

South East Creative Economy Network

The South East Creative Economy Network (SECEN) works to accelerate growth in the digital, creative and cultural sector. It is a working partnership between local authorities, creative businesses and education bodies across the South East LEP. SECEN identifies barriers to growth and implements practical and scalable initiatives to overcome these barriers. The Network works with strategically positioned geographic hubs, as well as sharing knowledge and scaling-up network activity to add value on both a local and national scale.

The Value of the Creative Economy in the South East

The Creative Industries (CIs) are one of the UK's greatest economic success stories. Creative talent and innovation that originates in this sector has become indispensable to other areas such as health, IT and the services economy. The industry accounts for around one-tenth of the whole economy and provides jobs for more than 2.5m people – more than in financial services, advanced manufacturing and construction. In the SELEP area CIs employ 30,000 people and generate £25bn in GVA, the largest GVA contribution of any LEP outside of London.

Attracting creative businesses to the SELEP area is to enter a competitive market, with places nationally and internationally vying to capture the UK's talent. Potential investors in workspace will need to be confident of SELEP's support and will want to see their sector embedded in economic and planning strategy leading to access to key assets and low cost finance.

Opportunities

Since 2010 the number of creative businesses in the SELEP area has grown by 30.5%. The proportion of creative industries in the total SELEP business base is growing as well, accounting for 9.6% of total businesses in 2015, compared to 8.5% in 2010. When comparing the region with other LEPs, SELEP is above average regarding its share of creative enterprises, ranking 13th of all 39 LEPs. However, growth is below the national average, suggesting that the SELEP region is failing to maximise its obvious potential given its proximity and connectivity to London, and risks losing out to other LEPs.

The talent pool in London continues to move eastward into the Thames Estuary and towards the coast. As there is limited headroom for growth in London, a mutually beneficial talent pipeline relationship is a key opportunity for SELEP.

Sir Peter Bazalgette's Independent Review of the Creative Industries advised DCMS on the Sector Deal for CIs. A key recommendation of the report is to support "Creative Enterprise Zones".

Barriers to Growth and strategies implemented

The creative economy is mainly comprised of micro businesses with 9.6% of the business base accounting for just 3.3% of jobs. 47% of creative workers are self-employed (compared with 15% across the workforce as a whole). There is clearly scope to support and grow micro businesses to translate into employment growth in the future. These key characteristics lead to challenges that need to be addressed to support growth for those businesses.

SECEN has identified the following barriers to growth:

- Skills deficit and lack of talent pipeline – SECEN is developing a Talent Accelerator programme to respond to this risk factor
- Lack of sector specific business support – SECEN is in negotiation with DCLG to secure an ERDF business support programme: South East Creative, Cultural and Digital Support programme (SECCADS)
- Shortage of appropriate workspace: this paper sets out the intended strategy for addressing this issue

Towards a South East Creative Economy Workspace Masterplan

This plan makes the case for appropriate and effective investment in creative open workspace to support the growth of the creative economy across the SELEP region. The Plan:

- identifies the principles and opportunities for investing in Creative Open Workspace
- identifies key geographical creative clusters
- identifies hard and soft assets to build from
- provides a framework for investment
- supports our ambition to develop a minimum of three Creative Enterprise Zones (CEZ) in the SELEP region

Why an Open Workspace Masterplan for the creative economy?

Availability of affordable and flexible workspace for creative businesses is vital, not just to provide premises for entrepreneurs in the early stages of their businesses, or to provide appropriate move-on space, but because open workspace fosters innovation and therefore growth. Clustering of similar businesses increases the productivity of any industry, as knowledge and improvements in techniques and productivity are more likely to be shared, stimulating innovation.

Creative industries can lack visibility. Flagship buildings which bring many microbusinesses under one umbrella not only support those businesses but tell a story about the impact of the creative industries on the local economy. They send a clear signal that creative microbusinesses are welcomed and valued in the region and are immediate docking stations from which creative businesses can seek out the ecosystem of complementary businesses, business support and camaraderie they need to survive. Furthermore, open workspace can lend authority to brands, supporting marketing and promotion campaigns.

Investment Strategy

In addition to identifying priority clusters, the action plan will generate the tools to identify viable and fit for purpose Open Workspace proposals. This will in turn help us to prioritise open workspaces for investment, building a pipeline of projects ready to be realised.

Key actions for the South East Creative Economy Network

1. Identify a minimum of three Creative Enterprise Zones
2. Create a pipeline of projects through an investment strategy and toolkit
3. Research and present existing and new options for financial and governance models
4. Develop cultural planning policy that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace
5. Create a SELEP-wide open workspace property portfolio
6. Continue to grow the evidence base

Recommendations:

- 1. That Team East Sussex approve the attached report and actions**
- 2. That Team East Sussex approve SECEN to submit the plan to SELEP for LEP-wide endorsement**