The Creative Economy in CHESTERFIELD

INTRODUCTION

This fact sheet has been produced as part of the East Midlands Creative Industries Rural Strategy study commissioned by Culture East Midlands. (Fact sheets are available for each of the 26 rural districts of the East Midlands.)

Creative industries are an increasingly significant element of the rural economy in the East Midlands. In 2005, 28,600 people were employed in creative industries throughout all rural districts of the region (3% of all employment). There were also 7,800 creative industries businesses in the region's rural districts (more than 8% of all businesses). In these districts, creative industries employment grew by 20% between 2001 and 2005 (compared to 8% employment growth in the whole economy), and the number of creative industries businesses increased by 23% (compared to 11% growth in businesses in the economy as whole). In 2004, average GVA per head in creative industries in the rural East Midlands was £24,500.

This fact sheet for Chesterfield has been produced to accompany the study of rural districts in the East Midlands. However, Chesterfield itself is not considered to be predominantly rural – it is in fact classified as an urban district of the region.

KEY FACTS – CHESTERFIELD

- Nearly 1,000 people were employed in creative industries in Chesterfield in 2005 – representing just over 2% of all employment in the district.
- There were around 290 creative industries businesses in Chesterfield in 2005 – representing 8% of the total stock of businesses in the district.
- The Audio-visual sector employs the most people, but there are more businesses in the Visual Arts & Design sector. All creative domains experienced very strong employment growth between 2001 and 2005, and the number of businesses increased strongly in all but the Audio-visual sector.
- Overall, creative industries employment increased by more than 100% over 5 years (although this figure should be regarded cautiously), and the number of businesses grew by 43%.

This fact sheet was produced by Burns Owens Partnership Ltd for Culture East Midlands, with financial support from East Midlands Development Agency and Arts Council England. It forms part of a larger study of the rural creative economy in the East Midlands which is available from Culture East Midlands or from www.ruralculture-em.org © 2007 Culture East Midlands, All Rights Reserved

1 THE CREATIVE INDUSTRIES

The creative industries are defined by the Department for Culture, Media & Sport (DCMS) 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*". The definition of creative industries used in this paper is based on the DCMS Evidence Toolkit (DET)[1], a methodology for measuring creative industries using official government data.

The DET classifies creative industries into four sub sectors, or 'domains': Audiovisual, Books & Press, Performance and Visual Art & Design. Table 1 below indicates which industries are included in each domain:

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	**Visual Art & Design**
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

Table 1 - Creative Industries Domains

Source: DCMS Evidence Toolkit (2004)

Two sources of data were used in this paper. The first, the National Business Database (NBD), is commercially licensed information provided by Experian[2]. The second, the Annual Business Inquiry (ABI), is based on a national survey of businesses, conducted annually by the Office for National Statistics (ONS).

Analysis of NBD provided a detailed breakdown of the types of creative businesses in Chesterfield, which in turn made it possible to calculate employment and business numbers for specific years using ABI. NBD also provided information about the geographical location of businesses, and an indication of the proportion of freelance workers and sole traders in the workforce.

[1] DCMS (2004), DCMS Evidence Toolkit – DET: Technical Report

[2] A commercial data provider

Analysis of ABI made it possible to calculate changes in creative industries employment and businesses numbers over time, and to compare data for Chesterfield with other districts and larger geographical areas.

Further information about data sources and methodology is provided in the APPENDIX.

2 CREATIVE INDUSTRIES EMPLOYMENT – ABI (2005)

Table 2 below shows creative industries employment in Chesterfield in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- Nearly 1,000 people were employed in creative industries in Chesterfield in 2005 – representing just over 2% of all employment in the district. This is a smaller share of the overall economy than in rural districts of the East Midlands, where creative industries account for 3% of all employment.
- Audio-visual is the largest sector, with 40% of all creative employment. Books & Press accounts for 30% of creative employment, Visual Arts & Design for 27% and Performance for 2%.
- Analysis of Experian NBD data indicates that around 6% of creative industries workers in Chesterfield are sole traders or self-employed. This is lower than the level of self-employment in creative industries across all rural districts of the East Midlands, which is around 8%. (Note that ABI data in the table below do not include sole traders or most micro businesses.[3])

	Employment	% of Employment in whole economy of district
Audio-visual	402	0.8%
Books & Press	298	0.6%
Performance	23	0.0%
Visual Arts & Design	273	0.6%
TOTAL	**996**	**2.1%**

Table 2 - Creative Industries Employment in Chesterfield 2005

Source: ONS ABI (2005)/BOP

[3] Note that ABI data does not include sole traders, freelancers and many small and micro companies (for example, those below the VAT threshold). It should also be noted that ABI is less reliable when looking at a single local authority district than when analysing a larger area, or at specific industrial sectors rather than the whole economy. The margin of error increases as the level of detail becomes more specific.

Figure 1 below illustrates the distribution of creative industries employment in Chesterfield, based on Experian NBD data. It shows that:

- Creative industries employment is most heavily concentrated in the postcode sector 'S41 7'[4] in Chesterfield. More than half of the district's creative industries employment is located in this area.
- Throughout the rest of the town and district, the density of creative industries employment is relatively even.

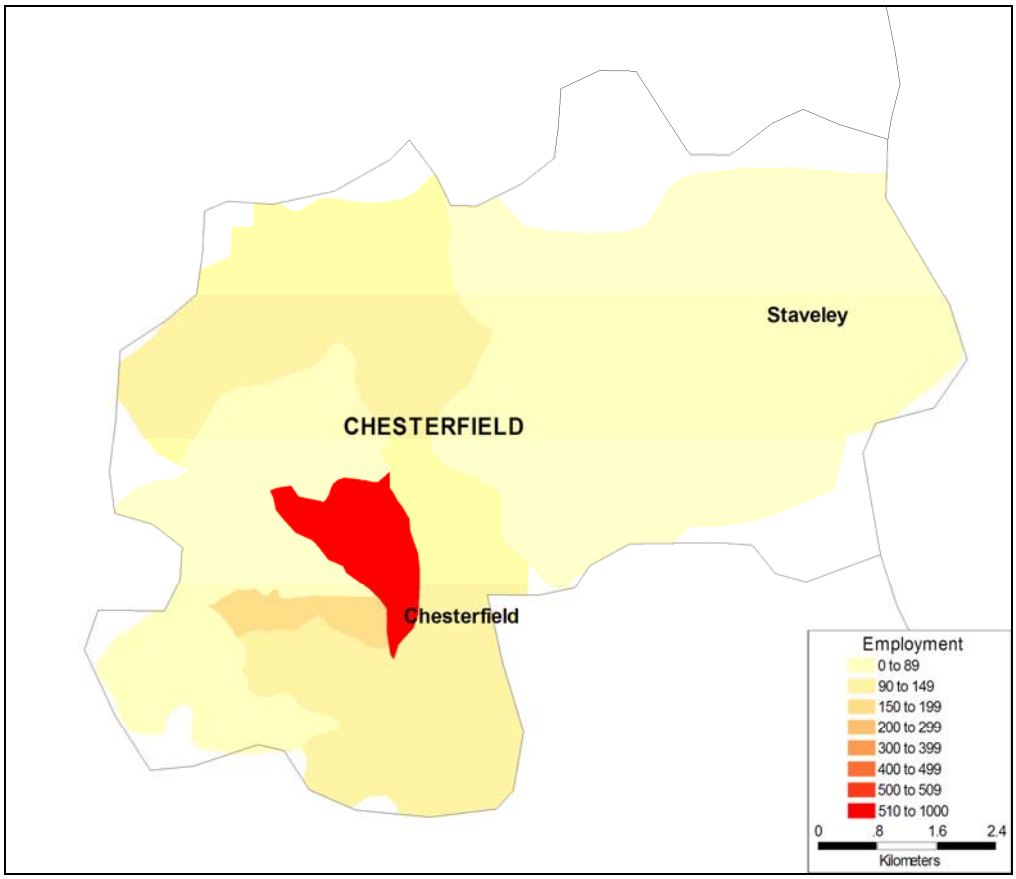

Figure 1 –Creative Industries Employment in Chesterfield

Source: BOP (2007), from Experian NBD

[4] Note that the shaded areas on the map are postcode sectors. Employment levels are mapped against each postcode sector in the district. Note also that the size intervals in the key are specific to this district, so the map should not be directly compared with similar maps for other districts produced for this study.

2 CREATIVE INDUSTRIES BUSINESSES – ABI

Table 3 below shows the number of creative industries businesses[5] in Chesterfield in 2005, based on ONS ABI data. It shows that.

- There were around 290 creative industries businesses in Chesterfield in 2005 – representing 8% of the total stock of VAT-registered businesses in the district. This is broadly in line with rural districts in the region.
- More than half of creative industries businesses (53%) were in the Visual Arts & Design domain, although this accounts for only 27% of employment – indicating that the average size of businesses in this sector is small. 24% of creative businesses were in the Audio-visual sector, 16% in Books & Press and 7% in Performance.

	Number of business units	% of all businesses units in Chesterfield
Audio-visual	70	2.0%
Books & Press	46	1.3%
Performance	20	0.5%
Visual Arts & Design	153	4.3%
Total	**289**	**8.0%**

Table 3 – Creative Industries Businesses

Source: ONS ABI (2005)/BOP

[5] Strictly speaking, these are 'data units' rather than individual businesses, as some companies may have several premises. However, most creative industries companies are relatively small, and only occupy one address.

Figure 2 below illustrates the distribution of creative industries businesses in Chesterfield. It shows that:

- There is a cluster of creative industries businesses in the centre of Chesterfield, but creative businesses are also evenly distributed throughout the town and other built-up areas of the district.

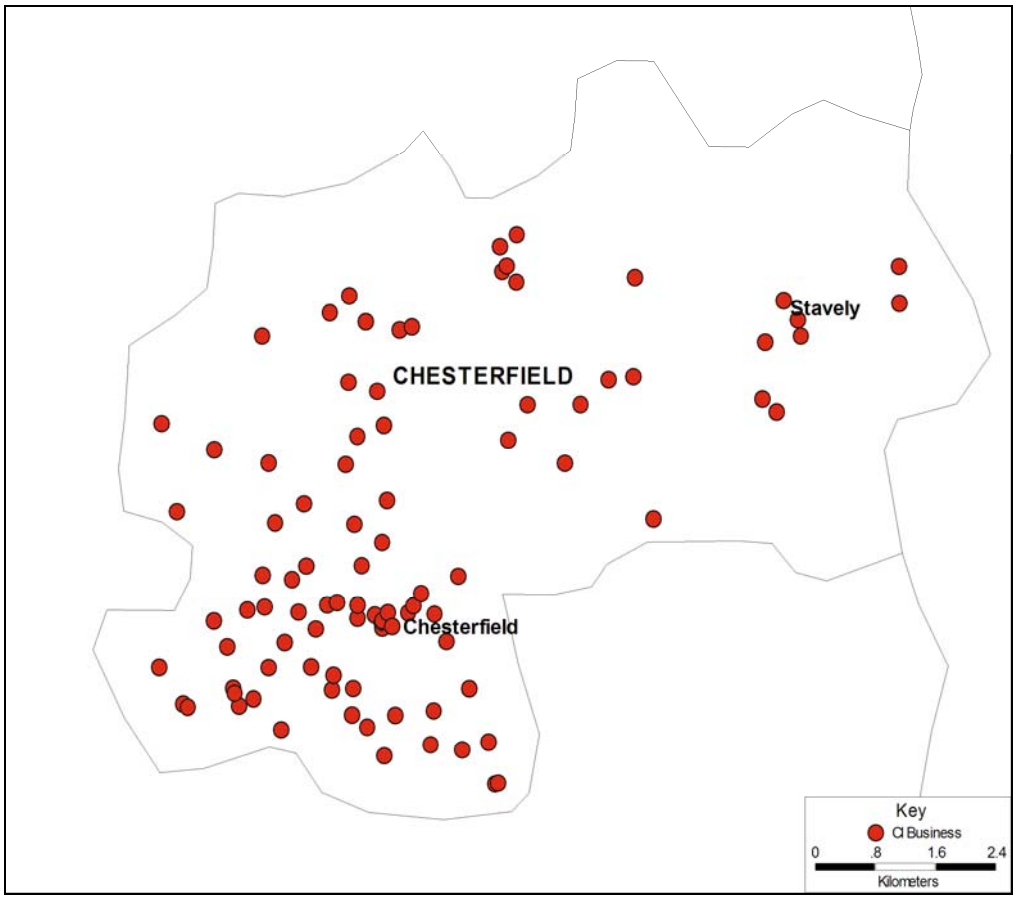

Figure 2 - Creative Industries Businesses in Chesterfield

Source: BOP (2007), from Experian NBD

3.1 TRENDS: EMPLOYMENT 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in levels of employment in Chesterfield's creative industries. Table 4 shows that:

- There appears to have been very strong growth in creative industries employment in Chesterfield between 2001 and 2005 – more than 20% per annum on average. This compares with a slight decline in employment in the economy as a whole.
- Creative employment growth was not even across the four creative domains. Performance saw the highest relative growth (although from a low base), with an increase in its workforce of nearly 150%. Growth was almost as high in the Audio-visual sector (which includes some forms of computer software production), which grew by more than 25% per annum, on average. The Visual Arts & Design workforce more than doubled in size, and Books & Press grew by 45% - relatively modest growth in this context, but in a sector that is declining in size in many districts in the region.
- However, these rates of growth are extremely high and should be regarded with some caution. There is a possibility of some distortion caused by the application of weightings derived from rural areas to the urban district of Chesterfield (see APPENDIX). ABI data is also less accurate when examined at this level of detail in an area as small as a single local authority district, rather than at a regional or sub-regional level.

Employment	2001	2005	% change
Audio-visual	402	957	*137.8%*
Books & Press	298	430	*44.6%*
Performance	23	57	*147.8%*
Visual Arts & Design	273	575	*110.5%*
Total Creative Industries	**996**	**2019**	***102.7%***
Whole Economy of District	48,989	48,242	*-1.5%*

Table 4 – Creative Industries Employment in Chesterfield, 2001 – 2005

Source: ABI/BOP

Figure 3 below illustrates how employment in each creative industries domain has changed in Chesterfield between 2001 and 2005.

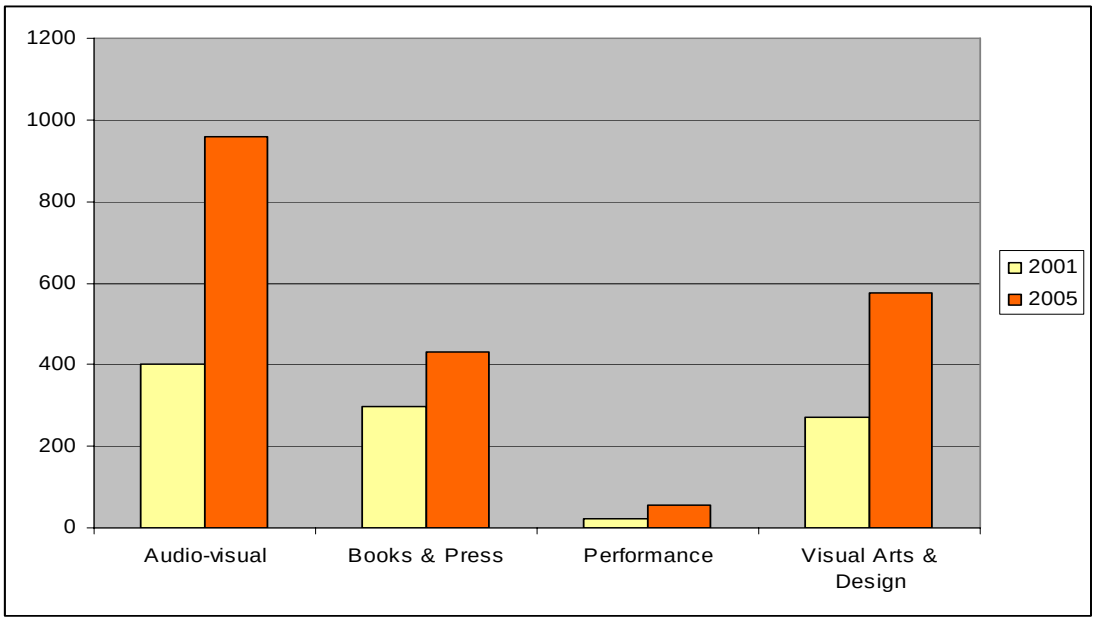

Figure 3 – Creative Industries Employment in Chesterfield, 2001 – 2005

Source: ABI/BOP

3.2 TRENDS: BUSINESSES 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in the numbers of creative industries businesses in Chesterfield. Table 5 below shows that:

- The number of creative industries businesses in Chesterfield grew by 43% between 2001 and 2005 – more than five times the rate of growth of businesses in the district's economy as a whole.
- The highest level of growth in businesses was in the Visual Art & Design sector, which increased by 112%. Both the Performance and Books & Press sectors also grew strongly (unlike in many districts of the region). The number of Audio-visual businesses actually declined by nearly 8% – despite very high employment growth in the sector over the same period.

Business Units	2001	2005	% change
Audio-visual	76	70	*-7.7%*
Books & Press	39	46	*17.2%*
Performance	15	20	*34.5%*
Visual Arts & Design	72	153	*112.2%*
Total	**202**	**289**	***43.1%***
Whole Economy of district	3,317	3,594	*8.4%*

Table 5 – Creative Industries Businesses in Chesterfield, 2001 – 2005

Source: ABI/BOP

Figure 4 below illustrates how the number of businesses in each creative industries domain changed between 2001 and 2005.

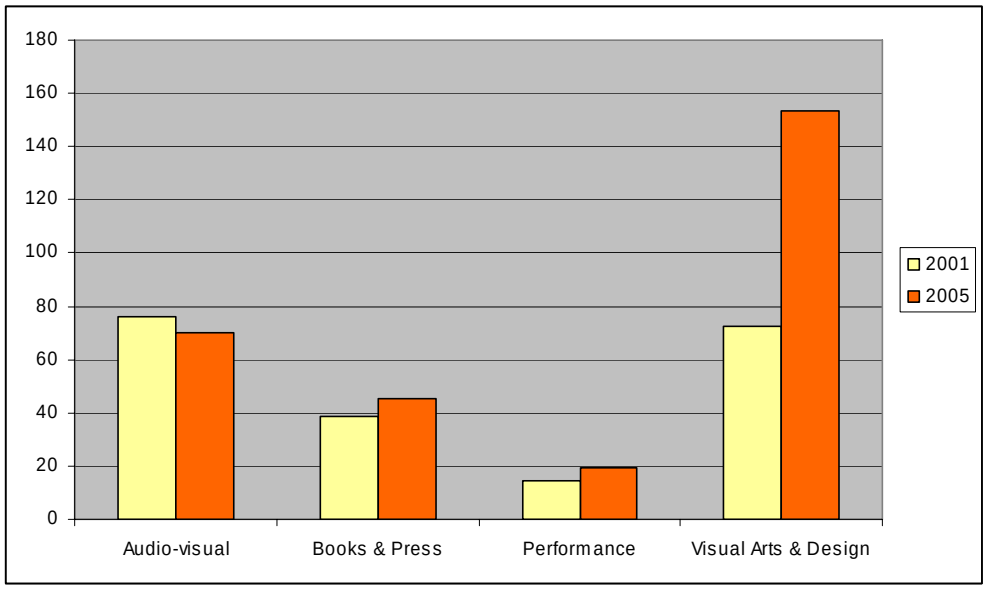

Figure 4 – Creative Industries Businesses in Chesterfield, 2001 – 2005

Source: ABI/BOP

4 CHESTERFIELD – COMPARISON WITH RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England[6] according to how rural or urban they are, based on the proportion of the population living in rural settlements. The three most rural classes are:

- **Rural 80** (the most rural); there are eight such districts in the East Midlands;
- **Rural 50** (the next most rural); there are ten such districts in the East Midlands;
- **Significant Rural** (a mixed rural/urban category); there are eight such districts in the East Midlands.

(See APPENDIX for a list of 'Rural 80', 'Rural 50' and 'Significant Rural' districts in the East Midlands.)

Chesterfield is classed as an 'Other Urban' district, which means that fewer than 37,000 people or less than 26% of the population lives in rural settlements and larger market towns. This section outlines how it compares to rural districts of the East Midlands.

Employment and Businesses

When Chesterfield is compared to the aggregated data for employment and numbers of businesses for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands, we can see that:

- Creative industries in Chesterfield represent a smaller share of overall employment than in any of the rural classes of district in the region. However, creative industries account for a similar proportion of all businesses.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
Chesterfield	996	2.1%	289	8.0%
Rural 80	8,400	3.0%	2,800	8.2%
Rural 50	9,800	3.3%	2,800	8.6%
Significant Rural	10,400	3.6%	2,300	8.2%

Table 6 – Chesterfield in relation to rural categories in East Midlands (2005)

Source: ABI/BOP

[6] Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London

Rate of Growth

When Chesterfield is compared to the aggregated data for growth in employment and business numbers for all Rural 80, Rural 50 and Significant Rural districts in the East Midlandsbetween 2001 and 2005, we can see that:

- The apparent rate of growth in both creative employment and businesses in Chesterfield far outstripped growth in the rural districts of the region.
- However, growth in Chesterfield's economy as a whole was lower than in most rural districts of the region.

	CI employment growth, 2001-2005	CI business unit growth, 2001-05	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
Chesterfield	102.7%	43.1%	-1.5%	8.4%
Rural 80	7.4%	20%	8.7%	12.2%
Rural 50	24.6%	24.9%	8.1%	13.1%
Significant Rural	26.1%	24.5%	6.4%	7.6%

Table 7 – Creative industries growth, 2001-2005

Source: ABI/BOP

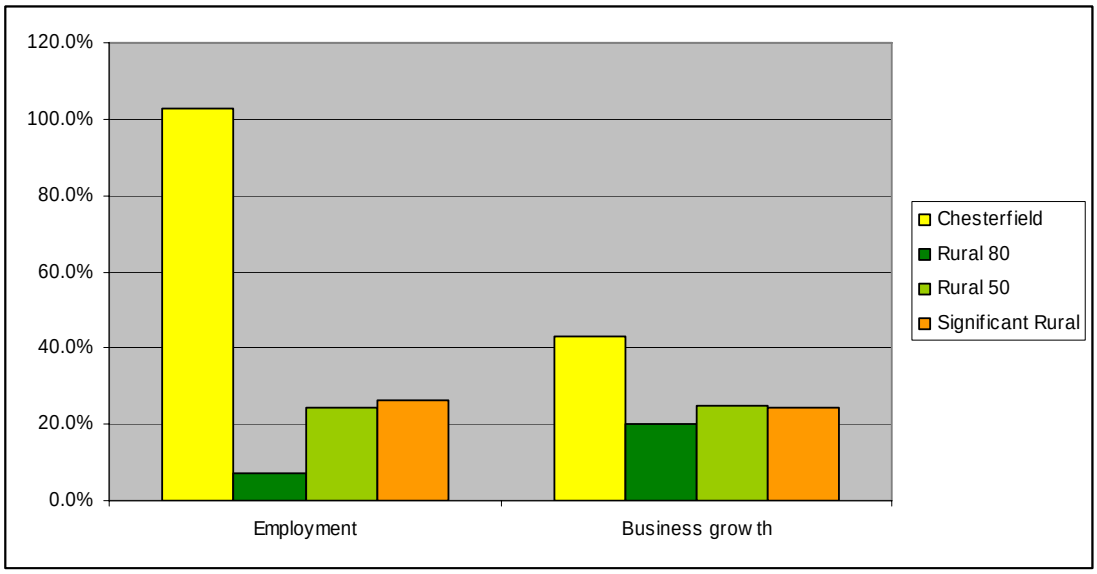

Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005

Source: ABI/BOP

APPENDIX

Definition of Creative Industries

Creative Industries are defined according to the DCMS Evidence Toolkit (DET), published by the Department for Culture Media and Sport in 2004 (DCMS Evidence Toolkit: Technical Report – see http://tinyurl.com/huocg). The DET organises the cultural sector into 7 thematic domains: Audio Visual, Books & Press, Performance, Visual Art & Design, Heritage, Sport & Tourism (of which the first four constitute the creative industries, and have been analysed in this fact sheet). The 4 creative industries domains include the following sectors:

Table 8 – Creative Industries Domains

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, software development, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	**Visual Art & Design**
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

(Note that sectors that could appear in more than one domain are only counted once. Music, for instance, is not counted in performance as well as audiovisual.)

The DET also includes within its definition of each domain the entire production chain: Creation, Making/ Manufacturing, Dissemination, Exhibition, Archiving /Preserving and Education/Understanding. This means that as well as core creative activities, such as writing a screenplay, other related activities are also included, such as the manufacture of film cameras or wholesale of computer games, CDs and DVDs.

Data Analysis Methodology

The DET supplies a list of Standard Industrial Classification (SIC) codes with which to identify the industrial sectors that contain the creative industries. Using these codes it is possible to extract data on creative industries from Office for National Statistics (ONS) data, such as the Annual Business Inquiry (ABI). However, there is not a direct match between all creative sub sectors and the corresponding SIC codes that are used to identify them. Some creative sub sectors are included within SIC classes that also contain non-creative-industries sectors. Architecture, for example, is included in 74.20, but this code also includes quantity surveying and a wide range of engineering activities.

The solution is to attribute a proportion of the data in these SIC classes to creative industries. This is done by applying weightings to the statistics; the difficulty lies in calculating what the weightings should be.

For this study, a second data source was used to calculate weightings for creative industries – Experian's National Business Database (NBD). The NBD provides commercially licensed data on businesses in a given geographic area, derived from a range of sources, including Yellow Pages, Thomson and Companies House. These data are mapped against SIC codes, but also a number of other classificatory systems that allow a more detailed, 'finer-grained' analysis of creative industries sectors. By analysing NBD, it is possible to calculate accurate weightings for creative industries in a specific region. These weightings can then be applied to ONS data such as ABI to provide an estimate of the size and growth of the creative industries sector.

For this study, Experian NBD data for each of the rural districts was analysed in its own right, and then used to produce weightings to apply to relevant SIC codes, as specified in the DET.

These were then applied to ABI (Workplace Analysis) data for the district for the years 2001 and 2005, to produce an estimate of employment and business numbers in creative industries.

Note that these weightings were based on analysis of rural districts, but have been applied to Chesterfield (an urban district) to produce this factsheet. This may have caused some inaccuracies if the nature of creative industries activity in Chesterfield is significantly different from that in rural areas.

Note on accuracy

It should be noted that ABI data does not include freelancers, sole traders and a high proportion of micro businesses (those beneath the VAT threshold, for example). Yet a significant proportion of those working in creative industries work in these kinds of businesses[7], and this should be taken into account when considering the ABI data presented above.

It should also be noted that ABI data is derived from an annual survey of a sample of businesses in the overall economy, and for statistical reasons it is more accurate when the sample size is larger – as in the accompanying report on all rural districts in the region. Examining only specific industrial sectors in a single local authority district (as we have been done here) involves a margin of error. The figures presented in this report should be regarded as indicative only. Where the variation between 2001 and 2005 data appears particularly pronounced, this could be due (at least in part) to sampling variations.

[7] On average, around 8% in rural districts of the East Midlands, according to our analysis of Experian NBD data.

Rural Districts in East Midlands

When considering the wider economy of the East Midlands, we have employed DEFRA's urban–rural classification for local authorities in England[8] to identify the rural districts. This complements EMDA's work on the rural economy, which also uses this classification system in some of its analyses. The three most rural classes of district were examined: Rural 80, Rural 50 and Significant Rural.

Rural 80 districts are those in which at least 80 percent of the population lives in rural settlements and larger market towns. There are 8 such districts in the East Midlands, and 73 in England.

Rural 50 districts are those in which at least 50%, but less than 80%, of the population lives in rural settlements and larger market towns. There are 10 such districts in the East Midlands, and 52 in England.

Significant Rural districts are those in which more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns. This category is a mixed urban/rural class that contains both rural and substantial urban areas. There are 8 such districts in the East Midlands, and 53 in England.

Under this classification system, the following districts in the East Midlands can be regarded as 'rural':

Rural 80

Daventry
Derbyshire Dales
East Lindsey
Harborough
Melton
North Kesteven
Rutland
South Holland
South Northamptonshire
West Lindsey

Rural 50

Bassetlaw
East Northamptonshire
High Peak
Newark and Sherwood
North East Derbyshire
North West Leicestershire
Rushcliffe
South Kesteven

Significant Rural

Amber Valley
Bolsover
Boston
Charnwood
Hinckley & Bosworth
Kettering
South Derbyshire
Wellingborough

Chesterfield is classed as an 'Other Urban' district.

[8] Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London.

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