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| Report to: | Culture, Heritage and Sport Committee |
| Date: | 29 November 2024 |
| Subject: | Economic and Sector Reporting |
| Director: | Sarah Eaton, Director of Strategy, Communications & Intelligence |
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| 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 an update on the selected economic and other data relating to the sector to inform the discussions of the Committee.

2. Recommendations

- 2.1 That the Committee notes the messages from the monitoring indicators.

3. Information

Monitoring Arrangements

- 3.1 This paper provides a summary of the analysis of selected economic indicators presented in the accompanying appendix. The analysis covers contextual indicators at national level plus a review of West Yorkshire level data which has recently become available.
- 3.2 The overall picture is of a sector showing signs of stagnation or even decline in terms of output and employment. Recruitment activity has been softening as well, but West Yorkshire displays slightly better performance compared to nationally. Data relating to

participation in culture, heritage and sport activities is broadly in line with the national average and shows significant increases in the proportion of West Yorkshire adults who visited a museum or gallery or watched live sports in 2023/24.

National Economic Context

3.3 The key points from the analysis at national level are as follows:

- Economic output for *Information and communication* grew slightly in recent months and above the rate of the economy as a whole, while *Arts, entertainment and recreation* has been contracting. As a result, the two sectors combined stood at 7.3% of total GVA, in line with previous periods.
- In employment terms, we have seen the reverse: *Arts, entertainment and recreation employment growing above the national average, while information and communication has fewer jobs than the same month last year.*
- Both parts of the sector have seen slight growth in their volume of vacancies in recent months but due to the downward trend seen in 2022 and 2023 both are below their pre-pandemic vacancy levels. This reflects a wider cooling of the labour market.

DCMS Sector Economic Estimates

3.4 The Department for Culture, Media & Sport publishes regular bulletins containing statistics on the contribution of DCMS sectors to the UK economy. There is a broad alignment between these sectors and the culture, heritage and sport sector.

- As of June 2024, the DCMS sectors excluding tourism accounted for £169bn in the UK, roughly 8% of the total economy. The size of the sector has been quite stable since 2019.
- Despite some overlaps between categories, it can be said that the creative industries are by far the largest contributor to the sector – generating £124bn alone. Within this sub-sector IT-related activities account for more than £52bn, followed by Film, TV, radio and photography (£20bn).
- In terms of real GVA growth, the sector in the last year has been stable while the rest of the economy grew by 0.7%. The stagnation is mostly driven by weak performance of the creative industries, contracting 0.9%, partially offset by sports.



Indicators of local performance

- 3.5 Analysis of online job postings provides an insight into local vacancy trends, with the following key points:
- The monthly vacancy count for creative occupations in West Yorkshire started to fall in summer 2023 and is now slightly below pre-pandemic levels.
 - All five local authority areas continue the decline in their monthly count of postings since last year.
 - A sharp fall in vacancies for digital occupations has made the biggest contribution to the fall but this has been accompanied by reductions across all creative occupational categories. Sport occupations have been stable in terms of postings and publishing had a strong increase compared to the same period last year.
- 3.6 The analysis of equity raised in the culture and digital sector in West Yorkshire from Beauhurst shows £2.1 million raised in 12 deals (average of £182,000 per deal) in the third quarter of 2024, compared to £39.8 million in 23 deals (average of £1.7 million per deal) in the same period of 2023. This has been one of the periods with the lowest levels of investment raised in recent years, and is likely to be result of macroeconomic and financial conditions. That said, the share of West Yorkshire fundraising in terms of the UK has been low in recent years (below 1% since 2021), which suggests that there are specific factors in West Yorkshire.

Participation in Culture, Heritage and Sport Activities

- 3.7 The latest data regarding participation in culture, heritage and sport activities shows that a large majority (88%) of West Yorkshire adults engaged with the arts in the previous year, whilst a smaller majority visited a heritage site (65%); 38% visited a museum / gallery; and 28% watched live sport. These proportions are in line with the national average. There was a statistically significant increase in the proportion of West Yorkshire adults who visited a museum or gallery and those who watched live sports in 2023/24, reflecting increases for both indicators observed at national level.

Physical Activity

- 3.8 The West Yorkshire Plan commits to putting the wellbeing of West Yorkshire's people at the forefront of our agenda, ensuring that where you live helps promote good health, active lives, and wellbeing. Sport England's Active Lives Survey provides a comprehensive view of how people are getting active, with results available down to local authority level.
- 3.9 The latest available figures, for 2022/23, show that 62% of adults in the West Yorkshire Active Partnership area can be classed as active (at least 150 minutes of activity per week) with a further 10% classed as fairly active (30-149 minutes). The remaining 28% of

adults are inactive, with less than 30 minutes of physical activity per week. This profile of activity is similar to the national average.

- 3.10 Looking at the period from 2015/16 (baseline) to 2022/23, the profile of activity among adults has remained stable at West Yorkshire level, with no statistically significant changes over this period or between 2020/21 and 2021/22. However, in 2022/23, Leeds registered a statistically significant increase in its proportion of active residents (>150 minutes per week) of 6 percentage points to its current level of 66%.

4. Risks and Mitigations

- 4.1 There are no risks directly arising from this report.

5. Tackling the Climate Emergency Implications

- 5.1. There are no climate emergency implications directly arising from this report.

6. Inclusive Growth Implications

- 6.1. Evidence shows that people from lower socio-economic backgrounds face problems of exclusion in terms of employment in some parts of the culture, heritage and sport sector and accessing senior roles.

7. Equality and Diversity Implications

- 7.1. Equality, diversity and inclusion is a key challenge with regard to the culture, sport and creative workforce. National data shows that females are under-represented and face an acute gender pay gap. People from ethnic minorities are strongly represented in the digital sector but poorly represented in sport.

8. Financial Implications

- 8.1. There are no financial implications directly arising from this report.

9. Legal Implications

- 9.1. There are no legal implications directly arising from this report.

10. External Consultees

- 10.1. No external consultations have been undertaken.

11. Background Documents

- 11.1 There are no background documents referenced in this report.

12. Appendices

- Appendix 1 – Economic and Sector Monitoring Analysis