

Empowering Nottingham's Creative and Digital Industries

A Strategic Assessment and Roadmap for Growth for the Greater Nottingham Urban Area

Konstantinos Karagounis¹, Helen Kennedy², Lynn Oxborrow¹, Will Rossiter¹



November 2025

¹ Nottingham Trent University

² University of Nottingham

Acknowledgements

We would like to thank all those who contributed to this research, particularly the representatives from Nottingham's creative and digital industries who generously shared their time, insights, and experiences.

We are also grateful to colleagues who supported the research process through stakeholder engagement, evidence gathering, and analysis—in particular, Tammy Cookson, Lucy Pike, Phoebe Kowalska, Caitriona Shannon, and Filomena Rodriguez.

Contents

1. Executive Summary	3
2. Introduction and background.....	6
3. Methodology	7
4. Strategic Context and Literature Review.....	9
5. Economic Profile	10
6. Nottingham's CDI Sector: Business characteristics and success drivers	12
7. Post-pandemic changes in the CDIs	18
8. Why Notts? Or Why Not?	21
9. The Importance of Clusters, Networks and Collaboration	27
10. Supporting Our CDI Sector	31
11. CDIs and Anchor Institutions	42
12. Recommendations.....	46
13. References	50
14. Appendix.....	52

1. Executive Summary

The creative and digital industries (CDI) are one of Nottingham's most dynamic and high-value sectors—generating £1.3 billion in GVA (12% of the city's total, 2023) and supporting over 18,000 jobs across more than 2,000 businesses. With a further 3,200 CDI businesses operating across Nottinghamshire, this is not only a key urban growth engine but a strategically significant regional asset.

Nottingham has all the ingredients for national CDI leadership: a rich creative ecosystem, globally connected universities, relative affordability, a highly skilled talent pool, and a compact, collaborative cityscape. Yet, despite these assets, the sector's full potential remains under-realised. Structural barriers, such as weak strategic coordination, inconsistent investment, lack of affordable workspace, limited access to growth finance and persistent understated visibility, continue to hold the sector back.

This report presents the findings from a major study conducted with 138 CDI businesses across Nottingham and Nottinghamshire. It provides new evidence of the sector's strengths, identifies persistent and emerging challenges, offering a roadmap to unlock inclusive economic growth. This is supported by our recent experience of delivering Create Growth Nottingham and Nottinghamshire (CGN2), having secured £975,000 DCMS funding to deliver Create Growth N2, 2023-26.

Our research reveals a sector characterised by resilience, ingenuity, and deep community embeddedness, yet too often disconnected from the strategic infrastructure and investment and that would allow it to scale, while lacking a distinctive, prominent image. Yet the sector acts as a service provider and enabler for industries as diverse as health, sports, manufacturing and energy, as well as feeding some of Nottingham's most significant businesses.

The case for urgent, targeted action is compelling. The UK's Modern Industrial Strategy and Creative Industries Sector Plan (2025) overlook the East Midlands as a centre for Creative and Digital growth. Meanwhile, other UK cities, Manchester, Birmingham, Liverpool, Belfast, have demonstrated that strategic investment in the creative industries catalyses job creation, urban renewal, export growth, and cultural confidence. Nottingham is ready to join their ranks, but doing so will require deliberate cross-sector collaboration, sustained public-private support, and a bold vision for inclusive creative growth.

Key Recommendations

To address the challenges identified by our research, and to capitalise on the sector's strengths, the report makes twelve key recommendations:

1.0 Policy

- 1.1. Create a dedicated CDI taskforce or working group, including an AI & IP sub-group.
- 1.2. Develop a clear, ambitious cultural, creative and digital strategy and vision for Nottingham, backed up and overseen by creation of the group above.
- 1.3. Undertake a comprehensive mapping and audit of the city region's creative and digital assets, to support cluster development, identify gaps, and strengthen the story and profile of Nottingham's CDI community.

2.0 Supporting place and community

- 2.1. Invest in building stronger, purposeful networks and partnerships within the CDI sector to support cross-sector collaborations and the forum to foster knowledge exchange and ongoing dialogue and consultation with the sector. To achieve 'cluster' status this objective should connect policy makers, universities, FE and skills providers, pivotal businesses and infrastructure, industry networks and forums, and funding providers.
- 2.2. Enhance the visibility, promotion, and celebration of Nottingham's CDI sector, including practitioner-led and industry engaged networks and dialogue, visible events and showcasing opportunities, and the potential addition of a 'brand' image or clearer

identity for the sector. This should extend beyond communications to include clear market-access goals, such as generating export leads and securing national commissions through annual showcases, outbound trade missions, and investor engagement, while protecting ethical and quality expectations.

3.0 Supporting business growth and innovation

- 3.1. Develop a tailored package of business support and skills development for CDI businesses, building entrepreneurial and leadership skills, financial readiness, and technical skills appropriate for specific subsectors, all enterprise stages and potential growth areas, including opportunities to build genuine added value through AI.
- 3.2. The Taskforce should work with key sector leads to design a Nottingham "Create to Career" pathway. This would establish accessible early-career and inclusive progression routes by utilising short paid placements, apprenticeships, and studio-based mentoring. To be aligned with EMCCA's skills innovation pilots, national creative industries priorities and emerging AI related skills needs at all levels.
- 3.3. Work with universities to strengthen knowledge exchange, collaboration and innovation within the CDI sector, and other skills providers to strengthen the pipeline.
- 3.4. Improving access to market opportunities, innovation resources, digital micro-grants, and external finance. This would enable businesses to be ambitious, credible, and focused with clear pathways to revenue generation, without stifling innovation and creativity.

4.0 Building infrastructure, capacity and capabilities to safeguard future opportunities

- 4.1. Explore innovative models for providing affordable, flexible workspace for CDI businesses and practitioners, appropriate for key subsectors and enabled with secure and compute bays and high-powered digital infrastructure.
- 4.2. Invest in critical infrastructure to deliver cutting-edge education and training, ensuring a steady supply of well-prepared talent for Nottingham's CDI sector.
- 4.3. Apply cluster-related strategies to attract, recruit and retain skills and high-quality jobs, filling emerging gaps and enhancing progression, knowledge and skills development through mentorship and placement programs, high-quality professional development and stakeholder collaboration.

By implementing these recommendations, Nottingham can build on its existing strengths to grow its status as a vibrant and thriving place where creative and digital businesses can innovate, grow and access world-class talent, ultimately catalysing economic growth and revitalisation, further job creation, and culture in the city. Supporting this sector aligns with broader objectives for regional uplift and increased inclusivity in post-industrial urban centres.

2. Introduction and background

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 third lowest gross disposable household income per capita in England and high levels of economic inactivity and deprivation.

The CDI sector is a vital contributor to Nottingham and pockets of Nottinghamshire's economy, cultural vibrancy, and identity. Creative and digital encompasses considerable breadth and diversity of practice—ranging from craft-based creative and cultural practices such as music, dance, and theatre; design-based practices such as fashion, graphic design and advertising; through to digital technology-driven practices such as animation, games and virtual reality. 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, referred to in our data as creative-digital.

The creative and digital industries (CDI) sector in Nottingham plays a crucial role in supporting the city's economic and cultural vitality. As of 2023, this sector contributed an estimated £1.34 billion in Gross Value Added (GVA), making up 12% of Nottingham's total GVA and

ranking as the third-largest economic sector in the city³. The sector also supports approximately 18,000 jobs based on 2024 data, positioning it as the city's sixth-largest employer⁴. Moreover, the number of CDI businesses in Nottingham has more than doubled since the start of the millennium, from 770 to 2,500 in 2025, with particularly high growth observed after 2010 following the establishment of the Creative Quarter Company. An additional 3,200 CDI businesses operate within Nottinghamshire outside the city, highlighting the broader regional significance of the sector.

Key strengths of Nottingham's CDI sector include its vibrant and diverse creative community, strong anchor institutions such as universities and cultural bodies, the city's compact size, its central location in the country, and its relative affordability. From regeneration initiatives and investment to talent and business support programs, Nottingham's anchor institutions have contributed significantly to recent growth. Nottingham Trent University, the University of Nottingham, and Nottingham City Council have all played pivotal roles, creating a vibrant CDI sector that attracts talent and investment and strengthens the city's economic resilience and cultural vibrancy. Specific drivers of Nottingham's CDI growth include 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

³ Author estimates. ONS, Regional Gross Value Added (balanced by industry and local authorities) by ITL1 Region (2025).

⁴ ONS, Business Register and Employment Survey (BRES), Nomis, (2025).

hub in the UK. Nottingham's thriving creative and digital industries (CDIs) are also central to the area's wider economy, identity, culture, and community, enriching the cultural landscape, attracting people and businesses nationally and internationally, and showcasing Nottingham's rich cultural heritage alongside modern technological advances.

However, the sector also faces persistent challenges and untapped potential, including a perceived lack of strategic vision and investment from the City Council and neighbouring authorities; difficulties in accessing affordable and suitable workspaces; skills and capacity gaps within businesses; and a need for stronger, more purposeful networks and partnerships. With greater strategic support and solutions to key challenges, this sector could play an even more transformative role in Nottingham's economic and social landscape. Realizing the full potential of the sector requires a deeper understanding of what drives creative and digital businesses to establish themselves and remain in Nottingham, the specific challenges they face, and where targeted support can unlock further opportunities.

There is substantial evidence that vibrant creative and cultural industries can drive economic and social inclusion, especially in post-industrial cities. Examples from cities such as Manchester, Birmingham, and Liverpool demonstrate that investment in the CDI sector can stimulate job creation, economic diversification, urban regeneration, and community cohesion, as reflected in current Government policyⁱ. These benefits are particularly relevant to Nottingham, which, despite the CDI sector's promising GVA and

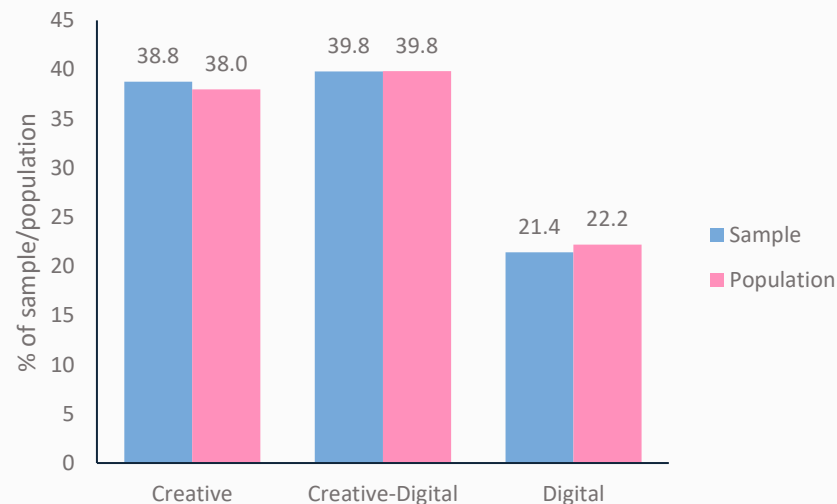
employment statistics, has not yet experienced the level of economic uplift associated with initiatives like the UK's Creative Industries Clusters Programme. Compared to other regions, Nottingham and Nottinghamshire remain underrepresented in national studies, with limited mentions in leading CDI analyses. This research addresses this gap and presents findings that are intended to shape future strategic investment and support for this sector. This builds on the early lessons from Nottingham and Nottinghamshire's success, having secured £975,000 Department for Digital, Culture, Media and Sport (DCMS) funding to deliver Create Growth N2, (2023-26). This report presents findings from an in-depth study, incorporating surveys, interviews, and focus groups with local creative and digital business leaders to uncover the factors that foster or hinder growth in this sector. The insights gathered will inform a roadmap designed to guide policymakers on how best to support Nottingham's CDI sector and serve as a model for other urban areas aiming to support and expand their own creative industries. Our research also underscores the potential for further sectoral growth and regional uplift, akin to that seen in other UK cities that have leveraged their creative clusters.

3. Methodology

This report presents findings from a comprehensive research project, which aimed to gain a deep understanding of the CDI sector in Nottingham. Fieldwork was conducted in 2023, with analysis and reporting largely completed in 2024, and updated in real time with data gathered from the Create Growth N2 programme (2023-25). Data collection included an online survey, one-to-one interviews, and focus groups with 138 business leaders. Participants represented CDI

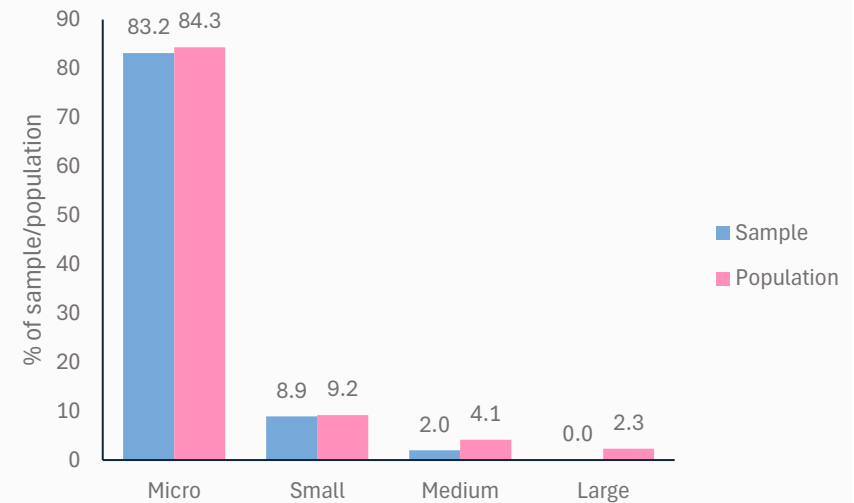
businesses from across the Greater Nottingham Urban Area in three subsectors: creative (including design studios, cultural organisations, theatres, galleries etc), creative-digital (such as, web and game developers, marketing agencies and content creators) and digital (including software development firms, tech startups, and data analytics companies). The definitions used for creative and digital follow the DCMS categorisation.

Figure 1. CDI subsector: survey sample vs population



Online survey: An online survey was developed to gather both qualitative and quantitative data from Nottingham's CDI businesses. A total of 101 survey responses were received from a sample of business leaders that represented Nottingham's CDI Small and Medium Enterprise business population well in terms of business age, CDI subsector and business size.

Figure 2. Employment size bands: survey sample vs population



In-depth interviews: Twenty-four in-depth interviews were carried out with a diverse range of creative and digital business leaders as well as senior representatives from major arts and cultural organisations in the Greater Nottingham Urban Area. Each interview, lasting approximately one hour, was conducted by one of the five researchers involved in the project. These interviews captured the unique stories, successes, and challenges faced by CDI practitioners.

Focus groups: Five focus groups were conducted, bringing together business leaders from all three CDI subsectors of the CDI to discuss their experiences, challenges, and aspirations. Guided by a set of questions, these sessions encouraged open dialogue and free expression of views. A total of fourteen participants contributed to these discussions.

Sampling strategy: The project aimed to survey a representative sample of businesses. To ensure this was the case, we identified the proportions of local businesses that fell into each CDI subsector and employment size band. The number of local businesses by each CDI subsector was identified using Companies House data. Employment size bands follow the European Union definition⁵ and do not take into account company turnover. Approximations of the employment size bands were created using ONS *UK business: activity, size and location* data. Figures 1 and 2 show how the study sample compares with the Nottingham business population.

The sample closely mirrors the local subsectoral composition, with only marginal differences between the proportions in each category. This suggests the sample is highly representative of the population across the three subsectors. The sample is also broadly representative in terms of employment sizebands, (see Figure 2), although large companies are lacking from the sample, reflecting the corporate structure of larger businesses, the difficulty of identifying a single point of contact within large organisations, and perhaps signifies their current sense of affiliation with the sector.

The online survey received full responses from 101 CDI businesses in the Greater Nottingham Area, and included data on the business age, sector, size, and turnover.

⁵ European Commission, *The new SME definition* (2022).

⁶ Creative PEC, *Creative Places: PEC Policy Briefing* (July 2021).

⁷ Siepel J. et al., *Creative Industries Radar* (Creative PEC, 2020).

4. Strategic Context and Literature Review

The UK's creative industries are a vital part of the national economy, employing over two million people prior to the COVID-19 pandemic. Research, including the Creative Industries PEC Creative Places Policy Briefing,⁶ has consistently highlighted the importance of 'place' in the success of creative businesses, with geographical clusters playing a key role in providing access to talent, knowledge, and resources.

Key reports such as the Creative Industries PEC Creative Radar report⁷ and the Geography of Creativity in the UK report⁸ have identified different types of creative clusters across the UK, ranging from large urban hubs like London and Manchester to smaller 'microclusters' in cities like Nottingham and Leicester. These microclusters, often located outside of established creative centres, have been identified as potential growth hotspots and are estimated to account for a significant share of creative industries employment⁹.

The success of creative businesses has been linked to the presence of supportive local ecosystems, including access to skills, innovation networks, and anchor institutions like universities. However, levels of

⁸ Garcia P. and Bakhshi H., *The Geography of Creativity in the UK* (Nesta, 2019).

⁹ Siepel J. et al., *Geographies of Creativity: State of the Nations* (Creative PEC, 2023).

support and understanding for the creative industries vary significantly between local authorities and LEPs¹⁰.

The COVID-19 pandemic had a profound impact on the creative industries, contributing to regional declines in GDP of up to 12.9% reported as early as 2020¹¹, followed by differential recovery across UK regions and clusters¹². The creative industries have since shown resilience and growth in many parts of the UK, although significant regional inequalities persist¹³.

Looking to the future, the creative industries are undergoing a 'networked shift' driven by digital technologies and changing consumer behaviours¹⁴. This shift is characterised by more fluid, cross-sector collaboration and innovation, challenging traditional industry boundaries and support structures. Fostering this emerging ecosystem will require new, adaptive approaches to skills development, R&D, and legal frameworks¹⁵ as well as access to appropriate investment support¹⁶.

In the East Midlands, creative industries are concentrated in the cities of Nottingham, Leicester, and Derby, which together account for 67%

of the region's creative industries turnover¹⁷. The region shows potential for the development of a 'creative corridor' building on existing hotspots of activity¹⁸. Universities are seen as having an important role to play in supporting the growth of the creative industries in the East Midlands and across the Northern regions of the UK¹⁹ and indeed have been key partners in the Create Growth Nottingham and Nottinghamshire project led by Nottingham City Council, launched in November 2023 and Create Growth East Midlands, covering Leicestershire, Derbyshire and Lincolnshire, launched in 2022.

5. Economic Profile

Nottingham is in many ways an archetypal former manufacturing centre that has substantially de-industrialised. The city has transitioned towards a largely service-based economy with strengths in business services, health and education. Despite this successful transition, economic, social and wellbeing outcomes for many of the city's residents remain stubbornly poor. Nottingham has the third lowest level of gross disposable household income per capita of all local authorities in England²⁰, coupled with high levels of economic

¹⁰ *ibid*; Creative PEC, *Creative Places: PEC Policy Briefing* (July 2021).

¹¹ McIntyre S., *Regional Impact of the Pandemic: New Estimates of Regional Output in 2020* (ESCoE, 18 February 2021).

¹² Siepel J. et al., *Geographies of Creativity: State of the Nations* (Creative PEC, 2023).

¹³ *ibid*.

¹⁴ Coldicutt R., Williams, A and Barron D., *The Networked Shift: A Creative Industries Foresight Study* (London: Careful Industries, 2023).

¹⁵ *ibid*

¹⁶ Bakhshi H. et al., *Unleashing Creativity: Fixing the finance gap in the creative industries* (Creative UK and Creative PEC, 2024).

¹⁷ Siepel J. et al., *Geographies of Creativity: State of the Nations* (Creative PEC, 2023).

¹⁸ *ibid*

¹⁹ *ibid*

²⁰ Office for National Statistics (ONS), *Regional Gross Disposable Household Income, UK: 1997 to 2022* (4 September 2024).

inactivity and relative deprivation (MHCLG 2019). The ONS sub-national indicators explorer²¹ shows that, out of 34 available statistical indicators, none exceeded the national median and 17 were below the median. Prima facia, this apparently successful example of economic reorientation does not appear to have translated into positive outcomes for many of the city's residents.

It is in this context that the creative and digital industries have unique potential to realise the City's economic potential, while also helping to address some of its most significant socio-economic challenges. The Creative and Digital Industries are among the fastest growing sectors in Nottingham. It is a major employer of high skilled jobs that employs 7% of Nottingham's workforce. It is a high-productivity, knowledge-intensive sector that has experienced more GVA growth since 2010 than all other standard industrial sectors in the area, with the exception of Information & Communications²². During this period, GVA growth also exceeded that of other UK cities, except London.

ONS data²³ at regional level shows that the East Midlands stands out among other UK regions for its CDI growth. From 2017-2022, the East Midlands' Creative and Digital sector, collectively, had the second fastest GVA growth of all UK regions, behind Yorkshire and the Humber, and well ahead of the England and UK average. However, East Midlands CDI has a relatively small regional employment base (233,000) and an over-representation of self-employed workers (26%

of CDI jobs). This suggests the possibility of under-representation and/or a high proportion of small and young businesses.

Nottingham is notable for being a regionally significant site of both cultural production and consumption. This success is founded on a unique network of arts venues, business incubation facilities and workspaces.

Further development of the subsectors, creative, creative-digital (or createch) and digital, has the potential to strengthen the city's position. The territorially embedded nature of these subsectors is significant both in terms of the challenges that they face, but also in their potential to address the 'levelling-up' of places like the Nottingham city-region. While all three subsectors may be considered territorially embedded in the city, the nature of their connection to place is not the same. These differences are reflected in the location choices made by businesses in these sectors (i.e. why they are located in the Nottingham city region), the business models that they operate, the nature of the facilities and infrastructure required to support their development, the location of their customers and suppliers, and the scale and nature of their demand for (local) labour.

Understanding these differences, alongside the commonalities shared by CDI businesses, is extremely important if business support services and facilities are to be tailored to meet the specific

²¹ ONS, Explore Local Statistics.

²² Karagounis K. & Rossiter W., *Creative and Digital Industries in Nottingham: A Sector Analysis of Nottingham and the Creative Quarter* (2022).

²³ Department for Culture, Media and Sport, DCMS Sectors Economic Estimates: Regional Gross Value Added (GVA) 2022

requirements of the sector as a whole - such that they, in turn, can maximise the contribution that they make to the economy and society of the city region. Herein lies one of the main contributions of this research project.

6. Nottingham's CDI Sector: Business characteristics and success drivers

The creative and digital industries (CDIs) in Nottingham demonstrate a wide diversity of business types, models, and motivations. These businesses operate across a spectrum—from commercial tech firms and digital agencies to independent artist-makers and community-focused initiatives. This section explores their activities, client bases, market geographies, and understandings of success.

6.1. Markets and Business models

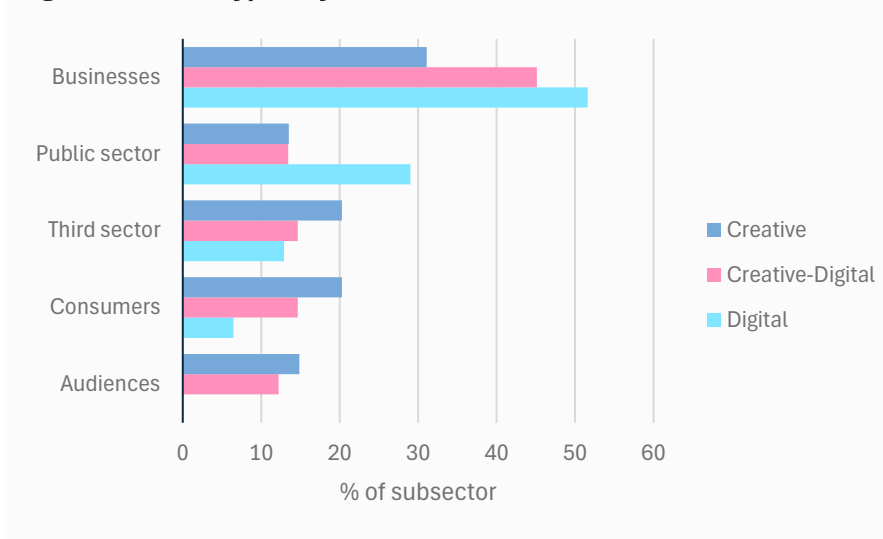
Market segments

Digital businesses stand out with the highest proportion of business-to-business (B2B) services, often serving education, health, and professional services sectors. In contrast, they reported minimal business-to-consumer (B2C) activity and no audience-facing services. **This lower reliance on consumer markets and audiences likely contributed to the subsector's resilience during the pandemic.**

Creative and creative-digital businesses, by comparison, are more embedded in consumer, cultural, and third-sector markets, often

balancing commercial and public-facing outputs. This may have heightened their vulnerability to challenges such as the lockdown during the pandemic and other economic challenges. Nevertheless, it is noteworthy that B2B markets remain the primary customer focus even within these subsectors.

Figure 3. Client types by CDI subsector



Client sectors

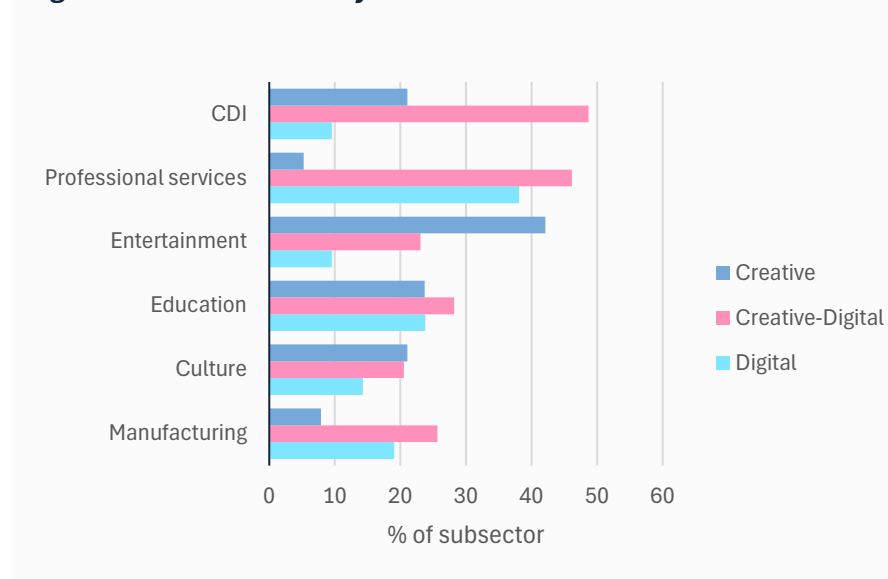
Respondents who identified "businesses" as their primary clients were further asked to specify up to three sectors in which their clients operate.

The data reveal that creative businesses predominantly serve the entertainment, education, CDI, and cultural markets. **This suggests**

that these businesses often operate within the same or closely related sectors as their clients, reflecting a shared ecosystem.

In contrast, creative-digital businesses cater to a more diverse range of clients across various sectors. However, clients are considerably

Figure 4. Client sectors by CDI subsector



more concentrated in the CDIs and professional services, which is unsurprising given that many businesses in this category specialise in marketing, public relations and web design, with an array of further emerging opportunities.

Digital businesses, on the other hand, exhibit a more uneven distribution of clients across sectors. Their client base demonstrates a distinct tendency towards education and professional services,

while sectors such as other CDIs, culture and entertainment are less likely to represent their core markets.

The client bases of our sample therefore reveal significant differences between businesses at opposite ends of the creative and digital spectrum, with creative-digital businesses occupying a middle ground. These variations underscore distinctions in the ecosystems within which these businesses operate and influences the methods they employ and the challenges they encounter. By extension, these differences also suggest that **differentiated approaches may be required to effectively support and encourage growth across these distinct subsectors.**

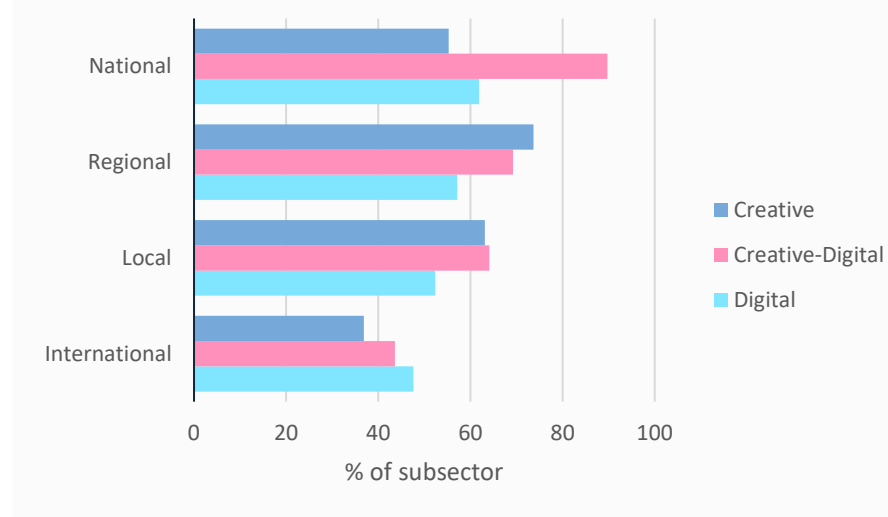
Client locations

Surveyed businesses were asked to indicate the location of their target market, selecting all that apply from a given list. **The feedback highlights a significant strength of Nottingham's CDI sector: all subsectors have clients at every spatial level.** However, notable differences between the subsectors reveal an interesting pattern:

- Creative businesses are more likely to target local and regional markets compared to the other two subsectors, though they are by no means limited to these markets.
- Creative-digital businesses are the most likely to serve national markets, demonstrating a broad and versatile client base that spans multiple spatial levels.
- Digital businesses are the most likely to target international markets, although international clients are less commonly reported overall across all subsectors.

The expected concentration of local and regional markets among respondents reinforces the locally embedded nature of the CDI sector, particularly within the creative subsector. However, it is encouraging to see a diverse range of spatial markets represented among the respondents. This diversity represents a potential strength to build upon, offering opportunities for strategic support to help businesses expand their reach and capitalise on wider market opportunities.

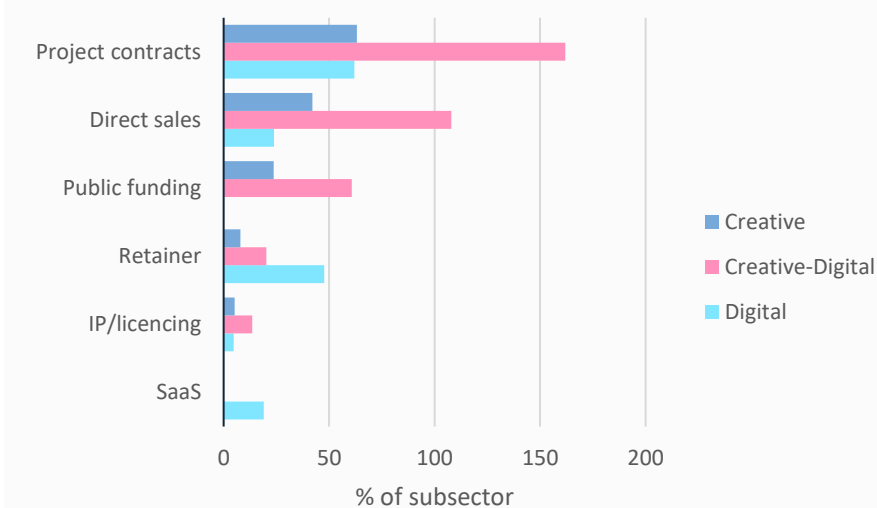
Figure 5. Client locations by CDI subsector



Revenue generation

Survey respondents were asked to identify their primary revenue models from a provided list. The results are presented as proportions by CDI sector in Figure 6.

Figure 6. Primary income streams by CDI subsector



Project contracts emerged as a significant revenue model across all subsectors. While these contracts present opportunities for growth and innovation, they also pose challenges due to their stop-start nature, which can disrupt productivity and long-term planning.

Digital businesses stand out for their higher reliance on retainer-based income compared to other sectors. **This revenue model may contribute to their resilience by providing a more stable income stream, potentially buffering the immediate impacts of economic downturns.** Additionally, Software as a Service (SaaS) also appears as a revenue model for a few digital respondents. This model

represents an area of growth potential, particularly for digital businesses.

While Creative businesses are more likely to rely on public funding than the other subsectors, this is proportionally lower than income from project contracts and direct sales. This balance provides encouraging evidence of the resilience and sustainability of this subsector.

A notable finding across all subsectors is the limited use of Intellectual Property (IP) licensing, with around 5% of respondents using this as a revenue model. This indicates a potentially underexplored opportunity for businesses to capitalise on their intellectual property, while respecting also the challenges of protecting IP, exacerbated by rapid developments in Artificial Intelligence. Enhanced support for IP exploitation could unlock new revenue streams, enabling Nottingham and the wider region to maximise the value of innovative content and cultural heritage.

6.2. Defining success

The primary research undertaken for this study revealed a broad spectrum of perspectives on what constitutes business success and sustainability within Nottingham's CDI sector. While some common themes emerged, success was clearly defined differently across businesses, shaped by subsector and other factors such as size, stage of development, and individual aspirations.

In an open-ended survey question, participants were asked to describe what success means for their businesses.

Only 45% of respondents referenced financial metrics such as profit, revenue, or turnover as key measures of success. However, there was notable variation across the CDI subsectors (see Figure 7):

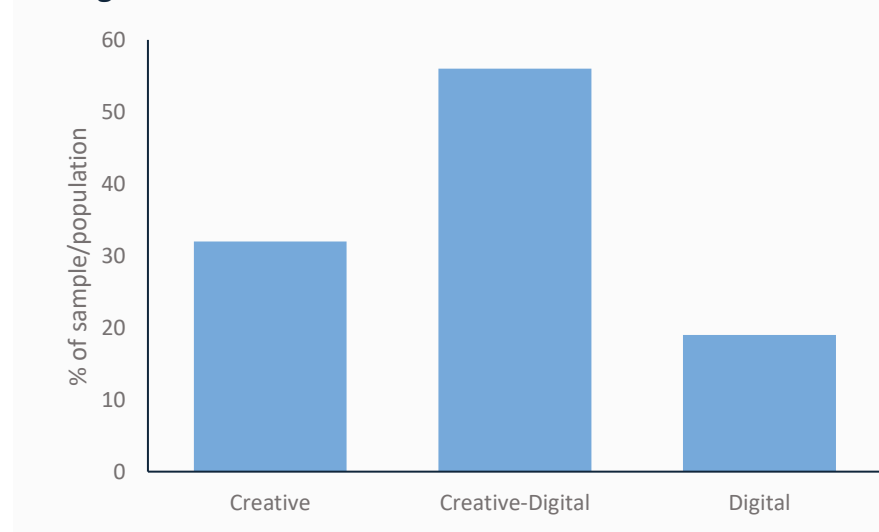
- Creative-digital businesses, such as architecture firms, design studios, and marketing agencies, were more likely to prioritise financial metrics. Many of these businesses are well-established, with significant overheads, staff, and premises to maintain. In some cases, their prioritisation of profit and revenue is a result of increased focus on an eventual exit strategy, as evidenced through interviews with participants.
- Creative businesses often defined success in terms of alternative outcomes, such as visibility, quality, and impact on the community or public. Creative practitioners highlighted the importance of “showing work to new audiences” and “creating work for the public realm.”
- Digital businesses emphasised innovation and productivity as their primary markers of success, reflecting their focus on technology-driven outputs and solutions.

Our study, therefore, highlights the importance of alternative business models and cautions against assuming that profit maximisation is always at the core of business decisions, particularly when designing business support programmes.

Beyond the bottom line

While profit, revenue, and turnover are undoubtedly important for the financial sustainability of businesses and are often assumed to be the primary drivers of business success, our research paints a more nuanced picture. Crucially, the study revealed that many CDI businesses in Nottingham do not define success purely through financial metrics. Artistic and creative entrepreneurs frequently prioritise visibility, cultural impact, community engagement, responsible practice, and creative autonomy.

Figure 7. Proportion of CDIs who define business success through financial metrics



²⁴ Hill, I., Entrepreneurial placemaking for supporting rural designers / artists, Institute for Small Business & Entrepreneurship, 2024.

Client Geographies

Nottingham's CDI businesses operate across a wide spatial range. Creative practitioners often serve local and regional audiences, while creative-digital and digital businesses more frequently access national or international markets. This hybridity suggests that Nottingham's CDI ecosystem is both locally embedded and globally connected - a dynamic that can be further leveraged through export support, peer-learning exchanges, and place-branding initiatives that highlight Nottingham's creative distinctiveness.

Moreover, many creative businesses serve clients within the CDI sector itself, creating an ecosystem of mutual support and shared aesthetic, cultural, and social goals. These interdependent relationships reinforce the sector's collaborative ethos and challenge reductive framings of creative enterprise as solely competitive or commercially driven.

These aspirations echo recent policy research on rural designer/maker economies, which emphasises that creativity in place is not solely enabled by infrastructure, but by social networks, trust, and everyday entrepreneurial placemaking.

As Hill²⁴ argues, "having the facilities and infrastructure available is important, but it is not sufficient to promote growth: makers/designers, policymakers, businesses and local communities need to enact it." Creative practitioners often operate in low-

infrastructure environments, rural or urban, adopting collaborative, peer-led networks as a means of resilience and experimentation.

Artistic Innovation Models

Underpinning the spectrum of perspectives on what constitutes business success, several participants highlighted the embodied, practice-led nature of their innovation and associated growth potential. One described their business development process as iterative, exploratory, and emergent, rather than linear planning:

“Ideas come out of doing things, not the other way round. What I see as an artistic process I think can be applied to business development.”

This sentiment was echoed by another participant who emphasised the need to embrace uncertainty and divergence in innovation processes:

“If you know what the journey is... then it's just project planning and delivering. It's not actually allowing space for new thinking, new ideas, and something that hasn't been before.”

Such views reinforce a key distinction between industrial and creative innovation pathways. For many creatives, the generation of new ideas arises through practice - experimenting and responding in real time to evolving constraints and opportunities. In contrast, more prescriptive models of innovation depend on pre-defined deliverables and milestones. These distinctions matter when shaping business support

systems that can accommodate alternative approaches to growth and innovation and widen participation.

Table 1. What does success look like?

Cultural	<ul style="list-style-type: none"> - Financial sustainability - Being able to support their local communities—giving back - Time to plan, develop a strategy, not just fire fighting - Increasing audiences & participation, including students/ graduates
Creative	<ul style="list-style-type: none"> - Making a living out of their art form—to sustain themselves - Not dependant on grants - Creating new work, exhibiting to audiences—seeing their work ‘out there’ - Reputation
Creative Digital	<ul style="list-style-type: none"> - Building a good reputation, word of mouth referrals - Retaining employees, taking interesting and creative commissions - Increasing outputs, products and services - Growing client bases, generating income - Doing enjoyable work - Retaining staff
Digital	<ul style="list-style-type: none"> - Client retention, securing new clients, referrals, subscribers and retainers - Staff satisfaction, talent retention and recruitment - Developing innovative solutions - Expanding into international markets, attracting investment - Consistent delivery, product development

Source: Feedback from the CDI consultation and interview process

These findings suggest that **for many CDI businesses in Nottingham, success involves a careful balance: achieving financial sustainability while fulfilling broader objectives, such as making ‘space’ for innovation, experimentation and creativity, while making meaningful contributions to their communities.**

Table 1 summarises insights from the consultation and interviews, highlighting how businesses across different subsectors define success.

7. Post-pandemic changes in the CDIs

The Covid-19 pandemic fundamentally reshaped the landscape for many businesses. The extent of the impact often depends on the nature of the sector, with some adapting more readily to shifting consumer behaviours and new work patterns than others. Some creative practitioners innovated during the pandemic through remote activity kits and partnerships like the 'sound postcards' developed with the University of Nottingham's Mixed Reality Lab - highlighting

how low-friction institutional collaboration enabled experimentation and wider reach.

Subsequent changes in national policy and the global economic climate compounded some of these impacts. Our data shows that digital businesses benefited from sustained demand for technology-driven solutions, whereas creative and cultural industries faced greater challenges due to their reliance on in-person audiences and services.

7.1. Employment Impact

Survey responses highlight notable differences in employment trends across the CDI subsectors.

Digital businesses demonstrated the highest resilience post-Covid, with 42.9% reporting an increase in employment (by 2023) compared to 16.7% of creative businesses and 21.1% of creative-digital businesses. This reflects the sustained demand and new emerging opportunities for digital services during and after the pandemic. Furthermore, no digital businesses reported a decrease in employment, in contrast to 20% of creative businesses.

Reducing employment is often a last resort for businesses due to the high costs associated with rehiring, retraining, and potential damage to morale and productivity. Creative businesses may rely more heavily on subcontractors than other subsectors, which could explain some of the differences observed in the survey data.

Digital and creative-digital businesses were also better positioned to adapt to remote working models, which reduced overheads and allowed access to a broader pool of talent. This adaptability bolstered their resilience to post-pandemic challenges such as rising inflation, economic uncertainty, and shrinking client bases. One respondent from a digital business noted:

“We have chosen to move to a remote working model, and this has provided the opportunity to find the right employees without the location being an issue.”

However, the shift to remote work presented new challenges as well. Some digital businesses reported the need to borrow money to retain skilled staff. Some faced rising salary expectations, suggesting that access to a wider talent pool can also lead to increased competition for talent across the sector and beyond, as well as outside of the region.

Creative businesses exhibited a mixed response to the challenges of recent years. While some successfully pivoted to access new markets or secured financial support (e.g. Arts Council Funding), others were forced to let staff go. The reliance on freelancers has also grown within this subsector, offering greater flexibility but potentially limiting long-term stability.

Creative-digital businesses showed similarly varied outcomes. While some faced cancelled projects or clients going out of business during the pandemic, others experienced employment growth and new opportunities. The reliance on freelancers has also increased for many creative-digital businesses, reflecting a broader trend across the sector, combined with an increasingly cautious attitude towards committing to direct hires and a conflicting need to build additional capability while retaining flexible capacity.

7.2. Turnover impact

Similar to employment, the impacts of Covid-19 and subsequent economic challenges on turnover reveal significant differences across the CDI subsectors, with digital businesses generally showing greater

opportunity, resilience and adaptability compared to creative and creative-digital businesses.

Table 2. How has Covid-19 and the subsequent challenges of the last 3 years impacted employment in your business?

Response	Creative	Creative-digital	Digital
Increased	16.7%	21.1%	42.9%
Unchanged	33.3%	52.6%	42.9%
Fluctuated	30.0%	13.2%	14.3%
Decreased	20.0%	13.2%	0.00%

Digital businesses demonstrated the strongest performance, with 46.7% reporting increased turnover and only 6.7% experiencing decline. This resilience reflects the growing demand for digital services during and after the pandemic, as businesses across sectors recognised the importance of digital tools to reach new markets, streamline operations, and adapt to remote delivery models.

However, some noted that their client bases, often SMEs, experienced volatile demand, with some thriving and others shutting down entirely. To mitigate these risks, digital businesses diversified their product and service offerings.

While remote working models and digital transformation allowed many digital businesses to scale effectively, they also faced challenges such as increased salary expectations and the need to borrow money to retain skilled staff.

Creative businesses faced the greatest turnover challenges, with 33% reporting a turnover decline and only 13.3% experiencing growth. Many respondents linked these challenges to the in-person nature of their offerings and external factors such as Brexit, the cost-of-living crisis, and market saturation. One respondent noted:

The pandemic also forced some creative businesses to pause operations entirely. As one respondent shared:

“Minimal income due to putting the business on hold for 2-3 years. Only starting to rebuild now.”

Despite these challenges, some creative businesses successfully pivoted to new markets, secured financial support such as Arts Council funding, or diversified revenue streams. However, the path to recovery remains slow for many, with reduced demand for workshops and performances and increased competition in saturated markets.

Creative-digital businesses experienced a mixed impact on turnover, with 34.2% reporting increases but 31.6% facing a decline. Their performance often depended on their ability to retain clients or quickly adapt to changing demands. For some, the initial pandemic period led to project cancellations and financial uncertainty. Others, however, leveraged the shift to remote and digital-first models to secure early access to growth opportunities:

“Our remote-only business is built on flexibility. Covid drove behaviour in our clients that matched our business model exactly, which allowed us to scale.”

Still, creative-digital businesses face ongoing and new challenges, including reduced client budgets, slower client acquisition, and the need to focus on cashflow management.

7.3. Shifts in business patterns

Feedback from interviews and focus groups points to significant shifts in business operations and workforce expectations post-COVID. Many CDI businesses used government grants during the pandemic to invest in websites, equipment, and training, but now face a “post-COVID hangover”, where prior investments have been exhausted, budgets are tightening and costs are rising.

Table 3. How has Covid-19 and the subsequent challenges of the last 3 years impacted turnover in your business?

Response	Creative	Creative digital	Digital
Increased	13.3%	34.2%	46.7%
Unchanged	13.3%	15.8%	33.3%
Fluctuated	40.0%	18.4%	13.3%
Decreased	33.0%	31.6%	6.7%

Workforce expectations have also evolved. Staff in arts and cultural organisations, in particular, are increasingly prioritising work-life

balance, with some employees shifting to sectors with more stable hours. This shift in expectations has led some creative and digital agencies to adopt new employee benefits and flexible policies, such as open leave and training budgets, to retain talent in a competitive labour market.

7.4. Summary

The data reveal a complex landscape for CDI businesses in Nottingham, where external challenges, sector-specific pressures, and shifting workforce expectations intersect. Digital businesses have shown resilience, driven by demand for virtual services, while creative and creative-digital businesses have been more vulnerable to disruptions. Across sectors, the tension between the need for growth and the limitations imposed by external factors like funding, labour shortages, and rising costs underscores the need for strategic interventions. The recent evolution in workforce expectations further complicates the landscape, as CDI businesses must now adapt not only to economic realities but also to changing demands from their employees. This multifaceted analysis highlights both the resilience and the latent vulnerabilities within Nottingham's CDI sector, suggesting that sector-appropriate, targeted support could unlock additional growth and stability.

8. Why Notts? Or Why Not?

Understanding what attracts CDI businesses to Nottingham and what encourages them to stay is critical for supporting the sector's growth. This section examines the key advantages and disadvantages of Nottingham as a location for CDI businesses. Drawing on free text and multiple-choice questions from the survey, face-to-face consultations, and focus groups, it explores the unique aspects of Nottingham's cultural, economic, and creative landscape that influence business decisions. These findings highlight what

Nottingham is doing well, where it could improve, and how it compares to other cities in supporting the growth of its CDI sector.

Creative businesses are still adjusting post-Covid.

Discussions with creatives show that the pandemic disrupted markets and opportunities. It changed how people work, where people work, and even why people work – are they in it for the money, the job satisfaction, or the recognition? Discussions suggest that things are yet to settle down, people are still adjusting to change, while facing new challenges.

8.1. Nottingham's advantages

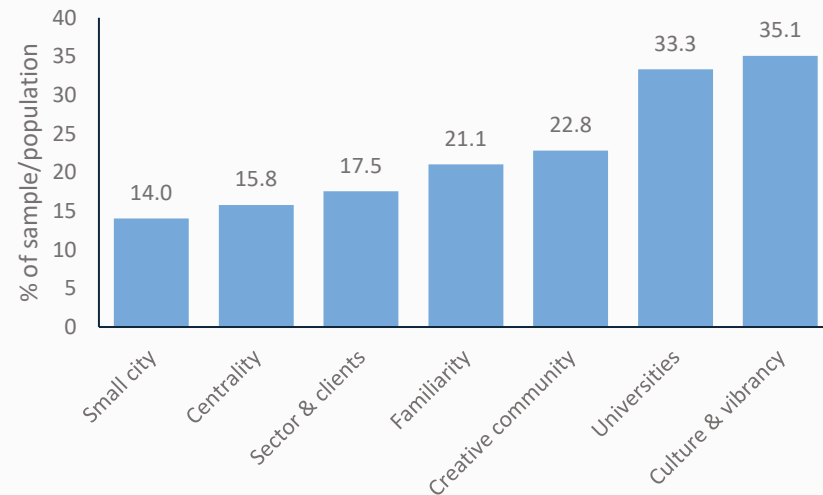
Nottingham may not be recognised as a hub of creative and digital activity, particularly when compared to larger cities like London and Manchester. However, it has assets that help attract and retain businesses, many of which relate to its smaller size.

Analysis reveals how locally embedded CDI businesses can be and highlights some of the area's key intangible assets. The following recurring themes emerged from the analysis.

Culture and vibrancy: Nottingham's rich cultural heritage and thriving arts scene were identified as major assets for the CDI sector. Many spoke passionately about the city's "strong culture, heritage and history" seeing this as a valuable resource for creative inspiration and storytelling. Nottingham was described as "punching way above its weight from a cultural perspective", with a diverse range of cultural offerings spanning music, theatre, film, and visual arts. However, many argued that **there is a need for greater visibility and**

promotion of Nottingham's cultural and creative offer on a national and international stage.

Figure 8. Advantages of being in Nottingham



Culture & vibrancy: A great place to live with a good cultural offer, vibrancy & arts.

Universities: Access to universities and graduate talent.

Creative community: The presence of a supportive creative community with many independent businesses.

Familiarity: Respondents who live here or have a local connection.

Sector & clients: A strong creative or digital sector and local clients.

Centrality: Easy access to clients across the country.

Small city: A small city with opportunities for start-ups to stand out and be noticed.

Source: free text analysis from a survey of 101 CDI businesses (n=57), for answers to the question: are there any advantages to having your business in Nottingham?

Accessing universities and their talent: The openness to collaboration of both universities, and their proactive engagement with local businesses was praised. Perhaps unsurprisingly, **businesses also consider universities and their graduates to be a major advantage of being in Nottingham, where universities are key providers of business support and produce a steady pipeline of talented graduates with creative and digital skills.**

However, although Nottingham's universities were widely praised, participants also noted some challenges and areas for improvement. Some interviewees suggested that more could be done to integrate students into the creative scene and others noted the low levels of student engagement in the cultural sector in the city.

“Diverse cultures and inspiration, lots of cultural things happening, great galleries, lectures and communities of creatives to reach out to for support”. “We are a city of subcultures - this needs championing”

Creative community: There was a strong sense of creative energy and community among Nottingham's independent makers and artists - Nottingham maintains a community feel. The city was described as having a "good energy" and a "nice community feel" that fostered collaboration and mutual support. This supportive, collaborative ethos was exemplified by the numerous stories of creative collectives and shared studio spaces that had emerged organically in the city. For example, Backlit, a studio and gallery space, was set up in 2008 by a group of Nottingham Trent University graduates who wanted to continue working together after their studies. Such initiatives were

seen as vital for nurturing talent, facilitating skills-sharing, and providing affordable workspace for emerging creatives. The importance of these micro-clusters was seen as crucial to success, and many relied on sharing knowledge, resources, contacts and resources.

Familiarity: Whilst many championed Nottingham as a place to do business, there was an appreciation that many businesses were here by chance. Maybe of our entrepreneurs grew up here, our business leaders came to university here, our creatives have families, friends, networks here, or our artists married someone from the city. The familiarity of the city was a key advantage for businesses, indeed some businesses established in (or returned to) Nottingham solely because this is where they lived or grew up. Local knowledge can be very important for identifying niches and developing peer or client networks. For some businesses, their connection to the local area is a part of their identity. This strong local connection is a valuable asset, but it also presents an opportunity to ‘export’ Nottingham’s heritage to wider markets. Ensuring that this local identity does not limit the ability of businesses to grow and compete nationally or internationally remains a key consideration.

“Nottingham is a vibrant city and has been home ... 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”

Sector and clients: The presence of unique, independent businesses is an advantage for the city - both for the business opportunities it

creates and, also, because it makes the place more appealing to live and work in. Being able to stand out more easily could attract more businesses to establish here. Whilst being given the opportunity and space to establish a business in a supportive environment is beneficial for early-stage start-ups, they need to become competitive in order to grow and benefit the clients they serve, eventually developing a national, and potentially international, reputation.

Centrality: Nottingham is in the centre of the country, accessible via the M1 and has good public transport links with the rest of the country. In fact, for many businesses, Nottingham’s central location in the country is a major advantage because it provides equidistant travel for meetings with clients – enabling some to compete at a national level. There is opportunity to champion this important advantage.

Small and affordable city: Nottingham’s relatively small size is cited as an advantage by many businesses. A small city benefits the business and the individuals behind them in a variety of ways. Businesses, particularly creative ones, can network more easily, stand out and be more visible in smaller cities like Nottingham. Nottingham also attracts businesses because of its cultural offer and its creative community. Focus group participants described Nottingham as "compact, vibrant, with lots going on", and appreciated the lower living costs which allowed them to "afford to have a property and... a space to work and think". This was particularly important for start-ups and smaller businesses, with some interviewees suggesting they "wouldn't have survived in London" due to higher rents and fiercer competition.

8.2. Nottingham's disadvantages

Despite the many strengths of Nottingham for the CDI sector, our research also revealed a range of disadvantages.

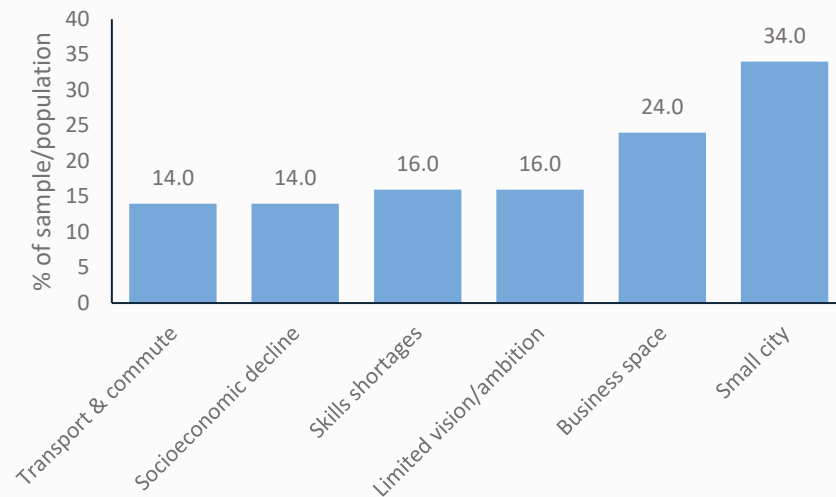
Small city: The disadvantages of being in Nottingham are very much the flip side of its advantages. For example, a small place where it is easy to stand out and build networks is also a place with less visibility, growth potential and a smaller pool of local clients. 'Small' may therefore be beneficial for operating a business but can be a real constraint to market growth.

Business space: There is a difficulty in accessing affordable, suitable workspaces and premises. Many participants highlighted the abundance of empty buildings and unused spaces in the city, which could be repurposed to provide much-needed studios, offices, and creative hubs. However, even when potential spaces were identified, businesses often faced barriers such as unaffordable rents, long lease requirements, or difficult negotiations with the Council or landlords. Challenges around business space were a recurring theme in the study, which are discussed more in later sections.

Skills: While the Universities were seen as a benefit in terms of supplying skilled staff, discussions suggested that sole traders and micro businesses sometimes struggle to find staff with the right skill levels. Where the talent is available it is often prohibitively expensive for businesses at this level. The onus then rests solely on the founder/director with little time to plan strategically. There was also a sense of "only I can do the job well", where founders feel that they

cannot relinquish any control of their business, a potential area for leadership development.

Figure 9. Disadvantages of being in Nottingham



Small city: Disadvantages surrounding the relatively small size of Nottingham.

Business space: Lack of suitable and affordable space for businesses.

Skills: Skills shortages and lack of available talent.

Limited vision/ambition: Issues related to the vision, ambition, and promotion of Nottingham.

Socioeconomic decline: Poverty, infrastructure, highstreets, buildings, and economic conditions.

Transport & commute: Difficulties with public transport and commuting into the city centre.

Source: Free-text analysis from a survey of 101 CDI businesses (n=50), for answers to the question: are there any disadvantages to having your business in Nottingham?

Vision: The lack of a clear, ambitious cultural strategy and identity for Nottingham was seen as a hindrance to the growth of the CDI sector. Participants called for a more coherent vision that could unite the city's creative community and provide a framework for support and investment. One business summed up this sentiment, saying:

"I would quite like a cultural strategy that is a shared one with the city, some policy... something that we all sit underneath, that we all understand what direction we are pointing in and why"

Building a stronger, more visible cultural identity was seen as crucial for attracting talent, investment, and opportunities to the city. Some participants pointed to the successes of other cities like Manchester and Birmingham, which were perceived to have more coherent and ambitious strategies for supporting their creative industries. Linked to this, there has been a perceived lack of support and recognition from the City Council. Many participants expressed frustration at feeling undervalued or overlooked by the local authority. As one business owner put it:

"The Council not valuing us... Small scale creative businesses, even though there are hundreds of us, if not thousands... they don't see any value. So, they don't put any support in"

²⁵ [What is happening at 'bankrupt' Nottingham City Council? - BBC News](#) (December 2023)

This sentiment was echoed by others who felt that the Local Authority was more interested in courting "bigger fish" than supporting the grassroots creative community. Ironically, data gathering coincided with the Council declaring its section 114 notice in November 2023²⁵.

Socioeconomic decline: Higher levels of poverty, lack of investment in infrastructure, unappealing highstreets, vandalised buildings, and high numbers of empty shops are having an impact on the image of the city and the CDI sector. There is less footfall to certain parts of the city, neither visitors nor tourists want to spend time in some areas, and there is nothing to hold or attract people to many areas. There was a consensus that something needs to be done. Linked to this there appears to be an increasing Nottingham/ London divide - local businesses claim that rents are too high, whilst others report how Nottingham is so much cheaper than other places. Businesses are reporting that they can charge more for the same service for a London client, many of the businesses based here are trading in London or across the world, but not in their home city. While this could potentially be detrimental to the local creative and cultural community, from a business growth and resilience perspective, it is a positive sign on which to build.

8.3. Establishing a business in Nottingham

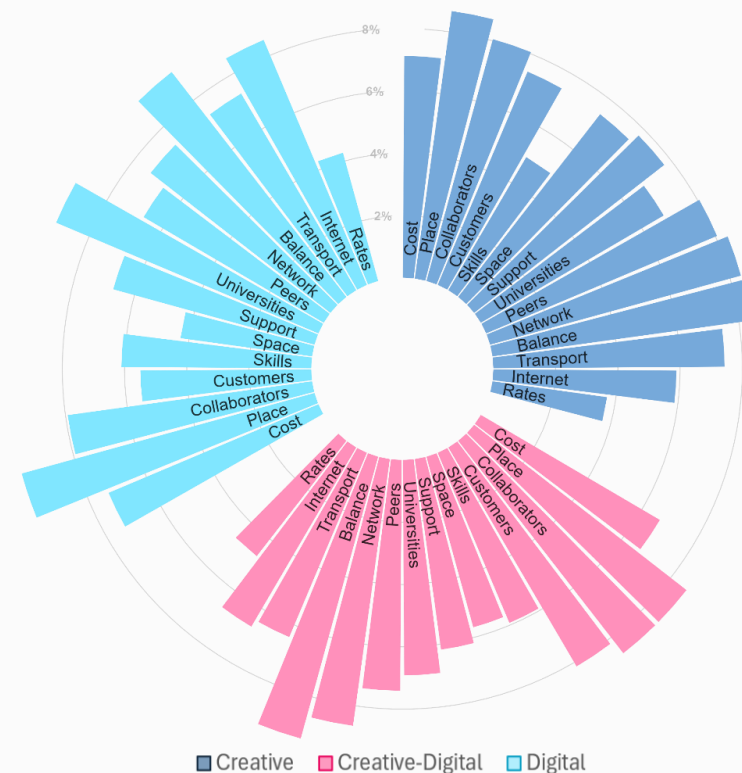
In addition to the pros and cons of being in Nottingham, respondents also indicated which factors were most important in their decision to

establish a business in Nottingham. These responses provide deeper insights into Nottingham's strengths as a business location and highlight both shared and sector-specific priorities within the CDI subsectors.

Place and work-life balance emerged as the most common factors influencing the decision to establish a business in Nottingham, irrespective of the subsector. This underscores the importance of a city's overall liveability and attractiveness, not just for businesses but for the people behind them. For many entrepreneurs, Nottingham's combination of affordability, cultural vibrancy, and accessibility makes it an appealing place to live and work. These qualities are particularly crucial for smaller businesses and startups, where personal and professional lives often intertwine. The survey responses emphasise that the ability to balance both is a significant driver of success.

Existing networks and local collaborators were also identified as critical factors, particularly for creative and creative-digital businesses. These businesses often thrive in ecosystems that foster collaboration, creativity, and shared resources. The presence of like-minded peers and established networks reduces the barriers to forming partnerships, finding clients, and accessing support, enabling businesses to grow organically within a supportive community.

Figure 10. Important factors for locating in Nottingham



Cost: Cost factors	Universities: Proximity to universities/knowledge base
Place: Nottingham as a place to live/work	Peers: Good peer community
Collaborators: Existing local collaborators	Network: Existing local knowledge/networks
Customers: Existing local customers/clients/supplies	Work-life balance: Good WLB
Skills: Access to skilled labour	Transport: Local transport links
Space: Availability of space	Internet: Internet speeds
Support: Access to business support/grants/loans	Rates: Business Rates
Source: Survey of businesses in the Greater Nottingham Urban Area, using a Likert scale of high importance, some importance, no importance, don't know.	

In contrast, digital businesses more frequently cited proximity to universities and access to reliable, high-speed broadband as key factors. Universities provide a steady pipeline of skilled graduates, as well as opportunities for knowledge-sharing, making them invaluable assets for businesses focused on innovation and technology. High-speed internet, while often taken for granted, is critical for digital businesses whose operations depend on reliable connectivity to serve clients, manage remote teams, and scale their offerings.

8.4. Summary

Ultimately, all factors highlighted in the survey—whether related to place, infrastructure, or community—interact to create an environment conducive to growth. The diversity of responses indicates that Nottingham’s appeal lies not in a single attribute but in the cumulative effect of multiple strengths. **A strong place-based identity combined with practical enablers like affordable space, skilled labour, and access to grants allows the city to meet the needs of a wide range of CDI businesses, reinforcing its role as a thriving hub for creativity and innovation.**

While Nottingham presents many advantages for CDI businesses—such as a rich cultural landscape, supportive creative community, and proximity to universities—there are also notable challenges that could hinder the sector's growth. The city’s relatively small size fosters a strong sense of community and enables easier networking, yet it also limits market size and access to local clients. Similarly, while Nottingham’s central location provides excellent national accessibility, the city lacks sufficient affordable, quality workspace,

and some CDI businesses struggle to find skilled talent at accessible price points. Moreover, a perceived lack of cohesive cultural vision and support from the City Council has left some businesses feeling undervalued and underrepresented. As we further explore specific factors, including networks, business support, university relationships, and infrastructure, these complexities will shed light on Nottingham’s dual role as both a nurturing environment and a challenging setting for CDI business growth.

9. The Importance of Clusters, Networks and Collaboration

Networks, collaboration, and knowledge-sharing all emerged as key themes during the business consultation. Over 90 different networks were mentioned during the consultation and survey but still many businesses do not know, or are unaware, of Nottingham’s networks. There is confusion over what is still running, having survived Covid and subsequent challenges - when, where and run by whom. Participants consistently emphasised the value of strong, supportive relationships within the CDI sector and identified opportunities to enhance these connections. While there is a lack of knowledge and communication around the networking offer, some suggestions were forthcoming.

Ecosystem building: One participant envisioned regional delegations combining creatives, university representatives, and industry: 'The ecosystem needs to generate knowledge, and it needs to be together - meeting physically and understanding how moving parts configure and connect.'

Network Co-design: Effective networks often emerge from bottom-up models of mutual support. As Hill²⁶ argues, 'different forms of expert facilitated and designer/artist-run networks have emerged... it is valuable for local policymakers to support such local network-building.'

9.1. Network participation

Survey results show that 66% of respondents participate in at least one network, and 24% participate in multiple networks. Participation varies by subsector, with creative-digital businesses showing the highest level of involvement (42%), followed by creative businesses (33%) and digital businesses (25%).

Organic networking: One key finding was the significance of informal, organic networking within Nottingham's creative community. Many participants described how they had built relationships and collaborations through "accidental" encounters at exhibitions, events, or shared workspaces.

"If I went into something with the intention of business networking, I wouldn't feel anywhere near as comfortable as just going to look at art, talk about art, talk about practises and making friends".

This informal, relationship-based approach to networking was seen as particularly valuable for independent creatives and smaller businesses, who might find formal, structured networking events intimidating or inaccessible. The blurring of professional and social relationships was a common feature of the creative community, with one participant noting that:

"Professional and social networks cross over quite a bit".

Established contacts: Some of the established business leaders noted the importance of their old contacts - people they used to work with, people they used to meet 15 or 20 years ago. These networks were highly valued, with many still using such communities for finding work or finding freelancers today. It was noted that, with the recent shift to remote working, these types of mechanisms for making personal contacts may decline, while in 20 years-time younger employees will lack this legacy. It was suggested that new starters need support to develop their creative networks.

"What Nottingham is lacking a tiny bit, is industry specific networks... I would love to have one for photography".

Industry specific networks: While organic networking was valued, there was also a clear appetite for more structured, purposeful opportunities to connect and collaborate. Many participants expressed a desire for industry-specific networks and events that

²⁶ Hill, I., Entrepreneurial placemaking for supporting rural designers / artists, Institute for Small Business & Entrepreneurship, 2024.

could bring together like-minded professionals to share ideas, skills, and opportunities.

Allied to this was a call for more opportunities to connect with larger, more established businesses and organisations. Participants saw this as crucial for accessing new markets, attracting investment, and raising the profile of Nottingham's CDI sector. One suggestion was for "showcase events where micro and small enterprises can present to larger companies", allowing startups and independents to demonstrate their skills and services. This is further evidenced by survey findings, where 50% of respondents who participate in networks do so to win business or exchange knowledge with sector leaders.

9.2. Facilitating networks

Universities and Local Authorities were seen as having a key role to play in facilitating these connections and collaborations. Many participants felt that these institutions could do more to bridge the gap between the creative community and the wider business ecosystem. Suggestions included universities hosting networking events with "aspirational / really high-quality speakers", or local authorities organising "monthly council and businesses meetings so local businesses can plan better".

There were also calls for universities to foster more opportunities for cross-disciplinary collaboration and knowledge exchange. One consultee proposed the idea of "creative collisions", where diverse professionals could come together to "build up inspiration for you and

your team", another suggested that universities could do more to support "niche communities" and specialist interest groups within the CDI sector.

Running networks: While the appetite for greater networking and collaboration was strong, participants also recognised the challenges involved. Running a network or hosting regular events was acknowledged as a significant time commitment, which could be difficult for small businesses or sole traders to sustain alongside their day-to-day work. Some also noted that existing networks did not always do a good job of communicating their value or purpose to potential members. In fact, of the respondents who did not participate in networks, 39% cited a lack of time or the low priority of networking. A perceived low value (24%) and low relevance (20%) were also cited as major reasons for not participating.

Post Covid: feedback suggests that businesses have become better networked digitally. Any emerging networks should consider how the benefits of virtual networking can be maximised.

9.3. Need for a new approach to networking

The 'traditional' style of networking in Nottingham is not favoured. There is a call for local networking to be reimagined, and networking events such as D2N2 and Business Network International (BNI) are too formal and corporate. Due to this, many participants expressed that they did not 'do' networking anymore. In addition, Suggestions were made about how networking needs to be re-imagined:

- Before they sign up to the networks, businesses need to know what they can expect to get in return - networks need to learn to sell their benefits. Businesses want to see a reward, a return on their time investment from attending.
- Networks need to change – a move away from the perception of accountants in a stuffy room, selling their services, with dry sandwiches and instant coffee. People want dynamic events, inspirational speakers, and opportunities to learn about new ideas.
- There is need for broader networks, but also opportunities for niche networks. Businesses want to learn specialist things from like-minded people but also to improve their knowledge in broader areas.

Networking through location: The importance of having a shared studio at the early career stage was also noted amongst creatives. This helps young creatives develop their own networks and learn from their peers. As one consultee noted: *‘At first having a shared studio space was so important, to have other creatives around that were going through the same journey as I was, maybe in a very different practice and different field, but they were all going through that journey together’*.

²⁷ Delgado, et al., Defining Clusters of Related Industries. NBER Working Paper No. 20375, 2014).

9.4. A Creative and Digital Cluster?

While there is a critical mass of creative and digital industry activity in Nottingham and Nottinghamshire, the jury is out as to whether this represents a ‘recognisable cluster’.

A cluster is more than a geographical concentration of businesses²⁷, although this is an important feature. Shared knowledge, an innovation culture, access to skills, inter-trading, accumulated market intelligence and a supportive eco-system are all cluster components, held together by inspirational core companies, anchor institutions, including universities and supportive local authorities, and all-important engagement through social networks.

The findings suggest that Nottingham’s Creative and Digital sector has many of the ingredients of a cluster – or perhaps collection of micro-clusters. However, to raise profile and enhance recognition some important components need to be strengthened, including the active presence of leading (larger) businesses, and the strength and visibility of social networks. In addition, the sector(s) needs to clarify its focus, enhance stories and visibility. However, this is one area where diversity of the sector is a challenge, rather than a strength, as complexity can be confusing.

Challenges to the ‘cluster’ concept in Nottingham include the precarious nature of support for the sector, its plethora of small and diverse businesses, fragmented nature of markets and the external pull for skilled labour. In addition, a quirk of the UK’s creative and digital industries is the complexity of defining which activities fall in or out of the ‘sector’ statistically. One consequence of this is a broken

link between small, focused creative or digital service providers and the more generic larger businesses that emerge as manufacturers, retailers, etc following significant historic growth. Some of Nottingham's most iconic creative and digital related businesses fall outside of economic cluster definitions.

10. Supporting Our CDI Sector

The research highlighted both the diversity of growth ambitions and pathways within Nottingham's CDI sector, and the common challenges and support needs faced by many businesses. By providing more targeted, sector- and business lifecycle-stage appropriate assistance, fostering a supportive local ecosystem, and helping businesses to navigate technological change, there is significant potential to unlock further growth and success for the sector. This will require a collaborative effort from all stakeholders, but the potential rewards in terms of jobs, innovation, and creative output could be considerable.

One creative entrepreneur described progressing from a £15k Near Now grant to over £100k in Innovate UK and Arts Council support, with equipment sponsorship valued at £50k, with the support of earlier programmes. 'It gave me the space to breathe in my research' - a testament to the value of patient, trust-based funding models.

This support has been updated and continued with the support of the Create Growth Nottingham and Nottinghamshire programme. This DCMS funded sector support originally secured funding of £550,000 from Nov 2023 to March 2025, with an extension to March 2026

securing a further £475,000. Led by Nottingham City Council, the project is a true collaboration between University of Nottingham and Nottingham Trent University, supported by Nottinghamshire County Council and Visit Nottingham.

The project provides a combination of support for strategic growth and finance readiness, as well as access to learn about and experiment with immersive technologies. Many of the beneficiaries to date have benefitted from both parts of the programme. Successes include significant learning and confidence building among the participants and a notable increase in access to innovation finance from Innovate UK Creative Sector grants, Arts Council and other funding sources. Finance support guidance has attracted participation into the programme, with high rates of success. To date some 23 businesses have won 29 awards totalling over £1.7million. Seven SMEs have won 2+ awards, three have won 3+ awards. These include two who have won elusive £75,000 Women in Innovation awards, of which only 50 were awarded across the UK.

The project supported six SMEs to exhibit, of which two pitched to funders, at Creative UK (London 2024), and featured positively in the recent Innovate UK Local event in Nottingham, 2025. Case studies of some of the participant journeys are included in this report.

Create Growth Nottingham and Nottinghamshire (CGN2)

Funded by the Department for Culture, Media & Sport (DCMS), CGN2 is a multi-partner programme led by Nottingham City Council, and supported by University of Nottingham, Nottingham Trent University, Innovate UK, Nottinghamshire County Council and NBV Enterprise Solutions. CGN2 has secured two rounds of DCMS funding, injecting £975,000 into the County to support Creative and Digital business to grow and innovate.

CGN2 delivers two unique programmes, each offering distinct pathways to business success and access to a breadth of specialised business support. These include a business growth programme, targeted to CDI businesses' needs and levels of maturity, and a programme to help CDI businesses to explore opportunities to engage in Immersive Technologies, learning new skills and creating innovation opportunities. These are underpinned by support for accessing both innovation and investment finance.

Since November 2023, CGN2 has engaged over 180 CDI businesses, with advertising and marketing, design, film, TV and radio, IT and software, and music and performing arts across all CDI subsectors emerging as the dominant participant subsectors. Some 23 SMEs have won over £1.7 million in grants from Innovate UK and Arts Council, ranging from £23,000 to £140,000. These include two prestigious IUK Women in Innovation grants.

CGN2 Case Studies

DS Performance have blended AI, 3D avatars and immersive experiences into an innovative digital sports coaching platform. With support from Create Growth N2 (CGN2), former GB athlete Dave Smith is turning years of research and experience in the sporting industry into a scalable, future-ready coaching solution for athletes around the world

Dave describes CGN2 as a “broad, flexible but tailored support that has helped DS to push their immersive environments forward, undertake beta testing to gather data, grow through business development opportunities and refine investor-facing materials – like pitch deck videos.” In March 2025, DS represented CGN2 at the Big Creative UK Summit in London to network with other innovators and pitch to investors.

CGN2 Case Studies

Tri-Dosha - Author and Ayurvedic lifestyle expert and trainer, Sunita Passi has benefitted from CGN2 on her entrepreneurial journey having established Tri-Dosha in 2005. Sunita learnt video production skills which have enhanced Tri-Dosha's brand storytelling and supported her successful application for the Women in Innovation Grant.

CGN2 has helped Sunita to think more creatively about how to deliver the content of a third book, exploring new technologies to connect with her audience in innovative ways, bring in more expertise and accelerate business growth.

CGN2 Case Studies

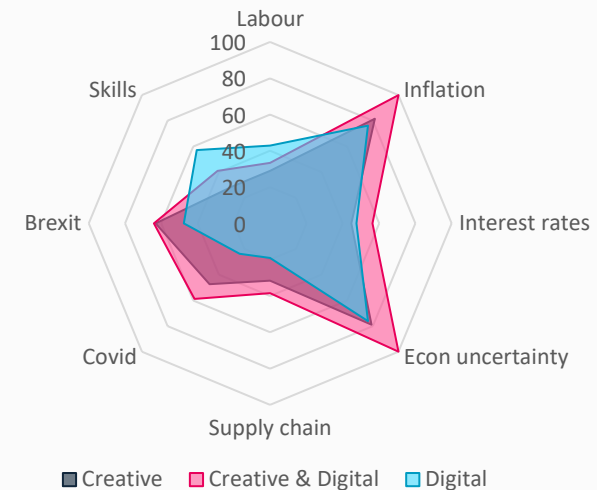
Warp Miniatures - Nottingham-based Warp Miniatures has been crafting fantasy tabletop miniatures and games since 2010, with a global community of painters and players. With support from Create Growth N2 (CGN2), the family-run business is expanding its creative universe through Twisted Spire – a new sister brand that reimagines tabletop gaming. Objectives include making storytelling more inclusive to reach new target audiences, while adopting new production techniques, immersive tech, and hybrid play experiences.

“CGN2 workshops helped us integrate immersive technology, but also to think about how we talk about ourselves as a business and how we pitch to funders or investors, which was like a different language. The team supported us in applying for funding and the experience helped us to be more ambitious – to see how we could scale up and innovate our business”.

10.1. Contemporary economic challenges

Recent years have brought an extraordinary combination of global and national disruptions that have profoundly affected businesses. The impact of Brexit on labour and trade, followed swiftly by a pandemic that upended global supply chains, permanently altered working patterns and reduced footfall in cities. Both represent a significant departure from the norm. These changes were compounded by political and economic instability, leading to the highest inflation rate in two generations and a sharp rise in interest rates that increased borrowing costs for businesses.

Figure 11. The most important contemporary issues constraining business success



Labour: Labour supply shortages

Inflation: Rising costs/inflation

Interest rates: Interest rates

Economic uncertainty: Economic uncertainty

Supply chain: Supply chain disruption

Covid: Covid-19

Brexit: Brexit

Skills: Gaps in skills within available workforce

Source: Survey of businesses in the Greater Nottingham Urban Area, using a Likert scale of high importance, some importance, no importance, don't know.

These overlapping crises have made it increasingly difficult to disentangle the immediate impacts of these unique events from the ongoing, more predictable challenges businesses face. Many businesses are grappling with the effects of these pervasive disruptions, creating a complex landscape of interrelated challenges.

This complexity risks conflating short-term, crisis-driven issues with longer-term structural problems, making it harder to design effective interventions and support policies that address the root causes of constraints on business growth.

Inflation and economic uncertainty: Inflation and economic uncertainty were identified as significant challenges across all subsectors, with inflation cited by all creative-digital businesses, 82% of creative businesses, and 76% of digital businesses. Similarly, economic uncertainty was reported as a major issue by all creative-digital businesses, 79% of creative businesses, and 76% of digital businesses.

These findings suggest that the volatile economic climate is a near-universal concern, affecting everything from operating costs to consumer demand. For creative businesses, which often rely on discretionary spending, rising costs and unpredictable markets pose particular risks. Digital businesses, while less reliant on physical production, still face challenges in adapting to fluctuating client budgets and maintaining stable revenue streams.

High interest rates: High interest rates were also identified as a challenge by 56% of creative-digital businesses, 48% of digital and 45% of creative businesses. Rising borrowing costs can be particularly challenging for startups and smaller businesses, which often rely on loans or lines of credit to finance growth.

Labour supply and skills gaps: Labour supply shortages and skills gaps present significant constraints, especially for digital businesses.

Over half (57%) of digital businesses identified skills gaps as a challenge, compared to 41% of creative-digital businesses and 29% of creative businesses. Labour supply challenges were also cited by more digital businesses (43%) than the other subsectors.

The higher prevalence of these challenges in the digital subsector reflects its reliance on specialised technical expertise, which is increasingly difficult to source both locally and nationally. For creative businesses, labour supply issues may be less pressing due to their reliance on freelance or project-based work, but skills gaps remain a concern for ensuring high-quality outputs.

Brexit: Brexit continues to exert a substantial impact, reducing the availability of labour, creating barriers to accessing European markets and potentially increasing the costs of some materials. It is not always clear why this especially affects the majority of creative-digital and creative businesses (64 and 63%). This compared to 48% of digital businesses, who face challenges in navigating new regulations and accessing European talent pools and markets.

Supply chain disruptions: Supply chain disruptions mainly affected creative-digital businesses (38%), and creative businesses (32%) due to the tangible nature of creative work, and potential for delays or availability in sourcing materials or equipment. Digital businesses, by contrast, rely more on virtual tools and platforms, making them less susceptible to such disruptions. Just 19% reported this issue.

Covid-19: The lingering effects of Covid-19 specifically challenge creative-digital and creative businesses (59% and 47% respectively),

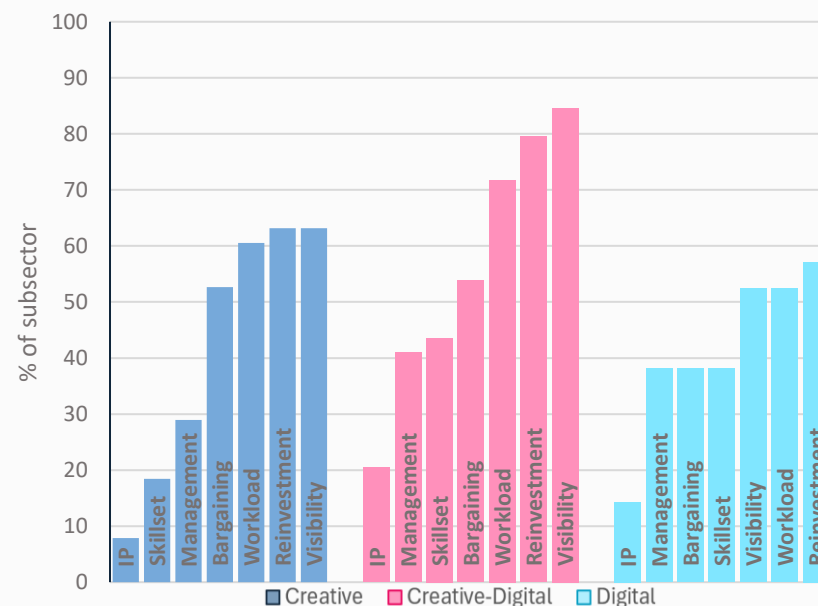
due to their greater reliance on in-person interactions, events, and audiences, which were significantly disrupted (and reinvented) by the pandemic. Digital businesses, already well-suited to remote operations, were better positioned to weather these challenges, and some benefitted from new market opportunities.

These findings highlight the diverse and interrelated challenges facing Nottingham's CDI sector. While inflation, economic uncertainty and interest rates are near-universal concerns, the impact of labour shortages, Brexit, and supply chain issues varies significantly across subsectors. The combined and intersecting impact of these recent challenges is still being felt by businesses, particularly those that are more reliant on external funding. Resilience has gained importance.

10.2. Internal business challenges

The internal challenges faced by Nottingham's CDI businesses present distinct opportunities for targeted business support. While external pressures often require broader, structural solutions, internal challenges can often be addressed more directly through tailored interventions. The survey data highlights significant differences across the subsectors, revealing areas where support initiatives could have the greatest impact.

Figure 12. The most important internal constraints to business success



Reinvestment: Lack of revenue for reinvestment

Workload: Excessive workload

Skillset: Relevance of skillset

Visibility: Lack of visibility/profile

Bargaining: Lack of bargaining power with clients/suppliers

Management: Lack of management skills

IP: IP infringement

Source: Survey of businesses in the Greater Nottingham Urban Area, using a Likert scale of high importance, some importance, no importance, don't know..

Lack of revenue for reinvestment: A lack of revenue for reinvestment was one of the most cited challenges across all subsectors, affecting 79% of creative-digital businesses, 63% of creative businesses, and

57% of digital businesses. For smaller businesses and startups, reinvestment is critical for scaling up. However, tight margins and fluctuating income streams often hinder this process. For creative and creative-digital businesses, this challenge is particularly acute, as their reliance on irregular revenue streams or project-based work makes it harder to generate surplus income.

This challenge can lead to stagnation, where businesses struggle to move beyond subsistence-level operations. **For the sector as a whole, this limits its ability to contribute to the local economy through job creation, innovation, and cultural enrichment.**

IP infringement: While less commonly cited, IP infringement remains a concern for 21% of creative-digital businesses, 14% of digital businesses, and 8% of creative businesses. Even a basic understanding of IP can lead to benefits in sectors where intangible assets like designs, branding, and content play a central role. Businesses struggling to safeguard their intellectual property risk losing revenue and credibility.

Lack of management skills: Management skills were cited as a challenge by 41% of creative-digital businesses and 38% of digital businesses, but only 29% of creative businesses. This suggests that smaller, founder-led businesses in the creative subsector may not yet see management skills as a key bottleneck, while more complex businesses in the digital and creative-digital spaces are experiencing management challenges. Gap in management skills affects the capability of businesses to scale, implement long-term strategies and manage teams, as will be discussed in more detail below. For a sector

heavily reliant on small and medium-sized enterprises, this limitation hampers growth, reduces productivity, and creates bottlenecks that prevent businesses from achieving their full potential.

Lack of bargaining power: Smaller businesses often struggle to negotiate favourable terms with clients, suppliers, or collaborators. This was particularly pronounced among creative-digital (54%) and creative businesses (53%), while digital businesses were somewhat less affected (38%). Weak bargaining power can erode profitability, restrict growth, and limit opportunities for businesses to expand into larger markets.

Lack of visibility: Visibility was a significant issue across all subsectors, particularly for creative-digital businesses (85%), with creative businesses (63%) and digital businesses (52%) also affected. Limited exposure restricts the ability of businesses to achieve market exposure, attract clients, collaborators, and investors. For creative businesses, reliance on niche audiences further compounds this challenge, making it difficult to scale beyond local markets.

At a sector level, a lack of visibility also represents a missed opportunity for Nottingham to showcase its talent and creative and digital output more broadly, potentially limiting its reputation as a hub for creativity and innovation.

Relevance of skillset: The rapidly evolving nature of the digital and creative-digital subsectors has made skillset relevance a pressing concern, with 44% of creative-digital businesses and 38% of digital businesses citing it as a challenge. Creative businesses, at 18%, were

Table 4. Other key challenges of running a CDI business included:	
Juggling	The difficulty of balancing creative work with the demands of running a business was flagged. Many participants described struggling to find time for tasks like marketing, administration, and strategic planning alongside their day-to-day creative practice. As one consultee put it, "So it's a weekly battle for me with time - like time is my enemy... you know, I'm constantly battling time".
Emerging technology	The disruptive impact of emerging technologies on traditional business models and growth pathways was a recurrent theme in the research. Many businesses recognized the need to stay abreast of technological change and to harness the opportunities presented by innovations like artificial intelligence, virtual reality, and blockchain. As one consultee put it, "Technology innovation is key... for our industry, embracing everything and not <i>'not doing it'</i> ". At the same time, participants were conflicted by the potential opportunities, challenges and risks posed by technological disruption, such as job replacement/ displacement, skills obsolescence, increased competition, and pressure on established unique value propositions. Navigating this complex landscape will be a key priority for many CDI businesses in the coming years, and will require a combination of strategic foresight, adaptability, and support from the wider ecosystem.
Simplify the offer	There is a need to simplify the message and streamline the business support on offer. Many businesses were confused by what was available, how to access it, and which organisation was delivering it.

less affected but still face barriers in keeping up with new trends and technologies. Without access to up-to-date skills, businesses risk falling behind competitors and losing opportunities to innovate and diversify.

Excessive workload: Excessive workloads were a notable challenge, affecting 72% of creative-digital businesses, 61% of creative businesses, and 52% of digital businesses. Small business owners and sole traders often juggle multiple responsibilities, leading to burnout and reduced productivity. This strain prevents businesses from focusing on strategic initiatives like growth and innovation.

Burnout is often exacerbated by recruitment challenges, as businesses hesitate to hire new talent due to perceived costs, risks, the time required for training, and lead-time to be able to monetise increased costs. This creates a self-perpetuating cycle where excessive workloads further limit the capacity of businesses to address underlying operational challenges.

The challenges outlined here represent more than just individual business challenges - they highlight systemic barriers that, if left unaddressed, could hinder the overall growth and resilience of Nottingham's CDI sector. **The evidence from the survey lends credibility to calls for continued business support in areas that are well-known to be perennial issues for business, such as support for accessing finance, digital marketing and management and leadership.** Barriers to the sector's ability to access finance exemplify the need for sector specific support in several areas.

The data highlights the challenges faced by Nottingham's CDIs but also some of the more sector- and stage-specific barriers to success. By addressing these challenges through targeted support, regional providers can empower local businesses to overcome barriers and unlock more of their potential. These actions could not only strengthen individual businesses but also contribute to the broader growth and resilience of Nottingham's economy.

10.3. External business challenges

CDI businesses in the Greater Nottingham Area face a range of external pressures that limit their ability to succeed. The survey results highlight notable differences in the types of challenges faced by the different subsectors. These challenges often align with business models or operational needs and reveal some of the important characteristics of these subsectors, particularly where these relate to the interventions that can support them.

Skills gaps within the available workforce: Digital and creative-digital businesses cited skills gaps within the available workforce as a significant constraint (43% and 44% respectively), compared with just 21% of creative businesses. This is unsurprising given the reliance of digital and creative-digital businesses on specialised technical expertise, such as software development, which may be harder to source locally. While the higher prevalence of remote work in these subsectors is likely to alleviate some of these challenges by

expanding the talent pool, it also intensifies competition for talent on a national and global scale. Furthermore, **as digital businesses increasingly adopt remote working practices, their impact on the local economy may diminish, reducing their ties to the area in which they are currently located.**

Access to finance: Finance was cited as a constraint by 77% of creative-digital businesses and 68% of creative businesses, significantly more than the 38% of digital businesses. While access to finance is a key issue across all subsectors, creative and creative-digital businesses are disproportionately affected due to their tighter margins. Creative businesses in particular, are likely to rely more on grants, public funding, and sales of artistic outputs. **This dependence makes securing funding a critical, but challenging, factor for their sustainability and growth, and could limit their contributions to the local cultural offer and economy.**

The Creative UK Report: Unleashing Creativity²⁸ (2024) suggests that businesses delivering live events, performances and content are most likely to secure funding, but that half of creative industry businesses face barriers accessing finance, including lack of knowledge, information, financial and management skills; a gap in understanding between funders and creative organisations; and being considered 'too risky' due to their reliance on intangible assets, including IP.

²⁸ Bakhshi H. et al., *Unleashing Creativity: Fixing the finance gap in the creative industries* (Creative UK and Creative PEC, 2024).

One practitioner reflected on the value of trust-based funding relationships, underscoring the importance of relational support structures over transactional or overly bureaucratic models:

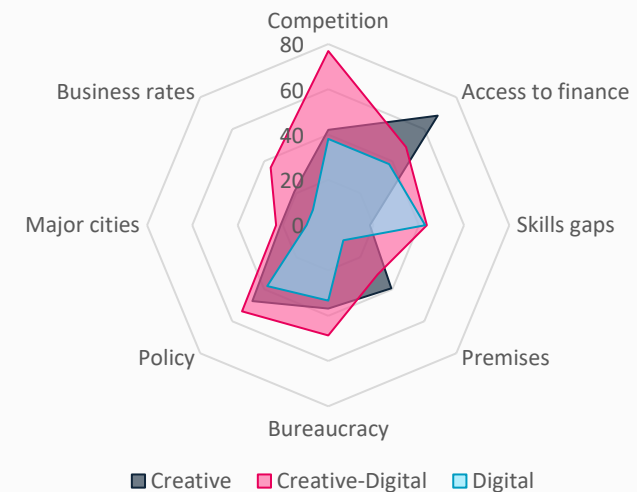
“Arts Council funding... it needs to be about building relationships and building trust.”

According to this report the situation is exacerbated for micro businesses, female founders or those located outside of major cities. Creative UK use the term ‘discouragement’ to explain the additional barriers to engagement caused by formal structures and bureaucracy.

Availability and quality of premises: The availability and quality of premises was reported as a constraint by 39% of creative businesses, compared to 31% of creative-digital businesses and just 10% of digital businesses. Creative businesses, particularly those involved in physical production or performance, require affordable, high-quality spaces to operate effectively. This reliance makes them more vulnerable to local real estate challenges than digital businesses, which can often operate remotely or with minimal physical infrastructure.

Historically, office space is well-catered for in most cities. However, as remote working becomes more widespread, **the creative industries represent a unique opportunity to drive local economic impact.** Without adequate space, creative businesses cannot grow and flourish, and this limitation has broader implications for the city’s economy.

Figure 13. The most important external constraints to business success



Competition: Too much competition	Bureaucracy: Red tape
Finance: Limited access to finance	Policy: Government policy
Skills Gaps: Gaps in skills within available workforce	Covid: Covid-19
Premises: Availability/quality of premises	Major cities: Supply chain disruption
Rates: Business rates	
Source: Survey of businesses in the Greater Nottingham Urban Area, using a Likert scale of high importance, some importance, no importance, don't know.	

Competition: Creative-digital businesses were the most likely to cite competition (77%) as a constraint, significantly higher than creative (42%) and digital (38%) businesses. While the specific drivers of this concern are unclear, it is likely tied to the less distinctive nature of some creative-digital offerings, particularly in saturated fields such as

marketing, design, and content production. This underscores the importance of supporting innovation, differentiation and good management practices within this subsector to enhance its competitive edge.

Some challenges were consistently cited across all subsectors, such as policy constraints and bureaucracy. For smaller and younger businesses, complex procurement processes often act as significant barriers to securing contracts or scaling their operations. Participants expressed frustration with the time and resources required to navigate these processes, which are often designed with larger, more established companies in mind. This disproportionately impacts startups and sole traders, reducing their ability to compete effectively.

Emerging industries, such as drone photography for instance, face additional challenges as they navigate entirely new and evolving regulatory landscapes. These businesses often operate in sectors where legislation has not fully caught up with technological advancements, creating uncertainty and additional administrative burdens.

With the exception of skills gaps, digital businesses were less likely to report other challenges as ‘significant’ compared to the other subsectors. This reflects their relative agility and reduced reliance on physical or local infrastructure. However, digital businesses are not unique in this regard, as one creative-digital business put it:

“The only barriers to our success are broadly within our control as we operate very lean. Awareness and marketing are our major constraints, but we can deal with that internally.”

The diversity of external challenges faced by Nottingham’s CDI sector reflects the varied nature of these businesses. While digital businesses demonstrate resilience in many areas, they face a talent gap that threatens their growth. Creative businesses, on the other hand, are disproportionately impacted by financial and infrastructure constraints, requiring more targeted interventions. Creative-digital businesses operate in a highly competitive environment and could benefit from enhanced policy support and networking opportunities.

By tailoring interventions to address these specific challenges, Nottingham can create a more supportive ecosystem for its CDI sector, unlocking the potential for innovation, economic growth, and cultural enrichment.

10.4. Staffing and skills challenges

Taking on new staff can be costly and challenging, particularly small businesses and sole traders. This has a knock-on effect in training-up future CDI staff.

As young creatives leave the city to pursue training elsewhere, there is a significant risk they may not return, further reducing the local talent pool. This issue is compounded by a lack of employment

opportunities for Nottingham's CDI workers, driven by self-perpetuating attitudes and structural challenges.

Changes in working patterns, particularly in the digital sector, have led many businesses to recruit talent from abroad. As one business owner explained:

“But then the senior roles [..], they don't exist necessarily in Nottingham, so we supplement the work with external freelancers and that's not always in the UK. Sometimes that's South Africa.”

On the creative side, a reluctance to recruit arises from several interrelated factors. Many business owners expressed a belief that "no one can do it as well as I can," reflecting concerns over quality control, leadership and delegation. Small CDI businesses also face practical barriers to recruitment, such as limited time and resources to manage or mentor new hires. Early-career workers often lack the skills to "hit the ground running," making onboarding both time-consuming and costly. For many small businesses, hiring skilled workers is perceived as prohibitively expensive, and the uncertainty of being able to provide regular work adds a further layer of difficulty.

This reluctance to recruit places increased pressure on founders and directors, who often turn to freelancers as a more flexible solution. While freelancers are a valuable part of the labour market, they are often sourced from outside the local area, particularly by digital businesses. This reliance on external talent further limits opportunities for local early-career workers, many of whom lack the

skills, knowledge, or experience to establish themselves as freelancers.

The result is a vicious circle that restricts entry points into Nottingham's CDI sector for young professionals, reducing the ability of the local talent pool to grow and develop organically. Without targeted interventions to address these challenges—such as supporting early-career training, local recruitment, and mentorship within small businesses—this process may continue to constrain the sector's potential.

10.5. Summary

A consistent theme across subsectors is the tension between growth ambitions and financial constraints, with businesses citing a lack of revenue for reinvestment as a significant barrier. This restricts their ability to scale, innovate, and contribute fully to Nottingham's economy.

Skills and recruitment challenges remain critical, especially for digital and creative-digital businesses. The risk of a shrinking local talent pool, and a reluctance to recruit early-career workers create bottlenecks for growth. Many businesses increasingly rely on external freelancers or international talent, reducing the local economic impact. Addressing these issues through **upskilling initiatives, early-career training, placements and mentoring programs will be essential to strengthening Nottingham's talent pipeline.**

Visibility and networking gaps also constrain businesses, particularly in the creative and creative-digital subsectors. Limited exposure and access to networks restrict market reach and collaboration opportunities. However, there is strong demand for structured, sector-specific networking and events to connect businesses with larger organizations and showcase local talent.

The **diversity of business models and growth pathways** in the CDI sector highlights the need for flexible, stage-appropriate interventions. Some businesses are focused on scaling their existing services, while others aim to diversify into new markets or revenue streams. This underscores the importance of sector-specific support tailored to the unique challenges of creative, creative-digital, and digital businesses. For example, creative businesses may benefit from enhanced visibility and marketing support, while digital businesses require assistance in navigating global competition for skilled talent.

Businesses, particularly in the creative and creative-digital subsectors, cited **limited visibility** as a barrier to growth and collaboration. This lack of exposure restricts their ability to attract clients, collaborators, and investment, both locally and nationally.

Amid these challenges, external pressures like economic uncertainty continue to reshape the landscape. These pressures emphasise the need for resilience, adaptability, and innovative approaches. Additionally, many digital businesses with limited local ties—no Nottingham clients or staff—raise questions about how to maximise their contribution to the local economy.

11. CDIs and Anchor Institutions

The research highlights a complex and deeply interwoven relationship between Nottingham's creative and digital industries (CDI) sector, the city itself, and key institutions such as the universities and the Local Authority. This relationship is characterised by both mutual benefits and significant challenges, underscoring the need for a cohesive strategy to unlock the full potential of the sector.

“How can I input into Nottingham to make it better? Let's support our own home ground”

11.1. Supporting the City: A Willing Partner

Nottingham's CDI businesses play a pivotal role in shaping the city's cultural identity and sense of place. Through their creativity and innovation, these businesses contribute to vibrant hubs like Sneinton Market and the Lace Market, which were highlighted during consultations as key examples of how CDI businesses attract visitors and enhance Nottingham's character.

As large retailers and businesses leave the city centre, creative businesses have expressed a strong interest in repurposing vacant spaces such as empty shops and redundant buildings. Whether used as studios, performance venues, or offices, these spaces offer opportunities for cultural regeneration, reviving areas at risk of social inactivity. Temporary use of such properties by artists or cultural

organisations could breathe new life into neglected areas, maintaining footfall or even reviving socially inactive spaces.

CDI businesses are also keen to engage with the community, supporting activities such as after-school clubs, holiday workshops, and adult learning. Many are already involved, and the consultation revealed a strong appetite to expand these efforts. Similarly, there is significant interest in supporting education by hosting placements, giving guest lectures, and nurturing the next generation of CDI talent. However, businesses often feel hampered by red tape, unclear processes, and the time burden associated with engaging with universities and other institutions.

Despite this willingness to contribute, businesses face practical barriers that limit their ability to fully realise these ambitions. Affordable premises remain a significant challenge, alongside bureaucratic hurdles and a lack of clear pathways for collaboration with universities and the Local Authority. Addressing these barriers could unlock the potential of Nottingham's CDI sector, allowing it to make an even greater impact on the city's social, cultural, and economic wellbeing.

In a city with some of the greatest economic, social, and wellbeing challenges in the country, better engagement with CDIs can have a major impact. By supporting stronger partnerships, reducing administrative obstacles, and facilitating access to space, Nottingham can better harness the enthusiasm of its CDI businesses, creating a more vibrant, inclusive, and sustainable urban environment.

11.2. Supporting the Sector: Shared Responsibility

The relationship between Nottingham's CDI businesses and key institutions—universities, local authorities, and funding bodies—is marked by both a strong appetite for collaboration and significant challenges in execution. While these institutions play a critical role in supporting the sector, the consultation revealed that businesses often expect them to address every challenge, creating a dependency that limits broader engagement. This highlights the need for a shift toward shared responsibility, where universities, the Local Authority, and funding bodies adopt a more enabling and facilitative approach that empowers other stakeholders, business leaders and entrepreneurs to take active roles.

Universities were praised for their critical role in supporting start-ups and fostering innovation, with the unique partnership between Nottingham's two universities making collaborative opportunities easier to deliver. Businesses expressed enthusiasm for the support universities provide, with one participant noting,

"What's great about Nottingham...is the universities and how well they work with businesses like ours. They are fabulous."

However, businesses called for clearer and more streamlined processes to facilitate collaboration. Barriers such as bureaucratic red tape and a lack of accessible pathways for integrating students and graduates into the creative ecosystem were commonly cited.

Similarly, while there is a strong desire to collaborate with the Local Authority, resource constraints and high staff turnover within public institutions have created challenges. Businesses feel that more could be done to champion the sector and address systemic barriers.

“They can sometimes feel like this gated community. How do you get the keys to the gate to access all of that knowledge?”

Funding mechanisms also present significant hurdles. Small businesses find applying for grants, particularly Arts Council England (ACE) or Innovate UK (IUK) funding, intimidating and lack the skills to be successful. Collaborative grant applications were suggested as a way to make the process more accessible and less daunting. Current funding cycles were criticized for discouraging innovation, often prioritizing experienced freelancers over opportunities for training and career development. The rigid requirements of traditional grant applications—such as detailed project plans—were seen as stifling creativity, turning the process into a project management exercise rather than fostering experimentation. For digital businesses, grant criteria focused on capital equipment were seen as outdated; support for software licenses and revenue costs would be far more impactful in today’s landscape.

Public procurement systems exacerbate these challenges, as small creative businesses are frequently disadvantaged by high fixed costs and requirements for an extensive track record. This limits their ability to compete for opportunities that could otherwise support their growth and integration into the local economy.

11.3. Premises and space requirements

The availability and suitability of premises emerged as a recurring theme throughout the research, highlighting its critical importance to Nottingham’s CDI sector. The disruption caused by COVID-19 has altered working patterns, transformed expectations of office spaces, and left an increasing number of high street properties vacant. These changes present both challenges and opportunities for rethinking how Nottingham supports creative and digital businesses in accessing suitable spaces.

Mixed messages about vacancy rates and the pressures on local authority budgets further underscore the need for a comprehensive review. A full audit of available spaces, creative facilities, and accommodation, matched against forecast demand, could provide much-needed clarity and direction.

Key challenges and opportunities

- **Limited access to arts and creative facilities:** The lack of dedicated spaces for artists and collectives presents a significant barrier to the sustainability of Nottingham’s creative community. These spaces are essential for collaboration, skill-sharing, and fostering a sense of identity within the sector.
- **Threats to existing creative premises:** Many respondents highlighted the risk of creative spaces being repurposed—often for student accommodation. This trend threatens the city’s

cultural infrastructure and reduces the availability of spaces vital for creative production.

- **Inadequate space for businesses:** Several businesses reported difficulties in finding premises that meet their needs, prompting some to consider relocating outside Nottingham. Ensuring access to suitable, affordable spaces is essential to retaining these businesses and their economic contributions.
- **Start-up spaces:** Dedicated spaces for start-ups and small enterprises are vital for growing local talent and innovation. Affordable and flexible options could encourage entrepreneurial activity and provide a supportive environment for growth.
- **Ownership and expansion:** Many arts and cultural organisations expressed a desire to purchase or expand their premises, citing these steps as necessary for growth and long-term stability. Facilitating pathways for ownership and expansion could enable these organisations to thrive.
- **Repurposing empty properties:** Nottingham has a high number of unused shops and vacant buildings that are not effectively repurposed to meet the needs of the CDI sector. Creative re-use of these spaces—as studios, galleries, or performance venues—could revitalise the city’s cultural landscape.
- **Graduate residential accommodation:** The shortage of suitable housing for graduates limits the city’s ability to retain young talent, a key factor in growing the creative workforce. Addressing this gap is essential to sustaining a vibrant and innovative CDI sector.

11.4. Opportunities for Action

Nottingham’s universities, Local Authorities, and funding bodies can play a pivotal role in strengthening the city’s CDI sector by shifting from a focus solely on delivery to one that includes facilitation. Hosting networking events, fostering collaborations, and creating opportunities for connection can empower businesses to take greater ownership of their growth and innovation.

Strategic planning in funding allocation is equally crucial. With ten National Portfolio Organisations (NPOs) in the city, a coordinated approach to Arts Council funding could ensure smaller organisations have equitable access, enabling a more inclusive creative ecosystem. Universities could also better integrate students and tutors into the cultural scene, bridging the gap between academia and the sector while providing businesses access to emerging talent.

Addressing the sector’s challenges around premises and space is another critical priority. A city-wide audit of available spaces, creative facilities, and accommodation—aligned with forecast demand—would provide clarity and direction for supporting the CDI sector. Repurposing underutilised buildings, such as empty shops or redundant spaces, could provide affordable studios, performance venues, and start-up spaces, revitalising the city’s cultural infrastructure. Supporting pathways for businesses and cultural organisations to purchase or expand premises would further enable long-term stability and growth, while looking at successful and innovative examples of repurposing under-used properties in other UK and overseas cities, could help to provide models and avoid pitfalls.

Finally, it is essential to evolve funding mechanisms to reflect the sector's changing realities. Grants should support revenue costs, collaboration, and innovation, moving beyond rigid, capital-focused criteria, and enable experimentation and creativity. Meanwhile enhancing support for innovation-focused grant applications, other forms of financial support, and financial readiness could align with the needs of digital and creative-digital businesses and potential funders, to ensure resilience, competitiveness and growth.

12. Recommendations

This research has provided a detailed and nuanced picture of the current state of Nottingham's CDI sector, encompassing both its significant strengths and assets, and the challenges and barriers to growth faced by businesses and organisations.

On the positive side, the research has highlighted the city's vibrant and diverse creative community, underpinned by strong anchor institutions such as the universities and cultural bodies. Nottingham's compact size, central location, and relative affordability were seen as key attractors for creative talent and businesses, offering a quality of life and work that many felt would be unattainable in larger, more expensive cities.

The research also uncovered a wealth of creative energy, entrepreneurialism, and collaborative spirit within the sector. From grassroots collectives and co-working spaces to more established businesses and institutions, there was a palpable sense of pride, passion, and commitment to the city and its creative life.

However, alongside these strengths, the research has also identified a number of persistent challenges that are holding back the sector's full potential. These included a perceived lack of strategic vision and investment from the City Council, difficulties in accessing affordable and suitable workspaces, skills and capacity gaps within businesses, and a need for stronger, more purposeful networks and partnerships.

To address these challenges and capitalise on the sector's strengths, we offer the following recommendations:

1.0 Policy

- 1.1. Create a dedicated CDI taskforce or working group, including an AI & IP sub-group.
- 1.2. Develop a clear, ambitious cultural, creative and digital strategy and vision for Nottingham, backed up and overseen by creation of the group above.
- 1.3. Undertake a comprehensive mapping and audit of the city region's creative and digital assets, to support cluster development, identify gaps, and strengthen the story and profile of Nottingham's CDI community.

2.0 Supporting place and community

- 2.1. Invest in building stronger, purposeful networks and partnerships within the CDI sector to support cross-sector collaborations and the forum to foster knowledge exchange and ongoing dialogue and consultation with the sector. To achieve 'cluster' status this objective should connect policy makers,

universities, FE and skills providers, pivotal businesses and infrastructure, industry networks and forums, and funding providers.

2.2. Enhance the visibility, promotion, and celebration of Nottingham's CDI sector, including practitioner-led and industry engaged networks and dialogue, visible events and showcasing opportunities, and the potential addition of a 'brand' image or clearer identity for the sector. This should extend beyond communications to include clear market-access goals, such as generating export leads and securing national commissions through annual showcases, outbound trade missions, and investor engagement, while protecting ethical and quality expectations.

3.0 Supporting business growth and innovation

3.1. Develop a tailored package of business support and skills development for CDI businesses, building entrepreneurial and leadership skills, financial readiness, and technical skills appropriate for specific subsectors, all enterprise stages and potential growth areas, including opportunities to build genuine added value through AI.

3.2. The Taskforce should work with key sector leads to design a Nottingham "Create to Career" pathway. This would establish accessible early-career and inclusive progression routes by utilising short paid placements, apprenticeships, and studio-based mentoring. To be aligned with EMCCA's skills innovation pilots, national creative industries priorities and emerging AI related skills needs at all levels.

3.3. Work with universities to strengthen knowledge exchange, collaboration and innovation within the CDI sector, and other skills providers to strengthen the pipeline.

3.4. Improving access to market opportunities, innovation resources, digital micro-grants, and external finance. This would enable businesses to be ambitious, credible, and focused with clear

pathways to revenue generation, without stifling innovation and creativity.

4.0 Building infrastructure, capacity and capabilities to safeguard future opportunities

4.1. Explore innovative models for providing affordable, flexible workspace for CDI businesses and practitioners, appropriate for key subsectors and enabled with secure and compute bays and high-powered digital infrastructure.

4.2. Invest in critical infrastructure to deliver cutting-edge education and training, ensuring a steady supply of well-prepared talent for Nottingham's CDI sector.

4.3. Apply cluster-related strategies to attract, recruit and retain skills and high-quality jobs, filling emerging gaps and enhancing progression, knowledge and skills development through mentorship and placement programs, high-quality professional development and stakeholder collaboration.

By taking forward these recommendations, we believe that Nottingham can build on its existing strengths and assets to become a truly world-class hub for creative and digital innovation, enterprise, and talent. This will require sustained leadership, investment, and collaboration from all stakeholders, but the potential rewards - in terms of economic growth, job creation, and cultural vibrancy - are significant.

Ultimately, the goal should be to create an ecosystem in which creative and digital businesses of all sizes and stages can start, grow, and thrive, and in which the sector's wider social, cultural, and economic impacts are fully realised and recognised. With the right

strategic interventions and a spirit of genuine partnership, we are confident that this vision can be achieved, and that Nottingham's CDI sector can look forward to an exciting and prosperous future.

While many of the recommendations set out above require long-term commitment and collaboration, it is worth highlighting that work is already underway to respond to some of these challenges.

The [Create Growth N2 programme](#)²⁹, funded by DCMS and led locally through a partnership of regional stakeholders, is an early example of this. The programme delivers highly tailored, investment-focused business support to creative and digital businesses, alongside access to immersive technology capabilities.

Already, local businesses supported through the programme have successfully accessed Innovate UK funding and been selected to pitch for investment opportunities alongside peers from across the country. There are encouraging early signs that this targeted intervention is helping to raise ambition, enhance visibility, and build investor readiness within the region's CDI sector.

²⁹ Create Growth Nottingham and Nottinghamshire:
<https://creategrowthn2.co.uk/>

12.1. Implementation and Delivery

Delivering on the recommendations set out in this report will require coordinated leadership, clear accountability, and robust measurement. To achieve this, we propose the following framework:

1. Leadership and Governance

- Establish the **Nottingham Creative and Digital Industries Taskforce** as the central convening body, with representation from business, education, local government, EMCCA, and cultural organisations.
- The Taskforce should act as both a **strategic forum** and an **implementation unit**, ensuring decisions translate into action.

2. Partnership and Alignment

- Align activity with the **East Midlands Combined County Authority (EMCCA) Corporate Plan (2025–26)** to secure devolved investment, skills support, and place-making resources.
- Connect to national priorities articulated in the **UK Creative Industries Sector Plan (2025)** to ensure Nottingham is positioned to benefit from national programmes and funding streams.

3. Phased Delivery

- **0–12 months:** establish governance structures, launch the first pilots (e.g. procurement, workspace activation), and run an annual showcase.
- **12–24 months:** scale successful pilots, embed the Create to Career pathway, and launch the co-investment finance panel.

- **24–36 months:** consolidate activity into long-term programmes, measure outcomes, and adjust strategy to emerging needs (e.g. AI disruption).

4. Monitoring and Evaluation

- Agree a **shared dashboard of indicators**, reviewed annually by the Taskforce and reported publicly. Suggested indicators include:
 - Jobs retained and created.
 - Volume of public procurement spend awarded to local SMEs.
 - Square metres of affordable workspace activated.
 - Number of paid internships, apprenticeships, and over-50s recruited.
 - Finance raised through grants and investment.
 - Export leads and national commissions secured through showcase activity.
 - Participation in skills and wellbeing initiatives.

5. Adaptation and Horizon Scanning

- Review recommendations annually in light of new evidence, technological disruption, and national policy shifts.
- Ensure that AI and other emerging technologies are embedded into delivery rather than treated as standalone agendas, maintaining a **human-centred and rights-respecting approach, while exploring opportunities for local businesses to build on existing success in B2B ‘agency’ models.**

This implementation framework provides the spine for action, ensuring Nottingham’s creative and digital industries move from strategy to delivery with clarity, accountability, and measurable impact.

13. References

Bakhshi, Hasan, Josh Siepel, Lara Carmona, and Amy Tarr. Unleashing Creativity: Fixing the Finance Gap in the Creative Industries. Creative UK and Creative PEC, 2024.

BBC News. What is happening at 'bankrupt' Nottingham City Council? 1 December 2023. Available at: <https://www.bbc.co.uk/news/uk-england-nottinghamshire-67577142> [accessed 4 December 2025].

Coldicutt, Rachel, Anna Williams, and Dominique Barron. The Networked Shift: A Creative Industries Foresight Study. London: Careful Industries, 2023. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/PEC-The-Networked-Shift-A-Creative-Industries-Foresight-Study-v5.pdf>.

Companies House. Companies House. No date. Available at: <https://www.gov.uk/government/organisations/companies-house> [accessed 14 May 2025].

Creative PEC. Creative Places: PEC Policy Briefing. July 2021. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/Creative-Places-PEC-Policy-Briefing-July-2021.pdf> [accessed 15 May 2025].

Creative UK Group. UKCI Report 2021. 2021. Available at: <https://drive.google.com/file/d/118K7yiift1cTosufulxa1NxcYlKAzjuU/view> [accessed 14 May 2025].

Delgado, M., Porter, M. E., & Stern, S. Defining Clusters of Related Industries. NBER Working Paper 20375, August 2014. Available at: <https://www.nber.org/papers/w20375> [accessed 4 December 2025].

Department for Culture, Media and Sport. DCMS Sectors Economic Estimates: Regional Gross Value Added (GVA) 2022. 15 February 2024. Available at: <https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-regional-gva-2022> [accessed 14 May 2025].

EU SME Centre. The New SME Definition – User Guide and Model Declaration. 2022. Available at: <https://www.eusmecentre.org.cn/wp-content/uploads/2022/12/SME-Definition.pdf> [accessed 14 May 2025].

Garcia, Peter, and Hasan Bakhshi. The Geography of Creativity in the UK. London: Nesta, 2019. Available at: https://media.nesta.org.uk/documents/the_geography_of_creativity_in_the_uk.pdf

Hill, I. Entrepreneurial placemaking for supporting rural designers / artists. Open University / ISBE, July 2024. Available at: <https://www.isbe.org.uk/wp-content/uploads/2023/07/RAKE2023-24-Final-Report-Inge-Hill-Open-University.pdf> [accessed 4 December 2025].

Karagounis, Konstantinos, and Will Rossiter. Creative and Digital Industries in Nottingham: A Sector Analysis of Nottingham and the Creative Quarter. Nottingham: Nottingham Trent University, 2022. Available at: <https://irep.ntu.ac.uk/id/eprint/45989/>.

McIntyre, S. Regional impact of the pandemic: new estimates of regional output in 2020. 18 February 2021. Available at: <https://www.escoe.ac.uk/regional-impact-of-the-pandemic-new-estimates-of-regional-output-in-2020/> [accessed 4 December 2025].

Office for National Statistics. Business Register and Employment Survey: Open Access. 2023. Available at: <https://www.nomisweb.co.uk/datasets/newbres6pub> [accessed 14 May 2025].

Office for National Statistics. Regional gross disposable household income (GDHI). Available at: <https://www.ons.gov.uk/economy/regionalaccounts/grossdisposablehouseholdincome/datasets/regionalgrossdisposablehouseholdincomegdhi> [accessed 15 May 2025].

Office for National Statistics, Regional Gross Value Added (balanced by industry and local authorities) by ITL1 Region, UK. Available at: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossvalueaddedbalancedbyindustrylocalauthoritiesbyitl1region> [accessed 4 December 2025].

Office for National Statistics. Subnational Indicators Explorer. 2022. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/subnationalindicatorsexplorer/2022-01-06> [accessed 14 May 2025].

Office for National Statistics. UK Business: Activity, Size and Location: 2024. 2024. Available at: <https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation> [accessed 14 May 2025].

Siepel, Josh, et al. Creative Industries Radar. Creative PEC, 2020. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/PEC-Creative-Radar-report-November-2020.pdf>.

Siepel, Josh, et al. Geographies of Creativity: State of the Nations. Creative PEC, 2023. Available at: <https://pec.ac.uk/wp-content/uploads/2023/12/Creative-PEC-Geographies-of-Creativity-State-of-the-Nations-December-2023.pdf> [accessed 15 May 2025].

14. Appendix

14.1. Appendix A: Examples of CDI Business Support Needs

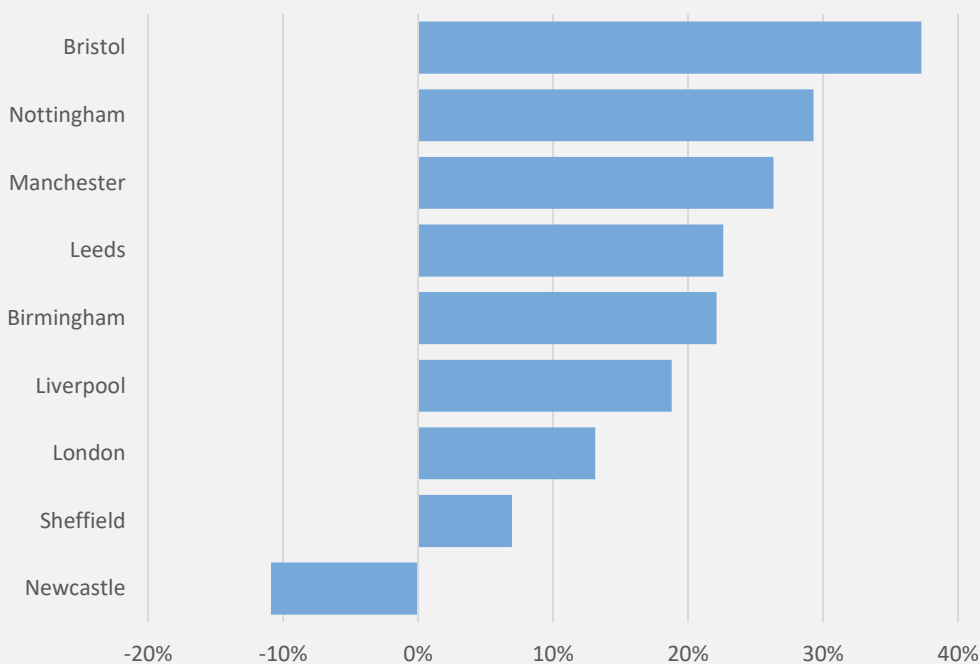
Examples of diversity of business support needs for different groups, models, sectors, or stages of business	
CDI graduate leaving university	<ul style="list-style-type: none"> - Had access to creative and digital equipment as part of their course, but this is taken away when they graduate. - Need to know how to set up their own businesses—insurance, tax, pricing etc.
Third Sector	<ul style="list-style-type: none"> - Dependent on public funding, how can they access funding, time consuming, no guarantee, need access to funders. - Grants often only pay out on defrayed expenditure, causing cash flow challenges.
Want to give up work and go full time	<ul style="list-style-type: none"> - Arts performers often need a second income to make it pay—lecturing/ freelancing/ more commercial arm of the business - they can't take the leap to be a full-time artist—how can they overcome this barrier? - How to get a commercial product, generate an income, make a business out of it? It's a big leap if they are giving up a job. - Dealing with rejection can knock confidence—how to keep going, push through.
Developing cooperatives	<ul style="list-style-type: none"> - How to set up a co-operative, joint initiatives? How to secure premises, legal structure, finance etc? - How to work with peers to set up a new CDI business?
Self-worth/ valuing product	<ul style="list-style-type: none"> - How to price correctly - not undervaluing themselves, understand their own self-worth? - How to move away from the low paid commissions?
Taking on first employees	<ul style="list-style-type: none"> - Don't have time to recruit, no time to bring on a graduate, or commit the time to train new staff. - Taking on the first employee often means implementing new systems and processes—this is daunting/ challenging. - Sole traders lack the confidence to take the leap to employ people - they can't guarantee work—it's easier for them to use established freelancers. - Cashflow causes a problem—late payments etc.
Continued growth of the business	<ul style="list-style-type: none"> - How to recruit the right people, developing systems/ processes, shifting into management? - How do creative/ digital businesses grow when they are mainly selling their time? - Need more specialist support - How to tender for bigger contracts, get in front of bigger business, get into the supply chains of bigger business - How do they capitalise on growth opportunities such as franchising? - Some don't want to grow in Nottingham—they feel the need to have satellite offices in Manchester, Leeds or London - How to access finance? Particularly for the creative-digital and digital businesses?
Happy to stay as sole trader	<ul style="list-style-type: none"> - Working alone can be isolating, how can they continue to learn new skills and develop? - Sole trader doesn't mean staying small—one artist working on six figure commissions—don't pigeonhole them.
No pressure, lifestyle business	<ul style="list-style-type: none"> - Just want to keep it going and pay the people involved, keep it running smoothly. - Don't really see themselves as a business, not looking for support or promoting their business. - Happy to grow organically.
Want to stay afloat	<ul style="list-style-type: none"> - Arts/ cultural organisations have to diversify to fund themselves—wedding catering/ events hire—doing non-arts business to make enough cash to stay afloat—many are setting up trading arms. How can they do this without taking away the arts emphasis? - There is a constant need to earn money as an art organisation and for some creatives - simply being able to work as an artist and stay afloat is a personal goal.
Stay small (ish)	<ul style="list-style-type: none"> - Some CDI business owners want to stay around 5-10 staff so they can stay in a creative and not get too embroiled in management/ bureaucracy. Is this stifling growth in the sector? How can we support growth for these businesses?
Want to grow fast	<ul style="list-style-type: none"> - Some businesses have high growth aspirations, some looking for angel type investment, some want to make it internationally, other wanting export advice. - It's hard to find investors in Nottingham—most are in London—how do we do this locally?
Want an exit strategy	<ul style="list-style-type: none"> - Creative-digital is a relatively new sector, what is the exit strategy for this sector?—there are no tried and tested routes. Some owners are looking to be less closely involved in the day to day—how to get to this point? What about employee ownership/ management buy-out support?

14.2. Appendix B Regional Creative Industry Profile

Greater Nottingham's Creative Sector: Capital of East Midlands Creative Businesses ⁱ

Nottingham's Creative and Digital Industries is of the fastest growing in the country. Since 2015, the share of CDI employment as a proportion of total employment in Nottingham has increased at the second-fastest rate among all English Core Cities, plus London. As of 2025, the sector employs approximately 16 thousand people—equivalent to 7.4% of the city's total workforce (Business Register and Employment Survey (BRES), 2024)

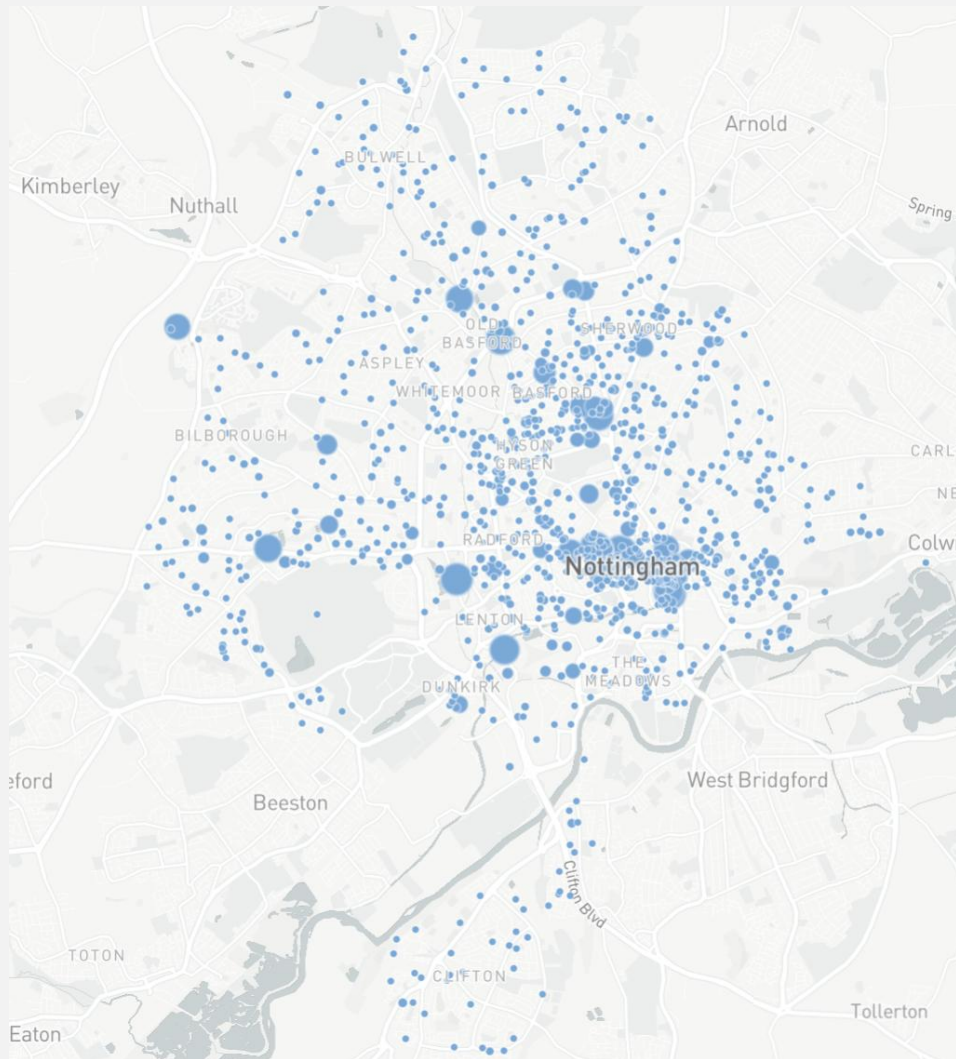
CDI employment as a proportion of total employment in English Core Cities (+ London): % growth between 2015-2023



Source: Author analysis using BRES 2024.

Nottingham city centre is the hub of a growing CDI sector which extends out into the wider Nottingham conurbation and across Nottinghamshire. Approximately 2,700 active CDI businesses are based in Nottinghamⁱⁱ.

Map of active CDI businesses in Nottingham. Circle size: Number of businesses at postcode



Source: Author analysis using Companies House 2025

Create Growth Nottingham and Nottinghamshire (CGN2) secured £550,000 DCMS funding for Oct 2023- March 2025. Derbyshire CDI businesses are supported by a similar project: Create Growth East Midlands led by Leicester City Council, encompassing Leicestershire, Lincolnshire, Rutland and Derbyshire.

ⁱ Reference to Economic Strategy or Lisa Nandy, Culture Minister, speaking at the Big CreativeUK Summit, London, 4.3.25

ⁱⁱ Analysis of Companies House data. Registered companies with SIC codes in DCMS definition of Creative or Digital.