Historic England Creative Clusters Analysis

Report Summary

May 2024

Insight

Here for Culture and Place

Historic England

Project Aims & Objectives

Historic England commissioned GC Insight to undertake a study with the aim of highlighting places in the North of England where the historic environment could make a key contribution to the growth of the creative industries.

The study objectives are firstly to identify the success criteria for existing creative clusters in the UK (excluding heritage) and map zones across the North of England in which these ingredients are found. Secondly, to assess the potential for places in the North to provide suitable historic accommodation for creative businesses, mapping the locations with highest potential. Finally, to overlay the mapping of clusters and zones against suitable historic accommodation, highlighting priority locations where investment in the historic environment might best catalyse growth in the Creative Industries and across the Northern Creative Corridors.

The report both highlights the geographic zones of opportunity and a shortlisted list of historic assets with clear potential.

Creative Industries in London representing 12% of total regional GVA in 2019, compared to only 3% in the North of England

Background Rationale for Creative Clusters

In 2020, the majority of UK Creative Industries' total £103.8 billion GVA was generated in London (51.3%) and the South East (17.4%), becoming even more concentrated in London since 2010, with Creative Industries in London representing 12% of total regional GVA in 2019, compared to only 3% in the North of England. Research published in 2023 by the Creative PEC with the RSA highlighted the opportunity for the North of England to develop a cross-regional strategy to support the growth of Creative Industries. It found that if the sector share rose to around half levels in London and the South-East, this would be equivalent to an annual GVA boost of around £10 billion by 2030.

Initiatives to redress the imbalance include the DCMS Create Growth Programme that focussed on creative industries outside of London and suggested that most creative sub-sectors are represented in specific clusters across the North of England. There is growing momentum to build on the Northern Creative Corridor (NCC) initiative, which was co-developed in 2022 by Tracy Brabin, Andy Haldane and Tim Davies and at the summit in Feb 2024 the NCC Steering Group worked with Northern Leaders to shape the policy and focus for 2024/25 activity and beyond.

historic buildings can provide the inspiring and affordable spaces for creative start-ups and mature businesses alike.

The Creative PEC/RSA work focussed on three components of the conditions for growth in the Creative industries – skills, access to finance and investment in innovation. A fourth essential component, however, is affordable space. Examples such as Folkestone's Creative Quarter, Resort Studios in Margate, the Birmingham Canal Offices, The Hat Works in Luton and Mackies' Corner in Sunderland show how historic buildings can provide the inspiring and affordable spaces for creative start-ups and mature businesses alike.

Creative Clusters "Engines of Growth" & Opportunities for the Historic Environment

In the same way as it did for using redundant textile mills for housing, Historic England can play a complementary part in the growth of the Creative Industries in the North by highlighting the opportunities offered by unused and underused historic buildings in areas where the wider conditions for clustering are being brought about by the Northern Creative Corridor initiative.

not only will this include the fuller range of the cultural and creative industries, but also considers aligned sectors such as: the built environment, conservation construction, green and landscape and the visitor economy

As reflected in the Convention of the North's policy propositions, the NCC initiative sits within a wider pan-Northern effort to "skill up, tool up and scale up" the North's Place Sectors. This opens up new opportunity: not only will this include the fuller range of the cultural and creative industries, but also considers aligned sectors such as: the built environment, conservation construction, green and landscape and the visitor economy.

Taken together, these expand the opportunities to contribute to Historic England's aims and ambitions through this project by:

- Articulating opportunities for direct contribution to the NCC initiative
- Highlighting potential for wider cluster development opportunities
- Connecting to wider needs to expand the conservation construction workforce within Northern creative clusters, specifically connecting to built environment sectors
- Supporting net zero and pride of place opportunities to reinvigorate place-based economics and communities via heritage-led regeneration, building on the success of the High Street Heritage Action Zone initiative and Levelling Up Places Support work, looking to catalyse future economic development regeneration opportunities within the DCMS Cultural Development Fund programme, AHRC Creative Clusters programme, DLUHC Levelling Up Fund and future opportunities emergent post-general elections

> They are invaluable assets to link economic regeneration and 'pride in place': a core focus of the Levelling Up agenda

Opportunities for the Historic Environment

The Creative PEC frames creative clusters as important engines of growth, for example, the potteries of Stoke-on-Trent, which contribute over £100 billion to the UK economy annually. Our policy and literature review highlighted the following opportunities and drivers for the historic environment in creative industries and in particular creative clusters:

- Culture and Heritage play a key role in Urban Development
- Evaluation shows that Enterprise Zones (CEZs) are broadly successful, with growth reported in all zones, also yielding increased social benefits and improved stakeholder relationships.
- Renewed Interest in Culture and Creativity as Drivers for Economic Recovery
- Creative microclusters are the growth hotspots in the UK's creative industries
- Affordable Space Challenges required for creative businesses to thrive
- The role of culture and heritage are key factors in sustainable urban development
- Drivers of Rural Creative Clusters are similar to those in urban areas.
- More Opportunities for Local Regeneration through 'Levelling Up' agenda

Benefits of Re-using Historic Buildings for Creative Workspace

The re-use of historic buildings for creative work/production space has three particular benefits within wider town regeneration schemes. They are invaluable assets to link economic regeneration and 'pride in place': a core focus of the Levelling Up agenda. By revitalising a town or village's historic fabric – rather than levelling for new build development – it connects a vision for the future with its past, building stronger sense of hope and potential in the present.

New build developments prioritise uses with the highest revenue-generation possible. This often places limits on the use of spaces, especially as creative workspace price points sit well below that of Grade A office space. Redeveloping listed historic assets can be pricey options for developers or councils, given the higher VAT and building costs associated. However, as part of heritage grant-funded schemes, creative workspace provision can offer a stronger business case for new/revitalised use and can create viable – and impactful – options for historic building renewal.

Critical Success Factors for Creative Cluster Development

Research highlighted that there are four critical success factors for the development of creative clusters, outlined in the table below.

CRITICAL SUCCESS FACTORS	
Business Count and Propensity for High Growth	*A novel approach of Growth Flag's multivariate growth analysis was combined with mapping company locations using a more standardised approach using ONS business base data analysis resulting in an holistic picture of the state of the creative sector in the north of England.*
Assets and Usable Sites	*To review historic assets, focus was given to the two Heritage at Risk registers for the North alongside key Grade II-listed buildings with initial focus or investment.*
Geographical Concentration of Businesses	*Focus on where critical creative clusters exist*
Strategic Activity and Partnerships	*Strategic local partnerships (SLPs) were also mapped as they can show a place-based infrastructure, common commitment and readiness to support regeneration, creative workspaces and wider cluster development.*

Creative Sector Activity Mapping

The creative sector accounted for £4.5bn of economic output in the North of England in 2021 and over the last ten years, with the exception of the disruption caused by the pandemic there has been consistent growth in economic output from the creative sector, most clearly in the North West.

There is variation across the North with fast growth output occurring in Yorkshire and The Humber post-2016 compared to slowing growth in output occurring in the North East.

More granular analysis was also conducted looking at creative and cultural businesses by lower-super-output-area (LSOA). This reveals the small local areas with the highest absolute numbers of high growth potential (and total) creative and cultural businesses.

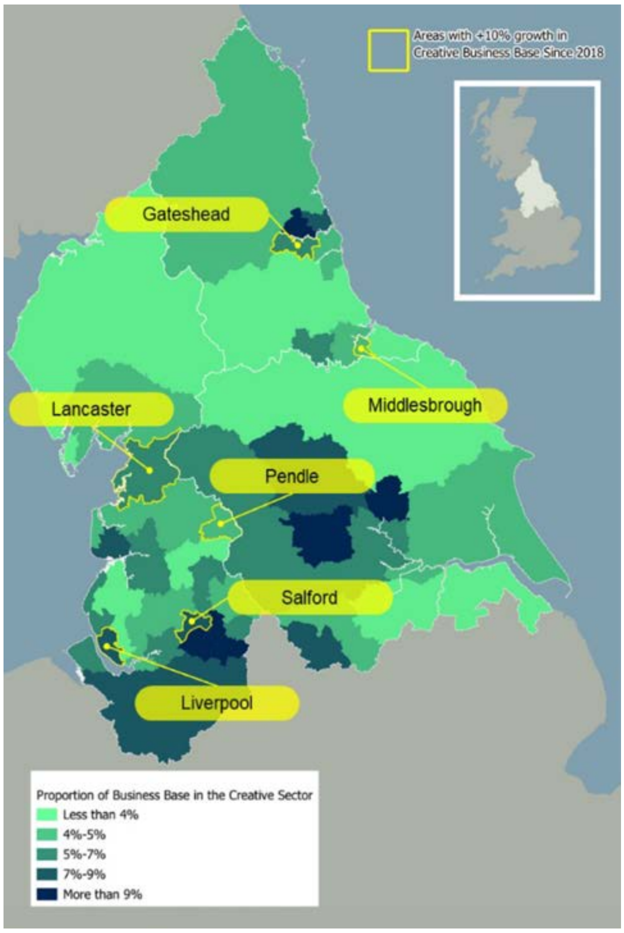
Together these research findings concluded with valuable insights to support the identification of potential places for creative cluster development. Economic Output Growth from the UK's creative sector has been consistent except for disruptions caused by the pandemic. Despite contractions in the North's creative sector, some sub-sectors have experienced growth, notably, motion picture, video, and television have seen a 36% (755 businesses) increase in business counts since 2018. Using the Growth Flag's multivariate model, it is estimated that there are up to 103,800 creative businesses in the North and of these, approximately 18% are expected to grow by 20% or more in the next year. While all regions have witnessed a decline in business counts within the sector, employment has risen across the North. This suggests a potential transition toward fewer but larger businesses employing more people.

103,800
creative businesses in the North

18%
are expected to grow by 20% or more in the next year

The proportion of the business base in the Creative Sector is outlined in the diagram below as well as highlighting areas with 10%+ growth since 2018.

Proportion of Creative Businesses in the North by Lower Tier District and High Growth



Source: UKBC, ONS, 2018-23

Historic Sites & Zones with Greatest Potential

Sites

A longlist of 26 Historic England sites and a shortlist of 12 sites were selected through an extensive review of Heritage at Risk registers for the North alongside key Grade II-listed buildings lists with initial focus or investment. Sites were chosen around intersections between (1) the strongest creative microcluster location potential, (2) the suitability of spaces for creative work/production space renewal and (3) level of risk for the historic building. A detailed overview for each of the 12 shortlisted sites is provided including building description, creative place-based context, cluster context and potential opportunities.

Creative corridors/zones and 12 shortlisted sites

Zones

Place-based creative industries policy is an area of positive change in UK policy at central, national and regional levels. Schemes such as the North East's CCZ programme the announcement of new Historic England HAZ schemes and/or reformatting of LEPs into business and economic boards may create new opportunity. Based on policy insights and emerging thinking, there are anticipated to be five geographic areas of creative activity across the North of England, as led by the Northern Place and Culture Partnership's collective work. These areas are reflective of creative clusters, and whilst noting they are not finalised and are subject to change, there is value in mapping the shortlisted sites where creative businesses with high propensity for growth exists against these zones, as they could enable fluid conversations around specific heritage assets.

East-to-west rural corridors, 'creative ladder rungs for levelling up':

- Northern Creative Corridor (M62)
- Northern Heartland corridor
- A66 creative corridor

Coastal corridors with focus on landscape, the environment and regenerative tourism:

- Western Seaside Corridor
- Eastern Seaside Corridor

The creative zones across the North collectively represent 65% of Creative Businesses in the North of England. While all but one of the zones have a lower proportion of businesses with propensity for high growth than the average across the North, there is still a significant population of opportunity across the zones.

Conclusions & Recommendations

The 12 shortlisted sites are listed in this section including a high-level summary of each location's creative cluster. These sites across the North of England hold immense promise for the creative sector and if strategically invested in and supported could catalyse growth, foster innovation, and strengthen the creative ecosystem.

It is recommended that Historic England colleagues use this report summary as a catalyst for discussions with civic, policy and sector leaders to explore the potential of the 12 shortlisted final historic buildings and the geographic zones, understanding assets with stronger strategic opportunity may emerge and the policy environment may change.

Beehive Works

YORKSHIRE AND THE HUMBER
Sheffield

- Sheffield's robust cluster: 1300+ firms
- Thriving in TV, Radio, Screen, and more
- Key player in the Northern Creative Corridor

NORTH YORKSHIRE
Harrogate

- Harrogate's 585 creative firms
- Strong in Screen, Tech, and more
- Rural microcluster corridor potential

Church of St. Mary, Harlow

Feversham Street First School and other sites

WEST YORKSHIRE
Bradford

- Established creative cluster in Bradford with 260+ firms
- High growth potential in TV/Film, Gaming, Screen, Tech, Advertising, PR and Communications, and Publishing
- Part of the Northern Creative Corridor initiative

St. George’s Warehouse

YORKSHIRE AND THE HUMBER
Huddersfield, Kirklees

- Huddersfield hosts 300+ creative firms
- Thriving in TV/Film, Gaming, Screen, Tech, Advertising, PR and Communications, and Publishing
- Central to the Northern Creative Corridor initiative

GREATER MANCHESTER
Rochdale

- Rochdale’s established creative cluster has 249+ firms
- Concentration in Event, Tech Support and Data, PR and Communications, and Publishing
- Key player in the Northern Creative Corridor connecting Liverpool, Manchester, Leeds, and Hull

Hopwood Hall

Kirkleatham Hall Stables

NORTH EAST
Redcar and Cleveland

- Redcar is part of the established creative cluster around Middlesbrough
- It hosts 50 creative firms, with additional clusters in Middlesbrough
- Redcar plays a role in proposed microcluster corridors, celebrating opportunities from the Tees Valley Investment Zone

Leigh Spinners Mill

GREATER MANCHESTER
Wigan

- Wigan, part of an established creative cluster, has 275+ firms within the borough, including 85 in Leigh
- Concentration in Food and Beverage, Publishing, Screen and Tech, Advertising, PR and Communications, and arts venues
- Wigan contributes to the Northern Creative Corridor, supporting Greater Manchester's growth

TEES VALLEY
Middlesbrough

- Middlesbrough's established creative cluster boasts 300+ firms, primarily in the city centre
- Growth Flag data highlights concentration in Screen and Tech, Publishing, PR and Communications, and Events management
- Middlesbrough plays a pivotal role in proposed microcluster corridors, aligned with the Tees Valley Investment Zone

Middlesbrough Historic Quarter

Winter Gardens

LANCASHIRE
Morecambe

- Established creative cluster in Lancaster and Morecambe.
- 368 creative firms operate within the area.
- Morecambe plays a pivotal role in a proposed coastal microcluster corridor.

Trafalgar Mill

LANCASHIRE
Burnley

- Burnley's established creative cluster has 310 creative firms.
- PR and Communications thrive.
- Burnley is central to a proposed rural microcluster corridor.

Ushaw Home Farm

NORTH EAST
County Durham

- Durham houses 218 creative firms.
- Concentration in Publishing, Screen and Tech, Advertising, PR and Communications.
- Ushaw Estate expands the creative cluster 'hubs' outside Durham centre

32 Close, The Cooperage

NORTH EAST
Newcastle upon Tyne

- Established creative cluster in Newcastle with 1000+ firms
- High growth potential in Screen, Data, Tech, and more
- Part of the Northern Creative Corridor initiative

Insight

Here for Culture and Place

Historic England