

**Investing in ‘creative clusters’ is key to economic growth
– and helping to level up the UK economy –
says new research**

Embargoed 00.01 Wednesday 6 December 2023, UK time

A new report published today, provides fresh insight on where policy intervention could be best targeted to bolster the creative industries and help level up the UK economy. Nearly 70% of all the UK’s creative industries’ gross value added (GVA) is concentrated in London and the South-East. This constitutes a ‘supercluster’ with considerable benefits for the UK economy; attracting talent, investment, infrastructure, supporting knowledge exchange and fuelling economic growth. The new research identifies seven broad areas - ‘creative corridors’ - within the UK which have the potential to bring supercluster style benefits.

‘**Geographies of Creativity**’ will be launched at an online event at **12 noon on Wednesday 6 December** and is the first report in the Creative Industries Policy and Evidence Centre’s (Creative PEC’s) new ‘State of the Nations’ series. It uses the latest data and new analysis to provide regular reporting on the creative sector across all four nations. Today’s report brings together, for the first time, creative industries activity data across three geographical levels: microclusters, clusters and creative corridors. Examples included in the report are a microclusters of small, independent creative businesses in areas such as Livingstone and Falkirk; a film and television cluster in Cardiff; and the emerging creative corridor in the north of England.

Dr Josh Siepel, Creative PEC Research Consortium Partner for R&D, Innovation and Clusters and Senior Lecturer, University of Sussex Business School, said:

“Clusters and microclusters of creative activity exist across the whole country, not just in the large urban centres. Therefore, they could play a unique role in reducing the UK’s regional inequality. Our new data analysis shows that microclusters are fuelling growth in the larger

creative clusters. This provides a good argument for policy intervention at the hyperlocal level to bolster activity already taking place and support the development of new clusters.

Our deep-dive analysis of creative industries business activity in several places in the north of England shows similar characteristics to those in London hence we can be reasonably confident that policy intervention at this level would support wider regional development.”

Hasan Bakhshi, Professor of Economics of the Creative Industries, Newcastle University and Director, Creative PEC said:

“An enduring feature of the UK’s creative economy is its heavy concentration in London and the South-East of England. However, previous research has pointed to pockets, of microclusters and larger clusters of creative industries activity right across the UK’s nations and regions. This raises the question as to whether neighbouring creative microclusters and clusters can join up in 'creative corridors' to compete, like London and the South-East, at the global level.

With regional devolution, new mayoral authorities and the creative sector identified as a key growth industry across the political spectrum this report lands at the perfect time to support creatives and creative businesses across the whole country.”

The report identifies that creative clusters are the growth engine of the UK’s creative industries. It further suggests that there are potentially seven broader geographic areas in the UK where this activity could be supercharged through a creative corridor model; linking-up activity through targeted intervention and investment.

This model was proposed for the North of England last month with the launch of the Northern Creative Corridor Charter signed by the mayors in Liverpool, Greater Manchester, West Yorkshire, South Yorkshire and the North of Tyne, as well as major creative organisations including the BBC, ITV and Channel 4. Today’s report builds on this work by showing where else might benefit from this collaborative approach.

The authors suggest policymakers could for instance consider the role they can play in supporting pan-regional networks and using creative R&D investment to promote knowledge exchange, develop networks and stimulate new supply chains.

The report findings will be presented at an online launch event on [Wednesday 6 December 12 noon, UK time](#) in which Dr Siepel will discuss his findings and invite comment from a panel of industry and policy guests from the Local Government Association, V&A Dundee, Bradford Literature Festival, and Cardiff University.

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The report '**Geographies of Creativity**' is published by the Creative Industries Policy and Evidence Centre, which is led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council. It is available to download here:

Report download: <https://pec.ac.uk/research-reports/geographies-of-creativity> (from 00.01 Wednesday 6 December 2023, UK time)

Dr Josh Siepel and spokespeople for the Creative PEC are available for comment and interview.

Press contacts

Alice Kent alice.kent@pec.ac.uk 07779029055 (Monday-Wednesday) and Anna Zabow 07713 619077 / anna.zabow@pec.ac.uk (Thursday & Friday)

Notes to editors

1. State of the Nations reports

The report is the first in the Creative PEC's new 'State of the Nations' series, which uses the latest data to inform policymakers on how best to support the creative sector across four thematic areas. Regular reports on each area will be published annually over the five years of the Arts and Humanities Research Council (AHRC) funding period. The forthcoming reports will be launched as follows:

- Clusters (Sussex University) December 2023 – this report
- Internationalisation (Newcastle University) March 2024
- Arts, Culture and Heritage Sectors (Sheffield University) April 2024
- Education, Skills and Talent (Work Advance) June 2024

2. About Creative Industries Policy and Evidence Centre (Creative PEC)

Creative PEC works to support the inclusive and sustainable growth of the UK's Creative Industries through the production of independent and authoritative evidence and policy advice. Led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council, the Centre comprises a core consortium of; Newcastle University, Work Advance, Sussex University and the University of Sheffield. The PEC works with a diverse range of industry partners.

For more details visit <http://www.pec.ac.uk> and @CreativePEC

3. Definitions of different 'cluster levels'

Creative clusters are places with high concentrations of creative businesses and workers that collaborate and compete with each other. Importantly they also have ecosystems that support investment in R&D and innovation, skills development and give firms access to finance. In this report, creative clusters are defined at the commuting zone or TTWA (Travel to work area) level in line with the Department for Culture Media and Sport's definition. The technical definition is based on that used in 'Understanding the growth potential of clusters', published by the Department of Culture, Media and Sport (2022).

Microclusters are defined at a smaller geographic scale, closer to the neighbourhood, street or town level. They are places with 50 or more creative businesses within geographical proximity to each other. The technical definition for identifying micro-clusters can be found in the Creative PEC's Creative Radar (2020) report

Corridors are where we've identified spatial concentrations of creative industry activity that span a large geographic area, across multiple cities or regions.

4. The following datasets were used in the production of this report

DCMS employment statistics:

The underlying data are available from the DCMS Sector National Estimates at <https://www.gov.uk/government/statistics/economic-estimates-employment-in-dcms-sectors-and-digital-sector-january-2022-to-december-2022>. These data are derived from the Annual Population Survey. For more details, see: <https://www.gov.uk/government/statistics/dcms-and-the-digital-sector-economic-estimates-regional-gva/dcms-economic-estimates-regional-gva-technical-and-quality-assurance-report>

DCMS regional Gross Value Added statistics:

The underlying data are available from the DCMS Sector National Estimates at <https://www.gov.uk/government/statistics/dcms-and-the-digital-sector-economic-estimates-regional-gva>. These data were derived from the ONS Regional GVA Tables and the Annual Business Survey. For full details see: <https://www.gov.uk/government/statistics/dcms-and-the-digital-sector->

[economic-estimates-regional-gva/dcms-economic-estimates-regional-gva-technical-and-quality-assurance-report](#)

The data behind these results are available from the Office of National Statistics at <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/adhocs/15046creativeculturalanddigitalindustries> , reference number 15046. These data were derived from the Business Structure Database, which is not publicly available.

Business Register and Employment Survey:

The data behind these results are available from Nomis at <https://www.nomisweb.co.uk/sources/bres>. These data were derived from the Business Register and Employment Survey. The data available at Nomis are deidentified and publicly available.

Creative microcluster data:

The data that support the findings of this study are available on request from the corresponding author, Josh Siepel (j.siepel@sussex.ac.uk). The data are not currently publicly available but will be made available in due course.

Creative Radar data:

The data behind the findings of this study are available on request from the corresponding author, Dr Josh Siepel (j.siepel@sussex.ac.uk). The participants of this study did not give written consent for their data to be shared publicly.

5. 'Geographies of Creativity' was designed by Mike Green at Green Doe Graphic Design