

**Report to:** Culture, Arts and Creative Industries Committee

**Date:** 18 January 2022

**Subject:** **Supporting Creative Business Models**

**Director:** Liz Hunter, Director Policy and Development

**Author:** Alex Clarke, Business Growth & Resilience Policy Manager

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## 1. Purpose of this report

- 1.1 To provide context for a discussion about the issues and support needs for culture and creative businesses, as part of development of the Creative New Deal.

## 2. Information

- 2.1 At the first meeting of the Culture, Arts and Creative Industries Committee, an introduction discussion on the Creative New Deal mayoral pledge brought out a wide range of challenges and opportunities in relation to creatives working in the commercial environment and different business models.
- 2.2 As part of the Creative New Deal there is the potential to focus on additional business support provision that meets the needs of creatives as they seek to improve their productivity and resilience as creative businesses. This paper outlines a number of issues already discussed and identified, to support the Committee in considering possible next steps.

### Freelancers

- 2.3 Whilst freelancers generally only make up around 3% of the UK workforce, in music, performing and visual arts they make up 27% of the workforce, and 9%

in creative occupations<sup>1</sup>. We know also that those working in the creative and cultural sectors in West Yorkshire are twice as likely to be self-employed (which would include freelancers) than in the wider economy. During the COVID-19 pandemic there have been particular challenges faced by freelancers and other self-employed individuals in the creative and cultural sectors, including accessing some of the support that has been made available, whether that be the Self-Employment Income Support Scheme or Culture Recovery Funds, which has led to a reduction in overall national employment in freelance creatives and in the hours worked particularly in 2020<sup>2</sup>.

2.4 As freelance work and self-employment in creative and cultural sectors takes many forms, it is not the case that they all face the same needs, challenges and opportunities. These can differ based on the profession, the location, the organisations or businesses they work with and the personal circumstances of the individual. More work therefore is needed to understand the exact issues that exist in West Yorkshire for freelancers, to inform any work in support of this group. However, in broad terms from national research there are a number of key themes that the Committee may wish to consider:

- How to recognise the importance of freelancer work – including championing some of the great creativity they produce in the region
- Access to business support advice – does mainstream support meet the needs of freelancers, and do they know how to access it?
- Commercialisation and Intellectual Property – are freelancers able to maximise their creativity as a business?
- Working with freelancers – how can contracting organisations and businesses ensure that they are offering “fair work” conditions when they engage freelancers?
- Property and working space – do freelancers have access to the type of commercial space that they need?
- Equality and diversity in freelance – national surveys suggest women are overrepresented in freelance roles, but black, Asian or minority ethnic (BAME) groups tend to be underrepresented<sup>3</sup>.

### **Meanwhile Spaces**

2.5 Linked to one of the points raised above regarding freelancers, there is a clear challenge across the UK with regard to ensuring there is sufficient and adequate workspaces for creative and culture sectors. One possible response to this challenge, which has been explored in work commissioned by the West Yorkshire Combined Authority as part of the One Public Estate programme, is the utilisation of meanwhile and longer term space within particularly urban centres in West Yorkshire as places for creative and culture businesses and

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<sup>1</sup> Based on analysis of ONS Labour force survey: <https://www.culturehive.co.uk/CVIresources/the-impact-of-covid-19-on-jobs-in-the-cultural-sector-part-3/>

<sup>2</sup> Ibid.

<sup>3</sup> See Creative industries Federation (2017):

<https://www.creativeindustriesfederation.com/sites/default/files/2017-07/Creative%20Freelancers%201.0.pdf>

initiatives. This also responds to the challenges faced by high streets and town and city centres in the light of changes to retail, online shopping and changing footfall habits.

2.6 The full report and recommendations provided by the consultants who developed the work, is provided as an appendix to this paper. The recommendations are the consultants own and before further work is progressed on whether to take any forward, the Committee's view is sought. In particular, it raises a number of issues that the Committee may wish to consider in supporting creative business models:

- What delivery vehicles could work best in making available space suitable and attractive for creative and cultural businesses?
- How to coordinate and promote cultural urban destinations in West Yorkshire?
- How can better spaces promote creative and cultural sector acceleration?

## **Cooperatives**

2.7 A third area of consideration raised at the first meeting of the Committee was around co-operative models and how they work for creative and cultural businesses. Owned and controlled by their members, co-operative initiatives exist to serve the needs of their members, whether that be workers, customers, communities or a mix. According to latest data sources there are 286 co-operatives registered in West Yorkshire, across all sectors. The largest number (121) are in the membership, social club or trade union sector, but there are also 29 in the sports and recreation sector.

2.8 Whilst therefore the existing sector is small compared to the wider economy of West Yorkshire, it could still be an area where the Committee wants to explore what more can be done, either in supporting existing co-operatives in creative and cultural sectors or in the establishment of new ones. A number of existing models already exist in some creative sectors including:

- In publishing
- Acting agencies
- Music
- Graphic design
- Digital, print and marketing

2.9 There are also co-operative models in some sectors which could have real applicable learning for creative and cultural businesses, including around social care which could provide ideas for how a co-operative model might work around social prescribing for culture.

2.10 Conversations are taking place with Co-operatives UK about any learning they might have for West Yorkshire in this area.

## **Next steps**

- 2.11 Subject to the views of the Committee on the areas outlined above, further work will be developed around what future interventions could look like to support creative business models in West Yorkshire, and how to engage with existing creatives to support this work. Interventions would be brought forward to the Committee at future meetings at an early stage to gain input and agreement in principle.

### **3. Tackling the Climate Emergency Implications**

- 3.1 In considering alternative business models in the creative and cultural sectors it is important that the Committee considers the implications these models have on the environment and therefore on tackling the climate emergency.

- 3.2 In looking particularly at the role of meanwhile space and transition to use by creatives, it will be essential that the buildings' carbon impact is mitigated as far as possible through corrective measures or new design.

### **4. Inclusive Growth Implications**

- 4.1 Culture, sports and creative industries will play a vital role to play in delivering an inclusive economic recovery, and sustainable business models are essential to long term resilience. Particularly in considering the work of freelancers, the Combined Authority should look at how it can support fair work in the sector, linked to the development of the Mayor's Fair Work Charter. The challenges faced by freelancers are likely to be quite different in this regard, and there is likely to be a greater emphasis on the role of organisations and businesses utilising freelancers in looking at their terms and conditions in working with freelancers.

### **5. Equality and Diversity Implications**

- 5.1 It is recognised in particular that there are challenges for equality and diversity in both participation and in access to careers and employment opportunities in the creative and cultural sectors. As highlighted in the report, particularly in freelance careers there is currently an underrepresentation from BAME groups and also a much higher representation in terms of individuals with degree level and above education. Future work may look to consider the challenges and barriers therefore that exist in these sectors, and how particular groups could be supported to ensure there is equal opportunities to access high quality freelance work.

- 5.2 Further data and intelligence is required to understand the equality and diversity implications of alternative business models such as cooperatives in relation to culture and creative industries.

### **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 specific consultation has occurred in relation to this report.

## **10. Recommendations**

10.1 That the Committee notes the information provided and discusses potential areas of focus for further development with regard to creative business models.

## **11. Background Documents**

## **12. Appendices**

Appendix 1 - Meanwhile Use West Yorkshire - report