

Recent trends in the digital creative sector in Coventry and Warwickshire

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SUMMARY

The digital creative sector plays a key role both a provider of jobs in its own right and also as an enabler of digital innovation in other sectors. In this note we provide a brief statistical profile of the development of the digital creative sector in Coventry and Warwickshire over the last decade. For comparison we include analysis of some other local areas: Wolverhampton, Birmingham, Solihull, and Stoke. Figures are based on the Business Structure Database, a research database compiled from individual annual Inter-Departmental Business Registers. These cover all UK firms and are themselves derived from PAYE and VAT records.

In 2017 there were 1185 digital enterprises in Coventry compared to 2225 in Warwickshire. Overall, the number of digital creative businesses in Coventry and Warwickshire (3410) is broadly similar to that in Birmingham (3246). 2017 sales by digital creative businesses in Coventry were £507m and £1591m in Warwickshire. Sales in the Coventry and Warwickshire area have increased by around 0.5 per cent pa over the last decade. The digital creative sector accounts for 3.2 per cent of all business employment in Coventry and 4.5 per cent in Warwickshire.

This is one of a series of papers ERC will be publishing in the run up to Coventry City of Culture 2021.

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1. INTRODUCTION

In this Insight paper we provide a brief statistical profile of the development of the digital creative sector in Coventry and Warwickshire 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 local areas: Wolverhampton, Birmingham, Solihull, and Stoke. This is one of a series of related papers ERC will be publishing in the run up to Coventry City of Culture 2021.

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 (Annex 1)¹. It is notable that this definition 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 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.

2. GROWTH IN THE DIGITAL CREATIVE SECTOR

There has been a growth in the number of digital creative enterprises (with one or more employee) in both Coventry and Warwickshire over the 2008-17 period (Table 1a). This reflects the pattern across other areas in the Midlands. Post-recession – since 2011 – the growth in the number of digital creative businesses in Coventry has been stronger than that in Warwickshire. By 2017 this meant that there were 1185 digital enterprises in Coventry compared to 2225 in Warwickshire (Table 2a). Overall, the number of digital creative businesses in Coventry and Warwickshire (3410) is broadly similar to that in Birmingham (3246).

Employment in digital creative businesses suggests a rather different picture (Table 1b). While employment in digital creative businesses in Coventry has risen consistently

¹ DCMS. 2016. Economic estimates of DCMS sectors methodology. London: Department of Culture, Media and Sport

in the post-recession period, employment in Warwickshire has fallen. As a consequence there has been a fall in digital creative employment in Coventry and Warwickshire overall. This contrasts with some other areas in the Midlands (Birmingham, Solihull, Wolverhampton) where post-recession jobs growth has been positive (Table 1b). In 2017, digital creative businesses employed 3, 570 in Coventry and 9,620 in Warwickshire.

Turnover in the digital creative sector in both Coventry and Warwickshire has declined slightly since 2014 falling 1.3-1.7 per cent pa (Table 1c). This meant that by 2017 sales by digital creative businesses in Coventry were £507m and £1591m in Warwickshire (Table 2c). Overall, sales in the Coventry and Warwickshire area have increased by around 0.5 per cent pa over the last decade.

Table 1: Growth in the digital creative sector: by area

	2008-11	2011-14	2014-17	2008-17
A. Number of firms (% pa)				
Coventry	-5.8	9.2	7.7	3.5
Warwickshire	-4.8	2.9	5.2	1.0
Coventry and Warwickshire	-5.1	4.8	6.0	1.8
Birmingham	-6.3	5.8	8.6	2.5
Solihull	-5.2	7.3	8.3	3.3
Stoke-on-trent	-9.3	4.9	5.3	0.1
Wolverhampton	-3.8	6.0	8.0	3.3
B. Employment (% pa)				
Coventry	-5.5	2.3	0.5	-1.0
Warwickshire	-3.1	-3.5	-2.1	-2.9
Coventry and Warwickshire	-3.7	-2.2	-1.4	-2.4
Birmingham	-9.5	3.4	5.6	-0.4
Solihull	-6.5	20.2	1.6	4.5
Stoke-on-trent	-15.4	-1.7	13.0	-2.0
Wolverhampton	-2.7	1.4	7.8	2.0
C. Turnover (% pa)				
Coventry	-4.1	21.9	-1.3	4.9
Warwickshire	-1.0	1.1	-1.7	-0.5
Coventry and Warwickshire	-1.5	4.9	-1.6	0.5
Birmingham	-9.6	-6.2	6.4	-3.4
Solihull	-5.0	8.2	-0.4	0.8
Stoke-on-trent	-32.5	-5.6	56.1	-0.2
Wolverhampton	-16.6	12.2	3.4	-1.1

Source: Business Structure Database.

Table 2: Digital creative firms, employment and turnover: by area

	2008	2011	2014	2017
A. Number of firms				
Coventry	872	729	949	1185
Warwickshire	2032	1752	1910	2225
Coventry and Warwickshire	2904	2481	2859	3410
Birmingham	2601	2141	2534	3246
Solihull	699	595	735	935
Stoke-on-trent	380	283	327	382
Wolverhampton	408	363	433	546
B. Employment				
Coventry	3896	3289	3521	3572
Warwickshire	12559	11411	10248	9624
Coventry and Warwickshire	16455	14700	13769	13196
Birmingham	13362	9903	10953	12888
Solihull	2902	2370	4122	4322
Stoke-on-trent	2617	1586	1507	2176
Wolverhampton	2380	2189	2281	2856
C. Turnover (£m)				
Coventry	329.9	290.7	527.3	507
Warwickshire	1668.6	1617.5	1673.3	1590.9
Coventry and Warwickshire	1998.5	1908.2	2200.6	2098
Birmingham	2254	1666.8	1374.5	1655.2
Solihull	345.6	296.1	375.5	371.4
Stoke-on-trent	530.5	163.3	137.3	522.6
Wolverhampton	341	197.6	279.3	308.4

Source: Business Structure Database.

The digital creative sector accounts for 3.2 per cent of all business employment in Coventry and 4.5 per cent in Warwickshire (Table 3). Both levels are lower than those in 2008. Compared to other areas in the Midlands, digital creative businesses are more important employers in Coventry and Warwickshire than in all areas except Solihull (Table 3).

Table 3: Digital creative share of business employment

	2008	2011	2014	2017
Coventry	4.6	4.1	3.6	3.2
Warwickshire	6.4	6.7	5.8	4.5
Coventry and Warwickshire	5.9	5.9	5.0	4.1
Birmingham	2.9	2.7	2.9	3.0
Solihull	4.2	3.6	5.6	5.5
Stoke-on-trent	3.4	2.6	2.2	3.5
Wolverhampton	3.3	3.4	3.1	3.5

Source: Business Structure Database.

Data Acknowledgement

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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



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