

# The Creative Economy in East Lindsey

---

## INTRODUCTION

This fact sheet has been produced as part of the East Midlands Creative Industries Rural Strategy study commissioned by Culture East Midlands. (Fact sheets are available for each of the 26 rural districts of the East Midlands.)

Creative industries are an increasingly significant element of the rural economy in the East Midlands. In 2005, 28,600 people were employed in creative industries throughout all rural districts of the region (3% of all employment). There were also 7,800 creative industries businesses in the region's rural districts (more than 8% of all businesses). In these districts, creative industries employment grew by 20% between 2001 and 2005 (compared to 8% employment growth in the whole economy), and the number of creative industries businesses increased by 23% (compared to 11% growth in businesses in the economy as whole). In 2004, average GVA per head in creative industries in the rural East Midlands was £24,500.

Please note that a slightly different methodology was used to produce this factsheet than for the research carried out by BOP for Lincolnshire County Council in 2006. As a result, some of the findings may differ. See the APPENDIX for more details.

## KEY FACTS – EAST LINDSEY

- Around 1,160 people were employed in East Lindsey's creative industries in 2005 – 3% of all employment in the district.
- There were around 295 creative businesses in East Lindsey – 5.6% of the stock of all businesses in the district.
- The highest concentrations of creative businesses are in Skegness, Louth and Horncastle.
- The Books & Press sector is the largest employer, with 58% of all creative employment. The Visual Arts & Design sector has the most businesses, with 51% of all creative companies.
- Employment in creative industries grew by 11% between 2001 and 2005, with the highest levels of growth in the Performance sector. The number of creative businesses grew by 19%, with Visual Arts & Design experiencing the highest growth. The Audio-visual sector declined in size.

This fact sheet was produced by Burns Owens Partnership Ltd for Culture East Midlands, with financial support from East Midlands Development Agency and Arts Council England. It forms part of a larger study of the rural creative economy in the East Midlands which is available from Culture East Midlands or from [www.ruralculture-em.org](http://www.ruralculture-em.org) © 2007 Culture East Midlands, All Rights Reserved



## 1 THE CREATIVE INDUSTRIES

The creative industries are defined by the Department for Culture, Media & Sport (DCMS) as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. The definition of creative industries used in this paper is based on the DCMS Evidence Toolkit (DET)<sup>1</sup>, a methodology for measuring creative industries using official government data.

The DET classifies creative industries into four sub sectors, or ‘domains’: Audiovisual, Books & Press, Performance and Visual Art & Design. Table 1 below indicates which industries are included in each domain:

| Audio-visual  | Books & Press   |
|---|---|
| TV & radio<br>Film & video<br>Photography<br>Advertising<br>Music<br>Interactive digital media<br>(games, web, mobile,<br>software etc) | Publishing (books,<br>magazines, newspapers)<br>Literature<br>Printing              |
| Performance   | Visual Arts & Design  |
| Theatre<br>Dance<br>Circus<br>Carnival<br>Puppetry  | Design<br>Architecture<br>Fine arts<br>Crafts<br>Art & Antiques<br>Designer fashion |

**Table 1 - Creative Industries Domains**

*Source: DCMS Evidence Toolkit (2004)*

Two sources of data were used in this paper. The first, the National Business Database (NBD), is commercially licensed information provided by Experian<sup>2</sup>. The second, the Annual Business Inquiry (ABI), is based on a national survey of businesses, conducted annually by the Office for National Statistics (ONS).

Analysis of NBD provided a detailed breakdown of the types of creative businesses in East Lindsey, which in turn made it possible to calculate employment and business numbers for specific years using ABI. NBD also provided information about the geographical location of businesses, and an indication of the proportion of freelance workers and sole traders in the workforce.

---

<sup>1</sup> DCMS (2004), DCMS Evidence Toolkit – DET: Technical Report

<sup>2</sup> A commercial data provider

Analysis of ABI made it possible to calculate changes in creative industries employment and businesses numbers over time, and to compare data for East Lindsey with other districts and larger geographical areas.

Further information about data sources and methodology is provided in the APPENDIX.

## 2 CREATIVE INDUSTRIES EMPLOYMENT – ABI (2005)

Table 2 below shows creative industries employment in East Lindsey in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- 1,159 people were employed in East Lindsey’s creative industries in 2005 – accounting for 3% of all employment in the district (a similar share to rural districts as a whole in the region).
- Books & Press was by far the largest domain in terms of employment, with 58% of all creative jobs. The majority of these are likely to have been in relatively large printing firms.
- Visual Arts & Design accounted for 24% of creative employment, Audio-visual for 12% and Performance for 6%.
- Analysis of Experian NBD data indicates that just under 7% of creative industries workers in East Lindsey are sole traders or self-employed. This is lower than the level of self-employment in creative industries across all rural districts of the East Midlands (which is around 8%). (Note that ABI data in the table below do not include sole traders or most micro businesses.<sup>3</sup>)

|                      | Employment   | % of Employment in whole economy of district |
|----------------------|--------------|--|
| Audio-visual         | 139          | 0.4%   |
| Books & Press        | 673          | 1.8%   |
| Performance          | 69           | 0.2%   |
| Visual Arts & Design | 278          | 0.7%   |
| <b>TOTAL</b>         | <b>1,159</b> | <b>3.0%</b>                                  |

**Table 2 - Creative Industries Employment in East Lindsey 2005**

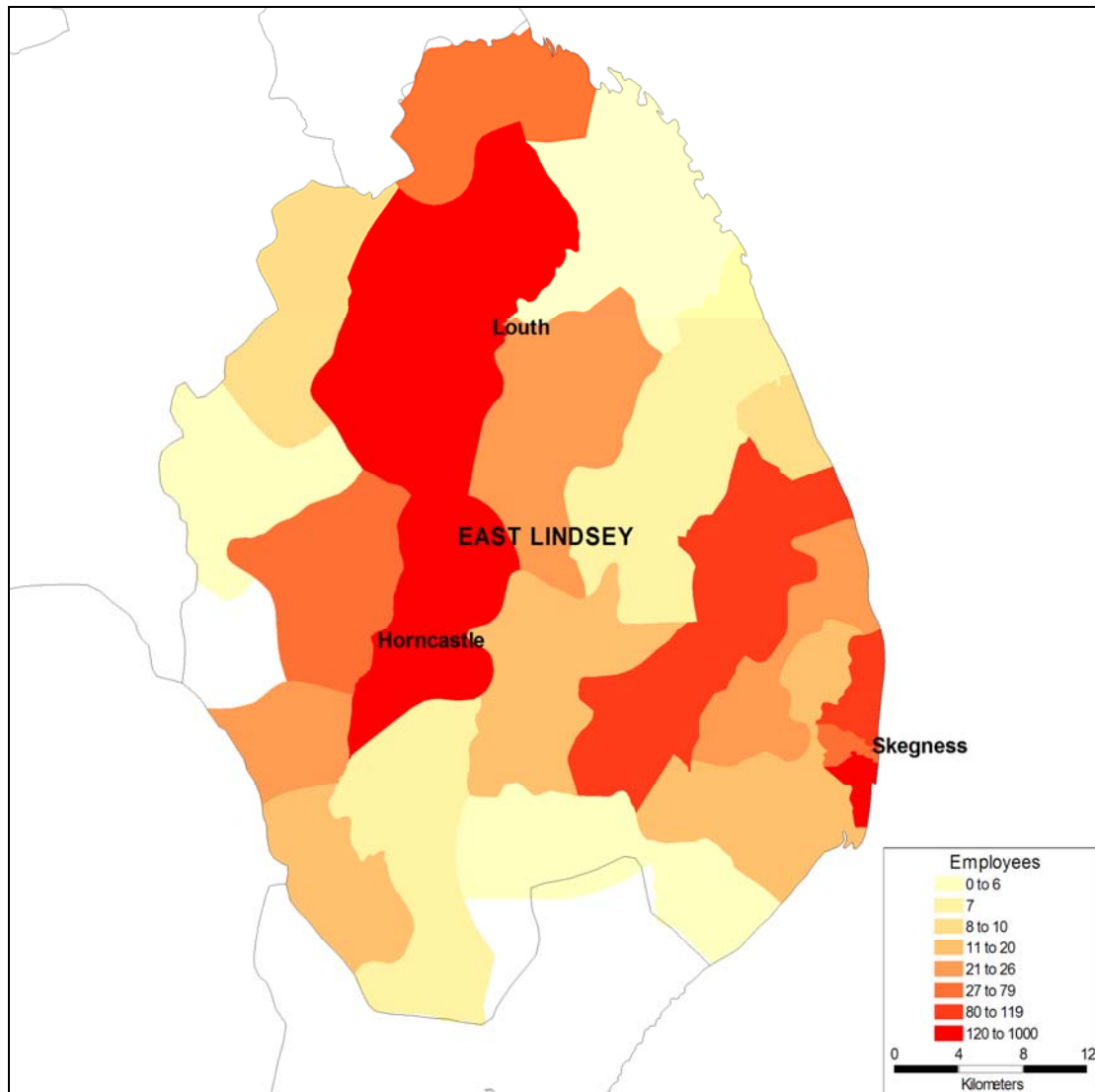
*Source: ONS ABI (2005)/BOP*

---

<sup>3</sup> Note that ABI data does not include sole traders, freelancers and many small and micro companies (for example, those below the VAT threshold). It should also be noted that ABI is less reliable when looking at a single local authority district than when analysing a larger area, or at specific industrial sectors rather than the whole economy. The margin of error increases as the level of detail becomes more specific.

Figure 1 below illustrates the distribution of creative industries employment in East Lindsey, based on Experian NBD data. It shows that:

- There are several areas of concentrated creative industries employment in East Lindsey, particularly in and around Horncastle, Skegness, Louth and the postcode sectors 'LN13 9' and 'PE23 5'.<sup>4</sup> The presence of a large publisher and printer of newspapers and magazines in Horncastle makes this the area of highest employment.
- The density of creative industries employment is far lower in other parts of the district.



**Figure 1 –Creative Industries Employment in East Lindsey**

*Source: BOP (2007), from Experian NBD*

<sup>4</sup> Note that the shaded areas on the map are postcode sectors. Employment levels are mapped against each postcode sector in the district. Note also that the size intervals in the key are specific to this district, so the map should not be directly compared with similar maps for other districts produced for this study.

## 2 CREATIVE INDUSTRIES BUSINESSES – ABI

Table 3 below shows the number of creative industries businesses<sup>5</sup> in East Lindsey in 2005, based on ONS ABI data. It shows that.

- There were 294 creative industries businesses in East Lindsey in 2005, accounting for 5.6% of the total stock of VAT-registered businesses. (This was a lower share than in most rural districts of the East Midlands.)
- Most businesses were in the Visual Arts & Design domain – 51% of creative firms. 23% of creative businesses were in the Audio-visual sector, 18% in Books & Press and 8% in Performance.
- Comparison with levels of employment shows that Books & Press had by far the most employees per company, on average.

|                      | <b>Number of business units</b> | <b>% of all businesses units in East Lindsey</b> |
|----------------------|---------------------------------|--|
| Audio-visual         | 67                              | 1.3%   |
| Books & Press        | 52                              | 1.0%   |
| Performance          | 24                              | 0.5%   |
| Visual Arts & Design | 151                             | 2.9%   |
| <b>Total</b>         | <b>294</b>                      | <b>5.6%</b>                                      |

**Table 3 – Creative Industries Businesses**

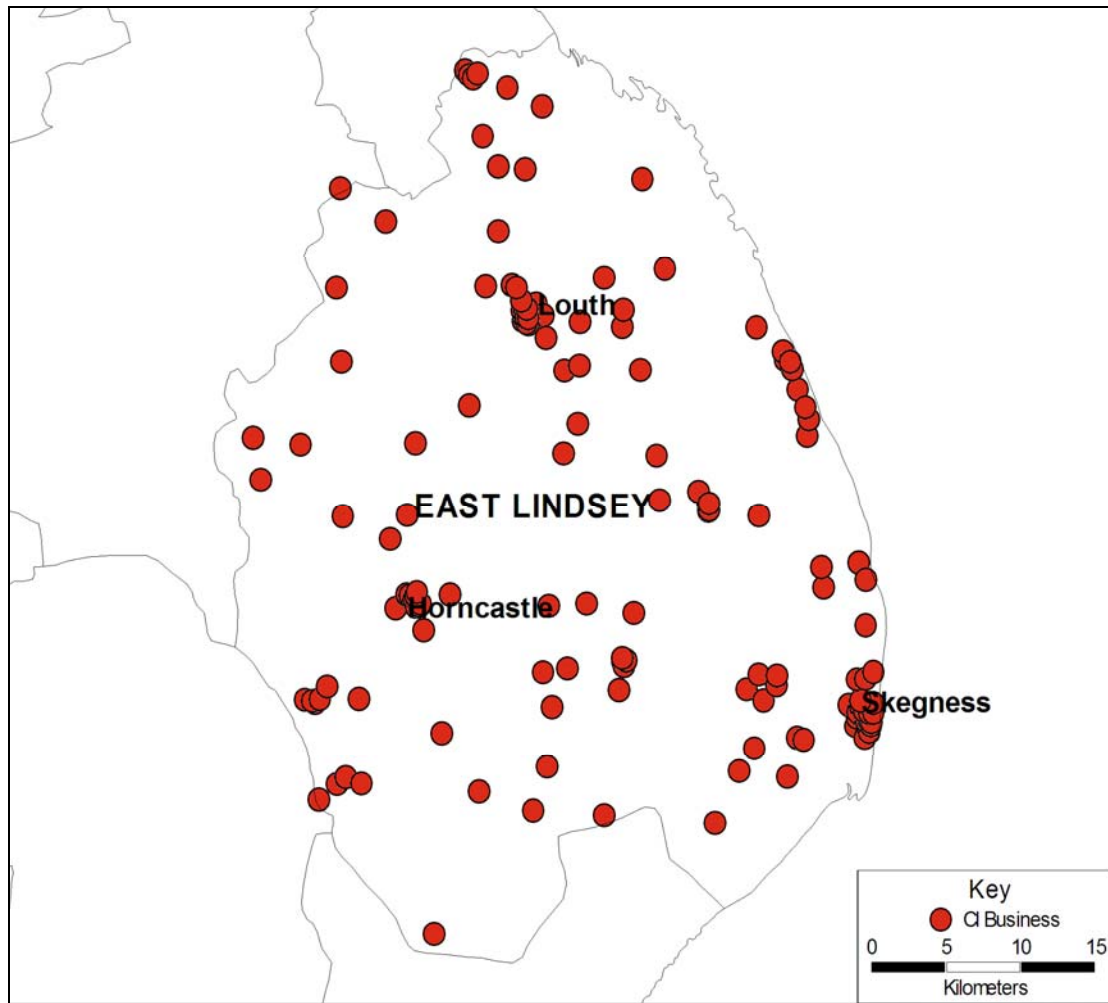
*Source: ONS ABI (2005)/BOP*

---

<sup>5</sup> Strictly speaking, these are ‘data units’ rather than individual businesses, as some companies may have several premises. However, most creative industries companies are relatively small, and only occupy one address.

Figure 2 below illustrates the distribution of creative industries businesses in East Lindsey. It shows that:

- The highest concentrations of creative businesses are in Skegness, Louth and Horncastle.
- Creative businesses are otherwise distributed relatively evenly throughout the district, in small numbers.



**Figure 2 - Creative Industries Businesses in East Lindsey**

*Source: BOP (2007), from Experian NBD*

### 3.1 TRENDS: EMPLOYMENT 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in levels of employment in East Lindsey's creative industries. Table 4 shows that:

- The number of people employed in creative industries grew by 11% between 2001 and 2005 – a higher rate of increase than in the district's economy as a whole (which grew by 6%).
- The rate of change was not even across the four creative domains. Performance experienced the highest relative growth (89%), compared to 21% in Visual Arts & Design and 16% in Books & Press. It is notable that Books & Press grew at a time when this sector is declining in many districts (largely due to changes in the printing industry). Employment in the audio-visual sector decreased significantly (by 29%).

| Employment                       | 2001         | 2005         | % change     |
|----------------------------------|--------------|--------------|--------------|
| Audio-visual                     | 196          | 139          | -29.2%       |
| Books & Press                    | 583          | 673          | 15.6%        |
| Performance                      | 37           | 69           | 89.0%        |
| Visual Arts & Design             | 229          | 278          | 21.3%        |
| <b>Total Creative Industries</b> | <b>1,045</b> | <b>1,159</b> | <b>11.0%</b> |
| Whole Economy of District        | 35,866       | 38,095       | 6.2%         |

Table 4 – Creative Industries Employment in East Lindsey, 2001 – 2005

Source: ABI/BOP

Figure 3 below illustrates how employment in each creative industries domain has changed in East Lindsey between 2001 and 2005.

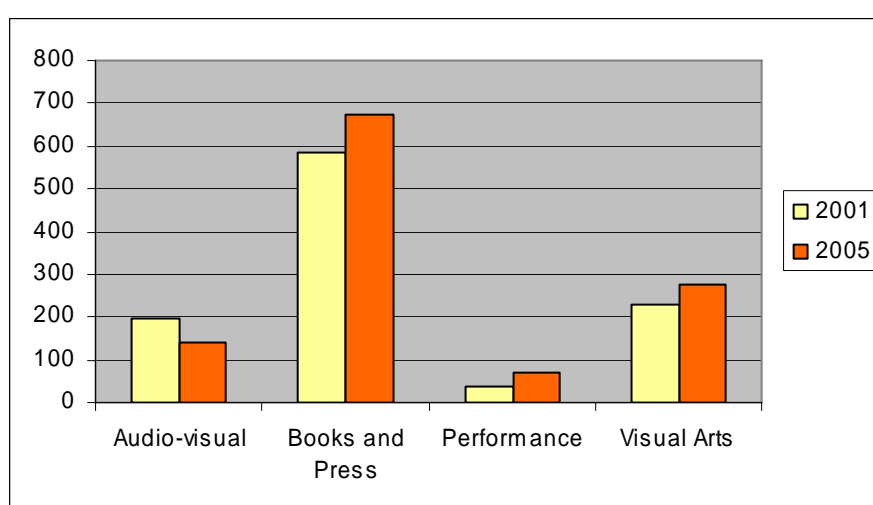


Figure 3 – Creative Industries Employment in East Lindsey, 2001 – 2005

Source: ABI/BOP

### 3.2 TRENDS: BUSINESSES 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in the numbers of creative industries businesses in East Lindsey. Table 5 below shows that:

- The number of creative industries businesses grew by 19% between 2001 and 2005 – a higher rate of change than for the number of businesses in East Lindsey’s economy as a whole.
- Again, the rate of change was uneven across the four creative domains. Audio-visual and Books & Press both experienced a decline in the number of companies, but Visual Arts & Design increased by an impressive 51%, and Performance grew more modestly (14%).

| Business Units            | 2001       | 2005       | % change     |
|---------------------------|------------|------------|--------------|
| Audio-visual              | 71         | 67         | -4.6%        |
| Books & Press             | 56         | 52         | -7.2%        |
| Performance               | 21         | 24         | 14.3%        |
| Visual Arts & Design      | 100        | 151        | 51.1%        |
| <b>Total</b>              | <b>247</b> | <b>294</b> | <b>18.9%</b> |
| Whole Economy of district | 4,619      | 5,237      | 13.4%        |

Table 5 – Creative Industries Businesses in East Lindsey, 2001 – 2005

Source: ABI/BOP

Figure 4 below illustrates how the number of businesses in each creative industries domain changed between 2001 and 2005.

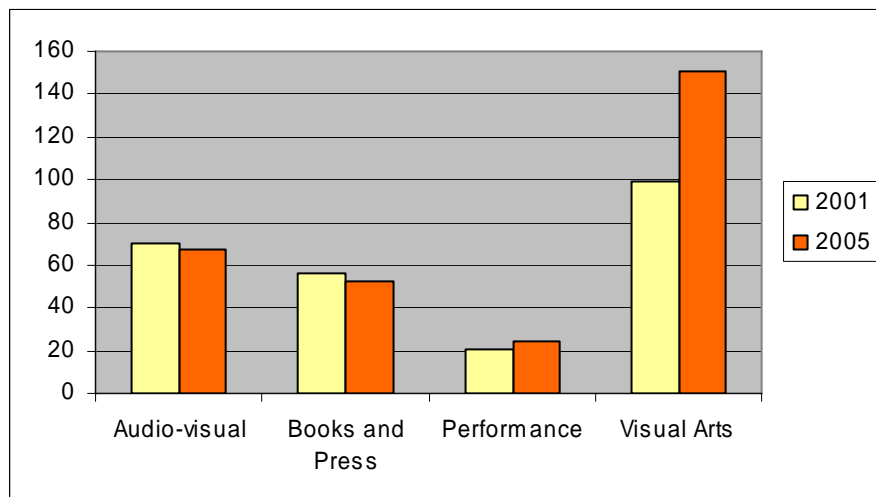


Figure 4 – Creative Industries Businesses in East Lindsey, 2001 – 2005

Source: ABI/BOP

## 4 EAST LINDSEY – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England<sup>6</sup> according to how rural or urban they are, based on the proportion of the population living in rural settlements. The three most rural classes are:

- **Rural 80** (the most rural); there are eight such districts in the East Midlands;
- **Rural 50** (the next most rural); there are ten such districts in the East Midlands;
- **Significant Rural** (a mixed rural/urban category); there are eight such districts in the East Midlands.

East Lindsey is classed as a ‘Rural 80’ district, which means that at least 80 percent of the population lives in rural settlements and larger market towns. (See APPENDIX for a list of ‘Rural 80’, ‘Rural 50’ and ‘Significant Rural’ districts in the East Midlands.)

### Employment and Businesses

When East Lindsey is compared to the aggregated data for employment and numbers of businesses for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands<sup>7</sup>, we can see that:

- East Lindsey is in line with Rural 80 districts as a whole in terms of the share of all employment attributable to creative industries – but the proportion of creative companies is lower.
- In absolute terms, the district has more creative employees than most other rural districts in the East Midlands, because its overall working population is one of the largest.

|                   | CI Employment | % of all Economy | CI Business Units | % of all Economy |
|-------------------|---------------|------------------|-------------------|------------------|
| East Lindsey      | 1,159         | 3.0%             | 294               | 5.6%             |
| Rural 80          | 8,400         | 3.0%             | 2,800             | 8.2%             |
| Rural 50          | 9,800         | 3.3%             | 2,800             | 8.6%             |
| Significant Rural | 10,400        | 3.6%             | 2,300             | 8.2%             |

Table 6 – East Lindsey in relation to rural categories in East Midlands (2005)

<sup>6</sup> Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London

<sup>7</sup> Note that the statistics for Rural 80 include those for East Lindsey.

Source: ABI/BOP

**Rate of Growth**

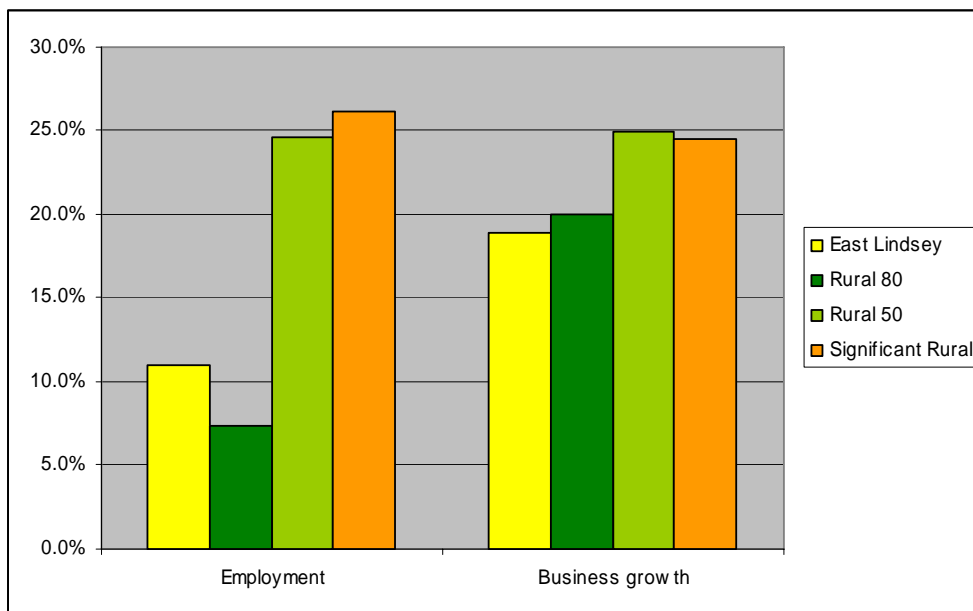
When East Lindsey is compared to the aggregated data for growth in employment and business numbers for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands<sup>8</sup> between 2001 and 2005, we can see that:

- Creative employment in East Lindsey grew at a higher rate than in Rural 80 districts as a whole, but at a lower rate than in other classes of rural district. Creative industries businesses grew at a slightly lower rate than in rural districts as a whole.
- Employment in East Lindsey’s whole economy grew at a lower rate than in Rural 80 districts as a whole, but the number of businesses grew at a slightly higher rate.

|                   | CI employment growth, 2001-2005 | CI business unit growth, 2001-05 | Whole economy employment growth, 2001 – 2005 | Whole economy business unit growth, 2001 - 2005 |
|-------------------|---------------------------------|----------------------------------|--|---|
| East Lindsey      | 11.0%                           | 18.9%                            | 6.2%   | 13.4%   |
| Rural 80          | 7.4%                            | 20.0%                            | 8.7%   | 12.2%   |
| Rural 50          | 24.6%                           | 24.9%                            | 8.1%   | 13.1%   |
| Significant Rural | 26.1%                           | 24.5%                            | 6.4%   | 7.6%  |

**Table 7 – Creative industries growth, 2001-2005**

Source: ABI/BOP



**Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005**

Source: ABI/BOP

<sup>8</sup> Again, statistics for Rural 80 include those for East Lindsey.



## APPENDIX

### Definition of Creative Industries

Creative Industries are defined according to the DCMS Evidence Toolkit (DET), published by the Department for Culture Media and Sport in 2004 (DCMS Evidence Toolkit: Technical Report – see <http://tinyurl.com/huocg>). The DET organises the cultural sector into 7 thematic domains: Audio Visual, Books & Press, Performance, Visual Art & Design, Heritage, Sport & Tourism (of which the first four constitute the creative industries, and have been analysed in this fact sheet). The 4 creative industries domains include the following sectors:

**Table 8 – Creative Industries Domains**

| Audio-visual   | Books & Press                             |
|--|---|
| TV & radio   | Publishing (books, magazines, newspapers) |
| Film & video   | Literature                                |
| Photography  | Printing                                  |
| Advertising  |   |
| Music  |   |
| Interactive digital media (games, web, software development, mobile etc) |   |
| Performance  | Visual Art & Design                       |
| Theatre  | Design                                    |
| Dance  | Architecture                              |
| Circus   | Fine arts                                 |
| Carnival   | Crafts                                    |
| Puppetry   | Art & Antiques                            |
|  | Designer fashion                          |

(Note that sectors that could appear in more than one domain are only counted once. Music, for instance, is not counted in performance as well as audiovisual.)

The DET also includes within its definition of each domain the entire production chain: Creation, Making/Manufacturing, Dissemination, Exhibition, Archiving/Preserving and Education/Understanding. This means that as well as core creative activities, such as writing a screenplay, other related activities are also included, such as the manufacture of film cameras or wholesale of computer games, CDs and DVDs.

### Data Analysis Methodology

The DET supplies a list of Standard Industrial Classification (SIC) codes with which to identify the industrial sectors that contain the creative industries. Using these codes it is possible to extract data on creative industries from Office for National Statistics (ONS) data, such as the Annual Business Inquiry (ABI). However, there is not a direct match between all creative sub sectors and the corresponding SIC codes that are used to identify them. Some creative sub sectors are included within SIC classes that also contain non-creative-industries sectors. Architecture, for example, is included in 74.20, but this code also includes quantity surveying and a wide range of engineering activities.

The solution is to attribute a proportion of the data in these SIC classes to creative industries. This is done by applying weightings to the statistics; the difficulty lies in calculating what the weightings should be.

For this study, a second data source was used to calculate weightings for creative industries – Experian's National Business Database (NBD). The NBD provides commercially licensed data on businesses in a given geographic area, derived from a range of sources, including Yellow Pages, Thomson and Companies House. These data are mapped against SIC codes, but also a number of other classificatory systems that allow a more detailed, 'finer-grained' analysis of creative industries sectors. By analysing NBD, it is possible to calculate accurate weightings for creative industries in a specific region. These weightings can then be applied to ONS data such as ABI to provide an estimate of the size and growth of the creative industries sector.

For this study, Experian NBD data for each of the rural districts was analysed in its own right, and then used to produce weightings to apply to relevant SIC codes, as specified in the DET.

These were then applied to ABI (Workplace Analysis) data for the district for the years 2001 and 2005, to produce an estimate of employment and business numbers in creative industries.

#### Note on accuracy

It should be noted that ABI data does not include freelancers, sole traders and a high proportion of micro businesses (those beneath the VAT threshold, for example). Yet a significant proportion of those working in creative industries work in these kinds of businesses<sup>9</sup>, and this should be taken into account when considering the ABI data presented above.

It should also be noted that ABI data is derived from an annual survey of a sample of businesses in the overall economy, and for statistical reasons it is more accurate when the sample size is larger – as in the accompanying report on all rural districts in the region. Examining only specific industrial sectors in a single local authority district (as we have been done here) involves a margin of error. The figures presented in this report should be regarded as indicative only. Where the variation between 2001 and 2005 appears particularly pronounced, this could be sampling variations.

### Lincolnshire

There are minor differences between the methodology outlined above and that employed for the creative industries report produced by BOP for LCSi in 2006. As a result, there may be minor discrepancies in the findings of the two studies. The main differences between the two studies are that:

- The LCSi work used Experian NBD data to calculate employment levels and numbers of businesses. This study used Experian NBD

<sup>9</sup> On average, around 8% in rural districts of the East Midlands, according to our analysis of Experian NBD data.

data to calculate weightings only, and used ONS ABI data to calculate employment levels and numbers of businesses.

- The LCSi research augmented Experian data with local databases of artists and creative workers. This study did not.
- The LCSi research included Lincoln – which was excluded from this study because the district is classed as urban.
- The LCSi research included a greater proportion of freelancers and sole traders. Reliance on ABI excluded many of these from this study.

## Rural Districts in East Midlands

When considering the wider economy of the East Midlands, we have employed DEFRA's urban-rural classification for local authorities in England<sup>10</sup> to identify the rural districts. This complements EMDA's work on the rural economy, which also uses this classification system in some of its analyses. The three most rural classes of district were examined: Rural 80, Rural 50 and Significant Rural.

**Rural 80** districts are those in which at least 80 percent of the population lives in rural settlements and larger market towns. There are 8 such districts in the East Midlands, and 73 in England.

**Rural 50** districts are those in which at least 50%, but less than 80%, of the population lives in rural settlements and larger market towns. There are 10 such districts in the East Midlands, and 52 in England.

**Significant Rural** districts are those in which more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns. This category is a mixed urban/rural class that contains both rural and substantial urban areas. There are 8 such districts in the East Midlands, and 53 in England.

Under this classification system, the following districts in the East Midlands can be regarded as 'rural':

### Rural 80

Daventry  
Derbyshire Dales  
East Lindsey  
Harborough  
Melton  
North Kesteven  
Rutland  
South Holland  
South Northamptonshire  
West Lindsey

### Rural 50

Bassetlaw  
East Northamptonshire  
High Peak  
Newark and Sherwood  
North East Derbyshire  
North West Leicestershire  
Rushcliffe  
South Kesteven

### Significant Rural

Amber Valley  
Bolsover  
Boston  
Charnwood  
Hinckley & Bosworth  
Kettering  
South Derbyshire  
Wellingborough

---

<sup>10</sup> Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London.

Prepared by Burns Owens Partnership Ltd

[www.bop.co.uk](http://www.bop.co.uk)

