Creative Industries
Policy & Evidence Centre
Led by nesta

Discussion Paper 2022/09

Creative Industries Innovation in Seaside Resorts and Country Towns

Lucy McFadzean, Gabriella Giannachi, and Joanne Evans
University of Exeter

September, 2022
ISBN: 978-1-913095-66-6

This project is part of the Creative Industries Clusters Programme, which is funded by the Industrial Strategy Challenge Fund and delivered by the Arts and Humanities Research Council on behalf of UK Research and Innovation.

Supported by UKRI Arts and Humanities Research Council INDUSTRIAL STRATEGY

About the Creative Industries Policy and Evidence Centre

The Creative Industries Policy and Evidence Centre (PEC) works to support the growth of the UK's Creative Industries through the production of independent and authoritative evidence and policy advice.

Led by Nesta and funded by the Arts and Humanities Research Council as part of the UK Government's Industrial Strategy, the Centre comprises a consortium of universities from across the UK (Birmingham; Cardiff; Edinburgh; Glasgow; Work Foundation at Lancaster University; LSE; Manchester; Newcastle; Sussex; Ulster). The PEC works with a diverse range of industry partners including the Creative Industries Federation.
For more details visit http://www.pec.ac.uk and @CreativePEC

Contents

1. Introduction

1.1 Project Outline

Creative Industries Innovation in Seaside Resorts and Country Towns takes a fresh look at the impact of dispersion and distance from urban clusters on creative industries in light of new data that suggests rural and geographically dispersed creative industries have done relatively well during the pandemic.

Pre-pandemic, research had stressed that being located in large urban clusters was beneficial to the growth of creative enterprises (see, for example, Bloom et al, 2020: 17 which shows even analysis had focused primarily on cities and towns). In line with this, policy interventions and funding have emphasised the value of intensive clustering to creative industries and assumed dispersion and rurality are disadvantages. The AHRC Creative Industries Cluster Programme 2018 to 2023, for example, invested £120 million in nine regional clusters that followed this high-density model.

However, recent evidence suggests that rural and geographically dispersed creative industries have done relatively well during the pandemic. PEC's *Creative Radar 2021: The Impact of Covid-19 on the UK's Creative Industries* showed, for instance, that those creative microclusters located outside of the major creative clusters, were more likely to have added new employees, having increased their sales to the rest of the UK. Likewise, *Mapping and examining the determinants of England's rural creative microclusters* (2022), using pre-pandemic web-scraped data, shows that rural microclusters are widely spread and that they are not inherently different from urban areas, except for their ability to participate in informal social networks. Evidence from workshops at the University of Exeter ran with creative industries representatives in the South West in June 2020 shows that creative industries in microclusters outside established clusters have done comparatively well during the pandemic and that they have the potential to continue to do well in years to come.

Building on this data and evidence is crucial to understand and deliver the policy intervention and funding needs of creative industries businesses in rural and coastal regions so they can generate the wider economic and social value that is associated with the creative industries such as high GVA and jobs growth for rural and coastal regions and communities.

Creative Industries Innovation in Seaside Resorts and Country Towns sought to find out whether this evidence rang true for rural and dispersed creative SMEs in Devon and Cornwall, and how future policymaking and investment might build on this in the Peninsula South West and similar rural regions of the UK. Building on the quantitative research in PEC's *Creative Radar* reports, our research approach was qualitative, collecting data through mostly anonymised in-depth semi-structured interviews as well as a series of workshops with creative industries SMEs in the region.

We undertook three broad areas of inquiry

- The opportunities the pandemic has presented so far and might create in the future for rurally located and dispersed creative businesses
- What prevents them from seizing these opportunities (barriers to their growth and development)
- How rural and semi-rural policymakers, universities, technology infrastructure providers and investors can capitalise on the pandemic reset to stimulate the creative industries in rural regions

This discussion paper offers a more complete picture of the impact of dispersal and rurality on creative industries SMEs following COVID-19. It sets out clear recommendations for policy that will stimulate dispersed creative industries companies to take advantage of pandemic shifts in work practices and audience behaviour, and to develop the case for rural creative industries in the levelling up agenda.

1.2 Devon and Cornwall

Devon and Cornwall's creative industries are typically located in those microclusters outside established clusters identified in PEC's *Creative Radar 2021* report as those that have done relatively well during the pandemic. The geographic context for this is mapped in *Creative Industries Radar: Mapping the UK's Creative Clusters and Microclusters November 2020*, which identifies 10 microclusters in Cornwall and 12 in Devon, mainly in seaside resorts and country towns (see Figure 1). The 2020 report identifies Penzance and Exeter as two areas with established clusters in Devon and Cornwall, as well as a number of microclusters outside of these (for instance St Austell and Launceston, Bideford and Torbay). We also know that Devon and Cornwall have many businesses located in totally dispersed rural and coastal locations. While there is research to suggest that geographically dispersed creative hubs are important to the local creative economy (see O'Hara et al., 2021), baseline data is required to understand the proportion of creative firms located within these microclusters in the region.

Cornwall's creative sector is supported by a single local authority, Cornwall Council. The Council have published their *Creative Manifesto 2021-25* setting out a five-year plan with 10 key actions for developing 'Britain's leading rural creative economy' and they have a strong history of creative policymaking and interventions. Their cultural and creative policymaking has recently been devolved into the creative industries under their economic taskforce, and culture, arts and museums under their parks and recreation team. Cornwall made a bid for creative capital 2025, and the area has been identified as priority 2 in the Levelling Up agenda.

Devon's creative sector is supported by a number of different local authorities – including Devon County Council, Exeter City Council, Torbay Council, and Plymouth City Council. These authorities look after very different geographical areas and populations and face varying levels of investment into the creative industries, meaning they have quite different approaches to cultural and creative policymaking. For instance, Torbay has been identified as a coastal town with lots of potential for creative development and investment. They have secured successful creative investment in the past, and have a cultural strategy for Torbay 2014-2024 *Enjoy, Talk, Do, Be*. Torbay Council run the Torbay Development Agency and Torbay Culture and are active in developing the creative industries. Torbay has been identified as Priority 1 in the government's levelling up agenda. Devon County Council, alternatively, do not have a dedicated cultural or creative policy team, nor have they produced policy documents explicitly pertaining to the creative industries. However, under their remit sits Torridge District Council, an area identified as Priority 1 in the levelling up agenda, as well as Priority 2 areas, making cultural policy development an area of increasing importance. As such, the experiences of creative industries SMEs with policymakers in the region have been very different, depending on which local authority they operate under. In addition, the future and current funding available for the creative industries also varies widely.

Beyond the local authorities in Devon and Cornwall, there are a number of groups in the area actively supporting the creative sector. Some of those we have been working with on this research include the Cornwall Museums Partnership, Creative Kernow, Kaleider, Tech Exeter and Screen Cornwall. The region is home to the University of Falmouth, the University of Plymouth, and the University of Exeter, as well as several FE organisations focussing on digital and creative industries skills, like South Devon College's Hi-Tech and Digital Centre in Torbay.

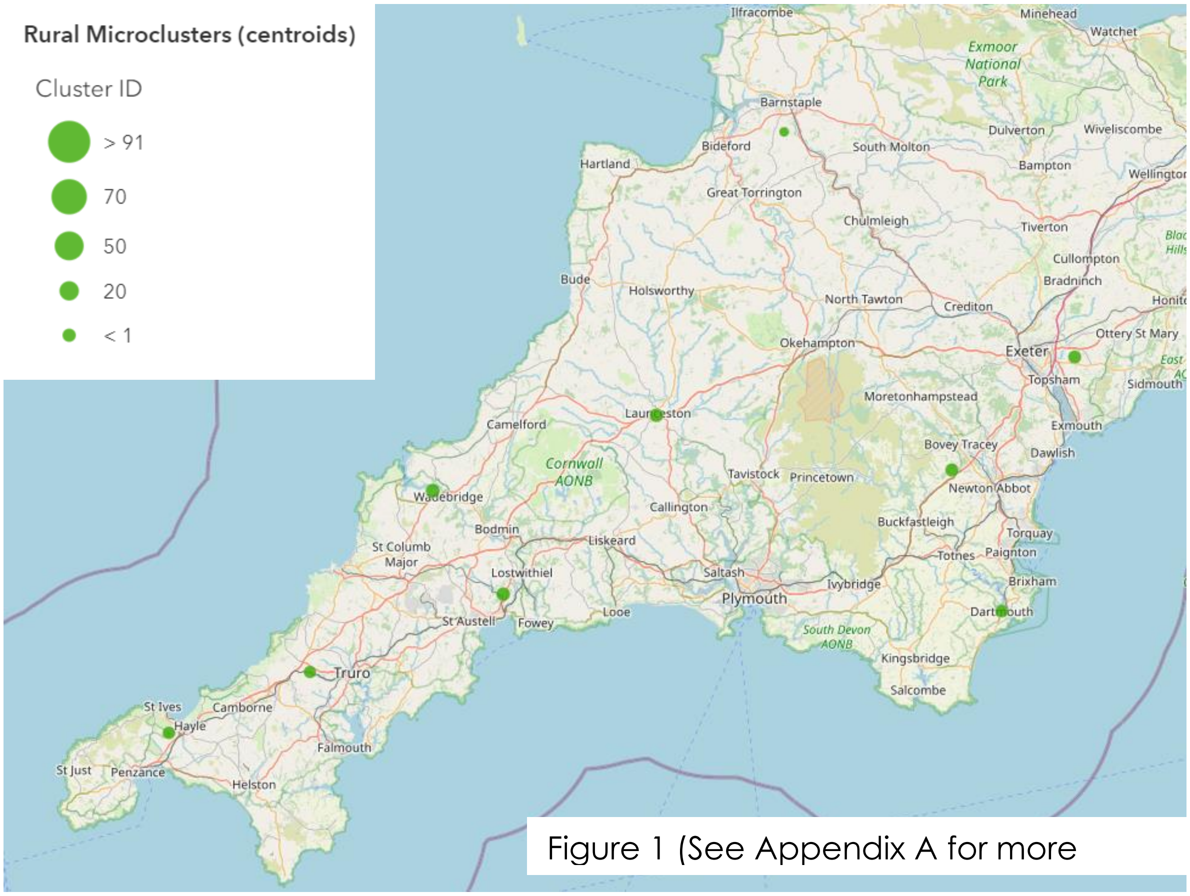

Figure 1 (See Appendix A for more

1.3 Approach & Methodology

In order to bring more understanding to the dataset from PEC's *Creative Radar 2021*, we undertook a qualitative approach. The central element of this was 30 semi-structured, in-depth interviews with creative SMEs, 12 based in Cornwall and 18 in Devon. Our purposive sample of SMEs was informed by the PEC's microcluster mapping and was drawn from our stakeholders' knowledge and data about creative industries in the region. We drew on a database developed by Cornwall Council's creative industries survey, shared with us by the Council; Tech Exeter's membership, to whom we sent a survey; the Torbay Development Agency and Torbay Culture's networks; as well as the University of Exeter's existing networks. In addition to this we undertook our own research and contacting of businesses, drawing on research and policy reports such as *The Role of Creative Hubs in Cornwall and the Isles of Scilly,* to understand where creative SMEs were based, acting on referrals from existing participants, and following up with attendees of our workshops. The resulting sample included SMEs from across the 9 DCMS Creative Industries sub-sectors, SMEs of a range of sizes including freelancers, microbusinesses as well as more established medium-size businesses with offices across Devon and Cornwall.

We co-designed our semi-structured in-depth interview questions in collaboration with our stakeholders, who fed into policy and innovation priorities for the region and highlighted key areas of interest. The result was a wide range of questions, covering the impact of Covid-19 on business practices, supply chains and the creative community, questions about familiarisation with local creative policy, investment and networks, as well as desires for future investment and support. The extensive nature of the questions no-doubt accounted for the majority of our interviews going beyond their initial 30 minute remit. The result of this was a much more in-depth picture of the situation for those creative SMEs we spoke with but, due to time and financial constraints, a smaller sample than our initially proposed total of 40 interviews.

In addition to these interviews, we also undertook two industry-focussed action learning workshops with creative SMEs in March 2022. These workshops addressed two areas of strategic priority identified by our initial interviews in conjunction with our stakeholders'priorities. These were the Games and Animation Sector in Devon and Cornwall, and the creative industries in Torbay, both discussed later in this paper. Designed and led by Professor Ciara Eastell from the University of Exeter Business School, these action learning workshops brought SMEs who had taken part in interviews together with their wider peers to explore interventions that would support dispersed and microclustered creative industries to turn post-Covid disruption to their advantage. Reflective and future focussed, these workshops allowed participants to further explore industry and place specific creative funding and investment collectively amongst their peers and brought new participants to the project.

Further discussion of our collaboration with stakeholders and strategic focuses can be found in Appendix B.

2. Key Findings: Devon and Cornwall

Creative SMEs in Devon and Cornwall do seem to have done relatively well and to have been particularly resilient during the pandemic, confirming some of the initial data from PEC's *Creative Radar 2021*. For many the pandemic period has seen them grow their client base, explore new avenues in their business, or take time to consolidate their internal workings and business models.

We have identified several early indicators as to why this was the case:

- Creative SMEs we spoke with in Devon and Cornwall were generally smaller, with fewer overheads and staffing costs, making them more agile, and better able to quickly adapt to the changing conditions during Covid-19.
- Many of the SMEs we spoke to already had a varied and diversified client base or creative portfolio. This meant they were in a good position to pivot and adapt over the pandemic, strengthening and developing those areas of their practice that were pandemic-proof or resilient.
- Creative SMEs in Devon and Cornwall were already connected in a myriad of ways not always linked to the physical, geographic clustering mapped by PEC's microcluster model. This meant they were already networked and working in a multitude of ways, some of which were easily adapted and strengthened over the pandemic.
- Connected to the above, changes to working as a result of the pandemic have benefitted rurally located creative SMEs. The move to online and remote working has made it easier and more acceptable to connect remotely with clients and to some extent talent. This has allowed many SMEs we spoke with to compete and connect nationally, sometimes internationally, with clients and industry peers.

- Networking and business events now hosted online or in a hybrid format has made these more accessible for rurally located SMEs in Devon and Cornwall. Those we spoke with felt they had benefitted from being able to attend events online at a low cost, and many also felt more comfortable networking in this way.

Sarah, Botanical Atelier
Location: Falmouth, Cornwall

Sarah is a botanical illustrator who works with commercial clients, offers illustration and drawing workshops and has a shop in Falmouth.

During the pandemic Sarah had fewer commercial clients, her shop had to close, and she could no longer host in-person workshops. She had to quickly adapt her working practices.

Sarah was asked to host workshops for a former client, a large international fashion brand. She quickly learnt how to host workshops online and reached audiences across the world with her work.

> *"When I did start doing them, in a very short time their global team asked me as well. They must have seen my stuff on social media, so I ended up doing some global workshops which was really amazing. So that was teaching people in Bahrain, Europe, America, in Korea, all around the world with different translator apps going through their headphones so they could understand what I was doing. That was just mind-blowing that I had all these people on my screen, going from being on my own in the studio to all these people placed around the world, learning how to paint."*

Whilst SMEs in Devon and Cornwall were resilient, and in some ways gained from the changes in creative working because of the pandemic, they also faced several challenges. These were related to the impact of Covid-19 and to longer standing regional issues and challenges relating to operating in a rural region. We have outlined some of the shared challenges below, and we develop some of these further in our Strategic Focus sections.

Connectivity

Broadband and 5G connectivity were rarely key issues for creative SMEs in Devon and Cornwall. Participants' focus regarding connectivity was largely relating to transport links between regional centres and clusters and to major cities outside of the region. Whilst there was an increased ease with working online at a distance, many creative SMEs still valued working face to face and there was a need for staff to occasionally come to a central office or location. There was also a clear need to travel to meet with larger clients, or a desire to easily host international clients.

Similarly, for those operating out of cultural spaces, in order for their client bases to grow and operate year-round, there was a desire for stronger public transport links within the region. Thus, one participant commented:

> *"It is extremely expensive, and buses are not direct and not regular. Although we are a town, the satellites that are rural villages can be quite cut off if you don't drive so actually across Cornwall there isn't that much movement in terms of people going out on an evening, which is a real barrier. I would be in favour of running free transport schemes and things like that to try and encourage people to come to us."*

In all of these circumstances, the lack of viable public transport links, and the rising costs of transport within and to and from the region was highlighted. One participant noted the cancellation of daily flights between Newquay and London since Covid-19, meaning they were less readily able to attend meetings in the capital; another explained that a games publisher from the USA had planned to visit them whilst in the UK, but had cancelled the visit after seeing how long the journey would take. In these examples, interviewees potentially lost out on client work and investments as a result of the limited transport options available in the region. Many participants emphasised the need for transport links to be developed in conjunction with an emphasis on providing hybrid events and continued investment and development in digital skills and equipment.

Freelancers & Access to Skills

The picture here isn't straightforward. Many of the creative SMEs we spoke to found they lost staff members to larger companies recruiting nationally over the pandemic and others were finding it hard to source reliable freelancers. Those freelancers we spoke with were often doing well, being able to work remotely for a wider group of clients but felt that they had little breathing space to undertake R&D or strategize about their futures.

The transition to remote working had initially seemed to widen the pool of workers and talent for creative SMEs in Devon and Cornwall, but this did not have as clearly a positive impact as most had first hoped. This was due in part to many companies preferring to take on staff who could, if required, work face-to-face at least some of the time. Perhaps more significant was a widespread feeling that whilst SMEs in Devon and Cornwall were finding it easier to recruit freelancers and staff from further afield, so were their competitors in the wider UK. Many we spoke with experienced a change in staff, with talent seizing the opportunity to work further afield with firms they perceived to be larger, more cutting edge, or based in London and other major cities. There was a need to boost confidence in rural creative SMEs in Devon and Cornwall, to enable them to see themselves as competitors to these larger firms:

> *"We thought that our staffing base could be expanded by looking outside of the area. What we've found is that actually the opposite has happened. We thought we would end up recruiting people from all across the country or potentially the world and we kind of realised we need to have a lot more interaction with each other than the online environment allows… It has also kind of meant other areas like London have started to poach staff from down here, so what we thought would be a real positive, that suddenly our market is huge and our potential for employment is huge, it's kind of gone the other way."*

Many SMEs also faced challenges recruiting remotely, in terms of assessing applicant skills and suitability for the role:

> *"Actually interviewing people we have found quite tricky because those small nuances that you get on a face to face meeting you don't really pick up in an interview staged over Zoom. We've been caught out by candidates I'm afraid possibly lying a little bit about their experience or their capabilities and I think those things you can sort of detect them I feel more in a face-to-face meeting."*

This was a challenge particularly faced by the Games and Animation sector, as discussed in our Strategic Focus section.

For Freelancers, the picture was slightly more positive. It was felt that the pandemic and the transition to remote working had made their clients far more at-ease with working with freelancers based further afield, in rural areas such as Devon and Cornwall. As a result, the freelancers we spoke with often felt very stable in the sense that they were in a position of turning work and jobs down, as opposed to searching for work.

Where freelancers were struggling was in finding the time outside of client work to develop their skills and strategize about their futures. Our interviewees often felt they did not have the security net to say no to paid work, and they could not justify the time taken out of this to undertake further training and professional development. There was a need for investment in these areas for freelancers in particular, in order that they could learn new skills and innovate (a point addressed further in Strategic Focus B).

Young People & Graduate Talent

Linked to the above challenges regarding staff changeover and the recruitment of new talent, were challenges around the nurturing of young talent and the suitability of graduate skills for the workplace.

The large majority of the creative SMEs we spoke with were keen to offer opportunities for young people and to nurture graduate talent in the region. This included actively seeking to work with HE and FE students to offer them workplace skills, employing graduates and training them up in technical roles, and taking on apprentices. Many of the SMEs we spoke with had utilised the government's Kickstarter scheme and were keen to find alternative and sustainable models to continue working with young people in this way.

With regards to employing young people and new graduates, many creative SMEs indicated that they were struggling to find the resources to employ and take on the training of young people and graduates on a long-term or full-time basis. Some smaller creative businesses felt they did not have the resources to employ full-time members of staff who needed ongoing training and support (thus taking time out of their existing employees schedules). Others worked on a project-by-project basis, meaning full-time positions were rarely available, although there was a recognition that this was needed to 'keep' graduate talent in the region. Many publicly funded creative organisations we spoke with were keen to find investment and funding that would let them take on new staff on a full-time basis and rely less on volunteer or temporary workers.

What was clear was that creative SMEs of all kinds really valued young people and graduate input into their local areas. The importance of supporting graduates to be able to stay in Devon and Cornwall after formal education was a recurring theme. Various wider challenges related to this including the affordability of housing, particularly in Penzance, and viable public transport links. Similarly, themes of young people's mental health and the offer of creative opportunities was echoed in many interviews, with participants often finding creative ways to support young people in the region.

What was desired was formal, financial support for working with young people and providing these opportunities. This was particularly highlighted in Torbay, and is discussed in more detail and with specific reference to Torbay as a microclustered and local authority area in Strategic Focus A.

Another challenge creative SMEs faced was finding graduates with industry-ready skills. Some of our interviewees found that whilst graduates had a wealth of creativity, they lacked the ability to operate in the creative workplace – working to tight deadlines; adapting to new software; and undertaking project management. There was a strong desire for more industry experience to be built into HE and FE programmes, and for graduates to be introduced to the demands of the creative workplace earlier, as can be seen from this interviewee:

> *"From my side of it the reality is I need somebody who is adaptable who can take skills that they've learnt and very quickly switch those skills into a different criteria. That has been the biggest problem with a lot of students that I've tried to help. 'Can you come on board and can you do this?' Yes, they say as obviously they want to get involved and as soon as you get them on it they fail because they can't adapt. It's emotional for me because I want them to do really well. That's really bad because if somebody at university had said to them 'Look, you are going to join a studio and they are not going to use the software we are practising now so you better be able to adapt to a different software within an hour of getting to this new studio because you need to be up to speed'."*

This is discussed in more detail and with specific reference to the Games and Animation sector in Strategic Focus B.

Creative Space

Affordable work and studio space was an issue of varying importance to the creative SMEs we spoke to, with some happy working remotely and others seeking to expand or re-enter more affordable and adaptive workspaces. The emphasis from our participants was generally put on the importance of these spaces being animated, sustainable and suitable for use.

Where co-working spaces were desired or looked at as an alternative to home working, there was often an emphasis on these spaces being animated, offering collaborative and networking opportunities. Interviewees reflected on the lack of community in some larger, corporate co-working spaces they had considered, and wanted a space that was already frequented and used by their peers, or that was actively animated by the hosts. This was connected, too, to the sense that networking post-pandemic needed a slight boost or drive behind it to engage them.

The sustainability of creative workspaces or community hubs was a crucial issue, particularly highlighted in our Torbay Strategic Focus. Whilst there was a strong desire for community-led creative hubs, there was a recognition that these needed to be on offer on a long-term basis. For example, there was an acknowledgement that in the Torbay area there were many disused spaces on high-streets and in historic buildings that could be re-appropriated for creative use. However, there was a need for this to be offered on a long-term basis, in order that community links could be maintained, and with recognition that short-term lease might only add to issues of gentrification and cyclical regeneration of the high street:

> *"There was a pop-up shop in Paignton and that space was amazing, but it was only promised by the council for one year. Of course. You've built these relationships with people, people started coming in through the door and then you have to close those doors and move on."*

The suitability of creative space was also a key issue for SMEs in Devon and Cornwall. It was emphasised that creative re-use of spaces was expensive and timely and was not always suitable for everyone. For instance, theatre and the performing arts often required specific venues. Similarly, there was a desire for flexible, adaptive creative workspace – affordable studio spaces where carpenters and welders could work, where noise and mess could be made, for instance:

> *"You need those types of really big spaces, but you also need spaces, which I don't have enough of here, which are small workshop units that are really cheap to rent, especially so graduates can try those things out without taking significant risks because there are enough other things to take risk on. Flexible workshop space and studio space, all those things, you know hot spacing, there's plenty of spaces, you go you can have a desk but if you're not allowed to use a soldering iron or chop something up with a jigsaw then you are limiting the domains which people can work on."*

Many interviewees were keen on considering new ways of securing creative spaces, including the Creative Land Trust model. Interviewees in Penzance and Torbay were actively working towards building creative spaces in their local areas.

Networks, Training & Professional Development

Linked to the above availability of creative space, many creative SMEs we spoke with valued networking opportunities and were actively taking part in these as well as leading on them. It was emphasised that in a rural area networking was important to meet clients and to connect with peers. The impact of the pandemic on this was of varied importance, with some struggling to connect and network virtually, and desiring in-person events and others finding networking events more accessible and easier to attend online.

> *"In some ways Zoom takes away that pressure of meeting people. If you are a nervous person and you don't like, as Karen my wife says, going into a room full of suits, Zoom takes that barrier away a little bit. I*

find I'm not that great at presenting but I found over Zoom it actually became a lot easier to do it because that barrier has gone to a degree. So in that way it did increase and suddenly we found ourselves doing more networking because we felt a bit more relaxed about it. I'm not saying I would turn up in my pyjamas but you could sit there with a cup of tea more relaxed and it was a lot easier."

The provision of space to host networking events was an important element when discussing in-person events, as was the question around where and how to host events in a dispersed region, considering people's travel time and costs. Another key issue was a desire for clearer communication around networking events that were happening, both in local areas and further afield in the South West.

Our experience hosting our two action learning workshops showed us that creative SMEs in Devon and Cornwall were keen to connect, and really valued a facilitated space to meet their peers. This was particularly evident in our sector specific workshop, where facilitation drew out important discussions, and professional connections were made.

Whether in-person or online there was a desire for animated and structured networking events that offered opportunities for professional development. Whether related to the costs and time of travel to networking events, or the perceived time they might take out of paid work, many interviewees indicated that they would value structured networking events where they could develop professionally (over purely social engagements). It was felt that peer groups of facilitated creative business development or training would help those thinking about future planning and strategizing. Many participants had time to strategize and plan for the future during the pandemic and found it really useful, and they wanted to build on this in a formal setting; whilst others had been busy and their businesses had changed form or direction during the pandemic, and they would value the opportunity to reflect on this; others simply needed a structured time to do this during a busy schedule.

Investment & Finance

As was predicted over a wide area and a wide array of interviewees from varying sectors, there was no one, clear type of investment that creative SMEs across Devon and Cornwall desired. In our Strategic Focuses, we were able to understand more about sector-specific needs (in the Games and Animation sector) as well as local needs (in Torbay). These are drawn out later in the discussion.

One area where many of our interviewees asked for support was in learning about best practice in applying for investment and funding. Participants felt they needed more information about what funding pots were available, but also in understanding or framing the ways in which different kinds of funding might apply to their work. Many, particularly smaller SMEs, felt that they struggled to justify time out of busy work schedules to apply for funding or investment where the guidelines did not match local needs. For small businesses, which perhaps had little to no experience of applying for investment, there was a need to build confidence and knowledge in this area, particularly following the pandemic period of insecurity. For publicly funded arts organisations, often working in small, sometimes largely volunteer-led teams where there were no paid finance officers, there was a desire for more support in these processes. Far from spoon-feeding, this support, we feel, is enabling and addressing the Levelling Up agenda by empowering communities who do not usually benefit from financial support in regenerating historically underfunded areas of the South West of the UK. Where interviewees had employed people to assist in funding applications, they had found the process useful in helping them understand and communicate the work they were doing in new ways, even when funding bids were unsuccessful.

> *"Especially being such a small company applying for funding takes a lot of our time up and it's unpaid. So we just actually decided to put some money aside to see if we could go for this and we thought that it would be better to get someone on board to help us. It was really helpful actually and we definitely learnt a lot from having someone else on board who could articulate what we needed to say."*

Responses such as this showed us the value – even beyond securing investment – that assistance with these processes might bring to creative SMEs in the region.

A number of creative businesses we spoke with were unaware of the kinds of investment and support they might apply to and were keen to find out more. Despite Access to Finance programmes, this knowledge barrier to finance for creative industries SMEs has been acknowledged by DCMS. Its Create Growth Programme, launched in summer 2022, provides six local area partnerships outside London access to £1.275 million each over three years to deliver a business support package to their creative industry businesses. Businesses in participating areas will have the opportunity to benefit from up to a £7 million fund for finance support. Our participants cited local authorities and cultural bodies (such as Torbay Culture or Krowji in Cornwall) as places they would likely seek, and like to find out more about this information, signalling those areas through which such funds might best be channelled. Interviewees also saw professional networks as important places they might find out about future investment opportunities and build confidence in applying to investment funds.

Commercial creative SMEs we spoke with who were aware of funding pots available to them, often felt grants were not suitable to their business-model or the area of their business in which they needed support. Creative SMEs that were easily able to adapt and pivot over the pandemic were not necessarily the same SMEs which qualified for funding and investment with strict parameters such as Innovate UK grant funding, for example. Success in applying and accessing this funding is historically low in Cornwall, compared with other UK regions. One interviewee we spoke to, for instance, explained that the Innovate UK grants did not fit into their project-based workload and the areas in which they needed to spend in order to innovate:

> *"We have looked into other funding, I'm currently talking to Innovate UK and we have looked into the European funding, but I think we found that quite often the way new funding works, what they're looking for is an investment within the company as a whole in a kind of equity based thing, whereas we're probably looking for more like development funding or where it's project specific rather than kind of over the whole company. So that's what we've found quite difficult with those more sort of formal investments I guess."*

The participant in this case worked for an animation and VR company, who worked largely on a project-based work. Whilst the client side of their business (advertising and marketing work) was doing well, they felt that in order to grow, diversify and bring in new, larger clients, they needed to work on the publication side of their business (games, animation development). As such, project investment was better suited to their needs.

Where pandemic support funds had been most successful in the region was where it had been non-prescriptive, as in the case of the Local Authority Discretionary Grant Fund, allowing creative SMEs to invest in areas suitable to their business development and immediate needs.

Local Policymaking & Consultation

It was clear that those areas in Devon and Cornwall with dedicated creative or cultural policymakers and policies were more affective in supporting creative SMEs. Still, there was a need for wider sharing, communication and dissemination of what was being done.

In the co-design of our research questions, policymakers were keen to find out how far the creative SMEs we spoke with were aware of regional policies. We asked this question directly, as well as trying to probe indirectly (to find out if participants were aware but did not quite understand these in the frameworks of policy). It was clear that those interviewees based in Torbay and Cornwall, where there are public cultural policy strategies and policymakers, were far more aware of local priorities and offers with regards culture. Interviewees outside of these areas knew little about local strategies, with only participants in

Exeter and Plymouth noting local events and cultural hubs as areas they perceived local money was going into.

Still, in most cases, there was a desire to know more, and in many cases to have input into these discussions. In Cornwall, one interviewee had valued the opportunity to virtually attend council meetings and contribute to the Creative Manifesto, and was keen that this continued beyond the pandemic. As someone working in the games industry, this interviewee also felt that she had skills and knowledge to contribute to helping the technical smooth running of such events:

> *"Because Cornwall council are much more willing to go online with their conversations, suddenly people in Bude are able to have conversations, before they would have a conversation or meet up and I would like why should I go all the way down to Truro but now they are doing stuff online I am like yeah I will pop in for a call, so suddenly they are aware of what's happening up here, suddenly they are aware of my business, suddenly they are aware of Cornwall games and actually there are loads of studios around Cornwall. Because of that, as well there was active bits within the manifesto that I was able to chip in on and help out with, like pointing out the fact this network was here and on top of that they seemed to be really keen in supporting the games industry and recognising the games industry is an important part of the creative sector and I just don't think that would have been the case if it had been just physical meetings in person as none of us would have gone."*

Those creative SMEs we spoke with who had been involved in local policymaking discussions and consultations, often felt as if there was a lack of communication as to where their inputs had gone, and what the final outcomes of decisions were. This was particularly highlighted in Torbay and is discussed in more detail in Strategic Focus **A.** Creative SMEs were keen to feed into local cultural democracy and to shape the direction of funding bids, but often felt that they were consulted and did not find out the results of this. This was leading to what was often referred to as a survey and consultation 'fatigue', having the adverse effect of actually *decreasing* local impetus to participate.

Adam and Natalia, Purpose 3D
Location: Falmouth, Cornwall

Purpose 3D produce 3D visualisations of historic clothing for the museum and heritage sector. Their business came out of the Falmouth Launchpad programme in October 2020, and since then they have secured contracts with the Museum of Cornish Life and the Cornwall Museums Partnership. Purpose 3D are keen to now find work in the national heritage sector as well as commercial games and immersive tech opportunities.

The pandemic did not affect their existing contracts, and in fact they were able to easily access museum collections, and to have direct contact with key decisionmakers in the sector during this period.

> *"Because the museums were closed, that gave us free space to be able to be onsite and capture and work directly with the curators and decisionmakers, whereas they would not normally have any time to do something like this. That was a real benefit."*

However, Purpose 3D have found it more difficult to secure future contracts, as the museum and heritage sector have faced uncertain futures.

> *"People are not responding to new ideas, they're more focused on keeping the lights on, keeping the doors open because they are struggling and obviously with lack of footfall they're especially struggling. This was also reflected in the grants that museums rely on to work with partners like us. More survival grants as opposed to digital forward thinking."*

Purpose 3D continue to find it hard to convince decisionmakers at museums of the importance in investing in digital museum assets.

The slow pace of working with the museum sector has been a barrier to Purpose 3D's growth. It can take 12 months from initial contact to beginning a project, and this isn't sustainable for a small business.

> *"From speaking to a curator and agreeing that they want to work with us, it can take anything up to twelve months for us to get onside and start capturing. That's a real hurdle when you're trying to manage a business and trying to look at cashflow and pipelines etc., because it can take so long."*

One aspect of this delay comes from the funding process of museums, who have to apply for grants from external funders. The process of securing funding means projects do not go ahead without the support of Purpose 3D.

> *"We offer a service now where we will write the forms for them because it takes a whole world off their plates which they haven't got time for, and it covers objections which they wouldn't normally admit to. A lot of people are saying no to our services because they can't manage the paperwork and the forms, both pre and post grant. The system needs to be made easier for museums and these institutions to access these funds otherwise they won't use them and will end up just going to all the big boys again."*

3. Strategic Focus A: Torbay

<u>Who we spoke to</u> – 10 interviewees; online action learning workshop attended by 10 people March 2022; this included 6 subsidised/not-for-profit organisations and CICs as well as 3 microenterprises and 3 established companies

3.1 Background

Torbay is an area with a relatively new but growing cultural strategy, which accounts for the local longstanding cultural community and growing creative sector, as well as its priority in the levelling up agenda. Torbay Council is the local authority with responsibility for culture in the area, and they operate both the Torbay Development Agency and Torbay Culture, who look after the creative industries and culture. Torbay has been allocated Priority level 1 in the Levelling Up Strategy, making it an area with great opportunity for future investment and support of culture.

PECs microcluster mapping identified two microclusters in the Torbay area, one in Torquay and one in Paignton. We drew participants from both areas.

There was a good uptake from the Torbay area for our research which was facilitated by Torbay Council and the Torbay Development Agency, who put us in contact with many of our initial interviewees and promoted our work. As a result of this initial uptake, we hosted a well-attended action learning workshop with creative SMEs in Torbay. In attendance were participants from across 7DCMS sub-sectors, from SMEs of varying sizes, with differing backgrounds and needs. This showed us the breadth of culture and the creative industries in Torbay, as well as highlighting the creative industries as a sector in the area with the need for various approaches and solutions.

3.2 Impact of pandemic

Within the Torbay area, creative SMEs faced very different impacts and challenges over the pandemic. The largest disparities faced were between those publicly funded, operating as charities and CICs, and businesses or enterprises. This was not unexpected but did highlight the limits of a cluster-based geographical focus in understanding the impact of the pandemic in rural areas.

Having said this, Torbay does seem to have a relatively resilient creative sector. Many we spoke to actively adapted their working practices over the pandemic to great effect, reaching more audiences or clients and learning new skills quickly, as this interviewee explains:

> *"We just lost all of our contracts within the first month and to be honest we didn't really know where to go to for support… but we just thought we'll just adapt the business, and we'll change everything. We couldn't go into schools and that was probably our second biggest revenue stream, so we set up virtual schools online. We set up a new page on our website so schools could access us at any time and book a slot and we would just basically do online school for two years."*

The emergency financial support distributed by Torbay Council – a relatively small local authority area in the region – had helped some interviewees develop their businesses, investing in much-needed equipment and digital infrastructure and training. However, many still reflected on the need to hone these newly learnt digital skills and to invest further in better equipment post-pandemic.

Torbay has a recent history of local investment into arts and culture led regeneration – the town received their first national multi-agency investment for culture and heritage totalling £1.6 million between 2017-2020. Many of the projects and consultations that began as a result of this were cut short and derailed, meaning there was an inevitable sense from some participants that a certain amount of local collaborative momentum was lost with the pandemic. Organisations focused inwards and needed to think about keeping the lights on, and this meant that some emerging collective efforts were lost. There was a desire to know what happened to these pre-pandemic efforts and consultations into local development, and to begin rebuilding them.

Simon, Bigwave Marketing
Location: Torbay, Devon

Simon is the operations and digital director at Bigwave Marketing, a creative marketing agency with offices in Exeter and Torbay. Bigwave offered a free app to their clients in the leisure sector over the pandemic, which offered assistance with at home exercise.

The transition to working remotely and online has been largely beneficial for the agency.

> *"People are just becoming used to being online and doing meetings online. I think that's been a real positive for us, because it's reduced our expenditure, increased the amount of time we could spend working and I think it has opened the potential to work with a lot more businesses that maybe wouldn't have looked at Devon. That's definitely been a positive. I think we'd always struggled to kind of get clients, particularly new prospects to have that online meeting. We were always geared up for it but there were very few people that would accept a meeting in that format, they always wanted a face to face. That's changed. With it we kind of saw that it meant potentially we wouldn't have to travel and all that but it could bring bigger contracts and stuff."*

Simon would like to see future investment in training courses for his staff, as well as in local peer networks tailored to the creative sector.

> *I was lucky enough to go onto one of the government peer network programs that was run as a consequence of COVID and I found it just amazing. It was invaluable. Just being able to meet a handful of other people that were kind of in the same boat. Just to be able to talk to each other. It was just brilliant and so I think more of that but maybe more specific to the creative sector.*

Support for this kind of networking would be most useful in the form of providing spaces for meeting and socialising on a regular basis, and for facilitation of discussions.

Having said this, one of the most strikingly clear things coming out of conversations in Torbay was how active the cultural and creative businesses and organisations we spoke to have been in their local communities, both before and during the pandemic. Torbay's cultural and creative sector are invested in making Torbay a great place to live, particularly for young people and for generations to come. The majority of people we spoke to were active in local community issues, were volunteering and going above and beyond to make Torbay a creative, exciting place to live. There was a sense that this wealth of local creative talent and enthusiasm could be better utilised and invested in.

3.3 Challenges

Below we have drawn out three central challenges, common to our Torbay participants and relating to local policymaking and investment. As noted, there were additional sector and industry specific challenges facing creative SMEs in the area, many of which we have drawn out in our wider findings.

Consultation and Future Planning

Torbay area. This was linked to the sense of a loss of momentum during the pandemic. The value of the chance to talk about the future of culture in the bay was expressed at the workshop and in communications afterwards.

In general, particularly drawing on our workshop session, there was a sense of burn-out with the ebbs and flows and the cyclical nature of Torbay's cultural funding and investment rounds. There was a desire for long-term investment in cultural projects, for better communication around consultations, and for the recognition and use of existing local knowledge and creative talents.

There was a strong desire for long-term local cultural investment which utilised local creative talent and drew on work and knowledge already existing in Torbay rather than bringing this in from outside. Participants wanted to see cultural funding models that were financed for a minimum of three years, in consultation with existing creative businesses. This was reflected in a fatigue with the 'mushroom-growth' and perceived drop-off of previous local cultural funding, and the sense that companies and creatives from outside Torbay had been brought in, rather than investing in those already working in the area. This fatigue culminated for some in a sense that Torbay needed to work better with what they had already, rather than continuously seeking new and future funding.

Related to this, was a sense that when consultation had involved the local community, it had often felt cut-short (framed as consultation for a larger project, say, which did not arise or receive future funding) or that the decisions made were not clearly communicated, as the following interviewee indicated:

> *"People feel they want to have a voice and have some really great ideas but they don't always feel like they're implemented for one reason or another. I think there were possibilities and potential for that conversation to happen quite a bit when there was money for it, but there wasn't really enough money to implement it possibly. And then those conversations get repeated."*

There was a desire for better communication around funding priorities and outcomes. It was suggested this could take the form of some central, physical cultural hub in the Torbay area, where organisations could easily seek this information, or for local community workers to have a remit to communicate this information.

Again, with consultation, there was a sense that there was a wealth of existing knowledge in Torbay, that was perhaps not being drawn upon, and that this was a missed opportunity:

> *"Our reach is everywhere in the communities and towns and villages and the city in Devon. We've got incredibly knowledgeable staff who know their communities and are keen and passionate about community impact. It would just be, talk to us, we have spaces, we have that community reach where we can access people that they may be wanting to reach who come in every day and we see every day."*

Creative Space

The question of providing suitable, sustainable creative space was an important consideration for Torbay's creative and cultural workers. Many of the group missed physical cultural hubs to meet in, to host events, to work and to network. It was felt that such spaces were invaluable in bringing people together, in bringing in a sense of community and opportunity to Torbay (particularly for young people), in tackling mental health and in allowing for collaboration.

As with the wider region, there was a sense that investing in creative spaces needed to be well considered. For instance, participants were keen to discuss utilising disused spaces on highstreets but wanted to emphasise the need to be realistic about this. Issues included the costs of converting spaces, and the suitability of these buildings for various needs. There was also an emphasis that spaces needed to be offered on a long-term basis. This was linked to questions of regeneration and gentrification, again to the mushroom growth and funding cycles in Torbay, and to the genuine need for these spaces to provide long-term community connections.

What the solution to this might be initiated fruitful discussions in our workshop, and as such would likely be a strong area to undertake community consultation and co-creation. Some ideas that were suggested included building a container village, as well as investigating the possibility of forming a Creative Land Trust.

Opportunities

Making Torbay a year-round destination and exciting place to live was a sentiment echoed in our interviews and workshop. This was closely linked to making Torbay a place where young people could thrive. For our participants working in the creative and cultural industries in Torbay, the issue of job creation and opportunities for Torbay's young people, and the desire to make Torbay a place that younger generations would both want to stay in and come back to as graduates, was high on the agenda. Having said this, many of the creative SMEs we spoke to were not able to offer sustainable, secure junior roles and opportunities. SMEs in Torbay had not experienced sufficient growth or investment to employ young people in full-time, permanent roles. They also raised concerns about being able to offer opportunities with growth and longevity that aligned with the costs of living and travelling to Torbay. There was a sense that more investment was needed in staff-costs and apprenticeship schemes, in order that creative SMEs could employ local young people.

One participant reflected on what they perceived as a high reliance on volunteer, or unpaid ad-hoc labour in Torbay's cultural sector.

> *"There certainly is the knowledge and the talent here locally, it's just that it's been relied on in a far too informal and voluntary way. Work might be desired and maybe is even commissioned, but at the point at which it is being delivered you'll see the individuals delivering it having to fill in the gaps where it's not been given the proper degree of capacity it needs. There is this huge reliance on a very dedicated and invested community expected to make things work rather than being done properly with adequate resource."*

It was felt that with a greater recognition of this unpaid work, and a realigning of budgets and local funding bids to formalise and pay for some of this work, new opportunities might be created in the local creative sector.

Connected to this were questions of staff recruitment, retention and training, linked to the need to offer creative talent in the area opportunities for growth and development. Many of the more established creative SMEs we spoke with in Torbay wanted to develop their businesses, and offer their staff more training opportunities or exciting client work, and would welcome investment into this area of their businesses. This also connected to issues around losing staff to outside firms during the pandemic, and the need to bolster the confidence of Torbay's creative industries to feel they could compete and offer similar opportunities. The need to utilise Torbay's local creative talent and businesses in the marketing, design and outputs associated with large council funding bids and outside investments, referenced above, might offer one opportunity for this work and building of confidence – something akin to the Preston Model.

Claire Austin, Bespoke Wedding Hair Accessories and Jewellery
Location: Torbay, Devon

Claire makes bespoke wedding hair accessories and jewellery from her home studio in Torbay. She sells these online, on her website and through Instagram, as well as inviting brides for one-to-one consultations.

Claire took her business full-time in February 2020, just before the first national lockdown. She didn't lose any customers over lockdown, but a lot of her projects were on hold as weddings were not happening. Despite this, the funding and time she gained during COVID allowed her to consolidate her business and invest in areas she had not been able to before.

In particular, a Covid-19 support grant gave Claire funds to invest into up-front costs. She bought a new laptop to help streamline her online business; a new camera to help with social media marketing; and she paid for an SEO audit on her website.

> *I've already seen since I've made all the changes that he recommended I'm emailing him like most days like oh my god I've got another enquiry from Google, oh I've just had another website order. Things like that I just wouldn't have paid for before but actually £500 is like you know however many orders and it's worth it in the long run.*

Claire's business grew over lockdown. More people were online browsing Instagram and clients were more willing to do consultations online.

> *Before I didn't really use to do that many video calls and I don't know if the nature of video calls has changed, I think people are so much more use to it now and now I feel like it's so normal that I have a lot more brides from all around the country and you know internationally as well now who want to do video calls.*

4. Strategic Focus B: Games and Animation

Who we spoke to – 9 interviewees, 5 from Devon & 4 from Cornwall; including freelancers, established animation, games and VR companies and tech start-ups. Online action learning workshop attended by 6 people, March 2002.

4.1 Background

Games and Animation is a strong and growing sector in Devon and Cornwall, which has shown great resilience throughout the pandemic. It is a sector which local cultural policymakers are keen to support and grow. Cornwall Council, for instance, cite game design as an area for future jobs, Software Cornwall and Games Cornwall are active in the region, and many of those we spoke to had been supported and founded through Falmouth University's Launchpad venture programme, which is funded by the European Regional Development Fund, Research England and Cornwall Council.

We received a good response to our interviews from creatives working in the games and animation sectors and saw this as a resilient sector in need of future business and state investment and planning to grow. Although for the purposes of our research we have coupled games and animation together, and under this also included organisations working in VR, 3D visualisation and wider innovative software, it was clear that these sectors could have been separated out even further, looking to even more specific needs. Having said this, our action learning workshop showed us the value of sector-based networking and facilitated meetups across Devon and Cornwall at this aggregated level.

4.2 Impact of pandemic

In comparison to other sectors, the games and animation sector in Devon and Cornwall tracked the sector nationally and was very resilient over the pandemic period. Changes to working practices and networking opportunities benefited a sector already well positioned to take advantage of these changes.

Many of those we spoke to were already working remotely, online and were able to easily transition to this way of working through lockdown. As with other sectors, many of our interviewees have seen a growth in clients since the pandemic, who are more willing to work remotely with companies and freelancers in rural areas such as Devon and Cornwall.

For the animation and VR sector in particular, there has been an increase in opportunities, with many clients looking to animation as an alternative to live-action filming. Those SMEs and freelancers we spoke to in the games sector also felt there had been an increase in opportunities due to the pandemic bringing more people to screen-based media. The SMEs we spoke to were generally able to pivot and take advantage of these changes.

In addition to this, the hosting of events, meetings and opportunities online (or in a hybrid format) has been beneficial to the games and animation sector in a variety of ways. Publishing and promotional events, often held internationally or in major cities, are now hosted online and therefore are less costly to attend. The accessibility of networking opportunities within and beyond the region has also improved, this was noted both in relation to childcare, but also in recognition of the size of the region and the lack of transport links between places. Our interviewees and participants also mentioned finding it easier to network and connect online, feeling more comfortable presenting and meeting new people from home.

Dave, Pushed

Location: Plymouth, Devon

Dave is co-founder and managing director of Pushed, an animation and video production company based in Plymouth for the past 17 years. Pushed have five employees, and a small office in Plymouth, with the majority of their staff working remotely since the pandemic.

When the pandemic began the video production aspect of Pushed took a big hit. However, the company also worked in animation and were able to quickly pivot and adapt.

> *"It was almost like 'Oh my God, it's staring us in the face that animation is completely COVID resistant'. It was resilient so let's move that element of the business forward. We went from probably what was a 70:30 split in animation favour to video production to 100:0 for six to 12 months."*

This ability to easily adapt to changing working practices and client needs over the pandemic saw them employ eight staff freelancers and have their busiest year since they began.

Dave is keen to employ more graduate students from the South West, but feels that too often students do not have sufficient industry experience:

> *"They don't show people how to go out and deal with a client or set up a project or all those parts of a working life which they are going to do for the rest of their lives."*

As a small business, taking on a student apprentice is an expensive undertaking. Pushed have found that many graduates need a lot of training to transition to a workplace environment, meaning their existing staff need to take time out of project and client work to train and mentor them. For Pushed to grow as a business they need investment into staff. Currently they work to very tight budgets and are unable to grow and take on bigger projects as they don't have the staff to do so.

4.3 Challenges

Many of the challenges faced by the Games and Animation Sector reflected some of the general challenges faced by SMEs in the region. In our workshop we were able to draw out the intricacies of these for this specific sector, and we drew out four areas of particular importance.

Talent

Like other sectors, the picture has been less clearly positive for those hiring freelancers, with local talent having opportunities to work further afield. Those working in the sector cited factors such as the draw of working for large international games developers or studios; industry hubs and the community surrounding them; and the continuity of work on offer as a reason for freelancers being drawn further afield. A particular challenge for those we spoke to working in the Animation sector was finding graduate talent with the necessary professional, workplace skills. Those we spoke to found that graduates did not have the industry experience needed to transition to the workplace environment and felt that HE/FE institutions needed to build this into their programmes. Many participants had connected with HE/FE institutions in Devon and Cornwall, either through attending graduate shows, offering guest lectures, or participating in judging student prizes. However, the informal or short-term nature of these connections meant they were often not sustainable across academic years or institute staff changes. This suggests Devon and Cornwall's HE/FE sectors might do well to formalise these industry networks and connections in the long-term – to the benefit of both students and the local Games and Animation sector.

Almost all the interviewees we spoke with (often with the exception of freelancers) had taken on graduates and student apprentices and were keen to find ways to continue doing so. However, financially it was not always possible to take on graduates full-time, due to the nature of the Games and Animation sector's project-based work. These problems were exacerbated by a lack of wider creative opportunities for graduates in the region. One interviewee, for instance, often worked with graduates on a short-term project, but found that when he contacted these graduates weeks later with more opportunities, they were 'working in Sainsbury's' and could no longer fit creative work around these positions. It was felt too, that the short-term nature of the projects many SMEs could offer graduates was sometimes due to the lack of professional training and flexibility the graduates had learnt in FE and HE institutions, meaning they were only able to work on very specific projects.

> *"The problem is because of the nature of my studio and work being irregular, they still have to have their other jobs working at hotel, working at Subway, working at Sainsbury's. That's frustrating because obviously I have to then try to work around their day job schedule and as a business that's really difficult sometimes so I have to reconsider how I can use them and whether I can use them or whether I need to get a full-time freelance artist."*

There was a strong desire, therefore, to build more industry experience into FE and HE courses. Devon and Cornwall's games and animation sector were willing and keen to help provide this experience, with necessary support and collaboration. In addition, there was a desire, in the animation sector in particular, for investment to support the taking on of graduate, trainee, employees, and for imaginative ways to tackle the short-term element of graduate, project-based positions. One solution to this might be an exploration of shared local industry creative traineeships, where local animation companies could offer 3 months training out of a year, with 3 participating companies making this up to a year-long traineeship across Devon and Cornwall. This would spread out the costs to businesses and work in tandem with the sector's project-based work.

R&D, Training and Professional Development

Having the time and financial security to learn new software was an issue for most interviewees, but particularly freelancers who often found it hard to justify the time and money away from client-based work to do so. Questions about balancing professional development and creative projects with client-based work were high on the agenda. One participant noted:

> *"Our main barrier I think at the moment would be we've kind of got the client side and I think that's growing and that's you know a really good position, it's then being able to justify the time spent on the other side of things developing internal projects and that's both in terms of kind of yeah that being able to fund that time to do that."*

The above participant noted that one-such internal project had actually been one of their most successful games. The value of being granted time and space to experiment and try out new ideas, work on passion projects and learn new software was echoed by all participants.

> *"The ideal thing for me would be just to do R&D or creative things, or I'll call it arty technology things, I think I'd do really interesting things but who's going to pay for it? For example, I would very much be interested in going to the more real time game engine stuff but I would have to take time out of my business and money … that's where funding for smaller curiosity or interesting based projects would be interesting as well for developing those new skills and just having that space to do it."*

The majority reflected on the fact that this was often the space and time where innovation truly happened, which often led to future investment and development of their portfolios and businesses.

Networking Opportunities

The Games and Animation workshop participants really valued the opportunity to have facilitated discussions with their peers in Devon and Cornwall.

Participants noted the ongoing challenges of networking for a sector that is geographically dispersed and for a set of people who may have a tendency to plough on and work alone. The facilitated and structured element of the session gave the workshop a sense of direction, impetus, and development, that may have been missing in a purely social network event. Following the workshop we received several enquiries about future, similar events relating to ongoing professional development in the sector.

In addition, there was a feeling that connections were being missed in the region. Workshop participants were surprised to learn they were working with the same software or had mutual connections. One participant noted that a software developer on a well-regarded new VR programme had moved to Cornwall over the pandemic, and there was a sense that these local connections and developments were being missed.

As such, there was a desire for sector-specific networking across Devon and Cornwall. This network would likely need to be animated or facilitated in ways that focused on regional or professional sectoral development, but there was also discussion of hosting industry publishing events or showcases as a way to connect within and beyond the South West.

Dave, Pushed

Location: Plymouth, Devon

Katie is the Creative-Director and Co-Founder of Triangular Pixels, a games development company. She also sits on the advisory board for the BGI, is an active member of Games Cornwall and is a publicly elected councillor for Bude-Stratton Town Council.

Triangular Pixels have always worked remotely, so they were well set-up to work this way over lockdown.

> *"We were doing everything remotely and in some ways that gave us a bit of an advantage, a bit of a head start, and suddenly all the events that we couldn't normally go to were made accessible to us because they were all online. The games industry as a whole actually got a bit of a boost, like you know in terms of sales, in terms of even sales of our tools that we license to developers because obviously people were at home and they wanted to develop their own stuff."*

Katie has recruited locally in the past, and would be happy to in the future, but for talent to remain in the area there needs to be enough consistent freelance work available.

> *"We have taken on people from local universities, from Falmouth, from a college. In order for them to really be able to stay around there needs to be projects, multiple projects from different studios not just one studio getting one project. There needs to be something else for them to move onto locally."*

Investment

For the sector to scale up, there was a need expressed for large-scale investment funds to develop new games and animation. These could be a mixture of investment funds and grants. This was largely a need expressed by games developers, however those larger animation companies we spoke with also had a need to develop projects and for assistance with cash-flow.

Those we spoke to emphasised their desire to represent local heritage and landscapes in their work, and how this might be tied into local investment funds. There was also a clear impetus for re-investment into any funds, were these games picked-up and successful with large-scale publishers.

5. Conclusion

The creative industries in Devon and Cornwall have proven themselves to be agile and resilient during the Covid-19 pandemic. The creative SMEs we spoke with were often relatively small, and had diverse portfolios and creative practices, meaning they were quickly able to adapt to changing working conditions.

In addition to this, changing working practices as a result of the pandemic largely benefitted those rural and dispersed creative SMEs we spoke with. In particular, the increased ease with working remotely and online, opened creative SMEs in Devon and Cornwall to new clients, talent and creative opportunities.

However, the creative industries in Devon and Cornwall, like many other rural UK areas, are in need of investment in order that they might scale-up, innovate and grow. This report has been a part of making the case for increased investment that recognises the distinctive position of geographically dispersed, rural creative industries SMEs in the UK, who face unique challenges to their growth and innovation.

The creative industries in Devon and Cornwall, like many other rural UK areas, need access to the mix of investment from UKRI R&D grant funding, British Business Bank backed loan and equity funding, local councils and commercial lenders, that has been available to creative industries businesses in high density clusters so that they might innovate and scale-up. Funders often require local governments to evidence density of creative industries businesses and aggregated economic value before they will put regional creative industries funds in place. The Create Growth Programme, for instance, cites the need to demonstrate a large enough cluster (or group of clusters) to qualify for funding. This has resulted in an intensification of creative industries funding in some areas, such as Bristol and Bath, while areas where companies are more dispersed have received little funding. To reach dispersed creative industries businesses and enable regions starting with a low density to develop the sector, funders need to develop and adopt metrics for the value of creative industries businesses that do not only depend on regions evidencing density and aggregate value reach. Similarly, mechanisms for distributing funding may need to change to make viable the overhead cost of more widely distributed funding to SMEs.

As outlined in our key findings, those rurally located SMEs we spoke with faced challenges in areas of connecting geographically; accessing skilled freelancers; nurturing young talent to stay in the region; securing sustainable creative spaces; fostering active creative networks; and in sourcing and applying for suitable investment. What is clear is that those creatives and policymakers we spoke to offered innovative, creative and exciting ideas to tackle these challenges, including but not limited to:

- Investment and research into Creative Land Trust and similar models for sustainable creative re-use of space
- Investment in regional creative apprenticeship schemes that allow young people to work across multiple SMEs over a period, to account for project-based nature of creative work
- Build more industry experience into creative HE courses and utilise local creative businesses in this
- Work with existing creative talent in the region – for instance, draw on the technical expertise of gaming professionals when hosting online council meetings
- Invest in animated, facilitated professional, sector specific networks that offer ongoing learning and discussion
- Provision of support in applying for investment and finance
- Non-prescriptive investment funds that account for the agility and adaptability of small rural creative SMEs

A final key theme emerging throughout this study was the need for wider infrastructural investment in the region – into transport links, housing, and creative spaces. Creative SMEs we spoke with were unable to hire graduates due to the cost and time of travel, or found employees could not relocate to the area as a result of a lack of housing. These were recurring themes and challenges, that were often a barrier to sustaining local creative ecologies and allowing them to flourish. The infrastructural investment offered by the Levelling Up agenda, needs to take account of this in a region where creative economies and ecologies are sustained over large geographical areas and where transport links and infrastructure are vital to growth and survival.

Selected Further Reading

Bloom, M., Camerani, R., Casadei, P., Masucci, M., Siepel, J. and Velez-Ospina, J. (2020) *Evolution and trends of creative cluster research*. London: Creative Industries Policy and Evidence Centre and University of Sussex. Available from: https://www.pec.ac.uk/discussion-papers/evolution-and-trends-of-creative-cluster-research

Cornwall Council (2021) *Creative Manifesto 2021-25.* Available at: https://www.cornwall.gov.uk/parks-leisure-and-culture/culture-and-creative-economy/creative-manifesto-2021-2025/

Creative Rural Industries Consortium, The Future is Rural (2019) *The New Creative Rural Economies.* Available at: http://www.ruralculture.org.uk/report/

Cultivator (2020) *Baseline: Covid-19 for Creative and Cultural Sectors in Cornwall and the Isles of Scilly.* Available at: https://baseline.creativekernow.org.uk/wp-content/uploads/2020/10/Baseline.-acc.pdf

Gray, K., and Wright, J., Centre for Cultural Value (2021) *Impacts of Covid-19: a snapshot from the cultural sector.* Available at: https://www.culturehive.co.uk/impact-of-covid-19/

HM Government (2022) *Levelling Up the United Kingdom*. Secretary of State for Levelling Up, Housing and Communities. Available at: www.gov.uk/official-documents

Invest in Torbay (2022) *Our Torbay Story.* Available at: https://investintorbay.com/invest/torbays-story/

Lelez, J., Siepel, J., Hill, I., *Mapping and examining the determinants of England's rural creative microclusters,* Nicre Research Report, n.7, May 2022.

O'Hara, E., Naik, D., and Gorton, C. (2021) *The Role of Creative Hubs in Cornwall and the Isles of Scilly.* Falmouth University and Cornwall Council.

Saffery Champness & Nordicity (2017) *Strategy for the Screenbased Sector in Cornwall and the Isles of Scilly.* Available at: https://www.screencornwall.com/s/Cornwall_Film_and_TV_Strategy_Final_Report_Feb_2020.pdf

Siepel, J., Velez-Ospina, J, Camerani, R., Bloom, M., Masucci, M. and Casadei, P. 2021) *Creative Radar 2021: The impact of COVID-19 on the UK's creative industries*. London: Creative Industries Policy and Evidence Centre and Sussex

University. Available from: https://www.pec.ac.uk/research-reports/creative-radar-2021-the-impact-of-covid-19-on-the-uks-creative-industries

Siepel, J., Camerani, R., Masucci, M., Velez Ospina, J., Casadei, P. and Bloom, M. (2020) *Creative Radar: Mapping the UK's creative clusters and microclusters.* Multiple: Creative Industries Policy and Evidence Centre and The University of Sussex. Available from: https://pec.ac.uk/assets/publications/PEC-Creative-Radar-report-November-2020.pdf

Torbay Council and Torbay Development Agency (2014) *Enjoy, Talk, Do, Be: A cultural strategy for Torbay and its communities 2014-2024.* Available at: http://www.torbay.gov.uk/DemocraticServices/documents/s20373/Cultural%20Strategy%20App%202.pdf

Torbay Culture (November 2018) *The 99: Motivating local residents to attend arts and heritage in Torbay more often.* Available at: https://www.torbayculture.org/s/1_Torbay-Culture_Final-Report_Nov_2018.pdf

Torbay Culture (2021) *Create to Recover: Torbay Culture's response to Covid-19.* Available at: https://www.torbayculture.org/create-to-recover

Velez, J., Siepel, J., Hill, I., & Rowe, F. (2022) *Mapping and examining the determinants of England's rural creative microclusters*. London: Creative Industries Policy and Evidence Centre, National Innovation Centre for Rural Enterprise and University of Sussex. Available from: https://pec.ac.uk/research-reports/rural-creative-microclusters

Appendix A: Figures

Figure 1

This map is a screenshot from the PEC's own map, which is in the public domain here.

The map shows the location of rural microclusters around Devon and Cornwall. The size of each cluster is represented by the size of each green dot. You can read the full research that underpins this data here.

- Each point on the map is an approximate centroid of the microcluster and it's an average geographical representation of the firms in it. Therefore, it may not capture the actual location.
- This application is provided for information only and is the product of professional research. The information contained herein is subject to change and does not commit the authors and their institutions.
- The mapping tool is created by Creative Industries Policy & Evidence Centre & National Innovation Centre for Rural Enterprise.

Appendix B: Further Discussion of Approach & Methodology

Collaboration with stakeholders

The co-design of our interview questions with our policy and industry stakeholders was an important aspect of this research. It presented opportunities to shape our research questions in line with changing and developing priorities in the region and connected us with a number of creative SMEs for interview. Our stakeholders included:

- Cornwall Council's Creative Industries Taskforce
- Torbay Council and the Torbay Development Agency
- Tech Exeter
- Kaleider
- Creative Kernow

Alongside the co-design of our interview questions, we met with our stakeholders throughout the research, and their priorities led us to choose our two strategic focuses, and helped them to connect us with many interviewees. We also hosted a final stakeholder event online, where we shared our findings and discussed policy interventions that may arise from this. This has meant key policymakers and industry stakeholders in Devon and Cornwall are well aware of our research, its development and findings, and feel they have had a say in the direction and outcomes. This will assist in further collaborative research, and in the likelihood our research paper will be well received, understood, and used by local policymakers and industry bodies.

Co-design and co-creation also presented challenges. We were wary of ensuring our interview samples were not only drawn from those ‘stand-out’ case studies highlighted to us by our stakeholders, often drawn from those who had already actively worked with local authorities or investment bodies. Contacting creative SMEs beyond the lists provided by our stakeholders was important in this, as was publicising and opening our workshops to creative SMEs we had not already made contact with. This meant, in the Torbay case, for instance, we hosted a workshop where participants had a wide array of experiences with the council, both positive and negative. From this we were able to draw out some further local challenges in the workshop and subsequent interviews with participants. This presented a further co-creation challenge, of honestly communicating these participant inputs and our findings to our stakeholders. The relationships we had nurtured, and the openness and willingness to engage from our stakeholders, allowed us to do this effectively and reflect on what were often not new criticisms of and challenges within the sector.

The co-creation and co-design of this research has meant we have built relationships with local policymakers and industry stakeholders, which are based on open communication and reflection, and are likely more resilient and reflective due to this.

Strategic Focuses

The final two sections of this paper discuss the impact of the pandemic and future investment with regards the Torbay area and the Games and Animation sector in Devon and Cornwall. These strategic focuses were chosen as they were areas in which we had good initial interviewee participation, and where we could see clear lines of commonality and future needs emerging. As a result, this is where we focused our two SME workshops. Having said this, we could have chosen other areas of investigation. We had several interviews from the Theatre and Performing Arts sector, for instance, as well as from Advertising and Marketing firms. We also spoke to a number of SMEs based in Falmouth, many with similar concerns. Due to the time and financial constraints of this research this was not possible, however future research could certainly build on this.

The choice of one industry-based focus and one geographic, microcluster focus opened up some interesting questions about the suitability of the micro-cluster model to understand creative connections in rural areas. Connections and potential for collaboration seemed much more effective when driven by subsector rather than local area, with SMEs from different sub-sectors in the same area facing very different challenges. Those challenges that were similar were often linked to larger, external factors relating to local infrastructure (for instance lack of affordable housing, transport links, childcare) beyond the remit of creative policymakers. Looking to industry specific groups, however, we were able to draw out much clearer, solid areas for cultural policy led intervention. Those connections made in the Games sector, for instance, were a lot more organic and fruitful for developing further to strategic ends. Further analysis and data gathering into rurally located and dispersed creative industries investment might focus on drawing out and developing these differences. Having said this, the levelling up agenda’s focus on local infrastructure may alter this, as cultural and creative policymakers increasingly see their roles as linked into these wider issues of local infrastructure and investment.

This project is funded by the Creative Industries Policy and Evidence Centre (PEC) part of the Creative Industries Clusters Programme, which is funded by the Industrial Strategy Challenge Fund and delivered by the Arts and Humanities Research Council on behalf of UK Research and Innovation.