

Paper C: RSA and Creative PEC Industrial Strategy Green Paper consultation response – Creative Corridors

The UK Government's Industrial Strategy (IS) White Paper stresses the importance of creative industries as a growth-driving sector for the UK and highlights the role these industries can play in driving growth across the UK's regions and nations. In particular, it recognises that these industries are at their most productive when clusters of similar creative firms form, which can lead to the sharing of skills, knowledge, resources as well as attract funding.

However, evidence from London and other creative superclusters suggests realising the full potential of the creative industries requires creative clusters to connect with each other. We do not believe it feasible or desirable to replicate London in other parts of the country. But it is possible to achieve economies of scope and scale across places to realise some of the economic and social benefits that a supercluster delivers in other parts of the UK.

Through our work on Innovation Corridors (see Paper B), the RSA has made the case for Place in the IS not be limited to the prism of single cities, city-regions or combined authorities. These will almost certainly not capture the true economic geography and industrial potential of the UK and may risk re-entrenching inequalities between places, particularly between urban and rural areas. Many of the world's most successful economic areas – for example, the US East Coast and the Randstad – consist of multiple, interdependent city-regions.

This paper sets out the case for innovation corridors built around the creative industries, so-called Creative Corridors. It draws on a report recently published by the RSA in partnership with the Creative Policy and Evidence Centre (Creative PEC) and the Arts Council England (ACE).¹ These corridors are mentioned in the IS Green Paper but, properly implemented, there is reason to believe they could unlock significant growth for the UK. Indeed, a creative corridor in the North of England – One Creative North – has already been established and it is estimated this could raise the annual GVA of the region by around £10 billion per year and create tens of thousands of extra jobs.²

What are creative corridors?

A creative corridor consists of several creative clusters and microclusters connected over a large geographic area (i.e. across multiple administrative units such as local or combined authority areas) that are joined through coordinated policy. The ambition of

¹ https://www.thersa.org/globalassets/_foundation/new-site-blocks-and-images/reports/2024/10/creativecorridors_report_oct2024.pdf

² https://www.thersa.org/globalassets/_foundation/new-site-blocks-and-images/reports/2023/09/northern-englands-creative-industries-2023.pdf

creative corridors is to stimulate economic growth by increasing linkages – be they supply-chains, research and development (R&D) partnerships, or networks of people in the labour market. Through this, the agglomeration effects often seen in creative clusters have the potential to grow at a larger geographic scale. The key focus is on collaboration rather than competition, to harness the collective strengths of individual clusters to reduce competition and instead promote unified strategies to overcome common challenges felt across the creative subsectors – such as skills development, access to finance and collaborative working.

The concept is derived from domestic and international examples of innovation corridors, which have their origins in similar knowledge intensive sectors focused on science and technology. Globally, models include the likes of Silicon Valley in California, but also the Toronto-Waterloo corridor in Canada, which has a tech-based focus. In the UK, there has been some progress in the London to Cambridge innovation corridor, which focuses on sci-tech developments.

The benefits of creative corridors would be realized through economies of scope and scale delivered through collaboration, improving access to finance or labour. This is particularly the case in places where adjacent creative clusters and microclusters are competing for similar resources. For example, greater collaboration could be generated through focuses on areas like shared skills pathways across a corridor, ensuring that employers have access to a deeper pool of skilled labour and workers have more career choices, which could lead to better job matching and labour mobility across a large geographic area.

Why focus on the creative industries?

Despite a challenging national economic backdrop, the creative industries have outstripped aggregate growth over the last decade. Creative subsectors generated an estimated £124.6bn in GVA in 2022 and accounting for 2.4 million jobs in the same year. Creative industries are a major UK export, accounting for 14% of all service exports in 2021, with PEC research showing the UK's comparative advantage in creative services compared to many other countries, including the USA, Australia, France and Germany³.

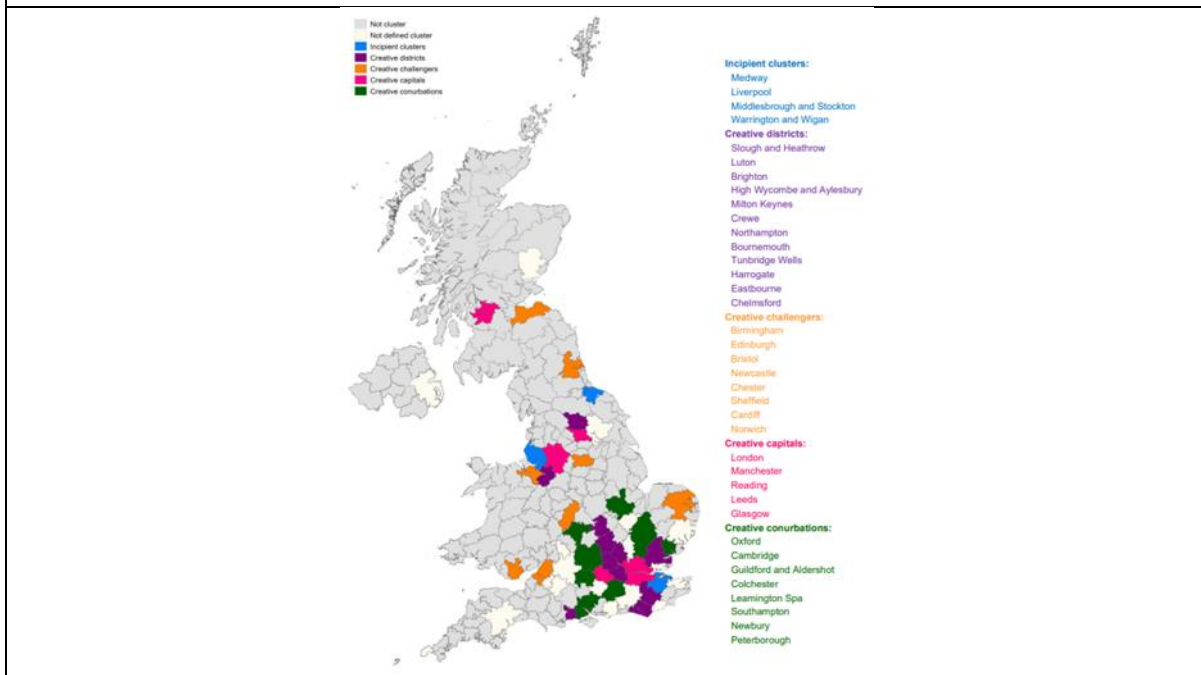
The Creative PEC has shown that the clustering phenomenon of the creative industries drives innovation, productivity, and economic growth, as well as indirect benefits for the places in which they are located. Beyond the economic impact of creative clusters, there are a host of social and cultural benefits that are generated through proximate working environments. This includes improved social cohesion, increased opportunities

³ https://pec.ac.uk/state_of_the_nation/uk-trade-in-a-global-creative-economy/

for education and skills development, and improved wellbeing for communities through access to cultural assets.⁴

Further, there is evidence of the strong geographical role that creative industries play, with 55 creative clusters being identified by DCMS⁵, and a further 709 creative microclusters identified by Creative PEC at a street, town or neighbourhood scale across the country.⁶ Importantly, these have been identified across the Four Nations of the UK (**Figure**).

Figure: A typology of creative clusters



Source: Frontier Economics and Mateos-Garcia et al. (2018)

Note: Not all clusters are allocated to a cluster growth model by Nesta (2018)

It is also critical to highlight that creative clustering is not exclusively an urban phenomenon. The evidence identifies creative clusters and microclusters across rural and coastal areas in the UK, acting as engines of local growth beyond areas of urban density. These non-urban clusters equally merit policy attention when developing creative-led growth strategies, with 90% of the rural microclusters identified by the Creative PEC being located in close proximity (0 to 10 Kms) to one of the 709 previously identified microclusters.⁷ Creative corridors, therefore, can be seen as an effective intervention to connect both small and large clusters of creative growth which coexist across a wider geographical area.

⁴ <https://www.gov.uk/government/publications/evidence-summary-for-policy-the-role-of-arts-in-improving-health-and-wellbeing>

⁵ <https://www.gov.uk/government/publications/understanding-the-growth-potential-of-creative-clusters>

⁶ <https://pec.ac.uk/wp-content/uploads/2023/12/PEC-Creative-Radar-report-November-2020.pdf>

⁷ <https://pec.ac.uk/wp-content/uploads/2023/12/NICRE-Research-Report-No-7-with-Creative-PEC-May-2022-Mapping-and-examining-the-determinants-of-Englands-rural-creative-microclusters-1.pdf>

However, the London and the M25 region remains as the creative centre of the UK, with supercluster effects that accounted for 68% of UK creative industries GVA (£71 billion) in 2019. Therefore, there is good reason to believe that replicating this region's fluidity of careers across creative industries and cross-fertilisation of ideas between them through creative corridors could lead to greater innovation and profile for a place, attracting investment and leading to higher productivity in a way that one cluster may not be able to achieve on its own. Based on this rationale, we believe large geographic areas in different regions could realise some of the economic returns akin to a supercluster, without the urban density of a large city.

Progress to date

There are already existing creative corridor interventions across the UK, such as the Thames Estuary Production Corridor⁸, as well as international comparators for the UK to learn from. One Creative North⁹ – the body launched by Mayor Tracy Brabin to bring the emerging Northern Creative Corridor to life – is showing signs of particular momentum, having featured as a key priority in the Manifesto of the North in September 2024.¹⁰ There is potential elsewhere in the UK too to experiment with corridor interventions, with some early shoots emerging in areas such as the Cardiff-Bristol-Bath-Newport region.

Box: One Creative North

One Creative North (OCN) is the first corridor to emerge out of the creative corridors initiative. It is an example of a sector-led innovation corridor. Across the North of England, there are many clusters and centres of creative excellence. Yet as a share of the regional economy, the creative industries are only a third of the size of London and the South-East, constrained by their access to finance, talent and attention. Further, clusters across the North are often forced to compete for these scarce resources.

OCN is designed to encourage leaders and creative industries professionals to replace competition with pan-regional collaboration. It is estimated this could raise the annual GVA of the region by around £10 billion per year and create tens of thousands of extra jobs.¹¹ More fundamentally, it aims to develop the pipeline of creative talent, technology and institutions to ensure this growth is self-reinforcing.

⁸ <https://www.london.gov.uk/programmes-strategies/arts-and-culture/current-culture-projects/thames-estuary-production-corridor>

⁹ <https://www.bbc.co.uk/news/articles/c9qg2v4rdw1o>

¹⁰ <https://www.conventionofthenorth.org.uk/wp-content/uploads/2024/09/COTN-24-Manifesto-FINAL.pdf>

¹¹ https://www.thersa.org/globalassets/_foundation/new-site-blocks-and-images/reports/2023/09/northern-englands-creative-industries-2023.pdf

The plan for OCN is set out Manifesto of the North launched by Northern mayors and leaders in September 2024.¹² It consists of two complementary initiatives aimed at connecting creative clusters across the North of England:

- A £50m pan-Northern Investment fund focused on the creative industries and encouraging collaborative projects across northern creative clusters.
- The development of a lifelong approach to training and creative talent that is consistent across the North of England, to encourage the transferability of skills and qualifications across these areas.

Coordination across OCN will be overseen by a newly established One Creative North Board, which will be chaired by British theatre director and producer Jude Kelly CBE.

Prospects for further creative corridors

The Creative PEC's 2023 report, 'The Geographies of Creativity'¹³, built on its creative clusters and microclusters evidence to point toward areas that might be suitable candidates for creative corridor interventions. It identified sites where creative activity in one area is statistically shown to be significantly spatially correlated with neighbouring areas, as such indicating where creative clustering activity could be harnessed and scaled up to yield similar high growth benefits to creative superclusters like London and the M25. The potential candidates are:

- **Northern corridor(s):** Running from Chester and Liverpool, through Greater Manchester and over to Leeds and Sheffield. Then, from Leeds to Newcastle and Tyneside, Teeside, Gateshead, Durham, and Darlington.
- **Edinburgh-Glasgow-Dundee Corridor.**
- **Cardiff-Newport-Bristol-Bath-Gloucester/Cheltenham corridor:** roughly along the M4 motorway.
- **West Midlands corridor:** hotspots in Birmingham and Coventry, but extending to Gloucester, Cheltenham, and Northampton.
- **East Midlands and Sheffield corridor:** hotspots include Leicester, Derby, Nottingham, and Sheffield.
- **Cambridge corridor:** hotspots around Cambridge, Bedford, and Huntingdon.
- **London and the M25:** hotspots running across London, Surrey, Kent, and Sussex.

Building new creative corridors

The recent RSA/PEC/ACE report is designed to support local leaders keen to explore building further creative corridors. It offers a practical policy framework aimed at both the local and national levels, to begin facilitating the development of wider creative corridors by interested stakeholders. It draws on a rapid evidence review, including of

¹² <https://www.conventionofthenorth.org.uk/wp-content/uploads/2024/09/COTN-24-Manifesto-FINAL.pdf>

¹³ https://pec.ac.uk/state_of_the_nation/geographies-of-creativity/

the international comparators, and a national programme of stakeholder workshops that ran in early 2024.

Four key areas emerged as focuses for intervention to put in place the key conditions for growth, mitigate the potential for coordination failures to support the seeding of corridors in places:

- Skills development
- Access to finance
- Innovation (including R&D)
- Arts, culture and heritage

Weaved throughout are the critical enabling themes of equity, diversity and inclusion (EDI) and the importance of addressing barriers specific to the creative industries, including the high proportion of freelancers and SMEs in the sector, and the typical lack of understanding of creative research and development (R&D) practices. The report sets out a number of best practice examples of where cluster development policy interventions have had impact, like the Arts and Humanities Council's Creative Industries Cluster Programme, which could be scaled to a corridor level to reap bigger rewards.

Based on these findings, we propose a policy framework for local leaders and national government through which to support new creative corridors taking root:

Action Area	Regional	National
1. Foster collaboration	Develop a central coordinating mechanism that this is locally rooted, outward facing and underpinned by a strong data function	Enhance data granularity and sharing
2. Elevate creative R&D and innovation opportunities	Establish vehicles for more equitable creative R&D	Work with emerging corridor areas to leverage UK government regional investment
3. Streamline skills pathways and work opportunities	Develop lifelong creative skills strategies and work with education providers to develop flexible, modular approaches for education	Enable greater flexibility in apprenticeship schemes and support the very specific needs of self-employed workers
4. Boost profile and attract finance	Establish a single front door for inward investment with a clear, singular story of place	Involve corridor delegations in international trade missions

Key reflections in response to the IS Green Paper

1. The UK's industrial strategy should not be constrained by existing administrative units. Creative Corridors are a concept that offers the flexibility to respond to the most appropriate economic geography for an initiative. Developing mechanisms that incentivise and encourage adjacent local and combined authorities to work together provides a mechanism to harness this broader economic geography for the sector.
2. Outside of the London and M25 area, the creative industries underperform their potential. Tools for improving collaboration across places and industries through creative corridors would help address this.
3. The creative industries are an especially propitious industry given their geographical spread across urban, rural and coastal areas around the Four Nations of the UK, and the social value that they generate (for example, social cohesion, improved wellbeing and skills development).
4. There are four key types of connective tissue between places and creative clusters required to establish creative corridors:
 - a. a central function to organise collaboration;
 - b. mechanisms for exchanging ideas and generating innovation;
 - c. common skills pathways and work opportunities; and
 - d. a joined up approach to attracting finance.
5. A necessary but insufficient condition for seeding creative corridors is local leadership and energy. They will not flourish without a national policy framework that is amendable to working at this geography and catalytic capital through which to begin building connective tissue.