

**Creative Industries**  
**Policy & Evidence Centre**  
Led by **nesta**

**Response to the DCMS Committee**  
**‘Cultural Placemaking and the Levelling Up Agenda’**

**Submission from the Creative Industries Policy and**  
**Evidence Centre, led by Nesta**

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## Introduction

This submission from the Creative Industries Policy and Evidence Centre aims to answer the questions posed by the Digital, Culture, Media and Sport Committee (DCMS Committee), specifically:

1. How can culture reanimate our public spaces and shopping streets?
2. How can creatives contribute to local decision-making and planning of place?
3. How can the Government support places without established artistic infrastructure to take full advantage of the opportunities that the levelling up agenda provides?
4. How might changes to the UK's broadcasting landscape affect investment in cultural production outside the capital, and what could the consequences be for artists and communities?
5. How should Government build on existing schemes, such as the UK City of Culture, to level up funding for arts and culture?

[The DCMS committee inquiry can be seen here](#)

## About the Creative Industries Policy and Evidence Centre (PEC)

The Creative Industries Policy and Evidence Centre (PEC) works to support the growth of the UK's creative industries through independent evidence and policy advice. Led by Nesta and funded by the Arts and Humanities Research Council as part of the UK Government's Industrial Strategy, the PEC comprises a consortium of universities from across the UK (Birmingham, Cardiff, Edinburgh, Glasgow, Work Foundation at Lancaster University, LSE, Manchester, Newcastle, Sussex and Ulster). The PEC works with a diverse range of industry partners including Creative UK.

## Submission

### 1. How can culture reanimate our public spaces and shopping streets?

1.1 Case studies from across the United Kingdom show the variety of ways in which the arts and culture can play a part in regeneration efforts. This includes through their physical presence on the highstreet - for example, a 2013 report by the Mayor of London highlights 'See No Evil', a street art project in Bristol which turned a derelict thoroughfare into a tourist

attraction, with footfall increased by 75% and enquiries about vacant premises increased by 70%.<sup>1</sup>

1.2 However, in conversations held by the Creative Industries Policy and Evidence Centre (PEC) with a panel from across the creative industries (including from the arts) we have heard how challenging it can be for creative organisations to afford to rent these spaces, even when they are not in use by others. This was a problem that predated the pandemic: in February 2020, the PEC held an industry panel of creatives that suggested that one way to reanimate town centres was by helping creative [organisations and freelancers secure affordable spaces to work](#).<sup>2</sup>

1.3 One policy initiative which has been recommended by the PEC's 'industry champions' is the offering of very low rates of rent ('peppercorn rents') by local councils to grassroots and community led arts and culture organisations or creative start-ups for the use of places [that formerly housed retail but fell into disuse](#).<sup>3</sup> A successful example of a council already using this approach is Bristol City Council who rent out property in Spike Island and in the Watershed to arts and cultural organisations, allowing creatives access to space in a central location. It is perhaps no coincidence that Spike Island has gone on to be recognised for its value to the public, including as a result of its art exhibitions, talks and events, as well as its studio spaces for artists.

1.4 Research by the PEC has also shown that [a thriving local cultural scene is key to attracting and retaining creative talent in an area](#).<sup>4</sup> PEC industry champions have told us that access to a number of local cultural spaces makes an area more attractive to work and live in for others in the creative industries.

1.5 Despite these sorts of testimonies given by those in the sector, it can be a challenge for local Governments to make the case for investment in arts and culture. However, new methods for appraising the value of the sector may be helpful in this respect. Recent [PEC research shows](#) the way in which Department for Digital, Culture, Media and Sport's (DCMS's) [Culture and Heritage Capital \(CHC\) Framework](#) could support how public investment in UK's culture and heritage capital can be placed on a more sustainable footing,

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<sup>1</sup> Todd, J. and Rowe, J. (2021) *A High Street Renaissance*. London: BOP Consulting. Available from: [https://www.artscouncil.org.uk/sites/default/files/download-file/A%20High%20Street%20Renaissance%20-%20Final%20Report%20-%20BOP%20Consulting\\_1.pdf](https://www.artscouncil.org.uk/sites/default/files/download-file/A%20High%20Street%20Renaissance%20-%20Final%20Report%20-%20BOP%20Consulting_1.pdf)

<sup>2</sup> Easton, E. and Burger, C. (2020) *Insights from our industry champions: How policymakers can support local growth in the creative industries*. London: Creative Industries Policy and Evidence Centre. Available from: [https://www.pec.ac.uk/assets/publications/Final-Insights-from-our-Industry-Champions\\_-\\_Local-Growth.pdf](https://www.pec.ac.uk/assets/publications/Final-Insights-from-our-Industry-Champions_-_Local-Growth.pdf)

<sup>3</sup> MacFarlane, T (2021) *Placemaking, culture and Covid*. Insights from our Industry Champions. Creative Industries Policy and Evidence Centre and Centre for Cultural Value. Available from: <https://www.pec.ac.uk/assets/publications/Placemaking-Culture-and-Covid-Insights-from-PECs-Industry-Champions-November-2021.pdf>

<sup>4</sup> Ibid.

commensurate with the vital role it plays in our lives.<sup>5</sup> By making use of and applying cost-benefit analysis techniques endorsed by HM Treasury in its 'Green Book', the sector can develop more robust and evidence-based cases for investment, capturing the wide range of civic and social benefits of culture and heritage as well as the direct benefits enjoyed by consumers of cultural and heritage amenities. This will be critically important if culture and heritage is to play its rightful important role in meeting the Government's levelling up agenda.

1.6 We therefore recommend that this Committee, and the Government, should back the DCMS's CHC Framework, including the production of resources and guidance materials for bidders for levelling up funds, e.g. the Towns Fund, the UK Shared Prosperity Fund or future rounds of the Cultural Development Fund (CDF). This could bring about a step-change in evidence-based allocation of investment funds. In addition, the Government should consider ways of encouraging use of the techniques in business cases and appraisals.

## **2. How can creatives contribute to local decision-making and planning of place?**

2.1 Local decision making matters. There is growing consensus that [if we are to do something for a place, it should also be of the place](#). Cultural investment models should no longer be based solely on agglomeration or competition to attract investment that may compound existing inequalities further. 'Levelling Up' policy initiatives must take the particular needs and existing capacities of different places into account if there is any hope of creating a level policy playing field that equitably addresses social need and increases the health and wealth of the nation.

2.2 PEC research with the Centre for Cultural Value has found that during the pandemic local governance combined with well-established culture teams, sector leadership and political buy-in enabled Greater Manchester's combined authority to leverage existing relationships and networks to present a unified voice for the arts and cultural sector at the most destabilising and uncertain moments.<sup>6</sup> This local capacity to champion, lobby and collaborate offers lessons on what can be achieved after the pandemic subsides. Research commissioned by the PEC from AEA Consulting suggests that [interactions involving the exchange of ideas, knowledge and skills are more prevalent in the districts where both cultural organisations and creative industries are strongly represented and well-established](#) (e.g. Bristol Harbourside).<sup>7</sup> Having a dedicated initiative (e.g. Creative Dundee) to facilitate

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<sup>5</sup> Lawton, R. and Davies, J. (2021) *Measuring the economic value of cultural and heritage sites*. London: Creative Industries Policy and Evidence Centre and Nesta. Available from:

<https://www.pec.ac.uk/research-reports/the-cultural-and-heritage-capital-framework>

<sup>6</sup> Gilmore, A., Dunn., B, Barker., V, Taylor, M. (2021) *When policy meets place: 'Levelling up' and the culture and creative industries*, Creative Industries Policy and Evidence Centre and Centre for Cultural Value. Available from: <https://www.pec.ac.uk/blog/when-policy-meets-place>

<sup>7</sup> AEA Consulting (2021) *The Relationships Between Cultural Organisations and Local Creative Industries in the Context of a Cultural District*. For the Creative Industries Policy and Evidence Centre. Available

networking and cooperation in the sector proves beneficial to the creative sector as a whole, including the anchor cultural organisations who gain access to a centralised and coordinated network of locally based creatives. This finding indicates the benefit to local governments of putting resource into the fostering of deep local relationships between creative and cultural stakeholders, decision makers, civil society and audiences such as Culture Compacts and Culture Forums. Central Government will need to ensure that local Governments have the resources to support these networks as further powers are devolved following the publication of the Levelling Up White Paper.

### **3. How can the Government support places without established artistic infrastructure to take full advantage of the opportunities that the levelling up agenda provides?**

3.1 The creative industries, including arts and cultural organisations, are not evenly spread across the United Kingdom. We know, for example, that [a third of creative industries workers are based in London](#).<sup>8</sup> But while the sector as a whole is particularly strong in large urban centres, the location of creative organisations - whether these are businesses or not for profit arts and cultural organisations - are more widely spread across the UK than commonly assumed. [Research from Nesta as early as 2016 identified around 47 clusters](#) throughout the UK with a higher concentration of creative organisations or higher levels of growth - many of these are located in the North of England, in Wales, in Scotland and Northern Ireland.<sup>9</sup> As these creative clusters [grew at twice the rate](#) of their regional economy between 2011-16 and as each new job in the creative industries [creates 2 additional non-tradable jobs in the local economy](#) this demonstrates the potential for the creative industries to support the UK Government's 'Levelling Up' Agenda.<sup>10</sup> More recently, research from the PEC has identified [over 700 microclusters, and 247 of those are in towns and outside the large cities](#) traditionally associated with the sector. Whilst previous datasets have hidden these smaller business groups, we used innovative methods of data gathering like web scraping to show that the sector is not confined to the big cities.<sup>11</sup> And though these clusters may, on the surface, look and feel different to bigger communities, co-locating in this way appears to have a number

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from: <https://aeaconsulting.com/insights/the-relationships-between-cultural-organisations-and-local-creative-industries-in-the-context-of-a-cultural-district>

<sup>8</sup> GOV.UK. 2022. *DCMS sector economic estimates 2021: employment 2019 to June 2021*. [online] Available at: <https://www.gov.uk/government/statistics/dcms-sector-economic-estimates-2021-employment-2019-to-june-2021>

<sup>9</sup> Mateos-Garcia, J. Bakhshi, H. (2016) *The Geography of Creativity in the UK*. London: Nesta. [Available from: https://www.nesta.org.uk/report/the-geography-of-creativity-in-the-uk/](https://www.nesta.org.uk/report/the-geography-of-creativity-in-the-uk/)

<sup>10</sup> Gutierrez Posada, D., Kitsos, T., Nathan, M. and Massimiliano, N. (2021) *Do creative industries generate multiplier effects? Evidence from UK cities 1997 - 2018*. Multiple: Creative Industries Policy and Evidence Centre; City-REDI, the University of Birmingham; University College London. Available from: <https://www.pec.ac.uk/discussion-papers/do-creative-industries-generate-multiplier-effects>

<sup>11</sup> Siepel, J., Camerani, R., Masucci, M., Velez Ospina, J., Casadei, P. and Bloom, M. (2020) *Creative Industries Radar: Mapping the UK's creative clusters and microclusters*. Multiple: Creative Industries Policy and Evidence Centre and The University of Sussex. Available from: <https://pec.ac.uk/assets/publications/PEC-Creative-Radar-report-November-2020.pdf> and interactive map available from:

<https://www.arcgis.com/apps/View/index.html?appid=007e1de4a01a46b196ad2ccaed20eb3b&extent=-20.3307,49.5899,17.1766,59.5069>

of consistent advantages for creative organisations. These include shared access to creative talent, clients, collaborators and researchers.

3.2 Whilst this research indicates that creative businesses benefit from being in clusters, PEC research with the Centre for Cultural Value also shows that voluntary, community-led, grassroots organisations (e.g. community theatres) are the cornerstones of social life in every type of community, whether towns, cities or villages. In fact we find that these organisations are [the everyday modes of cultural participation that are the most easily and frequently accessed by the majority of the population](#).<sup>12</sup> PEC and CCV research has also found that access to neighbourhood resources, combined with well-funded institutional offers, can help to meet the social, health and wellbeing needs of residents and address inequalities of health and social care.

3.3 As a submission to this inquiry by the Centre of Cultural Value and Culture Commons will also argue, the importance of cultural investment in all types of locations regardless of their status as a creative industries cluster (and particularly the importance of supporting places and communities that have traditionally been left behind) in the distribution of cultural investment has been clearly evidenced by [research on the impacts of the Covid-19 pandemic](#).<sup>13</sup> Whilst there are many ways in which this sort of investment can support some of the ambitions of the Levelling Up White Paper (e.g. animating public spaces and high streets, stimulating night-time economies, and supporting community wellbeing and civic care) we suggest that arts and culture should not be seen only as a tool for levelling up but rather an integral aspect of what makes all places good places to live in the long term.

3.4 The benefits of cultural investment can be difficult for local policymakers to evidence, and so to this end recent [PEC research on the value of culture](#), commissioned by Arts Council England and Historic England, has provided a methodology for museums to be able to better value their sites in the context of business cases.<sup>14</sup> This guidance will be extended to other types of cultural sites in future. This programme of work has been accompanied by the Department for Digital, Culture Media and Sport publishing a framework on its approach to value in the cultural and heritage sector.

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<sup>12</sup> Gilmore, A., Dunn., B, Barker., V, Taylor, M. (2021) *When policy meets place: 'Levelling up' and the culture and creative industries*, Creative Industries Policy and Evidence Centre and Centre for Cultural Value. Available from: <https://www.pec.ac.uk/blog/when-policy-meets-place>

<sup>13</sup> Walmsley, B. et al. (2022). *Culture in Crisis: Impacts of Covid-19 on the UK cultural sector and where we go from here*. Leeds: Centre for Cultural Value. © Centre for Cultural Value 2022 Available from: <https://www.culturalvalue.org.uk/culture-in-crisis-new-report-from-our-major-research-project-into-the-impacts-of-covid-19/>

<sup>14</sup> Lawton, R. and Davies, J. (2021) *Measuring the economic value of cultural and heritage sites*. London: Creative Industries Policy and Evidence Centre and Nesta. Available from: <https://www.pec.ac.uk/research-reports/the-cultural-and-heritage-capital-framework>

#### 4. How might changes to the UK's broadcasting landscape affect investment in cultural production outside the capital, and what could the consequences be for artists and communities?

4.1 The public service broadcasters (PSBs) – BBC, Channel 4, ITV, Channel 5 and the Welsh language broadcaster S4C – have a statutory requirement to serve the UK's diverse communities and [support the creative economy across the UK's nations and regions](#).<sup>15</sup> All PSBs currently operate in a climate of considerable uncertainty, coping with severe budgetary pressures, as well as regulatory challenges (e.g. the future of the BBC's funding model and Channel 4's public ownership). PSBs' content creation includes provision for programming with limited commercial appeal – e.g. for the arts, education, regional interests, and minority languages – to be delivered sustainably. In so doing, PSBs contribute directly to enriching public values and priorities central to the government's economic and social 'levelling up' agenda otherwise in danger of being overlooked in current debates.

4.2 Evidence includes datasets showing [PSBs are the largest commissioners of original content in the UK](#).<sup>16</sup> Regulated commissioning quotas for independent production in the nations and regions ensure substantial investment outside of London, e.g. at the [BBC](#),<sup>17</sup> [ITV](#)<sup>18</sup> and [Channel 4](#).<sup>19</sup> PSBs also operate as market shapers by [leveraging public funds to fuel experimentation, innovation and spillovers](#),<sup>20</sup> thereby identifying and growing new markets as well as creative ecosystems, such as MediaCityUK in Salford, BBC's new centre in Cardiff, and Channel 4's hubs in Leeds, Bristol and Glasgow. PSBs' contribution to local creative economies continues to grow in significance, generating new jobs, developing creative workers' skills, and building a talent pipeline, involving SMEs and freelancers.

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<sup>15</sup> Chivers, T. and Allan, S. (2022) *What is the Public Value of Public Service Broadcasting?: Exploring challenges and opportunities in evolving media contexts*. Various: Creative Industries Policy and Evidence Centre and Cardiff University. Available from: <https://www.pec.ac.uk/assets/publications/What-is-the-Public-Value-of-Public-Service-Broadcasting-PEC-Discussion-Paper-Jan-2022.pdf>

<sup>16</sup> Ofcom (2018) *Regionality trends within the UK production sector. A report for Ofcom by Oliver & Ohlbaum Associates Ltd*. Available from: [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0017/130706/Oliver-and-Ohlbaum-regionality-trends-within-the-UK-production-sector.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0017/130706/Oliver-and-Ohlbaum-regionality-trends-within-the-UK-production-sector.pdf)

<sup>17</sup> KPMG (2021) *An Assessment of the Economic Impact of the BBC. A report for the BBC for the Financial Year 2019/20*. Available from: <http://downloads.bbc.co.uk/aboutthebbc/reports/reports/kpmg-economic-impact.pdf>

<sup>18</sup> Mediatique (2021) *ITV in the Nations and Regions: Storied past, dynamic present, challenges ahead: A report for ITV*. Available from: [https://www.itv.com/presscentre/sites/default/files/210510\\_mediatique\\_report\\_itv\\_nations\\_and\\_regions.pdf](https://www.itv.com/presscentre/sites/default/files/210510_mediatique_report_itv_nations_and_regions.pdf)

<sup>19</sup> EY (2021) *Channel 4's contribution to the UK: EY report for Channel 4*. Available from: <https://assets-corporate.channel4.com/flvsystem/s3/2021-04/EY%20Report%20for%20Channel%204%20-%20Channel%204%27s%20contribution%20to%20the%20UK.pdf>

<sup>20</sup> Mazzucato, M, Conway, R, Mazzoli, E M, Knoll, E and Albala, S (2020) *Creating and measuring dynamic public value at the BBC. A scoping report*. Available from: [https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/final-bbc-report-6\\_jan.pdf](https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/final-bbc-report-6_jan.pdf)

4.3 Accordingly, further developments to improve and extend the government's levelling up agenda will benefit from [carefully considering the public values – social, cultural, economic, industrial, representational and civic](#)<sup>21</sup> – PSBs deliver for audiences and industry stakeholders across the UK's nations and regions. These are explored at length in a recent PEC publication on the future of Public Service Broadcasting.

## **5. How should Government build on existing schemes, such as the UK City of Culture, to level up funding for arts and culture?**

5.1 The European City of Culture has become an important cultural festival and a literature has developed evaluating its economic impact. The UK City of Culture was launched in 2009 to act as a national addition. [PEC research has reviewed the literature on the European Capital of Culture](#) (ECoC) – with implications for other related programmes such as the UK City of Culture (UKCoC).<sup>22</sup> Three specific learnings from this literature review are listed below.

5.2 Realistic expectations: The results of this research suggest a need to be realistic about what the impact on regional GVA of ECoC and the UK City of Culture can be. The UKCoC (and formerly the ECoC) programme is a worthwhile, but temporary, celebration of the city and its culture. Looking beyond economic value, other research by the PEC on the [economic value of cultural and heritage sites](#) may offer an alternative way of capturing the benefits of investment in culture and heritage to a local population beyond its value to GVA.<sup>23</sup>

5.3 Particularity of place: Any programme, like the UK City of Culture, should be properly embedded into a complementary local creative industries strategy. Using local resources and promoting the art scenes and the industries of the city is another way to contribute to the local economic development. Local decision makers who attempt to create new economic sectors without looking at the already existing resources might not benefit the region in itself. Whilst looking at other ECoC and UKCoC to learn from what has been done previously is critical to establish such long-term events, there is a need to avoid setting up standardised objectives which do not necessarily fit with the specific needs of funding

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<sup>21</sup> Chivers, T. Allan, S. (2022) *What is the Public Value of Public Service Broadcasting? Exploring challenges and opportunities in evolving media contexts*. Various: Creative Industries Policy and Evidence Centre and Cardiff University. Available from:

<https://www.pec.ac.uk/discussion-papers/what-is-the-public-value-of-public-service-broadcasting>

<sup>22</sup> Nermud, O., Lee, N. and O'Brien, D (2021) *The European Capital of Culture: A review of the academic evidence*. London: Creative Industries Policy and Evidence Centre, London School of Economics and University of Edinburgh. Available from:

<https://www.pec.ac.uk/discussion-papers/the-european-capital-of-culture-a-review-of-the-academic-evidence>

<sup>23</sup> Lawton, R. and Davies, J. (2021) *Measuring the economic value of cultural and heritage sites*. London: Creative Industries Policy and Evidence Centre and Nesta. Available from:

<https://www.pec.ac.uk/research-reports/the-cultural-and-heritage-capital-framework>



recipients local creative milieu and do not take into account the particularity of the local context.

5.4 Legacy matters: Our research suggests how essential legacy planning is for effective short-term investments like the Capital of Culture programme. This legacy might not necessarily be economic, we also suggest that improved organisation and local governance structures or cultural development could be important legacies to regional investments. A number of studies PEC reviewed suggested that working with local SMEs, charities and communities organisations at an earlier stage might improve the legacy of investments like the Capital of Culture programme.

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