

# CREATIVE NETWORK SOUTH SOLENT CREATIVE INDUSTRIES DECLARATION



# WELCOME

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**Welcome to our declaration of support for the creative industries, the fastest growing sector in the Solent economy.<sup>1</sup> This declaration aims to promote business incubation, pathways to employment and connectivity; the key success factors needed to ensure the creative and digital economy continues to thrive in the Solent LEP area.**

**MAUREEN FROST**  
Chairman, Creative Network South  
Chief Executive, Hampshire Chamber of Commerce  
January 2018

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The UK's creative economy is worth £84bn and employs 2.9 million people.<sup>2</sup> In recognition of the sector's significance to the economy the Government appointed Sir Peter Bazalgette to undertake a review to ensure the UK Industrial Strategy reflects the needs of the sector.<sup>12</sup> This review was published in September 2017, the Industry Strategy White Paper itself was published in November 2017

## THE INGREDIENTS

### PREPARATION

The declaration was envisioned by Stewart Dunn former Chair of Creative Network South (CNS) and prepared by Charles Freeman, Coordinator Creative Network South. <http://creativenetworksouth.co.uk>

### CREATION

Carswell Gould. <https://carswellgould.co.uk>

### DATA

Data was drawn from the NESTA geography of creativity report 2016 and an analysis of the Office of National Statistics Annual Business Inquiry Report prepared by the Burns Owen Partnership. <http://bop.co.uk/>

### ACKNOWLEDGMENTS

The declaration's content was informed by discussion at the CNS Research Network Conference "Growing Hampshire's Creative Economy" held at The Point Eastleigh November 2016 <http://creativenetworksouth.co.uk/research>.

The conference was organised by Dr Paul Spencer, Sessions were chaired by Simon Eden, Professor Suzanne Dixon, Dr Daniel Ashton and Dr Cheryl Butler, and Papers were delivered by: Dr Brian Hrcs, Dr Alexandra Reynolds, Dr Roberta Comunian, Jane Bryant, Dr Carol Ekinsmyth, Dr Julie Brown, Dr Paul Spencer, Charles Freeman and Elaine Rust.

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# 1. THE AMBITIONS

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The declaration sets out four ambitions which we believe need to be achieved through collaborative effort, if the creative economy in the Solent area is to continue to thrive.

We understand that partnership working between our network members, the community of creative enterprises and individuals, the universities, local authorities, the wider business community and the Solent LEP will be key to the future success of the sector.

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## VISIBILITY

**The creative economy in the Solent area should be made more visible**

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The key contributions made by the sector to the local economy should be noted. These include:

- The creative economy in the Solent LEP area generates £1.5bn GVA. That is more value than the creative economy generates in the Birmingham travel to work area.<sup>4</sup>
- The creative economy in the Solent area employs 40,000 people (more than in Brighton and Bournemouth put together).<sup>4</sup>
- The Solent economy has grown more than 1,400 extra creative businesses and 6,000 creative industry jobs between 2010 and 2015.<sup>5</sup>
- Place-based industrial strategies in the areas served by the Solent LEP should recognise the contributions the creative and digital sectors make to the local economy, and the support needs of the sector.
- Creative Network South should act as the lead agency promoting the development of the sector in the area.

## ENTERPRISE

**Creative and digital businesses in the Solent LEP area will be given the support they require so they can drive employment and business growth**

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Creative and digital businesses in the Solent LEP area should be able to access sector-specific business advice via the Solent Growth Hub. This should include:

- Support for businesses and freelancers on a pathway to sustainability, turning over less than £20k.
- Focused support for businesses with 2-3 years of trading experience, which are preparing for growth.
- Business acceleration programmes that help creatives smash through the VAT barrier.
- High quality moderated sector-specific mentoring.
- A range of affordable specialist creative workspaces including both digital incubators and artists' studios should be available to creative businesses based in Southampton, Portsmouth, Hampshire and the Isle of Wight.
- Access to industry-standard equipment and software, located in universities and colleges. This will enable start-up businesses and new graduates to maintain professional standards and skills by using up-to-date equipment and technology.

# SKILLS AND PROGRESSION

**No one with talent should be excluded from developing a career in the creative and digital sectors in the Solent area. Creative and digital businesses should be able to recruit the talent they need so they can thrive**

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- Local skills strategies in the Solent area should prioritise creative and digital literacy as key skills necessary to promote participation in the labour force.
- Entrepreneurship should be embedded in all creative industry training programmes.
- Cultural Education Partnership should map, open, and promote inclusive talent pathways that lead to employment in the sector.
- A programme of events targeting career advisors should be organised to help increase their understanding of opportunities in the creative and digital economy.
- A range of careers events should be promoted to signpost pathways to employment and success in the sector.
- Fun, hands-on activities such as hackathons should be held regularly and promoted widely, so as to provide practical opportunities to develop and demonstrate the skills needed to drive innovation in the sector.
- A wide range of paid work-based learning opportunities, including specialist creative and digital apprenticeships, higher apprenticeships and paid internships should be offered.
- Support should be given to small and micro creative or digital businesses wishing to employ apprentices or paid interns. This could include assistance with the brokerage of shared apprenticeships between two or more employees, and a guarantee for apprentices employed on project based roles that they will be able to complete their training even when the project they are engaged in ends (possibly with another employer in the sector.)
- New freelancers establishing creative and digital businesses should be provided with business support and mentoring to help them achieve a sustainable turnover.

**Employers in the Solent economy will need to fill 2,200 vacancies for creative posts each year between 2017 and 2025<sup>12</sup>**

## CONNECTIVITY

**The Solent area should aspire to be among the best connected locations for creative business**

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- Businesses in the Solent area should have excellent physical and digital connectivity with London, the rest of the UK, Europe and other continents.
- Creative businesses should enjoy excellent access to digital infrastructure including, fibre to premises broadband and 5G mobile broadband.
- A close partnership should be cultivated between creative businesses, universities, colleges, and training providers. This would ensure the sector has access to world class talent, knowledge and technology.
- Creatives in the Solent area should be tightly interconnected with other business sectors including advanced engineering, marine and aerospace to maximise mutual added value.
- Creative clusters in the Solent area should be networked and interconnected so that the sector becomes more mutually reliant and less dependent on London.

## 2. BACKGROUND

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The Solent area  
can not afford to  
be complacent  
about the  
**strength of its  
creative economy**

The creative industries in the Solent area **are hidden gems, essential to the growth and prosperity of the area.** After all, the Creative Economy in the Solent area employs 40,000 people and generates £1.5bn GVA.<sup>4</sup>



# INDUSTRY INSIGHTS

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## **SIMON TERRY** **MANAGING DIRECTOR** **ANGLEPOISE**

"I have worked in London for most of my life and part of our business is based there. However there is a reason why our web development agency is based on Haying Island. There are pockets of genuine creative talent and skills that can be found in this region. By putting design at the centre of their organisations, understanding the need to be competitive - to stand out - this local talent is making a real impact on the local economy. People have moved down from London, others are home grown, but all are flying the flag that says local can be just as good, if not better. And thanks to the valuable support of larger local businesses, they're succeeding."

## **ED GOULD** **CREATIVE DIRECTOR** **CARSWELL GOULD**

"The creative industry in Hampshire is a hidden gem and one of the UK's top creative areas that drives economic growth. It is vital to the development and prosperity of the region with it creating thousands of jobs a year and generating millions of pounds to the economy. It is important, therefore, we all recognise the key role of the industry and pull together to make sure it continues to flourish both today and in the future."





“The Partnership for Urban South Hampshire (PUSH) is pleased that it is continuing to support the creative and digital economy, which is one of the fastest growing sectors in our local economy”

COUNCILLOR SEÁN WOODWARD  
Chairman of the Partnership for  
Urban South Hampshire



## 2.1 CREATIVE NETWORK SOUTH (CNS)

**CNS works in and around the Solent LEP area. Our geography is loose as people and businesses work across administrative boundaries.**

Creative Network South's objectives are:

- To support the growth of the creative economy
- To support the development of creative and digital businesses
- To open pathways to employment in the creative and digital economy

We achieve our objectives by working in partnership with others who share mutual goals.

Since 2015, Hampshire Chamber of Commerce has acted as the host organisation for CNS. Members include businesses, creative industry development agencies, universities and local authorities.

## 2.2 THE CREATIVE SECTOR

**The creative sector focuses on activities based on individual creativity, where skill and talent are used to create wealth and jobs through the development of intellectual property.<sup>2</sup>**

Sub-sectors include: advertising, architecture, craft, design, film, TV, video, radio, photography, IT software and computer services, publishing, museums, galleries and libraries, music and performing arts.

The sector is highly dynamic and responsive. The set-up costs for creative businesses are low and the average company size is very small. On average creative businesses employ 4.4 people, compared with an average of 8.4 for all businesses in the UK.<sup>5</sup>

Many creative businesses deliver projects by utilising networks to form loose alliances which dissolve when the projects end. Job growth in the sector, therefore, tends to be driven by the formation of new businesses as much as by expanding employment within individual businesses.

Half the jobs in the creative economy are based in non-creative businesses. These jobs include designers working in the marine, aerospace or advanced manufacturing sectors and games coders working in the finance, insurance or defence sectors.

Between 2010 and 2015 the number of creative businesses (businesses which fall within the Department for Digital, Culture, Media, and Sport DCMS definition of the creative sector) in the Solent area grew by more than 1,400. The number of people employed by creative businesses grew by approximately 6,000 (representing over 30% growth over five years). The total number of people employed in the creative economy (people working in creative occupations for either creative or non-creative businesses) in the Solent area exceeds 40,000. In the past 5 years this figure, using current definitions, has increased by approximately 10,000.<sup>4</sup>



Working in partnership with CNS, Artsworld has engaged 155<sup>17</sup> young people in traineeships, paid internships and creative apprenticeships. 90% of the young people completing creative apprenticeships have got jobs or progressed to Further or Higher Education.

CNS and PUSH have worked with partner organisations to secure over

**£8m**

of capital investment in projects supporting creative industry development.

Initiatives supported by CNS have contributed to the success of over 700 businesses helping to create or sustain over 1,000 jobs.

# INDUSTRY INSIGHTS

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**LEE PAYNE**

**ASSOCIATE ARTIST NEW  
THEATRE ROYAL CREATIVE LAB**

"There is nothing like having an amazing group of people willing to put in just as much time and effort into helping me achieve my highest peak as I have into creating pieces, shows, etc. The creative lab is a gift to all artists that have something to offer but they don't have the support to move further on."



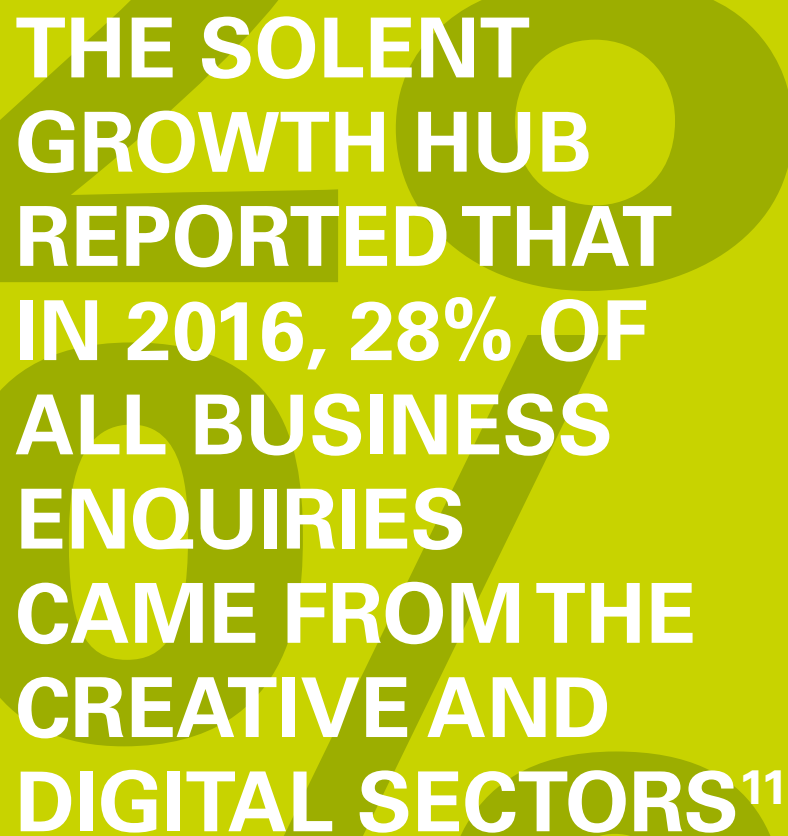
**HILARY STRONG**  
**DIRECTOR MAKING  
THEATRE GAINING SKILLS**

"Making Theatre Gaining Skills aims to improve the life chances of people by opening pathways to employment. First developed in 2011, MTGS has established a reputation for its unique training offer combined with exceptional follow-up service. Using a specially designed pop-up theatre, we offer employability training through production skills workshops and achieve a high level of completion. Over the last 6 years the project has supported more than 250 young people and adults."

**ADRIAN MOSS**  
**MANAGING DIRECTOR,  
FOCUS BUSINESS  
COMMUNICATIONS**

"The work of CNS will be critical to ensure the Hampshire creative and digital sectors reach their full potential. That will not only be good for Hampshire but also the UK economy as these skills are valued globally."





**THE SOLENT  
GROWTH HUB  
REPORTED THAT  
IN 2016, 28% OF  
ALL BUSINESS  
ENQUIRIES  
CAME FROM THE  
CREATIVE AND  
DIGITAL SECTORS<sup>11</sup>**

# OFFICE OF NATIONAL STATISTICS (ONS) DEFINED TRAVEL TO WORK AREA IMPACTING ON HAMPSHIRE AND SOLENT LEP AREA



## ESTIMATE OF CREATIVE INDUSTRIES EMPLOYMENT AND GROSS VALUE ADDED (GVA) BY TRAVEL TO WORK AREA DERIVED FROM NESTA GEOGRAPHY OF CREATIVITY DATA SPREADSHEET<sup>4</sup>

Travel to work areas	Total GVA	Creative jobs	CI employment	GVA per job
Newbury	£0.4bn	NA	4,954	NA
Andover	£0.1bn	NA	1,065	NA
Guildford and Aldershot	£2.9bn (£0.5bn Hants)	40,000	38,000 (7K Hants)	£72,000
Basingstoke	£0.6bn	NA	7,800	N/A
Southampton	£1.0bn	21,000	13,000	£48,600
Bournemouth	£0.2bn	9,800	4,300	£23,000
Portsmouth	£0.4bn	16,000	4,900	£25,000
I.O. W	£0.06bn	NA	800	N/A
Solent LEP (all Local Authorities estimate)	Approx £1.5bn	40,000	21,000	£38,000
London	£41.8bn	485,000	442,000	£86,000
Manchester	£2.3bn	63,000	43,000	£36,500
Birmingham	£1.0bn	34,000	17,000	£30,000
Bristol	£0.8bn	34,000	15,000	£24,000
Brighton	£0.6bn	18,000	7,700	£33,000

## CREATIVE BUSINESS COUNT AND CREATIVE INDUSTRIES EMPLOYMENT BY LOCAL AUTHORITY DERIVED FROM ANNUAL BUSINESS INQUIRY SURVEY

	Creative business count	Change in number of creative businesses 2010-2016	Creative industry jobs 2016	Change in jobs 2010-2016
East Hampshire *	805	24.80%	1,818	29.1%
Eastleigh	515	56.10%	2,456	26.6%
Fareham	405	39.70%	1,500	65.6%
Gosport	120	14.30%	669	89.5%
Havant	345	35.30%	927	40.9%
Isle of Wight	285	26.70%	809	41.9%
New Forest*	725	30.60%	1,725	23.2%
Portsmouth	480	43.30%	1,950	33.1%
Southampton	500	33.30%	2,469	58.8%
Test Valley*	625	42.00%	1,768	19.7%
Winchester*	860	20.30%	5,242	21%
<b>Total</b>	<b>5,665</b>	<b>33.6%</b>	<b>21,333</b>	<b>32.8%</b>

\*East Hampshire, New Forest, Test Valley and Winchester are also members of Enterprise M3 LEP

# 3. EXECUTIVE SUMMARY

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## 3.1 THE CONTRIBUTION THE CREATIVE AND DIGITAL SECTORS MAKE TO THE SOLENT ECONOMY

**The creative economy in the Solent employs 40,000 people, more than Brighton and Bournemouth combined. Over 21,000 people are directly employed by creative businesses.<sup>4</sup> A further 19,000 people are employed in creative roles by businesses operating in other sectors.**

In the Solent LEP area the creative economy generates more than £1.5bn GVA and is therefore bigger than the creative economy in Birmingham.

The creative economy is growing fast in the Solent area. Between 2010 and 2015 employment within creative businesses grew by more than 30%.

The Centre for Cities Anchoring Growth report<sup>1</sup> 2013 showed how the creative industries were the fastest growing sector in the South Hampshire economy.

Between 2010 and 2020 it is likely that 20%<sup>7</sup> of all the new jobs generated in the Solent LEP<sup>7</sup> area will be based in the creative economy.

A major driver of innovation and growth is the fusion of creative imagination and digital technology. More than 70% of creative jobs and 75% of the projected new creative jobs in Solent LEP area are shared with the digital sector. If the digital aspects of design, architecture, advertising and marketing are considered, this figure rises to nearly 90%.

**THE CREATIVE  
ECONOMY IN  
THE SOLENT LEP  
AREA GENERATES  
MORE GVA THAN  
THE CREATIVE  
ECONOMY IN  
BIRMINGHAM**

## **DR PAUL SPENCER WINCHESTER BUSINESS IMPROVEMENT DISTRICT**

"The creative industries is an important sector for Winchester which makes a significant cultural and economic contribution to the city. This vibrant and fast growing sector also helps to make Winchester an attractive place to live, work and visit as well as an exciting location in which to invest and do business."



## **LUCY MARDER CULTURAL PARTNERSHIPS OFFICER, SOUTH EAST MUSEUM DEVELOPMENT PROGRAMME**

"By working with the South's talented digital and creative professionals, the region's museums are creating better experiences for visitors and reaching new audiences."



## **DANIEL CROW DIRECTOR, 'A SPACE' ARTS**

"Affordable workspace is vital to the sector's growth as it enables new creative businesses to take root and for artists to establish their practice"





## 3.2 ENTREPRENEURSHIP

**Approximately half of all new creative industry jobs in the Solent LEP area are provided by new business start-ups, or the growth of micro businesses taking on one or two extra members of staff.**

Between 2010 and 2016 the number of creative businesses identified by the ABI<sup>5</sup> survey in the area increased by 1,400, from 4,200 to 5,600. The total number of creative businesses is however significantly higher as many trade below the VAT threshold and do not appear in the ONS data.

Creative start-ups are frequently initiated by people in mid-career. The sector provides many opportunities for project work and increasingly commissioning organisations are “hollowing out” so they can outsource work which was once done in-house. The trend towards outsourcing has in part been driven by the wide availability of broadband facilitating home working. The choice to work freelance or establish a small business suits many, reducing travel time and cost, while enhancing quality of life. Others, however, may face limited choices and become reluctant entrepreneurs.

Creative Graduates, Creative Futures<sup>8</sup> identified that in finding a pathway to a career in the creative sector during the first three years after leaving university, 40% of graduates will work on short term contracts, freelance or set up a business. Increasingly due to the relative affordability of accommodation and the growth trajectory of the creative economy, more of this talent is being retained in the Solent area.

In the VAT-registered part of the sector, GVA per head is healthy, averaging around £38k per year.<sup>4</sup> However, in the non-VAT registered parts of the sector some evidence exists of very low turnover. The Portsmouth creative census identified over 50% of businesses turn over less than £20k.<sup>9</sup>

Business support infrastructure geared to the needs of the creative and digital sector in the South has improved significantly. The Solent Growth Hub includes a creative and digital channel to help navigate businesses to appropriate advice.

Portsmouth University Innovation Space delivers free training for creatives. A wide range of creative industry workspaces and incubators have opened across the Solent area in the past five years. City Eye and Southampton Solent University have initiated a project to make state of the art equipment available to local film makers on an affordable basis.

However, many creatives would welcome further support.

### **This might include:**

- Sector specific business advice accessed via the Growth Hubs.
- High quality sector specific mentoring.
- Access to a range of affordable flexible workspaces ranging from artists' studios to digital incubators.
- Affordable access to technology and software (possibly achieved through partnerships with universities and colleges).
- Targeted support for businesses with potential which are turning over less than £20k.

**Between 2010 and 2016 the number of VAT registered creative businesses in the Solent area increased from 4,200 to over 5,600**





## **HANNAH MURPHY**

### **DIRECTOR**

### **GLOBE FIT LTD**

"The mentoring I received has given me a new focus on my business and where it is heading. It has helped me increase my confidence in my product and I have realised the areas that make the money and the areas that don't. I have had to cut my losses with some aspects of my business in order to give the full attention to the areas of the business that are working. The mentoring was a great experience and just what I needed to find clarity."

## **CHRIS COOPER**

### **CO-FOUNDER & DIRECTOR**

### **KNOWNOW INFORMATION LTD**

"The creative digital economy in this region is one of the region's unheralded champions that gives the region a new competitive edge, well paid jobs and generates lots of local GVA. In the future digital driven age the ability to create, interact and manage data will be where the next generation of jobs and companies will be born. The creative aspect fused with digital tech that this region excels at sees us placed ahead of a chasing pack at putting these new digital skills to the test."

But we need to continue to invest in the skills, the infrastructure and the ongoing nurturing of data that is created for the public good. That is why we should be encouraging 50% of the digital creative workforce to be female. That is why we should be supporting Gigabit fibre connection for all home and business premises in the region. That is why we should encourage storytelling using open data to help citizens engage with technology and the opportunity this new age provides for us all."



## **JANET OWEN**

### **CHIEF EXECUTIVE**

### **HAMPSHIRE**

### **CULTURAL TRUST**

"Participating in culture and creativity enhances quality of life, raises confidence and self-esteem, improves health and wellbeing, and broadens horizons and aspirations."

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## 3.3

# SKILLS AND PROGRESSION

**The creative sector in the Solent LEP area includes more than 5,600 businesses with an average of less than four employees each. For micro businesses of this size it is imperative that new recruits hit the ground running. Experience and up-to-date skills are therefore prerequisites when recruiting new staff. Businesses also look to employ people who are adaptable and will fit in with existing team members.**

Digital and creative literacy are increasingly recognised by many businesses as essential life skills, vital not only in the creative but in all business sectors. People without digital skills are increasingly at risk of exclusion from the labour force.

Micro businesses often find it hard to engage with training providers, colleges and universities in designing or implementing work-based learning initiatives due to lack of dedicated HR staff and capacity.

New approaches are therefore required to develop work-based learning opportunities in the sector. The experience of the Artwork Creative Apprenticeship programme suggests these approaches may include:

- The development of close high-trust working relationships between training provider and businesses.
- The sharing of apprentices between two or more businesses.
- Specialist delivery to relatively small cohorts of trainees.

The four Hampshire universities produce around 10,000 creative graduates each year. Historically after graduating many creative graduates have left the area to gain experience, frequently in London. However, due to the increasing opportunities in Hampshire and the high cost of living in London more graduates are staying in the county and providing a ready talent pool to be tapped by local businesses.

For many young people (and their parents) understanding the range of opportunities available in

the creative sector is hard. Given that 50% of creative jobs are based in non-creative businesses and that for 40% of graduates the pathway to a career in the sector involves freelancing, self-employment or portfolio working, good quality careers advice is badly needed to prevent talent being wasted.

Working in the creative industries is frequently perceived to be a high-risk career choice.

The perception that jobs in the sector are insecure and poorly paid means that too frequently only those with contacts, family security and access to financial resources take the risk of entering the sector.

The sector has, therefore, had a problem in attracting and retaining a diversity of talent.

The capacity of art, music and creativity to engage people at risk of exclusion from education and employment, mean that people with skills (rather than formal qualifications) can progress in the creative economy in ways which are becoming increasingly difficult in other parts of the economy.

Work-based learning initiatives and apprenticeships, which allow industry entrants to earn while they learn, offer significant potential to widen pathways to employment in the sector and increase the range of new entrants to the sector.

### Sector requirements include:

- The promotion of career information events explaining pathways to success in the sector.
- Fun, hands-on activities such as hackathons or design mobs, engaging businesses and people with talent in finding innovative solutions to practical business challenges.
- The development of a range of paid work-based learning opportunities including digital and creative internships, apprenticeships and higher apprenticeships.

Particular attention should be given to the needs of small and micro creative or digital businesses wishing to employ apprentices or paid interns as this can be a major driver of productivity. Support could include the brokerage of shared apprenticeships between two or more employers, and a guarantee for apprentices employed on project based roles that they will be able to complete their training even when the project ends.



## **DR ALEX REYNOLDS** **POST-DOCTORAL** **RESEARCHER, SOUTHAMPTON** **SOLENT UNIVERSITY**

‘Working on the Museums Hack Day<sup>16</sup> meant contributing to the development of a rich digital creative network in the South East whilst working towards a set of real-world, sustainable, sector-leading outputs for museums. From an academic perspective, the project led to key research findings around effective interdisciplinary and cross-sector working in digital cultural projects, which constitute important transferable findings for the field’



## **ELSBETH BARRON** **CREATIVE APPRENTICE** **ARTSWORK**

“My apprenticeship was great – I learnt so much and got to work with really inspiring people. It was the perfect stepping stone from formal education into full-time employment and the whole experience was above and beyond what I could have hoped for. Most importantly, I started to understand where I wanted to take my career in the future.”

## **JON ADAMS** **ARTISTIC DIRECTOR** **FLOW OBSERVATORIUM**

“When understood, facilitated and supported, due to their different way of thinking, neurodivergent artists, who may well be one in three of the creative landscape, are capable of excellence and surprise. We at Flow Observatorium are calling for a sea-change within the arts and our core aim is to initiate recognition and parity for creatives who consider themselves to be neurodivergent.”



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## 3.4

# MAKING THE SOLENT AREA ONE OF THE BEST CONNECTED PLACES TO DO CREATIVE BUSINESS IN THE UK

**Connectivity to London, relative affordability, and the growing strength of the creative community in the area are key reasons for the rapid growth of the creative economy in the Solent area.**

The area's competitive advantages are, however, under threat.

- Infrastructure improvements in other parts of the country such as Cross Rail 2, the Oxford Cambridge Expressway and HS2 will make towns North and East of London increasingly attractive to creatives. These locations may also be more affordable than locations in the South.
- Loss of access to the single digital market could cause businesses to relocate or expand in Europe rather than growing their activity in the local economy.
- Over reliance on commissioning organisations in London rather than mutual reliance on local businesses makes freelancers in the South vulnerable to global outsourcing.
- The National Endowment for Science Technology and The Arts (NESTA) note the creative economy is growing faster than other economic sectors in almost all travel to work areas in the UK with many areas targeting further growth in local place based industrial strategies.

It is vital that organisations working to promote the economic development of the Solent area recognise the importance of the creative industries to the local economy and embed support for the sector in future place-based industrial strategies.

**Support should include:**

- **Increased visibility of the sector**  
This might be achieved by supporting the development of CNS so that it can act as a sector lead organisation, promoting the sector, facilitating collaboration, and attracting funding.

- **Enhancing connectivity**  
Ensuring the Solent area is at the forefront of government initiative to deliver fibre broadband to premises and 5G access. Encouraging free Wi-Fi in city and town centres. Reducing congestion in major towns and enhancing east west rail communications to join up the south coast Bournemouth to Brighton creative industries super cluster.
- **Promoting interconnectivity within the creative sectors and between the sector and the rest of the economy.**

### **Within the sector**

Encouraging the growth of a community of producers of creative product across Hampshire, Southampton, Portsmouth and the Isle of Wight

Supporting the growth of creative businesses by encouraging further development of affordable workspaces and incubators, providing access to skills training and technology and by encouraging a diverse range of networking events.

### **Across sectors**

Promoting links between the creative community and other strong sectors in the Hampshire and Solent economy, such as advanced engineering, aerospace and marine technology to harness the potential of creativity to drive innovation and productivity.

### **Across geographies**

NESTA identified creative clusters in Bournemouth, Southampton, Andover, Basingstoke, Guildford, Aldershot, Portsmouth, and Chichester. All of them have good connectivity to creative communities in London but the connectivity between these clusters is relatively weak. Significant growth could be achieved and resilience embedded if connectivity between the clusters could be developed.

# FULL REPORT

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# 4. THE CREATIVE ECONOMY IN THE SOLENT AREA

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# 4.1

## CONTEXT

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**The creative and digital economy is the fastest growing business sector in the Solent Economy. Between 2017 and 2025 employers in the Solent Economy will need to fill 2,200 vacancies for creative posts each year.<sup>7</sup>**

However, the Solent area cannot afford to be complacent about the strength of its creative economy. The sector faces challenges. Other regions are becoming better connected and more competitive. HS2, Cross Rail 2 and the Oxford Cambridge express way, will give regions North and East of London improved access to the capital while many towns in this area are currently more affordable for creative professionals than those along the South coast.

Some Solent based creative businesses are also considering partial relocation to Europe so as to guarantee access to the single digital market. Furthermore commissioning businesses at the top of the supply chain are seeking to procure talent globally rather than seeking just to employ UK based specialists. Freelance talent therefore needs to compete in an international market.

In-order to maintain current levels of prosperity and safeguard future prospects, it is imperative that policy makers recognise the vital role creative and digital businesses play in the local economy and work to ensure the sector continues to thrive.

CNS has undertaken research and engaged with the sector to define the needs of the creative and digital economy across the Solent LEP area.

Through this work we have set out clear objectives:

- To increase visibility of the sector.
- To encourage creative and digital entrepreneurship.
- To open pathways to creative employment.
- To make the solent area one of the best connected places to do creative business in the UK.

**EMPLOYERS IN THE SOLENT  
ECONOMY WILL NEED TO FILL**

# 2,200

**CREATIVE  
VACANCIES  
FOR CREATIVE  
POSTS  
EACH YEAR  
BETWEEN 2017  
AND 2025<sup>7</sup>**

## 4.2

# ACHIEVEMENTS OF CREATIVE NETWORK SOUTH

### PROMOTION OF THE SECTOR

- CNS has published data reports detailing employment and business growth trends within the sector which have formed an evidence base for policy makers, and have been used to inform the Solent LEP Strategic Economic Plan.
- CNS has established a research network made up of academics from local universities who are seeking to inform the development of the sector.
- CNS has organised a series of conferences explaining the sector's contribution to the local economy and showcasing the work of local businesses.
- CNS and PUSH have worked with partner organisations to secure over £8m of capital investment in projects supporting creative industry development.

### BUSINESS SUPPORT

- Initiatives supported by CNS have contributed to the success of over 700 businesses helping to create or sustain over 1,000 jobs.
- CNS has worked with Solent LEP and Hampshire Chamber of Commerce to establish a channel within the Solent Growth Hub navigating businesses to sector specific advice. The Growth Hub reports<sup>11</sup> that in 2016, 28% of business enquiries came from the creative and digital sectors.
- CNS and Hampshire Chamber of Commerce established a partnership with Creative United to enable creative businesses with 2 - 3 years trading experience to receive free mentoring and advice in attracting appropriate finance to support growth plans. Seven businesses have so far benefitted from this initiative.
- In partnership with the University of Portsmouth, CNS has supported the establishment of a digital media network to support early stage digital businesses and the Southern Independent Games Network to support the games industry.
- CNS has worked with the University of Portsmouth, Portsmouth City Council, Eastleigh Borough Council and 'a space' arts to develop a network of affordable workspaces across South Hampshire. The network of workspaces has links to over 15 studio providers and 300 creative businesses.

- With support from CNS, City Eye has established a partnership with Southampton Solent University to deliver an equipment loan scheme so that film makers in Southampton can access industry standard equipment at low cost.

### SKILLS AND TALENT PROGRESSION

- CNS is working with youth arts organisation and registered charity, Artswork, to develop an employers network focused on the development of work-based learning opportunities in the creative and cultural industry sector.
- CNS supported Artswork to establish a creative apprenticeship programme. This focuses on the job areas common to any employer in the creative and cultural sector.
- Sub-contracted as a training provider, most recently by Eastleigh College, Artswork is delivering apprenticeship frameworks in community arts administration, in cultural and heritage venue operations, and in live events and promotions. The programme works in partnership with Arts Council England national portfolio and other employer organisations in south Hampshire.
- Over the last five years, Artswork has delivered around 32 year-long apprenticeships for young people.
- Going forward, Hampshire Chamber of Commerce is now working in partnership with Artswork and has attracted £70,000 from Arts Council England's Grants for the Arts to:
  - a) support the creative and entrepreneurial enrichment of the programme;
  - b) diversify the range of employers to include the commercial sector;
  - c) enable Artswork to undertake organisational development at a time of swift government-led changes to the delivery of apprenticeships.
- Over the last five years, the partnership between CNS and Artswork, has facilitated more than 155<sup>17</sup> paid internships and accredited work based learning placements - engaging more than 30 employers. Some 90% of the young people who participated in the programme progressed into jobs or into further training or education.

Working in partnership with CNS, Artsworld has engaged 155<sup>17</sup> young people in traineeships, paid internships and creative apprenticeships. 90% of the young people completing creative apprenticeships have got jobs or progressed to Further or Higher Education.

CNS and PUSH have worked with partner organisations to secure over

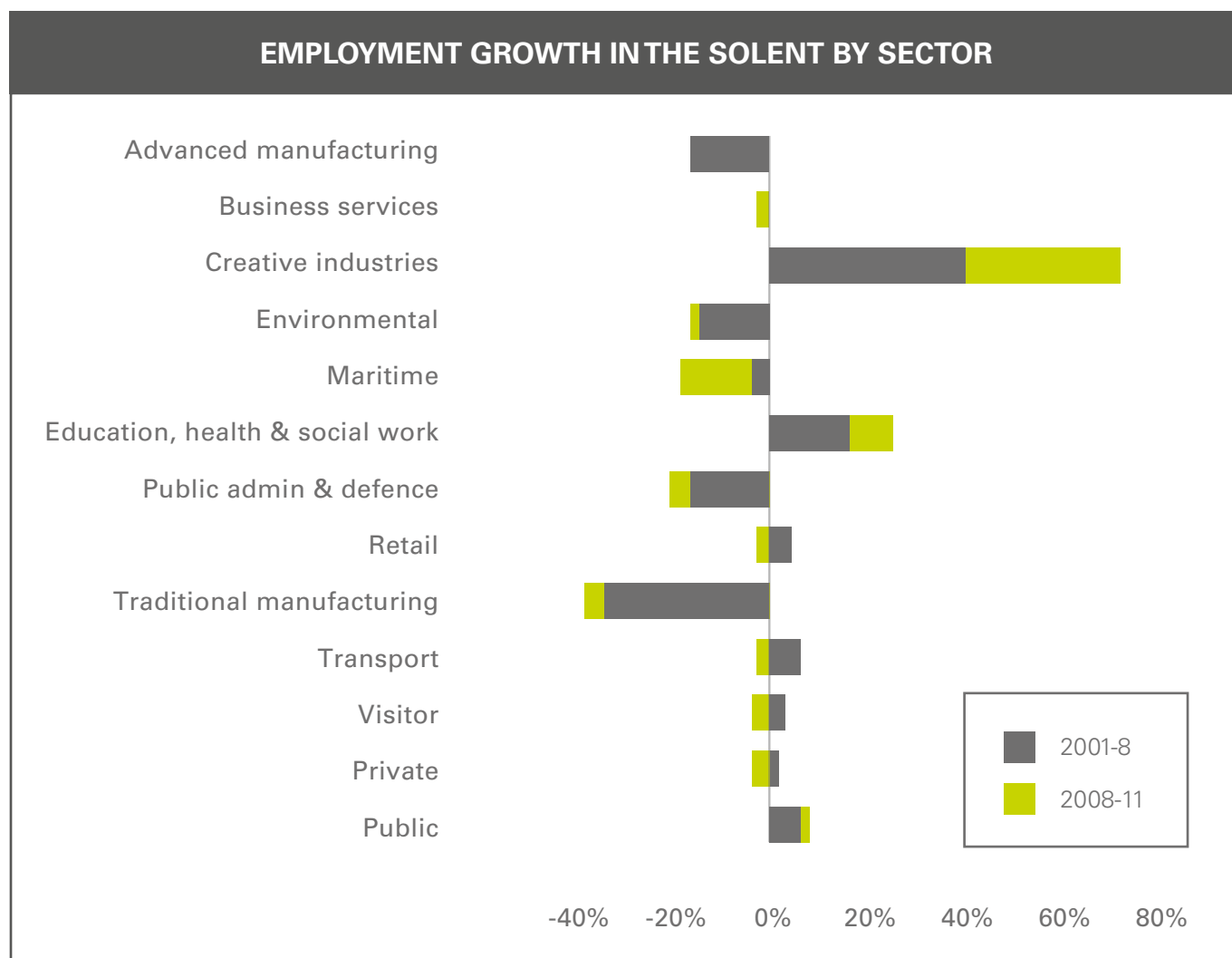
**£8m**

of capital investment in projects supporting creative industry development.

Initiatives supported by CNS have contributed to the success of over 700 businesses helping to create or sustain over 1,000 jobs.

## 4.3

# THE CONTRIBUTION THE CREATIVE ECONOMY MAKES TO ECONOMIC PROSPERITY IN THE SOLENT AREA



The Centre for Cities Anchoring Growth report 2013<sup>1</sup> for PUSH and Solent LEP showed the significance of the sector for job creation in the Solent LEP area where between 2010 and 2020 one in four new jobs in the Solent area are likely to be creative.

- Between 2010 and 2015 employment within Solent based creative businesses grew by 6,000 (32%). Total employment in the creative economy including creative jobs embedded in non-creative businesses grew by more than 10,000 jobs.
- It is estimated that the creative sector contributes £1.5bn to the Solent Economy.

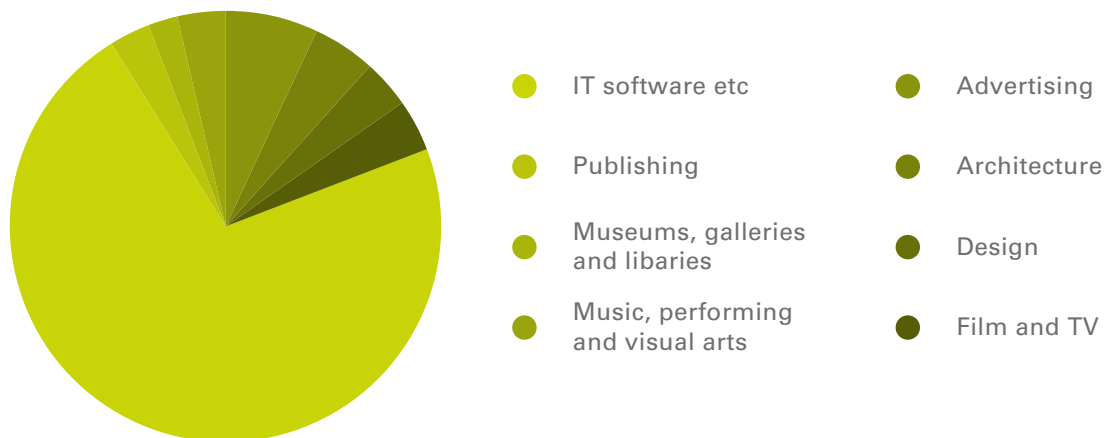
- The number of creative businesses in the Solent area rose by more than a third between 2010 and 2015. This amounted to an increase of 1,400 in the total number of creative businesses in the Solent area. 28% of all enquiries to the Solent Growth Hub come from creative or Digital Businesses

The NESTA geography of creativity report identifies both Southampton and Portsmouth Travel to Work Areas to be among the 15 most significant locations for creative industry employment Growth in the UK.

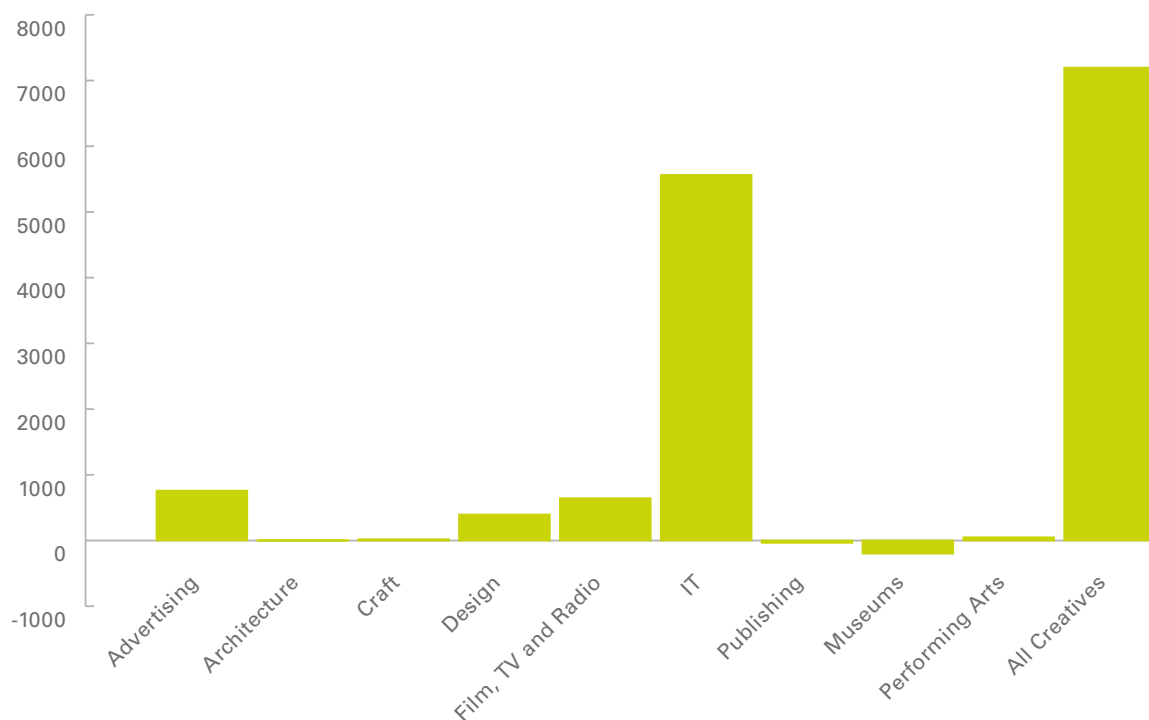
## 4.4

# THE MAKE-UP OF THE CREATIVE SECTOR IN HAMPSHIRE

EMPLOYMENT BY SECTOR 2015



VARIATION IN TOTAL NUMBER OF JOBS BY SECTOR IN HAMPSHIRE 2010-15



More than 70% of creative jobs in Hampshire are related to IT software and computer services. The digital element of the sector also accounted for 75% of the jobs growth.<sup>5</sup>

Several nationally significant creative clusters exist in Hampshire (predominantly in the north of the county). These are defined as areas where the concentration of employment (the location quotient) in the sector is greater than 1 (the national average).

The NESTA geography of creativity report<sup>4</sup> which uses travel to work areas (see map page 12) rather than Local Authority Boundaries identifies Bournemouth, Southampton, Basingstoke and Guildford & Aldershot all to be clusters

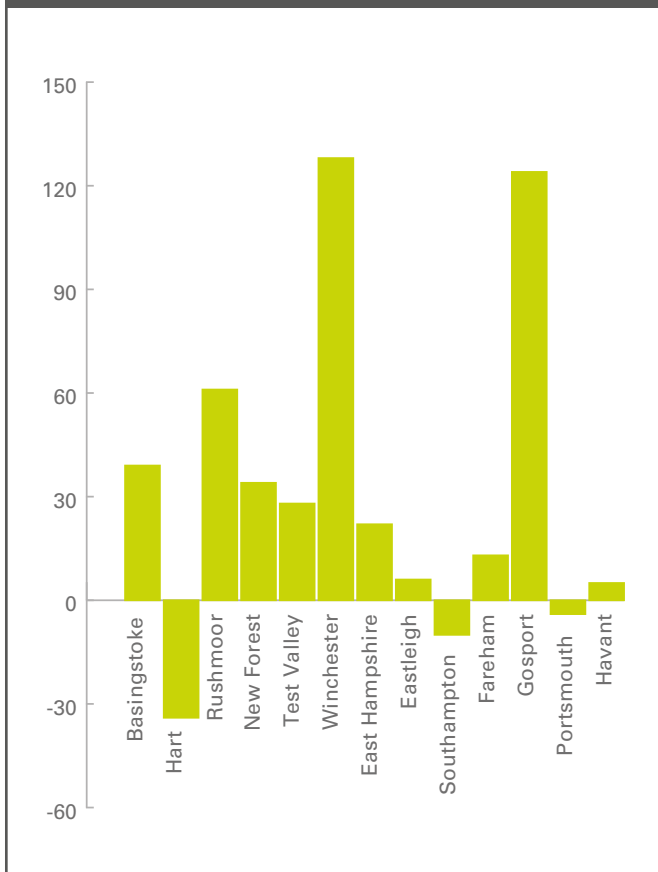
#### CLUSTERS DEFINED AS AREAS WITH LOCATION QUOTIENTS > 1<sup>5</sup>

	Architecture	Design	IT Software and Computer Services	Museums Galleries and Libraries	All Creatives
Basingstoke		1.03	2.06		1.04
East Hants			1.28		
Eastleigh			1.82		
Fareham			1.03		
Gosport			1.54		
Hart		1.55	2.56		1.39
Rushmoor			5.05		2.31
Test Valley		1.21			
Winchester	1.82	1.18	2.40	2.15	1.46

## 4.5

# THE SECTOR'S GROWING STRENGTH

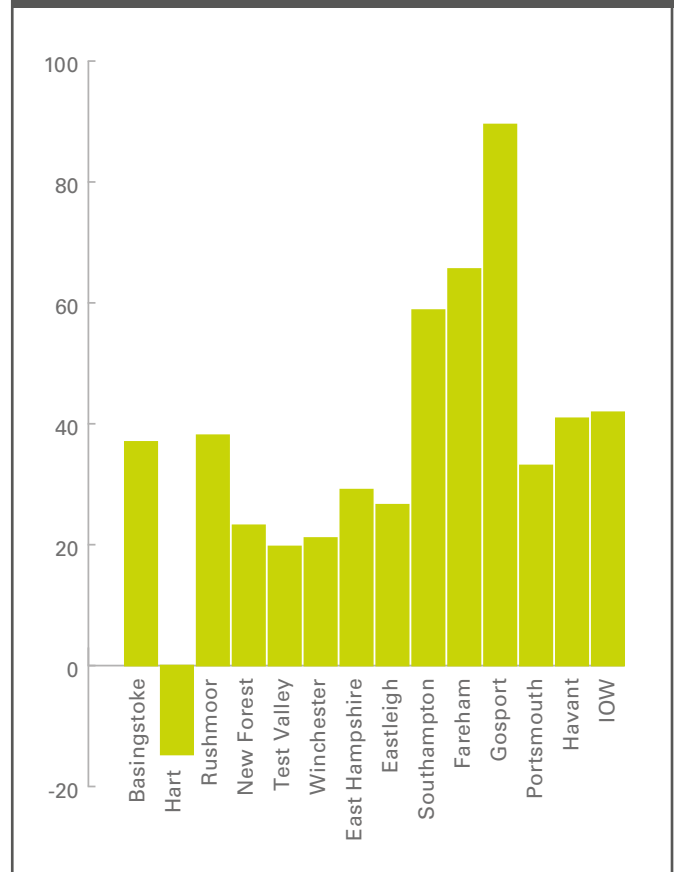
**% EMPLOYMENT GROWTH BY  
LOCAL AUTHORITY 2003 - 2008**



The three Northern Local Authority areas in Hampshire (Basingstoke and Deane, Rushmoor and Hart) have long been recognised as having exceptionally strong digital economies. This is highlighted in the Enterprise M3 Digital Technologies Report<sup>13</sup>. Many of the creative digital businesses in the Aldershot and Guildford Travel to Work Area support the aerospace and financial services sector. Basingstoke which has been identified by NESTA as being one of the 15 most significant travel to work areas for business formation, has experienced a 60% increase in both Digital and Film/TV related businesses. This may be partly driven by BBC policy to commission more work from outside the M25.

The fastest rates in employment growth in percentage (but not absolute terms) are however occurring in the

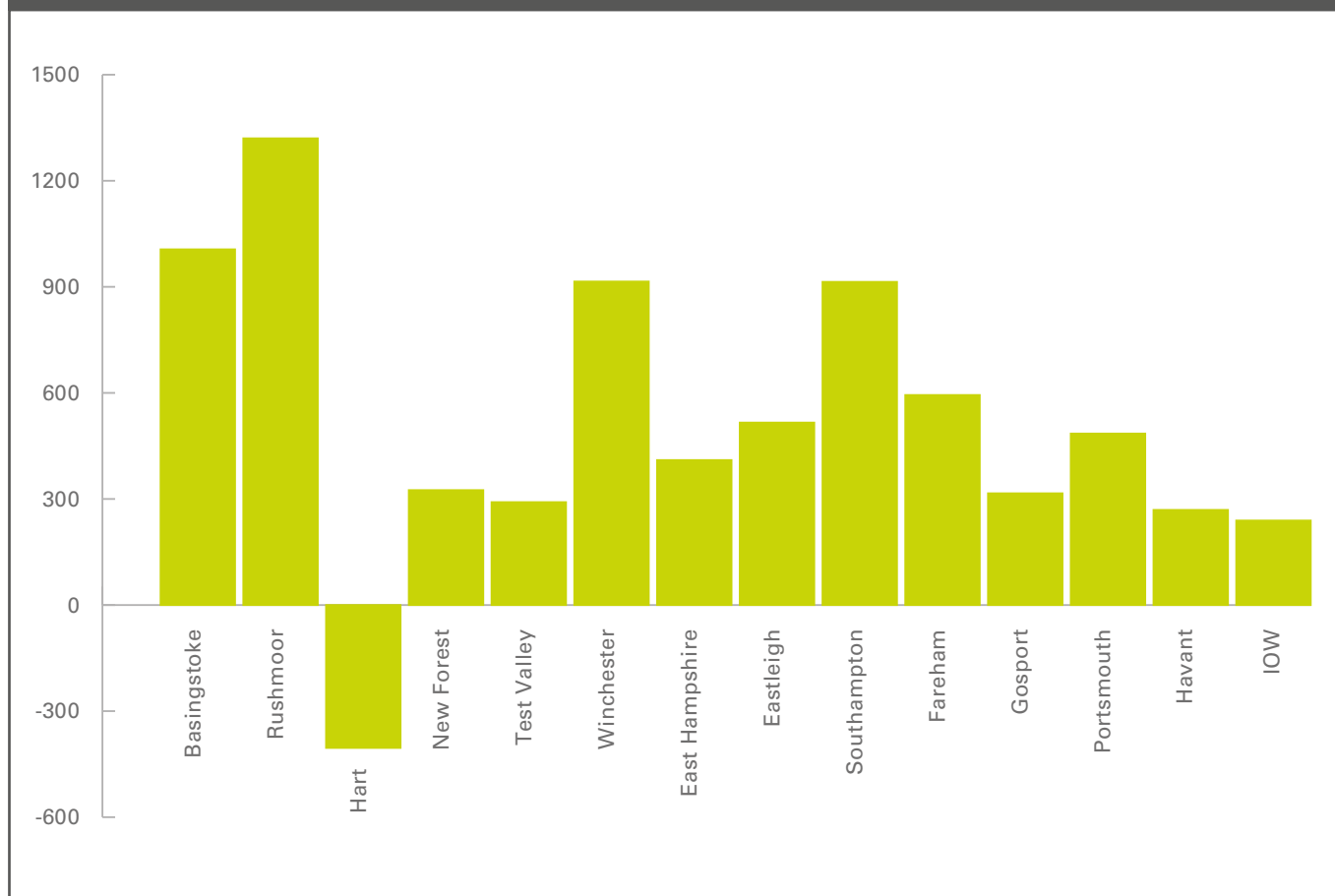
**% EMPLOYMENT GROWTH BY  
LOCAL AUTHORITY 2010 - 2015**



South of the county. Between 2010 and 2015 all the core PUSH local Authorities (local Authorities totally falling within the PUSH boundary) experienced 25% plus creative sector employment growth. Southampton and Fareham experienced 60% growth and Gosport achieved 89% growth. This reflects a trend in creative industry growth outwards from the capital along the main transport routes, across all LEAs surrounding London. In the South, the highest percentage rates of employment growth are moving further away from London and starting to reach the coast. Some of the Midland and East of England regions are also experiencing fast growth as well as Northern Cities including Manchester and Newcastle.



## TOTAL CREATIVE JOB GROWTH 2010 - 2015



The Solent area is particularly well placed to take advantage of this opportunity as the four Universities and other training providers produce a highly skilled talent pool and increasingly the area benefits from a business support infrastructure which is cognisant of the needs of the creative sector.

- Solent Growth Hub includes a Creatives channel which navigates businesses to appropriate advice.
- A network of studios and incubators has been established providing creative enterprises with affordable workspace and business support.
- Universities and sector support organisations are also providing free training and networking events.

# 5. ENTREPRENEURSHIP AND BUSINESS GROWTH

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## 5.1

### WHY SELF EMPLOYMENT, FREELANCING AND MICRO BUSINESS START-UPS ARE SO IMPORTANT TO THE CREATIVE ECONOMY IN THE SOLENT AREA

In the creative sector the establishment and growth of micro businesses (employing less than ten people) is as important to job creation as the accelerated growth of medium sized businesses employing 100 people or the expansion of large businesses. The Creative Industries driving the South-East economy report commissioned by SEEDA<sup>14</sup>, revealed that while 80% creative GVA is generated by major companies e.g. IBM, Newsquest, and the BBC, a large and probably growing proportion of the creative workforce are either self-employed or employed by micro businesses with less than ten employees.

The Institute of Employment report Creative Graduates, Creative Futures<sup>8</sup> identifies that 40% of creative graduates freelance or set up businesses during the first three years after graduating as they build their careers. The Portsmouth creative census<sup>9</sup> suggests that 30% of Portsmouth based creative businesses, included in the survey, were established by University of Portsmouth Graduates.

Over the past 20 years the sector has significantly hollowed out. The BBC has pursued a policy of outsourcing programme making and set targets for commissioning work from outside the M25. IBM has substantially reduced staff numbers in Hampshire. However many people who have left IBM have established their own businesses. The average number of employees in creative businesses in the Solent area has fallen since 2010. This reflects a trend towards big creatives commissioning work from micro businesses and freelancers rather than delivering projects in house. Frequently businesses will also offshore work to locations such as India or Eastern Europe or parts of the UK with lower day rates.

Opportunities for micro businesses and freelancers are however not confined within the creative sector. Design, Software and Communication Skills are in demand across all sectors and are perceived to be major drivers of added value within the marine, aerospace, advanced engineering and finance sectors.

Some of the drivers of the growth in the number of creative businesses in the Solent area include

- Rapidly increasing global demand for creative and digital content.
- Low set up costs, flexibility, and opportunities to work from home. (accommodation costs are also relatively low compared to London).
- Excellent and improving connectivity to London and other global creative centres.
- A growing pool of creative talent connected to four universities producing 10,000 creative graduates per year.
- An emergent business support infrastructure which is cognisant of the needs of the creative sector.

However, entrepreneurs also face some significant challenges

- Poor access to Super-Fast broadband and 4G mobile particularly in parts of rural Hampshire.
- Many creative businesses exist at subsistence turnover or below. (The Portsmouth creative census identified 50% of surveyed businesses turned over less than £10K per year). This is a danger to the individual's creative talent (creative skills can be eroded as result of the necessity to gain a second

income from a non-creative job) It is also a danger to the sector as a downward spiral in day rates can undermine more successful creative freelancers.

- Frequently as well as being the pathway of choice for the most talented or the most able to take risk, entrepreneurship and freelancing can also be a reluctant choice made because of constraint. Creative graduate's creative futures<sup>8</sup> provides evidence that suggests that students from Black and Ethnic Minorities and students with disabilities are more likely to anticipate freelancing self-employment and portfolio careers than other students studying creative courses. Freelancing is also a choice often made by people with caring responsibilities either for children or parents. Nationally concerns have been raised that the narrow entry routes into creative employment and the precarious nature of work in the sector has led to under representation of minority groups, people from low income backgrounds, people with disabilities and women in the sector.
- Interestingly neurodivergent people (dyslexic and or autistic people) appear to be over represented in the creative sector. Many Coding IT and Games related University courses recruit a significant percentage of autistic students. Many design, visual arts and performing arts courses graduate between 10% and 20% dyslexic students. Creative Graduates Creative Futures<sup>8</sup> notes that Dyslexic Students are as likely as non-dyslexic students to be employed in the sector after graduating. However it also notes they are more likely to be self employed or freelancing than in full time permanent employment. Research by Julie Logan of CASS<sup>10</sup> business school suggests that as many as 20%-30% of business owners may be dyslexic.
- Many focussed business support initiatives for creative industries have been supported by EU funding and have built connectivity with European Markets. The decision to leave the European Union may therefore leave gaps but may also open opportunities to tailor an approach to the needs of the Solent area.

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## 5.2

# A PLAN TO SUPPORT CREATIVE ENTREPRENEURSHIP IN THE SOUTH

### **First class access to Superfast/Mega fast broadband and 5G connectivity**

Broadband access and mobile connectivity are crucial to the success of many creative businesses. Many businesses are based at home and meetings frequently take place in pubs and coffee houses. To remain competitive, it is imperative that Hampshire is at the forefront of implementing the Government's commitment to 5G connectivity and fibre to the premises broadband. Free broadband access in city and town centers would improve the offer the area could make to creative freelancers.

### **Embedding entrepreneurship in creative industries education and training courses-including FE HE and Apprenticeships**

Entrepreneurship is an essential life skill for Creatives. At some point in their career most Creatives freelance or establish their own business. Creatives are highly likely to work within very small businesses and will need to take ownership of their career progression and personal development in an entrepreneurial way even if they are not technically running a business.

### **Establishing a sound support infrastructure for people setting up new businesses**

The number of creative businesses in the Solent area grew by more than 1,400 between 2010 and 2015. 28% of all enquiries to the Solent Growth Hub come from creative or digital businesses.

The support infrastructure could include:-

- A digital and creative channel within the Solent Growth Hub to provide clear one stop navigation support for creative and digital businesses
- Access to free training and networking opportunities
- Access to specialist business advice
- The development of a supported and supervised specialist mentoring programme for Creatives.

### **The development of a range of affordable workspaces responsive to the needs of businesses of different types**

Taking up a desk within a studio or incubator is often the crucial step that changes the mindset of a creative practitioner, and helps build the belief they are running a "real" business.

The range of provision in Hampshire currently includes:-

- Artists' Studios – The Studio Providers Network brought together by 'a space' focuses on the needs of designer makers and connects to around 300 businesses.
- Digital Data and Tech Incubators in Portsmouth, Eastleigh and Basingstoke.
- Performing Arts creation centres in Portsmouth Southampton and Eastleigh.
- Businesses with fast growth potential, innovation centres in Fareham, Southampton, Portsmouth and Basingstoke
- Games industry incubators in Aldershot and Portsmouth.

### Access to technology

A key constraint on entrepreneurial activity can be affordable access to industry standard equipment and software. Prior to graduating, students develop skills using the latest software and equipment. However, after graduating if they seek to deliver freelance projects they may be forced to use lower standard equipment or outdated software. Projects which pool resources so that freelancers and members of the creative community can access equipment to facilitate skills updating and the delivery of freelance projects play an important role in supporting the growth of the creative sector.

- City Eye – Run a film equipment loan service for film makers.
- The Makers Lab – being developed by the Portsmouth Makers Guild, will provide access to 3D printers and laser cutters.


### Business Support

- Navigation - The Solent Growth Hub has developed a creative and digital channel which provides clear navigation to appropriate business advice.
- 20K Club (under 20K) - Focused support for businesses turning over less than £20k to help ensure they become sustainable.

The Portsmouth Creative Census suggested that 50% of surveyed creative businesses are turning over less than £20k. Although there may be many good reasons for businesses turning over less than £20k during their development phase or to facilitate life style choices, turnovers of this level can be a cause for concern and may either disguise exclusion from the main stream labour market or exploitation.

The aim of the 20K club is to focus support on people starting freelance careers or establishing businesses with a view to helping them find a sustainable path to developing a career in the sector.

- Preparing for growth - Supporting businesses that have been trading for two or more years and have a sustainable turnover (20K plus) so that they can take the next step and possibly invest to increase turnover profitability and staff numbers.
- Business Acceleration - Within the creative sector the VAT threshold £83 000 is a highly significant milestone. Many micro creatives can support a very comfortable lifestyle for one or two people turning over less than £80k. At this level, they enjoy a significant competitive advantage over bigger competitors and have no incentive to grow. If these businesses are to be encouraged to grow they need to rapidly double turnover. Business Acceleration programmes can play an important role in facilitating this type of expansion.
- Supporting high growth potential businesses - A very small percentage of creative businesses have potential and ambition to achieve multi million pound turnovers. These businesses may become the major employers of the future but to achieve their ambition they will often need to access significant investment.



**A key constraint on entrepreneurial activity can be affordable access to industry standard equipment and software**

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## 6. SKILLS AND PROGRESSION

The creative sector offers an extraordinary range of attractive and rewarding career opportunities. Over the decade 2010-2020 around **15,000 new jobs will be generated by the Solent Creative Economy**. The sector will also lose around 7,000 people who will retire, move out of the area or change careers. Approximately 2,200 creative professionals will therefore need to be recruited by Solent based businesses each year.



On average in the Solent area 2,200 people will be recruited in to creative jobs each year.

## 6.1

# SKILLS MATRIX

Inputs		Outcomes
School and Formal Education	<ul style="list-style-type: none"> <li>Creative Education</li> <li>Digital Literacy</li> <li>Communication skills</li> <li>Enterprise skills</li> </ul>	<ul style="list-style-type: none"> <li>Passion to work in the sector</li> <li>Confident to live in digital age</li> <li>Interpersonal skills &amp; web / social media / digital communication skills</li> <li>Ability to solve problems for self and take ownership of self-development</li> </ul>
Further and Higher Education <ul style="list-style-type: none"> <li>More than 20 FE colleges deliver creative industry courses in Hampshire.</li> <li>The Four Universities in Hampshire qualify 10 000 Creative Graduates per year</li> </ul>	<ul style="list-style-type: none"> <li>Technical Skills /competence in key tasks</li> <li>Underpinning knowledge</li> <li>Work Readiness</li> <li>Enterprise Readiness</li> <li>Understanding of pathways to employment and career pathways in the sector</li> <li>Continuing support for students after course completion / graduation to smooth pathway to employment.</li> </ul>	<ul style="list-style-type: none"> <li>Industry ready skills</li> <li>Understanding of the core purpose of the industries and the way skills are evolving in response to customer needs</li> <li>Evidence of delivering in a work environment. (ideally for a fee)</li> <li>Ability to work on freelance basis competently (40% creative graduates will for a period work on freelance basis in 3-year period after graduating)</li> <li>Students completing courses are equipped to gain employment in the sector</li> <li>Students maintain continuing relationship with college or university, participate in networking events, gain access to equipment / technology, benefit from continuing support opening pathways to careers in the sector.</li> </ul>
Transition from Education to Employment	<ul style="list-style-type: none"> <li>Support in navigating career options within the creative sector</li> <li>Navigation of creative career options. EG Future Skills events / get into music</li> <li>Engaging groups at risk of exclusion from labour market</li> <li>Work based learning initiatives including traineeships, apprenticeships (in Digital and Creative Sectors) and paid internships.</li> </ul>	<ul style="list-style-type: none"> <li>Students, parents, teachers and people seeking employment in the sector gain clear understanding of career options and prospects</li> <li>Building awareness of career opportunities for Creatives in non-creative sectors, e.g. opportunities for games coders in financial services (FINtech sector)</li> <li>Innovative programmes developed which use arts music and creativity to develop skills and open pathways to employment.</li> <li>A range of work based opportunities available which open pathways to people who have historically found it hard to secure opportunities in the sector, or are put off from entering HE due to fear of debt.               <ul style="list-style-type: none"> <li>Apprenticeships</li> <li>Higher Apprenticeships</li> <li>Paid Internships</li> </ul> </li> </ul>
In work	<ul style="list-style-type: none"> <li>Skills Development -easy access to range of affordable technical and generic training</li> <li>Networking - Access to local and profession specific networking opportunities</li> <li>Mentoring - Development of high quality sector specific mentoring programmes</li> </ul>	<ul style="list-style-type: none"> <li>Professionals in the sector able to update skills locally</li> <li>Local professionals and businesses well connected with client's employers and well qualified professionals</li> <li>A culture of skills sharing and support for professionals working in the sector</li> </ul>
Mid life	<ul style="list-style-type: none"> <li>(Large numbers establish creative business as second career)</li> <li>Development of support for new entrepreneurs building on navigation service provided by the Solent Growth Hub</li> <li>Development of fun networking opportunities.</li> <li>Development of niche networks for self defined communities eg portsmouth female entrepreneurs network .</li> </ul>	<ul style="list-style-type: none"> <li>Easy pathways so that people living in Hampshire can start second careers in the county's fastest growing sectors.</li> <li>Developing new expertise</li> </ul>
All Sectors	<ul style="list-style-type: none"> <li>Digital Awareness and Competence</li> </ul>	<ul style="list-style-type: none"> <li>Help for all businesses so that they can take advantage of opportunities to access and inform customers digitally</li> <li>Support for those at risk of exclusion through lack of digital skills.</li> </ul>

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## 6.2

# SKILLS CHALLENGES FACING THE SECTOR

The creative sector is evolving fast and is highly dependent on knowledge and skills. To sustain growth and maintain competitiveness in the coming period the sector will need to address the following three skills challenges.

### Digital and Creative Literacy

Increasingly digital and creative skills are the drivers of wealth creation across all sectors in the economy. The explosion in digital content that has occurred since the web became a dominant communication tool has led to unparalleled demand for copy writing skills, visual images, animation, sound engineers and film makers. It has become essential for even the smallest business to have a website.

Design is recognised as the way of differentiating and adding value to products as diverse as mobile phones, luxury yachts or office lighting. New technology and communication skills are frequently key to cost reduction and competitiveness in all businesses.

Digital and Creative literacy is increasingly a necessary requirement for full participation in a region's economy. People without digital and creative skills are at increasing risk of exclusion.

### Updating and maintaining skills within an economy made up of small organisations

Within the creative sector the average business employs less than five people. The size of creative businesses is also falling. Within this environment individuals need to be entrepreneurial and take responsibility for their own career and skills development. Businesses require people who are not only technically excellent but also flexible. Employees will not only be expected to undertake creative tasks, they may also be asked to manage budgets, liaise with clients, plan and deliver projects, attract new work and handle HR issues.

Future skills research undertaken by Solent university for Hampshire Chamber of commerce highlights the importance of soft skills including enthusiasm, problem solving, organisation, communication, and the ability to get on with colleagues are frequently as important as technical competency.

It will frequently not be viable for training providers to deliver tailored training programmes to micro businesses. New collaborative models for delivering apprenticeships and work based learning which

minimise risk and disruption to the business while ensuring diverse high quality experiences for the trainee are therefore required.

### Meeting demand and ensuring renewal

Not only is the creative economy likely to create a further 15,000 jobs in the Solent area between 2010 and 2020, 7,000 people are also likely to leave creative employment in the area due to retirement or progression to new roles outside the region. It is therefore likely that over 22,000 jobs vacancies will need to be filled during the decade.

It is often difficult for people who have not worked in the sector to understand the range of opportunities available. Career pathways in the creative sector can be hard to navigate. The sector is still changing rapidly and in many instances the standardised pathways that exist in industries dominated by big employers simply don't exist in the creative sector. Further more 50% of creative posts exist in non creative businesses, these jobs can be hard to find unless appropriate advice is available.

### OPPORTUNITIES FOR FUTURE DEVELOPMENT

- Development of better navigation for creative talent so people entering the sector can be supported in finding opportunities which will utilise creative skills both in creative and non-creative businesses.
- Increase the range of standards and take up of apprenticeships particularly in the digital sections of the sector.
- Make it easier for small businesses to take on apprentices by exploring the apprenticeship training agency approach. (It may be possible to learn lessons from the construction sector, which due to the nature of project work faced a challenge in that when construction on a site was complete, apprentices were potentially left without a job. The industry therefore agreed to transfer apprentices from one employer to another so they could complete their qualification).
- Develop increased opportunities for students to engage in live paid for freelance projects.
- Development of increased range of higher level apprenticeships.



# 7. MAKING THE SOLENT A TOP TEN PLACE IN WHICH TO DO CREATIVE BUSINESS

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## 7.1 REASONS FOR THE SUCCESS OF THE CREATIVE ECONOMY IN THE SOLENT AREA

The creative economy in the Solent is an extraordinary secret. NESTA have identified both the Southampton and Portsmouth travel to work areas to be in the top 15 locations for creative employment growth. The creative economy in the Solent LEP area generates more GVA than that in Birmingham. Creative Industries in the Solent area employ more people than in Bournemouth and Brighton combined.

### **Drivers of Success include:**

#### **Great connectivity and proximity to key markets including London and Europe**

The M3 and A3 provide excellent road access to London and the M27 provides connectivity along the south coast. Train journeys to London take less than 100 Minutes from both Southampton and Portsmouth. The area also has good links to both Heathrow and Gatwick airports, and Southampton offers direct flights to 37 domestic and European destinations. Additionally, direct ferry links run from Portsmouth to France, Spain and the Channel Islands.

#### **Four Universities with creative specialisms producing 10 000 creative graduates per year**

Southampton Solent University, The University of Portsmouth, The University of Winchester, and Winchester School of Arts (University of Southampton) have excellent reputations both in developing creative talent and establishing partnerships with industry. The universities have helped contribute to the development of a flexible talent pool and university strengths in architecture, design, digital tech and computer games have helped develop sector strengths.

#### **A growing community and infrastructure supporting cultural and creative producers**

The Centre for Cities<sup>15</sup> have identified that graduates tend to gravitate to places which offer the best career opportunities. Frequently this will be London. They also point out that as more opportunities emerge in an area a virtuous circle develops as opportunities attract talent which then creates more opportunities.

The creative economy in the Solent area is benefiting from this effect in two ways.

- The creative economy in the Solent is growing rapidly and it is therefore organically creating increasing numbers of opportunities which attract talent.
- Additionally, the Solent area's proximity to London which acts as the driver of the creative economy in the UK makes it an attractive location for people needing the flexibility to work from home while maintaining links to the industry in London.

(Access to broadband has helped make this type of flexible working possible. Consequently rapid growth in creative employment has occurred in almost all towns located within 90 minutes of London.)

Within Hampshire the connectivity between Creatives is also increasing, helping to make the industry stronger. Local creative networks, including groups such as Digital Hampshire help build communities of professionals. The growing provision of affordable and specialist creative tech and digital workspaces across Portsmouth Southampton the Isle of Wight and Hampshire is also helping grow a community of creative producers, which itself will act as a catalyst attracting new investment and talent.

#### **High quality of life and relatively affordable accommodation**

Towns in the wider Hampshire area are often cited as being among the most desirable places to live in the UK. The area offers a high quality of life, good schools and public services, attractive town centres and excellent access to coast and countryside. Accommodation is also more affordable than London.

South Hampshire is frequently a location of choice for second job creatives who have established a career in London and want a better quality of life, to bring up a family and possibly start their own business. Many of these people will choose to work from rural locations. Growth is therefore not restricted to cities and the M25 hinterland.

When other areas become **better connected** the competitive advantage enjoyed by Hampshire will reduce.

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## 7.2

# WHAT INFRASTRUCTURE IS NEEDED TO ENSURE FUTURE CREATIVE INDUSTRIES GROW?

### Connectivity

Creative talent is highly mobile and fleet of foot. Virtual and Physical connectivity to markets are key factors which impact on the choice of location where creatives decide to do business.

- Broadband and 5G connectivity - Creative Industry growth is highly dependent on access to the best possible standard of broadband connectivity. In November 2016, the Government announced a commitment to universal access to 5G and Fibre to premises broadband.

The locations which have the best broadband access soonest are likely to see the most rapid growth in the creative economy. This will be particularly true in rural areas.


Creatives frequently do business in pubs, cafes and restaurants. Free town centre Wi-Fi is a key factor required to build a community of creative talent.

- Physical Connectivity - Between 2000 and 2010 creative industry data showed that the fastest growth rates in the creative economy were occurring in communities located approximately one hour from London. In the current decade, the fastest rates of employment growth are occurring in communities located approximately 90 minutes from London.

The government has announced investment in road and rail communication links in many parts of the country, (e.g. HS2, Oxford Cambridge Expressway, Rail electrification from London to South Wales and Cross Rail 2). When areas become better connected the competitive advantage enjoyed by the Solent area will reduce.

It is imperative that infrastructure improvements in the area continue. Measures to reduce congestion on the entry routes to major towns and cities and improve east west connectivity are required to facilitate the development of a creative and digital super cluster along the south coast, stretching from Bournemouth to Brighton. Currently although NESTA have identified many individual clusters in this area, these all tend to have strong north south links to London while the local connectivity is relatively weak.

- Affordability - Hampshire is a relatively affordable place to live and work compared to London, the M25 belt and the Thames Valley. The affordability of housing and flexible workspace is key to continued competitiveness. However, as the creative economy continues to radiate further from London other more affordable locations will eat into the Solent area's relative competitive advantage.



Creative talent is highly mobile and fleet of foot. Virtual and Physical connectivity to markets are key factors which impact on the choice of location where creatives decide to do business.

# Creative Network South, Hampshire Chamber of Commerce, PUSH and Solent LEP **can play a key role in changing perceptions** of the creative sector

## Interconnectivity

The NESTA Geography of Creativity report draws attention to three aspects of networking which support the growth of the creative economy.

The intensity of networking within a creative sector e.g. IT and Software.

The intensity of networking with other business sectors.

The degree to which creatives network with creatives in other geographic locations.

- Subsector specific networking - Within the Hampshire clusters identified by NESTA the level of sector specific clustering is roughly average. Sector specific networks e.g. Hampshire Digital Network and SIGN (Southern Independent Games Network) play an important role in building collaborative capacity and supporting skills development. More networking activity is however needed. Events such as Venturefest South, Film Expo South, and Hampshire Creative Expo therefore have potential to play an important role in promoting sector growth
- Cross sector networks - Cross sector networks can play an important role in opening new markets. Within Hampshire some of the biggest opportunities for creative talent will be work with other sectors including marine aerospace advanced engineering and financial services. The Portsmouth university design mob project sought to make design talent available to the marine and engineering sectors. The Hampshire Culture Trust are using hackathons to develop ways to use digital technologies to access new audiences for museums.
- Links between Localities - Within Hampshire, according to NESTA the most significant linkages run along the arterial routes to London. However, NESTA suggests a super cluster may be forming along the south coast from Bournemouth to Brighton, (arguably Margate). This would include 10 creative focused universities and employ over 100 000 people. Significant opportunities exist for businesses to benefit from this critical mass of creative and digital activity. However, at the

moment clusters in Bournemouth, Southampton, Basingstoke, Aldershot & Guildford, Portsmouth, Chichester, Gatwick triangle and Brighton operate with limited lateral inter connectivity.

## Visibility


The creative industries lack visibility in the Solent area. Despite Southampton and Portsmouth being among the fastest growing creative cities in terms of employment growth in the UK. The sector is yet to be fully recognised as a driver of growth in the area.

Creative Network South and Hampshire Chamber of Commerce can play a key role in changing perception of the importance of the creative sector, but LEP engagement is imperative

Within the low carbon economy Future South has acted as the lead agency promoting the development of the sector. CNS has the potential to play a similar role.

The partnership could strive to achieve the following objectives:

- To raise the profile of the sector.
- To promote creative and digital enterprise.
- To promote Pathways to employment in the sector.



The creative industries lack visibility in The Solent Area. On the other hand Enterprise M3 has recognised the significance of the digital economy to local economic growth<sup>13</sup>

# THANK YOU

TO GET INVOLVED  
WITH CREATIVE NETWORK SOUTH CALL  
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## REFERENCES

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<sup>2</sup>Department for Culture Media and Sport Creative Industry Estimates 2016

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/523024/Creative\\_Industries\\_Economic\\_Estimates\\_January\\_2016\\_Updated\\_201605.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/523024/Creative_Industries_Economic_Estimates_January_2016_Updated_201605.pdf)

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<sup>4</sup>The Geography of Creativity , NESTA 2016

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<sup>5</sup>Annual Business Inquiry Data 2015 & 2016 analysed for CNS by the Burns Owen Partnership

<sup>6</sup>Estimates of Creative Industry Graduates from Hampshire Universities provided by CNS member universities.

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<sup>8</sup>Creative Graduates Creative Futures, Institute of Employment 2009

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<sup>11</sup>Estimate Provided by Solent Growth Hub

<sup>12</sup>Independent Review of the Creative Industries, Sir Peter Bazalgette 2017

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<sup>13</sup>Enterprise M3 Digital Technologies Report 2015

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<sup>14</sup>The creative industries driving the south east economy , David Powell Associates for SEEDA 2004.

<sup>15</sup> The Great British Brain Drain, where graduates move and why, Centre for cities 2016

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<sup>16</sup> CNS partnered with South East Museum Development Programme, Southampton Solent University and Digital South to offer a Museums Hack Day. Over 20 digital businesses worked with six selected museums to come up with innovative, ways to improve visitor experiences and reach new audiences. The project was supported with public funding from Arts Council England; Southampton Solent University; Digital South; and Creative Network South

<sup>17</sup> Figures provided by Artswork. Between 2012 and 2015 a total of 155 work based learning opportunities were created by the programme. (By the end of 2017 this figure had risen to 190) Up to 2015 85 of these jobs were based in south Hampshire