sup>
- Turnover in the Creative Industries grew from £326m to £421 million between 2000 and 2004 according to ABI figures – 29% growth<sup>8</sup>
- The fastest growing sub-sectors between 2000 and 2004 in terms of:
  - GVA = Visual Arts (approximately 60%)
  - Employment = Audio-Visual (approximately 33%).

<sup>3</sup> This was estimated by aggregating ABI data for 2004 with estimated numbers of freelancers and other micro-businesses which are too small to be counted in national labour market statistics. Estimates were based on calculations from detailed mapping of the sector in the *Redruth Demand Study*.

<sup>4</sup> *Creative Industries Economic Estimates* – DCMS (October 2005).

<sup>5</sup> ABI statistics 2000 - 2004

<sup>6</sup> *Creative Industries Economic Estimates Statistical Bulletin* – DCMS (September 2006).

<sup>7</sup> *Building Creative Success - the State of the Creative Industries in Devon and Torbay - Perfect Moment* (2005), p.2.

<sup>8</sup> There are well accepted problems with the reliability of ABI figures below regional level where scalings and suppression of data can produce unreliable data. In this context it is worth noting that according to figures estimated in the *Creative Value* report and on calculations based on the *Redruth Demand Study*, growth in the sector was from £250 million in 2002 to £348 million in 2005 – 39% growth.

# Counting on Creativity

## Comment

- The capital investments made by Objective One have not had sufficient time to make a measurable impact on the sector, so the majority of the impact of the investment would have been related to the £9.88m invested in business support and skills development
- GVA increased by 34%, significantly more than the increase in employment (19%) or the increase in the number of businesses (23%) which would indicate that there was a growth in real prosperity and significant increases in profitability
- Between 2000 and 2004, increases in growth in employment (19%) in the Creative Industries sector in Cornwall and in overall GVA (34%) are higher than the national averages in the sector (employment 3%, and GVA 7%) which would indicate that Objective One investment had a significant impact. However, the ratio between growth in GVA and employment nationally (2.33) is significantly higher than it is in Cornwall (1.79) which would indicate that Cornwall is still slipping behind in terms of productivity. Cornwall's Creative Industries have achieved much in terms of basic growth the future challenge is to become more competitive and more profitable.

## 3.2.2. Size of Objective One investment

- In total nearly £43 million was granted to 58 projects specifically in the creative sector. This included:
  - Direct grants of £41.96 million to 33 projects. This included substantial grants to CUC/University College Falmouth (hereafter UCF) of approximately £30 million for the Tremough campus development
  - Learning and Skills Council (hereafter LSC) co-financing of £583,000 to 4 projects
  - Rural Key Fund grants of £150,000 to 9 projects
  - Community Futures Fund grants of £44,000 to 12 projects.
- Additionally, the Creative Industries were supported by generic business agencies to an estimated value of between £3 million and £9 million. This results in a total investment of between £46 million and £52 million
- Investment in the Creative Industries accounts for 12.8% of the total amount committed under Objective One at January 2007
- Approximately £9.88 million went into fifteen Creative Industries business support and skills development projects. The agencies involved were Cornwall Arts Marketing (hereafter CAM), Creative Skills, Creative Enterprise Cornwall (hereafter CEC), Creative Kernow and Cornwall Film.

## 3.2.3. Beneficiary profile

- Approximately 350 beneficiary companies and between 2,400 to 2,500 individual beneficiaries were reported to the researchers
- The area bounded by Penzance, St Ives, Truro and Falmouth dominates the Creative Industries sector in Cornwall in terms of numbers of people and businesses supported
- Only 10% of beneficiaries come from Restormel and Caradon yet 18% of businesses in the Creative Industries are based there<sup>9</sup>.
- 53% of beneficiaries were over 36 years old and only 5% of beneficiaries were under 25

<sup>9</sup> Creative Business Parc (Redruth) Demand Study - Perfect Moment (May 2005).

# Counting on Creativity

- There were nearly twice as many female beneficiaries as men whereas the *Creative Business Parc (Redruth) Demand Study* survey found that 57% of employees were female implying that for some reason the support agencies have been more successful in attracting and engaging with women than men in the sector.

## Comment

A sub-regional clustering effect is developing in Cornwall. The area bounded by Penzance, St Ives, Truro and Falmouth dominates the Creative Industries sector in terms of people and businesses supported. Although it is true that more practitioners and businesses are actually located in this area there is still a significant imbalance. More effective engagement with North Cornwall, Restormel and Caradon must be priorities for the future and new models for working in these areas need to be explored.

Work should be undertaken to ensure that there is consistency in data collection across all sectors.

There needs to be work done to increase the reach of the programme to:

- Creative Industries businesses and employees based east of Truro
- People under 25
- Men

So far, 25% of the workforce has engaged with the support schemes - this is a high percentage, but there is still room for considerable expansion of the service to those who have not yet benefited. There also needs to be consideration of the implications of an ageing population in Cornwall and the types of support needed for it.

## 3.2.4. Business income

- 30% of businesses earn 100% of their income from Cornwall
- 42% of businesses earn at least half of their income from outside Cornwall
- 15% earn none of their income from Cornwall
- 10% earn from the EU or International Markets. For those that do, it generally constitutes below 40% of their income
- Where Cornwall is a significant source of income, the rest is usually from the UK rather than the South West
- 42% of business in existence more than five years, reported an increase in staffing levels
- 59% reported turnover levels less than £20,000 (Note - around half of the respondents were sole traders/freelance workers)
- 11% reported turnover levels between £100,000 and £1 million and 3% have turnover levels in excess of £1 million
- Of those reporting an income below £10,000, over two-thirds were visual artists
- 69% of respondents with a business over five years old, and 75% of businesses less than five years old reported increased turnover over the last five years
- Main reasons identified for increased turnover include networking, marketing, more professional or commercial approach, increases in funding (for subsidized organizations)

# Counting on Creativity

- 63% of those who reported an increased turnover had an increase of more than 20%. Interestingly, of that 63%, nearly 40% had had more than one intervention from a support agency.

## Comment

The sector appears to be buoyant with high levels of enterprises reporting increased turnover.

A high proportion of the sector comprises freelancers

There is a healthy amount of income earned from outside Cornwall, most of which is outside the region and the sector needs to build on this with more concerted marketing of product across the UK.

There is a need to increase the percentage of income earned from EU and international markets.

There would appear to be benefits in developing a more holistic approach to support, including planned multiple interventions over a long period of time.

## 3.3. Best practice

- Our analysis of 19 successful creative practices identified a number of self-defined skills and characteristics which they had in common. These could roughly be grouped under three headings:
  - Great product, well marketed
  - Financial and business understanding
  - Strong leadership qualities
- In the next 5 years the successful creative practices almost all aspire to:
  - Increasing their national and international profile and relationships
  - Investing more time in developing new ideas and products or services
  - Achieving greater financial stability and sustainability for their enterprise
- Commonly identified needs of the successful practices included:
  - Mentoring
  - Expanding management capacity
  - High level sector specific training and skills development
  - Research and development time
  - Premises and production space
  - Increased and secure revenue funding for subsidized organizations
  - Support in accessing international markets
  - Website and IT development
  - Business planning support
  - Marketing and self-promotion.

## 3.4. Recommendations for developing strategy & improving delivery

The recommendations provided here are firmly based on the findings of this research, plus knowledge of and research into current best practice in other areas of the UK. While there were insufficient resources for benchmarking visits to take place during the course of this study, it is highly recommended that such visits take place in the near future to inform strategy implementation.

# Counting on Creativity

These recommendations have been adopted by the research programme's steering group which included representatives of most of the key organizations involved in delivering support to the Creative Industries in Cornwall.

## 3.4.1.Strategy

- There is an important role for a body which represents the sector's interests and which is consulted throughout the Convergence programme. This would provide channels of communication between business clusters and the policy makers through an intermediary group
- A wider set of sub-sectors needs to be covered by the support programmes. Music was identified as a particular priority. The Books & Press sub-sector also suffers from a lack of engagement
- Support sub-sector forums and set up new ones where necessary as a key part of the support network
- Establish closer links with established regional, national and international commercial industry structures and players
- There is a need to develop sub-sector marketing, showcasing and trade show opportunities, possibly with a re-visiting of the festivals strategy which was an unfulfilled aim under Objective One
- A strategy needs to be developed for space and resources
- The use of culture, creativity and the arts in delivering other mainstream agendas needs to be promoted in Cornwall as a way of developing the sector. Particularly relevant to the Convergence agenda would be promoting the established contribution which the arts and culture can make to increasing self-esteem and self-confidence in individuals excluded from the job market
- Ensure consistent and simplified data collection and data-sharing methods and agreed, meaningful measures which will enable much better ongoing monitoring and evaluation.

## 3.4.2.Delivery

- Find ways to simplify and unite the infrastructure and make it easier for the user to navigate
- Improve communications between agencies and the sector in order to:
  - Expand the range of beneficiaries
  - Ensure grass roots understanding of what agencies are trying to achieve
  - Set up sub-sector groups to inform strategists of needs
- Build on the legacy of Creative Skills' programmes under Objective One in providing skills and training programmes that are able to be responsive to the needs of beneficiaries and allow for innovative learning
- Make it clearer to beneficiaries what support is available and manage the 'expectations gap'

# Counting on Creativity

- Deliver a wide range of marketing support activities including:
  - Working to ensure that excellence in the Creative Industries is part of any generic marketing of Cornwall
  - Developing brands of excellence for creative activity in Cornwall
  - Investing in export and high level showcasing opportunities to develop markets beyond Cornwall
  - Embedding understanding of fundamental marketing skills within organizations and practitioners
  - Encouraging and supporting organizations to use professional marketing support where relevant
  - Actively encouraging and enabling beneficiaries to 'face' their markets (i.e. to have complete knowledge and understanding of their customers and marketplaces, and to have direct contact with them) – using professional support where relevant.
- Invest in and develop the arts support at all levels:
  - Continue to provide seeding support and a highly accessible, 'something for everyone' programme to maintain a strong base at entry level and early stage development
  - Provide access to extra and targeted transitional support to help enterprises with the will and potential to take the next development step
  - Invest in excellence - high growth and flagship enterprises that raise standards and aspirations and provide Cornwall with internationally recognised elite product
- Extend and develop the existing Business Needs Analysis service offered by Creative Skills to allow for a more holistic and co-ordinated approach to managing multiple interventions for beneficiaries.
- Support greater and more effective use of technology in creative practices
- Build a culture of success based on maintaining a balance between financial sustainability and artistic product success
- Support a culture of risk-taking necessary to the development of innovative ideas
- Sustain, support and increase engagement with UCF and CUC to address brain drain, increase knowledge transfer and underpin the professional infrastructure by:
  - Increasing graduate retention
  - Encouraging business spin-offs from academic staff
  - Encouraging businesses to relocate because of research and development opportunities
  - Working with Unlocking Cornish Potential to develop a specific programme to support graduate access to employment in the Creative Industries.
  - Establishing the best way in which the UCF's knowledge about trends and developments in specific sub-sectors can be made available to the sector
  - Increasing access by the sector to UCF's most cutting edge resources. Availability of these should be made well known and accessible
  - Improving liaison between the Business Fellows and other mentoring programmes to enhance the offer to the sector.

# Counting on Creativity

## 4. Introduction & background

**“Because of what we have gone through we are allowed to dream. The sector feels stronger. It recognizes itself as a sector. It has more confidence... people believing that they can make things happen ... daring to do.”**

Julie Seyler, Joint Chief Executive - Creative Unit, Cornwall County Council

# Counting on Creativity

## 4.1. Objective One

Objective One is one of three programmes within the European Union set up to reduce differences in the economic and social conditions between regions within the member states. Of these programmes, Objective One has the highest priority designation for aid and is assigned to regions where prosperity (measured in Gross Value Added (GVA) per head of population) is 75% or less of the European average. Cornwall and the Isles of Scilly were awarded Objective One status between 2000 and 2006, with a total European investment package of around £350 million allotted. The figure had also to be matched with money from the UK, from both public and private investors. Objective One was distributed via four channels in Cornwall and Scilly: European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Advice & Guarantee Fund (EAGGF) and Financial Instrument for Fisheries Guidance (FIG).

## 4.2. The programme for Cornwall & the Isles of Scilly

### 4.2.1. Vision and mission

For Cornwall and the Isles of Scilly the Objective One programme aimed to provide a framework within which a *'new and prosperous Cornwall and Scilly could flourish'*<sup>10</sup>. The stated vision of the programme was to create *'A prosperous Cornwall and Isles of Scilly where all people and communities share in an improving quality of life.'*<sup>11</sup>

The mission by which this vision was to be achieved was *'To achieve a step change in the prosperity of Cornwall and Scilly, making it a place where people and communities have equal access to opportunities and to a quality of life which arise from the sustainable development of its economy and its environment and the enhancement of its distinctiveness.'*<sup>12</sup>

### 4.2.2. Strategic objectives

Three strategic objectives were then identified which aimed to contribute to the realization of the programme mission in a clear, uncomplicated, direct and measurable way. The objectives contained the key themes of prosperity, people and communities, and distinctiveness, and aimed to be relevant to all sections of the community. They were:

- To increase absolute prosperity
- To create sustainable communities
- To protect and enhance the environmental and cultural and economic opportunities of distinctiveness of Cornwall and Scilly.

### 4.2.3. Priorities

From these three objectives five priorities were identified in 2000 and revised in 2005. In summary, these priorities in their revised form were:

- *Priority 1: SME and Micro-Business Support*
- *Priority 2: Strategic Investments and Development*
- *Priority 3: Developing People*
- *Priority 4: Community Economic Development and Rural Structural Adjustment*
- *Priority 5: Regional Distinctiveness.*

Each of these priorities had its own strategic objectives and a set of priority measures under which projects could be supported.

<sup>10</sup> Objective One Programme for Cornwall and the Isles of Scilly - Single Programming Document (December 2005).

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

# Counting on Creativity

## 4.1. Baseline

### 4.3.1. Size of the creative sector before Objective One

In 2000, the creative sector in the UK numbered around 1.76 million people<sup>13</sup> and accounted for 4% of the workforce. It contributed £112.5 million per annum to the economy and 7.8% of GVA.

In the South West Region, the percentage of the workforce was estimated to be slightly higher at 5%. Estimates for Cornwall varied dramatically. According to the Single Programming Document for Objective One (2000) the Creative Industries sector numbered only 2,698 employees, whilst the Cornwall Heritage and Culture Strategy (2000) numbered it at 5,600.

The first serious attempt to quantify the size and value of the sector in Cornwall was in 2000 when *Creative Edge*<sup>14</sup> was produced for Penwith District Council. Whilst only looking at one district, research for this study showed that between 8.7% and 15% of the workforce in Penwith was employed in the Creative Industries, compared with 9.4% in manufacturing in Cornwall and 7.4% in fishing, agriculture and forestry. This meant that in Penwith alone between 2,000 and 3,540 people worked in the Creative Industries - or the total amount estimated in the SPD for the whole of Cornwall.

In 2003 the *Creative Value*<sup>15</sup> report was produced, looking for the first time at the overall size and significance of the sector across the whole of Cornwall. Figures extrapolated from the detailed sub-sector research showed that a minimum of 8,600 people worked in the sector at that time (3.9% of the workforce of Cornwall, slightly higher than the national average at that time of 3.7%). These figures were based on ABI statistics plus 'invisible' employment figures gathered through an extensive telephone survey and a detailed mapping of individual businesses and practitioners.<sup>16</sup>

### 4.3.2. Infrastructure, policy & funding streams

Since its formation in 1997, the Department for Culture Media and Sport had been raising the profile of the Creative Industries nationwide, but Cornwall was slow to catch this wave and the urban models which were emerging had little resonance in a rural economy. By 2000 the main funding sources for the Creative Industries in Cornwall were still the Arts Council, represented in the region by South West Arts<sup>17</sup>, and the local authorities including district and county councils. Investment in the arts and Creative Industries by the local authorities was very low with only one district council (Penwith) and the county council having officers who had a sole remit for the arts. Penwith was the only district to have drafted an arts strategy and to have undertaken any serious research into the economic significance of the arts and Creative Industries<sup>18</sup>. Nonetheless, the sector had already dipped its toe in the European funding stream with two projects - CAM 1, and Training for Arts - accessing Objective 5b funds from Europe to deliver partnership projects for Cornwall. These two projects, along with the *Creative Edge* research, were the first attempts at presenting the Creative Industries in Cornwall in economic terms. The Hall for Cornwall also received substantial capital investment from the ERDF under Objective 5b.

13 *Creative Industries Economic Estimates*, DCMS Sept 2006

14 *Creative Edge*- Perfect Moment 2000

15 *Creative Value*- Perfect Moment 2003

16 For details of calculations of *invisibles* please see section 5.5.

17 Now known as Arts Council England South West (ACESW).

18 *Creative Edge* - Perfect Moment 2000.

## 4.4. How the creative sector responded - an overview of the key steps

### 4.4.1. Single Programming Document (SPD)

The Single Programming Document (SPD) for Objective One in Cornwall was written in 2000. According to recent interviews conducted with officers from GOSW, the Objective One programme had no specific strategies around the Creative Industries as they were not considered a priority. This is not surprising because at that time the size and economic significance of the sector were uncertain due to a lack of relevant research data (see above). National statistics were of little help as they bore scant resemblance to what was anecdotally perceived as the state and size of the sector in Cornwall. Furthermore, the SPD's definitions of the creative and cultural sector, both in the 2000 and the 2005 revision, were different from those used by the DCMS, and stated that Creative Industries '*do not fit with standard classifications*'. Since the original SPD, the DCMS has produced an Evidence Toolkit (2004) giving thorough details of the Standard Industry Classification codes to be used when examining the sector<sup>19</sup> (although this was not used in the revised SPD of 2005). Lack of consistent definitions and terms of reference have contributed to the difficulty in setting a baseline from which the sector could be measured, a problem which is ongoing<sup>20</sup>.

### 4.4.2. Cultural Industries Task Force

In the summer of 2000 as Objective One began to get under way, a Task Force for the Cultural Industries was convened by Jenefer Lowe, then Arts Officer of Cornwall County Council. The role of the Task Force was to provide a focus to explore and promote a structured approach to the development of the Creative Industries in Cornwall and the Isles of Scilly in relation to the Objective One programme. The primary purposes were to:

- Ensure that projects met the strategic aims of the SPD
- Encourage a strategic approach to the development of creative practitioners, product, infrastructure, marketing and training
- Ensure that the potential of the sector was maximized.

At the very earliest stage there had been suggestions that a single Task Force should cover both the heritage and creative sectors, but in the event two separate Task Forces were set up, with Cultural Industries chaired by Ross Williams of Cornwall Arts Centre Trust and Heritage chaired by Caroline Dudley from the Royal Cornwall Museum.

Initially, membership of the Cultural Industries Task Force was by personal invitation and key players within the cultural sector were asked to join. Later, aware of their need to be more broadly representative of the sector, membership was extended considerably, again by personal invitation from existing members.

In mid-2001 Julie Seyler was appointed as Task Force Co-ordinator for both the Heritage and Cultural Industries Task Forces, with her time split evenly between the two. She later went on to be appointed as Director of Creative Kernow when that was established in 2003 as the new development agency for the sector (see below for more detail on this). When Creative Kernow's role was combined with the Cornwall County Council's Art Office to establish a new Creative Industries Unit, Julie was recruited as Co-Director of that unit. The importance of Julie Seyler's role as co-ordinator, and later as director of Creative Kernow, should not be underestimated. This was the first time that Cornwall's Creative Industries sector had found itself with a seat at the table of the decision makers (such as Cornwall Enterprise, GOSW and the South West Regional Development Agency - hereafter 'the RDA') and with a dedicated, informed person to take up

<sup>19</sup> See Appendix G.

<sup>20</sup> See section 5.4

# Counting on Creativity

that role. Julie managed to achieve considerable influence and the continuity of her role and the strength of relationships she built up facilitated many of the initiatives and advances that ensued.

## 4.4.3. Task Force Strategy

The first Task Force strategy document, *Capitalising on Creativity*, was published in the spring of 2002. It was welcomed as an impressive first attempt at an action-based strategy created by and for the sector, with introductory sections on sector definitions, regional and national statistics and the sector's role in the Objective One programme, followed by a number of sub-sector action plans. A revised version of the strategy was issued in August 2004; it built on the same structure as the first, but was considered to be altogether more sophisticated and mature in its thinking and reflected research that had been carried out in the interim<sup>21</sup>, and the developments that the Task Force and the sector had made in the intervening two years.

The strategy was constructed on three levels:

### i Individual sub-sector action plans

Each sub-sector was to develop its own action plan which formed part of the strategy document. Where sub-sector agencies or networks already existed, these formed the basis of the planning, e.g. The Works had responsibility for writing the Theatre and Dance action plan. If no sub-sector agency existed, as with Books & Press, the Task Force commissioned key individuals with relevant expertise to write the action plan. The result was that the action plans varied greatly in style and size.

### ii Overarching themes

The strategy then looked at the common overarching themes which affected the sector, such as marketing and skills development.

### iii A development agency

The role of the development agency for the whole sector was to provide strategic representation. This agency, Creative Kernow, was formed in 2003 to give *"co-ordination and capacity-building support that will boost the sector's economic and social impact and its ability to contribute to the regional distinctiveness of Cornwall and the Isles of Scilly"*.<sup>22</sup>

This initiative emerged because it was recognized that the sector required a single access point to provide leadership, advocacy, networking and market development in order to build its capacity to move forward and to lever in further investment. The idea was that not only would Creative Kernow be responsive to the needs of small businesses and individual practitioners, it would also *"work within, and respond to, the policy demands of local, regional and national agencies."*<sup>23</sup>

Specific posts were put in place to support the Crafts and Media sub-sectors. Together with music, these were identified as priorities for development. However, a music post was not put in place at the time because planned developments with Cornwall Youth Music Action Zone (CYMAZ) were expected to negate the need for this role. In the event, these developments did not take place and music did not have a sub-sector support officer or organization during Objective One.

21 *Creative Value - Perfect Moment* 2003.

22 <http://www.objectiveone.com/client/media/media-164.htm>

23 Carleen Kelemen, Objective One Programme Director.

## 4.5. Sector support initiatives

### 4.5.1. Combined Universities in Cornwall (CUC) Initiative

CUC is a partnership of all the colleges and universities offering Higher Education in Cornwall. Since 2001 the project has attracted over £120 million of investment from various sources in two phases, including the construction of the award-winning 'Hub' campus at Penryn plus several new and renovated Higher Education facilities at FE colleges across Cornwall.

As part of this development UCF, in partnership with Exeter University, received over £30 million in grants to fund both feasibility and physical development work at Tremough, and course development work with a specific focus on the Creative Industries. CUC has been the flagship project for both Objective One and the Creative Industries in Cornwall.

At the time of CUC's outset, around 90% of Cornwall's young people going into higher education were leaving Cornwall to study, and very few returned to use their talents locally. CUC sought to '*stem the brain drain*'<sup>24</sup> by providing more opportunities to study in Cornwall and by working closely with the business community to increase the number of graduate jobs available in the county.

### 4.5.2. Creative Enterprise Cornwall (CEC)

The CEC initiative was set up by UCF to provide support to the Creative Industries in three ways:

- Financial support for postgraduate studies by subsidising programme places and by supporting postgraduate work placements in Cornwall
- Employing a team of Business Fellows with specific professional expertise to support graduates with their first steps into a career and to build industry links between the business community and UCF
- Taking on the Hidden Art Cornwall franchise, a not-for-profit membership organization providing organized events, a web-portal and shop and links to the mother company - Hidden Art London. The purpose of this initiative was to give opportunities for "*designer-makers to meet movers and shakers from both within and outside the county; new marketing initiatives; and direct customer access through exhibitions and events.*"<sup>25</sup>

Two grants for the project were awarded to UCF under Priority 5.4 grant (ESF) totalling £3.14 million. These are known as CEC1 and CEC2. 436 students benefited from the scheme, giving a rough average of £7,202 per output. CEC1 resulted in 386 out of the 436 students who benefited gaining their qualification. In CEC2, 106 out of 151 Year One students gained their qualification (Year Two students have not yet completed courses). Destination surveys were sent to Year 1 and Year 2 students by UCF. Of the 84 responses returned so far, 87% are in employment, and of these 42% are employed in Cornwall and Devon.<sup>26</sup>

24 [www.cuc.ac.uk](http://www.cuc.ac.uk)

25 [www.falmouth.ac.uk](http://www.falmouth.ac.uk)

26 It should be noted that these figures are somewhat unreliable for long-term measures, as many students initially go to London to seek employment, with intentions of returning to Cornwall when sufficient experience has been achieved.

# Counting on Creativity

## 4.5.3. Creative Kernow

Creative Kernow formed in 2003 as a development agency for the whole sector (see above) to provide strategic representation. It received grants totalling £190,641 from ERDF to provide hands-on support for small businesses and individuals working in the Creative Industries sector. In addition to strategic representation, it provided sector specific support workers in the fields of crafts and media.

Creative Kernow reported 15 company beneficiaries, 212 individual beneficiaries and 60 additional beneficiaries not listed as 'outputs'. This gives a rough average of £840 per listed output.

## 4.5.4. Creative Skills

Creative Skills developed out of the pilot Training 4 Arts project, which was funded by Objective 5b and was the response to the identified need for a generic skills development body for the Creative Industries. Creative Skills is a cross-art form professional development organization for all Creative Industries practitioners in Cornwall. It works through various channels to provide tailor-made support for its clients. These include:

- Skills Fund - providing part-funding to help practitioners undertake training and professional development
- Development Needs Analysis (DNA) - one-to-one service providing an opportunity for the individual to take a systematic look at their current situation with the benefit of an outside eye along with access to information about training and continuing professional development opportunities within the arts. This is available both to individual practitioners and those working within larger organizations
- A low cost seminar programme covering requested subjects such as:
  - o Marketing and presentation
  - o Entrepreneurship
  - o Fundraising
  - o Media skills for visual artists
  - o Technical skills
- Accredited skills training courses in marketing and management for creative practitioners
- Open studio events - supporting artists in selling their work direct to the public
- A web directory of free information and advice.

Creative Skills received 5 Objective One grants under ESF, priorities 1.7, 3.3, 3.2 and 3.7 totalling £1.27 million and further ESF funds of £583,603 (Priorities 1.7 and 3.7) from the LSC.

In total, Creative Skills reached 107 company beneficiaries, 998 individual beneficiaries and 197 additional beneficiaries not listed as 'outputs'. This gives a rough average of £1,677 per listed output.

## 4.5.5. Cornwall Arts Marketing (CAM)

CAM was set up to help a high-profile group of 50 arts providers in Cornwall to reach as many people as possible. It developed and implemented promotional campaigns like *seen* and *Occupation Paddington*, offered advice and consultancy to arts businesses, organized distribution of promotional material, delivered and co-ordinated research and offered strategic planning services. CAM also incorporated the Arts Round Cornwall (ARC) distribution service, circulating and delivering printed publicity throughout Cornwall on behalf of its partners.

The original CAM1 had already formed and been operating with Objective 5b funding from Europe. Based on the success of CAM 1, CAM2 was a far more ambitious project and was awarded a grant of nearly £3 million in 2002 under Priority 5.1 (ERDF). Matched funding, largely in the form of 'in kind' support from partners, put the total project budget up to £6 million.

# Counting on Creativity

In 2005 CAM received a further grant of £788,831 towards a £1,972,082 project to create innovative campaigns on behalf of the cultural sector. Now called *Cornwall Cultural Marketing*, project partners were extended to include heritage organizations in recognition of the particularly important role they would have in Cornwall's bid to gain World Heritage Site status for its mining landscape in 2006.

In 2005, CAM undertook the *Living on The Edge* campaign – a series of glossy supplements in *The Guardian* with the purpose of publicising Cornwall's Creative Industries and raising the profile of Cornwall's cultural activity in the rest of the UK. In a follow-up survey, 70% of the 1,500 respondents said that the campaign had totally changed their view of Cornwall, the main areas of changed image being in the sheer volume and diversity of cultural activity available in the county. The report which followed estimated that the impact of the campaign had been the equivalent of "*trebling national awareness of Cornwall's cultural credentials*".<sup>27</sup>

CAM and CCM reported 82 company beneficiaries and 248 individual beneficiaries, plus 60 additional beneficiaries not listed as 'outputs'. This gives a rough average of £11,481 per listed output.

## 4.5.6. Cornwall Film

Cornwall Film was set up in 2001 by South West Screen, initially to focus on script and project development and short film production. Over the following years it supported more than 50 projects and extended its support work into television and new media. It distributes funds directly to individuals practitioners and businesses and acts as a gateway to other resources and work.

In 2004, it was awarded Priority 1.2 and 1.6 grants totalling £914,058 from ERDF towards a £1,835,126 project to support the development of local film and TV production in Cornwall.

Cornwall Film focuses on three core areas: sector development, product development and inward investment.

It aims to deliver these via the following interventions:

- Production and development investment
- Specialist sector development
- Marketing
- Development of networks
- Assisting access to markets

Cornwall Film reported 14 company beneficiaries and 61 individual beneficiaries. This gives a rough average of £12,187 per listed output.

## 4.5.7. Capital developments & feasibility

In addition to the major capital development of the Tremough Campus cited above, to create 'The Hub' of the CUC, the following Creative Industry capital projects have been supported in part by Objective One funding<sup>28</sup>:

- *Newlyn Art Gallery/The Exchange* - This entailed the rebuild and refurbishment of the long-established Newlyn Art Gallery along with the development of a new large contemporary gallery in Penzance. The purpose of this project is not only to provide enhanced gallery spaces and education facilities but also to attract new and wider

<sup>27</sup> *The Results - Trebling Reputation Score* - CAM (2005).

<sup>28</sup> Redruth Grammar School Creative Clusters Project and Tate St Ives Phase 2 have also received substantial funds for feasibility prior to capital development.

# Counting on Creativity

audiences for contemporary art, cultural tourism and arts-based education work and provide support for artists living and working in Cornwall through increased sales, education opportunities and professional development opportunities.

- *Leach Pottery Restoration* - The restoration and rebuild of the Leach Pottery in St Ives to create not only a museum for the work of the Leach family, but also a working pottery and exhibition space for the display of studio ceramics and to support the development of a new generation of professional and student potters in Cornwall.
- *Tate St Ives* and *Redruth Creative Business Parc* also received substantial grants for feasibilities and pre-contract works to be carried out.

## 4.5.8. Sector research

### *Creative Value*

Commissioned by CAM and delivered in 2002-2003 by Perfect Moment, this research sought to establish for the first time the economic significance of the Creative Industries in Cornwall. Within the research was a detailed and unprecedented compilation of a database of all known Creative Industries businesses, organizations and practitioners in Cornwall. This exercise and the subsequent in-depth survey enabled the first accurate mapping of the creative sector in Cornwall including careful estimates of numbers of *invisible* workers<sup>29</sup>. The resulting report provided much needed evidence and baseline figures for sector growth.

### *Redruth Demand Study*

In 2005, CPR Regeneration commissioned Perfect Moment to assess the need for a Creative Industries cluster development at the old Grammar School site in Redruth. In terms of the economic picture of Cornwall's Creative Industries, it served to provide an update on the state of the sector and to identify its needs.

---

<sup>29</sup> See section 5.5

# Counting on Creativity

## 4.5.9. Timeline of key events

Chronology of key events	
2000	Cultural Task Force formed
2000	SPD approved by Brussels
Feb-01	First phase start up of Falmouth CUC initiative
Mar-01	Celtic Film & Television Festival support approved
Mar-01	Cornwall Film (Phase 1) support approved
Oct-01	Combined Universities in Cornwall (CUC) Initiative - Second Phase of Start Up work support approved
Dec-01	Creative Skills support approved
Mar-02	First Cultural Industries Task Force Strategy issued
Apr-02	CAM 2 support approved
Jul-02	South West Film Studios support approved
Sep-02	CUC Phase 1 Hub Capital Design Centre support approved
Sep-02	Penwith Media Facility Study support approved
Nov-02	Miracle Theatre Development Project support approved
Mar-03	<i>Creative Value</i> report produced
Apr-03	Creative Skills extended support approved
Apr-03	Creative Kernow formed
Apr-04	Creative Skills: Skills Fund support approved
Apr-04	Creative Skills: Social Enterprise 2a support approved
Aug-04	Second CITF Strategy produced
Oct-04	Audio-Visual Industries Development support approved
May-05	<i>Redruth Demand Study</i> report produced
Jul-05	Cornwall Cultural Marketing support approved
Oct-05	CUC Creative Enterprise Cornwall2 support approved
Nov-05	Newlyn Art Gallery Development support approved
Jan-06	Leach Pottery Restoration support approved
Mar-06	Creative Skills: Workforce Development 06/07 approved
May-06	Arts Centre Trust received funding from ERDF for the design stage Technical Study for the Redruth Creative Industries Business Parc
Jul-06	Creative Skills - CS Workforce project approved

# Counting on Creativity

## 5. Approach & methodology

**“Cornwall should make an evolutionary leap into the knowledge economy. ...  
Creativity and culture at the heart of mainstream agendas”**

Miranda Bird, Director - Cornwall Arts Marketing

# Counting on Creativity

## 5.1. Definition of the Creative Industries

In line with other studies and accepted practice this research uses the Department for Culture, Media and Sport (DCMS)'s definition. DCMS has defined the Creative Industries as: *“those industries that are based on individual creativity, skill and talent. They are also those that have the potential to create wealth and jobs through developing intellectual property”*.<sup>30</sup> As such the Creative Industries includes the Arts, but is a sub-sector of the broader Cultural Industries.

Creative Industries incorporates the following list of thirteen sub-sectors:

- Advertising
- Architecture
- Art and Antiques Markets
- Crafts
- Design
- Designer Fashion
- Film and Video
- Interactive Leisure Software
- Music
- Performing Arts
- Publishing
- Software and Computer Service
- Television and Radio.

For those working specifically in the arts, it can seem strange that the DCMS classification includes such categories as the manufacture, wholesale and retail of TVs and Radios. For some this can appear at odds with their understanding of what constitutes a creative enterprise. This is because the DCMS includes businesses from across the entire production cycle: from the creative content, through to manufacture and distribution.

## 5.2. Use of DCMS Evidence Toolkit (DET)

As part of the research, a number of national datasets were analysed, in line with the guidelines laid down by the Department of Media, Culture and Sport (DCMS) within its Evidence Toolkit (DET)<sup>31</sup>.

The DET was developed by the DCMS in order to provide a common evidence-base for assessing the regional impacts of cultural activity. It contains a number of features that are relevant to this study:

- A definition of the cultural sector and its constituent domains or sub-sectors
- A description of the sub-sectors in terms of Standard Industrial<sup>32</sup> and Occupational Classifications<sup>33</sup>
- A framework for understanding the production/supply chain of the cultural sector
- Recommendations concerning the use of national datasets for research purposes

30 [http://www.culture.gov.uk/what\\_we\\_do/Creative\\_industries/](http://www.culture.gov.uk/what_we_do/Creative_industries/)

31 [http://www.culture.gov.uk/Reference\\_library/Research/det/](http://www.culture.gov.uk/Reference_library/Research/det/)

32 The system of industry classification in the UK used in this study is contained in the Office for National Statistics publication *UK Standard Industrial Classification of Economic Activities 1992* (SIC 92). Its purpose is to classify business establishments by types of economic activity. Minor revisions to SIC 92 were made in 2003 but these have yet to effect the presentation of data. The next major revision is in 2007.

33 The Standard Occupational Classification system is a corresponding means of classifying paid jobs performed by economically active people.

# Counting on Creativity

The DET has identified seven cultural sector domains based on the inter-dependency between certain sub-sectors. The Creative Industries thirteen sub-sectors mentioned in the previous section have been spread across the following four domains (the other domains being Heritage, Sport and Tourism):

1. Audio-Visual
2. Books & Press
3. Performance
4. Visual Arts

The following table shows the type of activity associated with each of the four domains:

DOMAIN NAME	WHAT IS INCLUDED
<b>Audio-Visual</b>	Film, TV, radio, new media, music and advertising. Encompasses interactive media, which covers leisure software, digital art and new media activities
<b>Books &amp; Press</b>	Books, magazines, newspapers, press and literary agencies, and literary festivals
<b>Performance</b>	Theatre, arts, dance, circus, agents, and festivals (Note: does not include music)
<b>Visual Arts Domain</b>	Galleries, architecture, design and crafts, sculpture, fashion design, graphic design, interior design, creation of visual works, production of visual works, and visual arts festivals

The DCMS Evidence Toolkit also stresses the importance of a six-stage production cycle within each area of activity. The key areas identified are:

1. Creation
2. Making
3. Dissemination
4. Exhibition and reception
5. Archiving and preserving
6. Education and understanding

*(For full DCMS definitions, please see Appendix G)*

## 5.3. Structure & methodology of the research

Research for this report took the form of consultation on three main levels<sup>34</sup>:

- Strategy-level officers and stakeholders
- Beneficiaries
- Delivery officers.

This provides a rounded and comprehensive view of the programme and allows comparison of the opinions and experiences of the various groups of stakeholders.

### 5.3.1. Study methods

Study methods consisted of:

- Desk-based research and review of relevant literature and data selected in consultation with the client, including data collected for monitoring purposes from the various agencies and GOSW

34 For questionnaires, see Appendix C.

# Counting on Creativity

- Survey by telephone questionnaire of 150 beneficiaries. This involved collecting and aggregating quantitative and qualitative data for the purposes of assessing and evaluating beneficiary impact
- A series of in-depth qualitative interviews conducted with key individuals at each level identified in consultation with the client to assess:
  - Strategy development
  - Appropriateness and effectiveness of delivery mechanisms
  - Impact on beneficiaries and the sector
  - Future priorities
- Comparable data and studies collected and analysed, where available.

## 5.3.2. Datasets

Datasets for in-depth interviews were compiled in consultation with the client and main delivery agencies that had been in receipt of Objective One funding.

In-depth interviews included:

- 29 x 1.5-hour face-to-face interviews with:
  - Task Force members
  - GOSW and RDA officers
  - Local authority officers
  - UCF Business Fellows
  - Directors and executive staff in delivery agencies
- 12 x 25-minute telephone interviews with individuals including:
  - Front line and key staff
  - Stakeholders
- 19 x 2 to 2.5-hour in-depth interviews with selected beneficiaries to examine growth patterns and to determine factors for success.

The dataset for the telephone survey was compiled from the combined databases supplied by Creative Kernow, CAM, Creative Skills, UCF, the Celtic Film Festival and Cornwall Film. This provided approximately 1,400 unique contacts from which 150 were selected and approached to complete the questionnaire. This gave us a margin of error of  $\pm 7.56\%$  at a 95% confidence level.

- 150 x telephone questionnaires. The profile of this dataset was as follows:
  - Approximately half freelance, individual practitioners and micro businesses to reflect the high level of *invisible* workers in the sector.
  - Representative geographic spread roughly comparable to the overall spread of CI beneficiaries, based on the spread shown by postcode analysis of the overall combined databases.

Within these two criteria the respondents were randomly selected. In the event, they included both commercial (78%) and charitable practices (12%).

## 5.3.3. How the research was conducted

### *Telephone survey - beneficiaries*

The telephone survey was carried out by an appointed experienced telephone researcher, Jane Val Baker, under the supervision of the Project Co-ordinator, Julia Twomlow. The researcher followed the guidance of the Market Research Society Code of Conduct in carrying out the telephone survey. These took approximately 30 minutes each and were completed in September and October 2006.

# Counting on Creativity

## *Strategic level Interviews*

Interviews with strategic level officers and stakeholders were carried out by Julia Twomlow, Gareth Hart and Paul Richards of Perfect Moment consultancy. These were carried out face-to-face, each taking approximately 1.5 hours. Notes from the interviews were then typed up by the interviewers and entered into grids for analysis, question by question.

## *In-depth interviews - beneficiaries*

In-depth interviews with beneficiaries followed the same format as those at strategy level, though these interviews were all conducted by Julia Twomlow and took approximately 2 to 2.5 hours each.

## *Delivery level interviews*

Delivery level interviews were conducted on the telephone by Jane Val Baker and lasted approximately 25 minutes each. Analysis of all the qualitative interviews followed the same format. Qualitative interviews were completed between August 2006 and January 2007.

Where appropriate the surveys were cross tabulated in order to compare or collate responses to similar questions.

## **5.4. Statistical health warning**

It has been noted in many other sector reports that counting in the Creative Industries is not an exact science. To summarize, the following issues arose during the course of this study in the quality of the data available:

- ABI statistics from the Office for National Statistics (ONS) for 2000 and 2004 are based on the DCMS Evidence Toolkit of SIC codes, but it omits freelancers and those below the VAT threshold. As this accounts for between 45 and 75% of the creative sector in Cornwall, these practitioners and businesses become economically invisible (see Section 5.5). There are issues when using ABI data with confidentiality/suppression at a local level which limits their usefulness for anything more than broad generalizations. For the purposes of this report, therefore, ABI statistics have been used sparingly to provide broad brush stroke impressions of the whole sector. It is nonetheless important that ABI data are included at some level because they are widely used throughout the country and in other sectors and therefore provide a basis for estimates and comparisons
- Local Intelligence Network Cornwall (LINC) data omit freelancers and those below the VAT threshold and also use a different bundle of SIC codes to define the Creative Industries from those recommended by the DCMS Evidence Toolkit. This limits their usefulness as a research tool for the purposes of this report because it creates a very different picture of the sector to other nationally accepted datasets
- GOSW had little aggregated data available
- The various delivery agencies had inconsistent collection methods, ways of measuring and terms of reference.

Despite these weaknesses in available data, the combination and comparison of national statistics with those taken from previous studies in Cornwall, along with the project database for this research provide figures which represent a reasonably accurate and up-to-date picture of the creative sector in Cornwall.

# Counting on Creativity

## 5.5. Invisible employment figures

*"The high level of statistically invisible workers in the cultural sector (part-timers, many freelancers, non-VAT returning businesses) means that even statistical counts based on current National Statistics datasets significantly underestimate the size, impact and value of the sector to the regional economy."*<sup>35</sup>

It is now generally accepted for Creative Industries research that national statistics present only a partial picture and that much of the sector is hidden from view, falling as it does below the £61,000 threshold for VAT.

The *Creative Value* research (2003) identified *invisible* employment in the creative sector in Cornwall as being between 56.3% and 75.9% of the Creative Industries workforce. This was based directly on its own extensive mapping exercise. The banding is supported by Metier<sup>36</sup> which calculated that 53% of the sector nationally was freelance (although there was no calculation for micro-enterprises). For the sake of this report a mid point of 65% has been used to calculate invisible employment in Visual Arts and Performing Arts, the sub-sectors with the highest levels of freelance and sole traders, and 30% for Audio-Visual and Books & Press, giving a conservative average of 56% across the sector.

<sup>35</sup> *Joining the Dots* - Culture SW (2003) p.6

<sup>36</sup> *Arts and Entertainment Sub-sector Workforce Development Plan* Metier Research Report No. 3 (March 2001)

# Counting on Creativity

## **6. Size of the investment**

**“No doubt a lot has been done with the aid of Objective One ... and the Creative Industries is one of the most successful sectors.”**

Andrew Green, Coordinator - Objective One Learning & Skills Task Force

## 6.1. Summary

The analysis of the grants made by Objective One has shown the following headlines:

- In total, nearly £43 million was granted to 58 projects specifically in the creative sector. This includes direct grants, grants via LSC, Rural Key Fund and Community Futures Fund (see below for details)
- This accounts for about 12.8% of the total amount committed under Objective One at January 2007
- Additional significant support for the Creative Industries has come from generic business support agencies (Business Link, Unlocking Cornish Potential, *actnow* Broadband etc). A rough estimate of their financial value is between £3 million and £9 million
- CUC/ UCF received very large grants (over £30m) to support the creative sector in Cornwall
- Sector GVA growth has been driven by more than just increased employment – improved productivity has also been a factor but there is still room for improvement
- For many of the programmes, matched funding was provided by the clients themselves. Often this was in the form of staff time or 'in kind' support as well as cash spent. The Objective One intervention rate, and therefore the percentage of matched funding, varied from programme to programme. It was not within the remit of this research to calculate the value of inward investment by the sector, however it is important to note that there was considerable investment made by the sector into its own development. Indeed, one of the achievements of the sector under Objective One was its ability to galvanise itself to such an extent that considerable matched investment could be generated from within.

## 6.2. Direct bidding

- £41.96 million has been granted to 33 projects in the creative sector via direct bidding routes
- The average direct grant size in the creative sector was around £1.27 million (skewed by £30 million worth of grants for UCF). With these removed, the average is around £489,900
- The median<sup>37</sup> grant size in the creative sector was £329,950 (including UCF grants)
- The average grant size across the whole of Objective One was about £450,000
- Grants to the sector ranged from £5,000 to just over £12 million
- 61% of grants were under £500,000
- 73% of grants were under £1 million
- Most of the awards were for sector support activities, though by value of award, grants for capital development far outstripped any others. The breakdown of the direct grants was as follows:
  - o Five grants for Feasibility Studies worth nearly £400,000
  - o Two grants for revenue costs and festivals worth £135,000
  - o Fifteen grants for sector support activities worth £9.88 million. This included the work of Creative Skills, Multimedia Cornwall, Creative Kernow, Cornwall Film, CAM and CEC. Some of this funding was redistributed directly to organizations and practitioners although we have been unable to calculate the percentage of this
  - o 11 grants for capital developments worth £31.4 million.

<sup>37</sup> The median is the number in the middle of a set of numbers; that is, half the numbers have values that are greater than the median, and half have values that are less.

## 6.3. Generic support

The Creative Industries sector also had support from the following generic business support agencies:

### 6.3.1.Unlocking Cornish Potential (UCP)

UCP is part of the CUC initiative. UCP seeks to improve the efficiency, competitiveness and growth of SMEs in Cornwall through the placement of graduates in companies to undertake business development projects. These projects can last from six to twelve months. UCP can provide up to a 30% subsidy towards the salary of the graduate and provide assistance with other project costs. UCP has been a significant source of support for the sector. Nearly 20% of the companies it supported were from the Creative Industries. In summary:

- UCP supported 20 different Creative Industry companies (33 interventions in total, as some companies received more than one package of support). UCP contributed up to £6,000 per placement, or £198,000 directly to the sector. Additional benefits included company development work as graduates undertook mentoring and UCP provided business planning help
- UCP's gender ratio was reasonably balanced - 54% female to 46% male which closely reflects the spread of the sector according to the Redruth study
- UCP also had a population bias towards the west of the county; 79% of CI beneficiary companies were from Carrick, Kerrier or Penwith
- A high proportion (nearly 40%) of UCP's creative sector clients came from the design sector. This was identified by them as being due to their strong ties with UCF.

### 6.3.2.Business Link

The Business Link service for Devon and Cornwall is part of the national Business Link network providing help and support for small businesses and business start ups. In Devon and Cornwall, the Business Link service works closely with the main business support organizations, from both public and private sector, to ensure owners and managers receive the best information and advice. Business Link has established a series of local 'partnerships' throughout the two counties to ensure that business support is delivered in a co-ordinated manner and that the specific local needs of new or existing businesses are represented at a regional level.

- Business Link has supported 738 Creative Industry businesses out of a total of 21,101 - this is 3.5% of their clients
- Business Link received £4.2 million from Objective One to help deliver its business advice. As an estimate, 3.5% of this would equate to nearly £147,000 of support to the sector. As Business Link has a focus on high growth companies over a certain size, 3.5% would appear to be quite a high level of intervention in the Creative Industries.

# Counting on Creativity

## 6.3.3. Finance Cornwall

Finance Cornwall is a local finance company set up in 2002. It works with businesses in Cornwall and Scilly that need finance to start, grow or change ownership. Its speciality is to fill gaps in funding that the banks and others cannot meet by providing the missing piece of finance that allows a commercially viable project to move ahead. It works closely with banks, accountants and other funders. It offers loans from as little as £10,000. The maximum it will invest in a company is £1 million.

- Finance Cornwall supported fifteen creative businesses (11% of its total)
- Finance Cornwall received £11.2 million from Objective One to help deliver schemes including a major loan fund and to provide management support. Since this is a loan fund the money would be paid back. We have been unable to ascertain the true value of the investments in the creative businesses and have calculated the value of the investment proportionately, i.e. 11% of £11.2 million = £1.23million.

## 6.3.4. actnow Broadband

*actnow* is a not-for-profit partnership which aims to promote economic development in Cornwall through the use of broadband and IT. Led by Cornwall Enterprise and funded by Objective One, *actnow* offers financial help and support to the self-employed and businesses in Cornwall. In particular, *actnow* promotes the uptake of broadband connections through rebates and advice. It offers expertise on the use of IT to improve business performance and financial help of up to 40% on IT investments.

- *actnow* Broadband has supported numerous Creative Industry clients. Unfortunately, they record data using an old SIC classification system which means that accurate numbers are not available.
- *actnow* received a total of £7.6 million from Objective One. Based on the proportions of Creative Industry clients supported by other generic agencies it is fair to assume that between 3% and 10% of the clients of generic business support projects are from the creative sector. This equates to an investment of between £228,000 and £760,000
- The speed with which broadband was introduced to Cornwall is in the main attributable to *actnow* and the impact this has had on the creative sector, as with other sectors, cannot be measured here, but is doubtless highly significant.

## 6.3.5. Enterprise Trusts

The three Enterprise Trusts in Cornwall are:

- West Cornwall Enterprise
- Mid Cornwall Enterprise
- Enterprise Tamar.

These agencies were set up to provide free, confidential and independent business advice. They can raise funds independently and are often contracted by Business Link Devon and Cornwall to deliver Business Link support across the county.

- Collectively the Enterprise Trusts have received nearly £400,000 from Objective One. Although it was not possible to confirm exactly how many Creative Industries clients these agencies supported, based on proportions of Creative Industries clients supported by other generic agencies, it is fair to estimate that at least between 3% and 10% were creative. In the far west, with the cluster of creative practitioners around St Ives and Penzance, this would probably be at the higher end. This would suggest an investment of between £12,000 and £40,000.

# Counting on Creativity

## 6.3.6. Cornwall Enterprise

Cornwall Enterprise is the economic development service for Cornwall County Council and its mission is to achieve sustainable prosperity for Cornwall. It is linked to, and supports, many of the strategic economic development initiatives in the county. It received significant amounts of Objective One funding for all aspects of its programme. In the case of examining the impact of this on the Creative Industries the following schemes are particularly interesting where Cornwall Enterprise was a key partner, funding recipient, fund manager or delivery agent:

- actnow Broadband - £7.6 million
- Enterprise Edge - £300,000
- In Cornwall You Can (Cornwall Pure Business) - £679,000
- Let's Do IT! - £540,000
- CREATE - £1.1 million
- Community Futures Fund - £139,000
- Rural Key Fund - £720,000.

The investment to these projects via Cornwall Enterprise came to over £11 million. The impact of some of these schemes such as *actnow*, Community Futures and Rural Key Fund is covered in their respective sections (6.3.4, 6.5.6 and 6.5.2). In addition to these schemes the generic business support offered to the Creative Industries by Enterprise Edge, Let's Do IT and CREATE, amounts to between £60,000 and £200,000 at the 3% and 10% levels.

## 6.3.7. Others

Many other agencies have also received Objective One funding to provide advice and support to businesses in a generic way. These projects may well have supported Creative Industries clients but, unfortunately, no information was available from them as to the level of their support for the creative sector. The full list of these agencies and projects is:

- South West Investment Group
- Cornwall Chamber of Commerce (International Trade Advisor)
- Southgate Technology Park
- Truro Technology Park
- Harvey's Foundry, Hayle
- Truro College
- Prosper (now LSC - business advice)
- Herron (University of Plymouth)
- Business Entrepreneurship, Enterprise and Innovation
- Cornwall College
- Cornwall & Devon Careers
- Cornwall Union Learning Centre
- CUC Research and Development
- Connected Western Power
- Wheal Kitty Workshops
- Mevagissey Activity Centre Business Advice
- Caradon Rural Outreach
- Prince's Trust
- Digital Peninsula Network.

# Counting on Creativity

## 6.4. Co-financing

- The creative sector has also benefited from LSC Co-financing. Directly, the creative sector received £583,603 from LSC in four grants to Creative Skills
- A further £7.2 million has gone to 28 generic projects that in the course of their work will have supported the creative sector
- Of this £7.2 million, we estimate that between 3% and 10% will have contributed towards Creative Industries (equivalent to between £216,000 and £720,000)
- The total value of LSC grants was just over £20 million. Creative Industries grants account for just under 3% of the value of grants
- There was a total of 32 co-financed grants. The four Creative Industries grants represent 12.5% of the total.

## 6.5. Delegated funds

Nearly £200,000-worth of funding has also been awarded to the sector via two 'global' funds:

### 6.5.1. Community Futures Fund

- Twelve creative projects worth £43,719 received funding from the Community Futures Fund - this included craft courses, a music development programme, digital media training, etc
- This represents 17% of the awards and 19% of the funds awarded through Community Futures.

### 6.5.2. Rural Key Fund

- The Rural Key Fund support nine creative projects worth £149,913, including developing a Performing Arts group, digital media training, website design, etc
- This represents 15% of the awards and 12% of the funds awarded through the Rural Key Fund.

# Counting on Creativity

## 6.6. Priorities & Measures

Priority and Measure	Number of Creative Industries Grants	Value of Creative Industries Grants	Total Amount in Priority and Measure	% Amount to Creative Industries
<b>Priority 1 - SME and micro-business support</b>				
Measure 1.1 Creating the economic conditions for competitive SMEs and Businesses (ERDF)	1	£2,018,800	£6,332,412	31.88%
Measure 1.2 Financial engineering for SMEs (ERDF)	3	£1,118,665	£13,686,892	8.17%
Measure 1.3 Developing competitive SMEs (ERDF)	0	£0	£16,739,929	0.00%
Measure 1.4 Processing and marketing of agricultural products (EAGGF)	0	£0	£16,952,281	0.00%
Measure 1.5 Supporting the new entrepreneur (ERDF)	0	£0	£3,058,773	0.00%
Measure 1.6 Developing sectors with growth potential (ERDF)	4	£995,137	£7,002,721	14.21%
Measure 1.7 New employment opportunities (ESF)	2	£539,271	£4,984,545	10.82%
<b>Total Priority 1</b>	<b>10</b>	<b>£4,671,873</b>	<b>£68,757,553</b>	<b>6.79%</b>
<b>Priority 2 - Strategic investments and development</b>				
Measure 2.1 Strategic Sites and Premises (ERDF)	0	£0	£22,263,495	0.00%
Measure 2.2 Employment Growth Centres (ERDF)	0	£0	£5,995,334	0.00%
Measure 2.3 <i>Transferred to Measures 2.1, 2.2 &amp; 2.5</i>	0	£0	£0	0.00%
Measure 2.4 Strategic Regional Infrastructure (ERDF)	0	£0	£9,150,113	0.00%
Measure 2.5 Strategic Investments (ERDF)	0	£0	£7,209,385	0.00%
Measure 2.6 Micro-business Workspace Development (ERDF)	0	£0	£0	0.00%
Measure 2.7 The Knowledge Driven Region (ERDF)	1	£7,754,702	£25,563,663	30.34%
<b>Total Priority 2</b>	<b>1</b>	<b>£7,754,702</b>	<b>£70,181,990</b>	<b>11.05%</b>
<b>Priority 3 – Developing people</b>				
Measure 3.1 Active labour market policies (ESF)	0	£0	£6,569,847	0.00%
Measure 3.2 Learning for competitive business and for enterprise – adaptability and entrepreneurship (ESF)	2	£447,496	£13,901,517	3.22%
Measure 3.3 Lifelong learning (ESF)	1	£329,950	£7,966,444	4.14%
Measure 3.4 Promoting social inclusion (ESF)	0	£0	£8,756,483	0.00%
Measure 3.5 Increasing the participation of women (ESF)	0	£0	£2,698,677	0.00%
Measure 3.6 Infrastructure for learning (ERDF)	0	£0	£4,914,373	0.00%
Measure 3.7 New employment opportunities (ESF)	1	£209,408	£4,668,424	4.48%

# Counting on Creativity

Measure 3.8	Using active labour market policies to promote social inclusion (ESF)	0	£0	£6,319,115	0.00%
Measure 3.9	Research and knowledge (ESF)	0	£0	£2,999,841	0.00%
<b>Total Priority 3</b>		<b>4</b>	<b>£986,854</b>	<b>£58,794,721</b>	<b>1.67%</b>
<b>Priority 4 – Community economic development and rural sectoral adjustment</b>					
Measure 4.1	Community economic development (ERDF)	0	£0	£3,568,292	0.00%
Measure 4.2	Area based pathways to employment (ESF)	0	£0	£5,569,266	0.00%
Measure 4.3	Investment in agricultural holdings (EAGGF)	0	£0	£1,812,728	0.00%
Measure 4.4	Training (EAGGF)	0	£0	£3,356,527	0.00%
Measure 4.5	Forestry (EAGGF)	0	£0	£2,522,800	0.00%
Measure 4.6	Promoting the adaptation and development of rural areas (EAGGF)	1	£63,819	£24,354,616	0.26%
Measure 4.7	Structural adjustment in fisheries (FIGF)	0	£0	£8,579,164	0.00%
Measure 4.8	Community regeneration (ERDF)	0	£0	£14,247,390	0.00%
Measure 4.9	Processing and marketing of agricultural products (EAGGF)	0	£0	£3,323,772	0.00%
<b>Total Priority 4</b>		<b>1</b>	<b>£63,819</b>	<b>£67,334,555</b>	<b>0.09%</b>
<b>Priority 5 – Regional distinctiveness</b>					
Measure 5.1	Securing the benefits from the arts, cultural and heritage industries (ERDF)	7	£4,015,226	£9,454,221	42.47%
Measure 5.2	Enhancing and developing the public product (ERDF)	1	£450,767	£8,971,245	5.02%
Measure 5.3	The knowledge driven region (ERDF)	4	£19,258,060	£37,967,605	50.72%
Measure 5.4	Research and knowledge (ESF)	2	£3,142,911	£3,757,623	83.64%
Measure 5.5	Improving and developing the public realm (ERDF)	3	£1,622,858	£6,065,111	26.76%
<b>Total Priority 5</b>		<b>16</b>	<b>£28,489,822</b>	<b>£66,215,805</b>	<b>43.02%</b>
<b>Total All<sup>1a</sup></b>		<b>33</b>	<b>£41,967,070</b>	<b>£331,284,624</b>	<b>12.66%</b>

As expected, Creative Industries projects have contributed most to Priority 5 (Regional Distinctiveness) with over 40% of the funds going directly to creative sector projects. Creative Industries also punched above its weight in Priority 1 (Business Support) with nearly 7% of the amount awarded. In this priority there were also many grants to generic projects that impacted on the creative sector as well - in total 50% of funds went to generic projects that also supported creative businesses.

Priority 2 shows one direct creative grant and seven generic grants that will also have supported Creative Industries clients. The strategic investments in roads, town centres and other infrastructure will have an effect on the Creative Industries but these have not been measured in this study.

<sup>1a</sup> Not including Technical Assistance allocations/grants. These figures were correct and supplied by GOSW as of January 2007. The £85,000 grant to Redruth Creative Business Parc has been added to bring the figures up-to-date.

# Counting on Creativity

The following table shows the breakdown of the number and value of grants to generic business support projects which would also have supported Creative Industries in each Priority and Measure.

Priority and Measure	Number of Generic Grants Supporting Creative Industries	Value of Generic Grants	Total Amount in Priority and Measure	% Amount to Generic Projects
<b>Priority 1 - SME and micro-business support</b>				
Measure 1.1 Creating the economic conditions for competitive SMEs and Businesses (ERDF)	2	£6,094,000	£6,332,412	96.24%
Measure 1.2 Financial engineering for SMEs (ERDF)	6	£13,931,818	£13,686,892	NA <sup>2a</sup>
Measure 1.3 Developing competitive SMEs (ERDF)	11	£5,520,262	£16,739,929	32.98%
Measure 1.4 Processing and marketing of agricultural products (EAGGF)	0	£0	£16,952,281	0.00%
Measure 1.5 Supporting the new entrepreneur (ERDF)	3	£3,468,811	£3,058,773	113.41%
Measure 1.6 Developing sectors with growth potential (ERDF)	2	£3,649,437	£7,002,721	52.11%
Measure 1.7 New employment opportunities (ESF)	5	£1,584,618	£4,984,545	31.79%
<b>Total Priority 1</b>	<b>29</b>	<b>£34,248,946</b>	<b>£68,757,553</b>	<b>49.81%</b>
<b>Priority 2 - Strategic investments and development</b>				
Measure 2.1 Strategic Sites and Premises (ERDF)	0	£0	£22,263,495	0.00%
Measure 2.2 Employment Growth Centres (ERDF)	3	£2,064,571	£5,995,334	34.44%
Measure 2.3 <i>Transferred to Measures 2.1, 2.2 &amp; 2.5</i>	0	£0	£0	0.00%
Measure 2.4 Strategic Regional Infrastructure (ERDF)	2	£1,435,000	£9,150,113	15.68%
Measure 2.5 Strategic Investments (ERDF)	0	£0	£7,209,385	0.00%
Measure 2.6 Micro-business Workspace Development (ERDF)	0	£0	£0	0.00%
Measure 2.7 The Knowledge Driven Region (ERDF)	2	£8,614,924	£25,563,663	33.70%
<b>Total Priority 2</b>	<b>7</b>	<b>£12,114,495</b>	<b>£70,181,990</b>	<b>17.26%</b>
<b>Priority 3 – Developing people</b>				
Measure 3.1 Active labour market policies (ESF)	0	£0	£6,569,847	0.00%
Measure 3.2 Learning for competitive business and for enterprise – adaptability and entrepreneurship (ESF)	10	£4,709,614	£13,901,517	33.88%
Measure 3.3 Lifelong learning (ESF)	4	£3,003,882	£7,966,444	37.71%
Measure 3.4 Promoting social inclusion (ESF)	2	£3,138,841	£8,756,483	35.85%
Measure 3.5 Increasing the participation of women (ESF)	2	£805,313	£2,698,677	29.84%

2a Over 100% - due to over allocations and splitting of grants across measures in calculations.

# Counting on Creativity

Measure 3.6	Infrastructure for learning (ERDF)	0	£0	£4,914,373	0.00%
Measure 3.7	New employment opportunities (ESF)	1	£703,173	£4,668,424	15.06%
Measure 3.8	Using active labour market policies to promote social inclusion (ESF)	0	£0	£6,319,115	0.00%
Measure 3.9	Research and knowledge (ESF)	0	£0	£2,999,841	0.00%
<b>Total Priority 3</b>		<b>19</b>	<b>£12,360,823</b>	<b>£58,794,721</b>	<b>21.02%</b>
<b>Priority 4 – Community economic development and rural sectoral adjustment</b>					
Measure 4.1	Community economic development (ERDF)	1	£96,207	£3,568,292	2.70%
Measure 4.2	Area based pathways to employment (ESF)	0	£0	£5,569,266	0.00%
Measure 4.3	Investment in agricultural holdings (EAGGF)	0	£0	£1,812,728	0.00%
Measure 4.4	Training (EAGGF)	0	£0	£3,356,527	0.00%
Measure 4.5	Forestry (EAGGF)	0	£0	£2,522,800	0.00%
Measure 4.6	Promoting the adaptation and development of rural areas (EAGGF)	3	£1,052,583	£24,354,616	4.32%
Measure 4.7	Structural adjustment in fisheries (FIFG)	0	£0	£8,579,164	0.00%
Measure 4.8	Community regeneration (ERDF)	6	£1,562,296	£14,247,390	10.97%
Measure 4.9	Processing and marketing of agricultural products (EAGGF)	0	£0	£3,323,772	0.00%
<b>Total Priority 4</b>		<b>10</b>	<b>£2,711,086</b>	<b>£67,334,555</b>	<b>4.03%</b>
<b>Priority 5 – Regional distinctiveness</b>					
Measure 5.1	Securing the benefits from the arts, cultural and heritage industries (ERDF)	1	£85,000	£9,454,221	0.89%
Measure 5.2	Enhancing and developing the public product (ERDF)	1	£68,000	£8,971,245	0.76%
Measure 5.3	The knowledge driven region (ERDF)	1	£550,426	£37,967,605	1.45%
Measure 5.4	Research and knowledge (ESF)	1	£198,546	£3,757,623	5.28%
Measure 5.5	Improving and developing the public realm (ERDF)	0	£0	£6,065,111	0.00%
<b>Total Priority 5</b>		<b>4</b>	<b>£901,972</b>	<b>£66,215,805</b>	<b>1.36%</b>
<b>Total All<sup>3a</sup></b>		<b>69</b>	<b>£62,337,322</b>	<b>£331,284,624</b>	<b>18.81%</b>

## 6.7. Investment clusters

The Objective One Partnership has analysed grants into sectoral clusters under the following headings:

- Business Support
- Digital Infrastructure
- Infrastructure
- Local Produce
- Public Realm

3a Not including Technical Assistance allocations/grants.

# Counting on Creativity

- Sites and Premises
- Knowledge Economy
- Way to Work
- Tourism
- Training and Skills.

An analysis of these grants (see table, below) shows that Creative Industries projects are not represented in five sectors (Digital Infrastructure, Infrastructure, Local Produce, Public Realm and Way to Work). Specific creative projects appear particularly strongly in the Knowledge Economy cluster, with 25% of the projects and 35% of the amount of money. Much of this is accounted for by major grants to CUC. Furthermore, generic projects within many of the clusters will also have had an impact on Creative Industries clients - e.g., business support agencies.

Sector	Number of Creative Industries Grants	Amount £'s to Creative Industries
Business Support	11	£5,517,188
Digital Infrastructure	0	0
Infrastructure	0	0
Local Produce	0	0
Public Realm	0	0
Sites and Premises	3	£2,225,619
Knowledge Economy	7	£22,725,419
Way to Work	0	0
Tourism	3	£1,930,625
Training and Skills	5	£1,316,717
<b>Total</b>	<b>29<sup>4a</sup></b>	<b>£33,715,568</b>

## 6.8 Funding streams

### 6.8.1.ERDF/ESF/EAGGF

Creative Industries programmes contributed to the different funding streams as follows:

Funding Stream	Number of Creative Industries Grants	Amount of Creative Industries Grants	Total Amount in Funding Stream	% Amount to Creative Industries
ERDF	24	£37,234,215	£205,496,460	18.1%
ESF	8	£4,669,036	£68,893,477	6.77%
EAGGF	1	£63,819	£52,322,724	0.12%
<b>Total<sup>5a</sup></b>	<b>33</b>	<b>£41,967,070</b>	<b>£326,712,661</b>	<b>12.8</b>

As expected most direct funding came through ERDF and ESF.

4a There are four Creative Industry grants missing from this table because the Objective One Partnership Office classification of grants by cluster is incomplete on their website.

5a Not including Technical Assistance allocations/grants.

# Counting on Creativity

## **7. Strategy development**

**“The problem with strategy is who is going to deliver it - strategy written in isolation from the sector will not work. It will not get acted on.”**

Richard Glover, Chief Executive - The Poly, Falmouth

## 7.1. Findings of the strategy level research

This section reports the findings of the qualitative interviews conducted with:

- Strategy level officers and other key individuals and stakeholders from the sector involved with strategic decisions
- Delivery officers and
- In-depth beneficiary studies

This was to ascertain their opinions on the creation of the sector strategy and its implementation. The findings here reflect a summary of their individual responses<sup>38</sup>. A very large amount of qualitative data was collected and not all comments and opinions could be included. Where the same or similar opinions or issues were voiced more than once they have been included; also, individual opinions have been included where points were made that were particularly pertinent, insightful or useful.

### 7.1.1. The decision making process

In the early stages there was no identifiable strategy in the creative sector. Responsibility for strategy development and for engagement with Objective One fell to the Cultural Industries Task Force which was brought together in response to the Single Programming Document. The initial formation of the Task Force is universally agreed by respondents to have been undemocratic, but nonetheless reasonably inclusive, process. It fell to the Jenefer Lowe, then Arts Officer for Cornwall County Council, to select the original members and form the group.

The setting up of the Cultural Industries Task Force was an important stage in organizing a disparate sector peopled by practitioners and individuals largely operating in both geographic and professional isolation. The seeds of a coherent sector were already in existence with networks such as Cornwall Promoters' Consortium, Cornwall Arts Network and Theatre Cornwall, and partnership projects such as CAM and Training for Arts which had emerged under Objective 5b funding. These groupings mainly included the Performing Arts – a sub-sector by its nature a less isolated and more network-orientated – and, as a consequence, it was the Performing Arts that dominated the Task Force initially. Visual Arts followed, and gradually other sub-sectors gained a footing. The Task Force itself was very aware of the need to be inclusive and so great efforts were made to expand the membership and expertise base, though again this was still done by suggestion and invitation rather than any democratic process.

One of the major drawbacks was the lack of specific and relevant data on the sector in the county. There was simply no critical evidence base. Furthermore, the sector in Cornwall did not appear to fit the models for the Creative Industries that were appearing nationally. For example, Cornwall's levels of freelance and sole traders were generally accepted to be much higher than the national averages. Linkages to other priorities were not clear. The first step to the development of any kind of coherent strategy was in filling the data gap. *Creative Value - The Economic Significance of the Creative Industries in Cornwall*<sup>39</sup> was commissioned by CAM, providing the first serious attempt to measure the creative sector in Cornwall. This provided the necessary evidence base on which a coherent argument could be built.

The general perception of the process of bringing together the Task Force is that it was a positive experience and reasonably inclusive, despite the lack of representation and the low level of strategic thinking in the very early stages. Communication was sufficiently good within the group to push the overall agenda for the sector forward. Nonetheless, interviewees reported there was limited optimism and some cynicism from within the sector towards the Task Force and its aspirations.

<sup>38</sup> For full details of respondents see Appendix F

<sup>39</sup> *Creative Value* (Perfect Moment, March 2003)

# Counting on Creativity

## 7.1.2. Effectiveness of the Task Force

Opinions on the effectiveness of the Task Force were mixed. On the positive side, the Task Force was seen as part of a general sea-change, including passionate people representing their sub-sectors, thereby enabling the sector to be seen as an industry for the first time. It brought together a disparate group of people to work together rather than individually and in their own interests.

The Task Force recognized that this was the 'moment' for the Creative Industries, responding to the opportunity that Objective One provided and engendering a positive psychology.

It identified shared needs, e.g. skills and marketing, and was effective in reconciling the intellectual and emotional environment of the arts and creativity with the need to be business-like. The Task Force was seen to be most effective when it had something specific to do. When it was not focused on a task or problem it was less effective.

Key criticisms which interviewees reported included that the Task Force had no clear remit at the start and had insufficient strategic thinkers, so its combined membership did not really understand the need for strategy or the 'know-how' to put one together. Lack of strategy meant that applicant companies continued to respond to Objective One in a project-led, short-term way.

Respondents reported that the Task Force was perceived to be unwilling to be unpopular and take unpopular decisions and therefore showed no clear leadership.

Communication with the sector was not always good, so understanding of what the Task Force was doing was low and it was seen as self-selecting, undemocratic and representing the 'same-old' interests. It also had insufficient private sector representation. Sometimes paperwork and administration was poor, so there was insufficient time to prepare for meetings and consult more widely - leading to valuable insights being missed.

There was a concern that the Task Force was not always heard properly as a voice and therefore was not consulted by GOSW/Priority Management Groups over decisions - being used rather for endorsement of decisions that had already been made. An example of this quoted was the SW Film Studios proposal at St Agnes which was opposed by the Task Force, but accepted by GOSW.

## 7.1.3. Relationships

- *Objective One*

Objective One was delivered on the ground in Cornwall from two bases. At a grass roots level was the Objective One Partnership Office in Truro. The GOSW for Objective One was based in Plymouth. This was the office that received applications and monitored projects. The Task Forces were not geographically based, but their co-ordinators were generally but not exclusively at Cornwall Enterprise in Truro. The opinion of the sector agencies is that GOSW was generally easy to deal with and very flexible throughout. Although bureaucratic, the system was not difficult to work with, once understood. However the lack of co-location caused some problems with co-ordination.

In the earliest stages, the relationship of the Creative Industries with Objective One was weak, with the sector having little representation or consultation in the writing of the SPD. This was simply because at the outset of Objective One Creative Industries were not being seriously considered in Cornwall in economic terms. Over time, the relationship greatly improved, due to the work of certain key individuals which increased the understanding of the creative sector and its economic significance. There was brief deterioration in relations and communications with the Objective One offices when Creative Kernow formed. This was basically due to a shift in perception as the sector's representatives became a funded body and therefore 'on the other side

# Counting on Creativity

of the fence'. Relations gradually improved again and went from strength to strength. Currently, the Creative Industries is seen to have a strong fit with Objective One strategies and the revised SPD identifies it as a growth sector.

One criticism reported is that relationships have tended to be limited to certain organizations and individuals, creating a perception of a 'closed shop', and that this needs to be challenged in order to create a more open funding system.

Creative Industry projects tended to be placed under Objective 5. This failed to take on board their cross-cutting significance and relevance to other sectors and priorities.

- *Learning & Skills Council*

The main relationship here was between the LSC and Creative Skills which has managed £583,000 of co-financing. This is viewed by both parties as a good relationship that has matured over time. Creative Industries is seen as an important sector by the LSC and representatives of Creative Skills now sit on Cornwall's Workforce Development Group. The LSC is seen as accessible and easy to work with by Creative Skills. The emphasis on accreditation and Entry Level 2 qualifications and training is a significant problem for the creative sector which already has a workforce predominantly qualified over Level 3 and this is an important issue for the future. Levels of support from officers were found to be very helpful and intensive.

Relationships with smaller projects have been less productive and the LSC model is difficult to apply to more commercial settings and skills needs especially for the design sub-sector, e.g. training for specific software packages.

There has been no funding relationship with CUC/UCF as the LSC is unable to be involved with Higher Education. This could be a problem under Convergence, where all ESF funds are likely to be co-financed.

- *Other funding strategies*

- o Prior to Objective One, the most significant funders for the Creative Industries in Cornwall were the local authorities and South West Arts (now Arts Council England South West, hereafter referred to as ACESW). Two programmes had been set up with Objective 5b funding from Europe - CAM and Training for Arts
- o The Cultural Industries Task Force Strategies deliberately tried to tie in to other strategies and be the first point of contact and connectivity for the RDA, ACESW etc., the idea being to "make the money come together and work together".
- o Relationships have continued to be strong with ACESW which operates an open-handed funded system through 'Grants for the Arts' and is perceived as allowing 'trust' and operating a 'light touch' or 'arms length principle'.
- o With local authorities there have also been some positive developments, most recently with the formation of the Unit at Cornwall County Council, merging the former arts office with Creative Kernow to form a centrally based strategic development body for Cornwall. Penwith District Council is also funding a sector-specialist business support officer as part of the Creative Skills team based in Penzance
- o Relations with the RDA have been slower to develop with a perception they do not fully understand the sector in Cornwall. However, through the work of Culture South West and the Creative Unit and the influence of the *Creative Value* report this situation, and hence the relationship is gradually improving
- o The sometimes conflicting requirements of the different funding relationships can create tensions. Economic targets of Objective One are not always in keeping with targets of other funders. The success or otherwise of projects often came down to individuals and their ability to interpret and translate economic programmes

# Counting on Creativity

in artistic terms and vice versa. An example of this was CAM, which was funded by ACESW as well as Objective One. While having to demonstrate the artistic justification for its ACESW funding, CAM also found itself pushed towards a wider cultural heritage marketing programme by GOSW. If not managed appropriately, tensions of this kind can cause rifts between an organization and its clients due to gaps in understanding of the pressures exerted on the organization by its funders

- o Relations between the UCF development and the other Creative Industry agencies were weak to begin with. Possibly in the early days a 'fear of Falmouth' and the scale of its developments there were seen to threaten other aspirations in the sector. Although this coloured early debate and interactions, the situation has improved hugely, so that UCF and the other agencies now enjoy close working relationships in programme development and delivery.

## 7.1.4. Development of the strategy

Perceptions are that the first strategy was largely built on the back of existing programmes such as CAM and the forerunner of Creative Skills, Training for Arts, rather than on any strategic thinking. This was considered to have been by necessity, as it was essential to have projects that were up and running, and these were agencies that already had experience of delivering European funded projects. As the sector came together, formed itself and gathered knowledge and evidence, so the second strategy, though similar in shape to the first, was able to be more informed.

It was noted by a few respondents that there is still tension and lack of clarity over the issue of regional distinctiveness and 'Cornishness' which has not been resolved. This was the backbone of Priority 5 and is still important to Cornwall's future in terms of identity and aspirations; however, insufficient progress has been made in this area. It is questionable whether Objective One was ever the right programme to address this issue because of its economic remit.

## 7.1.5. Implementation of the strategy

The perception is that most of the strategy in its final form was successfully delivered.

- Of the sub-sector action plans, it is considered that roughly 50% of specific actions were achieved, although these were largely wish-lists drawn up by the sub-sectors themselves:
  - o Visual Arts were particularly successful
  - o Music as a sub-sector was, and is still, a gap. This is considered the most obvious omission and occurred because in such a broad and diverse sub-sector representation is difficult. Moreover, there has been no representative development body for music as there is with theatre, dance, design and other sub-sectors
  - o The production fund for the Performing Arts proved impossible to implement due to the difficulty in demonstrating sufficiently increased turnover (30%) from the direct investment
  - o The festivals strategy was not delivered due to difficulty in demonstrating impact
  - o Craft and Media received direct support under Creative Kernow, and Media did also through Cornwall Film
- Of the overarching themes:
  - o CAM was delivered
  - o Creative Skills was delivered
  - o Plans to develop a programme of support for festivals fell by the wayside as there were difficulties in agreeing with the Objective One team how to measure and prove value in terms of economic impact
- Regarding a development agency:
  - o Creative Kernow formed in 2003
  - o In 2006, Creative Kernow merged with the Arts Office of Cornwall County Council to form the Creative Unit

# Counting on Creativity

## 7.1.6.Changes in the sector & beyond

### *Perceived changes:*

- The profile and visibility of Creative Industries increased inside and outside Cornwall
- Quantity of work and people engaged in the work – simply more happening
- Confidence, ambitions and aspirations are higher
- Greater connectedness and coherence as a sector
- Greater professionalism
- Also mentioned: vision, vibrancy and political positioning.

### *Perceptions of things that have not changed but need to change:*

- Pay levels/prosperity of workforce not changed in real terms<sup>40</sup>
- Sub-sector variations in support
- Geographic inequalities
- Not enough emphasis on quality issues and critical debate
- Too much bureaucracy and too many agencies
- Lack of clarity about roles and remits of agencies
- Professional cliques – still a closed circle for many
- Mindset of practitioners – some still not engaged at all, some still engaged in short-term, project-led way
- Need more active engagement with the marketplace
- Relationship with RDA still needs developing
- Legacy of Objective One is all support systems. There is a question whether these are sustainable
- Clearer vision needed that people can buy into

<sup>40</sup> NB this research shows that this perception is not born out by actual performance and productivity and that GVA per head has actually increased in the sector.

# Counting on Creativity

Identified priorities for the future:

<b>SPACE</b>	<ul style="list-style-type: none"> <li>• Space, including shared space, for workshops and offices</li> <li>• Production facilities – Music, Visual Arts, Performing Arts, etc.</li> </ul>
<b>STANDARDS</b>	<ul style="list-style-type: none"> <li>• Supporting excellence and raising the standards</li> <li>• Emphasis on design and innovation</li> <li>• Ensuring expertise and credibility in agencies/support organizations</li> </ul>
<b>STRUCTURES</b>	<ul style="list-style-type: none"> <li>• Reducing and simplifying the infrastructure</li> <li>• Developing the contribution of culture and creativity to other agendas, including worklessness and social exclusion, and working across sectors, e.g., developing links to tourism and the environment</li> <li>• Developing stronger working relations with RDA and local authorities</li> </ul>
<b>SKILLS &amp; SUPPORT</b>	<ul style="list-style-type: none"> <li>• Delivering more high-level business support</li> <li>• Improving entry to the workplace – links with schools, colleges, etc. Graduate support programmes. Routes to employment</li> <li>• Delivering sub-sector-specific support at a very high level</li> <li>• IT capability – use of new technology. Develop portals – Hidden Art Cornwall, etc.</li> <li>• Building on Creative Skills' achievements</li> <li>• Preparing for exposure to national and international markets</li> <li>• Continuing to support entry-level enterprises</li> </ul>
<b>SUSTAINABILITY</b>	<ul style="list-style-type: none"> <li>• Ensuring survival beyond Convergence</li> <li>• Showcasing work, nationally and internationally</li> <li>• Longer-term programmes</li> <li>• Developing greater links with other strategic initiatives and programmes outside Cornwall</li> <li>• Building export capacity rather than increasing tourism</li> <li>• Regaining the balance of the instrumental and intrinsic value of culture. Not purely about measuring short-term economic returns.</li> </ul>

## 7.1. Summary of key findings for strategy

Interviews conducted for this research uncovered some broadly held opinions and issues about the development of strategy for Cornwall's creative sector.

It is generally held that a coherent sector now exists where none was before and that there is a new vibrancy and excitement around creativity in Cornwall. The quantity of work in Cornwall is widely believed to have increased; the next challenge is to continue to improve the quality of work across the sector.

While a huge amount has been achieved under Objective One, it is recognized that the journey is only half done and there is concern that the achievements of Objective One will not be sustained. Further investment should focus on sustainability. Respondents suggested that sustainability meant raising standards by investing in excellence and in those businesses and organizations that have the potential to give Cornwall an international standing, i.e., investing in the best. Along with the idea of supporting excellence comes an emphasis on supporting research and development - literally allowing people the 'space' and resources to innovate and grow ideas.

There is still considered to be a need to support new businesses, especially targeting those graduates leaving the CUC and UCF who wish to start a Creative Industries business in Cornwall. Brain drain and an ageing population are seen as very real ongoing concerns for Cornwall, and CUC/UCF is seen as vital in redressing the balance. The CUC/UCF underpins the Creative Industries, providing as it does a constant flow of new talent and ideas.

# Counting on Creativity

There is also seen to be a particular need in Cornwall now for specialized support for enterprises in transition, including business and creative mentoring.

It is recognized that Creative Industries have an important role to play also in contributing to the delivery of other agendas in Cornwall. This view is supported by the new Sector Plan emerging from the Creative Unit and is a theme of the Region of Culture<sup>41</sup> proposition. Creativity has a major part to play in regeneration, environmental issues and education. Mainstreaming creativity within these other agendas is important to the sector's sustainability.

Strategy-level interviewees from within Cornwall had little doubt that the profile and distinctive image of Cornwall has changed perceptibly in the last five years and that the Creative Industries have played an important part in that change.

Opinions with strategic personnel outside Cornwall placed importance on Cornwall's role within the wider South West regional picture.

It was the opinion of some interviewees that Cornwall has a limited marketplace for its own Creative Industries, even with the growth of high-value cultural tourism, and in some places and sub-sectors the market is near saturation, for example Visual Arts in St Ives. Therefore, it is considered vital to the sector's sustainability that the future emphasis is on export. Creative practitioners and enterprises need to be encouraged to 'face their market' - to place themselves in national and international arenas. This will not only build them new customer bases, but will serve to raise the standards of their work as well.

## 7.2. Recommendations on strategy

The recommendations provided here are firmly based on the findings of this research, plus knowledge of and research into current best in other areas of the UK. These recommendations have been adopted by the research programme's steering group which included representatives of most of the key organizations involved in delivering support to the Creative Industries in Cornwall.

- There is an important role for a body which represents the sector's interests and which is consulted throughout the Convergence programme. This would provide channels of communication between business clusters and the policy makers through an intermediary group
- A wider set of sub-sectors need to be covered by the support programmes. Music was identified as a particular priority. The Books & Press sub-sector also suffers from a lack of engagement
- Support sub-sector forums and set up new ones where necessary as a key part of the support network
- Establish closer links with established regional, national and international commercial industry structures and players
- There is a need to develop sub-sector marketing, showcasing and trade show opportunities, possibly with a re-visiting of the festivals strategy which was an unfilled aim under Objective One
- A strategy needs to be developed for space and resources
- The use of culture, creativity and the arts in delivering other mainstream agendas needs to be promoted in Cornwall as a way of developing the sector. Particularly relevant to the Convergence agenda would be promoting the established contribution which the arts and culture can make to increasing self-esteem and self-confidence in individuals excluded from the job market
- Ensure consistent and simplified data collection methods and agreed, meaningful measures which will enable much better ongoing monitoring and evaluation and reduce bureaucracy.

<sup>41</sup> Region of Culture is led by Cornwall Culture (formerly CAM) and proposes that Cornwall should be Europe's first designated Region of Culture, similar to the City of Culture designations.

# Counting on Creativity

## 8. The support structure

**“The key to unlocking a better future depends on a shift in the psychological mindset of the arts and cultural sector. We need to be less dependent and accepting of the status quo and more proactive and adaptive. We are pushing at the limits of traditional organizational models.”**

Clare Cooper, Co-director - Mission Models Money Programme

# Counting on Creativity

This section reports the findings of the qualitative interviews across all levels with regard to the support structure that was put in place to deliver the strategy. The findings here reflect a summary of individual responses.<sup>42</sup> Findings from the telephone survey regarding support structure were also used.

## 8.1. Overview of services

The need for overarching, generic support for activities such as marketing and skills development had been identified at a very early stage - initially by groups like Cornwall Arts Network and the Cornwall Promoters' Consortium before Objective One and then formally by the Task Force in their Strategy. CAM supported marketing; Creative Skills addressed skills development needs; Creative Kernow dealt with strategy level work plus providing sub-sector specific support for crafts and media; UCF's support programme developed independently to the others, but dealt again with skills development along with supporting business contacts and movement into the work place. Media received specific support through Cornwall Film.

## 8.2. Findings on support structure & the delivery agencies

### 8.2.1. Interconnectedness of agencies

There appears to have been little strategy in the way these support agencies were created and developed in the first instance. Most of them had existed before in one form or another and Objective One was used to ensure and grow their future.

Fortunately, in most instances the strength and insight of individual personalities working within the organizations, good personal relationships and their understanding of the need to work together meant that the agencies gave the appearance of cohesiveness and close working. In some cases this has been seen as a negative with the agencies appearing to beneficiaries as a 'closed shop' and impenetrable.

The reality, however, was not always so united. Delivery staff reported not always knowing or understanding the remits of the other organizations or why certain functions sat with certain agencies. An example of this is Creative Kernow whose delivery function (media and craft support worker) was seen as being well executed, but as not sitting well within their strategic remit and better suited to a skills-based service provider such as Creative Skills. The most common comment on relations between agencies was 'could be better', although there was acknowledgement that relations had improved in the last three years since the introduction of the monthly 'summit' talks. Some felt that they were treated with suspicion by other agencies protective of their 'patch'. Often the success of relations came down simply to the personalities involved and when those individuals moved on, the relations and communications could change radically.

### 8.2.2. Awareness levels

#### *Strategy level awareness*

Awareness of the various agencies at a strategic level was high, especially for the larger agencies (Creative Skills, CAM, Creative Kernow and UCF). Chiefly, this was down to the efforts of individuals within the agencies ensuring that the profile was kept high and that there was representation at the right meetings. The directors of Creative Kernow and Cornwall Arts Centre Trust were repeatedly cited in interviews as effective ambassadors for the Creative Industries in the early days. CAM was seen as particularly effective at raising the profile outside Cornwall.

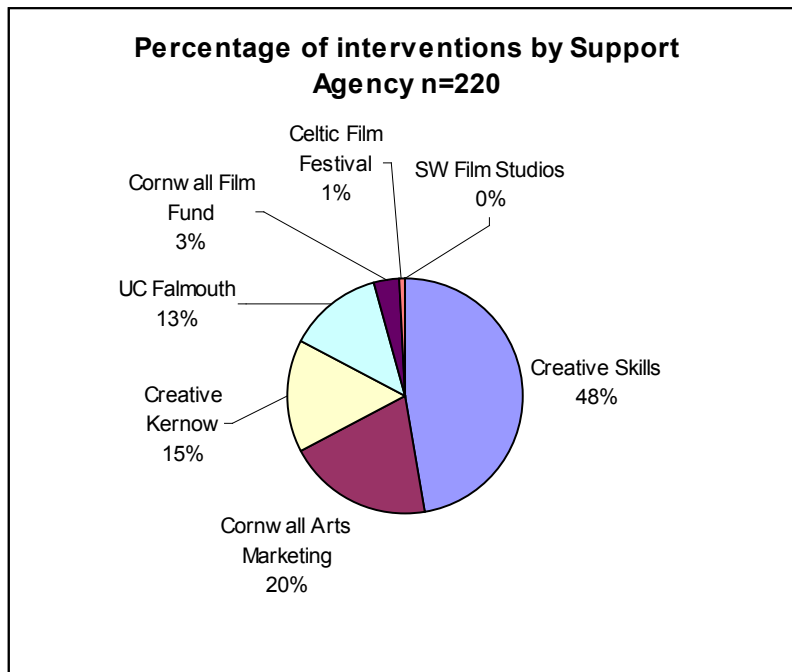
42 For full details of respondents see Appendix F

# Counting on Creativity

## Beneficiary awareness

According to the telephone survey of beneficiaries:

- Of Creative Industry specific support agencies, Creative Skills shows the highest level of awareness and/or use across all beneficiaries at 88%
- Of generic agencies, Business Link shows highest level of awareness and/or usage at 63%.



**Figure 1: Percentage of interventions by agencies**

This is verified by the telephone survey which showed that 48% of interventions were reported as having taken place with Creative Skills. This result may be because a high proportion of our respondents were freelancers/sole traders and Creative Skills is broad in its coverage and easily accessed making it easily the most accessible of the agencies for individuals.

### 8.2.3. Communications

#### *Within the agencies*

Communications within the individual agencies were reported by delivery staff as being generally good for all agencies, especially at a peer level with some room for improvement at management level for all agencies.

#### *Between agencies*

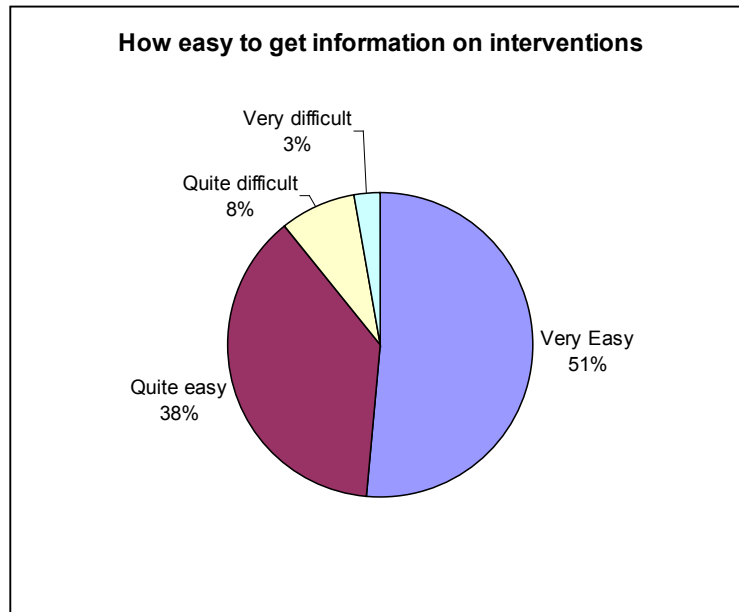
Generally, communication between agencies was seen to have improved since the introduction of the 'summit talks' three years ago, although improvements are still considered to be needed, especially in implementing and taking action on summit meeting findings.

#### *With beneficiaries*

Most beneficiaries (73%) reported hearing about the support agencies through word of mouth in the first instance, and 23% through the agencies' own literature. Only 1% found the agencies through the Internet and 2% through the press.

Once identified, nearly 90% of respondents said that it was easy or very easy to get information on the agency they wanted to approach.

# Counting on Creativity



**Figure 2: Ease of accessing information on agencies**

## 8.2.4. Support provided

Of the support given, the most common form was the allocation of direct funds for professional and business development, including marketing campaigns, supporting training, networking and showcasing (23% of responses). This was followed by one-to-one support in the form of development needs analysis and business support and mentoring (16%), and then Information & advice (15%).

Respondents were asked for the total amount of direct funding received. 86% reported total grants of less than £5,000 and 46% less than £1,000. Less than 1% of grants exceeded £20,000. Only one respondent, the Hall for Cornwall, reported grants totalling over £200,000.

# Counting on Creativity

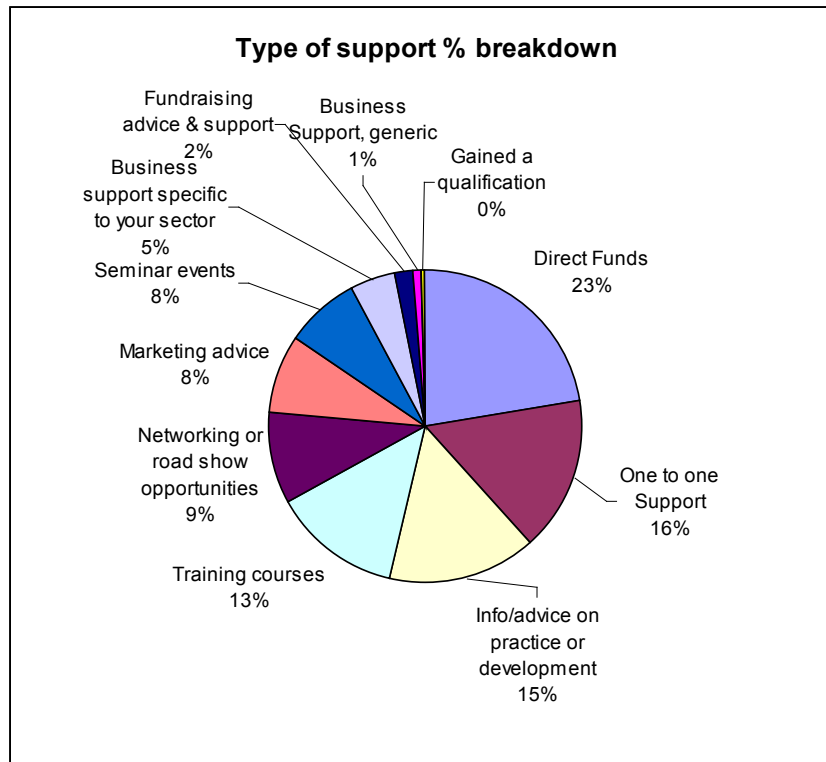


Figure 3: Type of support received

## 8.2.5. Gaps & variations in support

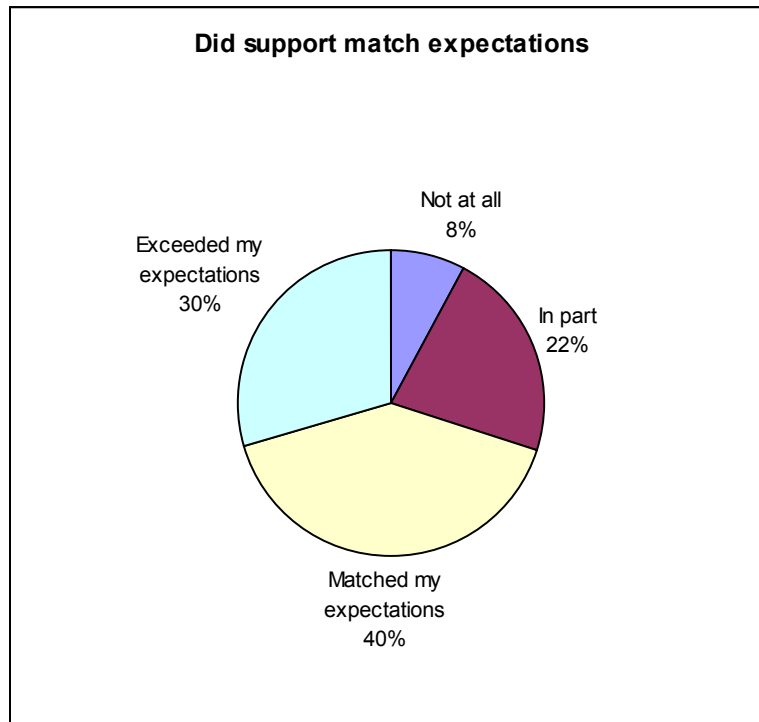
69% of respondents to the beneficiary telephone survey said that there were still areas of need for support that are not currently available in Cornwall. By comparison, the majority of respondents to the delivery and strategy interviews said that the programme was fairly comprehensive. Some of the 'gaps' identified by beneficiaries were actually being filled, so we would conclude here that information was not reaching the beneficiaries for some reason. However, the following gaps and variations in support were identified by respondents at *all* levels of the research and, therefore, are important to mention:

- It is widely recognized that in order to address the complexity of selling work within certain markets (e.g., literature, music, fine art, and theatre) professional agents are required with the expertise and contacts to represent artists in Cornwall and get their work into the national and international markets
- Specific, sub-sector expertise is seen as desirable in the support agencies, along with specific training and specialist marketing support
- Growing networks and links are needed for informal creative exchange, and greater opportunities for artist-led initiatives are desirable
- Development funds and production funds for innovative work are seen as necessary to support new ideas and innovation. There needs to be a greater culture of risk-taking from the support agencies in order to allow opportunities for creative ideas and thinking ideas to emerge and flourish
- There is a lack of mid- to higher-level 'top of the pyramid' support
- Production, studio and office space are widely needed, along with additional equipment and resources for creative work
- IT training, equipment and technology for product development and marketing are needed

# Counting on Creativity

- There is a need to address geographic gaps in support delivery, i.e., North Cornwall, Caradon and Restormel
- There should be greater openness in the way the system works
- Easier access to early stage grants and loans is required along with more infrastructures to assist graduates into the workplace (i.e., building on the achievements of Unlocking Cornish Potential). Training needs to link to actual jobs in Cornwall
- Visual Arts is seen to have dominated over other sectors with little support for music and festivals and limited support for venues. These variations need to be addressed in future programmes.

## 8.2.6. Matching expectations with reality



**Figure 4: Matching beneficiary expectations**

When asked to assess the support received, 70% of beneficiaries reported that it had matched or exceeded expectations with 30% saying that it had exceeded. This does not quite come up to the standards reported by Business Link which showed 90% user satisfaction in 2004-05,<sup>43</sup> demonstrating that there is still some room for improvement.

## 8.2.7. Assessing the standard of support

*(External perceptions)*

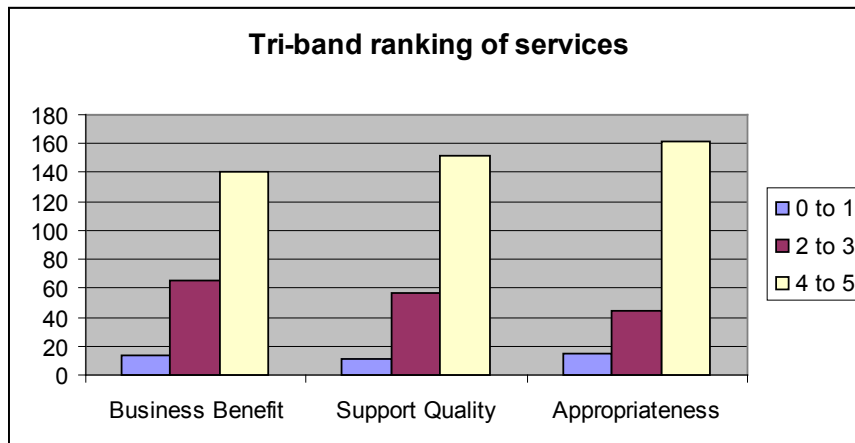
Interviewees in the beneficiary telephone survey were asked to score the agencies with which they had engaged on a scale of 0 to 5 (0 = low, 5 = very high) across the three areas of:

1. **Business benefit**
2. **Quality of support**
3. **Appropriateness of support.**

On all three areas, the overwhelming majority scored 4 to 5 across all agencies.

43 National Audit Office Value for Money Report: Executive Summary

# Counting on Creativity



**Figure 5: Ranking of services for agencies**

- **UCF** scored the highest in satisfaction scores with 83-90% scoring 4 or 5 on each area. Its strongest area was appropriateness of support<sup>44</sup>
- **Creative Skills** scored between 66-76% at 4 or 5 on each area. Its strongest area was appropriateness of support
- **Creative Kernow** scored very consistently across all areas (between 62 to 65% at 4 or 5 on each area). Its strongest area was quality of support
- **CAM** scored between 40 to 59% at 4 or 5 on each area. Its strongest area was appropriateness of support
- **Cornwall Film** and **Celtic Film Festival** only had 9 questionnaires returned between them, too few to analyse, but most of which were very positive
- Across all support agencies, appropriateness of support scored most highly and business benefit lowest.

### *(Internal perceptions)*

Delivery staff were also questioned on their perception of the standard of support given in terms of appropriateness, quality and business benefit. Overall their perceptions tended to corroborate the perceptions of beneficiaries:

- **UCF** was seen as very appropriate and of high quality and benefit in terms of the service offered to beneficiaries
- **Creative Skills** staff saw their service as very appropriate in its responsiveness and of high quality, but always trying to improve
- **Creative Kernow** also saw itself as very high quality and highly appropriate, especially in its sub-sector expertise
- **CAM** had mixed feedback from delivery staff here, as it did from beneficiaries. It was perceived as being highly appropriate and effective during the first two phases, but benefits and appropriateness were less consistent in the third phase, though it was suggested that this was possibly due to high staff turnover
- **Cornwall Film** also saw itself as very responsive to the needs of the sector and therefore very appropriate. There were no responses for the **Celtic Film Festival**.

<sup>44</sup> Respondents were entirely drawn from the MA student beneficiaries of CEC.

# Counting on Creativity

## 8.3. Analysis & evaluation of the findings on the support structure

### 8.1.1.SWOT analysis

<p><i>Strengths</i></p> <ul style="list-style-type: none"> <li>• Creative Skills' highly responsive model easily accessed by individuals as well as companies</li> <li>• CAM effective in communicating outside of Cornwall</li> <li>• UCF Business Fellows and Creative Kernow support workers provided very high level of expertise in certain sub-sectors</li> <li>• Very good word of mouth communications in place for all agencies</li> <li>• High level and quality of Visual Arts support</li> <li>• Generally good internal communications within individual agencies</li> <li>• High level of appropriateness and effectiveness for all agencies in terms of benefits and quality of service</li> <li>• Generally high level of belief and confidence in services expressed by delivery staff</li> <li>• Graduate level support available through UCF</li> <li>• High amount of entry-level support</li> <li>• Creative Kernow craft support was highly focused and results-driven</li> </ul>	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> <li>• Over-complicated structure would benefit from simplification and clarification</li> <li>• Web presence needs improving for most agencies</li> <li>• Geographic gaps in service provision</li> <li>• Sub-sector gaps in provision - music, festivals, etc</li> <li>• Inconsistent communication and interconnectedness between agencies</li> <li>• CAM less effective at communicating within Cornwall</li> <li>• Insufficient high-end support for larger and more mature companies</li> <li>• Inconsistent standard of support for Creative Kernow between Crafts and Media</li> </ul>
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> <li>• Improve consistency of geographic spread</li> <li>• Greater interconnectedness of all agencies</li> <li>• Building on Creative Skills model to create highly responsive and appropriate model of delivery</li> <li>• Building on UCF Business Fellows Model and Creative Kernow support workers models to increase expertise in sub-sectors where gaps exist</li> <li>• Increase opportunities for graduate access to workplace and work experience</li> </ul>	<p><i>Threats</i></p> <ul style="list-style-type: none"> <li>• Agencies continue to fight their own corner for funding at the expense of the overall support structure</li> <li>• Overly responsive rather than a strategic needs-led model might be less effective and result in less sustainability for sector</li> <li>• High turnover of staff causes breakdown in relations and communications between agencies and inconsistent levels of support for beneficiaries</li> </ul>

## 8.4. Summary findings on individual agencies

Overall, the response to the various support agencies across all levels of the research was overwhelmingly positive. The following comments and recommendations for each of the individual agencies need to be viewed within this generally positive context.

### 8.4.1.University College Falmouth (UCF) findings

- UCF and the development of CUC whole was seen at all levels of the research as vital to underpinning the creative sector. The quality of the facilities on offer and the range of courses now available, as well as the lure they provide to students and creatives from elsewhere, all provide hugely exciting opportunities for the Creative Industries in Cornwall
- The subsidy offered to postgraduates under CEC was pivotal for many respondents

# Counting on Creativity

in deciding whether to study in Cornwall, or whether they could afford to study at postgraduate level at all

- The Business Fellows, rather like the Creative Kernow support workers (see below), were seen as inspiring and effective providing high end expertise for new entrants to the sector
- Some Business Fellows expressed frustrations about not being able to fulfil their true potential within the constraints of the college system.

## 8.4.2. Creative Skills findings

- Creative Skills emerged as an organization well-loved and respected by all. In truth, there were very few criticisms of this agency either by staff, beneficiaries or other agencies
- The culture of Creative Skills from the top down, the experience of its staff and their ability to listen to the needs of the sector and respond appropriately was seen as extremely beneficial and possibly in need of replication in other agencies
- Creative Skills has, in the opinion of many respondents, the capacity to grow beyond its current range and repertoire and to incorporate much needed sub-sector-specific expertise, much as was done by Creative Kernow before its closure. Nonetheless, a few notes of caution were voiced:
  - o The quality of the courses should be carefully monitored to ensure that they are consistently of the very highest standard.
  - o That Creative Skills is still seen to be dominated by Visual Arts and that this imbalance should be rectified
  - o High-end sub-sector-specific expertise was needed for some, though not all, sub-sectors (e.g. music, theatre) and that expertise covered by Creative Kernow should come under the umbrella of Creative Skills where it was seen to have a better fit
  - o Creative Skills should be wary, in its desire to preserve its well-loved position, of giving beneficiaries what they *want* rather than what they need.

## 8.4.3. Creative Kernow findings

- The strategy work of Creative Kernow was not understood or even known about by many people at the grass roots of the sector
- Amongst the strategic interviewees, Creative Kernow and its director were universally well known and respected
- The vision of the organization, its ability to think and be strategic was seen as highly instrumental in raising the status of the Creative Industries and making its case economically
- Creative Kernow's merger with the Cornwall County Council Arts department must be seen as a final testimony to their success in ensuring that the Creative Industries are now taken seriously in Cornwall at the highest levels
- Within the sector itself, Creative Kernow is first and foremost known for its front line delivery work in sector-specific support. In particular, the work of its crafts officer, who was repeatedly cited by beneficiaries as pivotal in their career development. To quote one recipient, the strength of her style was in her willingness to give 'tough love'. Some criticisms were voiced of this style in the research, but this may be due to individual beneficiaries not being given what they wanted. She worked with designer/makers with whom she knew she could really achieve results and where she could make a big difference. The purpose of her role was to achieve economic results and that was the focus of her work. In this, Creative Kernow differed greatly to the more responsive style and culture of Creative Skills
- With the closure of Creative Kernow and its emergence as the Creative Unit, the role of these support workers is already sorely missed within their sub-sectors and there is a hope and expectation being voiced that these roles will emerge again within another setting, possibly Creative Skills. There is also an acknowledgement of the need for these roles

# Counting on Creativity

to be replicated in other sub-sectors. What makes these roles distinctive is that they are commercially focused, results-driven, high end support workers with an in-depth working knowledge of their sub-sector. Any incorporation of these roles within Creative Skills, or any other agency, would need to allow for this ethos to continue.

## 8.4.4. Cornwall Arts Marketing (CAM) findings

- CAM received the most mixed opinions of the agencies reviewed. The reason for this appears to have been the various stages and changes of staff that the agency has undergone. The impact has been changes in remit and purpose that have not been communicated well to the sector.
- In its earliest manifestation, as a pure and simple marketing support agency for a limited group of partners, CAM was very well received by beneficiaries who could easily comprehend the benefits of direct subsidy. Since those earliest days, the relationship has become more complicated. As CAM's remit became more strategic, so expectations were harder to manage
- From a strategic point of view, CAM is seen to have been very effective in raising awareness of Cornwall's Creative Industries generally outside of Cornwall
- CAM is also seen as capable of generating big ideas. *The Guardian* marketing campaign, Paddington Station promotions and the Region of Culture initiative are strong examples
- This change of focus to strategic work was not conveyed effectively to clients within Cornwall and led to confusion over its changed activities and some loss of support from within Cornwall as expectations of clients were not met
- High staff turnover also created problems in building and maintaining customer relations with client organizations
- As the funding distribution side of the support ended, so the relationship became harder still, with the effect of overshadowing CAM's many positive achievements.

## 8.4.5. Unlocking Cornish Potential findings

Although not specifically a Creative Industries support agency, UCP needs a special mention in this section because it was found in the course of this research to have played a significant part in the support and development of a number of Creative Industry businesses, particularly in the higher performing business investigated in the in-depth study. Four of the nineteen in-depth studies had received one or more interventions from UCP.

As mentioned in Section 6.3.1, UCP supported 20 different Creative Industry companies in 33 interventions by part-funding graduate placements, helping with recruitment and providing company development work, business planning help and graduate mentoring.

UCP's work was seen as pivotal by beneficiaries in accelerating the growth of their enterprise by giving them much needed, timely support in taking on a new member of staff, either for the first time or in order to undertake a change of direction or expansion. It did this by offering not only financial support and help with the recruitment, but also by giving the client the confidence to undertake a large commitment critical to their development.

## 8.5. Overall findings on support & delivery

It was generally considered that most areas of business and skills support were covered by the various agencies with some duplication. It was suggested many times that communications and connections between agencies could be improved and indeed that the support structure, which had evolved over a number of years, now requires simplification and streamlining to make it more navigable, efficient and fit for purpose. As highlighted by Burns Owens Partnership Ltd, the Business Support Simplification Programme (BSSP) also has implications for the funding of regional support programmes.<sup>45</sup>

Entry-level support was generally agreed to have been very good and it is recognized that there is still a constant need to meet the requirements of new entrants. More expert-level and sub-sector support is now considered vital for the creative sector.

Any new structure needs to balance responsiveness to client with a results-focused and challenging ethos in order to support innovative ideas while raising standards.

It is considered important that strategy development is well connected to the reality of delivery and its constraints. It is also recognized that it is confusing for clients and for other agencies when an organization moves from a strategic to a delivery role and vice versa. If this is not adequately communicated, it can affect the reputation of the agency and its external relationships.

## 8.6. Recommendations on support & delivery

The recommendations provided here are firmly based on the findings of this research, plus knowledge of and research into current best in other areas of the UK. These recommendations have been adopted by the research programme's steering group which included representatives of most of the key organizations involved in delivering support to the Creative Industries in Cornwall.

- Find ways to simplify and unite the infrastructure and make it easier for the user to navigate
- Improve communications between agencies and the sector in order to:
  - Expand the range of beneficiaries
  - Ensure grass roots understanding of what agencies are trying to achieve
  - Set up sub-sector groups to inform strategists of needs
  - Build on the legacy of Creative Skills' programmes under Objective One in providing skills and training programmes that are able to be responsive to the needs of beneficiaries and allow for innovative learning
- Make it clearer to beneficiaries what support is available and reduce the 'expectations gap'
- Deliver a wide range of marketing support activities including:
  - Working to ensure that excellence in the Creative Industries is part of any generic marketing of Cornwall
  - Developing brands of excellence for creative activity in Cornwall
  - Investing in export and high level showcasing opportunities to develop markets beyond Cornwall
  - Embedding understanding of fundamental marketing skills within organizations and practitioners
  - Encouraging and supporting organizations to use professional marketing support where relevant
  - Actively encouraging and enabling beneficiaries to face their markets – using professional support where relevant.

<sup>45</sup> *Creative Industries Collaborations - Developing the Creative Economy in the South West of England* - Burns Owens Partnership Ltd (March 2007).

# Counting on Creativity

- Invest in and develop the arts support at all levels:
  - Continue to provide seeding support and 'something for everyone' to maintain a strong base at entry level and early stage development
  - Provide access to extra and targeted transitional support to help enterprises with the will and potential to take the next development step
  - Invest in excellence - high growth and flagship enterprises that raise standards and aspirations and provide Cornwall with internationally recognised elite product
  
- Extend and develop the existing Business Needs Analysis service offered by Creative Skills to allow for a more holistic and co-ordinated approach to managing multiple interventions for beneficiaries
- Support greater and more effective use of technology in creative practices
- Build a culture of success based on maintaining a balance between financial sustainability and artistic product success
- Support a culture of risk-taking necessary to the development of innovative ideas
- Sustain, support and increase engagement with UCF and CUC to address brain drain, increase knowledge transfer and underpin the professional infrastructure by:
  - Increasing graduate retention
  - Encouraging business spin-offs from academic staff
  - Encouraging businesses to relocate because of research and development opportunities
  - Working with Unlocking Cornish Potential to develop a specific programme to support graduate access to employment in the Creative Industries.
  - Establishing the best way in which the UCF's knowledge about trends and developments in specific sub-sectors can be made available to the sector
  - Increasing access by the sector to UCF's most cutting edge resources. Availability of these should be made well known and accessible
  - Improving liaison between the Business Fellows and other mentoring programmes to enhance the offer to the sector.

# Counting on Creativity

## 9. Beneficiary profile and impact

**“I’m from the brain drain generation, really, and a lot of my friends left after school and never came back and people thought that I was sacrificing my career to come back here. But, actually, my career has grown faster than it ever would in London.”**

Helen Gilchrist, Editor, Stranger Magazine

# Counting on Creativity

## 9.1. Summary of findings from overall dataset analysis

The analysis of beneficiary data provided by the sector support organizations, and GOSW returns has shown the following headlines:

- In total, 372 beneficiary companies were reported with 2,487 individual beneficiaries
- The area between Penzance, St Ives, Truro and Falmouth (incorporating Camborne, Pool and Redruth) dominate the Creative Industries sector in Cornwall in terms of numbers of people and businesses supported
- Restormel and Caradon show a very low percentage (3%) of beneficiaries. This would suggest future interventions need careful planning in these areas
- Only 5% of beneficiaries were under 25. This is an important area for the Creative Industries which look to attract and retain graduates in the county
- There were nearly twice as many female beneficiaries as male.

## 9.2. Data issues & definitions

This section of the report uses information from the returns provided by the Creative Industries projects to GOSW as part of their reporting requirements including the numbers of beneficiaries, geographical distribution of beneficiaries and any demographic trends. The following caveats are linked to the quality of the data:

- Some of the completed projects recorded no beneficiaries. This was because they were feasibility studies or the funding was for capital/building work. As a result of this, the project did not need to record individual beneficiaries
- Some projects are too new to have recorded beneficiaries as they received funding relatively recently and are only just starting
- Of the projects that did record beneficiaries, there are inconsistencies in the way data were captured. Some projects (both revenue and capital) recorded clear breakdowns of beneficiaries, others did not. Some recorded gender alone, others a full age, gender and district breakdown
- There is also a variance in definitions of Objective One 'outputs' and numbers of 'beneficiaries'. This is due to the need for delivery of over 30 hours of support to define a person or company as an 'output'. Beneficiaries could have been supported for a much shorter amount of time, yet the intervention could still have been useful or effective
- The difference between a 'company beneficiary' and an 'individual beneficiary' is important to note. A company beneficiary is defined as an organization or business unit, whereas an individual beneficiary is a single person
- Some organizations have recorded all the individuals within one company as beneficiaries.

This confusing picture makes a definitive analysis difficult. However, the numbers of beneficiaries recorded are large enough to give a reasonable overview of geographic and demographic variations.

# Counting on Creativity

## 9.3. Geographic, demographic & sub-sector spread

### 9.3.1. Existing data

The geographic spread of beneficiaries (both companies and individuals) shows a very strong trend towards the west of the county.

#### Distribution of company beneficiaries by district

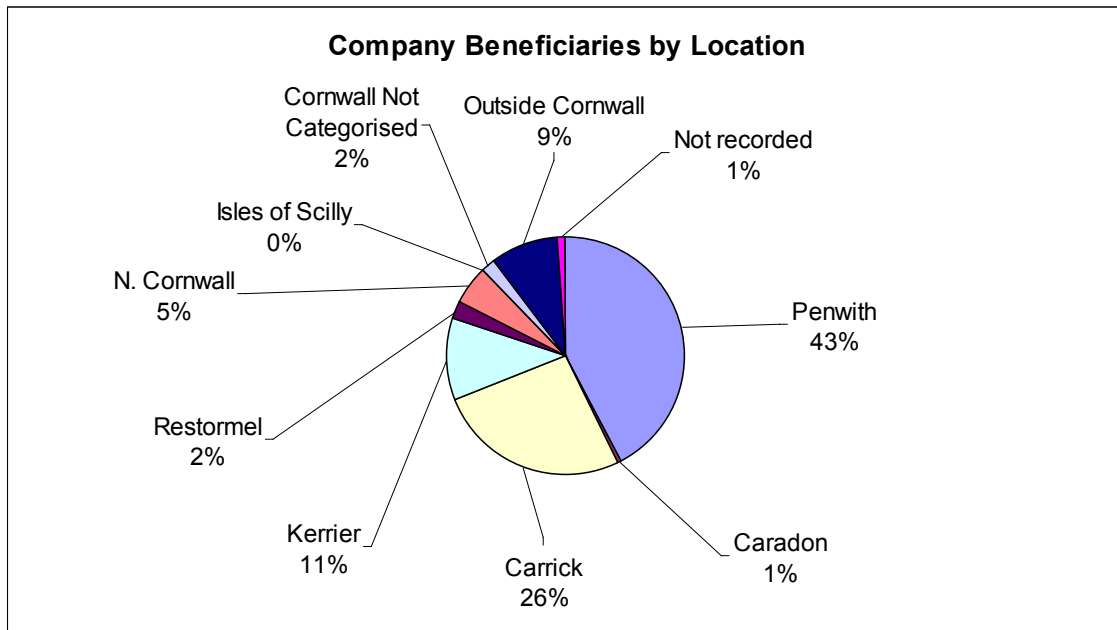


Figure 6: Company beneficiaries by location

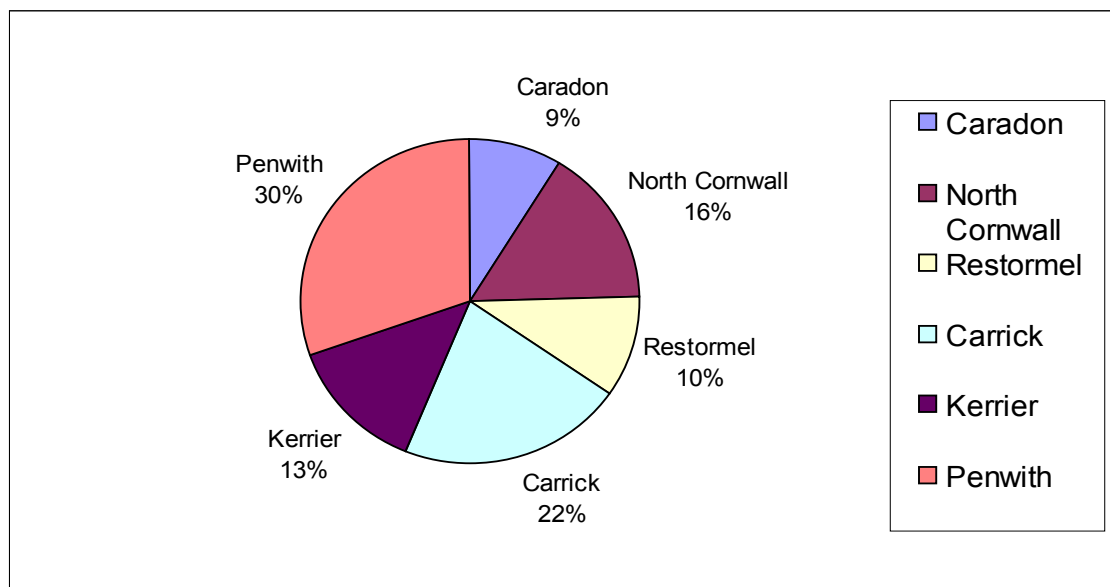


Figure 7: The spread of CI companies in Cornwall<sup>46</sup>

46 Creative Business Parc (Redruth) Demand Study - Perfect Moment (May 2005)

# Counting on Creativity

- Well over three quarters of **company beneficiaries** came from the districts of Penwith, Kerrier and Carrick (a total 80% of company beneficiaries)
- The district with most company beneficiaries was Penwith with 138 or 43% of the total
- Restormel and Caradon showed a very small percentage of company beneficiaries - only 3% combined
- 9% of beneficiaries were recorded as being from outside Cornwall. These are all linked to the Celtic Film and Television Festival project. At this event all companies attending were recorded as beneficiaries.

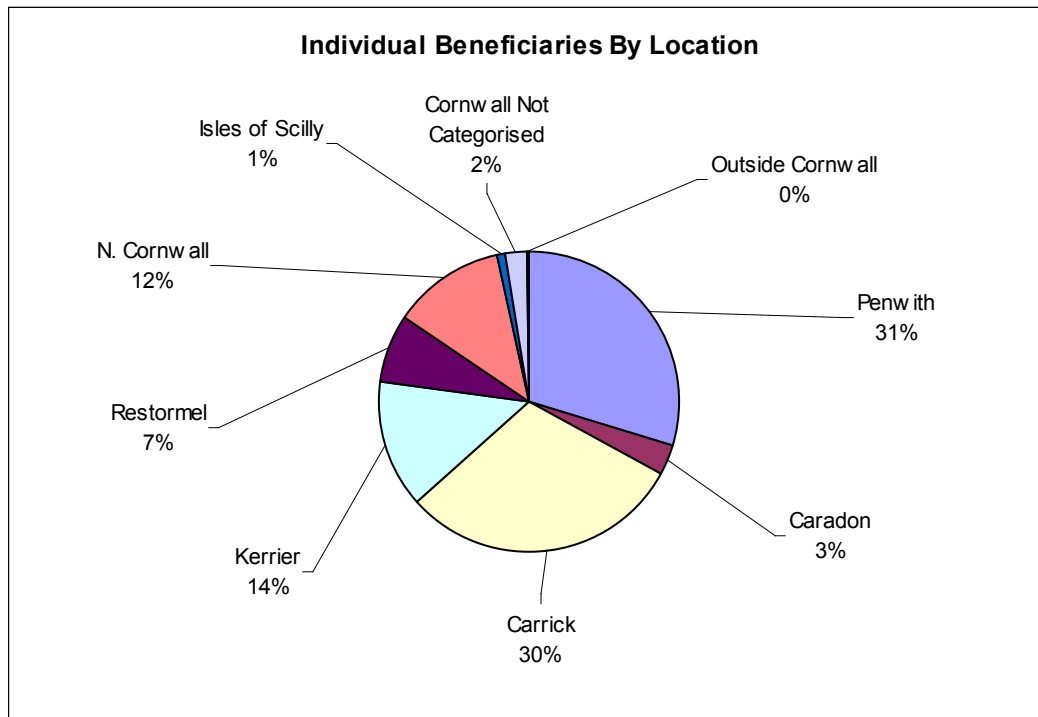
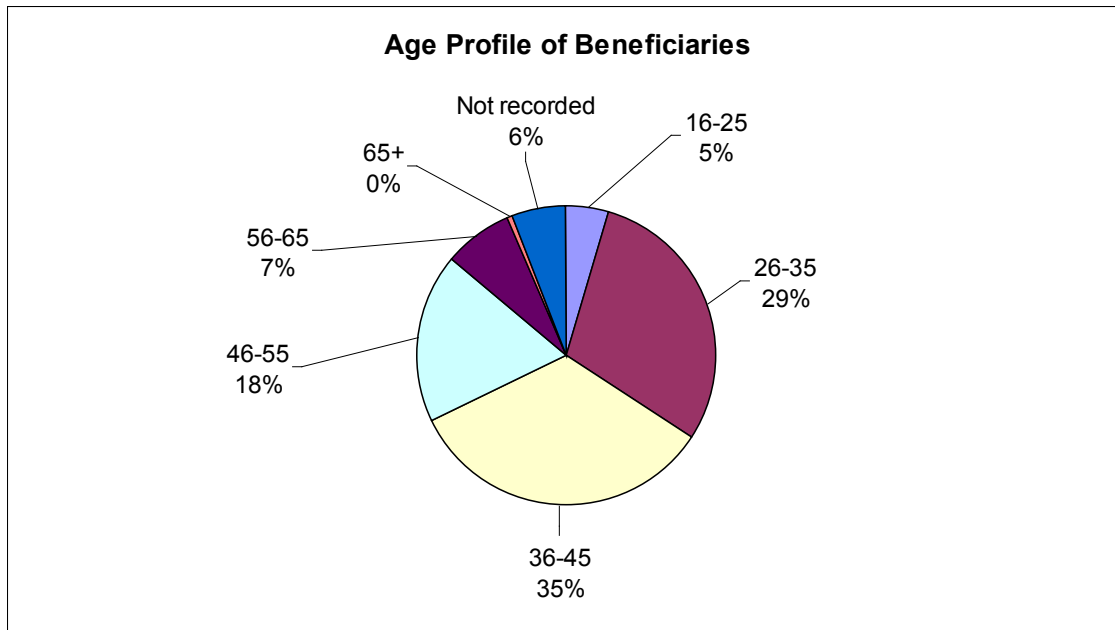


Figure 8: Distribution of individual beneficiaries by location<sup>47</sup>

- Three-quarters of **individual beneficiaries** came from districts of Penwith, Kerrier and Carrick
- The district with most individual beneficiaries was Carrick with 593 or 30% of the beneficiaries
- A reasonable proportion of individual beneficiaries (12%) come from North Cornwall. However only 5% of company beneficiaries are from this district
- Similarly, Restormel had more individual beneficiaries at 7% than it does company beneficiaries at 2%
- Caradon had a very low percentage of individual beneficiaries - only 3%
- The low numbers of beneficiaries in Caradon and Restormel would suggest future interventions here need careful planning.

# Counting on Creativity



**Figure 9: The age profile of individual beneficiaries<sup>48</sup>**

- Nearly two-thirds of beneficiaries were aged between 26 and 45
- Only 5% of beneficiaries were under 25. This is an important area for the Creative Industries which look to attract graduates and retain them in the county
- There were only three beneficiaries recorded as over 65
- One in four beneficiaries are in the 46 to 65 age range.

### 9.3.2. Comments on beneficiary profile

#### *(Gender)*

The Redruth Demand Study found that 57% of employees in the creative sector were women. This suggests that a bias towards supporting female beneficiaries is to be expected. However, the degree of bias in the findings was 2:1 in favour of women. This appears high. Given that the most often quoted method of finding out about courses was recommendation by word-of-mouth, then this bias is understandable.

#### *(Geography)*

The Redruth Demand Study also showed a major trend towards the west of the county with 65% of Creative businesses being based in Carrick, Kerrier or Penwith.

The same study found that 16% of businesses were based in North Cornwall; 9% were in Caradon and 10% were in Restormel. The low numbers of beneficiaries from, in particular, Caradon and Restormel is, therefore, a surprise. The fact that over a third of creative businesses are based in these three districts of the county yet only represented 8% of those supported is a concern. Clearly, interventions more appropriate to these areas need to be considered for the future.

The area within Penzance, St Ives, Truro and Falmouth (incorporating Camborne, Pool and Redruth) clearly dominates the Creative Industries sector in Cornwall in both geographic distribution of companies and individuals and correspondingly in those businesses seeking support. More effective engagement with North Cornwall, Restormel and Caradon must be priorities for the future and new models for working in those areas will need to be explored.

48 GOSW Project Returns

## 9.4. Beneficiary findings from the telephone survey

### 9.4.1. Employment levels<sup>49</sup>

- Of those enterprises that had been in existence more than five years, 42% reported an increase in staffing levels and 58% reported no change
- Excluding the 70 freelance/sole traders respondents, beneficiary enterprises employ on average nearly four full time staff each and just less than three freelance employees
- 79% of sole traders/freelancers reported working more hours in their creative practice than they did five years ago.

### 9.4.2. Turnover

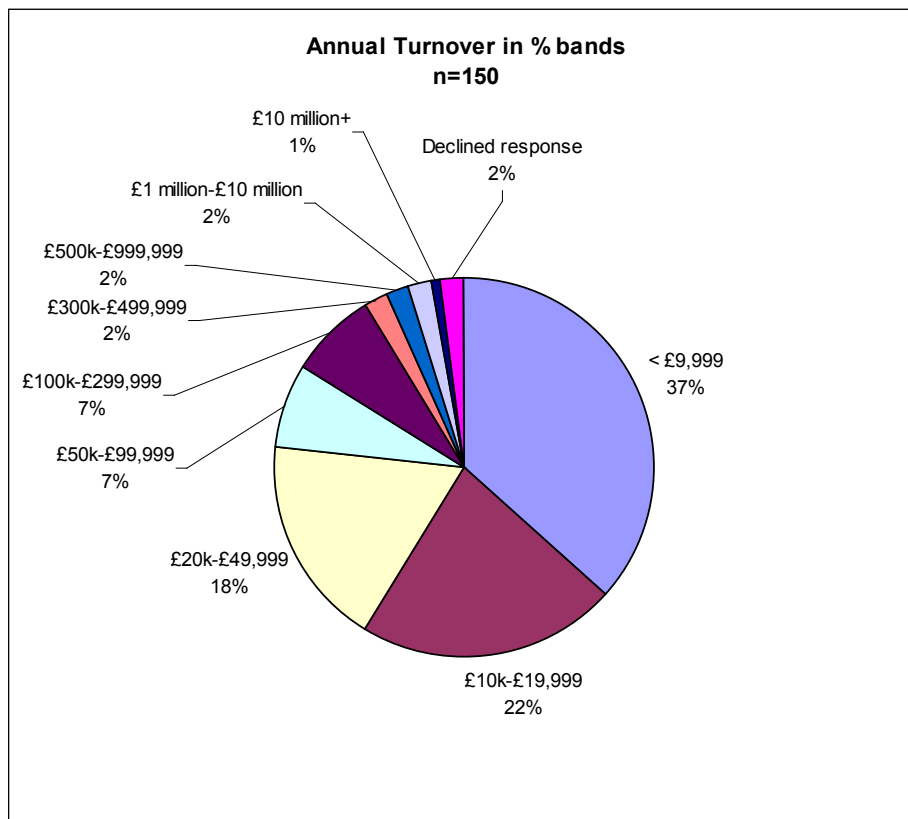
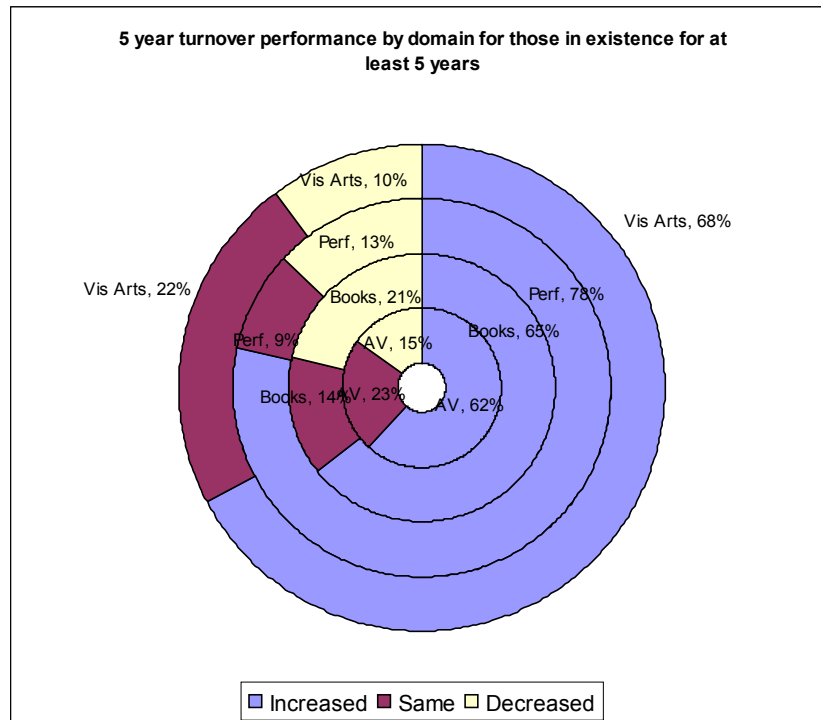


Figure 10: Annual Turnover of Beneficiaries

- 59% of respondents reported turnover levels less than £20,000. This is higher than the findings of the *Creative Value* research which showed that nearly 47% of enterprises turn over less than £20,000. This difference is probably due to the high number of the respondents that were sole traders/freelance workers and the high number of interventions with entry level and early stage companies
- 3% have turnover levels in excess of £1 million
- Of those enterprises reporting an income below £10,000 over two-thirds were visual artists

<sup>49</sup> The Eden Project was one of the surveyed beneficiary companies. Although it employs more than 500 people in total, it estimates that 30 are employed specifically in Creative Industry work. Therefore, only 30 employees were counted for the purposes of this research.

# Counting on Creativity



**Figure 11: Increased turnover by domain (businesses > 5 years old)**

- 69% of respondents with businesses over five years old reported increased turnover in last five years
- 75% with businesses under five years old reported increased turnover
- 78% of Performing Arts respondents reported increased turnover while just 13% have had decreases
- 68% of Visual Arts reported increases and only 10% decreases
- Books & Press have had significant increases (65%) but as many as 21% decreases
- 62% of Audio-Visual have experienced increased turnover while 15% have had decreases.

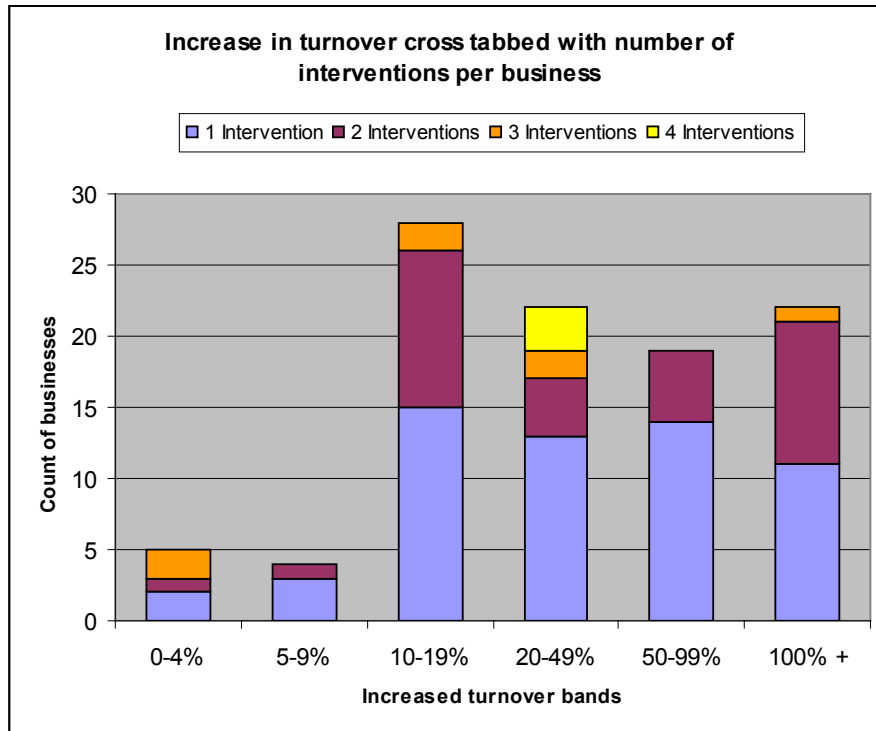
Of those reporting an increase in turnover:

- 56% experienced an increase of over 20% (cf. the *Redruth Demand Study* where 54% predicted an increase of this amount)
- 34% experienced an increase of over 50% (cf. the *Redruth Demand Study* where 30% thought their businesses would increase by this amount)

Main reasons identified for increase include:

- Networking
- Marketing
- More professional or commercial approach
- Funding.

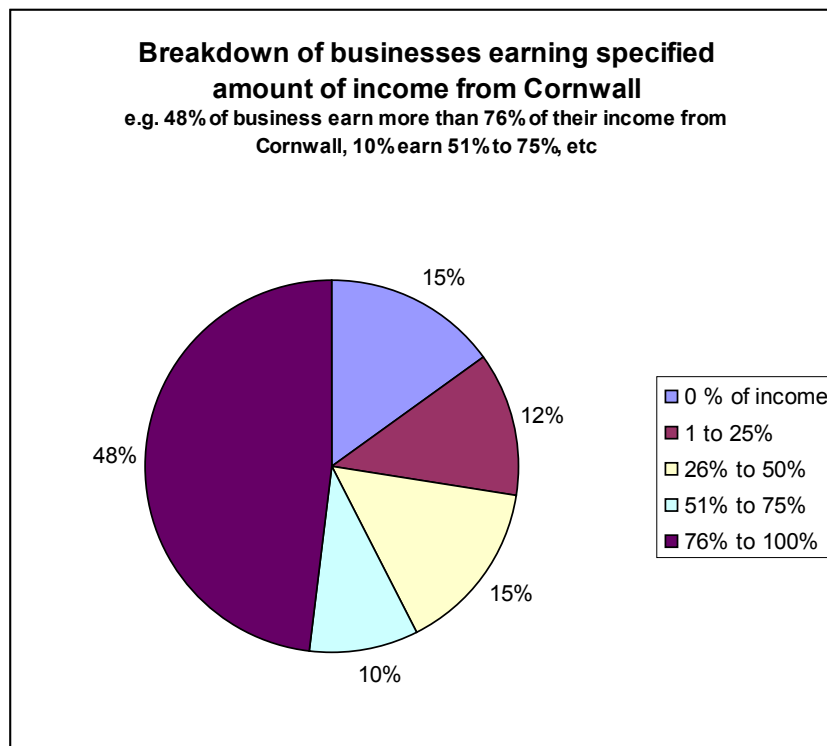
# Counting on Creativity



**Figure 12: Increase in turnover compared with number of interventions**

63% of those who reported an increased turnover had an increase of more than 20%. Interestingly, of that 63%, nearly 40% had had more than one intervention.

### 9.4.3. Markets



**Figure 13: Income from Cornwall**

# Counting on Creativity

- 30% of businesses earn 100% of their income from Cornwall
- 42% of businesses earn at least half of their income from outside Cornwall
- 15% earn none of their income from Cornwall
- 10% earn from the EU or International Markets: for those that do, it generally constitutes below 40% of their income
- Where Cornwall is a significant source of income, the rest is usually from the UK rather than the South West.

## Market variations by Domain:

- Audio-Visual business are working predominantly in Cornwall and the South West with 48% of respondents earning all their income within the county and a further 27% earning their income only in Cornwall and the South West region
- A quarter of Books & Press respondents have markets entirely outside Cornwall and a third earn their entire income within Cornwall
- Performing Arts work mainly in Cornwall with 68% earning over half their income within the county and 32% earning more than half their income from outside Cornwall
- Similarly, Visual Arts work predominantly in Cornwall with 62% earning more than half of their income inside Cornwall. However, it would be fair to assume that a large amount of their 'in Cornwall' sales are from the tourist market.

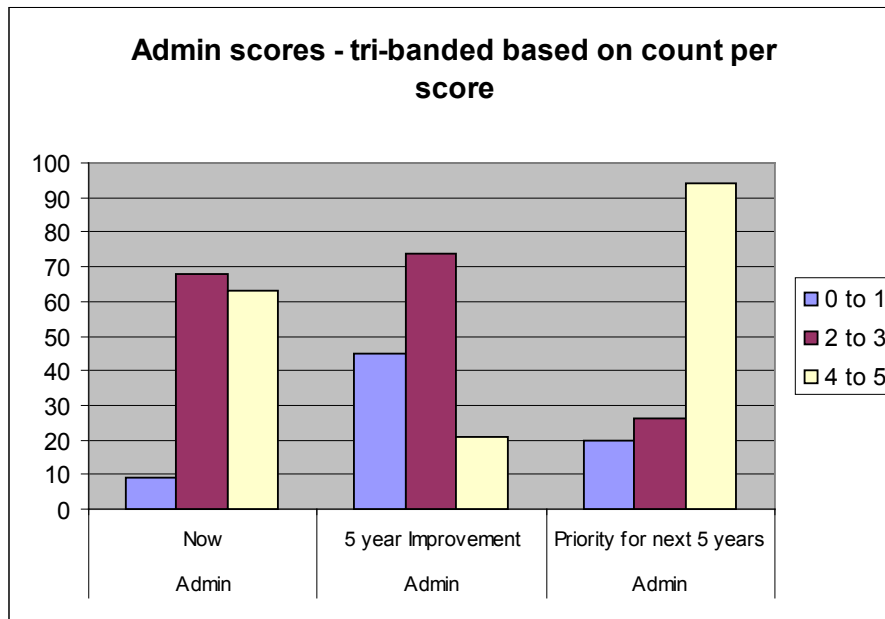
## 9.4.4. Impact on key business issues

The telephone survey asked beneficiaries to assess their own performance in six key business areas. Delivery staff were then questioned to ascertain perceived levels of impact of the agencies' work in these areas. The two sets of results were cross-referred to assess internal and external perspectives. The six issues were:

1. Administration, management and planning
2. Finance and fundraising
3. Skills and competencies
4. Marketing and self-promotion
5. Products and services
6. The use of technology.

# Counting on Creativity

## Issue 1: Administration, management and planning

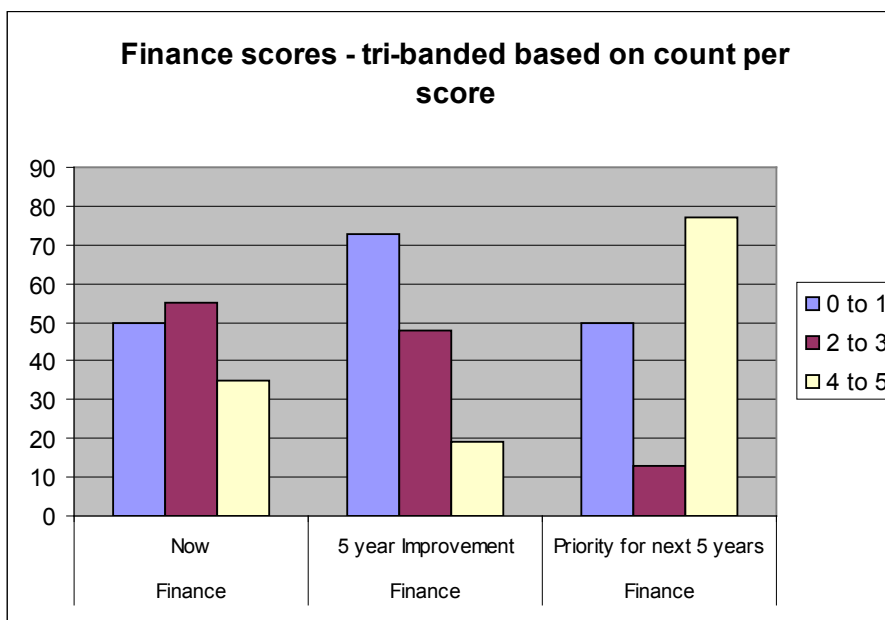


**Figure 14: Beneficiaries' administration scores from telephone survey**

Beneficiaries reported:

- Moderate to high self-assessment of current administrative standards
- Moderate improvement over the last five years
- High priority for the next five years

## Issue 2: Finance and fundraising



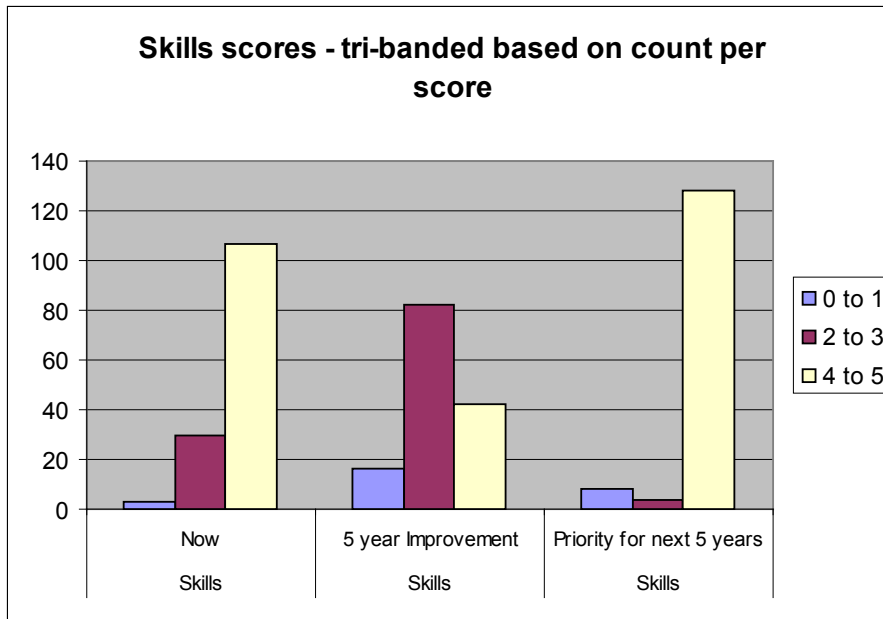
**Figure 15: Beneficiaries' finance scores from telephone survey**

Beneficiaries reported:

- Low to moderate self-assessment of current finance and fundraising performance
- Little improvement in the last five years
- Fairly high priority over the next five years.

# Counting on Creativity

## Issue 3: Skills and competencies

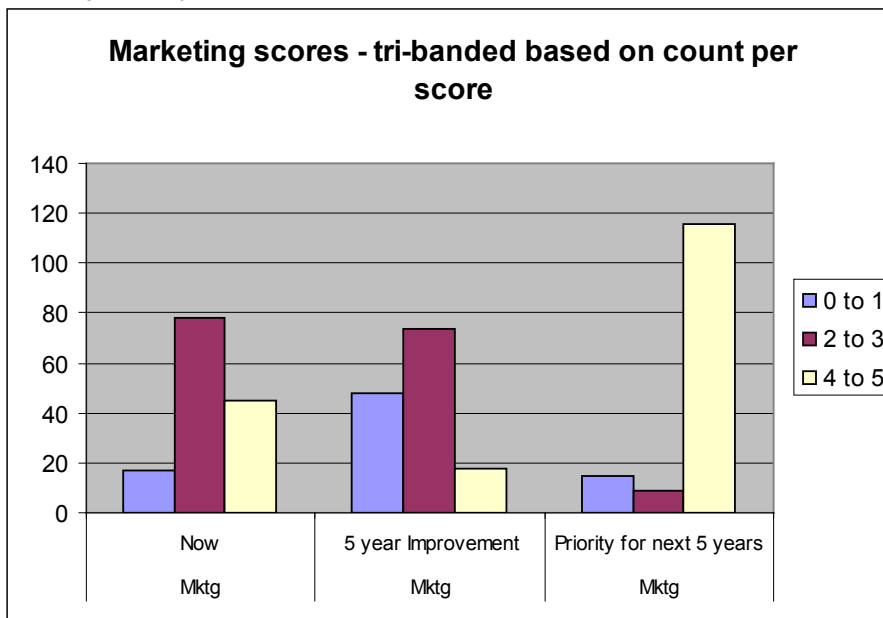


**Figure 16: Beneficiaries' skills and competencies scores from telephone survey**

Beneficiaries reported:

- High self-assessment of current skills standards
- Moderate improvement over the last five years
- Very high priority for the next five years.

## Issue 4: Marketing & self-promotion



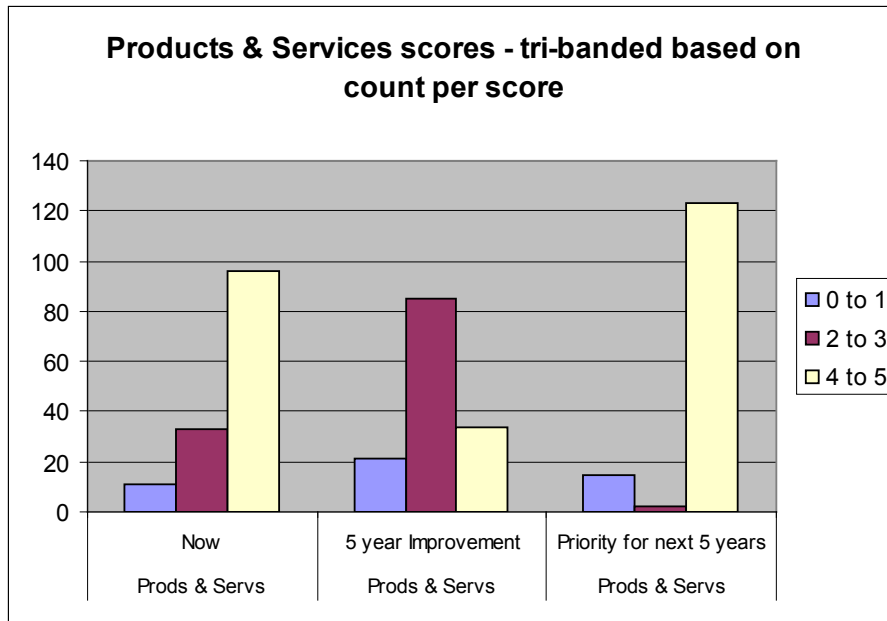
**Figure 17: Beneficiaries' marketing scores from telephone survey**

Beneficiaries reported:

- Moderate self-assessment of current performance
- Moderate to low improvement over the last five years
- Very high priority for the next five years.

# Counting on Creativity

## Issue 5: Products and services

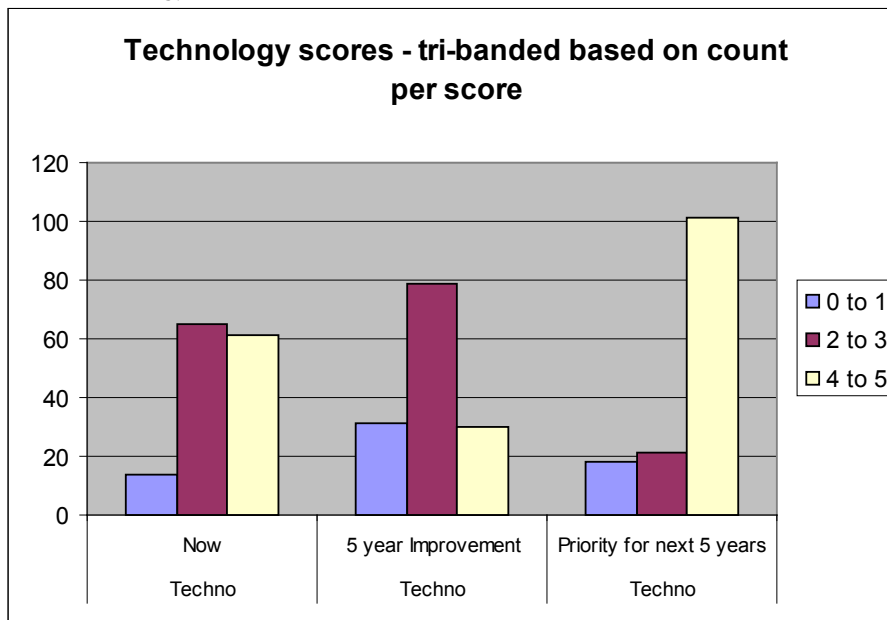


**Figure 18: Beneficiaries' products and services scores from telephone survey**

Beneficiaries reported:

- High self-assessment on current standards of products and services
- Moderate improvement over the last five years
- Very high priority for the next five years.

## Issue 6: Use of technology



**Figure 19: Beneficiaries' technology scores from telephone survey**

Beneficiaries reported:

- Fairly high self-assessment of current use of technology
- Moderate improvement over the last five years
- Very high priority over the next five years

# Counting on Creativity

Beneficiary respondents rated themselves consistently highest in two areas on current performance: Skills & Competencies and Products & Services. They also rated these as areas of moderate improvement over the last five years.

Lowest scoring for current performance and improvement was Finance and Fundraising. However, priorities for the future were still Skills & Competencies, and Products & Services (very high priority) while Finance & Fundraising was only a fairly high priority.

## 9.4.5. Comment

The main reasons for increased income were identified as Networking, Marketing, Professionalism and Funding, but their highest priorities for the future were Skills & Competencies, and Products & Services and the lowest was Finances & Fundraising.

Section 10 shows that the higher-performing enterprises and practitioners display a balance between artistic and product excellence with strong business and finance capacity.

## 9.5. Recommendations for beneficiary impact

- Pay greater attention in support provision to diversity and the different requirements of learning styles, gender, ethnicity, age etc. – at present less than 5% of beneficiaries are under 25 years and only one in three are men. Also, pay greater attention (with this in mind) to the way the services are marketed
- 53% of beneficiaries are over 36 years. This needs further investigation of the type of support that is needed for an ageing population. What is the sector going to need as the working profile changes? (More people starting second careers; older fitter population; older generation with less disposable income; etc.) What will this mean to delivery?
- Recognize that not all sub-sectors and not all areas of Cornwall benefit equally from the growth in the creative sector and that further investigation is required to establish the most appropriate and effective methods for different districts
- It is notable that 11% of companies responding have a turnover in excess of £100,000. This provides a strong base of SMEs for expansion
- There is insufficient engagement with, or knowledge of Books & Press, as a sub-sector. Further research is needed of this grouping to determine needs and the most effective methods of support
- One of the most important factors for growth identified was networking. A range of networking opportunities need to be developed. We would suggest that these could include:
  - Sub-sector forums
  - District forums
  - 'Meet the investor' opportunities
  - Cross-sector peer support groups
  - Mentoring from outside the sector
- Marketing support is needed on an individual business basis as well as generically. This includes the need for:
  - Marketing skills
  - Very high level specific introductions to markets
  - Training and support to build up markets outside Cornwall so as to reduce dependency on Cornwall as a market
  - Working with the Department for Trade and Industry for specific expertise on export issues
- There is a need to look at how best enterprises can engage with other models of delivery – outsourcing, clustering, sharing, etc – in order to access business functions and build their capacity. This may not necessarily be a management function, but could possibly be financial, technical, administrative or marketing functions.

# Counting on Creativity

## **10. Best practice - findings from the in-depth studies**

**“A new breed of entrepreneurial leaders in the arts world has shown that art of the highest quality is compatible with sound financial discipline. Indeed, the public subsidy produces a return.”**

Tony Blair, March 2007

## 10.1. Overview of the in-depth study

The following findings are taken from nineteen in-depth study interviews that were conducted with organizations and practitioners that had made significant progress and/or experienced significant success during the Objective One period and could therefore be considered to be displaying elements of 'best practice'. The group ranged from freelance solo artists to the Eden Project and were selected from across the range of DCMS domains. They were selected only because they had made significant advances during the period of Objective One. The purpose was to explore the factors for success so far, the contribution Objective One had made to these, if any, and as a result suggest the likely requirements for future success.

## 10.2. Characteristics of best practice

The following characteristics recurred within the selected group and can roughly be grouped under three headings:

- *Great product, well marketed*
  - o Have excellent product
  - o Have product that people want
  - o Do not focus on Cornish markets alone
  - o Are prepared to work really hard and tend to over-deliver
  - o Are reliable and consistent – do not let their audiences or customers down
  - o Send out a consistent message
  - o Know their customers and keep in touch with them
  - o Attend trade fairs, show-cases, promotional opportunities
  - o Understand Cornwall
- *Financial and business skills*
  - o Build up gradually and sustainably
  - o Are strategic, but flexible
  - o Have financial discipline
  - o Know what support is out there
  - o Have had timely strategic investment
  - o Do not chase funding for the sake of it, but use it strategically
  - o Try not to take on more than they can do well
  - o Know when to ask for help
- *Leadership*
  - o Have both vision and determination
  - o Employ good people and value them
  - o Write their own script before somebody else does
  - o Are measured risk-takers
  - o Know the value of networks, but also realize how time consuming they can be to maintain
  - o Are focused
  - o Pay attention to people
  - o Are optimistic.

# Counting on Creativity

## 10.3. Future aspirations and needs

### 10.3.1. Artistic aspirations

Although our selected group were individually very different and disparate they surprisingly displayed very similar artistic and creative ambitions. In the next five years they almost all aspired to:

- Increase their national and international reputation and relationships and the amount of work done and markets outside Cornwall
- Invest more time developing new work, products, services and ideas.

Many of the smaller respondents also aspired to:

- Increase the size and scale of the work being done.

Addressing renewable energy issues was also cited as a priority by a significant proportion of those interviewed.

### 10.3.2. Financial aspirations

All financial aspirations in the group, regardless of the size of the enterprise focused on greater stability and sustainability. The way this stability would be achieved differed depending on the size and type of enterprise:

- The subsidized organizations aspired to greater commitment from core funders to allow for more time and energy to be spent on improving delivery
- A significant number of small and medium-sized companies from both the commercial and non-commercial sectors aspired to take on more skilled staff in the next five years and raise wage levels in order to increase capacity and improve services
- Commissioning opportunities were highlighted as an ambition of all the Performing Arts companies
- Individual and freelance artists aspired to develop a reputation and range of practice that would offer stability and therefore allow them to spend more time working within their creative practice
- The tourist-based companies cited increased visitor numbers as the key to sustainability

### 10.3.3. Needs identified

Commonly identified needs included:

- High level mentoring - creative and business
- Management - high level training and/or capacity to employ skilled managers
- High level training in sector specific skills (design management etc)
- Research and development time
- Premises and production space
- Increased and secure revenue funding for subsidized organizations
- Support in accessing international markets
- Business planning support
- Website development
- Marketing and self-promotion.

Another recurring comment was that there needed to be higher standards set and an investment in excellence rather than the more supportive and inclusive approach that was seen to have existed to date.

## 10.4. Comments

Despite the observation in Section 9.4.5 regarding the high level of importance attached to Skills & Competencies and Products & Services and the relatively low level of importance attached to Finances & Fundraising, the research showed that best practice organizations and practitioners appear to be those that have high level of financial and management skills and capacity as well as quality product. The importance of the balance between these core competencies needs to be underlined, developed and supported.

At the high-level of performance, there is a need for specific tailored training and development opportunities. These can be expensive to put in place, but the returns on the investment will be high.

## 10.5. Recommendations from in-depth studies

- Build a culture of success based on maintaining a balance between financial sustainability and artistic product success with consideration of life-style issues
- Provide responsive training programmes that have the ability to support one-off and bespoke learning opportunities
- Provide high-level business training and support
- Facilitate the establishment of professional agencies to provide managerial support to creative practices
- Support mentoring programmes including those which extend networks nationally, internationally and beyond the sector
- Facilitate and subsidise graduate placements akin to the UCP model
- Facilitate and support acquisition of affordable office and production space
- Support greater and more effective use of technology in creative practices
- Support research and development
- Support national and international marketing opportunities for individual practitioners and enterprises
- Support a culture of risk-taking necessary to the development of innovative ideas
- Support research and development, especially looking at the relationship between UCF and the sector to facilitate this

# Counting on Creativity

## **11. Setting the context**

**“A dynamic creative sector has an important role in helping to revive British cities and regions – a role successfully played in Glasgow, Gateshead and Cornwall, for example – and helping them to address the income and cultural gap with London.”**

The Work Foundation, July 2007

## 11.1. A successful creative ecology for Cornwall

Before looking at some specific conclusions and recommendations, it is important to understand how culture, the arts and the Creative Industries are all part of an interdependent Creative Ecology and how this relates to the development of a Creative Industries strategy for Cornwall.

The idea of a Creative Ecology is that sustainable development in the creative sector relies upon the sustainability of healthy and vigorous relationships around creative production and exchange. In other words, cultural producers do not work in isolation but develop their businesses through their relationships with other producers, providers, suppliers, trainers, etc. The richness and variety of these relationships make a significant contribution to the development and realization of creative and commercial opportunities. This means that a healthy Creative Ecology should include a good range of sub-sectors, and a broad range of businesses and practices in terms of size, maturity, professional status and commerciality.

It is not possible to develop a prosperous and sustainable Creative Industries sector by investing solely in the most commercially-driven businesses as these businesses do not thrive in isolation. There needs to be investment throughout the Creative Ecology, in order to create the conditions in which higher value and high-growth businesses can flourish. Discussion needs to take place between all the key stakeholders involved in supporting the Creative Industries so as to develop a joint understanding of how investment in the whole ecology will result in long-term and sustainable economic gains for the sector. With this understanding, an overall support strategy could be developed which links up funding for 'art's sake' with investment in the sector.

## 11.2. How this translates in Cornwall - size of organization to turnover

The following two graphs from 2003<sup>50</sup> show that in Cornwall the Creative Industries generate approximately 71% of their income from amongst the middle income band (businesses with turnovers between £50,000 and £750,000). The basic shape of this profile appears not to have changed, but turnover levels will have increased in the last four years. We now estimate the middle turnover band to be between £150,000 and £1m.

As Cornwall has few creative sector businesses generating more than £1m turnover, but a highly significant number whose turnover is between £150,000 and £1m, we suggest that in order to maximise the economic output of the sector for Cornwall, significant investment and support needs to be focused on helping enterprises and practices to move from the middle income bracket to beyond £1m turnover. The successful implementation of a strategy would create a number of businesses which would each employ over 30 staff, create numerous supply chain opportunities (especially the employment of freelancers) and be significant enough to be successful in an international market. Supporting between 30 and 40 businesses to reach this level would make a major difference to the Creative Industries sector in Cornwall and the contribution it makes to Cornwall's economy. The recommendations which follow in Section 12 focus on how this might be achieved with the support of Convergence funding.

50 *Creative Value - Perfect Moment 2003*

# Counting on Creativity

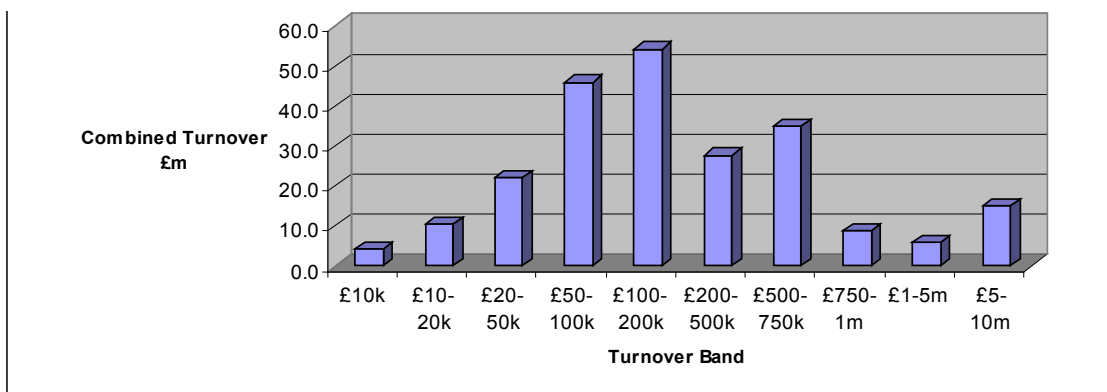
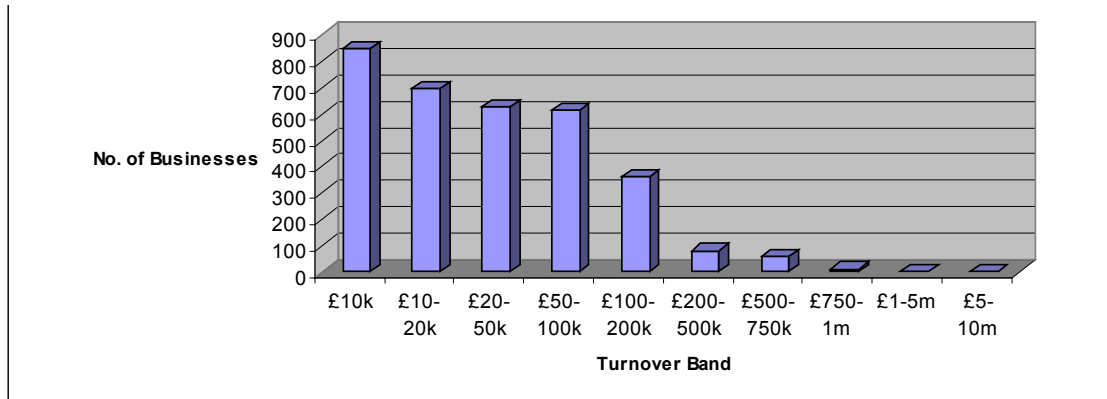


Figure 20: Graphs showing size of organization to turnover

# Counting on Creativity

## 12. Recommendations & conclusions

**“Cornwall's ability now to capitalize on the Objective One opportunity I think is really critical ... if all we see as a result of Objective One is a glorious burst of activity over a decade or more and then nothing, then Objective One will have failed. We must be looking to the longer term.”**

Nick Capaldi, Chief Executive - Arts Council England SW

## 12.1. Main issues

The main issues identified in the course of this research were the need for:

- A strategic group to represent the sector
- Consistent data collection with buy-in from all parties
- Marketing support
- Access to shared spaces and resources
- A simplified infrastructure for support including:
  - Access to high-level sub-sector expertise in marketing, skills and product design and innovation
  - Support with long-term business plans and strategies.

## 12.2. A strategic group to represent the sector

A body which represents the sector's interests and has credibility both within the sector and with policy makers is highly important. This body, based roughly on the model and remit of the old Cultural Industries Task Force, should:

- Include members who are *strategic thinkers* (i.e., they understand the importance of strategy and its integral relationship with successful delivery) and/or who are also recognizable as *sub-sector leaders* - having thorough knowledge of their sub-sector, good connections, respect and recognition, the ability to represent the sub-sector credibly and to communicate the strategy back to the sub-sector in a way that is relevant and actionable
- Be consulted on matters of investment, not simply used to validate decisions already made
- Be recognizably distinct and independent from the development and delivery agencies (e.g., the Creative Unit, Creative Skills, etc.) as a body that represents the sector on the ground and is therefore a conduit for information and feedback between the agencies, funders and the sector
- Be broadly representative in terms of geography, sub-sector, gender and size of business as well as having greater representation from the private sector alongside members from the public and third sectors.

## 12.3. Consistent data collection

Uniform definitions and data collection methods need to be agreed and used by all agencies and policy makers:

- Consistent, basic data need to be collected on beneficiaries, e.g., age, gender, post code, sub-sector, size of business, etc.
- Data protection and data sharing issues need to be sorted out between agencies and implemented at first point of contact with beneficiaries
- All strategic, local government and research bodies need to use the same toolkit of definitions for the Creative Industries as set out by DCMS. Although this toolkit has its limitations, it is the most definitive and widely used framework available, and failure to use it results in a confusing and inconsistent picture of the sector and undermines efforts to measure and map changes
- A set of qualitative performance indicators needs to be decided for the sector (for issues such as impact on quality of life, standards of excellence, etc.) and methods of monitoring and measuring agreed
- Work needs to be done to improve the RDA and GOSW data collection systems for gathering, codifying, retaining and analysing information from the sector and making them more accessible
- Data should be collected and analysed every year to inform the direction and focus of future programmes, possibly on a research observatory model.

## 12.4. Marketing support

High-level generic marketing of Cornwall and its Creative Industries needs to be developed. This could be developed through the emerging Region of Culture agenda and should encompass the continued development of a brand of excellence for Cornwall linked to its creative activity:

- Taking a multi-layered approach, e.g., festivals, themed events and days, profile raising events, showcasing, etc.
- Working more closely with South West Tourism and the Cornwall Tourist Board (Visit Cornwall) to ensure consistency of message and to link into the regional agencies' branding and marketing of Cornwall.

## 12.5. Shared space & resources

More office and workspace is needed across all sub-sectors. Redruth Creative Business Parc should be seen as only the beginning of providing shared space for the sector. This links into:

- Discussions need to take place with the RDA, District Councils, etc. about how best further workspace clusters can be developed - possibly by geographic, sub-sector groupings, etc.
  - The sector needs to consider how it can provide support for geographically dispersed business start-ups
- The possibility of longer-term incubation spaces needs to be explored and developed following on from the product development units offered by UCF
- The potential for models offering shared 'back office' and management support needs to be explored further
- There is a need to improve and increase the effective use of technology in the sector. This would include:
  - Working with UCF to increase access for the sector to the cutting edge resources available there
  - Encouraging joint purchasing of high-value resources where possible.

## 12.6. Simplified infrastructure for support

Some beneficiaries stated that the current infrastructure is too complicated. There would be benefits in having a simplified, holistic support system delivered through a 'one stop shop' development agency for the creative sector. The new support structure needs:

- To be simple – more understandable and navigable
- To have the capacity to deliver across all sub-sectors and also generically
- To bring together business support and skills development into one body, e.g., a Creative Industries Development Agency.

## 12.7. Access to high-level sub-sector expertise in marketing, skills & product design & innovation

This research identifies that specific sub-sector development is highly important. We suggest that this follows three strands:

- Sub-sector forums and networks - the need to set up networks and forums where they are not already in existence to ensure grass roots input and dissemination of information
- Sector representatives (managers or organizations) - appointing development workers with sub-sector-specific expertise and a remit to:
  - Develop the sub-sector forums and networks
  - Research market intelligence
  - Bring their sub-sectors to market

# Counting on Creativity

- o Advise Creative Skills' training department on training needs
- o Identify needs for shared resources and spaces
- o Signpost training
- o Signpost mentoring and coaching
- o Help identify transition enterprises and growth enterprises
- o Hold budget to buy in services or outsource
- Sub-sector-specific marketing expertise and active encouragement of beneficiaries to face their markets including:
  - o Developing showcases and platforms in Cornwall and possibly revisiting the Festivals' Strategy
  - o Taking companies and practitioners to national and international trade fairs
  - o Seeking out export opportunities.

## 12.8. Support with long-term business plans & strategies

Our recommendations here build on the existing Business Development and Training Needs work carried out by Creative Skills. However, we also see UCF, CUC and the colleges as integral to its successful delivery across the spectrum of sub-sectors and entry-level to mature organizations. The new support system should include:

### 12.8.1. Training & Skills

- Organizing seminars
- Researching the best training available
- Managing training feedback
- Liaising with sector representatives
- Managing a mentor pool
- Delivering Development Needs Analysis
- Managing a Skills Fund
- Liaising with colleges on accredited training etc.

### 12.8.2. Business Development

It may not be realistic to expect all creative micro-businesses to have all the skills they need 'in house'. However, they do need to understand the importance of the business function to their survival and success. We therefore recommend that it is important to look at the specific and individual needs of these enterprises and how best they can engage, if appropriate, with other models of delivery. These may include outsourcing, clustering, sharing, buying in, etc. – in order to access business functions and build their capacity. In order to draw these conclusions, the following services would need to be available:

- An online business diagnostic tool
- Business analysis for transitional and high-growth support
- Management of transitional and high-growth support programmes.

### 12.8.3. Key Role of UCF, CUC & the colleges

- Providing high-end information and expertise about certain sub-sectors
- Providing access to some of the most cutting edge resources
- R&D support and product development
- Business Fellows to be mentors and to screen and/or support graduates for the Accelerator Programme
- Access to training through adult education programmes
- Continued business skills and marketing training tailored to the Creative Industries.

## 12.9. Pathways of support

We believe that best returns on investment can be achieved by short-term focused funding directed at enterprises that have reached a point of transition in their development. This research uncovered a high number of companies and practitioners that currently recognize themselves as being at a point of transition and ready for next stage investment. We therefore suggest that the following three elements should be present in structuring a new support system for the Creative Industries in Cornwall:

- **'Pathways of support'** to meet the needs of beneficiaries at all stages of development from entry and pre-entry-level, through transitional stages to high performance and mature organizations
- Bringing **business support, and training and skills development** together in a more **holistic service**
- **Broadening the range of sub-sectors** supported and including sub-sector-specific, expert support.

### 12.9.1. Pre-entry

This involves working with the schools and colleges, adult education programmes and UCF to raise interest and awareness of career opportunities in the sector and the likely entry requirements. One key area to build on is the current graduate mentoring programme currently offered by Creative Skills to Visual Arts and contemporary crafts graduates at UCF. Substantial work experience placements for portfolio building would also be desirable. Effective engagement at this stage will help to accelerate growth and aspirations, but will also serve to make expectations realistic. At present Cornwall has 42 schools with Artsmark Awards<sup>51</sup> (25 of which are at Gold level) and six specialist schools in visual arts, media, performing arts or music. From this strong starting point there is scope for further work to be done with schools and colleges to develop a strategy for the 14 to 19 age range. Possibly this can involve working with the Talented and Gifted Register and the new Diplomas in Arts and Media, plus looking at the findings of the 'Ignite' scheme which was developed by NESTA.

### 12.9.2. Entry- level

Entry-level support will include business start-up programmes, and Development Needs Analysis. It should also link into the work being carried out by the Business Fellows at the Incubation Units at UCF. There is an opportunity for developing links with Unlocking Cornish Potential to develop and seed graduate employment opportunities within the sector.

### 12.9.3. Accelerated growth

Alongside the pathways of support there needs to be the capacity for fast-track, accelerated growth. This would be for enterprises, sole traders, and potentially graduates and college leavers, displaying particular flair, innovation or entrepreneurial thinking. There needs to be capacity for these high potential enterprises and individuals to be identified and hot-housed with tailored support and investment. This work would be based on best practice identified by UK Business Incubation<sup>52</sup> which aims to *'create successful new UK enterprises and entrepreneurs by leading and promoting the development of high quality business incubation throughout the UK.'* UKBI recognizes that effective incubation is more than about providing premises and investment and as much about process, i.e., mentoring, performance coaching, counselling and training.

51 The Artsmark Award is presented by Arts Council England for arts education provision in schools that cater for 5 to 16 year olds. It is awarded on three levels: Artsmark, Artsmark Silver and Artsmark Gold, and is valid for three years.

52 [www.ukbi.co.uk](http://www.ukbi.co.uk)

# Counting on Creativity

## 12.9.4. Transition

It is important to note that many enterprises and practitioners have already achieved significant growth as a result of the interventions of Objective One. These enterprises have grown impressively but now need further short-term targeted investment to achieve the next stage of growth.

Transitional support needs to include a business diagnostic process identifying companies at a point of transition where intervention will make most difference including:

- Diagnostic financial analysis and benchmarking
- Indicators for potential growth including lifestyle considerations, commitment, commerciality, market awareness, etc.
- Business advisors to assess basic and specific needs and help develop a tailor-made holistic service which could include:
  - o Business planning
  - o Targeted support in meeting the market
  - o Support with product development
  - o Support with access to finance
  - o Support to drive up profitability
  - o Extra support with training/skills development.

The importance of assisting companies through transition is that those organizations in the middle income bracket generate the bulk of the financial returns for Cornwall. Creating more of these enterprises is not only highly desirable, but it is also highly achievable with appropriate targeted interventions. These enterprises also have the advantage of being more robust and, therefore, more able to compete in a global marketplace and capable of joining together to undertake international work.

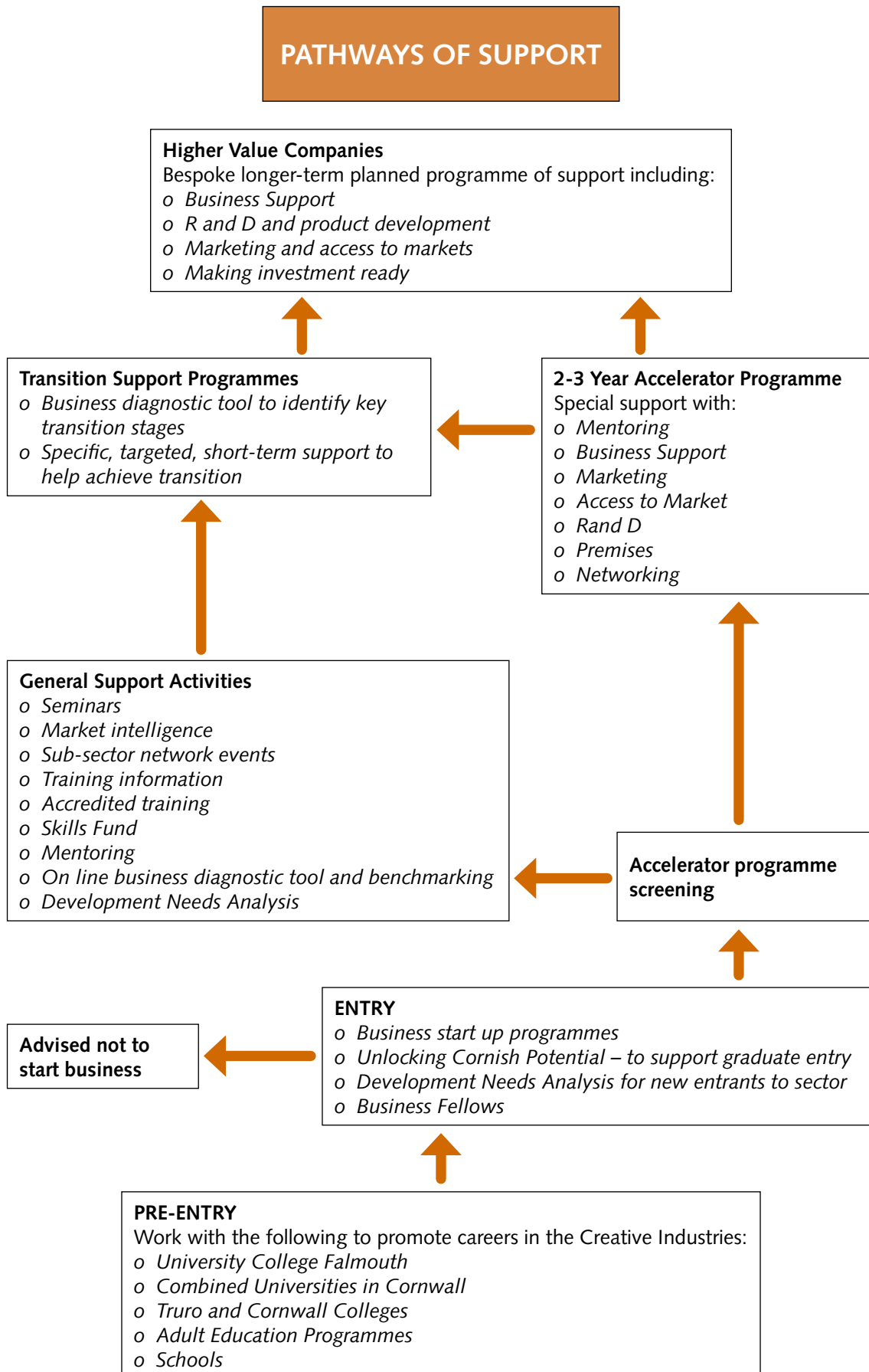
## 12.9.5. Higher performers

By high performers we refer here not only to those organisations with high turnover but also to enterprises with high profiles and, particularly, high growth potential. At the mid to top end, there need to be special programmes for enterprises over £200,000 and which exhibit growth potential to reach £1m, plus job creation. These enterprises need:

- Significant support in key areas – especially product development and expansion of markets
- To be made ready for investment
- Access to resources and infrastructure
- Three-to-five year business planning.

The importance of supporting these high performers is that they provide not only economic returns for Cornwall, but are also the flagships by which Cornwall's reputation is made. They are also inspirational and aspirational models for up-and-coming businesses and set the standard on quality.

# Counting on Creativity



# Counting on Creativity

## 12.10. Relevance to current policies

<i>Recommendations/issues identified in this research</i>	<i>Creative Industry Collaborations (Culture SW/BOP) priorities and practical recommendations</i>	<i>DCMS Creative Economy Programme</i>
<p><b>Strategic group to represent the sector</b></p> <ul style="list-style-type: none"> <li>The importance of a body which represents the sectors interests and has credibility both within the sector and with policy makers</li> </ul>	<ul style="list-style-type: none"> <li>Build on, extend and connect the region's successful industry clusters and forums</li> <li>Connect clusters to other key economic opportunities: tourism and regeneration</li> </ul>	<ul style="list-style-type: none"> <li>The importance of Creative Industries within other industrial sectors and as an input into social and environmental agendas</li> </ul>
<p><b>Consistent data collection with buy in from all parties</b></p>	<ul style="list-style-type: none"> <li>Establish and build up standard, jointly understood evidence framework</li> </ul>	<ul style="list-style-type: none"> <li>Statistical evidence base for the Creative Industries is still relatively crude. Conventional industrial classifications do not capture the true scale and potential of the sector</li> </ul>
<p><b>Generic marketing of Cornwall and its Creative Industries</b></p>	<ul style="list-style-type: none"> <li>Open access to new markets in other sectors and globally</li> <li>Invest in platforms and channels for promotion and export</li> </ul>	<ul style="list-style-type: none"> <li>The global imperative: future success of CI sectors depends on winning a share of the burgeoning global market for goods and services. Local and regional support structures have to be globally orientated</li> </ul>
<p><b>Shared space and resources</b></p>	<ul style="list-style-type: none"> <li>Develop 'creative places' - stimulating, supporting milieu to nurture and sustain economic activity</li> </ul>	<ul style="list-style-type: none"> <li>Importance of 'core' creative places with interconnected networks of business and support structures (private and public).</li> </ul>
<p><b>Simplified infrastructure for support</b></p> <ul style="list-style-type: none"> <li>'Pathways of support' are needed to meet the needs of beneficiaries at all stages of development from entry and pre-entry level, through transitional stages to high performance and mature organizations</li> <li>A need to broaden the range of sub-sectors supported</li> <li>Bring business support, marketing support and skills development together in a more holistic service</li> <li>Work closely with UCF</li> </ul>	<ul style="list-style-type: none"> <li>Ensure access by individuals and small firms to information, intelligence and ideas</li> <li>Provide support to realize the commercial potential of creative businesses: in education and at start up and growth stages</li> <li>Ensure access to core business support and management skills development at all levels</li> <li>Retain and attract talent: graduates, practitioners and enterprises</li> <li>Develop flagships as platforms for collaboration, innovation and trade</li> <li>Improve the packaging, branding and marketing of all types of support to the sector</li> </ul>	<ul style="list-style-type: none"> <li>Core business skills and commercial awareness: there is a capability deficit at all levels across all sectors which need to be dealt with at pre-entry (including Higher Education), start up and growth stages</li> <li>Intelligence, ideas and intellectual property - providing a wide range of routes and mechanisms for encouraging the 'soft' milieu required to generate a rich flow of ideas and information with potential to be turned into commercial commodities</li> </ul>

# Counting on Creativity

## Appendices

**“There needs to be investment in ideas and experimentation that goes further. The challenge is to join things up including joining up with things outside the Creative Industries.”**

Antony Waller, Creative Arts Manager

# Counting on Creativity

## APPENDIX A: Abbreviations

ABBREVIATION	FULL NAME
ABI	Annual Business Inquiry
ACESW	Arts Council England South West
CAM	Cornwall Arts Marketing
CEC	Creative Enterprise Cornwall
CEP	Creative Economy Programme
CI	Creative Industries
CUC	Combined Universities in Cornwall
DCMS	Department for Culture, Media and Sport
DET	DCMS Evidence Toolkit
DNA	Development Needs Analysis
EAGGF	European Agricultural Advice & Guarantee Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
FIFG	Financial Instrument for Fisheries Guidance
GOSW	Government Office South West
GVA	Gross Value Added
LINC	Local Intelligence Network Cornwall
LSC	Learning and Skills Council
ONS	Office for National Statistics
RDA	Regional Development Agency
SIC	Standard Industry Classification
SME	Small or Medium-sized Enterprise
SPD	Single Programming Document
SWG	South West Investment Group
SWOT	Strengths Weaknesses Opportunities Threats
UCF	University College Falmouth
UCP	Unlocking Cornish Potential

## APPENDIX B: Project brief

### RESEARCH INTO THE EFFECT OF OBJECTIVE ONE FUNDING ON THE CREATIVE INDUSTRIES

#### INVITATION TO TENDER FOR RESEARCH PROJECT

##### INTRODUCTION

The Arts Centre Trust is acting as the lead applicant for a number of partners involved with the Creative Industries in Cornwall. The Creative Industries have been a major recipient of Objective One European investment since 2001. The sector together with the Objective One partnership and other key stakeholders wish to undertake research into the overall effectiveness of this investment in order to best inform future strategic investment through the Convergence funds (the successor to Objective One)

##### BACKGROUND AND CONTEXT

The Creative Industries have been one of Cornwall's great economic success stories during the past five years. Growth in the sector in Cornwall as evidenced by a number of research studies has been significant

- The Regional Mapping Strategy of the Creative Industries states that the sector in Cornwall had responded positively to intervention with the Objective One investment being reflected in a 29.7% growth in employment in Cornwall's Creative Industries between 1998 and 2002. This was 3.6 times the rate of growth across the region
- The Demand Study for the Redruth Creative Industries Business Park estimated that in 2004 there were 4,000 businesses and 10,400 employees in the sector in Cornwall. These businesses had a combined turnover of £348million and approximately 5% of the GDP of Cornwall.
- A telephone survey of CI businesses in Cornwall undertaken in 2004 revealed that, 77% had grown their turnover during the last three years and of these 70% reported it had grown by over 20% and 31% said it had grown by over 50%
- Business confidence is extremely high with 76.6% of businesses predicting further increases in turnover over the next three years. Of these, 53.92% thought that their business turnover would increase by over 20% and 30% thought their business would increase by over 50%
- The Creative Industries creates significant added value. The Regional Mapping Study calculated that the Creative Industries sector produces an average of £25.8K per annum, per employee in comparison with a regional average of £14.9K.

#### 2. OBJECTIVE ONE INVESTMENT IN THE CREATIVE INDUSTRIES

The support infrastructure for the sector is well developed with a number of key strategic agencies receiving Objective One investment. The key agencies are

##### Creative Kernow

Creative Kernow provides dynamic leadership, advocacy, networking and market development for the Creative Industries sector, the capacity to lever in further investment and the ability to provide support for small businesses and individuals from key sub-sectors.

At present as well as fulfilling its strategic remit it has hosted two sector development officers funded by Objective One

- The Craft Development worker provides business advice, marketing advice and product development advice.
- The Media Development Worker provides some business advice to film and video companies although most of their time has been spent on infrastructure issues.

# Counting on Creativity

## Cornwall Arts Marketing

Cornwall Arts Marketing has run, since 2002, a series of high profile marketing campaigns on behalf of the Creative Industries and the Heritage sub-sector. They have also provided marketing mentoring support to 61 partner organizations - companies, venues and galleries involved in the Performing Arts and Visual Arts and Crafts.

## Creative Skills

Creative Skills has run since 2001 a wide variety of programmes, funded by Objective One including

- Skills needs analysis
- Information, advice and guidance
- A skills fund
- A seminar programme
- Accredited management in the Creative Industries courses
- Business start up courses
- Business mentoring and support

These programmes have attracted up to 500 beneficiaries a year

## Cornwall Film

The fund has run two support programmes for the film industry in Cornwall. The current project aims to support 51 SME's, create the equivalent of 174 full-time jobs and generate £6.9 million of additional turnover. Alongside the financial support, industry mentors will work closely with businesses to develop products and access markets. Business Link, Finance Cornwall and the South West Investment Group (SWIG) will also be involved in this part of the process

The scheme will run for a set three year term, during which time it is intended to kick-start the sector, attracting inward investment, preparing local businesses and boosting national and international exports. Funding will be reduced from 2006 as the industry in the area becomes increasingly self sufficient.

## Falmouth College

The college is delivering a number of programmes to assist companies working in the area of art and design mainly with research and development and product design. At present, the college employs a number of Business Fellows who are working to support businesses in the following sectors

- 2D Design
- 3D Design
- Fine Art
- Media

As well as these organizations there have been other smaller programmes focused on the Creative Industries and also generic business programmes funded by Objective One which have supported Creative Industries businesses.

## OVERVIEW OF THE STUDY

The key aims of the study are to

- Establish what the overall impact of objective one funding has been on the sector
- Identify good practice within the sector's objective one funded programmes
- Identify key weaknesses in the programmes and devise ways of overcoming them
- Evaluate and improve the overall structure of the support mechanisms for the sector
- Evaluate the overall appropriateness and effectiveness of the objective one funded programmes
- Identify and significant gaps in provision and make recommendations for future activity
- Disseminate findings to other sectors within Cornwall
- Ensure that all findings inform the construction of future public sector funded investments in the sector.

# Counting on Creativity

- Construct the best possible programme (within financial constraints) for the next round of objective one investment in the sector. This would include promoting the programme to potential stakeholders, partners and providers of matched funding to ensure that the programme was 'oven ready'
- Construct a good practice guide (including consultancy services) for other European Objective One Regions.

## ELEMENTS OF THE STUDY

There are four key element of the study which the research team would be required to undertake.

### 1. Sector Support Structure

The structure of the support agencies and their relationship to each other has grown organically in response to;

- demands from within the sector,
- the funding opportunities which have presented themselves
- the needs of the agencies themselves.

The purpose of this part of the study is to

- examine how appropriate this structure has been,
- make recommendations for improving the sector support structure
- look at the lessons to be disseminated to other sectors

The key areas of activity will include

- examining of the history of the development of the structure
- examining the overall efficiency of the model
- benchmarking against best practice and other models elsewhere in the UK and beyond
- undertaking an options analysis for future structures
- analysing the potential impact of the major support agencies relocating to Redruth
- analysing the relationship between the agencies and the core economic development outputs of Objective One
- analysing the relationship between the sectors support agencies and other major economic development agencies

### 2. Delivery Mechanisms

This part of the study would not be evaluating each element of the programme as there are already in-depth evaluations of each of them.

The purpose would be to

- evaluate the overall appropriateness and effectiveness of the delivery mechanisms
- evaluate how well the mechanisms supported the staff's work
- evaluate how well the mechanisms met the beneficiaries needs
- examine how well the mechanisms worked in synergy with other non sector specific support available
- make recommendations for improving the delivery mechanisms
- look at the lessons to be disseminated to other sectors

The key areas of activity will include

- Face to face interviews with delivery staff and project managers
- Face to face interviews with other agencies
- 50 interviews with beneficiaries
- Benchmarking against good practice elsewhere
- Options analysis
- Relationship to other key agencies

# Counting on Creativity

## 3. Which Investments

The sector has been relatively successful in attracting a number of different streams of funding from Objective One. But did it have a successful strategy to ensure that the funds it attracted were used to deliver best value to the sector and to the objective one programme

The purpose of this part of the study is to examine

- how were choices made about which funds to bid for
- who made the choices
- who was excluded from involvement in making the choices
- what was the role of the Task Force
- was there a clear strategy which informed which funding streams to approach or did securing certain funds form the strategy
- were there key areas of sector activity which did not get support
- are there lessons to be disseminated to other sectors in Cornwall

Key areas of activity for this part of the study will include

- in-depth interviews with key players and stakeholders
- benchmarking against best practice elsewhere
- making recommendations about best value for future funding of the sector
- identifying best practice which could be utilised by other sectors

## 4. Value of Investment

What was the value of the Objective One investments to the sector and how did it impact on the sector regionally and nationally.

The purpose of this part of the study is to examine

- the value of the Objective One investments on individual businesses in the sector
- the value of the Objective One investments on the sector....was it more than the sum of the parts of the individual programmes?
- the value of the Objective One investments in the sector on the overall economy e.g. cultural tourism, being an important part of the brand and image of Cornwall, the part it plays in the growth of the knowledge economy
- the contribution of the sectors programme delivery to the overall cross-cutting themes of Objective One
- the contribution of the sectors programme delivery to combating social exclusion
- the contribution of the sectors programmes to the triple bottom line, social impact, sustainability and economic development
- recommendations for future activity
- identification of best practice for dissemination to other sectors

Key areas of activity for this part of the study will include

- Face to face interviews with 100 participants into relationship between economic growth and objective one programmes
- In-depth case studies of 20 businesses into relationship between economic growth objective one programme
- Desk top research into the Cornish Economy since 2000

## REQUIREMENTS

The consultants appointed will be expected to work within a framework that incorporates the following features:

- Regular reporting to and consultation with the project management group (Project Manager – Ross Williams)
- Flexible and adaptable approaches to allow for the incorporation of emerging themes as these arise.
- The consultants will need to provide ten bound copies of the report and a digital copy
- When the study is completed a dissemination strategy will be implemented between January and June 2007. This strategy will include some or all of the following

# Counting on Creativity

- o Internal seminar day with sector
- o A final publication
- o The creation of a DVD
- o A national conference
- o The development of a website

The research team will be required to be available to contribute to the development of these dissemination tools as required. Fees for this work will be negotiated as the dissemination strategy is fully developed during the period of the research.

- All invoices will need to be backed up by supporting documentation to allow for audit by ERDF and Arts Council South West agents should this be required.

## **TIMESCALE**

The study will commence in the week of the 19th of June 2006 and need to be completed by the 15th December 2006.

## **SELECTION OF CONSULTANTS & COSTS**

ACT is looking for consultants with extensive experience of research into economic development issues within the Creative Industries.

Requests for further information or documentation should be directed to Ross Williams-[ross@actcornwall.org.uk](mailto:ross@actcornwall.org.uk) tel 01209 313200

Please submit a quotation for this work, to include

- An outline of the proposed methodology.
- A detailed breakdown of each element of the proposed work including the number of staff days required to complete the work.
- Information about the team put forward to do the work, including relevant experience and suitability to undertake the project
- All fees, materials and expenses excluding VAT.

**Tender documents need to be delivered by 5.00 pm on 9th of June 2006 to Ross Williams at ACT**

**The Old Grammar School  
West Park  
Redruth  
Cornwall  
TR15 3AJ**

ACT intends to appoint on the basis of the tender documentation only by Friday 9<sup>th</sup> June. If competitive interviews are required they will be held on Thursday 15<sup>th</sup> June.

No funding is available to cover the costs of preparing the tender or for attending any competitive interview.

# Counting on Creativity

## APPENDIX C: Questionnaires used for research surveys

### Strategy Level interviews

<b>Section 1: STRATEGY DEVELOPMENT</b>	
1.1	The decision making process – how was the strategy arrived at?
1.2	How effective was the Task Force?
1.3	What was the relationship to other funding strategies?
1.4	What was the relationship between the sector and Objective One?
1.5	How much of the Task Force strategy got delivered?
1.6	What was the relationship of the Task Force to Objective One from the out set and as it developed?
1.7	What was the relationship between sector and LSC?
1.8	<i>Did Objective One have strategies around the Creative Industries?</i>
1.9	<i>Did the original information in the SPD and/or Creative Value document have any effect on strategies?</i>
1.10	<i>How did the Creative Industries fit into the overall strategies of Objective One?</i>
<b>Section 2: BEST VALUE</b>	
2.1	What do you perceive the value of the creative industry programmes as being?
<b>Section 3: SUPPORT STRUCTURE</b>	
3.1	How good was the circulation of information to sector?
3.2	Were there any gaps in support?
3.3	What was the Interconnectedness/cross referencing/cohesiveness of delivery agencies?
3.4	How good was visibility and clarity of purpose?
3.5	What was the ongoing relationship to Objective One and LSC as it developed?
<b>Section 4: DELIVERY MECHANISMS</b>	
4.1	Major issues and opinions for Programme delivery (e.g. CAM, Creative Skills)
<b>Section 5: WHAT CHANGE HAS BEEN AFFECTED?</b>	
5.1	Change in Zeitgeist?
5.2	Change in the sector?
5.3	Change in the intermediary organizations and agencies?
5.4	What hasn't changed?
5.5	What would you like to change?
5.6	Were there issues that came up and how were they responded to during the process?
5.7	<i>Objective One – how much do Objective One think they have been responsible for the change?</i>
<b>Section 6: WHAT NEXT?</b>	
6.1	Improved relationships?
6.2	Scale of projects?
6.3	Priorities?

# Counting on Creativity

## Delivery Level Interviews

Q	
	Section 1: Personal and/or organizational background
1.1	What do you understand to be the remit of your Objective One funded programme(s)?
1.2	What is your own role within the programme?
1.3	Who are your target groups of beneficiaries? <i>Has there been any deviation from this target?</i> <i>Have you noticed any clustering of beneficiaries? e.g. by age, geography, art form, gender, attitude, start-up or mature</i>
	Section 2: SERVICES: Appropriateness and effectiveness
2.1a	How appropriate and effective is the delivery of these services in terms of: <i>Overall benefit to business practice of beneficiaries?</i>
2.1b	<i>Quality of support given?</i>
2.1c	<i>Appropriateness of support given?</i>
2.2	Is there any variation in the standard of support your programme gives by sub-sector?
2.3a	How good were relations and communications within your own agency?
2.3b	How good were relations and communications between the various delivery agencies?
2.3c	How well did you understand their different remits?
2.4a	Were there any major issues that came up and how were they dealt with?
2.4b	Were there any major improvements in your service?
	Section 3: WHAT CHANGE HAS BEEN AFFECTED?
3.1	How has the sector been affected by the Creative Industries support programmes in terms of: • <i>Profile and prestige?</i> • <i>Aspirations?</i>
3.2	Thinking of the sector as a whole, which 2 of the following areas do you think have shown the most significant improvement and which 2 the least? 1 <i>Admin, planning and management capability</i> 2 <i>Fundraising and accessing finance</i> 3 <i>Creative skills and competencies</i> 4 <i>Marketing and self-promotion</i> 5 <i>Products and services</i> 6 <i>Technology and the use of</i> MOST IMPROVED:
3.3	LEAST IMPROVED:
3.4	What hasn't changed in the sector and what would you like to change? • <i>Why?</i> • <i>How can the Creative Industries support programmes contribute to this?</i>
	Section 4: WHAT NEXT?
4.1	How can relationships be improved within the sector?
4.2	What are your views on the scale of projects that have taken place and what are your views on the appropriate scale of projects in the future?
4.3	What are your views on the learning style your programme favoured?
4.4	What do you think the priorities should be for future programmes?

# Counting on Creativity

## In-depth Beneficiary interviews

<b>NOW</b>	Where are you at now in your business?
1.1a	Turnover?
1.1b	Profit
1.1c	Markets
1.1d	Products/services
1.1e	Staffing or hours worked
1.1f	Networks or Partnerships
1.2a	What are your greatest strengths?
1.2b	or weaknesses?
1.3a	What are external opportunities?
1.3b	or threats do you face?
1.4	How stable is your current position?
<b>PAST</b>	
2.1	How did you get to where you are now?
2.2	What were the major stepping stones/land mark events/turning points?
2.3	What obstacles have you faced and how have you dealt with them?
2.4	What investments or help did you receive along the way and what difference did these make?
2.5	What would have speeded up the process for you?
2.6	What changes have occurred in yourself/your business and the way you do business?
<b>FUTURE</b>	Where do you want to be in 5 years time? And how will you get there?
3.2a	What are your artistic ambitions?
3.2b	What are your financial ambitions?
3.2c	Do you anticipate any conflict between these? And if so how will you deal with them?
3.2d	What other obstacles do you see?
3.3	What help or interventions would most help you to achieve your ambitions?
4.1	What do you think of the CI sector in Cornwall?
4.2	If you were advising others on what to do to get ahead, what would you say?
4.3	Any other comments

# Counting on Creativity

## Telephone Survey Form

Interview Reference Number	Automatically generated at print off
Name of organization	
Telephone number	
Date interview completed	
Researcher Initials	

### INTRODUCTION TEXT

Good morning/afternoon/evening, my name is ..... and I am a member of a team funded by Government Office South West through the Cornwall Arts Centre Trust to undertake a survey of creative businesses in Cornwall – particularly we are looking at the impact that Objective One has had on the creative sector.

The study is being undertaken by Perfect Moment - a Cornwall-based company specialising in the Creative Industries. Your details have been given to us by one or more of the Creative Industries agencies as a beneficiary of an Objective One programme.

Would it be possible to speak to the Director/Manager/Owner of your company/organization for about 20 minutes?

If you would like to check my details before answering you can contact the project research director, Julia Twomlow, at Perfect Moment on 01736 332094 (email: julia@perfect-moment.co.uk )

[Advise that this is a confidential survey covered by the provisions of the Data Protection Act and that no information about individual companies or organizations will or may be disclosed to any third party.

All results from this survey will be presented in aggregated form that does not disclose the characteristics of any individual business or organization

Offer to send information sheet by email if there are any doubts or queries about taking part]

The interview should take no more than 20 minutes to complete and is broken down into a number of sections.

### DEFINITION OF BUSINESS

Please can you give me your name?

First Name	
Last name	

# Counting on Creativity

Please can you give me your job title or position in the organization

E.g. Owner, Partner, Chairperson, Chief Executive, Managing Director, Senior Spokesperson, or specify another role:

--

Please can you confirm the name, and contact details for your business or organization?

Name of company/org or trading name	
Postcode	
Telephone number	
e-mail	
web address	

What is the main creative activity of your company?

Ask what they do and then match to one of the four DCMS domains. Then elicit any further information to fill in the relevant sub-sector question in the principle activity table on the next page.

	TICK	
Audio-Visual		<a href="#">Go to 1.4 a</a>
Books & Press		<a href="#">Go to 1.4 b</a>
Performance		<a href="#">Go to 1.4 c</a>
Visual Arts		<a href="#">Go to 1.4 d</a>

# Counting on Creativity

Principle Activity	Tick	Principle Activity	Tick
<b>1.4 a Domain: Audio-Visual</b>		<b>1.4 b Domain: Books &amp; Press</b>	
Creation of Film and/or TV content		Literary interpretation and creation	
Creation of Radio content		Publishing	
Creation of New Media content		News agency activity	
Recording of music and/or sound,		Literary agency	
Recording of video or film		Literary festival	
Advertising		Bookbinding, finishing etc	
Leisure Software		Retail sales of books and newspapers	
Digital Art		Other (please specify)	
		.....	
Manufacture of musical instruments			
Manufacture of TV, Radio, sound, video recording equipment			
Other (please specify)			
.....			
<b>1.4 c Domain: Performance</b>		<b>1.4 d Domain: Visual Arts</b>	
Creating and or performing theatre		Operating gallery	
Creating and or performing dance		Architecture	
Creating and or performing circus		Design and crafts	
Creating and or performing live music		Sculpture	
Operating entertainment agency		Fashion design	
Operating festival		Graphic design	
Operating performance space		Interior design	
Operating night club etc		Creation of visual art works	
Other (please specify)		Reproduction of visual art works	
.....			
		Operating Visual art festivals	
		Other (please specify)	
		.....	

# Counting on Creativity

How long has your business has been in existence?

(Single Answer- Tick one only)

< 1 year	
1-2 years	
2-3 years	
3-4 years	
4-5 years	
5-10 years	
10-15 years	
15-20 years	
>20 years	

Is your business/organization a...

(Single Answer- Tick one only)

	TICK	
Partnership		(go to 1.6.1)
Independent sole trader or freelancer		(go to 1.6.1)
Limited Company		(go to 1.7)
Co-operative		(go to 1.7)
Subsidiary of another company		(go to 1.7)
Other (Please specify) .....		(go to 1.7)

If a sole trader or partnership, do you work more hours in your creative practice than you did 5 years ago?

Yes  No

Are you a voluntary organization? Yes  No

Are you a Registered Charity? Yes  No

## EMPLOYMENT & WORKFORCE

Including yourself how many people does your business employ in an average year?

(Enter Numbers)

Fulltime (more than 30 hours per week)	
Part-time (less than 30 hours per week)	
Freelance	
Volunteers (unpaid including family and friends)	

# Counting on Creativity

How has this changed in the last 5 years?

For example: have taken on 5 new full time employees. Are employing twice the number of freelancers etc

## ECONOMIC PERFORMANCE

**TELL RESPONDENT:** “We are trying to establish how well the creative sector is performing and therefore we need to gather some data on turnover. This information will be kept confidentially and will be combined with other data so your business cannot be identified”

Please could you tell us what the CURRENT annual turnover of your business or organization is - within the following bands?

If respondent is unhappy with this question – inform them that it is confidential and will be aggregated in with other figures so that neither the business nor the figures can be identified  
(Single Answer)

< £10,000		£300k-£400k	
£10k-£20k		£400k-£500k	
£20k-£50k		£500k-£750k	
£50k-£100k		£750k-£1million	
£100k-£200k		£1million-£5million	
£200k-£300k		Declined response	

Would you say that, in the past 5 years, your turnover has increased, decreased or stayed the same?

(Single Answer)

	<b>TICK</b>	
Increased		<a href="#">Go to 3.2.1</a>
Decreased		<a href="#">Go to 3.2.2</a>
Same		<a href="#">Go to 3.3</a>

# Counting on Creativity

If 'Increased' by approximately what percentage over the 5 years?

(Single Answer –then ask reason)

	Tick	3.2.1(a) - What do you think the key factors might be? (Enter text in box below)
0-4%		
5-9%		
10-19%		
20-49%		
50-99%		
100% +		
Not in existence in 5 years ago		
No answer		

If 'Decreased' by approximately what percentage during this period

(Single Answer –then ask reason)

	Tick	3.2.2(a) - What do you think the key factors might be? (Enter text in box below)
0-4%		
5-9%		
10-19%		
20-49%		
50-99%		
100% +		
Not in existence in 5 years ago		

Can you say, roughly what proportion of your income comes from the following places:

**Estimated breakdown of income – (must add up to 100%)**

**Researcher Note: In this question the term South West Region refers to Cornwall, Devon, Somerset, Dorset, Wiltshire, Gloucestershire, and includes Bristol & Bath**

Cornwall	%
The South West Region	%
The Rest of the UK	%
The Rest of the European Union	%
Internationally	%
<b>TOTAL</b>	<b>100%</b>

# Counting on Creativity

How has this changed in the last 5 years?

**Researcher Note:** For example, respondent might say that they have increased UK sales in the last 2 years or that they have started to export in the last year etc.

## BUSINESS & SECTOR SUPPORT IN CORNWALL

The following organizations have been funded by Objective One to support the business development in Cornwall. Could you indicate whether you are aware of or have used any of the following:

(Tick all that apply)

	Aware of	Used
Business Link		
ActNow (Broadband)		
South West Investment Group		
Finance Cornwall		

The following organizations have been funded by Objective One to support the Creative Industries specifically. Could you indicate whether you are aware of or have used any of the following:

(Tick all that apply)

	Aware of	Used
Creative Skills		
Creative Kernow		
Cornwall Film (Phases 1 & 2)		
Cornwall Arts Marketing		
University College Falmouth (UCF)		
Celtic Film Festival		
South West Film Studios		

**ADVISE RESPONDENT:** If you used one or more of the organizations listed in Q4.2 we would like to ask you some more questions about each of them.

(Researcher should now use a separate intervention sheet for each organization and then return to question 4.3 upon completion)

**PLEASE ENSURE THAT INTERVENTION SHEETS ARE STAPLED TO THE APPROPRIATE QUESTIONNAIRE)**

**CONTINUE WITH SURVEY QUESTIONS BELOW.....>>**

# Counting on Creativity

Is there any support your business needs that's not currently available?

Yes  No

If Yes, please give details

## PROFESSIONAL & BUSINESS DEVELOPMENT

Looking at the following SEVEN general professional and business areas:

What is your assessment of where you are now ((score from 0 to 5)

How much has it improved over the past 5 years (score from 0 to 5)

How much of a priority is it for the next 5 years (score from 0 to 5)

For those areas that have improved MOST in the last 5 years (Q2 – scored 3 or more) did contact with the Creative Industries support programmes contribute to this improvement (score from 0 to 5)

	DEVELOPMENT ISSUES	1.Assessment Now	2.Improvement over last 5 years	3. Priority for next 5 years	4.Contribution of Support Progs to situation
		0 to 5	0 to 5	0 to 5	0 to 5
1.	Management, admin, planning				
2.	Fundraising or accessing finance				
3.	Skills and competencies				
4.	Marketing and/or self promotion				
5.	Products & Services				
6.	Technology, and use of				

We will be carrying out a small number of in-depth face to face interviews in the near future.

Would you be willing to be contacted again to help us with this part of our research?

Yes  No

*Thank you for sparing the time to respond to these questions, your responses will be very useful for informing the future support infrastructure for the Creative Industries in Cornwall.*

# Counting on Creativity

## Intervention Questionnaire supplement to the Telephone Survey

Name of delivery organization: \_\_\_\_\_

What kind of support did you receive? (tick all that apply)

Business Support, generic		Marketing advice	
Business support specific to your sector		Networking or road show opportunities	
Direct Funds		One to one Support	
Fundraising advice & support		Seminar events	
Gained a qualification		Training courses	
Information/advice on practice or development		Other (Please specify) .....	

If you received direct funding, what was the total amount of funding received?

< £1K		£100k-£200k	
£1k-£5k		£200-£500k	
£5k-£20K		£500k-£1 million	
£20k-£50k		> £1 million	
£50k-100k		Not applicable	

How did you hear about the organization you accessed for support?

Organization's promotional literature

Website

Local or national press

Other (please specify)

From another organization/practitioner

\_\_\_\_\_

How easy was it for you to get information about the organization and its services?

Very Easy

Quite easy

Quite difficult

Very difficult

Did the support you received match your expectations?

Not at all

In part

Matched my expectations

Exceeded my expectations

On a scale of 0 to 5 where 0 is not at all and 5 is very high, how would you rate the service you received in terms of:

Overall benefit to your business/practice? 0  1  2  3  4  5

Quality of support you received? 0  1  2  3  4  5

Appropriateness of the support you received? 0  1  2  3  4  5

# Counting on Creativity

## APPENDIX D: Full list of creative sector grants

### Direct Bids

Date	Project/ Beneficiary	Details	Fund	Measure	Amount
22-Oct-04	Audio-Visual Industries Development - South West Screen	Awarded a priority 1.2 and 1.6 grant for a follow on project from the successful 3 year Cornwall Film Programme that supported the development of local film and TV production in Cornwall. Grant of £914,058 from ERDF towards a £1,835,126 project.	ERDF	1.2	£457,029
22-Oct-04	Audio-Visual Industries Development - South West Screen	Awarded a priority 1.2 and 1.6 grant for a follow on project from the successful 3 year Cornwall Film Programme that supported the development of local film and TV production in Cornwall. Grant of £914,058 from ERDF towards a £1,835,126 project.	ERDF	1.6	£457,029
09-Mar-01	Celtic Film & Television Festival	Funding for 22nd Celtic Film & TV Festival, providing major networking opportunity for local film industry. Grant of £113,107 from ERDF for £229,043 project.	ERDF	1.2	£113,107
05-Apr-02	Cornwall Arts Marketing	The Arts Centre Trust has been awarded an ERDF Priority 5.1 grant towards a project aimed at improving the marketing of arts. Grant of £2,923,963 from ERDF towards a £6,002,696 project.	ERDF	5.1	£2,923,963
29-Jul-05	Cornwall Cultural Marketing	Arts Centre Trust has been awarded a priority 5.1 grant. The project plans to create innovative campaigns on behalf of the cultural sector. This project partners heritage organizations, film companies, galleries and theatre companies amongst others. Heritage organizations are particularly important addition because of Cornwall's bid to gain World Heritage Site status for its mining landscape in 2006. Grant of £788,831 from ERDF towards a £1,972,082 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ERDF	5.1	£788,831
30-Mar-01	Cornwall Film (Phase One)	Cornwall County Council has been awarded a Priority 1.2 grant for a project providing an Umbrella Fund to support film, TV and script production in Cornwall. Grant of £548,529 from ERDF for £1,097,058 project.	ERDF	1.2	£548,529

# Counting on Creativity

Date	Project/ Beneficiary	Details	Fund	Measure	Amount
17-Apr-03	Creative Kernow	To provide hands-on support for small businesses and individuals working in the Creative Industries sector. Grant of £172,841 from ERDF towards a £409,450 project.	ERDF	5.1	£172,841
01-Oct-05	Creative Kernow	To provide hands-on support for small businesses and individuals working in the Creative Industries sector.	ERDF	5.1	£17,800
07-Dec-01	Creative Skills Consortium	To provide Cornwall's Creative Industries with a huge boost aimed at developing and improving performance. The CSC will be run by the Cornwall Arts Centre Trust in partnership with more than 25 other arts organizations across Cornwall. Grant of £329,950 from ESF for £733,318 project.	ESF	3.3	£329,950
04-Apr-03	Creative Skills Consortium Cornwall	To extend a project to develop the skills of people working within the Creative Industries. Grant of £286,673 from ESF towards a £762,052 project.	ESF	3.2	£286,673
Apr-04	Creative Skills: Social Enterprise	The project provided higher level support and advice. Grant of £160,823 from ESF towards a £473,153 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ESF	3.2	£160,823
Apr-04	Creative Skills: Skills Fund	The project enabled the Creative Skills team to deliver a flexible and responsive skills fund for the Creative Industries sector. Grant of £280,744 from ESF towards a £758,768 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ESF	1.7	£280,744
Jul-06	Creative Skills - CS Workforce project	Grant from ESF of £209,408 towards a total project costs of £551,076. Start date 1st July 2006, end date 31st December 2007. Extended the Skills Fund work but it also included mentoring, seminars etc.	ESF	3.7	£209,408
01-Oct-05	CUC Creative Enterprise Cornwall 2	University College Falmouth has been awarded a priority 5.4 grant. The overall aim is promotion of CPD through research activities focusing on '2 and 3D design', 'nature and the environment' and 'Art and Design'. Grant of £1,499,880 from ESF towards a £3,845,849 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ESF	5.4	£1,499,880

# Counting on Creativity

Date	Project/ Beneficiary	Details	Fund	Measure	Amount
02-Apr-02	CUC Creative Enterprise for Cornwall	Falmouth College of Arts has secured a Priority 5.4 grant for a project to support post-graduate students. Grant of £1,643,031 from ESF towards a £3,651,183 project.	ESF	5.4	£1,643,031
21-Jul-06	CUC	The Combined Universities in Cornwall has been awarded a priority 5.3 grant. This project comprises a suite of work packages, each of which will enable a capital element of CUC phase 2 to be tendered. Grant of 1,469,592 from ERDF towards a £2,939,185 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ERDF	5.3	£1,469,592
08-Feb-01	CUC Initiative First Phase of Start Up	Falmouth College of Arts has been awarded a Priority 5.3 project to enable first phase of start up work for both the physical development and course development work which will allow all phases of the main site at Tremough to be ready for occupation by 2003. Grant of £673,636 from ERDF towards £1,193,636 project.	ERDF	5.3	£673,636
19-Oct-01	CUC Initiative Second Phase of Start Up	Falmouth College of Arts has been awarded a Priority 5.3 grant for a project to continue in the development of the CUC, which aims to attract an extra 4,000 new students to Cornwall by 2010, thereby creating a projected 1,000 new jobs and generating £31 million a year in the local economy. Grant of £4,937,500 from ERDF for £8,817,000 project.	ERDF	5.3	£4,937,500
09-Sep-02	CUC Phase 1 Hub Capital Design Centre	Falmouth College of Arts has been awarded a Priority 5.3 grant towards the construction of the CUC campus at Tremough, Falmouth. Grant of £12,177,332 from ERDF towards a £20,258,454 project.	ERDF	5.3	£12,177,332
13-Aug-04	CUC phase 1 Hub: Specialist Equipment	The University of Exeter has been awarded a Priority 1.6 grant towards the purchase of specialist equipment for the Design Centre of Falmouth College of Arts. The Design Centre will house dedicated studio space with design-specific computing facilities, an ICT teaching suite and specialist workshops. Grant of £509,040 from ERDF towards a £909,000 project.	ERDF	1.6	£509,040

# Counting on Creativity

Date	Project/ Beneficiary	Details	Fund	Measure	Amount
21-Jul-06	CUC Phase 2	University College Falmouth has been awarded a priority 2.7 grant. This project proposes to undertake a second phase of capital build at the CUC Hub in Tremough. The project will be jointly carried out with the University of Exeter to provide 8107m <sup>2</sup> of floor space. The shared space will provide seminar rooms, Learning Resource facilities, administration and social space. Grant of £7,754,702 from ERDF towards a £15,524,903 project. This project will benefit all districts of Cornwall and the Isles of Scilly.	ERDF	2.7	£7,754,702
28-Nov-03	Digital Expressions Feasibility Study Community Projects Trust Ltd	A feasibility study to map the provision of the creative media industries sector in North Cornwall and ways of developing the sector. Grant of £7,500 from ERDF towards a £15,000 project.	ERDF	1.6	£7,500
Jan-06	Leach Pottery	This project will acquire, preserve and enhance the site and building of the Leach Pottery to make them fully accessible to the general public. It will celebrate the life, works and legacy of Bernard Leach and create a training facility. Grant of £450,767 towards a £1,502,556 project. This project benefits the Penwith District.	ERDF	5.2	£450,767
01-Apr-06	Mawnan Anvil Smithy	The project restores the historic smithy at Mawnan Smith to full use and building two workshops for creative business start ups. Grant of £143,000 from ERDF towards a £143,000 project. This project will benefit the Kerrier district.	ERDF	5.5	£143,000
01-Oct-05	Mayrose Project Feasibility Study Equity	A feasibility study to determine viability of an International Centre of Excellence for the ongoing training and professional development of professional performers in North Cornwall. Grant of £5,000 from ERDF towards a £11,000 project. The project will benefit all districts of Cornwall and the Isles of Scilly.	ERDF	5.1	£5,000
15-Nov-02	Miracle Theatre Development Project	Grant towards a project to enable them to fund an 18-month development phase for the Trust so that they can reach a more established level, enabling them to receive Arts Council funding. Grant of £21,791 from ERDF towards a £49,291 project.	ERDF	5.1	£21,791

# Counting on Creativity

Date	Project/ Beneficiary	Details	Fund	Measure	Amount
30-May-03	Mount Pleasant Ecological Park	To create six high-tech eco-friendly workshops for use by traditional craftspeople and artists. Grant of £63,819 from EAGGF towards a £255,274 project.	EAGGF	4.6	£63,819
12-Apr-01	Multimedia Cornwall College	To develop higher education training in sector, including digital broadcasting. Grant of £258,527 from ESF for £574,511 project.	ESF	1.7	£258,527
12-Nov-05	Newlyn Art Gallery Development	Newlyn Art Gallery has been awarded a priority 5.5 grant. This project will provide enhanced gallery spaces and education facilities, in which the organization can extend its programme, attract new and wider audiences for contemporary art, cultural tourism and arts based education work and provide support for artists living and working in Cornwall through increased sales, education opportunities and professional development opportunities. Grant of £1,206,858 from ERDF towards a £2,591,858 project. This project will benefit the Penwith District.	ERDF	5.5	£1,206,858
18-Sep-02	Penwith Media Facility Study The Media Centre for Cornwall Ltd	To assess the current and future needs of the Cornish media industry and plan for a centre to meet those needs. Grant of £21,568 from ERDF towards a £43,431 project.	ERDF	1.6	£21,568
25-Sep-02	South West Film Studios	South West Film Studios Ltd have been awarded a Priority 1.1 grant towards a project to build the first film studio complex in the South West. The studio, at St. Agnes, will provide state-of-the-art productions facilities for the film and television industry. Grant of £2,018,800 from ERDF towards a £5,768,000 project.	ERDF	1.1	£2,018,800
01-Apr-06	Tate St Ives – Phase 2 development project	This project is a feasibility study for expanding the Tate in St Ives. Grant of £273,000 from ERDF towards a £546,000 project. This project will benefit Penwith district.	ERDF	5.5	£273,000
2006	Redruth Creative Industries Business Parc	Arts Centre Trust received funding from ERDF Priority 5.1 for technical study prior to planning permission	ERDF	5.1	£85,000
					<b>£41,967,070</b>

# Counting on Creativity

## LSC Grants

Project Details	Fund	Measure	Amount
Creative Skills. This programme will make a significant contribution to embedding a culture of learning in the Creative Industries, encouraging and supporting both SME owners and managers and individual workers to understand and value the economic and financial benefits of investing in training through integrated delivery mechanisms. £95,208	ESF	1.7	£95,208
Creative Skills. This programme will make a significant contribution to embedding a culture of learning in the Creative Industries, encouraging and supporting both SME owners and managers and individual workers to understand and value the economic and financial benefits of investing in training through integrated delivery mechanisms. £153,370	ESF	1.7	£153,370
Creative Skills Employee Support. This programme will make a significant contribution to embedding a culture of learning in the Creative Industries, encouraging and supporting both SME owners and managers and individual workers to understand and value the economic and financial benefits of investing in training through integrated delivery mechanisms. £52,365	ESF	1.7	£52,365
Creative Skills. This programme will make a significant contribution to embedding a culture of learning in the Creative Industries, encouraging and supporting both SME owners and managers and individual workers to understand and value the economic and financial benefits of investing in training through integrated delivery mechanisms. £282,660	ESF	3.7	£282,660
			<b>£583,603</b>

## Rural Key Fund Grants

Project Details	Value
Development of a community based performing arts group	£6,000
IT training suite offering various training including digital media	£27,000
Establishment of a sound engineering and digital media lab for training and use by local businesses	£26,100
IT training suite offering various training including digital media	£12,102
IT training suite offering various training including digital media	£10,000
IT training suite offering various training including digital media	£6,859
Development of a social enterprise offering training opportunities in website design and construction	£27,000
IT training suite offering various training including digital media	£16,651
IT training suite offering various training including digital media	£18,201
	<b>£149,913</b>

# Counting on Creativity

## Community Futures Fund Grants

Project Details	Value
Creation of a print workshop	£4,794
Digital photography social enterprise	£5,939
Artist Development Group	£4,917
Various craft courses	£3,410
Various craft courses	£5,894
Establishment of a pottery for socially excluded	£5,960
Training in stone working for craft	£425
Training programme in digital media	£1,089
Music Development programme	£1,658
Music Development programme	£1,593
Training in digital imagery	£2,970
Performing arts training	£5,070
	<b>£43,719</b>

# Counting on Creativity

## APPENDIX E: Bibliography

Publication	Published/commissioned by	Author/Date
<i>Building Creative Success - the State of the Creative Industries in Devon and Torbay</i>		Perfect Moment 2005
<i>Cornwall and the Isles of Scilly Convergence Programme 2007-2013 Progress Report Draft Operational Programme</i>		14 Feb 2007
<i>Creative Business Parc (Redruth) Demand Study</i>	Camborne Pool Redruth Regeneration	Perfect Moment (May 2005)
<i>Creative Edge</i>	Penwith District Council	Perfect Moment (2000)
<i>Creative Industries (non-Media) Sector Strategy for the South West Region: 2005-2008</i>	Culture SW	(Feb 2005)
<i>Creative Industries Economic Estimates</i>	DCMS	(Sept 2006)
<i>Creative Industry Collaborations</i>	Culture SW	Burns Owens Partnership (23 Feb 2007)
<i>Creative Value - The Economic Significance of the Creative Industries in Cornwall</i>	Cornwall Arts Marketing (March 2003)	Written by the Cultural Policy and Planning Research Unit at Nottingham Trent University and Perfect Moment (Sept 2002)
<i>DCMS Creative Economy Programme - Regional Development Agencies' working paper</i>	DCMS	(June 2006)
<i>Improving Organizational Capacity</i>	Mission Money Models Symposium	Julia Twomlow (Feb 2005)
<i>National Audit Office Value for Money Report: Executive Summary</i>	National Audit Office	
<i>Objective One Programme for Cornwall and the Isles of Scilly - Single Programming Document</i>		(2000, revised Dec 2005)
<i>Regional Mapping and Economic Impact Study of the Creative Industries</i>	Culture SW/SWRDA	Burns Owens Partnership and University of Leeds (May 2004)
<i>The Results - Trebling Reputation Score</i>		Cornwall Arts Marketing (2005)

# Counting on Creativity

WEBSITES CONSULTED	
<i>actnow Broadband</i>	<a href="http://www.actnowcornwall.co.uk">www.actnowcornwall.co.uk</a>
<i>Business Link Devon and Cornwall</i>	<a href="http://www.blinkdandc.com">www.blinkdandc.com</a>
<i>Combined Universities in Cornwall</i>	<a href="http://www.cuc.ac.uk">www.cuc.ac.uk</a>
<i>Cornwall Arts Centre Trust</i>	<a href="http://www.actcornwall.org.uk">www.actcornwall.org.uk</a>
<i>Cornwall Arts Marketing</i>	<a href="http://www.cornwallculture.co.uk">www.cornwallculture.co.uk</a>
<i>Creative Skills</i>	<a href="http://www.creativeskills.org.uk">www.creativeskills.org.uk</a>
<i>Finance Cornwall</i>	<a href="http://www.financecornwall.co.uk">www.financecornwall.co.uk</a>
<i>Government Office for the South West</i>	<a href="http://www.gosw.gov.uk">www.gosw.gov.uk</a>
<i>Leach Pottery</i>	<a href="http://www.theleachpotterystives.co.uk">www.theleachpotterystives.co.uk</a>
<i>Newlyn Art Gallery &amp; The Exchange</i>	<a href="http://www.newlynartgallery.co.uk">www.newlynartgallery.co.uk</a>
<i>The Objective One Programme for Cornwall and the Isles of Scilly</i>	<a href="http://www.objectiveone.com">www.objectiveone.com</a>
<i>University College Falmouth</i>	<a href="http://www.falmouth.ac.uk">www.falmouth.ac.uk</a>
<i>Unlocking Cornish Potential</i>	<a href="http://www.cornwall.ac.uk/ucp">www.cornwall.ac.uk/ucp</a>

# Counting on Creativity

## APPENDIX F: Lists of interviewees

First name	Surname	Level	Org	Role in which interviewed	Notes
Stuart	Evered	Delivery	Cornwall Arts Centre Trust	Financial Controller	
Ian	Campbell	Delivery	Cornwall Arts Marketing	Distribution Manager	
Vanessa	Harris	Delivery	Cornwall Arts Marketing	Former Senior Marketer	
Karol	Puleston	Delivery	Cornwall Arts Marketing	Project Co-ordinator	
Miranda	Adams	Delivery	Cornwall Film	Project Co-ordinator	
Julie	Davis	Delivery	Creative Kernow	Crafts Development Manager	
Amanda	Webb	Delivery	Creative Kernow	Administrator/Project Manager	
Carol	Lomas	Delivery	Creative Skills	Business Advisor	
Jane	Pugh	Delivery	Creative Skills	Animateur	
Karen	Redman	Delivery	Creative Skills	Administrator	
Mike	Cunliffe	Delivery	University College Falmouth	ex-Business Fellow	
Paul	Sullivan	Delivery	University College Falmouth	Business Fellow	
Jojo	Pickering	In-depth	Bash Street Company	Partner	
Will	Coleman	In-depth	Brave Tales	Writer & Storyteller	
Helen	Tiplady	In-depth	C-Scape Dance	Partner	
David	Meneer	In-depth	Eden Project	Marketing Director	
Phil	Gendall	In-depth	Gendall Design	Managing Director	
Tim	Brinkman	In-depth	Hall for Cornwall	Executive Director	
Peter	Cowling	In-depth	Leach Pottery Restoration Trust	Project Director	
Jules	Clarke	In-depth	Miracle Theatre Company	General Manager	
James	Green	In-depth	Newlyn Art Gallery	Director	
Elizabeth	Knowles	In-depth	Newlyn Art Gallery	Former Director	
Poppy	Treffry	In-depth	Poppy Treffry Ltd	Textile designer and maker	
Angelina	Boscarelli	In-depth	Rogue Theatre	Artistic Director	
Neil	Chadwick	In-depth	Seasalt Cornwall	Marketing Director	
Tom	Barnecut-Watson	In-depth	Self-employed	Sculptor	
Sovay	Berriman	In-depth	Self-employed	Artist & Sculptor	
Daisy	Dunlop	In-depth	Self-employed	Jewellery designer and maker	
Jesse	Leroy Smith	In-depth	Self-employed	Artist	
Adela	Powell	In-depth	Self-employed	Ceramicist	
Helen	Gilchrist	In-depth	Stranger Magazine	Editor	
Richard	Cox	In-depth	Trevarno Estate	Director	
Ross	Williams	Strategy	Cornwall Arts Centre Trust	Director	
Miranda	Bird	Strategy	Cornwall Arts Marketing	Director	
Richard	Glover	Strategy	Cornwall Arts Marketing	Former Director	
Thelma	Sorenson	Strategy	Cornwall Business Partnership and CIC (SW) Devon & Cornwall	Chairperson	

# Counting on Creativity

First name	Surname	Level	Org	Role in which interviewed	Notes
Bert	Biscoe	Strategy	Cornwall County Council	Executive Member For The Environment	
Jenefer	Lowe	Strategy	Cornwall County Council	Former Arts Officer	
Jeanette	Ratcliffe	Strategy	Cornwall County Council	Senior Policy Officer	
Pippa	Best	Strategy	Cornwall Film	Project Director	
Paul	Brough	Strategy	Cornwall Record Office (CCC)	Manager	
Rose	Barnecut	Strategy	Creative Unit	Co-director	Former Arts Officer, Penwith District Council
Julie	Seyler	Strategy	Creative Unit	Co-director	Former Director, Creative Kernow & Task Force Co-ordinator
Lindsey	Hall	Strategy	Creative Partnerships	Creative Director	
Jane	Sutherland	Strategy	Creative Skills	Director	
Pauline	Sheppard	Strategy	Cultural Industries Task Force	Board member	Former Arts Officer, Penwith District Council
Kathryn	Hughes	Strategy	Devon & Cornwall Business Link	Innovation Mentor (Design)	
Dan	James	Strategy	Eden Project	Funding Manager	
Jane	Caro	Strategy	GOSW	Priority 4/5 Manager	
Gary	Elderbrand	Strategy	GOSW	Programme Performance & Evaluation Manager	
Janet	Woolley	Strategy	GOSW	ESF Contract Manager	
Tim	Brinkman	Strategy	Hall for Cornwall	Executive Director	
Nick	Johnson	Strategy	Historic Environment Services (CCC)	Manager	
Jeanette	Reed	Strategy	Learning & Skills Council	ESF Partnership Advisor	
Andrew	Green	Strategy	Learning Partnership	Co-ordinator	
Mark	Yeoman	Strategy	Objective One Partnership Office	Deputy CEO	
Tamsin	Daniel	Strategy	Penwith District Council	Museums & Heritage Officer	
Hilary	Bracegirdle	Strategy	Royal Cornwall Museum	Director	
Leah	Mynett	Strategy	Royal Cornwall Museum	Marketing Manager	
Bill	Holliday	Strategy	Rural Key Fund/RCP	Fund Manager	
Antony	Waller	Strategy	The Works (Dance & Theatre Cornwall)	Former Director	
Sara	Bowler	Strategy	University College Falmouth	ex-Business Fellow, Fine Art/Visual Arts	
Gillian	Burnett	Strategy	University College Falmouth	European Projects Manager	
Chris	Chapman	Strategy	University College Falmouth	ex-Business Fellow, 3D Design	
Jono	Wardle	Strategy	University College Falmouth	ex-Business Fellow, Advertising & Design	

## APPENDIX G: DCMS definitions of the creative & cultural industries<sup>53</sup>

### Cultural sector

Culture has both a material and non-material dimension. The definition of the Cultural Sector must focus upon material culture, and we understand this to be the sum of activities and necessary resources (tools, infrastructure and artefacts) involved in the whole 'cycle' of creation, making, dissemination, exhibition/reception, archiving/preservation, and education/understanding relating to cultural products and services.

The range of activities defined as 'cultural' is fluid and changing. However, at their most inclusive, we recognise the Cultural Sector to cover the following seven 'domains':

- **Audio-Visual** (includes film, TV, radio, new media and music)
- **Books & Press**
- **Heritage** (includes museums, libraries, archives and historic environment)
- **Performance** (includes theatre, arts and dance)
- **Sport**
- **Tourism** (includes gambling and betting activities)
- **Visual Arts** (includes galleries, architecture, design and crafts)

In addition to the above seven domains included in the standard definition of the Cultural Sector, there are two important sub-sectors which are not explicitly mentioned because they are comprised of a number of the above domains. They are:

- **Arts** (this sub-sector is defined as the Visual Arts domain + the Performance domain)
- **Creative Industries** (this sub-sector is defined as the Audio-Visual domain+ the Books and Press domain + the Performance domain + the Visual Arts domain)

The umbrella definition, which utilises the production chain approach, enables researchers and policymakers to see the totality and interrelations of an industry or domain. It provides an overarching conception of the various functions (through the production chain cycle) that constitute a particular industry or domain.

### Creative Industries

#### Audio-Visual

This encompasses interactive media, which covers leisure software, digital art and new media activities. Classifying Interactive Media under the Audio-Visual domain is consistent with the approach of the Sector Skills Council for Audio-Visual industries, Skillset. Advertising is also included because of its linkages with other elements of the Audio-Visual domain e.g. commercial broadcasting. Audio-Visual art activities as defined in the framework include:

- Creation of cinematographic works and Audio-Visual (non-cinema) works
- Creation of advertising materials
- Creation of musical works
- Creation of multimedia works
- Production of relevant capital and consumer goods (e.g. sound mixing desks, broadcast transmission equipment, cinema projectors etc.)
- Performance activities of music groups, orchestras, and companies
- Production of films for the cinema
- Production of films (non-cinema)
- Production of radio programmes
- Production of television programmes
  
- Production of commercials (TV, radio and cinema) and outdoor and press advertising

53 [http://www.culture.gov.uk/Reference\\_library/Research](http://www.culture.gov.uk/Reference_library/Research)

# Counting on Creativity

materials

- Production of music, sound and Audio-Visual recordings
- Production of multimedia works (inc. leisure software, digital arts and new media)
- Services relating to the production of musical, broadcast and multimedia works (including agents, managers, and promoters)
- Media buying, planning and evaluation
- Dissemination of activities of concert halls and music venues
- Distribution of film
- Distribution of recorded music
- Distribution of multimedia works
- Cinema management
- Organization of festivals and fairs
- Radio broadcasting
- Television broadcasting
- Trade/sales in music, sound and Audio-Visual recording
- Trade/sales in multimedia works
- Education and training activities
- Activities of specialist press/media; criticism etc.

## Books & Press

There are strong cross-linkages between Books & Press and Heritage, principally through the operation of libraries and archives, which depend on artefacts that are created and made within the Books & Press domain. Books & Press activities as defined in the framework include:

- Creation of literary works (activities of authors)
- Drafting of articles for newspapers, magazines and periodicals (activities of journalists)
- Book production
- Production of relevant capital and consumer goods
- Newspaper, magazine and periodical production
- Activities of press agencies
- Activities of literary agents
- Organization of book/reading festivals and fairs
- Trade/sales in books
- Trade/sales in press publications
- Event organising and awareness raising (including amateur training)
- Education and training activities
- Activities of specialist press/media; criticism etc.

## Performance

Performance does not include music, as it has much stronger organizational and production chain links with the functions of the Audio-Visual domain rather than purely performance-based arts.

Performance activities as defined in the framework include:

- Creation of theatrical, choreographic and circus works
- Production of live entertainment
- Activities of companies (dance, theatre, circus etc.)
- Services relating to the production of live entertainment (including agents)
- Dissemination activities of dance theatres, drama theatres etc.
- Organization of festivals (dance, theatre etc.)
- Event organising and awareness raising (including amateur training)
- Education and training activities
- Activities of specialist press/media, criticism etc.

# Counting on Creativity

## Visual Arts

Which in addition to painting and sculpture also encompasses a range of primarily visually based creative design activities (fashion, interior, architecture, graphic and product design). Crafts have also been included for the reason that it is an increasingly design led activity. Art and antique market is also included given that the bulk of traded artefacts are either visual art works or traded due to the value of their visual design component. Visual Art activities as defined in the framework include:

- Creation of visual works (including sculpture and crafts)
- Design-based activities (fashion, interior, building (aka architecture), graphic and product design)
- Production of visual works (including printed reproduction and production of casts)
- Production of relevant capital and consumer goods (e.g. artists' paint and materials)
- Exhibition of visual works
- Organization of festivals
- Event organising and awareness-raising (including amateur training)
- Trade/sales in visual works and antiques (art galleries and auction houses)
- Trade/sales in reproductions and casts
- Education and training activities
- Activities of specialist press/media, criticism etc.

## Creative Industries

A broad definition of the Creative Industries is those goods and services in the creative sector: advertising, architecture, art and antiques, crafts, design, designer fashion, film and video, interactive leisure software, television and radio, performing arts, music and software and computer services which feature original creativity and generate intellectual property with a potential for wealth and job creation.

Within the context of the framework the activities of these industries are spread across a number of domains, namely Performance, Visual Arts, Audio-Visual and Books & Press. As a result of this anomaly, any data requirements on the Creative Industries will need to draw from each of these domains. Creative Industries activities as defined in the framework include:

- Creation of cinematographic works and Audio-Visual (non-cinema) works
- Creation of advertising materials
- Creation of musical works
- Creation of multimedia works
- Production of relevant capital and consumer goods (e.g. sound mixing desks, broadcast transmission equipment, cinema projectors etc.)
- Performance activities of music groups, orchestras, and companies
- Production of films for the cinema
- Production of films (non-cinema)
- Production of radio programmes
- Production of television programmes
- Production of commercials (TV, radio and cinema) and outdoor and press advertising materials
- Production of music, sound and Audio-Visual recordings
- Production of multimedia works (including leisure software, digital arts and new media)
- Services relating to the production of musical, broadcast and multimedia works (including agents, managers and promoters)
- Media buying, planning and evaluation
- Dissemination of activities of concert halls and music venues
- Distribution of film
- Distribution of recorded music
- Distribution of multimedia works

# Counting on Creativity

- Cinema management
- Radio broadcasting
- Television broadcasting
- Trade/sales in music, sound and Audio-Visual recording
- Trade/sales in multimedia works
- Creation of literary works (activities of authors)
- Drafting of articles for newspapers, magazines and periodicals (activities of journalists)
- Book production
- Production of relevant capital and consumer goods
- Newspaper, magazine and periodical production
- Activities of press agencies
- Activities of literary agent
- Trade/sales in books
- Trade/sales in press publication
- Event organising and awareness raising (including amateur training)
- Creation of visual works (including sculpture and crafts)
- Design-based activities (fashion, interior, building (aka architecture), graphic and product design)
- Production of visual works (including printed reproduction and production of casts)
- Production of relevant capital and consumer goods (e.g. artists' paint and materials)
- Exhibition of visual works
- Organization of festivals
- Event organising and awareness-raising (including amateur training)
- Trade/sales in visual works and antiques (art galleries and auction houses)
- Trade/sales in reproductions and casts
- Activities of specialist press/media, criticism etc.
- Creation of theatrical, choreographic and circus works
- Production of live entertainment
- Activities of companies (dance, theatre and circus etc.)
- Services relating to the production of live entertainment (including agents)
- Dissemination activities of dance theatres and drama theatres etc.
- Education and training activities

## Arts

Similarly, the activities of the Arts sector are also not confined to just one domain. Instead they are spread across the Visual Art and Performance domains and as such all data requirements on this sector will need to draw from both domains. Arts activities as defined in the framework include:

- Creation of visual works (including sculpture and crafts)
- Design-based activities (fashion, interior, building (aka architecture), graphic and product design)
- Production of visual works (including printed reproduction and production of casts)
- Production of relevant capital and consumer goods (e.g. artists' paint and materials)
- Exhibition of visual works
- Organization of festivals
- Event organising and awareness-raising (including amateur training)
- Trade/sales in visual works and antiques (art galleries, auction houses)
- Trade/sales in reproductions and casts
- Activities of specialist press/media, criticism etc.
- Creation of theatrical, choreographic, circus works
- Production of live entertainment
- Activities of companies (dance, theatre and circus etc.)
- Services relating to the production of live entertainment (including agents)
- Dissemination activities of dance theatres, drama theatres etc
- Education and training activities

# Counting on Creativity

## The Cultural Cycle

The notion of the culture cycle can be thought of as analogous to a production chain or network. A production chain is basically the steps or cycle that any product or service goes through to transfer it from an idea through production, distribution and exchange to final consumption. At each step or link, a transformation takes place.

Like a chain, each link is dependent upon, and often interactive with the other links in the chain. Thus the production of goods and services always happens in a context - an idea is nothing without a site for exchange or an end consumer or use.

The DET identifies six processes of cultural production:

- creation
- making
- dissemination
- exhibition/reception
- archiving /preservation
- education/understanding

# Counting on Creativity

## APPENDIX H: Standard Industrial Classification codes for the Creative Industries

VISUAL ART	FUNCTION in Cultural Cycle
52.48/6 Retail sale in commercial galleries – new code in SIC 03	Dissemination
52.50/1 Retail sale of antiques, including antique books – previously retail of second hand goods in stores	Dissemination
74.20/1 Architectural activities	Creation
74.87/2 Specialty design activities including fashion, interior, graphics – previously included in 74.87/2 SIC 92	Creation
74.87/3 Activities of exhibitions and fair organizers	Exhibition/Reception
92.31/9 Other artistic & literary creation and interpretation	Creation
NFW Production of craft based artefacts	Making
NFW Manufacture of relevant capital goods (e.g. artists paint & materials)	Making
NFW Galleries, craft fairs, antique markets	Exhibition/Reception
NFW Sale and resale of antiques at auction	Dissemination
NFW Education & training for fine arts, crafts, architecture; arts press and criticism etc.	Education/ Understanding
PERFORMANCE	FUNCTION
92.31/1 Live theatrical presentation	Making
92.32 Operation of arts facilities	Exhibition/Reception
92.34/1 Dance halls and dance instructor activities	Exhibition/Reception
92.34/9 Other entertainment activities nec including circus production, puppet shows, rodeos, activities of shooting galleries firework displays etc (also includes training of circus animals)	Exhibition/Reception
NFW Play writing, scenography	Creation
NFW Education & training for theatre, dance, circus, mime, puppetry; criticism etc (92.34/9 includes animal training for circuses)	Education/ Understanding
AUDIO-VISUAL	FUNCTION
22.14 Publishing of sound recordings	Making
22.31 Reproduction of sound recordings	Making
22.32 Reproduction of video recordings	Making
22.33 Reproduction of computer media	Making
24.64 Manufacture of photographic chemical material	Making
24.65 Manufacture of prepared unrecorded media	Making
32.1 Manufacture of electronic valves and tubes and other electronic components	Making
32.20/2 Manufacture of TV and radio transmitters	Making
32.3 Manufacture of TV and radio receivers, sound or video recording or reproducing apparatus etc	Making
33.40/3 Manufacture of cinematographic equip	Making
36.3 Manufacture of musical instruments	Making
51.43/1 Wholesale of records tapes CDs videos and playback equipment	Dissemination
51.43/9 Wholesale or radios and TVs and other electrical appliances nec	Dissemination
51.47/5 Wholesale of musical instruments	Dissemination
51.47/6 Wholesale of photographic goods	Dissemination
52.45 Includes retail sale of TV goods and radios	Dissemination
52.48/2 Retail sales of photographic, optical and precision equipment and office supplies	Dissemination
72.21 Software publishing	Dissemination
72.22 Other software consultancy and supply	Creation
74.40 Advertising	Creation

# Counting on Creativity

71.40/3 Renting of radios, TVs, video recorders and DVD players	Dissemination
71.40/4 Renting of records and other pre-recorded media	Dissemination
71.40/5 Renting of video tapes and DVDs	Dissemination
74.81/2 Portrait photographic activities – previously other portrait photographic activities	Creation
74.81/3 Other specialist photography	Creation
74.81/4 Film processing – previously coded in 74.81/9 SIC 92	Creation
74.81/9 Photographic activities NEC	Creation
92.11/1 Motion picture production on film or video tape	Creation
92.11/9 Other motion picture and video production activities	Creation
92.12 Motion picture and video distribution	Dissemination
92.13 Motion picture projection	Exhibition/Reception
92.20/1 Radio activities	Creation
92.20/2 Television activities	Creation
92.72/1 Casting activities included previously 92.72 other recreational activities NEC SIC 92	Creation
NFW Publishing of leisure software -	Making
NFW Production of new or multi-media	Making
NFW Retail of recorded music, film, video and leisure software	Dissemination
NFW Picture and film libraries & archives	Archiving/Preserving
NFW Education & training for broadcast, film, music, games; criticism related to all etc	Education/ Understanding
NFW Screenplay and film development	Creation
NFW Leisure software design/development	Creation
NFW Research and development	Creation
<b>BOOKS &amp; PRESS</b>	<b>FUNCTION</b>
22.11 Publishing of books	Making
22.12 Publishing of newspapers	Making
22.13 Publishing of journals and periodicals	Making
22.15 Other publishing	Making
22.21 Printing of newspapers	Making
22.22 Printing nec	Making
22.23 Bookbinding– previously bookbinding and finishing SIC 92	Making
22.24 Pre-press activities – previously plate making and composition SIC 92	Making
22.25 Ancillary activities related to printing – previously other activities relating to printing SIC 92	Making
24.30/2 Manufacture of printing ink	Making
52.47 Retail sale of books, newspapers	Dissemination
52.50/9 Retail sale of other second hand goods.	Dissemination
92.40 New agencies activities	Making
NFW Literary and book fairs and festivals	Exhibition/Reception
NFW Education and training for journalism, creative writing, printing, publishing; literary press and criticism etc	Education/ Understanding
NFW Activities of literary creation	Creation

**\*NFW = Needs further work**

*This refers to activities which are currently lacking appropriate SIC code*

# Counting on Creativity

## APPENDIX I: Responses to strategy level interviews

- *General change to the sector:*
  - Much greater self-confidence
  - More vibrant
  - More is happening (though the quality is not necessarily better)
  - Collectively better but this could mask sub-sector variations
  - Creative Industries are now understood and perceived as a sector in Cornwall and its breadth and diversity is understood
  - The sector as a whole is more visible and has a stronger voice
  - Collective buzz and energy created by the clustering in the arts community and around the colleges
  - Raised aspirations significantly
  - Good at fighting its corner
  - More ambitious - though need to be realistic about this
  - Less fragmented, more coherent
  - Sector is now able to talk in economic terms
  - Greatly improved attitude - used to be that the 'world owed them a living'
  - Increase in healthy competition
  - Positive move to look for opportunities further afield - to win business outside Cornwall
  - More visionary, less introverted
  - Gained a seat at the table of decision makers
  - On the cusp of creating a critical mass of agencies and support
- *Sub-sector-specific change:*
  - Variety and quality of the jewellery marketplace
  - National profile of design from Cornwall
  - Aspirations and ambitions raised in Performing Arts - looking beyond Cornwall
  - Greater excitement in the contemporary arts world
- *Wider changes*
  - Rise of surf culture
  - New Cornish distinctiveness replacing old Cornish image
  - Positive and vibrant landscape
  - Benefits are accruing to limited parts of the economy and social make up of Cornwall
  - CUC/UCF retaining talent in the area
  - Significant movement reflected in the shops and the kind of tourist attracted here - but leads to a two-tier system with greater social and economic difference between the disadvantaged and the advantaged
  - Art and design are embedded in other projects – creativity is infiltrating other areas
  - Leisure activities have become more important in people's lives
- *No change:*
  - Not much movement in real income levels - a lot of creative practitioners are not better off in real terms because of rising house prices etc
  - Geographically patchy
  - Some practitioners still not engaging
  - Still a lot of makers who do not want to see themselves as a business
  - People aim too low
  - Mindset in the sector that without funding they cannot do it - this is unsustainable
  - Knowledge of where to go for funding and how to fill in the forms still does not exist widely
  - Music is still not catered for
  - Possibly doing the same as before, but more people know about it
  - Not sure that practice has changed
  - Quantity has increased, but not quality

# Counting on Creativity

- o The way people approach funding
- o Pressure for quick results - no development time
- o Still a clique in certain professional circles
- o Still struggle to identify what culture is all about - caught up in the 'Cornishness' agenda which can derail cultural industry definitions
- o PR is still understated
- o Local communities are still not aware of their own culture. Is it for visitors only?
- o Creative Industries' business point of view is still not understood by everyone
- o Still low levels of public investment in arts - local district authorities have become a minor player. ACESW has not changed
- o No funding for feasibility, so good projects cannot go ahead as they cannot get research money in the first instance
- o Arts organizations still engage with funding in a short-term, project-led way - no strategic thinking
- o The same people are doing everything, but better resourced - still comes across as impenetrable
- o Relationship with RDA still needs to improve - seen as an emerging rather than a key sector
- o Sector still fragmented in places
- o Public perception of Creative Industries has not changed much
- o Still no change in venue support - they are still fragile and dependent on public support
- o Little physical legacy of Objective One - the support has been in systems are do these really make us sustainable?
- o The market has not broadened significantly.
- *Things that need to change:*
  - o Simplification - less administration in getting benefit through to the beneficiaries
  - o A visual map of the programmes, stakeholders, partners and agencies in the South West
  - o An emphasis on sustainability
  - o Targets that are not restrictive - that are about content, not just quantity, as this is what drives
  - o Investment in the ones that can really make a difference
  - o Cross-fertilisation - mainstreaming creativity
  - o A clear vision that people can buy into
  - o Higher profile in other areas
  - o Relationship with RDA
  - o Use of technology to build networks
  - o Enabling organizations and individuals in the sector to take over and run projects instead of agencies
  - o More collaboration within the sector for larger-scale production capacity
  - o Need to look outside Cornwall to find clients and grow.

## Priorities

### *Relationships and ways of working:*

- Reduce the paperwork and bureaucracy
- Easier application and administration
- Clearer reporting mechanisms
- Simplify the process for smaller funding streams
- More networking and collaborative environment with sub-sectoral groups like the Design Forum
- More crossover between the agencies
- Stronger relationship with the RDA
- Increase knowledge and understanding in local authorities so that they are not an obstacle to progress.

# Counting on Creativity

## *Focus:*

- R&D - ideas development
- Give people the space and capacity to come up with the big ideas – do not try to dictate what these might be from above. Be responsive
- Focus on strengths, invest in sectors and businesses that are ready to grow
- Look for, and support, high-value sectors in the knowledge economy -incubation and innovation
- Try to be demand-led
- Sustainability - reducing the need for public intervention in Creative Industries
- Knowledge economy
- Get people in front of their market - take them to market
- Export
- Keeping young people here
- Next stage support needed.

## *Specific ideas and needs:*

- More graduate placements - links to Unlocking Cornish Potential
- Encouragement of structures supporting small enterprises
- More business support - entry level and beyond
- Sector-specific business skills
- Engage with students while they are still students
- Extend the business fellows programme
- Extend the mentoring programme, include specialist mentoring
- More support for the design sub-sector with a specifically appointed design and innovation officer
- Invest in technology, graphic design and architects
- Improve internal marketing - promotion to local people of their heritage and culture
- Space - office and production space
- Set up a Creative Academy fostering brilliance
- Easy access soft loans and start-up loans
- Larger scale projects, e.g. Region of Culture bringing partnerships together.

## *Philosophy:*

- Need to hang onto social value and not be simply defined by private enterprise
- Fit culture and creativity within the wider agendas - regeneration, high end tourism, sustainability - energy issues, water use, rural economy, local produce, etc
- Need to be prepared to take risks
- Looking beyond the sector-led approach at businesses across the board
- Creativity as a way of working needs to be embedded across the whole of the Convergence programme
- More critical debate - criticality in art on a level with, or ahead of, the UK
- Do we really need it [Convergence]? Is it the best thing for Cornwall? We should ask that question and take 5 to 10 years out without funding to evaluate what has happened so far ...Maybe money is not the answer. It is reactive and politically driven. No one has the nerve to say no. It is assumed. There is a funding stream and we have to have it
- The problem with strategy is who is going to deliver it - strategy written in isolation from the sector will not work. It will not get acted on

## APPENDIX J: Jobs & income generated in Cornwall

### Estimating the jobs and income generated as a result of Objective One investment in business support

What we know is that between 2000 and 2004

- Employment in the Creative Industries in Cornwall grew by 1,600 from 8,600 to 10,200 a growth of 18.6%
- Nationally, growth in employment 2000-2004 in the Creative Industries was 3% (Source: DCMS)
- Growth in population in Cornwall 2000-2004 was 3.6% from 497,000 to 515,000 (Source: ONS)
- Growth in the economically active population in Cornwall 2000-2004 was 10.55% from 219,000 to 242,100 (Source: ONS)
- The economically active % of the total population was 44% in 2000 and 47% in 2004
- CI employment as a % of the economically active was 3.9% in 2000 and rose to 4.2% in 2004
- CI employment as a % of the entire population was 1.78% in 2000 and 1.98% in 2004

We should discount some of the percentage growth in employment in the Creative Industries due to population growth. If we say that the population increase mirrored the other data (and that may not be the whole case due to demographic patterns such as ageing), then of the 18,000 increase between 2000 and 2004, 8,100 (45%) would have been economically active, and of those 324 (4%) would have been in the Creative Industries sector. This would reduce the 18.6% growth figure to 15% between 2000 and 2004

We can also discount as deadweight 3% of the 18.6% growth in CI employment (258 jobs) as being that which would have happened without Objective One interventions according to national trends (although most of the national growth would have been centred in the Creative Industries powerhouse of London and the South East).

These two calculations leave in employment in the Creative Industries at 1,018 jobs. We should also discount those jobs which were a result of the Objective One capital funding – in this case 191 jobs at UCF and Newlyn Art Gallery (although some of those would have subsequently been beneficiaries on various support programmes we can leave the figure as is to produce a more conservative estimate). This would result in a figure of 827 jobs.

Other factors which may have caused growth in the sector, other than Objective One, include:

- Other investments – though they are very small compared to Objective One
- A general trend towards relocations in the South West (from 1998 to 2002 the regional growth in employment was 8.2%)
- Continual growth in global markets (estimated as high as 7.5%) - although much of this is in the high growth digital and advertising sectors which are relatively small in Cornwall.

The deadweight ratio on gross to net jobs on page 5 of the Objective One 2005 Programme Complement suggests a net figure in the region of 45% of the gross jobs. If we discount 50% of the 827 gross jobs to account for some of the other economic effects. This would produce a total of 414 jobs, a Creative Industries employment growth figure of 4.8% that we might reasonably apportion to direct Objective One investment in business support.

# Counting on Creativity

We have allocated the growth of these new jobs across the 2000-2004 period with 15% in year one, 20% in year 2, 30% in year 3 and 35% in year four in order to reflect the cumulative effect of Objective One investment

Year	2000	2001	2002	2003	2004
No of new jobs created since 2000	0	62.1	144.9	269.1	414

These new jobs have been created by investment in creative and business skills and it would not be unreasonable to expect that the impact of the acquisition of these skills, paid for by Objective One, would continue to support these new employees for at least five years. (This is without taking into account the impact of the final stages of the Objective One programme on the Creative Industries from 2005 through to 2007). In order to arrive at a figure that projects through to 2008/9 we have included the impact of the new jobs created for a further five years but depreciated at a rate of 20% per year.

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
New jobs created since 2000	0	62.1	144.9	269.1	414	331.2	248.4	165.6	82.8	0

According to ABI figures turnover per head increased from £60,139 in 2004 to £64,916 in 2005 an increase of 7.94%. If, following the gross sales/net GDP calculations in the Programme Complement (80/20) we discount 80% of this figure as being due to outside factors (displacement, deadweight, leakage, inflation etc) we then have an increase in turnover of 1.59% that we might reasonably say is due to Objective One business support investment in the Creative Industries. As with the growth of new jobs we have allocated the growth in turnover across the 2000 to 2004 period with 15% in Year One, 20% in Year Two, 30% in Year Three and 35% in Year Four. In this way we have taken into account to some extent the cumulative effect of Objective One investment. Turnover figures are therefore:

Year	Turnover per head
2000	60,139.00
2001	60,282.43
2002	60,473.67
2003	60,760.54
2004	61,095.21
2005	61,095.21
2006	61,095.21
2007	61,095.21
2008	61,095.21

# Counting on Creativity

When we put the turnover figures together with the number of new jobs created by Objective One investment we have a reasonable estimate of the value of the return of the Objective One Investment in the Creative Industries

Year	No of new jobs created since 2000	Turnover per head	Extra income generated
2000	0	60,139.00	0.00
2001	62.1	60,282.43	3,743,539
2002	144.9	60,473.67	8,762,635
2003	269.1	60,760.54	16,350,660
2004	414	61,095.21	25,293,417
2005	331.2	61,095.21	20,234,734
2006	248.4	61,095.21	15,176,050
2007	165.6	61,095.21	10,117,367
2008	82.8	61,095.21	5,058,683

Total extra income generated = £ 104,737,086. This represents around £10 generated for every pound invested in Creative Industries support structures which is slightly higher than the £8 to £9 average target figures shown across all ERDF investments by GOSW.

## Cost of jobs created

- 414 jobs have been created at a total cost of £9.88 million. This works out at a cost of £23,864 per job
- In the overall Objective One programme targets the key result for jobs is 14,245 net jobs against an EU investment of €497,844,00 which gives us a cost of €34,948 EU investment per job or £23,764 at 0.688 euros to the pound (14<sup>th</sup> Sept 2007)
- The mid-term evaluation of the Merseyside Objective One programme showed that the forecast average unit cost per net additional job was around a third higher than that assumed in the Programme Complement (£30,700 compared to £22,300)
- As an external comparator, according to the DTI, regional selective assistance between 1991 and 1995 cost £21,000 per job. However this figure was challenged by the National Audit Office as being unrealistically low and could realistically be doubled.
- Within the Creative Industries in the North West, the Objective Two Enterprise Evaluation put the cost at £30,562 for the Preston Creative Industries Programme and £31,633 for the Creative Industries Development Programme
- Therefore the cost per job created in the Creative Industries in Cornwall would appear to match Objective One target aspirations, but once final economic impact evaluation is completed for all programmes, will in all likelihood represent good value, particularly when compared to similar creative industry programmes around the UK.

# Counting on Creativity

**An assessment of the impact of Objective One funding on Creative Industries enterprises in Cornwall 2000 – 2006**

Perfect Moment June 2007

© Cornwall Arts Centre Trust 2007