

Creative Industries Policy & Evidence Centre

Led by **nesta**

Insights for policymakers

The importance of a UK-wide recovery plan
for the creative industries

[New research](#) shows that following the global financial crisis in 2008 we saw an accelerated trend towards greater concentration of creative businesses in London. This should warn us against repeating mistakes in the aftermath of the COVID-19 crisis and should encourage the government to step in to protect progress that has been made in investing in creative clusters outside of London.

[Research](#) from the Creative Industries Policy and Evidence Centre (PEC), Creative England and Cambridge Econometrics has mapped, for the first time, creative industries growth over three decades, across creative sub-sectors and across English Local Enterprise Partnerships (LEPs). This detailed, long-term perspective confirms **the creative industries' importance as a driver of job creation and economic growth in all types of settings, right across the country. Although this research focussed on England due to data availability, its lessons are applicable right across the UK, and as we look to recover from the COVID-19 crisis, this industrial sector clearly deserves the attention of policymakers in all of the UK's nations and regions.**

It is often argued that creative industries can only thrive in large urban centres, like London. **However, our research shows that from 1991 until the last recession, creative industries cluster growth had no obvious correlations to size or population density, outside of the capital** - some secondary centres had seen limited growth, whilst some rural areas (notably Yorkshire and Cornwall) had seen significant growth.

Instead, the research - undertaken by Professor Peter Sunley and Ben Gardiner for the PEC and Creative England - shows that **after the 2008/2009 recession, London proved much more resilient.** Creative Industries were starting to spread evenly across the country, but under economic duress those burgeoning clusters shrunk, and concentration focused back on London and satellite clusters in the South East. This is understandable from a commercial perspective, but suggests a **significant opportunity for growing the sector outside of London may have been lost.**

Now we face another economic shock, from COVID-19. We don't yet understand which model of economic recovery we will follow in the wake of the pandemic and the subsequent shut-down. However, there are still lessons we can learn about how **creative clusters which aren't of the size and scope of London are particularly vulnerable to economic shocks, and recover less quickly.**

The research suggests that we should learn from past experience that regional and local policy makers may not be able to leave it to the market to determine recovery. If they do, the gains made

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in recent years in other parts of the country, for example in Leicester, Bristol and Bath, may be lost, and opportunities may focus back on the capital.

The research follows other [PEC research from Professor Neil Lee published earlier this month](#) showing that whilst local policymakers should carefully build on existing industrial strengths when developing creative clusters, **local economies have successfully been able to grow their creative industries even where their existing main specialisms are not in obviously related areas.**

Together, these pieces of research suggest that creative clusters outside of London should be a priority for policy support as the UK emerges from the crisis. **This is consistent with arguments that devolved governments might be better [placed to innovate during the recovery period.](#)**

Policy insights

As attention turns to recovery from the crisis, it is essential that we **build the creative industries back better.**

Prior to the COVID-19 pandemic the UK Government had identified 'levelling up' the economy as a policy priority. This research suggests - for the creative industries at least - that this priority should be even more important as the UK emerges from the crisis and that regardless of whether interventions are directed to rural areas or urban centres, the government must make sure that all interventions are accessible to the sector, including the Towns Fund and the Shared Prosperity Fund.

In terms of where specific opportunities for investment may be, the research suggests that smaller urban clusters, despite variation in growth patterns, may be ripe to scale and as such could be targeted by additional support, particularly those growing prior to this recession.

The research also finds that in recent years the most rapid growth has been seen in the digital and design sub-sectors (and that the growth of these sub-sectors are more widely dispersed than others, which means that their growth overlaps in many LEPs). This suggests that there may be opportunities as the lines continue to blur between the creative and technology sectors. This is something which existing PEC work like '[The creative digital skills revolution](#)' highlights and is a theme we will revisit in the context of recovery over the coming months.