DIGITAL CREATIVE SECTORS IN COVENTRY: TRENDS AND POTENTIALS

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FOREWORD

This important and timely report has been funded by the Heritage Lottery Fund and Arts Council England (ACE) *Coventry Great Place* project currently running in the City. Together with Coventry's new status as a *Heritage Action Zone* and the successful ACE *Cultural Destinations* award, *Great Place* supports and prepares the ground for Coventry's ambition to be City of Culture 2021.

The new Cultural and Digital Strategies produced by the City Council provide a ten-year road map towards Coventry becoming a digitally and culturally attractive centre for the Creative Industries.

Coventry is the right place for new and expanding digital creative businesses. It offers a rich, vibrant and diverse cultural experience and a rapidly developing digital infrastructure, both of which are essential to strengthening creative clusters in the City that could significantly impact on the local and regional economy. This report identifies trends and development in the growth of digital creative businesses in the City and some of the opportunities and challenges for the future growth of the sector. Stronger connections between local and regional cultural, digital and investment initiatives will boost the growth of Coventry as a vibrant creative cluster interacting with digital clusters in Birmingham and Warwickshire.

As this report shows, Coventry is not yet a hot-spot for the digital creative sector. But the growth of the supply chain of digital engineering to support major advanced manufacturing organisations like Jaguar Land Rover (JLR) and London EV Company provides an opportunity to develop synergies with new digital creative, design and other Creative Industries. External perceptions of the City are changing. Coventry is becoming a significant city with a transformed cultural offer.

Two award winning universities and a new Cultural Place Partnership supported by the City Council and local businesses have ambitious plans to drive local and regional economic growth through harnessing our industrial strengths, heritage, human and diverse cultural resources.

The report demonstrates that digital creatives are drawn to places in the City like Far Gosford Street which combine work spaces with a multicultural urban vibe. Evidence in the report from interviews with estate agents and businesses shows that the City will need to develop additional digital creative work spaces in places like Far Gosford Street in order to satisfy a demand that is currently outstripping the supply of suitable spaces. Ambitious plans are under consideration to expand spaces in this area of the City by developing the River Sherbourne link to the Charterhouse Priory.

Bold plans like this could provide the ideal mix of work-spaces and digital infrastructure in projects that combine digital creative growth with local heritage and cultural assets.

The report shows that there is much to play for. The digital creative sector in Coventry has grown significantly over the last decade in terms of both the number of enterprises and their sales. But a lack of suitable premises and the need to develop the cultural habitat favoured by digital creatives are now key issues for action.

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EXECUTIVE SUMMARY

1 This report provides a first step in identifying current growth trends in the digital creative sector in Coventry in comparison with other UK cities. It draws on documentary evidence to explore what drives growth in digital creative clusters. Interviews with key informants then provide a rich picture of the current challenges for digital creative businesses in the City, and for those seeking to promote future growth in the sector.

2 Skills, hard and soft infrastructure and the availability of growth finance provide the essential enablers of growth in digital creative clusters. These issues are recognised and prioritised in the strategic plans developed by a number of Local Enterprise Partnerships (LEPs). Surveys of creative businesses also highlight similar issues alongside the costs of operating in different locations.

3 For Coventry, the established digital creative cluster in Birmingham presents strong local competition in attracting and retaining digital creative businesses in Coventry, particularly given the availability of premises in Birmingham. The demand for digital creative skills from the gaming cluster in Warwickshire and digital firms in Birmingham and beyond also limits local skills availability.

4 Despite this competition the digital creative sector in Coventry has grown significantly over the last decade in terms of both the number of enterprises and their sales. Job growth has been more modest. Digital creative firms in the City now have annual turnover of more than £0.5bn.

5 The rapid growth of the users of digital creative industries – a trend which seems unlikely to change – suggests the potential for continued expansion in the future with strong market growth across the West Midlands.

6 To date there has not been any systematic support for digital creative businesses in Coventry. This has led to the city becoming digitally 'luke-warm' – not cold enough to attract high levels of public or government funding to get initiatives off the ground, but not hot enough to attract high levels of private investment. Other cities – Manchester, Bristol, Birmingham, Leicester - have been more determined and ambitious to draw on the benefits and opportunities offered by the digital revolution.

7 Coventry is well placed to compete. It has a young and diverse population who are naturally part of the digital generation. Coventry University has programmes which produce graduates with high quality digital and creative skills. Its location makes it well placed to serve both the Northern Powerhouse and London.

8 The lack of suitable premises means Coventry is not seen as a go-to location for digital creative start-ups or growing businesses. New developments, both planned and currently underway, however, may provide the momentum for change.

SECTION 1: COVENTRY - THINKING DIGITAL?

1.1 INTRODUCTION

Digitisation and related automation increasingly shape all of our lives, and the firms leading these markets have become dominant players.

These trends are set to continue. Recent OECD research suggests that at least 10%, and perhaps up to 25% of current jobs, are vulnerable to future automation. This suggests both an opportunity and a threat for Coventry. Actively embracing the opportunities presented by the digital revolution by supporting and developing digital creative businesses has the potential to create a new development dynamic in the City. A more passive approach risks losing out as digital creative clusters develop elsewhere.

This report provides a first step in identifying current growth trends in the digital creative sector in Coventry in comparison with some other Midlands cities. It draws on documentary evidence and interviews with key informants to provide a rich picture of the challenges for digital creative businesses in the City, and for those seeking to promote future growth. Two key themes emerge. First, the digital creative sector in the City has performed relatively strongly over the last decade, but future growth is not assured despite some significant local advantages. Second, there is a widespread perception that digital creative business in the City has not been seen as a development priority. A stronger strategic approach, such as that signalled in the recently published Digital Strategy[1], may have significant benefits for future growth.

1.2 OVERVIEW OF THE REPORT

The remainder of this report is organised as below.

2

Section 2 provides an overview of the factors which influence the formation and development of digital creative clusters. A key element of this is to understand how some other UK areas are developing strategies for developing digital creative clusters and the content of those strategies.

3

Section 3 provides an overview of recent trends in the growth of digital creative businesses in Coventry in comparison with some other Midlands cities.

4

Section 4 reports the views of a number of key informants from the public and private sectors on the barriers to growth in the digital creative sector in the City and what can be done to boost future growth.

5

Section 5 focuses specifically on the question of premises for digital creative businesses. This is seen by firms as a particular strength of the digital creative cluster in Birmingham, and emerged as a specific issue from our key informant interviews.

6

Section 6 concludes with some final reflections and development priorities.

SECTION 2:
FACTORS AFFECTING THE FORMATION OF DIGITAL CREATIVE CLUSTERS

2.1 BUSINESS CLUSTERS AND CREATIVE INDUSTRIES IN THE UK

Business clusters exist when a set of businesses and other related organisations network with each other, operate in close geographical proximity, and use such connectedness to gain an advantage over their competitors. Business clusters gained much attention in the mid-1990s in the US as a means of encouraging the rejuvenation of deprived inner city areas[2]. This US-inspired model led to the introduction of the City Growth Strategy (CGS) initiative in the UK in the early 2000s[3]. This focused on how distressed UK inner city areas[4] could exploit their potential rather than fixing their problems, which have traditionally been the main drivers of government intervention. Much effort was directed in supporting key business clusters that were seen as having the potential to boost local economic development and thereby create jobs and wealth for local residents.

At the same time, creative industries – and particularly digital creative industries - are viewed as a source of innovation for the knowledge economy and positively linked to diverse local communities. The rapid digitisation of the UK economy has profoundly affected the business landscape within which creative industries operate, altering traditional business models and blurring the lines between low and high tech sectors[5].

From a local perspective, digital creative industrial clusters are thought to lead to a number of advantages for both businesses and the regions in which they operate, including increased competitiveness, higher productivity, new firm formation, growth, profitability, job growth and innovation. As a result the development of creative clusters is now central to the economic strategies of local governments across the UK[6] and internationally[7].

In the Coventry and Warwickshire area, the digital creative industries are significant with leading companies in software development, gaming, film-making, theatre, industrial design and digital infrastructure. Around 130 of the UK's best game businesses are based in the West Midlands[8].

For the City of Coventry the potential for developing a stronger digital creative cluster is significant. However, at the moment something of a locational paradox exists: Coventry is surrounded by two digital creative clusters in Birmingham[9] and Leamington Spa both of which are widely seen to be more buoyant than that in the City itself. This creates a situation in which the City of Coventry outsources to neighbouring areas most of its valuable potential without creating direct multiplicative effects for the City itself in terms of job creation, business growth and productivity and competitiveness increase[10].

In the remainder of this Section we identify the most important ingredients which - if managed and mixed effectively - could bring to life and sustain a digital creative cluster in Coventry[11].

2.2 TALENT

Digital creative companies transform both traditional creative and non-creative sectors and, at the same time, can help to satisfy the increasing demand for new 'fused' skills. This demand comes as a result of rapid technological change, higher client expectations and greater competitive pressures. Digital creative companies – and their customers - increasingly seek a 'fusion' of technical expertise, creativity and other skills to cope with the challenges they face. This combination of skills and capabilities and its availability within an area is a major success factor in the development of a digital creative cluster.

> THE DIGITAL CREATIVE ECONOMY IS CREATING HIGHLY PAID OPPORTUNITIES ACROSS THE UK ALMOST THREE TIMES FASTER THAN THE REST OF THE ECONOMY.

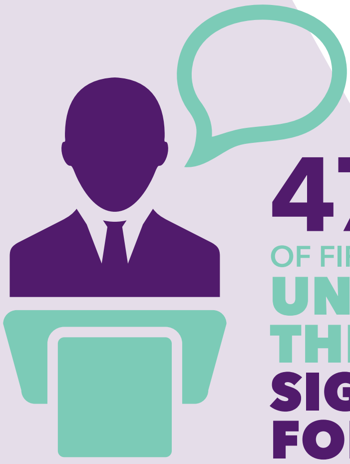
According to Tech City reports (2015; 2016) the digital creative economy is creating highly paid opportunities across the UK, almost three times faster than the rest of the economy. Thus, educating and retaining employees with 'fused' skills becomes more and more important in local governments' agendas. Several local/regional strategy plans across the UK acknowledge that skills and education are a key pillar for helping digital creative industries achieving high growth rates and create more jobs. A recent report focused on Brighton, aiming at addressing the links between creativity, entrepreneurship and economic growth, explored the combination of skills, knowledge and networks which are essential for creative digital businesses to thrive[12]. The report argued that digital creative firms that are seeking fast growth will be more innovative, and 'fused', and that providing an adequate supply of skilled labour will be a key enabler of growth.

In the same spirit, Leicester and Leicestershire Enterprise Partnership (LLEP) drafted a plan for the Digital and Creative Industries[13] and identified talent as a local asset, and a crucial resource for a thriving creative sector in the Region. At the same time however, the LLEP acknowledged that the small-scale of most businesses in the sector presents some real challenges in terms of skills availability and development. The Greater Manchester Local Enterprise Partnership has drafted a strategy plan[14] where the future development of the digital and creative industries is also seen to depend on '… *the ability to succeed in continuously driving improvements in productivity is highly dependent on access to raising skill levels – attracting and retaining the best talent that will help the sector grow*'.

Skills shortages arising from the fast pace of change in the digital creative sectors is also a potential issue for the City of Coventry. Specifically, in a recent survey mapping innovation and creativity in the City of Coventry, and covering firms in all sectors, only 33%[15] of the responding companies believe that the City offers an environment that helps to attract and retain high quality employees (Table 2.1). Less than half of the firms surveyed also indicated that '*skilled employees are available locally*'.

TABLE 2.1: SKILLS AVAILABILITY IN THE CITY OF COVENTRY (% FIRMS, ALL INDUSTRIES)

	FIRMS WITH 5-20 EMPLOYEES	FIRMS WITH 20-49 EMPLOYEES	FIRMS WITH 50 PLUS EMPLOYEES	ALL FIRMS
	N=225	N=78	N=45	N=349
The universities in the City provide significant help for businesses	45.7	52.8	49.1	47.1
Skilled employees are available locally	45.5	46.5	32.4	44.4
Coventry offers an environment that helps to attract and retain high quality employees	33.0	31.4	32.2	32.7



47.1%
OF FIRMS AGREE THAT THE
UNIVERSITIES IN THE CITY PROVIDE SIGNIFICANT HELP FOR BUSINESSES

44.4%
OF FIRMS AGREE THAT
SKILLED EMPLOYEES ARE AVAILABLE LOCALLY

32.7%
OF FIRMS AGREE THAT
COVENTRY HELPS TO ATTRACT AND RETAIN HIGH QUALITY EMPLOYEES

Universities and colleges are a crucial element of the skills development pipeline for the digital and creative industries, and recent reports have highlighted a number of initiatives locally to support skills development.

- The Serious Games Institute (SGI) enables and facilitates the growth of serious games, the virtual world and related industries by supporting research and development and skills development.
- Coventry University offers two focused courses: a BA in Games Art from the School of Art and Design, a BSc in Games Technology producing up to 30 graduates a year, and well respected media, photography and design programmes.
- Warwickshire College offers a two-year Foundation Degree in Games Art in Leamington and North Warwickshire and South Leicestershire College runs an HND in Games Animation and Screen Design at its Hinckley campus.

In other parts of the region, Staffordshire University runs a number of dedicated full time and part time courses, many of them Creative Skillset accredited, in subjects including animation, games art, design, programming and VR.

2.3 ACCESS TO FUNDING/FINANCE

Besides the necessity for talented workers, the availability of finance (public or private) is a key enabler of growth in digital creative companies. According to a recent Tech City survey (2015) on the geography of UK digital companies located in clusters, one third of surveyed companies identified access to finance as a challenge. Digital creative companies highlighted that both public and private support could help them address pressing issues of start-up capital, intellectual property protection, moving quickly from the prototype stage to an actual viable product and attracting the best qualified personnel (including freelancers).

The London area, is often cited as a leader for its *'efficiency and access to capital and information'* as well as for its '*reputation as an urban gateway*'[16]. Outside London and the South East there is a need to improve access to both debt and equity finance.

Both Derby, Derbyshire and Nottingham and Nottinghamshire (D2N2) LEP and Greater Manchester LEP acknowledge this challenge in their strategic action plans, and the opportunity to develop further a financial ecosystem to attract growth for the digital creative industries. Within the D2N2 action plan a range of tailored access-to-finance programmes exist, of different scales to address the specific needs and context of the Digital and Creative Industries subsectors and lever significant external investment in the region. LLEP in their sector growth plan (2015) went even further suggesting that reduced public sector finances are a threat to the future growth and prosperity of the digital and creative businesses in the area.

Despite its potential importance in boosting the growth prospects of digital creative clusters, access to finance is not always considered as a key feature of the environment for a digital creative cluster. Indicatively, in the case of Birmingham digital creative cluster, the availability of property and good transport infrastructure are seen as more important than access to finance. The same applies for the Bristol and Bath digital creative clusters and for most of the UK's regions.[17]

"DIGITAL CREATIVE COMPANIES HIGHLIGHTED THAT BOTH PUBLIC AND PRIVATE SUPPORT COULD HELP THEM ADDRESS PRESSING ISSUES OF START-UP CAPITAL."

2.4 ‘HARD’ AND ‘SOFT’ INFRASTRUCTURE

Along with the local supply of talent the quality of infrastructure, and in particular digital infrastructure, is the most important factor in a digital creative company’s locational choice. Besides the availability of ‘hard’ infrastructure (broadband, premises) other ‘soft’ factors such as cultural amenities, tolerance, openness and lifestyle options will also be important in attracting and retaining digital creatives. The reality of each of these influences is important; the branding or image of locations is equally important as digital creative businesses and qualified staff are highly mobile.

The quality of digital infrastructure across the UK varies significantly. For example, digital creative businesses in Brighton complain about the region’s overloaded network while digital businesses in Hull enjoy one of the fastest fibre optics networks in the UK. But even within the West Midlands region one can observe digital infrastructure differences; Digital Birmingham has secured funding for the establishment of ultra-fast broadband services in certain city locations (Digbeth, Jewellery Quarter and Eastside) thus, encouraging the urban agglomeration of digital creative businesses[18]. Coventry has made some positive steps in the same direction with a new Digital Strategy and the recent award from DCMS to support the development of the digital infrastructure[19].

The availability of suitable premises with an urban vibe consistent with the aspirations of digital creative businesses – combined with digital infrastructure - also plays a key role in attracting and retaining digital creative businesses. Across the UK the availability of suitable premises and their cost varies significantly. In London, firms responding to the 2015 Tech City survey reported that premises are available but costs are high. In other digital creative clusters – notably Birmingham and Manchester – the availability of premises is seen by firms as a key strength of the location. Plans in place in Coventry to create a riverside corridor of digital creative spaces between Far Gosford street and Charterhouse to augment Electric Wharf and other over-subscribed accommodation for creative businesses will be important in future.

A city’s openness, tolerance and diversity as well as external image play also a role in attracting digital creative industries. The City of Coventry overall is considered a creative and innovative city with high quality existing businesses (see Table 2.2 overleaf) however, its external image as a dynamic city is not so strong. To this end, Coventry Cultural Strategy (2017)[20] aims at exploiting the City’s cultural diversity and youthful ambition and aims by 2027 to expand the opportunities for existing and prospective digital and creative businesses to locate in the area.

TABLE 2.2: SOFT INFRASTRUCTURE IN COVENTRY[21]

(% FIRMS, ALL INDUSTRIES)

	FIRMS WITH 5-20 EMPLOYEES	FIRMS WITH 20-49 EMPLOYEES	FIRMS WITH 50 PLUS EMPLOYEES	ALL FIRMS
	N=225	**N=78**	**N=45**	**N=349**
Coventry is a creative and innovative City	59.1	69.1	48.5	59.5
High quality business services are readily available locally	45.6	54.7	37.5	46.1
The City of Coventry has a positive and dynamic external image	32.1	26.1	27.6	30.8

2.5 SUMMARY

Skills, hard and soft infrastructure and the availability of growth finance provide the essential enablers of growth in digital creative clusters. These issues are recognised and prioritised in the strategic plans developed by a number of Local Enterprise Partnerships. Surveys of creative businesses also highlight similar issues alongside the costs of operating in different locations. For Coventry, the established digital creative cluster in Birmingham presents strong local competition in attracting and retaining digital creative businesses in Coventry, particularly given the availability of premises in Birmingham. The demand for digital creative skills from the gaming cluster in Warwickshire and digital firms in Birmingham and beyond also limits local skills availability.

Current resource constraints, and the cocktail of factors necessary to enable the growth of digital creative clusters, emphasise the potential value of coordination between local actors and the value of an agreed strategic approach. We return to this theme in later sections of this report.

SECTION 3:
THE GROWTH OF THE DIGITAL CREATIVE SECTOR IN COVENTRY AND OTHER URBAN AREAS IN THE MIDLANDS

3.1 INTRODUCTION

In this section we provide a profile of the development of the digital creative sector in Coventry over the last decade.

The profile is based on data taken from the Business Structures Database, a research database compiled from annual extracts from the Inter-Departmental Business Register (IDBR) which provides information on all UK firms. For comparison we include analysis of some other urban Local Authority Districts: Wolverhampton, Birmingham, Solihull, Stoke and Rugby.

One issue when examining the digital creative sector is that there is no universally agreed definition although a recent DCMS document has suggested a definition – based on 2007 SIC codes – which is comparable with other international definitions (Table A3.1 in their document)[22]. It is notable that this includes a range of digital manufacturing as well as service activities. One potential issue with this definition is that it is based on SIC codes, which classify companies based on their principle or main activity. In the case of Digital Creative activities this may miss digital creative activities which are making a significant contribution to the economy but are being undertaken in other companies. To address this we also consider a group of sectors which are 'Digital Creative Users' based on some recent analysis by Creative Skillset and Nesta (Table A3.2 in their document)[23]. In practice, as the Business Structures Database continues to rely on 2003 SIC Codes these are used to categorise firms (see Tables A3.1 and A3.2).

3.2 GROWTH IN THE DIGITAL CREATIVE SECTOR

There has been a growth in the number of digital creative enterprises (with one or more employee) across each of the major urban centres of the West Midlands, with Coventry experiencing the fastest overall growth (5.6% p.a.) over the 2006-2016 period. This was equivalent to a rise in the number of digital creative enterprises in Coventry from 663 in 2006 to 1138 by 2016. Over the same period employment in the sector grew more slowly (Table 2.3b overleaf), rising by only 1.0% p.a. in Coventry. This was a slower rise than in both Solihull and Wolverhampton. In 2016, digital creative businesses employed 3,669 people in Coventry, up from 3,336 in 2006. Sales by digital creative businesses in Coventry also rose over the 2006-2016 period, increasing on average by 6.5% p.a. (Table 2.3c overleaf). This was the most rapid growth across any of the major urban centres , and meant that by 2016, digital creative businesses in Coventry had a turnover in excess of £510m.

TABLE 2.3: GROWTH IN DIGITAL CREATIVE CLUSTER: 2006-2016

	2006	2010	2012	2016	2006-2010	2010-2012	2012-2016	2006-2016
A. Number of enterprises								
Birmingham	2103	2877	2251	3019	8.15	-11.55	7.61	3.68
Coventry	663	986	793	1138	10.43	-10.32	9.45	5.55
Rugby	247	339	290	357	8.24	-7.51	5.33	3.75
Solihull	573	797	637	867	8.60	-10.60	8.01	4.23
Stoke	329	410	292	372	5.66	-15.61	6.24	1.24
Wolverhampton	314	475	395	500	10.90	-8.81	6.07	4.76
B. Number of employees (No.)								
Birmingham	12951	12764	10180	12597	-0.36	-10.69	5.47	-0.28
Coventry	3336	4109	3462	3669	5.35	-8.21	1.46	0.96
Rugby	1496	1045	853	974	-8.58	-9.65	3.37	-4.20
Solihull	2967	2912	2395	3424	-0.47	-9.31	9.35	1.44
Stoke	2499	2384	1518	2110	-1.17	-20.20	8.58	-1.68
Wolverhampton	2162	2352	4087	2592	2.13	31.82	-10.76	1.83
C. Turnover of enterprises (£bn)								
Birmingham	1.57	2.27	1.49	1.58	9.58	-18.97	1.40	0.01
Coventry	0.27	0.38	0.32	0.51	8.64	-8.47	12.72	6.54
Rugby	0.10	0.08	0.07	0.09	-3.25	-7.89	5.87	-0.68
Solihull	0.38	0.38	0.30	0.31	0.12	-11.81	0.79	-2.13
Stoke	0.39	0.40	0.14	0.46	1.05	-41.16	34.66	1.72
Wolverhampton	0.20	0.33	0.63	0.26	13.06	39.01	-19.65	2.79

Source: Author's analysis of the Business Structure Database.

Growth over the 2006-2016 period has not been consistent, and the digital creative sector was impacted significantly by the financial crisis of 2010-2012. In particular, the number of enterprises in the sector fell sharply across the main urban centres of the West Midlands (Figure 2.1 overleaf) before recovering in the 2012-2016 period. In Coventry, for instance, it was not until 2014 that the number of digital creative enterprises again reached its pre-crisis level.

COVENTRY EXPERIENCED THE **FASTEST OVERALL GROWTH** **5.6%**

Trends in employment in the sector (Figure 2.2 overleaf) and turnover (Figure 2.3 overleaf) also exhibit evidence of the effect of the financial crisis although this is less clear.

Overall, the digital creative sectors have performed relatively strongly in Coventry compared to other urban centres in the Midlands. Growth in sales and the number of firms operating in the sector has been strong, although job generation has been less impressive. This pattern is consistent with that in other areas, however.

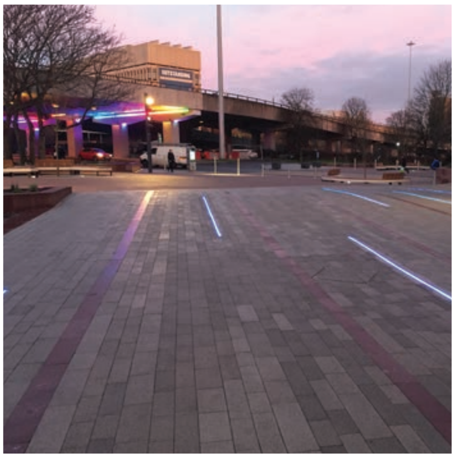


FIGURE 2.1: GROWTH IN DIGITAL CREATIVE ENTERPRISES

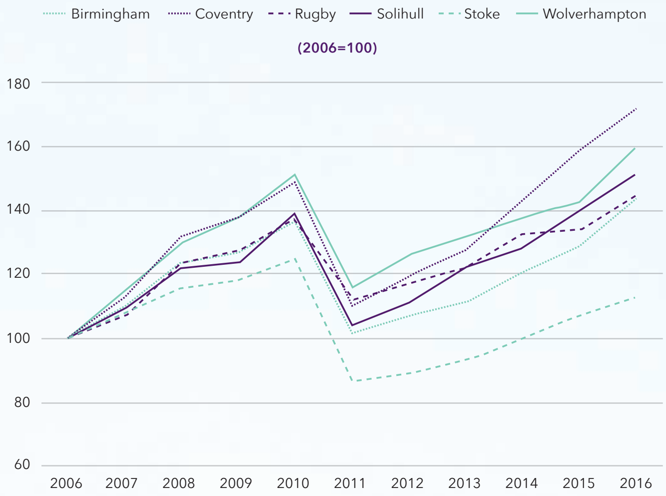
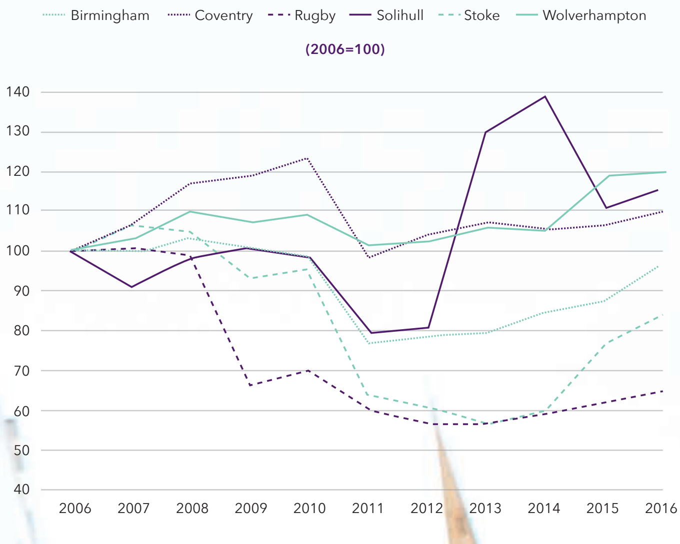
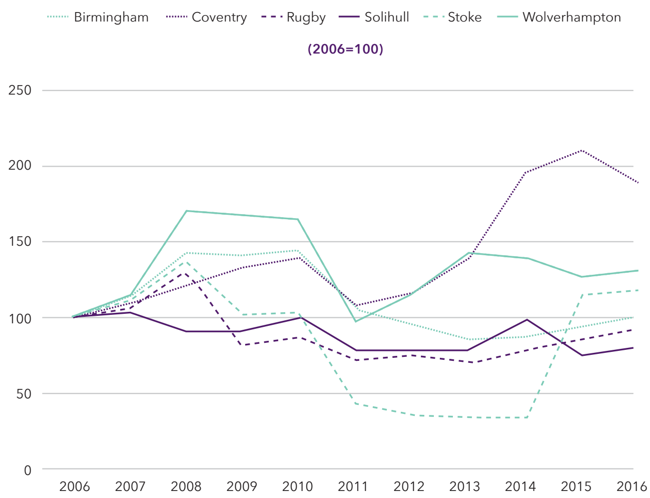


FIGURE 2.2: GROWTH IN DIGITAL CREATIVE EMPLOYMENT



Sources: Author's analysis of the Business Structure Database.

FIGURE 2.3: GROWTH IN DIGITAL CREATIVE TURNOVER



> THE DIGITAL CREATIVE SECTOR HAS GROWN SIGNIFICANTLY IN TERMS OF BOTH THE NUMBER OF ENTERPRISES AND SALES IN RECENT YEARS.

3.3 GROWTH IN THE SECTORS USING DIGITAL CREATIVE INDUSTRIES

The growth in the users of digital creative industries provides an indication of the potential local market for the sector. Across the main urban centres of the West Midlands there has been a growth in the number of potential customers for digital creative firms over the last decade (Table 2.4A). The growth in the number of potential customers for digital creative firms has increased most rapidly in Rugby (by 6.1% p.a.) followed by Birmingham (5.8% p.a.) and Coventry (5.2% p.a.). In terms of the scale of the potential market – suggested by the turnover of the users of creative industries – growth in the market for digital creative services has been more rapid increasing nearly 7.6% p.a. in Coventry and more than 9.1% a year in Birmingham over the last decade (Table 2.4B).

3.4 SUMMARY AND CONCLUSIONS

The digital creative sector has grown significantly in terms of both the number of enterprises and sales in recent years although job growth has been significantly more modest. The rapid growth of the users of digital creative industries – a trend which seems unlikely to change – suggests the potential for continued expansion in the future with the strong potential market growth across the West Midlands. Key challenges seem likely to be around translating business growth and increased business volumes into new jobs in the sector.

TABLE 2.4: SCALE AND GROWTH IN USERS OF DIGITAL CREATIVE INDUSTRIES

	2006	2016	GROWTH % P.A. 2006-2016
A. Number of firms			
Birmingham	2550	4485	5.81
Coventry	758	1256	5.18
Rugby	283	510	6.07
Solihull	709	1096	4.45
Stoke	324	532	5.08
Wolverhampton	634	694	0.91
B. Turnover of digital creative users			
Birmingham	0.83	1.99	9.12
Coventry	0.18	0.37	7.57
Rugby	0.08	0.12	3.58
Solihull	0.25	0.43	5.69
Stoke	0.08	0.21	9.33
Wolverhampton	0.22	0.40	5.91

SECTION 4:
BARRIERS AND ENABLERS OF FUTURE GROWTH

4.1 INTRODUCTION

In this section, we draw together insights from of a series of interviews with key individuals and organisations in the Coventry City area.

Organisations interviewed included: Coventry City Council, Coventry and Warwick Universities, the Coventry and Warwickshire LEP, the Coventry and Warwickshire Growth Hub and a number of private sector businesses both large and small that operate within the digital and creative sectors in Coventry (see Annex 2). The key objective of these interviews was to gather opinion on the status of the digital creative sectors in Coventry and the potential for future growth. Here, we focus on networks, business development and support and potential markets. The availability of appropriate real estate is the specific focus of Section 5.

4.2 DEVELOPMENT OF CREATIVE DIGITAL BUSINESSES IN COVENTRY

Perhaps surprisingly given the trends observed in the previous section, it was generally thought that the digital creative sector in Coventry is currently under-developed. This is not helped by a lack of any shared perception of the nature of digital creative business – in particular there is a grey area between digital creative and advanced manufacturing industry - and the perception of some large corporates that digital creatives, and creative businesses are all about 'the fluff'.

The lack of any digital strategy for the city and region (until the recent publication of the Coventry City Council Digital Strategy[24]) was also seen as having been a significant barrier to the development of the sector, as was a lack of specific local authority budgets allocated to developing digital creative businesses. There was little general awareness of targeted initiatives by the Coventry and Warwickshire LEP to promote growth in the sector[25].

Attracting major digital creative brands to the City was seen as an opportunity to kickstart the sector, with several interviewees citing Channel 4's search for a new home outside London as a great opportunity for Coventry. Interviewees were very aware too that many other cities have expressed an interest in hosting the new Channel 4 HQ, with Manchester, Birmingham and Leeds appear to be leading the race. Birmingham's response was viewed positively as offering two prime HQ locations and being closely supported by the local LEP.

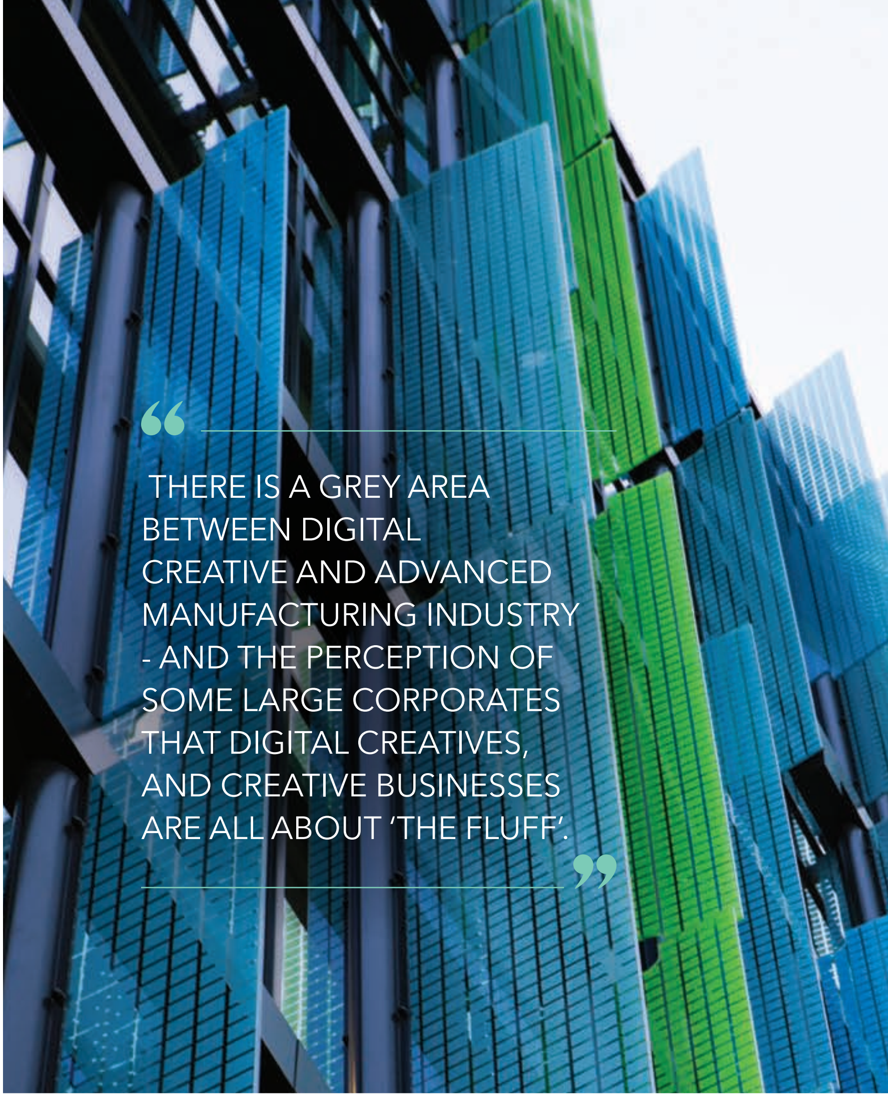
In terms of more bottom-up development, there was little evidence to suggest that wider networks of businesses exist in Coventry in the digital creative sector, nor that there is any naturally developing or emerging concentration of digital or creative businesses which might ultimately form a network or cluster. Any networking between smaller digital creative businesses tends to be very informal and focused on very narrow common interests.

Whilst the larger organisations we spoke to worked with some digital creative businesses this tended to be on a project-by-project basis. More than one large organisation highlighted the restrictive nature of their procurement processes in developing relationships with local digital creative suppliers, emphasising protracted vetting processes and high levels of red tape.

The former Regional Development Agency (RDA) appeared to have had some success in helping focus smaller digital creative businesses within the City on the benefits of networking but since the demise of the RDA this has fragmented. For all businesses either delivering or drawing on digital creative expertise in the City developing a critical mass of interests and collaboration remains a challenge.

Interviewees highlighted a number of barriers to the future growth of the sector, these are listed on the next page in no particular order.

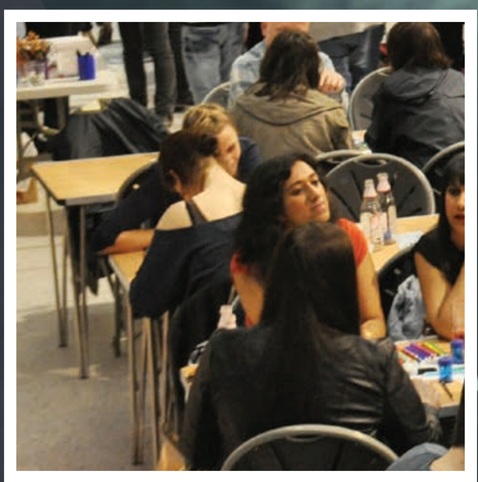
- The **public profile** of Coventry – this was thought not to be as strong for creative digital as other cities. There was a sense that the creative and digital sector in the City is overshadowed by the gaming sector in Leamington. This was allied with concerns about the lack of a clear development strategy for the city and a lack of clarity about the role that digital creative industries were expected to play in future growth.
- The **strategic focus** of business development in the City - this remains on the high value manufacturing sector. The digital creative sector remains under the radar and has had little strategic priority.
- Access to **finance** – was thought to be more difficult in Coventry, and the broader West Midlands, than elsewhere, making it difficult for businesses to grow. There was also a sense that many small digital creative businesses would not know where to look for investment.
- Loss of graduates and **talent** – there was thought to remain an outflow of talent to cities with more established digital creative sectors. Some interviewees linked this to a lack of high quality skills available in the sector.
- **Premises** – a lack of the right kind of space for growing digital creative businesses in urban locations was also cited by many respondents, emphasising the importance of more developments along the lines of the Riverside plans.
- **Procurement** policies - restrictive procurement policies of potential customers, both larger corporations and public authorities, can make it difficult for smaller or younger firms to gain contracts.
- **Brexit** impacts – it was pointed out that some of the more successful digital creatives in the city source their work and employees in Europe. Brexit creates some uncertainty in both regards.



> “THERE IS A GREY AREA BETWEEN DIGITAL CREATIVE AND ADVANCED MANUFACTURING INDUSTRY - AND THE PERCEPTION OF SOME LARGE CORPORATES THAT DIGITAL CREATIVES, AND CREATIVE BUSINESSES ARE ALL ABOUT ‘THE FLUFF’.”

4.3 CAPABILITIES OF CREATIVE DIGITAL BUSINESSES IN COVENTRY

There were mixed views on the current capabilities of Coventry's digital creative sector and its ability to meet the scale and complexity of future demand. There was particular uncertainty about the capabilities of some smaller firms.



Unsurprisingly some interviewees highlighted the automotive sector and the extent to which digital technologies have revolutionised the sector, merging technology and traditional sectors. This trend is set to continue with increasing momentum. Business strategies focused on digital technologies and autonomous vehicles will require thousands of engineering and technical experts to be available in key areas of virtual modelling; data analysis; hardware and software design and programme design. Doubts were expressed about whether existing digital creative businesses in the City are ready to meet this demand. Cutting edge projects like UK CITE (UK Connecting Intelligence Transport Environment) were thought to be important in helping to drive local capabilities, although this was not matching the scale and speed of the developing demand. There was a perception by some that better skillsets were available in Birmingham and Solihull and Coventry needed to catch up.

Among smaller digital creative businesses in the City, capabilities were seen by some respondents as less developed. Service offerings were said, in some cases, to be very narrow. Allied with a lack of business acumen in some firms, this meant that capabilities are not being leveraged, and business opportunities missed. There was a sense that smaller digital creative businesses in the City are not getting to grips with the capabilities they need to grow, particularly around keeping up to date with new technologies coming into their sector. The City Council feels it may have missed opportunities to derive value from new creative digital products and services because local businesses do not have the capabilities to offer and/or deliver them. The Growth Hub feels that digital creative businesses could draw more strongly on the support it can offer.

4.4 SKILLS

The availability of the skills needed by digital creative businesses seems to be different depending on the scale of the business. Among larger firms, brand names attract good quality applicants, and people are often recruited through recommendations and referrals. Finding and securing applicants largely appears to be straight forward at the moment. However, growth in demand for digital creative skills will be strong in years to come and will require large scale recruitment of engineering and technical experts. The adequacy of the skills pipeline to meet this demand is uncertain. Vocational training is seen as playing a significant role in developing these skills and setting up the pipeline for local large businesses.

For smaller businesses and agencies, acquiring and retaining appropriate skills appears more difficult, and the lack of availability of individuals with the right quality of skills in the City and region was said to be limiting business growth. Businesses are also competing for a small pool of individuals with the right skills and this is driving up costs. Other local opportunities, e.g. the gaming sector in Leamington, are competing for good graduates. One solution adopted by some firms is to recruit staff from outside the City and allow staff and contractors to work remotely. This may help to explain the lack of job growth within local firms despite the growth in sales (see Section 2). Some respondents also suggested that the broader professional skills needed to support the industry – marketing, logistics, account management, data management – are not readily available in City.

“GROWTH IN DEMAND FOR DIGITAL CREATIVE SKILLS WILL BE STRONG IN YEARS TO COME.”

4.5 MARKET POTENTIAL FOR DIGITAL CREATIVE BUSINESSES IN COVENTRY

Few interviewees had a strong sense of the market potential for the digital creative sector. It was suggested by some respondents that larger local companies, however, tended not to look at utilising the local suppliers for these types of services. Public authorities in the City also have a significant need for digital creative services, particularly around website and app development. Local supply was feasible in meeting short-term needs. More doubt was raised about the capacity of local suppliers to provide high-level consultancy and strategic advice which may help the Council and other organisations develop road-maps and strategic plans for the future development of digitisation and digital services.

Other respondents provided anecdotal evidence that the pace of growth of individual businesses, and demand for their services, suggests a strong market within the locality. In particular, market opportunities exist for digital creative businesses to use digital platforms to engage stakeholders in corporate settings. There is evidence that big local companies such as IKEA and Primark want to work more closely with local digital creative businesses but that local businesses need to improve their capabilities to be able to compete more strongly with similar businesses outside the City.

4.6 SUPPORT FOR CREATIVE DIGITAL BUSINESSES

The general view expressed by respondents was that there is scope for improvement in the support offered to the local digital creative sector. Both business support organisations and businesses regard the sector as quite fragmented, with no broad approaches or initiatives across the sector as a whole, and limited business-to-business engagement or networking. The dominant voice in Coventry remains the automotive sector which has a strong presence and continues to overshadow the digital creative sector.

Respondents commented on the role of specific organisations in supporting digital creative business in the City:

- **City Council** – it was suggested that the Council have a better understanding of cultural and performing arts businesses than the digital creative sector, and this has led to a focus on supporting performing arts.

It was also recognised, however, that public funding is constrained at the moment and this may limit the Council's ability to support the sector.

- **Universities** - Coventry University is widely seen as very supportive of the creative digital sector by both business support organisations and digital creative businesses themselves. Several academic institutes have been set up which focus on the sector including the Serious Games Institute (seriousgamesinstitute.co.uk) and the Health Design and Technology Institute (http://www.coventry.ac.uk/business/our-services/work-with-us/health-design-technology-institute/). Respondents were less clear about how the University of Warwick is supporting digital creative businesses with no specific initiatives within the University to help increase numbers of digital or creative suppliers in the region. The Business Ready programme through Warwick Science Park (http://www.warwicksciencepark.co.uk/business-support/business-ready/) was recognised as offering packages of support but these are not specific to digital creative businesses.
- **LEP** – the LEP was recognised as having had some success in bringing together public, private and third sector organisations to try to build capabilities across the business sector. Engagement was seen to be increasing through the LEP's Digital and Creative Sub-group but advanced manufacturing and engineering were thought to remain the key focus. As indicated earlier the Growth Hub is also keen to engage more closely with the digital creative sector.

Looking forwards a number of suggestions were made about how the City Council, the two universities, the Coventry and Warwickshire LEP and Chamber could better support the digital creative sector in the City in future. It was suggested that the City Council, for example, could:

- engage in closer dialogue with key stakeholders to establish how the local authority will work with government and industry to insure that at-scale digital infrastructure conditions for 5G are met
- provide more funding and grants for initiatives and programmes aimed at the digital creative sector
- provide better signposting to focused support for businesses
- place more contracts with local digital creative suppliers

- undertake more outreach in upstream education so that the pipeline can be filled with the right sort of skills that are going to be needed over the next decade.

There was seen to be potential for the universities to develop stronger collaboration between academics and digital creative businesses, while suggestions for action by the LEP, Chamber etc. focussed on:

- providing more programmes and support mechanisms aimed at digital creative businesses
- providing support aimed at overcoming the hurdles associated with growth, e.g. access to finance and investor boot-camps
- provide better signposting to focused support for businesses
- opening up events to non-members of the Chamber.

4.7 SUMMARY

There has not been a systematic and strategically focused platform of support specific to digital creative businesses in Coventry. This has led to the city becoming digitally 'luke-warm' – not cold enough to attract high levels of public or government funding to get initiatives off the ground but not hot enough to attract high levels of private investment. This middle-ground is a difficult position from which to compete with cities like Manchester and Bristol that have been more determined and ambitious to draw on the benefits and opportunities offered by the digital revolution.

Coventry was seen by many respondents to be well placed to compete. It has a young and diverse population who are naturally part of the digital generation. Coventry University has programmes which produce graduates with high quality digital and creative skills. Its location makes it well placed to serve both the northern powerhouse and London. And, the Digital Coventry Five Year Plan demonstrates a desire to accelerate the City's digital achievements.

The benefits of developing a stronger digital creative cluster in Coventry are clear – increased retention and attraction of talent, more high-growth start-ups contributing to economic growth for the city, greater appeal as a tourist and visitor destination. Perhaps equally important is the key role which digital creativity and connectivity will play in future business development. Universal 5G coverage and constant digital connectivity will be needed to support the autonomous technology which the majority of vehicles will incorporate by 2040. Coventry City due to its industrial profile will be at the centre of this change. Building a stronger digital creative cluster will support this development and help to ensure that the City is ready to benefit from this economic opportunity.

SECTION 5:
PREMISES IN THE CITY FOR DIGITAL CREATIVE BUSINESSES

5.1 INTRODUCTION

In 2012, Coventry was suffering from a significant oversupply (circa 1 million sq ft) of vacant office space.

In response to this, a co-ordinated programme of development was implemented, and subsequent years saw substantial space dedicated to student accommodation, large scale letting and development of large occupation space. Most recently, for example, the Friargate Development around Coventry Station which is to house a replacement block for the City Council, and offices for the Financial Ombudsman Service.

As a result, whilst large swathes of the City centre have been redeveloped and the Coventry skyline has gradually been improved, the remaining available office space is largely of 1970s/1980s build, with limited infrastructure e.g. less than Category 5 cabling, therefore old stock and seen as not fit for purpose.

The current situation is now one of undersupply of office space, especially 'feeder offices' i.e. spaces of between 1,000 and 5,000 sq ft., and in particular reflects a wider need to bring occupancy into Coventry's city centre. In relation to commercial space, one estate agent interviewed as part of this report summed the situation up thus: *'We haven't got what we need to drive the city forward'*.

More broadly, nearly every person interviewed as part of this project had a view on the importance of developing premises and space to allow growth of the digital creative sector in Coventry. Five main themes emerged from the interviewees, reflecting the broader evidence (Section 1) on the type of environment which facilitates growth in digital creative businesses.

- **First,** it was almost universally agreed that digital creative businesses seek out and thrive in a particular type of premises and area. These businesses do not want to be on a peripheral office park but seek out urban areas which they can colonise and make their own. This is seen as important as these businesses are often very image conscious and want to create the kind of environments that will help to attract and retain staff. In this sense, creative industries can often lead the way in regenerating parts of cities where this is not happening naturally.
- **Second,** there is generally perceived to be a lack of small offices in Coventry in locations with an urban vibe. Demand is high around specific areas such as Fargo, and around Electric Wharf for small digital agencies, but demand is very specific. There is broader demand for office/studio space in converted old factories and industrial buildings. There are no areas in Coventry like the Custard Factory or STEAMhouse in Birmingham or Court Street Arches in Leamington. The situation is further complicated as local development priorities seemed unclear to some interviewees.
- **Third,** small and growing digital creatives need affordable managed services which are important during a growth phase when they cannot necessarily afford their own receptionist or post room but want to look professional and established. There is a need for shared resources like 3D printers, high tech equipment, that are expensive to buy or access as individual companies. Such resources are not always easy to access locally.
- **Fourth,** digital creatives that are doing quite well seem to prefer to buy rather than rent. They do not want micro-units but tend to look for space to buy between 1500sq ft and 4000 sq ft. Electric Wharf is seen as a good example, still occupied after 14 years and with property values increasing. There is limited space like this left in the City and no new space with a similar feel being created at a price growing digital creatives can afford.
- **Fifth,** if such property could be developed locally through initiatives such as the proposed Riverside development of eco-friendly spaces, there is an

ALREADY MORE THAN 20 COMPANIES HAVE ESTABLISHED THEMSELVES AT ELECTRIC WHARF.

opportunity for Coventry to attract those priced out of London, and in search of new cool urban location that is just emerging and affordable. This may require a strategic commitment to the development of a creative zone for the City to avoid the remaining areas with some urban vibe being overtaken by other development priorities (e.g. student housing).

The general undersupply of suitable 'growing spaces' for businesses impacts on Coventry's ambitions to establish itself as a cultural and creative hub, building on industrial and crafts heritage and driving forward the modernisation and renaissance of the city. There is seen to be a huge opportunity to strengthen Coventry as a cultural centre, to capitalise on the thriving student population (see Sheffield as an example of a city with significant student numbers that has successfully integrated the student demographic) and key multinational companies such as Jaguar Land Rover, with a world-leading Design & Engineering Centre.

5.2 COVENTRY AS A HOME FOR CREATIVE DIGITAL BUSINESSES

Significant strides have already been made, with key developments in the City laying the foundations and creating an infrastructure for a thriving creative and digital sector. These include:

- **Electric Wharf** (electricwharf.com)
  Electric Wharf is a new community of creative people living and working in a dynamic and attractive canal side environment where converted existing buildings and retained features of the industrial past, together with Architect designed modern additions, come together to create unique spaces for business. Already more than 20 companies have established themselves at Electric Wharf and are growing amidst the live-work lofts office suites which make this development such an exciting concept in urban life.
- **FarGo Village** (fargovillage.co.uk)
  FarGo is an artistically repurposed industrial space in Coventry City Centre, designed exclusively for creative, independent businesses and like-minded visitors. Located on Far Gosford Street, a recently regenerated area of the Midlands with a rich cultural heritage, the area surrounding FarGo Village is quickly establishing itself as Coventry's Creative Quarter.

Electric Wharf as an example, now offers spaces of between 500 and 3,000 sq ft, most spaces have been taken by creative businesses, and there is significant appetite for more space – as one Electric Wharf tenant explained:

"AS OUR LEASE EXPIRES WE WILL BE LOOKING FOR NEW LARGER PREMISES, COVENTRY NEEDS MORE OF AFFORDABLE PREMISES TO BUY OR TO RENT WITHOUT A LONG TERM LEASE….WE ARE LOOKING FOR SOMEWHERE WE CAN ADAPT TO OUR REQUIREMENTS, WITH CAR PARKING… IN AN ICONIC BUILDING WITH A MODERN LOOK AND FEEL."

Consultations with local estate agent contacts signal that there are office spaces available on the business parks and commercial developments around the hinterlands of Coventry, but the City centre does not currently have the necessary capacity (see below). The development of student accommodation in the City centre is having a positive impact, but there is a risk of becoming a 'seasonal city' dependent on the flow of students during term time. A further risk, as identified by commercial property leads, is that Coventry could come to reflect the US-style 'Donut City' model i.e. The downtown/city centre of a city being abandoned as people and activities shift out to the suburbs.

COMMERCIAL PROPERTY CAPACITY

A recent search for commercial offices to buy within a 1 mile radius of Coventry city centre (conducted by Bromwich Hardy Estate Agents) yielded only four available properties. Two of these were based at Electric Wharf, one a converted residential property and one a unit in a converted 19th Century building (currently under offer). A similar search for offices to rent in the same geography identified 18 available units, of which six were modern, purpose-built commercial letting options.

5.3 A TURNING POINT?

In spite of a recognised lack of commercial space, estate agent consultees expressed an optimism that the burgeoning digital creative sector in Coventry is becoming stronger, and that there is a collective will to establish Coventry as a cultural hub.

The £200+ million city Centre South development (retail, leisure and commercial) has provided a kick-start for city centre regeneration. The city centre is now seen as '*stacking up as viable from a residential development point of view*' (Coventry estate agent representative). Making the city centre more attractive, drawing in investment and increasing connectivity and supporting infrastructure would enable Coventry to cement its position as a commercial hub for creative digital businesses. Increasing the amount of available, affordable, suitable space i.e. smaller, flexible spaces rather than large occupier-led development, and capitalising on the large student population, has the potential to bring people and businesses back into the city centre and to stop the creative brain drain – '*the good creative people move away quickly*' (Electric Wharf tenant business representative).

5.4 CONCLUSIONS

The lack of suitable premises means Coventry, for some, is not particularly seen as a go-to location for digital creative start-ups or growing businesses. There is perceived to be better support in Bristol and Birmingham where there are dedicated buildings with shared office space, desk shares, incubators and on-hand business support.

New developments, planned and currently underway, in Coventry, however, may provide the momentum for change. To date, however, developments have been more consistent with attracting new leisure businesses forming part of the 'evening economy' rather than digital creative businesses. To attract development capital consistent with promoting the digital creative sector, greater clarity and consistency is necessary in local development strategy and planning.

From a property point of view, Coventry city centre would benefit from increased availability of high quality, modern premises, aimed at start-ups, and grow-on space. For digital creative businesses, success factors behind growth can be diverse, and as individual as the business/entrepreneur. Reporting[26] has identified a range of support elements associated with successful incubation and growth of creative businesses, to inform the next stages of development. These include:

- In terms of facilities and equipment, access to FabLab, broadband and other Information Technology facilities, as well as promoting specialist skills training activities. Coventry's FabLab is already well established, in a city centre location (covfablab.org.uk)
- Regarding financing opportunities, exploring international financing opportunities, raising awareness amongst traditional lenders such as bank and financing institutions and supporting the development of a strategic approach to effective value chains
- In relation to partnerships and networking, SMEs benefit from collaborative sessions between research centres, industry and entrepreneurs, and participation in events aimed at fostering strong links and exploring new partnerships or product/services development
- Concerning business knowledge, support for creative sector SMEs in the development of effective business modelling approaches, and specific support aimed at helping SMEs to expand their reach e.g. international trade/profile.

SECTION 6:
FINAL REFLECTIONS

Our interviews and analysis suggest the potential value of a more strategic and systematic approach to supporting digital creative business in Coventry. Other areas – LEPs – have already taken this step, and locally the challenges faced by Coventry City and areas in Warwickshire are very different.

Any strategy or plan will only be effective if it is inclusive, and enables a higher priority to be given to promoting digital creative businesses in the City. This is important not just for creative businesses themselves. Increasingly, every sector from automotive to public services is becoming more reliant on digital technologies. Promoting digital creativity has the power to lever productivity and job gains across the local economy.

There is much to build on: a young and energetic population; strong higher and further education capabilities; a strong base of local demand; and a growing consensus that the future of the City is digital. There are also challenges of course: developing and retaining skills; the availability of suitable premises and the availability of growth finance. None of these issues are insurmountable, however, with a concerted local effort and imaginative investments.

Other cities are also not standing still, of course. The digital cluster in Birmingham provides strong local competition for businesses seeking a Midlands location, and other cities – Manchester, Leicester, Hull etc. – have (and are) focussed more strongly on digital creative business than Coventry. Coventry simply cannot afford to remain digitally 'luke-warm'.

ANNEX 1: SECTOR DEFINITIONS

TABLE A1.1: DCMS DEFINITION OF THE DIGITAL CREATIVE SECTOR

Description	SIC 07	SIC 03	
Manufacturing of electronics and computers	26.11	31100,31200,31300, 32100, 32300	Manufacture of electronic components
	26.12	32100	Manufacture of loaded electronic boards
	26.2	30020, 32300	Manufacture of computers and peripheral equipment
	26.3	31620, 32201, 32202, 32300	Manufacture of communication equipment
	26.4	32300	Manufacture of consumer electronics
	26.8	24650	Manufacture of magnetic and optical media
Wholesale of computers and electronics	46.51	51840	Wholesale of computers, computer peripheral equipment and software
	46.52	51431, 51860	Wholesale of electronic and telecommunications equipment and parts
Publishing (excluding translation and interpretation activities)	58.11	22110, 72400	Book publishing
	58.12	22110, 72400	Publishing of directories and mailing lists
	58.13	22120	Publishing of newspapers
	58.14	22130, 72400	Publishing of journals and periodicals
	58.19	22150, 22220, 72400	Other publishing activities
Software publishing	58.21	72210	Publishing of computer games
	58.29	72210	Other software publishing
Film, TV, video, radio and music	59.11	92111	Motion picture, video and television programme production activities
	59.12	92119, 92202	Motion picture, video and television programme post
	-		production activities
	59.13	92120	Motion picture, video and television, programme distribution activities
	59.14	32130	Motion picture projection activities
	59.2	22140, 72400, 74879, 92119, 92201	Sound recording and music publishing activities
	60.1	64200, 92201	Radio broadcasting
	60.2	64200, 92202	Television programming and broadcasting activities 0
Telecommunications	61.1	64200	Wired telecommunications activities
	61.2	64200	Wireless telecommunications activities
	61.3	64200	Satellite telecommunications activities
	61.9	64200	Other telecommunications activities
Computer programming, consultancy and related activities	62.01	72210, 72220	Computer programming activities
	62.02	72100, 72200	Computer consultancy activities
	62.03	72300	Computer facilities management activities
	62.09	30020, 72220	Other information technology and computer service activities
Information service activities	63.11	72300, 72400	Data processing, hosting and related activities
	63.12	72400	Web portals
	63.91	92400	News agency activities
	63.99	74879	Other information service activities not elsewhere
Repair of computers and communication equipment	95.11	72500	Repair of computers and peripheral equipment
	95.12	32201, 32202, 32300	Repair of communication

TABLE A1.2: USER SECTORS FOR THE DIGITAL CREATIVE INDUSTRIES

SECTOR	SIC 07	SIC 03
Advertising and market research	73	74402, 74409, 74401, 74130
Other professional, scientific, and technical activities	74	74872, 74812, 74206, 74813, 74814, 74819, 92400, 74850, 74203, 63400, 74149, 74879
Creative, arts, and entertainment activities	90	92311, 92319, 92349, 92320, 92400
Libraries, archives, museums, and other cultural activities	91	92510, 75140, 92521, 92522, 92530

ANNEX 2: LIST OF KEY INFORMANTS

Note: Some people interviewed for this report asked to remain anonymous and for their organisation not to be named.

Mr Jonathan Browning, Chair, Coventry and Warwick LEP

Mr Ian Harrabin, Managing Director, Complex Developments Ltd

Mr Ben Harrett, Chief Technical Officer/Founder, Technical Labs

Ms Trish Willetts, Business Improvement District Manager, Coventry City Council

Ms Siobhan Harrison, Arts Co-ordinator, BBC

Ms Clare Mitchell, Development Manager, Arts and Cultural Partnerships, Coventry City Council

Ms Sarah Windrum, Digital Lead, C&W LEP

Mr Ajay Desai, International Trade Director, C&W Chamber of Commerce

Mr Steve Ranford, Senior Academic Technologist, University of Warwick

Mr Justin Craig, Director, Live Buzz

Mr Andrew Todd, Regional Partnerships Team, University of Warwick

Ms Jaymie Thakordas, Business Mentor and Acc Manager, Coventry and Warwick Growth Hub

PHOTOGRAPHY

Images courtesy of Andrew Moore and Coventry City Council

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2 Porter M.(1995) 'The Competitive Advantage of the Inner City' Harvard Business Review May-June

3 GHK Consulting (2003) Evaluation of City Growth Strategies: Stage One Report and ICIC (2003) City Growth Strategies: Priorities for Business-led Urban Regeneration

4 These city areas are: Nottingham, Plymouth, St Helens, London City Fringe, London Haringey, London Heathrow City, and London South Central

5 Tech City Report (2015) 'Powering the Digital Economy'

6 'Building our Industrial strategy' Green paper, (2017)

7 Nesta (2010) 'Creative clusters and innovation: Putting creativity on the map

8 For an anatomy of the gaming industry cluster in West Midlands please see: CWLEP and UKie Report (2017), 'Games Industry in Coventry and Warwickshire: A blueprint for growth'

9 According to Tech City UK (2015), Birmingham digital cluster has a rich heritage in advanced manufacturing and a strong talent base with growing strengths in software development, machine learning and EdTech.

10 Jayne M. (2005) 'Creative industries: the regional dimension?' Environment and Planning C: Government and Policy 23: 537 556.

11 World Economic Forum (2016) 'Factors enabling the creative Economy, White paper

12 The Brighton Fuse report p.62

13 LLEP Creative Industries sectoral growth report (2015)

14 Manchester deep dive 04 http://www.neweconomymanchester.com/media/1761/04-digital-creative-deep-dive-report-final.pdf

15 Roper et al. (2016) 'Innovation and Creativity in Coventry Businesses-2016: Headline Survey Results'. It should be noted though that the survey did not focus specifically on digital and creative businesses needs but rather on the perceptions for the city of a wide range of companies.

16 World Economic Forum (2016) 'Factors enabling the creative Economy, White paper p. 5.

17 Tech City (2015) reports that only digital creative companies in Norwich and Norfork LEP acknowledge access to finance as the most important growth driver of their respective cluster.

18 Key achievements of Digital Birmingham partnership (http://digitalbirmingham.co.uk/about/test-1/)

19 See http://www.coventry.gov.uk/info/237/digital_coventry/2834/digital_coventry/4.

20 Coventry Cultural Strategy 2017-2027: https://www2.warwick.ac.uk/about/cityofculture/culturalstrategy/coventry_cultural_strategy_2017_2027.pdf

21 Adaptation from Roper et al. (2016) 'Innovation and Creativity in Coventry Businesses-2016: Headline Survey Results'. It should be noted though that the survey did not focus specifically on digital and creative businesses needs but rather on the perceptions for the city of a wide range of companies.

22 DCMS. 2016. Economic estimates of DCMS sectors methodology. London: Department of Culture, Media and Sport

23 Nesta, 2015. The Geography of the UK's Creative and High-tech Economies

24 http://www.coventry.gov.uk/info/237/digital_coventry/2834/digital_coventry/4.

25 http://business.warwickshire.gov.uk/may-2017/news-in-brief/cwlep-launches-blueprint-for-growth-of-regions-digital-creative-sector.

26 See for example, Best Incubation practices aimed at supporting Creative & Digital businesses – a report by Cluster 2020, European Creative Industries Alliance, 2014

> EVERY SECTOR FROM AUTOMOTIVE TO PUBLIC SERVICES IS BECOMING MORE RELIANT ON DIGITAL TECHNOLOGIES. PROMOTING DIGITAL CREATIVITY HAS THE POWER TO LEVER PRODUCTIVITY AND JOB GAINS ACROSS THE LOCAL ECONOMY.

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wbs WARWICK BUSINESS SCHOOL THE UNIVERSITY OF WARWICK

WARWICK THE UNIVERSITY OF WARWICK

Coventry University

Coventry 2021 UK CITY OF CULTURE BID

heritage lottery fund ARTS COUNCIL ENGLAND LOTTERY FUNDED