CREATIVE CLUSTERS GEOGRAPHY AND UNIVERSITY-INDUSTRY LINKS

State of the Nations research series

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Executive summary

It is a firmly established fact that clusters play an outsized role in the geography of the UK's creative sector (Mateos Garcia and Bakhshi, 2016; Mateos Garcia, Klinger and Stathoulopoulos, 2018; Siepel et al., 2020; Tether, 2019). In 2023, we published The Geographies of Creativity (Siepel, Ramirez Guerra and Rathi, 2023), a State of the Nations report addressing the geography of the creative industries. Since then, there have been many significant policy changes leveraging the role of place in fostering innovation and growth.

Historically, the most widely used list of creative clusters across the UK is the list of fifty-five regions identified by the Department for Culture, Media and Sport (DCMS) (Frontier Economics, 2022), although an altogether different means of identifying creative clusters has more recently been published as part of the Department for Science, Innovation and Technology's (DSIT) innovation mapping exercise (2025), which captures proximity of Research and Development (R&D) and innovation active firms, based on multiple indicators. As the evidence base for identifying and understanding creative clusters continues to evolve, so does the policy and governance context within which these places are supported, creating new opportunities to align cluster identification with devolved approaches to local economic development.

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This is shown through the expansion of Mayoral Strategic Authorities (MSAs) in England, alongside wider plans to reorganise local governments across the UK and an emerging potential to increase powers for devolved nations. These policy developments are a sign of a significant phase in the government's devolution agenda, which may open further opportunities to support creative clusters and place-based growth. For example, new MSAs will receive devolved powers and funding to support local growth, including creative growth initiatives such as Great North Creative. Wider local government reorganisation is also reshaping local governance in parts of England, and may influence how local economic development and creative industries strategies are delivered.

The devolution shift in England is one of several policies that will provide opportunities for the UK's creative clusters. The new UK Industrial Strategy introduced in 2025 highlighted the creative industries as one of the eight priority sectors. The UK government's Creative Industries Sector Plan, published in the wake of the Industrial Strategy, set forth a long-term vision to drive growth in the creative sectors, with particular emphasis on place-based approaches. If the Sector Plan's ambitions are to be achieved, the UK's creative clusters will play a vital role. Other new policy initiatives, such as the UK Research and Innovation (UKRI) R&D Strategy for the Creative and Cultural Economy (UKRI, 2026), have also put place-based initiatives at their centre, the Creative Industries Clusters Programme (CICP) being an example of this approach. These initiatives seek to bring together higher education institutions and businesses to drive local cluster innovation and growth.

These initiatives aiming to support local growth make it increasingly imperative that timely, high-quality data is available to inform decision-making. This report therefore aims to meet this need, by updating some of the analysis from previous work on creative clusters (Mateos Garcia and Bakhshi, 2016; Mateos Garcia et al., 2018; Siepel, Ramirez Guerra and Rathi, 2023) and incorporating more granular data on employment, business counts and estimated gross value added (GVA) for the UK's fifty-five creative clusters. Specifically, the report has two main aims. First, it provides updated estimates on the spatial distribution of creative industries activity at the regional and cluster level. Second, given that the Sector Plan highlights the role of innovation in driving local growth and the role of universities in driving this innovation, it presents evidence about the distribution and nature of policy interventions targeting universities. In this way, it extends previous evidence about the geographical distribution of public innovation funding for businesses (Siepel, 2025).

The report carries out the first part of the analysis using Office for National Statistics (ONS) data on rates of creative industries employment, business employment and GVA. It examines clusters at the Travel to Work Area (TTWA) level, using the DCMS definition of fifty-five creative clusters (Frontier Economics, 2022). An approach focusing on TTWAs and ONS data has certain limitations, which we discuss, but allows comparability with previous analysis. For the second part of the analysis, we use data from the Higher Education Statistics Agency's (HESA) Spin-out Register and the DSIT Gateway to Research+ (GtR+) dataset, which includes all public funding for research and innovation for businesses and universities.

Summary of findings

Our analysis confirms that total employment levels in the creative industries remained stable from 2022 to 2024 after more than a decade of steady growth, consistent with the DCMS Economic Estimates. There is evidence that the UK's longstanding regional inequalities in creative industries employment (Gardiner and Sunley, 2020; Siepel, Ramirez Guerra and Rathi, 2023; Tether, 2019) persist but are also evolving. We find that the gap between London and the South East and the rest of the UK appears to have narrowed slightly, but this may reflect post-Covid 19 trends linked to working from home and challenges in measuring activity. Regional gaps between London and the South East and the rest of the UK remain persistent across GVA and business-level employment. While economic activity remains concentrated, we speculate that home and hybrid working is now being reflected in these figures and discuss how this may impact the geography of the creative industries. Although the overall employment and GVA levels do not indicate a significant narrowing of regional inequality, analysis of employment in the UK's creative clusters highlights strong employment growth in major UK cities outside London and the South East, including Bristol and Manchester, and growth across many parts of the South West of England. Our analysis also reveals that outside the fifty-five creative clusters identified by DCMS, there has also been high growth in creative industries employment in the East Midlands.

We also compare the DCMS list of fifty-five creative clusters with the DSIT list of twenty-eight 'innovation clusters' in the creative industries and find a 67% overlap between these at the TTWA level. This highlights the differences between different ways of identifying clusters, with the DCMS clusters being based on a multidimensional framework that includes employment and other factors (as seen in Frontier Economics, 2022) and the DSIT clusters being based on the geographical proximity of innovation active firms, based on a range of measures including receipt of innovation support, R&D activity, and university collaboration (DSIT, 2025).

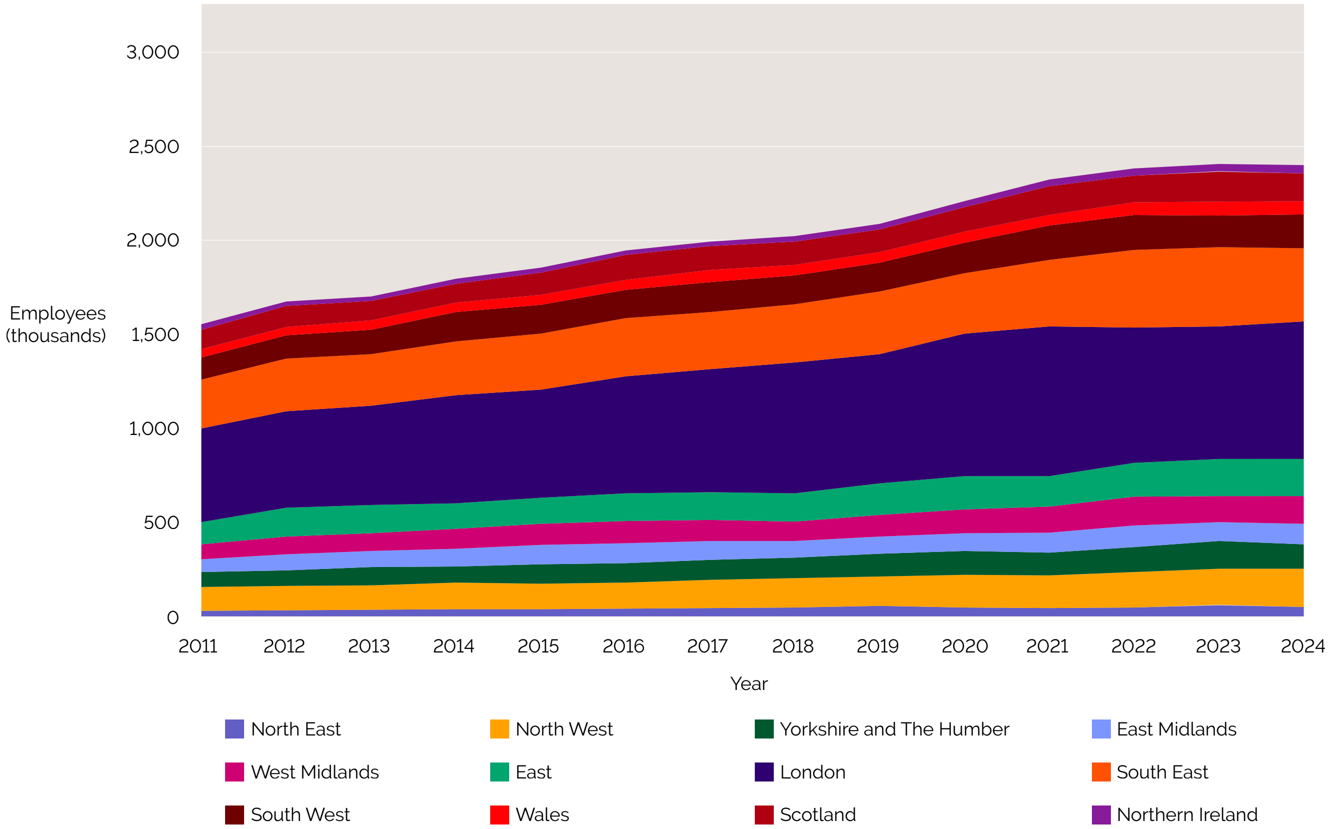
Universities are can play a central role in supporting, growing and sustaining clusters. The report presents additional insights into links between universities and businesses. Beyond the contribution of graduates, other forms of university–industry interactions, such as spinouts, research collaborations and other engagement, can help to support business and support local growth. Recent research (Bakhshi et al., 2026) has highlighted that creative industries represent a lower share of university spinouts than other Industrial Strategy sectors like Life Sciences. We find that 87% of active creative industries spinouts are in IT, Software and Computer Services. While the vast majority of these (83%) are in creative clusters, only half of creative spinouts are headquartered in the same area as the university from which they spin out.

Research projects involving businesses and universities can be an important way of sharing knowledge and supporting innovation. We highlight how creative clusters vary by the number of and share of creative sub-sectors benefitting from participation in UKRI research council-funded research projects with universities. The rates at which universities collaborate with local creative industry businesses vary significantly across a range of potential interventions, including spinouts, research grants and other engagement mechanisms such as Knowledge Transfer Partnerships (KTPs). This points to the wide range of modes and approaches universities can use to successfully engage with and support creative industries. In order to illustrate how this can work, we use data from the first wave of the AHRC CICP. We highlight the substantial variation between the forms of R&D intervention used in the nine clusters. Each cluster was given the freedom to identify the needs of local businesses and workers in the sectors they were targeting, and the analysis highlights how the clusters used that freedom to produce a range of models for intervention. The flexible approaches employed by these programmes show how a suite of interventions can help to build universities' capacity and support innovation in creative businesses.

Policy considerations

- The UK's regional inequalities in creative industries employment appear to persist, but the growth is particularly strong in larger cities and outside London and the South East. Devolution across the UK presents new opportunities to support creative sectors. New initiatives in England (e.g., MSAs), Scotland (the review of and new commitments for Creative Scotland) and Northern Ireland (through City and Growth Deals) highlight the potential for place-based solutions. In England, the expansion of MSAs provides new opportunities for place-based economic development, while wider reforms to local government may also influence how local creative industries strategies are developed and delivered. High growth among some of the existing combined authorities highlights an opportunity for the UK's new MSAs in England by providing an important means of support for regional policymakers and the unitary authorities involved. The implementation of the Creative Industries Sector Plan provides an opportunity for central government departments and bodies to boost this local growth across the UK.
- Universities have a key role to play in supporting clusters innovation beyond that provided by their usual education and training function. Our analysis suggests that this may require coordinated action across multiple forms of university–industry engagement. Such coordination requires capabilities for leveraging universities' strengths and identifying ways to meet local demands. Using analysis from the first AHRC CICP, we show how bespoke interventions drew on different clusters' innovation and sectoral needs. We highlight the importance of learning from best practice across clusters to ensure that local- and sector-specific issues are addressed by cluster support interventions.

Figure E1: Employment levels in the creative industries by region, 2011–2024



Source: Authors' elaboration based on DCMS Employment Statistics (DCMS, 2025)

Figure E2: Local economic growth in the creative industries, 2022–2024

From 2022 to 2024, net creative industry jobs increased in Northern Ireland, Scotland, Wales and five of the nine English regions.	Twenty-nine of the fifty-four DCMS creative clusters for which there is data have seen **net increases in creative industry jobs from 2022 to 2024**, and thirty-four show a net increase since 2019.	**Twelve clusters saw creative industries employment growth higher than 10% from 2022 to 2024**; of these, six were in the South West and three were in the East of England.	The creative industries **share of total employment in the UK rose to 7.1% in 2022** and has remained consistent since then.

Source: Authors' elaboration from Nomis data

About the Creative Industries Policy and Evidence Centre

The Creative Industries Policy and Evidence Centre (Creative PEC) works to support the 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, Creative PEC comprises a core consortium of Newcastle University, Work Advance, the University of Sussex and the University of Sheffield.

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Creative PEC's State of the Nations research series analyses the latest data across four thematic areas to inform the development of policies relating to the creative industries. Their scope is the whole of the United Kingdom, and wherever possible data is presented for all the nations and regions. Regular reports on each area will be published annually over the five years of the Arts and Humanities Research Council (AHRC) funding. The themes and corresponding Research Partners are:

- R&D, Innovation and Clusters (University of Sussex)
- Internationalisation (Newcastle University)
- Arts, Culture and Heritage Sectors (University of Sheffield)
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