Leicester Cultural and Creative Industries

Assessment of Leicester's Creative industries and Cultural Sector businesses and workforce

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THE FIFTH SECTOR

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1. EXECUTIVE SUMMARY

Research into Leicester's Creative Industries and Cultural Sector revealed a vibrant and dynamically clustered ecosystem, distinguishing Leicester as a city of significant cultural and creative enterprise differentiated by the diversity of its communities, both established and recently arrived. This report highlights the sector's resilience and innovation, underscored by a detailed narrative on the scale, workforce composition, structural challenges, community engagement, and strategic actions for sustained growth.

Leicester's creative economy comprises over 1,400 businesses and employs more than 10,000 individuals, complemented by a similarly sized community of freelance creatives whose contribution to different enterprises spurs innovation and accelerates knowledge sharing and development of creative IP. The city's design sector of 4,000 designers (more than half of whom are freelance) plays a pivotal role in cross-industry innovation and skills dissemination

Leicester’s creative industries and cultural sectors show characteristic benefits of clustering. Notably, the performing and visual arts sectors, with diverse-led organisations creating a series of ‘world firsts’ for local and global audiences to the fore, have shown remarkable post-lockdown recovery, with employment levels soaring sixfold since 2020.

However, the city's demographic diversity was not equitably reflected in its creative workforce and cultural leadership. Underrepresentation in higher-level roles indicated a potential area for targeted development and inclusion strategies.

While the sector showed growth, there were structural concerns related to workspace availability, investment in skills development, and support for micro-businesses and freelancers.

The need for a coordinated approach to address these challenges to ensure sustainable growth and resilience against future economic and social disruptions was evident both from research and engagement with the city’s creative and cultural organisations. Consultations revealed a collective aspiration for a more integrated and inclusive strategy that aligned with Leicester's cultural identity and diversity. Stakeholders emphasised the importance of accessible creative spaces, enhanced diversity in sector representation, and strategic investments in talent development and innovation.

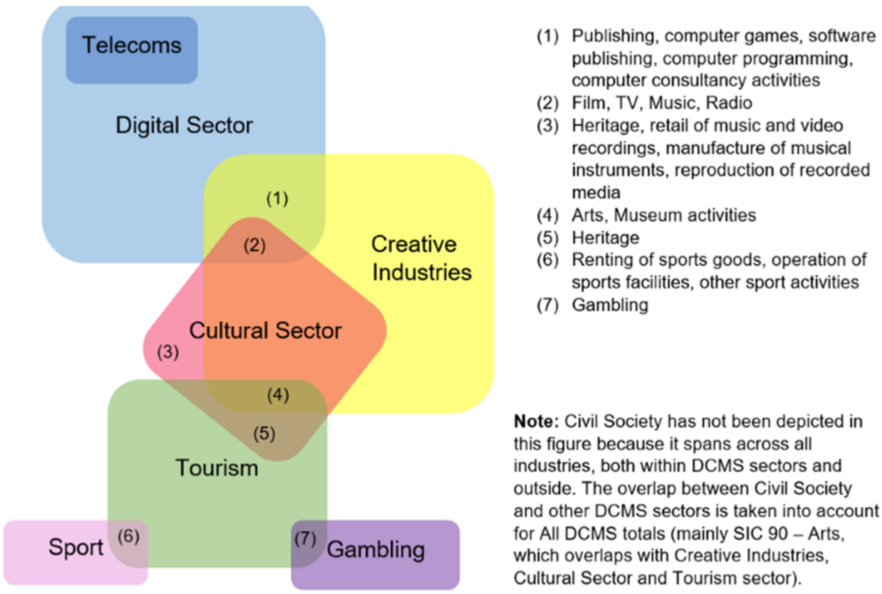
The report highlights opportunities to amplify and leverage the sector's diversity and innovative capacity for greater commercial advantage and social equity. Greater coordination and a continued focus on collaborative growth is needed to capitalise on existing developing creative clusters by enhancing skills and education pathways, promoting inclusivity and accessibility, targeting support for emerging and established creatives, investing in creative spaces, and fostering cross-sectoral collaborations to amplify Leicester's cultural footprint nationally and globally.

2. DATA COLLECTION – METHOD STATEMENT

2.1 Sector definitions

DCMS definitions of Creative Industries and Cultural Sectors were used to analyse multiple data sources to provide evidence of creative businesses, creative employment and creative workforce[1]. SIC codes (Standard Industrial Classifications, denoting the industry with which a company identifies itself) form the basis of definitions of cultural and creative industries. As Figure 1 shows, there is significant overlap between the definitions of Cultural Sector, Creative Industries and the Digital Sector.

Figure 1 DCMS sector definitions and overlaps



Source: DCMS Economic Estimates

2.2 Sector characteristics

Creative industries are defined as those sectors with the highest proportion of workers in 'creative' occupations, not just those with a cultural product. The greatest proportion of output and GVA in creative services and software sub-sectors is derived from B2B trade with other, 'non-creative' market verticals.

The sector is volatile by its nature. The impacts of technological, regulatory and fiscal changes on production and distribution are amplified by the network effect of many microbusinesses servicing very few dominant technology providers and distribution platforms.

[1] List of SIC codes and sub-sector definitions at Appendix 1, below

This report focuses on Cultural and Creative Industries (CCI). This means it measures only those parts of the **Digital Sector** in which the 'creative' input – software development – is the key element (indicated at (1) and (2) in the diagram in Figure 1 above). SIC codes age rapidly – the codes used as the basis of DCMS's industry groupings were last updated in 2007 – and cannot, therefore, measure the emergence of AI, cyber security, fintech and other industries since 2007.

Whatever their limitations, SIC codes at least give a standard of comparison by which we can examine trends and compare the scale and composition of Leicester's Cultural and Creative Industries with other cities in equivalent terms.

2.3 Creative businesses

The scale of Leicester's population of CCI businesses was measured in two ways:

- From Office of National Statistics' (ONS) Interdepartmental Business Review (IDBR) data on business populations between 2015 and 2023, accessed via Nomisweb. This is a record of all businesses which pay either PAYE or VAT.
- Through analysis of 'Active' companies' data held by Companies House as of January 2024, parsed via Beauhurst.

2.4 Creative employment

Creative employment was analysed using ONS data from the Business Register and Employment Survey (BRES), aligned to DCMS definitions of Creative Industries and Cultural Sectors. BRES allocates employees to the SIC code of their employer, rather than using Standard Occupational Codes or self-reported occupation (as in the Annual Population Survey) to determine the nature of their work.

BRES tends to underestimate the size of the creative workforce, as it is based on a survey of a comparatively small sample of UK businesses (around 85,000 out of a population of more than 5.5 million), with a response rate of 82%[2]. It measures full-time and part-time employment only for companies registered for PAYE and/or VAT. Its value, therefore, is in providing trend data (e.g., to allow us to gauge the impact of the Covid-19 pandemic on the sector) and to relate Leicester's performance to that of the sector nationally – although the flaws in the sampling methodology are more pronounced for smaller populations of creative firms, and those further from

[2] Office for National Statistics. Employees in the UK: provisional results 2022, released 25 October 2023.
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/provisionalresults2022revisedresults2021

London, as London and the South East still account for around 60% of all creative businesses and employment. This approach:

- Highlights changes in the scale and structure of Leicester's cultural and creative industries over time.
- Allows for national comparisons.
- Allows us to calculate the Location Quotient (LQ) to show the relative density of employment in any sector against a national average.
- The LQ in turn allows us to estimate sector GVA on the basis of sector economic estimates prepared by DCMS.

We compared BRES data for 2015, 2020, 2021 and 2022[3]:

- 2015-2020 gives us a trend of employment growth; the 2020 survey was conducted in April 2020, so represents a 'high water mark' of employment at the time of the first 'lockdown', which commenced on 23 March 2020.
- 2020-2021 gives us an impression of the impact of Covid-19 on sector employment.
- 2021-22 gives a better idea of the rate at which employment has recovered in different creative sectors.

2.5 Creative workforce

A different measurement of creative *workforce*, including freelance and contract workers, was provided by analysis of **LinkedIn** profiles for Leicester and Leicestershire. This method, which we have used in similar studies across England:

- Counters the observed effect that the sampling methodology of BRES is fallible in smaller geographies and that this effect is more evident the further one travels outside London and the South East.
- Provides evidence for the large proportion of the creative workforce in freelance or self-employed roles.
- Gives a more accurate measure of the scale and capabilities of the creative workforce within a travel to work area of Leicester.

Creative businesses compete for creative, commercial and digital skills with other knowledge intensive businesses, with the result that individuals within the workforce can – and do - move between 'creative' and 'non-creative' sectors. Many in the creative workforce have 'portfolio' careers which may reflect a multidisciplinary skillset and of which the 'creative' aspect may form only a part of their output and

[3] The latest release of BRES data was 25 October 2023 – the release of data for 2023 is expected in October 2024.

earnings. In a competitive market for jobs and skills, underemployment is also a factor: subscribers may be employed for only part of their time in a creative occupation. Therefore, the analysis of creative workforce via LinkedIn should be read as a measure of **capacity and potential for growth** of the creative industries; although it provides a better estimate of the size and significant of the freelance creative workforce than national statistics, it does not correlate to total creative industries employment.

Computer consultancy

In some places this report has analysed computer consultancy businesses and employment (SIC code 62020) separately from the rest of the industry grouping for IT, software and computer services. Although it consistently forms the largest sub-sector within Creative Industries, IT consultancy can be seen to distort the relative importance of more 'creative' strands of software development, including computer games, which also have closer supply chain relationships to and shared skills base with other content creation and creative services sub-sectors. Also, our studies over the last three years have highlighted a repeated picture of increased volatility in the number of computer consultancy businesses and levels of employment as a result of structural changes to the sector, exacerbated by the impact of Covid-19 lockdowns.

In some instances, we have further separated out computer games developers and publishers from other software development businesses to highlight the emergency of this industry. .

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3. SCALE AND SIGNIFICANCE OF THE CREATIVE INDUSTRIES

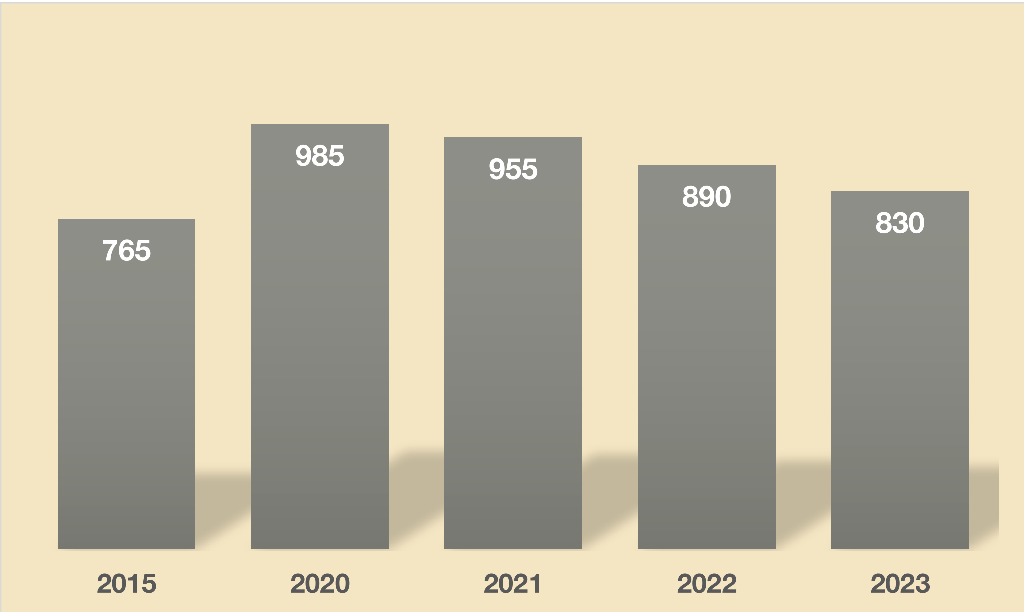
3.1 Creative businesses

Trend analysis - Leicester CCI sector business counts 2015-2023

Analysis of IDBR data shows growth in the sector between 2015 and 2020 (from 765 to 830 registered businesses) but a steady decline in the number of businesses since its pre-pandemic peak of 985 in 2020.

However, the whole of the net loss of businesses (and more) between 2020 and 2023 is accounted for by one SIC code – 62020, computer consultancy – which declined from 490 to 295 businesses.

Figure 2 Leicester CCI business counts 2015-2023



Source: The Fifth Sector analysis of IDBR, January 2024

Although analysis of Companies House data indicates that a significant proportion of creative industries firms (in particular in IT) were dormant through the pandemic, it also suggests that the long-term impact of Covid-19 on the creative sector has not been severe as feared at the time[45], when it was predicted that the East Midlands would lose 1,500 jobs and 31% of Creative Industries GVA.

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[5] Oxford Economics (2020). The Projected Economic Impact of Covid 19 on the UK Creative Industries

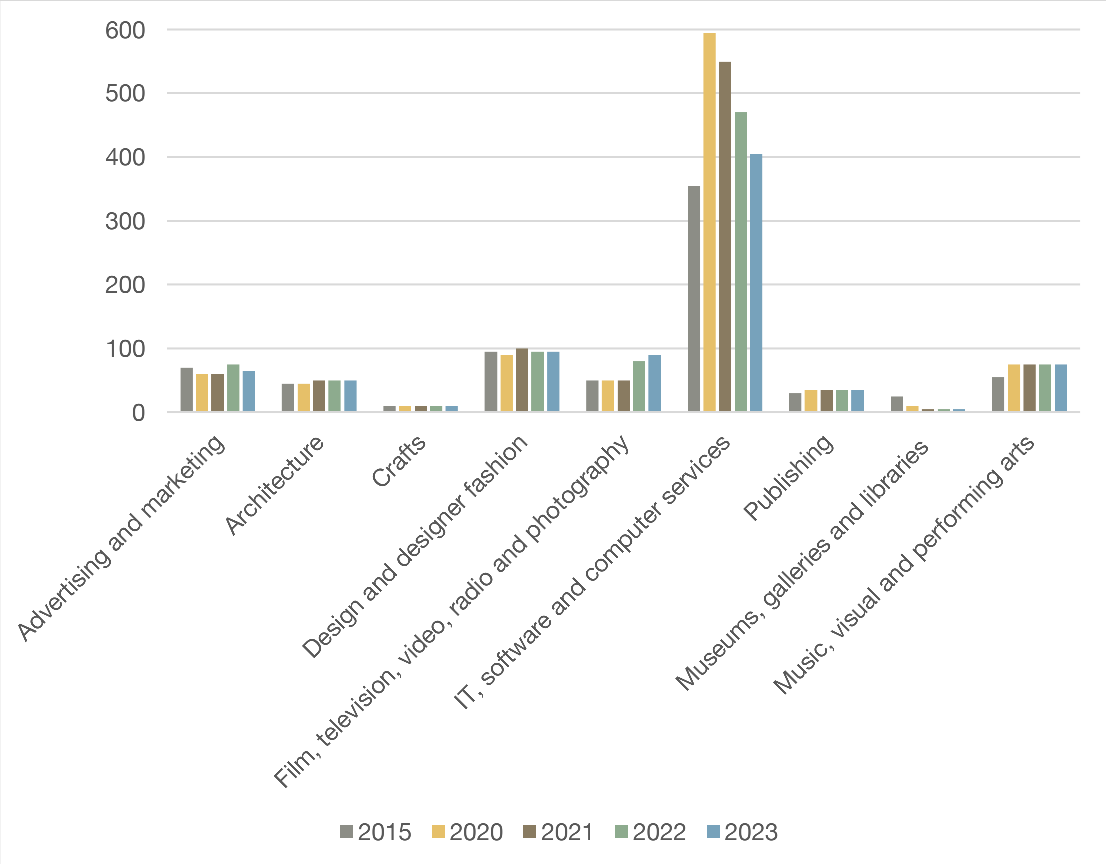
Changes within creative sub-sectors

Creative Industries

Both the impact of lockdowns and the rate at which business counts recovered varied by creative sub-sector, as highlighted in

Figure 3, below.

Figure 3 Leicester Creative Industries business count, IDBR 2015-2023



Source: The Fifth Sector analysis of IDBR, March 2024

In Leicester, **IT, software and computer services** remains the largest industry grouping, despite a decline from a peak of 595 businesses in 2020 to 405 in 2023. The whole of this decline is reflected in the fall in the number of computer consultancy businesses from 490 in 2020 to 295 in 2023. This reflects a national trend of sector restructuring – an observable impact of Covid-19 lockdowns which resulted in a consolidation of larger firms in the sector and a reduction in the number of microenterprises. Over the same period, software publishing and development (including computer games) was the most volatile subsector, growing more strongly between 2015 and 2020, falling back sharply between 2020 and 2021 and then recovering to above 2020 levels by 2022.

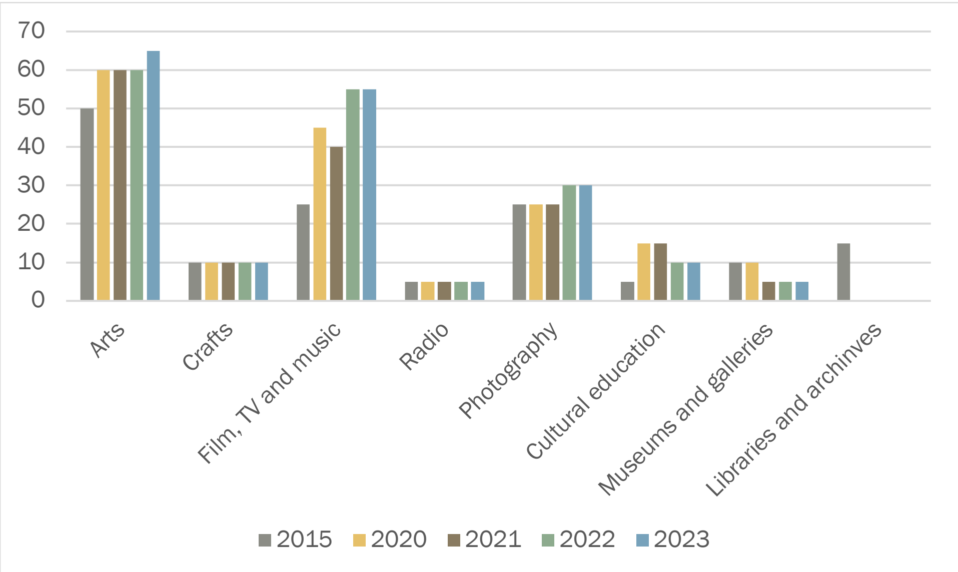
Business numbers in creative services (including **Advertising and marketing**, **Architecture** and **Design and designer fashion**) and **Publishing** seem to have held up well.

Cultural Sectors

Some of these trends emerge more clearly from analysis of Cultural Sectors (which overlap with Creative Industries but have slightly different definitions):

- Business numbers across **Arts** (an industry grouping which includes performing arts, support activities to performing arts, artistic creation and operation of cultural venues) grew between 2015 and 2020 and (perhaps surprisingly in light of doomy prognostications during the lockdowns) showed further growth through to 2023.
- **Film TV and music** were more volatile, growing strongly between 2015 and 2020 before falling back in 2021. A high proportion of companies remained dormant throughout the effective shutdown of filming for most of 2020, rather than closing. The sector returned to growth in 2022 and stabilised in 2023.

Figure 4 Leicester Cultural Sector business count, IDBR 2015-2023



Source: The Fifth Sector analysis of IDBR, March 2024

However, in many of these sectors with a high proportion of freelance working, the employment record (see

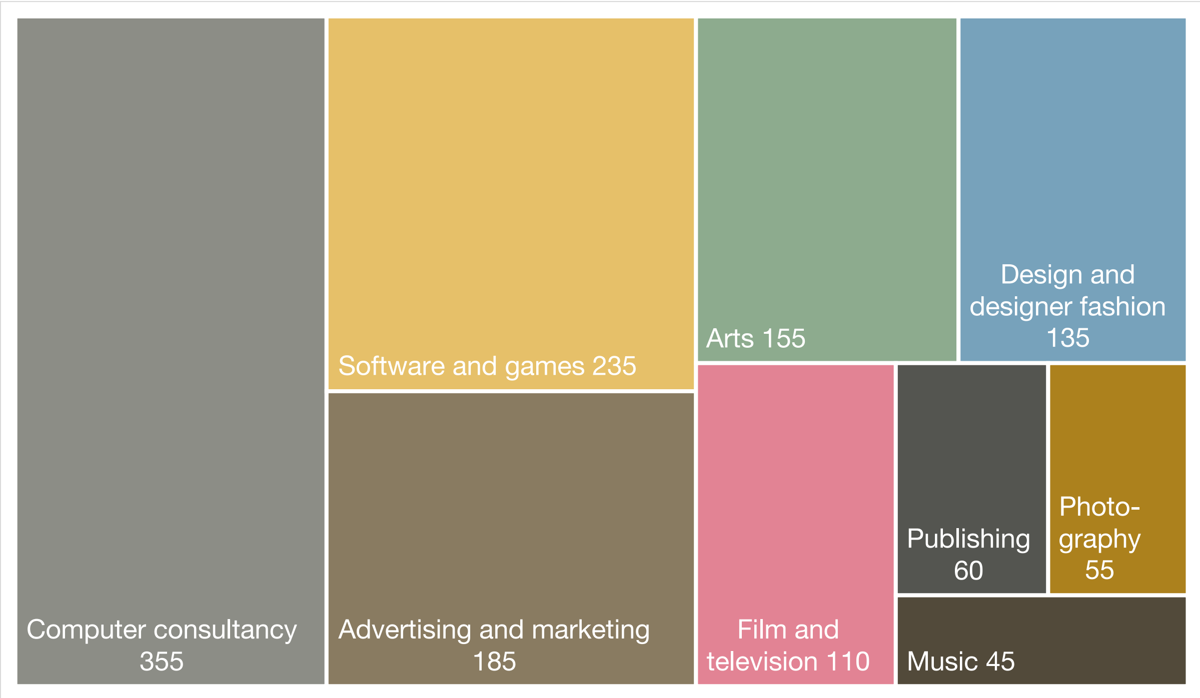
3.2 Creative , below) gives a better impression of both the impact of Covid-19 disruption and subsequent recovery.

Alternative data source - Beauhurst

We find in in studies across England that IDBR under-reports the number of active cultural and creative enterprises - an effect which increases the further one travels outside the South East. To counter this, we parse the number of active registered businesses at Companies House using Beauhurst.

Our findings for Leicester are consistent with the pattern we observe in other regional cities: our analysis suggests that **Leicester has 1,415 'active' registered CCI businesses**, a difference of 585 (70%) from IDBR data for 2023.

Figure 5 Count of Leicester Creative Industries businesses, January 2024



Source: The Fifth Sector analysis of Companies House data, parsed via Beauhurst, January 2024. Not shown: Cultural Education (15 businesses) and Radio (5). All numbers rounded to nearest 5 to minimise risk of disclosure.

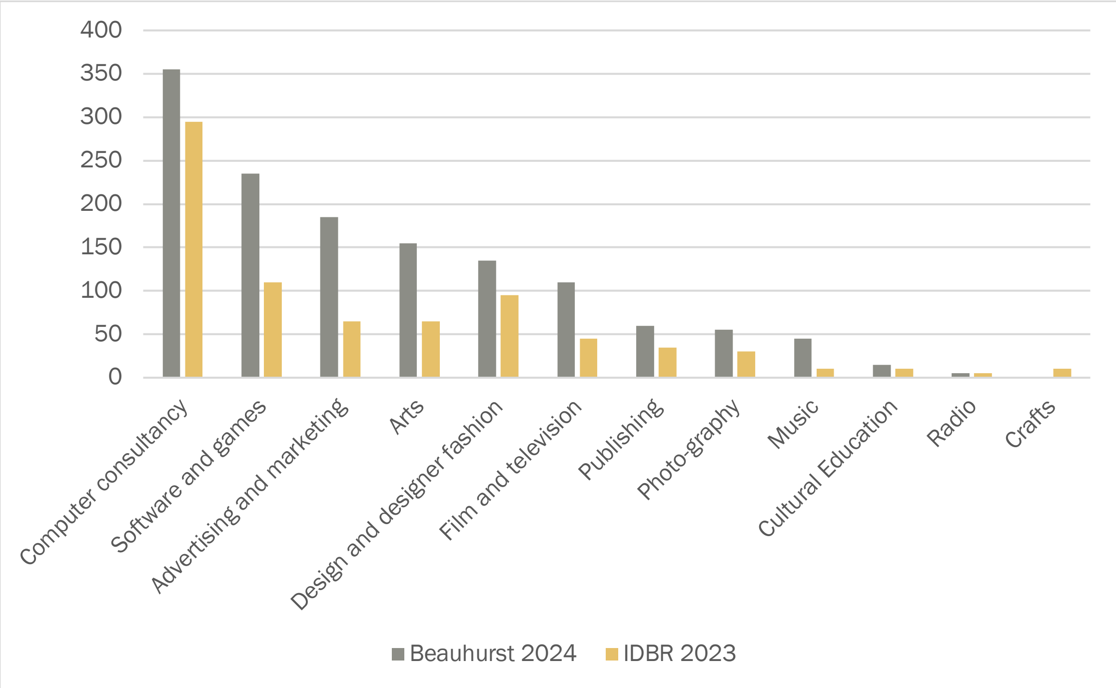
Comparison of datasets

Comparing our analysis of Companies House data with IDBR, the discrepancies were greatest in:

- **Advertising and marketing**: 185 businesses, 120 (185%) more than in IDBR.
- **Film and television**: 110 businesses, 65 (144%) more than in IDBR.
- **Arts**: 155 businesses, 90 (138%) more than the IDBR total.
- **Software development and publishing (including computer games)**: 235 businesses, 125 (114%) more than in IDBR.

Despite the volatility observed earlier in this report, Companies House data shows that **Computer consultancy** (SIC 62020) remains the single sub-sector with the greatest number of active registered businesses, 355 in total, 60 (20%) more than shown in IDBR.

Figure 6 Comparison of Beauhurst and IDBR data on Leicester's Cultural and Creative Industries sector



Source: The Fifth Sector analysis of Companies House data, via Beauhurst and ONS data, via Nomisweb.

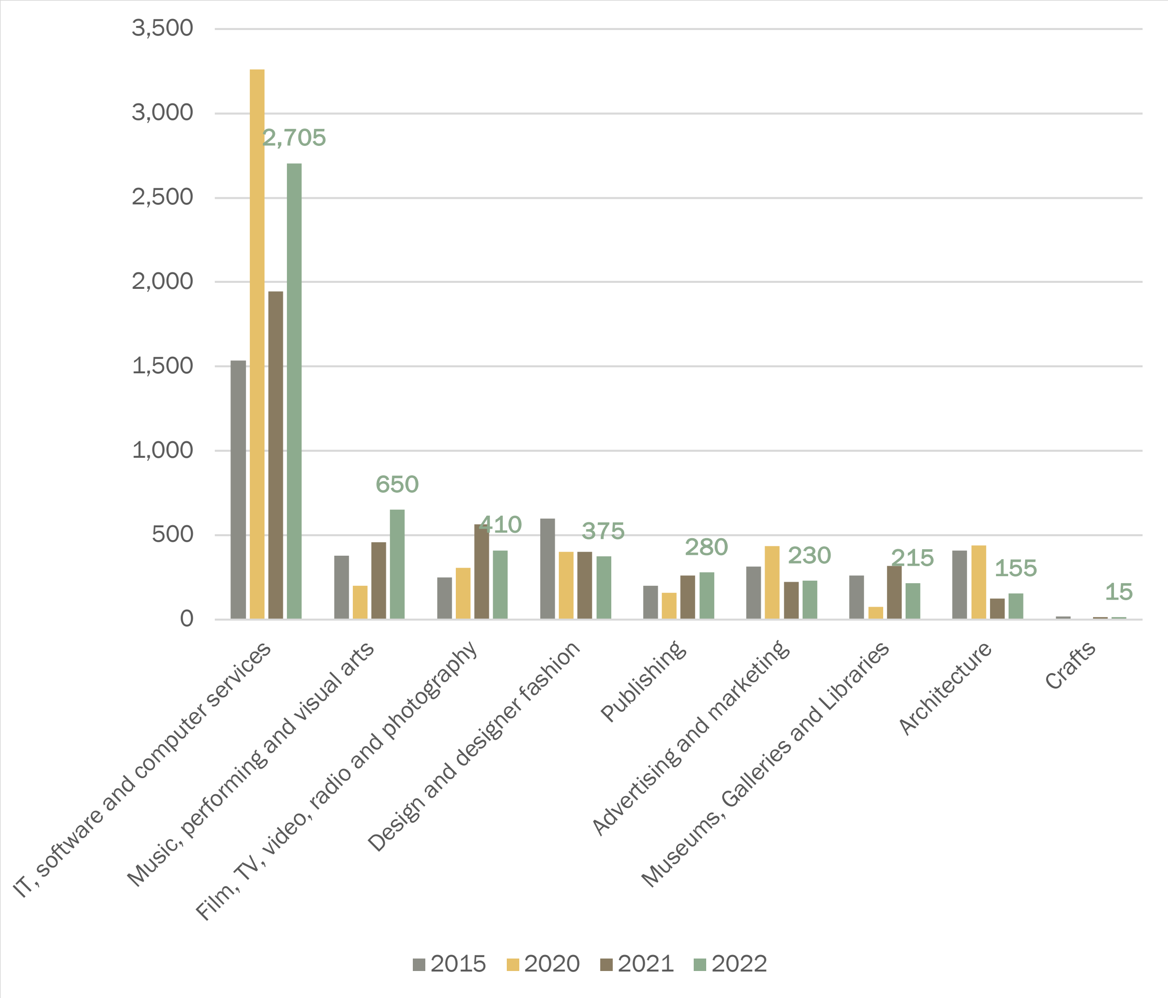
3.2 Creative employment (BRES 2022)

Total employment across Leicester's cultural and creative industries **grew by 32.4%** (to 5,310) between 2015 and 2022 but remained marginally below its 2020 level. This overall picture masks significant variations between creative sub-sectors, which is shown in more detail by analysing the results for Creative Industries and Cultural sectors separately.

Creative Industries employment – Leicester

Creative industries employed 5,035 people in 2022, a fall of 5% from its 2020 peak but 27% higher than in 2015. *Figure 7* illustrates how employment trends varied widely between sub-sectors:

Figure 7 Creative Industries employment in Leicester, 2015-2022



Source: The Fifth Sector analysis of ONS data via Nomisweb, March 2024

- **IT, software and computer services** was the largest creative employer with 2,705 jobs, 76% higher than the 2015 figure but 17% below its 2020 peak. Again, computer consultancy was the largest and most volatile sub-sector - a trend we observe in studies across the UK - with significant job losses during Covid-19 and employment still to return to pre-Covid levels by 2022. **Software development and publishing** added a net 525 jobs between 2015 and 2022 – an increase of 188%.
- **Music, performing and visual arts** was the second largest creative employment sector, with 655 jobs. 180 jobs were lost between 2015 and 2020 but employment rebounded strongly between 2020 and 2022, growing by 225%, and is now 71% higher than in 2015.
- Employment in **Film, TV, video, radio and photography** peaked at 565 in 2021, falling back to 410 in 2022 – still 64% higher than in 2015.
- Creative service occupations (**Advertising and marketing, Architecture and Design and designer fashion**) showed declining employment. Some of this

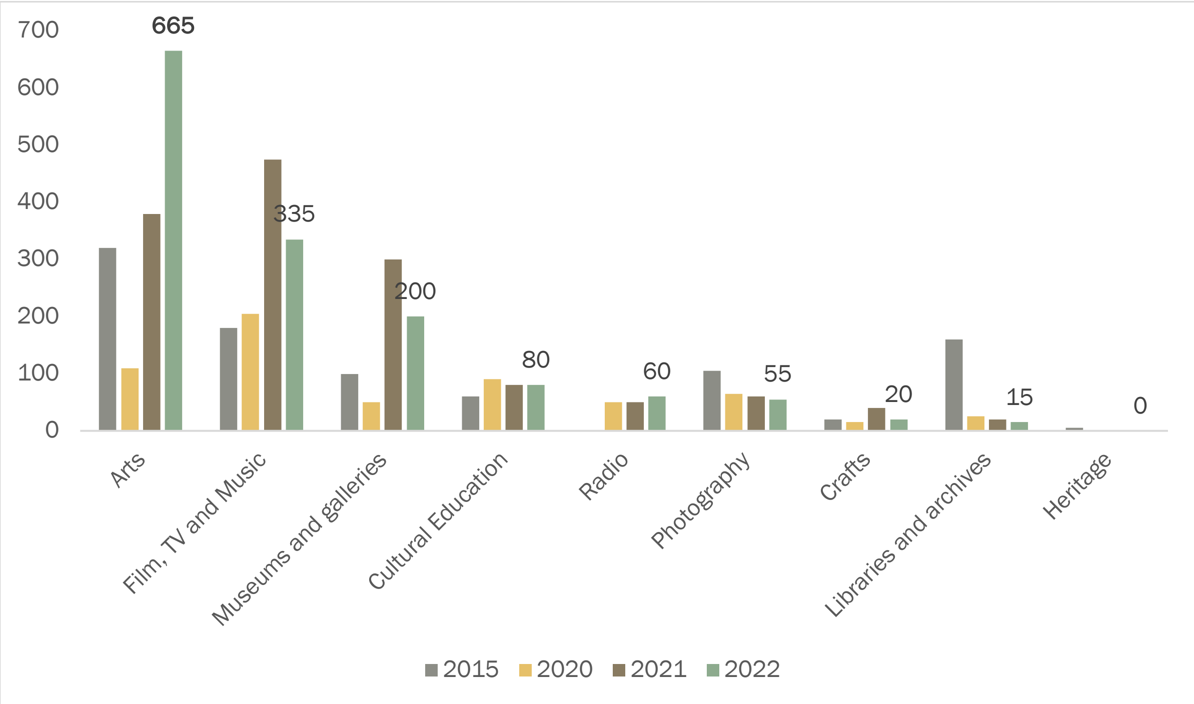
may be the result of companies changing their SIC codes from design to software development.

- **Publishing** rebounded strongly in 2021 and maintained those gains in 2022. Its total employment of 280 jobs in 2022 was 40% higher than in 2015.

Cultural Sector employment - Leicester

Employment in cultural sectors more closely reflected the impact of lockdowns and subsequent recovery, declining by 36% between 2015 and 2020 but adding 820 jobs – 134% of the 2020 total – to stand at 1,430 by 2022.

Figure 8 Trend in Cultural employment in Leicester 2015-2022



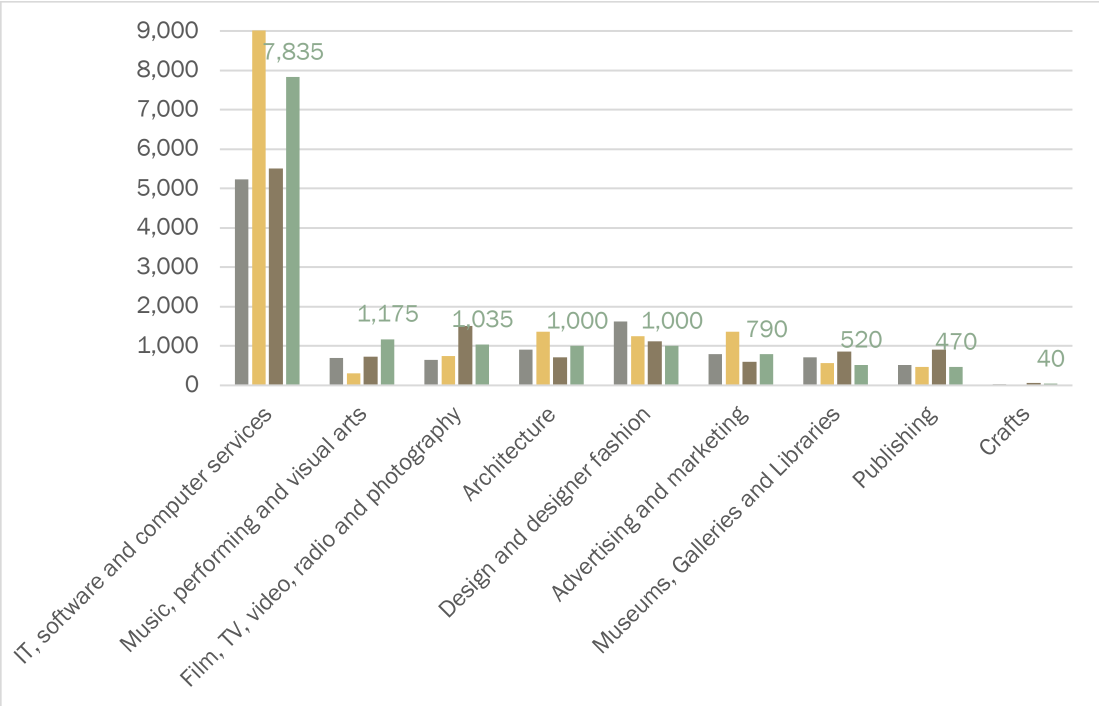
Source: The Fifth Sector analysis of ONS data via Nomisweb, March 2024

- The most dramatic recovery was in **Arts**, with employment rising to 665 in 2022, six times its 2020 level and more than double the 2015 figure.
- **Film, TV and Music**, despite falling back in 2022, showed net growth of 155 new jobs (86%) since 2015.

Creative industries employment - Leicester & Leicestershire

Data for the former Leicester & Leicestershire LEP area followed a similar pattern to that observed in the city of Leicester:

Figure 9 Creative Industries employment in Leicester & Leicestershire LEP area 2015-2022



Source: The Fifth Sector analysis of ONS data via Nomisweb, March 2024

Even more so than in the city, the rapid growth of ICT sectors in the LLEP area between 2015-2020 was wiped out between 2020 and 2021. Software development recovered to its 2020 levels but computer consultancy, whilst still at its highest level at any time since 2015 other than 2020, did not rebound so strongly.

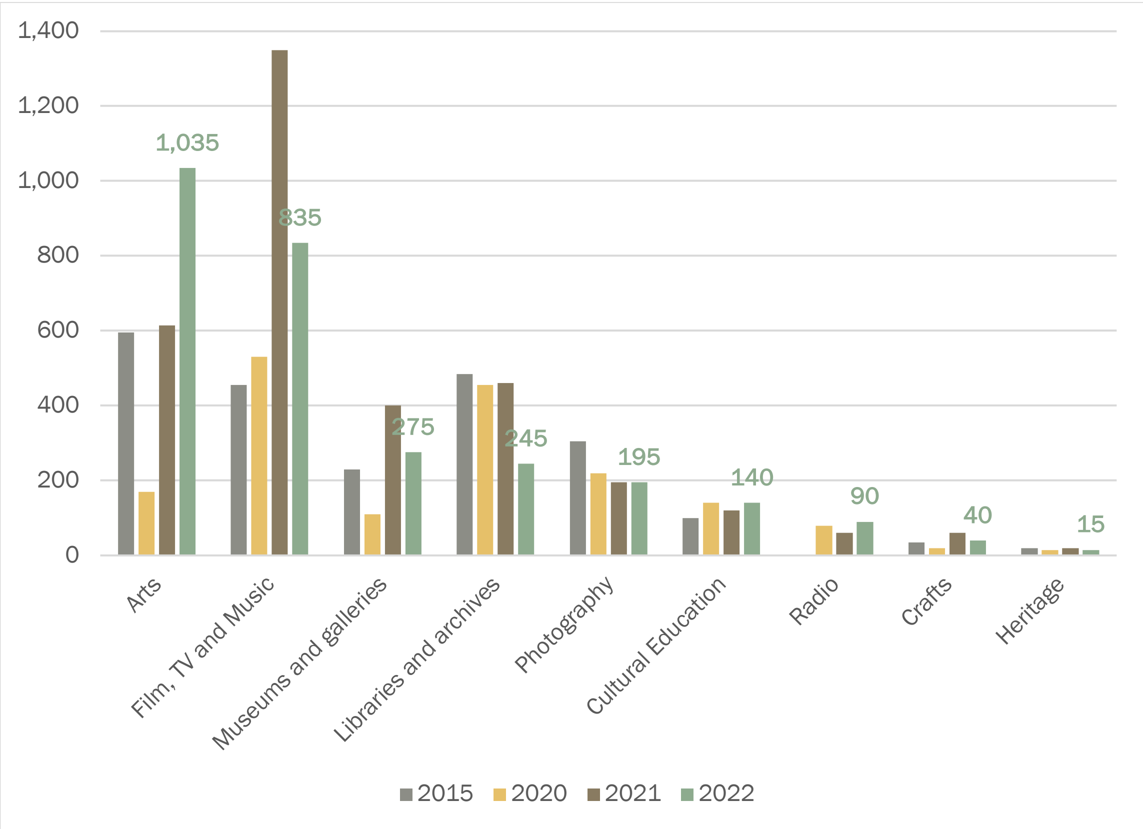
- **Creative services** (advertising, marketing and architecture) followed a similar trend to computer consultancy and had yet to recover to 2020 employment levels.
- **Design and designer fashion** again reflected declining employment over the period.
- **Publishing** showed a counter-cyclical *increase* in employment between 2020 and 2021 before falling back in 2022.

Cultural Sector employment – Leicester and Leicestershire

Trends in Cultural Sector employment differed little from the one observed in the city. The most striking finding was the growth in employment in **Arts**: from a low point of 170 in 2020, it added 865 jobs to bring sector employment in 2022 to 1,035 jobs – 74% higher than in 2015.

Film, TV and Music showed a counter-cyclical *increase* in employment between 2020 and 2021 before falling back in 2022, reflecting the project-driven nature of the sector and a rush to fill pipelines of new content following the industry shutdown in 2020.

Figure 10 Cultural employment in Leicester and Leicestershire LEP



Source: The Fifth Sector analysis of ONS data via Nomisweb, January 2024

3.3 Creative workforce

As observed previously, Cultural Sectors and Creative Industries differ from many other sectors of the economy in the proportion of and reliance on their freelance and self-employed workforce, whose significance we explore here in more detail.

We use LinkedIn as a much larger sample (27.5 million UK subscribers) of data on creative workforce. LinkedIn data has several advantages over BRES:

- LinkedIn data is provided by subscribers, not by survey – as it is primarily a platform which advertises people's availability for work, the users are more likely to keep their profile updated.
- It offers a much larger sample size than can be realised by either BRES or a separate survey: there are more than 172,000 registered users of LinkedIn in Leicester and a further 140,000 in the wider LLEP area.
- The count of creative workforce derived from LinkedIn includes freelance and self-employed workers, contractors and interns as well as full-time and part-time employees.
- LinkedIn uses industry codes which relate more closely to specific activity within creative industries – including Animation, Computer Games, Fine Art.[6]
- User profiles include information about academic qualifications, skills, employment history and seniority from which we can draw further conclusions about volatility of employment within particular sectors.

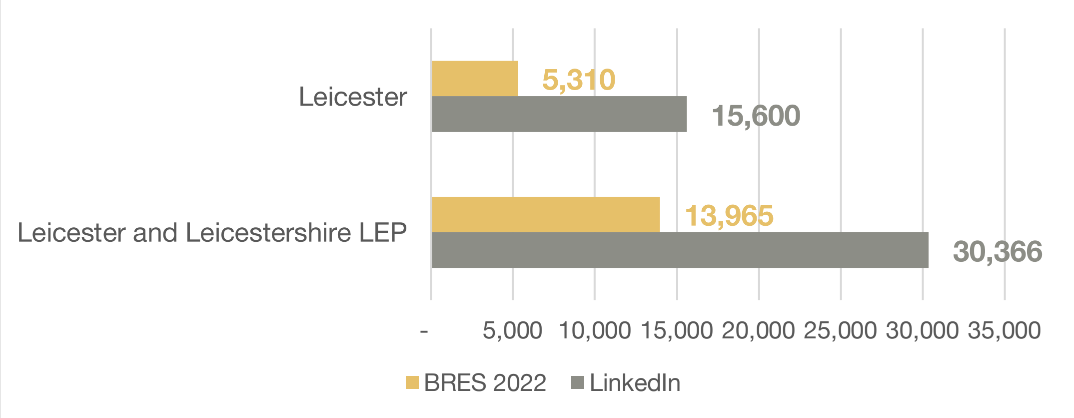
Comparing BRES and LinkedIn data

Comparison of BRES and LinkedIn data reflects the high proportion of freelance and self-employed workers in the sector. It demonstrates:

- Creative workforce of 15,600 in Leicester - 2.9 times the total employment for these sectors shown in BRES.
- Creative workforce of 30,366 in Leicester & Leicestershire LEP - 2.2 times the total shown in BRES.

[6] Our analysis includes Computer Software – which is the closest parallel to the Standard Occupations Codes relating to software development used by DCMS to define the IT, software and computer services sector within Creative Industries. We exclude other LinkedIn industry codes relating to computer hardware, telecoms and data centre management to align our results more closely to creative industries, so the LinkedIn total is conservative.

Figure 11 Leicester's creative workforce: comparison of BRES (2022) and LinkedIn (November 2022)

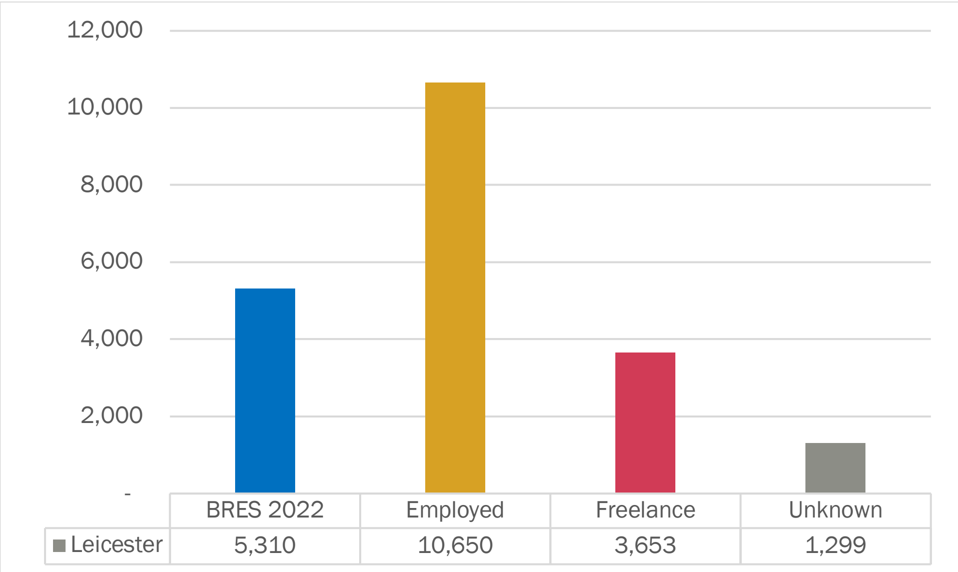


Source: The Fifth Sector analysis of BRES 2022 and Curator analysis of LinkedIn Data, November 2022

Structure of the creative workforce in Leicester

LinkedIn allows users to identify different employment statuses. Grouping full-time and part time employees and interns under 'employed' and contractors, freelances and self-employed under 'freelance'[7] allowed us to make direct comparison with BRES employment data, as shown in Figure 12:

Figure 12 Employment status of creative workforce in Leicester, 2022



Source: The Fifth Sector analysis of LinkedIn data extract from December 2022

[7] This is not a compulsory category in LinkedIn and around 8% of subscribers in Leicester did not give their employment status.

This suggests that:

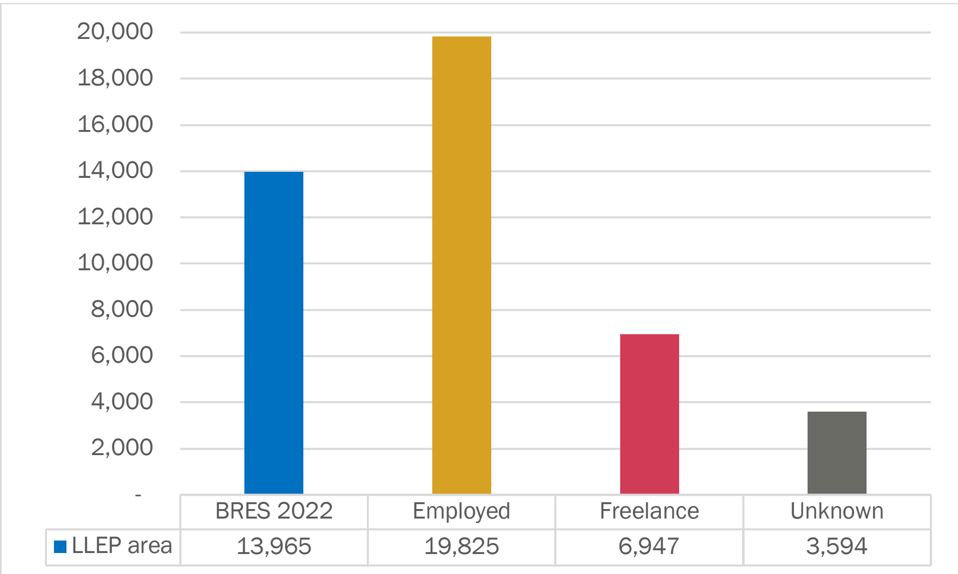
- Full and part-time employment in Creative Industries shown in LinkedIn was twice that shown in BRES.
- LinkedIn showed an additional 4,950 people – 32% of the total creative workforce – who are in some other form of freelance or self-employment, or whose employment status is unknown. This reflects national accounts of the proportion of freelances within the creative workforce.

The large discrepancy between BRES and LinkedIn data for those employed could be a sampling error resulting from the BRES surveying methodology. Another explanation is that a large number of sole traders who are not registered for PAYE or VAT are declaring themselves 'employed' on LinkedIn.

Structure of the creative workforce in Leicester and Leicestershire

Repeating the analysis for the former Leicester and Leicestershire LEP area identified a further large pool of freelances:

Figure 13 Employment status of creative workforce in LLEP area, 2022



Source: The Fifth Sector analysis of LinkedIn data extract from December 2022

Discrepancy in the employment total was much lower in the LLEP area – but still indicated half as many jobs again as shown in national statistics.[8] The proportion of those who were freelance, self-employed, contractors or 'unknown' was 35%, in line with the proportion in Leicester. The higher proportion (around 12%) giving no employment status may point to higher levels of economic inactivity, suggesting

[8] The discrepancy between the datasets is smaller for the larger geography, bearing out the sampling errors inherent in applying BRES data to creative workforces.

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greater precarity and difficulty in finding freelance work for those based further from the city centre and not enjoying the benefits of clustering.

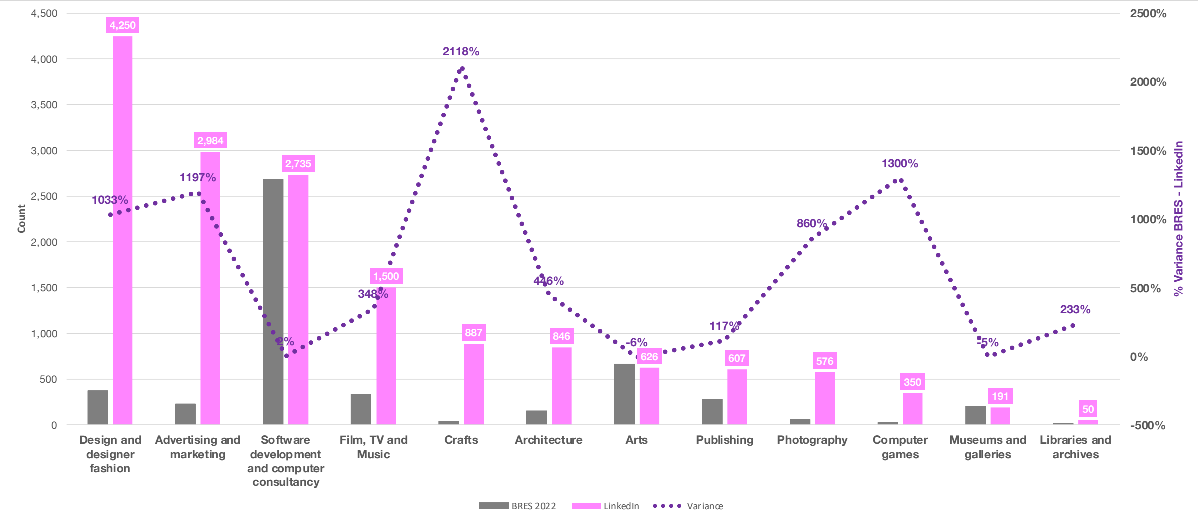
The conclusions drawn from this are:

> ***In 2022, Leicester's cultural and creative sectors employed twice as many people as shown in national statistics and could draw upon an additional freelance workforce of some 5,000 people in the city, with a pool of as many as 10,000 freelance and self-employed creative workers within its travel to work area.***

Sub-sector analysis of LinkedIn data

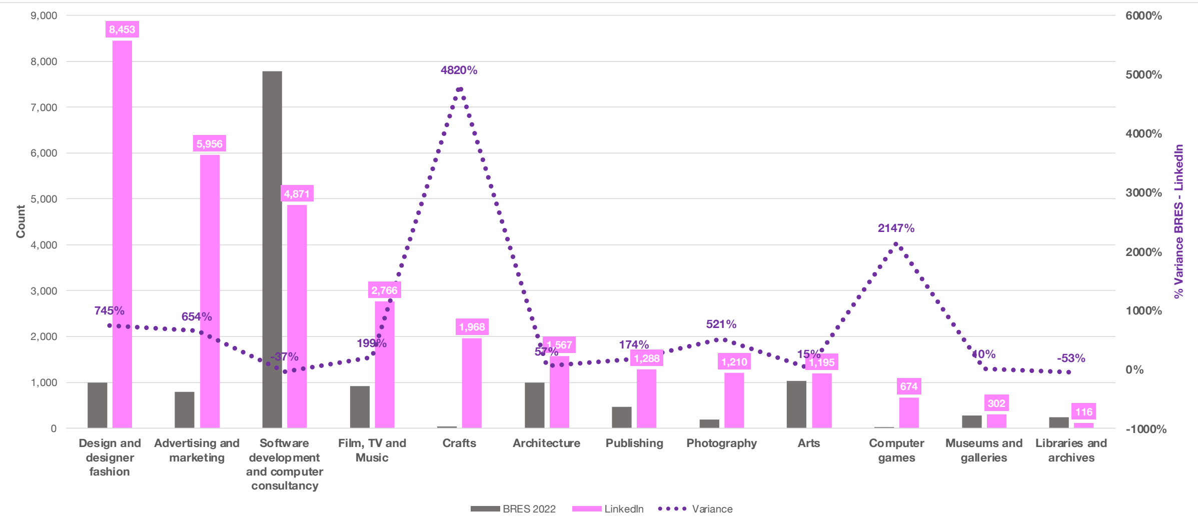
Aligning the LinkedIn codes to creative sectors identified by SIC codes highlighted that Leicester's Creative Industries had a very different scale and industry structure to the one suggested by BRES employment data.[9]

Figure 14 Creative employment sectors, Leicester – BRES 2022 vs LinkedIn



There are striking similarities in industry structure across Leicestershire:

Figure 15 Creative employment sectors, Leicester and Leicestershire – BRES 2022 vs LinkedIn



Source: The Fifth Sector analysis of LinkedIn data extract from December 2022

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[9] Some LinkedIn Industry codes align to more than one creative supply chain: Writing and Editing is divided into creative writing (in Content) and copywriting (within Services); Design is divided into Originals (makers and product designers) and Services (including service design, web design).

LinkedIn updated and expanded its industry codes in February and March 2024. Those changes are not reflected in this report.

This analysis more clearly demonstrated the structure of creative industries sub-sectors and their physical distribution across Leicester and Leicestershire. The resulting picture more closely reflected the findings from engagement with businesses and stakeholders carried out as part of this research:

- **Design and designer fashion** was revealed as a continuing strength of Leicester's creative economy, reflecting the outcome of other surveys over the course of more than a decade and contradicting the impression of decline in employment given in national statistics. The total design workforce of 8,500 shown in LinkedIn, half of whom are based in the city, included more than 3,200 working in 'Apparel and fashion' across the former LLEP area.
- Closely related to and in many areas overlapping with design, **Advertising and marketing** was much stronger than suggested in national statistics, with a workforce of some 6,000 split equally between city and county, 12 times larger than the employment recorded in BRES. This reflected high levels of freelance working as an essential way for smaller agencies to share and acquire specialist skills.
- Employment in **Computer Software** closely reflected BRES total employment for software development SIC codes. The LinkedIn code misses out the larger sub-sector of computer consultancy, so the data may in fact demonstrate greater strength in software development whilst underrepresenting the scale of the DCMS industry grouping of IT, software and computer consultancy.
- LinkedIn presented the structure of **Film, TV and Music** as a combination of some 1,150 individuals engaged in **film, TV, video, animation, post-production** and 1,600 working in **Music** across the LLEP area. This reflects the vibrant and expansive sectors we found in engaging with businesses.
- The DCMS definition and the structure of the BRES survey effectively fail to identify **Crafts.** LinkedIn highlighted some 900 makers in the city, part of a larger community of nearly 2,000 makers within Leicester and Leicestershire.
- Both performing and visual **Arts** had a stronger presence in the city whereas **Architecture** was revealed as a significant employer both in the city and in other Leicestershire districts.
- **Computer games** emerged as a sub-sector in its own right, with 675 developers and publishers divided roughly equally between city and shire.

3.4 Supply chain analysis

Our analysis of LinkedIn grouped industry codes into five supply chains which draw upon similar skill sets – as shown in Figure 16, below. This also allowed us to compare data about accredited courses and continuing professional development with evidence of skills in the workforce drawn from LinkedIn, and with evidence of skills gaps and shortages drawn from industry surveys and primary research.

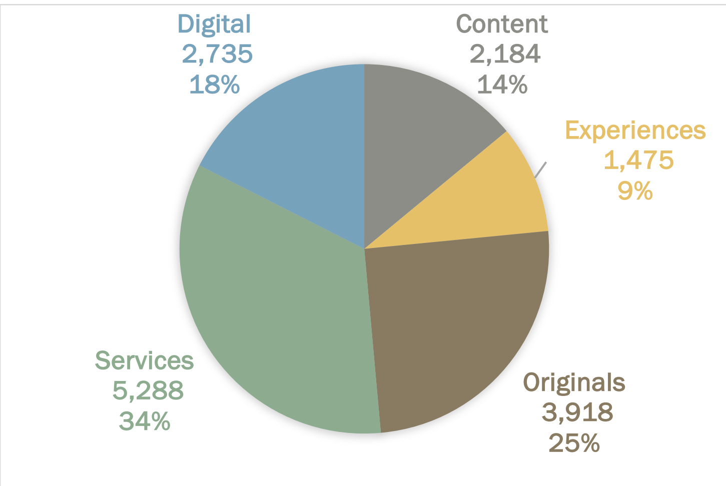
Figure 16 Workforce themes and categories - Leicester

Content	Experiences	Originals	Services	Digital
Animation	Performing Arts	Apparel and Fashion	Marketing and Advertising	Computer Software
Broadcast Media	Music	Fine Art	Design (part)	
Motion Pictures & Film	Museums and Institutions	Arts and Crafts	Graphic Design	
Publishing	Libraries	Design (part)	Architecture and Planning	
Mobile Games			Writing and Editing (part)	
Computer Games				
Newspapers				
Writing and Editing (part)				
Photography				

Source: The Fifth Sector and Curator Technologies

Analysis of workforce by creative supply chain gave a clearer impression of where skills are concentrated:

Figure 17 Creative workforce in Leicester (LinkedIn, November 2022) – n=15,600



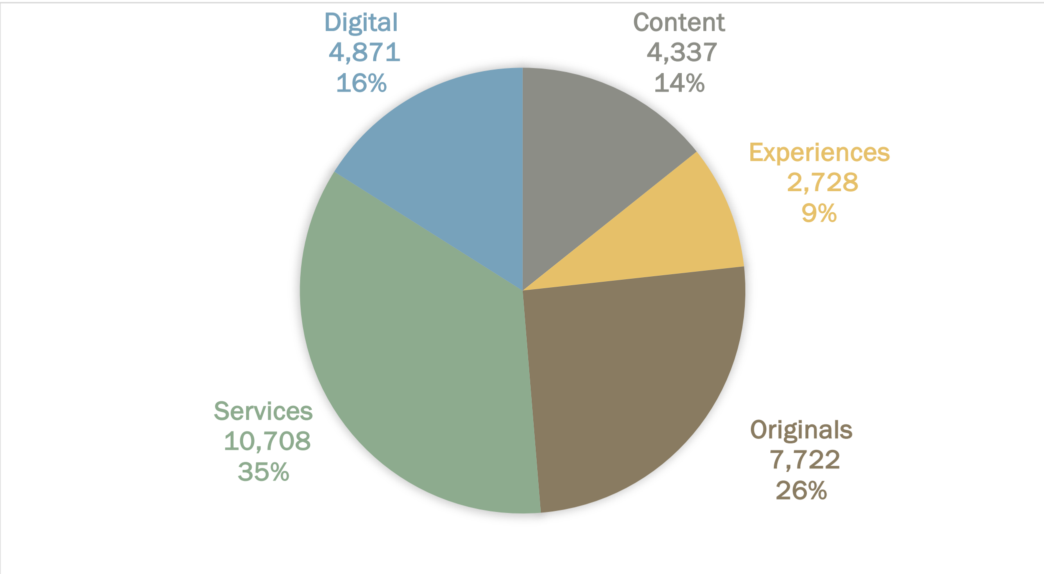
Source: The Fifth Sector/Curator analysis of LinkedIn Data, November 2022

Creative services (including Advertising and marketing, Architecture, Design and Graphic Design) remained the most significant element of the creative workforce, reflecting other studies and a widely shared perception that design skills influence the performance of a wider range of sectors outside Creative Industries.

The **Creative originals** supply chain further reflected a continuing strength of ‘making’, which includes fashion design and manufacture of apparel alongside arts and crafts. This analysis confirmed the continuing legacy of design as a driver of employment, productivity and growth in Leicester’s creative economy and wider sectors and contradicted the impression given by the BRES data that the content sectors – including Film, TV, Animation and Music – were growing in relative importance at the expense of design-related activities.

A very similar proportion of employment within each supply chain was reflected in the analysis of workforce by supply chain for the former LLEP area:

Figure 18 Creative workforce in Leicester & Leicestershire LEP area (LinkedIn, November 2022): n=*30,366*



Source: The Fifth Sector/Curator analysis of LinkedIn Data, November 2022

3.4 Creative clusters

Creative Industries Radar (2020)[10] reported that Leicester's creative enterprises demonstrated the highest propensity to be located within 'microclusters' of any city the top 20 TTWA areas in the UK, with 84% of the total population of creative businesses being located one of six microclusters, each of 50 or more creative businesses. That finding:

- Correlated with postcode analysis of the location of Leicester's CCI businesses using Beauhurst data showed the concentration of firms within city centre wards.
- Supported our interpretation of the combined scale and significance of employment and the freelance workforce across the LLEP area, and
- Emphasised the importance of measures to support freelance working in any intervention to grow the cluster and individual businesses within it.

Analysis of clustering by LQ – Location Quotient, a ratio of the density of employment within an industry compared with the national average – showed that Leicester had sub-sectoral clusters in **Design and designer fashion** (LQ of 1.22), **Museums and galleries** (1.16) and **Music, performing and visual arts** (1.08).

GVA

Clustering is often an indicator of higher productivity within an industry, as companies benefit from knowledge sharing and access to a skilled workforce. Combining LQ data with evidence of sectoral output from DCMS Economic Estimates gave a total GVA figure of **£281 million**[11] for Creative Industries in Leicester. The most productive sub-sectors were:

- IT, software and computer services: £152.3 million
- Music, performing and visual arts: £68.3 million
- Design and designer fashion: £24.6 million
- Film, TV, video, radio and photography: £13.1 million
- Publishing: £12.3 million

A complete breakdown of LQ and GVA can be found at Appendix 5: LQ and GVA estimates.

[10] Siepel, J. et al (2020). Creative Industries Radar: Mapping the UK's creative clusters and microclusters. Creative Industries Policy and Evidence Centre, Nesta, London.
[11] GVA calculated using BRES (2022) data on employment, DCMS Economic Estimates for 2022 and adjusting for local productivity using ITL3 ratio of productivity per hour worked for Leicester (2020, latest available)

4. EDUCATION AND SKILLS

4.1 Creative Skills and education provision

Desk-based analysis of published course details was enhanced by consultation with skills providers. Findings were analysed along the lines of five ‘pathways’ which reflected the definitions of creative industries supply chains (above) and sectors for which those skills are most relevant.

The five pathways were:

- **Pathway 1** - Creative Originals : arts & crafts, fine art, apparel and fashion
- **Pathway 2** - Creative Services: marketing and advertising, photography, architecture & planning, graphic design, product design, design services
- **Pathway 3** - Creative Experiences: music, performing arts, museums and institutions, libraries
- **Pathway 4** - Creative Content: computer games, mobile games, publishing, motion pictures & film, broadcast media, animation
- **Pathway 5 –** Creative Digital Technology: computing and digital technologies, digital skills, coding, software development

Our research showed that there were **377** courses across all five creative pathways. Of these, we identified:

- 151 at FE level.
- 176 at HE level
- 7 T levels
- 6 Apprenticeships
- 37 CPD (continuing professional development) courses.[12]

[12] Some of the CPD courses may be date specific and time-limited, e.g., one-off courses tied to an initiative such as REAL Inspiration courses happening over a six-month period this Winter/Spring.

Table 1 Creative skills pathways

	CREATIVE **ORIGINALS**	CREATIVE **SERVICES**	CREATIVE **EXPERIENCES**	CREATIVE **CONTENT**	CREATIVE **DIGITAL TECHNOLOGIES**	**Total per strand**
CPD	24	3	0	5	5	**37**
HE	14	67	32	54	9	**176**
FE	32	18	37	55	9	**151**
T-LEVELS	1	n/a	n/a	4	2	**6**
APPRENTICESHIPS	n/a	5	0	0	1	**7**
TOTAL	**71**	**93**	**69**	**118**	**26**	**377**

- *Green indicates a good level of provision*
- *Amber indicates developing provision*
- *Red indicates a poor level of provision*
- *n/a indicates lack of a recognised framework in that pathway*

Source: Morra Ltd/The Fifth Sector 2023

Higher Education

Each of the sub-region's three universities had a distinctive offer to the sector. **University of Leicester** is a research-led University with strong international connections; **De Montfort University** has a solid cross-sector undergraduate and postgraduate offer with a growing reputation around Createch and performance technologies and the **University of Loughborough** focuses on design and creative arts. All three celebrate their interdisciplinary activity.

All three universities contributed to investment in the region via a range of methods from direct sponsorship to securing internships and there was support via the learning institutions to develop start-ups and support creative businesses. For example:

- DMU contributed to the creative community by partly funding the annual *Arts AI* festival in partnership with the Phoenix, the Arts Council and the City Council.
- Prof Allan Taylor co-convened the city's first Creative Expo with local industry and LCB Depot in the summer of 2022. A second Expo was planned for June 2023.
- University of Leicester was designing a platform for collaboration sharing and co-creation around heritage research with a planned 'pop-up' presence in the city.

- **Loughborough University** delivered 12 design and media courses through its Institute of Media and Creative Industries in London.
- University of Leicester delivered 4 MA level courses in Museum Studies in Hong Kong.

All three universities supported start-up in some form although there is nothing sector specific. DMU had launched QUIDS – Quick Innovation Developers – which aimed to connect academics with businesses. Based on the model of KTPs, five projects had been given seed funding including an augmented reality training tool.

Further Education

There is a strong FE sector. **Gateway College** and **Loughborough College** were two of only 15 colleges in the UK to deliver the highly respected Next Gen Level 3 Extended Diploma course which includes animation, gaming and VFX.

At **Leicester College**, a Level 6 course, designed in partnership with LCB Depot, aimed to get students 'work-ready'. The BA (Hons) Professional Studies (Creative Industries) course (BAPSCI), created as a 'top up' course after consultation with regional creative industries, included business and enterprise modules using live briefs set by industry with an emphasis on developing freelance skills

Case study: Leicester College and National Space Centre Collaboration

Leicester College and The National Space Centre have collaborated to deliver a new course in immersive technology. The Immersive Design & Development BTEC Diploma Level 3 qualification is delivered by NSC Creative and Leicester College and offers a full-time course in immersive design (equivalent to three A Levels) to 16-18-year-olds students allowing them to progress either into industry, higher education, or progress into Level 4 and 5 in a related field.

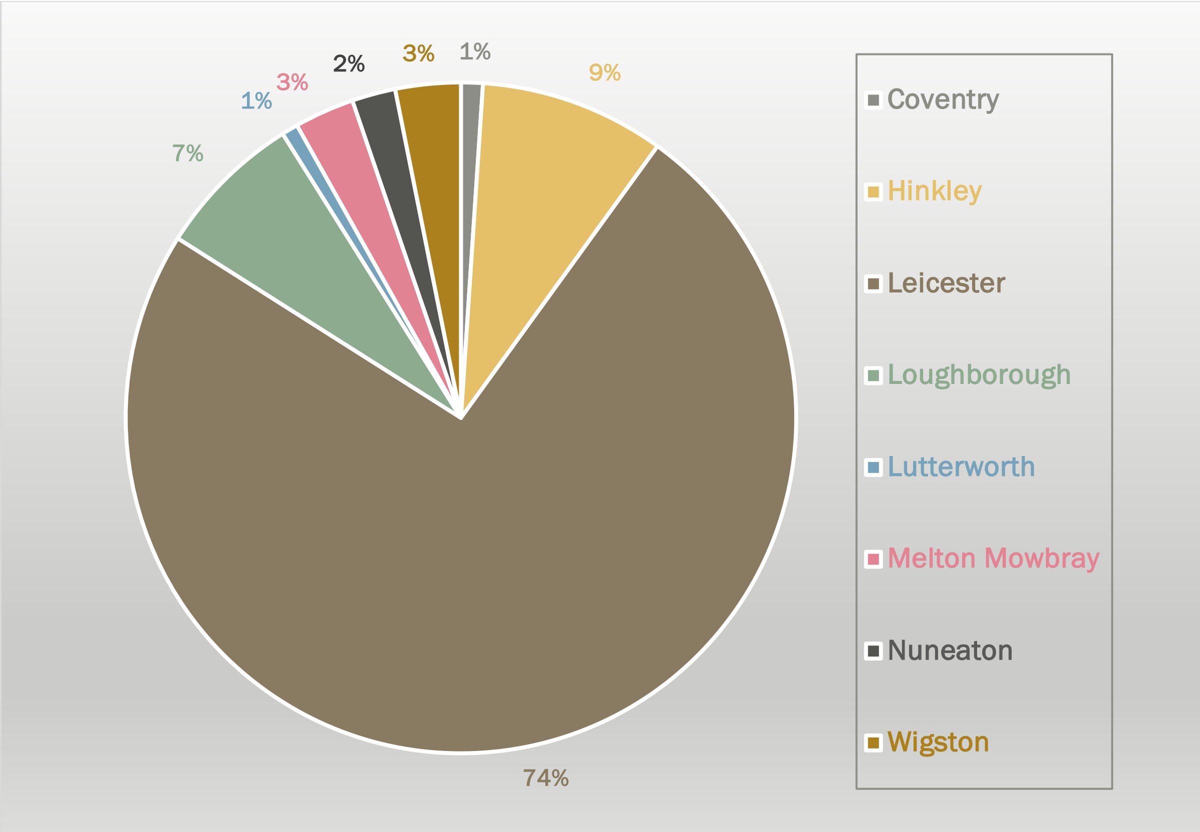
The first cohort of 15 students started in September 2022. They had access to technologies which allowed them to craft digital environments and experiences in virtual, augmented and mixed reality as well as learning all about game engine programming, XR design, 3D modelling and the ability to project video onto planetarium domes.

In addition to the traditional learning institutions, the arrival of a new private sector provider – the **Fashion Technology Academy** – offered a distinctive strength in the sub-regional offer which related to local strengths in the garment manufacturing industry. The Academy offered a range of excellent vocational qualifications and apprenticeships geared towards jobs in the sector. Eight apprenticeship roles had been covered by Apprenticeship levy money from Boohoo. Working across all levels, from CPD through to Level 5, the Academy also supported local businesses in compliance guidance and skills . By August 2022, the Academy reported to have delivered 68 qualifications at Level 1 diplomas in fashion and textiles (and a further 108 level 1 diplomas in Workers' Rights).

Location of delivery

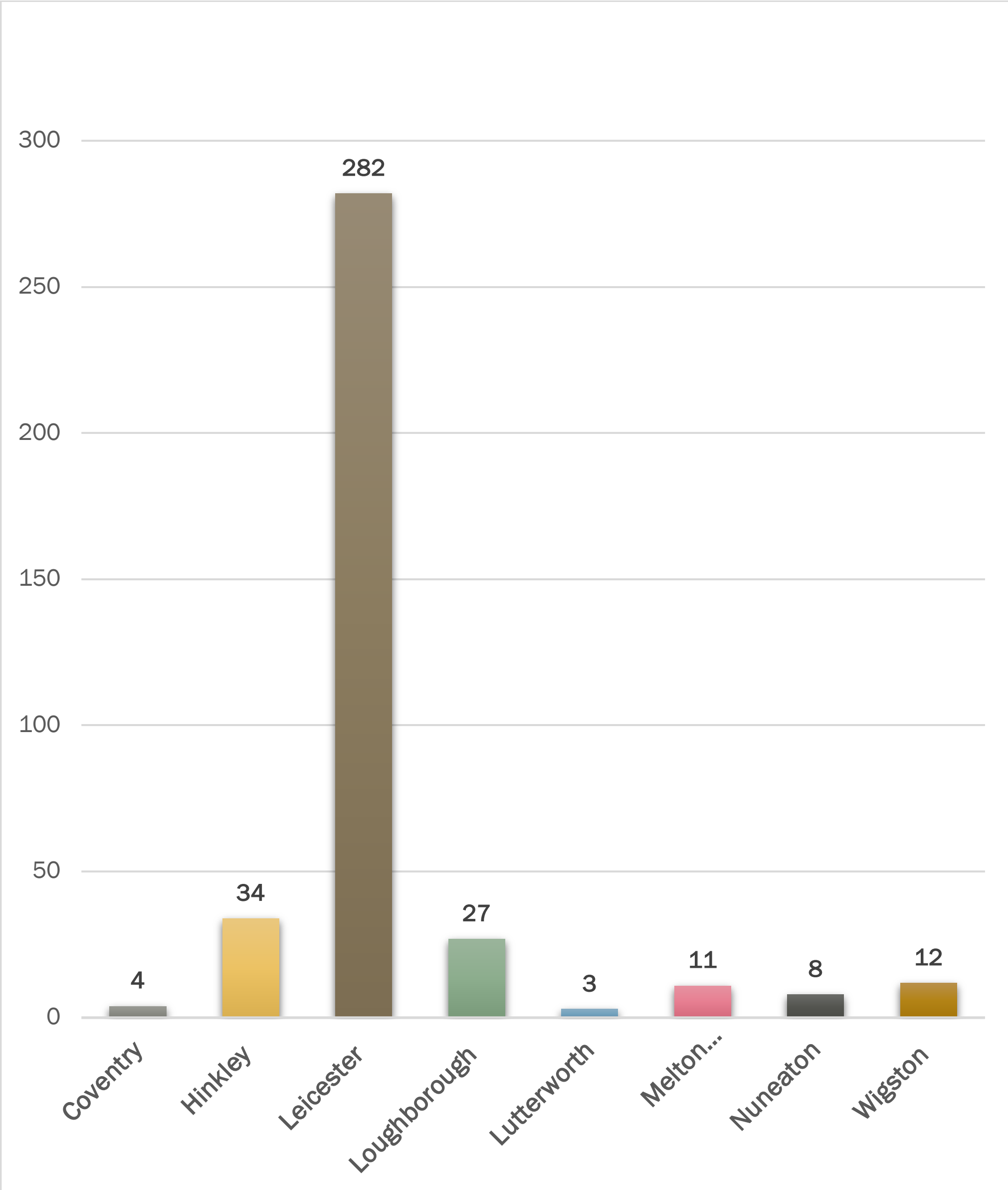
We analysed provision over a wider travel area.

Figure 19 Location of skills delivery



Source: Morra Ltd/The Fifth Sector 2023

Figure 20 Location of skills delivery (number of courses)



Source: Morra Ltd/The Fifth Sector 2023

4.2 Qualitative research into supply of creative education and skills

Key themes

- Future and Fusion Skills – Createch
- Leicester College and National Space Centre Collaboration
- Leadership and Business
- Freelances and CPD
- Access
- Collaboration
- Employer feedback

Future and Fusion Skills - Createch

We found excellent examples of the development of new fusion and/or Createch learning In both FE and HE.

Both the **Institute of Creative Technologies** at De Montfort University and the **Institute for Digital Culture** at University of Leicester were delivering important learning and research around new technologies.

University of Leicester described its work within the Institute as “purposeful research” around four key themes:

- Creative and Cultural Technologies
- Digital Skills and Leadership
- Inclusive Digital Design
- Cultural Informatics.

Only launched in October 2022, it has partners in Canada, Australia and the US.

Work had started on a new Museum Data Service to be launched in the autumn of 2023, which would pool millions of objects records from museums all over the UK with the aim of making them more visible to the public and researchers.

> ***“We want to be an institute of getting stuff done, we want to work with the sector and listen to the sector and go to the points of need.”***
>
> Prof Ross Parry, Director of Institute for Digital Culture at Leicester University

DMU offered a range of postgraduate MA and PhD delivery with associated research projects and expertise in areas such as artificial intelligence, interaction design, usability and innovation and virtual, augmented, and mixed realities. For example, its **Digital Arts Performing Practice** – emerging research (DAPPer) unit included researchers from across the University to look at the areas where digital and performance come together.

An understanding of the role of creative technologies was being embedded into undergraduate modules.

> ***"Because of the nature of Createch work, it is transdisciplinary, and this is why there's a skills gap – it's a non-traditional approach. Students are not learning traditional arts and humanities by itself and they're not learning technologies by itself. Its learning about those in consort with each other. Sometimes called "future" technologies but what's future about it? Its now, this is how students are experiencing creative content and this is what they expect to learn."***
>
> *Prof. Sophy Smith , Director, Institute of Creative Technologies*

DMU's new £6.5m **Digital Tech Learning Hub** included a digital creative suite with motion tracking and image capture technologies.

Leadership and Business

DMU was commissioned to lead the LLEP's **Digital Skills Partnership**, which provided a portal for small businesses to access digital expertise and training. Although focused on wider issues such as digital inclusion, its engagement of SMEs has a particular relevance for the creative sector.

DMU also delivered the sub-region's **Digital Boot Camp** contract, offering free 12-week coding and design programmes to businesses and unemployed individuals.[13] **East Midlands Chamber** previously offered the **Digital Growth Programme** to business in Leicester, combining free workshops, digital advice and fully funded ICT courses.

Sector specialist initiatives

A more distinctive offer for the creative sector was the *Create Growth* Programme, run by EMC[2], which offered support to 100 creative businesses throughout the East Midlands area including Leicester and Leicestershire. It offered bespoke development packages and mentoring between April 2023 and 2025.

In screen and digital content, the REAL initiative at the Phoenix supported 100 individuals and businesses working in documentary and non-fiction at different stages of their growth. It was a creative incubation programme which offered mentoring, coaching and access to co-working spaces. REAL Acceleration was working with more-established producers and directors to create a ladder of opportunity and growth.

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[13] At time of writing, it was unknown what the take-up had been from the creative sector for this programme.

Freelances and CPD

Supply of CPD to the sector came mainly from private provision, which can be expensive. There was some provision at FE level from Leicester College and North Warwickshire and South Leicestershire College. Whilst this offer consisted mainly of 'intro to' courses for hobbyists, there were interesting examples of skills focused on sector needs, e.g., 5-15 week online coding bootcamps at North Warwickshire and South Leicestershire College as part of its Digital Skills Academy.

DMU offered a short course in Data Analytics and Information Security as part of a trial scheme with funding from the Office for Students. The 12-week courses were designed to inform the delivery of the Government's planned Lifelong Learning Entitlement, set to launch in 2025.

In textiles, the Fab Lab membership programme at the (private sector) Fashion Technology Academy offered access to technology and machinery for SMEs and start-ups, including a photography studio.

Widening access and participation

Each of the three Universities in the sub-region had excellent facilities, including immersive labs and emerging technologies, but none of the participants taking part in the roundtables mentioned any of these.

It was acknowledged by some academic interviewees that more could be done to make better connections with diverse communities: for example, the opportunity for dance students to work with community-based South Asian dance companies.

> ***"I don't see people like me , people I could look up or who could lead me. I don't hear their stories."***

Participant, Fifth Sector Round Table, March 2023.

Careers advice

Some employers felt that attempts to widen access and participation were often hindered by a lack of real knowledge around emerging jobs and the breadth of careers available across the creative sub-sectors.

> ***"We had a music tech student who went on to work for Jaguar Land Rover as a 'Future Imagineer'. His job was to sit between engineers who were building the car and the people developing the in-car entertainment systems because they couldn't talk to each other as they worked in such different ways So his whole job was to make that happen. That's what's needed - people who can work across different disciplines."***

Collaboration

A Civic Universities Partnership signed by all three universities in 2022 illustrated a commitment to work together,

> ***"Signalling a commitment by the partners to bring together our collective skills, expertise and social capital and collaborate in the long-term interests of our communities".***

With key aims of driving inward investment and retaining graduates this high-level agreement was a positive step towards collaboration and sharing of resources.

A Midlands Enterprises' Universities group consists of 8 universities across the Midlands: DMU, Lincoln, Derby, Nottingham Trent, Birmingham City, Coventry, Wolverhampton and Staffordshire. They have worked together around enterprise projects, including:

- A credit sharing project – enabling a student to leave one university and access another with the credits they currently hold. This was a potentially ground-breaking initiative which is a forerunner to the Governments" new lifelong learning entitlement initiative in 2025 which aims to allow more flexible learning.
- Exploring how the Universities could encourage more inward investment and attract businesses to the region using their assets to support that agenda through research and development; the skills offer; the talent offer; the alumni contribution and overseas projects.
- Working together on potential bids in three areas – Digital, Health and Wellbeing and Environmental Impact.
- Developing the capacity and capabilities of academics to work with businesses.

5. ENGAGEMENT

A variety of qualitative approaches were used to assure findings of desk-based research, to provide further in-depth analysis of the status of the creative ecosystem and to inform development of recommendations.

5.1 Stakeholder consultation

We spoke to stakeholders across local government, universities, sector support bodies and industry in a series of one-to-one interviews, group calls and workshops. Conversations were conducted under 'Chatham House' rules and responses anonymised unless the interviewee wished to be identified. Findings from this engagement are reflected in the Interpretation section, below.

Engagement with the creative and cultural sector

Engagement was conducted by means of a series of round tables held in the first quarter of 2023. These focused on employers and entrepreneurs in:

- Design and Creative Services
- Fashion Design and Manufacturing
- Film and Television
- Games and Immersive Tech
- "Live" sectors

These round tables were complemented by two round tables with Leicester NPOs

5.2 Online survey

In August 2023, Leicester City Council and its partners (De Montfort University, University of Leicester and Arts Council England) published initial recommendations for a cultural and creative industries strategy for Leicester to help the city raise its collective ambition, create a compelling vision for what it can become and guide priorities for the next five years. The partners undertook citywide public consultation for comment.

77 responses were received, 62 from individuals and 15 representing organisations.

Most responses were positive and supported the vision and objectives of the strategy. Some respondents thought it should go further, more clearly prioritise between the themes and actions of the strategy and set out a more ambitious vision for cultural and creative industries and communities in Leicester.

The responses gave greatest priority to:

Industry focus and accessibility: There was a strong call for the strategy to focus on creating a robust framework for developing creative talent and skills and supporting recognised events like film festivals and art shows. This included providing accessible space for creatives, which was deemed crucial for fostering growth, attracting investment, and enhancing the city's cultural and economic appeal.

Inclusivity and diversity: The strategy needed to go beyond recognising ethnic diversity and include a broader scope of community representation, including as the LGBT+ community and micro-businesses. The strategy should ensure that support mechanisms are equitable and reflect the city's demographics.

Evidence-based claims and local identity: Respondents asked for the strategy to present evidence-based claims about Leicester's cultural offerings to avoid generic statements. There was a desire for the strategy to resonate with local identity, ensuring honesty about the reality of life in the city and recognition of local assets, which would help drive meaningful change and prevent the strategy from being perceived as an out-of-touch, top-down approach.

Others saw a greater opportunity to highlight and capitalise on the benefits of Creative Health, and the need to link the recommendations explicitly to sustainability and addressing the climate emergency.

5.3 Big Ideas event

The City Council and its partners hosted an engagement event at Hansom Hall on Friday 1st December 2023. This set out eight 'Big Ideas" which were developed based on feedback from the responses from the online survey. The event included live performances which showcased the excellence of cultural activity in Leicester as well as providing attendees with an opportunity to comment further on the 'Big ideas' and provide input into the final strategy.

Live responses from the audience at that event were collated using Mentimeter polling software – these are summarised at Appendix 9, below.

5.4 Engagement around education and skills findings

Leicester and Leicestershire demonstrated a good supply of formal creative qualifications but there was opportunity for greater collaboration between education and businesses and evidence of skills gaps identified by employers.

The Creative and Cultural Sector had demonstrated rapid acceleration in digitisation in the emerging technologies such as virtual and augmented reality, during and after the COVID pandemic. The Leicester and Leicestershire sub-region had some excellent best practice examples and some opportunities for development to ensure the future supply of suitable skills for the sector in the next decade.

The analysis of all available education and learning courses showed there are opportunities to develop more courses which address the need for new 'fusion' or

‘Createch’ skills which are becoming more highly in demand by employers. There are some good examples of new provision around emerging technologies (see CODES project below).

Employer feedback on skills provision

Employers who attended one of five roundtable discussions held in March 2023 acknowledged the excellent supply of talent from local universities. However, they also indicated that education “could do better” and there was consensus that there were significant gaps in the creative workforce.

Employers reported a lack of high-end skills and real-world skills from talented graduates emerging from Leicester’s universities. They found that graduates lacked the “soft” skills needed to prepare them for the world of work. Shortages of skills forced companies to promote people in the early stage of their career into more senior roles, including management, of which they lacked experience; this was leading to a lack of skills in higher level positions.

These findings were mirrored in results of polling undertaken during the round table sessions (using Mentimeter).

Widening access and participation

Each of the three Universities in the sub-region had excellent facilities, including immersive labs and emerging technologies, but none of the participants taking part in the roundtables mentioned any of these.

It was acknowledged by some academic interviewees that more could be done to make better connections with diverse communities: for example, the opportunity for dance students to work with community-based South Asian dance companies.

> ***“I don’t see people like me , people I could look up or who could lead me. I don’t hear their stories.”***

Participant, Fifth Sector Round Table, March 2023.

6. INTERPRETATION

While Leicester has strengths in certain creative subsectors and is a bellwether for diversity, there are opportunities to enhance coordination, investment, workspace infrastructure, and pathways to boost inclusive growth across the creative economy. Developing a cohesive strategy that accounts for the economic, social, and technological factors will be essential for long-term success of the city's creative organisations and its communities.

6.1 SWOT analysis

Strengths

- Strong design sector, including fashion/textiles and crafts, building on Leicester's heritage
- Vibrant performing arts, film/TV, and music scenes
- Diverse communities providing rich cultural influences
- Affordable living/workspace compared to larger cities
- Universities attracting creative talent and providing pathways

Weaknesses

- Lack of major anchors/national organisations in some subsectors
- Dominance of micro-businesses/freelancers with limited scale
- Shortage of specialist infrastructure (e.g. production facilities)
- Insufficient coordination and joined-up approach across subsectors
- Perceived barriers to creative careers for underrepresented groups

Opportunities

- Leveraging diversity for inclusive placemaking and audience development – moving beyond 'storytelling' to realise more opportunity for Leicester to be identified as a place of 'world firsts'
- Activating underutilised spaces/heritage buildings for creative uses
- Fostering cross-sector innovation between creative firms and other industries
- Enhancing graduate retention and workforce diversity through universities
- Targeting investment for risk capital and growth finance for creative businesses

Threats

- Continuing impacts of COVID-19 on attitudes toward cultural participation and willingness of some audience segments to return to 'live' events
- Affordability pressures from cost-of-living increases
- Competition from other creative clusters/cities for talent and investment
- Lack of coordinated strategy and leadership to focus efforts

6.2 Key PESTEL Factors:

Political

- Need for cohesive strategy aligning stakeholders in DCMS arm's length bodies and across different levels of government
- Policy support for initiatives around diversity, inclusion, talent development

Economic

- Importance of providing investment, finance, and business support for micro/small creative businesses
- Leveraging the creative economy for placemaking and urban regeneration
- Potential impacts from economic downturns/recessions

Social

- Demographic and cultural diversity as an asset to build audience, social cohesion and placemaking
- Community engagement to ensure inclusive cultural representation
- Skills pipeline development starting from education/youth engagement

Technological

- Cross-innovation with emerging tech fields (AI, immersive, etc.)
- Adoption of digital systems for promotion, audience insights
- Technological infrastructures to support creative production

Environmental

- Increasing focus on sustainable practices and circular economy approaches
- Reuse of heritage buildings and underutilised spaces lessening environmental impacts

Legal

- Using capacity within the Universities to support creative organisations in their intellectual property protection and rights management
- An observatory/fore sighting function to look at the impact of regulations impacting specific creative subsectors (including future regulation – e.g., EU plans for 'ethical' regulatory framework for AI)

6.3 Priorities

Equality, diversity and opportunity

Leicester has a singular opportunity to identify itself as a city in which diversity is central to the development of an equitable and profitable creative economy. To achieve that, it needs to go beyond engaging existing gatekeepers and find ways to engage the multitudinous diverse communities which make up the story of the city.

- The strategy and the structures created to deliver it must:
- Increase lived experience or awareness of diversity amongst commissioners of skills training and business support.
- Engage diverse experience in informing and shaping plans to create a built environment and public spaces which tell Leicester's story through the diversity of its culture, creativity and heritage.
- Invest in the recommendations and reputations of diverse led creative businesses and producers (there are some significant people in Leicester).
- Collaborate with ethnically diverse practitioners and minority ethnic-led organisations to look at inclusive access framework for ethnically diverse artists, creatives and audiences.
- Collaborate with LGBTQI+ practitioners and queer led organisations to look at inclusive access framework for LGBTQI+ artists, creatives and audiences.

These could be addressed through

- Focusing employer training programmes and resources on inclusive recruitment.
- Leadership development (early and mid-career).
- Children and young people
- Work with children and young people is critical to the development of an inclusive strategy for Leicester.

Developing inclusive opportunities for employment is a critical success factor within that, but there are other elements of the strategy which are seen as more important by young people – in particular, addressing the climate emergency. Future arrangements for developing public strategy and interventions need to make space for the knowledge and insights of children and young people. This is already reflected in some parts of the cultural sector – such as the Leicester Museums' focus on working with children and young people in its NPO bid – but proposals for a new Cultural Compact present Leicester with a distinctive opportunity to differentiate itself through those young voices.

Disability

ACE is working to encourage all its funded organisations, not just disability arts practices, to focus on access and inclusion for disabled people as audience, performers and practitioners. This calls for collective action to collaborate with disabled, neurodiverse, D/deaf practitioners and disabled led organisations to look at inclusive access framework for creative occupations (not just physical access but well-being, remote working, adjustments etc.) for disabled, D/deaf and neurodiverse people) and develop employer training programmes on disability access to work.

Audience development

- Celebrate the ambition and quality of Leicester's arts and cultural output by coordination and articulating a year-round offer and promoting it more aggressively to national and international audiences.
- Move away from classifications of audience which rely on a narrow range of demographic types to develop a more nuanced and inclusive analysis which reflects the increasing diversity of audiences and tastes.
- Recognise the impact of changes to audience behaviour, including those influenced by external factors such as Covid, climate emergency and the cost-of-living crisis, and continue to invest in research and development to find new ways of bringing arts and culture to people excluded by health, disability, lack of resource or just the sense that arts and culture aren't for "people like us."
- Address continuing under-representation of diverse cultural experiences in cultural and mainstream commercial arts programming and present culture and heritage in a way that celebrates their communities' achievements and tells their stories.
- Build audiences amongst children and young people as an essential element of future sustainability and growth.

Efforts to better understand and evaluate audience behaviour will be boosted by a partnership between Arts Council England (ACE) and DCMS, in 2023/24 which will increase the sample size of the Participation Survey to produce meaningful estimates at the Local Authority level.

Built environment and public spaces

Investment in the public realm is essential in addressing the need for more, higher quality and more diverse creative workspace and showcasing opportunities.

Public bodies and cultural organisations can collaborate in ensuring that schemes and initiatives reflect desires and heritage of all Leicester's communities and make use of their knowledge and expertise in development and regeneration.

This will help the city forge a more equitable approach to city development, including areas outside the city centre (particularly areas of multiple deprivation) to make them more attractive to businesses and therefore capable of promoting inclusive growth.

National Lottery Heritage Fund's newly published *Heritage 2033* strategy makes clear that there will be investment available for projects which address outcomes complementary to this strategy:

- A wider range of people will be involved in heritage (every project must achieve this mandatory outcome)
- The funded organisation will be more resilient
- People will have greater wellbeing
- People will have developed skills
- The local area will be a better place to live, work or visit
- The local economy will be boosted

Sector specialisations

Support for culture and creative industries needs to recognise the different motivations and operating models employed by many creative businesses:

- Emphasis on intrinsic value rather than a business plan.
- Project-based working, drawing on additional resource through collaboration rather than investment or acquisition of talent.
- Portfolio working – the need to diversify effort across projects which will keep cash flowing whilst larger projects are in development.
- Process innovation – new ways of working – is a central part of the creative process, rather than a separate activity.
- Most of all, the importance of doing that which is distinctive, rather than following a business plan.

To take a term from software development, this intuitive, unplanned way of working is, "a feature, not a bug"; it is a proven business model and a deliberate choice, not a failure of the business owner to take responsibility for the outcome.

> ***An intuitive, unplanned way of working is a feature of creative industries, not a "bug".***

The assets generated are not just tangible forms of IP – a game, recording, show or artefact – but reputational goods, skills development and knowledge exchange which result from collaboration.

Historical factors, including the lack of a regional broadcast presence in the city, mean there is a lack of specialist physical infrastructure, putting the city at a competitive disadvantage to some neighbouring cities, where the presence of national creative organisations provides a more visible stimulus to aspiration. This has resulted in a sector overwhelmingly composed of microbusinesses with few national or international investors and a shortage of businesses with identifiable "scale-up" characteristics. The summary of funding and opportunities within cultural and creative sectors highlights how *Create Growth* funding might best be targeted to address this.

One of the most significant challenges faced by Leicester is how to structure investment in the sector in a way which makes available working capital to support, encourage and develop those successful creative behaviours, rather than requiring security for those investments. If successful, this will:

- Ratchet up the knowledge intensity and innovation of individual creative entrepreneurs and microbusinesses,
- Seed the development of more dynamic clusters and supply chains
- Provide a spur to productivity, employment and business growth in the process.

Public investment in risk-taking – including *de minimis* grants – have been shown to stimulate and help unlock far greater levels of private investment from retail banks, angel investors, venture capitalists.

Workforce development

The city is lacking in the 'soft' infrastructure to support investment in skills and the help build a perception amongst local people that creative industries represent a viable and worthwhile career choice. There are at present too many gatekeepers, and too few pathways to a creative career; this strategy aims to reverse that situation.

The distinctive offer of local universities, and existing collaborations between them and their peers across the Midlands, presents a significant opportunity to make wider international links to promote the benefits of studying, working and living in Leicester. The universities already attract a diverse student body, drawn to Leicester by factors including lower cost than other metropolitan centres and good logistics (including easy access to London). Providing these students with more information about employment opportunities in Leicester's creative economy and offering support for their transition to employment (e.g., through mentoring) is an important element in any strategy to increase both graduate retention and diversity in the creative sector.

This includes strengths in Createch. Better coordination of and distinction between creative technology offers could promote better awareness amongst employers about the offer and help HEIs and students to a better understanding of which courses best align to employment opportunities.

Thinking about terminology is important to addressing barriers to participation. For example, emphasising the digital elements within creative technology courses may convince parents with no previous experience of the creative sector that these courses of study lead to viable career pathways and better careers advice can emphasise the importance of skills which are transferable to other sectors.

HEIs are aware of the need for further engagement with industry and with Leicester's diverse communities to increase diversity in the creative sector and drive inclusive growth in Leicester's most deprived communities.

Specialisms in humanities can also demonstrate viable pathways to creative occupations. University of Leicester is working with the Museums and diverse cultural and community organisations to develop curatorial approaches and authorial voices which reflect Leicester's distinctively diverse heritage, demonstrate different routes into employment in the sector and present opportunities to a more diverse potential workforce.

More support for the freelance sector and CPD, including creative leadership skills, can help increase visibility of people from diverse backgrounds in leadership roles.

Local Further Education colleges provide a good range of delivery of creative courses and support for apprenticeships.

The Fashion Technology Academy has already demonstrated the benefits of offering a pathway from Level 1 and 2 to employment in textiles and garment manufacturing. Consultation revealed unmet demand for specific support for specialist manufacturing and design skills at Level 5 and above to help graduates transition into employment – an area for future collaboration between Fashion Enter and DMU.

Extending Phoenix Media's incubation and mentoring support for digital content and documentary film makers could build a critical mass of people generating original IP for screen.

6.4 Benchmarks

The following case studies highlight examples of successful transformation of urban and ‘post-industrial’ neighbourhoods through arts and culture.

Detroit

Created a new inclusive network – CultureSource - to increase the technical capacity and understanding of Detroit’s arts leaders through the creation and operation of the CultureSource R&D lab, which provided cross-disciplinary cohorts of arts leaders in Detroit with training and technical resources. This was connected to investment in creative infrastructure, production space and the heritage offer, including creating a “Digital Jukebox” at the Motown Museum which made key archival content and physical materials available online and on-site.

Philadelphia

Promotes art as a vital component to the city. It is home to the largest collection of public art in the US and has a legacy of making art accessible. Home to the first art museum and school in the US, it also prides itself as the mural capital of the world – Mural Arts started as an anti-graffiti programme in 1984 and has grown to be an international leader with over 4000 works of community-based public art. Projects are driven by the residents who are involved in the development of neighbourhood murals from conception to culmination.

Seattle

Seattle explicitly links its public arts programme to the City’s Race and Social Justice Initiative, working to eliminate institutional racism in its programs, public art, policies and practices. Cultural activities benefit from the city’s budgetary commitment to “1% for culture” and draw on the city’s ethnic diversity and over two dozen museums stress the collections’ links to the city’s ethnic people and its history.

Nantes

Since the closure of its shipyards in 1987, Nantes has confronted the consequences of post-industrial decline through a policy of converting old industrial Nantes into a modern city with a massive cultural offering. Royal de Luxe street theatre company moved to Nantes in 1989 and has been instrumental into transforming the site of the former shipyard into a highly specialised and globally renowned production facility for street theatre.

Nanjing

Nanjing draws on over 2,000 years of cultural heritage, including a UNESCO World Heritage Site amongst over 2,400 heritage sites. It has developed a festivals offer which attracts millions of local and international tourists each year. Qinhuai Lantern

Festival is an important component of Qinhuai culture and a famous traditional festival of Nanjing. It has been successfully held in the Confucius Temple at Qinhuai Scenic Belt since 1985.

Porto Alegre

In the late 80s, Porto Alegre began a new cycle in its cultural policies with the creation of the Municipal Secretariat of Culture, which addressed need for culture to fight its corner for resource in the city's distinctive "participatory budget" mechanisms, where decision making about city spending is devolved down to residents. Its success allowed it to implement a significant set of programmes and initiatives of appreciation of local culture, cultural heritage preservation, funding local artistic production, strengthening of popular cultures, enhancement of public spaces and expansion of spaces of social coexistence such as Vila Flores – essentially community interest companies focused on culture. The culture sector has in turn led initiatives on "circular economy" engaging farmers from communities surrounding the city in the development of sustainable supply chain mechanisms to support local food production.

Appendix 1: DCMS sector definitions for Creative Industries and Cultural Sectors

Industry groupings

For this study we have used DCMS industry groupings which relate to SIC codes as shown below:

Table 2 Creative Industry groupings

Industry grouping	SIC code
Advertising and Marketing	7021 : Public relations and communication activities
	7311 : Advertising agencies
	7312 : Media representation
Architecture	71111 : Architectural activities
	71112 : Urban planning and landscape architectural activities
Crafts	3212 : Manufacture of jewellery and related articles
Design and designer fashion	7410 : Specialised design activities
Film, television, video, radio and photography	5911 : Motion picture, video and television programme production activities
	5912 : Motion picture, video and television programme post-production activities
	5913 : Motion picture, video and television programme distribution activities
	5914 : Motion picture projection activities
	5920 : Sound recording and music publishing activities
	6010 : Radio broadcasting
	6020 : Television programming and broadcasting activities
	74201 : Portrait photographic activities
	74202 : Other specialist photography (not including portrait photography)
	74203 : Film processing
	74209 : Other photographic activities (not including portrait and other specialist photography and film processing) n.e.c.
IT, software and computer services	5821 : Publishing of computer games
	5829 : Other software publishing
	62011 : Ready-made interactive leisure and entertainment software development
	62012 : Business and domestic software development
	6202 : Computer consultancy activities
Publishing	5811 : Book publishing
	5812 : Publishing of directories and mailing lists
	5813 : Publishing of newspapers
	58141 : Publishing of learned journals
	58142 : Publishing of consumer, business and professional journals and periodicals

	5819 : Other publishing activities
	7430 : Translation and interpretation activities
Museums, galleries and libraries	91011 : Library activities
	91012 : Archive activities
	9102 : Museum activities
Music, performing and visual arts	8552 : Cultural education
	9001 : Performing arts
	9002 : Support activities to performing arts
	9003 : Artistic creation
	9004 : Operation of arts facilities

Table 3 Cultural Sector groupings

Industry grouping	**SIC code**
Arts	9001 : Performing arts
	9002 : Support activities to performing arts
	9003 : Artistic creation
	9004 : Operation of arts facilities
Crafts	3212 : Manufacture of jewellery and related articles
Film, television and music	5911 : Motion picture, video and television programme production activities
	5912 : Motion picture, video and television programme post-production activities
	5913 : Motion picture, video and television programme distribution activities
	5914 : Motion picture projection activities
	6020 : Television programming and broadcasting activities
	5920 : Sound recording and music publishing activities
	18201 : Reproduction of recorded media
	18202 : Reproduction of video recording
	18203 : Reproduction of computer media
	3220 : Manufacture of musical instruments
	4763 : Retail sale of music and video recordings in specialised stores
Photography	74201 : Portrait photographic activities
	74202 : Other specialist photography (not including portrait photography)
	74203 : Film processing
	74209 : Other photographic activities (not including portrait and other specialist photography and film processing) n.e.c.
Cultural education	8552 : Cultural education
Museums and galleries	9102 : Museum activities
Libraries and archives	91011 : Library activities
	91012 : Archive activities
Heritage	9103 : Operation of historical sites and buildings and similar visitor attractions

Appendix 2: BRES data

Table 4: BRES data for Leicester and Leicestershire Creative Industries and Cultural Sectors

Leicester Creative Industries	**2015**	**2020**	**2021**	**2022**
Advertising and marketing	315	435	225	230
Architecture	385	440	125	155
Crafts	10	5	15	15
Design	600	400	400	375
Film, television, video, radio and photography	230	305	565	410
IT, software and computer services	1,535	3,260	1,945	2,705
Publishing	190	160	260	280
Museums, galleries and libraries	260	75	320	215
Music, performing and visual arts	345	200	460	650
Total	**3,870**	**5,280**	**4,315**	**5,035**
Creative industries as % of all employment	2.3%	3.3%	2.6%	2.9%
Analysis of IT, software and computer services (Leicester)				
Computer games	5	85	40	25
Software development	280	675	530	805
Computer consultancy	1,250	2,500	1,375	1,875

Leicestershire Creative Industries	**2015**	**2020**	**2021**	**2022**
Advertising and marketing	500	930	390	535
Architecture	450	870	600	830
Crafts	5	5	15	20
Design	1,000	850	700	650
Film, television, video, radio and photography	230	305	565	410
IT, software and computer services	3,720	6,115	3,560	4,940
Publishing	315	295	630	170
Museums, libraries and galleries	440	510	535	280
Music, performing and visual arts	275	110	285	395
Total	**6,935**	**9,990**	**7,280**	**8,230**
Creative industries as % of all employment	2.4%	3.2%	2.3%	2.5%
Analysis of IT, software and computer services (Leicestershire)				
Computer games	15	25	25	30
Software development	1,330	2,340	1,660	2,160
Computer consultancy	2,375	3,750	1,875	2,750

Appendix 3: IDBR data

Table 5 IDBR data for Leicester Creative Industries

DCMS Creative Industries sector	**2015**	**2020**	**2021**	**2022**	**2023**
Advertising and Marketing	70	60	60	75	65
Architecture	45	45	50	50	50
Crafts	10	10	10	10	10
Design	95	90	100	95	95
Film, television, video, radio and photogra	50	50	50	80	90
IT, software and computer services	355	595	550	470	405
Publishing	30	35	35	35	35
Museums, libraries and galleries	25	10	5	5	5
Music, visual and performing arts	55	75	75	75	75
Totals	**765**	**985**	**955**	**890**	**830**

Source: The Fifth Sector analysis of ONS data via Nomisweb, January 2024

Appendix 4: Beauhurst data for Leicester Creative Industry and Cultural Sector businesses

Table 6 Beauhurst data for Leicester Creative Industries businesses

Creative industries	**Beauhurst 2024**	**IDBR 2023**	**% difference**
Advertising and marketing	185	65	185%
Architecture	55	50	10%
Crafts	0	10	-100%
Design and designer fashion	135	95	42%
Film, television, video, radio and photography	210	90	133%
IT, software and computer services	590	405	46%
Publishing	60	35	71%
Museums, galleries and libraries	5	5	0%
Music, performing and visual arts	170	75	127%
	1415	**830**	70%

Table 7 Beauhurst data for Leicester Cultural Sector businesses

Cultural Sectors	**Beauhurst 2024**	**IDBR 2023**	**% difference**
Arts	155	65	138%
Crafts	0	5	-100%
Film, TV and Music	150	10	1400%
Radio	5	30	-83%
Photography	55	10	450%
Museums and galleries	0	55	-100%
Libraries and archives	5	0	-
Cultural Education	15	5	200%
Heritage	0	0	-
Total	**390**	**180**	**117%**

Appendix 5: LQ and GVA estimates

Table 8 LQ and GVA estimates

Leicester Creative Industries	**BRES 2022**	**LQ**	**GVA (£m)**	**GVA per capita (£)**
Advertising and marketing	240	0.25	6.1	25,334
Architecture	155	0.27	1.5	9,608
Crafts	15	0.58	0.6	42,706
Design and designer fashion	375	1.22	24.6	65,563
Film, TV, video, radio and photography	415	0.35	13.1	31,595
IT, software and computer services	2,830	0.74	152.3	53,813
Publishing	280	0.45	12.3	44,002
Museums, Galleries and Libraries	215	0.62	2.1	9,981
Music, performing and visual arts	745	1.08	68.3	91,707
Total	**5,270**	**0.62**	**281.0**	**53,318**

Leicester Cultural Sectors	**BRES 2022**	**LQ**	**GVA (£m)**	**GVA per capita (£)**
Arts	665	1.04	53.5	80,423
Crafts	20	0.77	1.1	56,941
Film, TV and Music	335	0.32	10.8	32,298
Radio	60	0.77	3.4	56,602
Photography	55	0.58	1.4	26,020
Museums and galleries	200	1.16	6.3	31,354
Libraries and archives	15	0.09	0.0	434
Cultural Education	80	1.55	6.9	86,126
Heritage	0	0.00	0.0	-
Total	**1,430**	**0.60**	**83.4**	**58,346**

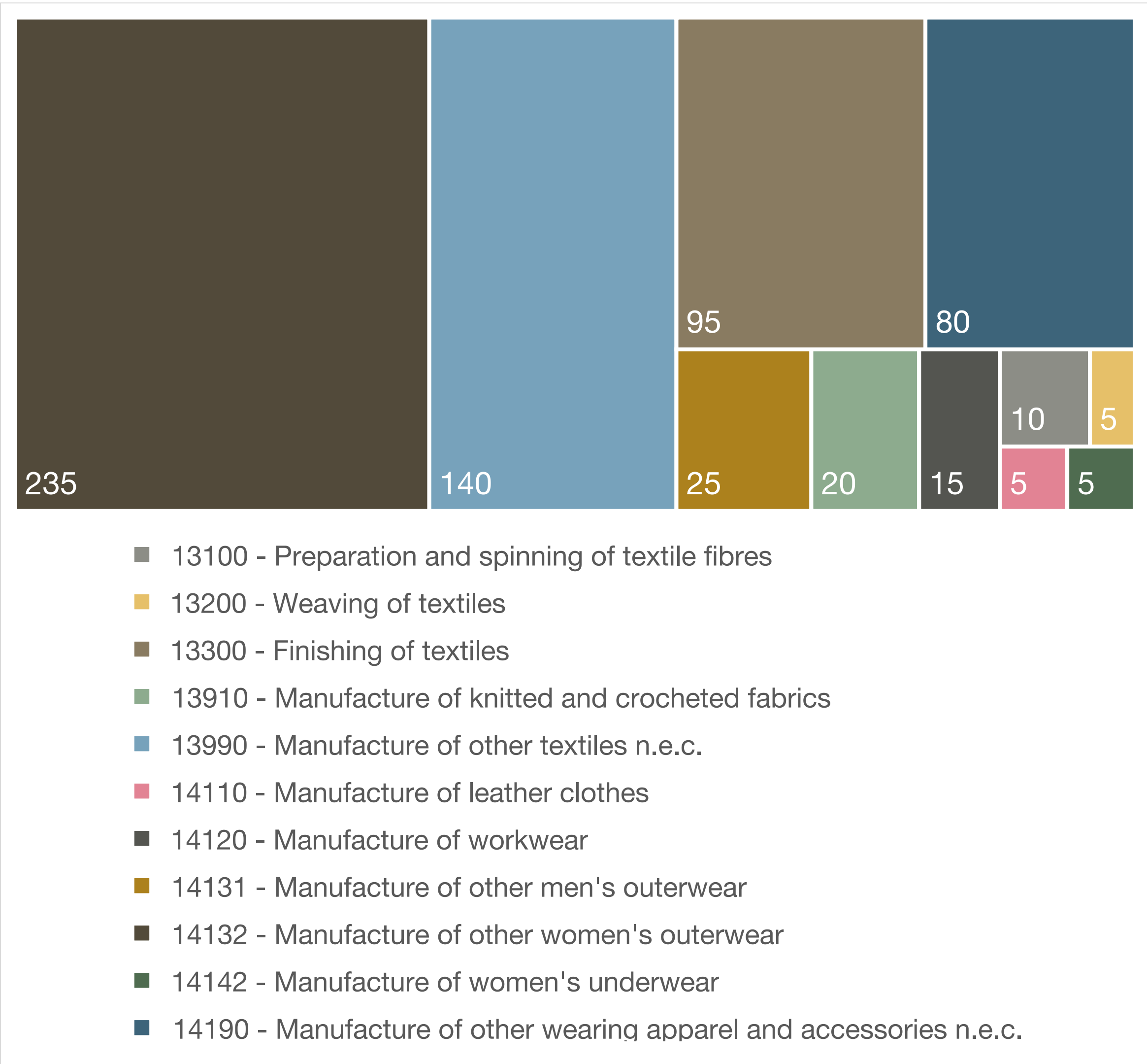
Appendix 6: Textile and fashion manufacturing

There are 645 active businesses in textile processing and apparel manufacture, as represented in Figure 21. The largest sub-sectors of this industry are:

- 14132 - Manufacture of other women's outerwear – 235 companies
- 13990 - Manufacture of other textiles n.e.c.- 140 companies
- 13300 - Finishing of textiles – 95 companies
- 14190 - Manufacture of other wearing apparel and accessories n.e.c. – 80 companies

We will be carrying out further analysis to establish supply chain relationship between fashion design and manufacturing in Leicester.

Figure 21 Textile processing and apparel manufacturing - count of businesses



Appendix 7: Local and national policy environment

Arts Council England

ACE's priority outcomes and investment principles are at the core of its strategy, *Let's Create: Ten-Year Strategy 2020-2030*[14]. Leicester's cultural organisations were well positioned to take advantage of the focus of this strategy on inclusivity and relevance as well as an emphasis on ambition and quality – borne out by the increased in National Portfolio Investment into the city for 2023-26.

However, Leicester was not among the local authorities identified for additional support as a Priority Place or Levelling Up for Culture Place, although it was receiving support for development of its Cultural Compact.

As well as NPO grants, ACE also distributes National Lottery Heritage Fund project grants of up to £100k and smaller awards (up to £15k) to individual artists for Developing Your Creative Practice.

Department for Culture, Media & Sport

Creative Industries Sector Vision

The Creative Industries Sector Vision outlines a joint government/industry plan to drive growth, build talent and develop skills in the UK's creative industries over the coming years. The key objectives are:

Skills & Talent Pipeline:

- Improving the talent pipeline by embedding creative skills from an early age through the curriculum and extracurricular activities.
- Boosting apprenticeship opportunities and developing core transferable creative skills.
- Exploring new models like apprenticeship-degrees to develop talent.

Access to Finance & Support:

- Improving access to finance for creative businesses and entrepreneurs through tax reliefs, funding and investment readiness support.
- Developing regional investment funds and angel networks focused on creative firms.
- Providing business support, incubation, accelerator programs and export assistance.

Intellectual Property & Regulation:

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[14] Arts Council England (2021) Let's Create. Ten-Year Strategy 2020 -. 2021. https://www.artscouncil.org.uk/publication/our-strategy-2020-2030

- Ensuring the UK's IP regime remains competitive and fit for the digital age.
- Addressing regulatory barriers to growth for creative subsectors like videogames and advertising.
- Exploring content quotas and anti-piracy efforts to support the creative economy.

Public Investment & Infrastructure:

- Coordinating public investment in creative clusters, innovation districts and cultural regeneration initiatives.
- Leveraging cultural investment to drive tourism, soft power and trade opportunities.
- Supporting creative R&D, emerging technologies like immersive content, and test beds.

International Opportunities:

- Promoting export opportunities for UK creative firms and content through trade efforts.
- Attracting creative talent and businesses by projecting the UK as a creative hub.
- Using soft power and cultural diplomacy to open new overseas markets.

The plan outlines joint commitments from government and industry bodies to collaborate on implementing these objectives over the next several years through various policies and initiatives.

However, DCMS's influence across wider economic policy has been weakened by transfer of its responsibility for digital strategy to the Department for Science, Innovation and Technology (DSIT).

Training and skills – national

Peter Bazalgette's *Independent Review of the Creative Industries* in 2017 emphasised the role of education in addressing the productivity gap in creative industries:

> ***"Growth and greater productivity in the talent pipeline for the (creative) industries are held back by two main factors: social and informational barriers to entry; and quality, consistency and availability of post-secondary education and training, which includes further and higher education, and continuing development".***

Six years on from that report, those shortcomings remain. Although the UK's Creative Industries have recovered faster from Covid and are projected to grow faster than the economy at large and almost 1 in 8 UK businesses are creative businesses, it is still very much dominated by freelancers (33% nationally, double the proportion for the whole UK economy) and 95% of creative businesses employ nine people or fewer. [15]

The sector had severe challenges in addressing inclusion and diversity – its workforce was whiter and more middle class than the population as a whole, and some sectors and most senior roles were skewed disproportionately to males. It needed to take action to address equality of opportunity for those looking to access work in the sector, which involved working harder to educate students, teachers and parents about the wide range of potential lifelong and lucrative careers creative and technical careers on offer.

Underpinning future development of creative courses at both HE and FE level was the Department for Education's plan, announced in May 2021, to spend less in non-prioritised subjects - which included the arts, creative and media courses - with the savings being redirected to other areas such as nursing and computing, signalling a greater focus on technical and further education.

Fears that this change would lead to universities and colleges dropping fine arts courses appear to have been confirmed. Students' choice of courses reflected sensitivity to those changes: the overall number of students who took art and design A-Levels fell by 305 from 39,220 in 2019 to 38,915 in 2020, the third consecutive year of a downward trend in popularity for creative subjects at school, college and university levels. Between 2010 and 2020 there was a 37% decline in arts GCSE entries.

However, there were examples across the country of new education initiatives which continue to embed industry into their delivery at all levels, from curriculum development to placements. With a flexible, agile approach and an understanding of shared goals, educational institutions had a major role to play in sustaining and retaining talent for the sector

Training and skills – Leicester & Leicestershire

Both LLEP and the sub-regional Local Skills Improvement Plan (LSIP) focused on digital skills, which overlaps with the creative sector but did not include some other specialised skills areas. The LLEP Skills Plan 2022-24 identified Digital Tech and Communications as the main growth areas. The LLEP Skills Plan also identified the need for an increase in the skilled work force at Level 4 and upwards, especially in the growing field of digital technologies. It also noted a shortage of well qualified teaching staff in FE to deliver in subjects such as digital skills.

The Local Skills Improvement Plan, published in March 2022 did not include creative and/or cultural as one of its key sectors although it did look at digital in its

[15] Creative UK: https://www.wearecreative.uk/champion/statistics/

broader sense. It found that one of the ***most important*** skills across all sectors was team working, followed by verbal communication and occupational skills and areas of ***least importance*** are industry software skills, coding and programming, project planning and management and leadership. This finding is very much at odds with ongoing research and publications into the creative sector which continually rate coding and programming as *the* main skill in demand for the sector.[16]

Leicester and Leicestershire Digital Skills partnership was made up of key partners, businesses and stakeholders to address digital skills deficiencies in the workplace and wider society.

Arts and health

Many local and combined authorities were looking at potential service improvements and efficiencies which could be delivered by creative organisations working with health and social care providers. This resulted in some piloting of "social prescribing" of the arts and steps to ensure that access was "designed in" to publicly funded cultural events. In Leicester, Leicestershire Partnership NHS Trust ran a programme of Arts in Mental Health support which could be accessed on demand at "crisis cafes" at locations across the city and in Leicester and De Montford universities. The NHS Long Term Plan (2019) specifically mentioned implementation of over 1,000 trained social prescribing link workers within Primary Care Networks (PCNs) across the country by the end of 2020/21, rising further by 2023/24, with the aim that over 900,000 people were able to be referred to social prescribing schemes – but did not specify funding or a coordinating model for social prescribing of the arts.

Use of online cultural content for mental health and well-being during COVID-19 restrictions sparked renewed interest and provided more evidence of measurable benefits of social prescribing of the arts.[17] But again, this did not result in a coherent national policy approach or funding.

Greater Manchester, which has enjoyed greater devolution of funding and decision making for health and social care than any other English region, published the outcomes of *A Social Glue*[18], a Great Places project (funded by NLHF), which,

> ***"Looks to Greater Manchester becoming the world's first Creative Health City Region, where, by 2024, heritage, culture and the arts will play a key part in the health and wellbeing of its diverse residents and workforce."***

[16] Awaiting additional information from the LSIP, which will be included in final report
[17] Syed Sheriff, R. et al (2021). *Use of online cultural content for mental health and well-being during COVID-19 restrictions: cross-sectional survey*. Cambridge University Press.
[18] *A Social Glue: Greater Manchester: A Creative Health City Region* (2022)

The project was developed by Manchester Institute for Arts, Health & Social Change, led by the head of Manchester Metropolitan University's Director of Arts for Health, and the outcomes were linked to those of Greater Manchester's Culture and Creativity Strategy[19]. It defined an approach in which university research institutes worked with the Greater Manchester Combined Authority, Greater Manchester Health & Social Care Partnership, health & social care organisers, arts and community organisations to develop a vision and a set of recommendations to further develop provision of arts in health. Two of the recommendations suggested themselves as ones which the Cultural Compact could adopt:

- Identify appropriate leadership to take this agenda forward … alongside local authorities, cultural, arts and heritage organisations, educational institutions, the voluntary sector, community groups and funders.
- Address a lack of evidence, particularly around children and young people in the context of social prescribing [and] develop a collective culture, health and social change research hub that is outward-looking, proactive and intrinsic to its citizens, practitioners, artists and activists, [local government and health and social care delivery agencies]. This will build on our assets; offer opportunities to develop test-and-learn sites; inform evidence-based practice; enable a more robust understanding; develop methods to support co-design; and build on a heritage of socially engaged creative practice and co-produced healthcare.

National Lottery Heritage Fund

Priorities of NLHF 's *Heritage 2033 – our 10-year strategy*[20] include:

- Inclusion, access and participation:
    - increase diversity of heritage workforces and audiences
    - reduce barriers for people under-served by heritage
    - enable more people's heritage to be recognised
    - champion digital technology to improve access
- Organisational sustainability:
    - increase organisations' commercial and governance capabilities
    - develop skills and capacity across heritage
    - embed resilience in projects we fund
    - strengthen heritage's contribution to local economies

[19] *Grown in Greater Manchester. Known Around The World* (2019). Greater Manchester Combined Authority.
[20] https://www.heritagefund.org.uk/about/heritage-2033-our-10-year-strategy

Funding

AHRC has initiated a 'closed' process to invite bids for a further round of Creative Industries Clusters (piloted in nine UK locations - none of them in the Midlands). We have no further information whether the sub-region's HEIs have been invited to bid at time of writing (March 2024).

As described above, funding for arts, creative and media courses at HE level has been reduced – although this has led some institutions to incorporate more digital technology units within those courses.

Some opportunities did present themselves, however:

- Leicester had already benefitted from Levelling Up Funding to develop Pilot House as a centre for makers and digital content makers.
- *Create Growth* provides limited access to funding for scale-up and high growth businesses. If correctly targeted and marketed, this could increase Leicester's stock of "anchor" businesses around which sector and cluster development could be accelerated.
- Further rounds of Community Ownership Funds, if confirmed, may present an opportunity to explore feasibility of a Creative Land Trust to build an asset base that can provide security of tenure for creative uses.
- National Lottery Heritage Fund has stated its intention to invest in:
    - Open programmes for all types of heritage projects with most decisions made at local level
    - Partnerships that combine resources and expertise to create investments with greater impact
- The National Space Centre forms part of the **East Midlands Freeport** partnership – this presents an indirect opportunity for investment in innovation and R&D for digital and creative businesses looking to build markets in other sectors of the economy, but not directly to support the development of new creative IP.
- There may be scope to work with Leicestershire Partnership NHS Trust to develop commissioning frameworks and funding for arts & health.
- The March 2024 Budget further increased audio-visual (film, TV and video games) expenditure credits to provide a higher rate of relief and made permanent some temporary higher rates of theatre, orchestra, and museums and galleries tax reliefs."[21]

[21] https://kpmg.com/uk/en/home/insights/2023/03/tmd-budget-reforms-to-the-creative-sector-tax-reliefs.html

Appendix 8: Feedback from round tables

A series of round tables held in the first quarter of 2023 focused on employers and entrepreneurs in:

- Design and Creative Services
- Fashion Design and Manufacturing
- Film and Television
- Games and Immersive Tech
- “Live” sectors
- Two round tables with Leicester NPOs

Participants approached the future with a mixture of optimism and pessimism. Some aimed to grow their business over the next couple of years but others, especially the “live” sector felt that there was a lack of facilities, describing a “gloomy” picture for the future.

This reflected the statistical evidence that the creative industries in Leicester, as elsewhere in the UK, are still concerned primarily with recovery rather than growth.

People and skills

There was a consensus that there are significant gaps in Leicester’s creative workforce. Few organisations across the sectors believed that there were plenty of people with a high level of skills or that there is a strong existing workforce.

Employers complained that graduates emerging from Leicester’s universities lack of high-end skills and real-world skills. Graduates did not have the skills to prepare them for the world of work which also led to a lack of skills at higher levels positions. They found little “good” support for skills development.

Places and infrastructure

There were good workspace and creative hubs, including LCB Creative Depot and the Cultural Quarter, and the city had a clear centre for the arts. Leicester was seen to have a lot of affordable workspaces, although not enough specialist workspace for uses including digital content production and high-end, small run fashion making. The trend toward remote and “hybrid” working meant there was less demand for generic office space. However, the stock of buildings was seen to be dated and in need of improvement.

The city was seen to be affordable enough to live near to where they work. Most sectors wanted to see more and better-quality business support to help them grow their business, and similarly more and varied production facilities would be of benefit across the board. Very few felt that there was enough workspace of the right type.

Diversity and inclusion

The visible diversity of attendees at the round tables did not reflect the population of Leicester, and few attendees or survey respondents completed the equalities monitoring form. Round table participants were divided in their views on diversity in the workforce, with Design participants most confident there was sufficient diversity and Live sectors, Film & TV, Games & Immersive Tech most likely to think that there was not enough diversity.

The Fashion Design & Manufacturing session agreed that there was good diversity within that industry but highlighted significant skills gaps and challenges within the workforce. Only one person in the Fashion Design & Manufacturing session identified themselves as an "ethnic minority person" and stated that this, "says a lot about diversity to me."

Networks and collaboration

A lack of effective networks and collaboration were cited as a clear barrier to growing the creative industries in Leicester. Participants claimed there were too many generic networking events amongst the creative industries. Sector specific networks would be welcomed and would benefit their individual networks and collaboration.

The influence of technology

Round table participants highlighted the emergence of AI and thought this would play a huge role in the future of the creative industries in general, not just in the games and immersive tech sectors. Their view was that the development of AI capabilities in tech offered exciting potential but there was a gloomy outlook in terms of the lack of facilities for developing the sector in Leicester and that design, tech and manufacturing could be better connected.

Outcomes

The main outcomes identified through engagement with the cultural and creative sector correlate with those identified by other stakeholders.

Equality, diversity and inclusion

- Putting diversity and inclusion at the centre of strategy to build a richer creative industry
- More support for micro businesses, specifically Black and Asian Women and other marginalised communities

- Lift age limitations on some kinds of funding, which can discriminate against women returning to work and other entrants from "non-traditional" backgrounds
- A Children and Young People Strategy - as part of the bigger strategy, connected with diversity and inclusion to ensure no children are left behind and are offered the opportunities to thrive

Audience development

- A foregrounding of artistic product, work, artistry and excellence
- A USP of Leicester being the Design City of the UK
- Marketing the city as a place of lively, exciting creative activity that is culturally diverse and reflects the demographics of Leicester
- Specific reference to, "festivals [which] often get lost / missed in strategies and plans"

Built environment and public space

- Creative Enterprise Zones, low rent, the rehabilitation of unused buildings for creative cultural businesses (e.g., film studios, workshops, etc)
- Some relaxation of licensing, cheap night time transport, more and better investment
- Film industry hub / facilities / support

Workforce development

- A focus on workforce development to cement the city's reputation for learning in, about and through the arts and creative industries
- Working with universities and colleges to turn out industry-ready graduates

Sector development

- Sector specific financial investment and ring-fenced grants or loan funding to consolidate creative and cultural talents, including funds which are easier to access and less bureaucratic and which support long term projects
- Support for new businesses, micro businesses, entrepreneurs, and helping established businesses to be sustainable
- Business mentors, including advice on creating intellectual property, rights management and exploiting creative IP
- Recognition, support and financial assistance to help build a music industry in Leicester
- Networking and collaboration

- Shared central tech services

Equality, diversity and inclusion

- Engage more diverse voices in decisions and development of that offer, utilising expertise of those who can lead through experience rather than job title.
- Explicit commitment to engage newer immigrant communities – Turkish, Afghan, Iranian, Somali, Eritrean, Sudanese, Moroccan, Egyptian, West African and South African – alongside established voices from minority groups and bring them into a shared forum.
- Voices of younger people and new, diverse immigrant communities need to be heard along with those of "traditional" community leaders

Audience development

- Make Leicester more than the sum of its parts – coalesce, amplify and expand the cultural offer around the multicultural heritage of Leicester and agreeing how best to project it to the wider world in a way that encourages both cultural tourism and inward investment.
- Strengthen the contemporary arts offer and addressing areas of weakness, e.g., visual arts.
- Better connect the programme of festivals and community events – diversity within and between public festivals, not just siloed representations of a single community (which create barriers to change).
- Better align culture and heritage offers and promotion to move beyond publicly owned museums and heritage animation.

Built environment and public space

- Finish the Cultural Quarter, including providing more showcasing opportunities for creative businesses as a way to improve animation at street-level and attract more footfall.
- Address gaps in infrastructure – e.g., mid-sized music venue, film and television production facilities, including a virtual production lab
- Ensure that schemes and initiatives reflect desires and heritage of all Leicester's communities and make use of their knowledge and expertise in their development and regeneration.
- More equitable approach to city development, including areas outside the city centre (particularly areas of multiple deprivation) to make them more attractive to businesses and therefore capable of promoting inclusive growth.

Sector development

- Leicester needs a three-tier cultural development agency, working on pathways into the sector, business growth and developing public strategy.
- Pilot House development was seen to have potential to strengthen making and digital cluster but needed greater visibility and stronger connections to design industry.
- Strengthen creative professional services to grow knowledge economy and retain graduates
- Develop partnerships, networks and trust across the sector.
- Lack of creative scale-ups needed to be addressed by more examples of careers developed and built in Leicester to give clarity to opportunities and lifestyle and improve attraction and retention of talent.
- Recognise and develop the role of the Chamber of Commerce – already engaged in LSIP and with DMU.
- Build stronger connections with other DCMS arm's-length-bodies – including Design Council and BFI – to help build growth and reputation in potential growth sectors.

Workforce development

- Help build and scale more businesses to provide employment opportunities.
- Links with universities were very strong but there needed to be more effective links with schools, further education and careers advice to ensure that students, teachers and parents were aware of creative career pathways and opportunities (including in digital skills with relevance across the economy).

Working with other sectors

- Health outcomes were critical to inclusive growth – creative sector needed to develop stronger working relationships with health bodies.
- Heritage – digital enhancement of existing and new heritage attractions.
- Space – importance of National Space Centre in both R&D and developing supply chains (in AI, VR) with other sectors.

Appendix 9: Online survey

Sample

Just over half of the companies who completed the online questionnaire were limited companies, followed by charities / CICs and self-employed /sole trader. One freelancer and public limited company returned results. The sample included a mix of creative business types, with three areas each accounting for 25% each of the overall sample: Creative originals (fashion design, making, fine art, crafts, visual art, public art); Creative content (film, television, video, animation, production services, games development, publishing, photography); and Creative experiences (live music, performing arts, dance, theatre, venue management, festivals, events, museum, library, gallery). More than half worked across different disciplines and markets.

Almost 80% of businesses worked within Leicester city centre (LE1), with the rest operating in the Leicester area, and one in London. A quarter of businesses had been operating for between four and ten years and half of those surveyed have been operating for more than 11 years which shows a stable environment for creative businesses in the region. Three start-ups (trading less than one year) responded to the survey. Most businesses operated with 1-4 employees or freelancers with a split favouring part time staff, followed by full time staff and freelancers/contractors. About a quarter of those surveyed were sole traders. Contractors and freelance employment were well utilised. There were very few, from those that returned the survey, employing more than five staff.

In the questionnaire there was an even split between business reporting a turnover of under £50k or £100k - £500k. Slightly less reported between £500k and £1m, and £50k - £100k, with 2 companies reporting a turnover of £1m - £10m.

- Just under half of businesses reported no change in business turnover in their last set of accounts
- A quarter increasing their turnover by up to 20%.
- A fraction increased by more than 20% .
- Four companies reported decreased turnover in their last year of trading, two by up to 20% and two by more than 20%.

Respondents were broadly positive about their prospects:

- About a third of respondents expected turnover to remain the same over the next twelve months.
- Just under half of those returning the survey were optimistic that turnover would increase by up to 20%.
- Four businesses expected their turnover to increase by more than 20%.

- Two expected turnover to decrease by up to 20%.

Responses to survey questions

What is good about Leicester?

In the survey findings, “great networks” came out as the “best thing” about running a creative business in Leicester, just ahead of a skilled talent pool, appropriate and affordable workspace, and collaborative R&D inputs from universities and colleges. Only a fifth saw Leicester’s reputation as a creative hub as an advantage and only three businesses cited access to markets. Participants felt that there was a close-knit community and a diverse audience willing to engage with new types of creative work and that the diversity of the city fed creativity.

Most employers and freelancers who attended one of five round tables agreed that Leicester as a good location with good workspace and creative hubs. Fashion Design & Manufacturing consultees were less complimentary about the workspace offer. There was a lot less confidence amongst creative businesses that Leicester has a big talent pool, strong specialist talent and businesses, good access to markets or strong creative networks.

Markets

Nearly all businesses who responded to the survey operated UK-wide. Just over half operate in Leicester and the Midlands, with a similar number operating in other international markets. Key UK markets were identified as London, Manchester and Cardiff. Leicester’s location and its proximity and effective access links to major cities such as London and Manchester were identified as key strengths. Good digital connectivity and availability of a range of small and larger live venues were also highly rated.

Film & TV, Fashion Design & Manufacturing and “Live” sector round table participants were less confident about their access to international markets. Some participants reflected that many international markets do not recognise that their companies as being based in Leicester, assuming that they are based in London.

Opportunities

There was a low response to where the Leicester organisations saw the greatest opportunity for growth of their business in the next 12 months, with the top answer - collaboration with other creative businesses and individuals in Leicester - receiving just 6 out of a potential 25 votes. Increasing the size of their team, investing in marketing and sales, and investing in new premises and equipment received one each.

Barriers

“Access to finance for project development” saw the top response, but from only five out of 25 respondents. “Competition for people with the right skills”, “lack of appropriate skills development opportunities for employees / freelancers and leaders of the businesses” were not viewed as significant barriers to growth.

Appendix 10: Feedback from 'Big Ideas' event, December 2023

The consultation received a good level of engagement, with 92 attendees providing responses via the Mentimeter polling software at the event itself, and a further 8 supplementary responses submitted later.

The "Creative Cluster" idea emerged as the most popular individual proposal, receiving the highest weighted score and greatest number of top (10/10) ratings when participants were asked to pick just one idea. "Inclusive Heritage" and "Creative Circuits" were the next highest ranked.

Several themes emerged strongly from the qualitative responses:

- A desire for better coordination, communication and joined up working across the creative sectors in Leicester, avoiding duplication of efforts.
- Empowering grassroots organisations and ensuring diversity/representation of communities across Leicester's creative activities.
- The need for a central calendar/hub to promote cultural events and avoid clashing.
- Developing talent pipelines and retaining creative talent in Leicester.
- Activating underutilised spaces and increasing exhibition/workspace capacity.
- Commercialising and generating investment in Leicester's creative industries.

Detailed Analysis

Audiences Section

- "Festival planning and representation" received 17 responses, with comments highlighting a need for a centralised events calendar, avoiding clashes, and better marketing/coordination of existing festivals.
- "Audience engagement and research" (16 responses) welcomed potential insights from an audience data tool but highlighted the importance of in-person community engagement too.
- "Collaboration and partnership" (13 responses) was viewed positively in joining up efforts strategically.

Place Section

- "Creative opportunities" such as new spaces/destinations drew the most responses (20), being seen as positive for the city centre and attracting visitors.

- "Heritage projects" (11 responses) were welcomed for promoting diversity and communities' lived experiences, if carried out respectfully with long-term resourcing.

Excellence & Talent Section:

- "Haymarket opportunities" (12 responses) were celebrated for opening up the theatre to more organizations.
- "Creative industry growth" (9 responses) highlighted the need for grassroots infrastructure and entrepreneur support.

Creative Industries Section

- "Creative Industries strategy" (7 responses) sought clearer sectoral leadership and manufacturing/production links.
- "Grassroots involvement" (4 responses) was emphasized as vital.

Supplementary responses

Supplementary responses reiterated calls for:

- A central events diary
- Grassroots empowerment
- Private investment
- Clarity on accessing opportunities.

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