Report to:	Culture, Arts and Creative Industries Committee
Date:	4 November, 2021
Subject:	**Economic and Sector Reporting**
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Is this a key decision?	☐ Yes ☒ No
Is the decision eligible for call-in by Scrutiny?	☐ Yes ☒ No
Does the report contain confidential or exempt information or appendices?	☐ Yes ☒ No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	☒ Yes ☐ No

1. Purpose of this report

1.1 To provide a basis for discussing and confirming the definition of the Culture, Arts and Creative industries in terms of component activities i.e. to help to determine what the agreed scope of the sector should be from a reporting perspective.

1.2 To share key statistics about the scale, composition and key features of the sector in West Yorkshire, so far as available data allows.

1.3 To provide a basis for discussing and identifying the information needs of the Committee.

2. Information

2.1 The following points provide an overview of key findings from the analysis contained in the accompanying appendix.

Definition of the sector

2.2 The Culture, Arts and Creative industries are not traditional industries in the context of the National Accounts and published statistics. However, the Department for Digital, Culture, Media and Sport (DCMS) has developed standard definitions of the sectors for which it has responsibility which are used as the basis for the following analysis. These sectors are:

- Creative Industries
- Cultural Sector
- Digital Sector
- Gambling
- Sport
- Telecoms
- Tourism.

2.3 This analysis of the sectors and their composition may be helpful to the Committee in determining which activities are within scope of their remit. Full definitions of each sector are provided in appendix 2 to this paper. It should be noted that there is a degree of overlap between the DCMS sectors, reflecting the development of individual sector definitions in isolation as new sectors have fallen within the department's remit. The nature of the overlap is set out in the appendix.

Scale and composition of the sector

2.4 The following section provides an overview of the size and composition of the sector in terms of its employment, output and business base. Supporting analysis is provided in appendix 1.

Employment

2.5 Based on the latest available data, around 167,000 people are employed in the DCMS sectors in West Yorkshire[1]. This is equivalent to 15% of total employment in the region. It should be noted that employment in the Tourism sector is equivalent to two-thirds of employment across the DCMS sectors (or 56% when overlapping activities are excluded). It is open to discussion whether Tourism should form part of our definition of Culture, Arts and Creative, although there are strong linkages between Tourism and Culture, for example.

2.6 The largest sectors (excluding Tourism) are Creative industries (employment of 38,000), Cultural sector (employment of 11,000) and Digital (41,000). The appendix provides information on the composition of these sectors, in terms of the numbers employed in their sub-sectors.

2.7 At local authority level, activity is strongly concentrated in Leeds, which accounts for 53% of West Yorkshire employment in the DCMS sectors. This

[1] An important caveat to this analysis is that the data available to us at the local level from the Business Register and Employment Survey (BRES) does not fully include self-employed jobs. BRES estimates the number of employees and working owners. The latter includes sole traders, sole proprietors and partners who receive drawings and/or a share of profits, but are not paid via PAYE. But it does not include working owners in very small businesses that are not registered for VAT or PAYE. Since this kind of self-employment is significant within some elements of the culture, arts and creative footprint, this means that there is a degree of underestimation.

rises to 67% in the Creative industries, 60% in the Cultural sector and 66% of employment in Digital.

2.8 Part-time working has a high prevalence, with an average of 42% of employee jobs across the DCMS sectors being part-time compared with an average of 32% for all employment based on BRES. Part-time employment is particularly high in Tourism (54%), Sport (60%), Gambling (44%) and the Cultural sector (38%).

2.9 The self-employed (including freelancers) form an important part of the labour force in the Creative industries and Cultural sector (see characteristics of the labour force below).

2.10 The data source used here – BRES – is not designed to provide time series analysis of employment. However, the available data suggests there has been growth at West Yorkshire level in some of the DCMS sectors between 2015 and 2019, including in the Cultural, Digital and Tourism sectors. Overall, employment in the DCMS sectors grew by 9% over this period, higher than growth registered for the wider economy which stood at 4%.

<u>Business base</u>

2.11 There are 20,445 businesses (local units) in the DCMS sectors in West Yorkshire, based on ONS statistics for 2021. As the analysis in the appendix shows, Tourism businesses account for a large proportion of these but there are substantial numbers in the Creative industries (6,745) and in Digital (5,545).

2.12 The overall employment size profile of businesses in the DCMS sectors is similar to that of the wider business base in West Yorkshire but there is variation at the level of individual sectors. For example, the proportions of micro business in Creative, Cultural and Digital sectors are all above 90%, compared with an average for the wider business population of 83%.

2.13 The number of businesses across the DCMS sectors has grown over the last decade, by 35%, an increase of 5,250 in absolute terms. Each of the DCMS sectors saw an increase during this period except Gambling.

<u>Output of the sector</u>

2.14 It is important to have an understanding of the value of the activities associated with cultural, arts and creative economy in terms of their economic output. Published figures relating to turnover and output (gross value added) are not available down to the degree of sectoral and spatial detail required to align with the definition of the DCMS sectors used here. However, we are in the process of submitting a special request to the Office for National Statistics in order to access the required data.

2.15 A recent estimate found that the Creative Industries in West Yorkshire in 2018 had turnover of just under £3 billion (£2,994,145) and gross value added of just under £2 billion (£1,908,379)[2]. As noted above we will seek to update and broaden this analysis in the near future and report back to the Committee.

Engagement

2.16 The public's level of engagement with arts and culture is a key indicator of the performance of these sectors. Such engagement is measured nationally by the DCMS via a household survey called 'Taking Part'. Taking Part is based on face-to-face surveys with individuals across England. The headline indicators are the extent to which individuals have attended or participated in the arts, heritage, museums or galleries or libraries.

2.17 Although data from the survey are not available for West Yorkshire, they are available for Yorkshire and the Humber. They show that around three-quarters of adults engaged with the arts in the previous 12 months and that a similar proportion visited a heritage site. The proportion visiting a museum was somewhat smaller at around a half and just over a fifth visited a public library.

Characteristics of the labour force

2.18 The broad characteristics of the workforce can be analysed using the Labour Force Survey. In this instance the focus is limited to employment in the Creative industries and the Cultural sector. Further detail is provided in the appendix, however the main points are as follows:

- Workers in these sectors are more likely to be male than workers across the wider employment base of West Yorkshire.
- Workers in these sectors are less likely to be from an ethnic minority.
- They are more likely to be well-qualified.
- They are twice as likely to be self-employed as members of the wider labour force (23% versus 11%).

Vacancies

2.19 Data relating to vacancies in the West Yorkshire labour market provide an insight into the scale and nature of the job opportunities that are available in the region. We have used DCMS' definition of creative occupations as a basis for identifying relevant vacancies and drawn upon real-time online job postings data from Labour Insight to measure the volume of vacancies.

2.20 As the analysis in the appendix shows, vacancies for digital roles and roles in marketing / advertising are the most numerous by far, based on data for the last 12 months. Aside from these, architecture, publishing and design are the broad categories with the greatest numbers of vacancies.

[2] Mark Spilsbury, Measuring the impact of Channel 4's relocation and increased out-of-London programming spend: Baseline Report (2020). Uses the DCMS definition of the creative industries.

2.21 Some elements of the creative economy, such as arts and entertainment have been hard hit by the pandemic, with high a prevalence of furloughed employment. However, almost all creative occupational categories have seen a recovery in vacancy levels compared with the pre-pandemic picture.

Education and Training

Apprenticeships

2.22 Apprenticeships are classified according to 12 broad subject area categories, with 34 sub-categories. The broad category that most closely aligns with Culture, Arts and Creative is Arts, Media and Publishing. This subject area accounts for a relatively small number of apprenticeships: there were 31 starts among West Yorkshire residents in the 2019/20 academic year (latest data available), equivalent to only 0.2% of total starts during the year. In addition, to this subject area there are apprenticeships relevant to creative occupations nested within other subject areas, including Information and Communication Technology (Digital Marketer), Business Administration and Law (Marketing Executive), Engineering and Manufacturing Technologies (Fashion and Textiles). When these are included the number of starts in 2019/20 increases to 270 around 2% of total apprenticeship starts in West Yorkshire.

2.23 In addition, a substantial number of apprenticeships are linked to Tourism activities. For example, there were 140 starts in Sport, Leisure and Recreation in 2019/20, 430 in hospitality and catering and 20 in travel and tourism.

Higher Education

2.24 A list of higher education subject codes directly relevant to creative and cultural activities was drawn up as part of the baseline report to measure the impact of Channel 4's relocation to Leeds. Applying this definition to higher education institutions in West Yorkshire shows that there were 18,310 students studying in these subjects in the 2018/19 academic year, with 5,170 students graduating in these subjects during that year. Twenty-four per cent of all students at West Yorkshire institutions were studying one of these creative and cultural disciplines and 21% graduated in these subjects. The West Yorkshire proportions are very similar to the respective national average percentages.

2.25 The number of graduates from creative and cultural disciplines increased by 5% between 2015/16 and 2018/19, mainly driven by 37% growth in the number of students graduating from creative arts and design courses.

3. Tackling the Climate Emergency Implications

3.1 There are no direct implications for Tackling the Climate Emergency from this paper.

4. Inclusive Growth Implications

4.1 There is evidence at national level that some parts of the Culture, arts and creative industries are not inclusive in terms of the employment opportunities they offer with low representation of people from disadvantaged and poorer backgrounds. It is expected that this will be a focus for further research and analysis in future.

5. Equality and Diversity Implications

5.1 The data suggests that women and people from ethnic minorities are under-represented in Creative and Cultural sectors relative to the wider employment base of West Yorkshire.

6. Financial Implications

6.1 There are no financial implications directly arising from this report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the high level analysis of the Culture, Arts and Creative sector in West Yorkshire presented here.
10.2 That the Committee consider an agreed definition of the Culture, Arts and Creative sector based on the information provided.
10.3 That the Committee considers further information needs that need to be addressed to support it in its remit.

11. Background Documents

None.

12. Appendices

Appendix 1 – supporting economic analysis for Culture, Arts and Creative industries committee

Appendix 2 – Definitions of sectors