Research & Mapping of the Creative & Digital Sector in Pennine Lancashire

Creative Lancashire

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Final Report

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in association with
Winning Pitch

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1. Introduction

This research project was commissioned in mid-2008 by Creative Lancashire and Arts Council England North West in support of the establishment of a Pennine Lancashire Creative Industries service and the appointment of an officer at the end of 2007 to undertake development work in the area.

The Pennine Lancashire creative industries role is a geographically focused element of the role that Creative Lancashire plays in the sub-region as a whole. Working across the boroughs of Blackburn with Darwen, Burnley, Hyndburn, Pendle, Rossendale and the Ribble Valley, the development role aims to work with local businesses to help them grow and develop.

A range of services has been devised and a start has been made on delivery of these services that aim to help businesses in the area. This includes one-to-one business support, the establishment of creative learning groups and the development of a creative network.

The research has been commissioned to help accelerate Creative Lancashire's understanding of the make-up of the sector in the area - its size, strengths, weaknesses and primary attributes – and to develop a detailed understanding of the key issues for the sector to facilitate improved and targeted interventions by Creative Lancashire in support the sectors growth.

Burns Collett and Winning Pitch, two independent research and business development consultancies, were jointly commissioned to undertake this work throughout the second part of 2008.

In agreeing a detailed brief with Creative Lancashire and Arts Council England, we agreed a core set of objectives for the research as follows:

To provide a picture of the Creative and Digital Sector including:

- The make up and structure of the sector in terms of key companies, size including turnover and employment figures, location whether rural or urban, structures including social enterprises and sole traders, cultural and ethnic diversity, services offered, markets and customers serviced
- Genesis – where businesses come from and how did they got to where they are now
- Geographical 'hotspots' for clustering of companies
- Aspiration levels in terms of growth and development, star performers with high growth potential, strengths and weaknesses
- Peoples perceptions of creative industries and the opinions of the business support structures and services currently provided

To measure demand for physical regeneration, and specifically workspaces, in the area.

The research needs to discover:

- The current whereabouts of creative and digital companies
- The level of demand for new facilities
- The requirements of the sector in terms of services and support
- The IT requirements of the companies
- What the market is prepared to pay for leasing or licensing facilities
- Whether or not virtual incubation products and services might be valuable

To provide access to qualitative information about the sector in the Pennine Lancashire part of the sub-region to include:

- Identification of the dominant sub sectors represented in the East of the County in relation to the area's history in manufacturing and textiles
- The links between the creative industries and the visitor economy of Pennine Lancashire and how they might be further developed
- The identification of any high growth companies that can be assisted to realise that growth
- A clearer understanding of the supply chains and routes to market present in the geographical area and how these relationships might be strengthened
- Any perceived weaknesses in the sector either in services provided or in supply chains
- The major developments in the North West both commercial and cultural that they recognise as impacting on their businesses
- The technological changes taking place that they fell will impact on their businesses
- The physical regeneration of Pennine Lancashire and how that will impact on their businesses

During the commissioning phase, we added an additional objective which is extrapolated from Objective 1, to:

Develop improved penetration of 'hard to reach' communities within the area and to develop an understanding of the needs of creative businesses that are not in regular contact with the mainstream or creative sector support agencies.

2. Methodology/Approach

The research phase of the project took place between June and November 2008 and had four distinct phases to it.

Phase 1: Orientation, secondary research, stakeholder consultation and development of a detailed survey questionnaire.
Phase 2: Face-to-face consultation with Business Support Agencies
Phase 3: Primary research through a detailed telephone survey of creative businesses in the area.
Phase 4: Follow-up consultation through focus group work
Phase 5: Assimilation and analysis of findings

2.1 The Survey

A telephone survey was undertaken between 10 September 2008 and 1 October 2008 by our market research partners, Key Data. The company approached 500 businesses in the area that fitted reasonably well within a creative sector definition. This research phase secured 90 completed interviews based on a questionnaire that covers the key issues set out in the objectives for the research.

One rider that must be made in undertaking this survey is that it coincided with an unpredicted period of fundamental instability at a national and a global level with the bankruptcy of Lehman Brothers taking place on 15th September 2008 and which precipitated an acute financial crisis that affected UK banks and associated institutions throughout September and October. The uncertainty that this crisis caused may have had some impact on the results of the survey and is certainly reflected in the respondents understanding of current barriers to the growth of their businesses with 30% considering the current global economic situation providing the most significant, single barrier to growth.

2.2 Focus Groups

Three focus groups were held throughout November 2008 with a view to testing issues and findings from the survey with smaller groups of creative businesses in the area and to provide a forum to challenge or reinforce some of these findings. Focus groups were held in Burnley and Blackburn (two small groups in Blackburn, one larger group in Burnley). We also attempted to generate some targeted feedback from BME businesses in the area through these focus groups by working with Enterprise4All to set up one of the Blackburn groups. Whilst this group turned out to be exclusively a women's focus group, none of the businesses from the BME communities attended the focus group.

This lack of penetration into the areas BME creative sector businesses is reflected in the survey and, to a large extent, the database of businesses in the area. This is an area that we consider key in understanding the dynamics, potential growth points with in the area and also to generate an understanding of where and how businesses within the area are trading nationally and internationally.

In this respect, we do not feel that this research has been successful in penetrating this part of the sector and that potentially, amore active, project oriented approach might work better in developing these contacts and intelligence. (See headline findings)

The profile of each focus group differed and enabled the researchers to investigate issues in mature businesses, women led businesses, fledgling companies, sole traders and representatives from academia.

3. Headline Findings

This research project is not intended as a strategy for the implementation of a development programme for the creative sector in Pennine Lancashire but rather as a set of information and tools that will support the development and implementation of a strategy as well as the delivery of tactical support activity for the sector.

However, throughout the consultation and research process, a number of key themes and specific issues have come to the fore which it is appropriate to set down as part of this report as guidance for the interpretation of specific and general findings.

3.1 Themes

Three themes come through the research and consultation work. These are:

Confidence

There is a need to build on the confidence of the sector on the one hand and to build greater confidence in the sector by external organisations on the other. In particular, confidence in the sector can be developed through support to improve tendering processes for public and private sector work and through strategically positioned activities that profile the strengths of the sector to a wider local business audience.

Aspirations

Many small creative businesses in the area appear to have relatively low aspirations with a narrow focus on local markets and little activity in national and international sales. Raising aspirations can include support to explore new markets and to work with mentors to develop entrepreneurship skills in a wider national and international environment

One means of addressing this theme is the use of local heroes – profiling those individuals and small businesses who have achieved real success in their fields - to encourage local creative businesses to raise their game and start to develop untapped potential in the sector.

Linkage

Businesses in the sector need support, advice and motivation to link into both local and wider opportunities. There are also some real opportunities to build on the networking activity that has developed in wider Lancashire and bring the benefits of these activities to Pennine Lancashire including:

- Linking creative businesses into opportunities that exist and those that are in development (MediaCityUK for example);
- Supporting the development of creative business networks and supporting creative enterprises in accessing cross sector networks;

- Developing on-line networking opportunities (ref. kin2kin on Merseyside);
- Linking creative enterprises into business and skills development opportunities;
- Helping creative enterprises access work through improved understanding of tendering opportunities

Many of the potential wins associated with these themes can be achieved through an advocacy role alongside PR and marketing activity. These can include:

- Supporting projects that help profile the strengths of the sector to the public and private sector purchasers;
- Collaborate with other agencies to raise the profile of the area regionally and nationally and place creative enterprises at the centre of that profile-raising;
- Building on existing events aimed at profiling the sector and increase the visibility and impact of these activities.

3.2 Specifics

On more specific points, the headline findings from the direct research and consultation work are:

- The sector in the area is a relatively **stable group of businesses** with the expected creative sector profile of a large number of very small businesses and a small number of medium to large size businesses. 51% of respondents to the survey were sole traders.

- There is little interaction between businesses (particularly smaller businesses) across the region and markets for business in the area are relatively limited with the majority of businesses trading locally and relatively few businesses trading internationally. This **lack of interaction between businesses** is often geographically based.

- There is, however, real potential to improve connections and inter-trading between businesses within the sector and with businesses outside of the sector through the development of branded, targeted **networking** events and the development and launch of an on-line business networking facility that builds on the popularity and effectiveness of social networking sites.

- There are, however, a number of examples of businesses that have traded successfully from the area, undertaking high profile assignments in international markets. These companies could be used as both mentors to smaller businesses wishing to engage in international trade and/or as **'local heroes'** – case studies that can be used:
    - To raise the profile of the sector in Pennine Lancs
    - To raise the aspirations of other creative businesses in the sector
    - To contribute to image campaigns for Pennine Lancs in general

- There appears to be real potential in holding events in the region with businesses that may benefit from supply chain linkages into Greater Manchester and in particular, **MediaCityUK**. There is, however, an issue of lack of proximity to the area of any of the proposed Media Access Bureaux that will provide access to facilities and to NorthernNET.

- **Local sourcing** by larger companies in the area and particularly by public sector bodies is considered to be weak by many companies in the creative sector of Pennine Lancashire. Whilst there are some good examples of local sourcing working well, there is a greater number of examples of small businesses frustrated by larger companies and public sector organisations not recognising the skills and talents that exist within Pennine Lancashire. There are some easy and quick wins that could be created by focusing on improving the profile of local creative businesses and improving their potential to trade with larger companies in the locality. This profile raising and supply chain linkage can be facilitated through activities such as:
    - 'Local Heroes' (see above)
    - Focused networking activities that include specific activities to bring companies with complementary skills and experience together
    - Increased take up of the Creative Lancashire offer through the directory, forums and on-line inter-trading activities
    - Business skills coaching to support emerging and established businesses in the sector to improve their marketing and pitching capabilities.

- **Local Authority procurement** processes have been singled out as a substantial barrier to small businesses generating local business. A clear barrier to accessing public sector contracts appears to be a lack of knowledge about the procurement process and how small businesses can meet the procurement requirements set by public bodies. One of the networking/surgery activities adopted by the Pennine Lancashire cold be based around public sector procurement processes to enable those businesses with the capacity to adopt a pro-active approach to sales to the public sector.

- There are substantially-sized **BME communities** in towns across Pennine Lancashire and our contact with stakeholders, business support agencies and a small number of BME-led businesses suggests that there is a reasonable level of 'hidden' creative industries enterprise activity taking place within these communities. Additional work needs to be undertaken to make connection with these businesses and to develop an understanding of their trading patterns, growth barriers and support needs.

A desk/primary research process has not been successful in penetrating these 'hard to reach' businesses. We would recommend some action-based research through the establishment of an (initially) small forum for BME-led creative businesses that could develop into a wider network. This in turn would facilitate contact, intelligence and linkages between businesses and potentially between communities in the area.

- Whilst the overall findings about **workspace** in this research project do not point to a need for substantial, additional workspace for the sector we do note that there is a wide range of different type of workspace need within the creative sector as a whole. This can range from high specification space with substantial technology needs through to light industrial workshop space and most points in between.

  Given the wide spectrum of requirements by the sector, we would recommend that geographically specific or sub-sector specific workspace demand and supply studies are undertaken as and when required to identify latent demand for different types of provision in the area.

  For example, this study does not provide a sufficient level of detail to draw firm conclusions about levels of demand in Pendle and surrounding areas in support of the Pendle ACE building.

- The lack of close proximity of one of the proposed **Media Access Bureaux** to large parts of Pennine Lancashire is likely to contribute to continuing feelings of isolation amongst local digital and creative businesses.

  Whilst neither of the local partnerships (UCLAN/ Burnley; Blackburn with Darwen) was successful in their original tender to establish a Media Access Bureaux in Pennine Lancashire, there may well be a case to be made to NorthernNET/The Northern Way to consider the area as a second phase priority based on:
    - Potential demand in the area
    - Supporting rural business connectivity through the good proximity of towns in Pennine Lancs to rural areas
    - Potential for Pennine Lancashire MAA to generate the cross-authority partnership working that will be needed to bring a Media Access Bureaux to the area.

4. Background/Context

4.1 Pennine Lancashire

The scope of this study is across an area now known as Pennine Lancashire. This includes 6 local authorities – Blackburn with Darwen; Ribble Valley; Burnley; Pendle; Hyndburn and Rossendale . Pennine Lancashire is a relatively new 'branding' for the area formerly know as East Lancashire. The area has no single urban focal point but is characterised by a distribution of small, medium and large towns – essentially former industrial centres – surrounded by stunning rural areas. The area stretches from Colne, Nelson and Burnley where the Pennine moors start opening out into the Yorkshire Dales in the east to the M6/M61 motorway links in the west and from the Forest of Bowland in the North to the edge of the Greater Manchester conurbation in the south.

The area suffered a dramatic decline in traditional manufacturing in the 1970s and 1980s and whilst there has been a considerable amount of regeneration activity in the area over the past 15 years, the area has not benefited from the diversification that is apparent in other parts of the North West, there are high levels of worklessness, low levels of productivity and a low-wage, low value culture in employment in the area. GVA in the area lags behind the national and regional averages.

East-west transport links are reasonably good with the relatively new extension of the M65 connecting the east of the area directly into the northern motorway networks where it joins the M6 and M61 south east of Preston. Equally, the rail links go across the region linking Preston and Blackpool with the former industrial towns of east Lancashire and into West Yorkshire. The Leeds Liverpool canal provides a further communication route east-west across the area.

At the far western edge of the area, the M6 motorway and West Coast mainline railway connect to Manchester, The Midlands and north to Scotland. There are no north-south rail links in the rest of the sub-region. The M66 connects the M65 down to the M60 from the heart of the area.

Whilst some of these transport links have improved over the past few years, access to Manchester from the centre and east of the region still remains difficult with road links only and commuters into Manchester relying on a frequent bus service.

4.2 Ethnic Diversity

The area has considerable cultural diversity with a large Asian population in Blackburn and smaller communities in Burnley, Pendle and Rossendale. Blackburn, for example, has an ethnicity profile of White 78%; Mixed 1% Asian 21%; Other 1%. The Asian population of Blackburn is split 52% Indian; 42% Pakistani; 6% Other Asian. (Source: CRE).

In terms of enterprise, the research for the recent LEGI bid identified the large number of 'hidden' enterprises operating in the Asian communities as one of the potential future enterprise strengths of the area.

4.3 Enterprise context

In Spring 2004 a series of reports was commissioned to inform the Elevate Housing Market Renewal programme. The report findings can be summarised as:

- Complacent culture in business.
- Severe pockets of deprivation.
- Rates of worklessness in some wards are over 50%.
- 13,000 fewer graduates than other sub-regions.
- Lack of ambition and low expectations.
- Shortage of quality employment sites & premises.
- Few local strategic sites.
- Lack of modern office accommodation.
- Town centre environments poor.
- Few problems of local congestion.
- External communications links need improving.
- Low wage, low skills, low productivity equilibrium.
- Relatively high manufacturing base, despite the continued loss of manufacturing jobs.
- Manufacturing mix of high & low value added.
- Limited commercial / financial sectors.
- Growing but underdeveloped construction sector.
- Service sector consists of low value added, non tradable services
- Growth in part-time work.
- Growth in out-commuting.
- No major public institutions, utility companies & few plcs.

Enterprise is one of the six key intervention themes identified by Elevate for the achievement of continued growth in the Pennine Lancashire economy. Within the successful LEGI bid for the area, there is an opportunity to develop the theme further, focusing on *the individuals*, *the communities and the businesses* in the most deprived areas.

4.4 Enterprise – the trends

There is a significant enterprise gap in Pennine Lancashire in relation to Lancashire as a whole, the North West and National averages. One measure of this is through the performance of births, de-registrations and stock of VAT registered businesses. Pennine Lancashire significantly under-performs against sub-regional, regional and national levels of VAT start-up and stock.

4.5 The Digital & Creative Industries in Pennine Lancashire

Prior to this study, there has been no detailed work to assess the needs of creative enterprises in the area and consequently, there is little data available to profile the sector in the region.

Our initial work on a database for survey work indicates that Pennine Lancashire is not dissimilar from other urban/rural areas in the make up of the creative sector – a very small incidence of large, businesses often linked to more corporate activity and a high incidence of small businesses and particularly, sole traders operating at the margins of survivability.

The final database we developed for the project consisted of 566 enterprises in the area. We do not have a reliable breakdown of how the 13 sub-sectors in the creative industries are represented amongst these businesses.

From an analysis of Office of National Statistic (ONS) figures, we can estimate that there are 594 VAT/PAYE registered creative industries businesses in the 6 local authorities and using a modeling process developed by University of Leeds and adapted by Burns Collett for the Impacts 08 programme in Liverpool, we would estimate that there are **1,700 creative enterprises across the area generating 5,100 jobs.** (2006 estimates).

4.6 Regeneration initiatives

This research has been undertaken in the context of a number of complementary local initiatives including:

Elevate is one of the Government's Housing Market Renewal pathfinders, charged with finding innovative solutions to the problem of low demand and housing market collapse in towns across Pennine Lancashire.

A major part of the programme focuses on improving the quality and diversity of the housing stock, but the challenge is greater than that. Sustainable neighbourhoods cannot be created through housing renewal alone and Elevate is working with public and private sector partners – including the local authorities of Blackburn with Darwen, Burnley, Hyndburn, Pendle and Rossendale, and Lancashire County Council - to improve economic prosperity, the environment, community safety, cohesion, educational attainment and health in Pennine Lancashire.

Elevate runs a Creative Community Engagement programme. It is a legal requirement to engage communities through the Planning Policy Statement 1 'Statement of Community Involvement' and a requirement for Elevate funding. Elevate has chosen to extend it's obligations in this area as it recognises the value of using creative practitioners in the this process to help increase local community skills, people's abilities to make decisions and to build confidence to take effective action. Creative engagement is administered to do this and the outcomes can assist the development of briefs for artists, consultants, master-planners and developers.

Elevate has also undertaken research into opportunities for live music and venue development in Pennine Lancashire and is working towards securing resources to improve the facilities available to young and emerging musicians in the area.

Living Places is a programme based on the agreement between 5 of the leading cultural agencies: Arts Council England, the Commission for Architecture and the Built Environment (CABE), English Heritage, the Museums, Libraries and Archives Council (MLA) and Sport England; their sponsoring department the Department for Culture, Media and Sport (DCMS) and the Department for Communities and Local Government (DCLG) and the Homes and Communities Agency (HCA). This is the first time the five cultural agencies, DCLG, DCMS and HCA have come together formally to work together on supporting the role of culture in communities.

The aim of Living Places is to ensure that all communities, particularly those experiencing housing-led growth and regeneration, can benefit from cultural and sporting opportunities. By working together, the partners will ensure that culture is embedded in the development of our villages, towns and cities alongside other key areas of provision such as healthcare and transport.

Pennine Lancashire was selected as a Priority Place in response to housing market renewal issues.

In parallel with Creative Lancashire's survey work for the creative sector in Pennine Lancashire, the Living Places partnership has commissioned a mapping study of the cultural sector in Pennine Lancashire. This reports in early 2009.

No Limits is the LEGI programme for parts of Pennine Lancashire and is the central gateway to a range of successful support projects that can provide support people with new and growing businesses.

The initiative has put in place a number of projects aimed at getting investment into small businesses, developing environmentally friendly businesses, creating enterprise havens in accessible locations, mentoring and advice as well as initiatives to support young people into enterprise and to support women running businesses in the area.

Creative Lancashire's Pennine Lancs Creative Industries Officer and associated work programmes are funded through the No Limits programme.

The Local Economic Partnership is the lead strategic body that promotes economic growth throughout Lancashire. The Partnership has developed from a merger of the Lancashire West Partnership and East Lancashire Partnership.

It includes partners that represent a wide cross-section of interests including local authorities, the private, voluntary & community sectors; health, transport, tourism, housing, education & training and business support.

In the summer of 2004 Lancashire's existing economic partnerships - Lancashire West and East Lancashire - joined forces to create one voice for Lancashire. The new organisation - Lancashire Economic Partnership - assumed responsibility for the joint role in April 2005.

Pennine Lancashire MAA. In January 2009, a new partnership was established to give the Pennine Lancashire region more local autonomy to deliver a home-grown economic plan with transport, jobs and skills priorities

The new council partnership, known as the Pennine Lancashire Multi-Area Agreement (MAA) will transfer from central government greater responsibilities in fifteen areas covering employment, skills, transport, regeneration, housing and planning helping to grow the local economy by almost £400m.

The Pennine Lancashire MAA has taken responsibility to deliver a co-ordinated cross council plan to strengthen and connect the stretched economy in the area.

Creative Lancashire is the creative sector development agency for the Lancashire sub-region and supports the strategic development of the sector in the area. The aim of Creative Lancashire is to put Lancashire on the map as a centre of innovation excellence and to help creative businesses realise their commercial ambitions .

Creative Lancashire provides creative businesses with bespoke advice and a range of services to aid growth and to help businesses fulfill their potential. These include Sizzle, Hyphen, Group Hub and Supersonic – a series of networking events around the region - as well as business advice and support sessions and one-to-one signposting. They also commission research on behalf of the sector.

Arts Council England is the national development agency for the arts in England and supports a range of artistic activities from theatre to music, literature to dance, photography to digital art, carnival to crafts. At a national level, Arts Council England works closely with government departments in support of improved policy making and national investment in the creative economy.

At a regional level, Arts Council England North West is a key supporter of the creative industries and works closely with sector support agencies and regional and sub-regional development agencies to ensure that the creative industries are kept high on the agenda for business and skills development, investment opportunities and incubation, managed workspace and studio workspace development initiatives.

ACE’s creative industries team also works with special initiatives (for example, Housing Market Renewal programmes) to promote support for and the role of creative entrepreneurs at a local community level.

4.7 Business support & skills development

The Business Support Simplification Process (BSSP) aims to make it easier for companies and entrepreneurs to understand and access government funded grants, subsidies and advice with which to start and grow their businesses.

In March 2008 the Government published 'Simple Support, Better Business: Business Support in 2010', which set out the vision for business support in the future.

In October 2008 it announced that a streamlined package of support called 'Solutions for Business' would be in place by March 2009. This package includes 30 national support products with a common look and feel accessible via Business Link.

The BSSP (led by BERR) aims to make access to government funded services and advice easier for business. The aim is to reduce the number of support schemes from over 3,000 to fewer than 100 by 2010. There were 1500 schemes prior to the simplification process in the North West.

Business Link is to be the main gateway to information and support through a range of channels. Advisers will work with companies to create a specific and targeted bundle of support for client SME's. The 100 or so initiatives (under the banner of 'Solutions for Business') will each be concerned with specific issues. Any services that do not fit into these categories will be discontinued. Regions, will then be able to provide products that reflect locally identified need. In the North West, the key players are the NWDA and Government Office I taking this area of activity forward.

A synopsis of the national 'Solutions For Business' products are presented in Appendix 5.

North West Regional Update
Work began back in 2006 with the transformation of Business Link across the Northwest and the positioning of the Business Link brand as the primary gateway to business support since its launch on 1 April 2007.

A Regional Steering Group was convened in June 2007 to act as a consolidated voice for the Region into the national programme development. It brings together 18 key members from private, public and academic sectors, and is chaired by a private sector business owner and Vice-Chair of the Institute of Directors NW.

The Region has held two Stakeholder Events to date, with a third to come on 23rd April – these events have attracted over 350 delegates so far and have enabled the Region to share views and move forward on how business support can be simplified in the Northwest.

The NWDA has been constantly reviewing how it targets and deploys funds for business support activities through its investments made via the Regional Strategic Investment Plan, Sub-Regional Action Plans, Urban Regeneration Company Plans and European Funding Sources such as European Regional Development Fund (ERDF) and Rural Development Programme for England (RDPE).

The GONW is also actively promoting simplification to Local Authorities and their partners and encouraging them, as part of the Local Area Agreement discussions and new European Social Fund to simplify their support in line with simplification principles.

The Beacons Project

At a national policy level, Commitment 13 of Creative Britain sets out a challenge to improve the way that business support is delivered to the creative industries:

“The RDAs will develop a network of business support leads for the creative industries to ensure the best services are delivered to the Creative Economy. RDAs in the South West, South East, North West, North East and West Midlands will ensure that they maximise the impact of business support for the creative industries.”

The Beacons Project was initiated by BERR and DCMS to deliver Commitment 13 of the Creative Britain strategy. The Beacon contract is being handled by SWRDA and delivered by Manchester creative economy consultants, The White Room. The Network is Chaired by Lara Ratnaraja of BL:WM.

The project is designed to:

- Forge links with a national network of specialist advisors
- Identify, evaluate and disseminate of good practice in creative business support
- Assess & analysis quantitative and qualitative data to determine effective ROI
- Raise awareness of good practice within the sector
- Research evidence and evaluate good practice in Regional Business Links
- Work with Business Link to share that knowledge & good practice
- Work with the network to develop an Evaluation Framework and Impact Assessment Tools for their work going forward.

The project is currently working with 6 of the English regions including the North West.

5. Geography and Place

Geography and place have been recurring themes of this research project. They were initially identified in the brief as important aspects of the research, and location and 'stickability' of place were key outcomes from the telephone survey. The focus group discussions also raised a wide variety of issues to do with location, geography, transport links, place-making and identity.

Groundbreaking regeneration work by the late Anthony Wilson and his partner Yvette Livesey started the journey of bringing a new sense of place to the area – partly by developing a new 'brand' for the area. No longer the old East Lancs, a geographic signpost in the larger Lancashire County, but now a place with its own developing identity firmly rooted in the Pennine Hills. Pennine Lancashire even has its own flag now as part of the push to develop a more cohesive sense of place.

Importantly, the pioneering work of Wilson and Livesey centred very much on place but also on culture and creativity, two drivers for positive change.

This project's research work focused quite strongly on place and geography. We wanted to know how long businesses have been operating in the area, where they had come from or if they have always been here, who they trade with and where they find their suppliers, what their perceptions and attitudes are to their urban neighbours in Leeds and Manchester.

5.1 Local Identity

A strong sense of local identity was expressed by a wide range of respondents and stakeholders throughout the research project. However, this sense of identity appears to be very localised and there appears to be little 'flow' between different parts of the area. This view was expressed by respondents, focus group members, development officers in enterprise agencies, arts officers and network organisations and appears to be fairly deeply ingrained.

The strong sense of place is re-enforced by the survey findings which identifies a stable creative sector in the area in the sense that there is little movement of businesses in and out of the area. Of the respondents to the survey, the majority (70%) have always been based in Pennine Lancashire with a further 10% previously based elsewhere in Lancashire and the balance spread throughout the UK including a small number (3%) having located to Pennine Lancashire from overseas.

There is a strong correlation between the mean for the number of years trading by respondents to the survey (11) and umber of years trading in East Lancashire (10). Equally, in the workspace part of the survey, of those respondents likely to move within the next a very small number (6) are planning to move out of the area. These results indicate a relatively stable sector in the area.

The majority of respondents to the survey are located in the urban parts of the area (55%) with 29% located in semi-rural locations and only 17% in rural areas. Blackburn with Darwen (40%) and Pendle (21%) provided the majority of respondents to the survey. Blackburn with Darwen's dominance of the sector with 34% of businesses in the original combined database with Burnley having 17% of these businesses and Accrington 11%.

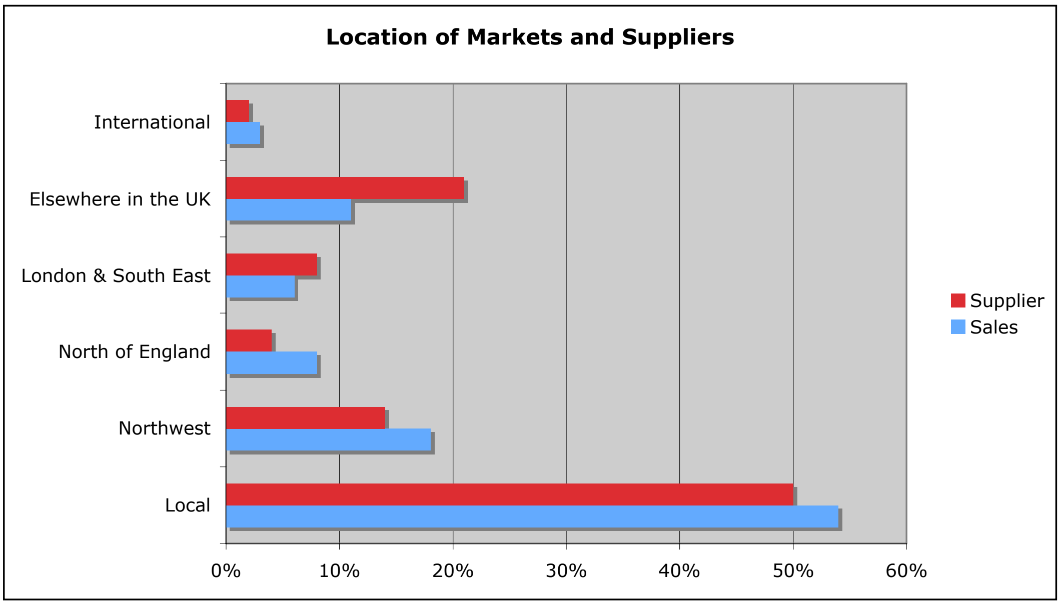
There is some sense of isolation from the rest of the Northwest region, from Manchester and to some extent, from Lancashire as a whole

The area is considered to have poor transport links North-South into Manchester and there is little perception of Manchester as a trading route for creative businesses in the area. In this respect, there is little awareness of major regional developments such as MediaCityUK in Salford. Where there is some awareness of MediaCityUK, it is not seen as a substantial opportunity for the creative sector in Pennine Lancashire. Only 34% of respondents were aware of the MediaCityUK development and of those, a very small percentage (6%) consider it will create real opportunities for their businesses. This was backed up by focus group feedback and reflects the markets that these businesses operate in.

Feedback from focus groups is that the area is not promoted sufficiently and that an improved image could be generated by more promotion of the area – particular in relation to its geography. Equally, however, there was (as yet) little affinity with the Pennine Lancashire brand but rather a stronger allegiance or identity with towns within the area.

6. Supply Chains and Markets

Looking at where the sample of creative businesses in the survey (89) trade and source supplies, the clear indications are that the sector in Pennine Lancashire predominantly trade locally, followed by the wider Northwest and elsewhere in the UK. The results for both Sales and Suppliers are:



These figures indicate a sector with relatively local markets where most trading – both sales and supplies – takes place within a very local or regional area. Whilst this is relatively healthy in terms of supplies – local creative enterprises are sourcing locally, it is potentially less healthy in terms of markets where a narrow market band can present a picture of businesses unlikely to be able to cope with substantial shifts in markets.

However, these figures also need to be seen in context of the types of businesses that responded to the survey and the profile of the sector as a whole which is weighted towards sole traders, many of whom are providing specialised services. Whilst some businesses we talked to in the focus groups trade almost exclusively on an international level, the smaller enterprises often trade locally and have little capacity – because of the nature of their product or service – to trade on a wider scale.

There were, however, a number of clear issues that were raised in the focus groups and through stakeholder consultation around local sourcing of creative services and products and public sector procurement of creative services and products which impact on the ability of local businesses to win important local contracts.

Delegates at the focus groups from the larger more mature companies stated major customers were not locally based. However 80% of delegates at the focus groups were small/micro businesses. They tended to have customers who were locally based. The business support agencies (who interact mostly with small companies) confirmed this with. creative companies in Pennine Lancashire dependent on the area in terms of supply chain and customer base – they can almost be parochial and insular and are perhaps missing out on opportunities outside Pennine Lancashire.

The position of commissioners of public sector contracts came under general criticism. Delegates felt the work of local creative companies is not recognised by public sector buyers who do not give local companies enough access to contracts. Interviewees considered local companies from the creative sector are not valued and recognised and therefore a familiarisation initiative delivered to buyers on the benefits of working with local creative companies and on the advantages of the service they provide would be useful and would stimulate more work.

6.1 Wider Supply Chain Issues: MediaCityUK

MediaCityUK will be the UK's first purpose-built media city at Salford Quays. It will be an internationally significant hub for the media and creative industries that will deliver a new broadcasting centre for the UK with the leading broadcast, media and technology brands at its heart. The hub is currently under construction with the first phase, The Pie Factory, opened in 2007 and already home to new productions.

MediaCityUK aims to create a new environment for the biggest names in broadcasting and new media to flourish. Designers, programmers, advertising, video games, music and much more will locate to form a creative hub. It will deliver the best possible facilities in a purpose-built location, providing a robust infrastructure for major broadcasters to operate 24/7, with the flexibility to adapt to the changing needs of the industry.

Once complete, MediaCityUK will deliver over £200 million in additional net value added each year. It will attract private investment of over £300m in the first phase alone, provide space for an estimated 1,150 media, creative and related businesses and provide employment opportunities for 15,500 people. MediaCityUK will provide new training and skills development opportunities for local people and a training ground for the next generation of media professionals

A key strategic aim of MediaCityUK is to spread the impact and benefit of the cluster across the north of England, helping to grow the digital and creative industries sector. A high speed fibre-optic network, NorthernNET, will connect digital and creative industries businesses across the north. MediaCityUK will sit at the heart of this network.

Media Access Bureaux. Physically, the Northern Way initiative, is investing in a number of Media Access Bureaux that link with NorthernNET. A NorthernNET Media Access Bureaux is a public access point to the network equipped with a range of industry standard equipment which includes storage facilities, Ingest digital transfer systems, editing facilities, presentation and conferencing facilities and at least one dedicated room available for hire by companies to allow access to the NorthernNET network and equipment.

An initial group of 15 Media Access Bureaux will be launched in April 2009 across the three northern regions and subject to technical suitability, a further 3 bureaus will go live in the North West before the end of the year.

A competitive tendering process has helped identify suitable partners for the development and management of these Media Access Bureaux. Whilst there were two expressions of interest from two separate partnerships in Pennine Lancs (UCLAN for their new University College site in Burnley and Blackburn with Darwen unitary authority), initially, there will be no direct access the facilities and connectivity afforded by these bureaus for businesses in the Pennine Lancashire area.

In terms of nearest proximity to Pennine Lancashire, Media Access Bureaux will be established in Preston, Lancaster, Leeds and Bradford.

6.2 Potential impact in Pennine Lancashire

The MediaCityUK development should create real opportunities for Pennine Lancashire.

However, the survey of creative businesses in the area indicates that little is known by local companies about the MediaCityUK project.

There appears to be a lack of understanding of potential benefits, opportunities, and impact on creative companies in Pennine Lancashire.

The initiative is considered to be Manchester centric and of little concern to Pennine Lancashire companies.

For example, members of the focus groups stated:

- No idea what it is - Little knowledge of any potential opportunities
- They did not think it would have any impact on PL – except for a few specialist companies
- Manchester can seem a long way to go for customers (in their businesses)
- Limited opportunities and little impact

Interviews with Business Support agencies indicate that whilst all felt MediaCityUK would offer opportunities for the sector, they were unsure of how to access the potential benefits of the initiative.

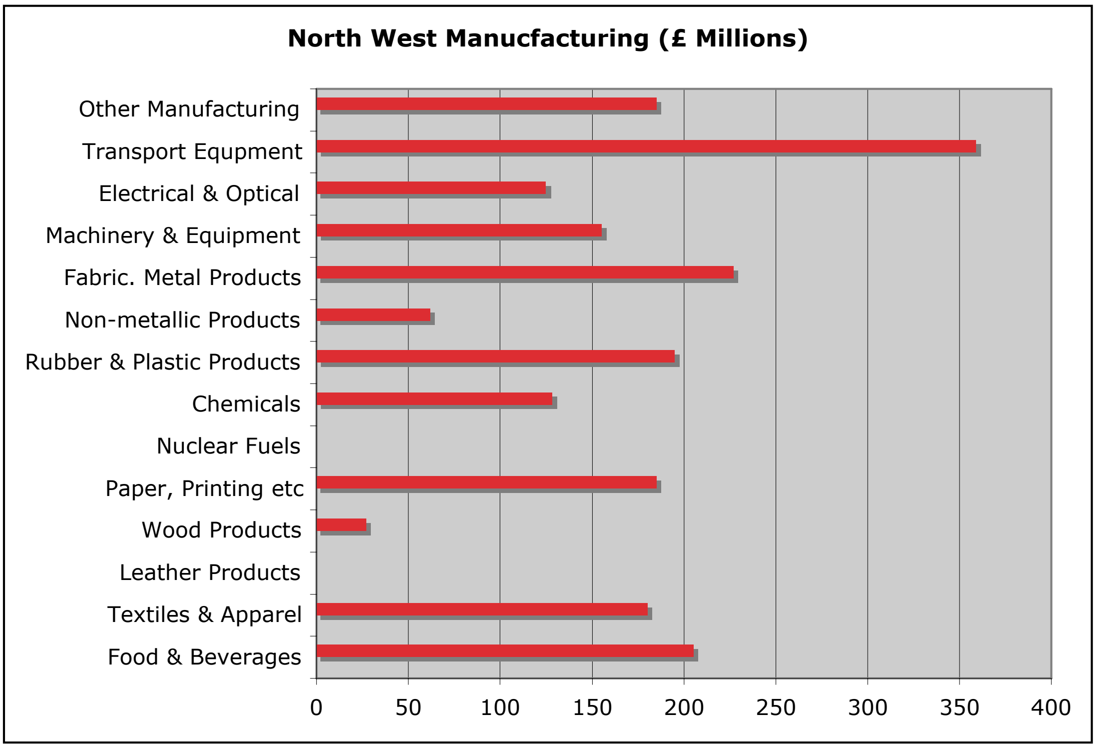
Media Access Bureaux

The lack of close proximity of one of the proposed Media Access Bureaux to large parts of Pennine Lancashire is likely to contribute to continuing feelings of isolation by local creative businesses. Whilst either of the local partnerships (UCLAN/ Burnley; Blackburn with Darwen) was successful in their original tendering for support for a Media Access Bureaux within Pennine Lancashire, there may well be a case to be made to NorthernNET/The Northern Way to consider the area as a second phase option based on:

- Potential demand in the area
- Supporting rural business connectivity through the good proximity of towns in Pennine Lancs to rural areas
- Potential for Pennine Lancashire MAA to generate the cross-authority partnership working that may be needed to bring a Media Access Bureaux to the area

6.3 Wider Supply Chain Issues: Links to manufacturing

Around half of Lancashire's manufacturing jobs are concentrated in the Pennine Lancashire area. The profile of the manufacturing sector is as follows:



Source Lancashire County Council

The East Lancashire Chamber of Commerce has predicted five thousand East Lancashire jobs could be lost in 2009 as a result of the recession (across all sectors). However, the Chamber has stated that the manufacturing sector is holding up because of a strong link to the defence sector and because of the relatively low reliance on the car industry. The GMB Union, on the other hand, is more pessimistic about the outlook for manufacturing in the sub-region.

The opportunities for the creative sector based in Pennine Lancashire will potentially come from being part of the supply chain to the manufacturing sector particularly in areas of design, IT, marketing, advertising and printing. It is important for business support organisations to work cross-sector and to promote the benefits a creative company can bring to manufacturers.

There may also be opportunities from the larger manufacturing companies through investment in companies from the creative sector. For example, the tyres giant Michelin has made over £750,000 available in loans to companies in East Lancashire. In the last four years Michelin has supported over 30 companies in the Pennine area including companies based in Pendle, Rossendale, Hyndburn, Ribble Valley and Burnley. (*Source: Burnley Council*). Money tends to be used for expansion plans.

It has been suggested that building links with the manufacturing sector would be of benefit to the Creative Industries based in Pennine Lancashire.

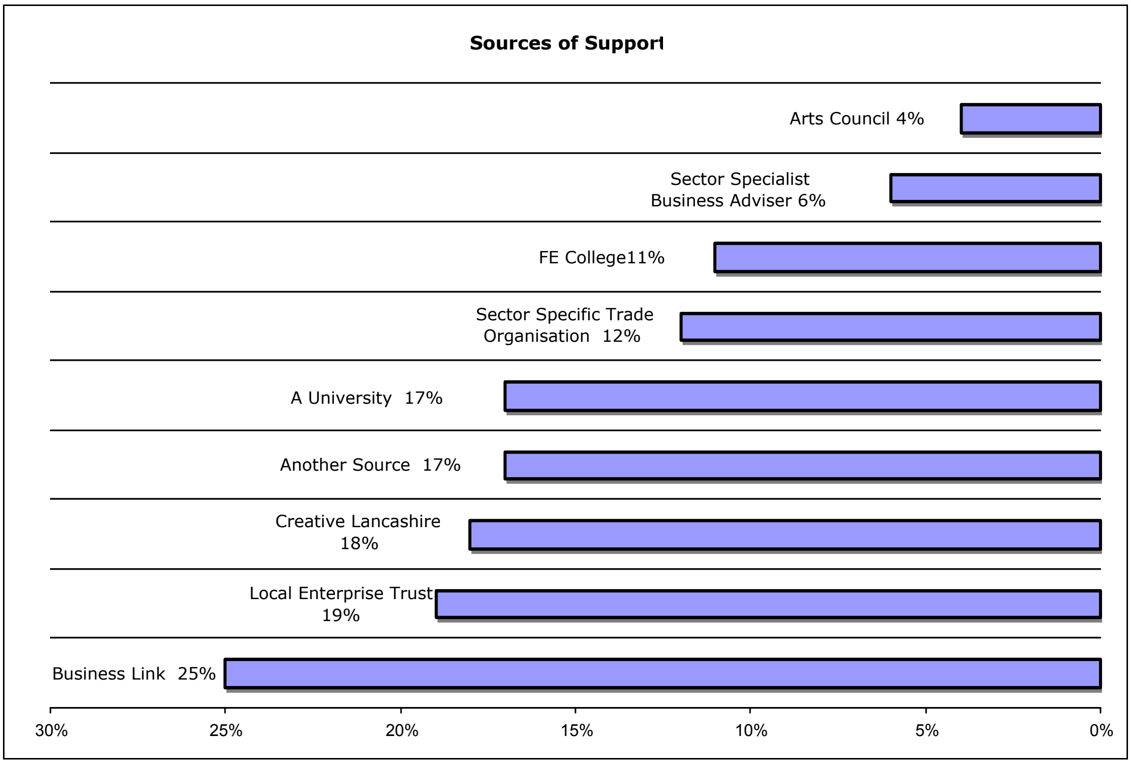
7. Business Support

Business support issues have been identified through three primary sources – consultation with a range of Business Support Agencies operating in the area; Focus Group feedback; Specific questions included in the survey.

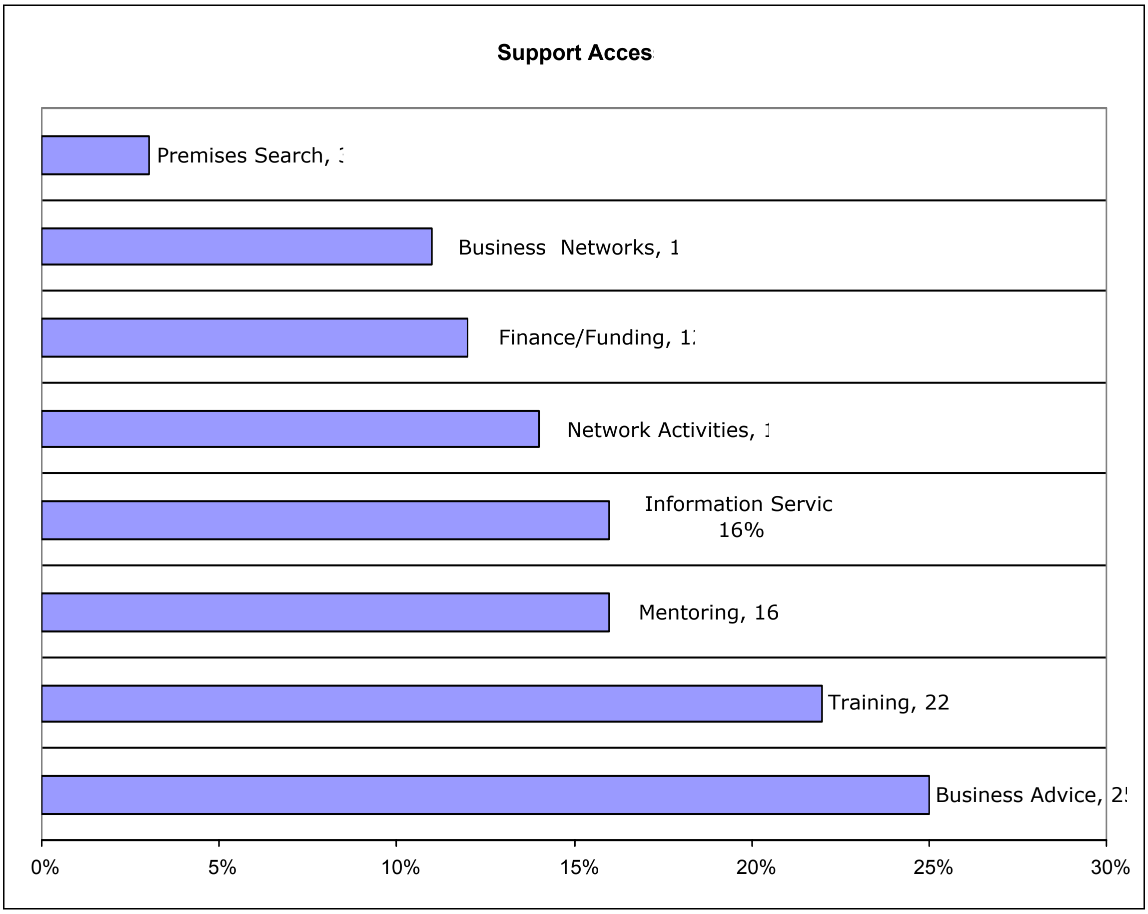
In terms of the survey, we deal with barriers to growth in Section 9 (below). In addition to specific barriers that creative enterprises in the region need to overcome, the survey also identified the range of services that businesses in the sector have accessed for business support, the type of support accessed, what businesses consider has been most helpful in supporting them to achieve their business objectives.

7.1 Sources of support

In total, 61 % of respondents have accessed business support, and all of these were in the 1-5 employee bracket. The recipients of business support were from across the spectrum of the creative industries and support was sourced as follows:



The nature of support accessed is illustrated below:



Breaking this down by each support organisation, the support accessed is as follows:

Type of Advice Sought from the Sources of Business Support	
Source	**Issues**
Business Link	Information Business Advice Sector Networks Training Mentoring Finance/Funding
A local Enterprise Trust	Information Business Advice Sector Networks Training Mentoring
Creative Lancashire	Information Business Advice

	Sector Networks Training Mentoring Finance/Funding
Another Source	Information Business Advice Sector Networks Finance/Funding Training Finance/Funding
A University	Information Business Advice Sector Networks Finance/Funding Training
Sector specific trade association	Information Business Advice Sector Networks Training Mentoring
A Further Education College	Training
Sector specialist business advisor	Information Business Advice Sector Networks Training Mentoring
Arts Council	Information Sector Networks Training

7.2 Key Challenges

Business support reflects the needs and wants of the companies it serves. Whilst the current economic climate is often a major influence on the progress of companies within the creative sector (see Barriers to Growth), paradoxically, 42% have seen sales increase over the year and the majority (70%) of businesses in the survey expect to see sales income increase over the next 5 years.

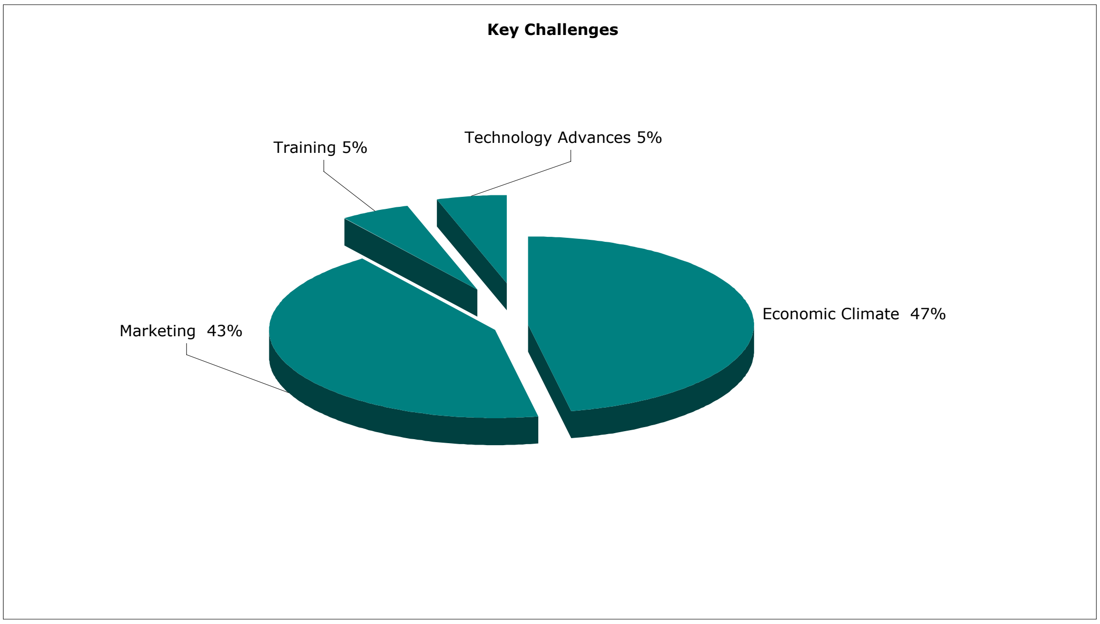
Even so, when asked if the effects of the economic climate have started: 26% said Yes and 20% stated that it had “to some extent” (20% said No) Interestingly 30% of businesses responded that the effects of the recession would not be felt by their companies and would not halt growth plans.

The means of achieving the predicted growth was indicated as follows:

New Markets/Increasing Sales/	54%
More investment (including Premises)	14%
Introducing efficiencies	12%
Forming new partnerships	9%
Hiring more people	7%
Organic Growth	2%
Apply for Grants	2%

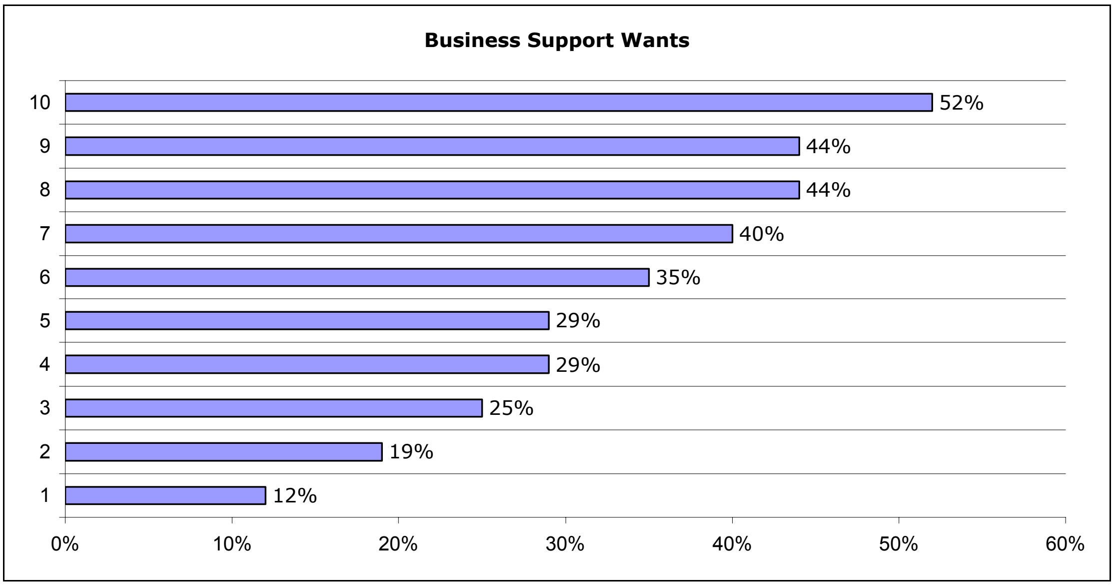
As evidenced in the table above, the major factor likely to underpin growth is cited as accessing new sales and new markets – this provides clear guidance as to where business support should focus. The other factors listed above are indicators of what companies intend to do to reach growth ambitions – thus other potential stimulants of growth should form the portfolio of support an organisations provides to companies (as long as its relevance to growth can be demonstrated).

Some indication of what could be included in a portfolio of support is indicated by the respondents' answers when asked about the key challenges they faced i.e.



7.3 Business support wants

These challenges will give rise to business support "wants" i.e. the help a company wishes to receive. However these challenges will also indicate a company's "needs" i.e. the assistance a support organisation gives to a company based on the support organisation's assessment of the company's situation. In reality a support organisation's portfolio will address both "needs" and "wants". The table below is an analysis of respondents' business support wants.



Key:

10	*Increased understanding of creative businesses by decision makers*
9	*Access to specialist sector information and intelligence*
8	*Improved access to market information*
7	*Increased awareness of the value of the cultural and creative sector to the area*
6	*Business advice on matters such as strategy and marketing*
5	*Access to investment finance*
4	*Access to appropriate business premises*
3	*Improved Information and Communication Technology infrastructure*
2	*Training support for management and staff*
1	*None*

- 10 - Throughout the survey, companies stated that the work of the creative sector within Pennine Lancashire is not valued by local decision makers - both in the private and public sectors. (Although the majority of companies indicated that their customer base is rooted in Pennine Lancashire) This theme was evident in the telephone survey, the focus groups and from interviews with business support agencies.

  The implications for a support body are two-fold: [a] to interact with decision makers (on behalf of the creative sector in Pennine Lancashire as a whole) to influence and act as an advocate for the work of the sector in the area and [b] to assist the companies to organise and market themselves so that local decision makers have confidence in the Pennine Lancashire companies.

- Regarding 9,8,7,6 – these indicators of business wants further endorse, it is suggested, the dual nature of the work a business support organisation concerned with the Creative Industries i.e. the advocacy role for the sector in an area as a whole and the support they give to individual companies.

- 9,8,7,6 are indicative of the need of businesses to strengthen their strategic and operational marketing and business development activity and thus the importance of the inclusion of this into the portfolio of services offered by a business support organisation. The majority of companies stated that there customer base was located in Pennine Lancashire – thus assistance in broadening their customer base into other areas would help stimulate growth.

- Regarding 5 – In general respondents found it difficult to access investment funding (the term includes all forms of funding from private sector to grants).

- This survey revealed that 7% of respondents have been recipients of grants – all were sole traders. Interviews indicated that respondents would like to access grant funding but did not know how.

- Further, 13% of companies considered investment funding as a major factor to underpin growth.

The implications for support agencies are:

- Raising awareness of grant opportunities – tempered by the acceptance by companies that they cannot be dependent on grant funding for sustainability
- Assist companies to become "investment ready" i.e. developing appropriate business plans, structures and processes
- Making contact with private sector funders to raise awareness of opportunities within Pennine Lancashire – which may, for example, be venture capitalists, business angels or developing links with local companies to embark on joint ventures with creative companies. Pennine Lancashire has a manufacturing heritage and therefore opportunities may exist for companies within the creative sector to input into the continued prosperity (or indeed survival) of these manufacturers e.g. design, technology improvements, marketing

- Regarding 4 – The issue of workspace demand is dealt with below – however within the context of business support, there may be a need to create greater awareness of the abundant supply of premises in the Pennine Lancashire area.

- Regarding 3 – While as support agency cannot itself improve ICT infrastructure there are perhaps opportunities for the organisation to influence the development of the infrastructure in Pennine Lancashire in line with the needs of its customer base.

- Regarding 2 – The up-skilling of staff is a key component of business development. Often companies are not aware of the possibilities, benefits and availability of training initiatives. While general skills development needs will be evident in the creative companies based in Pennine Lancashire, there will be those that reflect the specific profile of the area. Thus, there is perhaps the requirement for support to identify general and specific needs and to ensure there is adequate provision at the required standard.

- Regarding 1 - The respondents who cited they did not have any business support wants were all mature companies trading in the Pennine Lancashire area for between 6 and 35 years and included:

% of those companies not indicating business support wants	**Turnover**	**Sub-sector**	**Turnover increasing /decreasing**
25%	Up to £5000	Music	Staying the Same
		Music	Staying the same
		Music	Decreasing
25%	£10,000- £25,000	Music	Staying the same
		Music	Staying the same
		Freelance Artist	Staying the same
10%	£50,000 - £100,000	Graphic Design	Staying the same
20%	£250,000 - £500,000	Printer	Staying the same
		Graphic Design	Increased
20%	No Turnover indicated	Photographer	Increased
		Craft	Decreased

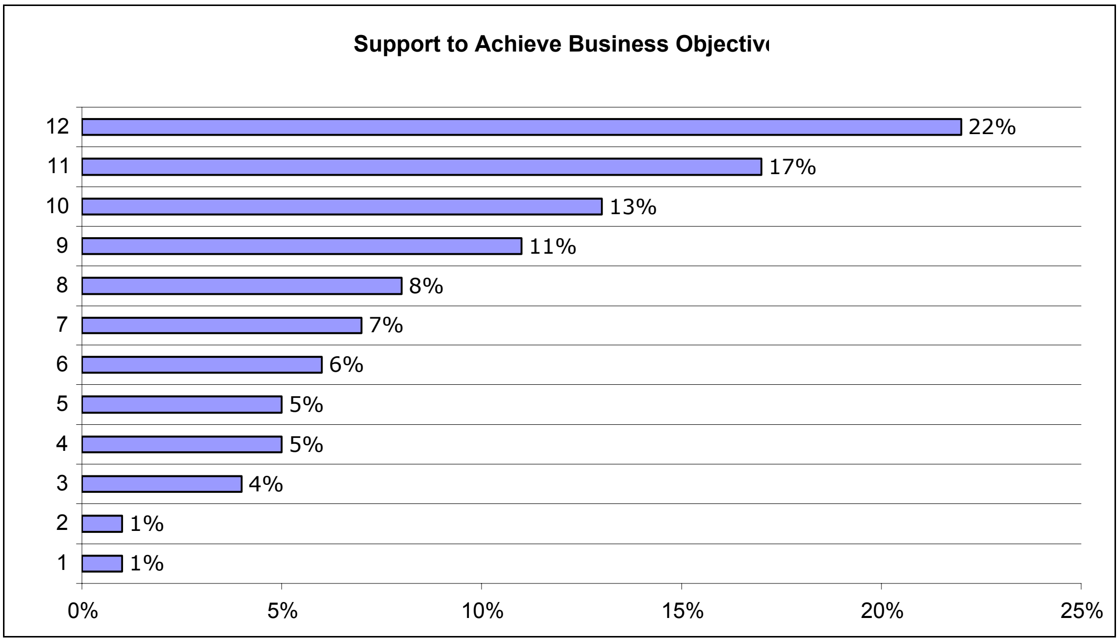
In general, these companies appear to be static. Thus there may be opportunities for a support organisation to increase the awareness of the benefits of business support.

The above is verified by the responses given when companies were asked what support would assist the most in achieving business objectives.

Interestingly, help with dealing with the current economic climate is rated low on the needs ladder – a response that complements the findings of this research (reported in other sections). However, this may be because the full effect of the recession was not known or seen at the time this survey was completed.

Further, mention is made of the importance and role of networks in achieving business objectives for the creative sector in Pennine Lancashire.

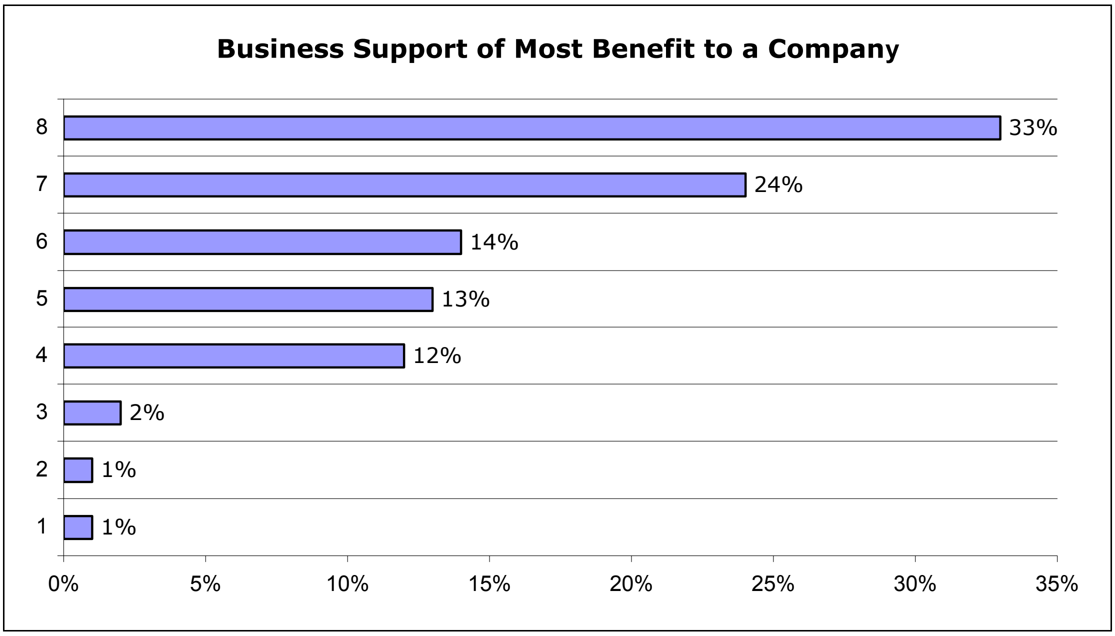
The complete spectrum of responses is indicated below:



Key:

12	*Increased understanding of business like yours by decision makers*
11	*Business advice on matters such as strategy and marketing*
10	*None*
9	*Access to creative business networks*
8	*Improved access to market information*
7	*Access to investment finance*
6	*Access to specialist sector information and intelligence*
5	*Increased awareness of the value of the cultural and creative sector to the area*
4	*Access to appropriate business premises*
3	*Improved Information and Communication Technology infrastructure*
2	*The current national/global economic situation*
1	*Training support for management and staff*

When considering those areas of business support that would be of most benefit to a company, the following results were obtained:



Key:

8	*Business Development & Marketing*
7	*Don't know*
6	*Networking*
5	*Funding and Grants*
4	*Specialist Business Advice*
3	*Staff Issues & Training*
2	*Premises*
1	*Technology Support*

In common with the findings in other sections of the research, assistance with business development and marketing was at the top of the list.

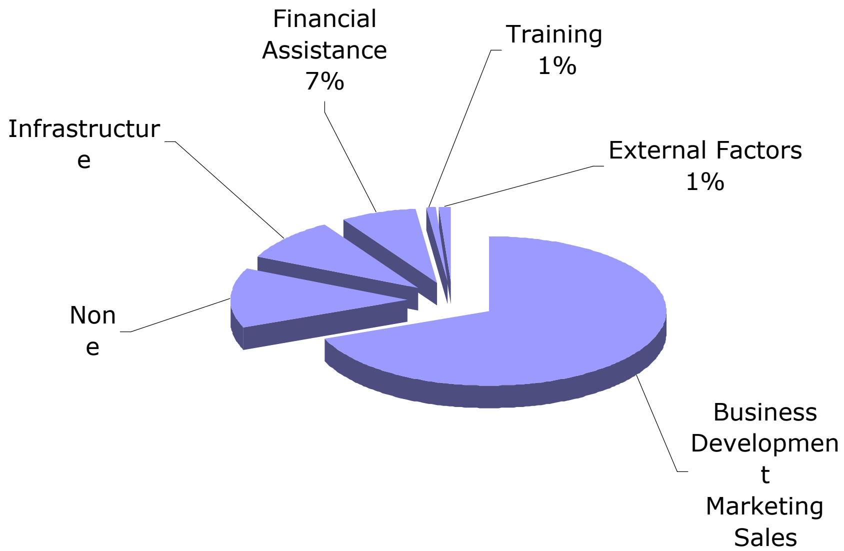
In answering this question, respondents were not asked to make a choice from a list, but the question gave companies the opportunity to articulate, in their own words, the kind of business support of most benefit.

The "Don't Know" response was unexpected. The implications are that there is a need for support agencies to engage with these companies and make them aware of what support is available, how to access it and what the benefits are.

The focus groups reinforced the fact that there was little knowledge of business support activity in the areas and indeed on how to access it. The groups also expressed a preference for this support to be delivered by local organisation – who they felt had an intimate knowledge of the area.

This is perhaps augmented by the wish of companies to engage with a specialist adviser. Again this may indicate interactions with advisers who not only have knowledge of the sector, but with local knowledge as well.

<u>Summary of support wants</u>

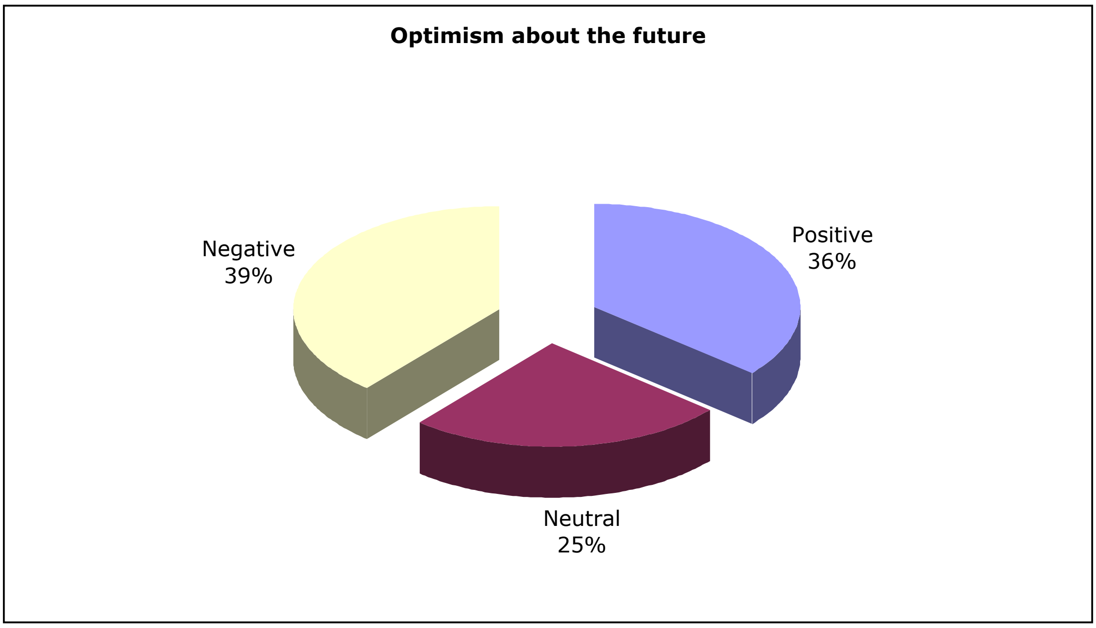


Key:
The above areas include the following groups of responses:

Business Development, Marketing, Sales	*Increased awareness of the value of the cultural and creative sector to the area* *Access to specialist sector information and intelligence* *Improved access to market information* *Access to creative business networks* *Business advice on matters such as strategy and marketing* *Increased understanding of business like yours by decision makers*
Infrastructure	*Improved Information and Communication Technology infrastructure* *Access to appropriate business premises*
Financial Assistance	*Access to investment finance*
Training	*Training support for management and staff*
External Factors	*The current national/global economic situation*

Future prospects

Respondents were questioned about their perceptions of the future of the sector in Pennine Lancashire. The following results were obtained:



Positive responses included:

- Continued growth
- Greater competition, greater sophistication of the product, improved marketing
- Hope that creativity would have a bigger role to play in the quality of life for everyone
- Current climate (economy) will get better
- Giving good professional service, representing the sector well, good value for money
- Increased growth, general upward trend
- Going to get harder, overall suffering a bit but doing alright, better than ever
- Businesses like us will have a higher profile, more understood.
- Creativity is being taken more seriously, more & more appreciation
- Become more and more hi-tec
- In the long term it's got to go back up again
- All going to pitching, going for bigger accounts
- Increase in the commercial market
- More interest in public art
- Awareness, creative ways of learning
- Buying online more
- Stable
- Growth
- All towards new media
- New and products - diversification, consolidation - increased efficiency

- Go from strength to strength growth
- Slow improvement commercially, growth
- Regeneration, moving forward
- Wider customer base
- Expanding, doing better in the future
- Will become more computer based

Negative responses included:

- It's going to get tougher
- Increasing addition of electronic communications and electronic means of marketing, new technologies, sector will contract
- Going to slow down dramatically
- Electronic keyboards, making business more difficult & downward trend
- Home computers, people doing own printing
- Increased competition, downward trend in money available
- Outsourcing worldwide - few people locally to do the work
- People may work further afield
- Markets decreasing
- Don't see improvement
- More people taking their own photography because of better technology
- Prices going up - people unable to afford
- Downward trend, places, venues closing down
- Overall diminishing market
- Cheap quick print, quality is gone
- Becoming more competitive because so easy to set up. Also a lot of cowboys in this sector so getting harder
- People may do the cards themselves

Both lists indicate the need for continued business support and confirm the issues raised in the responses cited above.

<u>Business Support Agency consultation</u>

Support agencies consulted included Business Link, Enterprise4all, Burnley Enterprise Trust, Private Sector Consultants

Some of the key challenges identified by these agencies for the creative industries in Pennine Lancashire are:

- The current condition of the economy with disposable incomes falling, people cutting back, overheads increasing in some areas
- The geography and lack of knowledge of Pennine Lancashire outside the region coupled with poor branding ad image
- Pennine Lancashire itself is very segmented
- Shifting criteria of support from/to funding bodies – mostly because of the nature of the funding of support (e.g. ERDF, LEGI) which can be geographically focussed so that the amount of support a company gets is

a postcode lottery and the amount of support an agency can give is restricted
- The need to become more externally focussed
- The need to seize the new digital agenda and to look at the bigger picture e.g. TV on demand

Feedback from the agencies identifies the following as barriers to growth, specific to the Pennine Lancashire area:
- Access to finance knowing what's available – both private and public e.g. access to venture capitalist and grants to mitigate risk of starting in business – with perhaps agencies having their own pots to support the sector.
- Appropriate business premises – particularly low cost premises. More incubator space, more managed workspaces, studios, exhibition spaces, retail space, meeting rooms and storage space all being mentioned as resources with an increasing demand.
- Knowledge and training on Customer Acquisition – the up-skilling of existing and start-up businesses, the use of specialists to mentor the owner managers
- Effective business networks with more cross networking opportunities linking the different sub-areas. The 'Sizzle' network was cited as a good model and one which should be grown
- Infrastructure and in particular transport links, the lack of public transport, the cost of transport
- The need for agencies to work together to give cohesion to support. It was felt that with the creative sector in Pennine Lancashire there is a lack of awareness of the support that does exist and that there is a need to demystify and explain business support.
- While academia is good in terms of courses (e.g. textiles, media) graduate retention continues to be an issue.

In terms of performance the Agencies considered in the future the sector will show:
- Increased turnover – beyond that attributed to inflation
- Increased people coming into the sector
- Increased profit
- Increased employment
- Increased numbers of companies
- Increased confidence
- A static customer base – unless companies in Pennine Lancashire looked further afield

There was general agreement on the future trends in the sector - as follows:
- Digital Revolution Technology
- Convergence, Interactivity, Interaction
- Growth in Computer games

- A greater proliferation in terms of number and specialism – but not necessarily critical mass in one area or activity
- Companies need to re-invent themselves (e.g. supply chain)
- Changing work/life patterns More people want to be more "lifestyle" not "growth".

The majority of support agencies consider MediaCityUK will have some impact on the Pennine Lancashire creative sector – with only one thinking it would have a major effect. However a number of issues were raised including:

- The relative or perceived distance and the lack of infrastructure connecting Pennine Lancashire to Salford e.g. no direct route to Manchester by train
- Opportunities will be there for Pennine Lancashire enterprises but companies will need to be supported to meet the potential challenges
- Companies will need information on opportunities - the more the creative industries in Pennine Lancashire know, the more they can gear their business to the needs of the BBC
- The BBC will need to be brought to Pennine Lancashire
- Companies may need some sort of presence which may not be a physical presence

The profile of the owner mangers of the creative industries in Pennine Lancashire would suggest a high level of BME businesses. All agencies stated they found it hard to engage with this community and there is a need within their own organisations to:

- Have a deeper understanding cultural diversity
- Need to build awareness
- Need to harness this diversity – perhaps through food/music/fashion – but not in isolation
- However it was stated that perhaps support agencies are more concerned with this issue than industries (who are not interested) - the challenge is to use the strong links the ethnic community has to the sub-continent

8. Networks

A relatively small number of survey respondents had used business networks as a means of generating support for their activities – whether that is through peer support, mentoring opportunities, skills development or improved sales and marketing channels. However, a reasonable number of businesses (43% of a sample of 87 businesses) in the survey do consider that access to creative business networks is likely to generate substantial positive impact in helping them achieve their business objectives.

This positive view of networks was reinforced in the feedback from focus groups with some conflicting opinions about the need for creative sector networks as opposed to cross sector networks.

A sample of the responses through the focus groups includes:

- Preference given for cross-sector networking – as a means of customer acquisition - there seems to be no point in mixing with competitors
- Time issues make it difficult to attend a networking meeting - it was felt an evening event would be preferable to a breakfast event
- The women led business focus group stated they would like to see 'women only' network groups as they would find it easier to network in these type of events
- Events with a different approach to growth and to lifestyle businesses would be advantageous
- Creative sector networks work best when they have a feeling of being 'underground' rather than part of the main stream was a view expressed by some focus group members. The Creative Lancashire network event held earlier in the year in Pennine Lancashire was considered to have been a successful event and an example of the type of network activity that works.

Probably the biggest challenge faced in organising and managing networking events in the sub-region is the geography of the area and the tendency of people to consider an event staged in one town is done so for the benefit of the businesses in that town. From the responses of the delegates (companies and support agencies) it is evident, however, that a trans-sub-regional approach would generate many advantages for the sector.

A number of networks that are not specific to the creative sector already exist in Pennine Lancashire including:

- Chamber of Commerce East Lancashire: Ultimate Business Network including the Intertrading Platform - operated by the Chamber of Commerce, enabling companies to access information on business opportunities and public and private sector tenders.
- Unique: A Women in Business network in East Lancashire - encouraging and supporting women in and into enterprise

- Lancashire Wide Network for Minority Ethnic Women: Enabling ethnic minority women to participate socially and economically.
- New Form Arts: support available for creative businesses – run from Clitheroe
- The HSBC Business Network: An online network for start-ups and small businesses to share discussions and get advice on business issues.

These types of local organisations have a "members" list and thus joint activity may prove of benefit to the sector and members of the existing networking groups.

Often having an "attractor" can increase/improve attendance (e.g. a prominent local business person or a topic of immediate concern). This has been a method adopted by the Sizzle network. Although in general this network was given the "thumbs up" by those respondents who attended, it was felt that not enough meetings were held in the area and that perhaps meetings could be targeted at different sub-groups of the sector.

Respondents from the sector stated that events could be initiated by a public sector organisation and then left for the network to take its course. There was recognition that establishing self-generating networks within the sector does require medium-term support from public sector agencies.

Respondents in the focus groups stated a willingness to participate in social network style on-line networks. Again it would probably be down to a support agency to contribute resource to initiate and maintain such a network.

9. Workspace Demand

Demand for workspace within an area is an indicator of both potential growth of businesses and/or the level of physical regeneration that has been undertaken in an area. Pennine Lancashire has a diversity of urban centres and rural areas, a recent manufacturing past and remnants of a physical industrial heritage that has not been exploited to the level of the adjacent urban centres of Manchester, Liverpool, Bradford, Leeds and to some extent Preston.

Regeneration policy guidance indicates that there is an undersupply of appropriate business premises across the sub-region (LEGI bid document). Equally, the views of a number of business support organisations reflect this regeneration policy guidance with some interviewees suggesting that a lack of premises is a barrier to the growth of the sector.

This view was not validated by the survey work or focus group work we have undertaken with creative enterprises in the area who, in general, do not identify lack of workspace or appropriate office space as a particular issue for their businesses.

It is likely that part of the reason for this is that certain sub-sectors of the creative sector – particularly the visual arts, certain elements of the music industries and to some extent, the location side of film and TV work - thrive in environments where large former manufacturing and light industrial space is available at cheap rents and, for example, where large, farmsteads are available in rural areas to facilitate home-based working.

Part of the reason may also be that more geographic and sub-sector specific demand-side work needs to be undertaken to understand the nuances of demand within the area.

9.1 Provision

In terms of provision in the area – and potential developments across Pennine Lancashire – there is limited dedicated creative workspace provision in the area the most notable of which is Higherford Mill in Pendle which provides 6,000 sq ft of studio space for fine arts, crafts and media companies with 24 new studio spaces under construction on the mill site.

Pendle ACE – Nelson's Arts, Culture and Enterprise centre is due to open in summer 2009 and will provide a range of facilities including dedicated office space for creative businesses in the area.

Oswaldtwhistle Mills have been redeveloped as a retail outlet centre along with a range of related attractions. The mill company is currently redeveloping Clifton Mill within the complex, as a designer-makers centre with studio provision for start-up and established crafts practitioners along with retail and exhibition opportunities for the resident designer-makers.

In Burnley, one of Livesey Wilson's visionary projects to come out of the Dreaming of Pennine Lancashire work is the development of a 'Fashion Tower'. This is currently in its feasibility stages and, if completed will provide space for r&d, production, exhibition and sale of textile products from Lancashire's emerging design and manufacturing talent.

Weaver's Triangle, also in Burnley, is the designation of an area adjacent to the town centre with a high concentration of historic mills, warehouses and other industrial buildings located within a precinct outlined by the Leeds Liverpool canal. This long-term project has slowly regenerated parts of the triangle to form a visitor attraction based around canal heritage and its associated industries. There are opportunities to redevelop some of the underused buildings in the area with creative workspace as one of the target outcomes.

Also in Burnley (and immediately adjacent to Weaver's Triangle) is the developing Burnley Creative Centre. This is currently a small theatre, cinema and workshop space run by a local youth development organization, Youth on Unity. The organisation is in the process of fundraising to acquire the building in the longer-term (currently Local Authority owned) with an aim of redeveloping the upper floor of the building as creative industries related office and workspace units.

9.2 Workspace findings

This research project and its findings need to be understood within the context of a substantial readjustment of national and local property markets with a period of substantial growth in property and land prices to 2008 taking a sudden downturn as the result of substantial limitations in the flow of capital available from most financial institutions. The impact on private sector developers and the wider commercial and domestic property markets has been considerable and dramatic.

The consequences for regeneration areas in the Northwest has varied from place to place depending on the maturity of the development markets in different places. The view of one consultee working on Burnley's Weavers Triangle project is that regeneration development of the area in the short-term is likely to be extremely difficult and the progress the regeneration company has been making over the past few years has been undone in a few short weeks.

Feedback from stakeholder consultation and from focus groups is conflicting with some of the business support agency feedback setting out the view that there is a lack of low cost space and the views of focus group participants identifying low-cost and move on workspace as being in plentiful supply in the area. In contrast to more developed urban centres (Manchester, Liverpool, Preston), the process of either regeneration or market-driven development has not accelerated to an extent that the range of types of workspace required by different types of creative sector businesses have disappeared.

Initial feedback from focus groups supports the view that workspace is not a particular issue in the area and the more detailed survey did not identify lack of appropriate workspace as the most significant barrier to growth although it does represent something of a risk.

When asked about barriers to growth 24% of respondents cited appropriate business premises as one of the barriers to growth on a par with access to sector specific training; limited markets; underdeveloped creative and cultural sector and geographic location. When asked about the single most significant barrier to growth, appropriate business premises is considered as such by only 4.5% of respondents.

In analysing the feedback on workspace from the survey, we are able to produce initial findings about requirements for space in the next 5 years amongst the entire cohort of businesses in the creative sector. This however, needs to be read in the context of

- an economy officially in recession and therefore changing market conditions and
- anecdotal feedback that there is a considerable supply of workspace in the area.

In this respect, any figures for additional square footage requirements need to be seen in the context of:

- a shrinking economy (although not necessarily amongst the smaller creative sector businesses) which may make currently occupied space available
- lower take up of recent workspace developments and falling rental costs
- A substantial element of home-based working amongst the survey sample who are less likely to change their office/workspace usage in a period of economic downturn
- A likely slower rate of growth in the creative economy overall which will affect future demand for space

Our analysis of the survey findings indicates that:

- Workspace meets the needs of 86% of the sample with 14% considering their current workspace to be inadequate. Of those that find their workspace inadequate 6 of those are homeworkers and only 4 of the overall number (10) are planning to move.

- An additional 11.2% of workspace is needed from a sample of 85 businesses equating to an additional 10,000 square feet of office, studio and specialist retail space. Once adjustments have been made for retail and for those moving out of the area, the adjusted figure for additional space requirements in the local area from the sample is **8,000 square feet.**

- If extrapolated to the wider cohort of creative businesses in the area, the additional space needs amongst the creative enterprises in Pennine Lancashire would be an additional **47,000 sq ft** of office/studio and light industrial space over the next five years.

- This is the equivalent to providing space for an additional 39 businesses at an average of 1,200 sq ft per business based on current average space sizes amongst the survey sample.

- The primary size of workspace where additional space is required is in the 501-1,000 sq ft size band and some increase in 101-500 and 1,001-2,000 sq ft size bands.

However, these figures do need to be moderated by current changes within the local, national and global economy, by changing development pressures and need to be understood in more detail at a geography and sub-sector specific level.

10. Barriers to Growth and Survivability

In order to underpin a growing local economy, business support agencies are usually concerned with removing those barriers to growth that impede a company's progress. These barriers are twofold – micro and macro.

Micro barriers are those that arise from the condition the business is in. Recognition of these will generate initiatives to alleviate the effects these barriers create and may result in initiatives around business development, training, technology advances, funding, processes and organisation.

Macro barriers will be external to a business and may stem from local trading conditions or from the state of the wider economy.

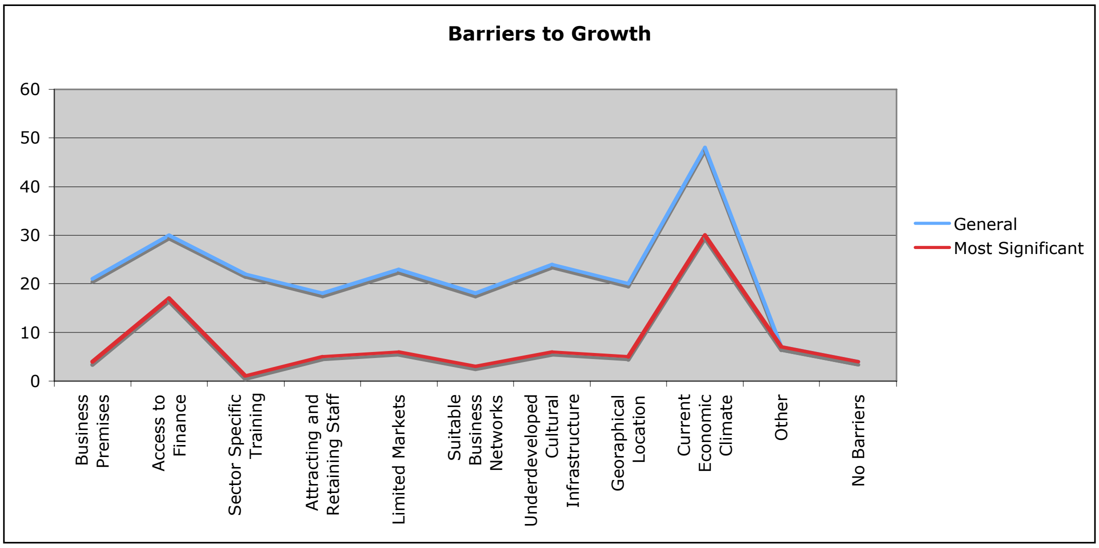
Both micro and macro barriers are dynamic - i.e. constantly changing. So a business support agencies must have a good grasp of the challenges facing businesses as a result of a company's situation, of local issues and the broader economic climate. Agencies must deal with the changing nature of these barriers. It should be noted that this survey took place at the start of the current economic downturn. In this respect, business support agencies do need to maintain an awareness of the changing needs of businesses within a rapidly changing macro economic environment.

10.1 Survey Findings

As part of the detailed survey, we asked creative businesses to identify a range of barriers they may have to growing their business. We also asked businesses in the survey to identify their expectations for their future growth or survivability in the market.

Given the global economic context in which the survey was conducted, the results may be coloured by the real uncertainty that was prevalent in a number of large economies during the time that we undertook the survey.

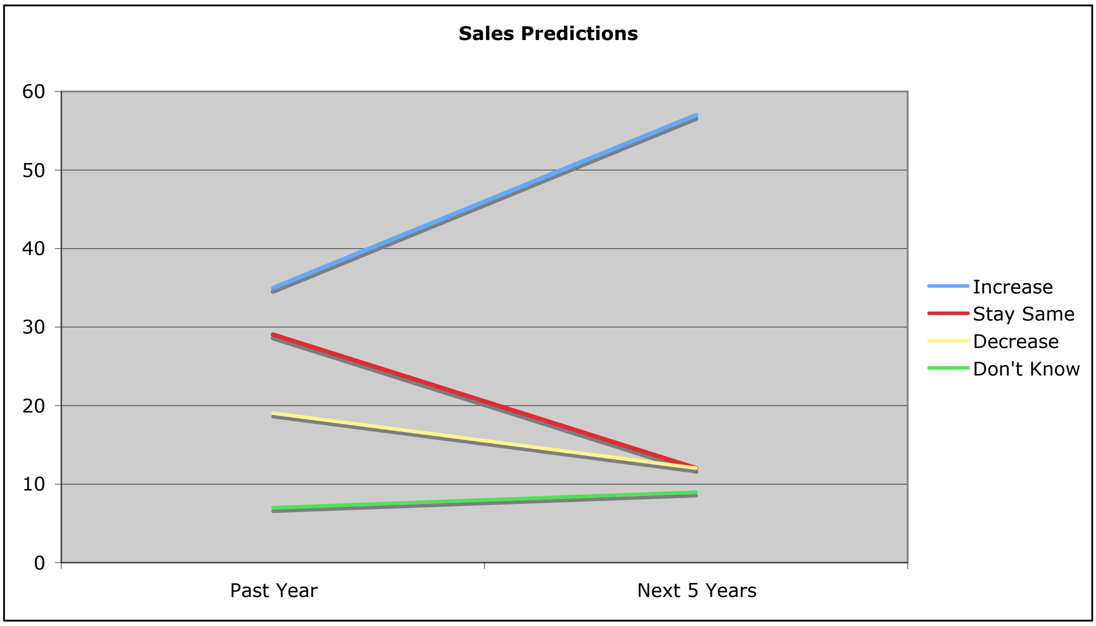
In general, the primary barriers to growth are twofold (and may be related). The highest identified barrier to growth amongst all businesses responding is the current economic climate with 34% of businesses identifying this as a substantial barrier to growth. The second highest barrier is identified as access to finance with 19% of businesses identifying this as their most significant barrier. Importantly, the sample businesses in the survey are not heavily reliant on public subsidy with 92% receiving no public investment or grants in the previous year and of those that did (8%), the majority of these businesses received a small proportion of their overall turnover in public sector investment.



However, whilst these barriers indicate that the current global financial problems – and potentially, the flow of finance from institutions – might be undermining confidence in the sector, the survey also asked the respondents for information about their recent trading history and their prospects for the future.

Of those that responded (83 respondents), 23% say their sales had decreased over the past year, 35% have seen sales stay about the same and 42% have seen sales increase over the year.

In contrast to issues about access to finance and the current economic situation, the majority (70%) of businesses in the survey expect to see sales income increase over the next 5 years, 15% expect sales to remain about the same and only 15% expect to see sales diminish over that period.



In this respect, businesses in the sample survey – and to a large extent this was backed by businesses in the focus groups – are reasonably confident about their prospects in the current climate.

11. Local Heroes

In undertaking the research and carrying out interviews and focus groups with a range of businesses in the area, the researchers found that whilst the area produces some notable entrepreneurial creative businesses, there is a real sense that these are often hidden and public and private sector organisations are often unaware of some of the success stories from the region.

Some of these potential 'champions' have emerged through the research process – including Quarry Fold Studio in Blackburn and Opus Pro Audio in Burnley – as well as those identified by other agencies like A White Room in Colne. These are small businesses where the owners are articulate, passionate and have a story to tell - whether it is about success in the face of adversity, developing an international portfolio, fine artists generating commercial opportunities or developing design–led businesses in a small town locale.

There are other, higher profile local heroes who may have moved away but are still passionate about the area – Wayne Hemmingway is a good example – whose profile and passion can be harnessed to speak not only to the creative sector locally but to promote the creative sector – whether that is in the locality or nationally and internationally.

One of the recommendations we would make arising from this research and consultation is for Creative Lancashire to develop a small number of well researched, local hero case studies that can be used:

- to talk about the sector in a tangible way
- for publicity and communication purposes
- to help raise aspirations amongst the local creative industries sector
- as motivators and examples of good practice at network meetings and related activities.

12. Database

The initial database of contacts held by Pennine Lancashire was limited to micro businesses in the area and was gleaned from a number of sources including Creativity Works and from contacts that had been developed through network events, enquiries and one-to-one consultations by the Development Officer. This database was 'clean' in the sense that the majority of contacts had had some form of contact with Creative Lancashire and contact details were relatively current. The initial database held 167 contacts.

This initial database has been built on throughout the research phase and held 501 contacts at the start of the survey work. Additional contacts have been added to the database through contact with arts officers in the area. The database that we handed over to Creative Lancashire at the end of this project contained 565 contacts.

Of these, those that have been brought in from Experian, have a 12 month repeat use licence and Creative Lancashire will be able to go back to these contacts up until mid-September 2009. The exception to this are those businesses bought in from Experian who have agreed to be held on a database by Creative Lancashire following the survey questionnaire.

Importantly, the range and type of business held on Pennine Lancashire's database is considerably expanded with businesses across the sub-sectors represented on the database and with an expansion of the type and size of business to include a much wider range of larger businesses in the area.

Marc Collett
Partner, Burns Collett
and
Richard Kacperek
Associate, Winning Pitch

February 2009

Appendix 1: Consultees

Mike Wilson, Business Link

Ilyas Munshi, Enterprise4All

Khalid Saifullah, Business Link

Adrian Ashton, Burnley Enterprises Trust

Andrew Patrick, Consultant (former Regional Business Adviser)

Rebecca Johnson, Head of Arts, Blackburn & Darwen Borough Council

Helen Jones, Strategic Arts Development Officer, Burnley Borough Council

Rob Howell, Robinson Howell Partnership

Lindsey Gregory, Creative Industries Office, Pennine Lancs (Exit interview)

Sazzadur Rahman, Burnley Creative Centre

James Warnock, Weavers Triangle

Abigail Gilmore, Regional Culture Observatory (formerly)

Colin Welsh, Jura Consultants

Linda Newton, Pennine Lancashire Project Officer, Elevate

Deborah Best, Arts Council England North West

Louise Porter, Raspberry Ribble Photography

Julia Woodward, Minuteman Press

David Schofield, Quarry Fold Studios

Julia Schofield, Quarry Fold Studios

Alan Yardley, CREATV Broadcast

David Price, DSP Interiors

Clare Donegan, Sketch

Karl Eden, Burnley College

Michelle Sinclair, Visual Artist/Prince's Trust

Scott Noddings, Opus Pro Audio

Susan Bourne, Towneley Hall

Appendix 2: Document Review

Great Goals: Pennine Lancashire LEGI bid (2006)

Northwest Transition & Implementation Plan for Simplifying Business Support (NWDA 2007)

Pennine Lancashire Integrated Economic Strategy (2008)

Mapping the Cultural Sector in Pennine Lancashire - Draft. (Jura Consultants for Living Places 2008)

Elevate's 3-year Strategic Plan for Creative Community Engagement (Elevate)

Dreaming of Pennine Lancashire (Elevate 2005)

NorthernNET Media Access Bureaux (2008)

MediaCityUK: The Vision. (NWDA 2007)

Digital and Creative Industries: Enterprise & Skills -Sector Strategy and Action Plan (2008)

Support for North West Businesses (NWDA 2008)

Lancashire Economic Partnership - Lancashire Economic Strategy (LEP 2006)

Live Music Forum Report (2007)

NESTA Creative Industries Report (2006)

Creative Britain: New Talents for the New Economy (DCMS 2008)

Creative Industries Economic Estimates (DCMS 2009)

UKTI focus on creative industries sub-sectors (UKTI 2007)

North West Regional Economic Strategy (NWDA 2006)

International Marketing Strategy for the Creative Industries (UKTI 2007)

T-Shirts & Suits: A Guide to Business Creativity (D Parrish 2007)

Creative, Cultural and Digital Industries Guide (Business Link 2009)

Appendix 3: Focus Group Feedback

Focus Groups – (Summary of issues raised)

Positives about Pennine Lancashire

- It is a growth area - people are moving in from other areas
- It's accessible – good motorway links
- Many potential customers in the area
- The people are friendly and easy to get on with
- Great environment to be in – no delegate wanted to move out of the area as they liked living and working in the area
- Good facilities/amenities

Disadvantages of being based in Pennine Lancashire

- Pennine Lancashire as a term has little meaning – there are strong localised identities but not as an area. Many delegates did not know what it is, where it is, or who is in it – many thought Pennine Lancashire was an area in the Pennines
- Not enough large companies to access as potential customers
- Local Councils do not buy locally and tend to procure from outside the area
- People tend to be parochial in their attitude – something that is missing from people who have moved into the area. If Pennine Lancashire is to be marketed as a region this will prove to be a real challenge
- The area needs to "connect" with Manchester more
- Local authority structure mitigates against cross sub-regional activity
- Better public transport facilities are needed
- Regeneration seems to happen at a slow pace

Customer Base:

- Major customers of large/mature creative companies not locally based were not locally based.
- Public sector commissioners need educating on the benefits of working with creative companies. Delegates considered local companies from the creative sector are not valued and recognised.
- However 80% of delegates at the focus groups were small/micro businesses. They tended to have customers who were locally based. There was broad agreement on the fact that the work of local creative companies is not recognised locally and that public sector buyers do not give local companies enough access to contracts.

Current Economic Climate

- Delegates reported a negative effect in the level of orders they are receiving from clients
- They predicted a difficult time – particularly for the service sector based on decreasing marketing budgets in their customer base

Barriers to Growth and the future

- Increased overhead
- Increase in cost of equipment
- The Internet will continue to impact on their businesses (e.g. photographic services available over the web)
- Lack of access to public sector procurement – and knowledge of it
- CI will struggle – current economic climate – customers marketing budgets
- Customers becoming more cost driven – want more for less
- Change in technologies – familiarisation issues
- Speed of delivering projects increasing
- Generally skill set is dropping

Supplier Base

- Tends to outside the area because of the nature of the businesses – Pointer, Publisher, Photographer – they need specialist goods, not available locally e.g. photographer uses specialist labs in Sheffield and Birmingham
- MediaCityUK
- No idea what it is - Little knowledge of any potential opportunities
- They did not think it would have any impact on PL – except for a few specialist companies
- Manchester can seem a long way to go for customers (in their businesses)
- Limited opportunities and little impact

Business Support

- What is available was given a mediocre rating
- Contact with the businesses is non-existent. There is a lack of information on how to access support – there does not seem to be a central place to get information
- Support would be appreciated in: sales and marketing, finding customers, bookkeeping, finance, tax
- One delegate had a great deal of help from "Made in Lancashire" – a service that for the craft sector is now defunct. This agency was very proactive. They put on excellent courses, were easy to contact, they came and did a diagnostic and provided access to business opportunities via email
- Delegate from the larger companies Found available support not relevant to their business needs as what was available tended to be aimed at start-ups
- They did not really understanding what Bus Support agencies could do for them and some expresses almost a fear of engaging with the agencies

Important Business Support Issues

- Funding support
- Customer acquisition support - Marketing – skills and implementation
- Knowing what support is available
- Public sector procurement - Educating commissioners

Networking

- Preference given for cross-sector networking – as a means of customer acquisition - there seems to be no point in mixing with competitors
- Time issues make it difficult to attend a networking meeting - it was felt an evening event would be preferable to a breakfast event
- The women led business focus group stated they would like to see ‘women only’ network groups as they would find it easier to network in these type of events
- Events with a different approach to growth and to lifestyle businesses would be advantageous

Academia

- The groups were fairly negative about academia and felt colleges/universities need to connect more with the sector and to offer practical courses
- The majority never used any of their services

CreativityWorks Focus Group: Post-it Exercise

Training & Commercial Skills

- Companies need confidence to collaborate
- Companies need to have more direction
- Some companies feel they are too small to win large jobs
- Poor culture and apathy
- Lots of manufacturers in the area – but there is a slow shift in perceptions of Creative Industries
- Poor aspirational levels
- Lack of quality

Business Support

- No clear understanding of what help they need
- Need for Finance

Networks/Critical Mass

- No central creative hub
- The area suffers from a poor “lifestyle” profile
- No cafes/bars with a “creative” clientele
- Issue around graduate retention and attraction
- Night-time economy too narrow
- Lack of throughput
- To what extent are CI indigenous to the area
- Mobility – not a critical mass
- Small isolated SME’s/individuals – geography does not help
- Restricted space for growth

Location of Customers and Markets

- Perceptions by potential customers – “North of Bolton”
- Fear of Manchester
- Lack of work outside the area
- Many companies lack the skills to identify new customers
- Local sourcing – local markets

Positives

- A pretty area
- Cheap place to do business and live
- Plenty of space
- Good transport links
- A high level of investment
- Spotlight on Pennine Lancashire
- Strong positive niche in Asian Communities
- Opportunity for nationwide recognition
- Opportunities for sub-regional working
- Opportunities for Creativity Works

- Opportunities for links with educational institutes

Self-perception of CI's

- Do they consider themselves a business?
- Business Acumen?
- Do they think like a business?

Perceptions of the Sector

- Lack of clear understanding of the Sector
- Lack of understanding of the potential of CI's to address their issues
    - Knowledge of the Supply Chain
- Lack of recognition of the current activity & potential of CI's
- Lack of knowledge of their potential in recognition

Other Issues

- MediaCityUK is a real opportunity
- Access to creative opportunities
- Premises – no real shortage
- Investment
- ISDN/Broadband

Appendix 4: Survey Questionnaire

Pennine Lancashire Creative Industries Survey

Revised Contact Details
Name:
Position:
Contact:

a. If yes, is this a good time to talk, can you spare 5-10 minutes? Or when would be the best time to call back.
b. If a telephone conversation is not the best form of contact, would you be happy to complete a brief email questionnaire? (yes/no)

Email Address:

1.0 YOUR DETAILS
Q1.1 In which of these sectors do you, your enterprise or organisation mainly operate? (Please tick as many boxes as you like – unless 'None of the above')
Advertising
Computer and Video Games
Architecture
Music
Art and Antiques Markets, including Visual Art
Performing Arts
Design
Crafts
Publishing
Software
Television and Radio
Designer Fashion
Film and Video
All
Something else related to the creative industries (please say what below)
None of the above

If you answered NONE OF THE ABOVE, you do not need to complete the rest of the questionnaire. However, please complete the details in questions 1.4 to 1.9 below. This will let us update our databases to ensure that we do not send you further information about creative industries issues.

Q1.2 And in which of these sectors do you, your enterprise or organisation MAINLY operate? (Please tick one box only)
Advertising
Computer and Video Games
Architecture
Music
Art and Antiques Markets, including Visual Art

Performing Arts
Design
Crafts
Publishing
Software
Television and Radio
Designer Fashion
Film and Video
All
Something else related to the creative industries (please say what below)
None of the above

Q1.3 Which Local Authority area is your enterprise or organisation located in?

- Pendle
- Burnley
- Rossendale
- Blackburn with Darwen
- Hyndburn
- Ribble Valley
- Other (Please specify)

If Other, check if a branch of the business operates in one of the above 6 local authorities.

If Yes, request appropriate contact details or continue interview based on branch information only.

If No, complete 1.4 – 1.9 and terminate interview.

Q1.4 Enterprise or Organisation Name
Q1.5 Enterprise or Organisation Address
Q1.6 Main contact for correspondence
Q1.7 Telephone Number
Q1.8 E-mail address of main contact (if available)
Q1.9 Please give brief details of your business activities in the space below e.g. sector, type of business etc.
Q1.10 Please give the names of any Professional or Trade Associations of which your business or organisation is a member.

2.0 ABOUT YOUR ENTERPRISE
This section asks for some basic information about your enterprise or organisation and will help us to better understand the size and shape of the creative industries cluster in the area. This information will be used for research purposes only and will not be passed to any third party organisation.

Q2.1 In what environment is your enterprise or organisation located?

Rural
Semi-rural
Urban / town

Q2.2 Which of the following best describes your enterprise or organisation?
Sole Trader
Partnership
Private Limited Company
Public Limited Company
Not-For-Profit Organisation
Other e.g. LLP, CIC (please say what below)

Q2.3 How long has your enterprise or organisation been trading?
Years
Q2.4 How long has your enterprise been trading in Pennine Lancashire?
Years
Q2.5 Where did you work before you began working in Pennine Lancashire?
Have always worked here
Other Lancashire
North West
South East
Elsewhere in the UK
Overseas

Q2.6 Including yourself, approximately how many full-time equivalent employees do you have based in Pennine Lancashire? (please treat a part-time employee as 0.5 employees but exclude freelance or temporary staff)
Employees

Q2.7 How many freelance or temporary staff did your enterprise or organisation use in the last 12 months? (If you are part of a branch or unit of a larger enterprise, please answer only for that branch or unit)
Freelance/Temp Staff

Q2.8 What was the approximate turnover of your enterprise or organisation in your most recent financial year? If you are a branch or unit of a larger enterprise please give an estimate for your branch or unit only.
Up to £5,000 (please give estimate below)
£5,001 to £10,000
£10,001 to £25,000
£25,001 to £50,000
£50,001 to £100,000
£100,001 to £250,000
£250,001 to £500,000
£500,001 to £1,000,000
£1,000,001 to £2,000,000

£2,000,001 to £5,000,000
£5,000,001 to £10,000,000
More than £10,000,000 (please give estimate below)
Estimate:

Q2.9 Did your enterprise or organisation receive any public investment, grant funding or subsidy in the most recent financial year?
No
Yes
If yes, what percentage of your overall annual turnover did this account for? %

Q2.10 Over the past year, have your sales / income:
Increased?
Stayed about the same?
Decreased?

Q2.11 Over the next five years, how do you expect the sales / income of your enterprise or organisation to change? If you are a branch or unit of a larger enterprise or organisation, please give an estimate of your branch or unit only.
Expect sales / income to increase
Expect sales / income to stay about the same
Expect sales / income to decrease

Q2.12 What impact do you think the current economic climate (the 'credit crunch') will have on your business in the next 3 years?
A lot negative
Some negative
Neutral
Some positive
A lot positive

Q2.13 Is this happening already?
Not applicable
No
To some extent
Yes

Q2.14 If you are intending to grow your enterprise or organisation, please give details of how you are planning to achieve this growth (e.g. developing new products or services; opening up new markets etc.)

3.0 YOUR CURRENT SITUATION AND FUTURE PLANS
This section asks about your enterprise or organisation's current business and the plans you may have for the future. The information will be used to consider the economic impact of the sector and to develop services for the future.

Q3.1 (a) Which of the following are reasons for your enterprise or organisation being located where it is? (Please tick all that apply)

Close to where the owners / managers live
Good transport links
Good availability of business premises
A nice environment to work
Inexpensive location
Close to customers
Good area for recruiting staff
Ample cultural opportunities
Good creative scene
Good lifestyle
Something else (please say what below)

(b) Which is the main reason? (Please tick one box only)

Close to where the owners / managers live
Good transport links
Good availability of business premises
A nice environment to work
Inexpensive location
Close to customers
Good area for recruiting staff
Ample cultural opportunities
Good creative scene
Good lifestyle
Something else (please say what below)

Q3.2 Please estimate the proportion of your sales / income which come from the following:

(a) Local customers / contracts in the Pennine Lancashire area
(b) Other North West
(c) North of England
(d) London and the South East
(e) Customers / contracts from elsewhere in the UK
(f) Customers / contracts from abroad
Total - 100%

Q3.3 Please estimate the proportion of your suppliers (materials, products, contractors, services) which come from the following:

(a) Local suppliers in the Pennine Lancashire Area
(b) Other North West
(c) North of England
(d) London and the South East
(e) Suppliers from elsewhere in the UK
(f) Suppliers from abroad
Total - 100%

Q3.4 Are you aware of the major development of MediaCityUK taking place in Salford/Manchester over the next few years?
Yes/No

Q3.5 If yes, do you think this development will create opportunities for your own business?
Don't know
None
Some
A lot

Q3.6 If Some or A lot, can you tell us how you are planning to take advantage of these opportunities?
AND
Q3.6a How could support agencies help you take advantage of these opportunities?

Q3.7 If you trade abroad, please give brief details of the overseas markets with which you trade.
PREMISES
Q3.8 To help ensure that the right workspace is available for organisations in the future, please tell us how much office / workspace you use currently and how much you expect to require in five years time. Please tick one box in each column and if you are a branch or unit of a larger enterprise or organisation, answer only for that branch or unit.
Less than 100 sq ft (9 sq m)
101-500 sq ft (10-46 sq m)
501-1,000 sq ft (47-93 sq m)
1,001-2,000 sq ft (94-186 sq m)
2,001-5,000 sq ft (187-464 sq m)
More than 5,000 sq ft (465 sq m)

Q3.9 Do you plan to move business premises over the next few years?
If yes, please give brief details below (for example, where you plan to move, the reasons for this, what are your workspace requirements?)
No

Q3.10 What type of workspace do you currently occupy?
You may choose more than 1:
Office
Home Office
Hot Desk
Arts or Crafts Studio
Recording Studio
Rehearsal Rooms
Retail
Other
If Other, please expand

Q3.11 Are these premises
Owned?
Leased?
Sublet/Licensed?
Comment

Q3.12 Does your current workspace give you access to any of the following?
Performance Space
Exhibition Space
Storage
Meeting Rooms
Living Accommodation
Specialist Equipment
Other
If Other, please expand

Q3.13 Which of the following do you plan to recruit over the next five years? (Please tick the boxes, which apply and give an estimate of the numbers you expect to recruit in the next five years in the space provided)

New permanent staff
(Please estimate the number of full-time equivalent)
Freelancers or temporary staff
(Please estimate the number)

Q3.14 Does your workspace meet your current needs?
Fully
Mainly
Inadequate
Not At All
If Inadequate or Not At All, flag for a follow-up call.

4.0 HELPING YOUR ENTERPRISE OR ORGANISATION TO GROW
This section of the questionnaire is about the barriers to growth that your enterprise experiences and how they could be overcome. This will help us to target efforts at your specific needs.

Q4.1 What do you think will be the key challenges that your sector will face over the coming years? Please give brief details below.

Q4.2 (a) Which of the following would you say are barriers to growth for your enterprise or organisation? (Please tick ALL that apply)
Appropriate business premises
Access to finance
Access to sector-specific training, advice and information
Attracting and retaining talent / skilled staff

Limited market for your goods and services
Suitable business networks
Underdeveloped creative and cultural infrastructure
Geographical location
The current national/global economic situation
Something else (please give brief details below)

(b) Which would you say is the MOST significant? (Please tick ONE box only)
Appropriate business premises
Access to finance
Access to sector-specific training, advice and information
Attracting and retaining talent / skilled staff
Limited market for your goods and services
Suitable business networks
Underdeveloped creative and cultural infrastructure
Geographical location
The current national/global economic situation
Something else (please give brief details below)

Q4.3 Has your enterprise or organisation used any of the following organisations for training or business support within the past five years? (Please tick all that apply)
A Further Education College
A University
Arts Council England
Business Link
Sector specific trade association (e.g. Musicians' Union; RIBA etc)
Sector specialist business adviser
Creative Lancashire
A local Enterprise Trust (e.g. Burnley Enterprise Trust etc)
Someone else (please say whom below)

Q4.4 If you have accessed training or support within the past five years, please indicate the nature of this support.
Information services
Business advice
Business / sector networks
Finance / funding
Training / professional development
Mentoring
Premises search
Network activities

Q4.5 (a) Which of the following do you think would help your enterprise or organisation to achieve its objectives over the next three years? (Please tick ALL that apply)
Business advice on matters such as strategy and marketing
Training support for management and staff

Improved access to market information
Access to creative business networks
Access to specialist sector information and intelligence
Access to investment finance
Access to appropriate business premises
Improved Information and Communications Technology infrastructure
Increased awareness of the value of the cultural and creative sector to the area
Increased understanding of businesses like yours by decision makers

(b) And which do you feel would provide the MOST help to your enterprise or organisation? (Please tick ONE box only)
Business advice on matters such as strategy and marketing
Training support for management and staff
Improved access to market information
Access to specialist business networks
Access to specialist sector information and intelligence
Access to investment finance
Access to appropriate business premises
Improved Information and Communications Technology infrastructure
Increased awareness of the value of the cultural and creative sector to the area
Increased understanding of businesses like yours by decision makers

Q4.6 Please give brief details of the support that you think would most benefit your enterprise or organisation.
Q4.7 How would you describe the cultural sector in your area?
Q4.8 What do you think are the future trends in your particular sector?
Q4.9 What is your ethnic origin?
White English
White Scottish
White Welsh
White Irish
Other White (please specify)
Asian Indian
Asian Pakistani
Asian Bangladeshi
Other South Asian (please specify)
Chinese
Caribbean
African
Black English or other Black
Any mixed background (please specify)
Other ethnic origin (please specify)
Prefer not to say

Are you happy for Creative Lancashire to hold your contact details on a data base and for members of the Creative Lancashire to contact them with further information about creative industries support services and relevant events in the area?
Permission granted: Yes/No

If permission granted, we are undertaking some more detailed survey work with creative businesses in the area over the next few weeks. Would you be happy for us to contact you to undertake some further survey work?
Yes
No

THANK YOU FOR YOUR HELP

Your contact details for this survey have been identified from publicly available information. The information provided will be recorded on a database with full confidentiality under the Data Protection Act 1998, to be used for statistical purposes only.

Appendix 5: Synopsis of 'Solutions for Business' Portfolio

Product	Scope	Eligibility
Export Credit Insurance	insurance policies for contracts involving the export of capital equipment and project related goods and services	Any person carrying on business in the UK, who is exporting capital goods and services or is investing overseas, is eligible to apply for cover. Acceptance is subject to rigorous credit risk assessment processes
Grant for Business Investment	to support the acquisition of key assets, such as buildings, plant and machinery and to support the creation of new jobs or to safeguard existing ones.	businesses operating in Assisted Areas (as defined by the European Union) and SME's in other disadvantaged areas (as defined by the Regional Development Agencies) .
Maximising Foreign Direct Investment	Information, advice and tailored help for potential and existing inward investors	Overseas companies primarily identified by UK Trade and Investment
Accessing International Markets	information and other help in specific markets, for individual companies and for sectors or other groups of UK business for collective benefit, drawing on the commercial sections in UK Consulates, Embassies, and High Commissions overseas.	*Support for market introductions* - open to all UK registered companies. *Support for market visits or for exhibiting at overseas trade shows* - open to SME's working with one of UKTI's International Trade Advisors, or equivalent, and which are engaged in a trade development activity. *Support for sector events and for group delegations to overseas exhibitions* is prioritised in accordance with high level strategic priorities identified, and in accordance with strategic marketing plans for individual sectors

Developing Your International Trade Potential	Information and advice to businesses who are considering exporting or entering new overseas markets, or who have limited experience in exporting or other aspects of international business development	*UK registered companies of all sizes* can receive information and advice on beginning to export or seeking to do business in new overseas markets. *Small-medium sized enterprises seeking to enter new markets* can access co-funding for agreed export capability development projects. *Small-medium sized enterprises who are either 'new to export' or innovative and between 1 and 5 years* old can access support for general export capability
Train to Gain	support employers of all sizes and in all sectors to improve the skills of their employees as a route to improving their business performance.	All businesses based in England.
Business Collaboration Networks	Provided to procure intermediaries to establish and operate business collaboration networks. The intermediaries will facilitate access to a range of collaborative support activities	The composition of a network will depend upon the sector it is representing. Participants will primarily be small and medium sized firms, although some networks will have more large firm participants than others. Participating firms must be in a priority sector, market, technology or other area identified as critical to the successful delivery of the relevant regional or local economic strategy – or be looking to diversify into such a sector.

Business Premises	provision of cost-effective, managed workspaces and business parks in priority localities to help new and existing businesses grow	new businesses looking to start-up within the local area; small and medium sized firms; and large companies able to act as anchor tenants. Business premises which operate as mixed use sites will only attract funding for those elements occupied by new and/or small and medium sized firms.
Business Growth: Specialist Facilities and Environments	cost-effective, supportive shared premises – with specialist facilities such as specialist knowledge, equipment and technologies – to help new and existing businesses grow	These premises will be targeted at businesses from within priority sectors as set out in regional and local economic strategies. To be eligible for support businesses must display entrepreneurial and growth potential and match the purpose and entry criteria of the facility.
Starting a Business	Free access to information and advice for anyone thinking about starting a business	Anyone starting a business in England.
Intensive Start-Up Support	Free advice and mentoring (in addition to that offered by Starting A Business) for individuals and groups actively exploring starting businesses in England who are targeted by their Regional Development Agency (RDA) as underrepresented in self-employment and business ownership.	Each RDA will determine – using its Regional Economic Strategy – which individuals or groups to assist.
Starting a High Growth Business	Extra help for new businesses (and people developing a business concept) identified as having high-growth potential	Businesses with the potential to achieve turnover of £500,000 to £1m or higher within three years of starting to trade

Manufacturing Advisory Service	business support programme for manufacturing companies, delivering hands-on advice and assistance from experts in a wide range of manufacturing disciplines.	UK SME manufacturing firms
Designing Demand	a support programme developed to help businesses use design to improve performance.	SME's
Innovation Advice and Guidance	the provision of innovation advice and guidance.	The product is targeted at businesses (including social enterprises) experiencing challenges that are holding back the potential to grow significantly and which are open to seeking innovative approaches to surmounting these
Coaching for High Growth	a structured coaching programme, assisting firms to build their inherent capabilities and achieve accelerated growth	The product is targeted at businesses with the potential to achieve high growth but which would not achieve such growth without intervention
Support to Lenders	Government supported loans from high street lenders for businesses denied a standard loan because of a lack of collateral	Small and medium businesses with a viable plan but lacking collateral.
Small Loans for Business	Small loans of up to £50,000 for businesses with viable business plans refused bank finance, typically linked to ongoing mentoring and support	Small and medium start-up and growth businesses unable to raise the funding they need from mainstream lenders.
Understanding Finance for Business	Advice and support to ensure that entrepreneurs	Small and medium start-up and growth businesses

	and businesses understand their options for getting the money they need to start and grow a business, with facilitated introduction to potential sources of finance.	lacking an understanding of finance options, the skills to develop their propositions and/or access to potential investors.
Finance for Business	Flexible finance solutions for businesses with viable business plans unable to get support from commercial banks and investors	Small and medium businesses unable to raise all their finance needs in the commercial market despite having a viable business plan
Enterprise Coaching	One-to-one coaching to cultivate interest in enterprise amongst people who would not otherwise consider setting up in business as an option.	Individuals eligible for Enterprise Coaching will be residents of areas of deprivation, people from groups who are under-represented in enterprise, or individuals who are economically inactive regardless of place of residence or social/demographic characteristics.
Improving Your Resource Efficiency	Initial and specialist support which enables businesses to contribute to a low carbon resource efficient economy whilst achieving cost savings	Most of the services, especially at initial level, are available to all businesses in England. Specialist support will be targeted at businesses with significant potential to reduce their environmental impacts or those that have made a public commitment to do so.
Environmental Land Management Funding	Financial compensation for adopting different land management practices that enhance the environmental impact of farming and land management and so deliver public benefit. It forms	Farmers, Foresters and land managers

Environmental Land Management Advice	Advice and guidance to improve environmental land management through improved knowledge transfer and expertise of farm businesses.	English farmers, land managers and their advisers
Collaborative R&D	A grant to businesses working together and with the knowledge base to develop and exploit new ideas.	Businesses from all sectors across England that have the willingness and potential to collaborate on developing innovative products, processes or services.
Networking for Innovation	Support to help business build relationships with knowledge base institutions to develop and exploit new ideas	Businesses from all sectors across England that are interested in developing innovative products, processes or services, or adopt new management, organisation or business models.
Knowledge Transfer Partnerships	A grant to enable the placement of a recently qualified person (i.e. NVQ level 4 in an appropriate subject, HND, foundation degree, degree and higher degrees, including post-doctorate) in a business, or the exchange of staff between businesses and knowledge base institutions.	Businesses from all sectors from across England
Innovation Vouchers	A voucher to enable a business to buy support from a knowledge base institution in order to explore potential opportunities for future collaboration in developing and exploiting new ideas.	Small and medium sized businesses from all sectors from across England that have the willingness and potential to collaborate on developing innovative products, processes or services.
Low Carbon Energy	Finance to assist a business	Businesses based in the

Demonstration	in a range of demonstration activity in order to commercially exploit R&D in low carbon energy-generating technology.	England engaging in low carbon energy demonstration projects.
Grant for Research and Development	Finance to assist a business to develop and exploit new ideas.	Commercially driven projects by pre-start, start-ups and SMEs within all sectors in England, except defence.

END/