Policies and strategies for the creative knowledge economy in Birmingham and the West Midlands Region

How to enhance the city's competitiveness

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ACRE report 10.3

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ACRE

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From the start of the twenty-first century, challenging debates have taken place about the essential conditions necessary for the development of new economic activities in advanced economies. In particular, these have included the conditions that enable the development of creative and knowledge intensive industries in urban or metropolitan environments. Many European cities are searching for the right set of conditions with which they can compete effectively with other cities. This report responds to a key question: what should city leaders and policy-makers do to help their cities become more competitive in the 'new' economy?

This report forms part of a wider European study exploring the impact of creative and knowledge-intensive industries on the competitiveness of 13 European metropolitan regions. It sets out and discusses the current formal policy and strategy arrangements that have been set in place across Birmingham (and the West Midlands) and that are intended to facilitate the development of a competitive 'creative-knowledge city'. As with previous ACRE Reports, it focuses on examining the creative-knowledge industries in terms of their contribution to regional competitiveness in the Birmingham city-region. Since the first ACRE policy review (see Brown *et al.,* 2007) a high number of policy documents have emerged from various government bodies, regional authorities, the local authority and other agencies. Therefore, this report undertakes an in-depth examination of recent policy at the national, regional and local level. This is backed up by interviews with a number of key actors in relation to policy formation in Birmingham and the West Midlands.

The objectives of this work package were as follows: Firstly, to identify the key national, regional and local policies linked to the development of the CKE and to understand the role played by these policies in the overall development of Birmingham and the West Midlands city-region. Secondly, to identify and examine the relationship between different stakeholders involved in economic development policies at these three spatial levels. This involves gaining an insight into the distribution of power amongst different interest groups and bodies, both public and private. Thirdly, using empirical research, the report critically examines the relationship between current policies in Birmingham and the West Midlands and the underlying political structure at the local and regional level in the West Midlands.

The research involved synthesising the findings from: 1) a desk-based review and analysis of formal policy and strategy documentation; and 2) the findings from 16 semi-structured interviews undertaken with key policymakers and influencers/expert stakeholders in Birmingham and the West Midlands.

Context – Birmingham and the West Midlands Region

Traditionally known as the industrial heartland of the UK, the Birmingham city-region is experiencing a difficult period of economic change and transition. While some segments of the creative and knowledge-based industries and activities display a dynamic profile, others appear more fragile in the face of current financial pressures. This is a result of a variety of reasons - including a shortage of experienced and skilled employees; limits imposed on firm growth due to a lack of both a national and international client-base; globalising markets; the overwhelming dominance of London as a creative-knowledge hub. Moreover, the creative sector overall is of limited size and maturity in Birmingham when compared to some other Core Cities in the UK, in spite of nearly a decade of formal policy intervention.

Nonetheless, over the last decade, the creative industries together with the knowledge sector have been identified by the key public agencies in Birmingham as critical components in the renaissance of the City, in terms of ongoing physical urban regeneration, economic development and employment growth. Attention has shifted from a focus on 'culture' and developing 'soft' location factors, towards creating the correct business environment necessary to develop creative industries and grow the CKE. Birmingham is now focusing on 'innovation' and key sectors for growth which are largely knowledge-driven, but also include creative sectors such as Digital media, while at the same time, working hard to respond to the impact of recession and its unpredictable effects on the CKE overall. This change in focus is visible locally through support of initiatives such as Digital Birmingham and Birmingham Science City.

Key findings

The research conducted for this report – and in particular the views and observations gathered from across the stakeholder interviewees – presents something of a mixed picture. There are reasons for optimism as Birmingham recognises the importance of pursuing creative and knowledge-based development agendas and much has been achieved from a low base of activity in the early 2000s, but there are also some challenging messages coming from those working to 'operationalise' policy on the ground as well as from those who experience policy as end users.

While Birmingham clearly has much to offer its creative-knowledge 'talent' across the 'hard' and 'soft' dimensions explored in earlier ACRE reports (see Brown *et al*., 2009; Brown *et al*, 2008a; 2008b) there remain some important question marks around the coherence, accessibility, over-complexity and appropriateness of the policy environment for the circumstances that prevail across the CKE in Birmingham in 2010. This marks an opportunity for the City to take stock of past achievements and build on the foundations that have been laid while at the same time looking to new opportunities in terms of supporting and developing the sector.

Reflections on existing development strategies and policy

Despite recent attempts to simplify and provide a more 'joined-up' approach to policy-making and policy delivery, the UK policy environment at a national, regional and city-level remains highly complex. In the West Midlands, there exists a plethora of interrelated strategies operating at both a regional and city level, all of which have varying degrees of alignment with one another. This policy environment is sometimes confusing for those seeking to engage. In general terms, regional and city-level policies for creative industries in the UK follow central government guidance and tend to be justified in terms of economic development and employment creation, followed by improvements in infrastructure, regeneration, tourism/events and education & training (including 'talent' generation) and there are other policy rationales including city branding and heritage. Increasingly, creative industries strategies have multiple policy objectives, including social inclusion, access and quality of life.

Birmingham's efforts to develop its creative industries together with its knowledge economy are acknowledged by interviewees as having been successful in enabling the sector to become part of the mainstream local and regional economic policy. There has been a recent major growth in the attention given to creative industries in the regional and city-level policy literature generally. For example, the new development masterplan for the City Centre looks upon creative industries as a catalyst for growing the knowledge-based economy; and also recognises the economic and cultural value of creative industries. However, the regional cluster policy strategy sometimes makes it difficult to link city economic development priorities into the regional economic strategy priorities. This is particularly problematic given Birmingham's dominance within the economy of the region and the sub-region and its reliance on the regional development agency for its funding. Furthermore, while local and regional policies have evolved over the past 10 years to try to reflect business needs, some interviewees report that the overall approach of the City is still not completely 'fine-tuned' for the diverse needs of the various sub-sectors and differing size and maturity of businesses within it. A widely welcomed refinement in policy design has been the recent focus on young people and on the skills agenda at both city and regional level. These aspirations are sometimes rendered difficult by the fact that the City and Region are also constantly working to re-position and align themselves to continually shifting priorities within the changing national policy framework Despite attempts to align new and existing policy there is 'patchy' connection between policy for the 'Creative City' and other policy initiatives such as the more recent 'Science City' and 'Digital City' agendas.

Whilst City and Regional policy initiatives initially followed a strongly 'top-down' approach, this has shifted toward a more 'bottom-up' one in the last few years. Partly this is a reflection that a number of successful initiatives have come from the 'grass roots' level and the sector itself and partly the changing organisational objectives of the agencies involved as they move towards becoming 'enablers', by focusing on ensuring the correct financial or other infrastructure is in place to facilitate the growth of the CKE. Nevertheless, many highlight that economic development strategies have not always matched spatial planning initiatives. For example, policy has identified emerging 'clusters' of creative activity in and near the city centre (the Jewellery Quarter and Eastside/Digbeth). While growing, these areas could benefit

from more integrated planning strategies to increase their connectivity with the rest of the city centre and to resolve some ongoing conflicts in terms of usage and interests in the area.

Interviewees responsible for the operationalisation of policy also commented that local delivery arrangements and appropriate funding mechanisms are fundamental in terms of what happens 'on the ground'. Consequently, a key issue facing the future development of the CKE in the city-region - at least in the short term - is the squeeze on public sector funding. Regional sector-specific support initiatives such as Advantage Creative Fund and City initiatives such as Birmingham Business Support for the Creative Industries - both of which were widely praised by interviewees – have now ended, although non sector specific support is still available. Cuts in central government funding mean the City and the Region will have to carefully choose its priorities and it is likely that the City-region will see a stronger alignment to national growth sector priorities and agendas as well as European priorities as it looks to ERDF or Framework 7 funds for additional support.

Reflections on institutional structure and governance arrangements

Similar to the policy framework environment, the institutional landscape around culture, creative and knowledge-based industries in the UK is highly complex. There are numerous formal and non-statutory organisations involved in supporting the development of CKE at national level as well as at regional and city level. The institutional environment in Birmingham and the West Midlands is characterised by numerous partnerships, alliances and networks. Some are formal and tied into statutory bodies others are much looser and informal. The shape and function of organisations that emerge, prosper, or become obsolete at city level is influenced by regional and national policy as well as by local policy conditions.

There is a well established tradition of institutional collaboration in Birmingham which is seen as highly positive by interviewees. Public sector organisations are complemented and influenced by a wide range of partnerships, including public-private partnerships and private representative bodies, some of which are partly owned by public organisations. Most organisations work with one, or more, other (private or public) organisations, usually in conjunction with BCC, for the delivery of economic development activities. However, the regional level of governance also has a significant influence on the CKE in Birmingham. The RDA and GOWM act as gatekeepers for national and EU funds, and the RDA is the dominant actor at regional level. Although there is a collaborative policy environment in the city and region, there is not an equal distribution of power within it. The organisations with the greatest influence over political decision-making at the present time are those within the public sector.

The CKE does not operate as a coherent entity but exists as two separate sets of actors who relate either to the Knowledge economy or the Creative/cultural economy. The stability of memberships is largely related to the age of the partnership and the length of time the institution has existed. The 'establishment' actors in the legal, financial and education professions and the elite cultural and arts organisations are more likely to have an automatic seat at the strategy table than individuals and groupings of the younger emerging creative industries.

There are instances where different constellations of actors emerge around different policies and projects. For example the city's universities came together under the banner of the 'Science City' and 'Digital City' projects. However, it should be noted that collaboration between these institutions is not the norm. Actors occasionally align around specific issues e.g. the need to improve the image of the city or for a specific time-limited project such as the bid to become European Capital of Culture or the Cultural Olympiad.

Whilst it is acknowledge that CKE policy has enabled the development of stronger links between individual businesses and local business support agencies and this had helped make local businesses more resilient, there is also a clear consensus amongst interviewees - both policy-maker and practitioner - that despite attempts to co-ordinate activity there remain some weaknesses across the city and region in terms of an integrated or 'joined-up' approach to CKE development.

One of the key findings of the ACRE research is that the presence of strong peer networks is an important retention factor. Interviewees overwhelmingly agree that Birmingham is rich in network activity and these networks are dynamic and growing. However, there is evidence of a 'network continuum' where at one end the knowledge-based professional services networks are much more cohesive, mature and powerful in lobbying terms. At the other end there are much smaller inward looking creative sub-sectoral networks (e.g. those around Digital Media, Film and TV). It is felt that there is potential to link networks together and to embed creative industries networks into more established economic development and civic networks.

Policy considerations

Whilst significant progress has been made over the last decade in the transformation of Birmingham towards a 'knowledge-based economy'– from the perspective of both institutional stakeholders and creative-knowledge firms and employees - there appear to be a number of opportunities currently to improve upon the strategic coherence of Birmingham's CKE policy agenda (including its leadership); and the impact and coherence of the various organisational and resource responses at city-region level going forward. We set out these early observations below:

- There is an opportunity to improve the quality of the evidence base for CKE policy formulation and delivery purposes in the City – an adequately resourced and ongoing programme of 'research and intelligence' should be established to provide an updated picture of the structure and performance of the CKE sectors/segments;

- There is an opportunity for more integrated working in/around the various CKE policy silos (Creative City, Science City, Digital City and so on) – or at the very least to ensure a more seamless communication of information concerning strategy and operations both within the City Council and beyond – so that the potential for added-value gains to be secured from collaborative working across the CKE are more readily identified;

- There is an opportunity to simplify the local and regional policy arrangements which are complex – for example, the proposed combining of the Creative Birmingham Partnership Board with the Cultural Partnership Board. The sector stakeholder institutions and firms

report that it sometimes finds it difficult to engage, to know who to engage with and for what purpose;

▪ There is an opportunity to extend the CKE 'expert' capabilities of the City. The City executive team(s) working in this area is highly motivated but thin on the ground - Birmingham needs more capacity at strategic and operational levels;

▪ Public support mechanisms are vital in both initiating and maintaining peer networks and facilitating collaboration. When these public support mechanisms are withdrawn, this can have a negative impact on collaboration levels of creative businesses. Continuing city-level support for the creative industries sector in Birmingham is vital to ensure the CKE continues to grow.

▪ There is a need for a greater focus on developing the creative 'content' of the City through the improvement of an environment suitable for a more diverse range of small creative businesses; and through investment in more localised and smaller scale initiatives. The perception is that the City's approach to the development of the CKE has been overly 'traditional', 'top down' and property led (e.g. large scale land assembly, site clearance and so on). Areas such as Digbeth provide an opportunity for a more 'light touch' enabling approach

▪ There is a sense that creative and cultural activities are not adequately emphasised in comparison to the science and technology development agenda(s). There is an opportunity for the City Council to assert its 'facilitative leadership' in this area and to provide an accessible, integrated and generative CKE 'narrative' at a time of economic uncertainty;

▪ There is an opportunity to improve the 'creative' image of the city – a sense that Birmingham still lacks the 'cool and creative' image of (say) Manchester or Leeds. Need for 'bigger' and globalised cultural events to aid with the City's post-industrial (USP) re-invention as a top international location for CKE activities;

▪ Birmingham has developed a considerable 'knowledge base' around the CIs over the last decade – but this local knowledge is highly dispersed across a wide variety of public bodies and private sector firms working in this area. At a time of change and transition in the economy, and in terms of harnessing and fully exploiting the City's potential - there is an opportunity for Birmingham to stimulate a new phase of trans-disciplinary learning around the theme of the Creative-Knowledge City by drawing together and combining policy and business insights from across its planning, economic development, education, arts and humanities, engineering, leadership and management disciplines.

1.1   Aims and objectives of the report

From the start of the twenty-first century, challenging debates have taken place about the essential conditions necessary for the development of new economic activities in advanced economies. In particular, these have included the conditions that enable the development of creative and knowledge intensive industries in urban or metropolitan environments. Many European cities are searching for the right set of conditions with which they can compete effectively with other cities. This report responds to a key question: what should city leaders and policy-makers do to help their cities become more competitive in the 'new' economy?

This report examines the formation of recent economic policy in Birmingham and the West Midlands. As with previous ACRE Reports, it focuses on examining the creative-knowledge industries in terms of their contribution to regional competitiveness in the Birmingham city-region. Since the first ACRE policy review (see Brown *et al.,* 2007) a high number of policy documents have emerged from various government bodies, regional authorities, the local authority and other agencies. Therefore, this report undertakes an in-depth examination of recent policy at the national, regional and local level. This is backed up by interviews with a number of key actors in relation to policy formation in Birmingham and the West Midlands.

The objectives of this work package were as follows: Firstly, to identify the key national, regional and local policies linked to the development of the CKE and to understand the role played by these policies in the overall development of Birmingham and the West Midlands city-region. Secondly, to identify and examine the relationship between different stakeholders involved in economic development policies at these three spatial levels. This involves gaining an insight into the distribution of power amongst different interest groups and bodies, both public and private. Thirdly, using empirical research, the report critically examines the relationship between current policies in Birmingham and the West Midlands and the underlying political structure at the local and regional level in the West Midlands.

1.2   Outline of report

Chapter two outlines the key theoretical underpinnings of the report while Chapter 3 provides a brief summary of the research methodology. Chapter 4 begins with a summary of the economic context of Birmingham and the West Midlands region and then gives an overview of recent policies at the national, regional and city level. Here the focus of is on economic development policy as well as policy for developing the CKE. Chapter 5 provides an analysis of institutional structure and governance arrangements at national, regional and local level and has a close look at key stakeholders in economic development policy at city, regional and

national level. Chapter 6 identifies public debates and provides a critical reflection on the relationship between the current political structure at national, regional and local level and how this impacts on current policies. This includes an analysis of results from semi-structured interviews as well as reflections from previous ACRE empirical analyses. Chapter 7 provides a final reflection and conclusion.

2   THEORETICAL BACKGROUND[1]

The conceptual and theoretical framework underlying the ACRE programme has been presented in length in the WP1 (Musterd *et al.*, 2007). It is based on a critical review of literature on the role of creativity and knowledge in present and future economic development and the local conditions necessary for the successful development of a 'creative knowledge region'. This review of literature, which has also pointed at gaps in current knowledge, framed the analysis of each case study city in the subsequent work packages and has been refined over the course of the ACRE research.

A number of key questions have been raised in relation to this conceptual and analytical framework. They are addressed throughout this report and will in particular guide the analysis of policies and strategies, which includes the analysis of policy documents and interviews with key stakeholders.

The key questions to be taken into consideration in the analysis of policies and strategies include the following ones:

- What is the role of creativity, innovation and knowledge in the metropolitan economic development strategies and visions in each case study?

- To what extent do local and regional governments in the case study regions want to build on existing regional strengths, and to what extent do they look for new strengths with regard to economic specialisations?

- What are the different types of policy approach adopted in different cities (e.g. promoting cultural quarters/infrastructures in the physical sense; or promoting creative industries in their industrial sector sense)?

- What is the role of 'soft' location factors in metropolitan economic development strategies when compared to the more traditional, 'hard' location factors?

- Do the metropolitan economic development strategies specifically address the conditions for attracting an international skilled labour force?

- Which regional geographic and administrative scale is the most relevant for regional competitiveness when aiming for 'creative knowledge regions'? Should there be a focus on core city development or on the metropolitan regional level?

- To what extent can we speak of an integrated regional strategy, and on what geographic and administrative scale level?

- To what extent are the economic development strategies and visions embedded in broader urban development strategies and visions? Are economic development policies connected to

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[1] This section has been written by the ACRE Toulouse team (Hélène Martin-Brelot, Elisabeth Peyroux, Denis Eckert, University of Toulouse), with help from the Leipzig team (Bastian Lange, Leibniz Institute of Regional Geography). The section is common to all ACRE reports within Work Package 10.

regional spatial development policies, housing market policies and/or policies to attract and cater for the desired 'talent pool'?

▪ How and to what extent do existing policies and strategies take into consideration issues of social cohesion and social integration?

The answer to these questions is informed by the refinement of the ACRE theoretical framework.

2.1 Refinement of ACRE theoretical framework

The first ACRE work package (Musterd *et al.*, 2007) acknowledged that many authors have concluded that 'creativity plays an outstanding role in urban and regional development' and recognised 'the increasing coming together and co-mingling of technological innovation, cultural creativity and governance as the driving force of urban development in the 21st century' (Musterd et *al.*, 2007: p6). In relation to urban competitiveness theories, at least two important interrelated ideas – mostly supported by Florida – have been explored. The first one suggests that policies should concentrate on their attractiveness towards individuals rather than towards companies. As a consequence, cities should strive to improve the so called 'urban atmosphere', e.g. increase openness, tolerance – and pay much less attention to 'hard' classical location factors.

The ACRE analytical framework has been refined over the course of ongoing work. In light of our empirical results, we are now able to revisit Florida's thesis on the mobility of people who make up the 'creative class' and on the drivers that lie behind their decision to live and work in a particular city (section 2.1.1). Statements about the relative importance of 'hard' and 'soft' location factors as attractors to a city-region; as well as the motivations of creative and knowledge workers are used as first elements to fulfil the debate about urban competitiveness and governance (section 2.1.2).

2.1.1 *Revisiting Florida's thesis on the mobility of the creative class and the role of 'soft factors'*

One objective of the ACRE programme was to test Richard Florida's hypothesis on the mobility of highly skilled 'creative class' workers. According to Florida, these people are increasingly attracted to places combining high levels of technology, talent and tolerance (Florida, 2002). In other words, the classical 'hard' location factors are of lesser importance compared to the increasingly prized 'soft' location factors. The latter relate to the global atmosphere of the city such as its openness, as well as its cultural and ethnic diversity.

The three ACRE surveys conducted from 2007 to 2009 among the target groups of employees, managers and highly skilled trans-national migrants (TNMs) aimed at answering the following questions:

▪ What are the main drivers behind the decision of highly-skilled individuals to locate in the city where they currently live?

- What is the relative weight of 'hard' and 'soft' location factors in their decision-making process?

Empirical results revealed that, in addition to classic 'hard' factors related to education and employment, reasons related to what we called 'personal trajectory' - where they were born or where their or their partner/spouse family were from, where they had studied - were highly significant in explaining individuals' choice to settle in a particular place. Conversely, 'soft' so called 'quality of place' (Florida, 2002) factors seemed relatively weak in influencing the decision to move to a particular place, although they played a far greater role in retaining people once they had moved there.

By compiling the results of the first quantitative survey conducted among employees in the 13 participant cities, we found that 55 per cent of the respondents were born in the city or metropolitan region where they currently live. Where individuals studied at college or university seems to play an even more important role in their location choice, as 63.6 per cent of the sampled employees obtained their highest degree locally, i.e. in the city or metropolitan region where they now reside.

Taking this 'personal trajectory factor' – measured by place of birth and place of study – into account, allowed us more insight to the issue of the attractiveness of a particular city. We could differentiate between people who already had a link with the city-region and those who had none. Termed 'creative migrants', the latter category represents only 25 per cent of the sample across the 13 cities. For them as for the rest of the sample, job-related 'hard' factors play the most dominant role when choosing a place to live.

Conversely, 'soft' factors only play a very marginal role in the attraction of creative knowledge workers to a particular city - only nine per cent of people surveyed across the 13 ACRE cities who come from outside the particular city-region cite 'quality of place' factors as a dominant reason for moving there. They seem, however, important in retaining them in the long term. Indeed 'soft' factors tend to have more importance if respondents have lived in the city for more than one year. On the other hand, the role of 'hard' factors seems to decrease with the time spent in the city. This result implies that 'hard' factors act more as a reason for mobility (why move to city), whereas 'soft' factors are more the reason to stay.

Qualitative surveys among managers and employers in creative and knowledge industries confirmed the key role of 'hard' factors, particularly the availability of a skilled labour pool, which is often correlated with the presence of higher education institutions in the region. Access to clients and supporting services is also crucial and depends on the size of the city as well as on an efficient transport system. Entrepreneurs also insisted on the quality of the working environment and their professional networks for succeeding in their businesses.

The presence of universities and higher education institutions constitutes the major attraction factor for TNMs, while employment opportunities are an important reason to settle in a particular city. The drivers behind the decision to stay also relate to personal links (friends, family). In some instances, the strong image of the city as a centre of creativity (e.g. Milan, Barcelona) or centre of technology (e.g. Toulouse, Helsinki), or as a diverse, tolerant and inclusive city (e.g. Birmingham) were important attractors.

These first outcomes thus do not confirm Florida's hypothesis of a highly mobile 'creative class'. On the contrary, the highly skilled creative and knowledge workers surveyed within the ACRE programme tend to have a rather settled way of life, and when they do move, their mobility is rather driven rather by classical 'hard' factors – mostly related to career and employment opportunities – rather than 'soft' factors. Our results rather confirm those of Storper and Scott (2009: p161):

> '...most migrants – unless they enjoy a private income or are able to capitalize on some purely personal talent that can be practiced anywhere – are unlikely to be able to move in significant numbers from one location to another unless relevant employment opportunities are actually or potentially available.'

2.1.2 Some elements for the debate on urban competitiveness

According to our ACRE empirical results, the size of the city, the quantity and quality of transport infrastructures, and above all further and higher education and job opportunities act as a significant driver behind the decision to settle in a certain region. Respondents are also heavily tied to their native and family environment or to the place where they have studied and built their social networks. On the other hand, 'soft' factors are clearly not influential in directly attracting the 'creative class' – highly skilled employees, entrepreneurs and TNMs working in creative and knowledge-intensive positions in a city. However this does not mean that 'soft' factors have no importance for those surveyed. On the contrary, 'soft' factors are very influential in terms of the longer term retention of talent in a particular place. Several observations related to 'quality of place' can be drawn from the empirical results and put into context with current debates on urban competitiveness.

Evaluating hard and soft factors

First attempts at comparison between the 13 cities show a strong heterogeneity of results, which can be explained by the differences in local conditions. In general, dissatisfaction is clearly expressed on what refers to material aspects of the city such as quality of housing and residential neighbourhoods, transport infrastructure etc. This can be put into context with the crucial issue of the development pathway of each city, which is one of the dimensions to be taken into account for a typology. Conditions for success seem different in cities which have a strong development path compared with those that have a discontinued or ruptured development path. There is lower satisfaction with facilities and urban infrastructures in general among people living in the ex-socialist cities of Sofia, Riga, Budapest and Poznan. But the situation also differs according to the level of infrastructure and the position of the city as a national or regional capital. The size of the city also has to be considered in the way that it might offer more potential personal interactions. For example, interviewees in Birmingham frequently compared the city's smaller size favourably with that of London, as it is on a more personal scale which also makes it much easier to network. The presence of good universities, well integrated into the city's civic life, appear to play a major role as a pre-condition for the formation of further social networks.

However, 'soft' factors are much more difficult to evaluate than hard factors. Here it is important to distinguish between different types of soft factors. On the one hand there are conditions about which policies cannot do anything – those which relate to the natural assets of the city such as its location in a favourable natural environment or the climate it enjoys. On the other hand, there are factors such as openness and tolerance that can be promoted or improved by political decision-making.

No specific expectations of the 'creative class'?

The fact that the availability of jobs and affordability of housing are key considerations for individuals choosing to locate in the majority of the ACRE cities and that worries include personal safety, the efficiency of the urban transport system and the related issues of traffic congestion and air pollution, indicate that those surveyed may not differ much in their locational requirements or worries than those of the rest of the population. This contradicts again Florida's thesis of the specific needs of the 'creative class'. Moreover, the above underlined lack of mobility as well as the role of 'soft' factors as *retention* rather than attraction factors, tend to confirm that policies should not only focus on the attractiveness of the city for a 'creative class' coming from outside but should be oriented towards inhabitants who already live and work in the city.

This leads us to consider the complex issue of urban governance and the integration of various, often contradictory, objectives such as the need to increase competitiveness, tackle social exclusion and preserve environmental resources.

Policies focusing purely on economic competitiveness risk the growth of social disparities within urban areas. This is one of the criticisms made of Florida's theory (see Malanga, 2004; Peck, 2005; Scott, 2006). The elitism associated with the concept of 'creative class' also tends to enliven the debate about social polarisation associated with economic restructuring. For instance, Thanki and Jefferys (2007) describe the informal labour market of the media industries in London and show how the need for personal contacts to find work and the precariousness of the workforce have reinforced the dominance of the industry by a white middle-class elite.

The issue of scale

The 'competitiveness-cohesion' binary, which is at the heart of the current debates about governance, has been scrutinised in a recent book in relation to a European research project running between 2004 and 2007 (COST Action A26). The authors comment on the rescaling process that has gone hand-in-hand with globalisation – characterised by open markets, removal of barriers to trade, investments and migration of labour. Cities have become 'key territories for current capitalism' and 'place competition has become a key driver of spatial and urban policy'. At the same time, cities and regions are forced to redefine their objectives, their means, their institutions and their positions as socio-political units (Ache *et al.* 2008: p7).

The new meanings of local and regional systems have been highlighted in a context of globalisation and it has been concluded that this should not be regarded as separated from

global processes (Musterd *et al.*, 2007). The analysis highlights the need to take into account the city, the city-region and the wider regional scale, both in geographic and in political-administrative terms, as well as the need to consider 'smaller areas (sometimes neighbourhoods with specific characteristics) which either do or do not fit the requirements of residents and firms and thus demonstrate dynamic economic transformation or fail to do so' (*ibid*: p30).

The new importance of cities and regions in the global economy and the re-scaling process it entails let the neighbourhood appear as a new object of attention. One of the ACRE findings relates to the idea that if soft factors do not influence people's choice to settle in a particular city, they might determine why they choose a certain district within an urban area (Martin-Brelot *et al.*, 2010). The findings indicate that creative workers seem to be more demanding in terms of cultural offer and social environment while knowledge workers are more sensitive to hard factors (nearness to job; transportation networks etc). This has implications for policy makers who may wish to favour certain types of industries or individuals. Particularly in terms of scale, interventions at the neighbourhood level may be required to meet the needs of creative people, whereas strategies at the metropolitan and/ or regional level might more suit a strategy targeting the development of knowledge intensive activities.

On the basis of the outcomes of this analysis and the interviews and surveys that have been carried out in the previous ACRE work packages (WP5, 6, 7 and 8) and ACRE synthesis reports (WP3 and WP9), as well as interviews carried out with key policy makers and influencers/ expert stakeholders as part of this current work package (WP10), current policies and strategies will be evaluated against actual dynamics in the regions involved. Attention will be paid in particular to the institutional dimension and the role of different organisations (government, public support agencies, universities etc.) and the mode of governance in a comparative perspective.

2.2   Governance approaches

The purpose of this sub-section is not to review in details the different governance approaches and methods but to highlight key issues regarding comparative studies and identify a common ground for a comparative analysis of case studies.

2.2.1   *The diversity of governance concepts and theoretical approaches*

Over the past decades a number of theories and approaches have been developed within what has been referred to as a paradigm shift from government to governance. Prominent urban governance approaches include the American 'growth-machine' and 'urban regime' theories (and the related notion of 'urban growth coalitions') (Stone, 1993 and 1989; Elkin, 1987; Stoker, 1995). These approaches rely on the notion of 'policy networks' which is based on the (contentious) assumption that political processes are not controlled by state actors alone and that governance increasingly depends on the interaction of public and private actors (Davies, 2002). Policy network analysis 'attempts to explain policy development by examining

networks of actors concerned with a given policy problem, across the public and private sectors and throughout different levels of governance' (Mikkelsen, 2006: p17-18). Whilst all analyses use the network as unit of analysis several approaches have been developed (ibid.). The term 'policy network' can also be understood as 'a generic label that embraces different forms of relations between state actors and private actors' (Kriesi *et al*. 2006: p341).

2.2.2   *The difficulty of conducting comparative studies*

The comparative study of policies and strategies raise a number of theoretical and methodological issues that have been summarised within the context of a study of two German and two U.S. cities[2]: 'an over-dominance of deductive approaches, the lack of explicit methodological guidelines and the less than rigorous application of what has become a multitude of overlapping theoretical concepts.' (Gissendanner, 2003: p3).

Whereas it is acknowledged that deductive studies make a valuable contribution to theory building, it is also pointed out that the use of different concepts for qualitative descriptions inhibits case comparisons. In addition the literature on prominent urban governance approaches such as the 'growth-machine' and 'urban regime' theories in particular are said to provide few explicit methodological guidelines and the authors that applied them do not usually specify the methodology they use, which also makes the comparison difficult[3]. Finally, the concepts used by the researchers may differ from the one originally defined in the source texts (*ibid.*).

According to some scholars the dominant urban governance approaches present some shortcomings as well. The urban regime theory has been criticised in a number of aspects: its focus on political management and arrangements of internal governance coalitions and its failure to move beyond 'middle-level abstractions'; its tendency to overlook the role of higher level governments; a rigid and static conceptualisation of the division of labour between state and the market and the subsequent underestimation of the potential role played by the local state and community-based organisation in capital accumulation; as well as a narrow vision of the private sector that does not take into consideration small businesses as increasingly vital actors in the post-industrial era (Imbroscio, 1998; Gissendanner, 2003). Other criticisms of the urban regime theory underline the fact that it does not take into consideration the discursive dimension of partnerships and the power relationships (this is particularly relevant in urban regeneration policies, see Atkinson, 1999). The 'growth machine' approach has been criticised for its emphasis on the business communities and land use decision-making. Scholars also argue that the efficacy of local political structures and formal politics is not adequately considered and that the connections between the local state and the national state are neglected (Fox Gotham, 2000). Both approaches have been criticised for their under-estimation of local political conflicts.

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[2] This study aimed at analysing the different ways in which cities respond to de-industrialisation and at exploring why some would respond in a relatively more strategic fashion.

[3] In addition to the fact that these theories are based on the U.S experience and context and do not necessarily fit the European ones.

The relevance of approaches in term of 'policy networks' in the context of European cities has also been critically explored (see Davies for an analysis of the inadequacy of the term 'governing by networks' to describe the politics of urban regeneration in the UK). The debates revolve around the role and influence of public actors, in particular the national state, in sub-national affairs. The relative prevalence and power of 'autonomous governing networks' in different political systems, is also put into question (Davies, 2002).

Following these shortcomings some authors have called for a more inductive approach that requires qualitative methods 'that better uncover structural details of governance networks in ways that are less dependent on particular general concepts or on a logic of data selection that is independent from particular cases. Case study data must also be presented in ways that ease comparison' (Gissendanner, 2003: p6). We have adopted such an inductive approach in order to describe and analyse simple structural aspects of networks through a set of common questions.

2.2.3   Defining a common ground for comparative work

We have chosen to present a set of common questions to be answered in every case study rather than a single theoretical approach. A broad definition of 'policy network' is proposed. This set of common questions builds on various studies of networks that have been developed to analyse European policies (Kriesi *et al.*, 2006; Peterson and Bomberg, 1999; Peterson, 2003; Rhodes, 1990 and 1997).

The aim of this analysis is to identify and describe network structures and functioning, including:

- The stakeholders involved in the development and implementation of economic development policy, including identifying who is the most influential;

- The nature of stakeholder interactions;

- How and to what extent the structure and functioning of networks 'may explain policy choice, democraticness, strategicness, openness to new policy ideas, effectiveness, and so on' (Gissendanner, 2003: p15).

3 **RESEARCH DESIGN AND METHODOLOGY**

A qualitative approach to inquiry was applied in this work package. First we undertook a desk-based review and analysis of existing national (UK), regional (West Midlands) and city-level (Birmingham) policy and strategy documentation. Due to the complexity of the UK policy-environment, and the cross-cutting nature of creative and knowledge-based industries, this review included key national, regional and local strategies specifically relating to the development of cultural, creative and knowledge industries as well as those focusing on more 'mainstream' economic development and spatial planning strategies etc. At each level, we also developed an overview of the key stakeholders who are directly involved in influencing the policy making processes, and their relationships, setting out the policy framework within which they operate.

Following our desk-based analysis, we undertook a series of 16 semi-structured interviews with key policy makers and influencers/expert stakeholders in Birmingham and the West Midlands region (Table 3.1).

Table 3.1 - Interviews with key policy makers and influencers/expert stakeholders

Birmingham City Council	Business and Enterprise Manager
Birmingham City Council (Ex)	Head of Creative Development
Advantage West Midlands	Cluster Manager (Digital)
Advantage West Midlands	Cluster Manager (ICT)
Business Link	Sector Development Director
Arts Council England West Midlands	Executive Director
Be Birmingham	Cultural Partnership Manager
Jewellery Quarter Partnership	Operations Director
Audiences Central	Director
Creative Alliance	Director
Digital Birmingham	Strategic Change Manager
Marketing Birmingham	Operations and Policy Director
Creative Republic	Board Member
University of Birmingham	Pro Vice Chancellor
Birmingham City University	Corporate Development Manager
Aston University	Pro Vice Chancellor

These individuals represented local and regional government, parastatal agencies; sector support agencies, the private business sector; Universities; and sector representative bodies and were chosen to reflect the range of interests involved in policy-making in the city-region. All interviewees held senior positions e.g. chief executive or policy director level, and they had been in post for sufficient time to reflect meaningfully on the design and implementation of local and/or regional policy. Some of the interviewees were members of the ACRE local partners' network, while others had been involved in previous ACRE work packages. However, the final selection was a pragmatic one, based on individuals' availability to be

interviewed during January and early February 2010. Due to the large number of organisations involved in the policy-making environment in the city-region, it was impossible to include all stakeholders in the city-region.

The topic guide was developed around issues raised by previous ACRE work packages (WP5, 6, 7, and 8), and was based around the evaluation of different policy and strategy approaches in the city region. Interviewees were asked to provide insights and assessments of:

- What they considered to be the most important features of the policy environment;

- The extent to which formal policy and strategy had contributed to the development of an 'effective' creative-knowledge city;

- Their experience of designing and implementing policy and strategy;

- The difference that policy and strategy had made 'on the ground';

- The nature, extent and value of professional and social networks within and beyond Birmingham in helping their organisational or businesses' activities;

- The nature of any policy gaps or misalignments.

We also asked policy professionals to reflect on what they had learned from their experience(s) of the policy processes and provide their thoughts on the future direction of policy and practice.

The majority of the interviews were conducted at the offices of the interviewee, while some were conducted at a more informal common meeting place. The duration of interviews was on average 45 minutes and all of the interviewees agreed for the conversation to be recorded. The interviews were transcribed in full, either in-house or externally using a transcription company based outside the region, and then 'anonymised'. For each interview, notes of the most important statements and details about the interview situation were also produced in addition to a full interview transcript.

Finally, we reflected on the key findings from the policy-maker interviews with those of the target groups interviewed and surveyed in WP5, 6, and 7.

4 ANALYSIS OF CONTEXT, POLICIES AND STRATEGIES IN BIRMINGHAM AND THE WEST MIDLANDS

The ultimate goal of an 'effective' creative economy is to enhance competitiveness in city-regions by establishing creative, knowledge intensive activities. To achieve this, city-regions have to meet specific requirements to attract talent (the human capital of a region) and businesses to invest in that region. Hence so called 'hard' and 'soft' location factors can be identified as an important input in the development of the creative and knowledge-based economy (CKE).

4.1 Characteristics of the urban economy

4.1.1 Introduction to the West Midlands Economy

The West Midlands has traditionally been known as the industrial heartland of the UK, with an economy heavily associated with manufacturing, particularly automotive; aeronautics; metal processing and manufacture; plastics and rubber; food and drink (especially cocoa and chocolate confectionery); electronics and telecommunications engineering; and ceramics. The full employment economy that this created in the city in the 1950s, 1960s and 1970s attracted migrants from around the world. However, the Region has been severely affected by continuing restructuring and de-industrialisation over the last thirty years, brought about by low productivity and strong overseas competition in the manufacturing industries, which led to high levels of widespread, long-term unemployment in the region, particularly during the mid to late 1970s and 1980s. Between 1978 and 2002, two-thirds of jobs in manufacturing were lost with numbers employed in the sector falling from 250,000 to 81,000. Since the mid-1980s, however, there has been a regional recovery in terms of employment and a major factor in this has been the steady growth of employment in the service sector. However, there have also been significant challenges associated with this intense restructuring period including:

- A weak record of employment generation;

- A decline in sectors employing the majority of male manual workers;

- A large body of residents without marketable skills or service sector experience creating a solid core of long-term unemployment and non-employment;

- A workforce without the tradition of self-employment;

- A residual stock of out-dated industrial property and congested sites;

- A relative lack of a modern resident skilled workforce making it difficult to attract knowledge based sectors

(Parkinson, 2007a: p6).

Much of the service sector growth has been focused around Birmingham, commencing with an ambitious strategy of economic and physical regeneration the 1980s and 1990s which formed the catalyst in the transformation of the industrial/financial/service base of the city. Since the mid-1980s, Birmingham has tried to establish itself as an important exhibition and conference centre, notably with the construction of the International Convention Centre (ICC) and the National Exhibition Centre (NEC) and has focused on 'business tourism' to boost service sector employment. Nonetheless, it is only in within the last decade or so that the expanding service sector has made a significant impact on the city and region in terms of Gross Value Added (GVA) and this has corresponded with substantial employment growth in the financial and professional business services sector.

Although there have also been attempts to diversify Birmingham's industrial base by developing new, high value, high growth activities such as telecommunications, biomedical, and computer software/hardware services, the economy of the city and the wider region remains at risk because of the continuing over-dependence on low-value manufacturing sectors as well as problems associated with declining employment in the fragile automotive industry (Parkinson, 2007a; see also Birmingham Science City prospectus, AWM, 2007b). Despite the growth in the service sector, manufacturing is still more important within the economic structure of Birmingham and the West Midlands than in any other region in the UK, accounting for 14.7 per cent of regional employment compared with 10.9 per cent nationally, despite a dramatic drop in employment figures for 2005 due to the collapse of MG Rover.

Table 4.1- Employment by sector - Birmingham, West Midlands and Great Britain 2006

	Birmingham 2006	W. Midlands 2006	Great Britain 2006
Total Employment in the Economy (000s)	**491,841**	**2,377,433**	**26,320,590**
1: Agriculture and fishing (SIC A,B)	0.0	0.9	0.9
2: Energy and water (SIC C,E)	0.3	0.5	0.6
3: Manufacturing (SIC D)	11.4	14.7	10.9
4: Construction (SIC F)	3.5	5.0	4.8
5: Distribution, hotels and restaurants (SIC G,H)	24.0	23.7	23.5
6: Transport and communications (SIC I)	4.7	5.6	5.9
7: Banking, finance and insurance, etc (SIC J,K)	21.2	17.8	21.2
8: Public administration, education & health (SIC L,M,N)	30.1	26.6	26.9
9: Other services (SIC O,P,Q)	4.8	5.1	5.3

Source: ONS, Annual Business Inquiry, 2006.

However, as Table 4.1 indicates, employment in service sector industries now far exceeds that in manufacturing, accounting for over three quarters of total employment in the Region. In 2006, the West Midlands had the largest business and professional service (BPS) sector outside London although a significant share of this is concentrated in and around central Birmingham. Birmingham also has a particularly large proportion of public sector employment, notably in health and education (30.1 per cent compared with 26.9 per cent nationally). There is also a high proportion of low-skilled service sector employment, particularly in the hotel and restaurant sector.

Table 4.2 - Employment by occupation - Birmingham, W. Midlands and G. Britain; 2008

Occupation	Birmingham	W. Midlands	Great Britain
Soc 2000 major group 1-3	**41.3**	**39.4**	**43.2**
1 Managers and senior officials	13.5	14.7	15.7
2 Professional occupations	14.2	12.0	13.0
3 Associate professional & technical	13.6	12.7	14.5
Soc 2000 major group 4-5	**20.5**	**23.8**	**22.2**
4 Administrative & secretarial	12.5	11.9	11.4
5. Skilled trades	8.0	11.9	10.8
Soc 2000 major group 6-7	**16.9**	**15.6**	**15.8**
6 Personal service occupations	8.6	8.0	8.2
7 Sales and customer service	8.3	7.6	7.6
Soc 2000 major group 8-9	**20.6**	**20.9**	**18.5**
8 Process plant & machine operatives	7.9	8.5	7.1
9 Elementary occupations	12.7	12.4	11.4
Total	99.3	99.7	99.7

Source: ONS Annual Population Survey, 2008

Note: Data has been re-weighted in line with the latest ONS estimates therefore does not sum to 100%

While Birmingham and the West Midlands lag behind the national figures in terms of managerial and professional occupations, the gap has narrowed. In 2008, 41.3 per cent (up from 36.3 per cent in 2006) of occupations in Birmingham were in this category compared to 43.2 per cent (42.2 per cent) nationally (see Table 4.2). Birmingham has a slightly higher proportion of occupations in personal service and sales (16.9 per cent compared to 15.8 per cent nationally) and elementary or process occupations (20.6 per cent compared to 18.5 per cent nationally).

Although the general picture appears to be healthy, the data is recording trends before the real impact of the credit crunch and worldwide recession (see below). There is an underlying structural problem associated with skills gaps in the region with the shifting economic profile of the Region demanding different skills sets (LSC, 2005). The working age population in the West Midlands is recognised as having major skills deficiencies, which are most pronounced in Birmingham. Although there are parts of the region with highly skilled and qualified populations, the general skills deficiency, low levels of productivity and competition are seen as key factors in explaining why the West Midlands lags behind other regions of the UK and Europe in terms of economic growth (Bryson and Taylor, 2006).

4.1.2   Creative industries in the Birmingham economy

In 2006 there were 27,519 CIs jobs in the City, representing 5.6 per cent of the Birmingham economy (ONS, Annual Business Inquiry, 2006). In terms of employment, Arts/Antiques (25.6 per cent) and Architecture (26.1 per cent) dominate, followed by Computer Software (19.5 per cent)[1]. Of the other CIs sub-sectors in Birmingham, Music and Visual and

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[1] However statistics for Arts/Antiques and Architecture sub-sectors need to be interpreted with caution, as these two categories contain branches which can neither be regarded as creative nor as knowledge intensive. For example, the SIC codes covering architecture include many activities related to machinery and industrial plan

Performing Arts (9.9 per cent); Screen Media and Radio (8.7 per cent); and Advertising (5.1 per cent) are less important in absolute job numbers – Table 4.3.

In 2004, Birmingham CIs contributed 8.7 per cent of the city's GVA (Lutz *et al*, 2007). However, there are significant differences within sub-sectors – with some performing better than others. The largest sub-sectors within CIs in Birmingham as measured by GVA are Software (35 per cent) and Architecture (31.9 per cent); Radio & Television (9.8 per cent) and Advertising (6.6 per cent) are next, while Music and the Visual and Performing Arts contributes least (1.1 per cent) (ONS, Annual Business Inquiry, 2005).

Table 4.3 - Employment in Creative Industries - Birmingham (2006)

	number	% CIs employment	% total employment
Advertising	1,408	5.1	0.3
Architecture	7,189	26.1	1.5
Arts and Antiques	7,042	25.6	1.4
Designer Fashion	563	2.0	0.1
Video, Film & Photography	848	3.1	0.2
Music and the Visual & Performing Arts	2,712	9.9	0.6
Publishing	863	3.1	0.2
Computer Software	5,357	19.5	1.1
Radio and Television	1,537	5.6	0.3
Total CI employ	**27,519**	100.0	
Total employ	**491,841**		
CI employ as proportion of total employ			**5.6**

Source: ONS, Annual Business Inquiry, 2006

In 2006, there were 3,638 Creative firms in Birmingham according to the Annual Business Inquiry (ONS, Annual Business Inquiry, 2006). This number represented around one tenth of all firms in Birmingham. Arts and Antiques (1,188 firms), Architecture (782 firms) and Computer Software (711 firms) are the sectors with most number of firms in Birmingham. In comparison, there are 108 Publishing firms and 166 Advertising firms in the city.

Available national data sets do not capture small companies below the VAT threshold or freelancers. It is estimated that around a third of CIs (31 per cent) are not registered for VAT in Birmingham and there are thought to be approximately 21 per cent freelancers in the CIs sub-sectors (Burfitt *et al.*, 2006). Not only does this indicate the importance of freelancers and self-employed people in the CIs sectors in Birmingham, it indicates that official figures underestimate, by nearly a third, the number of CI firms in the City.

Around 89 per cent of CIs firms in Birmingham have less than 10 employees. This is a higher proportion than found in the local economy as a whole (80.3 per cent) but lower than nationally for creative firms (92.1 per cent). Firms in Screen Media and Radio; Publishing; and Music, Visual & Performing Arts were more likely to have medium and large firms.

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design. It is difficult to extract from the SIC codes covering Arts/Antiques the creative parts of this sector, but it is likely that much of it refers to sales activities.

Overall, 0.4 per cent of CIs firms had more than 200 employees in 2005 - above the national average of 0.2 per cent (ONS, Annual Business Inquiry, 2006).

Similar to the CIs sector in the UK as a whole, the sector in Birmingham is also dynamic: 48 per cent of firms were created in the last 10 years (Burfitt *et al.*, 2006). Furthermore, more than 5 per cent of firms were created in the last three years in Publishing, Software, Screen Media and Radio and up to 8.2 per cent in Music and Performing Arts.

4.1.3   Knowledge- intensive industries in the Birmingham economy

Finance, Law and Other Business Services together with R&D and Higher Education are also important sectors in Birmingham's economy. These sectors have been part of the regeneration strategy pursued by the City and are sectors with a higher concentration of jobs in the City than the national average. Law and Other business services dominates, with nearly half (49.4 per cent) of Knowledge Industries (KIs) employment in the city, followed by Finance (27 per cent). Higher Education and R&D makes up 17.4 per cent of employment in the sector (nearly all accounted for by Higher Education), while ICT (excluding software) accounts for the remaining 6.2 per cent of KIs employment – Table 4.4

Table 4.4 - Employment in Knowledge-intensive sectors – Birmingham (2006)

	number	% KI employment	% total employment
Financial intermediation	20,926	27.0	4.3
Law and other business services	38,346	49.4	7.8
R&D and higher education	13,471	17.4	2.5
ICT (excluding software) [1]	4,839	6.2	1.0
Total KI employ	**77,582**	**100.0**	
Total employ	**491,841**		
KI employ as proportion of total employ			**15.8**

Source: ONS, Annual Business Inquiry, 2006

Notes: [1] This calculation is based on: 3002: Manufacture of computers and other information processing equipment; 7210: Hardware consultancy; 7230: Data processing; 7240: Data base activities; 7250: Maintenance and repair of office, accounting and computing machinery; 7260: Other computer related activities; 6420: Telecommunications

The Finance sector accounted for 4.3 per cent of the city's employment (20,926 employees) in 2006. This was down from 4.9 per cent in 2005. However, it is still well above the national average for employment (3.9 per cent) in this sector (ONS, Annual Business Inquiry, 2006). Law and Other Business Services accounted 7.8 per cent of employment (38,346 employees). Again, this proportion is higher than the national average (7.0 per cent of employment) for 2006. There were 13,461 jobs in Higher Education and R & D in Birmingham in 2006 corresponding to 2.7 per cent of the city's employment, which was slightly above the national average of 2.5 per cent. Finally, there were 4,839 ICT jobs (excluding software). This represented 1.0 per cent of employment, below the national average of 1.6 per cent. In total, KI employment represents 15.8 per cent of Birmingham employment, which is only slightly above the national average of 14.9 per cent.

There were 4,843 firms in KIs sectors in Birmingham 2006, with the majority (63 per cent) in Law and Other Business Services. Firm size varied across sub-sectors: while more than two thirds (68 per cent) of Finance firms had fewer than 10 employees, only half (52 per cent) of Law and Other Business Services firms have this number of employees. However, 7 per cent to 9 per cent of firms in both these sectors also have more than 50 employees which is higher than the average for firms in the Birmingham economy (5.2 per cent with more than 50 employees). This indicates the presence of a very mixed sector where many small firms operate alongside large, national and international branches (e.g. Ernst and Young, KPMG, Deloitte, Barclays, Lloyds, Baker Tilly, Andersons).

4.1.4 The impact of the recession on the Birmingham and the West Midlands economy and the role of creative and knowledge intensive industries post 'credit crisis'

There are also risks associated with a concentration of employment in the Finance and banking sector, notably potential job losses resulting from increased productivity and 'off shoring' of activity (Parkinson, 2007a).

The effect of the recent recession means that the West Midlands Region faces a number of new challenges, particularly in the short term (WMRO, 2009a). Unemployment, already higher than the UK average for most of the decade, accelerated at a faster rate than nationally In June 2009, the West Midlands had the highest unemployment rate, measured by the claimant account, of all the regions in the UK (IER, 2009)[2]. The official ILO measure of unemployment in the region was 10.4 per cent compared with a 7.9 per cent average for England (June to August 2009 comparison). Unemployment in Birmingham in December 2009 stood at 12.9 per cent. Significantly, young people have been the worst affected age group in this recession, seeing the biggest increases in their unemployment rates. There are now over 57,000 young people (aged 18–24) in the region claiming Jobseeker's Allowance, equating to more than one in ten young people (claimant rate 11.1 per cent) according to Office for National Statistics (claimant counts). This is the highest youth claimant rate among the English regions (IER, 2009).

Despite initial concerns that the recession would impact on professional and other 'white collar' jobs to a greater extent - given the focus on the loss of jobs in the financial services sector - the characteristics of job losses appear similar to those of previous recessions: job losses are being concentrated in areas which have already suffered a long-run decline in employment, such as manufacturing, and this is likely to be accelerated further, with knock-on effects to other industries which provide a range of services to the sector, and it is the less skilled and qualified who are most at risk of being unemployed (IER, 2009). By 2020 there is expected to be considerable change in the industrial composition of employment: manufacturing employment will continue to decline and employment growth will be limited mainly to construction and services (including some parts of the public sector) (IER, 2009).

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[2] The following information is taken from Warwick IER Recession Watch: West Midlands; http://www2.warwick.ac.uk/fac/soc/ier/recession/; accessed 23/10/2009

Related to the change in the industrial composition of employment will be changes in the types of job people undertake. There is predicted to be a continued decline in skilled manual work which will be offset in the growth of relatively highly skilled jobs (managers, professionals, and associate professionals) and many relatively less skilled jobs (caring/personal service occupations). In general, highly skilled jobs are projected to grow less in the West Midlands than nationally; and caring type jobs are expected to grow more. This has been characterised as an increasing polarisation of labour demand with a thinning out of jobs in the middle (IER, 2009) and has significant implications in terms of providing appropriate skills and training for local people.

Before the downturn, the creative industries sector had been highlighted as a key sector for future economic growth and regeneration in a local as well as a sub-regional context. They have since been identified by the UK Government as 'key to economic recovery' due to their significant economic output, and their role in creating a digital infrastructure described as 'fundamental' to the future competitiveness of British business (DCMS, 2009). Nonetheless, it is unclear what effect the recession has had on the creative sector in the West Midlands and how it will fare in the future. Very little research has been carried out to date at either a city or regional and so the picture is, at best, patchy. In order to improve intelligence, however, the West Midlands Chambers of Commerce have now altered their Quarterly Economic Survey to include a 'cultural/creative' firm category. It is envisaged that this will lead to a more detailed understanding of the resilience of the Region's cultural and creative sectors in future.

Anecdotal evidence suggests that the recession created favourable conditions for some types of cultural organisations (e.g. historic houses, museums, leisure centres, cinemas) and less favourable conditions for others (e.g. some performing arts organisations and arts centres) (WMRO, 2009b). However, in the current economic climate, local cultural sector organisations are facing increased competition for smaller amounts of funding. Local authorities have made cuts to arts, culture and tourism budgets and/or small grants programmes. This coincides with a reduced Advantage West Midlands budget and withdrawal of funding to the Advantage Creative Fund as well as reduced funding from private investment. Furthermore, the number of advertised cultural and creative sector vacancies has dropped to nearly half what it was during the same period in 2008. This 'reining in' of recruitment is thought likely to have an impact on jobseekers and particularly recent graduates (WMRO, 2009b).

Used as a 'proxy' to determine the effect of the recession on the West Midlands creative economy research commissioned by SEEDA (SEEDA, 2009) into the impact of the downturn on creative industries based in the South East of England indicates that the sector is likely to be hit harder than other sectors of the economy, due to the high number of micro-businesses and SMEs that constitute the sector and its supply-chain linkages with some of the most severely hit sectors of the economy (such as construction in the case of the architecture industry). The creative industries are also likely to be impacted directly by falling consumer spending and the shortage of credit. Nonetheless, in the medium to long term, the creative industries are viewed as 'well placed to prosper' if they collaborate with the 'innovative industries' such as software and computer gaming. This finding is particularly significant

given the strength of the West Midlands' software, digital media and computer gaming industries.

4.1.5   Recent Assessment of the Birmingham Knowledge Economy (Since ACRE WP8)

In the context of the recent economic downturn, Birmingham City Council commissioned a number of briefing reports on the potential for knowledge-based industries to drive local growth. A study by the Centre for Cities published in December 2009 confirms that the impact of the recession on Birmingham has been more significant than in other core UK cities and forecasts that it could be more than a decade before employment returns to 2008 levels (Aldred, 2009). A number of important messages emerge from this study for Birmingham, but most significantly in terms of the potential of the creative-knowledge economy, the report found that:

> *'The creative and digital industries are small in both relative and absolute terms. The sector employs fewer than 7,000 people in the city core, less than two percent of all employment and fewer than are currently employed in the automotive sector.'*
>
> (Aldred, 2009: p11)

Drawing in part upon work undertaken in 2009 by CURS for Birmingham City Council on the potential role of the local Universities (Birmingham, Aston, Warwick and Birmingham City), the Centre for Cities research confirms that these institutions have a key role to play in the further development of the knowledge-based industries in the local economy but that:

> *'....high skilled workers tend to be more mobile and will only remain in the city if there is a good quality of life offer around housing, education, health, transport, crime and security, as well as sufficient financial rewards. Importantly, higher wages mean a willingness to commute further distances and an increased demand for larger houses and high quality neighbourhoods. Delivering a good quality of life offer for high skill workers therefore has policy implications for the whole city region, not least to ensure that the type and location of housing is responsive to demand.'*
>
> (Aldred, 2009: p12)

Although the knowledge-based industry definitions used in the Core Cities research (using those sectors classified as knowledge-intensive by Eurostat) do not readily represent the particular industry segments of relevance in the Birmingham ACRE case study (computer games, software, new media, film and music, knowledge-intense business services), the presentation of Birmingham's comparative performance using these industry indicators is informative. Table 4.5 compares the performance of Core Cities in England across three dimensions of the knowledge economy.

Table 4.5 - Birmingham's performance in the knowledge economy

Core City	Knowledge Industries (2007)	Knowledge Workers (2008)	Knowledge Occupations (08-09)	Knowledge Index(GB=1)
London	51.8%	37.6%	55.4%	1.24
Bristol	48.6%	31.9%	48%	1.10
Nottingham	48.2%	28.3%	41.7%	1.02
Manchester	43.1%	25.1%	42.5%	0.95
Liverpool	46.3%	23.4%	40.8%	0.95
Leeds	42.9%	26.1%	40.3%	0.94
Tyne&Wear	44.5%	24.1%	38.3%	0.92
Birmingham	42.6%	22.3%	41.9%	0.92
Sheffield	41.9%	24.6%	38.3%	0.90
Great Britain	**43.8%**	**29.0%**	**43.5%**	**1.00**

Source: Aldred, 2009: p9; Data used from ONS, Annual Business Inquiry; ONS, Annual Population Survey. Data for London is at regional level.

Notes: Definitions used in the Core Cities report: **Knowledge Industries**. All economic activity is to some extent dependent on knowledge inputs like technology and human capital, but some use them more intensively than others. This specific measure records the proportion of the workforce employed in the sectors classified as knowledge-intensive by Eurostat; **Knowledge Workers**. This measures the proportion of residents with high-level skills, defined as NVQ4 qualifications or higher; **Knowledge Occupations**. This measures the proportion of the workforce in the most knowledge-intensive occupations (SOC codes 1-3); **Knowledge Index** is calculated as an un-weighted average across the three measures.

The trajectory of the Birmingham city-region economy and the CKE in particular needs to be seen in the context of a broader set of spatial economies. The West Midlands' proximity to London and the South East as well as to Manchester in the North West provides evidence of what has been termed a 'growth shadow effect' (Cheshire *et al.*, 2004) which results from competition and displacement to adjacent 'successful' regions and may be one explanatory factor for skills deficiencies, low levels of productivity and competition and low economic growth in the West Midlands compared to other regions of the UK. Cheshire *et al.* (2004) have shown that, all things being equal, a city-region such as Birmingham will grow less rapidly where it is adjacent to more rapidly growing regions.

The impact of 'growth shadows' may result in a number of consequences for a city-region such as Birmingham. Firstly, as noted above, the Finance and Law sectors in Birmingham are well above the national average in terms of share of jobs in the economy. However, it is their type of specialism which is crucial to understanding the trajectory of the economy and longer terms outcomes. During a recession, specialist services, production techniques and jobs in 'traditional' growth regions (eg: London and the South East) will be protected at the expense of less specialist services delivered within the provinces; secondly, improvement in skills through regeneration and targeted area based initiatives may result in higher levels of unemployment and disadvantage in the target population as people with new skills leave the area and take up employment in labour markets outside the 'shadow' (Cheshire, 2007). Evidence of vulnerability in the Birmingham economy has recently been provided by the Local Government Association in a report on the risk to local economies from the credit crunch and recession (LGA, 2008). The LGA have highlighted the Birmingham city-region economy as having one of the highest vulnerability ratings of all local economies in the UK given its high dependence on retail and financial services based employment.

Clearly, the vulnerability of Birmingham, whilst partly explained by exogenous, growth shadow effects is also explained by endogenous factors. In the North West, the principal regional centre is Manchester which competes with Birmingham for the mantle of 'second city' and provides a good example of how the city-region of Greater Manchester has developed governance arrangements that have been effective in re-branding and boosting productivity of the city-region (Harding *et al.*, 2004). The reality has been that the Birmingham and the West Midlands have been less successful in launching themselves as a city-region in the same way that Manchester and other northern cities have. Within the city-region, economic growth has been concentrated in the east and south east which have benefited from the growth of the city centre, the airport and the main universities. The west of the city region, in particular the Black Country, has been less successful in finding new high-value added economic sectors to replace the declining manufacturing base. It is particularly salient that reference to a Greater Birmingham would not yield political support in the same way that Greater Manchester has been used to demonstrate unity and provide a mechanism for co-ordination and economic strategic development through the City Region Development Programme. The combined effect of the credit crunch, the 'growth shadow' and underlying structural issues noted above have exposed Birmingham to additional vulnerabilities.

4.2 Analysis of current strategic policy documents/visions for local and regional economic development

4.2.1 Introduction

Cities and regions in the UK have become an increasingly important focus of government policy since the 'New' Labour government came to power in 1997. In particular, concern with the economic roles and relationships between London and the eight core cities[3] and their (potential and actual) contribution to national economic competitiveness has grown enormously – rather than liabilities, cities are now seen as drivers of the national economy, with the UK government committed to delivering 'urban renaissance' (Parkinson, 2007b). There has been a significant change in policy environment, and a widening of policy focus around cities and regions from issues such as social exclusion or environmental decline to urban economic competitiveness, in an attempt to narrow the gap between London and the Core Cities and improve their performance in terms of educational qualifications, innovation, skills and wealth creation. A particular emphasis has been on developing the creative and knowledge economy (CKE) as an engine of economic growth.

Locally led regional policy is a key element of the Government's economic and social strategy. The decentralisation of economic policy aims to ensure that regional policies are geared to local economic conditions and designed to meet local and regional objectives. At the same time these regional policies need to be aligned with overarching national policy objectives and national policy constraints imposed by the central Government. However, the

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[3] Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield, which are largely manufacturing and industrial-based cities undergoing economic restructuring.

Government focus on evidence-based policy means that regional policy often influences policy at the national level.

Despite recent attempts to simplify and provide a more 'joined-up' approach to policy-making and policy delivery, the UK policy environment at a national, regional and city-level remains highly complex. In the West Midlands, there exists a plethora of interrelated strategies operating at both a regional and city level, all of which have varying degrees of alignment with one another. This section sets out the current policy structure, highlighting some of the key issues. It begins with a brief overview of policy at the national level and focuses on regional and city-level economic development policy in the West Midlands and Birmingham.

4.2.2   National policy

Competitiveness and the 'knowledge driven economy'

Competitiveness became a key part of national UK policy in the 1990s. The rationale was the significant and, in many cases, widening gap in the UK's investment performance relative to that of its major competitors. The 1998 Labour Government White Paper entitled '*Our Competitive Future: Building the Knowledge Driven Economy'* (DTI, 1998), built on earlier White Papers in benchmarking the UK's position against its European and global competitors. The White Paper focuses on issues of improving competitiveness of firms though innovation in products, services, processes, and applying technology and electronic commerce. It also relates to commercialisation of scientific and technological knowledge. The key is to bridge the UK's performance gap through business innovation, sustainable growth, promoting flagship programmes and encouraging an enterprise culture. This is to be achieved by opening up markets, encouraging free trade and investing in capabilities, together with providing practical support like finance. Significantly, the White Paper adopts the idea of a 'knowledge-driven economy'. This marks an important shift in political thinking and a move to dissociate Britain from its declining industrial base (Oakley, 2004). The underlying thrust of the White Paper is essentially that in a post-Fordist world, with rapidly changing technology and markets and increasingly sophisticated consumer demands, the UK needs to compete on the basis of knowledge, skills and creativity, rather than on lower costs of production. The White paper trails developments elsewhere, since in 1996 the OECD identified knowledge as the 'driver of productivity and economic growth, leading to a new focus on the role of information, technology and learning in economic performance' (OECD, 1996, p. 3).

National policy for the creative industries

An early recognition of the distinct contribution of the creative industries to the UK economy came in the 1998 '*Creative Industries Mapping Document'* and its 2001 update (DCMS 1998; 2001). This document defined for the first time the creative industries as 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual

property... [and include] advertising, architecture, the art and antique market, computer software and services, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, and television and radio' (DCMS, 2001: p3). Despite criticisms of the conceptual framework (see Scott, 2004; Pratt, 2005; Jayne, 2005) and difficulties and inadequacies in the statistical analysis[4], the Mapping Document succeeded in flagging up the growing importance of the CIs to the UK economy and in making a qualitative estimate of the economic value of the sector, by identifying the activities and economic performance of each creative industry, their potential for growth, and the key barriers to growth. The Report also identified the opportunities and threats facing these industries and helped set 'a blueprint for action for both Government and the industries' (DCMS, 2001).

The significance of the Mapping Document cannot be overestimated, as it marks the genesis of the 'creative industries' in the UK as a distinct category of 'culture' in policy terms and it served to considerably increase recognition of the importance of creative industries to the UK economy, firmly embedding creative industry development within national strategies for competitiveness and economic development nationally and regionally within the UK.

Box 4.1: Key National creative industries policy and initiatives in the UK

1998: Creative Industries Mapping Document

2000: Creative Industries Exports: Our Hidden Potential

2000: Creative Industries: The Regional Dimension

2001: Creative Industries Mapping Document 2001

2001: Culture and Creativity: The Next Ten Years'

2004: Evidence Toolkit

2005: Creative Economy Programme

2005: Developing Entrepreneurship for the CIs

2007: An Assessment of Productive Indicators for the CIs

2008: Creative Britain: New Talents for the New Economy

Source: DCMS; http://www.culture.gov.uk

Notes: Policy documents in bold; other initiatives in normal type

One of the defining characteristics of the Labour government has been its emphasis on evidence based policy. Therefore, following the two mapping documents, DCMS focused on research and developing an evidence-base for promoting the creative industries. A series of reports were produced, with the overarching aim of quantifying the economic value of

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[4] The 2001 Mapping Document (DCMS, 2001) refers to the challenges in measuring the creative industries and includes an undertaking to consider how to provide more timely, robust data to examine them. DCMS have since established a Creative Industries Statistics Group to review data sources currently used to map the creative industries, and explore the difficulties in collecting data in this area. A number of annually updated statistical reports have been published. In 2002, the RCCs and the DCMS also jointly commissioned a study to devise a regional data toolkit for the DCMS cultural sector. The result was The Regional Cultural Data Framework, published in November 2002 and updated into an Evidence Toolkit, published in August 2004.

creative-industries to the UK economy, and initiating a 'joined-up' strategic planning approach to the creative industries. Issues such as skills and training, exports, intellectual property rights, and the relationship of creative businesses with the development of the internet were addressed.

The Creative Economy Programme (CEP) was launched in 2005 to identify barriers to greater productivity within the UK CIs. CEP lies at the heart of government strategies to invest in the CIs. It is a £70.5 million, cross-departmental programme (involving DCMS, BERR and BIS) of investment in the cultural and creative industries which aims to support local, regional and international growth.

Following a lengthy evidence gathering phase, the new strategy - '*Creative Britain: New Talents for the New Economy*' (DCMS, 2008) - was published in February 2008. This document is a response to the argument that, if the UK is to continue to have a thriving creative sector, it needs to invest in creative talent, career pathways, research and business support:

> *'The vision is of a Britain in ten years' time where the local economies in our biggest cities are driven by creativity, where there is a much expanded range of creative job opportunities in every region with clear routes into creative careers from local schools and colleges, and where every young person believes they have a real choice to use their talents in a creative capacity.' (DCMS, 2008: 6)*

The strategy is based on 26 agreed commitments aiming to bring the Creative Industries from the margins to the mainstream of the UK economy under several core themes:

- **Unlocking creative talent among young people:** giving all children a creative education; turning talent into jobs; promoting a diverse workforce; creating academic hubs and centres of excellence; apprenticeships in the creative industries for 5,000 people a year by 2013;

- **Developing the creative economy:** initiatives include supporting research and innovation via Technology Strategy Boards; helping creative business grow through Creative Beacons - regional networks which aim to raise awareness of the sector, forge links and disseminate best practice etc.; helping creative businesses access finance; fostering and protecting intellectual property;

- **Supporting creative clusters**: Regional Creative Economy Strategic Frameworks and LGA and the RDAs will develop a 'menu for local infrastructure' – a menu of options to help local authorities to improve their creative infrastructure – including office and studio spaces, providing next generation broadband,

- **Promoting the UK as the world's creative hub:** focus on export and marketing strategy to 'enhance the international competitive position of the UK's creative industries'; launch the 'World Creative Business Conference'; champion London's festivals.

Current economic development policy drivers at national level

Current economic development policy drivers at national level include the **Total Place agenda** - A new initiative that looks at how a 'whole area' approach to public services can lead to better services at less cost. It seeks to identify and avoid overlap and duplication between organisations; **New Industry, New Jobs (NINJ)** – which identifies four key sectors of priority: low carbon, life sciences and pharmaceuticals (medical technologies), digital technology and advanced manufacturing; and the **Digital Britain programme** (see below). The West Midlands is involved in each of these three initiatives on strategic level influencing national policy from a local evidence base and via consultation and involvement in task groups etc. For example, AWM chairs the national NINJ task force group for Digital; Birmingham was one of the national pilots for Total Place, and Digital Birmingham provided full consultation on the Digital Britain report.

Digital Britain

The *Digital Britain* programme started in October 2008 with the ambition of securing the UK's position as one of the world's leading digital knowledge economies. The programme will carry forward the actions identified in the *Digital Britain* Report, published on 16 June, 2009 by DCMS and BERR (now the Department for Business, Innovation and Skills - BIS). This document represents the Government's strategic vision for the Digital Economy in the UK and how it will drive future industrial capability and competitiveness. Digital Britain is regarded as a 'leading exemplar' of the new model of Industrial Activism set out in '*Building Britain's Future: New Industry, New Jobs*' (BIS, 2009). Key themes from *Building Britain's Future* – modern infrastructure, upgraded skills capabilities, converting research and innovation into market-beating products and services, and smarter more joined-up Government – are all themes that feature through the *Digital Britain* Report (BIS& DCMS, 2009). The *Digital Britain* report (BIS& DCMS, 2009) contains actions and recommendations to ensure first rate digital and communications infrastructure to promote and protect talent and innovation in our creative industries, to modernise TV and radio frameworks, and support local news, and it introduces policies to maximise the social and economic benefits from digital technologies.

4.2.3   Regional policy

The policy hierarchy at the regional and city level in Birmingham and the West Midlands is outlined in Figure 4.1 (Appendix 1).
In general terms, regional and city-level policies for creative industries in the UK follow central government guidance and tend to be justified in terms of economic development and employment creation, followed by improvements in infrastructure, regeneration, tourism/events and education & training including 'talent' generation. Other policy rationales include city branding and heritage. Increasingly, creative industries strategies have multiple policy objectives, including social inclusion, access and quality of life.

The key regional strategies in the West Midlands (as in all of the English regions) are the Regional Economic Strategy (RES) and the Regional Spatial Strategy (RSS). However, in April 2010, the RES and RSS as well as other key regional strategies relating to transport, environment, housing, culture and health, will be combined into a Single Integrated Regional Strategy (SIRS). There is also a regional cultural strategy, although no regional creative industries strategy exists.

The West Midlands Regional Economic Strategy (RES) (AWM, 2007a, 2009)[5]

The RES is the main policy framework document that sets out the future development vision for the region and the plan for delivering this. Echoing Birmingham's Sustainable Community Strategy (BCC, 2008), the RES is supportive in its strategy of making Birmingham a competitive global city, supported by the region around it. The overarching vision is: 'To be a global centre where people and businesses choose to connect.' Paramount to this vision is economic competitiveness and the necessity for the region to be attractive to both investment and people in developing and retaining the capacity for economic growth. The first objective of the RES is; 'Developing markets and sectors with the most wealth and employment potential.'

The strategy has three strands: Business, Place and People. Under Business, the RES focuses on improving competitiveness and harnessing knowledge and creativity in order to compete in new global markets; under Place, the focus is on developing sustainable communities by creating attractive and enterprising places and achieving this by limiting the impact on climate change, while People is about raising ambitions and aspirations and creating a culture of employment, enterprise and learning throughout the region by improving skills.

The strategy recognises that 'the drive to attract ambitious people and businesses is becoming more intense and is increasingly driven by quality-of-life factors as well as the commercial market' (AWM, 2007a: p61). The aim is to accelerate the attraction and retention of visitors, people and businesses to the region by promoting a high quality of life and strong heritage, natural environment and cultural offer.

The RES is highly significant for the CIs as it is in this document that their development is embedded in the regional policy framework. However, AWM adopts a cluster approach to delivery of the RES[6], and despite acknowledgment at the regional level of the importance of CIs, the sector has not been designated a 'priority cluster'. Instead, the CIs have featured in cluster priorities only in respect to certain sub-sectors. The sectoral make-up of the clusters themselves has undergone significant change over the years, as the way in which clusters have been used as a tool for economic development has evolved.

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[5] There have been two previous versions of the West Midlands Economic Strategy: *Creating Advantage* (1999) and its associated action plan, *Agenda for Action* (2001) – and *Delivering Advantage* (2004).
[6] Clusters are one of the three main mechanisms for delivering the region's Economic Strategy, the other two being Regeneration Zones and High Technology Corridors.

In line with the production of the latest RES (AWM, 2007a) the cluster programme has been given a much stronger focus on specific 'target markets' – perceived key regional strengths which can develop and sustain significant market share over the long term. This has reshaped several of the original clusters and in particular the two in which CIs are most represented:

▪ Interiors & Lifestyles (formerly High Value Added Consumer Products) - covers businesses drawn from a broader collection of industries in the consumer products sector and includes craft practitioners and designer makers working on design-led manufacture, which is a regional strength. The principle of high-design, high value products serving high value market segments underpins the cluster plan. The cluster is focusing its efforts on: facilitating access to market and use of new technology or material to facilitate high value market opportunities.

▪ Digital media (formerly the Screen, Image & Sound) – is seen as the high growth part of the Creative Industries. The Region has particular strengths in games production, serious games, film and music and a growing Interactive Media sector. The cluster is focusing its efforts on developing new business models, types of content and distribution across film, television, games, audio and music; innovating new forms of digital media and exploring uses for their application; and expanding the scope of 2D & 3D gaming and virtual simulation into new markets.

Regional Spatial Strategy (RSS) (GOWM, 2008)

As the main blueprint for spatial development across the region up to 2021, the RSS (GOWM, 2008)[7] is closely aligned with the RES (AWM 2007a). The strategy's main purpose is to provide a long term land use and transport planning framework for the Region. This framework guides the preparation of local authority development plans and local transport plans. It determines (amongst other things) the scale and distribution of housing and economic development across the Region, investment priorities for transport and sets out policies for enhancing the environment.

The key features of the RSS relates to urban and rural renaissance. The continued decentralisation of population and investment away from the Major Urban Areas (MUAs) of the West Midlands (comprising Birmingham/ Solihull, the Black Country, Coventry and the North Staffordshire conurbation) and the need to create balanced and stable communities across the Region have been identified as key issues, as is the need to increase the number of high-quality homes in the Region's major towns and cities and to match this with improvements to the quality of the environment and access to high-quality, public services and transport. The policies contained within the 'Prosperity for All' section encourage the development of new high growth employment sectors, the modernisation of the Region's existing traditional industries, and establishing and maintaining a portfolio of sustainable employment sites.

Spatially, the RSS focuses on regeneration zones, high technology corridors, and a network of strategic town and city centres, and linking strongly with the RES, the aim is to increase the range and quality of business opportunities available in these designated areas.

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[7] The RSS was previously known as Regional Planning Guidance (RPG) and has replaced RPG11 (Regional Planning Guidance for the West Midlands).

Single Integrated Regional Strategy (SIRS)

In July 2007, the UK government published the *Sub-National Review of Economic Development and Regeneration* (SNR) (HM Treasury, CLG & BERR, 2007) to consider how to strengthen economic performance in the English regions. The review marked the beginning of a process to redefine the way that local authorities undertake economic development and related regenerative activities that affect their local areas. A number of proposals were announced to streamline arrangements at the regional level by changing governance structures and economy-related functions at local, sub-regional and regional level and giving RDAs and Local Authorities greater powers to respond to local challenges. Essentially, the SNR is about managing policy at the right spatial levels; ensuring clarity of roles; and enabling places to reach their potential.

The review consultation paper announced that each region's existing Regional Economic Strategy (RES), Regional Spatial Strategy (RSS) and other key regional strategies relating to transport, environment, housing, culture and health, would be combined into a Single Integrated Regional Strategy (SIRS). The primary reason for introducing the new SIRS was to ensure a closer alignment between economic development and spatial planning. The SIRS will be part of the statutory development plan for the region, and therefore used to determine planning applications and set out policies for land use.

The new SIRSs are due to be implemented by April 2010 and will set out each Region's 15-20 year vision for how and where economic growth will be delivered; focusing on the relationship between the regional economy and the key drivers of growth (enterprise, investment, employment, skills, competition, the environment, communities and regeneration) (CLG &DBERR, 2008).

The SIRS is intended to be developed using the new Local Economic Assessments (LEA) conducted by law, by local authorities. These assessments will form the evidence base prior to setting regional priorities, strategy and implementation plans, and will also give local authorities a greater sense of ownership over their Regional Strategy and implementation plans (Arnold, 2009).

West Midlands Regional Cultural Strategy (WMRCS) (CWM, 2009)

The first regional cultural strategy, '*Cultural Life in the West Midlands: Vision and Aims*' (WML, 2001) was launched in 2001 by the Regional Cultural Consortia, then called West Midlands Life and later, Culture West Midlands (CWM)[8]. This document set the framework to encourage the development of cultural activity in the Region, and was intended to provide the structure for region-wide development from 2001-2006. In 2005, a 'refreshed' action plan '*Valuing People and Places: Priorities for Action*' (CWM, 2005) was launched to provided a template for collaboration and the basis for the development of a strengthened evidence base for culture in the region.

Following the 2005 action plan were three cultural evidence papers: '*Growing the Cultural Economy in the West Midlands*' (CWM, 2007); '*Culture and Prosperity*' (CWM, 2009a) and '*Culture People and Place*' (CWM, 2009b). These documents have each been a significant

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[8] CWM closed at the end of March 2009 following a decision by the DCMS to reshape the way that sport and culture is coordinated in the English Regions.

addition to the literature and the evidence base, as they have provided - for the first time - qualitative and quantitative data and evidence showing the direct and indirect impact of culture on the regional economy and the economic competitiveness and regeneration of the West Midlands. CWM identified a number of key opportunities for growing the Region's cultural economy, including improving productivity; increasing levels of self-employment; businesses support to reach expanding domestic and global markets; improved graduate retention; and skills and training provision (CWM, 2007). The 2007 report also acknowledged the significant role of CWM in working with partners to ensure that the next iteration of the RES provided a framework for cultural bodies to more effectively contribute to regional economic initiatives in a way that also met their key cultural objectives.

4.2.4 City-level policy

Birmingham, with its international links, is perceived as the key player in the region in achieving major economic change, attracting new types of business and industry, and the City Centre is the cornerstone of the City Council's commitment to raise Birmingham's national and international profile. In the last ten years, it has undergone enormous physical and structural change, and a considerable amount of attention has been given to the ability of the City to attract the new businesses associated with the 'knowledge economy'.

Over the last decade, the creative industries together with the knowledge sector have been recognised by the key public agencies in Birmingham as critical components in the renaissance of the City, in terms of ongoing physical urban regeneration, economic development and employment growth. In earlier strategies, attention focused on 'culture' as a means of enhancing the urban appeal of Birmingham to residents, business companies and visitors as well as providing the 'soft' location factors necessary to transform Birmingham's image from that of a declining manufacturing city to a thriving post-industrial one. From 2002 onwards, with the development of the Birmingham Creative City strategy (BCC, 2002) and accompanying Creative City programme of support, the City focused on 'creativity' and the role of the creative industries in stimulating the growth of Birmingham's economy as well as attracting and retaining the skilled workforce necessary to build the knowledge economy within the City. Today, the City is focusing on 'innovation' and key sectors for growth which are largely knowledge-driven, but also include creative sectors such as Digital media, while at the same time, working hard to respond to the impact of recession and its unpredictable effects on the CKE overall.

There has also been a recent major growth in the attention given to creative industries in the policy literature generally. For example, the Birmingham 'Big City Plan' Charter (BCC, 2008a) part of the new Masterplan for the City Centre looks upon creative industries as a catalyst towards growing the knowledge-based economy, recognising the economic value of creative industries in 'offering new frontiers to the diversification our knowledge industries' (BCC, 2008a: p31). The vision of the Masterplan is of developing Eastside/Digbeth, the Jewellery Quarter and the City Centre as prestigious, internationally renowned 'creative quarters' and centres of excellence as well as leading edge clusters of knowledge-intensive industry. There are major developments and projects already underway in these areas which

aim to create a focus for further growth and support for the creative and knowledge industries in the City.

As already noted, there are a large number of interrelated strategies operating at the regional and local level in the West Midlands. However, in development terms, the key *local* strategies/initiatives include: the sustainable community strategy - '*Birmingham 2026:* **Our vision for the future'**(BCC, 2008b); the City's economic development strategy - '*Developing Birmingham'* (BCC, 2004); the '*Birmingham Prospectus'* (BCC & BSP, 2007) which provides a framework for the '*Core Strategy'*(BCC, forthcoming 2010) - the City's new Local development Strategy which will constitute the key land use planning document in Birmingham; and the draft City Centre Masterplan - '*Big City Plan Charter'*(BCC, 2008a). Finally, the Birmingham Cultural Strategy - '*Culture at the Heart'* (BCP, 2007); and the Creative City strategy - '*Birmingham Creative City'* (BCC, 2002). There is also the '*Birmingham Science City Prospectus'* (AWM, 2007b) and the Birmingham Digital city initiative.

Sustainable community strategy

The new sustainable community strategy - '*Birmingham 2026:* **Our vision for the future'**(BCC, 2008b)[9] identifies Birmingham's 'Science City' status as key to transforming the City's economic base, and other high-growth sectors including digital, cultural and business services. In terms of its economic goals, as well as improving skills, diversified employment and university and business-led research are also seen as current drivers of growth in the West Midlands economy. The role of the creative industries is outlined in plans for investment in the Digbeth 'creative centre'. It is recognised that SMEs are significant local employers requiring more support, but what form this support should or will take is undisclosed. Priorities for action include raising Birmingham's profile and attracting more people, trade and opportunities through facilities and events across the cultural, sport and creative sectors, and ensuring residents have access to high-quality local facilities and programmes, very much in line with 'quality of place' aspirations. The strategy focuses on preparing for major population growth and a projected 100,000 more people by 2026. This includes an extensive home-building programme; creating sustainable, low carbon communities; improving public transport infrastructure and reducing road congestion, air and noise pollution and emissions reductions are also targeted actions.

Economic development strategy

Birmingham's economic development strategy - '*Developing Birmingham'* (BCC, 2004) - is structured around four key areas which set out a series of objectives and actions: Development and Investment; Creating a Skilled Workforce; Fostering Business Development & Diversification; Creating Sustainable Communities & Vibrant Urban

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[9] This is the City's overarching strategic document, setting out long-term ambitions and priorities for the economic, social and environmental wellbeing of Birmingham. The strategy also sets out the focus for the City's Local Area Agreement (LAA) through specified targets and actions for the next three years. The LAA is the agreement between local partners and central government to develop and improve key areas for the city.

Villages. Adopting an Area-Based Development approach, the strategy recognises the significance of Eastside to Birmingham and the wider region in terms of its potential to attract investment and employment opportunities and 'to develop as an exciting, creative, mixed-use quarter to the east of the current City core.' (BCC, 2004: p18).

The strategy identifies the regional skills deficit as a critical issue for the economy in Birmingham moving towards more knowledge-intensive activity and the role of the city's universities both in up-skilling the local population and in attracting and retaining a skilled workforce and related investment to the city. In order to increase graduate retention, the strategy identifies the importance of 'making the City a place where well-paid, highly-skilled workers want to live and work, and are provided with a sufficient supply of attractive, affordable housing and a pleasant, safe environment with superior amenities and cultural facilities.' (BCC, 2004: p29).

The 'Core Strategy' - Local development framework

Although the '*Birmingham Prospectus*' (BCC & BSP, 2007) is not a formal planning document, it provides the context for the development of the new '*Core Strategy* (BCC, forthcoming 2010)'[10] which will be the key land use planning document in the City, and will form a central part of the new Local Development Framework (LDF). Setting out the vision for Birmingham, the '*Core Strategy*' (BCC, forthcoming 2010) will provide a city-wide spatial strategy to 2026. It will also be central to delivering the 'Growth Agenda' outlined in the sustainable community strategy to increase the City's population by up to 100,000 by 2026. The '*Core Strategy*' (BCC, forthcoming 2010) is still in draft form. However, the long-term ambitions and priorities for the City are already outline in the 2007 Prospectus (BCC & BSP, 2007), which sets out a series of specific actions that aim to underpin Birmingham's role as a globally competitive city, a dynamic regional capital and a generator of growth and prosperity for its people.

The Prospectus is built around five key themes: a global city, a visible city, a connected city, a prosperous city and a growing city. One of the aims is to reinforce Birmingham's position as a centre for the growth and development of business as a 'dynamic, creative…..centre for innovation and knowledge' (BCC & BSP, 2007: p7). Key actions identified in relation to the CIs include a study into the potential for a new Creative Quarter in Digbeth; an investigation into the provision of retail and craft start-up premises in the heart of the City Centre, and the development of an 'holistic and integrated plan across all sectors of education and workforce development to ensure Birmingham capitalises on the growing knowledge-based economy' (BCC & BSP, 2007: p12).

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[10]The '*Core Strategy*' is part of a major strategic review and will eventually replace part 1 of the '*The Birmingham Plan*' (BCC, 2008c), the City's statutory Unitary Development Plan (UDP), which is currently the main land-use planning document containing strategic city-wide and constituency planning policies up to 2011.

City Centre Masterplan

Alongside the '*Core Strategy'*, work has been progressed on a more detailed spatial plan for Birmingham City Centre - the '*Big City Plan'* (BCC, 2008a). The original intention was that this would form a separate Area Action Plan for the City Centre, alongside the Core Strategy. However, it has now been decided to incorporate some parts of the Big City Plan work into the Core Strategy, which will set a strategic framework for the city centre, as well as for other parts of Birmingham.

The 'Big City Plan Charter' (BCC, 2008a) builds on strategy emerging from the Regional Spatial Strategy (GOWM, 2008), as well as the key city-level strategies already mentioned. The Plan itself has a number of components: a business plan, a delivery plan and an area action plan, but has a spatial planning and land-use focus.

The Plan identifies a number of global and local themes. A number of key issues and areas for attention have also been identified to include:

- more high value added sectors that generate greater wealth, such as finance and business, research and development and knowledge intensive business services

- higher skills levels, to help release its growth potential

- more businesses run by ethnic minorities and women

- to create more opportunities to encourage more people into work

- the need to provide the range and quality of jobs to attract and retain graduates.

The Big City Plan is still very much in draft format. However, the consultation analysis introduces the concept of 'grown in' Birmingham, and that cultural activities need to be authentic to Birmingham, from graduate retention and support for creative young people to support for home grown cultural organisations.

As already mentioned, the vision of the Masterplan is of developing Eastside/Digbeth, the Jewellery Quarter and the City Centre as prestigious, internationally renowned 'creative quarters' and centres of excellence as well as leading edge clusters of knowledge-intensive industry. However, the Masterplan has been criticised in not going far enough to transfer the socio-economic analysis of the Visioning Study (Parkinson, 2007a) into physical form. The plan is not fine-grained enough for historic areas such as Digbeth. The Visioning Study recognised the importance of not over developing or sanitising this area by conventional development and the need to retain the area's authenticity and 'grit'. However, no reference is made to this perspective in the 'Big City Plan' (BCC, 2008a). The plan is also overly prescriptive use of 'quarters' which are to specialise in particular activities, whether that be a 'learning and leisure quarter' a 'media and creative quarter', a 'residential quarter' or an 'office quarter' and this is often to the exclusion of other activities. The consultation document asked questions, district by district, based on these land-use alternatives. However, many of these uses would be mutually beneficial if mixed appropriately, especially if their future prosperity is dependent on collaboration between 'creative' and innovative 'knowledge-intensive' industries such as Digital media or Computer Software.

The City is currently exploring the delivery mechanism: what kind of vehicle, with what kinds of powers and resources would best deliver the proposed masterplan. BCC will have a significant role to play in the leadership that will underpin the successful implementation of the objectives. However, one of the challenges for Birmingham is that it has traditionally experimented less with innovative ways of delivering regeneration policies (see also Brown *et al.,* 2007).

Cultural strategy (BCP, 2007)[11]

Birmingham's most recent Cultural Strategy, '*Culture at the Heart'* (BCP, 2007) aims to ensure that residents enjoy a better quality of life and that culture makes a stronger contribution to the city economy. These aspirations are also reflected in Birmingham's Sustainable Community Strategy (BCC, 2008b) and are the objectives of the cultural elements of the Local Area Agreement (LAA)[12]. Specific reference is made to the importance of the creative and knowledge industries to the local economy. For the first time, the need for strategies to support content-led business in the sector is recognised, which is highly significant in a city where policies tend to be dominated by product-led initiatives. The strategy also recognises that it is essential both to support existing creative and cultural professionals and also to provide information, guidance, advice and programmes which support residents into employment through apprenticeships, business start-up initiatives. There is acknowledgement of some gaps in current provision which need to be addressed, including the development of artist led spaces where new ideas and the collaboration of teams of artists can occur. A resulting specific strategic objectives is to encourage affordable workspace and retail, including artist led spaces. The strategy also underlines the strategic importance of ongoing relationships between agencies, stakeholders, the sector and its audiences to the long term development and sustainability of the sector.

Birmingham Creative City Strategy (BCC, 2002)

Birmingham's strategy for supporting and developing the CIs; '*Birmingham Creative City'* (BCC, 2002) was published in June 2002. The aims of the strategy were to establish and promote Birmingham globally and nationally as 'the UK's second city for creativity and innovation and a true European city of culture' (BCC, 2002: p 23). The strategy recognised that Birmingham was at a 'watershed' and the need to move to a 'new level' in terms of development of cultural and creative 'clusters' and that flagship cultural developments needed to be integrated more fully in strategies to build sustainable businesses and develop jobs. The stated objectives of the strategy were to:

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[11] Previous cultural strategy was '*Distinctively Birmingham'* (BCC, 2001).

[12] LAAs are 3 year agreements setting out the priorities for a local area, agreed between the local area (local authority, Local Strategic Partnership and other key partners) and the government. They are new ways of delivering local services - pooling funding streams to deliver cross-cutting outcomes, aligning targets across agencies and services, seeking new ways of working under four areas: children and young people; healthier communities and older people; safer and stronger communities; and economic development and enterprise.

- Create and protect jobs - secure a critical mass of 500 creative businesses in Birmingham with good prospects for sustainability by 2006

- Create sustainable sector growth - engage and retain creative talent

- Establish viable and accessible business support mechanisms - connect creative people to business and employment opportunities in conjunction with the education and learning sector

- Increase the potential for creative crossings into new markets

- Accessible database of information and knowledge

- Improve networking and links between creative industries

Although overly prescriptive, the report sought to provide integrated planning to join up initiatives such as the Custard Factory, the Jewellery Quarter and designated the 'Eastside' of the city to form a CIs led quarter, thereby attempting to utilise CIs in urban regeneration within the City.

The 2002 creative strategy is to be revised and updated when research commissioned by BCC into the current position of the CIs in the City, is approved. This new evidence-based research will tie-in with the City's new cultural strategy. However, the intention is that the city will continue to support separate creative and cultural strategies rather than one overarching policy.

Digital Birmingham

Digital Birmingham is a city-wide initiative delivered by Birmingham City Council to make Birmingham a leading European Digital City by 2010. This aim is defined through a seven point *Digital Charter* (Digital Birmingham, available online at: http://www.digitalbirmingham.co.uk/about/digital-charter). The original remit of Digital Birmingham was primarily that of reducing the so called 'Digital Divide'. The remit is now much wider and includes enabling businesses and individuals to gain the benefits of digital technologies as well as improving take-up of digital technology. Collectively, these aims are referred to as 'The 3 Cs': Connectivity - creating a world-class infrastructure; Content - encouraging interactive and personalised content and making this available when and where individuals want it; and Capability - influencing the use of technologies to deliver inclusive and local solutions.

There is no Digital City strategy as such, it is more about digital technologies and capabilities being incorporated within other city-level strategies (e.g. the community strategy, the Big City Plan which has a chapter on connectivity, the housing and transport strategies as well as planning policies and LAAs). There is also a strong connection with Birmingham Science City (see below) as one of the four strands is Digital media.

Birmingham Science City Prospectus (AWM, 2007b)

In 2005 the Government defined Science Cities as 'those with strong science-based assets – such as a major university or centre of research excellence – which have particular potential …[to] attract a critical mass of innovative businesses and become drivers of regional growth.' Science Cities are an RDA-led policy and involve partnerships of the public, private and research sectors using science to drive prosperity and quality of life. Their aim is to develop city-based strategies to exploit centres of world-class scientific research. This will be achieved by, among other things, developing policies on knowledge transfer, business support, skills, infrastructure, and communication links. These strategies also aim to promote a closer partnership between RDAs, city government, local businesses, and the research base. Birmingham is one of six English Science Cities which have since been announced (Manchester, York and Newcastle in 2004; Birmingham, Nottingham and Bristol in 2005).

The '*Birmingham Science City Prospectus*' (AWM, 2007b) sets out the long-term strategy of support for the development of high-technology industry in the West Midlands. This strategy aims to develop and use science and technology to improve the Region's prosperity and quality of life. It aims to draw on the strengths of the region's top-class universities, as well as other key research facilities within the region, through activity such as sourcing new technology and working closely with business and public sector clients. It also aims to raise the profile of the Region's strengths and expertise to demonstrate the value of locating in the West Midlands to start-ups, growing businesses, inward investors and public sector bodies.

Figure 4.1 - Birmingham Science City Strategic Framework –Technology Themes, Action Areas and Focus Areas of Activity
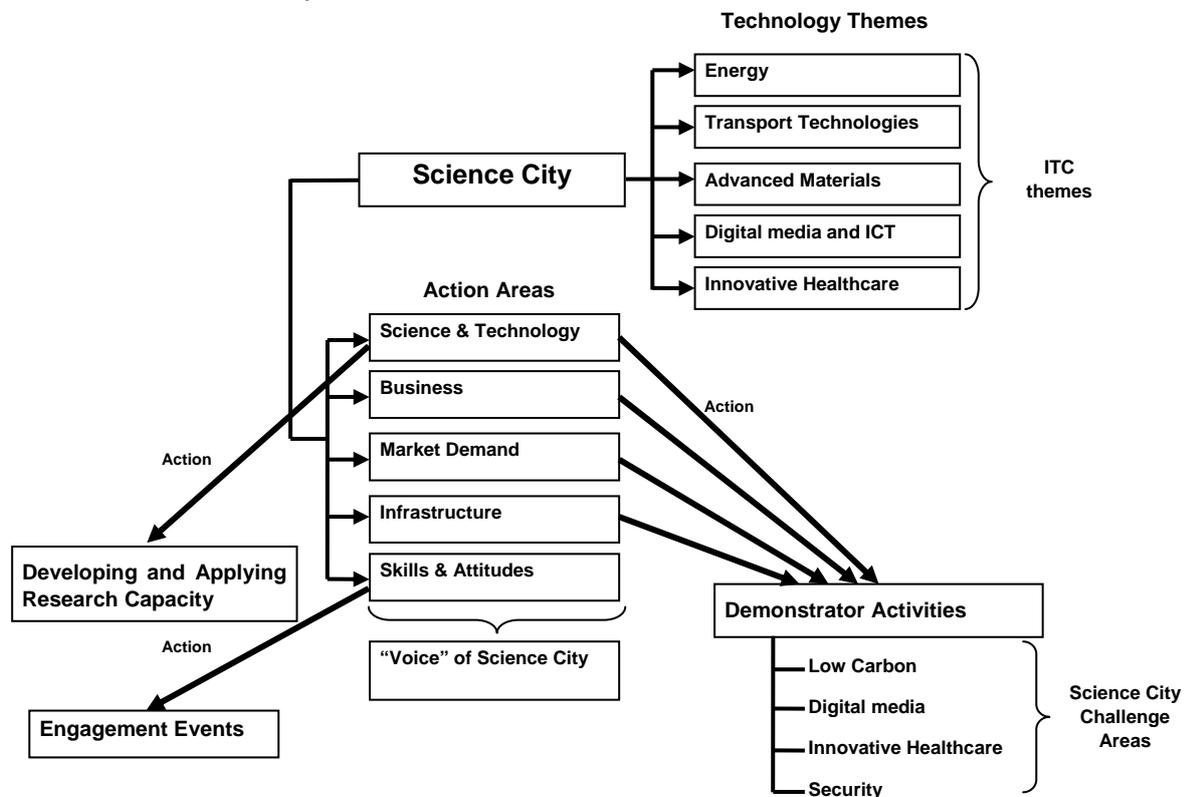
Source: Birmingham Science City Strategic Framework (AWM 2007b).

Birmingham Science City[13] will focus on five technology themes which have strong alignment with recognised regional themes (notably the Innovation and Technology Council) as strengths of the West Midlands and where demand by the population for new products and services is increasing – Figure 4.1. One of these themes is Digital media and ICT. Digital Media activities will include building on investment by BT and Birmingham City Council in wireless infrastructure that has created the Wireless Square Mile in Birmingham City Centre. This supports a Free Information Zone where visitors, businesspeople and citizens can access information. The report also recognises the regional research strengths in serious games and strong industries in screen media. Increased ICT adoption by businesses is a regional goal and strengths of software development, ICT security, informatics, mobile & wireless, photonics and RFID will be exploited within a range of Science City activity. In order to take more technology innovations from inception to market, the strategy recognises the need for improvements several key areas of regional capability and competence. Five areas have been identified: collaborative development of pure and applied research, successful application and commercialisation of science and technology, the development of demonstrator projects to develop and showcase new technology-based market opportunities, the development of the people/ skills base, and physical and virtual infrastructure (Figure 4.1).

The activity associated with Science City will contribute to other strategies and initiatives already in place. For example, Birmingham's Economic Strategy, Community Strategy and Manufacturing Strategy have highlighted the potential of the Science City identity and outlined a commitment to maximising its benefits.

4.2.5   *Business support for the creative and knowledge-based industries in Birmingham and the West Midlands*

A list of key support initiatives – past and present – can be found in Appendix 2.

Business support in the Region is co-ordinated by AWM but delivered via a range of external organisations. Recent initiatives include the Advantage Creative Fund which was the first venture capital fund dedicated to investing in the CIs in the UK; the Creative Region programme a £1 million fund launched in April 2007, which provided a comprehensive package of support for the development and growth of creative businesses within the region; and the Advantage Broadcast Fund a national fund that invested into the development of the independent television sector and was administered by Screen West Midlands. All three of these programmes have now ended and more generalised support is now available through the Advantage suite of funds.

Between 2002 and 2008, Birmingham City Council, with support from key partners, led a number of programmes to foster the development and growth of the CIs sector within the City. This included Business Support for the Creative Industries (BSCI), a programme providing a complete package of support including incubation space and business development. BSCI was designed to assist both new and existing creative SMEs in Birmingham and Solihull and the programme was developed in recognition that CIs were a

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[13] The definition of science is broad, with strong emphasis on applications. It includes social, medical, natural, physical and engineering sciences, and design and information technology.

high-growth sector for the City and a key priority for the region and to address specific barriers for growth which had been identified. The Creative City programme also offered a range of support, including grants of up to £5,000 for setting up or expanding existing premises and up to £2,500 to identify market opportunities. In addition, creative businesses could apply for between 5-20 days of consultancy support or take part in master classes and workshops covering areas such as IPR, distribution and contracting.

However, this CIs targeted funding programme ended 6 months ago. There is currently sector-specific support available from BCC. Instead, CIs are covered under a much broader remit of Business and Enterprise. Key new areas of support have been identified which include innovation and advanced manufacturing, environmental technology, medical technology and digital technology - all of which are identified as key sectors in the Governments NINJ initiative and the Digital Britain programme (See section on National initiatives above) and are regarded as Regional 'growth areas' in the RES.

As a reflection of need to kick start the local economy, in 2009 BCC launched a series of new programmes designed to help businesses and entrepreneurs weather the recession, and enable them to emerge better positioned for when the economy improves. Funds for the new £31m package have been secured through BCC, the Working Neighbourhood Fund and ERDF and are delivered through a number of key partners (Business Link West Midlands, Birmingham Chamber of Commerce and Industry, Aston University, Birmingham University and BCU, Digital Birmingham; the Black Country, Birmingham & Solihull Lifelong Learning Network). The package applies to both start up and existing small to medium enterprises. The Retail Development Programme - aimed specifically at supporting new and existing independent retailers in Birmingham; Business Development Grants; Small Business Loans - set up to particularly help individuals who are having difficulty in accessing mainstream loan finance; Innovation Advisers; Coaching Would be Entrepreneurs; Business Rates Hardship Fund - £500,000 pledged by Be Birmingham to be distributed amongst SMEs who demonstrate they are suffering extreme hardship; Design Space - A new incubator support programme designed for start-up jewellery designer/maker businesses (see Appendix 2); and Higher level skills training.

The Business Development Grant Programme runs until March 2011. It is aimed specifically at helping new and existing small to medium sized businesses citywide to develop and grow. It offers Business Feasibility Grants of up to £2,500 to help businesses identify new market opportunities for products and services from local, national or international markets. It can also be used for the design and production of a portfolio or promotional campaign; and Business Space Grants of between £2,500 to £6,000 to help new or existing businesses set-up, consolidate or expand. However, both grants are subject to specific conditions. For example, a feasibility grant contribution towards websites will only be considered if it forms part of a wider marketing strategy, which a business would have to provide evidence and Business Space Grants require project costs to be defrayed/spent by the applicant once approval for the grant is awarded, but before the grant can be drawn down and claimed, while costs incurred before approval of the grant is given are not be allowed.

4.3   Summary

Traditionally known as the industrial heartland of the UK, the Birmingham city-region is experiencing a difficult period of economic change and transition. While some segments of the creative and knowledge-based industries and activities display a dynamic profile, others appear more fragile in the face of current financial pressures. This is a result of a variety of reasons - including a shortage of experienced and skilled employees; limits imposed on firm growth due to a lack of both a national and international client-base; globalising markets; the overwhelming dominance of London as a creative-knowledge hub. Moreover, the creative sector overall is of limited size and maturity in Birmingham when compared to some other Core Cities in the UK, in spite of nearly a decade of formal policy intervention.

Nonetheless, over the last decade, the creative industries together with the knowledge sector have been identified by the key public agencies in Birmingham as critical components in the renaissance of the City, in terms of ongoing physical urban regeneration, economic development and employment growth. Attention has shifted from a focus on 'culture' and developing 'soft' location factors, towards creating the correct business environment necessary to develop creative industries and grow the CKE. Birmingham is now focusing on 'innovation' and key sectors for growth which are largely knowledge-driven, but also include creative sectors such as Digital media, while at the same time, working hard to respond to the impact of recession and its unpredictable effects on the CKE overall. This change in focus is visible locally through support of initiatives such as Digital Birmingham and Birmingham Science City.

The policy framework in the UK is highly complex - a large number of interrelated policies, strategies and initiatives operate at a national, regional and city-level. This policy environment is sometimes confusing for those seeking to engage. Birmingham's efforts to develop its creative industries together with its knowledge economy have been successful in enabling the sector to become part of the mainstream local and regional economic policy. There has been a recent growth in the attention given to creative industries in the regional and city-level policy literature generally. However, the regional cluster policy strategy sometimes makes it difficult to link city economic development priorities into the regional economic strategy priorities. This is particularly problematic given Birmingham's dominance within the economy of the region and the sub-region. The City and Region are also constantly working to re-position themselves within the changing National policy framework. Despite attempts to align new and existing policy there is 'patchy' connection between policy for the creative sector and other policy initiatives such as the more recent Science City and Digital City agendas. New and emerging science and technology projects, start-ups and related inward investment favoured by these other policy areas need to be exploited as they could offer potential business development opportunities for the creative sector (e.g. advertising and marketing, web design and so on).

5 ANALYSIS OF INSTITUTIONAL STRUCTURE AND GOVERNANCE ARRANGEMENTS IN THE UK, THE WEST MIDLANDS AND BIRMINGHAM

The creative and knowledge-based industries in the UK operate within a dynamic policy environment. Since our first snapshot of the sector was taken in 2006 (see Brown *et al.,* 2007) there has been significant restructuring of organisations at national, regional and city level and these can be seen to have influenced the development of the industries. This chapter outlines the roles of the main organisations, and sets out the policy framework within which they operate. It begins with a description of the key stakeholders and their relationships, which are briefly outlined in narrative, tabular, and diagrammatic forms. This is followed by a description of the interactions between stakeholders, using the concept of policy networks as an organising framework.

5.1 Identification of key stakeholders at national, regional and city-level in the UK

5.1.1 National level

It is important to recognise the centralised nature of policy-making in the UK[1] and constraints that this places on the flexibilities and freedoms that are available to individual cities and metropolitan regions in England. To understand who is responsible for what, and what resources are available to them, it is necessary to be aware of the policy environment higher up the spatial hierarchy than the city and regional level. Creative Knowledge Economy (CKE) policy in England is largely set at national level by two departments of state: the powerful Department for Business Innovation and Skills[2] (BIS) and the smaller and less dominant Department for Culture Media and Sport (DCMS). The Department for Communities and Local Government (CLG) also works collaboratively with these but plays a less significant role in CKE policy development - Figure 5.1 (Appendix 3). All three departments follow the 'new public management' approach to government in that they do not directly implement policy but, rather, after setting strategic goals, have it operationalised through sponsored 'arm's length agencies' known as Non Departmental Public Bodies or NDPBs. Table 5.1 below describes the roles and responsibilities of the key central government departments and the NDPBs they fund to deliver nationally set programmes.

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[1] National refers to English because in the UK responsibility for Creative Knowledge Economy policy in the territories of Scotland, Wales and Northern Ireland is devolved to their respective sub-national governments.

[2] There has been considerable re-structuring in this policy domain at national level. BIS was created in 2009 from a merger of two discrete departments Department for Innovation Universities and Skills (DIUS) and the Department for Business, Enterprise and Regulatory Reform (DBERR) which itself was a replacement in 2007 for the Department for Trade and Industry (DTI).

Table 5.1 - Roles and responsibilities of the key central government departments and NDPBs

Body	Sector	Role *England only	Strategy	Resources
Department for Business, Innovation and Skills (BIS) [Merger of Department of Innovation, Universities & Skills and Department for Business, Enterprise & Regulatory Reform	public	Responsibility for *national economic development policy. Sponsors arm's length policy delivery agencies: English Regional Development Agencies; Learning and Skills Council (LSC), Higher Education Institutions	Develops creative, knowledge and digital economy strategies in collaboration with DCMS. Works in partnership with CLG on planning, regeneration and local economic development strategies	Bids for funding from Treasury. Allocates and distributes resources to regional economic development agencies
Department for Culture Media and Sports (DCMS)	public	Responsibility for *national cultural policy. Sponsors arm's length policy delivery agencies: Arts Council of England (ACE); Regional Screen Agencies (RSA); Museums, Libraries and Archives agency (MLA); Commission for the Built Environment (CABE). Responsibility for National Endowment for Science Technology and Arts (NESTA). Set up and then disbanded Regional Cultural Consortiums	Develops creative, knowledge and digital economy strategies in collaboration with BIS. Works in partnership with DCLG on planning, design, regeneration and local economic development strategies	Bids for funding from Treasury. Allocates and distributes funds to arm's length agencies
Department for Communities and Local Government (CLG)	public	Responsibility for *national policy for local government. Lead department for planning, regeneration and local economic development. Works in partnership with BIS on regional economic development and DCMS on design and built environment	Develops planning, regeneration, local government and sustainable development strategies. Works in partnership with BIS and DCMA	Bids for funding from Treasury. Allocates and distributes funds to local government.
ACE, MLA, LSC, CABE,RSA	Non-Departmental Public Bodies (NDPBs)	National offices mainly in London set national priorities and steer regional policy i to deliver national government policy.	Set strategy for specific sector	Allocate and distribute funds
NESTA	NDPB	Independent expertise on innovation	Provides strategic advice	Receives funds from Lottery

Source: The table was developed from information available in the public domain through organisation's websites.

5.1.2   Regional level

The roles and responsibilities of the key regional level stakeholders related to the CKE in the West Midlands are described in Table 5.2. This is followed by a fuller description of the policy environment, its dynamics and key issues related to the development of the industries.

Table 5.2 - Roles and responsibilities of the key regional-level stakeholders in the West Midlands

Body (regional)	Sector	Role	Strategy	Resources
Advantage West Midlands	public	Improve regional economic performance. Sponsors CI clusters – Digital Media and Interiors &Lifestyles; RegenWM; WMRO, Business Link; LSC	Responsible for Integrated Regional Strategy; RES	Funded by BIS
GOWM	public	Delivers ACEWM		
DAWM	public	Coordinates cultural NDPB's programmes at regional level	Cultural Strategy	
ACE, MLA, LSC, CABE,SWM	Non-Departmental Public Bodies (NDPBs)	National offices mainly in London set national priorities and steer regional policy i to deliver national government policy.	Set strategy for specific sectors.	Allocate and distribute funds.

Source: The table was developed from information available in the public domain through organisation's websites

Shifts in the regional policy environment

In order to understand the dynamics of interactions between stakeholders it is important to acknowledge recent restructuring within the regional institutional framework. A key change in the policy architecture since our previous 2006 overview is the loss of two key regional elements of CKE governance: The West Midlands Regional Assembly and Culture West Midlands. As a result of central government's sub-national review of regional bodies the English Regional Assemblies and the Regional Cultural Consortiums have been, or in the process of being, abolished. The demise of these two bodies has resulted in greater dominance of AWM.

Demise of the WMRA

The West Midlands Regional Assembly the organisation previously charged with responsibility for West Midlands Housing and Spatial Planning is being wound down and will no longer exist from 1 April 2010. Its responsibility for strategic planning will be transferred to the Regional Development Agency known as Advantage West Midlands (AWM) which now is the lead body for producing a regional Single Integrated Regional Strategy (SIRS) encompassing economic, cultural and spatial components.

Restructuring in the governance of the cultural sector

The Regional Cultural Consortium Culture West Midlands (CWM), formerly responsible for championing the cultural sector and producing a Regional Cultural Strategy, was abolished in 2009. The DCMS has however still a presence in the region. It has created a new Executive Group called DCMS Agencies West Midlands (DAWM). In governance terms a key difference is that links with the voluntary, not-for-profit or third sector, embedded in CWM, have been broken in this restructuring. The group is comprised of the four regional directors of the DCMS's NDPBs, the DCMS lead in the Government Office for the West Midlands, a senior Regional Development Agency director and the Chief executive Officer of the regional screen agency Screen West Midlands. The terms of reference for the group explicitly state that the group will not seek to represent the cultural sector nor speak for it, rather it will act as the first reference point for partner agencies seeking multi-agency engagement. DAWM's agenda is arranged around five themes: regional strategies; improving relationships with local authorities; place-shaping; 2012 and the Cultural Olympiad; and regional co-operation.

Evidence based policy, advocacy and analytical capacity

It is noteworthy that during the consultation period around the abolition of the RCCs there was consensus from all the English regions that, mindful of the need to go beyond mere advocacy for the sector, in order for evidence-based creative industries policy formulation, the research and intelligence function of the RCCs needed to be retained. The DCMS currently are nationally funding a programme to identify what form this might take (DCMS, 2009). However the strength of support for CWM's record of achievement in this field was so great that, independently of central government, the NDPBs and the RDA in the West Midlands agreed to joint fund the continuation of CWM's Cultural Analyst post. The officer now is based in the region's knowledge-management organisation West Midlands Regional Observatory.

Regional Development Agency (RDA) - role and functions

The RDA in the West Midlands is Advantage West Midlands (AWM). It is a significant and powerful stakeholder in the development of the CKE in the City and Region. RDAs are NDPBs established for the purpose of improving the effectiveness of economic governance in each of England's regions. The principal objective of the RDAs is to reduce what are regarded by national government as unacceptably large inequalities in regional economic performance. They were conceived as agencies to enable the regions to improve their relative competitiveness by promoting properly co-ordinated and effective regional economic development and regeneration. The statutory objectives of the RDAs are currently: to further economic development and physical regeneration; to promote employment; to promote business efficiency, investment and competitiveness; the development and application of skills relevant to employment; to contribute towards sustainable development. The RDAs also have an important role in advising the Government on regional priorities and are specifically responsible for the funding, administration and delivery of a range of activities and programmes previously undertaken by other organisations. RDAs work closely with

Government Offices in their regions (GOR), the Learning and Skills Council (LSC) and Business Link (both of which are also sponsored by BIS), to ensure the development of creative industries agendas in their regions. AWM funds two specialist regional organisations RegenWM (provides expertise in regeneration guidance) and the West Midlands Regional Observatory (provides a specialist knowledge management function). Both have contributed support and guidance for organisations working in the CKE.

Government Offices in the Regions (GOR) and GOWM

Government Offices in the Regions (GOR) are the primary means by which a wide range of UK Government policies and programmes of are delivered in the regions of England. GOR represent the 'face' of central government in the regions and provide a local perspective for central government policy. They exist to manage programmes on behalf of twelve government departments to support and facilitate effective linkages between regional partners and programmes and to co-ordinate departmental policies at a regional level.

GOR provide a regional focus for DCMS policies. This involves partnership working with a wide range of regional bodies, local authorities, the voluntary sector and private organisations, with GOR taking a cross-departmental approach to ensure cohesion of policy delivery. GOR work to promote and integrate the culture agenda, not only in the work of local authorities and Local Strategic Partnerships, but also within the major regional strategies such as the Regional Economic Strategies and the Regional Spatial Strategies. The GOWM was a significant player in the winding down of the RCC and its replacement with the DAWM organisation.

GOWM has four main roles in relation to the Creative Industries: First, it promotes DCMS policies related to CIs in the West Midlands region by linking national cultural policy with the aims of other Government Departments. Second, it influences the development of new strategies so that the potential contribution of CIs to regeneration and economic development is recognised. Third, it has a key role in supplying central Government with information about conditions in the Region and monitoring Government programmes, including sponsoring the work of AWM. Fourth, it acts as the 'gatekeeper' to EU funds for CIs.

Regional Chambers (Regional Assemblies)

Regional Assemblies are voluntary bodies that exist to promote the economic, social and environmental well-being of each of the English regions. They consist of a partnership of elected representatives from the local authorities in the region and appointed representatives from social, economic and environmental interests (Community Stakeholders). Regional Assemblies are to be abolished by 2010. Their executive functions will transfer to the RDAs and their scrutiny functions will be exercised by new Local Authority Leaders' Boards.

5.1.3 City-level organisations

Table 5.3 sets out the roles and responsibilities of the key organisations related to the development of the CKE in Birmingham. This is followed by a more detailed outline of key stakeholders and partnerships.

Local Authority - Birmingham City Council

Birmingham City Council (BCC) as the Local Authority is the lead organisation involved in policy making in Birmingham. The Council's objectives are threefold – as strategist, enabler and provider. BCC works in partnership with central Government directed agencies (GOWM, AWM).

Table 5.3 - Roles and responsibilities of key city-level stakeholders in Birmingham

Body (city level)	Sector	Role	Strategy	Resources
Birmingham City Council	public	Improve economic performance lead economic, physical and social regeneration.	Birmingham 2026 Sustainable Community strategy; Big City Plan	Funded by DCLG
Be Birmingham	Public, private and voluntary sector	Unite family of seven thematic partnerships, design and deliver s	Cultural Strategy	Majority funding from city council
Universities of Aston, University of Birmingham, Birmingham City University	Voluntary	Contribute to city strategic partnerships. Key input to Digital and Science City initiatives	Institutional specific strategies	Funded mainly by HEFCE
Birmingham Forward, Future, BCCI	Private	Professional development, networking, and lobbying	Graduate retention	Subscription led
Creative Republic, Creative Alliance	Public/private	Training, lobbying and information sharing	Contributes to wider strategies	AWM and subscription
Learning and skills	Public/private	Improve skills	Range of strategies	Funded by BIS
Geographic partnerships	Public, private, and voluntary	Co-ordinate interested parties, create alliances around specific issues	Area based improvement or regeneration	Multi-agency funding
Marketing Birmingham	Public/private	Market the city as a place to live, work and visit. Recently acquired inward investment role.	Marketing strategy	Subscription

Source: The table was developed from information available in the public domain through organisation's websites.

BCC has five Strategic Directorates - Development, Resources, Social Care & Health, Education & Lifelong Learning and Local Services. The Development Directorate, which was one of the first Directorates to be formed, brings together the Council development responsibilities for growth and renewal. It has five core service areas - Planning, Highways, Transportation Strategy, Economic Development and Urban Design (Figure 5.2).

Until recently, the Economic Development Department of the Council's Development Directorate led and coordinated the key regeneration and development programmes within the City. From 2002 – 2009 there was a Creative Development team within this department with specific responsibility for developing and supporting the creative-industries. Now, CIs have come under the auspices of the newly formed Business and Enterprise Team and are covered under a much broader, less sector-focussed area for support.

Figure 5.2 - Organisational structure of BCC development directorate
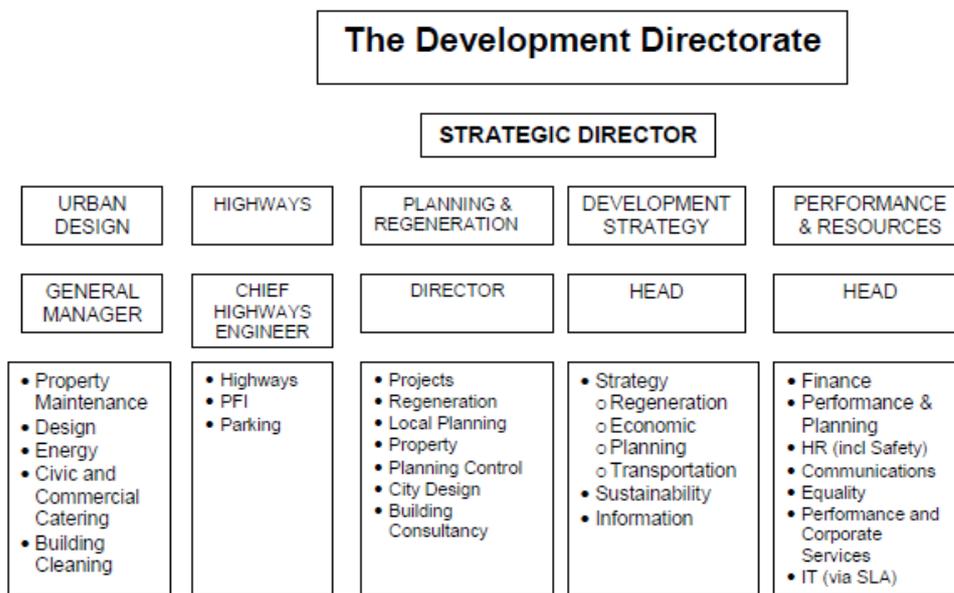
Source: BCC

The city council and its partnerships

At city-level, there are considerable numbers of agencies that are co-operating with BCC to pursue the economic development agenda in Birmingham. These include public bodies (GOWM; AWM, Business Link), public-private bodies or partnerships (City Strategic Partnership; Birmingham Economic Development Partnership), private representative bodies (Birmingham Chamber of Commerce and Industry, Birmingham Forward) and other private bodies, some of which are partly owned by public organisations (for example, the NEC Group). A recent arrival - Creative Republic- is a lobbying group for the CIs in the City and Region with a board and membership made-up of creative professionals which works with BCC to raise the profile of the sector in the city-region. A good example of partnership working is Digital Birmingham is a partnership of public, private and voluntary organisations and was initially set up by Birmingham City Council and BT in 2006 following a government initiative to encourage local authorities to make innovative use of digital technologies. It is

now working with over 30 partner members to lead and link to initiatives that will increase the use of digital technologies and help Birmingham make the transition from a great industrial city to a great digital city.

Quantitatively, there is a prevalence of public sector organisations, reflecting a significant commitment to local economic development by both national and local government. However, private sector involvement is also significant, either alone or in partnership with public organisations, primarily BCC. In Birmingham, organisations with a specific focus on the City economy prevail over those with a regional approach, although the latter have increased their influence in recent years, most notably with the establishment of the RDA.

There is a well established tradition of institutional collaboration and partnerships in Birmingham, with most local organisations working with one, or more, other organisations, usually in conjunction with BCC, for the delivery of economic development activities. Collaboration for economic development in Birmingham is structured around six main issues: Urban improvement and regeneration; Business and professional services support; Marketing and attraction of investments (and tourism); Training and skills development; Community development; Economic strategy definition and coordination.

Strategic direction and co-ordination

Be Birmingham (BB) is the local strategic partnership for Birmingham that brings together partners from the business, community, voluntary, faith and public sectors to deliver a better quality of life in Birmingham. BB was established in 2001. It was first known as the City Strategic Partnership until it became the Birmingham Strategic Partnership (BSP) in October 2004. The BSP finally evolved into Be Birmingham in November 2007. It is the lead body responsible for delivering the city's Sustainable Community Strategy. Be Birmingham co-ordinates the family of partnerships that constitute the overall strategic partnership. Culture has a seat at the strategy table. The seven partnerships are, by theme: Economic development; Safety; Children and young people; Health and well-being; Housing; Environment; and Culture.

Stakeholder strategic co-ordination

The institutional landscape around culture in Birmingham is complex and characterised by numerous partnerships, alliances and networks. Some are formal and tied into statutory bodies others are much looser and informal. There is an intricate 'cultural ecology' which connects the traditional subsidised cultural agencies embedded in formal structures and the emerging commercial creative industries typically operating at micro and small business size level and operating in an immature institutional framework. There are has been a restructuring of partnerships designed to embed them with Be Birmingham and create more synergy and improved co-ordination between the city's economic development partnership and the former Creative Birmingham Partnership Board now re-formed as Creative Birmingham Board. The intention of the restructuring is to achieve 'the development of the creative and cultural

industries' one of the five central themes[3] within '*Culture at the Heart*' (BCP, 2007), Birmingham's Cultural Strategy. Their relationships are illustrated in Figure 5.3 (Appendix 4).

5.2   Types of interactions between stakeholders

Key characteristics

The key characteristic of the Creative Knowledge economic development networks in Birmingham and the West Midlands is that they are based on coalitions of actors rather than single actors. Indeed, according to our fieldwork interviews, the lack of strong individual leadership is notable by its absence. The coalitions take a number of forms e.g. inter-sectoral (involving the public, private and voluntary sectors), inter-agency (involving two or more public sector partners) and multi-level (involving city and regional agencies) - Figure 5.1 (Appendix 3).

Distribution of power

Although there is a collaborative policy environment there is not an equal distribution of power within it. The organisations who wield the greatest influence over political decision-making at the present time are those within the public sector. In England the national level of government is the dominant actor because it sets policy, controls resources and delivers its policy through the structures dominated by central government sponsored 'arms length' Non Departmental Public Bodies (NDPBs). There is no regional level of elected government in England and local government has very limited powers of revenue raising. Although there is scope for a mayor led model of local government this has only been adopted in a very few places, most notably in London. In Birmingham there is no strong leadership of the CKE by politicians.

Influence – location, mechanisms and changes over time

The regional level of governance has a significant influence on the CKE in Birmingham. The RDA and GOWM act as gatekeepers for national and EU funds. The RDA is the dominant actor at regional level. At the local level the city council is dominant in the Creative Industries but less dominant in the knowledge economy, where the universities and the professional services groupings are significant players. There is no pattern of overall domination by business actors and their interests but rather a variation of influence that largely depends on the component within the CKE. Business actors can be seen to dominate in professional services and public stakeholders in Creative Industries and Education. The financial resources controlled by national governments and its regional agencies are used to wield influence. Political and organisational (lobbying) resources are mobilised by the business community.

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[3] The other four are: culture on your doorstep; making a difference in your community; a distinctive city; a great international city.

The organisational resources held by the traditional subsidised cultural sector are more mature and influential than the emerging fragmented smaller scale commercial creative industries. The distribution of power has evolved over the past 20 years. The emergence of regionalism as a New Labour policy tool has been important, especially in creating the RDAs. However government policy for the CKE has undergone a series of disruptions at a national level (manifested in changes in responsibilities and structures). The sub-national review (see section 4.2.3) has caused turbulence and instability in the regional system by the introduction, then abolition, of the Regional Assembly and the Regional Cultural Consortium. Also, although it is acknowledged that it has strengthened its relationships with organisations outside its boundaries over time, Birmingham City Council is not yet perceived to operate very effectively with its neighbouring local authorities.

Stability of network memberships

Despite earlier observations about the dominance of the national level of governance and the pivotal role of the RDA and other NDPBs there is no single pattern across the wide domain of the CKE. In the creative sub-sector the same subsidised cultural sector actors can be seen to have dominated decision-making over time but there has been a growth of new actors clustered around the commercial creative industries and their interests. So to an extent membership of cultural networks is now more fluid.

The CKE does not operate as a coherent entity but exists as two separate sets of actors who relate either to the Knowledge economy or the Creative/cultural economy. The stability of memberships is largely related to the age of the partnership and the length of time the institution has existed. The 'establishment' actors in the legal, financial and education professions and the elite cultural and arts organisations are more likely to have an automatic seat at the strategy table than individuals and groupings of the younger emerging creative industries.

There are instances where different constellations of actors emerge around different policies and projects. For example the city's universities came together under the banner of the Science City and Digital City projects. However, it should be noted that collaboration between these institutions is not the norm. The Higher education sector is not cohesive; each of the three main universities occupies different niches and relates to different policies and projects. Actors occasionally align around specific issues e.g. the need to improve the image of the city or for a specific time-limited project such as the bid to become European Capital of Culture or the Cultural Olympiad.

Coalition membership can be extended or static. For example the Regional Cultural Consortium had an extended membership that embraced the public, private and voluntary organisations. However, when it was re-constituted as DAWM it became more exclusionary and retreated into being a static group of the NDPBs and GOWM with no representation of the third sector. There is dynamism and flexibility in key partnerships, for example, Be Birmingham's Cultural Partnership restructured in an attempt to improve the co-ordination of the economic development partnership and the creative industries partnership. New partnerships have emerged to connect individuals and organisations in the creative industries. The two leading examples of this are the Creative republic and Creative Alliance.

As observed earlier there is no one single network for actors in the CKE. Some partnerships are exclusive in that they are subscription-only groups or have formally agreed representation; others are much more fluid, permeable and open. There are relatively few 'closed shops' which set out to exclude. There is, however, a tendency for creative industry networks to be inward looking and operate on a rather narrow sub-sector perspective. Professional services have more collaborative pattern, for example, with lawyers and accountants sharing the same network, e.g. Birmingham Forward and Birmingham Future.

The modes of interactions within policy networks

There are examples of formal or informal modes of cooperation and interaction in the city and region. For instance the city council uses formal legal contracts with external 'suppliers' of services and programmes - known as Service Level Agreements (SLAs) - to specify targets and /or stipulate objectives which the city council expects the supplier to provide in order to meet its policy priorities. There are looser but still formal protocols agreed by public bodies when they join together to meet common aims. An example of this type of cooperation can be found in Be Birmingham, the local strategic partnership for the city. More loose still are the forms of interaction used in the more informal social and information sharing networks such as the Creative Republic.

Without using participant-observation it is difficult to accurately assess the degree and nature of cooperation among actors and actors' coalitions. However drawing on the fieldwork interviews and tracking debates carried out in the public domain and via the media it appears there is no one predominant form, be that conflict or co-operation. There have been instances of both conflict/ competition and co-operation. The bargaining mode i.e. one that is characterised by both competition and co-operation appears to by the most typical type of interaction. The relationships between groupings, depending on the issue, can be tactical or strategic. Birmingham has a long tradition of pragmatism and partnership working and this has fostered the development of interdependent network members rather than separate sets of self-sufficient actors working relatively independent of one another.

5.3   Summary

Similar to the policy framework environment, the institutional landscape around culture, creative and knowledge-based industries in the UK is highly complex. There are numerous formal and non-statutory organisations involved in supporting the development of CKE at national level as well as at regional and city level. The institutional environment in Birmingham and the West Midlands is characterised by numerous partnerships, alliances and networks. Some are formal and tied into statutory bodies others are much looser and informal. The shape and function of organisations that emerge, prosper, or become obsolete at city level is influenced by regional and national policy as well as by local policy conditions.

6 CRITICAL EVALUATION OF STRATEGIES AND POLICIES

This chapter identifies public debates and provides a critical reflection on the relationship between the current political structure at national, regional and local level and how this impacts on current policies. It presents a summary of debates carried out in the public domain – for example, those conducted in the broadcast and print media and on open access websites. It also includes an analysis of the results from semi-structured interviews with policy professionals and reflections from previous ACRE empirical analyses.

6.1 Debates and public controversies surrounding current policies and strategies

As Birmingham's creative economy has expanded and its profile has grown, recent years have also seen an increasing public debate about policy in this field and whether the sector's potential is being fulfilled. Debates about opportunities, shortcoming and emerging tensions have become more prominent in mainstream and on-line media. While such debate has often been quite critical in tone, it does reflect the vibrancy of the creative sector and the commitment of businesses, entrepreneurs and other actors to its role in Birmingham's future.

Much of the public debate has centred on three related issues: firstly, that the development of the creative sectors in the inner city has not been a sufficiently high priority for city policy, particularly in relation to planning; secondly, conflicts between different uses and interests in emerging creative districts of the city; and thirdly, a perception that policy makers lack an understanding of how to deal with these in a proactive manner.

In the early 2000s Birmingham's Creative City policy focused on economic aspects, prioritising business support and efforts to encourage small firm growth and interaction. While this policy did identify three emerging 'clusters' of activity in and near the city centre (the Jewellery Quarter, City Centre and Eastside/Digbeth), the policy framework itself failed to articulate this spatial focus. For example, there was an absence of policies or initiatives to connect the business support side to the spatial dynamics that were emerging in places such as the Jewellery Quarter and Digbeth. As a result there remained a disconnection between key aspects of creative policy.

At the same time, spatial policy has emphasised the potential role of these areas in Birmingham's growing creative economy. But in practical terms this has remained at the level of generalities with little tangible weight behind general aspirations. For example the initial vision for the Eastside regeneration initiative, first unveiled in 1999 and embedded in planning guidance in 2001, spoke prominently of the area's potential as a creative or cultural quarter, building upon many important seeds of activity already in the area. But in subsequent

years the broad planning strategy was not informed by a rigorous understanding of the business base in the area, its aspirations and how it might be encouraged to grow and evolve through the disruptions of large scale regeneration processes. Nor were the aspirations underpinned by a means to achieve a critical mass of new creative activity (Porter and Barber, 2007). The establishment of an overarching regeneration vehicle that could play a role in co-ordination and phasing of Eastside development was considered, but not pursued, in the early years of the initiative. Eastside thus remains vulnerable to the influence of market forces, to uncertainties over the provision of key non-commercial elements, and to fluctuations in political support.

Progress in Eastside generally has therefore not been as rapid as first envisaged, even before the economic downturn of 2008, but most of the public intervention has comprised of large sale site clearance and land assembly. The existing creative community has highlighted how the tens of millions of public money that has gone into such initiatives could have been used much more effectively if targeted at smaller scale interventions to support the environment for small business and improve the quality of place in the Digbeth district. This reflects a more general frustration amongst Digbeth's creative community that the city's priority has been on large scale property-led regeneration when a more subtle, small scale approach would be suitable, working with the complex fine grain fabric of such districts – the very qualities that attract the creatives in the first place. Certainly there has been significant public sector support for important new capital projects in the area – most recently the Fazeley studios initiatives and Devonshire House, the latest phase of the Custard Factory, have benefited from AWM investment. But the wider policy framework that could help to knit these initiatives together, develop diverse creative districts, and contribute more fully to Birmingham's profile remains elusive.

This debate about the city's priority on the nurturing of its creative district has become more prominent in the past three years as the city council embarked on a new master planning exercise for the city centre (see also Section 4.2.4). The scoping report for this plan, produced in 2007, identified Digbeth's potential as one of the opportunities for Birmingham. But it also highlighted that it would require an approach much different to that which dominated Birmingham's approach to regeneration since the 1980s. In the absence of city council attention to the district, local creative businesses and other local interests have attempted to fill the void with numerous events designed to generate ideas about how the area could be encouraged to grow in the future. Events such as the 'Lower Eastside Dialogues' and 'Digbeth Past, Present and Future' reflect the interest and passion for the creative districts that exists within the businesses community. But in 2010 there remains little sign of progress from the official policy making bodies. There remains a view that the council's sheer size, its multiplicity of strategies and its organisational ethos all make it ill-suited to nurturing such creative energy in districts like Digbeth.

The initial draft of the Big City Plan in 2008 contained general proposals for future development of the area but the city council has not taken this forward and its future formal status remains unclear. And in early 2010 the city council announced the closure of its regeneration office in the Jewellery Quarter with the re-location of the main officer to the council's central office base. Local business groups, residents and others have openly criticised this decision, pointing to the importance of the city having a base "on the ground" in

such districts. It is only by having such a local base that policy makers can understand the detailed economic and place-making issues that are crucial in these types of diverse district. The city's decision, prompted by the need to reduce costs, does not auger well for the future quality of planning in Birmingham's growing but fragile creative districts.

At the same time, the growth of housing development and new residential populations in creative areas has led to tensions that threaten to undermine their potential. Residents living in newly built apartments have lodged complaints about noise from late night entertainment venues which had already been based in the area before the growth of new housing. This led to the city council issuing noise abatement orders on the Spotted Dog pub in Digbeth and the nearby Rainbow bar and nightclub complex. These venues are very different in terms of the type of music they offer and their clientele, but both are widely regarded as being important parts of Digbeth's independent, distinctive culture that is integral to its appeal as a place for creative businesses.

The controversy generated by the noise abatement orders has sparked vociferous local opposition campaigns. These have taken the form of on-line petitions, Facebook groups, the 'Keep Digbeth Noisy' web site and numerous debates through mainstream media. In 2009 Birmingham based reggae band UB40, which has a longstanding studio complex in Digbeth, played a benefit gig for the Rainbow to generate funds for a new soundproofing system so that the venue could continue to trade. Ironically, much of the grassroots support has come from local residents who argue that the objections come from a small minority of occupiers

At the core of this controversy was not only a passionate defence of popular music venues, but a wider sense that the city council does not understand and value the independent, alternative culture that these businesses represent. Critics accuse the council of not requiring the residential developer to install adequate sound insulation, and of adopting an over-zealous approach in applying the noise abatement orders. More widely, though, they point to the lack of public defence and support for Digbeth's creative and artistic communities from the city council, particularly local politicians.

Amongst Birmingham's creative community the situation again reinforced some perceptions that the value of this aspect of Birmingham new economy and culture is not fully appreciated. This is reflected not only in the orientation of strategic planning, but also the limited presence of planners and other officials 'on the ground', in a position to work closely with businesses and in their important city districts. However, the emergence of this debate and its often critical tone can be seen in some respects as an indicator of increasing confidence within much of the City's creative sector. This evident energy and passion provides an important foundation for the future if policy approaches and structures can be adapted to nurture the creative industries' potential more fully.

6.2 Analysis of semi-structured interviews

Semi-structured face-to-face interviews were conducted with sixteen individuals who had direct experience of the development and delivery of policies related to the CKE. The synthesis of their views, outlined in the following section, provides a grounded critical assessment of policy. Interviewees were asked to provide insights and assessments of:

- What they considered to be the most important features of the policy environment;

- The extent to which formal policy and strategy had contributed to the development of an 'effective' creative-knowledge city;

- Their experience of designing and implementing policy and strategy;

- The difference that policy and strategy had made 'on the ground';

- The nature, extent and value of professional and social networks within and beyond Birmingham in helping their organisational or businesses' activities;

- The nature of any policy gaps or misalignments.

We also asked the policy professionals to reflect on what they had learned from their experience(s) of the policy processes and provide their thoughts on the future direction of policy and practice.

6.2.1 Key findings from semi-structured interviews

Key features of the policy environment

There is a general consensus amongst interviewees that there remain some 'weaknesses' across the city and region in terms of integrated or 'joined-up' working in the sector; these 'policy integration weaknesses' are to be found especially where the city council and other CKE actors are working in the same/similar fields. To counter this there is a view that some relationships are improving, for example, business support services are becoming more coordinated. Interviewees commented on a tension between the traditional subsidised cultural sector (largely focussed on social outcomes) and emerging commercial creative industries (who, although receiving public subsidy, mainly focus on profit and economic outputs). There is a strong feeling that the nature of the linkages between these sub-sectors, their business 'ecology', is poorly understood by key decision-makers. A crucial issue for most interviewees is the question of whether a strong enough emphasis is being given to this sector in Birmingham - and the related question of whether there is a 'championing' leadership for the sector in the city. The city is seen to be operating in a largely short term tactical and technocratic manner (e.g. focussing on distributing funds rather than looking to generate synergies and articulate a vision). Some deficits in internal and external communications are a feature across the sector, along with the absence of a strong entrepreneurial culture.

The contribution of formal policy and strategy to the development of a successful Creative Knowledge city

Many interviewees are unaware of Birmingham's Creative City strategy published in 2002. Those who are aware of it dismissed it as being somewhat superficial and report that many of the successful activities or positive initiatives have emerged organically 'from the bottom-up'. The general view expressed is that the strategy is out of date and a new strategy is needed to enable the creative industries to grow to the next level. The growing emphasis since the early 2000s on the policy narratives of the 'Digital City' and the 'Science City' in Birmingham appear, for some at least, to have eclipsed the earlier momentum that had been generated by the 'Creative City' agenda.

However, the local strategic partnership has recently been re-structured to improve the integration of the inter-agency Creative Birmingham Partnership Board and this will be used as a bridging mechanism between the cultural and economic development agencies. In addition, a new Creative Strategy as well as a new Cultural Strategy are to be drafted in the near future, although the drafting of two distinct strategies further underlines the issue of policy integration mentioned above.

'Leadership deficits' across the sector are reported by interviewees, at national, regional and local policy levels; and there appears to be some lack of clarity about where the responsibility for strategy and policy lie. For many policy professionals, there is a need for some greater clarity of purpose and coherence of activity to be engendered. Overall, it is felt that policy is fragmented and characterised by fragile and potentially vulnerable support from agencies that are under intense fiscal pressure(s) as a result of the UK economic downturn. There is currently a prevailing mood of uncertainty amongst policymakers and practitioners, particularly in light of the forthcoming UK general election. Birmingham City Council policy for the CKE is acknowledged to have played a part in bringing the sector together. However it is perceived to 'go its own way' on occasion and to bypass existing structures – sometimes placing its own policy agendas first rather than operating wholly collaboratively.

Interviewees are aware of the local/regional policy and strategy hierarchy. All respondents noted the importance of the RDA in the development of formal policy and strategy (given its responsibility for the Single Integrated Regional Strategy) and its function as a gatekeeper of mainstream public funds. However, there is a perception of a lack of understanding, awareness and championing of the creative sector by the RDA and this is seen by some as a significant barrier to the development of a successful CKE in Birmingham. As we highlighted in section 6.1 the development of a creative culture in the Digbeth district requires a fine-grained approach. There is also a wider issue of how RDAs can work with and relate to major cities who are themselves individually quite powerful.

Respondents experience of policy/strategy design and implementation

Respondents report that both policy design and delivery are complicated activities – the policy landscape is felt to be a difficult to navigate due to lack of a clear and consistent national, regional or local policy framework. The sector is felt to be relatively under-resourced with 'lots of little projects accompanied by small pots of money'. When policy translates into operational programmes and projects the limited scale of associated resources was seen as inhibiting success.

The lack of good data and robust evaluation frameworks are considered to be significant weaknesses in understanding or identifying the impact of policy interventions. For example, reference is made to a recent study commissioned by the RDA which reveals the looseness of policy design for the CIs and weaknesses in the approach to target setting compared to other economic sectors. It is, however, acknowledged that the creation of a Cultural Analyst post at regional level has been a positive move as it has increased the analytical capacity of the sector. Human resource issues are raised by many respondents. It is suggested that effective policy design and implementation are being hampered by the current inability to recruit and retain executive officers with extensive knowledge of the dynamics of this sector (for example, at local authority level).

Respondents note issues around continuity and change in policy and strategy. It is felt that spatial policy has continued to focus on the development of 'cultural quarters'. Although this clarity of vision is acknowledged as being positive there is criticism of an overly 'dirigiste' approach which at times is not nuanced enough to accommodate the 'finer-grain' of some commercial operations; and is not always sensitive enough to the differing needs of sub-sectors and size(s) of businesses. A widely recognised positive change in policy design relates to the increased involvement of young people and an increased focus on the skills agenda at both city and regional level.

Difference made by policy 'on the ground' – impacts?

Interviewees acknowledge that CKE policy has raised the profile of the sector, but there is still potential to do more and awareness of the sector in the city and region (and beyond) remains limited. The need to develop the voice of the sector and improve its advocacy activities is also noted. The example of the emergence of the 'Creative Republic' is cited as a good example of where policy has brought the sector together and helped it speak with one voice. It is also felt that CKE policy has enabled the development of stronger links between individual businesses and the local business support agency and this had helped make local businesses more resilient. Another positive impact of policy is the increased research and intelligence capacity that has been created through the collaborative funding of a Cultural Analyst post by the key cultural agencies and the Regional Cultural Consortium. However there is recognition that this analytical capacity remains vulnerable and under-resourced when compared to other more 'traditional' economic sectors. Overall, however, there is a sense that examples of good practice are not as widespread as they might be and largely because of the proliferation of inadequately funded short-term projects.

The extent, role and value of networks

Our respondents seem overwhelmingly to agree that the city and region is rich in network activity and networks are dynamic and growing. However it is felt that there is still potential to link the various networks together and to embed the sector into more established economic development and civic networks. It is acknowledged that the key rationale of localised networks is economic advancement rather than wider societal concerns or cultural innovation. It appears that there is a 'network continuum' where at one end the knowledge based professional services networks are much more cohesive, mature and powerful in lobbying

terms. At the other end there are much smaller inward looking creative sub-sectoral networks (e.g. those around Digital Media, Film and TV). It is noted that some of these smaller networks are 'critical vocal' rather than 'positive vocal' in that they challenge current policy arrangements and assert that traditional funding allocations have resulted in the marginalisation of smaller organisations.

Policy gaps / misalignments

The view that there is currently a lack of a strategic vision and poor connectivity between various CKE policy areas appears to be a key concern. It is suggested that the lack of a 'widely owned' policy for the sector at city and regional level, with some reported accompanying 'fuzziness' about where responsibility lies, has been detrimental from the point of view of developing 'integrative' approaches. Respondents seem to feel that too often 'the total is less than the sum of its parts' and synergy between projects within programmes has been lost on occasion. For some, this is attributed to the fact that funders typically act in a short term manner and largely because there is no 'big vision' to guide decisions. There is a view that there have been a series of policy prescriptions, for example, the 'Science City', 'Digital City' and 'Creative City' strategies but that there is little apparent 'working' connectivity between them. Within the Higher Education sector, for example, each institution has a particular niche and field of expertise but there appears to be no overarching or shared agenda. It is suggested that a weakness in the value chain of the local creative economy is the underperformance of the local marketing function. The perceived 'deficits' in leadership across the board where this sector is concerned are a key concern for every respondent. It is felt that key decision-makers do not feel comfortable with the risks inherent in the emerging creative industries. Gaps in technical understanding are felt to be a significant barrier to encouraging and exploiting the innovative potential of the sector. There is also an ongoing tension reported between subsidised and commercial companies; and the inter-connectivity and relationships between these elements are not well explained or felt to be understood by local decision-makers.

There appears to be a misalignment between spatial and economic development policy. The focus on Birmingham city centre is felt by some to be too restrictive, and the zoning and land assembly policies related to the development of creative quarters are criticised for not being fully aligned to the sector's wishes. Respondents suggest that this is partly due to poor communication and consultation procedures. The failure to develop sustainable medium size companies is considered a problem related to a gap in the design of economic development policy - the strengths of flagship companies and small 'gem' creative businesses with significant potential are understood, but there is a 'gap' in understanding the needs of those businesses that fall between these two categories.

Lessons learned from experience and policy suggestions

There is a fairly clear sense from the interviews that there are considerable opportunities to build on the city's achievements to date. It is felt that there is a need to simplify the policy environment. A first step could be to produce a clear, aspirational and yet achievable creative city strategy to update the 2002 document. Given the complex set of actors in the city and

region it is thought essential to be clear about who has responsibility for its implementation. This means ensuring actors are working towards a common set of strategic objectives.

Almost all interviewees seem to agree that there need to improve linkages between cultural organisations, creative industries' businesses and wider economic development agencies. The CKE has suffered from a lack of 'championing', and this needs to be redressed. Respondents call for enhanced human resources: greater intellectual rigour and technical expertise to help the city and its partners move to the next stage. Many respondents highlight the need for the sector to have better data gathering and analysis so that it can 'evidence-proof' strategy and justify its claims for resourcing from the public purse.

6.3   Reflections on similarities and contrasts with views of employees, employers, and TNMs captured in earlier surveys

Although the focus of this report is on exploring the perspective of policy makers, in this section we reflect on these alongside the findings of our previous ACRE surveys and interviews with creative and knowledge sector graduate employees; owner-managers; freelancers; and Trans-national migrants (TNMs).

6.3.1   The importance of 'hard' and 'soft' factors

One important finding from the ACRE empirical research is that 'hard' factors (career and employment opportunities; working conditions; education and universities; cost of living and affordability of housing) play a key role in the decision of individuals to move to the Birmingham city-region and these factors are more influential in comparison with soft 'quality of life' factors in attracting talent.

In addition to 'hard factors', the research has also demonstrated that the personal 'trajectories' (familial, friendship and social links; and the 'life stage' of individuals) of UK-born creative knowledge workers; owner-managers and freelancers have strongly influenced their location decision(s) - although this was found to be less the case for TNMs.

These findings challenge Florida's idea that 'soft', 'quality of place' factors are crucial in attracting the creative class to particular cities. Regarding the 'retention' of creative talent, the Birmingham research suggests that 'hard' factors still dominate, but 'soft' and personal 'trajectory' factors increase in importance for all target groups. At a more 'fine-grained' level of analysis, there are subtle but significant differences evident across the dynamics of 'attraction' and 'retention':

For firms, although a given location still must meet certain 'hard' business requirements (for example, sector characteristics such as overall suitability, quality and cost of commercial premises; transportation infrastructure; and a skilled labour pool), owner-managers also tend to choose business locations based on familiarity with the local area, as well as family and friendship ties. Having lived, studied or previously worked in the city-region means that people are aware of the area as a (good/ or not so good) place to work and do business.

Personal factors, both for owner-managers and employees, are also found to strongly inhibit relocation once a firm is established. Although the 'hard' and 'personal trajectory' factors which attract owner-managers are also the key to retaining them and their businesses in the city-region, 'soft' factors ('quality of life', 'quality of environment', 'quality of residence'), which are not an overriding consideration in the initial decisions to move to the city-region, or in starting a business here, come more into play in the decision to remain.

The relative importance of these various location factors is also found to vary according to the specific creative or knowledge sector considered. Table 6.1 highlights the key commonalities and differences between target groups.

Table 6.1 - Commonalities and differences in 'attraction' and 'retention' factors for different target groups

	Attraction			Retention		
	Hard	Soft	Personal trajectory	Hard	Soft	Personal trajectory
Graduate	√√√	√	√√	√√√	√√	√√√
Worker	√√√	√	√√	√√√	√√	√√√
Owner-manager	√√√	√√	√√√	√√	√√√	√√√
Freelancer	√√√	√	√√	√√√	√	√√√
TNM	√√√	√	√	√√√	√√	√√
Firms	√√√	√	n/a	√√√	√√	n/a

Source: ACRE, own calculations

In terms of 'attraction' factors, the key finding to note is that 'hard' factors dominate for all target groups and are closely followed by personal 'trajectory' factors for all groups other than TNMs. 'Soft' factors are relatively less important in terms of attraction. Regarding 'retention', 'hard' factors still dominate, but 'soft' and personal 'trajectory' factors increase in importance for all target groups.

The difference between 'attraction' and 'retention' factors is one of the key findings of ACRE. Furthermore, the greater importance of personal 'trajectories' in the attraction and retention of UK-based creative-knowledge workers and the lesser role in attracting TNMs, plus the relative unimportance of 'soft' attraction factors are also highly significant in policy terms.

6.3.2 Evaluation of policy to promote creative and knowledge sector activity

Employees (WP5)[1]

Just over half (52 per cent) of creative and knowledge-intensive graduate employees surveyed as part of ACRE WP5 consider Birmingham's policies to be favourable to the development of the CKE, while 38.8 per cent consider the Region's policies to be favourable. A number of comments were made to explain these responses:

Policy makers are felt to have little understanding of the needs of the sector. The City focus is often on attracting and supporting high profile events and festivals, and although there is welcomed commitment of support for major cultural activities, e.g. the re-opening of the Town Hall, there is felt to be a limited appreciation of the support needs of independent, small businesses in the sector and respondents indicate it is sometimes difficult for smaller CCI organisations to access funding. The increasing cost of property and lack of creative spaces at affordable prices as well as grow-on space is also felt to create pressure on existing facilities such as the Custard Factory.

Some respondents feel that Birmingham is trying too hard to emulate other successful projects/ cities such as Manchester without developing what is unique about Birmingham – there is a call for the City to be more 'forward thinking' and lead the way more, rather than waiting for other cities to trial new initiatives first. At the same time, Birmingham is still not felt to have developed the 'cool' or 'edgy' image which cities such as Manchester and Leeds boast and the sector is lacking a 'champion'.

The City is also regarded as being 'risk averse', at times uninspiring and non-creative itself. Respondents note the cripplingly complex funding structures and myriad of support organisations responsible for delivery of programmes and funding. Although there is a huge amount of funded agency support for creative businesses, the help that is available is felt to be often poorly publicised and there is a feeling that intermediary agencies are costly and reduced available funding for actual creatives and that those with funding often promise much but deliver little (this was highlighted in the 2007 Parkinson Masterplan report). However, there are notable exceptions including the City Council's Creative Business Development programme which is highly praised. Nonetheless, it is felt that there is no coherent strategic development of the sector in the city, and although there is a will to support it, there seems to be a lack of integrative thinking between different agencies, while policy is underdeveloped and ineffective. Respondents also commented on a lack of post-graduate investment for people wanting to work in the sector or support for freelancers, although a lot of generalised business advice is available.

On the positive side, respondents feel that the City has actively sought to attract and encourage cultural events and organisations (e.g., Birmingham Royal Ballet) and the City allocates funding to a variety of arts organisations. However, this emphasises Birmingham's tourism potential, bringing visitors and investment to the city, rather than providing focused support for the creative sector. Nonetheless, the regeneration of city centre is felt to have helped open opportunities to artists, making Birmingham more attractive to those sectors. But although there are clusters of creative activity e.g. around the Custard Factory, the CIs need

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[1] Questionnaire surveys of graduate creative and knowledge employees were undertaken from July to October 2007 (Brown *et al.,* 2008a)

more visibility – there is a call for a 'Big event' similar to Manchester's International Festival. Finally, there is a general acknowledgement that diversity and inclusion are positive outcomes of policy - the City is open to all and caters actively for multiculturalism through funded events and festivals which increase awareness and this is regarded as extremely positive

Regionally, there is also a general view of a lack of strong leadership - there is not a single representative body for the sector who can advise, guide and help to ensure that policies are appropriate and respondents feel that the Regional Development Agency does not understand the CIs sector - creative schemes or projects tend to follow funding scheme directives (lottery or European grants) rather than the needs to the sector and there is not enough coherence with strategic objectives. Other industry sectors have traditionally been favoured in the region so it is also felt essential that more investment is made into the CIs. However, the strong partnership between regional cultural agencies (within the limits of parameters set by parent bodies) is seen as positive; as is the fuller integration of CIs into the new RES, although it is felt that more is still needed to actively support CIs sectors in terms of their fundamental importance to 'quality of life' as well as greater levels of regional investment to support SMEs in general.

Owner-managers and freelancers (WP6)[2]

Opinions about CKE policies vary by sub-sectors: Interviewees from the Radio, Screen Media and Digital media sectors are critical of the 'dirigiste' quarter policy and the wish to cluster CIs in and around Digbeth and the Custard Factory. Although there is a lot of sector-specific support, it is felt to be badly organised and lacking a 'joined-up' approach; existing business support systems are regarded as bureaucratic and overly complex and there is felt to be a lack of transparency of process. However, respondents comment positively that the availability of business support has been increasing and praise the RDA's Advantage Creative Fund in particular (funding has now been withdrawn – see section 4.1.4. and 4.2.5).

The lack of affordable, good quality commercial premises is seen as a major issue - grow on space is currently lacking in the City, and this is regarded as essential in order to further develop the sector. The general lack of visibility of the sector in Birmingham is also a key issue for further development, and there are calls to facilitate a lobbying group to enable a strong collective voice (subsequently, the 'creative Republic' has been formed). Interviewees in the Digital media sector also call for an inward investment strategy in order to attract a national client base to facilitate the growth of the sector in the City.

Interviewees from the Computer Games sector comment on the lack of regional support for leisure games and the emphasis on serious games, notably AWM's £6 million investment in the Serious Games Institute. Sources of funding for the leisure games sector are generally regarded as unreliable, and involve chasing lots of different pots of EU and other sources of money. The public sector agencies are criticised for not understanding the support needs of private companies. Although the Advantage Creative Fund and Passport to Export (Business Link and DTI) are again praised, respondents are generally unimpressed by the level of sector-specific support available to them. They also comment on the lack of 'joined-up'

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[2] Interviews with owner-managers and freelancers were undertaken from March to May 2008. (Brown *et al.,* 2008b)

public sector support mechanisms as well as the absence of a regional games development agency (AWM have since assisted in setting one up). The need for investment in R&D and skills training is seen as a key issue for further development of the sector in the region.

The Business consultancy sector does not receive any sector-specific support. However indirect support to improve 'quality of place' – including public realm improvements, safety, transport, image and marketing – are considered vital to the sector in attracting clients and also developing critical mass and clustering to make sector visible. In this respect, good quality grow-on space is also needed. Eastside is not currently seen as a viable option as respondents feel that development and investment in the area has far to go in addressing the aforementioned 'quality of place' and infrastructure requirements before firms will consider locating there. The City Council is also called on to act more pro-actively with the sector especially around effective inward investment strategy.

Trans-national migrants (WP7)[3]

Respondents praise sector-specific supportive for the Visual and performing arts, particularly that of Creative Alliance (a training, skills development and business support organisation relying on public funding support). However, public support is felt to over-emphasise start-ups. There is a need for more regional commissioning to develop local talent and also a need for a greater variety of visual arts space, although new developments such as Fazeley Studios in Digbeth are seen as positive and the Midlands Art Centre (MAC) facility is also highly valued as one of the few 'third space' environments in the City. Respondents are critical of both the internal and external marketing of CIs for lacking coherence and being very 'mainstream' – the lack of an image of Birmingham as a creative city does not help attract or retain talent in the city.

Interviewees in the Business consultancy sector and the Higher Education sector do not indicate any need for public sector support. Interviewees in both sectors are generally satisfied with the institutional support they receive. However, they feel the City itself needs better marketing and signposting of what is available to imported talent. The lack of an international school in Birmingham may be an issue in retaining TNMs once they have children.

Overall, the policy to improve the City Centre and the knock on effects on quality of life are perceived as good by the TNMs interviewed. The diversity and multi-cultural society in Birmingham is also recognised as a very positive feature. Personal trajectory issues are more influential than public policy - family and friend connections largely affect decisions to remain. However, in terms of attraction, the international outlook and HR policies of universities are also extremely important considerations.

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[3] Interviews with TNMs were undertaken from August to October 2008. (Brown *et al.,* 2009a)

6.4   Summary

This chapter has drawn together a wide range of perspectives on the policies and strategies designed to develop the CKE in Birmingham and the West Midlands region. It captures the critical debates as well as the celebratory championing of the sector carried out in the public domain. Interestingly, the very existence of these vigorous open conversations illustrates the much higher profile currently experienced by the sector. There has been a maturation of debates about the 'creative city' and culture, creativity and the knowledge economy policy can be seen having moved from the margins of public policy towards the mainstream. The chapter also records views held by the policy professionals themselves, which are valuable complements to the insights gained from earlier surveys of employees, employers, entrepreneurs and Trans-national Migrants.

What emerges from this triangulated data is a picture of a city that has made many advances in policy and strategy but is still committed to making even greater progress towards the goal of being a successful creative-knowledge city. It is acknowledged by those interviewed that policy and strategy has contributed to a number of positive developments within Birmingham and the West Midlands more generally. These have included:

- An increased public profile for the CKE sector and an acknowledgement of its potential to contribute to increased economic prosperity

- The development of a stronger voice for the sector via the growth of new lobbying organisations

- A portfolio of sector specific tailored business support mechanisms

- The articulation of a spatial strategy designed to nurture and grow the creative industries

- The development of innovative financial instruments to support the growth of creative industry firms

- Enhanced analytical capacity within the region in the form of a dedicated cultural analyst function in the regional observatory

- An increased focus on the skills agenda and young people

- A sustained concern to maintain an open and welcoming attitude to creative talent from outside the city, region and the UK.

At the same time, our research reveals that the actors involved recognise there remain some key opportunities to develop an even stronger creative-knowledge sector. The following issues are identified as areas where progress still needs to be made:

- A move towards a simpler policy architecture and more clarity about roles and responsibilities

- Build on the good record of partnership working towards more effective integration of activity to attain greater synergies and make more effective use of resources

- Ensure better connectivity between different tiers of policy and more joining up of networks

- More coherent and inspirational leadership and a refreshed and more widely owned Creative City strategy

- Develop a more nuanced approach to spatial planning for the CKE

7 CONCLUSIONS

7.1 Overview

Traditionally known as the industrial heartland of the UK, the Birmingham city-region is experiencing a difficult period of economic change and transition. The challenges for City policymakers are considerable at this time – not least due to the effects of the recent economic crisis - and there is some uncertainty concerning the resilience and growth potential of the CKE in Birmingham, particularly over the short to medium term. While some segments of these industries and activities display a dynamic profile, others appear more fragile in the face of current financial pressures. This is a result of a variety of reasons - including a shortage of experienced and skilled employees; limits imposed on firm growth due to a lack of both a national and international client-base; globalising markets; the overwhelming dominance of London as a creative-knowledge hub (see also ACRE report WP8.3, Brown *et al.,* 2009). Moreover, the creative sector overall is of limited size and maturity in Birmingham when compared to some other Core Cities in the UK in spite of nearly a decade of formal policy intervention.

The research conducted for this report – and in particular the views and observations gathered from across the stakeholder interviewees – presents something of a mixed picture. There are reasons for optimism as Birmingham recognises the importance of pursuing creative and knowledge-based development agendas and much has been achieved from a low base of activity in the early 2000s, but there are also some challenging messages coming from those working to 'operationalise' policy on the ground as well as from those who experience policy as end users.

While Birmingham clearly has much to offer its creative-knowledge 'talent' across the 'hard' and 'soft' dimensions explored in earlier ACRE reports (see Brown *et al*., 2009b) there remain some important question marks around the coherence, accessibility, over-complexity and appropriateness of the policy environment for the circumstances that prevail across the CKE in Birmingham in 2010. This marks an opportunity for the City to take stock of past achievements and build on the foundations that have been laid while at the same time looking to new opportunities in terms of supporting and developing the sector.

7.2 Reflections on existing development strategies and policy

The creative industries have been regarded as a fundamental component of the UK economic growth since the first Mapping documents in 1998 and 2001 (DCMS, 1998; 2001). Today, they remain high on the UK political agenda and are seen as playing a pivotal role in the national strategy to support economic recovery and growth following the recent recession (DTI, 2009). The Creative Economy Programme - a £70.5 million, cross-departmental

programme involving DCMS, BERR and BIS - lies at the heart of government strategies to invest in the CIs. Local and regional authorities are expected to support this national agenda through initiatives, such as regional Creative Beacons, that raise the awareness of the potential impact of creative firms for growth within the regional policy support framework and, for instance, through the development of local partnerships to support them (DCMS, 2008).

Cities and regions in the UK have also become an increasingly important focus of government policy since the 'New' Labour government came to power in 1997. Locally led regional policy is a cornerstone of the UK Government's economic and social strategy. The decentralisation of economic policy and devolvement of power, aims to ensure that regional policies are geared to local economic conditions and designed to meet local and regional objectives. At the same time these regional policies need to be aligned with overarching national policy objectives and national policy constraints imposed by central UK Government. However, the Government focus on evidence-based policy means that regional policy often influences policy at the national level. For example, Birmingham and the West Midlands is involved national initiatives at a strategic level, influencing national policy from a local evidence base via consultation and involvement in task groups etc.

Despite recent attempts to simplify and provide a more 'joined-up' approach to policy-making and policy delivery, the UK policy environment at a national, regional and city-level remains highly complex. In the West Midlands, there exists a plethora of interrelated strategies operating at both a regional and city level, all of which have varying degrees of alignment with one another. In general terms, regional and city-level policies for creative industries in the UK follow central government guidance and tend to be justified in terms of economic development and employment creation, followed by improvements in infrastructure, regeneration, tourism/events and education & training (including 'talent' generation) and there are other policy rationales including city branding and heritage. Increasingly, creative industries strategies have multiple policy objectives, including social inclusion, access and quality of life. Birmingham's CIs policies follow the national strategy defined by the DCMS. This is mainly established via the development agency on the regional level. In addition, the city has developed its own city master plan regarding social, economic and environmental development, where CIs are a key factor.

The CIs together with the knowledge sector have been recognised by the key public agencies in Birmingham as critical components in the renaissance of the City, in terms of ongoing physical urban regeneration, economic development and employment growth. A considerable amount of attention has been given to the ability of the City to attract businesses associated with the 'new economy'. Attention has shifted from a focus on 'culture' and developing 'soft' location factors towards creating the correct business environment necessary to develop creative industries and grow the CKE. Today, Birmingham is focusing on 'innovation' and key sectors for growth which are largely knowledge-driven, but also include creative sectors such as Digital media, while at the same time, working hard to respond to the impact of recession and its unpredictable effects on the CKE overall.

Birmingham's efforts to develop its creative industries together with its knowledge economy are acknowledged by interviewees for enabling the sector to become part of the mainstream

local and regional economic policy. Creative industries are considered important enough to include in the city's main development document, the Birmingham 'Big City Plan' Charter (BCC, 2008) part of the new Masterplan for the City Centre which recognises the economic as well as cultural importance of the creative industries and looks upon them as a catalyst towards growing the knowledge-based economy. Nonetheless, while local and regional policies have evolved over the past 10 years to try to reflect business needs, some interviewees report that the overall approach of the City is still not completely 'fine-tuned' for the diverse needs of the various sub-sectors and differing size and maturity of businesses. A widely welcomed refinement in policy design has been the recent focus on young people and on the skills agenda at both city and regional level.

Some policy makers interviewed feel that whilst City and Regional policy initiatives initially followed a strongly 'top-down' approach, this has shifted toward a more 'bottom-up' one in the last few years. Partly this is a reflection that a number of successful initiatives have come from the 'grass roots' level and the sector itself (for example, the Custard Factory in Digbeth or the Big Peg in the Jewellery Quarter or the formation of The Creative Republic as a lobbying body for the sector across the Region) and partly the changing organisational objectives of the agencies involved as they move towards becoming 'enablers', by focusing on ensuring the correct financial or other infrastructure is in place to facilitate the growth of the CKE. Nevertheless, many highlight that economic development strategies have not always matched spatial planning initiatives. For example, policy has identified emerging 'clusters' of creative activity in and near the city centre (the Jewellery Quarter and Eastside/Digbeth). There are major developments and projects underway in these areas which aim to create a focus for further growth and support for the creative and knowledge industries in the City. While growing, these areas could benefit from more integrated planning strategies to increase their connectivity with the rest of the city centre and to resolve some ongoing conflicts in terms of usage and interests in the area.

There also appear to be some ongoing tensions between the creative, knowledge-intense and cultural segments of the CKE at this time of 'financial stress'. There is also the longstanding tension to be navigated between the desire for policy that is informed by the requirement for improved social outcomes (and inclusion) across the City and the demands for sustainable economic performance and profit.

Government priorities to develop key growth sectors has seen the focus of recent creative industries support in both Birmingham and the West Midlands region somewhat narrow as specific sub-sectors - including Digital media, Software and Computer games - have been targeted for attention. There is a perception that the 'Creative City' agenda has been eclipsed to a degree by an increasing emphasis on investment in science and technology activities promoted through initiatives such as Birmingham Science City, Digital Birmingham or the Central Technology Belt and that are championed nationally by DBIS and locally also by AWM, BCC and the local HEIs. The extent to which this is the case or not – and the degree to which this 'skews' policy priorities - is unclear. Nevertheless, the Creative City, Digital City and the Science City agendas appear to be currently operating in independent silos and so partnership working may require some attention. New and emerging science and technology projects, start-ups and related inward investment favoured by these other policy areas could

offer business development opportunities for the creative sector (e.g. advertising and marketing, web design and so on).

What is clear is that the CKE policy environment in the Birmingham City-Region is highly complex and sometimes confusing for those seeking to engage –There are currently a very large number of active policies, strategies and initiatives at national as well as at regional and city-level. Despite ongoing attempts to re-align regional and city-level policies – to simplify and integrate within and between policy initiatives - interviewees note a somewhat 'patchy' connection between policy for the creative sector and other policy initiatives such as the more recent Science City and Digital City agendas, for example. The perception is that there are continuingly shifting priorities and ongoing issues in relation to the alignment between Birmingham City-Region aspirations across the creative-knowledge economy and the various intersecting National policy agendas that are 'operationalised' at local level for example by AWM. Part of the explanation for the various 'dilemmas' faced in CKE activity across the City is found in the shifting policy objectives engendered by different political administrations over the last decade and the uncertainty surrounding the outcome and consequences of the forthcoming UK general election. Delivery vehicles to enable longer term commitment and implementation are required in order to overcome this political instability.

Interviewees responsible for the operationalisation of policy commented that local delivery arrangements and appropriate funding mechanisms are fundamental in terms of what happens 'on the ground'. Consequently, a key issue facing the future development of the CKE in the city-region - at least in the short term - is the squeeze on public sector funding. Regional sector-specific support initiatives such as Advantage Creative Fund and City initiatives such as Birmingham Business Support for the Creative Industries - both of which were widely praised by interviewees – have now ended, although non sector specific support is still available. Cuts in central government funding mean the City and the Region will have to carefully choose its priorities and it is likely that the City-region will see a stronger alignment to national growth sector priorities and agendas as well as European priorities as it looks to ERDF or Framework 7 funds for additional support.

7.3   Reflections on institutional structure and governance arrangements

Since our first snapshot of the sector taken in 2006 (see Brown *et al*., 2007) there has been significant restructuring of organisations at national, regional and city level and these can be seen to have influenced the development of the CKE.

Similar to the policy framework environment, the institutional landscape around culture, creative and knowledge-based industries in the UK is highly complex. There are numerous formal and non-statutory organisations involved in supporting the development of CKE at national level as well as at regional and city level. The institutional environment in Birmingham and the West Midlands is characterised by numerous partnerships, alliances and networks. Some are formal and tied into statutory bodies others are much looser and informal.

The shape and function of organisations that emerge, prosper, or become obsolete at city level is influenced by regional and national policy as well as by local policy conditions.

There is a well established tradition of institutional collaboration in Birmingham which is seen as highly positive by interviewees. Public sector organisations are complemented and influenced by a wide range of partnerships, including public-private partnerships and private representative bodies, some of which are partly owned by public organisations. Most organisations work with one, or more, other (private or public) organisations, usually in conjunction with BCC, for the delivery of economic development activities. However, the regional level of governance also has a significant influence on the CKE in Birmingham. The RDA and GOWM act as gatekeepers for national and EU funds, and the RDA is the dominant actor at regional level. Although there is a collaborative policy environment in the city and region, there is not an equal distribution of power within it. The organisations with the greatest influence over political decision-making at the present time are those within the public sector.

The CKE does not operate as a coherent entity but exists as two separate sets of actors who relate either to the Knowledge economy or the Creative/cultural economy. The stability of memberships is largely related to the age of the partnership and the length of time the institution has existed. The 'establishment' actors in the legal, financial and education professions and the elite cultural and arts organisations are more likely to have an automatic seat at the strategy table than individuals and groupings of the younger emerging creative industries.

There are instances where different constellations of actors emerge around different policies and projects. For example the city's universities came together under the banner of the 'Science City' and 'Digital City' projects. However, it should be noted that collaboration between these institutions is not the norm. Actors occasionally align around specific issues e.g. the need to improve the image of the city or for a specific time-limited project such as the bid to become European Capital of Culture or the Cultural Olympiad.

Whilst it is acknowledge that CKE policy has enabled the development of stronger links between individual businesses and local business support agencies and this had helped make local businesses more resilient, there is also a clear consensus amongst interviewees - both policy-maker and practitioner - that despite attempts to co-ordinate activity there remain some weaknesses across the city and region in terms of an integrated or 'joined-up' approach to CKE development.

One of the key findings of the ACRE research is that the presence of strong peer networks is an important retention factor. Interviewees overwhelmingly agree that Birmingham is rich in network activity and these networks are dynamic and growing. However, there is evidence of a 'network continuum' where at one end the knowledge-based professional services networks are much more cohesive, mature and powerful in lobbying terms. At the other end there are much smaller inward looking creative sub-sectoral networks (e.g. those around Digital Media, Film and TV). It is felt that there is potential to link networks together and to embed creative industries networks into more established economic development and civic networks. Previous research on mechanisms to grow the creative economy in Birmingham (Morgan,

2005) has found that public support mechanisms are vital in both initiating and maintaining peer networks and facilitating collaboration. When these public support mechanisms are withdrawn, this can have a negative impact on collaboration levels of creative businesses (Morgan 2005, p353). This highlights the importance of continuing city-level support for the creative industries sector in Birmingham if it is to continue to grow.

7.4   Policy considerations

Whilst significant progress has been made over the last decade in the transformation of Birmingham towards a 'knowledge-based economy'– from the perspective of both institutional stakeholders and creative-knowledge firms - there appear to be a number of opportunities currently to improve upon the strategic coherence of Birmingham's CKE policy agenda (including its leadership); and the impact and coherence of the various organisational and resource responses at city-region level going forward. We set out these early observations below:

- There is an opportunity to improve the quality of the evidence base for CKE policy formulation and delivery purposes in the City – an adequately resourced and ongoing programme of 'research and intelligence' should be established to provide an updated picture of the structure and performance of the CKE sectors/segments;

- There is an opportunity for more integrated working in/around the various CKE policy silos (Creative City, Science City, Digital City and so on) – or at the very least to ensure a more seamless communication of information concerning strategy and operations both within the City Council and beyond – so that the potential for added-value gains to be secured from collaborative working across the CKE are more readily identified;

- There is an opportunity to simplify the local and regional policy arrangements which are complex – for example, the proposed combining of the Creative Birmingham Partnership Board with the Cultural Partnership Board. The sector stakeholder institutions and firms report that it sometimes finds it difficult to engage, to know who to engage with and for what purpose;

- There is an opportunity to extend the CKE 'expert' capabilities of the City. The City executive team(s) working in this area is highly motivated but thin on the ground - Birmingham needs more capacity at strategic and operational levels;

- Public support mechanisms are vital in both initiating and maintaining peer networks and facilitating collaboration. When these public support mechanisms are withdrawn, this can have a negative impact on collaboration levels of creative businesses. Continuing city-level support for the creative industries sector in Birmingham is vital to ensure the CKE continues to grow.

- There is a need for a greater focus on developing the creative 'content' of the City through the improvement of an environment suitable for a more diverse range of small creative businesses; and through investment in more localised and smaller scale initiatives. The perception is that the City's approach to the development of the CKE has been overly 'traditional', 'top down' and property led (e.g. large scale land assembly, site clearance and so on). Areas such as Digbeth provide an opportunity for a more 'light touch' enabling approach

▪ There is a sense that creative and cultural activities are not adequately emphasised in comparison to the science and technology development agenda(s). There is an opportunity for the City Council to assert its 'facilitative leadership' in this area and to provide an accessible, integrated and generative CKE 'narrative' at a time of economic uncertainty;

▪ There is an opportunity to improve the 'creative' image of the city – a sense that Birmingham still lacks the 'cool and creative' image of (say) Manchester or Leeds. Need for 'bigger' and globalised cultural events to aid with the City's post-industrial (USP) re-invention as a top international location for CKE activities;

▪ Birmingham has developed a considerable 'knowledge base' around the CIs over the last decade – but this local knowledge is highly dispersed across a wide variety of public bodies and private sector firms working in this area. At a time of change and transition in the economy, and in terms of harnessing and fully exploiting the City's potential - there is an opportunity for Birmingham to stimulate a new phase of trans-disciplinary learning around the theme of the Creative-Knowledge City by drawing together and combining policy and business insights from across its planning, economic development, education, arts and humanities, engineering, leadership and management disciplines.

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Appendix 1

Figure 4.1 - Regional and City-level policy framework.
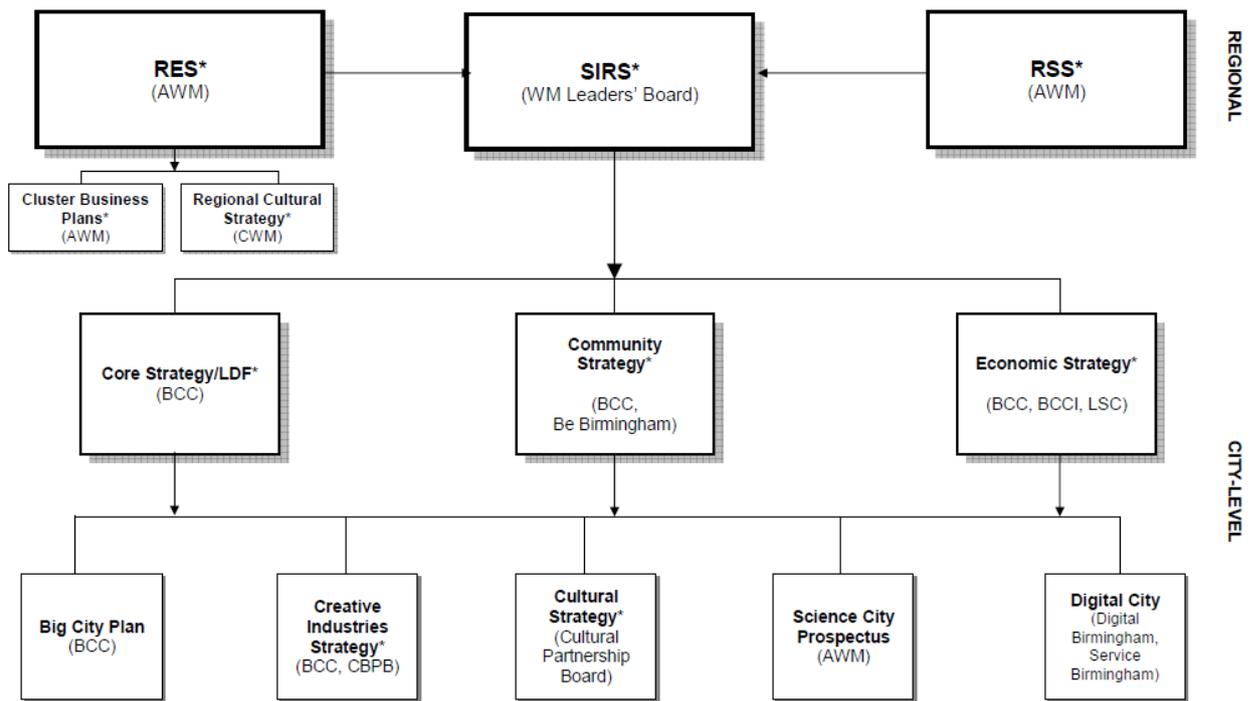
Notes: * denotes statutory policy

Source: ACRE

Appendix 2

Key Regional and City-level support initiatives (past and current)

Key Regional Initiatives

Advantage Creative Fund was a dedicated equity investment fund for the CIs in the West Midlands. In essence, the ACF was a venture capital fund run for creatives by creatives. Deriving its funds from ERDF, **Advantage West Midlands (AWM)** single pot and Arts Council, it was the first venture capital fund dedicated to investing in the CIs in the UK. Phase 2 of ACF made 81 investments into 55 creative companies in the West Midlands, investing a total of £5.4 million across the range of creative industries. ACF has now ended.

The Creative Region programme a £1 million fund launched in April 2007, which provided a comprehensive package of support for the development and growth of creative businesses within the region. The programme has now ended.

Advantage Broadcast Fund*:* This national fund invested into the development of the independent television sector. 80% of the fund was awarded as loans for the development of ideas, pilots, companies etc and 20% of the fund was awarded as grants for industry specific and business training and mentoring. A total of £1.5 million was available in the West Midlands and was distributed by Screen West Midlands. The fund aimed to stimulate more commissions from the region and contribute to a sustainable broadcast industry in the West Midlands.

The Advantage Suite of Funds

AWM sponsors a wide range of business development funds alongside ACF. All of the sources of finance are externally managed. These include:

- *Advantage Growth Fund*: Was a £20m-equity/loan fund established in 2003 to invest up to £250k in businesses with high growth potential. Managed by Minerva, it invested in 44 companies. Now closed to new investments.

- *Early Advantage Fund*: An early stage venture capital co-investment fund with £8m to invest in small businesses within the West Midlands region. The fund can make an initial investment of up to £125,000 if matched by private money, and can invest a further £275,000 in later rounds. The fund is open to high growth start up, early-stage and medium-sized enterprises with or without revenues. Eligible companies will initially be raising investment of up to £500,000. The fund works closely with Advantage Business Angels to broker the deals.

- *Advantage Business Angels*: A network to bring companies looking to raise up to £25k or between £250,000 and up to £2m and individual investors together.

- *The Advantage Enterprise & Innovation Fund:* A £20m private equity co-investment fund established in 2005 to provide capital for expanding businesses. Investors in the fund include Advantage West Midlands and The European Regional Development Fund. Catapult Venture Managers Limited manages the Fund and aims to make commercial equity investments in small and medium sized companies throughout the wider West Midlands region of between £250k - £1m, matched by a similar or greater amount from private investors that Catapult can

help to introduce. AEIF is a generalist fund covering a broad spread of industry sectors from early-stage technology to services and specialist manufacturing.

▪ *Advantage Transition Loan Fund*: Offers viable businesses loans of between £50,000 and £250,000 to help bridge the gap for SMEs suffering short-term funding problems due to the current financial crisis.

AWM also supports provision of business support services to assist the growth of business in the region. These include:

▪ *Access to finance e-portal*: http://www.westmidlandsfinance.com. A regional database of financing for West Midlands SMEs - contains more than 500 different sources of finance.

▪ *Connect Midlands*: http://www.connectmidlands.org Assists technology enterprises in becoming investment ready and facilitates the exchange of ideas and technology transfer opportunities through networking and training with peers and potential investors

▪ *Mustard:* http://www.mustard.uk.com. Provides assistance to business start-ups with high growth potential in the West Midlands. Managed by the Birmingham Chamber of Commerce and Industry and delivered through Business Links, developed in partnership with commercial organisations, and is funded by AWM, ERDF AND Business Link

▪ *Graduate Advantage*: http://www.graduateadvantage.co.uk. A scheme aimed at retaining graduates in the West Midlands and offering work placements and internships to students and graduates as well as employability training and an online graduate vacancy service. Funded by AWM and managed by a consortium of HEIs.

▪ *www.2wm.co/uk*: A regional portal, developed in partnership with the Regional Development Agency (Advantage West Midlands), BT, Coventry University and the European Commission. It signposts sources of advice and support for the key economic sectors identified by AWM.

Screen West Midlands: http://www.screenwm.co.uk

Screen West Midlands provides a range of production and development funding and loans. These include:

Investment fund: Funded through the National Lottery, it offers support for projects that meet Screen West Midlands' overall priorities for the region's screen media industries. Funding can be used for: film festival/market attendance (£250 - £750); Running a film festival (£2,000 to £15,000); between £2,000 and £10,000 are available for the following: Feature film script development; Talent development; Film education; Film exhibition; Audience development; Running training courses. Anyone can apply, but the project must benefit those residing in the West Midlands and be related to film and fall under one of the categories above.

The Digital Film Archive Fund: a new fund set up in 2008-9 by the UK Film Council to increase public access to regional screen heritage. Each regional screen agency has been delegated funding for 2 years to support innovative programmes ensuring wider access to the UK's screen heritage. Screen WM has £138,000 of funding for projects per year.

Channel 4's 4iP: *a* £10 million joint investment 4iP fund, supported by AWM. In addition, Screen WM has also secured a £1.3 million support package. 4iP is a creative pilot fund that supports ideas for websites, games and mobile services which help deliver content on new media platforms to improve people's lives.

Film and Media Production Fund: since 2004 this fund has supported the production feature films and major broadcast projects in the West Midlands. It can invest up to £500,000 towards a project's budget which can be used for script development, project development and production. Although targeted mainly at film, projects, we can also invest in interactive games production, single TV dramas, and feature length documentaries.

Digishorts: offers the chance to develop and produce a short film with support of up to £10,000 from Screen WM and the UK Film Council

Creative Launchpad

Operated by Tribal, Creative Launchpad offered support services including advice, guidance, business support, one-to-one consultancy, training and seminars to creative industries practitioners, partners, agencies and government bodies in the West Midlands:

- **Practitioners -** individuals wanting to enter into the industry, those that have just started, those that have established their business, and those that want to grow and develop their existing businesses

- **Partner Organisations** - the network of organisations that provide service of advice, guidance, consultancy, training, workshops, seminars through funded projects, funding bodies, HE/FE, industry specific organisations and associations and any other providers of support to the Creative Industry Sector.

- **Agencies** - the group of key agency bodies across the region that have a strategic responsibility for the development of the Creative Industry sector (AWM, LSC, ACE-WM, Business Link, Local Authorities, etc.)

Completed projects in the West Midlands include:

CLP 3: IAG: advice, guidance, help into self employment for unemployed or underemployed individuals in the Birmingham and Solihull Objective 2 area, delivered from The Custard Factory and Partners Organisations across the area.

Art with Purpose: advice, guidance, NVQ L3 Mini Award in Learning and Development ("Train the Trainer") to enable creative individuals to deliver effective workshops in whatever sector they choose to work in, a partnership project with Birmingham City Council and Arts & Business.

CCiC: range of training and learning programmes and development opportunities for creative individuals who are: considering entering the industry, requiring advice, guidance and training; new-entrants to the industry; those continuing their professional development.

CCiC: Management and Leadership Training: training on skills required to manage and lead teams of freelancers, sub contractors, employees and clients in the creative industries.

West Midlands Business Link Enterprise Support Programme: business support, consultancy, specialist training seminars and events for West Midlands based creative entrepreneurs starting up their own enterprise, or running a new enterprise.

Birmingham City University Screen Media Lab: http://www.screenmedialab.com

Offers access to equipment, expertise and training to screen media and visual design businesses in the West Midlands. Set up in 2003 by BCU in partnership with Maverick TV, Hi 8us, and Birmingham Central Library with funding from ERDF.

SP/ARK (http://www.spark-spaceforcreativity.co.uk): A business incubator that provides facilities, accommodation, training and mentoring for business starters and freelancers in new media and design. SP/ARK is equipped for specialists in multimedia, graphics, video and sound design, 2D and 3D animation, textile and interior design, screening, projection and presentation design. The service provides low cost office space in a friendly, professional environment, and is situated at Wolverhampton Science Park.

Light House: Wolverhampton's Media Centre which aims to increase the enjoyment and understanding of technologically-based media, in particular film, video, photography, animation and new media. Lighthouse provides almost a full range of services to creative industries in the West Midlands, from incubation services to tailored training provision, it focuses on creative industries in The Black Country, an area that has not been traditionally targeted by creative support programmes in the same way that Birmingham has and Lighthouse also interlinks with many other support programmes across the region such as 'SCRIPT' and Creative Pool. Media training courses are funded by the Learning Skills Council, European Social Fund, Wolverhampton City Council and the Arts Council.

PLOT: PLOT is a Light House-led project, part-financed by ERDF, which supports the development and growth of the creative media industries in Wolverhampton and the West Midlands region as a whole. PLOT aims to provide the resources and environment for the growth of the creative media sector and to help retain creative talent in the region. It provides a range of support services, including mentoring, business advice, project consultancies, office space, technical and production resources. PLOT is aimed at individuals and companies working in the creative media industries who need support to improve their business outputs.

Key City-level Initiatives

Since 2002, Birmingham City Council has operated a number of programmes in order to assist the development and growth of the creative industries including:

- Business development services

- Learning, training and mentoring

- Business networking

- Knowledge exchange and support

- Business seminars and workshops

- Product and market feasibility studies

- Incubation and premises support

- Staging events

- Showcasing talent

Business Support for the Creative Industries (BSCI) Programme: Birmingham City Council, with support from key partners Business Link, Screen West Midlands, Learning and Skills Council (LSC), Advantage West Midlands (AWM), Government Office for West Midlands (GOWM) and The Arts Council, led an integrated programme of business support to foster the development and growth of the creative industries sector within Birmingham between 2002 and 2008. The programme was designed to assist both new and existing creative SMEs in Birmingham and Solihull and was developed in recognition of creative industries being a high-growth sector, a key priority for the region and to address specific barriers for growth which had been identified. Funds came from AWM, ERDF, Birmingham City. The programme provided a complete package of support with five main elements:

1. Creative Space (Incubation): Up to £5,000 of grant support is available to set up new business premises
2. Feasibility: Up to £2,500 to help identify new market opportunities for products and services.
3. Business Development: Up to 20 days consultancy support to develop a business in business planning, sales and marketing plans, financial planning etc
4. Business Programmes: Master classes and workshops covering sector specific subjects such as intellectual property rights, distribution, contracting, sales pitching
5. The Creative City Awards: an annual award scheme open to all creative companies who had benefited from the support of the BSCI programme.

The main beneficiaries were the areas of Eastside, the Jewellery Quarter and adjacent areas in the city centre. The scheme assisted 1,042 businesses, created 838 new jobs, safeguarded 1,430 jobs and started 253 new businesses.

Based upon the success of the Birmingham programme, a £1 million EU funded Creative Region programme was launched in April 2007 with a West Midlands remit. The programme ran until June 2008 and provided a package of support for the development and growth of creative businesses in the region.

Creative City programme was delivered by BCC in partnership with Birmingham and Solihull Business Link. The programme offered a range support, including grants of up to £5,000 for setting up or expanding existing premises, up to £2,500 to identify market opportunities. In addition, creative businesses could apply for between 5-20 days of consultancy support or take part in master classes and workshops covering areas such as IPR, distribution and contracting. The programme also included the following:

Creative Route Map: A creative directory for Birmingham produced in partnership with creative organisations. It provided information and contact details for services and resources that are available to help companies and individuals find opportunities in the creative industries within Birmingham.

Knowledge bank: An online portal for people working in the creative industries which provided free information on running a business and business start-up advice, gave access to free courses, helped skills improvement and provided support and protection for ideas.

Birmingham music platform: An online distribution channel for all genres of music. The site incorporated digital radio stations, the showcasing of local talent and acted as a reference point for local musicians.

SRB6 Creative Industries

Feasibility and grant support for start-up and existing businesses helping identify new market opportunities for products and services as well as 'creative capital' funds to acquire equipment to assist the development of a new/ or the growth of an existing business in the North West of Birmingham, covering Soho and parts of Lozells & East Handsworth, Aston, Handsworth Wood, and Ladywood wards. The programme has now ended.

EQUAL II: The Last Mile partnership: Birmingham City Council's Creative Development Team co-ordinated EQUAL II activities in Birmingham, which provided support to more than 400 individual artists and creative businesses. The programme was a £13 million national and international European Social Fund initiative which operated from May 2005 to February 2008. Seventeen partner organisations were involved in the different Last Mile programmes. The partnership was designed to assist people who demonstrate motivation and talent in the creative industries to take the final steps to employment or freelance careers and was particularly focused on supporting a range of people under-represented in the Cultural & Creative Industries sector: females, people with disabilities or accessibility requirements, and people disadvantaged by ethnic group, location, economic, educational or social background. The partnership also developed procurement strategies and e-commerce platforms to create new supply chains for creative businesses. The innovative approaches that have been piloted by the partner organisations in Birmingham have been highlighted in the Creative Compass campaign, which was developed and delivered by Audiences Central and the City Council's Creative Development Team. Creative Compass also raises awareness of the creative industries to Birmingham's economy through employment and improved quality of life.

Current support for the creative industries includes:

Design space: A new incubator support programme designed for start-up jewellery designer/maker businesses in Birmingham. The scheme provides shared incubation space and facilities for up to 20 creatives who are committed to starting up a design led business. The incubator unit provides the following:

- Free access to shared incubation space for up to 12 months

- A fully serviced environment (i.e. workshop facilities/studio space/IT equipment/showcase and meeting area)

- In-house mentoring

- A package of sector specific business development support

▪   Clustering/networking opportunities

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Creative Insight: Based in Birmingham Central Library, Creative Insight is the intellectual property arm of the Library's Business Insight. It offers advice on Copyright, Design Rights, Patents and Trademarks. It seeks to make intellectual property more relevant and accessible to individuals, small companies and the creative industries. It does this by producing 'Creative Notes' and 'Legal Templates' covering all practical aspects of intellectual property from a business perspective as well as offering advice clinics with professional IP lawyers. Creative Pathways is a creative business development programme helping bands, writers, photographers and people from the artistic industries to make money from their creativity.

Incubators: There are a wide range of organisations which provide managed workspace for small businesses together with business support services. Some are specific to the creative sector, while most are of a more general nature but often include creative businesses in their remit. Incubators in Birmingham include: Aston Science Park, Big Peg, Custard Factory, Birmingham Research Park, Jewellery Industry Innovation Centre, West Midlands Enterprise Ltd, Technology Innovation Centre (TIC)
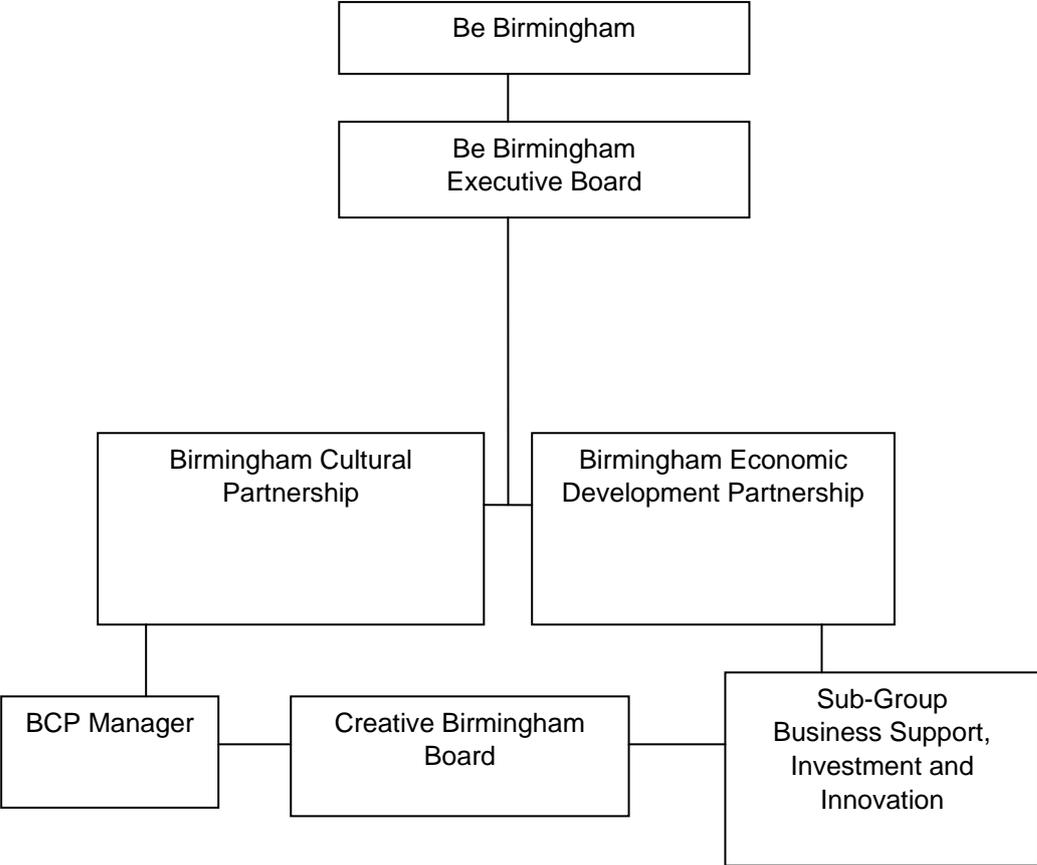
Appendix 3

Figure 5.1 - Schematic representation of National, Regional and City-level organisational framework
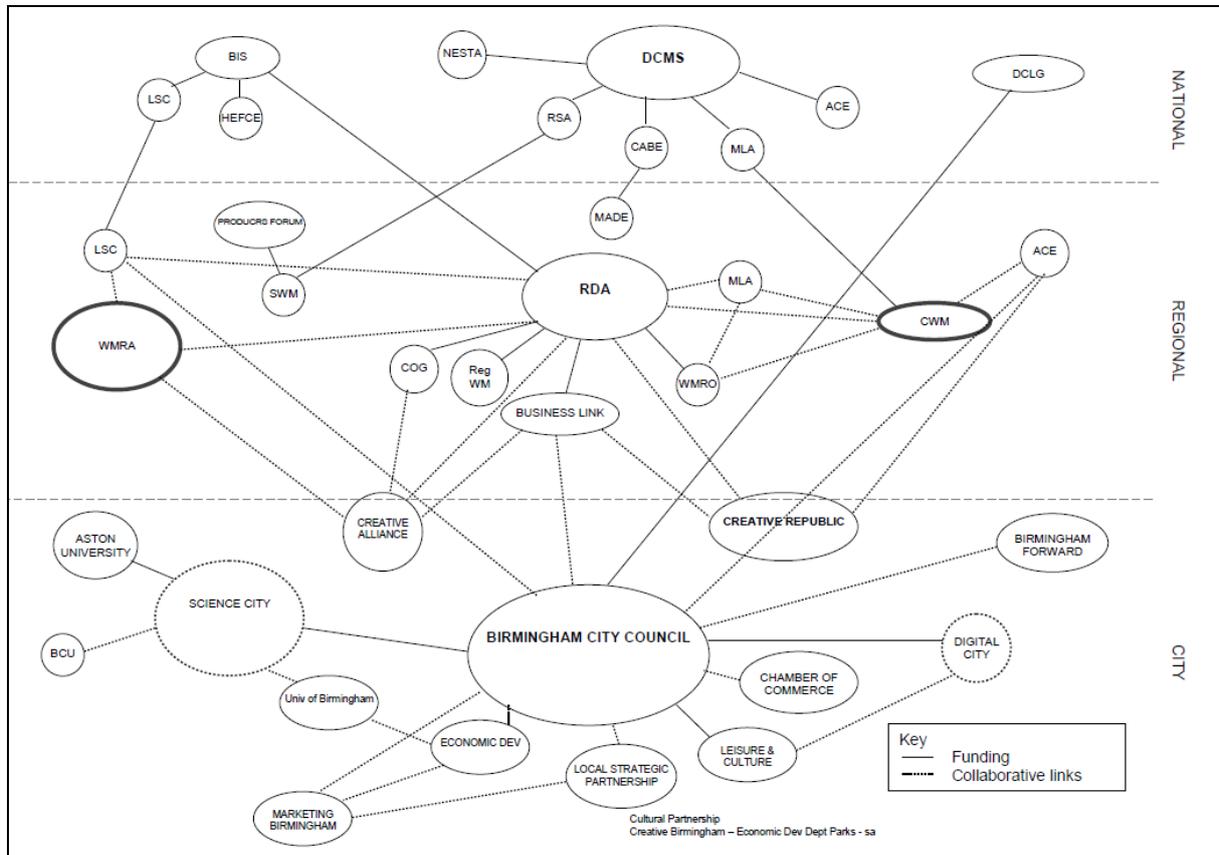
Source: ACRE

Appendix 4

Figure 5.3 - Diagram of Be Birmingham's relationships to the Creative Birmingham Board

Source: Be Birmingham