Strategies for creative spaces phase 1 research report – executive summary

Business

Strategies for Creative Spaces Phase 1 Research Report – Executive Summary Introduction Strategies for Creative Spaces is a collaborative project between the cities of London and Toronto.

A joint venture between the London Development Agency (Creative London and the Evidence & Evaluation Team), the City of Toronto and the Ontario Ministries of Economic Development & Trade, and Culture. This project will develop strategies to enhance the growth and development of creative spaces in both cities.

Drawing on international best practices identified through a combination of desk and field research, the project will identify optimal strategies for building the necessary infrastructure and environment in which creativity can flourish. The project is being carried out in three phases between December 2004 until March 2006. Phase 1 – literature review and global scan of creative city and cluster strategies, policies and projects.

Identification and evaluation of the key success factors and ' levers' that are used internationally to pursue and sustain the development of the creative cluster.

Phase 2 – drawing on the findings of phase 1, a comparative analysis and evaluation of the approaches taken by selected case study cities, including study tours of Barcelona, Berlin and New York, as well as London and Toronto themselves, and how they might be transferred and applied to both cities. Phase 3 – the development and refinement of city specific strategies for developing and sustaining creative spaces and stimulating the creative cluster in London and Toronto. The following is a summary of the findings of Phase 1.

Material from over 50 cities in over 75 countries has been analysed in terms of the rationales used for policies and projects in order to assess where good practice and transferable examples may exist.

An online database of published evidence has been created and is available at www. citiesinstitute. org/creativespaces. This executive summary and the full report will be available for download at: www. creativelondon. org.

uk from 30 September 2005. Key findings 1. Emerging Themes The creative industries are now universally identified as an economic cluster worldwide • The creative industries is commonly added to leading edge or growth sectors such as financial services, ICT, hi-tech, biotech, signifying the existing strength and potential of a regional economy • Structural change can stimulate creative responses and policy-led investment • Growth is also linked to market demand – sustaining creative industries development requires a growing economy, affluence and investor confidence

• There is increased collaboration between creative industries sectors – but the greatest scope for growth and innovation exists between the creative industries and other sectors. 2. Rationales for policy and strategic intervention • Interventions are predominantly justified in terms of economic development and employment creation, followed by improvements in infrastructure, regeneration, tourism/events and education ; training including ‘ talent’ generation.

Other policy rationales include city branding and heritage. Increasingly, creative spaces strategies have multiple policy objectives, including social inclusion, access and quality of life. • The creative sectors cited most frequently were Film/TV, ‘ Arts’, Music, Media and Design. 3. Mechanisms used to meet these growth objectives include: • Provision and protection of property and premises/workspace for artists and creative production • Business development, advice and network-building • Direct grants/loans to creative business and enterprises • Fiscal incentives and leverage • Physical infrastructure – including investment in transport, ICT, urban design and the public realm • Investment in the soft infrastructure of education, training, standard setting and regulation 4.

Factors which determine the success of industry clusters • Scope and scale – The scope and distribution of creative clusters reflects how well they are embedded in a city and regional economy. These operate at varying scales – Transnational; National; Regional; City region; and Local/Neighbourhood. – The fastest growing creative enterprises and clusters transcend the local to transnational scale in terms of markets and networks. • Maturity – the stage they have reached in the development cycle, from Private sector-led, to Emergent, Aspirational and Dependent. Unlike other sectors of the economy with more traditional forms of business structure, Creative Industry Clusters are identified as: volatile and highly dependent on project-based economic activity – linked to uncertain shifts in consumption patterns, fashion and taste – exhibiting weak vertical and horizontal integration – dependent on social networks to find employment, new work and sector innovation

• Public – Private sector co-operation – Public-private partnership and collaboration is key to effective public policy and investment. A Virtuous Triangle of Production, Consumption and Intervention underpins the more sustained creative spaces strategies – It is the strength of linkages and the relationship between all three elements that appears to generate and sustain ‘ success’.

The role of Higher Education in R&D, industry and product innovation – Innovation is closely related to R&D-Higher Education-Industry hubs and partnerships between both creative and ‘ non-creative’ production; – HE/R; D hubs can stimulate synergies with biotech, health, car design and manufacture, as well as art/architecture-technology interfaces, digital manufacture and technology; – HE is important in developing consumer taste and markets, e. g. in fashion and product design, computer games, digital and consumer media; –

The HE sector also provides valuable opportunities for professional and social networking and for the showcasing of products – from art and fashion shows, to publications and symposia. 5. Key Issues arising from the Creative Spaces global scan • Evaluation and benchmarking There is a lack of hard evidence and evaluation of policy interventions and comparable benchmarks, outside of headline economic/employment indicators – The distributive effects (e.

g. social inclusion, regeneration) of policy intervention, growth strategies and investment are seldom measured. • Competitive advantage – Creative cluster and enterprise strategies (e. g. ‘ media cities’) are rapidly being replicated worldwide, especially those linked to the content and production associated with digital media – Cities and regions in Asia are developing creative industry strategies and investing in major digital media and infrastructure projects – Greater awareness and knowledge sharing of global trends and competition is required.

• Gentrification and Sustainability The impact of culture and creative industry-led regeneration on raising property values and rents, attracting consumption and promoting city living, is clearly evident, whilst gentrification arguably underlies the ‘ creative class’ agenda and at worst, exacerbates social and racial divides. • Micro/SME and large firms – Micro-enterprises typify the creative economy whilst a very small number of transnational and public enterprises dominate major sectors, e. g. film/TV, publishing, media. – It is often the relationship between large firms and smaller enterprises that produce innovative products and services. – At the same time, institutional finance is neither geared towards the micro-enterprise or cluster, nor understands the distribution of risk and value chains operating within the creative industries.

Higher Education sector role in R; D and talent generation – There are increasing examples of major campus and other HE developments linked to R; D/digital media and innovation and incubation. However there seems to be little understanding of how HE and the creative sectors can work together, e. g. course development, skills. – The role that HE plays in facilitating talent and enterprise development needs to be addressed, as are the transparency of R; D funds, venture capital and IPR emerging through joint ventures. • Public – Private relationships/models – Many creative policy and strategy statements advocate public-private partnership, however, there is little detailed evidence of how these partnerships operate and under what conditions.

Evidence of governance and regulatory frameworks is needed for comparison and transfer of best practice. –

The involvement of artists and creative industry firms in policy development, governance and economic development programmes also requires working models of good practice since this element is often absent in the more dependent/emerging creative clusters. 6. Next Steps The next phase of the project will analyse and evaluate the approaches taken by selected cities internationally, and how they might be transferred and applied to London and/or Toronto. The focus of the comparative search will be on well-founded exemplars where contacts are ‘ live’ and accessible, here data and evidence on cities and initiatives is available and robust, and where policies acknowledge culture and creativity in city economic development. Contacts To find out more about the project, contact: London Michelle Reeves International Initiatives Manager London Development Agency e-mail:

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