The Creative Economy in West 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 the for more details.

KEY FACTS – WEST LINDSEY

- 475 people were employed in West Lindsey's creative industries in 2005, accounting for 2.1% of all employment in the district.
- There were 223 creative businesses in West Lindsey in 2005, accounting for 7.3% of the stock of VAT-registered businesses in the economy.
- The district has a higher proportion of freelance workers and sole traders than the rural East Midlands average.
- The Visual Arts & Design sector employs the most people and contains the most businesses. The number of businesses in this sector is growing strongly, but the number of jobs decreased between 2001 and 2005.
- There are small clusters of businesses in Gainsborough, Market Rasen and around Welton and Dunholme.

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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 Experian[2]. 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 West 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.

[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 West 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 West Lindsey in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- 475 people were employed in West Lindsey's creative industries in 2005, accounting for 2.1% of all employment in the district. (This is a smaller share than in the region's rural districts as a whole, where creative industries employ 3% of workers.)
- The Visual Arts & Design domain is the largest employer, with 35% of all creative employment. Audio-visual accounts for 31% of creative industries employment, Books & Press for 27% and Performance for 7%.
- Analysis of Experian NBD data indicates that more than 10% of creative industries workers in West Lindsey are sole traders or self-employed. This is higher 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.[3])

	Employment	% of Employment in whole economy of district
Audio-visual	148	0.7%
Books & Press	128	0.6%
Performance	35	0.2%
Visual Arts & Design	164	0.7%
TOTAL	**475**	**2.1%**

Table 2 - Creative Industries Employment in West Lindsey 2005

Source: ONS ABI (2005)/BOP

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

[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.

- Creative industries employment is most heavily concentrated in Gainsborough and Market Rasen. There is also an area of high employment in the south of the district, which borders Lincoln.[4]

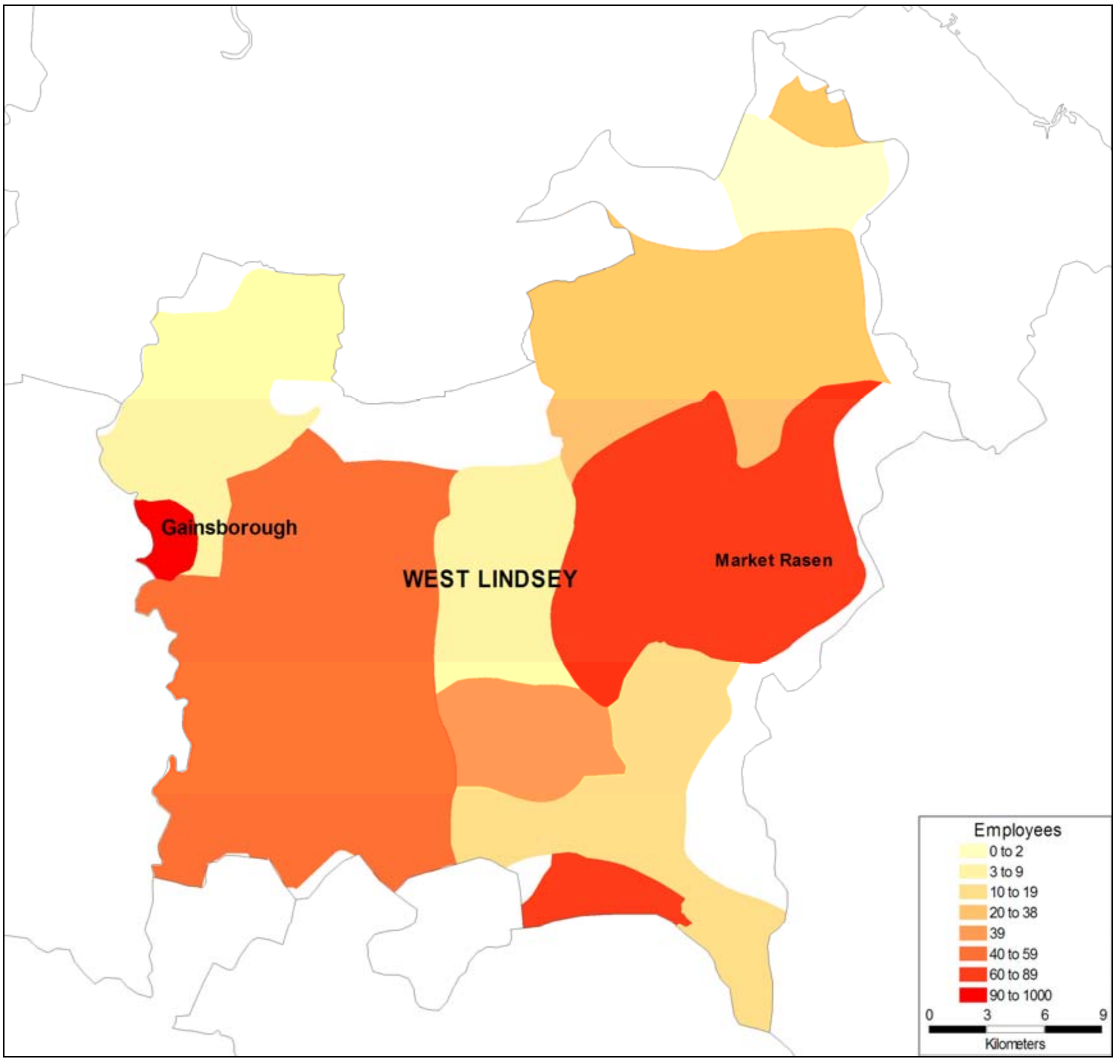

Figure 1 –Creative Industries Employment in West Lindsey

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 businesses[5] in West Lindsey in 2005, based on ONS ABI data. It shows that.

- There were 223 creative businesses in West Lindsey in 2005, accounting for 7.3% of the stock of VAT-registered businesses in the economy. (This is a slightly lower share than in rural districts of the East Midlands as a whole.)
- 52% of creative businesses were in the Visual Arts & Design domain. 29% were in Audio-visual, 10% in Books & Press and 8% in Performance.
- Comparison with levels of employment shows that the Books & Press domain employed the most people per business, no average.

	Number of business units	% of all businesses units in West Lindsey
Audio-visual	65	2.1%
Books & Press	23	0.8%
Performance	18	0.6%
Visual Arts & Design	117	3.8%
Total	**223**	**7.3%**

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 West Lindsey. It shows that:

- There are small concentrations of businesses in Gainsborough, Market Rasen and around Welton and Dunholme.
- Businesses are otherwise dispersed throughout the district.

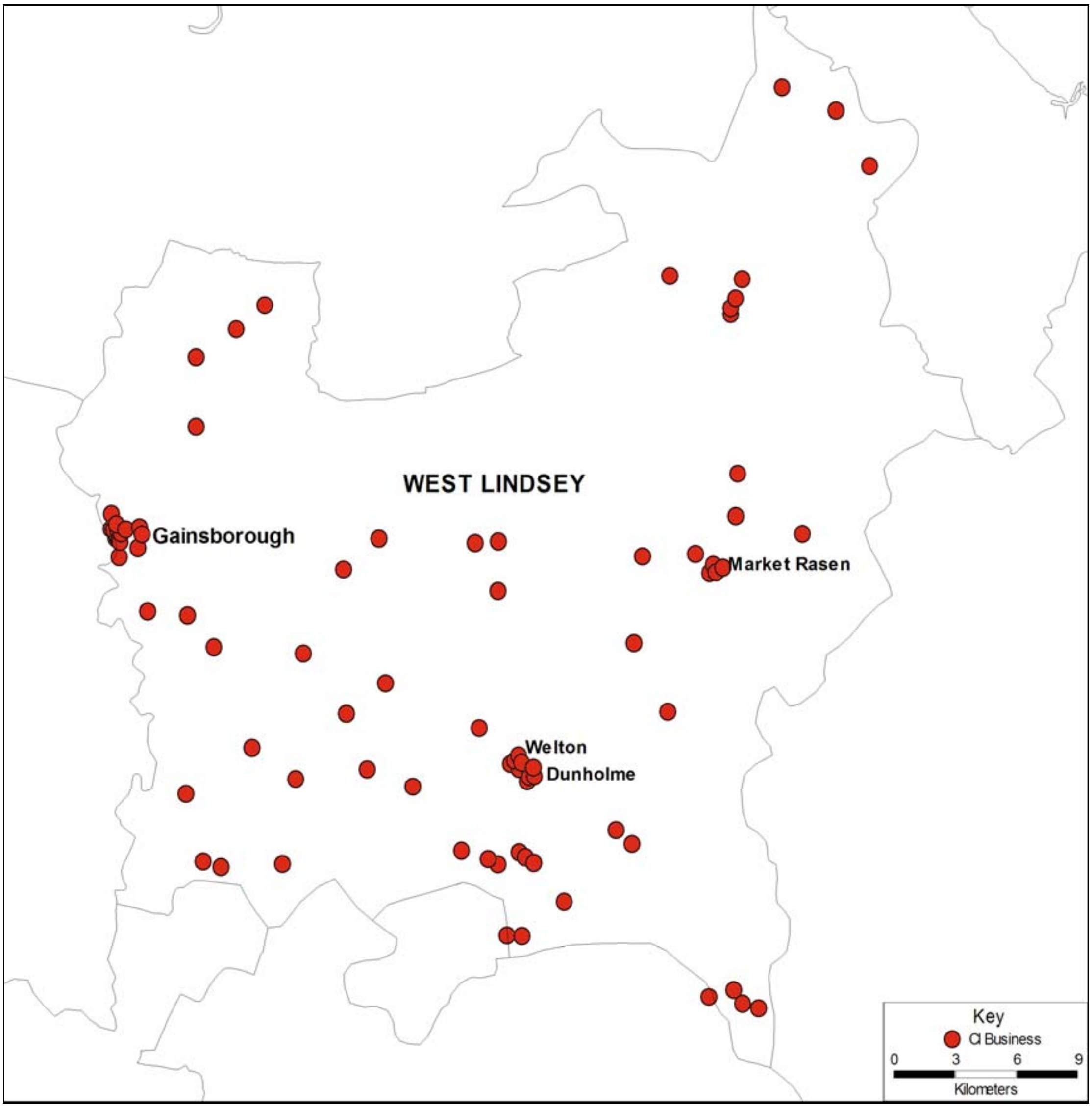

Figure 2 - Creative Industries Businesses in West Lindsey

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 West Lindsey's creative industries. Table 4 shows that:

- The number of people employed in creative industries in West Lindsey grew by 9% between 2001 and 2005. By comparison, employment in the district's economy as a whole remained essentially static over the same period.
- The rate of change was uneven across the four creative domains. Performance grew very strongly, but from the lowest base, and Audio-visual also showed strong growth. Books & Press grew more modestly, but this is a sector that is declining in many other areas due to changes in the printing industry. Visual Arts & Design declined in size – in contrast to most other rural districts of the East Midlands.

Employment	2001	2005	% change
Audio-visual	112	148	*33.0%*
Books & Press	117	128	*9.5%*
Performance	19	35	*81.6%*
Visual Arts & Design	188	164	*-12.8%*
Total Creative Industries	**435**	**475**	***9.0%***
Whole Economy of District	22,610	22,538	*-0.3%*

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

Source: ABI/BOP

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

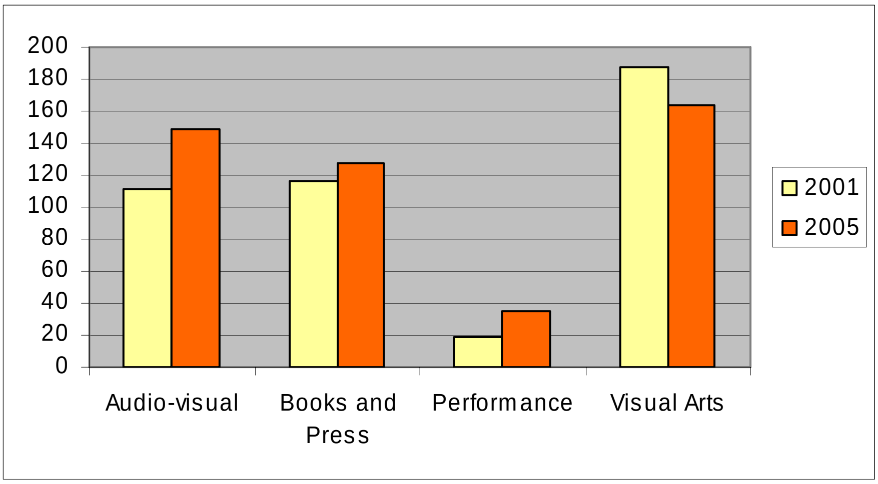

Figure 3 – Creative Industries Employment in West Lindsey, 2001 – 2005

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 West Lindsey. Table 5 below shows that:

- The number of creative businesses in West Lindsey grew by 23.5% between 2001 and 2005 – more than three times the rate of growth in the district's economy as a whole.
- The number of Audio-visual and Performance businesses each grew by more than 30% over five years. Despite falling employment, the number of Visual Arts & Design businesses grew by nearly 25% over five years. There was a marginal decrease in the number of Books & Press companies, however.

Business Units	2001	2005	% change
Audio-visual	50	65	*30.7%*
Books & Press	24	23	*-2.5%*
Performance	13	18	*34.6%*
Visual Arts & Design	94	117	*24.7%*
Total	**180**	**223**	***23.5%***
Whole Economy of district	2,841	3,043	*7.1%*

Table 5 – Creative Industries Businesses in West 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.

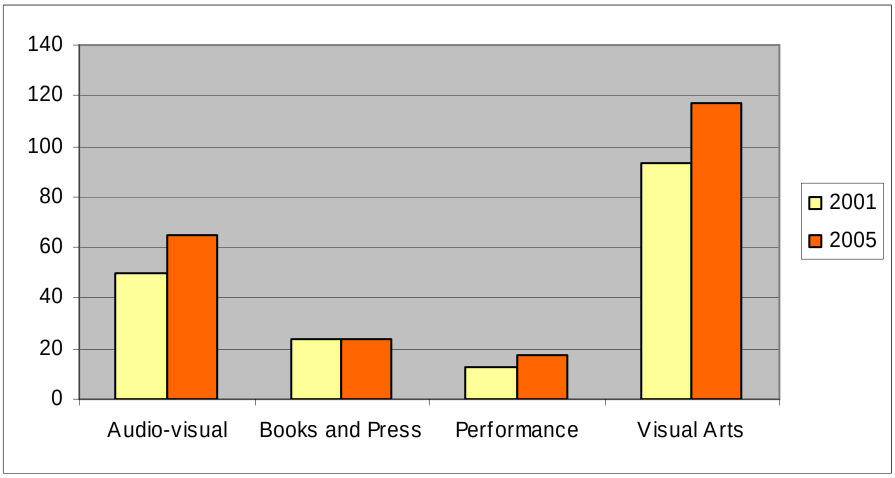

Figure 4 – Creative Industries Businesses in West Lindsey, 2001 – 2005

Source: ABI/BOP

4 West Lindsey – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England[6] 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.

West 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 West 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[7], we can see that:

- Creative industries account for a smaller share of the economy in West Lindsey than in Rural 80 districts as a whole in the region.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
West Lindsey	475	2.1%	223	7.3%
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 – West Lindsey 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 West Lindsey.

Rate of Growth

When West 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[8] between 2001 and 2005, we can see that:

- Creative industries grew at a higher rate in West Lindsey than in all Rural 80 districts – despite representing a smaller proportion of the overall economy.
- West Lindsey's economy as a whole grew at a lower rate than that of all Rural 80 districts.

	CI employment growth, 2001-2005	CI business unit growth, 2001-05	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
West Lindsey	9.0%	23.5%	-0.3%	7.1%
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

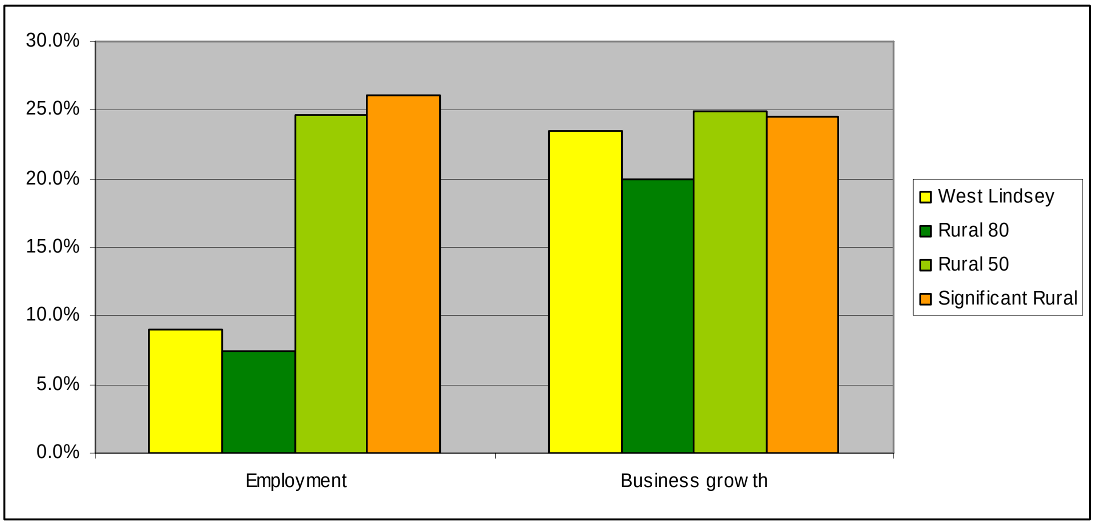

Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005

Source: ABI/BOP

[8] Again, statistics for Rural 80 include those for West 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 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 businesses [9], 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:

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

- The LCSI 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 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 [10] 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

[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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