Nottingham Creative and Digital Industries Initiative

Background

In the past decade, Nottingham has seen a remarkable transformation of its creative and digital landscape. Creative and digital encompasses considerable breadth and diversity of practice – ranging from craft-based and creative practices such as music, dance, and theatre all the way to design based practices such as fashion, graphic design, advertising through to digital technology-driven practices such as animation, games and virtual reality.

Research has shown that this sector has grown faster in Nottingham than it has in most other core cities since 2015, both in employment and Gross Value Added (GVA)[1]. At the core of this flourishing sector are the organisations that exemplify what has come to be known as Createch – those businesses at the intersection of the creative and digital process.

Key drivers of Nottingham's Creative and digital transformation have been the revitalisation of Sneinton Market, a steady supply of talented graduates, long-standing business support programmes delivered by the Universities and the City Council, and investment in institutions like Confetti, Confetti X and Metronome. These initiatives have collectively elevated Nottingham's standing as a creative and digital hub in the UK.

To further understand what is driving the sector's development, Nottingham Trent University, University of Nottingham and Nottingham City Council have come together in a unique collaboration to deliver business support and joint research programmes. We have gained deep insight into long-standing business challenges, response and adaptation to contemporary challenges, and what makes Nottingham an attractive and supportive environment for creative and digital businesses. Our findings will inform policymakers on how best to support the sector locally.

1. Karagounis and Rossiter, 2022. Creative and digital industries in Nottingham: a sector analysis of Nottingham and the Creative Quarter

Local context

Nottingham, once a manufacturing hub, has transitioned into a service-based economy with strengths in business services, health, and education. Despite this shift, the city struggles with poor economic, social, and wellbeing outcomes for its residents, evidenced by the lowest gross disposable household income per capita in England and high levels of economic inactivity and deprivation.

In this context, the creative and digital industries emerge as key growth sectors, employing 7 % of Nottingham's workforce and demonstrating significant Gross Value Added (GVA) growth since 2010. These industries, characterized by high-skilled jobs and knowledge intensity, hold unique potential to drive the city's economic development and address socio-economic challenges.

Nottingham is notable for being a regionally significant site of both creative production and cultural consumption. This success is founded on a unique network of arts venues, business incubation facilities and workspaces that are centred around the city's Creative Quarter.

Further development of these sub-sectors has the potential to strengthen the city's position. The territorially embedded nature of these sub-sectors is significant both in terms of the challenges that they face, but also in terms of their potential to address the 'levelling-up' of places like the Nottingham city-region.

Research findings

The research programme encompassed online surveys, interviews and focus groups with 125 creative and digital businesses across the wider Nottingham area in three sub-sectors: i) creative ii) creative-digital iii) digital. The findings tell us that:

- There are strong similarities in the characteristics and experiences of firms in the three sub-sectors, but also notable differences with clear policy implications.

- Firms in all three sub-sectors are territorially embedded in the Nottingham city-region, but the nature of their connections to place differ in important, policy relevant ways.

- Generally, firms in the creative and digital sectors have been resilient in the face of the Covid-19 economic shock. More than 40 % of firms reported employment growth over this period, while few reported a decline in employment.

- The sub-sectors define success in different ways:
    » Creative businesses view success in terms of producing more or better work.
    » Digital businesses focus more on growing their customer base.

- Similarly, perceptions of growth were diverse, whether through headcount, collaboration, attaining consistent sustainable income, new market opportunities, or increased productivity through digitalisation. For some, especially micro-businesses and freelancers, increased job satisfaction, responsibility and sustainability were important characteristics of growth.

- Market coverage also varies between the different sub-sectors:
  - » Creative businesses primarily serve local and regional markets.
  - » Creative-Digital businesses are more likely to serve national markets, as well as local and regional clients.
  - » Digital businesses are more likely than the other sub-sectors to be serving international markets.

- All sub-sectors report that availability of appropriate premises is important to their practice, while lack of affordable workspace can limit their growth. Priorities vary between sub-sectors:
  - » creative businesses need quality, affordable studio space.
  - » for digital businesses co-working and networking spaces are required.

- All sub-sectors report significant internal and external skills requirements, but their specific needs vary. Constraints to growth include the challenges of gaining exposure for job and recruitment opportunities, skills-shortages and competition for talent. Access to university talent through placement schemes has been highly valued, but demand can outstrip supply.

- Further challenges include lack of visibility to corporate and public sector markets and potential funders, along with delays in getting paid.

"While the initial Covid period was hard, it has changed mindsets about the importance of opportunities that digital provides in both reaching new markets and streamlining their operations"

Digital marketing and web design company

- Several participants had accessed grant funding – an enabler of innovation and growth. However, they find such funding is bureaucratic, complex and lacks accessibility or is out-of-reach for creative-digital practitioners. In some instances, schemes can stifle the creativity and innovation that they aim to support. Funding opportunities could provide simpler guidance for users and provide opportunities to engage with new talent.

- A key discussion point highlighted the lack of sector specific network(s), disparate engagement with both formal and informal networking organisations and poor visibility of potential networking activity. A range of approaches to networking were proposed: subsectors, formal/ informal and physical/ virtual, with a consensus that there is much scope for improvement and reimagination.

70% of creative businesses cite limited access to finance as a barrier to their success

Emerging Technology:

- Our research evidenced considerable engagement with emerging technologies, changing their offer and enabling the engagement with new audiences. There was also considerable discussion of AI; the challenges and the opportunities of this disruptive new technology. Our respondents acknowledged the need to keep up to date with new technologies and use them to their advantage, they don't want to be left behind.

"People in my network are my cheerleaders, a lovely community feel from event to event"

Photographer

- Nottingham's relatively small size is cited as an advantage by many businesses. In a smaller city, businesses, particularly creative ones, can network more easily, stand out and be more visible.

- The rich cultural offer, diverse creative community and vibrant city centre are major benefits that attract businesses to Nottingham. With good access to universities and a strong cultural heritage, the sense of belonging and engagement set it apart from London.

- The presence of two very proactive universities is a major advantage of being situated in Nottingham. Businesses see universities as key providers of business support who produce a steady pipeline of talented graduates with creative and digital skills.
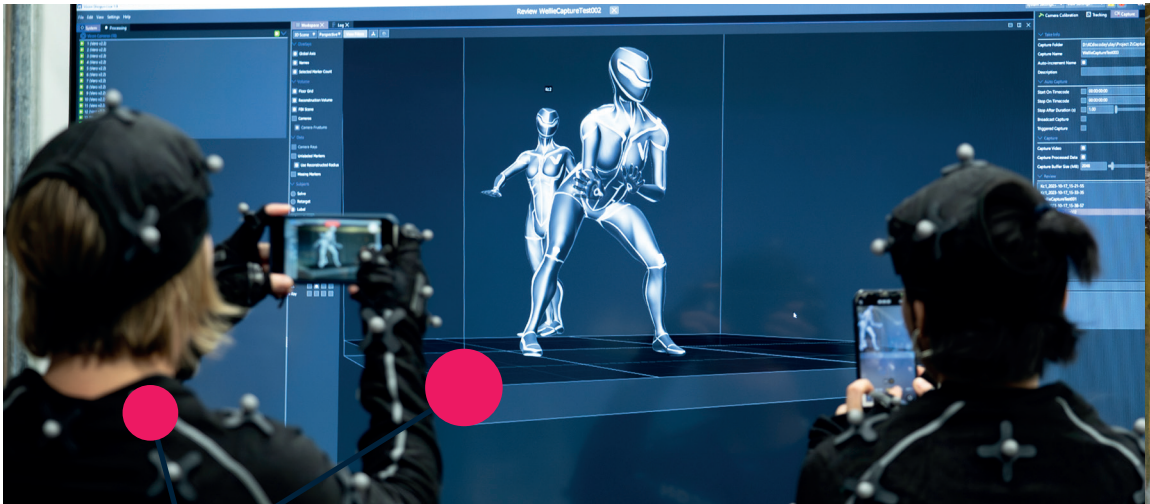
"Nottingham is a vibrant city and has been home to us for 29 years. As the business has been established here for a long time, the connection with the local community and wider city is part of our heritage"

Web design company

Policy Recommendations

- Enhancing and reimagining sector networks needs support to achieve a multiplicity of potential benefits - from elevating the sector's visibility, reputation, legacy connections and market potential, to promoting collaboration and skills development while enhancing sense of place and belonging.

- Investment in the specific kinds of workspace required by these sub-sectors (studio space, co-working facilities and networking facilities) should be prioritised.

- Imaginative use of unused and seasonal spaces for affordable shared workspaces, hot-desking and networking opportunities could stimulate creativity and innovation. This would also regenerate Nottingham's cultural and creative industries' legacy and the city's vibrancy.

- All sub-sectors identify internal and external skills needs. The universities provide an important skills pipeline and their ongoing role in the training of sector practitioners should be enabled.

- Provision of tailored business development support should be prioritised – addressing common business development requirements while also being sensitive to the distinctive needs of particular subsectors. Nottingham has extensive experience in the delivery of business incubation and development support in creative and digital industries – but also in sectors such as biotech (e.g. BioCity development).

- During this period of rapid growth our local CDI businesses have benefitted from grant-supported collaborations, although most sector-focused interventions have now ended – including two influential Nottingham programmes:
  » The Live Experiential and Digital Diversification scheme (LEADD:NG) was a successful collaboration of both Universities, and stimulated considerable sector engagement with immersive technologies.
  » The Big House programme, delivered by Nottingham City Council, NTU and partners, supported start-up and growth acceleration within the sector.

- Sustaining this targeted sector support is a key challenge for the city. The Create Growth grant will offer welcome new interventions, but further longer-term investment in this fast-growing sector is key to realising the potential of our region.

- A clear sector strategy and dedicated sector representation would support all above - raising the sector's image and reputation; supporting skills acquisition, growth and communications; giving greater confidence and engagement between the city and the creative and digital industries; and avoiding local policy decisions that inhibit growth and innovation.

"In order to develop my success as an artist I need studio space and the ability to work on a larger scale which also requires funding for resources"

Artist and illustrator

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