The Creative Economy in WELLINGBOROUGH

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 – Wellingborough

- Around 2,150 people were employed in creative industries in Wellingborough in 2005 – representing nearly 7% of all employment in the district.
- There were 260 creative industries businesses in Wellingborough – representing around 8.5% of the stock of all (VAT-registered) businesses in the district
- Creative industries employment grew by nearly 37% in the district between 2001 and 2005 – a very strong rate when you consider that employment in Wellingborough's economy as a whole declined by more than 5% during the same period.
- Similarly, the number of creative industries businesses increased by 24%, compared to a fall in the total stock of businesses of 13%.
- The largest sectors in employment terms were Audio-visual and Books & Press. Visual Arts & Design accounted for the highest number of creative industries businesses.

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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 Experian[2]. 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 Wellingborough, 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 Wellingborough 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 Wellingborough in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- Around 2,150 people were employed in creative industries in Wellingborough in 2005 – representing nearly 7% of all employment in the district. This is a higher proportion than average in rural districts of the East Midlands (which is around 3%).
- The largest domain was Audio-visual, which accounted for 49% of all creative industries employment in the district. (Note that this domain includes some computer software development, which may be a factor in the size of the domain.)
- Books & Press accounted for 35.5% of all creative industries employment – a higher share than average for rural districts of the East Midlands.
- (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	1057	3.3%
Books & Press	764	2.4%
Performance	50	0.2%
Visual Arts & Design	281	0.9%
TOTAL	**2,152**	**6.8%**

Table 2 - Creative Industries Employment in Wellingborough 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.

2 CREATIVE INDUSTRIES BUSINESSES – ABI

Table 3 below shows the number of creative industries businesses[4] in Wellingborough in 2005, based on ONS ABI data. It shows that.

- There were 260 creative industries businesses in Wellingborough in 2005 – representing around 8.5% of the total stock of (VAT-registered) businesses in the whole economy of the district.
- The largest domain in terms of numbers of businesses was Visual Art & Design, which accounted for 44% of all creative industries businesses in the district. There were fewer businesses in Audio-visual (31% of creative industries businesses) and Books & Press (20%), although these domains employed more people.

	Number of business units	% of all businesses units in Wellingborough
Audio-visual	81	2.7%
Books & Press	52	1.7%
Performance	11	0.4%
Visual Art & Design	115	3.8%
Total	**260**	**8.5%**

Table 3 – Creative Industries Businesses

Source: ONS ABI (2005)/BOP

[4] 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.

3.1 TRENDS: EMPLOYMENT 2001 – 2005

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

- Creative industries employment appears to have grown by nearly 37% in Wellingborough between 2001 and 2005. This is a high rate of growth, and is particularly significant as it occurred at a time when employment in the district's economy as a whole declined by more than 5%.
- The strongest growth in employment terms was in the Visual Arts & Design domain, which appears to have grown by nearly 57% - a very high rate of growth.
- The Audio-visual and Books & Press domains also grew strongly, with employment increasing by around 36% in each sector over 5 years.

Employment	2001	2005	% change
Audio-visual	780	1057	35.4%
Books & Press	561	764	36.1%
Performance	54	50	-7.4%
Visual Arts & Design	179	281	56.8%
Total Creative Industries	**1,575**	**2,152**	**36.6%**
Whole Economy of District	33,695	31,759	-5.7%

Table 4 – Creative Industries Employment in Wellingborough, 2001 – 2005

Source: ABI/BOP

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

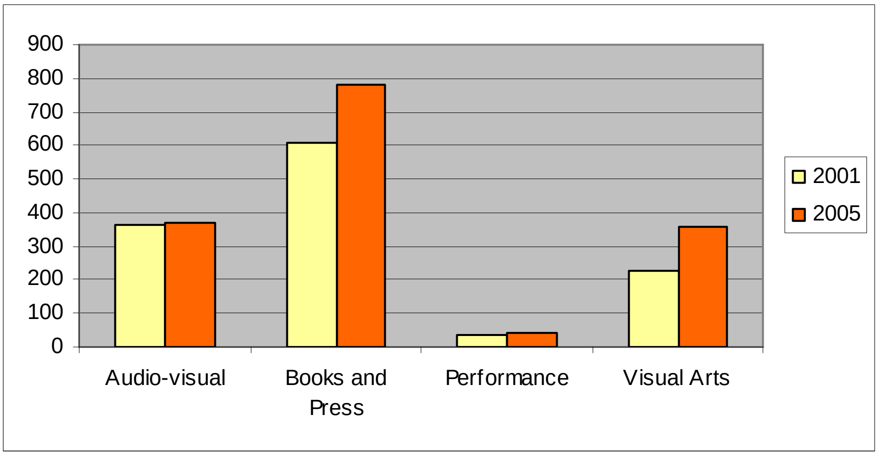

Figure 1 – Creative Industries Employment in Wellingborough, 2001 – 2005

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 Wellingborough. Table 5 below shows that:

- The number of creative industries businesses in Wellingborough increased by 24% between 2001 and 2005. This is again particularly significant since it occurred at a time when the total stock of (VAT-registered) businesses in the district declined by 13%.
- The most significant growth in businesses occurred in the Visual Arts & Design domain, which grew by 45%. There was also more modest growth in businesses in the Audio-visual and Books & Press domains.

Business Units	**2001**	**2005**	**% change**
Audio-visual	72	81	12.2%
Books & Press	49	52	6.5%
Performance	8	11	37.5%
Visual Arts & Design	79	115	45.2%
Total	**209**	**260**	**24.4%**
Whole Economy of district	3,506	3,042	-13.2%

Table 5 – Creative Industries Businesses in Wellingborough, 2001 – 2005

Source: ABI/BOP

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

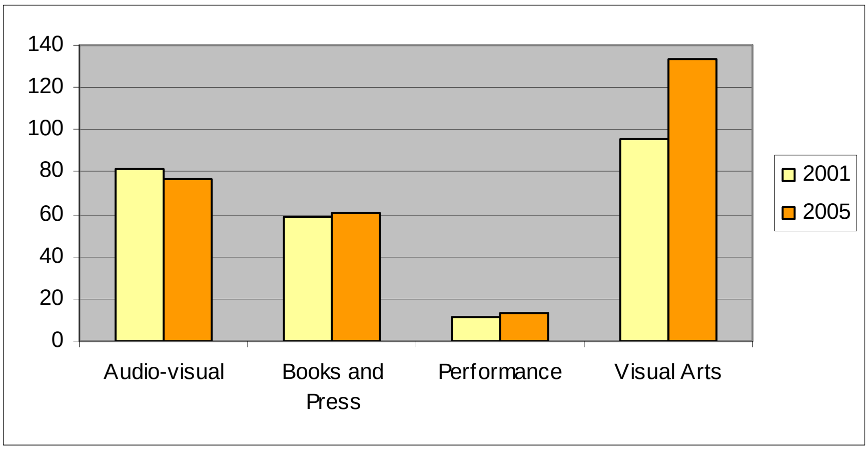

Figure 2 – Creative Industries Businesses in Wellingborough, 2001 – 2005

Source: ABI/BOP

4 WELLINGBOROUGH – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England[5] 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.

Wellingborough 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 Wellingborough 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 Midlands[6], we can see that:

- Creative industries account for a significantly higher proportion of employment in the whole economy in Wellingborough than in all Significant Rural districts.
- The number of creative industries businesses as a share of the total stock of businesses in Wellingborough is broadly in line with all Significant Rural districts.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
Wellingborough	2,152	6.8%	260	8.5%
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 – Wellingborough in relation to rural categories in East Midlands (2005)

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

[6] Note that the statistics for Rural 50 include those for Wellingborough.

Source: ABI/BOP

Rate of Growth

When Wellingborough 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 Midlands[7] between 2001 and 2005, we can see that:

- Employment growth in Wellingborough's creative industries was significantly higher than in all Significant Rural districts.
- Growth in the number of creative industries businesses was in line with that in all Significant Rural districts.
- In the whole economy, employment and the stock of businesses declined in Wellingborough, compared to growth of 6 – 8% in all Significant Rural districts. This makes Wellingborough's strong creative industries growth all the more significant.

	CI employment growth, 2001-2005	CI business unit growth, 2001-05	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
Wellingborough	36.6%	24.4%	-5.7%	-13.2%
Rural 80	7.4%	20%	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

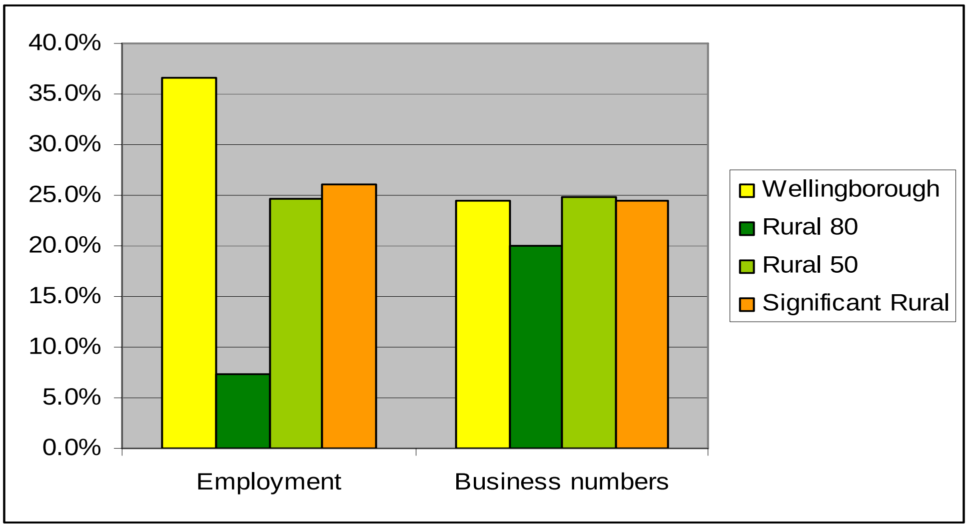

Figure 3 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005

Source: ABI/BOP

[7] Again, statistics for Rural 50 include those for Wellingborough.

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 businesses[8], 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 appears particularly pronounced, this could be 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 England[9] to 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

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

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

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
Wellingborough
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

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