



ECONOMIC FORUM

CORNWALL AND ISLES OF SCILLY ECONOMIC FORUM

Cornwall County Council & Cornwall and Isles of Scilly Economic Forum

CORNWALL AND ISLES OF SCILLY SECTOR PROFILE:

CREATIVE

December 2008

This research has been undertaken to update the previous sector profiles that had been requested by Cornwall Enterprise to stimulate a better understanding of their 10 priority sectors. This work will provide additional detail to underpin *Strategy and Action* in order to help to inform future decisions on the kind of support that is provided for local businesses and economic development projects.

The Sector

- The definition of the sector is based on that used by the Department for Culture, Media and Sport. The sectors within this definition are listed at the end of the report. Use of the latter enables comparisons with other research carried out in this area.
- Figures from different reports invariably vary. This reflects variations in the **groups defined as falling within the creative sector**, the methodology adopted, data used and time period covered. **The manufacture of TV and radio receivers is not always considered as falling within the sector.** Research carried out by Perfect Moment, using survey work, meant that employment not captured by the Annual Business Inquiry was also included in producing the results.
- **Some categories are included within a wider group – for example wholesale of records/tapes within the 4 digit code for wholesale of electrical goods. Here a weighting is applied to the data to provide an appropriate figure.**
- The creative sector is also one where analysis of the data is more problematical than for other sectors. This is partly a reflection of the fact that Standard Industrial Classification (SIC codes do not capture all of the elements contained within the sector. As a consequence, some categories are excluded, while for others estimates are made, based upon previous survey work. A further complication arises where the numbers from the ABI are low. This is particularly the case for smaller spatial areas such as Cornwall and where the sector is relatively small. In relation to GVA figures a similar issue arises. Difficulties with allocating categories to the sector result in some exclusions. This would suggest that the GVA figure is an underestimate of the actual figure. Hence, a **substantial statistical health warning** applies to the results.
- Appendix H of the report 'Counting on Creativity' by Perfect Moment, illustrates where gaps occur in data availability, which means that some activities regarded as part of the sector are excluded from analysis using ABI data. Craft fairs and galleries are examples of this.

Headline facts

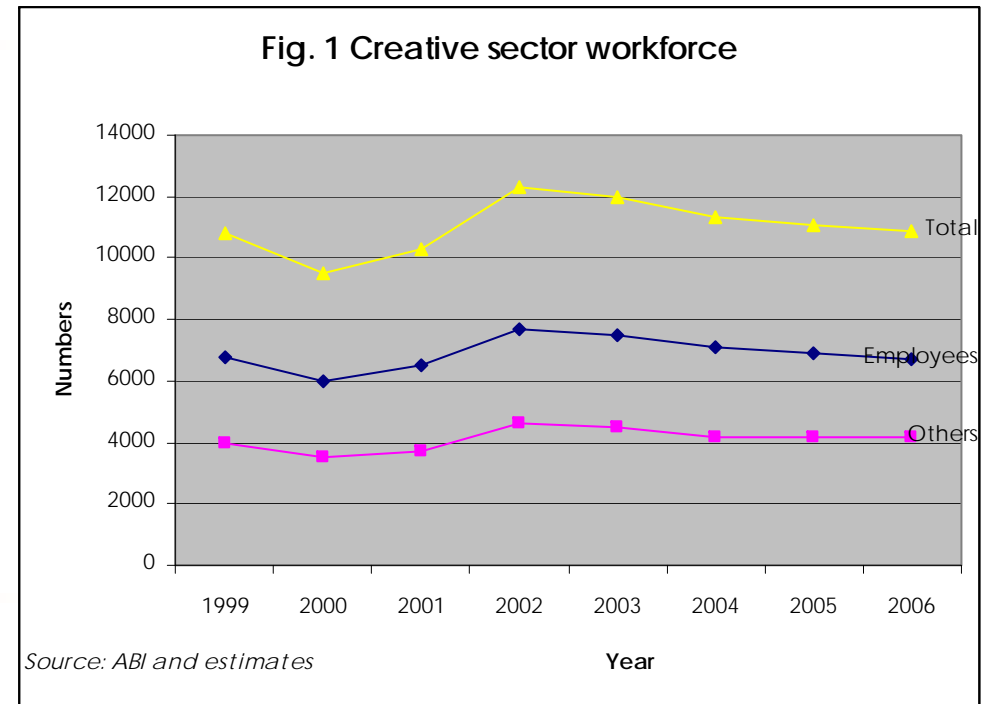
- The creative industries sector employs 10,900 in Cornwall.
- There are 1,300 units in the sector in Cornwall.
- A substantial proportion of those employed in the sector in Cornwall is self-employed or freelance (CPRU, 2002). These are not included in the employee data in this profile.
- Analysis of the data indicates an increase in employment in the sector in Cornwall from 2000 to 2004, in line with other reports – (Perfect Moment, 2007) , but a decline in total figures since then.
- The creative industries sector accounted for 3.5% of Cornwall's GVA in 2006.
- There has been a decline since 1999, when the sector accounted for 3.8% of the total of Cornwall's GVA.
- Annual GVA growth of 6.6% has been below the Cornish average of 7.9%.
- The sector in Cornwall contributed £154 million in 1999 and £241 million in 2006.
- In 2006, productivity per worker in the sector equalled £32,100, 17% above the average per worker in Cornwall.

Overview

- 'The future development of the leisure craft market is closely linked to personal affluence and general economic prosperity and, as the leisure time of an ageing population increases, the sector is expected to continue to expand. The UK share is around 10% of the world market' (Pugh & Skinner, 2002, A New analysis of Environmental technology-related Activities in the UK Economy with Supporting Science and Technology).
- 'In the context of the Cornish economy the Creative Industries can be seen as vital in being an important part of a landscape which will support the growth of other key knowledge based industries. For reasons of scale, sustainability and high value these are the businesses which provide the best opportunity for the regeneration of the Cornish economy.' (CPPRU, 2002).
- 'The high level of statistically invisible workers in the cultural sector (part-timers, many freelancers, non-VAT returning businesses) means that even statistical counts based on current National Statistics datasets significantly underestimate the size, impact and value of the sector to the regional economy.' (Culture SW, 2003, *Joining the Dots*).

Employment

- 6,700 employee jobs in Cornwall are in the creative industries sector.
- Research suggests that reliance on ABI data excludes considerable 'numbers of freelancers and other micro-businesses which are too small to be counted in national labour market statistics' (Perfect Moment, 2007).
- Taking into account the ratios between employee and others, the data suggests an additional 4,200 workers in the sector.
- Figure 1 shows that between 1999 and 2006, employment in the creative industries sector in Cornwall has fluctuated, peaking in 2002.
- In line with other research by Perfect Moment, there was an increase in workers in the sector in Cornwall between 2000 and 2004.
- Between 1999 and 2006, employment in the sector, in Cornwall, in terms of total number of employees, decreased by 2%, compared to a decline of 7% in the South West and a decrease of 4% across GB.
- The contribution made to employment (employees only) by the sector in Cornwall has diminished since 1999, from 4.6% to 3.5%.
- The relative decline in percentage terms of the contribution of the sector to employment has been greater in Cornwall (24%), than across either the SW (16%) or GB (9%).

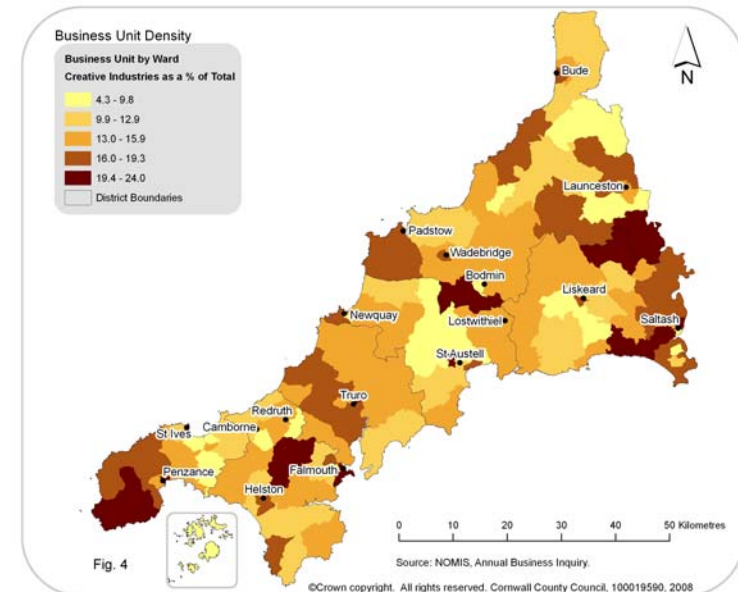
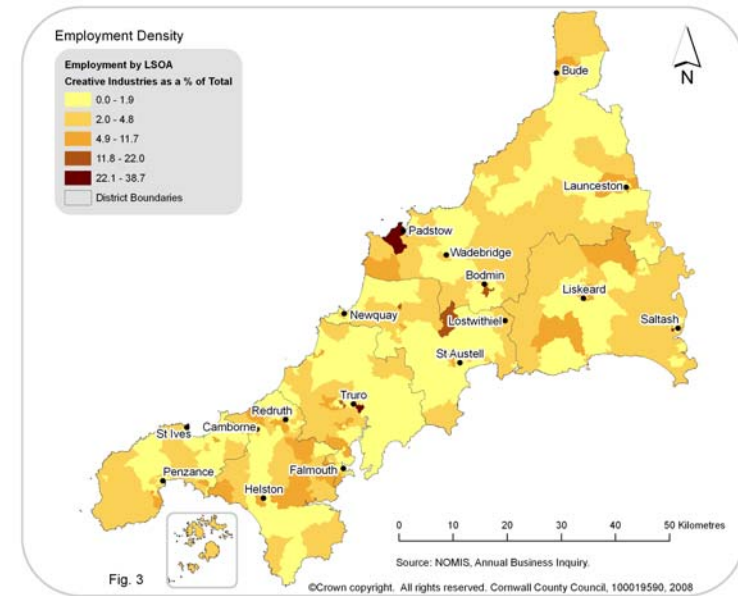
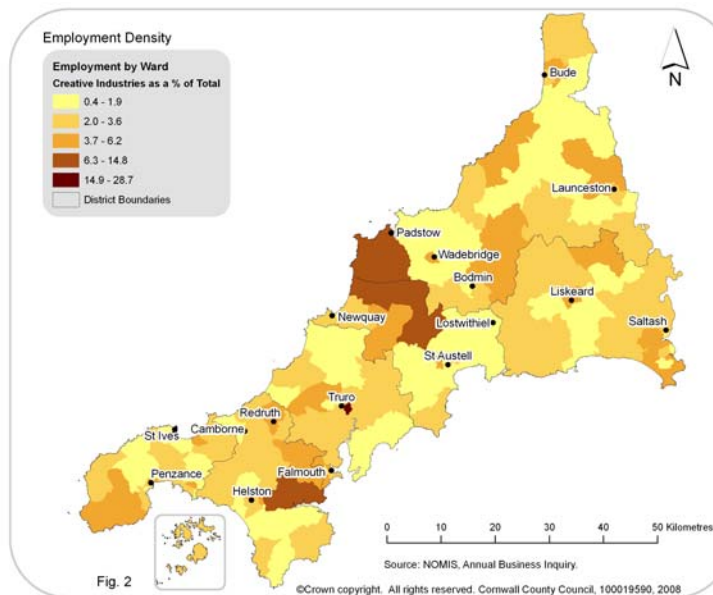


Business units

- Using ABI data, 1300 business units were recorded in the creative industries sector in Cornwall in 2006.
- The number of units has increased by 11% since 1999, compared to an increase across the South West of 11%, and 6% across Britain.
- The sector accounts for 5.9% of all businesses in Cornwall¹. This compares to 8.4% and 9.4% for the SW and Britain respectively.

Spatial distribution

- The four figures below (Figures 2, 3, 4 and 5) map the employment and business unit (i.e. premises) density for the creative industries sector in Cornwall (NB. The scales are different for each map). Due to the fact that the data used has been weighted, the figures are indicative of the situation.
- Employees in the sector are concentrated in seven wards - St Ives South, Boscawen, Rock, Tregolls, Bodmin St Petroc, Redruth North and Illogan South. In total, these account for two-fifths of all employment.
- Three of these wards have employment in the sector at 10% or more of total employment - St Ives South (29%), Tregolls (21%) and Rock (15%).
- Thirty percent of all employees in the sector are concentrated in just four LSOAs - St Ives Town Centre and Island, Truro Boscawen Ward City Centre, Roche North, Truro Tregolls Ward South.
- There are LSOAs where employment in the sector is estimated to account for a fifth or more of total employment. These are - St Ives Town Centre and Island (39%), Truro Tregolls Ward South (39%), Padstow South West and Trevone (33%), Saltash St Stephens Ward South East (32%), St Columb Major South (22%) and Roche North (22%).
- Wards where the creative sector constitutes 10% or more all units are Lanivet, Truro Tregolls, Lynher and Truro Moresk. This combination of rural and urban is common amongst wards with a high level of creative sector businesses.
- However, creative sector businesses are concentrated in urban wards with 14 of these accounting for 31% of all units.
- At LSOA level high percentages of creative sector business units are found in Saltash St Stephens Ward South East (31%), Illogan Highway South (21%), and Indian Queens and St Columb Road (15%).
- In terms of numbers the LSOAs with the highest concentration of units are: Truro Boscawen Ward City Centre, Penzance Town Centre Central, St Ives Town Centre and Island and Launceston Central, all with 20 or more units.



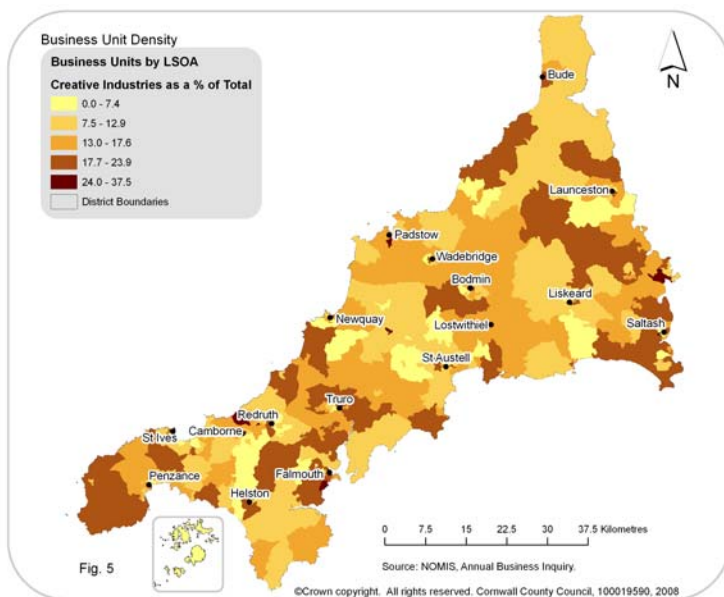


Fig. 5

GVA

- The creative industries sector accounted for 3.5% of Cornwall's GVA in 2006.
- There has been a decline since 1999, when the sector accounted for 3.8% of the total.
- Annual growth in the sector of 6.6% has been below the Cornish average of 7.9%.
- The sector in Cornwall contributed £154 million in 1999 and £241 million in 2006.

Productivity

- In 2006, productivity per worker in the sector in Cornwall equalled £32,100, 17% above the average per worker in Cornwall.
- Productivity per Full Time Equivalent (FTE) equalled £37,600, 10% above the average for FTE in Cornwall.

Earnings

- In 2007 median earnings for employees in this sector were generally above the average. Exceptions were bookbinding (98%), retail activities (between 43% and 73%), photographic activities (75%), and other recreational activities.

NB Earnings data by employment sector only available at a UK level.

Counting on Creativity (Perfect Moment)

- In 2004, 10,200 were estimated to be employed in the sector in Cornwall.
- The number of businesses in the sector in Cornwall increased by 23% between 2000 and 2004.
- GVA in the sector in Cornwall increased by 34% over the same period.
- Turnover in the sector in Cornwall increased from £326 million in 2000 to £421 million in 2004.

Additional research required/data issues

Compilation of this profile has indicated a number of gaps in data available.

The data in this profile uses the classification adopted by DCMS. Data derived from the ABI was weighted using the methodology adopted by Perfect Moment - Building Creative Success - Paper A: Economic and Business Findings.

Caveats:

The size of the sector in this profile may differ to other research as each sector is made up by aggregating a number of other "subsectors" (see notes for employment SIC sectors incorporated in this profile). Other studies may use a broader or narrower definition.

Totals from each profile should not be added as data included within one profile may also be included within another profile. For example, 3220 - Manufacture of television and radio transmitters... and 3230 - Manufacture of television and radio receivers ..., are included in both the ICT sector profile and the Creative Industries (Broad) sector profile. Fish processing is included in both food and drink and fishing.

This profile only analyses the *economic* value of a sector. The social, cultural and environmental value of a sector should also be thoroughly considered.

Sector definitions used in this profile may vary slightly between GVA and employment as the GVA data does not have such a detailed sector breakdown. This is because calculating GVA on a local level relies upon numerous data sources, some of which are only available at a broad sector level. For this reason, it has not been possible to include GVA data for some of the more specific or cross-cutting sectors without further extensive research. In addition, the national accounting system's classification limits the way in which we can understand the economy, for example, for the marine profile surf shops and wetsuit manufacturing cannot be drawn from the current structure, they are included in retail and rubber manufacturing, respectively. Again, further extensive research would be required to penetrate this detail.

All data in this profile refers to workplace.

Business units

Business units, in this publication, refer to business premises and/or head offices. This is the most comprehensive measure of activity as it incorporates counts of individual branches

or sites – this is more useful than mapping the enterprise or business alone as this would only provide a count of the location of each head office.

The source of the business units data is the Inter-Departmental Business Register. This register is produced by the Office for National Statistics using VAT (value added tax) and PAYE (pay as you earn) records, therefore, it captures all businesses that either trade over the VAT threshold – for 2006 a turnover of 61,000, and/or are PAYE registered – employ at least one member of staff who earns more than £94/week, or £408/month.

Annual Business Inquiry (ABI) - Employee Analysis, Workplace Analysis

Data source: NOMIS. Based on a sample.

Discontinuities in 2003 and 2006 make comparisons difficult over a period of time. The 2006 discontinuity means that comparisons of the 2006 ABI employment estimates with earlier years do not provide a reliable comparison.

Elements contributing to the discontinuity include:

1. Change in reference date from December to September.
2. Use of Business Register Survey data within the ABI/1 results.
3. Change to the Minimum Domain Methodology.

NOMIS state that *'It is not possible to measure the impact of the changes made precisely, however the scale of the overall discontinuity between the 2005 and 2006 ABI/1 is estimated to be in the range of 150,000 to 350,000 (0.6 to 1.3 per cent of the total number of employees) in a downward direction.'*

All employment data from the ABI employee analysis has been rounded to the nearest 100 in line with release of data rules.

Geographical anomalies

Data from different sources differs in its geographical coverage. The ABI covers Great Britain; ASHE data covers the United Kingdom.

Earnings data

Earnings data by employment sector is only available at a UK level. Earnings levels in Cornwall are substantially lower and although it is expected that the difference applies across all sectors, the exact relationship is unknown, therefore care should be taken in interpreting the data.

Data:

Employment

The employment figures in this profile refer to the number of jobs in the creative industries sector. Figure 1 uses the total figure, thus incorporating both part and full time work.

Creative industries sector

Workers in Creative Industries sector – DCMS classification and Perfect Moment

	ABI	Others	Total
1999	6800	4000	10800
2000	6000	3500	9500
2001	6500	3700	10300
2002	7700	4600	12300
2003	7500	4500	12000
2004	7100	4200	11300
2005	6900	4200	11100
2006	6700	4200	10900

Source: NOMIS, Annual Business Inquiry © Crown Copyright
[Others figure derived using weightings derived from Perfect Moment]

Creative industries employee employment as a % of total

	Cornwall	SW	GB
1999	4.6	5.4	5.8
2000	3.7	5.3	5.8
2001	3.9	5.3	5.8
2002	4.3	5.0	5.5
2003	4.2	4.9	5.4
2004	4.0	4.6	5.3
2005	3.8	4.7	5.2
2006	3.5	4.5	5.2
Change	-24.3	-16.4	-9.4

Source: NOMIS, Annual Business Inquiry © Crown Copyright

Business Units

Numbers

	Cornwall and Isles of Scilly	South West	Great Britain
1999	1100	16400	208200
2000	1200	16400	209500
2001	1200	16600	210800
2002	1400	16800	209500
2003	1200	17200	213000
2004	1300	17200	210100
2005	1200	17500	214800
2006	1300	18100	220000
Change 1999-2006	111	111	106

Source: NOMIS, Annual Business Inquiry © Crown Copyright

Percentages

	Cornwall and Isles of Scilly	South West	Great Britain
	%	%	%
1999	6.3	8.7	9.8
2000	6.3	8.6	9.7
2001	6.4	8.6	9.7
2002	7.3	8.6	9.6
2003	6.1	8.5	9.6
2004	6.1	8.4	9.4
2005	5.9	8.3	9.3
2006	5.9	8.4	9.4

GVA

Creative industries GVA data has been sourced from the Local GVA model for Cornwall level data and the Office for National Statistics (ONS) for UK statistics.

GVA Cornwall £ millions

	£million	Percent
1999	154	3.8
2000	155	3.5
2001	191	4.0
2002	228	4.2
2003	224	3.8
2004	223	3.7
2005	225	3.5
2006	241	3.5

Source: Owen Nankivell, (2008) *Local GVA model*;

Earnings

Employee weekly pay – advanced engineering sector [NB Earnings data by employment sector only available at a UK level].

Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007			
Description	Code	Median	AS % of all
ALL EMPLOYEES		374.9	100.0
Publishing	221	431.2	115.0
Publishing of books	2211	513.2	136.9
Publishing of newspapers	2212	386.0	103.0
Publishing of journals and periodicals	2213	460.9	122.9
Publishing of sound recordings	2214	x	na
Other publishing	2215	307.3	82.0

Printing and service activities related to printing	222	457.4	122.0
Printing of newspapers	2221	657.9	175.5
Printing not elsewhere classified	2222	453.2	120.9
Bookbinding	2223	368.8	98.4
Pre-press activities	2224	x	na
Ancillary activities related to printing	2225	516.3	137.7
Reproduction of recorded media	223	x	na
Reproduction of sound recording	2231	x	na
Reproduction of video recording	2232	x	na
Reproduction of computer media	2233		0.0
Manufacture of radio, television and communication equipment and apparatus	32	451.3	120.4
Manufacture of electronic valves and tubes and other electronic components	3210	383.8	102.4
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy	3220	632.5	168.7
Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods	3230	390.0	104.0
Manufacture of optical instruments and photographic equipment	3340	380.7	101.5
Manufacture of musical instruments	3630		0.0
Wholesale of electrical household appliances and radio and television goods	5143	387.3	103.3
Retail sale of electrical household appliances and radio and television goods	5245	271.8	72.5
Retail sale of books, newspapers and stationery	5247	200.2	53.4
Other retail sale in specialised stores	5248	265.2	70.7
Retail sale of second-hand goods in stores	5250	x	na
Renting of personal and household goods not elsewhere classified	7140	x	na
Publishing of software	7221	496.2	132.4
Other software consultancy and supply	7222	668.0	178.2
Architectural and engineering activities and related technical consultancy	7420	546.2	145.7
Advertising	7440	526.8	140.5
Photographic activities	7481	280.8	74.9
Other business activities not elsewhere classified	7487	389.4	103.9
Motion picture and video production	9211	612.0	163.2
Motion picture and video distribution	9212	x	#VALUE!
Motion picture projection	9213	x	#VALUE!
Radio and television activities	922	576.6	153.8
Radio and television activities	9220	576.6	153.8

Operation of arts facilities	9232	x	#VALUE!
Other entertainment activities not elsewhere classified	9234	x	#VALUE!
News agency activities	9240	497.0	132.6
Other recreational activities not elsewhere classified	9272	216.7	57.8

Source: Annual Survey of Hours and Earnings. Table 16.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007.

The table below shows earnings levels in Cornwall compared to both the South West and Great Britain. All data for 2007.

Median Earnings by workplace 2007						
Area	All		All Full-time		All Part-time	
	£	%	£	%	£	%
Cornwall	304.9	81.3	373.3	81.7	140.4	97.6
South West	349.2	93.1	427.8	93.7	144.7	100.6
United Kingdom	374.9	100	456.7	100	143.9	100
Area	Male		Male full-time		Male part-time	
	£	%	£	%	£	%
Cornwall	358.9	77.3	399	80.1	149.7	108.6
South West	441.4	95	476.5	95.6	147.9	107.3
United Kingdom	464.5	100	498.3	100	137.8	100
Area	Female		Female Full-time		Female Part-time	
	£	%	£	%	£	%
Cornwall	239	83.1	344.4	87.4	138.7	95.3
South West	267	92.9	363.3	92.2	144	98.9
United Kingdom	287.5	100	394	100	145.6	100

Source: Annual Survey of Hours and Earnings, (2007). Table 7.1a Weekly pay - Gross (£) - For all employee jobs: United Kingdom, 2007.

References

The Cultural Policy and Planning Research Unit at Nottingham Trent University and Perfect Moment, (2002), *Creative Value, The Economic Significance of the Creative Industries in Cornwall*.

Culture SW (2003), *Joining the Dots*.

Office for National Statistics, (2007), Annual Survey of Hours and Earnings - 2007, Weekly pay - Gross (£) - For all employee jobs.

Perfect Moment, (2007), *Counting on Creativity, An assessment of the impact of Objective One funding on Creative Industries enterprises in Cornwall 2000 – 2006*.

Notes:

Spatial distribution

The maps indicating the spatial distribution of employment and business units use both ward and Lower Super Output Areas. The wards are those used for District Council elections. Super output areas are a new geographical hierarchy designed to improve the reporting of small level statistics. They are now used in preference to administrative boundaries such as wards as they are of roughly equal population levels and are based on the area's characteristics, not historical events. The lower super output areas have a mean population size of 1,500.

Gross Value Added (GVA)

What is Gross Value Added?

GVA measures the contribution each sector, industry or producer makes to the economy, and when added, the total value of economic activity in a particular area. It is used as an indicator of the value of economic activity that takes place within a sector, or area.

DCMS

The following SIC codes were used in the definition adopted by the Department for Culture, Media and Sport.

2211 : Publishing of books
2212 : Publishing of newspapers
2213 : Publishing of journals and periodicals
2214 : Publishing of sound recordings
2215 : Other publishing
2221 : Printing of newspapers
2222 : Printing not elsewhere classified
2223 : Bookbinding
2224 : Pre-press activities
2225 : Ancillary operations related to printing
2231 : Reproduction of sound recording
2232 : Reproduction of video recording

2233 : Reproduction of computer media
2430 : Manufacture of paints, varnishes and similar coatings, printing ink and mastics
2464 : Manufacture photographic chemical material
2465 : Manufacture of prepared unrecorded media
3210 : Manufacture of electronic valves and tubes and other electronic components
3220 : Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy
3230 : Manufacture of television and radio receivers, sound or video recording or reproducing apparatus and associated goods
3340 : Manufacture of optical instruments and photographic equipment
3630 : Manufacture of musical instruments
5143 : Wholesale of electrical household appliances and radio and television goods
5147 : Wholesale of other household goods
5245 : Retail sale of electrical household appliances and radio and television goods
5247 : Retail sale of books, newspapers and stationery
5248 : Other retail sale in specialised stores
5250 : Retail sale of second-hand goods in stores
7140 : Renting of personal and household goods not elsewhere classified
722 : Software consultancy and supply
7420 : Architectural and engineering activities and related technical consultancy
7440 : Advertising
7481 : Photographic activities
7487 : Other business activities not elsewhere classified
9211 : Motion picture and video production
9212 : Motion picture and video distribution
9213 : Motion picture projection
9220 : Radio and television activities
9231 : Artistic and literary creation and interpretation
9232 : Operation of arts facilities
9234 : Other entertainment activities not elsewhere classified
9240 : News agency activities
9272 : Other recreational activities not elsewhere classified

Sector profiles in this format:

Advanced Engineering
Agriculture & forestry
Agri-food
Creative industries
Environmental Technology
Fishing
Food and Drink
Information & communication technology
Manufacturing
Marine
Medical & health
Tourism
Voluntary

For further information about this or the other profiles in the series please contact Peter Wills, Corporate Economy and Europe Unit, Cornwall County Council: 01872 322520, pwills@cornwall.gov.uk