

A City for all Londoners: Creative Industries Federation submission

Introduction: importance of the culture and the creative industries in London

As the national membership body for all the UK's arts, creative industries and cultural education, we argue that there is an opportunity provided by the London Plan for the mayor to embrace the power of the creative industries and culture in London.

The creative industries are worth £87.4bn in GVA to the UK and the creative economy employs one in every 11 working people.¹ In London this rises to one in six.

It is accepted by many that London is the most creative city in the world, but at the Creative Industries Federation we are clear that success has been nurtured and is not random. The sector has benefited from a suite of successful interventions - from public arts funding to national tax relief and investment in skills. There are also serious areas of concern: for example, the lack of workspace for artists and creative freelancers, if not addressed, could cause a talent drain - not just to the rest of the UK, but to the rest of the world. This is particularly the case when combined with other factors impacting the sector including the erosion of the skills pipeline and changes to immigration policy. The closure of live music and performance venues also poses risks to the creative sector at large.

Although there are some areas where the sector requires movement at national government level, there are many policy issues where the Greater London Authority can make positive changes. There are even more areas where the mayor should use his position to put pressure on central government to protect the interests of the sector including the many freelancers and microbusinesses that bolster the city's economy. It is also important to support the culture that helps London maintain its position as an attractive, vibrant city.

The London Plan must be the heart of a new industrial strategy for the creative industries in the city. Their importance to much of the Plan can be seen in the way we have divided up this report into four sections, each referring to part of the mayor's scoping document:

1. ACCOMMODATING GROWTH
2. ECONOMY
3. ENVIRONMENT, TRANSPORT AND PUBLIC SPACE
4. A CITY FOR ALL LONDONERS

1. ACCOMMODATING GROWTH

Cultural Capital and Funding and Local Authority Spend

Culture is an essential part of every community. Therefore it must be a consideration in any regeneration that happens within those communities. With the London Plan, the mayor has an opportunity to send out a clear message about the kind of city London is and the kind of city it will be in the future. In order to protect its creative

¹ "DCMS Sectors Economic Estimates." DCMS, August 2016.

industries, as well as its many communities, the mayor must provide a strong steer on what 'good' regeneration looks like.

There are particular issues at local authority level, including funding of the arts, where the mayor can provide direction. The danger is that shortsighted decisions on cutting arts funding and other infrastructure investment risk damaging job creation and economic success in a sector with enormous potential for expansion. In the case of London, a collection of separate decisions made by local authorities might undermine the city's wider creative economy. The relationship between the commercial sector and publicly-funded arts was highlighted in our paper 'How public investment in the arts contributes to growth in the creative industries', and must be outlined in the London Plan.²

The mayor's Cultural Infrastructure Plan should look not just at how to support cultural institutions, but also at the importance of coordination within local authorities. The impact of publicly-funded culture can be multiplied if there is someone to make links between arts organisations and other local bodies, such as schools, care agencies and the NHS, and in the past this post has been filled mostly by local authority arts officers. Yet the Chief Cultural and Leisure Officers Association (CLOA) estimated that 6,000 jobs in development posts for the arts, museums and sport across England had been lost at the time of their last publication (June 2015).³ Part of the function of these personnel is to help the cultural sector collaborate with other local authority departments and secure funding for relevant projects. They make sure that culture is an essential part of regeneration plans, as in Southwark, or they secure funding for cultural events within other budgets, as in Kent where the culture team has collaborated with the refuse department in using artists for environmental messaging. This may mean small amounts of money can have more than one benefit - for example in the employment of arts professionals and arts facilities in caregiving activities. This in turn helps the arts organisations to become increasingly resilient and also ensures that a wider section of society benefits from their work and expertise.

POLICY RECOMMENDATION: The London mayor should assume a leadership role in advocating the importance of funding to the creative industries, and in particular the arts especially at a local authority level. The mayor should investigate and highlight best practice in London, both in relation to maintenance of funding and to coordination within local authorities.

Infrastructure for people and communities

The rising cost of space in London has an impact on all industries - but is multiplied for many small creative businesses or artists, who need both living and studio space and so are doubly affected by the high price of living. The city needs these artists and young creatives - both because they make the city an attractive and interesting place to work and live and because these are often businesses which grow quickly and pay back into the economy this way. If spaces are not made available, the city will lose these important benefits.

POLICY RECOMMENDATION: The GLA should classify affordable workspace for the creative industries as 'infrastructure', acknowledged as an essential support to the capital's creative economy. This would allow

² Easton, Eliza, Jonathan Neelands, and Te-Anne Robles. "How Public Investment in Arts Contribute to Growth in the Creative Industries." Creative Industries Federation, July 2015.

Available from: http://www.creativeindustriesfederation.com/assets/userfiles/files/CIF_Arts%20and%20Growth%5B3%5D.pdf

³ "Financial Settlements for Culture & Leisure 15/16 and beyond." CLOA (Chief Cultural & Leisure Officers), June 2015. CLOA used information given by 16% of the 326 local authorities in England. This pertains to all who lost their jobs through the closure of frontline services - e.g. all librarians, museum curators, in-house development officers and these places.

them to apply for CIL funding. They should consider other cultural assets which could also fall under this definition.

POLICY RECOMMENDATION: The GLA should provide robust direction on the development and implementing workspace provider lists at borough level to ensure that charitable as well as commercial providers secure the appointments.

2. ECONOMY

Talent and skills

In his manifesto, Sadiq Khan pledged to “*establish a tech talent pipeline, through the Skills for Londoners task force, following the model developed by Bill de Blasio in New York, with more young people enabled and encouraged to gain key digital skills, and more apprenticeships in the sector. In particular I will ensure more girls are supported to develop tech skills, so that we can turn around the underrepresentation of women in tech jobs*”. But it is not just the tech sector in London that is experiencing skills shortages. Other areas of the creative industries, from VFX to design, are also concerned about how policy changes and increasing global competition are impacting their pipeline of talent.

With London holding almost a third of all of the UK’s creative economy jobs (28.2%) and 30.8% of the creative industries, it is perhaps more urgent for the capital than for any other part of the UK to think about how to fill the new jobs that are being created.⁴

The creative industries have long-standing skills shortages. These stem from inadequate training and provision in schools in this country compounded by the ever-greater need for talent in a growing sector.

These skills shortages are why education is one of the cornerstones of the Creative Industries Federation’s work and why the skills pipeline should be a key pillar of the strategy of any city looking to foster them.

Despite the need for arts subjects in a range of careers across several industries, entries for GCSEs in arts and creative subjects have fallen by 8% (46,000) this year compared with last, according to official statistics published by exam watchdog Ofqual.⁵ The steep decline is in sharp contrast to some other GCSE subjects, notably those included in the English Baccalaureate (EBacc) – the suite of subjects on which the government judges school performance, which notably includes no arts subjects. Academies do not now have to offer any arts subjects from the age of 11 to still qualify as ‘outstanding’ schools.

This highlights the serious mismatch between national government policy and the needs of the sector, as it limits both those who want to go onto apprenticeships or technical education and those who want to go into higher education. It is also an example of where national policy is in itself not joined up: a high percentage of the new technical and professional pathways being introduced by the Department for Education need practical design and technical skills. But the EBacc (school age 14-16) is inhibiting the development of these skills by assessing schools on the uptake of seven to eight traditionally academic GCSEs at the expense of subjects like design and technology, where provision is, as a consequence, becoming increasingly scarce. These same policy priorities are having an

⁴ “Creative Industries: Focus on Employment.” DCMS, June 2016.

⁵ <http://www.artsprofessional.co.uk/news/exclusive-arts-schools-plummets-new-figures-show>

impact right through the primary and secondary school system. The mayor needs to make the case to central government strongly on behalf of the sector and the city on these issues.

POLICY RECOMMENDATION: The mayor must highlight the importance of STEAM (science, technology, engineering, arts, maths) skills - which are needed, in particular, by a group of industries including engineering, design, architecture, film and games design. These are often overlooked in simplistic descriptions of STEM. One first step would be to have a design/engineering/architecture module in the London Curriculum, which we suggest would be aimed at 13-14 year olds. This also has value in acting as a blueprint for other cities and devolved regions, who can follow London's lead in encouraging students to think about careers in these sectors.

POLICY RECOMMENDATION: As more of education policy is devolved, there will be many more opportunities to address the skills gap. But, as London benefits from creative talent from across the country, the skills shortage will not be truly addressed until national policy is changed. The mayor should become, therefore, a vocal supporter of the importance of creative subjects at school and put pressure on national government to change existing policy. The mayor should make clear that there is a serious economic case for these subjects, as well as a holistic case and one around life chances. Furthermore, it is unacceptable that schools with no arts provision from 11 years old can be judged as 'outstanding' by Ofsted. The EBacc subjects (which include maths, english and science but also modern foreign languages and humanities) might be the right choice for some students, but for many students across the capital they will not be the right choices. By pushing these students away from subjects where they could flourish the policy risks restricting individuals' career possibilities. The GLA should work on this with key stakeholders, including the Creative Industries Federation.

Global city

There is also a very real risk that skills shortages in London will be exacerbated - at least in the short to medium term - by any restriction on freedom of movement that comes as a result of tightening immigration laws and the UK leaving the European Union. European talent has supplemented our own in terms of supplying high-skilled talent to our creative companies. But there are other benefits to having employees from Europe living and working here: more than half of our creative industries exports go to Europe and so freedom of movement within the EU has allowed us to build workforces that help us better understand this market.

The creative industries is disproportionately made up of freelancers and microbusinesses, who are less likely to be able to sponsor talent, and so the creative industries - and London - will lose out if there is a wider use of a system primarily based on company sponsorship. By losing out on a diverse group of freelance designers, computer engineers, architects and more, we will be inhibiting the growth of this sector more than any other.

Existing visas already do not fit the needs of our sector at large. For example, there is no freelance visa, while the entrepreneurial visa (which could, in theory, be used by a creative to set up a one-person contract-based business) requires £50,000 of investment funds. This reduces the number of those able to come to do some of the jobs with the greatest shortages. The reliance on salaries in measuring who can get a visa can also be problematic, as in our sector there is not necessarily a correlation between pay and skill level.

There is also concern around the way in which London and the UK more widely is seen by those who might work and study here. Already further education and higher education institutions are reporting a reduction in applications for courses, given prospective students' uncertainty as to their eligibility for both visas and EU fee rates after Brexit

comes into effect - which for three- or four-year course students may be before they complete their studies. This not only causes greater skills shortages, but will impact the financial performance of many UK educational institutions. There is an opportunity for the creative sector to remind international talent about the vibrancy of London.

Changes to the visa system can only currently be made by the Home Office, but there have already been calls for a London-only visa system by the London Chamber of Commerce. Part of the mayor's election campaign manifesto was to "challenge unfair visa rules which make it harder for London businesses to bring in the world's best talent, who in turn create future opportunities for Londoners". The EU referendum vote has made this more important than ever before.

POLICY RECOMMENDATION: The mayor needs to make the creative and technology sectors (particularly small businesses and startups) a key consideration in any lobbying on visa provision. Large businesses will always be able to sponsor talent - and so small businesses, with medium/low pay grades compared to those in the financial sector, should be the priority in thinking and advocating for immigration reform.

Digital connectivity

Digital infrastructure, especially access to ultra-fast broadband, is an essential part of creative industries strategy. A sector that includes creative tech, games and design businesses is even more reliant on this infrastructure than many traditional sectors. We absolutely agree with the mayor that digital connectivity in the capital is a key utility and should be central to planning and new development, and welcome the appointment of a Chief Digital Officer. We ask that the creative industries are recognised as a key stakeholder in future developments and roll-outs.

Night time economy

Much of the rhetoric around the night time economy and recent escalation in the closure of music and performance venues has been around the impact on communities and tourism. But the creative sector more broadly has also been growing increasingly concerned about these closures and their impact on its success. Quite simply, many of the sector's businesses choose to base themselves in London because of the night-time economy - whether that is because they know they can attract international investors to the city for a fashion event, theatrical performance or design festival or because they are looking for a particular community and quality of life after hours.

We believe that there is an opportunity for the mayor to inform councils on the suite of potential benefits that come with a thriving night-time economy - and to show how these benefits often relate directly to the growth of creative industries clusters. Major stakeholders from the following industries, based in London, have already come forward because they are concerned about venue closures: theatre, advertising, finance, music, publishing, creative tech, games, fashion, design, museums and galleries. The example of Shoreditch has been raised by many as the epitome of a creative industries cluster where the attraction for small businesses is the night-time economy and its part in the creation of a creative network.

The Federation absolutely applauds the new position of the night czar and sees the appointment of Amy Lamé as a major step towards making the case for maintaining and promoting London's vibrant night-time economy.

POLICY RECOMMENDATION: The London mayor and night czar should work as mediators to ensure parity of policy across boroughs in how the Licensing Act is interpreted and to encourage links between venues and residents' committees. In addition, they should better convey to local authorities the devastating impact that the loss of elements of the night time economy might have on the wider creative industries in their borough.

POLICY RECOMMENDATION: The mayor should spearhead a city-wide campaign to encourage venues to review their licences. Venues often mistakenly believe that their operations are at risk when renewing. In fact, the renewal of licences frequently has the benefit of removing restrictions which impede the economic sustainability of venues.

POLICY RECOMMENDATION: The mayor should explore additional exemptions to the late night levy, and work with central government to look at where there are premises which are not impacting policing need but are currently paying the levy. We strongly suggest that small-scale, live music venues ('grassroots'),⁶ given level of closure, cultural impact, and similar levels of alcohol consumption to theatres etc., would be an appropriate addition to the current list. This would also send out a strong signal to local authorities about the social and cultural importance of these venues.

POLICY RECOMMENDATION: The agent of change rule must be introduced in the London Plan in order to protect our existing live music venues from complaints from new property developments. This puts the responsibility in tackling noise disturbance on new developments rather than existing establishments. It must be explicit in terms of the types of venues it protects - specifying, in particular, a variety of music venues and performance spaces.

Small and medium sized businesses

The creative economy accounts for one in six workers in London, and the vast majority of companies in our sector are microbusinesses, or small and medium-sized businesses. We applaud the mayor's commitment to protect existing workspace and identifying new workspace areas. There are more than 90 co-working spaces which provide homes for startups.⁷ But we believe that in areas with low density of creative microbusinesses, and high potential for growth, he could go further - actively targeting the creative economy, as well as tech startups.

POLICY RECOMMENDATION: Introduction of working space jointly funded by the London LEP and the creative private sector, specifically for creative microbusinesses. This would offer flexible work space, with ultra-fast broadband connectivity, boosting productivity and building new clusters. We suggest these would have 'library' type membership systems targeting young, creative talent (e.g. freelance filmmakers, design, website designers, online publishers, content developers etc.). More information available on request. This should work alongside the creation of Creative Enterprise Zones.

3. ENVIRONMENT, TRANSPORT AND PUBLIC SPACE

London's heritage

We applaud the mayor's support for London's architectural heritage, and ask that in planning the importance of working historic venues is also considered. The historic nature of many of the capital's cultural venues is another reason we advocate for the agent of change principle. It is important to the future of the capital that - as highlighted by the work of Federation members the Heritage of London Trust - we preserve the buildings and monuments that tell the story of the city and the people.

4. A CITY FOR ALL LONDONERS

⁶https://www.london.gov.uk/sites/default/files/londons_grassroots_music_venues_-_rescue_plan_-_october_2015.pdf

⁷ "Tech Nation 2016: Transforming UK Industries." Tech City, January 2016.

Participation in culture

We absolutely echo the mayor's statement that London is 'a city virtually unrivalled anywhere on the planet for the breadth and quality of the arts and culture that is on offer', and equally that this culture comes in many different forms and types. In particular we hope that the **London borough of culture** scheme identifies important night-time music and performance venues (e.g. The Two Brewers in Clapham), as well as the vital contribution that commercial creative companies make to their surrounding areas. We look forward to working with the mayor as plans for this evolve.

About the Creative Industries Federation

The Creative Industries Federation is the national membership organisation bringing together all of the UK's arts, creative industries and cultural education. We represent more than 1,000 members from across the UK working in industries ranging from architecture to video games, publishing to performance and creative tech to craft and design, as well as universities, colleges and conservatoires. We represent the sector to Government, making the case for the infrastructure and investment, both public and private, crucial for the industries' future growth and success. In particular, we have worked closely with the Greater London Authority on the city's cultural strategy and have contributed to its inquiry into culture-led regeneration - a copy of our submission is submitted alongside this letter.

What are the creative industries?

The creative industries were defined in the government's 2001 Creative Industries Mapping Document as 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property'.⁸

The proportion of creative jobs for each industry was calculated (by creative intensity - based on working practice). Industries with enough people working in jobs with a creative intensity above a specified threshold are considered creative industries. The creative economy includes the contribution of all those who are in creative occupations outside the creative industries as well as all those employed in the creative industries.

The sector includes: advertising, architecture, broadcasting, crafts, design, creative tech, fashion, film, heritage, museums & galleries, music, performing arts, photography, publishing, video games and visual arts.

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⁸ "Creative Industries Economic Estimates January 2016." DCMS, January 2016.