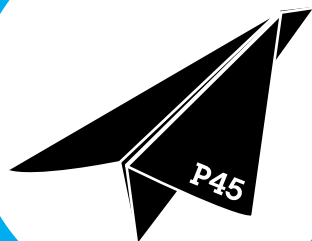


**MAKE A JOB  
DON'T TAKE A JOB**  
**BUILDING THE CREATIVE SOCIETY™**

A REPORT BY  
**BARBARA GUNNELL AND MARTIN BRIGHT**





# MAKE A JOB DON'T TAKE A JOB

## **BUILDING THE CREATIVE SOCIETY™**

Barbara Gunnell and Martin Bright

Brief: To investigate the practical frameworks which support and encourage creative talent and enterprise.

This report follows NDotM's two earlier reports Do It Yourself: Cultural and Creative Self-employment in Hard Times (June 2009) and Creative Survival in Hard Times (March 2010).

A New Deal of the Mind Report  
with the cooperation of:

**Enterprise UK**  
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**Brighton & Hove City Council**

**Design:** Earth Creative Strategies

**Additional Research:** Natalie White



## BUILDING THE CREATIVE SOCIETY

### From the Founder and Chief Executive

**When I set up New Deal of the Mind in response to the present economic crisis, I was driven, in part, by my own experience of being on the dole at the end of the 1980s. After three years at university, I had found the experience humiliating and, at times, I wondered if I would ever get a proper job. At the beginning of 2008 I saw a whole new generation faced with the similar grim prospect of joblessness.**

In all the thousands of words written about the downturn, the role Britain's creative industries might play in the recovery has often been underplayed. At the same time, though lip service has been paid to the importance of self-employment and entrepreneurship, no one has yet explained how best to encourage people to come off benefits and set up their own businesses.

This report is an attempt to provide some practical solutions. Two previous NDotM reports for the Arts Council argued for the reintroduction of an enterprise allowance based on the Thatcher-era scheme, which provided many young people (myself included) with a weekly payment and the opportunity to make something for themselves. We are delighted that this Coalition Government, with the introduction of New Enterprise Allowance, has taken up our recommendation, in name at least.

Now, the challenge is to turn the rhetoric into reality. If we accept that creative entrepreneurship will drive the recovery, how do we best find it, nurture it and encourage it to grow? The research in this report demonstrates that young people are not asking for much: small start-up grants or loans, mentoring and business support and the space in which to develop their ideas.

If we are to build a genuinely creative economy built on enterprise then we will need a change in the culture. We hope that "Make a job, don't take a job" becomes the slogan of this new way of thinking.



Martin Bright  
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# 1. EXECUTIVE SUMMARY

**“Make a job, don’t take a job” should become the rallying cry for the creative sector. The sector has traditionally had a far higher percentage of freelance workers – around 40 per cent of the total, compared with 12 per cent in the economy as a whole.**

## 1.1 Make a Job, Don’t Take a Job

“Make a job, don’t take a job” should become the rallying cry for the creative sector. The sector has traditionally had a far higher percentage of freelance workers – around 40 per cent of the total, compared with 12 per cent in the economy as a whole. In times of recession, this can be turned to advantage.

In earlier reports, NDotM has urged government to establish an Enterprise Allowance Scheme for the 21<sup>st</sup> century that would help young people make their own jobs. The launching of the New Enterprise Allowance is therefore a welcome start. Getting young people into productive self-employment rather than chasing work in a shrinking job market benefits both the unwilling claimant and the taxpayer. However, the requirement for applicants to have been unemployed for six months may be counter-productive. Forcing young people to languish on the dole does not foster enterprise.

There are lessons to be learned from Margaret Thatcher’s 1980s enterprise scheme. It was set up to reduce the number of registered unemployed. The government of the day was keen to encourage applicants so it made the scheme simple and non-prescriptive. It did not dictate what kind of businesses should be set up. It did not interfere with the small details. This led to many young applicants and many creative industry start-ups. EAS-ers were transformed instantly from claimants into potential entrepreneurs. Some businesses failed (but, the National Audit Office later

reported, only at a rate equivalent to non-EAS start-ups). However, when the scheme wound up in 1991 it had created more jobs than there had been EAS recipients – about 40 additional jobs for every 100 on the scheme. If the NEA is to encourage enterprise, it should start by trusting its new entrepreneurs and reducing red tape to the minimum.

## 1.2 The social context

It has never been harder for school-leavers and graduates wishing to pursue a creative future to find work. And yet, in the continuing economic downturn, the UK needs their enthusiasm and ingenuity more than ever. The creative industries are key to the UK’s economic recovery, representing 6.2 per cent of all GVA (the measure of what the economy produces) and contributing almost £60 billion to the UK economy.

The link between creativity and innovation throughout business and industry has been well established. In 2005 the government-commissioned Cox Review of Creativity in Business argued that creativity needed to be at the core of every aspect of modern life, in particular business and industry. More recently, the work of the National Endowment for Science Technology and the Arts (NESTA) has demonstrated that technological advance in the wider economy depends on the vitality of the creative industries. These industries include rapidly expanding sectors, such as digital media, interactive leisure software and animation, in all of which Britain is among the international leaders. Furthermore, the UK’s creative sector is the largest in

**This is a generation  
far more familiar with  
the idea of enterprise  
and making their  
own futures**

the European Union. It could easily lose this lead.

The Coalition has decided on extensive spending cuts in this parliament. Unfortunately, the notion that art and culture are trimmable luxuries in times of recession has a powerful attraction for politicians and for commentators. An occasional argument is made for the importance of culture to tourism income and the vital contribution that is being made by the digital sectors to export earnings. But the idea that it is in the economic interests of all of us to encourage creative people, from painters and musicians to animators and garage bands, has few public champions. Even the computer games sector, or interactive leisure sector, which is struggling to remain in competition with northern America and Japan, has failed to convince government that it needs the tax breaks enjoyed by the film industry in order to maintain its position.

There are other things that only government can provide. One is to ensure the UK stays ahead educationally in areas of economic importance. Jason Kingsley, chairman of the games industry trade association, TIGA, fears that the UK is slipping behind. "We cannot have a highly skilled workforce and a knowledge economy on the cheap," he has said. "Our key competitors spend substantially more on higher education. Canada, South Korea and the US spend between them 2.5 per cent and 2.9 per cent [of GDP] on tertiary institutions, compared to approximately 1 per cent in the UK.

Cuts in subsidies to theatres, museums and art galleries may not be immediately obvious to the consumers but they will have a rapid impact on jobs. There is a danger, in such a climate, that today's graduates and school leavers could become a lost generation of talent, depriving Britain of the kind of energy and ingenuity that led to the rapid growth of the sector in the 1990s and early 2000s.

If the creative sector is to play its key role in the recovery of the UK economy as a whole, it is essential that ways are found to harness the enterprise, inventiveness and vitality of young people. This is a generation far more familiar with the idea of enterprise and making their own futures. They know that employers can fill any job vacancy ten times over. This changes their attitude to being self-employed and even starting their own businesses. Their attitude to enterprise is quite different from that of their counterparts even ten years ago. But they still need support and advice if they are to succeed on their own.

Helping people into work and encouraging enterprise will cost money. But as is demonstrated by a wealth of creative activity around the country, the right kinds of practical interventions can achieve a lot at low cost. Such interventions include ensuring that those who want to start a business get the right kind of advice including peer help and mentoring; supporting provision of reasonably-priced working space as well as places to exchange ideas and providing continuing skills training and access to sales outlets. All these can put young unemployed creatives on

the road to making a living out of their talents. Furthermore, these low-cost interventions can produce rapid results.

In earlier reports NDotM called for an enterprise allowance scheme for the 21st century. The Government has taken an important step towards this by announcing in October that it will introduce a New Enterprise Allowance aimed at getting 10,000 new businesses off the ground. This is a very modest target given the extent of unemployment. At its peak, the Enterprise Allowance Scheme of the 1980s helped 90,000 people in a single year into starting their own business. The success of a new scheme will depend heavily on the kinds of support advocated in this report.

They fall into three categories. The first is ensuring that young people receive sufficient financial support to see them through the early stage of becoming self-employed or starting small companies. The second is provision of the right kind of physical space for young creatives to develop their talents into viable means of self-support. The third is making available appropriate business support and skills training.

### 1.3 Space for entrepreneurs

Britain's chances of maintaining a lead as an innovative economy depend on providing the physical environments in which creative entrepreneurs flourish. A high proportion of workers in the sector are self-employed. Many thrive on working flexibly and independently. However, we have to let go of the fantasy that top software developers and fashion

designers can all launch internationally competitive businesses from bedrooms and garages. The stories of such achievements are inspiring but are not the basis of a development strategy for the sector.

We know from our earlier reports that young people place high importance on finding suitable spaces not only to work but also to meet and learn from others. Answering this need should become a high policy priority. Working space is expensive for low earners but the recession has left many cities with an abundance of empty spaces. There are many models of how to use this. Government has encouraged the use of empty shops and local authorities have responded; the Arts Council has supported some initiatives, allocating £500,000 towards converting vacant spaces into studios.

Gateshead City Council was able to set up its Starter for Ten project (for helping small businesses set up in empty shops) in 2009 because of a stalled town-centre redevelopment plan. The much-praised Shed studio development in Gateshead high street, whose opening was supported by fashion designer Wayne Hemingway, was once a bed shop. It opened in 2009 with 11 businesses in an open-plan showroom space. This year it developed an upper floor into studios and now houses around 30 creative businesses from architects to clothes designers.

National private studio suppliers such as Acme have also increased their studio spaces. The result has been a creative

space bonanza: a mushrooming of different kinds of hubs, pop-up centres and incubators and of experimental ways of working and creating, some established with little or no public or third-sector funding. For the moment, rents are cheap and enthusiasm high. Though many of the social enterprise workplaces may ultimately revert to profitable commercial use as the economy repairs, the experience of earlier recessions shows that the best initiatives do survive. Acme Studios, Cockpit Arts' incubation model for designer-makers and the Bristol-based art collective at Spike Island – all of whose ventures are discussed in this report – are exemplary survivors from earlier recessions.

Educational bodies, successful companies and publicly funded institutions could all make better use of their office, exhibition or performance space to provide areas in which to help young entrepreneurs. Enterprise UK has called for a National Strategy on Enterprising Places that represents "a commitment to the use of public space for entrepreneurs".

There is no blueprint. Pacific Quay in Glasgow is a multimillion high-tech high-investment space whose backers

**Cockpit Arts encourages tenants to make use of the experience of their fellow studio-holders**

(including government) decided to make additional provision for small businesses, a strategy that has helped Scotland to become an important player in digital media (contributing £3 billion to its economy). At the other end of the scale, at Faircharm studios in Deptford, South-east London, an experimenter in music technology rents a small studio from London Youth Support Trust (LYST) at a rate that will be heavily discounted for two years. Both models are successes. A music-maker from Deptford could one day be a tenant at Pacific Quay. Until then, the charity-backed LYST measures its success in the number of tenants able to pay the rent, keep their heads above water and remain off the dole and off the streets by developing their businesses.

#### 1.4 Help, formal and informal

Successful entrepreneurs invariably cite finding the right help at the right time as the most important accelerator of their business. By their nature, small creative enterprises are often set up in an unstructured way by independent, non-conformist people. They have few models of how to grow beyond self-employment. Mentors and friendly advice can make a huge difference and are often an unplanned consequence of sharing space. Tenants and managers of shared studios invariably report mentoring, informal and formal, to be the greatest benefit of working in close proximity with other creative people. Some organisations have begun to make better use of the variety of skills and experience they have on hand. Acme Studios, for example, a charity focused initially only on providing affordable space, now runs a Residency

**Small creative enterprises are often set up in an unstructured way by independent, non-conformist people**

Programme which offers mentoring and professional support. Mushroom Studios, a private not-for-profit enterprise in Newcastle, has a formalised "tea break" in which all tenants meet to exchange ideas. Cockpit Arts (in addition to a highly sophisticated formal business-mentoring programme) encourages tenants to make use of the experience of their fellow studio-holders.

The future of publicly funded business advice schemes is under consideration but classroom-delivered teaching may not be the best option for some disciplines. Many creative businesses have benefited from such programmes but there is more anecdotal enthusiasm for advice and information that comes from people who have attempted to set up similar enterprises. There is growing evidence that business mentoring and advice is better delivered one-to-one. The independent (not publicly funded) Huddersfield-based Creative Industries Development Agency, for example, has solid experience of the value of this kind of mentoring, having helped set up more than 400 small businesses in the UK. Cockpit Arts is currently analysing the social and economic benefits of its own intensive programmes of mentoring to its designer-maker tenants. Scotland's Cultural Enterprise Office believes its structured programme of business help and advice that can be accessed by any creative worker in Scotland has been a major factor in the growth of Scotland's creative economy.

Some industry sectors recognise that the next generation of creative entrepreneurs need business support and career help that is only available within the industry. Brighton-based Lighthouse, which supports and commissions new work in the digital arts and film industries, runs a 12-month mentoring programme for tomorrow's film-makers. Lighthouse has secured an impressive cast of mentors including Sam Mendes and Kenneth Branagh with its Guiding Lights programme, supported by Skillset (the sector skills council for creative media) and the now restructured UK Film Council. It is a strong model of how specialist mentoring could work in other creative sub-sectors.

The expertise established by such organisations, private and public, should not be wasted and can usefully inform any new publicly funded business advice initiatives. Our evidence suggests that low-cost schemes can produce good results and have a useful role to play in job generation by helping one-person businesses expand into two- or three-person enterprises.

Many of the sector's largest employers are or have links with publicly funded organisations, for example in broadcasting and theatre. There is a strong case for the public sector leading by example and establishing mentoring programmes within all publicly funded arts organisations and larger cultural organisations.

A nation-wide call for mentoring in the creative sector would be a valuable addition to the Government's Big Society.



**Our research suggests that young people are keen to start up on their own**

### 1.5 The political backdrop

In a political climate where cuts are being discussed across Whitehall departments, the arts budget has had a relatively low priority. The anti-cuts campaign led by prominent figures in the arts world has emphasised the contribution made by the creative industries to the UK economy. Although this contribution has been recognised and celebrated by Culture Secretary Jeremy Hunt and arts minister Ed Vaizey, the sector has found it difficult to argue its corner against schools and hospitals.

But we also need to examine the role of the Department of Work and Pensions. The Coalition government has announced wholesale reform of the benefits system. This has serious implications for state-driven job creation, which has become known, in a phrase borrowed from the United States, as “welfare to work”. A myriad of programmes initiated by the Labour government to get people back to work will be scrapped by next spring and replaced by a new Single Work Programme. Under this scheme, the functions of job creation will be outsourced on a regional basis to large service companies such as Serco, G4S and A4E, who will work in partnership with smaller specialist suppliers, social enterprises and charities to get people back to work. It is impossible to tell at this stage, what role self-employment will play in these plans as the government will leave it to each consortium to decide on work creation strategies.

However, ministers have made it clear that they will look favourably on bids for Single Work Programme contracts that contain options for self-employment.

DWP is consulting on two specific proposals in the Conservative manifesto to promote self-employment. The first is to set up “work pairings” to link young unemployed people to sole traders, such as plumbers, builders and carpenters. This idea could be applied to artists and craftspeople, who often work on the same self-employed basis. In essence, the sole trader gets an extra pair of hands and the new employee gets training and experience of a trade. This is potentially exciting for the sector.

The second idea has the generic title “Work for Yourself” and is also at consultation stage. One result of this process was Iain Duncan Smith’s announcement at Conservative Party Conference of the creation of a New Enterprise Allowance Scheme. This will provide benefit claimants with a package of £2,000 of support to set up in business.

The universities minister, David Willetts has told graduates not to despair at the lack of jobs, but instead to consider setting up their own businesses. This “make a job, don’t take a job” message is particularly appropriate to the creative sector. Our research suggests that young people are keen to start up on their own. However, they will require help in terms of mentoring, advice and start-up funding. Ministers need to be aware that creative people are asking for very little, but that is not the same as nothing at all.

## 2. RECOMMENDATIONS FOR GOVERNMENT ACTION

### 1. Enterprise

- Build on the New Enterprise Allowance to target those hoping to start creative businesses. Incorporate the NAO’s recommendations for the 1983–91 EAS, namely to increase the availability of business advice and reduce the “waiting period” of unemployment to eight weeks or the minimum practicable.
- Encourage freelancers, sole traders and micro-businesses in the creative sector to take on additional staff by making available loans, grants and tax relief for that purpose.
- Establish a venture capital fund to encourage creative start-ups.

### 2. Spaces

- Publicise private sector and local authority initiatives that have used empty commercial space for small start-up enterprises.
- Facilitate the low-cost conversion of empty commercial space into short-term accommodation for small creative businesses.
- Establish a dialogue with successful studio providers to develop sustainable models to replicate around the country.
- Encourage arts centres, educational institutions, libraries and colleges to provide space for use as creative hubs and business incubators.

### 3. Business advice and mentoring

- Promote entrepreneurship among young people by encouraging them to “make a job, not take a job”.
- Ensure job centre staff and careers services are trained to advise on self-employment and, where possible, second such staff to arts centres and creative incubators.
- Encourage wider provision of business skills training within the creative sector.
- Launch a national mentoring campaign encouraging artists, entrepreneurs and executives in publicly funded cultural organisations to become business and creative mentors.



# 3. WHERE WE ARE

A government lamenting the decline of manufacturing and wondering where to find the traditional British entrepreneurial spirit need look no further than the creative sector. Over the past decade it has become the largest in Europe, accounting for 6.2 per cent of economic output.

## 3. 1. Background

A government lamenting the decline of manufacturing and wondering where to find the traditional British entrepreneurial spirit need look no further than the creative sector.<sup>1</sup> Over the past decade it has become the largest in Europe, accounting for 6.2 per cent of GVA (gross value added, i.e. the measure of what the economy produces) and contributing almost £60 billion to the economy.<sup>2</sup>

According to the independent National Endowment for Science, Technology and the Arts (NESTA), this group of industries has in the past few years been growing at around twice the rate of other sectors. If this has not won its business leaders a place at the top table in debates on “the future of the British economy”, that is largely because, unlike banking or manufacturing, it has no big industry champions, few multi-millionaire presidents or CEOs and only a handful of well-known spokespeople (who tend to speak for arts and culture in general rather than for the wider creative industries).

But there are important reasons for government to pay heed to the creative sector. Manufacturing faces increasing competition from emerging economies. The future of the finance sector, at least within the UK, is uncertain. The creative industries have strengths that can be built on in a recession: start-ups are low-cost; global demand for creative products grows unabated; the UK has an enviable reputation in music, literature, and new digital sectors. It is already the second or third largest creative economy in the

**The energy that drives the growth of this sector comes not from large or even medium-sized corporations but from small-scale entrepreneurs and freelancers**

world (behind the US in first place but vying with Germany depending on which industries are included).<sup>3</sup>

In a recent report from the think tank Reform, Jeremy Hunt, the Secretary of State for Culture Media and Sport acknowledged the importance of creativity.<sup>4</sup> He rightly stressed the country’s need for the entrepreneurialism, innovation and creativity. However, there was one remarkable feature of the creative sector that he did not mention: that a large proportion of this innovation and enterprise comes from the tiniest of businesses. The energy that drives the growth of this sector comes not from large or even medium-sized corporations but from small-scale entrepreneurs and freelancers, many operating as one-person companies: 85 per cent of businesses in this sector have fewer than five employees. In addition, the sector’s entrepreneurs are overwhelmingly young (an additional reason, perhaps, for the sector’s lack of influence). They leave school and college with individualistic creative ambitions, often at the cutting edge of innovation. Such people do not always make good employees (even if they could find work) but they can become excellent entrepreneurs.

**Figures point to the creative industries, and specifically the talent we have nurtured within it, becoming a key driver for the UK's recovery from recession**

Over the past 10–12 years, a series of reports have established the importance of creativity to the UK economy. NESTA's work, in particular, has stressed that Britain's international lead in digital-based industries and new creative technologies depends heavily on continuing to nurture creative talent. Moreover, NESTA has argued, manufacturing, finance and other sectors depend heavily on the health of the creative sector since there is a direct link between creativity and innovation in the wider economy. The more creative products a company purchases, the more innovative it is likely to be. For better or worse, the banking sector has been a major consumer of creative products.<sup>5</sup>

NESTA has predicted that by 2013 the sector will be employing more people than the financial sector. In the words of Jonathan Kestenbaum, NESTA's chief executive: "[The] figures point to the creative industries, and specifically the talent we have nurtured within it, becoming a key driver for the UK's recovery from recession."

The UK, then, depends for its future wellbeing on the ingenuity and

innovation of creative workers and entrepreneurs. Helping tomorrow's designers, filmmakers, performers, artists, musicians and digital media workers is not just a way of strengthening the creative economy. It is the path to economic recovery on the way to the "creative society".<sup>6</sup>

### 3.2 Political context

Consecutive British governments have grappled with the problem of how best to encourage entrepreneurship. However, too often over the past 13 years, self-employment and enterprise have been a low priority for Labour governments. In the latter years of the Brown administration, Work and Pensions Secretary, James Purnell developed a "self-employment credit" in an attempt to persuade people on benefits to set up their own businesses. This was not well publicised and payments lasted only for 16 weeks – not enough time for someone to establish a sustainable enterprise.

New Deal of the Mind has lobbied for the introduction of a 21st century version of the Thatcher-era Enterprise Allowance Scheme, which paid people slightly more than the dole for a year if they agreed to establish their own business and put up £1,000 of their own money into the enterprise as seed funding. The scheme produced several high-profile success stories, such as Julian Dunkerton of the Superdry fashion label and Alan McGee, who set up Creation Records. But it also permitted a whole range of individuals to make a start in their careers across the creative sector.

In October 2010, the Conservative Work and Pensions Secretary, Iain Duncan Smith, announced the creation of the New Enterprise Allowance, clearly inspired by its 1980s predecessor. The new scheme will give people a weekly allowance equivalent to the dole for the first three months and half that for the subsequent three months. In addition, they will be given access to loan finance of up to £1,000. This is clearly considerably less generous than the original scheme and it remains to be seen whether it will be sufficient to persuade people to come off benefits.

The coalition government has made all the right noises about the need to encourage entrepreneurship in the creative sector. In his foreword to a pamphlet from the Reform think tank in September 2010, the Culture Secretary Jeremy Hunt said: "The success of the creative industries is down to the hard work, entrepreneurialism, innovation and creativity of those employed in the sector... Our ambition is clear: a strong and competitive creative sector playing its fullest possible role in the wider UK economy. I look forward to working together with businesses and entrepreneurs from across the creative industries to make this happen."

However, beyond the New Enterprise Allowance, it is still difficult to discern what this will mean in practice. The DWP is also refining the details of a Conservative manifesto pledge, Work Pairings, to get young unemployed people working alongside sole traders such as plumbers, electricians and builders. Early discussions have suggested that a

scheme involving so many tiny businesses may prove difficult to manage. But the principle is a good one and would suit artists and small-scale creative entrepreneurs in need of an extra pair of hands.

Much has been made by the incoming government of the need to develop a new spirit of philanthropy in the arts on the American model. But ministers have not yet fully outlined how this will work for smaller creative organisations. The most likely immediate outcome is that smaller companies will be forced to consider mergers and partnerships in order to survive. The Department of Culture Media and Sport has ordered Arts Council England to restrict cuts to its 850 regularly funded organizations to 15 per cent, although its total budget has been slashed by nearly a third.<sup>7</sup> At the same time, it is likely that the functions of ACE itself will grow. Discussions with ministers were underway at the time of writing this report to bring the responsibilities of the UK Film Council and the Museums, Libraries and Archives Council within ACE's remit. ACE could also take on responsibility for economic sustainability and possibly even work

**The Thatcher-era enterprise scheme produced several high-profile success stories, such as Alan McGee who set up Creation Records**

creation. Some commentators expressed concern that the Comprehensive Spending Review settlement effectively protected the large London-based cultural institutions. One predicted the “mass slaughter of provincial arts”.<sup>8</sup>

The creative sector has been slow to react to the reality of work creation under the DWP’s new Single Work Programme. All new welfare to work contracts will be granted to large “prime contractors” who will then subcontract to smaller companies, social enterprises and charities. In future, this will be the only game in town for cultural institutions wishing to use government schemes to help provide jobs for the long-term unemployed. The government is not being prescriptive about how these contacts will deliver jobs, beyond indicating that partnerships and schemes that involve self-employment will be looked on favourably.

### 3.3 Innovation and enterprise

In the last two decades of the 20th century, two very different politicians contributed to the growth of Britain’s creative economy: Margaret Thatcher and Chris Smith. Thatcher’s Enterprise Allowance Scheme (EAS) of the 1980s was intended to reduce worryingly high unemployment figures. It achieved its ends and it also gave a generation of young people the chance to become entrepreneurs. A high proportion of the applicants for the EAS turned out to be young artists, musicians and designers, for whom the promise of being left alone to pursue a creative ambition proved highly attractive. Some economists

have concluded that Britain’s ensuing creative preeminence was born out of that scheme. Chris Smith, Labour’s first culture secretary in Tony Blair’s 1997 administration, saw the link between creativity and innovation in the wider economy. He realised that money and political effort invested in the arts would pay dividends. He championed not just the arts but also their economic significance, and the importance of artists and industry working together. Smith established the notion of the creative industries sector as classified today.

In 2005, the Cox Review of Creativity in Business built on that work.<sup>9</sup> This Treasury-commissioned review urged government to ensure that creativity pervaded every aspect of modern life. It called for business people who “understand creativity, who know when and how to use the [creative] specialist, and who can manage innovation” and for creative specialists who could talk the same language as their clients and business colleagues. It argued that creativity had to be at the core of engineering and technology and that all sectors had to understand the design process. The message was reinforced in 2009 by the former Department for Business, Industry and Skills when, in a report on the digital economy, it acknowledged that the creative industries were at the heart of economic growth and needed to be “scaled and industrialised in the same way as other successful high-technology knowledge industries have been”.<sup>10</sup> By the time Labour’s period of government was drawing to a close, the UK creative sector was growing twice as fast as the rest of the economy.

In February 2008, the DCMS had published Creative Britain. This endorsed the idea that Britain’s future depended on its creative talent: “The creative industries must move from the margins to the mainstream of economic and policy thinking, as we look to create the jobs of the future. The bedrock on which the strategy is built is the Government’s fundamental belief in the role of public funding to stimulate creativity and sharpen Britain’s creative edge. This is reflected in its support for the arts and its commitment to public service broadcasting. These are the threads that connect a country that values excellence in the arts and culture, a population rich in creative talent, and an innovative and flourishing creative economy.”

But coinciding with publication of that report came the run on Northern Rock bank signalling the start of an economic crisis that changed the landscape and brought into question whether it would be possible for public funding to “sharpen Britain’s creative edge.”

**The creative industries must move from the margins to the mainstream of economic and policy thinking, as we look to create the jobs of the future**

### 3.4 Art and artists in crisis

Arts organisations now face a future of much-reduced public subsidy. Institutions, galleries, theatres, specialist agencies, cultural forums and third-sector promoters of the arts will all be obliged to recalibrate costs and income generation to accommodate their share of the 25 to 30 per cent spending cuts the government has sought from major arts funding bodies. There have already been casualties, such as the UK Film Council and the Museums, Libraries and Archives Council. Many smaller organisations and individual artists have lost or face losing grants.

It is important to acknowledge that the public broadly supports this strategy. A survey of 2,022 members of the public who were asked whether they agreed with the Government’s intended cuts found that two-thirds favoured increased reliance on private investment for the arts and a fifth favoured no government investment at all.<sup>11</sup> The counter-argument, though sound, that the arts generate far more than they cost is a hard one to argue at such times, though it was cleverly restated by artist David Shrigley in the animated film he made to launch a UK artists-led campaign to protect the arts from government cuts.<sup>12</sup>

However, despite the backing of top artists such as Anthony Gormley, Tracey Emin, Jeremy Deller, Mark Wallinger and David Hockney, support for the arts in the run-up to the October 2010 spending review was generally characterised as special pleading by a privileged elite. The wider social and economic benefits of

art have little traction with a public that is faced with concerns about jobs, benefits, the health service and university funding.

The shortfall will not easily be balanced by an increase in philanthropic donations, despite the timing of the Sainsbury family's £25m donation to the British Museum in September 2010. Britain does not have a philanthropist culture like that of the United States and will not quickly acquire one. Such a culture would anyway be of little use to aspiring artists and creatives at the sharp end of the economic crisis. Philanthropy, even in the US, is more often showered on institutions than people: acquisitions of artefacts, endowing new wings of institutions, etc. One seldom hears of philanthropists backing young musicians or computer games designers (though there might be a good case for promoting such Renaissance-style patronage).

The hidden victims of the arts cuts are those now hoping to work in the sector. Young people who seek creative careers typically work and practise their vocations in isolation. They find it hard at the best of times to transform their skills into jobs or income and face almost insuperable obstacles in finding work. They know that they want to act, perform, invent, write, make jewellery, design shoes or take computerised music and animation to new levels. But even in good times there are few rational career paths for these ambitions. CCSkills noted that in 2005–6 there were 6,000 vacancies announced over a 12-month period but that in that same period more than half a million students were studying subjects in the field.<sup>13</sup>

**Asking young people to waste six months on benefits or on taking work that does not use their skills is a waste of their talent**

Kit Friend, then a student campaigner, argued in 2009 that graduates in the creative arts were the only group for whom the so-called degree "premium" which allegedly justified higher university tuition fees, was a minus sum. They earned less than their non-graduate peers.

Those 85 per cent of businesses that employ five or fewer people rarely advertise jobs. The larger companies, which make up the other 15 per cent, include big broadcasters, advertising agencies, media companies and larger publishing houses. Some of these undertake training and look after their subcontractors and regular freelances well. But throughout the sector, working for low wage and no wages at all is common; internships are frequently unpaid or badly paid and nepotism is rife. Those who persist find that they must bear the cost of acquiring the vocational skills themselves if they want to be employable in a rapidly changing sector. These hardships were detailed in NDotM's earlier report, *Creative Survival in Hard Times*.<sup>14</sup>

Would-be photographers, designers, performers and graphic artists tend to supplement their income with part-time,

low-paid jobs such as bar work. But this way of getting by is harder to find in a recession, spelling hardship for many young creatives who cannot (and do not want to) sign on while carrying out freelance commissions.

Any enterprise scheme aiming to help such a group has to understand that reality: it cannot cater only for those who have spent six months unemployed. If young creatives are required by the system to abandon their career hopes, this represents a loss to the nation of their skills for all time.

Asking young people to waste six months on benefits or on taking work that does not use their skills is a waste of their talent. It could also set back Britain's international lead in some industries for decades. The New Enterprise Allowance needs to take that into account. Given the choice, young unemployed people have made it clear that they would rather create a job for themselves than stay idle on benefits.

# 4. THE AGE OF ENTERPRISE

As tens of thousands of students left university in the summer of 2010, the newly appointed universities minister, David Willetts, told a newspaper that graduates should not despair at the lack of “graduate jobs” - they would do better to consider setting up their own businesses.

## 4.1 Do it yourself

As tens of thousands of students left university in the summer of 2010, the newly appointed universities minister, David Willetts, told a newspaper that graduates should not despair at the lack of “graduate jobs”; they would do better to consider setting up their own businesses.<sup>15</sup> His advice could have been particularly directed towards graduates with degrees in arts and creative subjects. Self-employment has always been high in the creative sector accounting for 40 per cent of the workforce, compared with 12 per cent in the economy as a whole. (Both figures relate to 2007 and both percentages are now likely to be higher as a consequence of the recession.)

The success of the creative sector in recent decades has, in part, been a consequence of so many of the workforce being willing to work independently and flexibly. This is a group far more likely to create its own jobs than find them ready-made. Government policy has not always made this an easy option.

In 2009, the Arts Council asked NDotM to investigate ways in which the government might provide opportunities for the young self-employed in the culture sector.<sup>17</sup> It became apparent that there was insufficient clarity about the rules governing benefit and self-employment and a serious lack of understanding at official levels of the situation facing young people who would necessarily need to start out creative careers as self-employed. Signing on for Jobseeker’s Allowance was a problem

**This is a group far more likely to create its own jobs than find them ready-made. Government policy has not always made this an easy option**

for them, since many – singers, musicians, artists, photographers, designers – wanted to continue with occasional paid-for commissions while supplementing this with small amounts of paid work when they could find it. Interviews NDotM conducted with young people at that time revealed that they were reluctant to seek work through job centres, fearing they would be expected to give up on their creative ambitions. As a result many remained out of the benefits system entirely and reported considerable financial hardship. Others had no alternative but to abandon their ambitions.

NDotM therefore recommended in its report that the government should implement an enterprise scheme for the twenty-first century, borrowing some of the features of the Enterprise Allowance Scheme set up by Margaret Thatcher’s government in the 1980s. In a submission to the DCMS in August 2010, NDotM reiterated that such a scheme could kick-start new creative enterprises and encourage entrepreneurship (see Appendix One).



A step towards fulfilling this recommendation was taken in October 2010 when the Government announced a New Enterprise Allowance. The principle of giving an unemployed person an incentive to start a self-employed business holds great promise for the creative sector. Currently, the Government's target is to support 10,000 unemployed people into starting small businesses with a financial help package of £2,000. This is a modest ambition when compared with the EAS which in one year, 1988-89, made provision for 90,000 new entrants.<sup>18</sup> It is worth re-examining the benefits of the 1980s scheme, many of which have resonance today.

#### 4.2 What Thatcher did for heavy metal

The Enterprise Allowance Scheme operated from 1983-91. Not much lauded at the time, it seems from this distance a beacon of progressive and positive thinking about how to encourage the enterprise culture in young people. When, in February 2010, Ken Clarke, then shadow business secretary, used a business-networking website to seek out the personal experiences of those who had taken advantage of the old Enterprise Allowance Scheme, many of his respondents were from the cultural sector and wrote that, for them, EAS had been a starting point for later entrepreneurial success. A theatre director, social entrepreneur, music publisher, decorator and photographer were just some of the creative industry responses. Many reported that they now ran larger companies employing others.

As we have noted in earlier reports, EAS alumni also include celebrated artists and successful entrepreneurs, among them Alan McGee, the founder of Creation Records, Jeremy Deller, the 2004 Turner prize winner, the Wilson sisters (who had also been nominated for the Turner prize) and Digby Pearson, founder of the heavy metal record label, Earache. Julian Dunkerton began his Superdry clothes label while on the EAS: recently, two decades on, his company was floated on the Stock Exchange and valued at £80m.

**Julian Dunkerton began his Superdry clothes label while on the EAS. Two decades on, his company was floated on the Stock Exchange and valued at £80m**

The affection in which the alumni of that scheme hold the EAS is evident. Some now find it strange that, while as young graduates they would have vociferously opposed many of the measures of Margaret Thatcher's government, this scheme did so much to help them pursue their dream. The very high proportion of start-ups that EAS generated in the cultural and creative sector was unremarked at the time but the French economist Françoise Benhamou reported later that there were 35,177 cultural sector participants in the EAS between 1985 and 1989.<sup>19</sup>

#### 4.3 The instant entrepreneur

The scheme worked thus: the rate was, at £40 a week for a year, slightly higher than the dole at that time. Applicants needed to demonstrate that they could provide £1,000 of their own funds. Their weekly allowance went straight into a bank account with no requirement for the EAS-er to "sign on" each week. A young man or woman on the dole was thus instantly transformed into an entrepreneur. Some businesses failed but many survived a good while and launched their creators into careers in theatre, journalism and music. The non-prescriptive nature of EAS enabled performers and artists to sign up. Surprisingly, there was no official preference for start-ups in trade or manufacturing; the only imperative was for claimants to get doing something.

It was widely believed at the time that the main political function of the EAS was simply to reduce the unemployment figures. Nonetheless, some politicians and economists now credit the scheme with paving the way for the UK's creative boom of the 1990s.

Before the scheme wound up in 1991, the National Audit Office had declared the scheme good value for money. It estimated that the cost to the exchequer per person employed had been £2,300 per year, more or less in line with other measures aimed at creating employment.

As well as enjoying a survival rate not much lower than non-EAS start-ups, these new businesses had created more jobs than there had been EAS participants

(since some successful start-ups went on to employ more people). A figure reported in Hansard was that for every 100 people who completed the scheme, 139 people were working two years later. Given that

**Some businesses failed but many survived a good while and launched their creators into careers in theatre, journalism and music**

almost all who joined the scheme were first-time one or two-person businesses, it was a good record. NAO noted that administration costs were low, at less than 10 per cent and recommended that the scheme continue but that those participating should receive better support in business skills.<sup>20</sup>

The long-term impact of the EAS was considerable. Françoise Benhamou noted that France and Britain, with widely differing government strategies towards unemployment, both achieved increases in economic participation in the audiovisual and performing arts industries during the ten years to 1992. Her conclusions were that while France achieved its increases by major government spending, Britain's success resulted from the positive attitude of the government in encouraging self-employment. This, she believes, contributed to a 34 per cent growth in employment in the artistic and cultural

**The NEA is a beginning. It could be the pilot for a wider strategy aimed at encouraging greater enterprise in young people**

professions between 1981 and 1992. During the same period, growth of the active workforce was negligible, she reports. Benhamou also points out that even those enterprises that ultimately failed left participants with skills and experience gained through the subsidy period that stood them in good stead for returning to the labour market.

The economist Hartmut Lehmann makes an additional point.<sup>21</sup> He notes that the EAS successfully lowered net inflows into long-term unemployment by about 8 per cent because it allowed participation by those who had been unemployed for as little as eight weeks. The late Bernard Corry, an economist and government adviser, undertook a study of those moving from unemployment to self-employment. He found that those who became self-employed in the first six months of unemployment were more likely to survive two years after start-up than those who remained unemployed for longer. Those who were unemployed for 3-6 months before joining the scheme had a 78 per cent survival rate. Those who were unemployed for 6-12 months had only a 59 per cent chance of surviving.

These are findings that should be considered in refining the details of how the NEA will operate. It is tempting for a

government to target funds at those who cannot find work after a defined period of trying if only to avoid the "deadweight" effect of paying people to start businesses that they had always intended to start. But six months is a long time for graduates (or indeed anyone) to languish on the dole queue and be prevented from following the career they believe best uses their talents and from which, we believe, the British economy will ultimately benefit. The entrepreneurial spirit has to be encouraged while the entrepreneur is still enthusiastic.

A major obstacle to creative people becoming self-employed or trying to start a business is finding the means to support themselves while waiting for careers/businesses to take off. Many will already be in debt from their university years. If they take a job outside their chosen field they become unavailable for any creative work that is available. This leaves them with difficult options: borrow further if they can, abandon their dream, or try to deceive the authorities. A major benefit of the way the EAS operated was that it enabled participants to follow their dream at little additional cost to the state.

#### 4.4 The new business class

Substituting an enterprise allowance for the unproductive payment of unemployment benefit is a low-cost option that, if the pattern of the 1980s is repeated, will also create jobs. The NEA is a beginning. It could be the pilot for a wider strategy aimed at encouraging greater enterprise in young people. They are certainly showing greater interest. A recent survey of

graduates in London revealed that half of all new graduates were intending to start their own businesses and a third had embarked on their degrees with the intention of starting their own business.<sup>22</sup> Television programmes such as Dragons' Den and The Apprentice have popularised entrepreneurship but they are also responding to a growing interest among young people in making something themselves. Enterprise UK, a government-backed body that encourages entrepreneurship in Britain, has welcomed this new enthusiasm: "The change in young people's attitudes towards entrepreneurship over the past ten years is exciting. Young people from all backgrounds are being prepared to enter working life with drive and ambition. We hope that the next generation will be more entrepreneurial than ever before. But the UK must provide the infrastructure to help turn this potential into dynamic businesses."<sup>23</sup>

The past few years have seen a range of initiatives designed to encourage innovation and entrepreneurialism in young people. Some of those are reviewed in subsequent sections. Many rely on a small measure of government or local authority funding. It would be a mistake to cut these vital stimulants to enterprise. New entrepreneurs are vital to the future economy. Without them we will see fewer new businesses and break our way into fewer new markets. The NEA, based on a low-level of subsidy to freelance start-ups, is a small beginning.

**Television programmes such as Dragons' Den and The Apprentice have popularised entrepreneurship but they are also responding to a growing interest among young people in making something themselves**



# 5. CREATING SPACE

In opera and melodrama, artists shiver alone in garrets. But 21st century reality is quite different. A strong feature of the expansion of the creative industries in the UK over the past decade has been “clustering”. Creative workers place a high value on being near each other, sometimes in shared studio blocks, sometimes appropriating the rundown quarters of inner cities, sometimes making a “creative cluster” of an entire city.

## 5.1 Clustering

In opera and melodrama, artists shiver alone in garrets. But 21st century reality is quite different. A strong feature of the expansion of the creative industries in the UK over the past decade has been “clustering”. Creative workers place a high value on being near each other, sometimes in shared studio blocks, sometimes appropriating the rundown quarters of inner cities, sometimes making a “creative cluster” of an entire city.

The clustering phenomenon was first observed by Harvard business sage, Michael Porter, who noted in 1998 the advantage to businesses of being near to other similar enterprises. Thus one area might house many computer firms or a particular street may consist entirely of clothes shops.<sup>24</sup> The economic advantages of a Silicon Valley are clear to see: businesses are likely to benefit from shared services and customer bases; companies will be interconnected and attract specialist workers and suppliers. But it is not immediately apparent why a jewellery designer would want to be in the same building as a journalist. Or why either would benefit from sharing premises with a dance teacher.

## 5.2 Creative cities

And yet the geographical concentration of cultural and creative enterprises, from shared hubs and studio space to regional initiatives such as Gateshead’s decision in the late eighties to become a centre for small-scale creative jobs, has tended to be accompanied by economic growth.

**Consumers of art are now accustomed to taking their cultural experience alongside places where artists work**

As entire conurbations such as Liverpool, Glasgow, Brighton & Hove and Bristol, have designated themselves “creative cities” the story has been of one of success in numbers. What appeared to be a local response to the loss of traditional industry in the UK in the 1980s has been watched keenly by Britain’s international competitors and much imitated. In 2004, UNESCO launched a Creative Cities Network, linking cities around the world “to harness their creative potential for social and economic development”. Quite how that linking across the globe was meant to happen is not clear (despite at least four UN conferences since on the subject). Nonetheless creative clusters in which music venues or other cultural institutions nestle alongside offices, studios and teaching institutions have become typical of UK cities. Consumers of art are now accustomed to taking their cultural experience alongside places where artists work. Good examples of this are the Newcastle–Gateshead explosion of businesses around the Sage and the Baltic Gallery or the artists’ studio complexes that have grown up around Bristol docklands alongside the Arnolfini Gallery and Watershed media centre.

**The positive impact that regeneration based on arts and culture clusters has on local economies can be seen in towns and cities around the UK, from Clydeside to London's East End, Folkestone and Derry**

Simon Evans of Creative Clusters, which advises businesses and local authorities on encouraging creative enterprise, has written that banks, investors and governments tend not to understand the business profile of small creative companies. These tiny concerns tend to pool resources with other micro-businesses rather than scale up their own companies. For the new creative businesses, increasing size does not necessarily improve their product: "They evolve by getting better rather than getting bigger," says Evans.

The positive impact that regeneration based on arts and culture clusters has on local economies can be seen in towns and cities around the UK, from Clydeside to London's East End, Folkestone and Derry. Brighton & Hove City Council, for example, claims to be bucking national employment and business start-up trends as a result of its "creative city" initiative ten years ago. Glasgow has emerged as an important centre for the digital media sector in that country, partly as a result of Scotland's £25m "clusters" investment in 2000. At Pacific Quay, major broadcasters now operate alongside small digital design firms. Britain's towns and cities have arrived at their creative destinations by different routes. While Brighton built on its reputation as a liberal, artistic bohemian city to

attract a wealth of private creative businesses, Glasgow made a decision in 1990 to rebrand itself and invest in a cultural future.

### 5.3 Getting together

What works for institutions and business, works also for individuals. Young artists and designer-makers, musicians and performers like being near each other. Creativity seems to thrive when like-minded creatives are in close proximity. Despite a wide diversity in the type of work done by those within the sector, there are some ways of operating that almost all creative workers have in common. A high proportion is self-employed. Creative industry workers are twice as likely to be self-employed as those in other industries.<sup>25</sup> In London, the percentage is higher: according to CCSkills, maybe as high as 46 per cent of the creative workforce.<sup>26</sup>

These mainly young (and poor) practitioners need very cheap space for making and doing. Working from home can be a good starting point for some but in most areas of creative endeavour it can only be a temporary solution: soon, they find, their work is too noisy, or messy, or requires a larger area or needs more concentration than can be guaranteed in the home environment. Having a space to go to is also a commitment to your creativity.

In addition, as was frequently pointed out to us in the course of this research, a place to work and to meet like-minded people can be the turning point in a creative worker's career, the difference

between success and giving up. (Section 6 of this report deals with the important role of peer mentoring in developing creative and entrepreneurial skills.)

### 5.4 Space in a recession

Almost everyone who aims for a creative career seeks cheap workspace. Fine artists, software developers, fashion designers and potters all sooner or later need places where they can graduate from being a successful freelance to running a small business. Entrants to the creative sector tend to be low earners and even the cheapest commercial rents are above their means.

"Affordable studio providers" (usually charity-funded or subsidised in some way) have aimed to fill this gap. The charitable origins of some providers may restrict which kinds of artists can be tenants. The National Federation of Artists' Studio Providers, which set up in 2007, describes itself as providing affordable space to non-commercial artists. Where a selection procedure is in place then that, too, may favour non-commercial or "fine" artists i.e. those whose primary motivation is cultural rather than commercial. In addition, only if the studio provider is itself a not-for-profit organisation will it benefit from the business rate concessions that keep artist studios affordable. NAFSP holds a register of providers and campaigns for more of this kind of space.<sup>27</sup>

Currently in the UK about 147 organisations manage 270 buildings and provide studios for about 6,000 artists. A survey (of England only) carried

**More recently still, London's abandoned light industry around Hackney and Tower Hamlets has been replaced by the highest concentration of artist studios in the capital**

out in 2004 by Acme, one of the largest providers in England and updated by NFASP in 2008 revealed a wide range of rents even within the affordable sector, from £1.16 per square foot in the north-east to an average of £7.54 in London. Since studios vary widely in size an average rent is impossible to define. However, for a studio of 300 square feet, the average size in the affordable sector, the commercial rent would be around £560 a month or £6,700 a year. A similar-sized studio in the affordable sector would cost £190 a month or around £2,250 a year, a third the price.<sup>28</sup>

But the affordable sector is very vulnerable to property boom and bust cycles. Around 75 per cent of properties are leased rather than owned outright. In 2007, when NFASP was set up, the threat then was rising property prices and rents; 13 blocks were due to close in London alone. In fact, the 2008 financial crisis changed the immediate situation, bringing down commercial rents and leaving many cities with superfluous space. Some of this has been taken up by traditional studio providers, informal groups and local authorities.

# BRIGHTON & HOVE

**The example of how Brighton & Hove bucked national employment and business start-up trends by declaring itself a creative city is documented on the government website, [www.idea.gov.uk](http://www.idea.gov.uk). The bid by the two neighbouring towns for city status in 2000 included a declaration that the new city of Brighton & Hove would encourage creative talent and attract related businesses to the area.**

For some 200 years, Brighton has welcomed creative people and been able to capitalise on its reputation as a bohemian resort offering entertainment and pleasure. The bid gave the seaside conurbation the opportunity to focus its aims.

Brighton has focused on developing a strong private sector. One of the first acts of the new city council was to appoint a creative industries officer and set up a free business clinic where individuals could get advice. In the five years to 2009, as other industries in the area experienced difficulties, the sector grew by 5 per cent. Before the recession, the particularly strong economic performance

of the digital sector had seen employment in the city grow at around 19 per cent, twice the national average.

The growth of digital media in the city has been enhanced by the strong presence of Lighthouse, which has become the leading agency in the south-east for supporting and promoting the digital arts and in providing production space for aspiring artists. In 1999, with an Arts Council Lottery grant and some local authority funding, Lighthouse acquired its city centre property.

Now this enables it to generate income by letting office space to small compatible and by hiring out its own

In February 2009, the government encouraged the use of empty shops as temporary space for artists (there were reportedly around 90,000 throughout Britain). Arts Council England encouraged applications from organisations who could make temporary use of vacant spaces to contribute to local development of the arts and allocated £500,000 towards helping convert vacant premises for artistic purposes. However, property booms end and competition for space will once again raise rents. NFASP is warning that within five years many of its leases will expire.

The cyclical process whereby artists colonise run-down areas, pave the way for gentrification and then can no longer afford to live in the gentrified locations is not new. In the 1950s, riverside Chelsea was an artists' quarter before becoming a desirable residential area; two decades later the warehouses of Liverpool's and Bristol's abandoned docklands were taken over by artists. More recently still, London's abandoned light industry around Hackney and Tower Hamlets has been replaced by the highest concentration of artist studios in London. (The area will become even more desirable now

studio and conference space and digital production facilities. Its Guiding Lights programme is itself a guiding light in successful mentoring and it has secured the secured top-level mentoring for its aspiring film-makers. Other Lighthouse initiatives include educational seminars for the industry and running a digital arts MA in partnership with the University of Brighton.

Brighton has ensured that it encourages the fine art end of the creative sector as well as income-earning commercial creative ventures. The Basement is a dedicated space for experimental performance that aims to nurture early-career artists; it receives some subsidy from the city council and from Arts Council England.

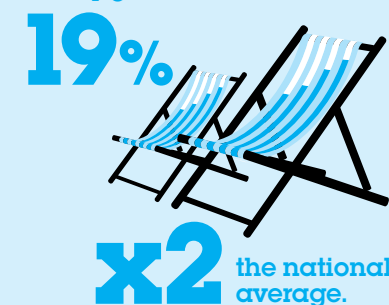
The Basement offers desks and equipment and, most importantly, rehearsal and performance space to a small group of artists each year. Professional mentoring, artistically and in production and promotion skills such as financial and company management, is key to the Basement's mission.

that it is hosting the Olympic Games.) Glasgow's former Clydeside shipyards and Victorian merchant trading areas tell the same story. Where artists first tread, public and private money follows. The FREEE art collective ([www.freee.org.uk](http://www.freee.org.uk)) expressed it more cynically in a giant street poster in 2004: "The economic function of public art is to increase the value of private property."

The largest not-for-profit space-providers do appear to survive boom and bust cycles. Acme in London and Wasps in Scotland, for example, have

Small art and designer-maker businesses also flourish throughout the city with the help of organisations such as Phoenix. This claims to be the largest artist-run company in the south-east and offers courses, low-cost studio space and gallery space for exhibiting. Phoenix is a registered charity and receives minimal public funding (1 per cent). It generates 75 per cent of its income from rents, and 20 per cent from its educational programmes.

**Brighton and Hove's digital sector has seen employment in the city grow at around**



seen several cycles. By keeping facilities minimal, rents stay low. Before the current recession, Acme calculated that the effective subsidy to artists from the affordable studio sector was around £9 million a year in London alone. Some of this comes from public funding through local authorities and the regional Arts Councils, some from social foundations and trusts. But the contribution the studio providers make towards nurturing artistic talent (and in paving the way for regeneration of the shabbier quarters of our major cities) deserves greater public recognition and a more reliable and

# GLASGOW

**Digital media contributes some £3 billion to the economy of Scotland. The national ambition announced in December 2009 was for that to more than double to £6.3 billion by 2012. At the centre of this economic miracle is the high-tech multi-million pound Pacific Quay development in Glasgow, probably the largest digital media cluster in the world.**

Built on the sites of former shipyards on the Clyde waterfront, Pacific Quay houses BBC Scotland, Scottish Television, Film City (in the former Govan town hall) and the Hub, a purpose-built home for digital businesses and for the Glasgow School of Art Digital Design Studio.

With its mix of public space, private enterprise, academic experts and small creative industries, Pacific Quay is almost a textbook example of a creative cluster. Unlike Brighton, whose evolution from artistic rendezvous for princes and paupers to modern media centre has seemed almost inevitable, Glasgow deliberately set out to become an important creative industry centre. Applying for, and winning, the European designation "City of Culture" in 1990 proved a turning point. Glasgow had lost its economic bearings as the shipyards closed on the Clyde. In fact, the great industrial city had always had a thriving cultural base with three universities

and several world-class galleries and museums, but the European Commission's designation drew this cultural heritage to the attention of the world. Now more people are employed in tourism than worked in the former shipyards.

In August 2000, the Scottish parliament announced a £25 million "clusters" strategy to further develop the creative reputation of the country, including "the rapid development of the Pacific Quay site in Glasgow as a digital media centre and the development of a Creative Industries Campus on Tayside." The target was to increase creative industry output by 30 per cent and raise exports in the digital industries to around 15 per cent of total Scottish exports.

Ten years on, Glasgow continues its development as a creative city with the ambitious regeneration of the Merchant City area.

consistent means of funding. Given the huge public benefit that creative workers bring to an area, this is a good initiative for a Big Society to coordinate.

The needs of young artists (and those with more commercial ambitions, too) should more often be incorporated into local planning overviews and encouraged in mixed-use developments. Studio organisations need also to forge

partnerships with commercial and social developers and that, too, will frequently need the input of national or regional development and funding agencies. Without this support, these valuable studio spaces face decline, says NFASP. Without it, too, young artists, musicians and designers face yet another insuperable financial obstacle to making a career in the creative industries.

August 2010 saw the official opening to the public of the Briggait, a former fish market now transformed into a spectacular site for offices, artists' studios and gallery space. Wasps Artists' Studios, the major studio provider in Scotland, started redevelopment of the grade A listed building in 2001 to add to its property portfolio. The £7 million project has been helped with funds from Glasgow City's "Housing the Visual Arts" strategy, the Lottery Fund and the Arts Council. It has been helped, too, by the fact that Briggait's brief period as a shopping centre in the 1990s was a commercial failure. There was therefore little competition for use of this Victorian space. The Briggait now incorporates 45 studios (all let), 24 office spaces, meeting rooms, a public cafe and the elegant central courtyard, now a public space.

Round the corner is Trongate 103, a six-storey Edwardian warehouse which opened as a mini-creative cluster in 2009, again with generous public funding, including £5.75 million from Glasgow's "Housing the Visual Arts" fund. Ground and first floors house galleries and a Russian restaurant and are open to the public. Above are workshops and studios, some available for educational purposes. Trongate is also home to a Russian kinetic sculpture museum and to Glasgow Media Access Centre (GMAC), which supports independent film-makers.

The regeneration of this part of Glasgow has provided a strong motive for the substantial public funding. Many of the artists and organisations were already in the area, attracted by low rents. The drive to keep artists there, along with the failure of commercial ventures such as the Briggait shopping centre, have combined to make public investment both possible and desirable.

**The target was to increase creative industry output by 30 per cent and raise exports in the digital industries to around 15 per cent of total Scottish exports.**



The space needed to help propel a creative career is not always workspace. If we are to encourage a new generation of creative entrepreneurs, provision of suitable spaces to work and to learn from others has to become a policy priority. Enterprise UK, dedicated to encouraging enterprise among the young, places a high value on providing spaces which bring out the best in young people: "An entrepreneurial society is a

well-connected society ... we need the right infrastructure that encourages people to take the next step, share ideas and connect with other entrepreneurs." Enterprise UK calls for a National Strategy for Enterprising Places using resources that are readily and cheaply available such as libraries, colleges, universities.<sup>29</sup>

## 5.5 DIRECTORY

### Acme Studios

44 Copperfield Road  
London E3 4RR  
020 8981 6811  
[www.acme.org.uk](http://www.acme.org.uk)

### Actors Centre

1a Tower Street  
London  
WC2H 9NP  
020 7240 3940  
[www.actorscentre.co.uk](http://www.actorscentre.co.uk)

### Basement

24 Kensington St  
Brighton  
East Sussex BN1 4AJ  
01273 699 733  
[www.thebasement.uk.com](http://www.thebasement.uk.com)

### Bernie Grant Arts Centre

Town Hall Approach Road  
London N15 4RX  
020 8365 5450  
[www.berniegrantcentre.co.uk](http://www.berniegrantcentre.co.uk)

### Bow Arts Trust

183 Bow Road  
London E3 2SJ  
0207 538 1719  
[www.bowarts.org](http://www.bowarts.org)

### Briggait

141 Bridgegate  
Glasgow G1 5HD  
0141 553 5890  
[www.thebriggait.org.uk](http://www.thebriggait.org.uk)

### Creative Industries Development Agency

The Media Centre  
Northumberland Street  
Huddersfield HD1 1RL  
01484 483140  
[www.cida.org](http://www.cida.org)

### Cockpit Arts

Cockpit Yard  
Northington Street  
London WC1N 2NP  
020 7419 1959

18-22 Creekside  
Deptford  
London SE8 3DX  
020 8692 4463  
[www.cockpitarts.com](http://www.cockpitarts.com)

### Cultural Enterprise Office

Aberdeen, Dundee,  
Edinburgh & Glasgow  
50 Bell Street  
Merchant City  
Glasgow G1 1LQ  
0844 544 9990  
[www.culturalenterpriseoffice.co.uk](http://www.culturalenterpriseoffice.co.uk)

### Faircharm Studios, London (LYST)

Deptford  
London SE8 3DX  
020 8694 6472

### The Hub

Pacific Quay  
Digital Media Quarter  
Pacific Drive  
Glasgow G51 1EA  
[www.hub-pq.com](http://www.hub-pq.com)

### Lighthouse

28 Kensington Street  
Brighton BN1 4AJ  
01273 647 197  
[www.lighthouse.org.uk](http://www.lighthouse.org.uk)

### London Youth Support Trust

Deptford, Hackney, Tottenham &  
Lambeth, London  
Frances Egbuchiem Centre  
Unit B106  
Faircharm Trading Estate SE8 3DX  
07956463832  
[www.lyst.biz](http://www.lyst.biz)

### Mushroom Works

St Lawrence Road  
Ouseburn Valley  
Newcastle upon Tyne  
NE6 1AR  
0191 224 4011  
[www.mushroomworks.com](http://www.mushroomworks.com)

### National Federation of Artist Studio Providers (NFASP)

Unit 5  
Toynbee Studios  
28 Commercial Street  
London E1 6AB  
020 7426 0067  
[www.nfasp.org.uk](http://www.nfasp.org.uk)

### Phoenix Brighton

Waterloo Place  
Brighton BN2 9NB  
01273 603 700  
[www.phoenixarts.org](http://www.phoenixarts.org)

### The Shed

348 – 354 High Street South  
Gateshead NE8 1EN  
0191 433 2839  
[www.gateshead.gov.uk](http://www.gateshead.gov.uk)

### Showroom

7 Paternoster Row  
Sheffield S1 2BX  
0114 275 7727  
[www.showroomworkstation.org.uk](http://www.showroomworkstation.org.uk)

### Spike Island,

Cumberland Road  
Bristol BS1 6UX  
0117 929 2266  
[www.spike-island.org.uk](http://www.spike-island.org.uk)

### Trongate 103

103 Trongate  
Glasgow G1 5HD  
0141 276 8360  
[www.trongate103.com](http://www.trongate103.com)

### Wasps Artists Studios

The Briggait  
Glasgow  
0141 553 5890  
[www.waspsstudios.org.uk](http://www.waspsstudios.org.uk)

### Zion Arts Centre

335 Stretford Road  
Hulme  
Manchester M15 5ZA  
0161 226 1912  
[www.zionarts.com](http://www.zionarts.com)



# 6.HELP

Young people who want to work in the creative industries frequently report that they receive little help from what they might have hoped would be a good first port of call: job centres. Since jobs are few and rarely advertised, these jobseekers are often looking for help and advice on how to support themselves into self-employment. Such help is hard to come by.

## 6.1 First ports of call

Young people who want to work in the creative industries frequently report that they receive little help from what they might have hoped would be a good first port of call: job centres. Since jobs are few and rarely advertised, these jobseekers are often looking for help and advice on how to support themselves into self-employment. Such help is hard to come by. Many young creative jobseekers report that they find little sympathy for their ambitions. The structures that might enable them to continue taking freelance commissions while drawing benefits are hard to navigate. Given the high proportion of creative sector entrants who will only ever work in their fields of expertise as freelancers (musicians, photographers, actors, for example) this is a policy gap that needs attention: some 85 per cent of creative sector businesses employ five or fewer people and rarely advertise jobs.

An easy first step would be for government job centres to provide their staff with guidance for claimants on how to set up as a sole trader, how to find further skills training and mentoring while working, and where to get the business support and advice they will need once they get going. One effective solution to the Catch 22 young creatives find themselves in if they try to earn a living while pursuing their ambition, would be targeted use of the New Enterprise Allowance to help those who are not yet claimants (but about to be) establish themselves as self-employed.

**Those setting up as sole traders in the creative sector often gain most from being advised by someone who has done so themselves in a field similar to their own and knows the obstacles and challenges of starting a creative business**

At the moment, those who find the means to start a one-person concern often find basic business advice hard to access. The government service for small enterprises is currently under review, though the Business Link website ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)) continues to offer online information. Wider publicity needs to be given to the variety of organisations advising business start-ups, some government-sponsored, others independent or third sector (we list some online sources in this section). There is also a great and growing demand for individual mentoring, evident from our consultations and reported by a wide variety of support organisations and space providers. Those setting up as sole traders in the creative sector often gain most from being advised by someone who has done so themselves in a field similar to their own and knows the obstacles and challenges of starting a creative business.

## 6.2 Mentors and protégés

The first Mentor was a friend of Odysseus who taught his son Telemachus how to become a worthy citizen. Since then, the

**In 2006, research from NESTA revealed that in more than 90 per cent of creative businesses, over half the senior management team had had no business development training at all**

word has tended to describe a tutoring type relationship between, for example, an older and a younger actor or a proficient sportsperson and a talented novice. Recently this has come to be seen as a key resource within business and industry. David Clutterbuck, who founded a mentoring organisation, described it in 1995 as "The help given by one person to another in making significant transitions in knowledge, work or thinking." In the creative industries, where companies tend to be tiny, such "transitions" are hard to achieve because the dispersed nature of the sector doesn't allow the normal passing on of skills and business practice that happens automatically in larger companies.

In 2006, research from NESTA revealed that in more than 90 per cent of creative businesses, over half the senior management team had had no business development training at all and only 35 per cent of creative companies had set themselves business revenue goals. In response, NESTA last year set up a mentoring award scheme for media companies. Fledgling companies were selected to receive one-to-one mentoring from 18 top creative executives. The scheme acknowledged that newcomers to the sector need tailor-

made business support from those who had had similar experiences.

This year, the scheme has been extended to help those starting up small enterprises in video games design, animation and film. The volunteer mentors include senior managers and executives from the BBC, the CEO of Bob Geldof's company, Ten Alps, and media expert and entrepreneur Peter Bazalgette. The latter described his mentoring role thus: "Self-belief only takes you so far. In my experience it's good to have someone who can disinterestedly filter your ideas and perhaps think of practical ways of furthering them. That's the job of a mentor and I love it."

Another scheme that has secured mentors from the very top is the film industry's Guiding Lights programme, run by Brighton-based Lighthouse, an organisation dedicated to encouraging new digital artists and aspiring film-makers. Past and current mentors include Sam Mendes, Paul Greengrass, Stephen Frears, Barbara Broccoli, and Kenneth Branagh. The Guiding Lights programme is supported by Skillset (the sector skills council for creative media) and the (now restructured) UK Film Council.

The NESTA and Lighthouse gurus and superstars offering their time are in all likelihood operating at the extreme margins of feasibility in busy schedules. But for that reason they make excellent models of how even the busiest specialist can take time out to mentor.

Their example should inspire senior executives in other creative organisations and publicly funded arts bodies to find time for those starting out. Last year, the Aldridge Foundation (set up by Capita founder Rod Aldridge) which aims to change the life chances of excluded young people through entrepreneurship asked 370 business leaders for their views on how Britain could best encourage more entrepreneurs. The top answer was "more business mentors" followed by "more enterprise education".<sup>30</sup>

Mentors need not be superstars. There are many ways to increase provision of effective one-to-one help. Support and advice can come from those without vast experience and the advice of peers or those just a couple of years more experienced is often of equal value to a new business start-up. Tenants and managers of shared studios report that those starting out find the formal and informal discussion of business problems one of the major benefits of sharing physical space. Young studio holders cite being able to call on the expertise of someone who has recently overcome the problems they are facing, or who has simply survived a few years, as a major reason for seeking out shared creative space. This kind of peer support is a valuable low-cost resource for the sector. There are the beginnings of good quantitative research in this area (from CEO in Glasgow, from CIDA in Huddersfield and from Cockpit Arts in London) that provide sound arguments for public investment. For providers of studio space, formal and informal mentoring is increasingly seen as adding value to the packages they can offer.

### 6.3 Incubation

When Cockpit Arts held an open day at its south-east London studio for potential tenants to assess facilities, the availability of mentoring, formal and informal, was a key item of discussion. Existing tenants reported that the help they had received from peers was one of the most significant benefits. Applicants' questions made it clear that business support was high on their list of priorities.

**The value of mentoring and business support is rarely quantified. Its successes tend to be anecdotal**

As well as informal support, studio holders are offered formal mentoring and business supervision including annual assessments. As a result, the charge for a quite small space is higher at Cockpit Arts than for some larger studios in London. Nonetheless there is no shortage of applicants.

The value of mentoring and business support is rarely quantified. Its successes tend to be anecdotal and few systematic providers are analysing the impact. However, Cockpit is currently undertaking such an exercise. Its "incubation package" and annual audits of the performance of its studio holders enables it to make well-founded claims about the value of good advice. Ellen O'Hara, head of business



**Increased financial performance is not the only yardstick. Many creative entrepreneurs seek financial survival rather than great wealth. Their aims are to work in their field**

development at Cockpit Arts has made a detailed study of growth trends over four years of operation from 2005, one aim of which has been to assess the impact of mentoring and build on strengths.<sup>31</sup> Key trends include that levels of turnover have increased since 2005, when the incubator model was introduced.

At that time, there were no tenants with turnovers above £50,000; in 2009 16 per cent were above that threshold. In 2007, 27 per cent of holders reported an increase in profit; in 2009 – a year of recession – more than half achieved an increase. Nonetheless, increased financial performance is not the only yardstick. Many creative entrepreneurs seek financial survival rather than great wealth. Their aims are to work in their field. Cockpit's own social mission, which includes encouraging excellence in the designer-maker sector, supports the ambitions of those seeking life satisfaction rather than wealth.

The mentoring includes help in assessing non-financial impacts. O'Hara notes that individuals' aims change, too. The designer-maker sector attracts a preponderance of women whose creative and personal goals shift throughout their

careers. In mid-life many need more money and may also seek more help in how to manage rather than create. Cockpit Arts believes these broader issues need constant evaluation and assessment. Success of incubator schemes and entrepreneurship cannot be assessed solely on financial outcomes.

#### 6.4 A creative nation

Perhaps the most intensive publicly supported help programmes for creative practitioners come under the umbrella of Scotland's Cultural Enterprise Office. Jointly funded by Creative Scotland (formerly Scottish Arts Council) and local authorities including Glasgow, Aberdeen, Dundee and Edinburgh, CEO has programmes covering general business advice, particular skills advice and individual mentoring. Any creative worker or would-be entrepreneur in the country can get one-to-one coaching. In addition, it provides a wealth of free information and access to day sessions on starting out as self-employed and moving small businesses on to the next level.

The main office, based in Glasgow, can provide tailored support across the entire range of creative industries with specialist advisers in the visual arts, design, fashion, film, literature, music, performance, photography, animation and digital media. Applicants for help can access this advice in five different regional bases and also have access to a strong team of advisers offering one-to-one advice on digital development, finance, marketing and legal matters. Since the Briggait creative complex officially opened to the public, CEO offers drop-in sessions. There

is impressive coordination with other Scottish institutions including Creative Scotland, which recently superseded (and inherited the funding strands of the Scottish Arts Council and Scottish Screen.

CEO's flagship programme for creative entrepreneurs is Starter for 6 (initially a joint venture with NESTA). Through this programme, aspiring entrepreneurs bid for up to £10,000 investment. NESTA believes this intensive programme of close business mentoring delivers almost 90 per cent success rates. Such services to creative workers would be hard to improve upon anywhere in the UK. However, the Scottish factor is significant. CEO benefits from the strong "creative city" ethos developed in Glasgow (and outlined in the previous section).

In addition, CEO has strong links Scotland-wide with private and third sector organisations so that those who contact CEO can be quickly put in touch with appropriate help. The question of continued funding of some of these support packages must certainly become a concern in the near future.

#### 6.5 Realising dreams

CIDA, whose long name – Creative Industries Development Agency – well describes its function, is dedicated to advising and mentoring creative businesses. Launched in Huddersfield, West Yorkshire, in 2000 with a high-flown mission – "to help creative people realise their dreams" – it has a strong social enterprise ethos. In its early days of helping artists it recognised that their key needs were business

support and affordable workspace. The organisation works with government and local authorities but also at grassroots level with individual artists and small creative businesses. CIDA has remained independent and describes itself as a "non profit-distributing company". It does not depend on grants for core funding. Instead it has contracts with various organisations, many of which are local authorities. Increasingly it is finding a demand for its services from other European countries.

According to Anamaria Wills, chief executive, CIDA has stayed close to its original idealistic ambitions of helping artists achieve their dreams. She believes that one-to-one mentoring is the single most helpful thing CIDA does for emerging artists and entrepreneurs: "There is a never-ending list of people who just want someone to talk to without feeling like a complete idiot. I think it is the biggest and continuing need of our sector – it doesn't matter what level you practise at. Ours is a specialist world, and many people are either freelance or

**There is a never-ending list of people who just want someone to talk to without feeling like a complete idiot. I think it is the biggest and continuing need of our sector**

**Successful entrepreneurs interviewed in the Aldridge Foundation survey believed mentoring was an important way to counter the British cultural fear of business failure**

in a company where there are few peers at senior level to go to for support or informed discussion.”

CIDA's mentors work with individual artists and entrepreneurs offering individual diagnostics and detailed business support programmes. The services it offers some local authorities include advice on how to strengthen local creative economies. These will be delivered over periods of weeks or months. For individuals it offers help at every level. According to Wills, for many individuals, even those who have been operating for 10 years, meeting with an adviser from CIDA is their first contact with appropriate advice. Some clients, she says, “end up in tears during the diagnostic [first meeting] from the sheer relief of being able to talk to someone who understands their business but can challenge them seriously to do things differently, to raise their game.” After this diagnostic meeting CIDA decides on the appropriate mentor. It may not necessarily be as the client expects.

For example, a very high percentage of creatives seek advice on marketing,

says Wills, but often the problem is more complex. Once a mentor has been selected a contract is drawn up. Additional help can be accessed from anywhere in the organisation which also steers mentees towards workshops and getting to meet other emerging artists/entrepreneurs to collaborate and share problems. For CIDA's first 10 years of operating, artists from anywhere could get access to a mentor for an hour free of charge, with staff offering their services pro bono. However this has had to be withdrawn. (Those resident in an area with which CIDA has a contract can still access the service and CIDA would attempt to help others find funding.) Such demand does not surprise CIDA. According to Wills “Mentoring is the biggest continuing need of the sector.”

### 6.6 Learning success

There is another reason that mentoring can be more valuable than straightforward professional or business skills training. Successful entrepreneurs interviewed in the Aldridge Foundation survey believed mentoring was an important way to counter the British cultural fear of business failure. Learning from successful entrepreneurs that they have failed in the past – and most have – helps overcome this fear. One of the interviewees, a successful businesswoman who had a fashion business go into administration, said: “When I talk to students ... it is that I learned from that and picked myself up that they find most inspiring.”

The initiatives outlined above are all strong business advice models for the creative sector but are funded very differently. Cockpit Arts enjoys some grant funding but has a robust business model; CEO depends on local authority support and funding from Creative Scotland but makes much use of nation-wide links and networks; CIDA accepts a small Arts Council grant but has developed a strong business model that enables it to maintain its independence. All have elements that could be replicated and form part of a government strategy for business support programmes, including the replacement for Business Link.

**A government hoping to reduce unemployment might note that every creative entrepreneur kept in business is likely to result in the employment of others**

Quantitative studies are rare but the annual analyses of Cockpit make it clear that one-to-one mentoring can produce significant results in the designer-maker sector. The experience of CIDA over 10 years in which it has helped develop more than 400 small businesses in the UK is a strong confirmation of the benefits of individual tuition in turning a business to profitability. The net costs in all cases may be less than zero. A government hoping to reduce unemployment might note that every creative entrepreneur

kept in business is likely to result in the employment of others.

Classroom or group models as funded by many local and regional authorities for self-employed creatives offer, by their nature, only general advice. That does not mean they are not useful. Our attendance at two such group sessions revealed that some attendees have a quite extraordinary lack of understanding of basic business practices (an observation supported by NESTA's research). As many commentators and analysts have noted, those starting businesses in the creative sector frequently have little interest in the detail of the business side.

They want only to pursue their work. For this reason, mentoring could do much for the sector. The initiatives of NESTA and Lighthouse are worth replicating. But government initiative is required. Aldridge found a willingness in the business community to take on the challenge of helping the next generation but urged that a practical mechanism is needed to link mentors and potential entrepreneurs. A prod from government to encourage publicly funded bodies to set up such schemes would be a good beginning.

## 6.7 ONLINE ADVICE

### Artquest

The Artquest website contains advice and practical support for artists in London, including business and support services; advice on benefits, housing, employment and childcare and step-by-step advice on becoming self-employed. It is funded by Arts Council England and University of the Arts.  
[www.artquest.org.uk](http://www.artquest.org.uk)

### Business Link

This government service for advice and support for all sizes of business is currently under review and likely to be replaced. However, its website continues to offer useful advice on practical legal, tax and employment matters.  
[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

### CIDA

The Yorkshire-based agency was established in 2000 to help creative people develop entrepreneurial skills and fulfil their potential. CIDA works with governments and organisations as well as at grassroots level with individual artists and practitioners. One-to-one mentoring of emerging artists and entrepreneurs is a core activity.  
[www.cida.org](http://www.cida.org)

### Cockpit Arts

This service is dedicated to the designer-maker sector and has its origins in a charity for impoverished artists. Now it has two centres, Holborn and Deptford where it offers a package of career development and mentoring support with studio space.  
[www.cockpitarts.com](http://www.cockpitarts.com)

### Creative Boom

Creative Boom is an online magazine for the UK creative industries, including art, design, PR, marketing, music, fashion and illustration with 26 regional e-zines offering job advice, information on upcoming events, and advertising workspace available for rent.  
[www.creative.boom.co.uk/jobs](http://www.creative.boom.co.uk/jobs)

### Creative Entrepreneurs Club (CEC)

The Creative Entrepreneurs Club is Scotland's largest network of professionals from the creative industries and organises events and workshops for members throughout the year.  
[www.creativeentrepreneurs.com](http://www.creativeentrepreneurs.com)

### Creative Scotland

Creative Scotland is the new national leader for Scotland's arts, screen and creative industries.  
[www.creativescotland.org.uk](http://www.creativescotland.org.uk)

### Cultural Enterprise Office

Scotland operates a specialist business support service including one to one coaching for any creative worker or entrepreneur in the country. It operates the Starter for 6 scheme originated by NESTA.  
[www.culturalenterpriseoffice.co.uk](http://www.culturalenterpriseoffice.co.uk)

### DreamStake

DreamStake is a private business advice service offering mentoring, funding, business and legal advice. It runs a networking site including advertisements for events and spaces.  
[www.dreamstake.net](http://www.dreamstake.net)

### ECCA

The Enterprise Centre for the Creative Arts offers creative business services and facilities including seminars, workshops, business and tax advice and is available to students and graduates of the University of the Arts London who have set up a business in past three years or are thinking about starting one.  
[www.ecca-london.org](http://www.ecca-london.org)

### London Youth Support Trust (LYST)

This charity provides space for would-be entrepreneurs with on-site help and personal development support with emphasis on supporting less-advantaged young people who want to start a business. Its website includes contact details for its offices around London.  
[www.lyst.biz](http://www.lyst.biz)

### National Federation of Artists' Studio Providers

NFASP provides advice on artists' studios and campaigns for provision of affordable studio space.  
[www.nfasp.org.uk](http://www.nfasp.org.uk)

### Prince's Trust

The Prince's Trust Business Start-up programme offers business mentoring for up to three years and low-interest loans to 18-30 year olds whose ideas have been rejected by banks.  
[www.princes-trust.org.uk](http://www.princes-trust.org.uk)

### Prospects

The UK's official graduate careers website offers advice (though rather downbeat) on the difficulties of becoming a freelance.  
[www.prospects.ac.uk/self-employment.htm](http://www.prospects.ac.uk/self-employment.htm)

### Shell Live Wire

This online community for 18-30 year olds hoping to start a business is funded by Shell as part of its social investment programme. It offers free advice, awards and grants and the opportunity for extensive networking with other young entrepreneurs.  
[www.shell-livewire.org](http://www.shell-livewire.org)

### Wales Artist Resource Programme

WARP is a support network and drop-in centre for artists run by G39 an artist-run gallery in Cardiff, Wales.  
[www.g39.org/warp](http://www.g39.org/warp)

# 7. SUCCESS

Even in the wider world of business, money is a lazy way to measure success. Entrepreneurs are often seeking autonomy or respect rather than wealth. Lord Sugar himself has said that his peerage was more important to him than his large fortune. Social enterprises typically have some wider purpose such as giving young people a chance to get out of a dangerous or negative way of life.

## 7.1 Artist gentrification

Even in the wider world of business, money is a lazy way to measure success. Entrepreneurs are often seeking autonomy or respect rather than wealth. Lord Sugar himself has said that his peerage was more important to him than his large fortune. Social enterprises typically have some wider purpose such as giving young people a chance to get out of a dangerous or negative way of life. Artists and designer-makers are usually focused on their work rather than their earnings; they simply want to earn enough to keep themselves doing what they love doing. Likewise musicians and performers may dream of fame and fortune but their primary aim is to find the means to spend most of their time singing or performing.

Money is an even poorer way of measuring the success of organisations attempting to help young people make a living out of their talents in the creative economy. Any such organisation that manages to stay in business in the face of a volatile economy, changing government policies on education, training and employment support can be deemed a

success. The examples below are chosen to reflect a broad range of solutions to the ambitious project of encouraging creative and cultural enterprise. If they reveal anything it is that there is no blueprint for how to provide support, space and mentoring to would-be creatives. The need for affordable studio space for artists is long-term and continuing. Recessions see greater availability of space but that is no use if an upturn puts artists out on the street. Commercial space is too expensive. The affordable sector, charities or grant-aided, has managed to provide space at about a third the price.

Acme Studios is one of the largest studio providers in England with its base in London's East End where so many young artists are now living and working. It was launched in 1972 with two studio complexes: a former meat factory in Brixton, south London, and a derelict brush factory in Bethnal Green, east London. Now Acme receives regular funding from the Arts Council and operates as a charity to provide affordable studios and some living accommodation for artists. Over 12 buildings it manages 400 studios and in its almost 40 years of existence has helped around 5,000 artists. Acme is increasingly taking on other roles such as professional support and mentoring of its tenants. Co-founder, Jonathan Harvey, took a lead role in setting up the National Federation of Artists' Studios Providers in 2007, a national organisation that champions the creation of more affordable studios. Through NFASP, Acme has campaigned for a greater understanding of the wider benefits society gets from artists' studios,

**Bristol's artists found themselves pushed out by the very gentrification they had brought about, as property in the docklands area became more desirable**

**The spaces required by young artists and makers are not always individual studios. Rehearsal rooms, places to meet and network, mentoring and training are all equally important**

not least in gentrifying the areas where they are situated. The dilemma for such space providers is how to ride the boom-bust property cycles. Acme owns less than a quarter of its properties. NFASP is concerned that leases on many studios will not be renewed in an upturn.

## 7.2 Wallace and Gromit go to Spike Island

Bristol's Spike Island started life as an informal artists' colony in a docklands warehouse in the 1970s. The artists found themselves pushed out by the very gentrification they had brought about, as property in the docklands area became more desirable. The collective re-established itself in a disused tea warehouse at the less sought-after end of the former docks, an area itself now rapidly upgrading. Spike's mission is to provide space for both the production and the exhibition of contemporary art. It manages this on a funding to income ratio of 30/70. Its charitable status and funding conditions mean that it has to provide studios for low-income artists. Tenants must therefore sign a declaration of low income in order to qualify for the affordable rates (less than £5 sq ft in 2009).

As well as providing studio space (around 70 studios including some big enough for large-scale sculpture, Spike Island has recently launched Spike Design which aims to provide support for creative businesses in their early stages of development and offers desk space and business advice at the introductory rate of £100 a month (September 2010) which gives a tenant access to a computer, shared reception and other business services and advice. Early tenants included journalists and web designers. Spike Island also makes money from running courses and workshops and from its printshop, the largest open-access printshop in the south west. Most space including the print studio is accessible to key holders 24/7.

With large exhibition space, many activities and a cafe open to the public, Spike Island is much more than a studio provider. It has become an important artistic community and the centre of a new creative cluster in Bristol. Spike Island is a classic example of the benefit creatives bring to derelict areas. Just around the corner from the tea factory, Aardman Animations (home of Wallace and Gromit) have taken up residence. Other businesses have followed so that several hundred creative and craft people now work in close proximity.

## 7.3 Scotland keeps its artists

The chief studio provider in Scotland is Wasps artists' studios. It was initially set up in the early 1970s amid fears that Scotland was losing its artistic talent because of a severe shortage of affordable space. Some artists were

heading to London; others were just abandoning the dream of making a living from art. Wasps initially leased unused buildings and raised money to convert them. When David Cook, now chief executive, joined Wasps in the 1990s, this strategy had led to a steadily growing deficit. Wasps took the decision that it would be better to buy property rather than lease it and established a charity to develop suitable spaces with the mission also to regenerate communities. Since then Wasps has raised more than £15 million in private and public sector funds and owns and operates 17 buildings throughout Scotland providing studios for 750 artists. Wasps was the lead agency in the £8 million Briggait renovation, which provided around 70 new artists' studios. The rent, which is not subsidised, is £8 per square foot. Business support has not been part of the Wasps mission. As outlined elsewhere in this report, provision of such advice in Scotland is widespread and easily accessible. The focus therefore has been on affordable, good quality space. According to Cook, 75 per cent of their tenants are graduates and 40 per cent have two degrees. Because of this, they would not find it hard to get other work. "Helping them remain artists has been the important aim," said Cook.

## 7.4 Cradle to grave

The spaces required by young artists and makers are not always individual studios. Rehearsal rooms, places to meet and network, mentoring and training are all equally important. Zion Arts Centre in Manchester describes itself as "a creative space for young people to make work

and inspire creativity in others". A former church, it is close to some of the poorest parts of the city. Liz O'Neill, the chief executive officer describes its mission as supporting the less privileged children of the area and "clearing pathways for young people to engage in and explore their creativity and supporting their creative journey from cradle to grave." Thus Zion offers inspirational programmes for all ages from pre-school 3-6 years olds, school-aged children, curriculum-based education services and vocational arts training and mentoring for under-25s. In addition it offers affordable studio space for artists to work from aged 18+. Zion mixes creative activities with paying tenants (providing 50 per cent of its income) but it will also consider charging just £1 for the use of a room for a specific creative project.

At the same time, Zion is at the cutting edge of creative technology developments. It has partnerships with Apple (Apple Regional Training Centre status) and with Manchester Digital Development Agency: its creative media suite has the very latest technology thus improving the employment chances of its young clients in an increasingly competitive market.

The ethos of mentoring and work shadowing is strong at every level. Zion was the first cultural organisation in Manchester to use the Future Jobs Fund to offer young people work and to date has offered 14 posts (as many as there are permanent staff). Those leaving the programme are offered further training and development to enhance their chances of subsequent employment.



Two FJF post holders have been taken on by Zion beyond their contracts, one as a part-time trainee technical assistant and one who, as part of Manchester's first cohort of Creative Apprentices, will graduate with a Level 3 diploma in venue operations at the end of the year. Zion plans further apprenticeships.

### 7.5 Creative regeneration

Like Zion, the Bernie Grant Arts Centre operates on the premise that art and creativity can contribute far more to a local area than exhibitions and performances. As an arts centre, built in memory of a beloved local politician, BGAC's core mission is to remove barriers to participation in the arts and to celebrate the cultural diversity of the local population in this deprived area of north London. Involving ethnic communities that are very under-represented in the creative sector is central to the centre's activity. In addition BGAC aims to involve the community in all aspects of its work in order to make a substantial contribution to social and economic regeneration in the area.

Thus, alongside the centre's exhibition space, theatre, rehearsal rooms and dance studios, BGAC has the Enterprise Building. This two-floor block provides 19 workspaces, some shared, and two kitchens for use of tenants. The aim is to provide affordable workspace for local people to set up small businesses. These mainly young studio holders include graphic artists, greeting card makers, fashion designers, a magazine producer and a dance teacher. The aim has been to help them get on-site business

**LYST believes it could achieve more with its tenants if they were to receive a government enterprise allowance. That small amount of money would make a big difference to the individual and help schemes such as theirs become self-sufficient**

and personal development support. In a strategy that spreads the cultural involvement of local people even further, the centre has taken on 26 Future Jobs Fund trainees. These are attached to the studio holders who are happy to oversee their work and pass on experience and training that will put them in a better position when applying for jobs in future.

At the other end of London in Deptford is another initiative directed more to social consequences than to creative employment. At Faircharm Studios, the London Youth Support Trust (born out of the Prince's Trust) is trying to help young south Londoners become successful entrepreneurs. Their strategy is to provide small studios at this former carburettor factory along with a significant amount of on-site mentoring and business advice. The building is leased and the rent to studio holders discounted for the first two years while the young entrepreneur finds his or her feet. After that, in year

three, the tenant who is hopefully by now making money, will pay near to a commercial rent. The idea is that he or she can then move on (though a few successful enterprises remaining and paying full rent helps fund the others).

The mix of small businesses is similar to those at the Bernie Grant centre as are the range of social problems from high unemployment, violent street cultures, and drug abuse. LYST claims a good success rate over its three premises. However, success is not necessarily a question of business survival, says Rob Whitmore, a LYST trustee and funder. Some businesses do fail. "The question is, what has been learnt? Sometimes a failure is a good lesson." Some studio holders have been in prison; some have been involved with drugs. Whitmore believes that sticking at the business is a success. He also believes he could achieve more with his tenants if they were to receive a government enterprise allowance. That small amount of money would make a big difference to the individual, he believes, and help schemes like Faircharm become self-sufficient (and therefore a replicable model for others). "It would help them pay the rent and just provide that extra confidence," says Whitmore.

# 8. CONCLUSION

The creative sector, with its strong record of growth and its pre-eminence in globally important emerging industries, is key to the UK's economic recovery. Inventiveness and creativity is needed across all industries. A strong creative sector has a positive impact on all economic activity.

## 8.1 Enterprising solutions

The creative sector, with its strong record of growth and its pre-eminence in globally important emerging industries, is recognised as key to the UK's economic recovery. Inventiveness and creativity is needed across all industries and there is evidence that a strong creative sector has a positive impact on all economic activity. As the UK emerges from recession it will need the creative and entrepreneurial skills of all its school leavers and graduates. The challenge is to ensure that those with talents and ideas do not join the lengthening queues for jobs. On the whole young men and women do not leave schools and universities believing that they can create their own work and start freelance enterprises. They are encouraged only to find a job.

As a nation we pay lip service to enterprise and creativity but we do little to nurture it in schools and universities. However, television programmes such as The Apprentice and Dragons' Den have popularised the idea of succeeding at business, even starting a successful one yourself. Tim Campbell, a celebrated winner of one of the Apprentice television series now speaks around the country on the importance of business skills being taught in schools, an initiative that we support. Enterprise UK has also called for better education for young people about entrepreneurship. It points out that larger numbers of the workforce than ever are now self-employed and an even greater number want to be. As spending cuts bite and jobs are lost in the public sector, more men and women are likely to try to use redundancy payments to

give self-employment a try. According to Enterprise UK, almost half of the UK working population want to work for themselves. Introducing young people to basic business skills at an early stage is common sense.<sup>32</sup>

Inspiring as the television programmes may be, they are intended to entertain, and have tended to accentuate the eccentric and/or glamorous. Simpler freelance start-ups such as events planning, photography, designing software, making music tend not to feature. This, though, is the future. Most young people seeking creative careers would benefit from a basic grounding in self-employment while still at school and from being made aware of how much of their world – small garage workshops, wedding photographers, dog walkers, corner shops, garden maintenance, window-cleaners – depends on enterprise.

The introduction of a New Enterprise Allowance could be the spur to encouraging a new generation of creative entrepreneurs. At the moment it is modest in its ambitions, seeking to help 10,000 into self-employment. However, there is a tried and tested earlier model of how readily young people adapt to the idea of making their own jobs and futures: the Enterprise Allowance Scheme of the 1980s. By offering a route off of the dole, the EAS transformed those who saw themselves as unemployed into entrepreneurs. Offering a basic but attractive package of financial support, the government of the day transformed the life chances of those prepared to risk starting a business. The weekly



**There is a clear need for larger employers to play their part in extending skills training throughout the sector. Mentoring could play an important role across the creative sector**

payment was fixed slightly higher than unemployment benefit at the time, encouraging the unemployed to think creatively of ways in which they could qualify. There is no evidence that the benefit was abused (though maybe we now live in a less trusting age) and the inevitable business failures were, according to the National Audit Office, no more nor less than might be expected of all business start-ups.<sup>33</sup>

Assessing the scheme at the end of the Eighties, NAO recommended it should continue, even though unemployment figures had by then come down. The scheme was wound up soon after but it had nurtured a significant number of creative businesses and individuals whose names, as we record elsewhere, are well known to this day. The New Enterprise Allowance must strive to do the same for this generation. It should form the basis of a national programme that will encourage the creative entrepreneurs we need to compete internationally.

## 8.2 Mentors and myths

The structure of the creative sector has been well described as a “flea circus”.<sup>34</sup> The huge number of tiny businesses is not structured to supply the skills needed for the sector to compete globally. Business skills, too, are poor throughout the sector with half of all senior executives in 90 per cent of businesses

having had no business training at all. There is a clear need for larger employers to play their part in extending skills training throughout the sector. Mentoring could play an important role across the creative sector. There are already high-profile initiatives in the film industry and the digital media.

But our researches reveal that young creatives at the start of their career believe the kind of help that would be of most use is far more modest. They want “hand-holding” sessions on how to operate in the market, how to present themselves and even, in the words of one of our focus group volunteers, “how to be.” They need something to replace the natural mentoring that young people at the beginning of their careers tend to find in regular staff employment.

Among our recommendations we call for a sector-wide mentoring scheme aimed at helping young people into self-employment or to start small businesses. This kind of mentoring could be cheaper and more effective than many existing business training programmes. Furthermore, such a scheme would find an abundance of willing mentors and could be established at low-cost. Larger employers could develop “match-making” schemes in much the same way that some already encourage community work. Government, too, can play its part by establishing a strong national ethos of expecting those at the top of their professions to help newcomers and new enterprises. That ethos could be embedded by asking all government-funded institutions and organisations to set up schemes and urging major sector

associations – in film, theatre, games, museums, etc – to produce mentoring guidelines for their sectors.

One of the most important cultural shifts of the 21st century may prove to be that we have moved on from the notion that creativity is merely icing on the cake (or “a comfort in hard times” as one politician recently put it) and has become central to our lives and our economy. Two more “busted” myths are that there are limits to the demand for cultural products and that in a recession consumers are concerned only with basic needs. Rather, we are seeing that the global demand for music, film, interactive entertainment and better-designed products is limitless.

So, our image of creatives and designers must change, too. They are not eccentric artists working in solitude, in competition with each other for success in a small market. The lesson of the past two decades is that artists, makers and thinkers thrive and learn in sympathetic environments of like-minded creatives. They consume each other’s products, enhance and help in the development of other businesses and drive innovation throughout the wider economy.

**Two more “busted” myths are that there are limits to the demand for cultural products and that in a recession consumers are concerned only with basic needs.**

## 8.3 Imagine

We don’t know what skills today’s young school leavers will need a decade hence but we do know that we are more likely to maintain our global lead as a creative economy if we nurture the inventive spirit. Helping someone start a business, hire a studio or find a mentor could prove to be low-cost investments in the high-yielding industries of tomorrow. Computer games development now contributes more than £1 billion GVA to the UK economy; its critical moment of expansion came in 1991 when a small group of young men in a two-room office in Dundee developed “Lemmings”, a game that became an international success. Now 12 of Scotland’s top 20 computer games companies are based in Dundee, whose Abertay University set up the first computer games degree course in the world in 2006. Today there are dozens. Over the UK as a whole the video games industry provides employment for about 28,000 people.<sup>35</sup> It is a tragedy that this industry is now being edged down the global league tables for lack of tax concessions enjoyed by their competitors and by other industries within the UK.

In an essay published in September 2010, Sir John Hegarty, creative director and founder of the advertising firm Bartle Bogle Hegarty, argues that government needs to cater better for rapid change. “Industrial policy and employment law ... is too often written for an age of permanence rather than an age of flux... Encouraging talent and ingenuity is essential”.<sup>36</sup> Hegarty warns that creative industries are “populated by enquiring, restless and versatile minds,

**It is a tragedy that the computer games industry is now being edged down the global league tables for lack of tax concessions enjoyed by their competitors and by other industries within the UK**

who are more than happy to unplug their Mac Book and travel.” Recalling the encouragement he received at an early age by attending a Saturday school at Hornsey School of Art in London, he calls for art schools to be kept open at the weekend targeting deprived areas and ethnic minorities. The suggestion is echoed by Enterprise UK (in Entrepreneurship 2020), which proposes using the wealth of unused desk and training space around libraries, colleges, job and community centres for existing entrepreneurs to meet potential entrepreneurs and help them on their way to success. Hegarty also calls for a biennial creative exhibition to be held in the UK to showcase British talent and encourage students to consider creative careers, a proposal so simple that you are left wondering why we have not already done it.

“We can’t outspend other economies; we can out-think them,” he concludes. The recommendations of this report are

similarly an attempt to out-think rather than out-spend. Providing young creatives with low-cost meeting and working space; ensuring easy access to business advice and mentoring, and offering the kind of unemployment support that encourages enterprise rather than welfare dependence are broad policy directions that Government could follow right now.

Finally, those who already work in the sector have an important re-evaluation that they must undertake themselves. In the past, a job in the creative industries was too often a nice landing place for those with the right parents and educational backgrounds. The future of the creative industries in this country cannot be left to depend on recruits from that narrow stratum of society where young people can afford to work for little or for nothing. Only 4 per cent of the UK’s creative workforce is from a non-white background. Some 61 per cent of the workforce is male. From opera to DJ-ing, games design to dance and fashion, from conserving old buildings to creating new ones and breathing life into towns and cities, Britain need the creativity of all its citizens in all their diversity.

# APPENDIX

## Submission to DCMS on funding of the arts. NDotM August 2010.

### In July 2010, the Culture, Media and Sport Committee launched an inquiry into The Funding of the Arts and Heritage requesting views on the following issues

What impact recent, and future, spending cuts from central and local Government will have on the arts and heritage at a national and local level;

What arts organisations can do to work more closely together in order to reduce duplication of effort and to make economies of scale;

What level of public subsidy for the arts and heritage is necessary and sustainable;

- Whether the current system, and structure, of funding distribution is the right one;
- What impact recent changes to the distribution of National Lottery funds will have on arts and heritage organisations;
- Whether the policy guidelines for National Lottery funding need to be reviewed;
- The impact of recent changes to DCMS arm's-length bodies – in particular the abolition of the UK Film Council and the Museums, Libraries and Archives Council;
- Whether businesses and philanthropists can play a long-term role in funding arts at a national and local level;
- Whether there need to be more Government incentives to encourage private donations.

### New Deal of the Mind made the following submission:

New Deal of the Mind (NDotM) is a charity which helps people into work in the arts and creative sectors, formed from a coalition of artists, entrepreneurs and opinion formers who recognise the economic, social and cultural value of Britain's creative talent.

- We have developed over 100 creative jobs since March 2009 and will have created hundreds more by the end of next year.
- We know a thriving creative sector is vital to the UK's future economic recovery.
- Arts and culture help regeneration, create jobs and boost innovation in the wider economy
- Our research shows aspiring artists and creatives want practical help, not handouts
- An Enterprise Allowance Scheme for the 21<sup>st</sup> century would be a cost effective way to help build the next generation of creative entrepreneurs
- Imaginative indirect funding and support might include mentoring, business and financial advice, workspace and apprenticeships
- There should be greater understanding of flexible freelancing and self employment

- Economies of scale can and do work – we've proved it and work with government, entrepreneurs, artists and cultural institutions
1. Getting into the arts and the creative industries is tough. Being unemployed is worse but our research shows that young artists and creative entrepreneurs would rather endure personal hardship in order to pursue their ambitions and their tenacity and dedication is astonishing. These are the people with the drive, commitment and talent to create new business that will be so essential to helping the UK back to economic recovery.
  2. Job vacancies are seldom advertised, unpaid internships are commonplace thus reinforcing the view that working in the arts is only for the well off or well connected. Consequently, ethnic minorities are seriously under represented as are people from less affluent backgrounds. We have proved that by working with partners and applying economies of scale, it has been possible to create jobs in the arts and cultural sectors which have given hundreds of unemployed young people the chance of six months paid work, gaining valuable experience, skills and a foot in the door. The majority of those would not have been able to afford to work as unpaid interns and had no personal connections to help so their chances of getting a job in this sector without NDotM would have been remote.

3. Although the jobs are funded through the FJF, it was NDotM that made FJF flexible and relevant to the arts and cultural sector by putting in a joint bid for FJF jobs on behalf of scores of arts organisation who were not offering enough placements to be eligible on their own and in some cases, simply didn't have the capacity to deal with the bureaucracy of applying anyway. This was a good example of how working with multiple partners achieved a good outcome through pragmatism and practicality.
4. Support and advice for people setting up on their own is patchy but the places such as The Enterprise Centre at the Bernie Grant Centre in North London and similar "hubs" across the UK, shows that they can support local creative businesses. Some are run by local authorities, arts centres or community groups in response to local demand by their very nature, many of these tiny enterprises are run in an unstructured way by independent, non conformist individuals which makes it hard for them to move easily to the next stage in business growth and where sharing access to financial and business mentoring, space and infrastructure support could have a huge impact. This is the sort of indirect or relatively small investment that could pay huge dividends in terms of strengthened communities, sustainable local business and help build a competitive and innovative economy for the future.
5. NDotM would welcome active encouragement of creative hubs or

incubators across the UK which we believe could help foster innovative local approaches by drawing on the experience, skills and support of local people through enterprise agencies, community groups, trades unions and chambers of commerce, charities, arts and cultural organisations. Local authorities could help with planning, leases and business rates while local businesses could be encouraged to rent out unused office space to creative start-ups but there needs to be a trade off around skills not just cash. NDotM is currently engaged in research for a report, commissioned by Enterprise UK which will look at a range of different options and experiences from across the UK for such creative hubs or incubators.

6. The area of gaining work experience for those wanting to run their own business is one where NDotM would welcome the idea of a limited FJF style short term paid work placement programme that would put suitable unemployed young people working alongside self employed people. The potential benefits for both parties are clear but would be particularly relevant to a young creative entrepreneur learning the ropes of running their own business where some skills are as valid for a plumber or musician.
7. The financial contribution to the UK economy of the creative industries is widely recognised to be in the region of £50 billion a year. Representing an estimated 6.4 per cent of the economy, the UK's creative sector

is the in the EU and, according to research published in February 2009 by the National Endowment for Science, Technology and the Arts (NESTA) likely to employ more people than the financial sector by 2013. That is even more astonishing when you consider that 85 percent of creative businesses employ fewer than five people. The same research reckoned the rate of growth of the creative sector is double that of the rest of the economy. Evidence of how regeneration based on arts and culture can have a beneficial impact on the local economy and communities can be seen in Newcastle, Brighton, Manchester, East London, Folkestone, Derry and Glasgow among many other places.

8. In March 2010, NDotM published a report (attached separately) commissioned by Arts Council England called, "Creative Survival in Hard Times" which provided a valuable insight into the obstacles and barriers facing young people wanting to pursue a career in the arts and creative sector, and offered several recommendations for government and arts institutions. We interviewed young artists and creative entrepreneurs and found that overwhelmingly they wanted work space, access to information, mentoring and business skills. Low cost but highly practical interventions that could make a big difference to their lives were far higher on their list of priorities than money.

Some argued against public financial support because they didn't believe "hard working midwives and teachers" should pay for them to follow their dreams. But they did argue for the rules on working and claiming benefit to be changed so that they could more easily start up as freelancers. Within government departments and Jobcentres, there is a cultural acceptance of very narrow definitions of work – someone is either an employee or employer and there is very limited understanding of freelancing, self employment, short term contracts or other ways of working that are so predominant in the arts and creative sector. Because of that, there is a lack of flexibility around benefits where it is actually easier to stay on JSA than take a short term contract which may lead to more paid work but would endanger someone having to start registering for JSA all over again once a short term contract ended.

This "Snakes and Ladders" experience actively discourages people from taking a chance on a temporary job which would give them valuable experience, self confidence and networking opportunities and seems to be totally contradicting any stated desire to help the next generation of entrepreneurs. As a starting point, current provisions for paying self-employment credit could be simplified and publicised and for payment to be extended from 16 weeks to a year which would encourage some jobseekers to take a self-employed option. Those we

interviewed for “Creative Survival” did not think it rational to be offered unemployment benefit to do nothing or to work for nothing. If they are to receive benefits, they would rather be given financial help to set up a creative business where any financial help should encourage productive self employment.

9. Our experience and research underlines the sense that most would-be creatives value their freedom and independence and would not exchange it for a better-paid regular job. They are therefore willing to take casual, low paid work and consequently miss out on any advice and help available to people claiming Jobseeker’s Allowance.

It is these same people who are most likely to become the successful creative entrepreneurs and artists of the future – not least because of their commitment, self belief and willingness to make personal sacrifice in order to fulfill their creative dreams. As one of “Creative Survival’s” co-authors said, “the creative sector is widely recognised as key to economic recovery, ... we treat those who are striving to work in the creative industries abominably with low pay, long internships and little help with professional training.”

10. NDotM grew out an article by Martin Bright in which he called for an imaginative approach to unemployment based on President Roosevelt’s Works Progress Administration (WPA) and the

Enterprise Allowance Scheme (EAS) which was brought in by Margaret Thatcher in the 1980’s. Introduced by US President Roosevelt in the depths of the 1930’s Depression, the WPA created 3,500 branch libraries, 4,400 musical performances every month, a national collection of oral histories featuring featured the stories of the last living slaves and hundreds of thousands of jobs for artists, writers, musicians, designers and other creatives.

Among the artists and writers supported through the WPA were Jackson Pollock, Mark Rothko and Willem de Kooning, Saul Bellow, John Cheever and Ralph Ellison. What was hugely significant was the recognition that arts, culture and creativity are not just an “add-on” for the good times but are essential forces for economic, social and cultural good that allow ideas to blossom, knit communities together and leave a legacy of music, art, theatre, literature, design and heritage for everyone.

11. Some economists credit the EAS with enabling the UK’s creative economy to surge ahead of international competitors in the decade to 1991. The National Audit Office found the EAS was successful in terms of cost-benefit outcomes and compared favourably with other employment measure. We know that businesses set up under the EAS had a greater success rate than the average start up with some 65% percent still trading three years after launch.

In many instances, these same businesses employed local people and put money back into the local economy. It is well documented that former beneficiaries of the EAS include Alan McGee, founder of Creation Records, Julian Dunkerton who set up the Superdry fashion label, the artists Jane and Louise Wilson and many other successful entrepreneurs. We believe the time is right for an EAS for the 21st century which would encourage people to set up on their own, kick start new creative enterprises and fan the flames of entrepreneurship which has always played such an important role in the UK’s success, particularly in the fields of design, technology and innovation.

12. In conclusion, our experience of helping young unemployed people into jobs in the arts and creative sector, working with a range of partners, has shown us that investment in individuals is just as important as investment in institutions. In this difficult economic climate, it is vital to be flexible and imaginative. That means looking at practical measures that will help nurture and support the next generation of creative entrepreneurs and artists such as space and advice.

There must be improved mechanisms for widening the intake of people working in the arts which means a more flexible approach to freelancing and self employment which would also help older people

whose circumstances may have changed, as well as young people starting out. Just as the arts and creative sector cannot rely on state handouts, neither should it rely on the ability of a few people from a very narrow section of society to work for free to attract new talent.

The arts encompasses opera to DJ decks, games design, dance, fashion, digitisation of archives, creating new buildings, conserving old ones and breathing new life into our towns and cities, so we should seek to use all measures possible to encourage jobs in the arts for an equally diverse range of people. That doesn’t mean a blank cheque but it does mean some innovative thinking and being as imaginative and creative as those we seek to encourage – a small investment in the risk takers could pay huge dividends to the UK – socially, culturally and economically.

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# END NOTES

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