

The Creative Economy in South Derbyshire

INTRODUCTION

This fact sheet has been produced as part of the East Midlands Creative Industries Rural Strategy study commissioned by Culture East Midlands. (Fact sheets are available for each of the 26 rural districts of the East Midlands.)

Creative industries are an increasingly significant element of the rural economy in the East Midlands. In 2005, 28,600 people were employed in creative industries throughout all rural districts of the region (3% of all employment). There were also 7,800 creative industries businesses in the region's rural districts (more than 8% of all businesses). In these districts, creative industries employment grew by 20% between 2001 and 2005 (compared to 8% employment growth in the whole economy), and the number of creative industries businesses increased by 23% (compared to 11% growth in businesses in the economy as whole). In 2004, average GVA per head in creative industries in the rural East Midlands was £24,500.

KEY FACTS – SOUTH DERBYSHIRE

- 575 people were employed in South Derbyshire's creative industries in 2005 – around 2% of all employment in the district.
- There were around 250 creative industries businesses in South Derbyshire in 2005 – 8.6% of the stock of all businesses.
- Creative industries employment appears to have grown by 61% between 2001 and 2005, while the number of creative businesses increased by 68%. (These are very high rates of growth, which should be regarded with a degree of caution.)
- The largest and fastest growing creative sector is Visual Art & Design. The Audio-visual sector is also relatively large and growing strongly.
- The main concentration of creative businesses in the district is in and around Swadlincote.

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1 THE CREATIVE INDUSTRIES

The creative industries are defined by the Department for Culture, Media & Sport (DCMS) as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. The definition of creative industries used in this paper is based on the DCMS Evidence Toolkit (DET)¹, a methodology for measuring creative industries using official government data.

The DET classifies creative industries into four sub sectors, or ‘domains’: Audiovisual, Books & Press, Performance and Visual Art & Design. Table 1 below indicates which industries are included in each domain:

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Art & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

Table 1 - Creative Industries Domains

Source: DCMS Evidence Toolkit (2004)

Two sources of data were used in this paper. The first, the National Business Database (NBD), is commercially licensed information provided by Experian². The second, the Annual Business Inquiry (ABI), is based on a national survey of businesses, conducted annually by the Office for National Statistics (ONS).

Analysis of NBD provided a detailed breakdown of the types of creative businesses in South Derbyshire, which in turn made it possible to calculate employment and business numbers for specific years using ABI. NBD also provided information about the geographical location of businesses, and an indication of the proportion of freelance workers and sole traders in the workforce.

¹ DCMS (2004), DCMS Evidence Toolkit – DET: Technical Report

² A commercial data provider

Analysis of ABI made it possible to calculate changes in creative industries employment and businesses numbers over time, and to compare data for South Derbyshire with other districts and larger geographical areas.

Further information about data sources and methodology is provided in the APPENDIX.

2 CREATIVE INDUSTRIES EMPLOYMENT – ABI (2005)

Table 2 below shows creative industries employment in South Derbyshire in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- There were 575 people employed in South Derbyshire’s creative industries in 2005 – representing nearly 2% of all employment in the district. (This is a lower share of all employment than in most rural districts of the East Midlands.)
- The Visual Arts & Design sector employs the most people – it is responsible for 54% of all creative employment. 24% of creative workers are employed in the Audio-visual sector, 17% in Books & Press and 4.5% in Performance.
- Analysis of Experian NBD data indicates that 13% of creative industries workers in South Derbyshire are sole traders or self-employed. This is higher than the level of self-employment in creative industries across all rural districts of the East Midlands, which is around 8%. (Note that ABI data in the table below do not include sole traders or most micro businesses.³)

	Employment	% of Employment in whole economy of district
Audio-visual	140	0.5%
Books & Press	99	0.3%
Performance	26	0.1%
Visual Arts & Design	310	1.0%
TOTAL	575	1.9%

Table 2 - Creative Industries Employment in South Derbyshire 2005

Source: ONS ABI (2005)/BOP

³ Note that ABI data does not include sole traders, freelancers and many small and micro companies (for example, those below the VAT threshold). It should also be noted that ABI is less reliable when looking at a single local authority district than when analysing a larger area, or at specific industrial sectors rather than the whole economy. The margin of error increases as the level of detail becomes more specific.

Figure 1 below illustrates the distribution of creative industries employment in South Derbyshire, based on Experian NBD data. It shows that:

- The highest concentrations of creative industries employment are in and around Swadlincote⁴.

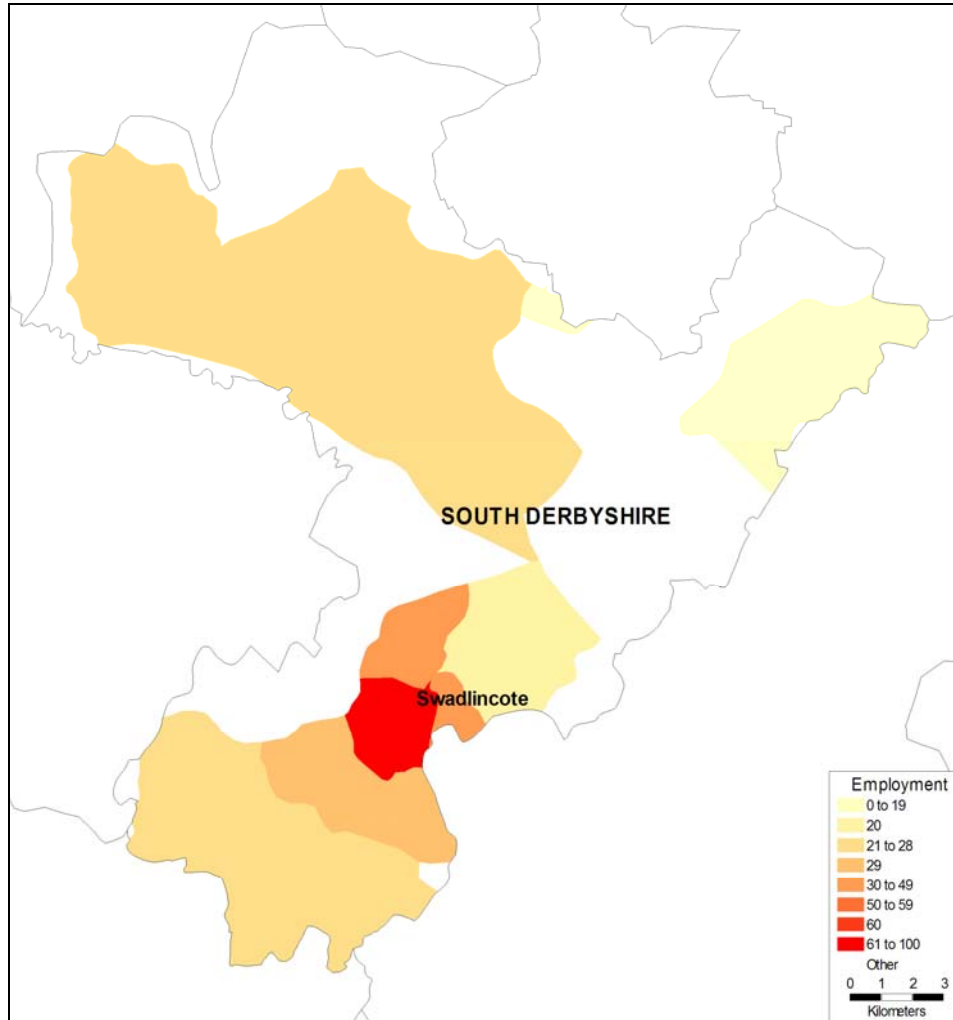


Figure 1 –Creative Industries Employment in South Derbyshire

Source: BOP (2007), from Experian NBD

⁴ Note that the shaded areas on the map are postcode sectors. Employment levels are mapped against each postcode sector in the district. Note also that the size intervals in the key are specific to this district, so the map should not be directly compared with similar maps for other districts produced for this study.

2 CREATIVE INDUSTRIES BUSINESSES – ABI

Table 3 below shows the number of creative industries businesses⁵ in South Derbyshire in 2005, based on ONS ABI data. It shows that.

- There were around 250 creative industries businesses in South Derbyshire in 2005 – 8.6% of the stock of all VAT-registered businesses in the district. (This is around the same share of the stock of businesses as in most rural districts in the East Midlands.)
- 60% of creative businesses were in the Visual Art & Design domain. 27% of creative businesses were in the Audio-visual sector, 9% in Books & Press and 5% in Performance.

	Number of business units	% of all businesses units in South Derbyshire
Audio-visual	66	2.3%
Books & Press	22	0.7%
Performance	13	0.4%
Visual Art & Design	150	5.2%
Total	249	8.6%

Table 3 – Creative Industries Businesses

Source: ONS ABI (2005)/BOP

⁵ Strictly speaking, these are ‘data units’ rather than individual businesses, as some companies may have several premises. However, most creative industries companies are relatively small, and only occupy one address.

Figure 2 below illustrates the distribution of creative industries businesses in South Derbyshire. It shows that:

- The main concentration of creative businesses is in an around Swadlincote. There also appears to be a very small cluster of businesses in Hilton, with other businesses distributed throughout the district.

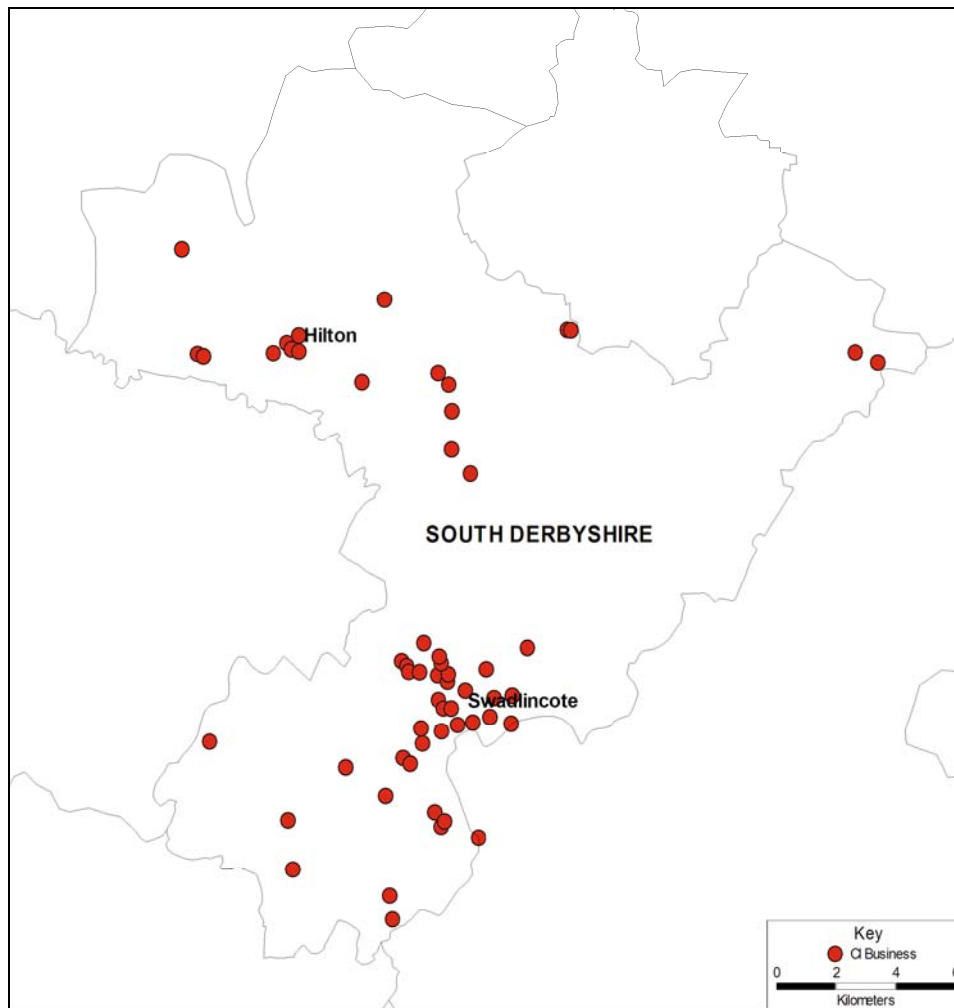


Figure 2 - Creative Industries Businesses in South Derbyshire

Source: BOP (2007), from Experian NBD

3.1 TRENDS: EMPLOYMENT 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in levels of employment in South Derbyshire's creative industries. Table 4 shows that:

- Creative industries employment in South Derbyshire appears to have grown by more than 60% between 2001 and 2005 – more than 12% per annum, on average.
- This is a very high rate of increase, and should be regarded with a degree of caution. It is possible that the ABI sampling process resulted in an underestimate of the size of the district's economy in 2001. (Such distortions can happen when examining an area as small as a single local authority district, particularly one with a relatively small population.) Even if this is the case, however, creative industries grew at a significantly higher rate than the economy as a whole, which itself grew substantially. Higher rates of growth are also more likely when starting from a relatively low base, as is the case to some extent in South Derbyshire.
- Change in employment levels was not even across the four creative domains. There was extremely strong growth in Visual Arts & Design, and strong growth in the Audio-visual sector. Growth was relatively strong in Performance, but from a low base, and employment declined slightly in the Books & Press sector.

Employment	2001	2005	% change
Audio-visual	92	140	53.4%
Books & Press	102	99	-2.7%
Performance	20	26	27.5%
Visual Arts & Design	145	310	114.3%
Total Creative Industries	358	575	60.7%
Whole Economy of District	21,118	30,045	42.3%

Table 4 – Creative Industries Employment in South Derbyshire, 2001 – 2005

Source: ABI/BOP

Figure 3 below illustrates how employment in each creative industries domain has changed in South Derbyshire between 2001 and 2005.

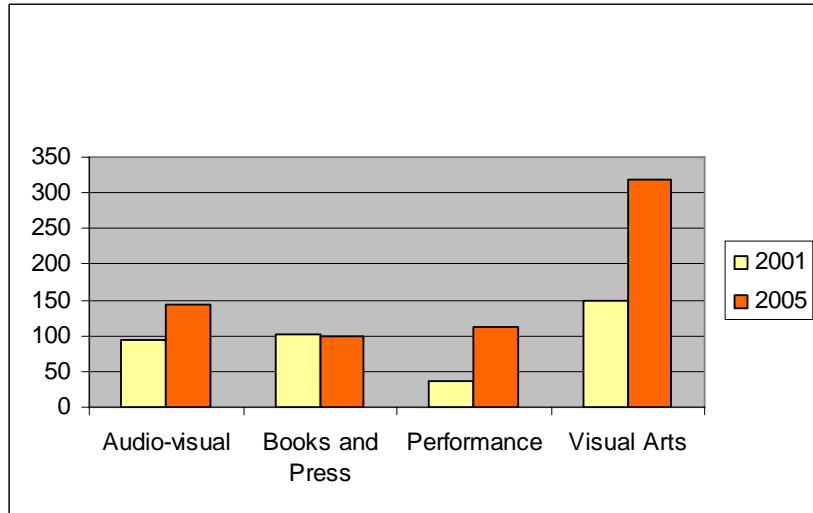


Figure 3 – Creative Industries Employment in South Derbyshire, 2001 – 2005

Source: ABI/BOP

3.2 TRENDS: BUSINESSES 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in the numbers of creative industries businesses in South Derbyshire. Table 5 below shows that:

- The number of creative businesses in South Derbyshire increased by 68% between 2001 and 2005 – more than 13% per annum, on average, and more than three times the rate of growth in the economy as a whole. Again, this is a very high rate of growth, and should be regarded with a degree of caution.
- The Visual Arts & Design sector exhibited the highest rates of growth, followed by the Audio-visual sector. The number of businesses in Performance and Books & Press also grew (despite declining employment in Books & Press).

Business Units	2001	2005	% change
Audio-visual	44	66	48.2%
Books & Press	18	22	21.1%
Performance	12	13	4.2%
Visual Arts & Design	75	150	101.0%
Total	149	249	67.9%
Whole Economy of district	2,390	2,904	21.5%

Table 5 – Creative Industries Businesses in South Derbyshire, 2001 – 2005

Source: ABI/BOP

Figure 4 below illustrates how the number of businesses in each creative industries domain changed between 2001 and 2005.

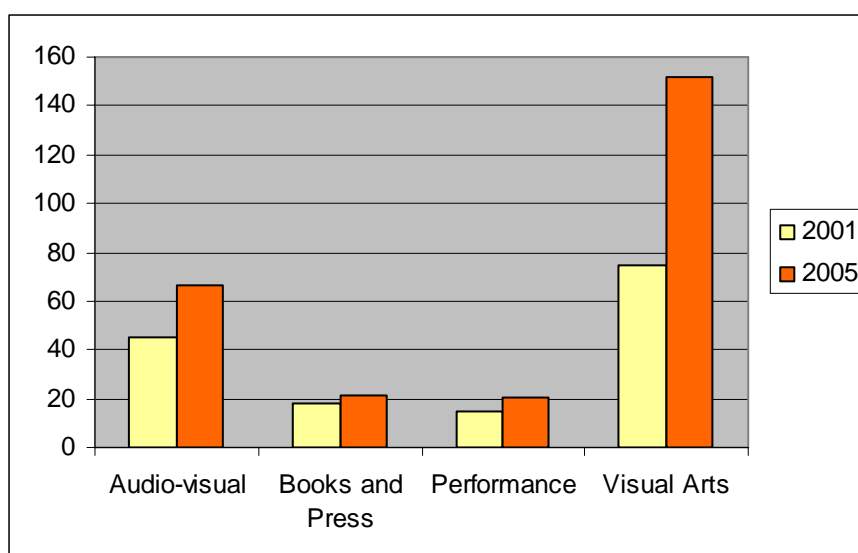


Figure 4 – Creative Industries Businesses in South Derbyshire, 2001 – 2005

Source: ABI/BOP

4 SOUTH DERBYSHIRE – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England⁶ according to how rural or urban they are, based on the proportion of the population living in rural settlements. The three most rural classes are:

- **Rural 80** (the most rural); there are eight such districts in the East Midlands;
- **Rural 50** (the next most rural); there are ten such districts in the East Midlands;
- **Significant Rural** (a mixed rural/urban category); there are eight such districts in the East Midlands.

South Derbyshire is classed as a ‘Significant Rural’ district, which means that more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns; this category contains both rural and substantial urban areas. (See APPENDIX for a list of ‘Rural 80’, ‘Rural 50’ and ‘Significant Rural’ districts in the East Midlands.)

Employment and Businesses

When South Derbyshire is compared to the aggregated data for employment and numbers of businesses for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands⁷, we can see that:

- Creative industries account for a smaller share of all employment in South Derbyshire than in all Significant Rural districts in the East Midlands. However, creative industries account for a marginally higher share of all businesses in the district than in all Significant Rural districts.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
South Derbyshire	575	1.9%	249	8.6%
Rural 80	8,400	3.0%	2,800	8.2%
Rural 50	9,800	3.3%	2,800	8.6%
Significant Rural	10,400	3.6%	2,300	8.2%

Table 6 – South Derbyshire in relation to rural categories in East Midlands (2005)

Source: ABI/BOP

⁶ Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London

⁷ Note that the statistics for Significant Rural include those for South Derbyshire.

Rate of Growth

When South Derbyshire is compared to the aggregated data for growth in employment and business numbers for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands⁸ between 2001 and 2005, we can see that:

- There appears to have been very strong growth in both employment and the number of businesses in South Derbyshire’s creative industries between 2001 and 2005 – more than twice the rate in the region’s Significant Rural districts as a whole. The district’s overall economy also grew strongly. However, these figures should be regarded with a degree of caution.

	CI employment growth, 2001-2005	CI business unit growth, 2001-05	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
South Derbyshire	60.7%	67.9%	42.3%	21.5%
Rural 80	7.4%	20.0%	8.7%	12.2%
Rural 50	24.6%	24.9%	8.1%	13.1%
Significant Rural	26.1%	24.5%	6.4%	7.6%

Table 7 – Creative industries growth, 2001-2005

Source: ABI/BOP

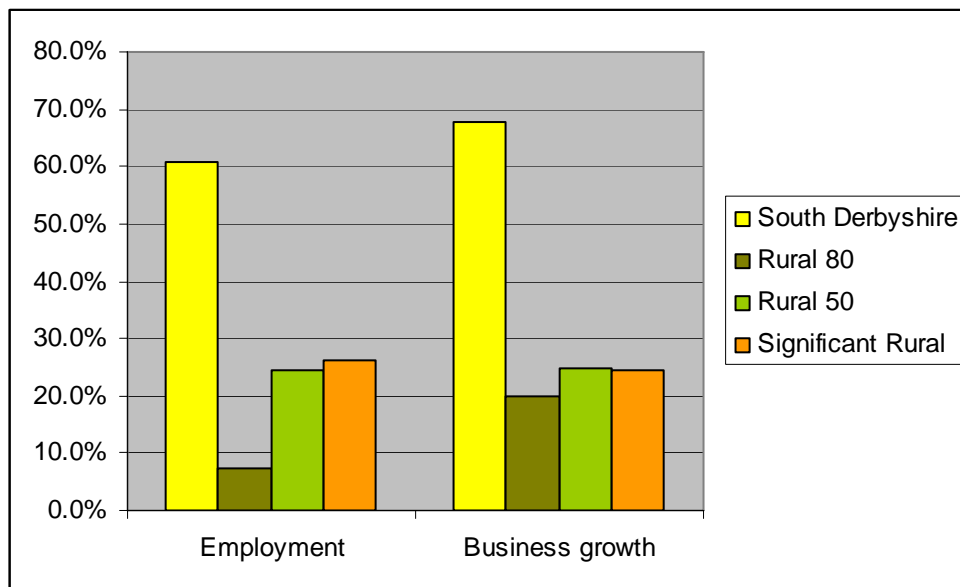


Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005

Source: ABI/BOP

⁸ Again, statistics for Significant Rural include those for South Derbyshire.

APPENDIX

Definition of Creative Industries

Creative Industries are defined according to the DCMS Evidence Toolkit (DET), published by the Department for Culture Media and Sport in 2004 (DCMS Evidence Toolkit: Technical Report – see <http://tinyurl.com/huocg>). The DET organises the cultural sector into 7 thematic domains: Audio Visual, Books & Press, Performance, Visual Art & Design, Heritage, Sport & Tourism (of which the first four constitute the creative industries, and have been analysed in this fact sheet). The 4 creative industries domains include the following sectors:

Table 8 – Creative Industries Domains

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, software development, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Art & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

(Note that sectors that could appear in more than one domain are only counted once. Music, for instance, is not counted in performance as well as audiovisual.)

The DET also includes within its definition of each domain the entire production chain: Creation, Making/Manufacturing, Dissemination, Exhibition, Archiving/Preserving and Education/Understanding. This means that as well as core creative activities, such as writing a screenplay, other related activities are also included, such as the manufacture of film cameras or wholesale of computer games, CDs and DVDs.

Data Analysis Methodology

The DET supplies a list of Standard Industrial Classification (SIC) codes with which to identify the industrial sectors that contain the creative industries. Using these codes it is possible to extract data on creative industries from Office for National Statistics (ONS) data, such as the Annual Business Inquiry (ABI). However, there is not a direct match between all creative sub sectors and the corresponding SIC codes that are used to identify them. Some creative sub sectors are included within SIC classes that also contain non-creative-industries sectors. Architecture,

for example, is included in 74.20, but this code also includes quantity surveying and a wide range of engineering activities.

The solution is to attribute a proportion of the data in these SIC classes to creative industries. This is done by applying weightings to the statistics; the difficulty lies in calculating what the weightings should be.

For this study, a second data source was used to calculate weightings for creative industries – Experian's National Business Database (NBD). The NBD provides commercially licensed data on businesses in a given geographic area, derived from a range of sources, including Yellow Pages, Thomson and Companies House. These data are mapped against SIC codes, but also a number of other classificatory systems that allow a more detailed, 'finer-grained' analysis of creative industries sectors. By analysing NBD, it is possible to calculate accurate weightings for creative industries in a specific region. These weightings can then be applied to ONS data such as ABI to provide an estimate of the size and growth of the creative industries sector.

For this study, Experian NBD data for each of the rural districts was analysed in its own right, and then used to produce weightings to apply to relevant SIC codes, as specified in the DET.

These were then applied to ABI (Workplace Analysis) data for the district for the years 2001 and 2005, to produce an estimate of employment and business numbers in creative industries.

Note on accuracy

It should be noted that ABI data does not include freelancers, sole traders and a high proportion of micro businesses (those beneath the VAT threshold, for example). Yet a significant proportion of those working in creative industries work in these kinds of businesses⁹, and this should be taken into account when considering the ABI data presented above.

It should also be noted that ABI data is derived from an annual survey of a sample of businesses in the overall economy, and for statistical reasons it is more accurate when the sample size is larger – as in the accompanying report on all rural districts in the region. Examining only specific industrial sectors in a single local authority district (as we have been done here) involves a margin of error. The figures presented in this report should be regarded as indicative only. Where the variation between 2001 and 2005 data appears particularly pronounced, this could be due (at least in part) to sampling variations.

Rural Districts in East Midlands

When considering the wider economy of the East Midlands, we have employed DEFRA's urban-rural classification for local authorities in England¹⁰ to

⁹ On average, around 8% in rural districts of the East Midlands, according to our analysis of Experian NBD data.

¹⁰ Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide

identify the rural districts. This complements EMDA's work on the rural economy, which also uses this classification system in some of its analyses. The three most rural classes of district were examined: Rural 80, Rural 50 and Significant Rural.

Rural 80 districts are those in which at least 80 percent of the population lives in rural settlements and larger market towns. There are 8 such districts in the East Midlands, and 73 in England.

Rural 50 districts are those in which at least 50%, but less than 80%, of the population lives in rural settlements and larger market towns. There are 10 such districts in the East Midlands, and 52 in England.

Significant Rural districts are those in which more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns. This category is a mixed urban/rural class that contains both rural and substantial urban areas. There are 8 such districts in the East Midlands, and 53 in England.

Under this classification system, the following districts in the East Midlands can be regarded as 'rural':

Rural 80

Daventry
Derbyshire Dales
East Lindsey
Harborough
Melton
North Kesteven
Rutland
South Holland
South Northamptonshire
West Lindsey

Rural 50

Bassetlaw
East Northamptonshire
High Peak
Newark and Sherwood
North East Derbyshire
North West Leicestershire
Rushcliffe
South Kesteven

Significant Rural

Amber Valley
Bolsover
Boston
Charnwood
Hinckley & Bosworth
Kettering
South Derbyshire
Wellingborough

(2005), Rural Evidence Research Centre, Birkbeck College, University of London.

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