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Liverpool's Creative Industries:

understanding the impact of the Liverpool European Capital of Culture
on the city region's creative industries

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Impacts 08
based on research undertaken by Burns Collett & Merseyside ACME,
and Peter Campbell

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Executive summary

This report is based on research which explores the definitional challenges around the creative industries and the availability and validity of existing data for use in assessing the sustainability of the creative industries sector in the Liverpool city region. This review of issues and data has supported the development of a model for the measurement of the size of the sector in the city region, seeking to establish and use the best possible measurement available at a sub-regional level. A trends analysis of data by local authority area and by business size supports a detailed understanding of changes in the sector, including differences within the sub-region and between different size bands.

Research undertaken between 2007 and 2009 sought the views of those working in the creative industries on Liverpool's year as European Capital of Culture (ECoC) and aimed to identify where impacts had been experienced, both negative and positive, and what legacy the Liverpool ECoC might leave for the future of the city region and its creative industries. The project included two online surveys – both before and after 2008 – as well as open-ended consultations and telephone interviews to capture the breadth and depth of qualitative data available. These methodologies allow an understanding of diverse range of expectations and reflections of the sector on the Liverpool ECoC.

The findings within this report fall into three categories: methodological questions, assessment of size and changing trends, and sector perceptions of impact (both pre-event expectations and post-event reflections). They can be summarised as follows:

Methodological questions

- Definitional issues are an ongoing challenge when assessing the creative industries and, whilst work is being undertaken to gain greater clarification and coherence, short-term resolution is not anticipated.
- There is, however, extensive existing practice which can be built on to achieve a reasonable and comparable measurement of the creative sector which, whilst not perfect, enables a more complete understanding of the shape and make-up of the sector to be achieved.
- An improved model of measurement is proposed and utilised to enable the findings referred to below.

The size of the creative industries sector and changing trends

- Over three years, between 2006 and 2008, the size of the creative industries sector in Liverpool has grown, with the total number of enterprises increasing by 10% and the total employment by 14%.¹
- This is supported in more detail by the trends data based on a sample of the creative industries in the sub-region, which shows that the number of enterprises within the creative industries in the sub-region has increased over five years, with 2007 representing the peak of that increase and 2008 showing a slight falling away.
- Using a trends data analysis based on a sample of the creative industries in the sub-region, it is possible to identify:
 - growth in the overall number of workplaces (7% over the five years);
 - a steady increase up to 2007 in the numbers of organisations in the size bands of between 1 to 5 employees and between 6 to 10 employees (with a small decline in 2008);
 - a decrease in the average business size, although an upward trend in the growth of business sizes appears to be emerging which may be confirmed beyond 2008;

¹ Based on results from BETA Model, following SIC 2003 codes. The methodology for these calculations is explained in detail in Section 4.1.

- that the Liverpool sub-region has a sustained base of creative industries enterprises, suggesting that the city region is considered a viable context for existing and start-up businesses.

The sector's perceptions about the general sustainability of the creative industries in Liverpool

- Prior to 2008, key issues for the creative industries sector were: the leadership within the sector; the support for the sector; institutional coherence in the City; and the brand of Liverpool and its relation to the sector were all raised in the Creative Industries Futures Panel.
- A key issue and area for improvement as perceived by the creative industries sector – before, during and after the Liverpool ECoC – was the marketing and promotion of the creative industries sector in the Liverpool city region. This was felt to be important for the sustainability and growth of the sector in the future.
- The sector felt that, particularly around marketing and profile-raising activities, the Liverpool ECoC had focused on the 'cultural' and 'tourism' offers, but that this did not necessarily extend to creative *industries*.

The sector's perceptions of the impacts of the Liverpool ECoC

- The Liverpool ECoC has improved Liverpool's profile and external perceptions.
- The Liverpool ECoC has helped to improve the 'local morale' of the creative industries in the sub-region.
- The Liverpool ECoC has helped to increase the credibility of the creative industries sector in the sub-region.
- Some creative industries enterprises reported a growth in their client base which they viewed partly attributable to the Liverpool ECoC, but this was by no means a universal picture.
- After 2008, nearly three quarters of creative industries enterprises felt that the Liverpool ECoC would create long-term positive impacts for their businesses.

Overall

The report exposes the complexity of the challenge in assessing the sustainability of the creative industries in any given region, largely due to the methodological issues referred to above. Whilst these issues are not solved here, a solution to provide a valid local measurement, as well as tracking changes over time, is proposed and supplemented by qualitative work which spans almost two years. Together these elements form a picture of the creative industries in the Liverpool city region before, during and after the Liverpool ECoC.

Important note on citation:

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1. Research Aims and Methods

1.1. Introduction

This report has been produced as part of Impacts 08's exploration of the vibrancy of the cultural system in Liverpool and the sub-region, and the impact of Liverpool's status and activity as European Capital of Culture (ECoC) 2008. It sits alongside work which has explicitly looked at the maintained arts and cultural sector and their responses to and reflections on the Liverpool ECoC, allowing an engagement with questions around the broader grouping of the creative industries and the relationship between the creative and wider economies of the Liverpool city region.²

This project has sought the views and experiences of those individuals and organisations that work as commercial and, predominantly, small and medium-sized enterprises, and seeks to put this qualitative data into context by looking at the size of the sector in the Liverpool city region, and how this changes over time.

There may be overlaps in types or categories of participant between this report and the work on the maintained arts and cultural sector which has been undertaken elsewhere, but efforts have been made to separate participants and contributors to ensure that the view from arts and cultural sector will, broadly speaking, be a reflection of organisations and individuals dependent on public subsidy, where this report concentrates on those enterprises which, though they may receive business support or occasionally be the subject of publicly-funded interventions, are essentially commercial.

In addition, this report contains reflections on the Liverpool ECoC, and particularly on the management process leading up to and including the year. Philosophy and management of the process of the Liverpool ECoC is a separate theme within Impacts 08's programme, and so the project includes some qualitative data which may be important for consideration within the context of this other theme and which offers a coherent, though not unmixed, response of one sector to the questions within this theme.

1.2. Aims

The methodological and conceptual approach in this report was informed by work undertaken prior to 2008, which aimed to:

- explore definitional challenges and best practice in assessing the size of the sector
- establish the best possible model for measuring the size of the creative industries sector in the sub-region
- assess available data, and its validity, relating to the creative industries sector in order to identify indicators for sustainability

Following this background work, research was undertaken which aimed to establish the following:

- a measurement of the size of the creative industries sector in the sub-region
- indicators which could be tracked over a period of time relating to the profile of the sector, to reveal trends within the sector relating to sustainability
- expectations of, and subsequent reflections on, the impacts of ECoC 2008 on the creative industries sector in the sub-region, with particular reference to:
 - perceptions within the sector on Merseyside (size, areas of strength and weakness, levels of success, robustness in current economic climate)

² In this report the city region or sub-region is taken as encompassing the five local authority areas of Liverpool, Sefton, St Helens, Wirral and Knowsley. Not included, therefore, within any of the quantitative mapping of the sector is the area of Halton, which in discussions about city region development and governance is sometimes included.

- understanding issues around skills development, mainstream and specialised support and graduate retention
- testing the sector's confidence for the future

1.3. Methods

1.3.1. Definitions, Size and Sustainability

The past decade has seen considerable work carried out to advance an appropriate understanding of the creative industries sector. The initial stage of this project has involved a series of desk-based reviews to provide an overview of progress to date on this topic. This exercise has focused on two main areas:

- A review of definitions of the Creative Industries by Peter Campbell, University of Liverpool (section 2)³
- A review of best practice and available data in Creative Industries measurement and sustainability factors by Burns Collett consultants (section 3)

One of the key areas considered as a source of possible indicators of sustainability was data relating to skills levels and training needs in the creative industries sector at city level. However, an early review of the available data revealed it to be extremely limited, and so it was not suitable to include such data within the report.

On the basis of the above work, a model has been developed for calculating both the size of the sector and any trends in changes in size and profile over time. This model is applied to give an estimated Creative Industry sector size for 2006 and 2007, establishing a pre-2008 baseline, and for 2008 itself. The model is also applied to produce a trends data analysis of the sector, showing changes in the profile of the sector by area within the sub-region over time (section 4). However, in order to gain a true picture of issues around sustainability the need for both qualitative and quantitative indicators is recognised. Thus, the findings emerging from the model and the trends data analysis should be read in conjunction with the qualitative findings around the perceptions of the sector about the Liverpool ECoC and its impacts (section 5).

1.3.2. Expectations of and Reflections on the Liverpool ECoC

The research which has been undertaken as part of this project to collect and understand the views and perceptions of the creative industries sector of the Liverpool ECoC and its impacts on that sector has been informed by a piece of work undertaken in the latter-half of 2007. Dr Alan Southern from the Management School at the University of Liverpool was commissioned to produce an exploratory piece of research which is referred to in this report as the 'Creative Industries Futures Panel'. This research brought together a panel of creative entrepreneurs to discuss the future of the creative industries in Merseyside.

The Creative Industries Futures Panel identified four key issues which emerged from open-ended discussions and 15 scenarios for the possible future of the creative industries in the sub-region. These four issues and 15 scenarios helped to frame all of the subsequent qualitative research. It was particularly used to inform an online survey which was completed by a broader range of sector representatives. The findings of both the panel and the survey then helped to shape the lines of enquiry and approach to the sector which have been used in the remainder of the qualitative research within this project.

Merseyside ACME and Burns Collett undertook work to gain an understanding of commercial creative businesses' expectations of and reflections on of the impact of Liverpool as ECoC 2008 in three main phases:

³ Peter Campbell, formerly Programme Assistant with Impacts 08, is currently undertaking an AHRC/ESRC funded studentship on Creative Industries and Cultural Policy; the work included here will form part of his PhD.

- An online survey in October/November 2007
- Consultation workshops undertaken between October and December 2008
- An online survey and follow-up telephone consultations undertaken between April to June 2009

Merseyside ACME is the Creative Industries development agency for Merseyside. Set up in 1997 its stated mission is 'to evolve and grow with the sector to develop the Creative Industries on Merseyside'. As the host organisation for the Sector Director for the Creative Industries on Merseyside, ACME has led on the development and delivery of strategies to establish a framework which seeks 'to capacity build the potential of the sector'. Amongst other activity, ACME provides a range of free services to the creative industries sector, including networking, professional development opportunities and evaluation services. It is also a key partner in a number of city initiatives, including Liverpool Sound City (a music industry festival) and Design Show Liverpool, showcasing designers, fashions shows, events and two conferences. ACME also chairs the Creative Industries Support Services Network.⁴ In Spring 2009 ACME moved to sit within Liverpool Vision, the economic development company for the city of Liverpool, with ACME retaining its branding and staff in the move.

In using Merseyside ACME to undertake the portions of this work which particularly include direct engagement with the creative industries sector, Impacts 08 has sought a research partner which already engages in regular dialogue with the sector, and which has established some credibility. Whilst, methodologically, this ensures that engagement with the sector is undertaken by experts and that a larger response is likely due to the existing rapport, it is interesting to consider outside this report what the implications are for research that is undertaken by an infrastructural support body so immediately related to the sector; this will be done within the Impacts 08 Final Report, to be published in February 2010.

2. Definition and measurement in assessing the 'creative industries'

2.1. Introduction

As a key theme of the Impacts 08 research concerns analysis of the cultural system of Liverpool, it is important to consider the creative economy of the city, and monitor its development. To do this, it is necessary to engage with current debates around the most appropriate methods for defining the creative sector. In this section, the key focus is an assessment of the concept of the 'creative industries'. There are a number of conflicting approaches regarding what groups constitute the sector referred to as the 'creative industries', to what extent this overlaps with 'the cultural system and/or sector', and the methodologies which can be used in either of these areas to achieve an accurate level of measurement once a definition is reached.⁵

The overview of current thinking on these subjects which follows does not seek to resolve all of these issues, but to explain the basis on which this theme of the Impacts 08 programme has been developed and the conceptual and methodological issues which have prompted the particular approach exhibited in section 4. It also aims to

⁴ Partners in the Creative Industries Support Services Network are: ACME; Arts Council England, North West; Business Link North West; Business in the Arts North West; Design Initiative; Futures Network; KIN: Linking Merseyside's Creatives; Knowsley Metropolitan Borough Council; Liverpool Culture Company; Merseyside Dance Initiative; North West Disability Arts Forum; Sefton MBC; St Helens Council.

⁵ The following note from the DCMS provides a sense of the historical, and ongoing, nature of these arguments, and gives a sense of the difficulty in achieving consensus on this issue: "In Europe there have been long running discussions on the constitution of the cultural sector and data collection...A Leadership Group (LEG) reported on the possibility of harmonisation of cultural statistics in 1999, and a Working Party on Cultural Statistics continues to explore the issues. The LEG group...acknowledged the problem that definition is in part a matter of policy, and departed significantly from UNESCO's FCS [Framework for Culture Statistics] in terms of 'breadth', by establishing more limited parameters for the cultural sector. So, Sport, Environment, Advertising, Fashion, Languages and Games were excluded." (2004:8 – emphasis added)

show how issues of definition and measurement are inextricably bound together when considering the creative industries as a discrete sector.

2.2. What are the 'creative industries'?

In recent years, there have been a number of national policy documents promoting the importance of the 'creative industries' to the UK economy. The most recent manifestation of this is 'Creative Britain: New Talents for the New Economy' (2008) – a 'strategy document for the creative economy' produced by DCMS⁶ in collaboration with BERR⁷ and DIUS⁸, which sets out a list of 'commitments' for creativity inspired by The Work Foundation's report, 'Staying Ahead: The Economic Performance of the UK's Creative Industries' (2007). These documents are both a part of the DCMS' 'Creative Economy Programme' which has also recently published a series of 'evidence' documents about the make-up of the creative sector. A definition of what *does* or *should* makes up this particular sector, however, has historically been far from clear, and debates continue on this issue (cf. Garnham, 2005, Hesmondhalgh, 2007). This section will outline key definitional issues, and map out some of the attempts that have been made to achieve a coherent understanding and demarcate the boundaries of the sector.

2.2.1. 'Culture' and 'Creativity'

A key aspect of the debate about what constitutes the 'creative industries' concerns how these should be defined in relation to the 'cultural sector'. Some of the key identified questions are: to what extent can we (or should we) separate 'creativity' from 'culture'? If the two overlap, in what areas do they do so? If they are distinct, who defines the terminology used to bring about this distinction? Despite the apparent difficulty of this task, numerous attempts have been made to delineate the difference between 'culture' and 'creativity'. A recent report for the European Commission, for example, identifies these two areas thus:

The "cultural sector":

- Non-industrial sectors producing non-reproducible goods and services aimed at being "consumed" on the spot (a concert, an art fair, an exhibition). These are the arts field (visual arts including paintings, sculpture, craft, photography; the arts and antique markets; performing arts including opera, orchestra, theatre, dance, circus; and heritage including museums, heritage sites, archaeological sites, libraries and archives).
- Industrial sectors producing cultural products aimed at mass reproduction, mass-dissemination and exports (for example, a book, a film, a sound recording). These are "cultural industries" including film and video, video-games, broadcasting, music, book and press publishing.

The "creative sector":

In the "creative sector", culture becomes a "creative" input in the production of non-cultural goods. It includes activities such as design (fashion design, interior design, and product design), architecture, and advertising. Creativity is understood in the study as the use of cultural resources as an intermediate consumption in the production process of non-cultural sectors, and thereby as a source of innovation.

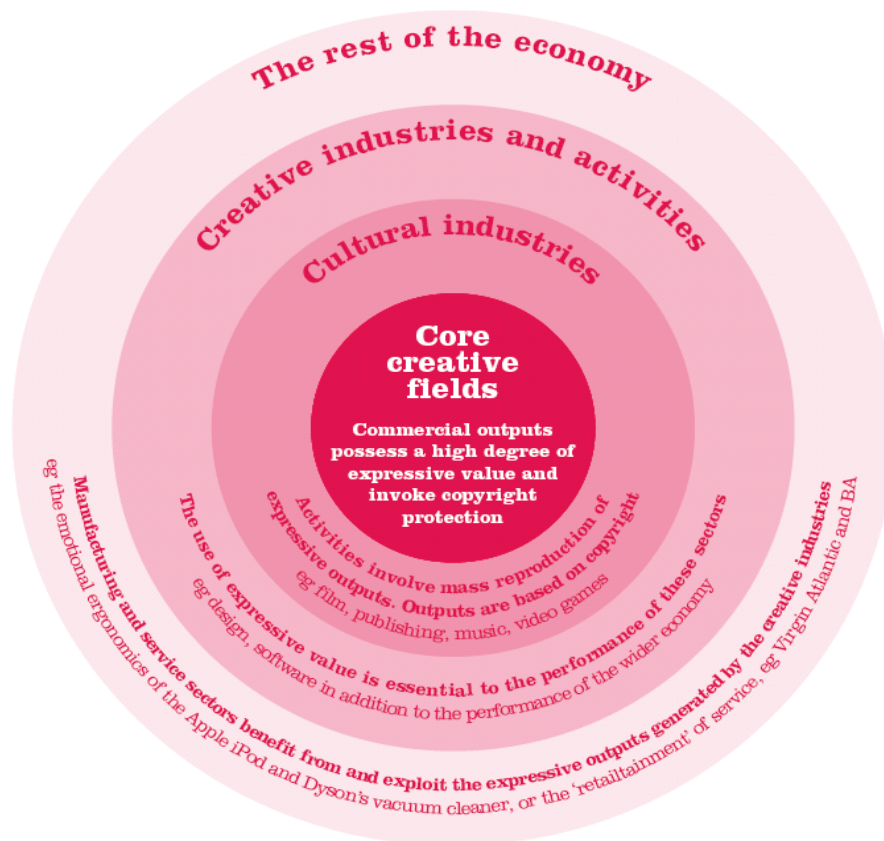
(Source: KEA European Affairs, 2007)

Based on this report, The Work Foundation posit the model below to aid our understanding of the sector's place in the wider economy, and the place of the 'creative' as opposed to the 'cultural' industries:

⁶ Department for Culture, Media, and Sport

⁷ Department for Business, Enterprise, and Regulatory Reform

⁸ Department for Innovation, Universities, and Skills



The centre of this diagram includes 'traditional art forms' and 'core creative' activity such as "the writing of computer software, the establishment of a 2.0 website or the evolution of a new character in a video game." (2007: 104) The next circle out, the 'cultural industries', are concerned with "the commercialisation of pure expressive value" (ibid.), such as the music or film industries, and one step out from this we find the 'creative industries' - described as "analytically first cousins to the cultural industries; distinct while belonging to the same family of activity." (ibid. p.105) These include the architecture and fashion industries. So, by this model, advertising is 'creative', whereas music is 'cultural'; design work is 'creative', and a computer game is 'cultural'.

2.2.2. 'Cultural'? 'Creative'? Neither? Both?

These discussions demonstrate the difficulties encountered when trying to demarcate or separate these areas in any simple or, perhaps, useful, way. As Griffiths notes, study of cultural forms generally is extremely susceptible to a kind of definitional drift:

...the notion of the arts has been displaced by the broader and more amorphous idea of the cultural sector; the cultural sector has in turn become the cultural industries; and the cultural industries have turned into the creative industries. (2006: 416)

From any of the ever-increasing number of 'mappings' of the sector, however, at least in the UK a consistent focus on what we can reasonably define as 'cultural' activities can be noted, and in assessing the effects of a programme of culture-led regeneration, it is this *cultural* aspect that is most interesting to focus on, whilst acknowledging the importance of the continuing discussions on 'creativity'. Even if a line was sought to be drawn between 'creativity' and 'culture', it would be found to be a virtually impossible. Despite attempting to draw such lines, The Work Foundation report describes the two areas as 'highly porous' with increasing 'collaboration' and 'interdependencies' (2007: 106).

To put the issue of 'creative' versus 'cultural' industries to one side, however, the broader issue of what is 'in' and what is 'out' of the macro-sector containing the two is itself not necessarily easy to resolve. The OECD⁹ conducted a 'Workshop on the International Measurement of Culture' in December 2006, incorporating a survey on the terms used in defining the 'cultural sector' internationally. This found that,

Definitions vary – countries may incorporate many... areas of interest in their culture information systems, e.g. creativity and innovation (Australia); languages and minorities (Finland, New Zealand); teaching of culture (Australia, France); tourism (New Zealand, Spain). Several countries such as Australia, Denmark, Finland, Ireland, New Zealand, Portugal and Turkey include sport.'(OECD, 2007: 48)¹⁰

These conflicting definitions occur not only internationally, but even regionally within the UK due to the historic lack of a single, replicable approach on this topic. The DCMS similarly note divergence at an international level and argue that,

Clearly, the precise set of domains that are identified collectively as the cultural sector is contingent, dependent upon particular geographical and historical circumstances." (DCMS, 2004: 9)

The international aspect of working towards a resolution of these definitional issues will be returned to later (see section 2.2.5). When dealing with the creative sector within the UK, however, it seems appropriate to focus on the pioneering work carried out by the DCMS to develop an 'evidence toolkit' and advance towards a resolution of these issues, as this work continues to provide the basis for most approaches. The DCMS definitions of the creative industries are therefore examined in detail below.

2.2.3. DCMS and the 'DCMS 13'

The DCMS' 'Creative Economy Programme' (see <http://www.cep.culture.gov.uk/>) was established to offer "...coherent analysis of the UK's creative industries, their significance in the global economy and the opportunities and challenges they face" (DCMS, 2006). As noted above, this programme has produced a number of evidence documents exploring issues such as the size and scope of the creative sector, spillover effects, and the role of multinational companies. This evidence builds upon the extant DCMS work which has its origins in the Creative Industries Mapping Document of 1998.

The Creative Industries are identified by DCMS as occupying 13 key groups. The Work Foundation explain the criteria for inclusion thus,

What is distinct about the creative industries is that their revenues are largely generated by commercialising 'expressive value' and that necessarily a greater part of their commercial turnover is attributable even more so than other parts of the knowledge economy to acts of genuine 'creative origination'. (2007: 96)

The DCMS state the case more explicitly in that the creative industries "generate intellectual property with a potential for wealth and job creation." (2004: 20) The table below indicates the 13 sectors which constitute DCMS creative industries, and the SIC codes¹¹ used to measure them:

⁹ Organisation for Economic Co-operation and Development

¹⁰ The OECD workshop also noted that attempts are to be made in the near future to partially resolve this issue, and produce a 'handbook' on a methodology for internationally comparable statistics: "Subsequent to the workshop the OECD Secretariat developed a workplan that would see the publication of an initial version of such a handbook and initial data tables for nine OECD countries by December 2008."

¹¹ The Standard Industrial Classification (SIC) code is used to provide data on all sectors of industry within the UK. The codes provide an increasing level of specificity from 2 to 5 digit level, and map to the European NACE (*Nomenclature statistique des activités économiques dans la Communauté Européenne*) system to the 4 digit level, potentially allowing comparisons to be made between countries. (See Section 2.3.1 below.)

Mapping Document Chapter	Sector	Standard Industrial Classification (SIC)	
		Code	Description
1	Advertising	74.40	Advertising
2	Architecture	74.20	Architecture and engineering activities and related technical consultancy (‡)
3	Art & Antiques	52.48	Other retail sale in specialised stores (‡)
		52.50	Retail sale of second-hand goods in stores
4	Crafts	Majority of businesses too small to be picked up surveys	
5	Design	No codes match this sector	
6	Designer Fashion	9 Codes	Clothing Manufacture (†)
		74.87	Other business activities not elsewhere classified
7	Video, Film & Photography	22.32	Reproduction of video recording
		74.81	Photographic activities
		92.11	Motion picture and video production
		92.12	Motion picture and video distribution
		92.13	Motion picture projection
9 & 10	Music and the Visual & Performing Arts	22.14	Publishing of sound recordings
		22.31	Reproduction of sound recording
		92.31	Artistic and literary creation and interpretation
		92.32	Operation of arts facilities
		92.34	Other entertainment activities not elsewhere classified
11	Publishing	22.12	Publishing of books
		22.12	Publishing of newspapers
		22.13	Publishing of journals and periodicals
		22.15	Other publishing
		92.40	News agency activities
8 & 12	Software, Computer Games & Electronic Publishing	22.33	Reproduction of computer media
		72.21	Publishing of software
		72.22	Other software consultancy and supply
13	Radio & TV	92.20	Radio and television activities

Although the use of SIC codes in measuring the relative size of the creative industries is discussed further below, it is important to note how interwoven these two issues are. If there is no agreed definition for the industries that make up this sector, it is likely that differing, ad hoc definitions will be arrived at, based on the measurement tools available¹² - a perfect definition is irrelevant, after all, if there are no tools with which to measure its constituents, and so any findings on creative industries will therefore become incompatible from study to study, and comparison between them difficult or impossible. As noted above, this lack of compatibility is partly true at an international level due to the differing approaches taken, but also at a national level, as found by the DCMS:

Of the numerous cultural/creative industries studies and plans undertaken by RDAs and RCCs across the UK, some have adopted DCMS definitions, but many more have not. Inevitably, the result has been data, which is not comparable from one region to another. (DCMS, 2004: 6).

¹² Indeed, in its work examining the differing international approaches and nomenclature of this subject, OECD note that "The DCMS has undertaken the work of collating and publishing statistics on what they refer to as the *creative industries*. Inclusion in this grouping was partially dependant on the availability of data from Annual Business Inquiries"(2007: 41, emphasis added)

The importance of achieving standardised definitions and measurements as far as possible, therefore, can be, recognised, as well as the importance of foundations laid by the DCMS. Indeed, as far back as 2002, a study the role of the creative sector in the South East of England notes that,

The need for a coherent approach to data collection and analysis for this sector – starting with issues of definition – driven by DCMS and the Office for National Statistics (ONS) cannot be over stressed. (DPA, 2002: 100)

In resolving the issue of *what* to measure, therefore, the most logical approach consists in following good practice and established definitional boundaries. Whilst any definition is prone to challenge, the more comparable and robust our measurements can be, the clearer a picture can be established of the relative size and scope of the cultural system. The DCMS definition is obviously a well developed model to follow here, but other ways in which we may try to conceive the sector are considered in the remainder of this section.

2.2.4. The 'CCI Sector', and the 'Cultural Industries Production System'

In their work centred on South East England, David Powell Associates (2002) refer to 'The CCI sector' – made up of creative and cultural industries, eliminating the problematic boundaries between the two areas as discussed above, and including:

Advertising: Architecture: Archives: The Arts and Antiques Market: Countryside Recreation: Crafts: Design: Designer Fashion: Digital Media: Film and Video: Historic Sites, Buildings and Houses: Interactive Leisure Software: Libraries, Information and Knowledge Management: Museums: Music: Performing arts: Publishing: Software and Computer Services: Sports: Tourism: Television and Radio. (DPA, 2002)

This list demonstrates certain categories which do not fit into the DCMS 13 sectors, which could be considered the more 'cultural' aspects of the CCI sector. Powell also explains the difference between the DCMS list and this one in terms of the 'two dimensions' of the 'cultural industries' – breadth and depth.

Breadth vs. Depth

Powell defines a number of problems regarding DCMS definitions thus,

Outwith the DCMS definition are Sport, Tourism, Libraries, Information and Knowledge Management, Archives and Galleries... Definitions in this area are dominated by public policy-making concerns, and the traditional bureaucratic boundaries of responsibility. New concerns with regulation, changing technologies and social practices are likely to continue to make conventional boundaries and definitions inadequate. (2002: 8)

He also argues that the DCMS creative industries by trying only to arrange the different disciplines which make up the creative industries by 'breadth', as it were, ignores the issue of 'depth'.

In the breadth definition, the count is made based upon the primary practitioners in each cultural form...By contrast, the depth based definition recognises that the production of cultural 'products and services' requires the input of a number of other people and skills beyond that of the practitioner... such as materials, technologies of distribution and consumption such as exhibition and performance spaces, or equipment, as well as people skilled in their operation and management. (2002: 9)

The 2006 report 'Building Creative Success' also identifies problems around 'depth' with the DCMS 13:

For those working specifically in the arts it can seem strange that the DCMS classification includes such categories as the manufacture, wholesale and retail of TVs and Radios. This is because the DCMS has included businesses from across the entire production cycle: from the creative content, through to manufacture and distribution. (Perfect Moment, 2006: 8)

In defence of the DCMS, it does seek to identify SIC codes covering all aspects of the creative economy, but as will be seen in section 2.3, this is no easy task. The more recent work carried out by Frontier Economics (2007) for the DCMS Creative Economy Programme seeks to separate out the different 'layers' in operation

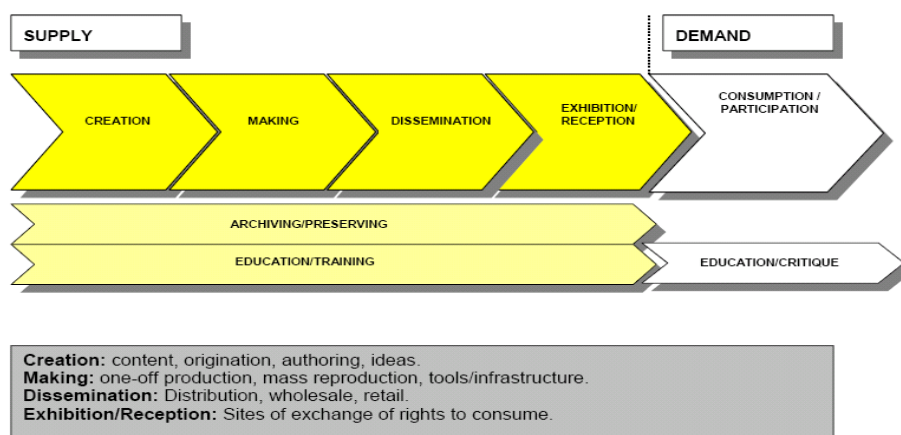
across the creative economy, with core creative activity at 'layer one' (in a similar fashion to the Work Foundation's 'creative core' seen above), support activities in the outer layers, and retail of commodities at the outer 'layer five'.

CIPS and the 'filiere'

It is clear, therefore, how considering the 'depth' of the sector leads on to the idea of the production chain, and Pratt (1997) argues for the concept of the 'Creative Industries Production System' (CIPS) which considers both 'dimensions' of the creative industries. Powell asserts that this approach is particularly useful for strategic policy making, and DCMS (2004) note that this model has been used in 'several' regional creative industries strategies and plans.

The logic of the CIPS system is that of the production chain or the 'filiere'. This notion attempts to capture all of the activities that are required to originate, produce, distribute and consume products. (DPA, 2002, App.2: 2)

DPA argue that the production system can be broken down into four areas: content origination, manufacturing, reproduction, and exchange. Work carried out in 2006 by the Burns Owen Partnership sets out a similar method for understanding this process, as seen in the diagram below:

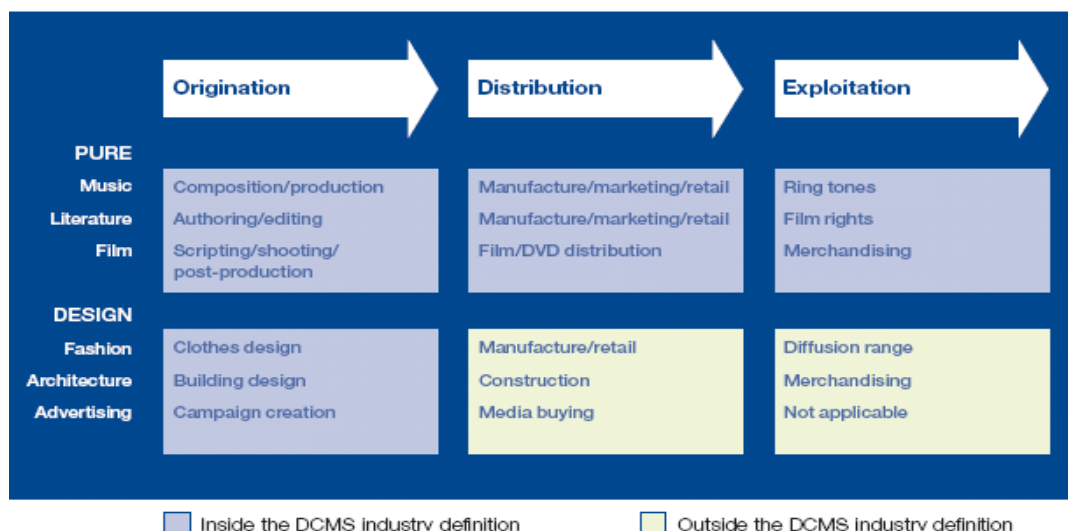


Source: BOP et al, 2006: Cultural Production Chain

The diagram above is also referred to by UNESCO (2006) as representing 'The Creative Chain', and they categorise the two dimensions of the sector in this way:

	SICs nuanced by occupation and product classifications			
	Arts Visual, fine, performing arts	Heritage Natural Cultural Tangible and Intangible	Audio-visual Film, video, new media	Books & Press
Production & Consumption	<ul style="list-style-type: none"> •Employment •Value •Performances 	<ul style="list-style-type: none"> •Employment •Value 	<ul style="list-style-type: none"> •Employment •Value •No of titles 	<ul style="list-style-type: none"> •Employment •Value •No of titles
Education	<ul style="list-style-type: none"> •Enrolment •Performances in/by schools 	<ul style="list-style-type: none"> •Enrolment •Attendance (visitors, locals) 	<ul style="list-style-type: none"> •ICTs in education 	<ul style="list-style-type: none"> •School textbooks
Traditional knowledge	<ul style="list-style-type: none"> •Craft artisans •Story tellers •Festivals (\$, attendance) 	<ul style="list-style-type: none"> •Intangible heritage (no of themes) •Biodiversity 	<ul style="list-style-type: none"> •Traditional knowledge on the Internet •Audio-visual documentation 	<ul style="list-style-type: none"> •Languages in print
Archiving & preserving	<ul style="list-style-type: none"> •Document centres 	<ul style="list-style-type: none"> •Conservation (jobs, \$) 	<ul style="list-style-type: none"> •Film archives (volumes) 	<ul style="list-style-type: none"> •Libraries (volumes, transactions)

Another method for understanding this idea is set out by the Centre for Creative Business' (2007):



The Centre for Creative Business uses this approach to distinguish 'pure creative products' and 'design products':

A pure creative product can potentially be consumed as a stand-alone good. The pure creative category includes fine art, theatre and performance, literature, music in all its forms, television and film, and computer games.
A design product must be embodied in another product in which it inheres. The other product may be a tangible or physical good, as is the case with architecture, furniture design, fashion design or product design. (2007: 9)

From their diagram above, it can be seen how this does, and in some case does not, overlap with the DCMS 13.

2.2.5. 'Creativity' and International Standards of measurement

It should be noted that there are approaches which seek to measure creativity in a wider context. Although not exclusively dealing with the creative industries, Mercer's work (2002) in Hong Kong to create a 'Creativity Index', for example, seeks to monitor creative 'vitality and competitiveness' and, as such, aims to measure a myriad of indicators around creativity. This work builds on Florida's work on the 'Creative Class' (2002) which seeks to place the creative economy of a city in a wider context of high levels of 'diversity' and social acceptance, with the theory that this will create an environment conducive to innovation and creativity. As such, these measures run

somewhat beyond the scope of the concerns of this paper, and would not provide us with further clarity into *what* constitutes the creative industries. A report on the Hong Kong Creativity Index notes that when this particular area is engaged with, in the scope of such a wider study, that the same issues around measurement and definition as have been noted previously arise,

Ideally, we would like to include indicators that reflect the outcomes and inventive activities of the advertising, design, antiques and craft, software, digital entertainment, radio and television sectors. Indicators on these domains are not yet available, or not yet included in our framework due to quality of data. (HAB, 2004: 31)

With the focus remaining firmly on the 'creative industries' therefore, to conclude this section, the work surrounding definition at a European level touched on at the start of this paper will briefly be considered. The Council of Europe/ERICarts "Compendium of Cultural Policies and Trends in Europe" outlines the Eurostat definition of the 'cultural sector' which draws upon the Framework for Cultural Statistics (FCS). This sets out 8 'domains':

- | | |
|------------------------------------|---------------------|
| ▪ Artistic and monumental heritage | ▪ Visual arts |
| ▪ Archives | ▪ Architecture |
| ▪ Libraries | ▪ Performing arts |
| ▪ Book and press | ▪ Audiovisual media |

With 6 'functions':

- | | |
|----------------|-----------------|
| ▪ Preservation | ▪ Dissemination |
| ▪ Creation | ▪ Trades/sales |
| ▪ Production | ▪ Education |

The 2006 OECD workshop acknowledged that the FCS is the closest thing to an accepted definition of 'culture', but noted that,

Discussions in the workshop recognised that it would be next to impossible to have the identical definition of culture accepted by all countries but that agreement on individual subsectors was much more likely. (2007: 29)

It was also noted that a new FCS was expected by 2009, although this is still currently pending. For the immediate future, however, consistent guidelines at a supra-national level are not available and, whilst there is inevitable and ongoing discussion about what are the most appropriate constituents of the creative sector, the work carried out by the DCMS provides the most robust base from which to work. We should bear in mind, however, the stark warning from KEA European Affairs:

Statistical tools do not enable the cultural & creative sector to be captured properly. At European and national level, statistical categorisations are often too broad. Data are rarely comparable. A considerable amount of cultural activity takes place in establishments whose primary classification is non cultural and therefore not recorded within existing classifications. Self-employed cannot be identified. Electronic commerce, which represents a growing share of the economy of culture, is not taken into account. And it is not possible to properly assess the public economy of culture at pan-European level. (KEA, 2007: 4)

Although this situation may change in the future, we must bear these concerns in mind when drawing conclusions about the shape and scope of the creative economy. It is the problematic nature of this data collection which will now be considered.

2.3. Measuring the Creative Industries

Were the issues around definition set out in the section above resolved, the task of *how* to measure the sector would still remain. Once again, the OECD workshop on the international measurement of culture helps to set out some of the key points here:

The culture industries are not as homogeneous as those in many other sectors, and many culturally significant activities may exist only in isolated and relatively small pockets. As a result, traditional sampling approaches to gathering data may not provide true estimates of the whole of the activity in question [and] there is significant cultural activity undertaken by firms whose principal activity is other than cultural: without supplementary data collection, including details of secondary activity, this cultural activity will not be reflected in standard statistical tabulations. (2007: 18)

This last point refers to that fact that a business may have, for instance, a design department or a library but if these do not constitute its main designation under statistical classification this creative or cultural activity may be 'invisible'. Whilst this is a point worthy of consideration, this section will deal chiefly with the measurement of the 'primary' members of the sector. (This approach of measuring 'creative' employment both within and without the 'creative industries' is the basis of the 'creative trident' approach pioneered by Higgs et. al. (2008). Particularly within the UK, however, such an approach is only partially feasible due to problems with data sources and methodologies, as discussed below. Higgs et. al characterise UK data as having "significant limitations" (2008: 7))

2.3.1. Classification systems

SIC Codes

As can be seen from the table of the 'DCMS 13' above, one useful tool for the delineation and measurement of different industry sectors is the SIC code, yet there are certain areas where no code can be to represent a given subsector of creative industry, and many areas where the SIC code available is too broad to map directly to the relevant area. This problem arises due to the SIC codes being essentially out of date, a problem exacerbated by the creative sector being especially changeable and volatile (DCMS, 2007:2). This results in certain aspects of the sector, if they are captured at all, only being allocated a generic 'other' heading. The OECD gives us some idea of the scope of this problem,

As an example, a European Commission Leadership Group, working on a somewhat restricted definition of culture, listed 57 industry classes it considered to be culture related. Of this list, only *five* were considered to be *entirely* cultural. (2007: 64, emphasis added)

On the broader issues to be taken into account with SIC codes, the technical report on the DCMS evidence toolkit of 2004 similarly notes that,

... classification was devised in the immediate post-war period. Despite a number of revisions, the basic structure of the SIC remains essentially unchanged. Consequently... the Cultural Sector is weakly served... Eventually, it would be more useful to have SIC codes that primarily comprise cultural activities. I.e. 100% of those activities within a SIC code could be considered part of the Cultural Sector. There is much work to be done before this becomes reality. (DCMS, 2004: 6)

Indeed, the OECD survey of those responsible for statistical information around the cultural sector found that "responses tend to confirm that countries find existing classifications not fit for purpose when applied to the culture sector" and that "the culture sector is not well reflected in most existing general purpose classification standards." (2006: 2) Adding,

All of these classifications underwent a significant revision process during the late 1980s and early 1990s. It was hoped at the time that the revisions would lead to a greater concordance among the various standards; in the areas relevant to culture, *the success of this process was particularly limited.*" (2007: 11, emphasis added)

In effect, this means that, even though the SIC codes are perhaps one of the most useful tools to build statistical information in this area, even one of the most recent and influential reports to assess the state of the Creative Industries in the UK, the Work Foundation's 'Staying Ahead' report (2007), admits of the figures it bases its arguments on that,

...the standard industrial classifications for official statistics do not accurately reflect the structure of the creative industries and as such it is difficult to capture the full extent of activity. Due to these constraints the figures should be considered as *best estimates* rather than *definitive valuations*.(2007: 194, Emphasis added)

SIC solutions and SIC 2007

In an assessment of the effectiveness of its own Evidence Toolkit, the DCMS also conceded these points that SIC codes could not provide a comprehensive picture of the creative sector at the present time. Using generic codes without weightings gives a picture of the creative industries that is inevitably distorted. A major update of SIC codes referred to above, however, came into effect in 2008 as,

...the outcome of Operation 2007 - a series of consultations started in 2002 and carried out in conjunction with the major revision of the European Union's industrial classification system, NACE' (ONS, 2007: 2)

This new system will delineate some industry areas of greater relevance to the creative industries more clearly, such as the introduction of a new macro-category "R", including the new 2 digit code '90' described below. Other relevant codes are also described:

SECTION R ARTS, ENTERTAINMENT AND RECREATION

This section includes a wide range of activities catering for various cultural, entertainment and recreational interests of the general public, including live performances, operation of museum sites, gambling, sports and recreation activities.

90 Creative, arts and entertainment activities

This division includes the operation of facilities and provision of services to meet the cultural and entertainment interests of the general public. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances.

That these areas have been separated out is encouraging news for the future possibility of resolving definitional problems, but obviously this is not an area which will be resolved in the short term, and data referring to this new coding system is not yet widely available.

SOC Codes

It should be noted that it is also possible to monitor activity via the Standard Occupational Codes (SOC), however, we must note DCMS' reservations about their use for the task in hand:

An analysis of the SOC provides only a partial coverage of the Cultural Sector. Despite the revision of SOC (SOC 2000), the classification is of limited use, and should be avoided except for labour market studies, mainly those relating to skills. ...SOC primarily tracks what activities an individual undertakes; it is less concerned with the particular sector or industries in which these activities take place." (2004)

The use of the SOC code is, therefore, highly limited, and data at a local level for the purposes of such a study as ours would be very unreliable. (cf. Higgs et al, 2008). This issue of data sources will now be considered.

2.3.2. Data sources for measurement

Were *what* constitutes the creative industries and a *way* in which to measure them identified, however, there would still remain the issue of *where* to find this data. This section will consider the key sources currently available.

The Annual Business Inquiry (ABI)

The main sources of information recommended by the DCMS Evidence Toolkit are the ABI and the LFS. The ABI gives nationwide data down to 4-digit SIC code on employee numbers and 'business unit' numbers (rather than numbers of businesses) down to NUTS 3 level¹³. Whilst this provides us with great advantages, there are problems with this data. The technical report on the DCMS evidence toolkit advises that there is a,

...lack of data on self-employment and Small and Medium-Sized Enterprises (SMEs) – *the ABI does not include data on self-employment* (an important category in many parts of the Cultural Sector), and only uses a limited sampling of SMEs. Given that there is a well-documented preponderance of SMEs in the Cultural Sector – compared with the economy as a whole – the accuracy of the survey data is compromised. (2004: 6, emphasis added)

Also, as the data comes from a sample of data from the IDBR (see below) we would expect a higher potential sampling error the smaller the geographical area we are examining.

Labour Force Survey (LFS)

The potential sampling error is a greater issue with the Labour Force Survey. The LFS is based on individuals, and is carried out quarterly. As it is not based on companies, it can therefore capture less conventional employment patterns, as well as self-employment and smaller enterprises, but the DET technical report notes that,

There are major problems when data is disaggregated at a regional level (and by selected 4-digit SIC), due to the small sample size (2004: 6)

Higgs et. al. also note that there are "inconsistencies within the census employment data at detailed levels" (2008:33) and that the LFS data requires considerable processing and is not easily available.

Inter-Departmental Business Register (IDBR)

The IDBR is the source of the sampling for the ABI. It is a list maintained by National Statistics of UK businesses, covering all parts of the economy (but, as noted above in the section on the ABI, very small businesses and those with low turnover do fall outside its scope). The National Statistics website claims that "The IDBR provides nearly 99% coverage of economic activity." It covers VAT registered businesses and businesses with employees in PAYE schemes, and also gets data from surveys sent to over a quarter of a million businesses. ABI data can be seen as a guide to the data held by the IDBR, and there are more costs and limitations involved in the use of IDBR data.

BETA Model

The preferred data source for both Baseline Data work and Trends Analysis for this work within the Impacts 08 Programme is the BETA Model. The BETA Model data is from business directory sources – Yellow Pages, Yell and Thompson's Local, all of which is updated on a quarterly basis.¹⁴ This identifies trends in terms of business and employment growth or decline by size band and can be reviewed on a quarterly or annual basis to generate an overview of trends in the sector over time and, in particular, the incidence of change between size-bands in the sector.

The BETA Model enquiry system has enabled an enquiry to be set up that meets the majority of the SIC code allocations identified in the DCMS Evidence Tool Kit (DET) for the creative industries and those identified by DCMS/ONS for the Creative Industries Economic Estimates Bulletin. A small number of SIC codes are not

¹³ NUTS being the Nomenclature for Units of Territorial statistics. For reference, the North West of England is a NUTS 1 area, Merseyside is a NUTS 2 area, and Liverpool is a NUTS 3 area.

¹⁴ Since 2003 - previously on an annual basis

available¹⁵ within the BETA Model (Experian sourced data). However, it is estimated that these represent a negligible percentage of enterprises and employment in the sector. One important benefit of using the BETA Model is that available data lags behind real time by 3 – 9 months. ABI data, on the other hand lags behind real time by up to 18 months.

2.4. Conclusion

It is important to recognise that although there are signs that there will be greater clarification in the future around definitional issues, these are unlikely to be resolved in the short term. Also, there are problems surrounding data collection and data sources that are just as unlikely to be 'solved' during the timeframe of this study. That said, it is clear from the work considered above that there is extensive existing practice which can be built on to achieve a reasonable and comparable measurement of the creative sector which, whilst not perfect, nevertheless enables us to achieve a more complete understanding of the shape and make-up of the sector and which can assist a developing understanding of the creative economy of the city.

3. Indicators of sustainability in the creative industries

3.1. Introduction

Having looked at some of the key definitional challenges which affect the conceptual boundaries of the creative industries sector and, ultimately, the ability to provide meaningful measurement of the sector, the next step in the background research for this project was to identify possible indicators of sustainability for the creative sector.

What follows is a review of available data and analyses of sustainability of creative businesses which have been undertaken at both a national and a city level, to assess current and best practice in this area and to provide the methodological context which informs the approach taken to developing the findings which are reported in sections 4 and 5.

3.2. Review

This review found surprisingly few detailed studies on the sustainability or competitiveness of the creative industries sector and, where papers on competitiveness of the creative industries do exist, they relate to broader economic trends within the sector rather than an analysis of specific, measurable indicators of competitiveness within a localised economy.

3.2.1. Standard Indicators

One approach to this task could be to consider standard indicators of economic health within the local economy. This would include data relating to VAT registrations and de-registrations by industry and by year as an indicator of new business creation, growth and decline, inward investment data relating to specific industries, and business stock and employment data by industry by size-band.

Research in this area is limited to an evaluation of business stock and employment changes by size-band (see section 4.3 below) as VAT registration and de-registration data is available through ABI/Nomis only at a top-level industry classification. These 9 classifications do not provide sufficient detail to enable a Creative Industries breakdown of VAT registrations and de-registrations.

¹⁵ Codes not available through Experian's datasets include - 2233: Reproduction of computer media. 2231: Reproduction of sound recording. 2232: Reproduction of video recording.

The Mersey Partnership (TMP), which co-ordinates Liverpool city region inward investment activity, provides case studies for inward investment in the digital and creative industries. It also produces a digest of key development and infrastructure projects taking place on Merseyside. TMP's Digital and Creative Industries (DCI) case studies tend to focus on the technology end of the DCI sector. These, along with a review of development and infrastructure projects that impact on the creative industries sector, provide some indication of the general health of the creative economy on Merseyside.

Recent major development and infrastructure projects on Merseyside that relate to the creative industries included:

- International Centre for Digital Content (Liverpool John Moore University and Professor Phil Redmond initiative)¹⁶
- Arena & Convention Centre Liverpool (Live Music)¹⁷
- Liverpool John Moores University's Art & Design Academy¹⁸
- Redevelopment of the Bluecoat (Fine art, crafts, performance)¹⁹
- Initial development stages of the Baltic Triangle Creative Industries Quarter²⁰
- Novas Contemporary Urban Centre, in the Baltic Triangle area²¹
- BBC Radio Merseyside, which has recently been re-housed to a new purpose-built building as part of the Liverpool ONE development²²
- The new Museum of Liverpool which is currently in construction on Liverpool's waterfront.²³

The list above is by no means comprehensive in terms of relevant developments, but seeks to highlight some of the particularly significant projects at the current time. Liverpool Vision have started a baseline and forecasting study of Merseyside's economy to assess how the sector develops over the coming years, and their work in this area will be important in future planning for the creative industries in the sub-region.

3.2.2. Skills Intelligence

In an early review, sources of information about skills in the creative sector were identified but, for the following reasons, this data is not included within this report; Information on skills is notoriously difficult to pin down and it must be recognised that this information tends to be either very broad-brush stroke (for example, statements about lack of business skills within many small creative enterprises) or relate to very specific activities within sub-sectors (for example, Skillset's 'Skills Gaps and Shortages' survey identifies 'producer skills, script editing and camera skills' as being in short supply at a specific point in time within the media industries). There is, however, little sub-regional data about the sector as a whole and there are inconsistent levels of information about different sub-sectors.

Essentially, the amount of training and skills development taking place within a local sector is not an indicator of the sustainability of that sector – skills development needs to be matched to short, medium and long-term needs. The first of these can usually be gauged by experienced intermediaries, business leaders and research findings as can the second, to some extent. However, to really understand medium and long-term needs within a sector, there needs to be some detailed and reasonably accurate understanding of trends within the sector as a whole,

¹⁶ <http://www.icdc.org.uk/>

¹⁷ <http://www.accliverpool.com/>

¹⁸ <http://www.ljmu.ac.uk/ada/>

¹⁹ <http://www.thebluecoat.org.uk/>

²⁰ <http://www.liverpoolvision.com/changingcity/baltictriangle.asp>

²¹ <http://www.novasscarman.org/contemporary-urban-centres/liverpool/>

²² <http://www.liverpool-one.com/website/>

²³ <http://www.liverpoolmuseums.org.uk/mol/>

and also within sub-sectors within the sector. It is more productive to see skill levels and provision of training as factors that can *influence* the sustainability of a sector rather than indicators of that sustainability itself.

A number of considerations in relation to skills can be taken into account, however, when undertaking case-studies, designing surveys and seeking industry input into intelligence. These are:

- Gaps
- Shortages
- Areas of over supply
- Strengths
- Levels of skills supply (School leaver, graduate, post graduate, attracting 'inward' skills, retaining high level skilled workers etc)
- Short term needs
- Medium to long-term industry trends
- Sub-sector specific trends
- Creative skills
- Technical skills
- Project management skills
- Business skills

3.2.3. Summary of indicators and sources

Listed below is a summary of the types of indicators of sustainability for the creative sector, together with potential data sources:

- Standard business data (sourced from ABI, IDBR, BETA Model, Trends Analysis)
 - Volume and size of businesses (Changes in volume and size)
 - Number of employees and changes in number of employees
 - Increase in number of businesses in the 'middle' size band (50-250 employees)
 - Amount of aggregated turnover in the sector
 - Relative improvement in sector size, employability and turnover in relation to the wider regional and national economy
 - VAT registrations and de-registrations
 - Survival rates of new start-ups
- Graduate/Post Graduate destinations
 - Case Studies
- Inward investment trends
 - The Mersey Partnership
- Sector infrastructure developments
 - The Mersey Partnership
- Improved Skills Base and Knowledge Transfer flows
 - Sector Skills Councils (Skillset/CCI Skills/Skillsfast-UK)
 - Regional and sub-regional sector development agencies (ACME, Northwest Vision+Media, Design Initiative, ICDC, MDA etc)
 - HEIs/Knowledge Transfer Partnerships
 - Employer surveys
 - Micro/SME surveys
 - Virtual network surveys (Kin2Kin etc)
 - Case Studies

- Improved penetration of national and international markets
 - Employer surveys
 - Micro/SME surveys
 - Virtual network surveys (Kin2Kin etc)
 - UKTI
 - Case Studies
- Emergence of a sector-wide, private sector business association
 - ACME and partners

4. Findings (I): Size of the creative industry sector and changes over time

4.1. Proposed model and approach

Following the review of sources of information in section 3, Burns Collett, in partnership with the Impacts 08 team and drawing on work commissioned by BusinessLiverpool and Merseyside ACME, set out a methodology that can be used consistently by these partner organisations in order to capture the size of the creative industries sector. The objective of this activity was to ensure there is a consistency of approach in an area of research that has until now been consistently 'inconsistent'.²⁴

4.1.1. Final selection of core SIC codes

In accordance with the issues which the review recognises, the SIC Codes and the associated scaling from two DCMS sources - the DCMS Economic Toolkit Creative Industries codes and DCMS/ONS Economic Estimates – have been combined to produce a set of SIC Codes at the 4-digit level that encompass the majority of the creative sector. (Some omissions remain – for example, design activity is difficult to identify through SIC codes.) These codes – and subsets of these codes – can then be applied to arrive at local authority, sub regional and regional data for the sector. It is important, at this stage, to note that the SIC Codes utilised here are SIC 2003. At the time writing changes to the Standard Industrial Classification structure (creating SIC 2007) were only beginning to be used by DCMS for economic estimates released in 2009; thus their development occurred too late to be reflected properly within this project and so SIC 2003 is still used here.

4.1.2. Scaling

Scaling is applied to each code in order to refine the raw data that is produced by the application of 4-digit SIC Codes. This scaling was originally developed to adjust data outputs at a national level and based on GVA estimates within different SIC codes. This scaling has been adopted as a proxy for employment and business stock to help produce more accurate estimates than the 4-digit SIC Codes provide.

Some of this scaling has been adjusted downwards where experience has indicated that local authority or sub-regional data requires additional adjustment. In this respect, there is an aim to err on the side of caution in producing estimates. A list of the 45 SIC Codes and the associated scaling is detailed at Appendix A.

4.1.3. Estimates of Self Employment/Freelance activity in the sector

One area that causes constant concern when developing size and scoping data for the sector is the high level of freelance or self employment in the sector. As noted in section 2.3, much of this employment is not captured by the standard ONS datasets (e.g. Annual Business Inquiry). The principal source of data on self-employment in the

²⁴ This work has drawn heavily on a study carried out by Burns Collett for Merseyside ACME and BusinessLiverpool which aimed to address some of these issues and put forward a proposition that allows year-on-year comparisons of data, simple comparisons with other city regions and comparisons between different sources of data.

UK is derived from an occupational analysis of the Labour Force Survey (LFS). However, as noted above, the sample size used by the LFS is not considered to provide robust local data with the level of definition that is required for this type of study.

To enable reasonable assumptions to be made of the level of freelance and self-employment in the sector which can be used consistently, year-on-year, a range of sub-sectoral and city-region studies of freelance employment in the sector have been reviewed.

The areas where there are reasonably robust estimates of the size of self-employment in different creative industries sub-sectors are:

- Audio Visual (excluding Film and Photography): 39% Self Employment²⁵
- Advertising: 15% Self Employment²⁶
- Design: 34% Self Employment²⁷
- Visual, Performing & Literary Arts: 59% Self Employment²⁸
- Music: 47% Self Employment²⁹
- Crafts: 87% Self Employment³⁰
- Designer Fashion: 52.5% Self Employment/Sole Proprietors (Yorks & Humbs/NW)³¹

Creative Industries sub-sector not included in these estimates are:

- Architecture
- Software & Computer Services
- Film, Video & Photography

Clearly, the patterns of self-employment are high across most sub-sectors with the exception of the Advertising sub-sector. The other sub-sectors represented here have levels of self-employment ranging between 35%-87%.

Some analysis has been undertaken of self-employment in the sector using the BETA Model dataset for 2007 and this has been compared to wider studies in other cities and regions. The incidence of sole traders/self-employed appearing on the BETA Model database is 28.53% across the UK as a whole for all businesses and 29.24% for the Creative Industries nationally. Liverpool shows a lower percentage of self-employment in this dataset of 22.21% in the creative sector against an incidence of 22.83% self-employment in all industries in Liverpool. Given the acknowledged high levels of self-employment in the creative industries indicated in national and regional sub-sectoral analyses, the levels of self-employment for the creative industries represented by the BETA Model data seems likely to be conservative.

Looking at some other regional/city region studies across the UK, there is a clear indication of far higher percentages of self-employment in the sector than that held on the BETA Model, for example:

²⁵ Source: Skillset Employment Census 2006

²⁶ Source: CCI Skills

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Source: Crafts Council

³¹ Source: Bolton Institute

Table 1. Self-Employment rates from sample UK studies

City/Region/Study	Year	All Businesses	Self Employment	% of Self Employment
Liverpool BETA Model Initial Analysis	2005	647	143	22.10%
Leeds City Growth ³²	2004	3,100	2,000	64.5%
South West Development Agency	2001	39,355	30,000	76.23%
North West Benchmarking the Cultural Industries*	2002	48,056	34,582	71.96%

* Creative Industries disaggregated

The indications are that the total number of business units, including self-employment in the creative industries in Liverpool is likely to be considerably higher than the headline figures that the BETA Model suggests.

For estimating purposes this model adopts a similar ratio of self-employment to 'businesses' in the Leeds City Growth Study giving an approximate ration of 35 businesses to 65 freelance employments. An adjustment is made when using BETA Model data to account for a percentage of these freelance businesses recorded in the BETA Model source data, as explained below.

4.1.4. Summary of agreed measurement method for baseline data

To summarise, the agreed model for estimating total employment and business numbers in the creative industries on Merseyside (and for regional comparisons) is as follows:

- A set of 45 4-digit SIC Codes (Appendix A)
- Adjusted by % scaling (Appendix A)
- Use of the BETA Model to extract data using the Burns Collett CI enquiry³³
- Adjusting freelance employment on the BETA Model to account for 22% inclusion within the CI data.
- Application of a 35/65 ratio to estimate additional freelance businesses and employment
- Undertaking a checking process using ABI data

For example, if the BETA Model gives us an output of 1,000 as the number of Creative Industries businesses in an area, the model (to calculate the freelancers) is applied as follows:

- $1000 - 22\% = 780$ businesses (allowing for 22% of the figure to be freelancers captured by the BETA Model data, and removing these from the equation)
- Application of the 35/65 ratio from the Leeds City Growth Study to the 780 businesses: $780/35 = 22.29$
- Application of the 35/65 ratio from the Leeds City Growth Study to determine the number of freelancers: $22.29 \times 65 = 1,449$ freelancers
- Therefore, the total number of businesses including freelancers: $2,229 (780 + 1,449)$

4.1.5. Trends data analysis model

Building on the survey of data sources and viability in section 3, this approach seeks to develop a simple, replicable trends analysis tool.

³² 'The Creative Industries in Leeds: An Initial Economic Impact Assessment'. University of Leeds for Leeds City Council, October 2004.

³³ The BETA Model Burns Collett CI is a query set up on the BETA Model system that incorporates the SIC Codes referenced in Appendix A (with the exception of 3 codes that are not available on the BETA Model System, as referenced above).

The preferred data source for both baseline data work and a trends analysis is the BETA Model. This identifies trends in terms of business and employment growth or decline by size band with 1-5 being the smallest size-band. This data can be reviewed using a simple process on a quarterly or annual basis to generate an overview of trends in the sector over time and in particular, the incidence of change between size-bands in the sector.

Alongside the BETA Model data, some testing of these figures using similar SIC Codes and scaling factors using the Annual Business Inquiry has been undertaken. This provides comparative data from a different source, using a comparable methodology.

The trends analysis model takes, as a sample, those 20 SIC codes that are scaled at 100% for the creative industries – the 'Creative Industries Sample' (see Appendix B). This allows a relatively accurate assessment year on year of changes in volume of those SIC codes that are creative industries related only and which contain no other economic activity. Using the BETA Model data, year on year changes can be analysed in the whole creative industries economy by local authority and across the sub-region as a whole. Importantly, this data allows these changes to be looked at by size band without restrictions of disclosures.

In developing the sample, businesses in the 250+ employee category and those businesses where the employee size band is not known have been excluded. Occasional reclassification and reassignment of employees amongst national, regional or multi-site businesses tends to create a number of substantial anomalies in the employee figures. This impacts upon how clearly the underlying trends that may be taking place within the sector can be understood.

4.2. Baseline data: the size of the creative industries sector in Liverpool

Using an estimating process of self-employment in the sector and adjusting the BETA Model business and employment count, the profile of the sector over three years, from 2006 to 2008 is as shown in Table 2.

Table 2. Enterprises, employment and self-employment in Liverpool

Year	Businesses	Self Employed	Total Enterprises	Employees	Self Employed	Total Employment
2006	535*	994	1,529	8,647	994	9,641
2007	551*	1,023	1,574	9,119	1,023	10,142
2008	598*	1,094	1,683	9,893	1,094	10,987

*Adjusted to exclude self-employment

The baseline figures show a small increase in size between 2006 and 2007, with the total number of enterprises rising by almost 3% and total employment by just over 5%, and a more substantial increase in size between 2007 and 2008, with the total number of enterprises up by almost 7% and total employment by over 8%. Over the entire period the increase in the total number of enterprises between 2006 and 2008 is just over 10%, and the increase in total employment is almost 14%.

The trends data below, utilising a sample of 20 SIC codes, offers a more in-depth look at the sector than this baseline data, allowing the detail of changes in different sizes of enterprise to be seen, showing the development of the sector over a longer period and considering the sector over a city region area. The baseline data does, however, display clearly the trajectory of growth within the creative industries sector in Merseyside towards 2008, and not just in the total number of enterprises and the total employment, but also substantial growth of over 10%

in the number of self-employed individuals within the sector. The number of employees per business (excluding self-employment) is steady between 2006 and 2008, rising just fractionally over the period by just over 2%.

4.3. Changes in the profile of the creative industries sector on Merseyside

4.3.1. Trends Data

As a starting point, ABI and BETA Model data provides a snapshot of trends by business stock and by employment over the periods 2003-2006 (ABI) and 2004-2008 (BETA Model).

Table 3. ABI: Creative Industries Sample - Employees

	Knowsley	Liverpool	Sefton	St Helens	Wirral	Total
2003	200	2500	600	300	900	4500
2004	0*	2800	500	0*	700	4600
2005	0*	2900	600	0*	800	4800
2006	0*	3100	600	0*	800	5300

Employee figures rounded to nearest 100.

*Suppressed data to avoid disclosure.

Table 4. ABI: Creative Industries Sample - Workplaces

	Knowsley	Liverpool	Sefton	St Helens	Wirral	Total
2003	0	300	100	0	100	600
2004	0*	300	100	0*	100	600
2005	0*	300	100	0*	100	600
2006	0*	300	100	0*	100	600

* Suppressed data to avoid disclosure

The suppression of data required by ABI regulations means that analysis by local authority is difficult; in addition, the requirement to round every number to the nearest hundred removes nuances within the data, particularly for the workplaces sample. However, as a top-level representation of trends, a maintained number of workplaces (within the ABI parameters) and an upward trend in the number of people in employment in the sector can be seen. Without the rounding the change in the total number of workplaces between 2003 and 2006 is a decrease of 14; whilst it is possible that this is indicative of a slight decline in the total number of workplaces, it should be noted that the ABI methodologies for local level outputs make a total change of 14 in a city region area over four years not significant, and within the margins of potential methodological error.

This not only indicates growth in the sector in terms of quantity of employment but also indicates an increase in the size of businesses in the sector moving from an average of 7.2 employees per workplace to 8.7 employees per workplace.

This trend is clearly seen in Liverpool with a shift from 8.9 employees per workplace to 11.1 employees per workplace over the period.

Top-level BETA Model data for 2004 – 2006 indicates far higher numbers of employees and workplaces and differing patterns of change within Merseyside as a whole and Liverpool in particular. The BETA Model data shows some fluctuation in employment in the period and these fluctuations extend through into 2007 and 2008.

Tables 5 and 6 show the sample applied to BETA Model data to produce top-level figures over the five year period for both Workplaces and Employees, broken down by local authority area in the Liverpool city region.

Table 5. BETA Model: Creative Industries Sample - Workplaces

	Knowsley	Liverpool	Sefton	St Helens	Wirral	Total
2004	63	435	234	103	246	1081
2005	62	457	232	105	251	1107
2006	69	477	246	118	269	1179
2007	75	485	264	122	279	1225
2008	69	470	248	130	241	1158

Table 6. BETA Model: Creative Industries Sample - Employees

	Knowsley	Liverpool	Sefton	St Helens	Wirral	Total
2004	496	4163	2949	685	1776	10069
2005	573	4056	1658	708	1772	8767
2006	742	4520	2005	764	1734	9765
2007	572	4526	1986	863	2106	10053
2008	628	4503	1945	837	1933	9846

At a more detailed level, BETA Model allows movements by business size-band to be analysed. This allows us to understand where those shifts in employee numbers per workspace are taking place. What follows in tables 7-11 are results split by local authority and by year, showing the breakdown of the number of workplaces per business size-band.

Tables 7-11. BETA Model: Creative Industries Sample. Workplaces by Size-band

Merseyside: Workplaces: 2004							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	45	10	5	0	3	0	63
Liverpool	280	61	49	36	5	4	435
Sefton	169	26	12	13	10	4	234
St Helens	74	13	11	3	2	0	103
Wirral	188	25	13	13	7	0	246
Total	756	135	90	65	27	8	1081

Merseyside: Workplaces: 2005							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	44	10	5	0	2	1	62
Liverpool	305	66	38	40	5	3	457
Sefton	178	26	11	10	7	0	232
St Helens	75	12	13	3	2	0	105
Wirral	191	25	13	17	5	0	251
Total	793	139	80	70	21	4	1107

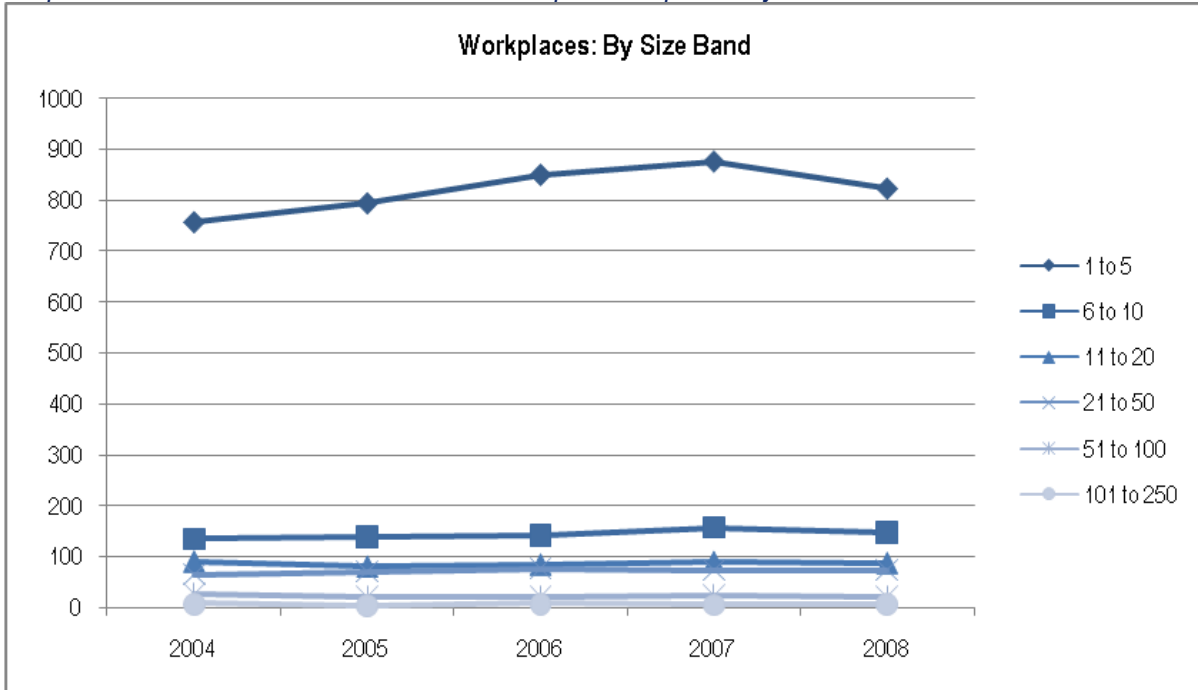
Merseyside: Workplaces: 2006							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	51	7	4	3	3	1	69
Liverpool	316	70	38	43	5	5	477
Sefton	188	27	12	10	8	1	246
St Helens	86	15	11	4	2	0	118
Wirral	208	23	19	16	2	1	269
Total	849	142	84	76	20	8	1179

Merseyside: Workplaces: 2007							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	58	6	7	0	4	0	75
Liverpool	316	79	38	43	5	4	485
Sefton	200	31	14	9	10	0	264
St Helens	88	14	13	4	3	0	122
Wirral	213	27	17	18	2	2	279
Total	875	157	89	74	24	6	1225

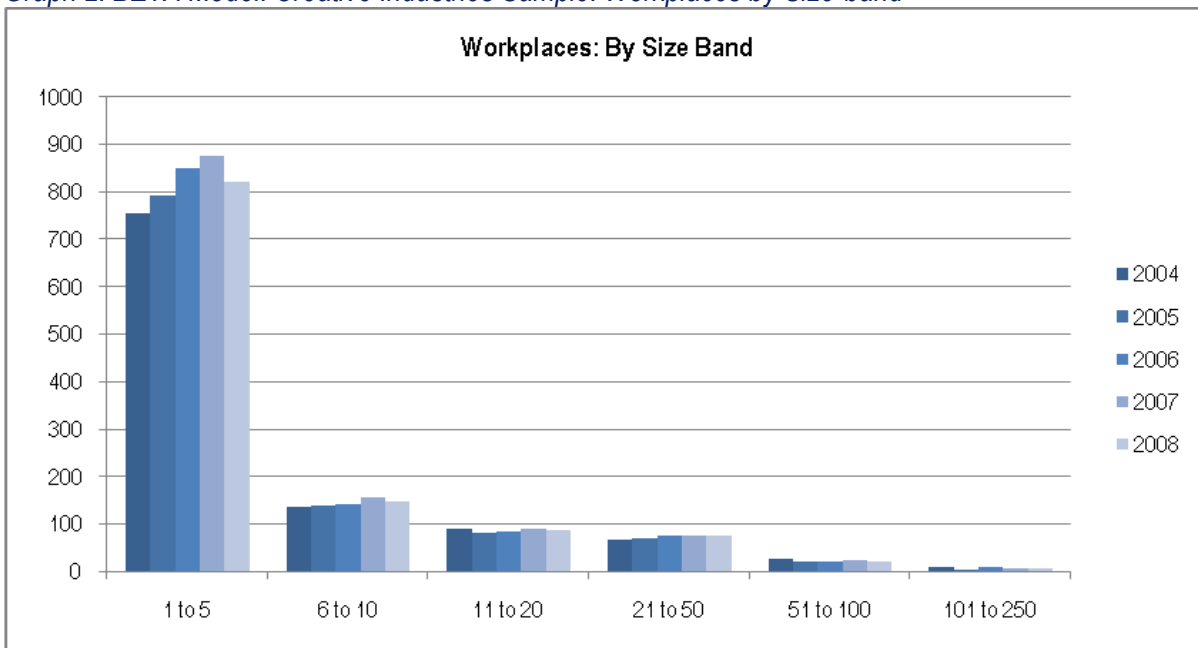
Merseyside: Workplaces: 2008							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	50	9	5	1	4	0	69
Liverpool	305	76	39	41	5	4	470
Sefton	184	28	17	11	7	1	248
St Helens	99	11	12	6	2	0	130
Wirral	184	24	14	15	2	2	241
Total	822	148	87	74	20	7	1158

In order to understand the degree of fluctuation, the workplaces by size-band over the five year period are displayed below in graph form (graphs 1 and 2).

Graph 1. BETA Model: Creative Industries Sample. Workplaces by Size-band



Graph 2. BETA Model: Creative Industries Sample. Workplaces by Size-band



Following on from the number of workplaces, tables 12-16 are results split by local authority and by year, showing the breakdown of the number of employees per business size-band.

Tables 12-16. BETA Model: Creative Industries Sample. Employees by Size-band

Merseyside: Employees 2004							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	94	85	78	0	239	0	496
Liverpool	671	436	751	1330	380	595	4163
Sefton	358	187	196	470	738	1000	2949
St Helens	140	99	183	103	160	0	685
Wirral	371	204	218	484	499	0	1776
Total	1634	1011	1426	2387	2016	1595	10069

Merseyside: Employees 2005							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	96	83	74	0	120	200	573
Liverpool	728	488	583	1457	405	395	4056
Sefton	363	195	169	362	569	0	1658
St Helens	132	97	214	105	160	0	708
Wirral	391	207	207	603	364	0	1772
Total	1710	1070	1247	2527	1618	595	8767

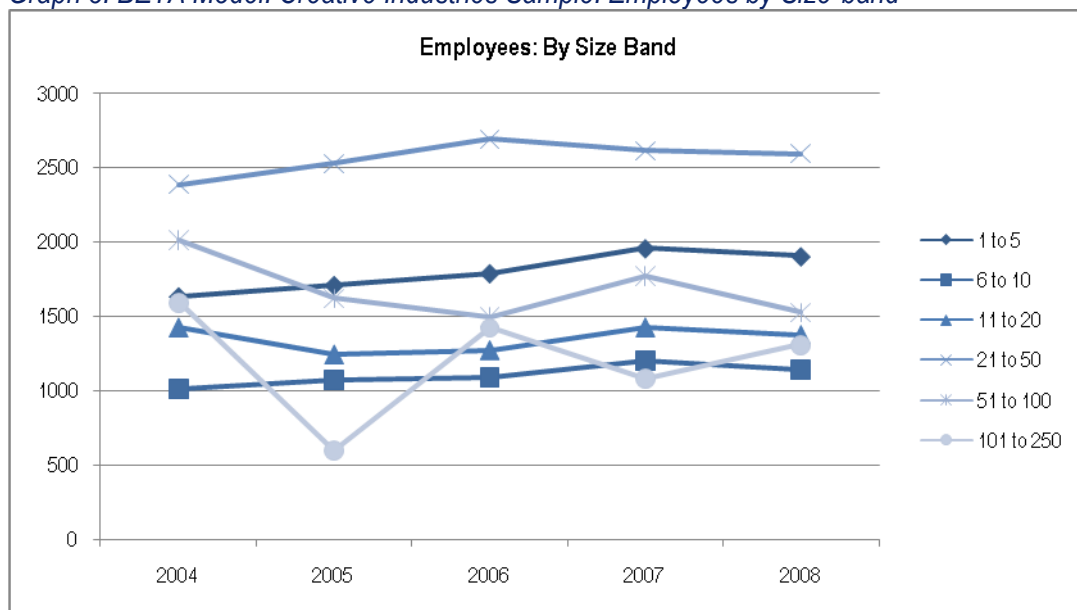
Merseyside: Employees 2006							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	112	57	54	95	224	200	742
Liverpool	741	531	548	1545	340	815	4520
Sefton	382	201	182	358	632	250	2005
St Helens	160	118	188	138	160	0	764
Wirral	395	184	304	556	135	160	1734
Total	1790	1091	1276	2692	1491	1425	9765

Merseyside: Employees 2007							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	136	49	98	0	289	0	572
Liverpool	796	607	589	1533	331	670	4526
Sefton	425	237	223	330	771	0	1986
St Helens	166	112	227	138	220	0	863
Wirral	435	198	291	612	160	410	2106
Total	1958	1203	1428	2613	1771	1080	10053

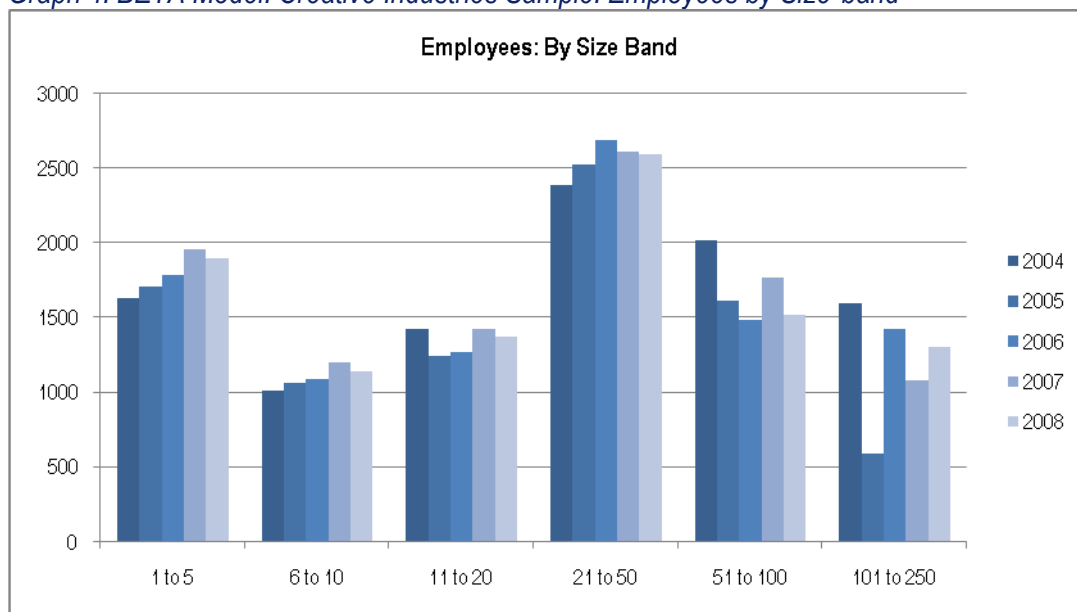
Merseyside: Employees 2008							
	1 to 5	6 to 10	11 to 20	21 to 50	51 to 100	101 to 250	Totals
Knowsley	107	69	83	26	343	0	628
Liverpool	759	583	576	1455	380	750	4503
Sefton	406	217	287	376	531	128	1945
St Helens	208	82	198	229	120	0	837
Wirral	424	188	233	508	150	430	1933
Total	1904	1139	1377	2594	1524	1308	9846

Again, in order to understand the degree of fluctuation, the number of employees by size-band over the five year period are displayed below in graph form (graphs 3 and 4).

Graph 3. BETA Model: Creative Industries Sample. Employees by Size-band



Graph 4. BETA Model: Creative Industries Sample. Employees by Size-band



In four of the five local authority areas the overall number of workplaces shows a steady rise from 2004 to 2007, with Sefton as the exception showing a greater degree of fluctuation in the overall number from year to year. Between 2007 and 2008 Knowsley, Liverpool, Sefton and Wirral all see a small decline in the number of workplaces. The declines in Sefton and Wirral are the greatest, and the Wirral particularly sees the number of workplaces decline in 2008 to a level which is below the number of workplaces recorded in 2004, despite growth between 2004 and 2007.

These changes in the number of workplaces are most easily reflected in the numbers for workplaces in the size 1 to 5 employees band; Liverpool also demonstrates the broader trend reflected well in the size 6 to 10 employees band, as does Sefton to a lesser extent. Wirral shows a particularly sharp decline in workplaces within the size 51 – 100 employees band, though it also shows two new acquisitions in the size 101-250 employees band: it is not

possible to tell if this is partially due the 'migration' of some companies from one size band to another, due to growth.

Trends in changes in the number of employees do differ from the trends in the number of workplaces. Sefton shows a substantial decline in the number of employees between 2004 and 2008, losing about a third of the number recorded in 2004. There is a particularly sharp decline between 2004 and 2005, largely accounted for by the loss of 1,000 employees in the size 101 to 250 band. Whilst the band does regain some employees throughout the full period – 2004 to 2008 – the majority of the decline in the overall number of employees over the full period is due to changes in the size 101 to 250 band. By comparison the size 1 to 5 and 6 to 10 bands show steady growth from 2004 to 2007, and then a small decline in 2008; size 11 to 20 band also shows growth over the full period.

Liverpool shows an 8% rise in the overall number of employees over the full period, with a particular increase between 2005 and 2006. Knowsley sees a more significant increase of about 26% over the full period, St Helens shows 22% and the Wirral almost 9%. These trends are best mirrored through the size 1 to 5 band, except where dramatic changes – like the decline in Sefton – are attributable to changes in a small number of companies (perhaps only one or two) which employ relatively large numbers.

4.4. Size Trend Conclusions

Both the baseline data and the trends data analysis provide a snapshot view of where change has taken place within the sector. The growth which can be seen in the baseline data is broadly reflected within the trends analysis, with the baseline data presenting a complete picture for Liverpool – though limited in its nuance – and the trends data offering a more detailed mapping.

Essentially, the number of workplaces has increased slightly. This has been underpinned by a steady increase (except for 2008) in the size 1 to 5 and 6 to 10 bands. The number of employees, however, has fluctuated more substantially and reflects that increase of number of businesses in the smaller size bands and fluctuations caused by changes in the larger size-bands. Overall, the average business size across Merseyside has decreased slightly (although there may be an upward trend emerging beyond 2008) with an average number of employees for a workplace in Merseyside looking as follows over time from the trends analysis:

Table 17. BETA Model: Average number of employees per workplace

2004	9.3
2005	7.9
2006	8.3
2007	8.2
2008	8.5

The creative industries in Merseyside have grown over the past five years, but the data presented here shows the degree of potential fluctuation in the sector, and particularly in the base of smaller enterprises in the size 1 to 5 and 6 to 10 employee bands. When assessing the sustainability of the sector, it is important to note this base and the likely year on year movement within it, as well as the impact which a small number of high employing businesses can have on whole sector statistics. What this reflects is the small and diverse nature of the sector, which is a key challenge to making any reasonable statements around sustainability.

It is difficult to tell – within the context of the data available here – whether there has been a significant impact on the creative industries in the Liverpool city region by the global recession. It is possible that some of the slight downturn which appears in some of the figures between 2007 and 2008 may reflect this; however, only when

figures are available for 2009 will a complete picture of the impact of the recession and particularly the credit crunch be clear.

What is clear from the data presented here is that, whilst numbers fluctuate, where businesses decline or fail, other businesses start-up and grow. A turnover of businesses within a sector – with some failing and others starting - is not necessarily unhealthy sign in itself, suggesting that Merseyside continues to be considered a viable context for the creative industries even where individual enterprises might not survive. Despite fluctuations, the five-year picture also shows a growth in the sector in Merseyside, in terms of the overall size and the number of workplaces, suggesting that there is a sustained base of creative industries in the city region.

5. Findings (II): Creative industry's expectations of and reflections on the Liverpool ECoC

5.1. Creative Industries Futures Panel (2007)

The 'Creative Industries Futures Panel' was the first qualitative engagement with the creative industries as part of this project. The work was conducted by Impacts 08 and the Management School at the University of Liverpool with advisory support from the North West Culture Observatory and Merseyside ACME. The panel held in the second half of 2007 raised four key issues for consideration regarding the future of the creative industries in Merseyside.

An interpretation is provided below of the main areas highlighted by participants as requiring attention in order to derive value from the creative industries sector in the lead up to the Liverpool ECoC and support the legacy of such an experience. The four key issues that follow are in no particular order of priority and in their detail they overlap, and may contradict or complement each other. These issues have emerged out of the analysis of a series of key scenarios identified by a panel of experts and complemented by a wider survey with sector representatives in 2007. Details of these scenarios are given in section 5.1.6.

What follows in sections 5.1.1. to 5.1.5. are the notes taken directly from the session, providing an accurate reflection of views as expressed at the time of the panel.

5.1.1. Leadership within the creative industries sector

The creative industries sector in Merseyside needs clear and articulate leadership. The conditions do exist for organic leadership to emerge from within the sector and there has already been an identifiable drive from intermediaries that operate in and around the sector. However, the sector lacks cohesion and is unable to overcome what are often considered to be insular views that permeate some of the local institutions.

Those involved in the sector understand the need for different types of leadership to operate within Merseyside. An important element will be leadership that is transformational. This type of leadership will be inspirational and visionary. Matters of accountability and responsibility are crucial aspects in this type of leadership. In addition, there is a requirement for leadership that is operational and transactional. Within the creative industries sector there is not only a need to lead change but to manage that change. For this reason, support is required for those who manage within the sector and those who manage at the interface of the sector so that they are able to adapt to ongoing change and transformation.

5.1.2. Support for creative industries enterprises

The idea that the creative industries sector could drive local economic growth was clearly articulated. What lies deeper beneath this is the possibility that the Merseyside economy has branched out into something substantive represented by the creative industries sector. In this regard, the European Capital of Culture

2008 designation could be the catalyst that brings together a combination of events from which a sustainable creative industries sector becomes increasingly influential. For this to happen, the drive from the sector will need to be augmented by policy makers at crucial points in the near future.

Local support agencies and intermediaries are currently focused on ways to make this happen. New start-up enterprises in the sector have been encouraged while the next stage has been to support growth of individual businesses. One of the important factors to face the sector is how productivity can be increased. A simple increase in numbers (led by policy rather than market demand) may have detrimental effects on the sector as a whole if a cycle of displacement is established. Because of this, innovation in process and in product development and the deployment of technologies are crucial. So too are support for human capital particularly if the sector is able to draw upon local educational services that can be customised for their own specific needs.

External economies, and therefore growth for the sub-region driven by the sector, will need tightly knit enterprises which are able and willing to work together. If this can be achieved the sector can expect to attract into the City people with skills that will generally shape new social and economic characteristics of Liverpool. However, essential to this is a local institutional capacity (see below) that can ensure cohesiveness within the sector and establish a consensus to move things forward.

Competitiveness and productivity enhancement, stimuli to human capital and the ability to trade further afield should be the objectives for any support offered to the creative industries sector. From this questions can be faced concerning the supply of creative industries entrepreneurs and the global demand for the products and services supplied by Merseyside creative industries.

5.1.3. *Institutional coherence*

There were negative perceptions of local institutions, and a belief that they may operate in a contradictory fashion, often working against creative industries enterprises. Sector specific support has been identified by regional policy makers such as that for the Digital and Creative sector, and local institutions are able to provide services to that end.

There is also a need for other parts of the institutional framework to be 'creative industries aware' such as those working in higher education. Overall, it appears to be the coherence of the institutional environment that requires attention. This connects to the matter of visionary leadership and if this as a more general item for the sub-region cannot be addressed, then the type of milieu needed to enable the creative industries sector is unlikely to manifest itself, which will act against establishing a strong foundation from which a mutual understanding can be formed of those within and outside the sector.

5.1.4. *The 'Liverpool brand'*

The fourth key issue relates to the 'Liverpool brand'.³⁴ Participants within the panel raised this as a symbiotic association between the development of the creative industries sector and the image of Liverpool and the rest of the sub-region. The views put forward were that the sector could enhance the distinctiveness of the City, break the negative perception of Merseyside and even act as a conduit to join with other places, such as Manchester, to present a unified brand that would have benefit for all.

³⁴ Although it was launched post-2008, it is interesting to note that Liverpool now has an official 'city' brand (details available from <http://www.liverpoolcitybrand.co.uk/>). The explanation of the brand includes values/associations like inspirational, entrepreneurial and a 'creative thread' which is the people of Liverpool. The brand lists a number of advocates, many of whom have creative connections or lead creative activities in the city of some type or another.

Beneath these aspirations is a mostly tacit – although sometimes clearly articulated – belief that Liverpool is a place being reinvented. Flagship and prestigious projects such as those in the centre of the City are an important aspect of this reinvention. The changing skyline is a visible signature but is not the only component in the new brand. The cultural heritage of Merseyside is another crucial aspect as is the pervasive recycling of waterfront sites spreading both north and south of the more established Albert Dock. This means that culture, creativity and the creative industries sector are on the verge of becoming an important strategic embellishment of the positive aspects of the City image.

It is important, therefore, not to let this chance pass by without situating the creative industries sector as an integral part of the Liverpool brand. The challenge is to break the negative image of Merseyside, to establish a positive image based on the concept of 'Liverpool' at the centre of the sub-region and to ensure that the creative industries sector are part of the confident and favourable perceptions of the City within and beyond the UK.³⁵

5.1.5. The way forward

The key issues identified above might provide the basis for this research to continue. The challenge facing many in the sub-region is how the legacy from the European Capital of Culture 2008 designation can be captured, enhanced and sustained. The table below outlines the main opportunities and threats for the sector as revealed by a follow-up survey carried out to build upon the work of the Futures Panel:

Opportunities for the sector	Threats to the sector
<p>Changing demographics – increased demand for existing and new services and products</p> <p>Place-based networks for the creative industries sector – enables a concentrated consensus about the direction of the sector</p> <p>Enhanced Liverpool brand – drawing on the sector as a key element</p> <p>Better transport networks (region, national and international) – increases the efficiency of accessing and selling to new markets (including tourism)</p> <p>Regional enhancement of the sector – local creative industries are able to augment their position because of what is happening in the North West</p> <p>Development – of human capital and the general infrastructure to support growth in the sector</p>	<p>Lack of leadership within the sector – results in the sector being perceived as incoherent</p> <p>Institutional incoherence – particularly among public authorities who fail to provide a basis for understanding between public and private organisations</p> <p>Limited economic growth – general for the sub-region as growth falters</p> <p>Gentrification – displacement and expense rather than affordable and sustainable spaces to work</p> <p>Regional enhancement of the sector – draws on local vitality without a return</p> <p>Low standards – the sector fails to increase its levels of human capital from managers to service personnel</p>

³⁵ It is also interesting to note now how the old brand of 'Merseyside' is slowly being replaced with 'Liverpool city region' following the Liverpool ECoC; for example, the annual Merseyside economic review (published by The Mersey Partnership) has just been renamed with the Liverpool City Region tag.

5.1.6. Futures Panel Scenarios

Below are 15 scenarios raised for consideration by participants in the Panel in the follow-up survey as possible futures for the sector. An indication of how likely each scenario was felt to be is also provided, together with an indication of the likely timescale, where appropriate:

Leadership within the creative industries sector

1. A single point of leadership for the sector is not likely to arise, due in the main to a lack of cohesive identity and the persistence of insular institutional views.
2. A new Task Force to prioritise creativity over and above economic development is not seen as feasible.
3. Designated leadership and creative learning will emerge to help raise standards in the sector over the next five years to the benefit of the sector.
4. Opportunities to maximise the benefits of the BBC move to the North West will be limited. Merseyside will be continue to be underrepresented in the regional share of creativity and will be dependent on other creative centres.

Support for creative industries enterprises

5. It is highly likely the creative industries sector will drive local economic growth and we should expect to see this in the short-term.
6. It is likely that the creative industries sector will experience growth that in turn, leads to a flow of people into the City; the next ten-years is seen as a crucial period for this process.
7. The current emphasis on creativity will lead to some form of gentrification. The sub-region will enhance its image as a quality place - the next five years is the vital timeframe for this activity.
8. Creative industries will shape the future of Merseyside demography and evidence of this is likely over the next five years.
9. It is unlikely that we will see virtual networks replacing place-based networking in the creative industries sector.
10. Better transport links will connect Merseyside within the region, within the UK and internationally. Panellists believe that development in this area should be evident within the next ten years.

Institutional coherence

11. Over the next five years, the positive feel about Liverpool and sub-region will be crucial in the retention and attraction of new talent.
12. Greater levels of knowledge transfer between the creative industries and the Higher Education sector will be experienced over the forthcoming period, up to and beyond 2012.

The Liverpool brand

13. Over the next couple of years Liverpool distinctiveness will be consolidated as the key brand for the sub-region.
14. There is now an opportunity to break the negative perception of Merseyside and this will benefit the creative industries sector.
15. Over the next five years the possibility for joint marketing with Manchester will emerge.

5.1.7. Futures Panel Conclusion

The findings from the Creative Futures Panel pose more questions than they answer. Nevertheless, these questions provided a useful basis for the development of further qualitative investigation into the expectations of,

and reflections on, the Liverpool ECoC by the creative industries in Merseyside and were referred to in the development of further survey work. The outcomes from these surveys are presented in the following sections.

5.2. Perceptions Surveys, Telephone and Workshop Consultations: 2007, 2008 and 2009

Following on from the Creative Industries Future survey process, an online perceptions survey amongst commercial creative businesses based on Merseyside was undertaken first in late 2007 and repeated in 2009. The first survey aimed to test how aware creative industries businesses were of Liverpool's ECoC status, their views on the impact the status had on their business over the previous three years and their expectations of its impact over the next two to three years; the second sought to establish the perceptions of those same businesses post-2008, and to compare with previous responses and any impacts which were originally anticipated by the sector. A follow-up set of telephone consultations to the second survey provided additional qualitative data on a number of key points.

In addition to the surveys, three consultation workshops were conducted between October and December 2008. The main purpose was to gather the views of businesses in the creative industries on the impacts of the Liverpool ECoC as 2008 was coming to an end. Businesses were invited to participate in the consultations to offer their professional opinions concerning if and how ECoC status for Liverpool and activity associated with the Liverpool ECoC had impacted upon their company.

5.2.1. Profile of participants

October/November 2007 Survey

In the 2007 survey this process produced 76 completed surveys. The profile of the businesses that responded and completed the survey was:

- Predominantly small businesses with 77% of respondents in the 1-5 employees category (38% sole traders, 37% 2-5 employees).
- A high proportion of respondents from the visual arts (21%), crafts (11%) and design (28%) sectors with advertising, music and performing arts represented with 5 or more responses.
- A majority of business respondents located in Liverpool (65%), with 17% on the Wirral and the balance spread across St Helens, Knowsley and Sefton. There were no respondents from Halton.

October – December 2008 Workshop Consultations

The workshop consultations, involved 20 individuals (representing 17 creative businesses). The sample was representative of a cross sector across of a range of industry specialisms, scales, experiences in business and experiences working in the city.

The following sector specialisms³⁶ were represented:

- Brand Design and Advertising
- Web Design
- Artist Promotion, Exhibition and Support
- PR, Events and Marketing
- Film and Television
- Digital Media
- Fashion
- Photography
- Music

In terms of company age and experience in business, there was representation from new start ups (in the last two years); existing companies in business for between three and five years; and established, mature companies in operation for 10 or more years. Company scales of operation represented included sole traders and larger employers with between five and 20 staff.

2009 Survey and Telephone Consultations

In the 2009 survey a total of 47 creative professionals completed the online survey, which may have been due to the time of year (the 2009 online survey was circulated close to the Easter break). The profile of the businesses that responded and completed the survey was:

- Predominantly small businesses with 69% of respondents in the 1-5 employees category (42% sole traders, 27% 2-5 employees), a slightly smaller proportion than in the 2008 survey. A further 20% of respondents had between 6 and 20 employees
- As with 2008, a high proportion of respondents from the visual arts (15%), crafts (20%) and design (30%). All the other sectors showed fewer than 5 respondents.
- A even larger majority of business respondents located in Liverpool (85%) than in the 2008 survey (65%), with 4 respondents from the Wirral and one each from St Helens, Knowsley and Sefton. There were no respondents from Halton.
- There was a small sample of key follow up telephone interviews, representing a range of perceptions (some identifying high impacts, some identifying none), from a variety of sub sectors (including Design, Production, Photography and Advertising).

5.2.2. Approach

Surveys and Telephone Consultations

For both surveys – 2007 and 2009 - questions were consistent with the exception that the second survey included an additional pair of questions specifically asking respondents to reflect on the impacts (or otherwise) of the Liverpool ECoC and a single question relating to the respondents' perceptions of the impact (or otherwise) of the recession.

The survey was distributed through a number of different channels including ACME's e-alert system, by the Design Initiative through their e-bulletin, through the NW Cultural Observatory's news alert, as an item on

³⁶ DCMS Creative Industry Sub Sector Definitions are Advertising, Architecture, Crafts, Design, Designer Fashion, Film & Video, Interactive Leisure Software (Games), Music, Performing Arts, Publishing, Software & Computer Services, Television & Radio, Visual Arts

Merseyside's KIN networking site, and via Impacts 08 and ACME's Cheshire contacts to try and capture some data from businesses in Halton as part of Greater Merseyside.

Within the second online survey, businesses were invited to indicate if they would like to be involved in a follow up telephone interview. Follow up telephone interviews were then carried out in June 2009 to gather more qualitative responses and to 'unpick' more detail. Creative professionals were identified for the telephone interviews based on responses given in the online survey, to ensure a range of opinions and perspectives were explored in more detail.

Workshop Sessions

Each session included an overview introduction of the four key issues arising from the Creative Industries Futures Panel and also referenced the ACME strategic sector development themes, with businesses being encouraged to respond to questions and debates as honestly as possible. The three consultation sessions were designed to be informal and engaging, utilising a combination of stimuli and activities to support a detailed discussion and to ensure that a range of views and options could be captured.

Session discussions took the following structure:

- Initial reflection on the impacts of the Liverpool ECoC on individuals and companies (whole-group facilitated discussion)
- Individual reflection on current business strengths, challenges, aspirations / strategic forecasting for the year ahead and support required (individual forms completed by hand)
- Sector support gaps and priorities for 2009 onwards (small groups with whole-group feedback and dissemination)

5.2.3. Findings: Expectations of and Reflections on the Liverpool ECoC

Overview

In the 2007 survey the majority of respondents were *very* or *moderately* aware of the Liverpool ECoC, with only two respondents having little awareness of the status. Interestingly, both these respondents were Liverpool-based. In the 2009 online survey findings, a larger proportion of the respondents indicated that they were *very* aware, (84%, up from 76% had stated this in 2007).

However, across all consultations there were respondents who had a sense of not being directly involved, for example one interviewee stated: "There has been no engagement with creative businesses from the Culture Company, and this is disappointing when you consider that creative industries are so important to the city and could have been so much more involved in the year 2008". There was a great sense of a lack of involvement and engagement with ECoC 2008.

In the 2007 survey respondents were asked what impact Liverpool's designation as ECoC had had on their businesses over the past 3 years. 54% felt that there has been no impact and a very small percentage (3%) felt that there has been a negative impact. In the 2009 survey no respondents stated a negative impact. 25% identified no impact at all, a lower percentage than in the 2007 survey but still substantial. The highest proportion of respondents did, however, state a *reasonable* amount of positive impact (30%), an almost threefold increase on the proportion who indicated the same expectation in the 2007 survey (11%).

In the 2007 survey, of the 43 businesses that reported *no* impact or a *negative* impact, this was primarily attributed to not feeling engaged or involved in the process (51%), with 14% expressing the view that there is an

over-hyped expectation of the cultural and creative industries,³⁷ or that there has been no change in Liverpool's external image.

Of those in the 2007 survey that responded positively (33 businesses) to whether they had experienced 'positive business impacts' as a result of the Liverpool ECoC, 27% believed there had been more commercial opportunities (decreasing to 19% in the 2009 survey) and 21% felt that there was an improved perception of the cultural and creative industries or an improved external image of Liverpool. Of those not feeling engaged or involved in the process in the 2007 survey, 23% were Wirral-based businesses (17% of the overall sample).

In the 2009 survey a significant number identified 'that they had experienced 'positive business impacts' as a result of the Liverpool ECoC. Overall it can be understood that 76% of respondents identified either 'reasonable' or 'a lot' of positive business impacts from the Liverpool ECoC.

Despite the decrease between the 2007 and 2009 surveys in the proportion of respondents indicating that they had experienced more commercial or business opportunities, when telephone interviews probed for more detail on the positive impacts of the Liverpool ECoC, it became clear that certain service-based sub sectors did find more opportunity to tender for creative contracts. For example, one telephone interviewee explained:

'the fact the arts and creative industries are more high profile now is a good thing for my company; it has had an indirect positive impact ... it is better to be doing business here now'.

The remainder of this section groups findings from the surveys and qualitative interviews under subject headings:

High Profile Status for the City

'2008 has lifted the barriers from the 1970s negative image' (*Telephone interviewee, 2009*)

From the 2009 survey and late 2008 workshop sessions, it was found that businesses felt that the Liverpool ECoC had increased the national and international profile of the city and that this had allowed for more business opportunities. For example, one business felt they had been able to attract bigger and better sponsorship for a festival they were delivering. There was a sense that nationally Liverpool has been seen as a special and creative place, and that this has helped to dispel stereotypes about the city. There was some concern, though, that the city was seen as a 'cultural' or a 'tourism' destination and that more still needed to be done to promote the creative business strengths in Liverpool.

The majority of responses to the 2009 survey identified an improved external image of Liverpool after 2008 (31% vs. 21% in the 2007 survey) and improved perceptions of the cultural and creative industries (25% vs. 21% in the 2007 survey). One telephone interviewee stated that the

'emphasis [in publicity about Liverpool] was on looking forwards rather than looking retrospectively and this was a refreshing change! National programmes and media covered 2008 positively and in a quality way, speaking highly of what the city had to offer'.

³⁷ It is probably worth noting that this particular 'barrier' phrase - 'Over-hyped expectations of the cultural and creative industries' - is unhelpfully worded as it could be understood two ways: to mean the over-inflated expectations of Liverpool's year as ECoC 2008 by the cultural and creative industries; or to mean the over-inflated expectations of the creative industries, presumably in relation to their activity as part of ECoC 2008. Whilst it seems likely that the majority of respondents will have assumed it is the former, room for misunderstanding must be acknowledged.

The 2009 survey indicated a high degree of positive expectation about impacts of the Liverpool ECoC on their businesses over the next 2-3 years with almost three quarters of respondents stating they anticipated some further positive impacts (even if indirect and low) in the years ahead, in comparison to just less than 60% in the 2007 survey.

The highest percentage of responses to what the longer term, single most positive impact on business might be was the improved external image of Liverpool (37%, increased from 30% in the 2007 survey). In addition, 26% (increased from 19% in the 2007 survey) stated that improved perceptions of the creative industries could be a longer term positive impact. When asked to agree or disagree with a range of statements about impacts the Liverpool ECoC, the majority once again agreed that the Liverpool ECoC had generated a higher profile for the city (almost 90% either strongly agree or agreed with this statement).

Some companies explained that they do not promote themselves particularly as being a Liverpool-based company. This suggests that participants did not necessarily expect these improved perceptions of Liverpool to lead directly to increased work or business opportunities.

Increased Client Base

'We deal with [clients who are] new companies and start ups and the message still seems to be that they are confident and active – is Liverpool in a bubble still perhaps?' (*Telephone interviewee, 2009*)

Business views varied around this the theme of whether their client base had increased or not. Some businesses found 2008 a fruitful year in which to do business with non-local clients, finding that they had increased their client base and had new national clients. They felt this was due to the general interest and promotion of the city and felt this had fostered a willingness to travel from clients based outside of the local region.

Some businesses offered alternative views by saying they were disappointed that they had not had an increase in their client base in 2008, which they had expected to. There was a sense of disappointment in the lack of tailored, business support infrastructure and opportunities for creative businesses to grow their client bases.

Some businesses reported an increase in business opportunities as a result of the Liverpool ECoC (19% in 2009; 27% in 2007) and a substantially higher proportion (49%) agreed or strongly agreed with the statement that the Liverpool ECoC had impacted on their business by increasing their client base. The qualitative telephone consultations revealed that this tended to be the case particularly for design agencies, where there were increased opportunities to tender for work related to the many ECoC events.

There was consistency, across all consultations, of perceptions about the support which was required in order to grow and sustain their businesses. Of those respondents who answered questions indicating what business support they required to sustain and grow their businesses, 86% agreed or strongly agreed that greater creative sector publicity and marketing support was required. 74% agreed or strongly agreed that networking opportunities to make new contacts were required.

Increased Morale and Credibility

'There is a real buzz and a better appreciation and knowledge of the City's cultural heritage'
(*Telephone interviewee, 2009*)

Across the consultation process, respondents consistently identified an increase in local morale – from both a community and a business perspective - and a sense of expectation and excitement, which was felt to have

inspired local creative businesses to try to develop their organisations further with an increase in ambition associated with the Liverpool ECoC. An increased willingness to engage with each other and collaborate was recognised amongst the creative business sector. 'Passion' and 'rigour' were considered to be key characteristics that had been reignited in creative professionals in the city as a result of the Liverpool ECoC.

The 2009 survey reinforced this perception, with 77% of respondents agreeing that the Liverpool ECoC had impacted on their business by improving the local morale of the creative business sector on Merseyside. In addition to this 74% of respondents agreed the Liverpool ECoC had impacted on their business by reinforcing the credibility of the creative industries locally. This can be linked to the responses to business confidence, where one telephone interviewee identified a high degree of confidence for the years ahead:

'we are doing really well, our customers are spending and business is great ... people need to stay motivated and focus on moving forwards'.

There was a sense from all consultations that the Liverpool ECoC had supported an increase in the perceived credibility of certain local creative sectors. For example, fashion was cited as a sector renowned for being London-centric and that, locally, activity in the fashion sector had benefited from the opportunities and profile the Liverpool ECoC had generated for the city.

There were concerns raised, however, that there had been insufficient attention paid to creative *business* sector locally, and that the Liverpool ECoC had profiled Liverpool as a 'cultural' city but that it had missed the opportunity to promote the creative business activity in the city. 86% of respondents to the 2009 survey agreed or strongly agreed that greater creative sector publicity and marketing support would help them to sustain and grow their business.

The 2009 online survey also highlighted an issues with the expectations of the Liverpool ECoC by the sector, with 3 of the 11 respondents who had indicated negative or no impacts from the Liverpool ECoC suggesting that the biggest barrier to them feeling positive about the Liverpool ECoC was the 'over-hyped expectations' of the sector itself. The same number of respondents identified a 'lack of engagement and involvement' as the biggest barrier.

These two issues potentially relate to each other in terms of what the sector might have originally expected to gain from the Liverpool ECoC, with one response suggesting disproportional expectation and a degree of resignation to final outcomes, and the other unmet expectations of involvement with the Liverpool ECoC.

Premises

'I don't feel more premises have become available or that morale has increased. This is just my opinion – maybe other creative businesses have found this?' (*Telephone interviewee, 2009*)

One business stressed that the Liverpool ECoC had created an opportunity to relocate to the city centre as a result of the building and development work in the city centre. In general, businesses commented on how the development work had stimulated a positive impact on the city centre, although this was not highlighted as a major business impact by anyone based outside the city centre. Some businesses did comment on the lack of suitable, affordable business premises in the city centre.

Within the 2009 survey responses, only 1 respondent identified availability of premises as a positive impact of the Liverpool ECoC (an identical response to the 2007 survey). Whether this is because premises were not available, because it was not a key issue for some businesses or because businesses did not connect the availability of premises with the Liverpool ECoC is not clear.

However, one interviewee explained:

'the developments for the city have been really positive for the city – such as Liverpool One, the Echo Arena, the Bluecoat re-opening and the creative quarter. People are more aware of the creative industries and this is a good thing'.

Although a range of developments, some of which are not specifically related to the creative industries, are cited here, this comment does indicate the positive association of the Liverpool ECoC with the physical redevelopment of the city centre, and with the perceived benefits for the creative industries of that redevelopment.

Discussions during telephone consultations also indicated that, in the current economic climate, premises were less of a priority in terms of current support gaps for the sector, and that marketing and promotion was a more immediate concern.

No Business Impacts

'I had high expectations that 2008 would be a year where there would be a lot of support and investments and opportunity for the creative business sector, not just the arts, but this has not been the case'
(*Telephone interviewee, 2009*)

Many of the individuals who participated in the workshop sessions felt that there had not been any direct work-related opportunities and that there had been no tangible rewards or outcomes related to the Liverpool ECoC. There was a general sense of disappointment that there had not been any specific ECoC initiatives whereby procurement from local creative businesses was encouraged, or any explicit policy to encourage local procurement.

The 2009 survey indicated a more positive response however, with only 25% of respondents stating no impact and no businesses stating a negative impact. In addition 71% of respondents disagreed with the statement that there had been no impact on their business from the Liverpool ECoC. Whilst these responses suggest that the majority of businesses perceived at least 'some' impact from the Liverpool ECoC, the following quotation from a telephone interviewee suggests some of the difficulties for respondents in trying to identify the source or cause of impacts:

'It is hard to say whether there has been a direct impact on my company as a result of Liverpool being seen more positively, as I do not advertise myself as being "from Liverpool"'

The fall between the two surveys in the perception of commercial/business opportunities which have already impacted on respondents (from 27% to 19%), coupled with the decrease between the two surveys in the expectation of future increases in commercial/business opportunities (from 37% to 14%) resulting from the Liverpool ECoC opens up a questions as to whether something of a shift in the perception of what *kind* of impact businesses expected should emerge from the Liverpool ECoC, perhaps away from direct business support interventions and towards broader, city and sector image related improvements. There is something of a temporal issue, however with this supposition in attempting to disentangle what may be the affects of time – presumably one would expect a falling away of expectation of impacts as 2008 has finished and its ECoC-related activities cease in any case.

Expectations of impacts in the next two to three years

The majority of responses to the 2009 survey indicated that they had positive expectations for longer term impacts. Between the 2007 and 2009 online surveys, there was a decrease in expectations that the Liverpool ECoC would create no impacts or negative impacts in the longer term; down from 41% in 2007 to 26% in 2009. A relatively low percentage of respondents to the 2009 survey, however, (7%) anticipated a high positive impact over the next 2 – 3 years.

The two major barriers to positive feelings about the ECoC process in both 2007 and 2009 were 'over-hyped expectations' by the creative businesses themselves and 'not feeling engaged in or involved in the process'.

One telephone interviewee stated:

'[Our] clients from the local cultural sector are already saying that the footfall is lower (as bad if not worse than two years ago!). The impact in the city in general has not been sustained'

Other interviewees, however, gave a sense that people were keen to wait and see longer term impacts emerge, with a general feeling that it was hard to predict the future given the economic climate. There was a consistent view that the Liverpool ECoC had not done Liverpool any harm in terms of positioning its cultural offer to tourists, though this benefit was not necessarily seen as impacting directly on creative businesses themselves.

Current Business Strengths and Challenges

Staff and team morale was consistently cited by workshop participants as a business strength. References were made to organisational structures working well, and to staff who were felt to be delivering beyond expectation. Individual businesses highlighted recent improvements in their reputation which had resulted in a growing client base and increasing the number of larger scale contracts. A high number of businesses said that they had seen an increase in public sector liaison and contracts, with improved exposure to the public sector and potential opportunities.

Most stated they were happy with their line of work and were enjoying working in the sector. There was a sense of growth in the creative business community and an increase in business networking opportunities, particularly within the sector.

Workshop participants consistently identified the need for increased sales and contracts, and recognised that, in order to do this, there was a dependency on raising the awareness in potential customers of the specialist services on offer. Many participants emphasised that they lacked a marketing budget and would like to see investment in this area to help them promote themselves, although businesses did not explicitly indicate where they felt this support should come from.

Cashflow issues were identified as a significant ongoing challenge as contracts were often short term and there was constant pressure to find the next commission or tender, which could ultimately inhibit organisational development. There was a general awareness of the difficult economic climate, and participants anticipated that this would also affect organisational planning and client relationships. A number of businesses stated that the recent economic challenges had forced them to be more focussed on financial planning and debt retrieval, and had effectively pressured companies into working more effectively, which was felt to be a slightly positive outcome.

The 2009 survey explicitly invited responses from businesses with regard to the current economic climate. 14% of respondents confirmed that there had been some positive impact on their business as a result of the economic climate, with a further 36% reporting no impact at all. A question about business confidence gained a broadly positive response, with 69% of respondents to the 2009 survey reporting reasonable or high confidence in their business prospects over the next 2-3 years, though this is a less positive response than the 2007 survey in which 80% of respondents reported reasonable or high confidence.

One telephone interviewee said:

'As a small company we work closely with other small companies – not just franchises but smaller independent businesses and we hear how they are doing and see how they are spending ... there seems to be a general confidence'

The reasons for this are not clear, though some workshop participants suggested that the tough economic climate encouraged more risk taking and forced businesses to act more dynamically.

Of the 2009 survey respondents, 17% stated that they had experienced 'very negative' impacts over the last six months, which suggested that a degree of impact was being felt in some parts of the sector. One interviewee stated:

'It is me and how well I run my company that will make me a success and make my business a success and this is hard in the current climate – there are also factors bigger than me and out of my control that will affect whether I succeed or not'.

19% of survey respondents in 2009 stated that they were concerned about their business prospects over the next 2-3 years (in comparison to 8% in 2007), with 5% indicating that they were very concerned (up from the 1% in 2007). Of those expressing concern, one stated in a follow up interview that:

'many of our clients ... are being hammered in the current economic circumstances. Those clients being impacted upon less directly are still being more cautious and it is taking much longer for projects to come to fruition.'

As a range of research has emerged recently which assesses business satisfaction levels and business confidence levels during the economic downturn, these findings are particularly of interest. In particular, the sub-regionally specific Liverpool Vision Business Satisfaction Survey³⁸ provides a useful context for the perceptions captured within this project.

Qualitative responses indicated that some businesses were confidently seeking to expand their businesses and investing in doing so. One interviewee stated:

'we are about to start a large marketing drive to raise our profile, including developing our own website and being more proactive with raising our profile'.

Business Aspirations

Participants in the workshops expressed their aspirations to develop relationships with more private sector clients and on a longer term basis. Many participants also identified developing a stronger customer base as a strategic

³⁸ Liverpool Business Survey, Foundations for Growth 2008/09, Liverpool Vision, 2009. The headline finding from the survey, which was undertaken in December 2008, was the response from 69% of businesses that Liverpool is a good or very good place in which to do business and the improvement year on year of the overall BSI score (from 6.6 to 6.9 out of 10).

priority. Financial security was also a key aspiration. There was a general desire demonstrated by all companies to become more profitable, with steadier cash flow systems in place. Staff development was discussed in general, with a number of participants highlighting the desire to grow their workforce and increase productivity as a result.

Improved or different premises were discussed by many as an aspiration – either to purchase permanent business premises or to at least ensure commitment to a city centre location. There was reference made to the lack of city centre based premises opportunities, in particular in relation to studio space. The 2009 online survey shows this as less of a priority for respondents than it was for workshop participants, which may partially reflect the profile of participants in the two exercises and the large proportion of sole traders who responded to the online survey.

Almost all businesses stated that they aspired to be market leaders in their field, nationally and internationally. Other aspirations included the specific desire to gain recognition nationally as businesses exhibiting best practice in the sector.

Relevant Support Required

In addition to the identification of marketing and promotion and networking opportunities, the next two highest areas which business agreed or strongly agreed they needed support in were 'an increase in tender opportunities' and 'leadership and business development support'. The businesses involved in the workshops particularly felt that there was a need for clearer processes and access to tendering.

There was an explicit request that leadership such support should come from sector specialists:

'There needs to be much more clarity about funding and more awareness in the creative industries about who to go to for funding and business support ... you should be able to go to one place for funding and advice – and that one place should be specialist in supporting creative industries'

(Telephone interviewee, 2009)

There was a more mixed response to statements around staff skills development, city centre premises and work/life support as potential priority areas for sector development support. Instead, other kinds of specialist advice was requested:

'It would be good to have some expertise from someone experienced in my field – someone who has been around a while and knows what to advise – someone who understands my specialism and the Liverpool context'

(Telephone interviewee, 2009)

The support areas identified across all parts of this process are gathered together in Appendix C.

5.2.4. Links to the Creative Futures Report Findings

The feedback outlined above can be related to the key four issues arising from the Creative Industries Futures Panel (section 5.1), as follows:

Leadership within the Creative Sector

As outlined above, leadership and development support for business leaders were highlighted by the sector as a priority. Key areas within such leadership support were identified as: business leadership including operational

and strategic development; mentoring from larger creative professionals of national stature; specific professional development for sub sectors within the sector e.g. design services; HR and staff management skills.

Strategic leadership for the sector was discussed as a potentially valuable feature of future sector development. Businesses recognised that there was a need for the public sector to provide the appropriate business support infrastructure at local level, to foster and deliver the priority areas for support identified in Appendix C. Businesses stated that there needed to be one unified business support offer for the creative industries, one place where businesses can go to access business development information and support. The development of leadership skills across the sector was a consistent business development support recommendation from the sector.

Support for Creative Industries enterprises

Key priority areas have been outlined in Appendix C. These include: the need for specialist and tailored professional development support for growth businesses; the need to bring more work into the city; the value in fostering new connections; strategic sector profile raising and development and the relationship between universities and industry, in particular around graduate retention and student development.

Institutional Coherence

Institutional coherence was not highlighted as a priority concern for the sector during this subsequent research. However, concerns were voiced around the relationship between industry and Higher and Further Education (HE and FE). Businesses consulted demonstrated an expectation that HE and FE could and should invest more in genuine industry engagement. A general sense of a lack of coherence between HE and FE institutions was referred to across the consultations, although not in any degree of detail. There were suggestions made that local business support agencies and HE and FE institutions should work more closely together and better understand the sector's requirements, so that access to information and opportunities would be clearer and more unified.

Priority areas for respondents were very much in relation to the perception that there remains a lack of dialogue, engagement and communication between industry and HE/FE. The businesses that were consulted stressed that there was willingness from the creative business sector to engage and work with HE/FE, but that financial implications should be covered by the institutions.

The 'Liverpool brand'

This theme was most significantly in line with the Creative Industries Futures Panel key issue. All the businesses consulted across the fifteen month process recognised and identified the value and impact of the Liverpool brand, in particular in relation to marketing for the Liverpool ECoC. There were concerns raised that there remained a need to more explicitly associate creative *business* credibility with the Liverpool brand, as opposed to the broader *cultural* credibility. The businesses consulted considered the local creative business sector to be a key economic and tourism strength of the city and an under-promoted asset.³⁹

5.3. Findings (II): Conclusions

The two-year consultation process – from the latter half of 2007 to summer 2009 - has provided valuable insight into the creative business sector's perceptions over time of the impacts of Liverpool's status as European Capital of Culture. The key themes identified above also offer clarity about the creative industry's expectations for the future and concerns and needs around sustainability and growth.

³⁹ It is interesting to note that this sits against earlier findings in Section 5.2.3 relating to the sense that the 'tourism' and 'cultural' aspects of the cities had been highlighted through the Liverpool ECoC 2008, but not the creative industry aspects. It is a useful comment on the complex nature of the creative industries as a sector

The following key perceptions about the impacts of the Liverpool ECoC have emerged from the whole consultation process, and particularly reinforced by the 2009 survey and telephone interviews:

- Improved profile for Liverpool - businesses felt that the Liverpool ECoC had increased the national and international profile of the city, resulting in a sense of some potential indirect business opportunities.
- Changes in client base - there was a variety of responses concerning whether there had been client base increases as a direct or indirect result of the Liverpool ECoC. In addition, almost all consultees identified a need to continue to market and promote the sector and to support networking to generate more leads with new clients and new markets.
- Increased local morale - the highest degree of agreement for positive impacts across all respondents, across all statements, was in relation to 'improving locale morale in the creative business sector'.
- Sector credibility – all respondents felt that the Liverpool ECoC had seen an increase in the perceived credibility of certain local creative sectors. However, over 50% stated that further and improved creative sector marketing and promotion was key to the growth and sustainability of their business.
- No impacts - the 2009 survey indicated that more respondents identified positive impacts as a result of the Liverpool ECoC than previously (and fewer identified no or negative impacts), though these positive impacts may not have directly impacted upon the creative industries sector as was anticipated in the 2007 survey.

6. Conclusion

This report demonstrates the complexity of the challenge in assessing the sustainability of the creative industries in any given region, particularly given the lack of a coherent framework of sector definitions and the limited capacity to offer viable and robust measurement. Whilst this report cannot not resolve all the outstanding issues raised in relation to the definition of the sector and the validity of existing data, it offers a new pathway, based on an audit of data sources and best practice, to understanding the size of the sector at a sub-regional level. This pathway seeks to give the truest possible picture of the sector in Liverpool and the sub-region, recognising the importance of the size of the freelance portion of the sector and seeking data from a locally recorded source.

The trends data analysis which follows offers some detail to colour the picture created by the baseline measurement and allows some understanding of changes in different areas of the city region and changes in the average size of businesses, as well as growth or decline in workplace and employee numbers by business size band. This detail shows some growth, but allows the importance to the sector base of the two smallest size bands to be seen, as well as the impact of changes in larger-scale enterprises.

Finally, this data is complemented by extensive qualitative work which has spanned 2007-2009. Whilst it is clear that those working within the creative industries recognise that the Liverpool ECoC has had *some* level of impact—particularly in relation to the broader profile of the city – there is a variety of experience about direct impact. The sector feels that the Liverpool ECoC has improved the credibility of the city's creative offer, but also raises concerns about the city's capacity to market the offer of the creative industries in the future. There are some key, broad needs identified and recommendations made by the sector, which highlight the core issues for the future sustainability of the creative industries on Merseyside.

7. Appendices

Appendix A: Creative Industries DET/DCMS ONS Combined

Scaling	SIC Code
0.50%	1771 : Manufacture of knitted and crocheted hosiery
0.50%	1772 : Manufacture of knitted and crocheted pullovers, cardigans and similar articles
0.50%	1810 : Manufacture of leather clothes
0.50%	1821 : Manufacture of workwear
0.50%	1822 : Manufacture of other outerwear
0.50%	1823 : Manufacture of underwear
0.50%	1824 : Manufacture of other wearing apparel and accessories not elsewhere class..
0.50%	1830 : Dressing and dyeing of fur; manufacture of articles of fur
0.50%	1930 : Manufacture of footwear
100%	2211 : Publishing of books
100%	2212 : Publishing of newspapers
100%	2213 : Publishing of journals and periodicals
100%	2214 : Publishing of sound recordings
100%	2215 : Other publishing
100%	2221 : Printing of newspapers
100%	2223 : Bookbinding
100%	2224 : Pre-press activities
33%	2231 : Reproduction of sound recording
33%	2232 : Reproduction of video recording
25%	2233 : Reproduction of computer media
100%	2464 : Manufacture photographic chemical material
25%	2465 : Manufacture of prepared unrecorded media
100%	3210 : Manufacture of electronic valves and tubes and other electronic components
50%	3220 : Manufacture of television and radio transmitters and apparatus for...
100%	3230 : Manufacture of television and radio receivers, sound or video recording...
50%	3340 : Manufacture of optical instruments and photographic equipment
100%	3630 : Manufacture of musical instruments
25%	5143 : Wholesale of electrical household appliances and radio and television goods
12.50%	5147 : Wholesale of other household goods
5%	5248 : Other retail sale in specialised stores
5%	5250 : Retail sale of second-hand goods in stores
100%	7221 : Publishing of software
25%	7222 : Other software consultancy and supply
25%	7420 : Architectural and engineering activities and related technical consultancy
100%	7440 : Advertising
25%	7481 : Photographic activities
25%	7487 : Other business activities not elsewhere classified
100%	9211 : Motion picture and video production
100%	9212 : Motion picture and video distribution
100%	9213 : Motion picture projection
100%	9220 : Radio and television activities
100%	9231 : Artistic and literary creation and interpretation
100%	9232 : Operation of arts facilities
50%	9234 : Other entertainment activities not elsewhere classified
100%	9240 : News agency activities
25%	9272 : Other recreational activities not elsewhere classified

Appendix B: Creative Industries Sample

Scaling	SIC Code
100%	2211 : Publishing of books
100%	2212 : Publishing of newspapers
100%	2213 : Publishing of journals and periodicals
100%	2214 : Publishing of sound recordings
100%	2215 : Other publishing
100%	2221 : Printing of newspapers
100%	2223 : Bookbinding
100%	2224 : Pre-press activities
100%	2464 : Manufacture photographic chemical material
100%	3210 : Manufacture of electronic valves and tubes and other electronic components
100%	3230 : Manufacture of television and radio receivers, sound or video recording...
100%	3630 : Manufacture of musical instruments
100%	7221 : Publishing of software
100%	7440 : Advertising
100%	9211 : Motion picture and video production
100%	9212 : Motion picture and video distribution
100%	9213 : Motion picture projection
100%	9220 : Radio and television activities
100%	9231 : Artistic and literary creation and interpretation
100%	9232 : Operation of arts facilities
100%	9240 : News agency activities

Appendix C: Creative Industries – Priority Support Areas Identified for the Future

Getting work into the city and to local creative businesses (to market and sell in the short term, and to sustain and grow in the longer term)

Key actions relating to this area were seen to be:

- To develop the sector and ensure sustainability and growth over the longer term by investing in development and promotion.
- To ensure that business support infrastructure is relevant.
- To develop more strategic professional development for the sector and specific sub sector and to ensure the sector understands the value in, and responsibility towards, such professional development.
- To educate other sectors and clients about the added value that the creative industries bring.

Unique support for unique businesses

Key actions relating to this area were seen to be:

- To ensure creative business support services are tailored and provided by an experienced business professional with specialist experience and knowledge of the sector.
- To ensure that this support is suitable for growth businesses as well as start up companies.
- To support creative businesses in moving out of their comfort zones and selling in new 'areas'.
- To recognise that the legacy of ECoC 2008 presents great opportunities for collaboration across companies within the sector, and support these collaborations.

Education and Student Retention

Key actions relating to this area were seen to be:

- To recognise that there was still a lack of clarity about career opportunities and career routes in the creative industries.
- To recognise the need to offer better 'life skills' development and better industry knowledge to students and graduates.
- For Higher and Further Education to foster better links with the industry to allow students to 'meet' industry and learn from real life, and for the creative industries to support this activity.

Connections and Match Making

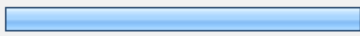



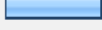
Key actions relating to this area were seen to be:



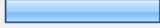










- To help local creative businesses to better promote and sell themselves. The companies in the sector need to grow to be visible. There is a great need for a 'creative business to creative business' support network within the sector.
- To develop structures to support businesses to sell their products and services via a commitment to market the creative industries in the city, raising the profile of the strong creative service offer in Liverpool.
- To facilitate better links to London. Businesses did not explicitly indicate who should provide this support, although there were suggestions made that local publicly funded business support organisations could better utilise their economic development funds to ensure these business priorities are brought to fruition.
- To foster the community mentality in Liverpool to develop faith in the sector, knowledge about the local sector and confidence between different creative companies.

Appendix D: Creative Businesses Survey – Before Liverpool ECoC

1. Please provide us with some basic contact details		
	Response Percent	Response Count
Name: <input type="text"/>	100.0%	76
Company <input type="text"/>	100.0%	76
Post Code: <input type="text"/>	100.0%	76
Email: <input type="text"/>	100.0%	76
Telephone: <input type="text"/>	100.0%	76
<i>answered question</i>		76
<i>skipped question</i>		0

2. Are you a commercial business operating in the creative sector based on Merseyside?		
	Response Percent	Response Count
Yes <input type="text"/>	100.0%	76
No	0.0%	0
<i>answered question</i>		76
<i>skipped question</i>		0

3. Where Is your business located?		
	Response Percent	Response Count
Liverpool 	64.5%	49
Knowsley 	5.3%	4
Sefton 	6.6%	5
St Helens 	6.6%	5
Wirral 	17.1%	13
Halton	0.0%	0
Other	0.0%	0
answered question		76
skipped question		0

4. Which creative Industries sub-sector do you operate in (select one only, your main activity)?		
	Response Percent	Response Count
Advertising 	6.6%	5
Architecture	0.0%	0
Crafts 	10.5%	8
Design 	27.6%	21
Designer Fashion 	1.3%	1
Film & Video 	2.6%	2
Interactive Leisure Software (Games) 	1.3%	1
Music 	6.6%	5
Performing Arts 	6.6%	5
Publishing 	3.9%	3
Software & Computer Services 	3.9%	3
Television & Radio 	2.6%	2
Visual Arts 	21.1%	16
Other Creative Industries Activity 	5.3%	4
None Of The Above	0.0%	0
	answered question	76
	skipped question	0



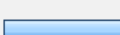

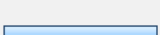

5. Can you give us a rough Idea of the number of people working In your business? Please Include yourself If you are self-employed or a sole trader.

	Response Percent	Response Count
Just me	38.2%	29
2-5	36.8%	28
6-10	7.9%	6
11-20	6.6%	5
21-50	9.2%	7
51-100	1.3%	1
101-250	0.0%	0
251 and above	0.0%	0
answered question		76
skipped question		0






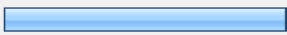

6. How aware are you of Capital of Culture 2008 (Liverpool 08)?

	Response Percent	Response Count
Very aware	76.3%	58
Moderately aware	21.1%	16
Little awareness	2.6%	2
Unaware	0.0%	0
answered question		76
skipped question		0


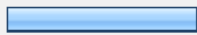
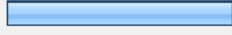


7. What Impact do you think that Liverpool's Capital of Culture 2008 designation has had on your business over the PAST 2-3 years?		
	Response Percent	Response Count
Negative 	2.6%	2
None 	53.9%	41
Some Positive 	30.3%	23
Reasonable amount positive 	10.5%	8
A lot positive 	2.6%	2
	Comments	9
	answered question	76
	skipped question	0

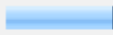





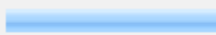

8. If you believe there has been a positive Impact on your business, what has been the single most important factor? (One answer only)?		
	Response Percent	Response Count
Improved perceptions of cultural and creative industries 	21.2%	7
Greater confidence amongst businesses in Liverpool in general 	12.1%	4
Improved external image of Liverpool 	21.2%	7
Availability and quality of business premises 	3.0%	1
More commercial/business opportunities 	27.3%	9
Other (please specify) 	15.2%	5
	answered question	33
	skipped question	43

9. If you answered Negative or None, what single factor has been the biggest barrier to you feeling positive about Liverpool 08? (One answer only?)

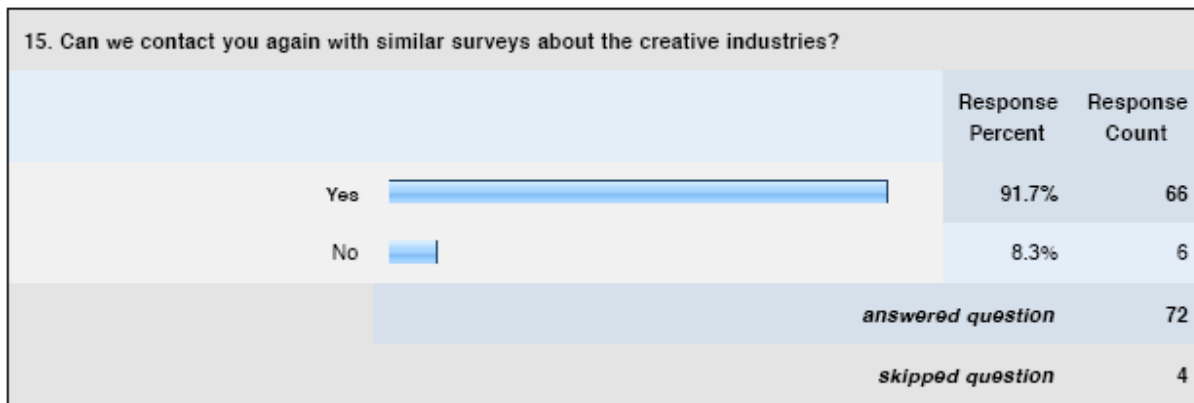
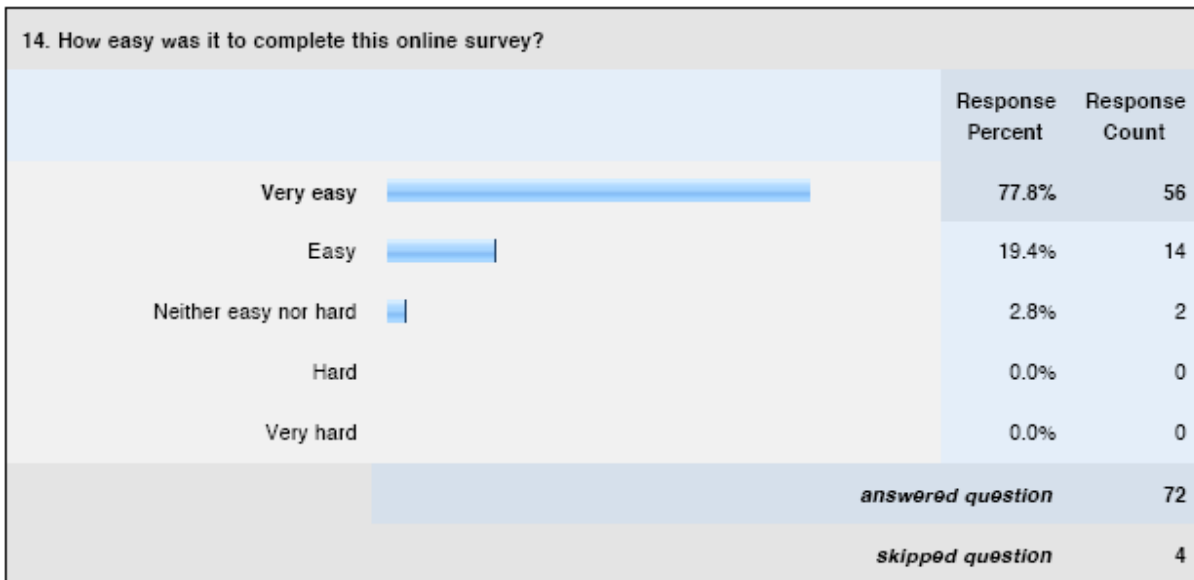
	Response Percent	Response Count
Over-hyped expectations of the cultural and creative industries 	14.0%	6
No perceptible improvement in confidence amongst businesses in Liverpool 	4.7%	2
No change in Liverpool's external image 	14.0%	6
Availability and affordability of business premises	0.0%	0
Greater competition for local business opportunities 	2.3%	1
Increased public sector involvement in culture and the creative industries 	2.3%	1
Not feeling engaged in or involved in the process 	51.2%	22
Other (please specify) 	11.6%	5
answered question		43
skipped question		33

10. What Impact do you expect Liverpool's designation as Capital of Culture 2008 to have on your business in the NEXT 2-3 years?

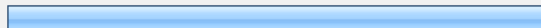
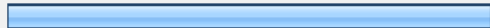
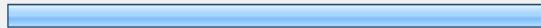

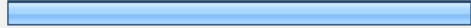
	Response Percent	Response Count
Negative 	6.6%	5
None 	34.2%	26
Some Positive 	40.8%	31
Reasonable amount positive 	11.8%	9
A lot positive 	6.6%	5
Comment		7
answered question		76
skipped question		0

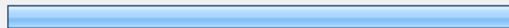

11. If you answered Negative or None, what single factor do you think will be the biggest barrier to you feeling positive about Liverpool 08? (One answer only)?			
		Response Percent	Response Count
Over-hyped expectations of the cultural and creative industries		19.4%	6
No perceptible improvement in confidence amongst businesses in Liverpool		3.2%	1
No change in Liverpool's external image		6.5%	2
Availability and affordability of business premises		6.5%	2
Greater competition for local business opportunities		6.5%	2
Increased public sector involvement in culture and the creative industries		6.5%	2
Not feeling engaged in or involved in the process		38.7%	12
Other (please specify)		12.9%	4
answered question			31
skipped question			45

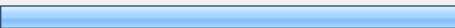








Appendix E: Creative Businesses Survey – After Liverpool ECoC

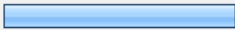




1. Please provide us with some basic contact details		
	Response Percent	Response Count
Name: 	100.0%	51
Company 	90.2%	46
Post Code: 	100.0%	51
Email: 	98.0%	50
Telephone: 	86.3%	44
answered question		51
skipped question		0

2. Are you a commercial business operating in the creative sector based on Merseyside?		
	Response Percent	Response Count
Yes 	94.0%	47
No 	6.0%	3
answered question		50
skipped question		1

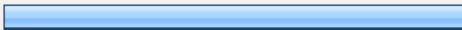


3. Where is your business located?		
	Response Percent	Response Count
Liverpool 	85.1%	40
Knowsley 	2.1%	1
Sefton 	2.1%	1
St Helens 	2.1%	1
Wirral 	8.5%	4
Halton	0.0%	0
Other	0.0%	0
answered question		47
skipped question		4

4. Which creative Industries sub-sector do you operate in (select one only, your main activity)?		
	Response Percent	Response Count
Advertising <input type="checkbox"/>	2.2%	1
Architecture	0.0%	0
Crafts <input type="checkbox"/>	19.6%	9
Design <input checked="" type="checkbox"/>	30.4%	14
Designer Fashion	0.0%	0
Film & Video <input type="checkbox"/>	8.7%	4
Interactive Leisure Software (Games)	0.0%	0
Music <input type="checkbox"/>	6.5%	3
Performing Arts <input type="checkbox"/>	2.2%	1
Publishing <input type="checkbox"/>	4.3%	2
Software & Computer Services	0.0%	0
Television & Radio	0.0%	0
Visual Arts <input type="checkbox"/>	15.2%	7
Other Creative Industries Activity <input type="checkbox"/>	6.5%	3
None Of The Above <input type="checkbox"/>	4.3%	2
answered question		46
skipped question		5

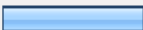
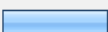
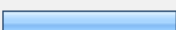

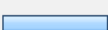

5. Can you give us a rough Idea of the number of people working In your business? Please Include yourself If you are self-employed or a sole trader.

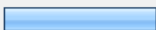
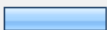

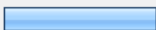
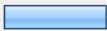
	Response Percent	Response Count
Just me 	42.2%	19
2-5 	26.7%	12
6-10 	15.6%	7
11-20 	4.4%	2
21-50 	8.9%	4
51-100	0.0%	0
101-250 	2.2%	1
251 and above	0.0%	0
answered question		45
skipped question		6

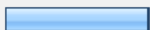

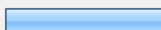

6. How aware were you of Liverpool 08?

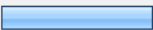



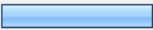

	Response Percent	Response Count
Very aware 	84.4%	38
Moderately aware 	13.3%	6
Little awareness 	2.2%	1
Unaware	0.0%	0
answered question		45
skipped question		6

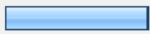
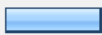
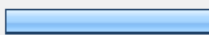


7. What Impact do you think that Liverpool 08 has had on your business over the PAST 12 months?		
	Response Percent	Response Count
Negative	0.0%	0
None 	25.0%	11
Some Positive 	22.7%	10
Reasonable amount positive 	29.5%	13
A lot positive 	22.7%	10
Comments		3
answered question		44
skipped question		7

8. If you think there has been a positive Impact on your business, what has been the single most important factor? (One answer only)?		
	Response Percent	Response Count
Improved perceptions of cultural and creative industries 	25.0%	8
Greater confidence amongst businesses in Liverpool in general 	18.8%	6
Improved external Image of Liverpool 	31.3%	10
Availability and quality of business premises 	3.1%	1
More commercial/business opportunities 	18.8%	6
Other (please specify) 	3.1%	1
answered question		32
skipped question		19

9. If you answered Negative or None, what single factor has been the biggest barrier to you feeling positive about Liverpool 08? (One answer only?)		
		Response Percent Response Count
Over-hyped expectations of the cultural and creative Industries		27.3% 3
No perceptible improvement in confidence amongst businesses in Liverpool		0.0% 0
No change in Liverpool's external image		0.0% 0
Availability and affordability of business premises		18.2% 2
Greater competition for local business opportunities		0.0% 0
Increased public sector involvement in culture and the creative industries		9.1% 1
Not feeling engaged in or involved in the process		27.3% 3
Other (please specify)		18.2% 2
		answered question 11
		skipped question 40

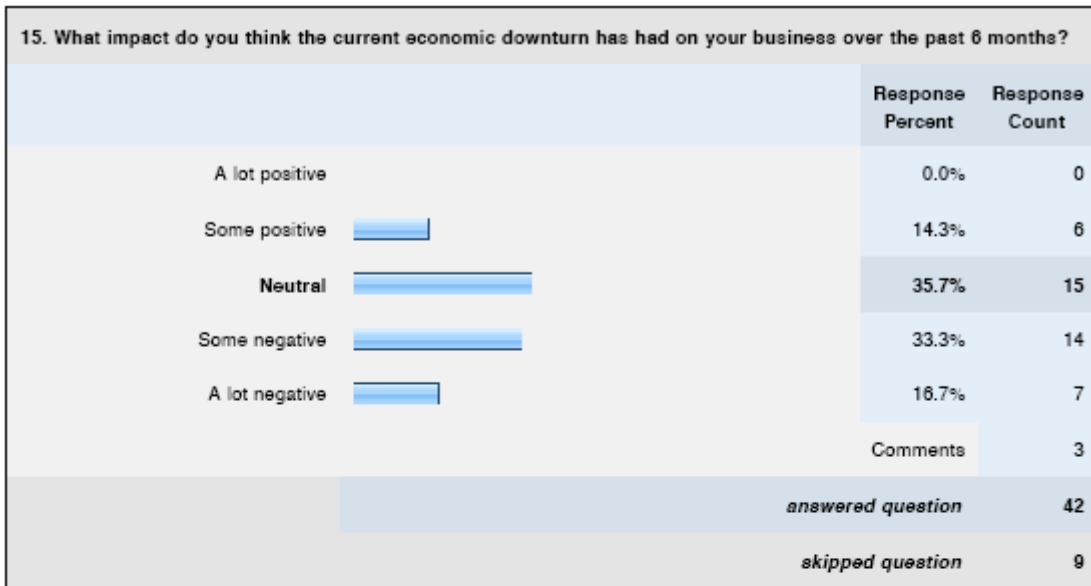
10. What Impact do you expect Liverpool 08 to have on your business over the NEXT 2-3 years?		
		Response Percent Response Count
Negative		0.0% 0
None		25.6% 11
Some Positive		39.5% 17
Reasonable amount positive		27.9% 12
A lot positive		7.0% 3
		Comment 5
		answered question 43
		skipped question 8

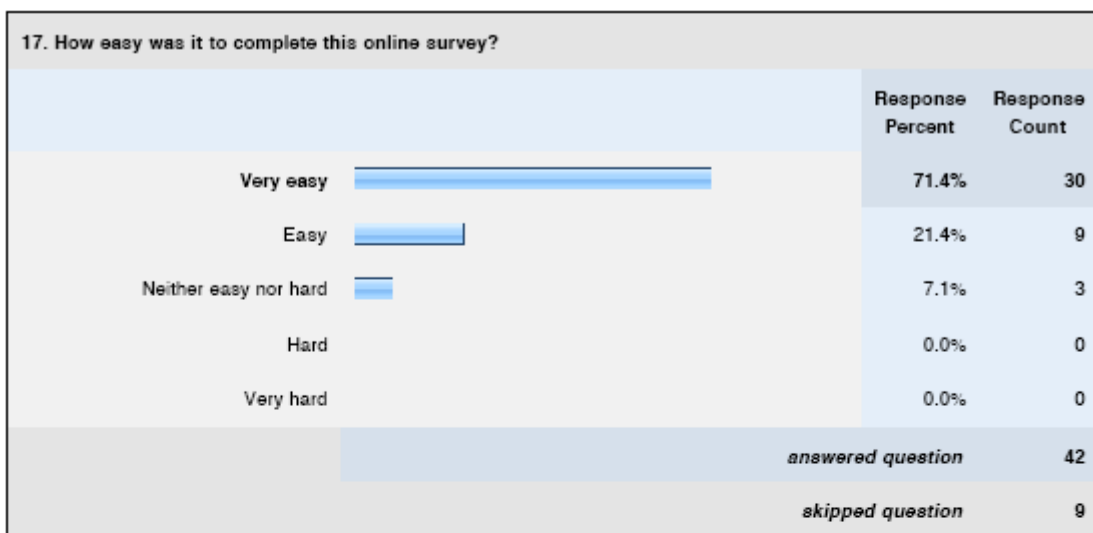
11. If you answered Negative or None, what single factor do you think will be the biggest barrier to you feeling positive about Liverpool 08? (One answer only)?		
		Response Percent Response Count
Over-hyped expectations of the cultural and creative industries		27.3% 3
No perceptible improvement in confidence amongst businesses in Liverpool		9.1% 1
No change in Liverpool's external image		0.0% 0
Availability and affordability of business premises		0.0% 0
Greater competition for local business opportunities		9.1% 1
Increased public sector involvement in culture and the creative industries		9.1% 1
Not feeling engaged in or involved in the process		27.3% 3
Other (please specify)		18.2% 2
		answered question 11
		skipped question 40

12. If you think there will be a positive impact on your business, what do you think will be the single most important factor? (One answer only)?			Response Percent	Response Count
Improved perceptions of cultural and creative industries			25.7%	9
Greater confidence amongst businesses in Liverpool in general			17.1%	6
Improved external Image of Liverpool			37.1%	13
Availability and quality of business premises			0.0%	0
More commercial/business opportunities			14.3%	5
Other (please specify)			5.7%	2
			answered question	35
			skipped question	16

13. Please indicate how strongly you agree or disagree with each of the following statements: Liverpool's status as European Capital of Culture 2008 has impacted on my business by....							
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Rating Average	Response Count
Generating a higher profile for Liverpool	40.0% (14)	48.6% (17)	5.7% (2)	2.9% (1)	2.9% (1)	1.80	35
Increasing my client base	8.6% (3)	40.0% (14)	37.1% (13)	8.6% (3)	5.7% (2)	2.63	35
Improving local morale in the creative business sector on Merseyside	11.4% (4)	65.7% (23)	14.3% (5)	5.7% (2)	2.9% (1)	2.23	35
Enabling me to secure premises for my business	0.0% (0)	8.6% (3)	40.0% (14)	28.6% (10)	22.9% (8)	3.66	35
Reinforcing credibility for the creative industries locally	11.4% (4)	62.9% (22)	14.3% (5)	8.6% (3)	2.9% (1)	2.29	35
There has been no impact on my business	8.6% (3)	2.9% (1)	17.1% (6)	51.4% (18)	20.0% (7)	3.71	35
					Comments		3
					answered question		35
					skipped question		16

14. And please indicate which of the following statements you agree or disagree with: To sustain and grow my business, I require the following business support...							
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Rating Average	Response Count
Increased tender opportunities for private sector work	34.3% (12)	28.6% (10)	28.6% (10)	2.9% (1)	5.7% (2)	2.17	35
Greater creative sector publicity and marketing support	45.7% (16)	40.0% (14)	8.6% (3)	2.9% (1)	2.9% (1)	1.77	35
Leadership and business development support	17.1% (6)	48.6% (17)	31.4% (11)	2.9% (1)	0.0% (0)	2.20	35
Investment in skills development for staff	28.6% (10)	22.9% (8)	34.3% (12)	11.4% (4)	2.9% (1)	2.37	35
More suitable city centre premises	11.4% (4)	11.4% (4)	42.9% (15)	22.9% (8)	11.4% (4)	3.11	35
Support to achieve a better work/life balance	22.9% (8)	28.6% (10)	34.3% (12)	11.4% (4)	2.9% (1)	2.43	35
Networking opportunities to make new contacts	42.9% (15)	31.4% (11)	14.3% (5)	11.4% (4)	0.0% (0)	1.94	35
International trade support	17.1% (6)	22.9% (8)	40.0% (14)	20.0% (7)	0.0% (0)	2.63	35
						Comments	3
						<i>answered question</i>	35
						<i>skipped question</i>	16





Appendix F: Bibliography

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