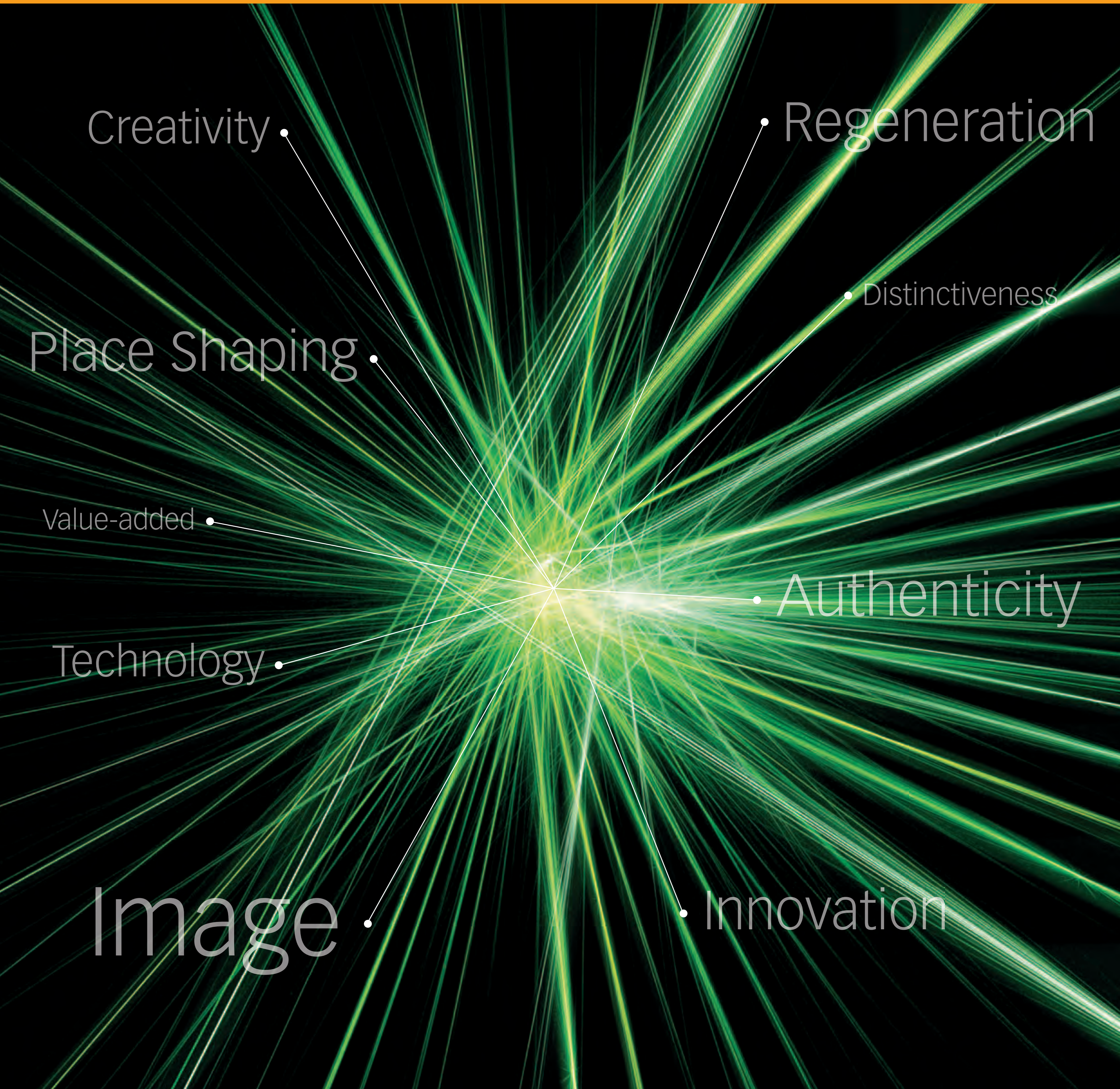
Culture West Midlands

Growing The Cultural Economy

In The West Midlands

2007



SUMMARY

AN UNPRECEDENTED OPPORTUNITY

The cultural sector is vital to the economic competitiveness and regeneration of the West Midlands region. You might be surprised to learn that it accounts for

10.1%

of all regional employment

14.5%

of all businesses in the region and

12.5%

of total regional Goss Value Added, from a turnover of nearly

£18 billion p/a.

But our cultural businesses also shape our local identity as well as our national and international image, and help make this a better place to live, work and do business. The strength of the cultural sector, and the unprecedented opportunities for growth, make it a key component of the regional economy.

Culture West Midlands (CWM) believes that **culture – the arts, sport, heritage, libraries, tourism, parks and green space, play and the creative industries** – is central to sustainable regional development. We also recognise, of course, that a strong overall regional economy will provide conditions in which culture can flourish.

The growing awareness of the economic impact of the cultural sector has led to the development of national and regional initiatives aiming to support the cultural economy. The time has never been better for CWM to work with partners to ensure that the next iteration of the Regional Economic Strategy (RES) provides a framework for cultural bodies to more effectively contribute to regional economic initiatives in a way that also meets their key cultural objectives.

We advocate a considered approach to increasing the contribution that culture can make to economic development. An approach that goes beyond rhetoric towards a shared understanding of benefits, mutual principles and joint economic priorities. We are not arguing that a special case should be made for culture; rather that economic strategies must contain sufficient 'hooks' to allow the cultural sector to deliver against agreed joint economic priorities.

This paper, underpinned by economic statistics produced by the West Midlands Observatory and a summary of evidence, sets out the guiding principles we believe should provide the bedrock for the growth of the West Midlands cultural economy – and identifies the key opportunities for achieving that growth.

Our guiding principles are based on the qualities that could differentiate the West Midlands from other regions and which, if prioritised, will provide us with competitive advantage. These include the **youth and ethnic diversity** of people within our major urban areas, economic growth that is in tune with **environmental and social sustainability**, and the essential but elusive **'authenticity', 'identity' and 'distinctiveness'** sought out by potential visitors – and important for attracting highly skilled and creative workers who will choose to live in the area that best fulfils their lifestyle aspirations.

The key opportunities include the **ongoing growth** of the cultural sector, **increasing demand** for cultural products and services, the sector's ability to help **drive the regional economy**, a new vision for **public sector partnerships** and the real opportunities provided by the **2012 Olympics**. CWM and its partners also believe that culture has **unique properties** that can be better harnessed to develop the regional economy, including improvements to **quality of life** as well as direct economic impact.

The Next Steps

We hope this paper will capture your imagination about the unprecedented opportunity we all have to build on the achievements of our cultural sector, harness and support its potential, and work together to secure its long term future at the heart of our regional economy.

CWM and its partners are convinced of the requirement for a strong, facilitative Regional Economic Strategy, one that builds maximum 'buy-in' from public and private bodies and enables strategic alignment of planning and resources. It is up to each of us to grasp this opportunity to be part of the debate, to achieve the step change that is required and to ensure that the cultural economy is at the heart of the new RES.

We urge you to respond to the issues raised in this paper and look forward to engaging in a dialogue with you over the coming months to develop regional level objectives – objectives that will provide considerable economic and cultural benefit for the West Midlands.

Brian Woods-Scawen
Chair
Culture West Midlands

ONE. INTRODUCTION

This paper has been produced by Culture West Midlands (CWM) on behalf of the West Midlands cultural agencies represented on the Regional Cultural Forum.

It draws together, for the first time, **a baseline of evidence from which to understand the direct and indirect contribution of culture to the West Midlands economy**. This has enabled us to identify a limited number of key opportunities for growing the region's cultural economy. In doing so, the intention is to provoke a dialogue with cultural and non-cultural organisations which we hope will lead to shared regional priorities.

CWM is the lead body for the West Midlands Cultural Strategy (you can download the strategy at www.culturewm.org.uk). The strategy sets out the vision and aims for culture in the region, which are implemented by CWMs strategic partners. A refreshed Action Plan, 'Valuing People and Places', produced in 2005, is also available.

CWM takes a broad and inclusive view of culture based on the definition given by its sponsor department in central government, the Department of Culture, Media and Sport (DCMS):

›	Performing and visual arts, craft and fashion
›	Media, film, television, video and language
›	Museums, artefacts, archives and design
›	Libraries, literature, writing and publishing
›	Built heritage, architecture, landscape and archaeology
›	Sports events, facilities and development
›	Parks, open spaces, wildlife habitats, water environment and countryside recreation
›	Children's play, playgrounds and play activities
›	Tourism, festivals and attractions, informal leisure pursuits

CWM fundamentally believes that a flourishing cultural economy in the region strengthens the cultural sector's ability to deliver against social and environmental objectives. At the same time, high levels of social capital, participation and community identity in the region strengthen the cultural economy, whilst high quality natural, built and historic environments similarly underpin it.

In this way CWM considers that culture is central to sustainable regional development, linking the 'three-legged' stool of sustainability. This is recognised as a strategic priority of the West Midlands Regional Concordat-

"Securing and developing the Region's environment and culture- as assets supporting our quality of life, economic and social aspirations and acting as key components in regeneration".

A central role for CWM and all of its partners is to ensure that the cultural sub-sectors maximise their contribution to sustainable economic development. In recognition of this, CWM recently agreed with West Midlands Business Council to work together to grow the regional cultural economy. As WMBC Deputy Chairman, Dr Sarindar Singh Sahota OBE, said:

"**We are delighted to have been able to formally agree with Culture West Midlands that we will work together for the good of the people of our region. Culture is not just good for the soul – it's also good for jobs**".

This paper will begin by explaining some national and regional initiatives within the cultural sector that make the current time particularly opportune for discussing how the cultural sector can maximise its contribution to regional economic development. This is followed by a number of key facts about the West Midlands cultural economy.

The paper goes on to consider a number of key opportunities that CWM believe are the most relevant to growing the cultural economy and also, to allowing culture to help create the conditions for growth across the wider regional economy. The paper concludes by setting out how CWM and partners propose to engage with others to develop the West Midlands cultural economy.

TWO. CURRENT CULTURAL POLICY CONTEXT

Since the 1980s, cultural organisations have put increasing emphasis on the economic impact of their work. This has been a direct response to governmental policy but also flows from wider awareness of the increased commercial value of cultural products and services.

Overall, it has led to a more sophisticated understanding of the economic value of the sector, together with greater awareness of how this value accrues, how cultural businesses can be supported to meet their growth potential and the 'added value' of a thriving cultural sector (e.g. for image and regeneration purposes). The false distinctions that previously separated state subsidised culture and culture produced for profit have, in most cases, been removed. There is now a growing consensus of understanding of how public funding sustains and grows the UK cultural economy. For example, the international quality of our art and design schools is a major factor in the UKs market share of global creative industries; cultural investment can **"improve quality of place and it can help to encourage design and creativity in individuals and firms"[1].**

This growing understanding has led to the development of a number of national initiatives aiming to support the cultural economy and to get economic value from public sector support for culture-

London 2012

The approach taken to ensuring that the UK fully benefits from the 2012 Olympics gives a good example of the multiple benefits that can flow from cultural activity. The benefits from this cultural 'mega-event' are seen to chiefly arise around business, tourism, sport and culture. Perhaps the greatest benefit, and one that develops across all of these categories, is the media attention that will allow the UK to profile itself from 2008 onwards.

In the West Midlands, regional and sub-regional bodies have developed a strong partnership framework to ensure that the region fully benefits from Olympic opportunities. CWM is acting as the lead body for developing the Olympics Cultural Programme, on behalf of the English regions.

Creative Economy Programme (CEP)

This programme, a joint initiative between DCMS and DTI, aims to make the UK the "**Worlds' creative hub**". The programme has identified barriers to greater productivity within the creative industries and proposed a number of initiatives to overcome them. Although a national support framework for the creative industries is envisaged, most support will continue to be provided at regional and local level.

Regionally, the Creative Industries Strategy Group has produced a comprehensive West Midlands response to the CEP consultation. The group continues to work to position the region in order that creative industries in the West Midlands receive maximum support from the Programme.

Where We Live Now

A national protocol has been agreed between DCMS, DCLG and major cultural bodies around joint working to deliver 'sustainable communities' objectives. This will lead to stronger collaboration in the delivery of programmes.

Creating Cultural Opportunity

An initiative, funded by the Treasury, to establish a national spatial planning toolkit for culture by 2008. It aims to ensure that culture plays a full part in developing viable communities, particularly in housing growth and renewal areas. CWM and the Black Country Consortium are partners in the initiative.

REGIONALLY a number of related initiatives are also in development-

Joint Investment

The Regional Cultural Forum has agreed to establish a Cultural Joint Investment Group. This will work closely with Advantage West Midlands (AWM) to-

›	maximise available resources by avoiding duplication of funding to projects
›	enable more effective sign-posting of applicants between partners
›	work towards joint investment planning for regionally significant projects and towards
›	more integrated and effective evaluation processes

City-Region

CWM and regional cultural bodies have been supporting a cultural component within the city-region programme. It is now planned to assess the feasibility of pooled cultural investment for significant initiatives in the city-region area.

Economic Local Area Agreements (LAAs)

CWM, in partnership with regional cultural bodies, is establishing a Performance Improvement Network for local authorities. One aim of the network is to assist local authorities to understand how their cultural industries can contribute to their respective economic LAAs.

Regional Spatial Strategy (RSS) Phase 3 Revision

Sport England West Midlands, supported by CWM, will be the lead organisation for the next scheduled Revision of the West Midlands RSS. This will have a focus on the spatial dimensions of green-space, culture and tourism.

THREE. KEY ECONOMIC FACTS

The figures presented below are conservative economic estimates for the cultural sector in the West Midlands. Given the current debate about how best to calculate these figures, we have followed advice from the Department of Culture Media and Sport (DCMS) and adopted a precautionary approach. **The figures presented here, therefore, should be seen as representing a minimum estimation of the economic scale of the cultural sector.**

A. West Midlands employment in the cultural sector stood at **236,000** in 2004. This equates to **10.1%** of regional employment, making it the fifth largest sector. Culture increased its share of total regional employment from **9.7% to 10.1%** between 2003 and 2004.

Source: Annual Business Inquiry, ONS

B. Growth in cultural employment between 2003 and 2004 amongst the nine English regions was highest in the West Midlands. Cultural employment in the West Midlands grew by **4.8%** compared to an English average of 1.5%. This equates to nearly **11,000** more employees.

Source: Annual Business Inquiry, ONS

C. The cultural sector in the West Midlands region generated an estimated GVA of **£6.6 billion** in 2004, from a total turnover of nearly £18 billion. This represents **12.5%** of total regional GVA[2] .

Source: Annual Business Inquiry, ONS

D. The number of cultural businesses in the West Midlands stood at **25,195** in 2006. This accounts for **14.5%** of all businesses in the region.

Source: UK Business: Activity, Size and Locations

E. The regional growth in cultural employment between 2003 and 2004 (4.8%), was faster than the overall regional growth in Knowledge Intensive Services over the same period (3.3%).

Source: Annual Business Inquiry, ONS

The classification issues for the cultural sector

Difficulties in producing economic estimates for the cultural sector arise because of two main issues. The first relates to the fact that industrial activity is classified and data on employment and enterprises collected and published according to the Standard Industrial Classification (SIC). Unfortunately, at the level at which such data are published the SIC brackets some cultural activities with activities that fall outside the cultural sector, with the result that separate figures for the two groups are not available. In such circumstances, it is usual practice to exclude these activities from cultural employment and business population estimates even though we know it will result in an under-estimate. Among the activities, some of which are significant in employment terms, affected by this are:

Sport	renting of sporting and recreational equipment and the retail sale of sports goods
Visual Art	architecture
Tourism	restaurants
Audio-Visual	sale of music materials and equipment, manufacture of radio and TV transmitters

The second issue is that the key data on sectoral employment and enterprises, the Annual Business Inquiry, does not include data on self-employment, sole-traders and the smallest micro-businesses, all of which play a significant role in the cultural economy.

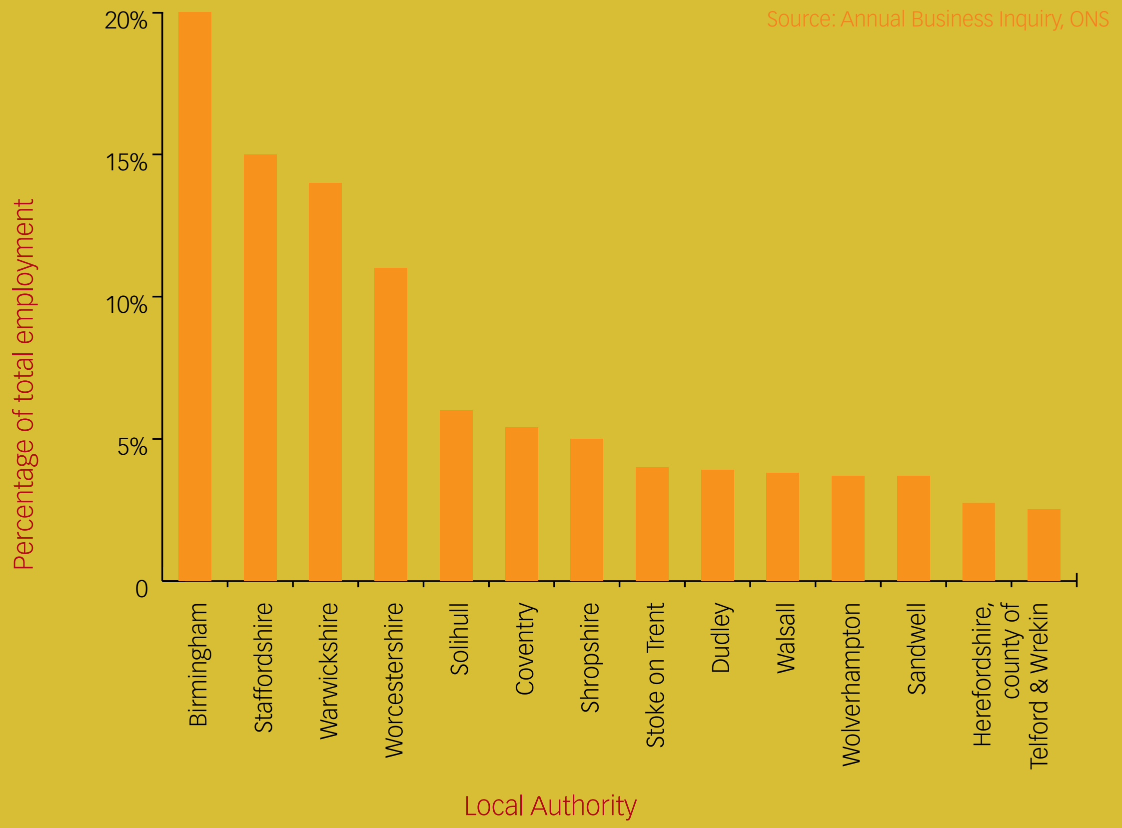
The table below therefore provides an incomplete assessment of cultural employment in the region in 2004 but it is the most realistic we can generate from the existing official datasets. It is possible however, to use alternative methodologies in order to attempt to capture a more rounded understanding of specific sub-sectors of culture. For instance, tourism related employment in the region is currently estimated at 128,000[3] ; recent research estimated regional sport employment at 60,000[4] .

Cultural employment in the West Midlands in 2004[5]

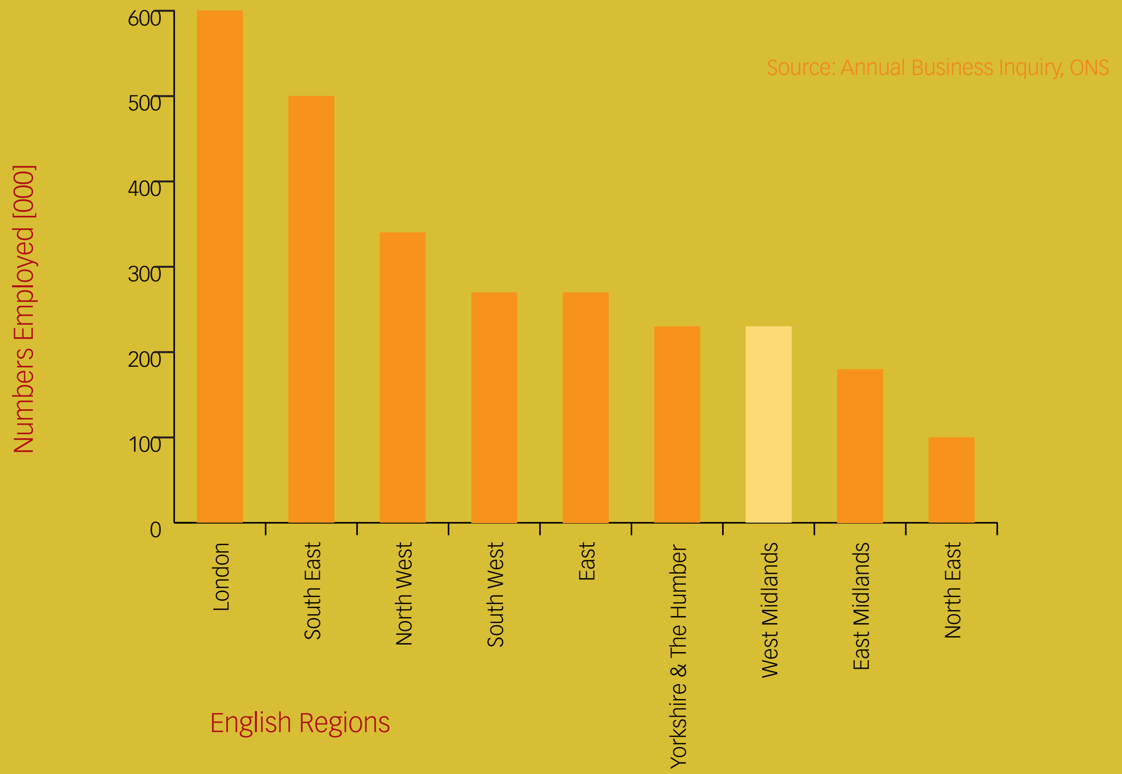
	2004
Culture Total	236,161
Tourism	98,096
Audio-Visual	50,926
Visual Art	29,348
Sport	27,148
Book/Press	28,359
Heritage	6,468
Performance	4,804

Source: Annual Business Inquiry, ONS

Cultural employment as a percentage of sub-regional total employment estimates in 2004



Cultural employment in the English regions in 2004



Creative Industries

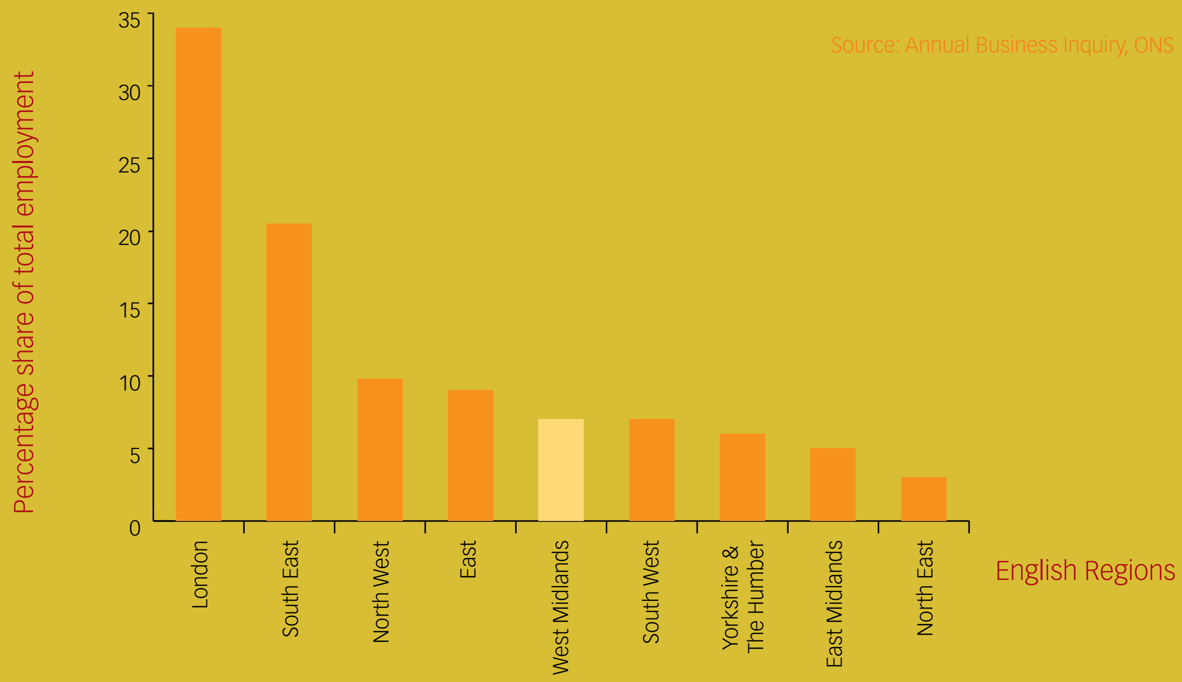
There is often confusion between the terms ‘cultural industries’ and ‘creative industries’. The most commonly used definition in the UK was coined by the DCMS and has gained a high degree of international acceptance –

“The creative industries are those industries that are based on individual creativity, skill and talent. They are also those that have the potential to create wealth and jobs through developing intellectual property”.

The creative industries are made up of:
Advertising / Architecture / Art & antiques markets / Computer & video games / Crafts / Design / Designer Fashion / Film & Video / Music / Performing Arts / Publishing / Software / Television & radio

Calculating figures for creative industries is subject to the same constraints as determining a figure for the overall cultural sector. However, DCMS have identified a national framework to enable proportions to be taken from wider industrial codes to reflect the creative industries. As such, the figures used nationally for the creative industries are weighted estimates.

Creative Industries employment in the English regions in 2004



Statistics produced by the West Midlands Regional Observatory, sourced from the Annual Business Inquiry and UK Business: Activity, Size and Location. An accompanying Technical note detailing the methodologies used to obtain these statistics is available from the CWM website. CWM is working closely with the Regional Observatory and intends to produce a detailed Cultural Economy Fact Sheet in future months.

Through the establishment of a Cultural Observatory and Cultural Research & Intelligence Group in the region we are maturing in our analysis and understanding of the scale and economic significance of the cultural sector to the West Midlands. We are committed to working with our partners towards agreeing a shared methodology for analysis.

West Midlands employment
in the cultural sector stood at

236,000

in **twothousandfour**

FOUR. KEY OPPORTUNITIES

This section identifies the culture-related opportunities that CWM believes have most potential for delivering economic benefits for the West Midlands. Issues and questions that arise from these opportunities are also presented.

The Footnotes section at the end of this booklet provides references for the evidence underpinning these policy recommendations, together with sources for further reading around the issue. CWM will continue to further develop and refine this evidence base during the development of the next West Midlands Cultural Strategy.

Guiding Principles
CWM believes that there are a number of principles which should provide the bedrock for the growth of the region's cultural economy-

›	The factor that will differentiate the West Midlands from other regions will be the youth and the ethnic diversity of people within our major urban areas. This will give us a competitive advantage in terms of developing products for new markets - the region should prioritise actions that support this.
›	Economic growth in the region should be environmentally and socially sustainable. This offers opportunities as well as challenges. For instance, energy efficient buildings combined with new building technologies and architectural practice will gradually change the look of our townscapes and green-spaces. The region should promote and support this process early on, finding visible and distinctive ways to reflect its environmental credentials, attractive to new populations who share its purpose.
›	Innovation-led economies of the future will be increasingly dependent on immigration and regions which work hard to foster intercultural cohesion will benefit most. The West Midlands should aim to do this better than anywhere else.
›	'Authenticity', 'identity' and 'distinctiveness' will be the elusive but essential qualities sought by Twenty-First Century visitors as they choose holiday destinations. They will also be important qualities for attracting highly-skilled and creative workers who will choose to live in the area that best fulfills their lifestyle aspirations. The region should see this as a 'living' process, enhancing the best it already has whilst aiming to develop new specialisms, niche products and markets.

Key Opportunities 1:

Building on these principles, CWM considers that there are a number of key opportunities for growing the cultural economy in the West Midlands. We would like to work with partners in responding to these-

The cultural sector accounts for 10.1% of all regional employment and 14.5% of all businesses. It is a significant economic sector and it is growing.

› Building on very strong recent growth, the tourism, creative industries and culture and sport sub-sectors are all projected to increase their workforces in the future. Nationally, creative industries employment is currently growing at 6% pa[6] ; regionally, culture and sport is predicted to grow by around 27% over the next ten years[7] . How can we support businesses to best grow these **employment** opportunities? How can we improve their **productivity**[8]?

- There appears to be considerable opportunity for increasing cultural self-employment in the region[9] . How can we use this to develop more **enterprise**[10] ?

- 'As the UK becomes more **culturally diverse**, the market for creative products and services is getting more varied'[11]. However, Black and minority ethnic workers are under-represented within the cultural sector[12]. How can we increase the ethnic diversity of the cultural workforce in the region? How can we best support cultural businesses to develop cultural product for the expanding domestic and global markets[13]?

- **Creativity and innovation** are at the heart of much cultural products and services[14] How can we learn from these businesses and provide routes for the transfer of good practice across other sectors, re: the Cox Review[15] ? Can the region build on its history of high-value added manufacture (leather, jewellery, glass, ceramics), developing an economic niche as a show case for the production of new high-value creative products[16] ?

- The region's geographical proximity to the greater south-east provides an opportunity to grow the creative industries in the West Midlands. How can we best build on this **competitive advantage** in terms of proximity to London's global marketplace[17] ? How can we best position the region to benefit from spill-overs from an overheated cultural economy in the south-east[18] ?

Cultural sector growth is due to growing demand[19] for cultural products and services - this trend is long-term and will continue.

- Much of this growth[20] is due to the effects of digitisation creating fast changing platforms for new digital product, services and markets[21] , i.e. satellite and cable, mobile phones. How can we increase the number and size of regional businesses creating new digital product for **domestic** markets? How can we best support, and increase, companies that are operating across a **global** marketplace?

- At the same time, more people are consuming cultural products and services[22] and engaging in traditional cultural experiences in the region and across the UK[23] . How can we best use this popularity[24] to attract more **visitors** to the region and to increase visitor spend? How can we better use our cultural organisations (both large and small) that operate on an international stage to better profile the region?

Recreational and cultural services are identified as 'drivers of growth' for the regional economy[25] and cultural industries will be central to the development of a knowledge economy[26] .

- Many cultural sectors have very highly-educated and qualified workforces[27] . How can we assist businesses in these sectors to grow and provide more work opportunities for regional graduates and to attract **highly-skilled** knowledge workers from outside of the region?

- At the same time, growth in tourism and other cultural consumer services will continue to provide employment for **low-skilled** workers[28] and to provide an entry point to working life.

Public sector investment in culture is significant[29] but could achieve more if better aligned with other funding sources.

- International, national and regional research[30] demonstrates that cultural amenities have a significant role to play in 'place shaping' to develop competitive advantage, through improved **quality of life** and **identity**[31]. Importantly, this is an area where public sector funding can have an effective and comparatively fast impact. Can regional partners agree on priorities for joint investment? Should we concentrate on new iconic infrastructure or building up critical mass and more joined-up delivery in specific geographical areas - or both?

- As a result of the Lyons Review, Birmingham is fast becoming the UKs **regional hub** for cultural administration. All of the national cultural organisations required to decentralise staff and services from London have so far chosen Birmingham as their preferred location[32]. New jobs and relocations to date and over the next few years will see an influx of over 500 new cultural employees to the city. How can we build upon this **critical mass**, unique amongst English regions, of cultural public sector knowledge, expertise and national influence?

The Olympics offer real opportunities to the region - and we have two USPs in Much Wenlock[33], as the birthplace of the modern Olympics, and Shakespeare[34].

- The Regional 2012 Leadership Group has established structures to support the region in achieving business, culture, sport and tourism[35] benefits from the Olympics. How can we ensure that the region does not only gain in the period 2008-2012 but also leaves a **legacy** for many more years?

Key Opportunities 2:

CWM and its partners also believe that culture has some unique properties that could be better harnessed to develop the regional economy-

The private sector understands and values the importance of culture to city and regional competitiveness

- The private sector has an increasingly sophisticated understanding of the importance of a vibrant cultural life[36] for attracting both business investment and a skilled workforce[37]. How can we support, enhance and make distinctive our city and regional cultural offer, in order to improve **image**[38] and the **quality of experience** for both residents and visitors.

The region's natural, built and historic environments are vital assets for its quality of life offer.

- Clearly, the protection and enhancement of natural, built and historic environments is central to the sustainability of the region[39]. They are also economic assets; fundamental elements of the region's character and image[40]. How can we more fully and sustainably exploit these environments to enhance locational identity and to project a more positive and distinctive **image** of the West Midlands[41] ?

- How can we protect and enhance the character and appearance of the region's **urban** landscapes and townscapes[42] in order to make them more attractive places to live[43] - for residents within the region and to those outside? How can we further reinvigorate historic buildings as a catalyst for local **regeneration**[44] ?

- How can we increase the amenity value of **rural** environments to meet the recreational and leisure needs of local communities, so developing the attractiveness of strategic towns[45] as locations for the establishment of new high value-added businesses, especially for 'second-business' entrepreneurs and their families[46] ?

Participation in cultural activity improves physical and mental well-being - contributing to improved productivity for the region's economy.

- Nationally, the annual cost of physical inactivity to the NHS and the economy is estimated to be over £8 billion; regionally, the percentage of adults undertaking the recommended level of active recreation ranges from 14.9% - 25.6% across the region's local authority areas . Can we build on the 19.3% of people in the region who take part in sport[47]. Develop workplaces which encourage **well being**; design living, working and leisure environments that increase quality of life and encourage **physical activity** and social interaction?

Next Steps

The cultural economy in the West Midlands is thriving- it is significant and it is growing. But it could still achieve more. Despite experiencing some of the biggest recent growth amongst the English regions, the West Midlands has just a 7.1% share of the UKs cultural firms, sitting in sixth position.

For the first time, we have assembled a baseline of quantitative and qualitative evidence showing the direct and indirect importance of culture to the regional economy. CWM believes that grasping the opportunities highlighted in this paper will result in big economic gains for the region, enabling the cultural economy to reach its full potential.

Together with our partners, CWM is committed to developing all aspects of the cultural economy- businesses, the public bodies and the 'third sector'. With this in mind we will continue to build the evidence base and develop new partnerships as we begin to revise the Regional Cultural Strategy.

If you would like to work with CWM in growing the region's cultural economy then please contact us (details on back page). Do you agree with our analysis? Are there opportunities that we have missed? What sort of collaborations and support will best achieve sustainable economic growth?

We also urge you to consider the opportunities for cultural growth in your area or sector when responding to the current review of the Regional Economic Strategy (further details can be found at http://www.advantagewm.co.uk/wmesreview.html). You have until the end of February 2007 to respond to the Policy Options phase and there will be a further consultation period in early summer. Please share your views with us and feel free to use the evidence presented in this paper to formulate your response.

CWM is fully convinced of the importance of the Regional Economic Strategy and of the requirement for all organisations, both regional and local, to pull together in delivering sustainable economic growth for the West Midlands. To do this we need a strong, facilitative Regional Economic Strategy, one that builds maximum 'buy-in' from public and private bodies and enables strategic alignment of planning and resources.

The cultural sector is already a significant economic driver in this region - work with us to grow it further.

Organisations Represented On The Regional Cultural Forum:

01	Arts Council England West Midlands
02	Advantage West Midlands
03	Audiences Central
04	Big Lottery Fund
05	English Heritage
06	Government Office West Midlands
07	Heart of England Tourism
08	Heritage Lottery Fund
09	Midlands Architecture and Design Environment
10	Museums, Libraries and Archives- West Midlands
11	National Trust
12	Natural England
13	Royal Institute for British Architects
14	Sport England West Midlands
15	Screen West Midlands
16	Tourism West Midlands
17	West Midlands Culture and Leisure Officers Association
18	West Midlands Local Government Association
19	West Midlands Regional Assembly

To contact Culture West Midlands:

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If you are keen to work with us in growing the cultural economy of the West Midlands or would like to discuss this paper further, please contact:

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The cultural

14.5

sector accounts for

%

of all businesses in the region and 10.1%
of all regional employment.

FOOTNOTES

[2] Current Cultural Policy Context: [1] *Creativity, Design and Business Performance, DTI Economics Paper No 15, 2005*	**Page No.** 4
[3] Key Economic Facts: [2] This excludes financial intermediation	**Page No.** 6
[3] Heart of England Tourism [4] *The value of the Sports Economy in the English Regions – West Midlands, June 2003. Cambridge econometrics* [5] The total exceeds the sum of the domains, this is because the SIC codes for some cultural activities feature in more than one domain.	**Page No.** 7
[4] Key Opportunities: [6] *State of the Region, WMRO, 2006* [7] *State of the Region, WMRO, 2006* [8] In terms of Gross Value Added per job, some cultural sub-sectors outstrip the rest of the UK economy; in 2000, GVA per head in TV and Audio was £66,000, in Motion Picture and Video Distribution it was £195,000. However, in the same year, the overall GVA per head for all Recreational, Cultural and Sporting Activities (£27,900) was below the All UK Economy average (£31,300). (Sector Skills Agreement (England), Skillset, 2005)	**Page No.** 11
[9] Self-employment in the West Midlands represents only 28% of the cultural work force, well below the English regional average of 39% *(A baseline survey of the creative and cultural sector, Creative and Cultural Sector Skills Council, 2006)* [10] "In the cultural and creative sectors people are three times as likely as the working population in general to become self-employed", (Baines and Robson, 2006). A report by Graduate Prospects in 2005 found that, of first degree students entering self-employment, over a third (36.8%) had studied creative arts and design subjects. This represents 1 in 12 of all creative arts and design graduates. Both references from *Developing Entrepreneurship for the Creative Industries: the Role of Higher and Further Education, DCMS, 2006* [11] *Creating Growth, NESTA, 2006* [12] The Creative and Cultural Sector Skills Council estimates that ethnic minorities make up 5% of workers within it's 'footprint'(advertising, cultural heritage, design, music and the arts) in England *(A Baseline Survey of the Creative and Cultural Sector, Creative and Cultural Skills, 2006)* [13] "As economies grow rapidly throughout Asia and Latin America, it is expected that they will become increasingly important markets for creative goods and services, with particular opportunities for those UK enterprises that can make the most of their diversity to break into these". *(Creating Growth, NESTA, 2006)* [14] "Creativity has a role in enhancing all aspects of business performance- from the design of new products and services to their production, marketing and distribution. It is not unusual to link creativity to certain industries such as film, music or design. But the challenge, as noted by the Chancellor, is 'not just to encourage creative industries, our priority is to encourage all industries to be creative" *(Creativity, Design and Business Performance, DTI Economics Paper No 15, 2005)*	**Page No.** 12

[15]*The Cox Review of Creativity in Business: building on the UK's strengths, HMT, 2005* (the review concluded that creativity and innovation are vital ingredients for enhancing productivity within the SME base).

[16]The Dudley Glass Biennale has rapidly gained an international reputation. The Rhubarb Rhubarb photography festival is seen as "Europe's premiere portfolio review" *(British Journal of Photography, 2006).* Stoke has aspirations to develop an international ceramics festival.

[17]"Birmingham is a city which already has a critical mass of these industries [creative and cultural] and is close enough to London- the hub of creative and cultural industries- to share the capital's success" *(Ideaopolis: Knowledge City Region- Birmingham Case Study, The Work Foundation, 2005)*

[18]Japanese computer firm, SEGA, recently announced that it was to locate a new studio in the region. Their Development Director for Europe said- "We chose to locate the SEGA Racing Studio in the West Midlands because of the thriving computer games industry already based here. The central location also means that we are very well placed to reach a wide pool of specialist staff who are vital for the development of our games" *(AWM press release, 05/10/2006)*

[19]"Businesses in the region are increasingly 'exporting' intangibles such as technical expertise, design and intellectual property as well as new products such as computer software, films, television and music". *(Future prospects for the West Midlands economy and employment, Warwick Institute for Employment Research, 2006)*

[20]The global market value of the creative industries increased from $831 billion in 2000 to $1.3 trillion in 2005 *(Creating Growth: How the UK can develop world class creative businesses, NESTA, 2006)*

[21]*Economic impact of the UK Screen Industries, Cambridge Econometrics, 2005*
The Big picture, DEMOS, 2006
The Market Need for a Production Fund, Screen West Midlands, 2005

[22]The current average weekly spend on recreation and culture is £59, more than on any other commodities and services except transport *(State of the Region, WMRO, 2006)*
Between 1976 and 2001, the average weekly spend on leisure goods and services by UK house holds increased from 10% to 18% of total household expenditure *(Creating growth: How the UK can develop world class creative businesses, NESTA, 2006)*

[23]Nationally, 93% of people engaged in at least one cultural activity during the previous 12 months *(Taking Part- The national survey of culture, leisure and sport, DCMS, 2006)*

[24]Research commissioned by the Arts Council of England *(West Midlands Theatre: An economic success story, 2005)* found that West Midlands theatres were the most economically successful outside of London. Public investment of £25m to 22 theatres produced £264m of local economic benefit. Around 1700 volunteers were also working in the West Midlands theatre sector.

In Sports Tourism, sporting events attracted 600,000 visitors and generated £19 million for the West Midlands from outside the region. Sports volunteering represents 28% of all regional volunteering, involving around 25,000 people *(The value of the Sports Economy in the English Regions – West Midlands, June 2003. Cambridge econometrics).*
In 2005, 3,343,000 people visited historic properties in the West Midlands (Heritage Counts, English Heritage, 2006)
Cinema admissions have increased by 43% in 10 years *(DCMS website, http://www.culture.gov.uk/what_we_do/Creative_industries/ sourced 14/12/06)*

[25]*RSP Cross-Cutting Issues 2006: Graduates and the knowledge economy, WMRO, 2006.*

[26]Labour government policy since taking power in 1997 has consistently aimed to develop the UK knowledge economy. In a recent speech (26 September 2006) Tony Blair outlined his vision of the big issues facing Britain "In 1997 the challenges we faced were essentially British. Today they are essentially global. The world today is a vast reservoir of potential, new jobs in environmental technology, the creative industries, financial services, cheap goods and travel, the internet, advances in science and technology"

[27]"43% of creative industries employees have degrees or higher level qualifications, significantly more in some sub-sectors, compared with 16% of the workforce as a whole" *(Developing Entrepreneurship for the Creative Industries: the Role of Higher and Further Education, DCMS, 2006)*

[28]*Birmingham and Solihull Economic Review 2005-06, Birmingham and Solihull Economic Develoment Forum, 2006*

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FOOTNOTES

[29]To date, the National Lottery distributors, including arts, heritage, sports and community, have made grants of £1.26 billion to organisations and projects in the West Midlands. This represents a significant public sector investment into the region, taken together with increased Treasury funding through regional Cultural bodies and continued strong investment by local authorities into culture and leisure provision. This investment helps to sustain and grow the regions cultural infrastructure and is essential to maintaining a quality of life and quality of place that makes people want to live in the region. Much of it has an economic impact- enhancing the natural and built environments and cultural assets that attract visitors to the region; supporting the development of creative businesses; using heritage as a catalyst for local regeneration and pride; providing learning opportunities and business support services through libraries; projecting a positive profile of the region to an international audience.

[30]The *Competitive European Cities* report, produced for the ODPM in 2004, considered how the English core cities could learn from their European counterparts in developing economic competitiveness. The report identified six critical factors for economic competitiveness- Economic diversity, Skilled workforce, Connectivity, Strategic capacity, Innovation, Quality of life- social, cultural, environmental.
Considering quality of life, the report highlighted a number of factors that could prove decisive for firms seeking to relocate- "it is equally clear that soft location factors are becoming an increasingly important part of economic decision making. . . Cities with the assets of good environment, distinctive architectures, cultural facilities, diverse housing stock, access to natural amenities are attempting to preserve and improve them. Those that are not so blessed are attempting to enhance them" *(Competitive European Cities, Parkinson et al, 2004)*

[31]"it is important- even for economists such as myself- to remember that there is much more to the resurgence of our cities than productivity and economic growth. It is just as much about a modern sense of civic pride. For cities are the places where most of us grow up, forge identities and learn to appreciate the benefits of a vibrant public realm. They are the crucibles of so much of our cultural, creative and sporting life" *(Ruth Kelly, Secretary of State for DCLG, 26.6.06)*

[32]The new Gambling Commission has established its first headquarters in Birmingham and been followed by one of the two major new centres established by the Big Lottery Fund. Over the next few years these will be joined by staff relocating from the national English Heritage and Museums, Libraries and Archives offices

[33]Pierre de Courbertin, the founder of the modern Olympics, was so inspired by a visit to the Much Wenlock Games in Shropshire in 1890 that he went on to form the International Olympic Committee.

[34]As one of the small number of internationally recognised cultural icons, Shakespeare's Stratford will be key to the 2012 Cultural Programme and to attracting visitors to the region.

[35]Recent research for Marketing Birmingham found that the west Midlands already has the biggest events sector outside of London, generating over £6 billion a year, with 200,000 events attracting 14 million delegates and visitors *(KPMG, 2006)*

[36]In 2006 Birmingham was named the most culturally vibrant city in the UK after coming top of Arts and Business's annual BIC index. The index is based on business investment in the arts and Birmingham's ranking came as a result of yearly real growth in private investment of 84%. Ronnie Bowker, Senior Partner at Ernst and Young said: "Birmingham business people recognize that by supporting local cultural initiatives their businesses benefit enormously in a range of real and measurable ways" *(Arts and Business press release, 25/09/06)*

[37]Explaining why his company was sponsoring a campaign to showcase Birmingham's fashion industry, Stephen Reynolds, Development Director for Masshouse Development Ltd said: "Birmingham is undergoing an exciting transformation, and we believe it is important to celebrate the wealth of creative talent and energy throughout the region that is driving the city's impetus for change and progression" *(Marketing Birmingham press release, 13.7.06)*

[38]"Perhaps more importantly [than direct economic benefit], is the crucial indirect value elements of the cultural sector; such as perception and attractiveness of the region to attract national and international investment" *(Factors influencing the relative performance of the West Midlands, Aston Business School, 2006)*

[39]*Regional Sustainable Development Framework, Sustainability West Midlands, 2006*

[40]"The West Midlands is already a great place in which to invest, work, learn, visit and live. It is a

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diverse region, in terms of its landscape, its people and culture. The urban buzz of the UK's second largest city, Birmingham, contrasts with unspoiled countryside such as the Malvern Hills, the Wyre Forest, the Staffordshire Moorlands and the Shropshire and Herefordshire Marches . . . By 2010 tourism will be recognized as one of the region's major economic drivers. There will be a wide range of the highest quality leisure and cultural experiences"- (taken from the Vision of *Delivering Advantage: the West Midlands Economic Strategy and Action Plan, AWM, 2004)*	**Page No.** 13
[41]In the 2006 Urbanism awards, Ludlow was the winner in the 'Great Town' category, beating off competition from across the UK (www.academyofurbanism.org.uk) [42]85% of respondents agreed that "better quality buildings and public open spaces improve the quality of life"- MORI poll for CABE, 2002. [43]Quality green spaces have the potential to improve land values and property prices in surrounding areas by up to 34%- *(Does Money Grow on Trees?, CABE, 2005)* [44]"Heritage funding is often the first regeneration funding to be offered, creating the confidence in the future of an area that is necessary to attract private sector investment. It helps to change the way places are perceived and helps to build stronger community linkages as well as economic confidence . . . [on average] £10,000 of heritage investment leverages £46,000 match funding from private sector and public sources"- *(Heritage Dividend 2002, English heritage, 2002)* [45]The importance of cultural amenities for attracting and retaining human capital is claimed by Clark and others in *The City as an Entertainment Machine*, 2004. Cultural amenities as public goods are picked up by Leadbeater (1999) who claims that the knowledge economy requires education, telecommunications and cultural infrastructure in order to develop a dynamic learning society. The public goods argument is also used by Clark (2004), Scott (2000), and Throsby (2001) amongst others, [46]"Creative industries can be developed in shire towns because they are not defined by geography. It's access to technology that's important" *(John Edwards, AWM quoted in New Start, 23.6.06, p.9)* [47]*(West Midlands – Sporting Region or Armchair Fan?, Sport England West Midlands Communications, December 2006)*	**Page No.** 14

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