

The Creative Economy in South Holland

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 – SOUTH HOLLAND

- 524 people were employed in South Holland's creative industries in 2005, accounting for 1.7% of all employment in the district.
- There were 187 creative businesses in South Holland in 2005, accounting for 6% of the stock of all businesses in the district
- The Books & Press sector was the largest employer, but declined substantially between 2001 and 2005. This caused overall creative industries employment to decline by nearly 27%.
- The number of creative industries businesses increased by 28% between 2001 and 2005.
- The largest concentration of creative businesses in the district is in Spalding.

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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)¹, 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 Film & video Photography Advertising Music Interactive digital media (games, web, mobile, software etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Arts & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques 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 Experian². 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 South Holland, 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.

¹ DCMS (2004), DCMS Evidence Toolkit – DET: Technical Report

² 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 South Holland 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 South Holland in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- 524 people were employed in South Holland’s creative industries in 2005, accounting for 1.7% of all employment in the district. This is a lower share of all employment than in rural districts of the East Midlands as a whole (where creative industries account for around 3% of employment.)
- Books & Press was the largest domain, responsible for 42% of all creative employment in the district. 32% of creative workers were employed in Visual Arts & Design, 15% in Audio-visual and 11% in Performance.
- Analysis of Experian NBD data indicates that 8% of creative industries workers in South Holland are sole traders or self-employed. This is equivalent to the level of self-employment in creative industries across all rural districts of the East Midlands. (Note that ABI data in the table below do not include sole traders or most micro businesses.³)

	Employment	% of Employment in whole economy of district
Audio-visual	78	0.3%
Books & Press	218	0.7%
Performance	57	0.2%
Visual Arts & Design	170	0.5%
TOTAL	524	1.7%

Table 2 - Creative Industries Employment in South Holland 2005

Source: ONS ABI (2005)/BOP

³ 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 South Holland, based on Experian NBD data. It shows that:

- Creative industries employment is most heavily concentrated in and around Spalding.
- The coloured areas on the map are 'postcode sectors'. The postcode sectors adjacent to Spalding cover relatively large geographic areas, giving the impression that creative employment is high across much of the district. However, most of the creative businesses in these postcode sectors are actually located close to the town itself, as Figure 2 below illustrates.⁴

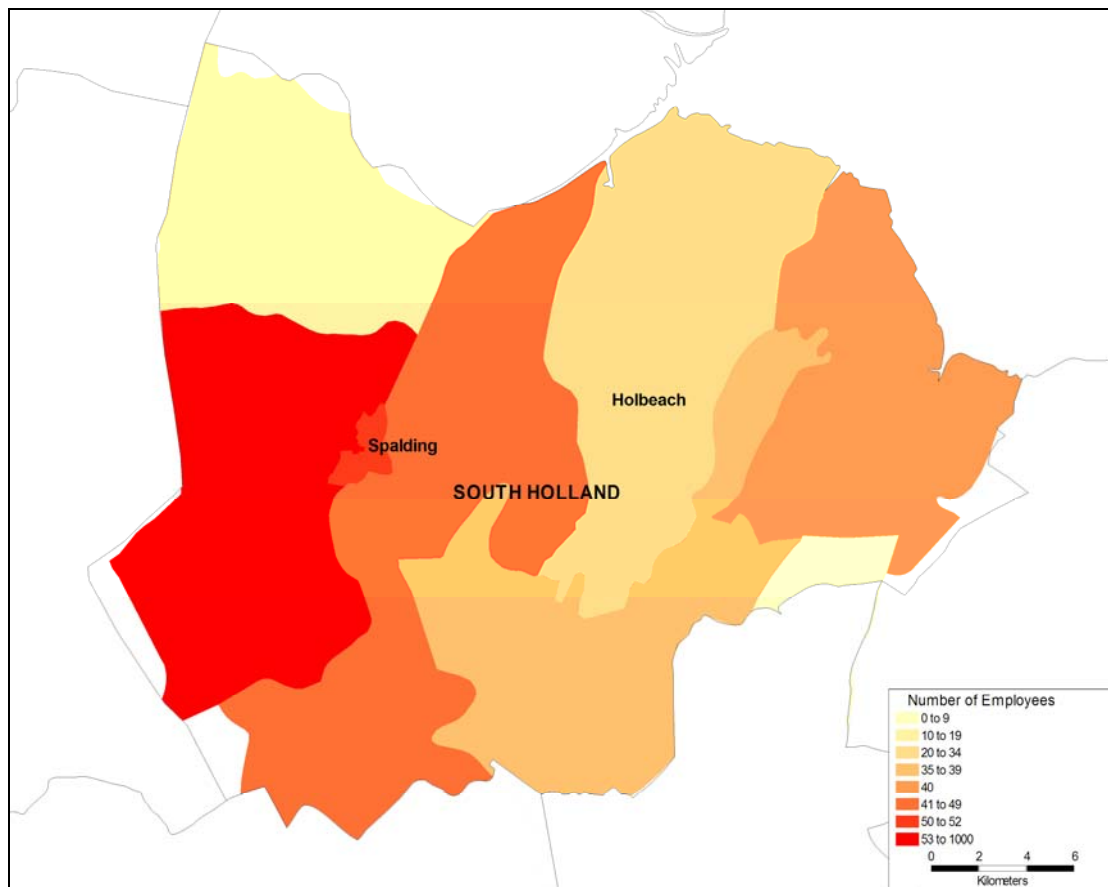


Figure 1 –Creative Industries Employment in South Holland

Source: BOP (2007), from Experian NBD

⁴ 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 businesses⁵ in South Holland in 2005, based on ONS ABI data. It shows that:

- There were 187 creative businesses in South Holland in 2005, accounting for 6% of the stock of all VAT-registered businesses in the district (a lower share than in rural districts as a whole, in which creative industries account for more than 8% of all businesses).
- The largest domain in terms of number of businesses was Visual Arts & Design, with 51% of all creative companies, followed by Audio-visual (21%), Books & Press (19%) and Performance (8%).
- Comparison with levels of employment shows that Books & Press sector employs the most people per company, on average.

	Number of business units	% of all businesses units in South Holland
Audio-visual	40	1.3%
Books & Press	36	1.2%
Performance	15	0.5%
Visual Arts & Design	96	3.1%
Total	187	6.1%

Table 3 – Creative Industries Businesses

Source: ONS ABI (2005)/BOP

⁵ 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 South Holland.

It shows that:

- The most significant concentration of creative businesses is in and around Spalding. There is a much smaller cluster of businesses around Holbeach, with other companies scattered throughout the district.

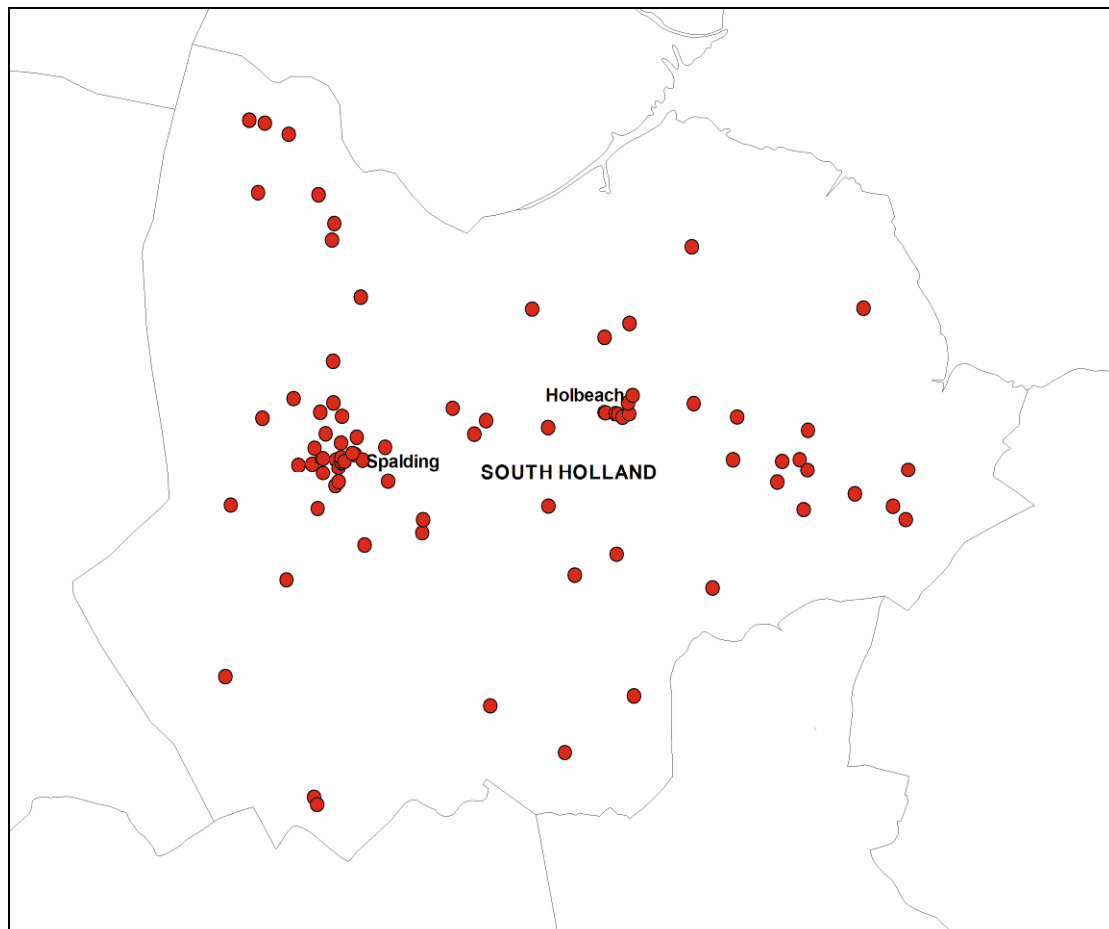


Figure 2 - Creative Industries Businesses in South Holland

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 South Holland's creative industries. Table 4 shows that:

- Creative industries employment declined by more than 28% in South Holland between 2001 and 2005 – compared to employment growth of 7% in the district's economy as a whole.
- The decline in creative jobs was due to a significant drop in employment in the Books & Press sector – likely to have been primarily in the printing industry.
- By contrast, the Performance domain grew by 46% during the same period, although from the lowest base. The Visual Arts & Design and Audio-visual domains grew modestly, but at a lower rate than most other rural districts in the region.

Employment	2001	2005	% change
Audio-visual	77	78	1.9%
Books & Press	458	218	-52.4%
Performance	39	57	46.2%
Visual Arts & Design	159	170	6.9%
Total Creative Industries	733	524	-28.6%
Whole Economy of District	28,974	31,095	7.3%

Table 4 – Creative Industries Employment in South Holland, 2001 – 2005

Source: ABI/BOP

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

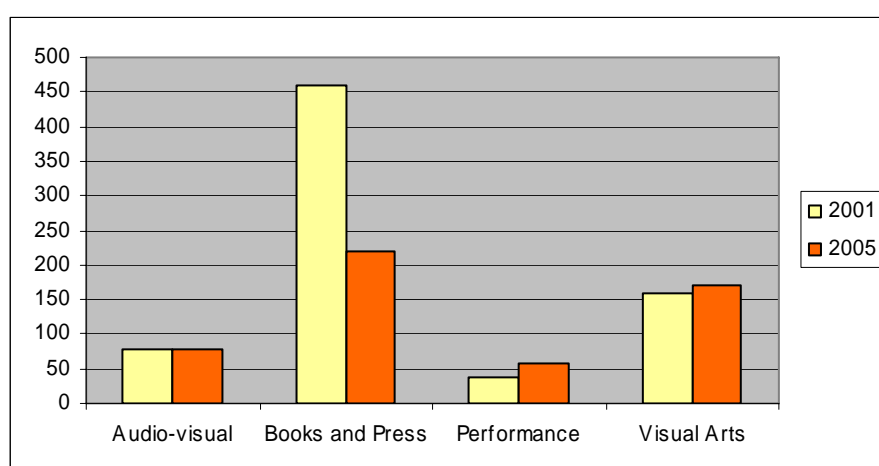


Figure 3 – Creative Industries Employment in South Holland, 2001 – 2005

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 South Holland. Table 5 below shows that:

- The number of creative industries businesses in South Holland grew by nearly 28% in South Holland between 2001 and 2005 – more than twice the rate of growth in the district's economy as a whole.
- Visual Arts & Design increased by the largest margin – nearly 8% per year on average – but the number of businesses increased in all four creative domains. Books & Press grew by 14%, despite job losses of more than 50%.
- The average number of employees per creative business declined between 2001 and 2005.

Business Units	2001	2005	% change
Audio-visual	34	40	18.5%
Books & Press	31	36	13.8%
Performance	12	15	20.8%
Visual Arts & Design	69	96	39.7%
Total	146	187	27.7%
Whole Economy of district	2,692	3,060	13.7%

Table 5 – Creative Industries Businesses in South Holland, 2001 – 2005

Source: ABI/BOP

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

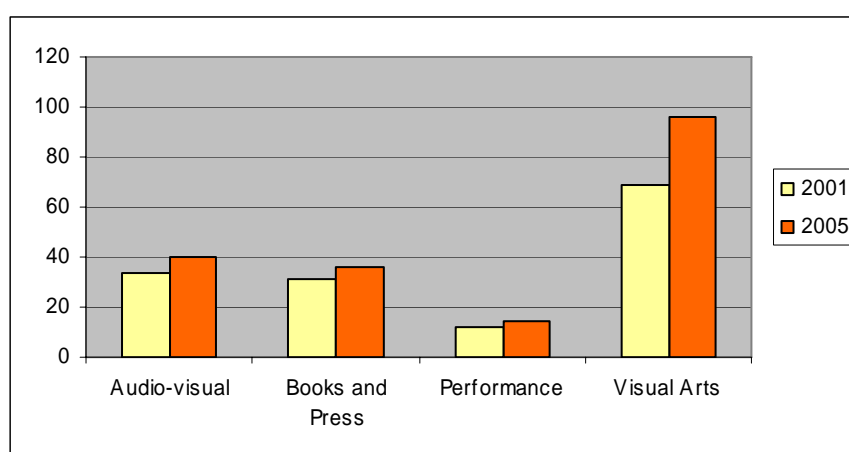


Figure 4 – Creative Industries Businesses in South Holland, 2001 – 2005

Source: ABI/BOP

4 SOUTH HOLLAND – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England⁶ 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.

South Holland 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 South Holland 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 Midlands⁷, we can see that:

- Creative industries’ share of the whole economy in South Holland is significantly lower than in rural districts as a whole, or in any other rural class.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
South Holland	524	1.7%	187	6.1%
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 – South Holland in relation to rural categories in East Midlands (2005)

Source: ABI/BOP

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

⁷ Note that the statistics for Rural 80 include those for South Holland.

Rate of Growth

When South Holland 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 Midlands⁸ between 2001 and 2005, we can see that:

- Creative industries employment declined in South Holland, but grew in Rural 80 districts as a whole. Despite this, the number of creative businesses in the district grew at a higher rate than in all Rural 80 districts (or other rural classes).
- Employment growth in South Holland’s whole economy grew slightly less than in all Rural 80 districts, and the number of business units in the district 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
South Holland	-28.6%	27.7%	7.3%	13.7%
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

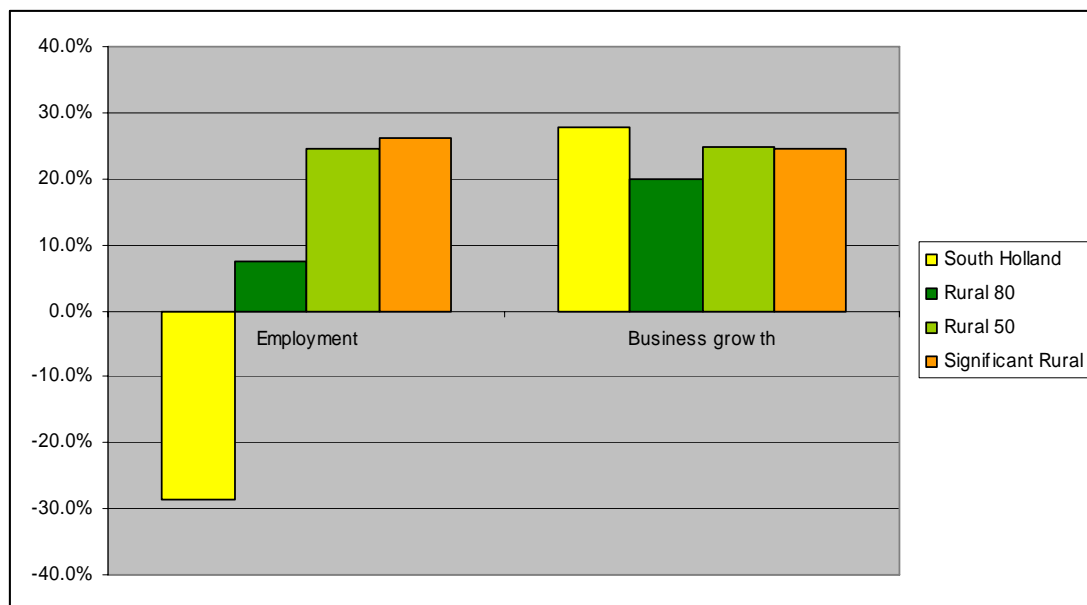


Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005

Source: ABI/BOP

⁸ Again, statistics for Rural 80 include those for South Holland.

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 Film & video Photography Advertising Music Interactive digital media (games, web, software development, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Art & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts 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 businesses⁹, 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 LCS 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:

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

- The LCSl work used Experian NBD data to calculate employment levels and numbers of businesses. This study used Experian NBD data to calculate weightings only, and used ONS ABI data to calculate employment levels and numbers of businesses.
- The LCSl research augmented Experian data with local databases of artists and creative workers. This study did not.
- The LCSl research included Lincoln – which was excluded from this study because the district is classed as urban.
- The LCSl research included a greater proportion of freelancers and sole traders. Reliance on ABI excluded many of these from this study.

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

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 England¹⁰ 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

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

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