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## 1. INTRODUCTION

Penwith District Council commissioned Perfect Moment to produce a Cultural Industries Study in August 2000.

The study took place over a 10 month period between August 2000 and April 2001. An initial report containing key findings and recommendations was presented to the Chief Executive, the Head of Community and Economic Development and the Arts Officer in December 2000.

The original brief focused on the capital needs of the sector but it quickly became evident that there was not enough information about the sub sectors, and that there was a greater immediate need to improve the capacity and the business skills of the sector. Following an interim presentation to senior officers, the final study was re-scoped accordingly.

Research included face to face and telephone interviews with key players, desktop research into best practice and cultural industries, and a series of focus group meetings with a wide range of participants representing the following sub sectors

- ◆ Commercial galleries
- ◆ Festivals
- ◆ Music
- ◆ Drama and Dance
- ◆ Design
- ◆ Commercial Retail
- ◆ Visual Artists
- ◆ Media and New Technology
- ◆ Writing

All in all over 100 people were interviewed in the preparation of this report. (see Appendix 2 for a list of all those who participated.)

The authors of the report would like to thank all those who gave most generously of their time to help with the compilation of this study. In particular we would wish to thank Pauline Sheppard for her unfailing enthusiasm and support for our work



Kevin Brownridge  
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Perfect Moment May 2001

## 2. EXECUTIVE SUMMARY

### Overview

In terms of culture and creativity Penwith is poised on the brink of social and economic opportunity. Penwith's very identity is bound up with the positive effects and impact that culture and creativity bring to the area. The signs are everywhere and they are influential characteristics that have helped shape the social and economic life of the area.

Penwith's distinctive creativity is recognised throughout the world and has become a significant factor in the tourism market. However the economic impact and the vast potential of this asset is massively underestimated and largely unrecognised by many key economic regeneration agencies.

This study argues that the time is ripe for Penwith to secure the necessary resources to provide the much needed infrastructure and business support which will enable the cultural industries to fulfil much of their under-realised potential. If this is achieved their contribution to the economic well-being of the district will be immense.

However, kick-starting a successful strategy requires a shift in aspiration and ambition. The creative industries are complex and require both customised and sensitive solutions to help them achieve the necessary stability and growth. The issues cannot all be solved overnight but a crucial moment of funding opportunity has arrived. To grasp this chance, there is a degree of urgency needed in terms of making intelligent, strong, focused, strategic decisions. Otherwise, Penwith's cultural sector will be left standing on the dock as the opportunities associated with culture, creativity and the new knowledge-based economy disappear over the horizon.

### What are the Creative Industries?

For the purposes of this study we are focusing on the definition provided by the Department for Culture, Media and Sport which identifies 13 categories: Advertising, Architecture, Art and Antiques Market, Crafts, Design, Designer Fashion, Film and Video,

Interactive Leisure Software, Music, Performing Arts, Publishing, Software, Television and Radio.

The DCMS definition is based on those activities which link creativity, skill and talent to the potential for generating jobs and wealth through the exploitation of intellectual property. For this study, we have added heritage, museums and galleries, photography and cultural tourism to the definition as sectors of specific significance in the context of Penwith.

The creative industries are really a complex network of sub-sectors. As such they should not be considered as a homogenous sector with common problems and opportunities, since each industry has its own dynamic and economic profile. They also encompass both commercial activity and the subsidised sector. This fragmentary nature poses a challenge for those trying to construct a cohesive strategy for working with the sector.

### Why are the Creative Industries important?

The importance of the Creative Industries to the national and regional economies of the UK is being increasingly recognised. Recent national studies by the Department for Culture Media and Sport and the Department of Environment, Transport and the Regions have shown that nationally the creative industries generate revenues of around £112.5 billion a year, employ 1.3m people (or around 4% of the total employed workforce of the UK) and have a growth rate of 16%, compared to under 6% for the rest of the economy.<sup>1</sup>

Approximately one third of the UK creative industry workforce is based in London. The UK regions have also been establishing strong clusters of activities. Cities and towns such as Manchester, Sheffield, Bristol, Glasgow, and Huddersfield have used them to spearhead their own economic regeneration.

Despite its situation on the margins of mainland Britain and far from the traditional urban centres of creative activity and cultural quarter hotspots, Penwith has a large cultural industries sector and may justifiably consider the whole of the district to be a creative cluster. However, there has not been any serious attempt to quantify this activity in terms of employment or economic impact. Undertaking such a task is beyond the remit of this initial study, but work we have

<sup>1</sup> Creative Industries Mapping Document March 2001 (DCMS 2001)

undertaken based on a sample of 38 companies indicates that the workforce engaged in the cultural industries is between 2,000 (8.7% of the workforce) and 3,540 (15% of the workforce), compared with 9.4% in manufacturing, 7.4% in agriculture, forestry and fishing.

A wide range of sub-sectors is well represented with particular strengths in the visual arts and crafts, publishing and printing. Our initial research shows that the visual arts and crafts sector make a direct contribution to the economy of at least £3.6 million. The impact of the arts on tourism is also highly significant and the Tate alone has been estimated to bring in £16m to the local economy.

Cultural industries bring added skills to a wide variety of sectors: creative skills will be required in all sections of a future knowledge-based economy. They are in fact models of the new knowledge-based economy: areas such as networking, flexibility, mobility, adaptability, insecure employment, the contract and commissions culture, new technology, and intellectual property, have been standard practice in the sector for a long time.

Cultural industries assist with **inward investment**: culture helps to differentiate between areas. Although primary reasons for inward investment may still be economic, positive cultural images can attract mobile regional, national and international investment via the quality of life argument, and are most effective in attracting and retaining companies with highly educated and skilled personnel.

They can involve whole cross sections of the community who might otherwise be excluded.

This is also a sector which is often seen as one of the best at communicating with those alienated by their social and educational experience, young people, women, ethnic minorities, disabled, older people.

Ultimately it should be recognised that they are perceived as being **interesting, fun and vibrant**. This is fundamentally what attracts people to work in them. They help provide the “buzz” and in terms of regeneration they breathe life back into areas by creating both daytime and evening economies.

## The Challenge

Despite its scale, much of the cultural industries in Penwith is relatively fragile with a high proportion of under-resourced, low capital, marginal enterprises, and the sector finds itself unable to make the most of its considerable potential. Key characteristics of the sector are:

- ◆ it is a fragmented sector dominated by micro enterprises (consistent with national pattern)
- ◆ it has a high proportion of self employment, freelance, part-time and casual workers (53% of the sector nationally are self-employed which is well above the national average of 12%)<sup>2</sup>
- ◆ it is a highly qualified sector with a preponderance of graduates (In terms of entry to workforce and social inclusion this is a barrier)
- ◆ there is a low level of business skills among individuals and small companies who are least likely to be able to fund their own skills development needs
- ◆ most sub-sectors are strong in skills and creativity but weaker in distribution, and marketing
- ◆ there is a lack of industry based training and appropriate business support
- ◆ the prevailing characteristic for many is one of insecure work, insecure income, low income, and short contracts which is why individuals in the sector need constantly to be improving their skills to keep themselves in the market and the workplace
- ◆ the sector is dependent on workers developing “portfolio” careers and providing a degree of flexibility. For example about a quarter of the workforce nationally is part-time (under 30 hours per week)

## Impact of new technology

Although sub-sectors such as performing arts and crafts may not have been affected so dramatically as other areas, Information and Communications Technologies have become a driving force in the development of TV, Film, Music, Publishing, Visual Arts. This has brought a dramatic change in skills requirements and hardly any single area of work practice across the sector has been untouched

by the pace of the ICT revolution. For the cultural industries the new technology brings both massive opportunities and threats in terms of its impact - e.g. the opportunity of the increased demand for 'content' versus the threat to intellectual property posed by online distribution. For many in the sector keeping up with the pace of change has been an issue. For the cultural industries in Penwith there is the opportunity to take advantage of the support for ICT development which will be offered by the ICT strategy recently adopted by Penwith District Council.

### Key actions required

In order to tap the latent and immense potential of the cultural industries in Penwith, there is much to be done. Key actions that need to be taken are:

- ◆ supporting the growth of creative industries business clusters
- ◆ reaffirm the brand image of Penwith as an area with a creative future not just a cultural past (in partnership with the ICT strategy)
- ◆ develop recognition of the cultural industries as a key economic sector throughout Penwith District Council and to all the potential local regional and national agencies that could provide support
- ◆ persuade the Learning and Skills Council and the Small Business Service of the need for specialist support systems for the cultural industries
- ◆ ensure that increased awareness of the sector and its potential is properly underpinned with detailed, accurate and up to date research, and that the impact of its investment in the creative industries is adequately monitored and disseminated
- ◆ attract adequate funding to ensure that initiatives are not weakened through under-investment
- ◆ ensure that funding mechanisms and channels through which resources are reallocated are appropriate accessible and effectively targeted at key growth areas
- ◆ set measures in place to ensure that efforts to support the retention and inward migration of young creative individuals
- ◆ create an appropriate infrastructure in terms of affordable workspace for new and existing businesses

- ◆ give a special focus to developing the cultural tourism market
- ◆ encourage links between the creative industries and other sectors

Case studies of other areas have shown how well constructed strategies can attract significant funding, vastly increase inward investment, and create employment. Many of the most successful strategies, such as Huddersfield, have started from a much lower base line than Penwith.

### Key recommendations

1. Penwith District Council should set up a Creative Industries Unit within Economic Development led by a designated Creative Industries Officer - (initially a 3-year post). The Unit would work corporately across all sections of the Council, and act both externally, and internally, as a focus and catalyst for the development of the creative industries.
2. The lack of baseline data on the scale, extent, and economic impact of the creative industries sector in Penwith is a problem. The Creative Industries Strategy will depend on baseline data to justify external funding for its implementation. It is strongly recommended that this research is commissioned immediately, as any delay would further disadvantage the sector in relation to any external funding bids that require economic outputs to be demonstrated.
3. Penwith District Council should invest in the development of a Penwith Creative Industries Development Partnership (PCIDP). Partners would represent a wide range of interests, and could include: the RDA; University for Industry; Falmouth College of Art, Penwith College, Cornwall College; Learning and Skills Council; Small Business Service; National Training Organisations which have a regional presence (eg.Skillset); existing training providers.
4. A 'one-stop shop' information and advice service is set up through the appointment of a Cultural Industries Business

Advisor for the creative industries. This could be a pilot scheme in partnership with the new Learning and Skills Council/Small Business Service structure.

5. A Creative Clusters Fund is set up providing small amounts up to £5,000 to enable emerging clusters of creative sector companies and individuals to make the transition from a 'talking shop' to an effective and dynamic cluster.
6. An audit of existing workspace and premises, and an assessment of future trends in demand from the creative industries sector should be undertaken by PCIDP as baseline research against which future needs can be projected and monitored.
7. PDC should encourage the inward location of high-profile creative companies into Penwith both as flagships, and as potential catalysts for further development of the sector.
8. PDC considers a spatial strategy of designated Creative Industries Zones. Potential 'zones', building on existing concentrations of creative and related businesses have been identified in Penzance, St Ives, Hayle, St Just and Newlyn.
9. Penwith District Council Tourism Department works closely with Cornwall Arts Marketing to deliver a series of cultural tourism marketing campaigns.
10. Resources are put in place to enable Penwith to take maximum advantage of Objective One and other funding streams in order to develop the creative industries in the district.
11. Penwith District Council signifies its commitment to the cultural industries by holding a high profile conference to launch the strategy. This conference is aimed at both practitioners and key decision-makers in potential partner organisations.

## 3. THE CREATIVE INDUSTRIES SECTOR

### 3.1 Sector definition

The definition used in this study has been based on that used by the Department for Culture, Media and Sport (DCMS) Cultural Industries Task Force. This defines the creative industries sector as:

*‘Those activities which have their origin in individual creativity, skill and talent, and which have their potential for wealth and job creation through the generation and exploitation of intellectual property.’*

The DCMS definition includes the following key sectors:

*‘Advertising, architecture, the art and antiques market, crafts, design, designer fashion, film, interactive leisure software, music, performing arts, publishing, software, television and radio.’*

For the purpose of this study, we have added *heritage, museums and galleries, photography and cultural tourism* to the definition as sectors of specific significance in the context of Penwith.

As this is the first study into the creative industries in Penwith, it is important to understand the breadth of activity which is included within the creative industries. The creative industries includes activity throughout the three stages of the production chain - from the ‘front end’ of creative production that typically involves creative concepts and ideas, through the processes involved in turning those ideas into products, and on to the final processes of marketing, distribution and sales.

Within each of the sub-sectors, a wide range of businesses will be involved at each stage of the production chain. The manufacture and distribution of CDs or computer software, for instance, typically involves a much wider range of processes and skills, that in themselves, are not directly ‘creative’, but which depend on the primary production of creative ideas and concepts. This is ‘secondary’ creative industries’ economic activity. Two important points need to be made in relation to the scale of the creative industries in Cornwall.

Firstly, only limited attempts have been made to quantify the size and impact of the creative industries sector. These have been restricted to the ‘front end’ of the production chain, ie. of primary producers within the sector - artists and other creative individuals. The secondary extent and economic impact of the creative sector has never been calculated.

Secondly, the lack of accurate baseline data on the scale of the creative industries sector in Cornwall and in Penwith is a major barrier to the recognition of its importance and of how best to support its further development.

### 3.2 Importance of the Creative Industries Sector

We are at a time when the importance of the creative industries to the national and regional economies of the UK is being increasingly recognised, and the sector has become an important strand of central government’s economic development agenda. The recognition of the impact the creative industries can have in addressing issues of social inclusion, community regeneration and economic development has marked an important shift in thinking at both central and local government level.<sup>3</sup> Both the DCMS and DETR (Department of Environment, Transport and the Regions) have been involved in a range of studies, which have documented the impact of the creative industries at both national and regional level<sup>4</sup>. In brief, these show that:

Nationally, the creative industries:

- ◆ generate revenues of around £112.5 billion a year
- ◆ employ 1.3m people, or around 4% of the total employed workforce of the UK
- ◆ are worth £10.3m to the balance of trade in exports;
- ◆ account for over 5% of GDP
- ◆ have a growth rate of 16%, compared to under 6% for the rest of the economy<sup>5</sup>

It is worth noting the rapidity of the growth rate in the creative industries. In the 2001 Mapping Document a growth rate of 16% was iden-

<sup>3</sup> See for instance the PAT 10 report on the Arts and Social Inclusion

<sup>4</sup> Creative Industries the Regional Dimension (DCMS/DETR 1999)

<sup>5</sup> Creative Industries Mapping Document March 2001 (DCMS 2001)

tified, compared with 5% in the first DCMS Mapping Document published in 2000.

The South West is one of the UK's best performing and rapidly expanding regions in terms of economic growth, and the creative industries have made a significant contribution to this expansion. Regionally, the creative industries sector:

- ◆ is worth around £1bn to the South West economy
- ◆ employs around 90,000 people, or 5% of total regional employment
- ◆ contains around 21,000 creative businesses, 90% of which employ 10 or fewer people
- ◆ has grown as an economic sector by 9.9% since 1991, almost twice as fast as that for the sector nationally, and four times that of the economy in general
- ◆ has a high level of business start up, indicating a high degree of enterprise activity

### 3.3 The national and regional profile of the creative industries sector

The report of the Regional Issues Working Group of the Cultural Industries Task Force identified the following characteristics of the creative industries:

- ◆ that the sector mainly comprises small businesses with few support links and networks
- ◆ that it comprises a high proportion of freelance and part-time workers
- ◆ that it is mainly an urban concept, with 33% of the UK's total creative industries based in London

Nationally, research into the creative industries has shown a consistent set of key issues affecting the development of the sector. In a sector with a high proportion of micro-businesses it is unsurprising that these are predominantly problems facing micro-businesses generally. Particular factors holding back the development of the creative industries identified in Creative Industries the Regional Dimension (DCMS 1999) are

- ◆ a lack of detailed information on the sector
- ◆ a lack of strategic thinking, and as a result of both these

two factors, a lack of integration between the creative industries and other sectors

- ◆ the lack of a coherent approach to national and regional policy development on creative industries
- ◆ a lack of understanding of the creative industries by business support providers and potential investors
- ◆ a lack of business, management and marketing skills among creative industry SMEs
- ◆ a lack of access to relevant education and training opportunities
- ◆ a widely perceived mismatch between skills supply and demand in the creative industries
- ◆ the difficulty in retaining creative talent in the regions

### 3.4 The need for research into the sector

The report of the DCMS/DETR Regional Issues Working Group<sup>6</sup> identifies specific gaps in information in the following areas, all of which are relevant to the Penwith context.

First, in what it calls the 'informal creative industries sector', ie. that part of mainly made up of freelance and casual workers. These are known to constitute a significant proportion of employment in the sector in Penwith, but because there is no means of counting them through the employment data currently available, it is not possible to do any more than estimate their numbers based on extrapolations from other studies.

Secondly, the Regional Issues Working Group report specifically highlights a lack of research on the impact of the creative industries on rural areas. Although urban examples are now fairly widespread, (but, most significantly in the context of Penwith and Objective One, still mainly found in those regions which have been able to access European structural funds and/or SRB), it has been difficult in researching this study to find examples of creative industries sector developments in rural areas. Where these exist they have been mainly initiated as IT and telematics initiatives, and creative industries developments have grown out of these (eg. as new media clusters) rather than being led by an existing creative industries sector.

The third gap identified in the Regional Issues Working Group report is the lack of detailed information on the majority of micro-business-

<sup>6</sup> Report of Regional Issues Working Group paras 2.21-2.23

es and SMEs that characterise the sector. The report concludes that to be able to frame appropriate strategies and interventions and monitor and evaluate the sector at regional and local level, further research is needed to identify:

- ◆ current activity in each creative industries sub-sector
- ◆ the strengths and weaknesses of the sector
- ◆ the potential for future growth
- ◆ key obstacles preventing growth
- ◆ key issues and actions essential to the economic health of the creative industries sector and its regional economic impact
- ◆ availability and levels of take-up on training
- ◆ market information<sup>7</sup>

Through discussions with both Government Office South West (GOSW) and the South West Regional Development Agency (SWERDA), both key agencies in the formulation and implementation of economic development strategies for Cornwall under Objective One, it is clear that there is a lack of awareness of the context within which the creative industries sector operates, and that its potential economic importance in Penwith is not fully recognised.

The impetus to carry out detailed research into the sector is not going to come from the 'top down' but needs to be led at a local level. A combination of factors (external and internal) are in place, to enable Penwith District Council to seize the agenda set by the DCMS/DETR and put itself forward as a pilot area to take the lead nationally on this research, in developing a new district-wide 'cultural quarter' model.

<sup>7</sup> ibid 2.23

## 4. PENWITH PROFILE - DESCRIPTION, ECONOMIC AND SOCIAL FACTORS

*If the sea were to rise about fifty feet, as I suppose it might do over the next millennium or two, Penwith would show its independence by becoming an island. Spiritually it is one already. Because it is the ultimate destination, because you cannot pass through it on your way to anywhere beyond it, Penwith is its own justification.<sup>8</sup>*

### 4.1 Description

Penwith is Cornwall's western-most district. It covers an area of 116 square miles at the extreme south-west peninsula, the 'toe joint' of the UK mainland. Fifteen miles in length, from Hayle in the east to Land's End in the west, and about five miles at its widest point, it is surrounded on three sides by 50 miles of coastline.

Its name is derived from the Cornish penn vydh, which means 'the very end'. A fourteenth century Bishop of Exeter went further, to describe it as 'not only the ends of the earth, but the very end of the end thereof'. This strong sense of place has both a geographic and symbolic resonance, and together with its peripherality and remoteness from major centres of population, gives Penwith much of its individuality and distinctiveness.

Often perceived as a rural area, Penwith's main centres of population account for just over two thirds of the total population of the district; Penzance 19,600; St Ives, 10,800; Hayle, (7,625) and St Just, (4,440)<sup>9</sup>. The rest is distributed across a number of sparsely -inhabited, dispersed settlements, typically of between 250-600 people.

### 4.2 Economy

The parlous state of the economy in Penwith has been well documented elsewhere however it is worth noting the following.

- ◆ Penwith is now the 25th most deprived district in England, on a par or below levels of poverty and lack of opportunity in the inner cities<sup>10</sup>
- ◆ average wages in Penwith have fallen further behind the

- ◆ English average each year for the last 20 years<sup>11</sup>
- ◆ a recent report estimates that 1 in 5 tenant farmers in Penwith are in an unrecoverable position<sup>12</sup>
- ◆ the Penzance/St Ives travel-to-work area continues to be one of the twenty unemployment blackspots in the UK<sup>13</sup>

With the loss of mining and the decline of traditional employment sectors such as agriculture and fishing, tourism has been an important economic driver. Penwith's resident population of 60,000 is increased by in excess of 576,000 staying visitors during the season, of which 191,000 stay in St Ives<sup>14</sup>. It should be noted however that although still a strong economic sector, tourism numbers have declined during the 1990s by comparison with national trends.

This has been paralleled by a significant change in the profile of visitors, for which the opening of the Tate St Ives in 1993 has been regarded as a catalyst. The Tate attracts approximately 165,000 visitors, which it has been calculated is worth an additional £16m to the local economy<sup>15</sup>. The shift triggered by the 'Tate phenomenon' has been towards more 'up-market' ABC1 visitors, extending the season through the shoulder months until it is almost year-round with a higher proportion of short break visitors, and with an overall increase in the average level of visitor spend per capita. This shift, when taken alongside other trends in the profile of the tourism market generally, such as; the downturn in the traditional seaside family fortnight, the demographic shift towards an older population, and an increase in short-break specialist interest and culturally-led tourism has longer-term implications for the tourism market in Penwith.

Recently there has been a significant increase in the number of ICT based micro-businesses based in Penwith. The importance of ICT to the development of the creative industries cannot be underestimated and it is at the creative end of the ICT market that there may be considerable potential for creating high value micro-businesses.

8 West Of Hayle River, Gerald Priestland, Wildwood House London, 1980

9 Penwith District Council data table P1 (1998 figures)

10 DETR Deprivation Indices 2000

11 Cornwall County Council

12 Agriculture in Penwith, PDC 2001

13 Cornwall County Council

14 Penwith District Council data Table T1: Information and Research Section , Cornwall County Council Planning Department (1994 figures)

15 Source: Cornwall County Council

### 4.3 Population and demographic characteristics

After two decades of growth during the 1970s and 1980s (peaking at 11% between 1981 and 1991) the 1990s saw a relatively static level of population, with only a slight increase between 1991 and 1999 from 59,900 to 60,100 (estimates based on 1996 figures).

The Penwith Local Plan (1998) predicts that this trend, largely maintained by inward migration of retirees and what it refers to as those 'defecting from the rat race', is unlikely to change. One direct result of this pattern of inward and outward migration is that the present imbalance in the age structure between those of working and non-working ages will be further emphasised as the young continue to leave the area to seek further education, training and employment, and older incomers continue to relocate to Penwith, predominantly from urban areas outside Cornwall (typically the South East and West Midlands), for an improved 'quality of life'. Between 1991 and 1999, the 16-29 and 30-44 age groups have decreased by 2%, with the biggest demographic shift in the age structure occurring in the 45-64 age group, which has increased by nearly 4%<sup>16</sup>.

The implications of this pattern of migration for the creative industries sector are twofold. Firstly, many creative practitioners leave the area not by choice but because they are unable to access, locally, the high level education, training and employment opportunities which would allow them to stay. Secondly, those who are returning or migrating inwards, often do so at the point in their careers at which they can afford to. This could be critical in terms of their potential impact and/or contribution to the sector locally (eg. in terms of their 'reinvesting' their skills and experience). Some have made their careers elsewhere, and come back to Penwith in semi-retirement; some come back as a lifestyle decision, and accept the implications of 'downshifting.'

The inevitable upward spiral in property prices this has brought about has been another factor adding to the existing pressures on young people to leave the area as they are priced out of the market. There is anecdotal evidence that rising property prices are now also having an impact on the age at which this demographic group can afford to return to the area.

### 4.4 Employment profile

Overall the 1998 Employment Survey indicated that there were 16,800 employed in the district with a further 6,500 self employed. As traditional employment sectors, agriculture, fishing and mining have decreased, employment in service sectors has increased substantially, to more than 70% since 1981. Tourism is now the single largest employment sector, but brings with it problems of low wages, insecure employment patterns and seasonality.<sup>17</sup>

Research suggests that the opportunities for growth represented by the expansion of information and communications technology to business in general are probably less widely recognised in Penwith than in other parts of the country<sup>18</sup>. Digital Peninsula Network's report, *Catching the Wave*, identified the thinness of resources and weak knowledge-infrastructures as a major barrier to the effective development of ICT among businesses. Penwith District Council's Economic Development Strategy highlights the difficulties in attracting new industries to the area, and as the infrastructural gap in ICT widens, this situation will worsen unless steps are taken to rectify this disadvantage.

The economy of Penwith is characterised by a high number of small and medium enterprises (SMEs) of between 10 and 200 employees, but more typically of micro-businesses with less than 5 employees. Only two commercial companies in Penwith have a workforce of more than 300. There is a very high proportion of self-employment, at 25.1% (6,500 people), compared to 16% of the workforce in the South West, and twice the national figure of 12.3%<sup>19</sup>. This profile is remarkably similar to that of the creative industries sector, as highlighted by national and regional research, which would suggest that there is already enough familiarity with the needs of micro-businesses within the broader economic development agenda in Penwith to provide the basis on which to begin to build targeted support measures for the creative industries sector. Penwith is probably better placed to respond quickly to the opportunities offered by the sector development of the sector than many similar-sized districts that are dominated by a few large employers

<sup>16</sup> Penwith District Council data Table P3: source ibid

<sup>17</sup> Eg. Social Trends 1994, quoted in Payne et al, 1996

<sup>18</sup> *Catching the Wave*, DPN, June 2000

<sup>19</sup> 1998 Labour Force Survey

Low wages dominate the Penwith economy. The 1999 New Earnings Survey showed that the average gross weekly earnings in Penwith was £297 compared to an average of £403 in the South West and £442 nationally. Against a significant upward trend in GDP across the South West the Penwith GDP has been in decline since 1995. The latest figures estimate that Penwith's GDP per resident is £8,134, which is 60.2% of that for the South West, and 57.7% of that for GB.<sup>20</sup>

This pattern of a 'culture of self-reliance', a high proportion of nominal self- and part-time employment is a historic one in Penwith. In the nineteenth century, it was not unusual in the rural economy to eke out a subsistence income from farming with a 'bit o' fishing and a bit o' tinning', the late twentieth century equivalent of this was more likely to be a few hours working in a pub, or giving a hand with the weekend changeovers during the holiday season. It is Penwith's twenty-first century version of what Charles Handy has termed 'portfolio working'. Within this context, it is not surprising that the creative industries - a sector within which informal, freelance, contract and independent work, often supplemented by earnings from other sources, is the norm - should have taken root. As Section 6 of this report highlights, a third of visual artists in Penwith earn less than 25% of their income from their art.

#### 4.5 Unemployment

Unemployment rates in Cornwall are among the highest in the UK. In 1999, Penwith's 'official' unemployment rate, allowing for seasonal variations, averaged 7.3%, compared to 5.6% for Cornwall as a whole and 4.3% for the UK. Seasonal unemployment in the district is also marked, 2.5% higher in January than in August (8.1%-5.7%, Jan-Aug 2000).<sup>21</sup>

Changes to the way in which the statistics are compiled also means that there is a growing gap in Penwith between the claimant count and 'real' unemployment. In January 1997, research by Sheffield Hallam University indicated that this could be as high as 10% in Penwith.

#### 4.6 Social characteristics

In the 2001 Index of Deprivation<sup>22</sup>, Penwith ranked 25th out of the 354 English districts in levels of deprivation, the highest of any of the

six districts in Cornwall and second highest in the South West. There are pockets with high concentrations of social exclusion, poverty and unemployment, in wards such as Penzance West, East and Central, and St Ives North,<sup>23</sup> as acute as any to be found in inner-city areas.

An above average rate of educational achievement in Penwith at secondary and tertiary level is not translated into the workforce, where skills levels are below both the regional and national averages<sup>24</sup>. Qualifications at NVQ level 4 are half the national average. 15.5% of the adult population is categorised as having low or very low levels of literacy and numeracy.<sup>25</sup>

The resulting skills gap is a key factor in the difficulty in developing the employment base in Penwith. This is particularly acute in the technology-dependent creative industries sub-sectors.

Low wages and limited employment opportunities have resulted in a downward spiral of 'brain drain,' a widening skills gap, and serious staff retention problems among existing businesses. This spiral has also severely limited the start up, capacity for growth and sustainability of any new initiatives. The challenges facing the long-term development of the creative industries as a key economic sector in Penwith are closely tied to this self-perpetuating spiral, which can only be broken by focused and long term strategic intervention.

20 DTZ Piedad Consulting, 2000

21 Penwith District Council Table E11: Source: Office for National Statistics

22 DETR 2001

23 Atlantic Consultants, 1999

24 IAP Locus Report

25 Adult Basic Skills Agency (1999) quoted in IAP

## 5. CREATIVE INDUSTRIES SECTOR IN PENWITH

### 5.1 The Extent of the Sector

The brief for this study did not include a detailed assessment of the extent and scale of the creative industries sector in Penwith. As already noted, there has never been any comprehensive research undertaken on the creative industries sector in Cornwall, and recent attempts to calculate, for example, employment in the sector for Cornwall as a whole have produced inconsistent estimates varying from 5,600<sup>26</sup> to 2,698<sup>27</sup>. As will be seen below, our survey of employment in the creative industries in Penwith using desk-based sources produces an estimate closer to 2,500 for Penwith alone

The standard methodology is to use SIC (Standard Industrial Classifications) data used by the DfEE for its Annual Employment Survey. One major inconsistency this causes is that the categories used in calculating SIC and Employment Survey data are not the same as those used by DCMS in defining the creative industries sector. Some increasingly significant sub-sectors within the creative industries, such as software design, multi-media etc. cannot be specifically identified in the SIC codes.

All research nationally highlights the inadequacy of SIC data accurately represent the full extent of the sector. It does not include the freelance, contractual and part-time workers who, research indicates, make up a high proportion of employment in the sector. This is highly pertinent for Penwith, where a pattern of self-employment, part-time and casual working is the norm for a significant proportion of the workforce as a whole. Golowan, for instance, is listed in data held by Cornwall County Council as employing three full-time staff, but additionally provided part-time employment through contractual work to 41 artists during 1999/2000 - employment which will not show in any data.

We acknowledge the statistical limitations of the profile we have

been able to build of the creative industries sector in Penwith. This is based on available secondary data, which consists of:

- ♦ a desk-based survey of employment and businesses in the district through statistical sources based on the Standard Industrial Classifications (SIC)<sup>28</sup> held by Enterprise Edge (Cornwall County Council) and County Libraries
- ♦ a trawl of databases held by key network organisations working in the subsidised creative sector
- ♦ information on commercial sector companies gathered through local business directories

The SIC data provided by Cornwall County Council identified 195 creative sector businesses in Penwith, employing 1,169 people. This represents 6.9% of the total employed workforce (This does not include freelancers and self-employed who make up a significant part of the sector. However, this figure is less than three quarters the number of creative businesses identified in our preliminary research, which found 266 - this reflects the limitations of the standard SIC data. Again, it should be stressed that this does not reflect individuals working in the creative industries sector, except those registered as sole traders (but not necessarily those working from home and listed under their own names rather than listed in a business directory).

<sup>26</sup> Heritage and Culture Strategy, 2000 Cornwall County Council

<sup>27</sup> Objective One Single Programming Document

<sup>28</sup> The following thirteen SIC categories were used as the basis of our definition of the cultural industries for this study: 2211 publishing of books; 2212 publishing of newspapers; 2213 publishing of journals and periodicals; 2214 publishing of sound recordings; 2215 other publishing not classified elsewhere (nce); 2222 printing nce; 2225 other activities relating to printing; 2231 reproduction of sound recording; 2232 reproduction of video recording; 2233 reproduction of computer media; 7420 architectural/engineering services; 7440 advertising; 7481 photographic activities; 7484 other business activities nce; 9211 motion picture and video production; 9213 motion picture projection; 9220 radio and television activities; 9231 artistic and literary creation; 9232 operation of arts facilities; 9234 other entertainment activities nce; 9251 libraries and archive activities; 9252 museum activities. (nce: not counted elsewhere)

As a benchmark figure, multiplying the average number of employees (6) of the creative sector businesses identified using SIC data by the number of businesses identified through other sources gives an estimated employed workforce in the sector of nearer 9.5% of the total employed workforce in Penwith (1,596).

It is fair to conclude that the figure of 1,596 significantly under-represents the actual number of people employed in the creative industries in Penwith. A sample of 35 creative sector businesses in Penzance, Hayle and St Ives, for which actual figures for numbers employed (full and part-time) are verifiable from published sources, alone yields an aggregate workforce of 477 with an average of 13 employees. Within this sample, 13 companies employ more (ranging from 15-55) and 22 less (ranging from 3 to 11) than this average. If this were a fully representative sample, it would be conservative to estimate the employed workforce in the creative industries in Penwith to be as high as 3,000. It has been estimated later in this report that there as many as 300 visual artists working in Penwith and 240 in the crafts. (see page 15) This would give a total of 3,540 which would represent 15% of the current workforce.

These attempts to estimate the scale of employment in the creative industries based on extrapolations from standard data highlight the inadequacy of available information. We can conclude that the actual figure for employment in the creative industries sector in Penwith is somewhere within the range of 2,000 (8.7%of the workforce) and 3,540 (15% of the workforce), but this emphasizes the need for more detailed, specifically tooled research for the creative industries sector in Penwith.

## 5.2 Breakdown by sub-sector

In the order used within the DCMS definition, the 266 creative businesses identified in Penwith break down into the following sub-sectors:

Sub-sector	No. of businesses (aggregated)
advertising	5
architecture	18
the art and antiques market	66

crafts	35
design	13
designer fashion	3
film and video	19
interactive leisure software	4
music	9
performing arts	13
publishing and printing	41
software design	6
television and radio	2
heritage, museums and galleries	16
photography	14
nce (not counted elsewhere)	2

The arts and antiques market sector shows the highest concentration of creative businesses in Penwith. This includes 40 commercial galleries, but also supporting businesses such as framing and artists' suppliers. This category also includes antique dealers, restorers and repairers, and fine art auctioneers.

The second highest concentrated sector is publishing and printing. This includes all stages of print production from editorial and translation services, proof-reading, book publishing and binding, to distribution and retail. There are 7 newspaper and magazine publishers in Penwith. It is worth noting the concentration of printing companies in Penwith, with a particularly strong sub-district concentration in Hayle (this may be historic). Of the 41 businesses identified, 27 are publishing, and 14 print-based - of which only one company is providing services and supplies to the sector.

The third highest concentration in any sub-sector is the crafts. It should be stressed that this category does not include generalist craft galleries, which are included in the category above, and some subsidised sector galleries and museums with a strong crafts content will appear in the heritage, museums and galleries category. Non-specialist craft retailers have not been included in this overview. This category includes specialist outlets such as workshops (eg Leach Pottery and the Steam Pottery at Pendeen) and retail outlets, factory shops, equipment manufacturers and suppliers, but not the studios and workshops of individual craftspeople.

21 companies altogether are involved in film and video and digital broadcast media, a figure arrived at by aggregating the film and

video and broadcast media sectors, between which there is much crossover. More detailed research is needed into the scale and make-up of this key sector for Penwith, to build on the limited overview that has been possible through this study. It is known that freelancers make up a high proportion of this highly fluid, dynamic sector. There is a significant gap in the provision of facilities at the post-production end of the film and video production chain, highlighting the concerns expressed by practitioners during research into this study.

There are a surprisingly high concentration of architectural practices in Penwith, with workforces ranging from 16 (making it one of the largest practices in the South West) to 2. Only one is a single practitioner. 11 practices are supported by 6 businesses providing architectural services, ranging from technical services to model-making.

Museums and galleries are a strong sub-sector, representing the subsidised museum and gallery venues in Penwith (Tate, Newlyn, Penlee House) and heritage attractions as diverse as Geevor Tin mine, the Newlyn Pilchard Works and the National Trust's Trengwainton Gardens. There is a question of how this sub-sector is defined which needs to be addressed in a more detailed mapping exercise for the sector, to avoid distortion at the interface between cultural and non-cultural tourism-led attractions. Graphic design companies of which there are 7 dominate the design sub-sector. The inclusion of technical and commercial illustrators and sign companies in this sub-sector perhaps distorts the overall profile of the design sector, which is surprisingly weak in other key areas where there is most potential for a strong specialist retail crossover, such as furniture, fashion and interior design.

The performing arts sub-sector as shown in the table is made up of 6 theatre companies, 5 performance venues and 2 theatrical costume makers. This does not accurately reflect the scale and diversity of the performing arts in Penwith that has emerged from this research, and again underlines the need for more detailed stratified research of the dynamics and inter-relationship between different parts of this particularly fragile sub-sector. Again, it is known that this sub-sector is highly fluid, and driven by a handful of individuals, but the district also has an unquantified number of freelancers who derive most (if not all) of their income through contracts outside Penwith. The apparently high number of theatre companies in Penwith, for an area of its size, needs to be seen in the perspective of these being typi-

cally two or three individuals who come together as a company to devise, produce and perform specific projects, often on a shoestring and often only made possible because the work is being cross-subsidised by individuals' paid activity (as actors, writers, directors) elsewhere. The economics of the performing arts sub-sector in Penwith, and the fact that it is made up of a relatively small number of freelance individuals who have to maintain careers by physically working elsewhere, makes it different to any other sub-sector within the creative industries in the district. Again, more research is needed, particularly into the number and breadth of the skills base of freelance workers in this sub-sector, and their patterns of employment.

Photography is an economically significant sub-sector due to the presence of one of the UK's largest commercial photographic companies, which as already noted is a substantial employer in Penwith. This aside, the photography sub-sector is mainly made up of traditional 'high street' photographic studios, with only 2 advertising and commercial companies.

Music is a very fragmented sector with a strong involvement of young people and club culture. The distance from markets, agencies and "the business" was sighted as a strong barrier to success in the professional world. Overcoming access to recording equipment and rehearsal space was also seen as key issue. There is a strong club scene with local DJs earning significant incomes working outside of the district and occasionally abroad.

It is significant that the weakest sub-sectors evident from this overview are in those areas most dependent on new technology, with relatively few creative sector businesses identified in the multi-media, electronic publishing, software and website design and development fields. These are precisely key growth sectors nationally - studies in the Yorkshire and Humberside region for instance have identified growth in sub-sectors such as computer games, software and electronic publishing by as much as 66% since 1971<sup>29</sup>.

Whilst research nationally shows that SMEs make up the highest proportion of employment in the sector, the DCMS/DETR audit in the South West region found that the structure and development of certain sub-sectors tends to be dominated by a small number of larger organisations further up the production chain, particularly where there are sub-contractual relationships with small creative pro-

ducers. Our research highlighted some sub-sectors, such as media and television, and media and software development, where this is the prevalent pattern in Penwith: creative individuals or micro-businesses being sub-contracted or working on a freelance basis for national, and global production and distribution companies based outside of the area.

In most sub-sectors, Penwith's strengths are at the 'front end' of the production chain (ie the primary creative producer). With a largely under-developed and under-resourced local infrastructure in some critical sub-sectors, (most significantly the technology-led sub-sectors). The creative industries in Penwith need to ensure that the intermediate links between creative production and consumption are strengthened, if a viable industry is to be built at a local level.

### 5.3 Freelance Employment in the creative industries sector

It is impossible without more detailed research to do any more than estimate the extent of this sector. Some sectors are dominated by freelancers (visual arts, crafts), a large proportion of whom often exist on the margins of economic subsistence, but whose contribution to the economic and social vitality of Penwith is substantial. The survey of visual artists carried out for Penwith Housing Association (PHA) on artists' studio needs in 1999 revealed that 40% have a turnover of between £1,000 and £5,000 per annum (26% had a turnover of less than £1,000). Two thirds of the artists (in a sample of 92) therefore had a turnover of less than £5,000 from their work. As with the crafts research cited earlier<sup>30</sup> in this study, a high proportion of visual arts practitioners (around 30%) earn less than 25% of their income from their art (although nearly 25% earn between 75% and 100% of their income in this way, which, given the low average turnover, indicates that many artists in Penwith are existing at the economic margins). It is worth noting that the PHA study shows that 48% of visual artists surveyed in 1999 also earned income from art-related activity (eg. teaching or running workshops). It is estimated that there are around 300 visual artists working in Penwith.

It is difficult to quantify the size of the freelance crafts sector in Penwith, mainly because of the difficulty in defining what constitutes 'the crafts'. It should be noted that nationally Crafts Council data reveals the average craftsworker is in their mid-forties. This is reflected in Cornwall, where 44% of the craftspeople responding to the 2000 survey said they had come into the crafts after an occupation in

another sector, and 32% separately described themselves as retired. As the structure of employment changes, more older people are moving into the crafts after a previous career in an unrelated field, through redundancy and/or as a lifestyle choice, and this clearly has implications for the sector in Penwith. The survey carried out for Cornwall Crafts Association (CCA) revealed that 48 exhibiting members were based in Penwith, (27% of its total exhibiting membership, the highest concentration in Cornwall). It is reasonable from this and the number of makers represented in the galleries around Penwith who are not involved with the CCA to estimate that less than one in five makers in Penwith is a member of the CCA, and that an estimate of 240 individuals active in the crafts sector in Penwith would not be unrealistic.

Together the visual arts and crafts sectors alone are estimated to provide employment to some extent or other to 540 individual practitioners in Penwith. This is one of the more visible sub-sectors dominated by freelance and contracted individuals, but there is a much wider freelance creative industries sector that we are aware of through focus group research (eg. in music, dance and drama) still to be documented at any level of detail.

### 5.4 Cultural Tourism

Despite the high profile success of the Tate St Ives, modern cultural tourism is in its infancy in Penwith. It has much to offer in terms of cultural product; quality, quantity, diversity, distinctiveness and identity. It can build on and consolidate the impact of the 'Tate phenomenon'; make Penwith a destination for culturally-motivated visitors and provide higher quality accommodation and 'add value' to the experience through a range of good restaurants, up-market specialist shops, quality galleries and a well-maintained urban fabric and rural environment. In order to position itself to benefit from the growth potential of its tourism sector - against the national trend - Penwith must be responsive to the changing profile and demands of the specialised tourism market segments, of which the cultural tourism segment is one of the fastest growing.

Festivals are an important part of the cultural tourism market and greater cross-departmental support and higher levels of investment are required if Penwith is to make the most of the opportunities which festivals present to the economy.

<sup>30</sup> Uccello, Cornish Crafts Council Report 2000

## 5.5 **Headline Economic impact**

It is estimated that there are around 300 visual artists working in Penwith, and on this basis and a notional average turnover derived from the PHA survey of £5,600, the total nominal production turnover of artists in Penwith is around £1.68m.<sup>31</sup> The study goes on to calculate that if most of the art produced is sold through galleries that charge 40% commission, the total art sales alone generated by visual artists in Penwith contributes in the region of £2.4m per annum to the local economy.

A similar extrapolation based on unpublished data generated by the CCA survey gives a notional average turnover for craftspeople of £3,600, indicating a total nominal production turnover of £864,000 for this sector. The total contribution to the local economy generated by craftspeople in Penwith can be estimated in the region of £1.2m.

Together it is estimated that sales from the visual arts and crafts sub-sectors make a combined contribution of £3.6m to the local economy.

It has been estimated that The Tate brings in £16m into the local economy.

A recent survey of the economic impact of the 2000 St Ives September Festival<sup>32</sup> suggests that audiences for ticketed events alone at the festival (ie not including attendance at free events) generate £623,000 in direct and indirect spend. Of this only £30,400 (4.9%) is spent at the box office - the rest is secondary spending on accommodation, in restaurants, cafes and bars, around attendance at the festival. Therefore every £1 spent on a ticket at the St Ives September Festival generates £19.50 in spending in the local economy.

## 5.6 **Summary characteristics of the creative industries sector in Penwith**

This summary of the current characteristics of the creative industries sector in Penwith was produced following:

- ♦ extensive desk-based research of strategic documents, development plans, action plans, feasibility studies and business plans provided by a wide range of organisations

(see bibliography)

- ♦ a series of focus groups to which key individuals from each of 9 sectors were invited
- ♦ interviews with key organisations and individuals

The key characteristics of the creative industries sector in Penwith:

- ♦ it is driven by individuals - with a high proportion of self employment, freelance, part-time and casual workers generally
- ♦ it is made up of SME's and micro enterprises (consistent with national pattern)
- ♦ the lack of employment opportunities in the sector means that many earn their primary income outside it (a pattern of 'portfolio employment' which is not atypical of Penwith generally, with its pattern of seasonal and casual employment)
- ♦ most of those working in the sector accept the need for the level of adaptability and flexibility of skills and creativity that goes with this
- ♦ employment patterns vary by sub-sector - but this is changing, with the 'core-periphery' model that has always existed in the theatre and music industries locally, now extending to other sub-sectors
- ♦ there is a low level of business skills among individuals and small companies least likely to be able to fund their own skills development needs
- ♦ there is evidence of complex forms of collaboration already, horizontal linkages
- ♦ local markets in most sub-sectors under-developed - this is not in itself a disadvantage, but it is a weakness and potentially damaging in some sub-sectors (eg. the economics of running a small scale theatre company out of Penwith are affected by the cost of constantly having to tour)
- ♦ most sub-sectors are strong at the skills and creativity end of production chain, weaker higher up (production/distribution/delivery/markets)
- ♦ the 'demographic void' of 16-34 year olds is particularly damaging to the creative industries sector

<sup>31</sup> PHA pg 46.

<sup>32</sup> Economic Impact of the St Ives September Festival 2000 - an analysis of survey data, Perfect Moment, 2001

- ◆ lack of access to training in Penwith is a major barrier to entry to sector
- ◆ lack of opportunities to make the transition from study to work is a key obstacle for those seeking work in the sector
- ◆ there is a low skills base in new technology
- ◆ the sector has a high proportion of under-resourced, low capital, marginal enterprises - typifying Penwith's 'thin air' economy, operating just above subsistence levels, individually enriching for those involved, but with limited sustainable impact on the creative economy
- ◆ there is evidence that new IT is just beginning to integrate previously separate industries - rapid convergence and lack of infrastructure and facilities is already creating a vacuum of training and skills development and the gap is widening between those who have access and those who do not

## 5.7 SWOT Analysis of Sector

### 5.7.1 Strengths

- ◆ economic regeneration measures provide strategic context for development of creative industries
- ◆ social inclusion and community regeneration measures identify cultural activity as a valuable contributor to these objectives
- ◆ the similarity between key economic and employment characteristics of the creative industries sector in Penwith and those of the broader economic profile of the district generally
- ◆ strong skills base of freelance and self-employed individuals working in the sector - a particularly high concentration of Cornwall's visual arts and crafts practitioners are based in Penwith
- ◆ culture is a positive brand for Penwith, with a strong recognition factor - the area is synonymous with a wide and diverse range of cultural identifiers, ranging from the historic associations with St Ives and Newlyn schools to contemporary youth-oriented surf- and club-culture
- ◆ those active in the sector tend to have a strong geographic and territorial identification with Penwith - there is a commitment to living and working in the district

- ◆ even within those commercial sectors where employment and earning prospects would be better elsewhere
- ◆ there is a strong presence of subsidised sector arts organisations
- ◆ some linkages between sub-sectors and the beginning of sector networking, particularly in media and technology sub-sectors eg. Digital Peninsula Network, Media Centre for Cornwall
- ◆ beginnings of an identifiable cluster of media industries - the cluster of film companies around Knight's Yard in Penzance
- ◆ strong community organisations with a culturally distinctive focus e.g. Golowan
- ◆ strong visual arts infrastructure, identifiable nodes - presence of 3 major galleries, Tate St Ives, Newlyn and Penlee House with combined annual visitor numbers in excess of 220,000; exceptionally high concentration of commercial galleries, sustained by a high profile artists' sector
- ◆ highly fragmented, but dynamic basis of a small scale music industry
- ◆ strong architectural and other design-based sectors
- ◆ the quickly developing cultural tourism market
- ◆ high local media profile for cultural activities, particularly in visual arts and music

### How to Build on Strengths

The following four priority areas for action are recommended:

- ◆ support for the growth of creative industries business clusters
- ◆ support for strengthening the freelance sector of the creative industries economy in Penwith
- ◆ strengthening the production chain in key sub-sectors, particularly those in the technology-dependent sectors
- ◆ positive branding of Penwith as a creative district

The following measures are required to enable these areas of action to be addressed:

- ◆ more detailed research on the creative industries sector, including a full analysis of its sub-sectoral strengths and

- ◆ weaknesses
- ◆ further identification of which are the key sub-sectors most likely to benefit from strategic investment

### 5.7.2 Weaknesses

- ◆ peripherality - geographic, economic, cultural attitudes
- ◆ outside perception of the lifestyle of the area as 'alternative' or 'sub-culture' weakens market position at 'cutting edge' in some sectors (specifically a problem in new technology led and media industries)
- ◆ strengths of creative industries sector, and sub-sectors within it, under-recognised within area
- ◆ sector is generally under-resourced, with under-developed infrastructure
- ◆ lack of opportunities for technical convergence, leading to under-exploitation of potential for creative synergy
- ◆ under-estimated economic contribution of sector
- ◆ no coherent, corporate strategy for creative industries within PDC
- ◆ marginalised position of arts in PDCs structure
- ◆ poor linkages between creative industries and other key industries (eg tourism)
- ◆ underdeveloped infrastructure, shortage of facilities, few resources
- ◆ limited educational and vocational training opportunities within Penwith lead to weakening of employment base in creative industries
- ◆ skills leakage within the sector particularly acute among 18-34 age groups, who have to leave Penwith for training and employment opportunities
- ◆ skills gaps created by lack of local opportunities for upskilling
- ◆ lack of local skills in the sector directly contributing to difficulty of new business start-up in creative industries - perpetuating cycle of skills drain
- ◆ lack of effective utilisation of networks
- ◆ lack of affordable workspace - particularly acute for visual artists, who are being priced out of the market by commercial redevelopment of traditional studio spaces
- ◆ poor understanding of needs of creative industries SMEs, and lack of sector specific training and support services in most sub-sectors

- ◆ low key industry presence in Cornwall in key sectors (eg. tv and broadcasting)
- ◆ lack of baseline mapping, data and analysis
- ◆ poor ICT infrastructure further weakens market position of area, particularly in key developing sectors which show growth trends nationally
- ◆ no comprehensive strategy for monitoring success or failure of local initiatives for the sector (initiatives are often output driven)
- ◆ no integrated access to specific funding for the sector

### How to combat weaknesses

There is a need to

- ◆ change the perceptions of key decision makers at a local, regional and national levels about the profile, ethos and creative potential of Penwith as a dynamic place for living, working and to visit
- ◆ attract inward investment in the creative industries; to retain its indigenous creative energy and attract inward migration of creative and skilled individuals to Penwith
- ◆ to promote Penwith as a place where contemporary Cornish, British, European and world cultures generate a productive climate of cultural dynamism, synergy and diversity

To begin to address this, the following four priority areas for action are recommended:

- ◆ build new dynamic networks of economic, social and cultural synergy
- ◆ encourage the development of relevant creative industries-led skills training
- ◆ provide workspaces that encourage synergy and clustering
- ◆ bring recognition of the cultural industries as a key economic sector, and creative capital its most valuable twenty-first century resource, to the heart of Penwith District Council's thinking

The following measures are required to enable these areas of action to be addressed:

- ◆ a major change in where the arts and culture are located within the structure and priorities of PDC
- ◆ a commitment to the creative industries as the twenty-first century brand for Penwith
- ◆ the imaginative use of its regulatory and other powers by PDC to give positive support to the creative industries sector
- ◆ more 'joined up thinking' about the creative industries between the objectives of PDC objectives and those of key providers in the training, skills and education sectors in Penwith specifically, and Cornwall more generally

### 5.7.3 Opportunities

- ◆ to build and gain support for the case for the creative industries as a potential catalyst for an integrated 'joined-up' approach to economic and social regeneration
- ◆ new Learning and Skills Council, and Small Business Service
- ◆ growing awareness among other education and training providers locally of the need for partnership within a more integrated market context to access external resources
- ◆ strong regeneration programmes target important aspects of creative industries
- ◆ new local authority structure at PDC, open to change and joined up thinking
- ◆ creative industries can provide linkage to key strategies such as the regeneration of Penzance town centre and Hayle; ICT strategy; Integrated Area Plan.
- ◆ training 4 Arts, Cornwall Arts Marketing, the Film Production Fund and other Cornwall-wide cluster initiatives
- ◆ to build a skills-economy to replace dated traditional economic base
- ◆ exploit cultural profile of area through innovative marketing
- ◆ reaffirm the brand image of Penwith as an area with a creative future not just a cultural past
- ◆ reposition Penwith for the twenty-first century on the strength of its knowledge and skills capital

#### How to make the most of the opportunities

The timing of this study in terms of maximising the opportunities is

ideal. It is increasingly recognised at the level of national, regional and local government that the creative industries have an effective role to play at the centre of all current agendas - economic and social as well as cultural. The global market for the cultural industries is growing (at 16% annually according to the latest DCMS figures). With the financial opportunities presented by Objective One, and other funding streams, Penwith is ideally placed to build on its existing strengths and support its cultural industries to be a key economic force in the regeneration of Penwith.

The following priority areas for action are recommended:

- ◆ increase the awareness of officers and members within PDC of the central role of the creative industries to all cross-cutting objectives
- ◆ ensure that increased awareness of the sector and its potential is properly underpinned with detailed, accurate and up to date research, and that the impact of its investment in the creative industries is adequately monitored and disseminated
- ◆ attract adequate funding to ensure that initiatives are not weakened through under-investment
- ◆ ensure that funding mechanisms and channels through which resources are reallocated are appropriate, accessible and effectively targeted

The following measures are required to enable these areas of action to be addressed:

- ◆ the setting up of creative industries research framework to ensure on-going research and monitoring is maintained
- ◆ raise the profile of the creative industries in Penwith through a series of briefings, publications, public events and seminars, and a standing consultative forum
- ◆ put in place the resources to enable Penwith to take maximum advantage of Objective One and other funding streams in order to develop the creative industries in the district

### 5.7.4 Threats

- ◆ Penwith's cultural profile and marketing of cultural assets

- ♦ too based on 'heritage' rather than contemporary practice
- ♦ failure to staunch the haemorrhage of skills, innovation and creativity being lost to the area
- ♦ stagnation of creative output caused by the 'skills drain'
- ♦ the lack of a clear co-ordinated strategy for sector specific training/SMEs continuing with the new LSC/SBS structure
- ♦ continuing lack of integrated approach to training and retention of young people in Cornwall
- ♦ proposed new cultural agency for Cornwall and other proposals to centralise strategic allocation of resources (eg The Film Production Fund) might conflict with Penwith's objectives and priorities
- ♦ continuing effects of isolation, fragmentation, lack of synergy, continuing leakage of affordable workspace for visual artists to commercial developers

### How to overcome threats

Ensure that the development of the creative industries does not fall between the responsibilities of different departments within PDC without any designated body or individual to take the initiative forward. Reverse the perception that Penwith is a geographic and cultural backwater isolated from contemporary practice and ethos. Ensure that the positive re-branding of Penwith as a creative district is adopted and taken forward as a corporate objective.

To begin to address this, the following priority areas for action are recommended:

- ♦ the development of a clearly designated post/agency responsible for developing the creative industries in Penwith
- ♦ raising the profile of contemporary practice across all sub-sectors, but particularly through the technology-dependent sectors
- ♦ positive and consistent branding of Penwith as a creative district
- ♦ proactive measures to retain and raise the profile of young creative talent in Penwith

The following measures are required to enable these areas of action to be addressed:

- ♦ the setting up of a clear framework for developing and implementing the strategy for the creative industries in Penwith
- ♦ setting measures in place to support the retention and inward migration of young creative individuals
- ♦ providing generic business support and sector-specific support to ensure that growth and sustainability of the creative industries sector is maintained
- ♦ setting clear priorities and targets for the intermediate to long-term growth of Penwith's creative industries sector
- ♦ ensuring that in the longer-term, the success of establishing Penwith as a creative district does not lead to the pricing out of indigenous creative individuals and locally-grown small/new businesses, as property prices increase and other businesses relocate to take advantage of measures/interventions here
- ♦ ensuring that the seam of older creative producers do not become marginalised or devalued in pursuit of the new, but are recognised as part of a single continuum of creative practice

## 6. SUMMARY OF KEY FINDINGS OF STUDY

Our findings point to the need for strategic intervention to address the following factors that are restricting the development of the creative industries sector in Penwith:

- ◆ The size, complexity and significance of the sector is not generally understood
- ◆ The creative industries are seen as an 'add on' and peripheral to the 'real industries' of the area, when in fact it is a key sector
- ◆ The lack of a strategic framework within which the creative industries sector can develop
- ◆ That for most, working in the creative industries in Penwith represents a commitment to the area rather than a choice based on availability of markets, a skilled workforce or financial security
- ◆ The economic importance of the sector to the Penwith economy is not reflected in the prevailing subsistence economy and marginality within which many creative businesses and individuals in the sector operate
- ◆ Creativity is an under-valued commodity, despite 'creative capital' being arguably Penwith's most exploitable remaining resource as those of its traditional industries are depleted
- ◆ As the creative industries become more global through new technology, the sector in Penwith is at risk of becoming more marginalised by the lack of investment in skills and training, particularly at a more advanced level
- ◆ Lack of investment in skills and training creates a self-perpetuating spiral of fewer creative sector businesses offering fewer employment opportunities, which leads to fewer new creative businesses starting up and low level of demand for skills
- ◆ Those working in the sector feel isolated, with no sector-specific business advice or support, and few effective networks and linkages
- ◆ There is a lack of appropriate infrastructure, in terms of affordable workspace, for creative sector businesses to start up and expand
- ◆ There is no support for research and development in the sector
- ◆ Investment in the creative industries sector is minimal

## 7. TOWARDS A STRATEGIC APPROACH - THE AIMS AND OBJECTIVES

It would be unrealistic to expect a strategy as broad as this to be 'owned' and delivered effectively by Penwith District Council in isolation. However, it is envisaged that PDC will be the lead partner in developing a structure for the partnership through which it is proposed the strategy will be devised and implemented. For some specific objectives (eg. through its statutory role as planning authority) PDC would be the appropriate partner to lead on implementation.

We propose in this section that a structure is created to devise and implement the Strategy for the Creative Industries in Penwith. The following aims and objectives are framed as those of the partnership as a whole, rather than just of Penwith District Council.

### 7.1 Creating a Strategic framework

#### Overall aim:

#### Objectives

1. To put in place a strategic framework for the development of the creative industries sector in Penwith
2. To ensure that all potential stakeholders are involved as partners in the design and delivery of the strategic framework
3. To ensure that the strategic framework is flexible and responsive to the development needs of the creative industries sector in Penwith in relation to Cornish, regional, national and global market and sector trends
4. To place the creative industries as a key driver for wider economic and social objectives, and to establish an ongoing evaluation of its impact.

To devise a strategic context within which the creative industries sector can be strengthened and developed in the most effective way.

#### Recommendations

1. Penwith District Council should set up a Creative Industries Unit within Economic Development. The Unit would work corporately across all sections of the Council, and act both externally, and internally, as a focus and catalyst for the development of the creative industries.

2. The Creative Industries Unit should be led by a designated Creative Industries Officer - initially a 3-year post. The aim of the post is to

- ◆ ensure the on-going development and implementation of the strategy
- ◆ secure the optimum mechanisms for its delivery beyond the initial 3 years
- ◆ develop sectoral initiatives,
- ◆ manage funding initiatives and develop linkages to Cornwall-wide initiatives

The post would complement a proposed business development/training post within the new learning and Skills/Small Business Service structure (see recommendation 10).

3. Penwith District Council should examine, with potential stakeholders, the structural options for setting up a Penwith Creative Industries Development Partnership (PCIDP). Partners would represent a wide range of interests, and could include: the RDA; University for Industry; Falmouth College of Art, Penwith College, Cornwall College; Learning and Skills Council; Small Business Service; National Training Organisations which have a regional presence (eg. Skillset); existing training providers.

The medium-term aim should be that by the end of the initial three year period this should become the delivery agency for taking the Creative Industries Strategy forward, at arm's length from PDC.

4. The lack of baseline data on the scale, extent, and economic impact of the creative industries sector in Penwith is a problem. The Creative Industries Strategy will depend on baseline data to justify external funding for its implementation. It is strongly recommended that this research is commissioned immediately, as any delay (eg in waiting to set up PCIDP) would further disadvantage the sector in relation to any external funding bids that require economic outputs to be demonstrated.

## 7.2 Developing 'Creative Capital'

### Objectives

1. To put in place a series of flexible and responsive measures to develop, support and retain those people who make up the creative workforce not just of today but of tomorrow.
2. To facilitate partnership between schools, FE/HE sectors, other accredited providers and the creative industries sector to highlight innovation and creativity.
3. To encourage the involvement of existing and emerging businesses in the creative industries sector to become involved in nurturing creativity and innovation through placements, mentoring, skill-sharing etc.
4. To develop initiatives which encourage links between industry and Higher Education.
5. To broaden access to schemes which encourage transfer of knowledge and best practice, such as the University Challenge Fund and Higher Education Innovation Fund.

### Overall aim

To promote creativity as an economic and social as well as a cultural resource.

### Recommendations

5. PCIDP brings together potential partners/stakeholders in a Creative Skills Partnership Initiative that links through from early-years education to workplace.
6. A series of 'Creative Enterprise' pilot projects are initiated to develop links between Penwith primary and secondary schools, the HE/FE sector, and creative sector businesses and raise awareness of creativity and innovation.
7. PCIDP sets up and co-ordinates a composite fund for new ideas - the Creativity and Innovation Fund - which provides up to £2k for the realisation of innovative ideas. This could also be used as match funding for other funding programmes such as Training for Arts 2 (T4A2)

## 7.3 Developing the Skills Pool

### Objectives

1. To influence the planning and delivery of the new Learning and Skills Council and Small Business Service at a sub-regional level to provide, in partnership, appropriate skills training and business support relevant to sectoral needs.
2. To ensure that education/training providers are aware of market needs so as to anticipate and react to the skills needs of the sector.
3. To raise the level of advanced skills across all sub-sectors and to enhance individuals' career development thereby increasing skills retention by providing access to this level of training at a local level
4. To improve the awareness and infrastructure for delivery of NVQs in the creative sector, and to promote them as entry points into employment.
5. To provide support for creative businesses to provide workplace-based vocational training providers
6. To influence the planning and delivery of, and ensure access to, Cornwall-wide training programmes such as T4A2.
7. To increase awareness of mainstream training programmes and services available to the creative industries sector, particularly for young people entering employment in the sector through alternative routes to FE/HE. eg: Employment Development Grants for skills development. Modern Apprenticeships linked to sector specific NVQs

### Overall Aim

To develop the availability and accessibility of integrated co-ordinated industry-led training for the creative industries sector in Penwith

### Recommendations

8. That discussions be initiated, as a priority, with the new Devon and Cornwall Small Business Service and the Learning and Skills Council to ensure that adequate provision is made in its future delivery plans for the creative industries and to identify how these services can be most effectively delivered for Penwith.

9. A 'one-stop shop' information and advice service is set up through the appointment of a Cultural Industries Business Advisor for the creative industries, as a pilot scheme in partnership with PDC along the lines of the West Cornwall Enterprise model, but through the new Learning and Skills Council/Small Business Service structure.

## 7.4 Embedding and growing SMEs and micro-businesses

### Objectives

1. To increase the level of business start-up in the creative industries in Penwith
2. To support new creative SMEs and micro-businesses in Penwith in the first 3 years of their life
3. To encourage the location of new and existing creative sector businesses with development potential in Penwith
4. To assist the sustainability of a dynamic, expanding creative sector as an important part of the overall economy of Penwith

### Overall Aim

To ensure that there is appropriate sector-specific provision for business training, R&D, ICT development and business assistance for SMEs and micro-businesses in the creative sector

### Recommendations

10. That in discussions with the Learning and Skills Council/Small Business Service, PDC actively promotes the inclusion of a strategy for creative industries, and a specialist regional remit for the creative industries as part of the LSC regional strategy.

11. PDC considers what direct support measures, such as discretionary Business Rate Relief, it might make available to benefit creative SME and micro-business start-up in Penwith; and examines a range of other direct and indirect support mechanisms which might be available to give locational advantage specifically to creative sector businesses in Penwith.

12. That PDC encourages the development of flexible lets and low-rent workspace, for 'virtual companies' (eg. St Ives International)

created to deliver short-term creative projects.

## 7.5 Encouraging clusters, networking and horizontal linkages

### Objectives

1. To ensure that conditions exist for clusters to grow out of sectoral need.
2. To ensure that regulatory requirements on RDAs and local authorities on provision for clusters in planning policy and land use are implemented to the benefit of the creative industries sector.
3. To assess and monitor capacity needs to ensure that adequate and appropriate physical infrastructural provision for creative industry clusters is made
4. To ensure that both public and private sector developers understand the potential of creative industries clusters as a catalyst for regeneration and making mixed spatial developments more attractive places to live and work
5. To support new networks involving the creative sector, both virtual and physical, in realising their potential.
6. To support creative industry development through horizontal linkages between and across sectors.

### Overall Aim

To encourage and support the setting up, effectiveness and sustainability of new networking initiatives

## Recommendations

13. That PDC ensures through its Creative Industries Development Officer that regulatory requirements on local authorities on provision for clusters in planning policy and land use are implemented to the benefit of the creative industries sector.

14. That the Creative Industries Development Officer is supported in assessing capacity needs and incorporating them into the development plans of PDC and others, so that adequate and appropriate physical infrastructural provision for creative industry clusters can be made.

15. PCIDP sets up and co-ordinates a Creative Clusters Fund, providing small amounts up to £5,000 to enable emerging clusters of creative sector companies and individuals to make the transition from a 'talking shop' to an effective and dynamic cluster.

## 7.6 Addressing Infrastructural needs

### Objectives

1. To ensure a range of provision of appropriate and affordable workspace for individuals, creative SME and micro-business units at different stages of their development
2. To ensure that the needs of the creative industries are recognised by both public and private sector developers in planning new developments
3. To ensure that planning mechanisms are used effectively to maximise advantage to the creative industries sector
4. To be proactive in advocating the provision of workspace (including live/work space) for the creative industries and for creative individuals as part of both specialised and mixed-use developments; and in the re-use of existing building stock through refurbishment/conversion
5. To promote the potential of artists' studios as a means of revitalising urban spaces, eg. through 'Living over the Shop' initiatives
6. To ensure that the stock of affordable workspace is not lost to the creative sector through the commercial redevelopment of traditional artists' studio buildings
7. To support the setting up of designated creative industries zones in both urban and rural settings across Penwith

### Overall Aim

To strengthen the physical and capital infrastructure for the creative industries in Penwith in terms of access to buildings and facilities

### Recommendations

16. An audit of existing workspace and premises, and an assessment of future trends in demand from the creative industries sector should be undertaken by PCIDP as baseline research against which future needs can be projected and monitored.

17. PDC considers what measures it might be able to take to increase the affordability of workspace for creative sector individuals/businesses. Specifically, it is recommended that

- ◆ PDC should open discussions with the Borlase Smart Trust into safeguarding the future of the Porthmeor Studios
- ◆ The potential for partnership between PCIDP and Penwith Housing Association on the development of affordable, low-rent live/work space is explored
- ◆ Subject to the recommendations of the WS Atkins' Penzance Regeneration Study, PDC needs to give a clear indication as to whether developing the former Vosper's showroom in Penzance for the creative industries remains an option for this building in the medium-term, and if so, signal its commitment by commissioning a feasibility study.
- ◆ PDC gives its support to the proposed inclusion of provision for the creative industries in the conversion of the former BT building in Penzance as a mixed-use development, as an example of its support for creative clusters and as part of the proposed spatial strategy for a designated Creative Industries Zone (see recommendation 21)

18. PDC should encourage the inward location of high-profile creative companies into Penwith both as flagships, and as potential catalysts for further development of the sector.

19. PDC considers a spatial strategy of designated Creative Industries Zones. These may be just conceptual, for 'branding' purposes (signage etc) or may be special development areas, in which for example, planning consents, business start-up grants and other incentives may be made available to creative sector businesses located in, or new businesses locating to these areas (not relocating from elsewhere in Penwith). Potential 'zones', building on existing concentrations of creative and related businesses have been identi-

fied in Penzance, St Ives, Hayle, St Just and Newlyn.

20. PCIDP examines the potential for developing a strategy in partnership with PDC and the commercial sector for temporary galleries and studio spaces in vacant property.

## 7.7 Branding Penwith as a 'creative quarter'

### Objectives

1. To give a new brand identity to Penwith for the twenty-first century based on its qualities as a creative place - looking forward rather than back
2. To extend the creative brand of Penwith across all areas of its marketing and promotion - as a business location as well as a visitor destination
3. To strengthen Penwith as a dynamic and contemporary destination for cultural tourism - not as a museum to cultural history

### Overall Aim

Using the creative industries to reposition Penwith 'from the periphery to the creative edge'

### Recommendations

21. PCIDP works with its partners to build on existing sectoral strengths and critical mass within Penwith to develop a strategy for raising its profile as a 'cultural quarter'.

22. It is recommended that PDC commissions a Public Art strategy, and a Public Art Directive for adoption by PDC, which would provide a mechanism through which Public Art could be incorporated as an integral part of future capital schemes through the planning framework. It is vital that a coherent and strategic approach to Public Art is taken by the Council to avoid ad hoc and opportunistic interventions

which may be detrimental to the long-term benefits of an effective strategy.

23. PDC could consider how it might use its statutory/regulatory powers to support creative industries initiatives, eg: returning a percentage of direct revenues from car parking at designated sites to a Creative Industries Investment Fund; supporting the concept of a voluntary 'tourist tax' as described in the Rural White Paper to benefit the creative industries that are a powerful magnet to attracting visitors to the area; or through the use of its regulatory powers to benefit cultural initiatives (eg. licensing).

24. PDC develops a clear, long term cross-departmental policy towards festivals and considers the part time employment of a festivals support officer.

## 8 THE STRATEGIC CONTEXT

### Introduction

The time is ripe for action. The national, regional and local policy environment supports a far-reaching and innovative approach to developing the cultural industries in Penwith. Below we produce outlines of the key policies and strategies that are most directly relevant to the actions which have been recommended in section seven of this report.

### 8.1 National Policy and Context

#### 8.1.1 Department For Culture Media and Sport

One of the four key DCMS objectives is supporting the creative industries.

"I look to our creative industries to continue to take the lead, to do what they do best - to think 'outside the box', to be flexible and quick to seize the opportunities. I am confident they will continue to grow, building further on the astonishing success they have enjoyed over the last few years." Chris Smith Minister for Culture Media and Sport

The Creative Partnerships project, for which Cornwall has been awarded £1m for a pilot scheme, will provide a bridge between schools and cultural organisations, enabling every pupil to have the chance to work with creative professionals and organisations.

#### 8.1.2 Creative Industries Task Force

The Creative Industries Task Force (CITF) is the first recognition by government of the specific needs of the creative industries as a key economic and employment sector. It is a cross-departmental forum through which government policies on the development of the creative industries can be co-ordinated. A number of research documents have been produced by the CITF, which have informed this study and which provide a context for national government policy on the creative industries.

The most relevant to Penwith are:

#### *The Creative Industries Mapping Document 2001*

This builds on a previous Mapping Document in November 1998 and confirms the growing significance of the sector noting that the sector generates revenues of around £112.5 billion and employ some 1.3 million people. In 1997-98, output grew by 16%, compared to under 6% for the economy as a whole.

In the context of the Penwith cultural industries the following points are worthy of note from the report

- ♦ the importance of e-commerce and the internet - "Creative companies need increasingly to pursue flexible strategies which address the complementary development of on-line and "real world" business processes, which are tactical and responsive to both the fast pace of short-term developments and anticipated longer-term outcomes. There is a need for the industries and government to continue to work in partnership to monitor both threats and opportunities arising from these developments."
- ♦ working in partnership - "The Regional Development Agencies can draw upon the expertise of Regional Cultural Consortia and industry- focused bodies, such as the Regional Arts Boards, in formulating their economic development strategies and ensuring the continuing success of the industries"
- ♦ growing the Cultural Industries - amongst others the report identifies the following factors as being crucial to the growth of the sector:
- ♦ stimulating creativity and innovation in young people to ensure a long-term supply of creative talent;
- ♦ ensuring that at primary, secondary and tertiary education levels, it is possible to identify and develop new talent
- ♦ ensuring that people have both the creative and business skills necessary to succeed
- ♦ ensuring that creative businesses have access to appropriate financial support, and that the financial sector is aware of the opportunities and benefits of investing in the creative industries
- ♦ exploiting the opportunities presented by e-commerce and the Internet
- ♦ recognising the interlocking relationship and synergies between the subsidised and commercial creative sectors,

between the creative industries and broader cultural sectors, and promoting the UK's diverse vibrant cultural life;

- ◆ continuing to improve the collection of robust and timely data on the creative industries, based on a common understanding of coverage.

### *Creative Industries - the Regional Dimension.*

The Regional Issues Working Group, chaired by Hilary Armstrong MP, was set up to develop the Task Force's regional agenda. A report covering the conclusions of the regional audits and consultative workshops was published jointly by the DETR/DCMS in March 1999.

The report identifies the following special needs of creative businesses

- ◆ a lack of detailed information on the creative industries sector
- ◆ lack of strategic thinking by local, regional and national agencies and a subsequent lack of integration between creative industries and other related strategies

The report makes the following detailed recommendations, which are directly relevant to Penwith:

- ◆ use planning policy to support the development of creative industries
- ◆ develop appropriate, integrated long-term strategies and partnerships to develop creative businesses, attract investment and stimulate growth
- ◆ ensure that creative industries strategies are integrated with other related strategies
- ◆ ensure creative industries are adequately reflected in RDA strategies
- ◆ co-ordinate the enabling agencies at regional level to ensure a co-ordinated approach to the development of the creative sector within a coherent framework.
- ◆ carry out detailed mapping exercises to build up regional profiles of the creative industries sector
- ◆ improve business development agencies' appreciation and understanding of creative businesses to ensure that

they have access to appropriate support services, venture capital, help with marketing and communication networks

- ◆ help link creative businesses with wider networks of communication and exchange
- ◆ develop appropriate training and education packages
- ◆ develop more flexible delivery methods to widen access to training opportunities
- ◆ assess and address skills gaps and shortages in the creative industries sector
- ◆ improve advice on sources of finance and training opportunities
- ◆ raise awareness of the benefits of including creative activity and training in regeneration schemes.
- ◆ encourage the development of physical clusters
- ◆ regions should develop effective image and marketing campaigns
- ◆ reflect the need to retain skilled creative labour in economic development strategies
- ◆ develop public investment strategies to support the creative industries as a way of attracting new talent and outside investment

It is worth noting that one of the key activities identified by the Cultural Industries Task Force for 2001 is a workshop on the theme of Creative Industries in a Rural Environment.

### 8.1.3 Arts Council

Providing subsidy for arts practitioners the Arts Council of England has recently received an increase to the amount of Treasury funding for the arts by an additional £80 million a year by 2003/04.

As part of this additional funding the DfEE have placed education as a high priority. £40 million has therefore been awarded to support 'creative partnerships' in deprived areas - Cornwall has been nominated as 1 of the 16 partnerships and is currently working up a proposal. This significant amount of funding will be spent providing children with access to arts and cultural industry practitioners.

As part of its commitment to the individual artist, the Arts Council has invested £1 million over two years to provide a framework for continuing professional development for artists, arts managers and other arts professionals. This represents the biggest single investment in

professional development in the Arts Council's history

"Lifelong learning in the arts is a priority for the Arts Council"

Aims include:

- ◆ promoting excellence within arts learning
- ◆ encouraging quality arts learning within arts organisations
- ◆ supporting and extending arts learning networks
- ◆ generating research into good practice within arts learning

#### 8.1.4 Metier - The National Training Organisation for the Arts

Metier's recent Workforce Development Plan cited the following as key areas for action within the industry

- ◆ supporting non graduate entry to the sector
- ◆ capacity building programmes for micro-businesses and SMEs in the arts and entertainment businesses.
- ◆ access to all in the arts and entertainment industry to continual professional development programmes

#### 8.1.5 Department of Trade and Industry

The DTI/DfEE White Paper "Opportunities for All" sets out proposals for raising GDP in all regions, closing the skills gap, helping industry through restructuring and nurturing new industries as they develop. It highlights the importance of creativity in the knowledge economy and lays out a series of support mechanisms for supporting business development especially in the new knowledge economy. These include

- ◆ £50m to fund Ambition : IT to assist 5,000 unemployed people into ICT jobs over the next three years;
- ◆ £75 million incubator fund to support the creation of incubator space, refurbishment of workspace to provide a more supportive environment and the linking of business support and workspace provision with other infrastructure such as broadband communications networks.
- ◆ £50 million from the Enterprise Fund for start-ups and growth firms
- ◆ £80m Phoenix Fund to encourage enterprise among those who are less likely to participate. Further bidding

round this year

The recent DTI publication, The First Assessment of Clusters in the UK, has helped many more policy formers to realise the growing importance of the creative industries - and their wide geographical spread shows this is not just a London and South East phenomenon;

#### 8.1.6 Department of Transport, Environment and the Regions

##### *Urban White Paper*

This wide-ranging paper sets out a vision for improving the quality of life towns and cities across the UK. Amongst many recommendations the following are the most pertinent to the development of Penwith's cultural industries

- ◆ allow councils to reinvest in an area any additional non-domestic rates and council tax they are able to collect from attracting new or expanded businesses
- ◆ each town and city now needs to develop a vision for its future and plan how to achieve it. It should do this through a local strategic partnership involving the community, the council, service providers, voluntary groups, business leaders and consulting everybody with an interest at stake.
- ◆ a commitment to improve key services - education, health care, policing, housing and transport, as well as opportunities to enjoy culture, leisure and sport

##### *Rural White Paper*

This white paper entitled 'A Fairer Deal for Rural England' sets out a vision for improving the quality of life in England's rural towns and countryside. Amongst many recommendations the following are the most pertinent to the development of Penwith's cultural industries:

- ◆ demand for distinctive rural products and services will be key factors in continual rural prosperity
- ◆ supporting local business clusters based on links with higher education or local networks in creative and media businesses
- ◆ building on local identity, culture and character particularly in leisure related businesses

- ♦ investment in market towns

### *Neighbourhood Renewal Fund*

A New Commitment to Neighbourhood Renewal - National Strategy Action Plan is the recently published government policy, which sets out the plans to tackle deprivation. Within this strategy sits the Neighbourhood Renewal Fund which is designed to provide funding for deprived local authorities to improve their services in the most deprived areas. Local plans are developed through Local Strategic Partnerships. Penwith and Kerrier have been awarded £4.8 million under this funding regime. A delivery plan is currently being developed for DETR approval.

#### 8.1.7 Department for Employment and Education

There are a myriad of policies and actions from this department all relevant to producing a skilled workforce. The most significant for the cultural industries in Penwith are the setting up of the regionally based Small Business Service and Learning and Skills Council both of which are elaborated on below in 12.2 Regional Policy and Context.

#### 8.1.8 Social Exclusion Unit

The Policy Action Team Report 10, on Sports and the Arts was one of the reports commissioned by the Social Exclusion Unit as a response to the governments white paper 'Bringing Britain Together' - in turn the PAT reports have been used to underpin the latest policy designed to tackle regeneration - 'A New Commitment to Neighbourhood Renewal'. Its goal was to draw up an action plan with targets to maximise the impact of arts, sport and leisure in contributing to neighbourhood regeneration and increased local participation.

Key findings of this report were based around detailed evidence of how the arts and cultural industries have an important and tangible role to play in regeneration and social inclusion. In conclusion the report states:

- ♦ wider regeneration and other strategies adopted by Local Authorities to improve an areas performance, in the key 4 indicators of more jobs, less crime, better health and

higher educational achievement should explicitly consider the role which their cultural, leisure and tourism industry capacity can play

In addition the PAT report notes the convergence of cultural, social and economic agendas in, for example, the work of the TS2K initiative in East and South London. The report identified social exclusion [as] responsible for locking out significant talent from the mainstream economic and social life and notes that 'thousands of talented unemployed young people have attended the first two TS2K's Creative Enterprise Centres. Its aim is to generate cultural development, dealing with poverty and barriers to work, as well as hoping to provide ways for jobs in the expanding creative industries' agenda.

This report highlights where and how the 'economic impact' and the 'social impact' dimensions of the cultural industries clearly come together.

The value of arts, in this context, is recognised by the RDA and there is a growing awareness for the need to develop more work in this way in Cornwall.

In terms of Penwith's Cultural Industries the increasing acceptance of the use of arts in a wider setting creates employment opportunities in the medium to long term and the issue of upskilling the workforce to broaden individual and company 'toolkits' to take advantage of a growing opportunity must be addressed

## 8.2 Regional Policy And Context

### 8.2.1 Regional Cultural Consortium - Regional Cultural Strategies

The Government has created Regional Cultural Consortia in each of the English regions, including the South West. The Regional Cultural Consortium is a forum for bringing together local government, other statutory public authorities and voluntary and private sector interests in the cultural and creative industries sector. this includes the arts, heritage, museums, galleries and archives, libraries, tourism and sport.

A coherent framework of regional cultural priorities set by the Regional Cultural Consortium is intended to help inform the regional

economic strategy delivered through the Regional Development Agency (RDA), and Lottery distributors' strategies through which Lottery bids can be assessed.

A draft framework for the South West England Cultural Strategy was published in April 1999. A draft of the strategy itself is currently with DCMS, and if approved is expected to be published in April/May 2001. The consultants have not had sight of this draft strategy, but are advised that it has been broadly framed around cross-cutting themes, such as the need for detailed auditing and mapping of the cultural sector, and promoting the economic and social benefits to the RDA and local authorities, rather than making specific strategic recommendations about specific parts of the region.

### 8.2.2 South West Regional Development Agency (SWERDA)

SWERDA is responsible for the development and implementation of the Regional Economic Strategy, which was produced in 1999. The strategy identifies four strategic drivers to take economic strategy and delivery forward for the next 12 years. The strategic drivers are:

- ♦ an "innovation and technology driver" to place creativity at the heart of the region's businesses and institutions
- ♦ an "environment driver" to ensure that cultural and environmental assets are used to attract and develop business potential
- ♦ a "skills driver" to equip people with the skills and adaptability needed to underpin a modern, developing and inclusive economy
- ♦ a "partnership driver", which will promote greater quality and operational effectiveness for the region

The relative disadvantage of Cornwall, demonstrated by a range of indices, is well recognised in the strategy. It identifies skills, innovation and technology and the environment as the 'future determinants of prosperity' in the South West. In support of the aims and objectives of this strategy, SWERDA provides a range of initiatives and coordinates a number of national programmes at regional and local level in skills' development, innovation and technology, rural and urban regeneration and inward investment. SWERDA is a major potential source of funding for developing the creative industries in Penwith through a number of programmes for capital schemes,

sectoral initiatives and SME development, and skills training.

### *Rural Development Programme*

The whole of Penwith except for Penzance and the Gulval/Heamoor area is designated a Rural Priority Area eligible for financial and other support from SWERDA through the Rural Development Programme (The Rural Development Programme (RDP) aims to support projects which will develop a sound and sustainable rural economy, maintain and enhance rural communities. All of Penwith is eligible. Funding is available to assist with up to 50% of eligible project costs up to a maximum grant of £150,000 - Examples include

- ♦ development of workshops
- ♦ rural Tourism projects
- ♦ training projects

Objectives relevant to the Cultural Industries are:

- ♦ provide workspace through conversion, a flexible approach to partnership schemes, and targeted provision of managed workspace
- ♦ support the growth, diversification and competitiveness of local business
- ♦ promotion of products, marketing and adding value
- ♦ encouragement of quality rural tourism, particularly that based on the inherent character of Cornwall

### 8.2.3 South West Arts

SWA is the regional development agency for the arts in the South West, providing information, advocacy and funding for the arts totaling nearly £5 million a year. In addition to this role, SWA is the regional advisor to the Arts Council of England on all Lottery applications from the region to the Arts Lottery Fund. In a recent re-organisation South West Arts has lost its autonomy and become part of a wider centralised Arts Council system.

## SWA Review of Cornwall

IN 2000 SWA undertook a review of how their resources might be more effectively used in Cornwall. From this work has emerged 'Creative Cornwall', a partnership between South West Arts, local authority, artists, arts organisations, Objective One and other agencies who will drive the strategy forward and provide a focus for integrating a range of funding programmes across a number of themes. Key elements of the new strategy are

- ♦ Cornwall as a development priority for South West Arts
- ♦ developing a creative Investment fund
- ♦ creating an active network or agency

### 8.2.4 South West Media Development Agency

SWMDA is the funding and development body for film, video and the moving image in the South West, providing advice on cinema exhibition and the development of new cinema provision. It supports a small number of media organisations, none of which are in Cornwall, and offers funding for independent film production, film exhibition initiatives, film education projects and artists' film and video.

### 8.2.5 Learning and Skills Council

Since April 2001 The LSC has taken over responsibility for the planning and funding of all post-16 education and training (except higher education), and is the route by which Adult and Community Learning and School Sixth Forms are funded in conjunction with Local Education Authorities (LEAs). These new arrangements for Post 16 education and training are being introduced with the aim of bringing coherence, transparency and simplicity to the existing diversity of funding streams.

Provision funded by the LSC includes work-based training for young people, workforce development, Further Education Funding Council (FEFC) funded learning, adult and community education, education-business partnerships, Ufl (University for Industry) branded learning, local advice and guidance for adults, and continuing TEC discretionary activity in the learning and skills field. This last includes projects co-funded by the European Social Fund (ESF) and Single Regeneration Budget (SRB). The local task groups includes repre-

sentation from FEFC, LEAs, TECs, RDAs, and the Employment Service as the relevant funding bodies.

Penwith will need to be pro-active in making sure that the needs of the cultural industries are adequately represented in the long term planning of the Learning and Skills Councils.

### 8.2.6 Small Business Service

In preparing the final draft of this study, the consultants have had sight of the draft Devon and Cornwall SBS Business Plan for 2001-2002 and there appears to be no mention of either the cultural or creative industries, although it makes reference to the Objective One Single Programming Document's targeting of key growth sectors (in which cultural industries is included). This absence tends to confirm the need to increase the SBS's awareness of the potential of the sector and its specific needs; and also for a mechanism to ensure that an appropriate level of business support for this sector is provided at a local level.

## 8.3 Local Policy and Context

### 8.3.1 Objective One Single Programming Document (SPD)

Cornwall and the Isles of Scilly have been designated as an Objective 1 area. £314m will be available between 2000 and 2006 from all 4 structural funds (ERDF, EAGGF, ESF and FIFG).

The Single Programming Document (SPD) has three strategic objectives:

- 1 To increase absolute prosperity by encouraging more highly skilled and better paid jobs, especially in growth sectors, and investing in the infrastructure and facilities to achieve this;
- 2 To support communities facing change, such as the agricultural and fishing communities which have previously been heavily reliant on traditional and established sectors;
3. To enhance the distinctiveness of Cornwall and the Isles of Scilly - protecting and improving the natural environment, heritage and culture.

The SPD addresses these strategic objectives through five priorities. These are:

- Priority 1 SME and micro business support - support for existing businesses and to encourage the development of new sectors
- Priority 2 Strategic investment - provision of new investment with direct economic benefits, and investment in strategic infrastructure
- Priority 3 Developing people - support to short and long-term unemployed, as well as those seeking to return to the labour market
- Priority 4 Community Regeneration and Sectoral Adjustment - community regeneration activities for the most disadvantaged areas of Cornwall; and support for rural communities and the agricultural sector
- Priority 5 Regional Distinctiveness - support for the arts, culture and heritage industries

#### *The Integrated Area Plan*

#### 8.3.2 Cornwall Strategy and Action Ten Year Vision 2000-2009 - 'Achieving Prosperity'

Prepared by Cornwall Enterprise for the Cornwall and Isles of Scilly Economic Development and Tourism Forum, this is the sub-regional strategy that nests below the Regional Strategy of the South West of England Regional Development Agency.

Its five key strategy areas are: people; infrastructure; business; distinctiveness; communities. Additionally the strategy proposes to establish a Cornwall Research Observatory to measure progress in the achievement of the actions outlined.

Ten drivers are identified based on the potential and constraints of the economy. These drivers are described as 'qualifying', i.e. keeping up with competing regions, or 'differentiating', i.e. providing a leading edge for Cornwall and the Isles of Scilly.

The 'qualifying drivers' are:

- ♦ changing perceptions
- ♦ connecting Cornwall - overcoming peripherality through improving transport

- ♦ infrastructure and information and communications technology capability (both infrastructure and skills)
- ♦ improving competitiveness - increasing the robustness of the SME sector, maximising the use of technology and generating healthy incomes
- ♦ developing skills and learning - greater opportunities to maximise individual potential
- ♦ attracting and securing investment for quality employment space and environmental assets.
- ♦ restructuring industries
- ♦ improving partnership

The 'differentiating drivers' are:

- ♦ maximising distinctiveness
- ♦ confident communities - retaining and building strong communities and increasing
- ♦ social inclusion; a more equal more inclusive society where wealth and incomes have increased and are more evenly spread
- ♦ thinking Globally- developing Cornwall as an outward looking, intelligent, high
- ♦ knowledge region, known for some innovative and globally successful sectors,
- ♦ companies, research capabilities and academic knowledge

Among the strategy's top ten priorities of relevance to the development of the creative industries sector are:

- ♦ progressing plans for a University of Cornwall through the Combined Universities in Cornwall (CUC) taskforce
- ♦ the development of key clusters/sectors through an SME taskforce supported by Cornwall Enterprise
- ♦ the setting up of an ICT taskforce to prepare an ICT infrastructure Action Plan and literacy plan
- ♦ developing and promoting the distinctiveness of the Cornish brand
- ♦ supporting the work of the cultural industries taskforce

### 8.3.3 Cornwall's Cultural Strategy (Towlenn rag Ertach ha Gonisygeth yn Kernow)

Cornwall's recently produced cultural strategy makes the following key references to the cultural industries

The creative industries have not historically been seen as an integral part of cultural planning. Few mechanisms therefore exist through which to engage with the creative application of technology. As well as dedicated facilities for training and production such centres should provide "ideas factories" through which to animate Cornish creativity.

The partnership based development of the creative industries in Cornwall as a dynamic growth sector aided by ICT developments should integrate private, public and education sectors. It should include e commerce based marketing and distribution networks for Cornish cultural products to global markets.

Developing support for the "Young Creative Entrepreneur" should take the form of an integrated package of start up finance, business, ICT and commerce training, resource centres and "hot house " creative workshops. Particular emphasis on arts and entertainment, fashion, publishing and the media, computer and design sectors.

For the growth of a media infrastructure in Cornwall should include research and development funds, production awards and training initiatives.

### 8.3.4 Local Cultural Strategies

All local authorities are required to produce Local Cultural Strategies by DETR. This has been achieved at County level within Cornwall. Penwith is required to produce an action plan in line with county-wide strategy.

The government's objective is to make cultural strategies an effective tool through which local authorities can develop a strategic overview. This will recognise the role of cultural services in addressing the wider cross-cutting objectives of social inclusion, lifelong learning and healthier and safer communities. The DCMS concentration on the nurturing of the creative industries has particular significance for the local strategies.

### 8.3.5 Penwith Local Plan<sup>33</sup>

The aim of the Local Plan is to provide a mechanism for responding to and encouraging development in the area. It identifies a number of themes that are inter-linked to the specific contextual framework of other Penwith District Council plans, e.g. the Economic Development Strategy, and provides one of the key contexts for the IAP. Themes that are likely to have a significant influence on the development of a creative industries strategy are: maintenance of the vitality and viability of town centres; employment, particularly in relation to the rural economy and re-use of existing buildings; tourism-related development; and telecommunications.

Penwith District Council Economic Development Strategy 2000/2001 has five principal aims:

- ◆ to support existing businesses and industries in all sectors and to encourage their growth
- ◆ to encourage developments which provide wider and better paid job opportunities
- ◆ to carefully relate the scale and type of development to the environment and character of the district
- ◆ to attract inward investment to the area
- ◆ to increase the level of prosperity through partnership with those in the private, public and voluntary sectors

Among the 17 specific objectives identified in the strategy the following are relevant to the development of the creative industries sector in Penwith:

- ◆ to secure an on-going supply of serviced sites and a suitable range of premises to meet the needs of businesses in the district
- ◆ to maintain and improve the vitality and viability of the main town centres
- ◆ to promote the economic and environmental regeneration of derelict, unused and under-used sites in towns and villages

The Economic Development Strategy makes a number of specific references to the development of the arts and crafts under policy

33. Penwith Local Plan deposit draft 1998 PDC

ED-11, although it is important to note that they are 'bolted-on', rather than integrated into, other strands of economic development policy. It refers to the Arts Strategy adopted by the Council in 1995, "in which it recognises that the arts and crafts industry plays an important role in the economic vitality of Penwith, enhances its image as a tourist destination and contributes to community development and environmental issues."<sup>34</sup> Although it is relatively narrow in its definition of the sector, this is an important starting point, in that PDC has already adopted a strategy which recognises the economic contribution, inter-relation with other key sectors, and impact on broader objectives that the creative industries sector makes.

Specific actions identified under policy ED-11 with particular reference to the creative industries include:

- ◆ initiate a public art strategy
- ◆ encourage growth in the creative industries sector
- ◆ facilitate moves within the digital/media sector, with particular respect for 'hands on' facilities for young people, e.g. the Music Factory
- ◆ improve the status of the individual artist as a business through the provision of training and marketing opportunities
- ◆ support for appropriate initiatives under Objective One
- ◆ support for the provision of artists' workspace and associated accommodation under Phase 2 of the Penwith Housing Association project

Aside from the reference to the digital/media sector, there are no specific linkages in the Economic Development strategy between ICT and the creative industries.

There is also a raft of actions under policy ED-17 which relates to the development of training initiatives to meet skill shortages within the area which are relevant to the creative industries:

- ◆ continuing support for training programmes delivered by the Small Business Service
- ◆ support for Welfare to Work and New Deal initiatives
- ◆ support for SRB initiatives relating to training/human resource development
- ◆ support for further initiatives by Penwith College
- ◆ continuing support for the Modern Apprenticeships

- ◆ programme by PROSPER
- ◆ support for further adult education initiatives

### 8.3.6 Single Regeneration Budget

Although this is being discontinued, existing schemes in the region continue to be eligible for financial support for up to 7 years and new projects will be considered within these schemes. Current SRB schemes running in West Cornwall are SRB 5 which focuses on the needs of young people and SRB 6 which will focus on community led regeneration of the poorest wards in Penwith.

### 8.3.7. Local Initiatives

There are a number of Cornwall wide initiatives of which the Cultural Industries in Penwith could take advantage:

- ◆ training 4 Arts 2 - an ESF funded, partnership based bid led by the Arts Centre Trust. This initiative will provide money for free training, a skills fund, a one stop shop for advice and guidance on Continual Professional Development
- ◆ Cornwall Arts Marketing 2 - this ERDF programme following on from CAM 1 will be a sector wide (including visual art) marketing programme - aimed at developing strong marketing campaigns to promote arts work. The programme may include the placement of an arts marketing post in Penwith and a capital fund to enable 'product enhancement'
- ◆ Creative Partnerships - Cornwall has been chosen to be a pilot project for an ambitious arts-in-education programme. A consortium of sectoral providers are currently working up a delivery plan to draw down around £1m of Arts Council of England/DfEE funding to develop and deliver an arts-in-education package
- ◆ a film production fund has recently been launched with Objective One and private sector finance to assist with the development of the film and video sector much of which is based in Penwith

34. Economic Development Strategy 2000/2001 para 3.26

### 8.3.8 Penzance Harbour and Town Regeneration Action Plan

The writers of this report have had preliminary discussions with the writers of the W.S. Atkins report. However, at the time of writing this report, W.S. Atkins are still developing their findings and so we are unable to comment on the synergy between the two strategies.

We would urge that this report is made available to W.S. Atkins as soon as possible, and that they are encouraged to take into account our recommendations.

## 9. KEY FUNDING OPPORTUNITIES

There are numerous external funding sources which could support the various initiatives outlined in this document. Below we identify the key ones that could be utilised immediately.

### **Objective One - Integrated Area Plan**

Objective C is specifically to support the development of cultural activity within the area. Specific programme outputs include Workspace developed, Jobs created/safeguarded, Key locations improved, and micro-businesses supported. Most of the activities recommended in this report are to some degree eligible for funding under the IAP.

### **Objective One - Priority Three**

Provides capital and revenue support for training and business support measures which could be targeted at the cultural industries in Penwith.

### **Market and Coastal Towns Initiative**

A new SWRDA initiative with £30m available to support small market towns and coastal towns. Any bid for these funds from Penwith should involve support for the development of the cultural industries.

### **SRB**

Funding available under SRB 5 to support business development initiatives for young people and increase access to the arts.

Funding available under SRB 6 to increase access to jobs and encourage business start ups for those living in the most deprived wards in West Cornwall which include most of the areas recommended in this report as potential Cultural Industries Zones.

### **Neighbourhood Renewal Fund**

£4.8 million to improve services in Kerrier and Penwith. This could include improving support service for business start-ups in the cultural industries

# APPENDICES



**Under the objective of “Creating a Strategic Framework” it is recommended that:**

1. Penwith District Council should set up a Creative Industries Unit within Economic Development. The Unit would work corporately across all sections of the Council, and act both externally, and internally, as a focus and catalyst for the development of the creative industries.
2. The Creative Industries Unit should be led by a designated Creative Industries Officer - initially a 3-year post. The aim of the post is to
  - ◆ ensure the on-going development and implementation of the strategy
  - ◆ secure the optimum mechanisms for its delivery beyond the initial 3 years
  - ◆ develop sectoral initiatives,
  - ◆ manage funding initiatives and develop linkages to Cornwall-wide initiatives

The post would complement a proposed business development/training post within the new TEC structure (see recommendation 8).

3. Penwith District Council should examine, with potential stakeholders, the structural options for setting up a Penwith Creative Industries Development Partnership (PCIDP). Partners would represent a wide range of interests, and could include: the RDA; University for Industry; Falmouth College of Art, Penwith College, Cornwall College; Learning and Skills Council; Small Business Service; National Training Organisations which have a regional presence (eg.Skillset); existing training providers.

The medium-term aim should be that by the end of the initial three year period this should become the delivery agency for taking the delivery of the Creative Industries Strategy forward, at arm’s length from PDC.

4.The lack of baseline data on the scale, extent, and economic impact of the creative industries sector in Penwith is a problem. The Creative Industries Strategy will depend on baseline data to justify external funding for its implementation. It is strongly recommended that this research is commissioned immediately, as any delay (eg in waiting to set up PCIDP) would further disadvantage the sector in relation to any external funding bids that require economic outputs to be demonstrated.

**Under the objective of “Developing Creative Capital” it is recommended that:**

5. PCIDP brings together potential partners/stakeholders in a Creative Skills Partnership Initiative that links through from early-years education to workplace.
6. A series of ‘Creative Enterprise’ pilot projects are initiated to develop links between Penwith’s primary and secondary schools, the HE/FE sector, and creative sector businesses and raise awareness of creativity and innovation.
6. PCIDP sets up and co-ordinates a composite fund for new ideas - the Creativity and Innovation Fund - which provides up to £2k for the realisation of innovative ideas. This could also be used as match funding for other funding programmes such as Training for Arts 2 (T4A2)

**Under the objective of “Developing the Skills Pool” it is recommended that:**

- 8.That discussions be initiated, as a priority, with the new Devon and Cornwall Small Business Service and the Learning and Skills Council to ensure that adequate provision is made in its future delivery plans for the creative industries and to identify how these services can be most effectively delivered for Penwith.
9. A ‘one-stop shop’ information and advice service is set up through the appointment of a Cultural Industries Business Advisor for the creative industries, as a pilot scheme in partnership with PDC along the lines of the West Cornwall Enterprise model, but through the new Learning and Skills Council/Small Business Service structure.

**Under the objective “Embedding and Growing SMEs and Micro-businesses” it is recommended that:**

10. That in discussions with the Learning and Skills Council/Small Business Service, PDC actively promotes the inclusion of a strategy for creative industries, and a specialist regional remit for the creative industries as part of the LSC regional strategy.

11. PDC considers what direct support measures, such as discretionary Business Rate Relief, it might make available to benefit creative SME and micro-business start-up in Penwith; and examines a range of other direct and indirect support mechanisms which might be available to give locational advantage specifically to creative sector businesses in Penwith.

12. That PDC encourages the development of flexible lets and low-rent workspace, for ‘virtual companies’ (eg. St Ives International) created to deliver short-term creative projects.

**Under the objective “Encouraging Clusters, Networking and Horizontal Linkages” it is recommended that:**

13. That PDC ensures through its Creative Industries Development Officer that regulatory requirements on local authorities on provision for clusters in planning policy and land use are implemented to the benefit of the creative industries sector.

14. That the Creative Industries Development Officer is supported in assessing capacity needs and incorporating them into the development plans of PDC and others, so that adequate and appropriate physical infrastructural provision for creative industry clusters can be made.

15. PCIDP sets up and co-ordinates a Creative Clusters Fund, providing small amounts up to £5,000 to enable emerging clusters of creative sector companies and individuals to make the transition from a ‘talking shop’ to an effective and dynamic cluster.

**Under the objective “Addressing Infrastructural Needs” it is recommended that:**

16. An audit of existing workspace and premises, and an assessment of future trends in demand from the creative industries sector

should be undertaken by PCIDP as baseline research against which future needs can be projected and monitored.

17. PDC considers what measures it might be able to take to increase the affordability of workspace for creative sector individuals/businesses. Specifically, it is recommended that

- ◆ PDC should open discussions with the Borlase Smart Trust into safeguarding the future of the Porthmeor Studios
- ◆ the potential for partnership between PCIDP and Penwith Housing Association on the development of affordable, low-rent live/work space is explored
- ◆ subject to the recommendations of the WS Atkins’ Penzance Regeneration Study, PDC needs to give a clear indication as to whether developing the former Vosper’s showroom in Penzance for the creative industries remains an option for this building in the medium-term, and if so, signal its commitment by commissioning a feasibility study
- ◆ PDC gives its support to the proposed inclusion of provision for the industries in the conversion of the former BT building in Penzance as a mixed-use development, as an example of its support for creative clusters and as part of the proposed spatial strategy for a designated Creative Industries Zone (see recommendation 21)

18. PDC should encourage the inward location of high-profile creative companies into Penwith both as flagships, and as potential catalysts for further development of the sector.

19. PDC considers a spatial strategy of designated Creative Industries Zones. These may be just conceptual, for ‘branding’ purposes (signage etc) or may be special development areas, in which for example, planning consents, business start-up grants and other incentives may be made available to creative sector businesses located in, or new businesses locating to these areas (not relocating from elsewhere in Penwith). Potential ‘zones’, building on existing concentrations of creative and related businesses have been identified in Penzance, St Ives, Hayle, St Just and Newlyn.

20 PCIDP examines the potential for developing a strategy in

partnership with PDC and the commercial sector for temporary galleries and studio spaces in vacant property.

**Under the objective “Branding Penwith as a Creative Quarter” it is recommended that:**

21. PCIDP works with its partners to build on existing sectoral strengths and critical mass within Penwith to develop a strategy for raising its profile as a ‘cultural quarter’.

22. It is recommended that PDC commissions a Public Art strategy, and a Public Art Directive for adoption by PDC, which would provide a mechanism through which Public Art could be incorporated as an integral part of future capital schemes through the planning framework. It is vital that a coherent and strategic approach to Public Art is taken by the Council to avoid ad hoc and opportunistic interventions which may be detrimental to the long-term benefits of an effective strategy.

23. PDC should consider how it might use its statutory/regulatory powers to support creative industries initiatives, eg: returning a percentage of direct revenues from car parking at designated sites to a Creative Industries Investment Fund; supporting the concept of a voluntary ‘tourist tax’ as described in the Rural White Paper to benefit the creative industries that are a powerful magnet to attracting visitors to the area; or through the use of its regulatory powers to benefit cultural initiatives (eg. licensing).

24 PDC develops a clear, long term cross-departmental policy towards festivals and considers the part time employment of a festivals support officer.

Alison Lloyd  
 Caroline Sargeant  
 Marion Stevens  
 Cass Dennis  
 Steven Hall  
 Jim McKenna  
 Charlotte Hill  
 Jenefer Lowe  
 Nick Capaldi  
 Chris Humphry  
 Anthea Hoey  
 Richard Andruszko  
 Professor Eric Spiller  
 Susan Daniel McElroy  
 Tim Beattie

Chris Trevan  
 Dan James  
 Maggie Bolt  
 Mike Bradbury  
 Charles Hall  
 Fred Brookes

Geoff Wood  
 Chris Brown  
 Robin Turner  
 Mark Yeoman  
 Geoff Wolstencroft  
 Mike Thomas  
 John Davey  
 Cath Allday  
 Roger Roberts  
 Richard Glover

### Focus Groups

#### Music

Martin Venning  
 Richard Venning

Penlee House  
 Hayle/St Ives Action Team  
 St Ives Festival  
 St Ives Festival  
 Golowan  
 PDC  
 PDC  
 Cornwall County Council  
 South West Arts  
 South West Arts  
 Consultant, WS Atkins  
 Principal, Penwith College  
 Vice Principal, Falmouth College of Art  
 Curator, Tate Gallery  
 Cornwall Media Centre, Cornwall  
 College  
 Cornwall Enterprise  
 Cornwall Enterprise  
 Director, Public Art South West  
 Partner, Poynton Bradbury Wynter Cole  
 Chair, Cornwall Crafts Association  
 West Midlands Arts seconded to West  
 Midlands Business Link  
 Consultant, Hayle Harbour scheme  
 Hayle Harbour Company  
 Cornwall Fisheries Education Group  
 Objective One office  
 Cornwall Enterprise  
 MD, Pz Dry Dock Company  
 Gwynhelek Films  
 Redruth Action Team  
 Architect to Ropewalk Studios Project  
 Cornwall Arts Marketing

David Charles  
 Chris Morgan  
 Doug Cook

John Cox  
 'Beau'  
 Mark Amori  
 Maurice Stevens  
 Nick Harpley  
 Dave Trahair  
 Paul Whittaker

### Commercial/Retail

Mike Harvey  
 Melanie Sharp  
 Roy Harrison  
 Roger White  
 Catherine Harvey

### Design

Martin Nixon  
 Nick Harpley  
 Dave Mynne  
 Petra Etkan  
 Amanda Richardson

### Performing Arts

Paul Barrett  
 Tammy Fraser  
 David Greaves  
 Caroline Schanker  
 Lucy Fonteyn  
 Steve Jacobs  
 Bill Mitchell  
 Judith Nicholls  
 Jo Jo Pickering  
 Nicola Oates

### Writing

Mike Sagar-Fenton

### Galleries

Mimi Connell  
 Fiona Gray  
 Sue Marshall  
 Lynn Jones

Martin Jones  
 Arthur Hancock  
 Claire Calder- Marshall

### Festivals

Stephen Hall  
 Graham Jobbins  
 Mary-Anne Bloomfield  
 Jim Wright  
 Leon Pezzack  
 Sylvia Pezzack  
 Diana Burroughs  
 Monique Denison  
 Dave Trahair

### Media

Steve Tanner  
 Ben Wesche  
 Michael Weise  
 Robin Kewell  
 Mick Catmull  
 Lynn Aubrey  
 Siobhan Osborne Scally  
 Richard Reynolds  
 Colin Rogers,

### Visual Arts

Bernard Evans  
 Karen Arthur  
 Nickie Carlyon  
 Kim Ellwood  
 Delan Cookson  
 Timothy Lukes  
 Corinne Carr  
 Tessa Garland  
 Jenny Yates  
 Berenice Edgley  
 Graham Waldren  
 C.J. Van Dop  
 Graham Jobbins  
 Charles Hall

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## APPENDIX 4. CASE STUDIES

This section of the study looks briefly at specific case studies in the development of creative industries. There are many examples throughout the UK, and this is by no means an exhaustive list. The aim has been to select examples that illustrate specific issues relevant to Penwith, which are summarised at the end of this section, and group examples by themes for the purpose of comparison. The themes are:

- ◆ cultural/creative quarters (or districts)
- ◆ workplace-focused physical clusters
- ◆ virtual networks/clusters

### 4.1 Cultural/Creative Quarters

#### 4.1.1 Sheffield Cultural Quarter

The Sheffield Cultural Quarter is an example of a local authority-led approach, where a culturally-driven economic development/regeneration agenda built a new creative sector identity for its locality almost from scratch.

Sheffield City Council's culturally-led regeneration policy in 1980, led to the development of the Leadmill Arts Centre, the relocation of the Yorkshire Artspace (an artists workspace initiative) and the setting-up of the Red Tape Studios (a City Council-led music recording studio initiative) between 1982 and 1986, in derelict industrial units in the city centre. The area was designated as Sheffield's Cultural Industries Quarter (CIQ) in 1988. The aims of the CIQ were simultaneously to address a series of interlinked agendas - urban regeneration, employment, social cohesion, tourism and new technology. It also recognised the critical importance of linking cultural production to the consumption of cultural goods and services, thereby developing the quarter as a thriving and active area for social activity - shopping, eating and drinking, cinema-going and clubbing.

Driven by its cultural industries policy, the City Council was able to use its property stock and planning controls strategically, to encourage the clustering of creative businesses. Using public/private sector partnerships, outside investment and systems of peppercorn rents,

the identity of the area as a cultural industries quarter was gradually consolidated and strengthened. By 1994, the CIQ housed more than 150 cultural businesses, providing more than 1,500 jobs and with a combined turnover of over £20m. By 2002 another 3,000 jobs are expected to have been created.<sup>35</sup>

Although beneficial in terms of reusing redundant building stock, the Sheffield strategy of 'parachuting in' a new designation/identity for the district has not been without its problems, not least of which was the abortive £15m National Centre for Popular Music which closed in 2000 after being open for one year. The development of the CIQ is now being taken forward by a new Cultural Industries Development Agency (CIDA).

#### *Key lessons for Penwith*

- ◆ the long-term vision and lead provided by the local authority
- ◆ the benefits of a creative industries led integrated cross-agenda approach to regeneration
- ◆ the critical importance of the relationship between cultural production and the consumption of cultural goods and services within the creative industries quarter
- ◆ affordable workspace is crucial to the early development of the sector
- ◆ choice, diversity and a range of quality workspace to allow creative businesses to grow whilst still remaining part of the cultural quarter is a key ingredient to sustainability

#### 4.1.2 Huddersfield - the Creative Town Initiative

Huddersfield is an example of an holistic approach to culture-led regeneration. In 1994, Huddersfield's Creative Town Initiative (CTI) was awarded £2 million under an Urban Pilot Project fund to run a programme of 16 separate projects over a three year period up to the middle of the year 2000. This would be matched by CTI with a further £4.5 million from a range of private and public sector sources.

The Creative Town Initiative was an experiment in applying the cul-

35 Sheffield CIQ Strategic Vision and Development Study - Final Report, Urban Cultures 1998.

tural, social and [KMB1]economic theories developed by Charles Landry<sup>36</sup>. Landry argues that after their traditional industrial base has gone, the resource that twenty-first century towns and cities can exploit to reinvigorate themselves is the 'creative capital' of their people - their aspirations, motivations, imagination, creativity and capacity for innovation. The Creative Cities concept aims at tapping and developing their resources as a catalyst for renewal and regeneration, and to generate what Landry calls a 'milieu of creativity'<sup>37</sup> by building up a critical mass of creative people through the circulation of ideas, information and opportunities within the area.

It is worth noting that the commitment to this forward-looking strategy was based on a less well-developed creative industries sector than Penwith can already demonstrate - among its targets was the creation of 350 new jobs as well as the safeguarding of 45 jobs which already existed in the fledgling creative economy of the town.

The Creative Town Initiative has dealt holistically both with the development of the 'hard' and 'soft' infrastructure by simultaneously

- ◆ encouraging purpose-built cultural workshop and retail space
- ◆ developing and marketing a 'cultural quarter'
- ◆ establishing support services and networks
- ◆ encouraging the development of community arts activities

All of these contribute to the 'milieu of innovation' described by Cassells,<sup>38</sup> aiding cultural production and, inseparably, stimulating cultural consumption.

The hard infrastructure has involved further development of buildings in Huddersfield's Creative Quarter based around the Kirklees Media Centre in the town centre. This nationally renowned project is now full to capacity, with over 150 people working within the media industries and has recently produced its first millionaire computer game developers.

Embedding and growing new creative businesses requires the provision of a range of scale of accommodation that allows for the capacity for growth of micro-businesses into SMEs and beyond. This is reflected in the development of the cultural quarter in Huddersfield. Its 'Hothouse Units' offer low cost office accommodation and intensive business support (serviced by a specialist business advisor) on an accessible stepped rental basis to start-up creative companies on

short-term lease of up to one year. Phase 2 of the Media Centre development currently underway, involves the development of 21 live/work spaces ('Creative Lofts') for creative entrepreneurs, funded by developer North British Housing, English Partnerships, SRB and the Creative Town Initiative. These units will again be let at an affordable rent through North British Housing, to encourage new start up business.

#### *Key lessons for Penwith*

- ◆ the benefits of a clear focus with long-term objectives
- ◆ strong dynamic leadership from within the local authority
- ◆ Huddersfield provides a tested model for sustainable growth of innovation inspired regeneration and economic growth beyond the initial injection of capital funding
- ◆ phasing capital development to ensure that capacity is sustained, so that the cultural quarter grows with the businesses it supports
- ◆ the benefits of a partnership approach
- ◆ the long term economic benefits of creating a culture of innovation and creativity from 'cradle to grave'

#### 4.1.3 Nottingham Lace Market Cultural Quarter

The redevelopment of the Lace Market cultural quarter in Nottingham has been much more long-term than that of either Sheffield or Huddersfield. It has not had the same problems as Sheffield's cultural quarter because it grew out of efforts to preserve and maintain the historic fabric of an area of the city which already had historic creative industry links, rather than being 'reinvented' from scratch as a cultural quarter in an area of the city where these links did not already exist.

The Lace Market has benefited from all the advantages of being a district within which industrial production and consumption were always linked - through it being Nottingham's 'garment district' and through its proximity to the city centre. This was given added

36 The Creative City: a toolkit for urban innovators, Charles Landry, Comedia 1999

37 The description is taken from the CTI website <http://www.creativetown.com>. The term does not have an English equivalent that conveys the full range of its meaning in this context - environment, state of life, social surroundings. It also recalls the phrase used by Cassells (see footnote below)

38 M Cassells 'The rise of the network society' Blackwell, 1996 p.53

impetus by the ambience provided by its historic building stock, which is a mix of warehousing, small workshop/retail spaces and Georgian houses. It is clear in a Penwith context what comparisons can be made with the Chapel Street area of Penzance, and the network of small streets leading off it<sup>39</sup>.

Initial re-development programmes in the area started in 1946. In 1989,<sup>40</sup> The Lace Market Development Company (LMDC) was formed - a public/private sector partnership led by Nottingham City Council to regenerate the area as a specialist cultural, heritage and professional services district. Here the cultural quarter concept was not something 'parachuted in' to redevelop a blighted area of derelict and vacant industrial buildings, but grew out of, and gave an identity to, an already existing process of renewal

The Lace Market cultural industries quarter currently consists of around 450 creative firms. Around a third of these are fashion related, and the rest a mix of creative producers, retail, bars and restaurants, providing the 'cultural consumption' half of the equation. The area has attracted the development of the Broadway Media Centre - housed in a former Co-op building it has a two screen arts cinema, workshop and office space and over 40 people are employed within the building.

#### *Lessons for Penwith*

- ♦ benefits of cultural quarters based on areas with existing creative/traditional industry links
- ♦ catalytic effect of designated cultural/creative quarters on new cultural initiatives
- ♦ the need for a private/public sector partnership approach;
- ♦ that effective creative quarters can grow organically with relatively low-key intervention; but need to be recognized as a long-term strategy

## 4.2 Workplace-based physical clusters

Some of the strongest potential for the growth of the creative industries sector in Penwith is the opportunity to redevelop vacant or underused buildings to provide workspaces to allow creative sector businesses to gain the benefits of clustering.

nised. Research shows that when creative businesses and individuals work in close physical proximity, the informal opportunities to share ideas, energies, skills and resources leads more often to mutually beneficial collaboration than damaging competition. As technology impacts on a wider range of creative industry sub-sectors, the changes in work-practices it brings, heighten the need for networking and collaborative practices. The tendency is towards smaller companies with each individual business retaining its own priority markets but collaborating with others around them in new, innovative ways to create new markets and new products to satisfy them. It is worth noting that in Hollywood, the average core size of a company involved in film is 12.

All the case studies show that a key component of cultural quarter developments has been the availability of buildings in which to combine space for a range of cultural production facilities with facilities for 'cultural consumption' - retail, galleries, places to eat and drink - to generate social, as well as creative synergy. It is possible that these might be combined to some extent in the redevelopment of a single building as a means of creating a catalyst for the development of an area as a cultural quarter, or as a stand-alone facility.

The following case studies have been selected as representative examples of what has been achieved elsewhere.

### 4.2.1. The Workstation, Sheffield

One advantage that Sheffield had in developing its cultural quarter was the availability of large derelict buildings (a former car showroom, a disused bus garage, and industrial units) which particularly lent themselves to culture-led regeneration. These buildings offered a wide range of possibilities for phased expansion and could be flexibly and cheaply refurbished at low rents.

Early experiences with poor quality artists studios in the cultural quarter led them to realise that in the longer term, sustainable employment in the cultural industries required a high quality working environment to add to the benefits delivered through clustering.

The Workstation is a former garage building, converted on five floors as a 54,000 square foot media and cultural business centre in a part-

<sup>39</sup> insert reference to WS Atkins report here (Cornishman, 22.03.01)

<sup>40</sup> Fleming pg 33

nership between the City Council and a private developer. The key to the success of the Workstation is that it offers higher quality managed workspace. It also supplies the different levels of capacity required by businesses from start-up to full capacity, ranging from 'incubator' units through to space suitable for larger scale enterprises. The Workstation has attracted over 40 different creative and media companies since it opened.

The 'ethos' of the Workstation is described as 'mainly about community - building a lively, creative business environment where cultural organisations can interact and support each other.'<sup>41</sup> The creative synergy and mutual support that its tenants bring is backed up by centrally provided facilities which aim to sustain and support the creative community (or 'cluster'). These crucially include the 'wired workplace' which gives networking access to all companies based in the Workstation (and is being extended to other buildings within the cultural quarter). As well as fully serviced and managed workspace, the facilities at the Workstation include Conference and Exhibition Spaces.

Similar successful developments that have incorporated different sizes of work units with leisure and social facilities include the Custard Factory, Birmingham and Canalot - a converted Chocolate factory in West London.

The lessons for Penwith

- ◆ There is demand for high quality managed workspace
- ◆ Building should be flexible and have different size units to enable expansion whilst staying in the same building.
- ◆ There are considerable benefits in developing projects that can incorporate workspaces and social/leisure facilities.
- ◆ Development of flagship buildings can have an important role to play in the development of cultural quarters.

#### 4.2.2 Brighton Media Centre

The development of the Brighton Media Centre provides a good case study of a project led by vision and the commitment of key individuals, supported incrementally by relatively small injections of capital, which has created a critical mass of media companies in a cluster of buildings in relative proximity. It is also an example of a

physical 'hub' supporting a series of virtual networks that may offer a useful model for Penwith. It is essentially an umbrella organisation which provides a supportive and flexible structure to both start-up and established companies, within the media, cultural and technological industries in the South East with the aim of promoting Brighton, locally, nationally and internationally as a key media, cultural and technological hub of the UK.

The project grew out of a consortium of local authorities (East Sussex County Council and Brighton Council) the TEC (Sussex Enterprise) local sector interests and South East Arts. The Centre began in a low key way in 1992 with no capital available, with space being offered by a local media business in its own building. By 1994 the Media Centre had expanded to take over an adjacent building, and in 1995 with the encouragement of Brighton Council, led by an economic regeneration agenda, SRB funding of £360,000 was secured to regenerate this building.

The project was then expanded into a second building which became home to a further 8 companies and the Media Centre's administration base. In 1999 Lottery funding was secured to purchase this building from its original developer, so that the rents could pass into a regional media production fund. The critical mass of media companies has transformed the Middle Street area of Brighton from dereliction into a thriving quarter housing 50 media companies employing over 200 people and with a joint turnover of more than £15 million.

As well as workspace the Brighton Media Centre has conference and meeting rooms, a gallery, cinema (the Lighthouse) and video conferencing facilities.

Brighton Media Centre has initiated several new projects around the country, with new centres due to appear in the next year in Southampton and locations in East Sussex, and with plans for future sites further north.

#### 4.3 Virtual networks/clusters

The 'virtual' model does not have an identifiable 'centre' and therefore lacks the high profile and some of the synergy of the physical cluster model, but uses technology to create a network within which

<sup>41</sup> <http://www.workstation.org.uk>

creative companies exchange ideas, information, and share skills on-line.

As new technology becomes more integral to the creative industries across all sub-sectors, the viability of virtual networks as a central, rather than peripheral or specialised way of working within the sector increases. They offer the opportunity to provide not only new ways of working (virtual companies), and encourage creativity and innovation, but also of new collaborative practices across and between sectors.

Examples of this are found in the following initiatives:

**Sheffield: Wired Workplace**<sup>42</sup> grew out of a project called Networking Electronically (NEO) in the mid 1990s with the aim of capitalising on the mix of software, design and media expertise among the small businesses based in Sheffield's Cultural Industries Quarter. This developed from the initial idea of being able to offer companies based in the cultural industries quarter free dial-up connections to the Internet, but it was found that the most cost-effective way to link a geographically concentrated cluster of businesses to the Internet was to wire up all their offices, and then have them all share a permanent leased line connection to the Internet. The infrastructure was built and developed using ERDF funding.<sup>43</sup> At the end of the ERDF-funded period, a limited by guarantee not for profit company (the Wired Workplace Company) was set up on a joint-venture basis between a number of public and private sector partners.

The Wired Workplace (W2) is built around a group of 'managed workspace' and company-owned buildings that are cabled throughout, and linked to each other and to the Internet via leased lines and other network technologies. The project operates in 18 business units, working with 200 businesses, most of which employ less than 8 people, to deliver local area networks within each 'cluster' and bridges between each cluster. Every participating workplace is connected to The Wired Workplace network and through it has access to information notice boards, different local business pages, specific services such as high quality graphics resources, business file-sharing schemes and international on-line connectivity at dial-up prices. Among the developments it is currently examining is the use of wireless connections to replace leased lines between buildings and enable the network to be extended further at lower cost to new customers.

### *Lessons for Penwith*

- ◆ ways of developing cheap access to the internet and broadband technology
- ◆ initial subsidy led to the development of a joint public/private sector venture
- ◆ the strong links between creative industries and new technologies can be replicated in the development of Digital Peninsula Network

There are examples of emerging virtual clusters to be found in rural areas. The most relevant examples are in the remoter areas of Scotland, where in response to need and in the absence of more traditional infrastructure-heavy industries, the Local Enterprise Councils have been faster to develop more proactive strategies to embed and grow clusters in the information- and knowledge-led sectors than the English TECs. It is clear that in some of the Scottish enterprise areas, where advanced telecommunications technology has been an important strand of their development strategy through the 1990s, a real impact is now being felt on the growth of the new media sectors.

### **Scottish Enterprise**

Profiles creative industries clusters through its Information Industries Group<sup>44</sup>. Altogether, 80,000 people are employed in the creative industries in Scotland and the sector has an annual turnover of £5 billion. Over the next three to five years, the cluster aims to grow the sector by 30% and increase exports by 15%, creating up to 2,000 new jobs in the sector. Key priorities include developing skills and talent; exploiting international opportunities; establishing an infrastructure to support growth and developing new technologies. Scottish Enterprise's creative clusters growth strategy is available on the Creative Scotland website.<sup>45</sup>

### **Highlands and Islands Enterprise Network**

The Highlands and Islands are an area that has already been highlighted in the context of the 'dispersed' university model as sharing some similar characteristics with Penwith. The HiE Enterprise Network<sup>46</sup> consists of ten Enterprise Areas across the Highlands,

42 <http://www.wiredworkplace.net>

43 the business model is available for downloading on the Wired Workplace website

44 <http://www.scottish-enterprise.com/creativeindustries>

45 <http://www.creativescotland.com/clusterdevelopment>

46 <http://www.hie.co.uk>

Western Isles, Shetland and Orkneys. HiE has recognised the shift in the urban geographic bias of the 'content industries', and is actively supporting initiatives in the sector. An economic impact study funded by HiE in 2000 found that the sector sustained the equivalent of 192 full-time jobs in the Highlands and Islands, and was worth £8m to the local economy. It is significant that the two Enterprise Network areas that the study identified as between them sharing 50% of the jobs in the sector - Inverness and Nairn, and Skye and Lochalsh - are both areas which have been running advanced IT programmes in partnership with BT since the early-mid 1990s. The IT Action programme in the Skye and Lochalsh Enterprise (SALE) area, started in 1996 and multimedia is specifically highlighted as one of the key sub-sectors that has grown out of this long-term commitment.

#### *Lessons for Penwith*

- ♦ it is possible to grow hi-tec creative industries clusters away from the centres of urban production
- ♦ the development of such clusters requires long term joint public private sector investment.

## 5. MODELS FOR DELIVERY

### 5.1 Creative Industries Business Support Models

#### 5.1.1 Action for Business and Culture Ltd. (ACT) Sheffield

ACT provides generic business support to the creative sector through a structured programme of information and advice, individual training programmes, mentoring and consultancy, all working to develop the potential of the sector whilst raising its profile.

ACT was set up in June 1995 as a non-profit company Limited by Guarantee following on from the City Council's Cultural Industries Development Unit, and a successful pilot project 1996 - 1997). It is a partnership involving The Cultural Industries Quarter Agency, Sheffield TEC/Business Link, Sheffield College, the Sheffield universities, Yorkshire Media and Production Agency and Yorkshire Arts.

ACT operates in parallel to the Cultural Industries Development Agency to provide business support and training through a range of core activities. These services, which are delivered by external consultants and agencies include:

- ♦ the development of a Cultural Business Portfolio: providing marketing, financial, management, structural/legal, personnel and copyright support and advice
- ♦ Cultural Enterprise Support: enhancing entrepreneurial skills, negotiation skills and presentation skills; and supplying information on available equipment, premises, office-sharing schemes etc.
- ♦ the provision of Support Infrastructure with the constant injection of business support through the development of bespoke programmes, partnership with mainstream business support agencies and clear signposting between support programmes to avoid duplication and increase accessibility
- ♦ a Skills Programme to develop appropriate training packages; and capacity-building projects which aim to reduce social exclusion

- ♦ a Learning Network emphasising lifelong learning with links to the University for Industry and local technology-driven projects (such as Wired Workplace Ltd. and the Science and Technology Park)
- ♦ the establishment of Cultural Workshops by working with the education sector for the complementary provision of targeted sector-specific support
- ♦ the development of a Cultural Experience Programme to provide support and training to the subsidised arts and voluntary sector and establish links with lottery programmes such as NESTA

Each of the core activities depends on partnership with agencies capable of providing specific areas of support, each working through the other to provide an integrated and comprehensive support package - the RAB, the education sector, business support initiatives, development agencies, and the local authority. Underpinning the delivery of these core activities are the conference and training facilities of the Workstation and The Showroom in the Cultural Industries Quarter. In this way a cycle of development and growth is generated which has the Cultural Industries Quarter at its centre.

#### *Lessons for Penwith*

- ♦ the need for partnerships to deliver specialist high level skills and to avoid fragmentation and duplication
- ♦ the need for integrated support
- ♦ avoid duplication
- ♦ the involvement of academic organisations

#### 5.1.2 Creative Town Initiative - Huddersfield

The Creative Town Initiative is investing in business and skills development through a raft of business support measures targeted at start-up and new creative SMEs and individuals (including the unemployed) wanting to move into employment in the creative industries sector.

These are, in brief:

- ♦ the Media Business Development Scheme (MIDAS), which offers support for new entrepreneurs in the media and knowledge-based industries through providing work experience and active learning in mock companies; help

- ♦ to establish a company whilst moving away from dependency upon unemployment benefit; and specialist consultant support in the early months of a new company
- ♦ the Creativity Investment Scheme, which was designed to open up new sources of funding to address the problems faced by SMEs generally, but creative businesses in particular, caused by the unfamiliarity of mainstream financiers with the sector and its specific needs of attracting finance
- ♦ the Development and Planning Toolkit - A CD ROM package to help small creative businesses plan their own growth development, designed particularly for people from disadvantaged backgrounds or in non-traditional business sectors
- ♦ the Innovation Challenge Forum, a brokerage service putting organisations with problems in touch with people with the creative potential to solve them; and an Advisory Service providing consultancy service in the protection and exploitation of innovatory products and intellectual property rights
- ♦ the Cultural Economy Database - a research and development project to define, measure and monitor the local creative industries sector and to assess its impact upon economic and community development; and to establish an accessible database of information, services and opportunities available to assist creative businesses

#### *Lessons for Penwith*

- ♦ work with unemployed and those from disadvantaged backgrounds to support them into business
- ♦ the need for constant research to inform the development of activity

#### 5.1.3 Cultural Enterprise Wales

The lack of specialist business advice for the creative industries through the national network of providers (Business Link organisations) is highlighted in all research into the sector nationally, and CEW is an area-wide example of an organisation having been set up specifically to provide this service to the creative industries sector. CEW<sup>47</sup> is a not-for-profit company funded through ERDF, the Arts Council of Wales, Lottery and TEC South East Wales. It provides the

only model we have found of a cultural industries business development agency operating in a predominantly rural area. It operates through a network of cultural industries practitioner mentors working in small geographically-defined areas across Wales (and across a range of sub-sectoral specialisms) supported by a small core information and advice team (based at Chapter, Cardiff). The role of the field-based mentoring team is to provide free advice and information in business start-up, survival and development; financing, fundraising and sponsorship; marketing and networking; effective business practice; and vocational and business skills training. Cultural Enterprise Wales also publishes a quarterly bulletin which is available free to clients or on the CEW website.

#### *Lessons for Penwith*

- ♦ use the skills already in the sector through mentoring etc.

### 5.2 Strategic Development Agency models

#### 5.2.1 Tower Hamlets Cultural Industries Development Agency (CIDA)

CIDA was set up in 1999 to strengthen the borough's cultural industries infrastructure, following a strategic study of the sector which identified specific weaknesses. It has a core staff of three - a director, project manager and administrator.

Funded by, London Borough of Tower Hamlets, Central Stepney SRB, the City Fringe Partnership and ERDF Objective 2, CIDA is intended to operate as a one-stop-shop, serving as a knowledge base and support mechanism for local Creative Industries linking into other bodies in the borough and other Council departments through a partnership-based strategic approach.

The initial strategy for the agency is to develop a necessary knowledge base of the strengths, weaknesses and opportunities of the Creative Industries in Tower Hamlets and translate this sensitively to support the Creative Industries Sector in the borough. CIDA aims to:

- ♦ provide support and information to small firms
- ♦ forge collaborations between cultural sectors in Tower Hamlets

<sup>47</sup> <http://www.cultural-enterprise.com>

- ◆ highlight links between cultural industries and tourism development
- ◆ maximise business potential
- ◆ create networks
- ◆ co-ordinate initiatives
- ◆ seize funding opportunities

CIDA is envisaged as operating as a flexible binding mechanism, raising the profile and self-awareness of the creative industries sector in the borough, heightening the respectability and recognition of the potential of employment in the sector, and developing a sustainable network of Creative Industries support services.

#### *Lessons for Penwith*

- ◆ build good knowledge of the sector in the initial phase of setting up any support agency
- ◆ support the creation of sub sector networks

#### 5.2.2 ACME - Merseyside Arts, Culture and Media Enterprise

ACME was the UK's first creative industries development agency to be substantially funded through Objective One. Utilising this funding enabled ACME to operate proactively both as a source of grant-aid, and as a strategic partnership agency. ACME is an interesting model because it linked the key objective of helping local businesses develop and sustain new jobs together with the objective of reducing social exclusion through inclusive creative industries-led community projects.

ACME supported small businesses across Merseyside through its Creative Business Investment Fund with financial assistance for

- ◆ research and development
- ◆ market development
- ◆ product investment
- ◆ joint marketing initiatives

priorities for funding were businesses which

- ◆ provided realistic projections of employment creation
- ◆ sought to develop new partnerships with other cultural support networks

- ◆ offered the potential for developing markets outside Merseyside

Through its grant support, ACME was able to sustain specific projects and bind delivery into co-ordinated and complementary mechanisms. For example, ACME was able to work in partnership with ACID (the Arts and Cultural Industries Development Fund) by providing opportunities for new cultural businesses when they outgrew its 'unemployed' funding criteria.

Through its Access and Participation Fund ACME effectively demonstrated the contribution of the arts and cultural activities to economic regeneration. It supported the Merseyside Objective 1 Pathways Partnership, a programme set up to combat social exclusion by

- ◆ providing funding for projects which challenged stereotypes and promoted attitudinal change
- ◆ building organisational capacity
- ◆ improving the physical environment
- ◆ supporting local creative businesses in marginal economic districts

This attempt to reduce social exclusion through the creative industries was a new direction for Creative Industries support initiatives at the time, bringing an innovative approach to job creation, physical regeneration and community development objectives, and was one of the most effective strands of ACME.

ACME was only one of a number of Creative Industries support initiatives which proliferated on Merseyside during the 1990s, a direct result of the availability of substantial (although heavily targeted) funds being made available to the area. Because these were funded through different budgets and therefore serving different agendas and objectives (regeneration, employment creation etc), as well as working to different time scales and delivery targets, in many cases their delivery was fragmented, and impact weakened as a result - particularly with some of the more highly-specialised sub-sectoral agencies. There was also an element of short-termism in the solutions individual agencies were able to provide, where some projects 'fell through the gaps' between funding programmes because there was little overall co-ordination of how the different funding initiatives interlinked with each other.

## Lessons for Penwith

- ◆ Beware short termism - support needs to be delivered over a long period of time
- ◆ The work of different support agencies needs to be co-ordinated
- ◆ Using the arts to deliver innovative ways of combating social exclusion can be an important strand in developing the economic benefits of the cultural industries.

## 5.3 Funding models

### 5.3.1. The Arts and Cultural Industries Development Fund (ACID) Liverpool

ACID was a funding programme that also linked recipients into its broader developmental/network-building objectives. It gradually became more network-driven as the number of initiatives it funded increased.

ACID was created as a company limited by guarantee in 1995 by Liverpool City Council to assist cultural business start-ups and provide signposting towards other areas of support. ACID's main function was an enabling one, making relatively small grants available to unemployed cultural practitioners seeking to establish SMEs or operate as sole traders. Funding of up to £2,000 was made available for 'first batch production', equipment acquisition, and target marketing. In addition to its funding enabling role, ACID also had an information gathering and dissemination function, which linked it into the broader sector development objectives of ACME. It aimed to develop networks of cultural producers by encouraging fund recipients to work together through the ACID 'Business Exchange System', and had an 'Advisory Council' to maintain links with the needs and wishes of cultural practitioners. Fund recipients were also entitled to attend ACID AGMs as members of the Acid Fund.

The main weakness of the ACID model was that its funding and cultural support service roles were not adequately defined. It was also operating in the context of a confusing number of cultural industries agencies on Merseyside, and there was a lack of clarity in how the roles and remits of these agencies all related to each other. Perhaps particularly significant when viewed in the Penwith context, ACID had a funding remit within the Liverpool city boundaries only, at a time

when partnerships were aligning themselves with the Merseyside Objective One area, and a wider developmental/creative industries support agency role was being taken on by ACME (Merseyside Arts, Culture and Media Enterprise).

## Lessons for Penwith

- ◆ innovative measures taken in Penwith must feed into Cornwall wide initiatives
- ◆ there is a need to provide high-risk start up funding in the cultural industries

### 5.3.2 The Cultural Business Venture, North East England:

This is an interesting initiative, as an ERDF Objective 2 funded partnership between the RAB Northern Arts, local Business Links and the Princes Trust. Until recently it was the only example of the Princes Trust contributing to a composite or umbrella fund.

Support funds are available for anyone running or wishing to start-up a cultural business in the North East Objective 2 region, unless the business has an annual turnover of more than £50,000 or is eligible to support through alternative RAB projects (such as The Northern Production Fund). For applicants aged 15-30, support is provided through The Youth Cultural Business Venture, which is managed by The Princes Youth Business Trust. Applicants are expected to find 25% as match funding but this can be in-kind. Grants of £1,000 to £5,000, are available for marketing costs, essential equipment, visiting trade fairs/exhibitions, and general start-up/expansion costs. The Cultural Business Venture also offers a programme of support from pre start-up through to business development support, and it is significant that in the North East this programme is delivered through a regional partnership of business and cultural support agencies, involving a mainstream Business Link organisation in providing services specifically to the Creative Industries.

The greatest strength of the Cultural Business Venture is its partnership structure, and its integration of The Princes Trust as a specific cultural funder for the first time in the UK (the Prince's Trust has just launched a new cultural initiative in the Eastern Region).

## Lessons for Penwith

- ◆ link start up funding to on-going business support
- ◆ given a strategy and resources it is possible to put together very innovative funding partnerships for the benefit of the cultural industries

## 5.4 Local Authority Models

### 5.4.1. Stockport MBC

Stockport Metropolitan Borough Council appointed a Creative Industries worker in November 1995 to help raise the profile and develop the potential of the sector in the town. The post is based within the Economic Development Department of the council, although it has a remit across all departments.

Initially, the post has had four main focuses:

- ◆ an audit of creative industries in the Stockport MBC area
- ◆ advice/Signposting to Creative Industries practitioners, working with Business Link, the TEC and the education sector to develop networking, improve communication and encourage creative business retention in the borough
- ◆ Workspace Development - ensuring the creative industries have a key role in the ERDF/SRB funded regeneration programmes in Stockport, including the redevelopment of Stockport's historic markets area in the centre of the town. The role of the Creative Industries worker is seen as promoting the significance of the sector to the success of general urban regeneration schemes.
- ◆ Public Art Development. Through the continuation of an existing post, public art projects are being developed as part of Stockport's ongoing regeneration programme. Rather than having showpiece public art projects, commissions are being developed through partnerships with specific themes to enhance Stockport's urban fabric (such as through shop-front and street furniture development), giving a specific identity, distinctiveness and reputation to the town.

## Lesson for Penwith

The need for a strategic post within the local authority to push forward the creative industries agenda across all departments and in all initiatives.

### 5.4.2 Creative Industries Development Team (CIDT), Bolton.

The impetus for CIDT grew out of the Bolton City Challenge 'Cultural Activities Development Project' (CADP), managed and part-funded by the Arts Unit and Education and Arts Department of Bolton Metropolitan Borough Council (BMBC) and North West Arts Board (NWAB).

The two strands of CADP were social/participatory arts activities and the creative industries, through a creative industries pilot project being funded through ERDF programme funds.

The creative industries pilot, CADP and the work developed by CIDT have generated a cross-departmental approach to the creative industries in Bolton which is now firmly embedded in the ethos of the local authority. Initiatives which aim to address social exclusion through education/training, employment and physical regeneration projects are often implemented through each other, as part of the cross-departmental 'Arts in Partnership Strategy', which forms part of a 'family of initiatives' on the 'Framework for the Future of Bolton' - a 5-year BMBC action plan. It has targeted 5 necessary outcomes. These are:

- ◆ extended personal development and empowerment
- ◆ increased social cohesion and community identity
- ◆ strengthened economy, image and profile for Bolton
- ◆ increased employment and training of arts and cultural workers
- ◆ enhanced systems to promote awareness, information and activity

The creative industries are seen as central to the implementation of this action plan, as Bolton re-packages itself within the context of a knowledge-led economy, in which the creative industries are a catalyst for the effective redevelopment of the borough's business profile and reskilling of its workforce.

The CIDT is managed through Bolton MBC's Economic and Physical Development Unit (EPDU) and its Arts Unit. It employs 3 full-time members of staff. Its remit is to 'increase employment, competitiveness and profile for existing and new Creative Industry businesses based within the Bolton Metropolitan Borough'<sup>48</sup>. The key tasks of the CIDT include:

- ♦ research and audit of local creative businesses to establish their numbers and needs
- ♦ providing business advice for local creative industries
- ♦ accommodation provision
- ♦ small capital grant-funding
- ♦ the provision of a telematics facility; market research and promotion assistance
- ♦ lobbying of policy-makers to increase awareness of creative industries issues

#### *Lesson for Penwith*

- ♦ CIDT provides a useful model of a local authority creative industries development agency because its structure is a challenge to the traditional departmentalisation of local authorities, within the context of a strategy that empowers it to work across the boundaries of cultural, economic and social policy to deliver effective cross cutting programmes

We have produced a thumbnail sketch of the highest profile projects below. This list exemplifies all the current strengths and weaknesses of the creative industries in Penwith. Huge amounts of individual enthusiasm and strong creative visions for individual projects but no overall strategic vision and little real statistical information on which to base action. Without a clearly developed cultural industries capital strategy it is difficult to see which projects should be supported through to conclusion and the danger is that as in the past many of these schemes may remain unrealised.

#### **Penzance Town Centre Study**

A spatial master planning exercise is currently under way by consultants W.S. Atkins to bring together a number of development initiatives for the redevelopment of Penzance harbour, the Barbican area and the town centre. Initial proposals were presented during March 2001. There is considerable scope for linkages between the Town Centre study and the creative industries in relation to planning policy for this area; through the potential for creative industries in the spatial development and imaginative regeneration/refurbishment of the historic Chapel Street and in relation to public art.

#### **Penwith Housing Association - Development Study on Low Cost Sustainable Visual Arts Workspace in Penwith (July 1999)**

This study investigated the level of demand for visual arts and what role Penwith Housing Association might take in developing it. The study identified a number of potential sites, some of which continue to be available. Because of their scale, all of the sites identified in the study required partnership development with other creative industries sector organisations to be viable.

PHA remains interested in following through the recommendations of the study, but its findings may need to be revisited in the light of the integrated strategy for creative industries recommended in this report and interim developments (eg. the Newlyn gallery study on the former BT building, see below) as these emerge.

#### **Newlyn Gallery expansion feasibility study**

A study is currently examining the feasibility of Newlyn Gallery relocating its contemporary exhibition programme and education work to a town centre site in the former BT building at the top of Chapel Street. The study is expected to be completed in summer 2001. It is supported by the Arts Council and trustees of Newlyn Gallery. If it is successful it would give national touring exhibition status to Penzance. As such it would be a significant move for the profile of the visual arts in Penwith; and also a major catalyst for any potential redevelopment of the BT building as a focus for the creative industries.

#### **Hayle Foundry Square**

IT and the creative industries are leading the first phase of the redevelopment of Foundry Square in Hayle. A business plan and funding applications have been prepared for Phase 1 of the Foundry Square redevelopment in the former Excalibur's Building, which links IT and archive use. An architectural brief is currently in preparation for a new building on the former Rowe's engineering works site, for a two-storey building of approximately 12,500 square feet which it is being proposed for creative industries workshop use.

#### **Hayle harbour re-development**

One of the key re-development programmes in Cornwall under Objective One this scheme currently includes the development of a national watercolour centre.

#### **Flour Mill, Penzance Harbour**

One of the buildings identified in the PHA report as a possible option for the artists workspace scheme was the former flour mill to the rear of the inner harbour in Penzance (Abbey Slip). During the process of researching this report, a proposal has emerged for the redevelopment of this building as a creative industries centre focusing on film and broadcast with the lead users being a commercial film animation company and the Media Centre for Cornwall. Negotiations on the purchase of the building are in progress with the owner, and it is possible that a partnership between Penwith District Council and the RDA may purchase the building.

#### **Tate Phase 2**

The Tate has exceeded estimates of its visitor numbers threefold since it was opened in 1993, and is now attracting 165,000 visitors a year. The demand this has put on the physical fabric of the building

is considerable. As well as increasing its capacity around services and circulation, the Tate also needs to address its lack of education space, which severely limits its ability to develop its education and community programme on site. A development study is due for completion in Spring 2001, to identify the best option for a further phase of capital development to address the Tate's capital development needs

### **Penlee House**

An integral part of the long-term plan for Penlee House is to become the flagship training and support venue for the non-professional museum sector in Penwith. In support of this aim, an Objective One bid is planned in conjunction with Penzance Town Council (provisionally timed for 2004) to redevelop the stable block to the rear of the School of Art on Morrab Road (ie the site adjacent to Penlee House) as an educational resource centre.

### **Porthmeor Studios**

The Porthmeor Studios are a unique and important part of the historic and artistic fabric of Penwith. Many of the key figures in the artistic community of St Ives (and in the history of twentieth century British art) have at some time in their career had a studio here. Due to the accumulated effects of neglect and inadequate maintenance over the years, much of the building is now in a dangerous condition.

A recent study by Poynton Bradbury Wynter Cole highlighted the poor state of these historic studios and estimated that refurbishment would cost £250,000. The owner, the Borlase Smart Trust, is not able to meet this cost. As a result, as studios become vacant, the Tate is intervening to acquire them and paying rent to the Trust to ensure that it continues to receive income from the building. As anything more than a short-term strategy this is obviously unsatisfactory. In the long term there is a real danger that the Porthmeor Studios become derelict, the cost of rescue and the only viable option left is private sector redevelopment.

Without significant public sector support it is likely that the Porthmeor studios will cease to be artists studios.

### **Media Centre Trust**

A feasibility study for the proposed Media Centre for Cornwall was completed in July 2000. The Media Centre is envisaged as 'a hub from which to build and enhance economic and cultural opportunities

within and beyond the Cornish audio-visual sector.'<sup>49</sup>

The Centre is intended to provide production, education and training facilities to support the growing audio-visual sector in Cornwall. Most of the production sector is currently concentrated in Penwith, where there is an identifiable cluster of film and video production companies, although the education and training provision that is needed to underpin and sustain its growth is located outside Penwith - in Camborne, Falmouth and Truro.

The Media Centre Trust is now actively seeking to locate itself in the Flour Mill building.

### **Digital Peninsula Network (DPN)**

With around 130 members many of whom are involved in the creative end of the new technologies, DPN is a key potential partner in any cultural quarter proposal that might develop from this study. It is the best current model of cluster development in Penwith. It has recently acquired £250,000 of ICT equipment from the Department of Trade and Industry's Innovative Cluster Fund and has significant plans to expand its support activities for ICT related businesses

### **Music Factory Initiative**

There is a proposal in its early stages to provide a wide-range of support for young musicians in the area.

### **Penwith College**

Penwith College has recently built an extensive music studio aimed at young musicians.

### **Hypatia Trust**

An ambitious plan to secure the Union Hotel in Chapel Street as a venue for a variety of creative and community activities.

### **New Cornishware**

Subject to a full feasibility study, this initiative aims to develop a new batch production domestic ceramics factory in Penwith, which will involve ceramic artists in developing designs and batch manufacturing techniques. The project has the potential to provide a high number of creative industry jobs, training and mentoring opportunities, as well as significant economic impact on the area.

### **Proposed Catchall Residential Centre**

This is a £1.4m farm diversification/rural regeneration initiative by the

49 Mission Statement from the Media Centre for Cornwall Feasibility Study, July

Bolitho Estate to redevelop a range of disused agricultural buildings near Catchall as a residential centre for the arts. The project is currently awaiting funding for a full feasibility study which will evaluate its potential economic impact, job creation outputs, and potential contribution to the cultural tourism market in Penwith.

**Penzance Passenger Transport Interchange - Public Art Scheme**

This £265,000 project is the first major regeneration scheme (total scheme cost £670,000) under Objective One to have a public art scheme integral to the design process. It is also a key capital scheme, involving both County and District Councils and a range of private sector partners - Railtrack, First Western National, and Wales and West. The scheme is currently subject to a Regional Arts Lottery Programme application, and subject to approval a Lead Artist will be appointed by September 2001, with a provisional start on-site during the Autumn of 2001.