A CREATIVE FORCE TO BE RECKONED WITH

UNLEASHING THE POWER OF BRISTOL'S CREATIVE INDUSTRIES

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CHAIR'S FOREWORD

Welcome to 'Creative Force', our latest in-depth research-based report on the Bristol creative industries.

The creative industries (CI) are an engine for driving economic growth and job creation. The last two years have been incredibly challenging for our creative cluster, but we are starting to bounce back bigger and stronger than ever. And we have the potential for even more outstanding achievements in the coming years.

But we can't rest on our laurels. Bristol is a vibrant, dynamic, thriving, and multicultural city; however, our research shows that, according to creative businesses and freelancers in our cluster, location is neither an advantage nor a disadvantage in these post-pandemic times. It begs the question, 'has Bristol been resting on its laurels as a great place to locate your business?'

There is no time for complacency. We need to understand what our creative and cultural businesses need now and in the future, if they are going to thrive on the global stage. Then we need to help them to deliver that.

But how do we facilitate this? A resounding theme from our research is that we need to work in partnership to foster the right environment for our sector to thrive.

Better access to talent is a must. Businesses need to be able to access highly talented staff and freelancers with the right mix of skills and creative flair to fully realise their potential and take advantage of developing opportunities. Our new talent initiative, the Talent Network, which aims to give 17-to-21-year-olds the chance to network with creative employers, is a big step in the right direction, but we need our partners, including education providers, to work in closer partnership

with the region's creative sector to make a tangible difference.

We also need to make our cluster more inclusive and diverse so that the people working in the creative industries fully represent the vibrancy, depth, and diversity of our region so that we serve and appeal to people from all walks of life. Only then can we be truly inclusive in our outlook and practice.

In a time of significant change and unprecedented challenges as we grapple with the impact of COVID and a looming economic slowdown, Bristol Creative Industries exists to support the creative sector to learn, grow and connect, driven by the common belief that we can achieve more collectively than alone.

Our members say they want a strong network that supports greater collaboration than ever before. Together we are more robust, and as a sector,

we need to unite and do all we can to ensure that Bristol and our wider region can continue to compete internationally with the best of them.

In this report, we put our creative sector under the microscope to examine what is really happening as we move out of crisis and coping mode into the brave new post-pandemic world where business development and growth is a must and treading water isn't an option.

The future for the creative sector in Bristol, Bath and the South West is bright. But we need to take steps to provide the network, the business support ecosystem, and the funding and investment to make it even brighter.

Chris Thurling,
Chair of Bristol Creative Industries

EXECUTIVE SUMMARY

"The Creative Industries (CI) are the industries of the future." These are the words of the Creative Industries Council, highlighting the importance of CI to the UK's long-term economic growth and its vital contribution to the government's 'levelling up' ambitions.

The scale of the creative industries means they are an essential source of employment and income for the UK economy. Before the pandemic, the CI directly created 2.1 million jobs across the UK and contributed £115.9 billion to UK GDP.

Over the entire post-COVID recovery period (2021-2025), the industry is expected to grow 20% faster than the UK-wide economy, with the CI projected to grow from representing 5.9% of UK GVA in 2019 to representing 6.1% in 2025 . In the same period, the industries have the potential to create 300,000 new jobs, stimulating growth and recovery throughout the country and our communities.

As we continue to emerge from the pandemic, the CI has a pivotal role in delivering on national priorities, including achieving net zero, and creating a more inclusive society. Investing in and harnessing creativity is the key to helping people think differently and galvanising them into action to tackle society's most pressing challenges.

We all need to do more

The region's leading creative businesses and freelancers are asking for our help. They want more support accessing talent with the right skillsets and recruiting talent from diverse backgrounds. They recognise that offering apprenticeships and internships can help develop the creative talent of the future and develop a more inclusive workforce, but they are daunted by the process and, rightly or wrongly, the prospect of any administration involved.

While there is no shortage of support for innovation in Bristol and the wider area, the multiplicity of options can be overwhelming, with BCI members and non-members unclear about the most relevant programmes and grants that are best suited to them. For those outside the tech sector, there is confusion about eligibility for business support and, specifically, the funding available.

While initiatives such as Creative Scale-Up and the Creative Clusters Programme have supported creative innovation and growth throughout the UK, more needs to be done to help businesses and freelancers unlock their potential, innovate, scale-up, attract outstanding talent, and take advantage of new and emerging opportunities.

We all have a role to play in supporting creative industries to reach their full potential. From city and combined local authorities, including the West of England Growth Hub and other cluster partners,

and business support organisations, including BCI, we need to collaborate more and work together to achieve even bigger and better things. Only then can we future proof the UK and strengthen our competitive edge on the worldwide stage.

In this report, we offer a glimpse into what our creatives are thinking and feeling, outline how they are navigating the business landscape in this challenging but exciting post-pandemic era and suggest workable recommendations to address the issues our businesses and freelancers are facing.

KEY RECOMMENDATIONS

ACCESS TO SKILLS AND TALENT

- Creative skills are in high demand. Good access to creative skills and talent is vital if our sector is to survive and thrive on the global stage. The Government needs to recognise the importance of creative education as a strategic imperative. This means doing more to ensure better access to innovative learning and training are provided at every stage of the education process, from school to college and universities.

- Freelancers are an increasingly important resource for creative businesses looking for specialist expertise to plug any skills gaps, increase their agility or respond to briefs outside their scope. A significant challenge is ensuring that freelancers can manage the precarity of their working lives more effectively through better support and better treatment. The pandemic laid bare the vulnerability of the freelance sector and the inadequacy of support available for the freelance community. With many freelancers struggling to bounce back from COVID, it is clear freelancers need more access to financial help, advice and support and professional development opportunities. Freelancers also need better ways to connect to creative businesses and vice versa.

- Apprenticeships and internships encourage people from communities under-represented in the CI to access creative careers, progress in their chosen field and ultimately, achieve leadership roles. As a cluster, we all have a part to play in engaging more with individuals considering a career in the creative industry and working with our wider partners in the education sector to ensure young people from different backgrounds are aware of apprenticeship and internship opportunities. The new BCI Internship Programme will play a significant role in bringing together like-minded individuals and creative businesses to promote career opportunities and support sector growth, but we need to extend this further to reach more candidates and educate more creative businesses about the administrative and training requirements associated with taking on apprentices and interns.

EQUALITY DIVERSITY AND INCLUSION

- Creative businesses recognise the need to recruit talent from diverse cultural and social-economic backgrounds. However, our research suggests they need more help and signposting on how to reach out to attract and support that talent. There exists an opportunity for BCI and its wider partners to provide essential training to its membership base on how to increase access for under-represented groups.

- The sector needs to build stronger relationships at a grassroots level with schools, colleges, and universities to encourage younger people to consider a career in the creative industry and offer information, ideas, and a pathway to achieve this.

- A drive to encourage the provision and take-up of apprenticeships and internships could help shape the creative workforce of the future, providing more opportunities for individuals from different cultural and socio-economic backgrounds.

- Coordination of a mentoring scheme for younger people who are apprentices and interns. This would involve creative leaders from different businesses mentoring interns working in other agencies and sharing key learnings and best practices as part of a diversity initiative.

INNOVATION AND TECHNOLOGY

- Business support organisations must educate and regularly update creative businesses about the investment and innovation funding available. Some firms may be eligible for R&D tax credits, but more information and clarity are required. BCI could play a crucial brokerage or signposting role in helping creative businesses navigate the funding landscape.

- There is an opportunity to build stronger links between the creative sector and the broader tech sector. BCI has already started this process with its close collaboration with TechSpark, a not-for-profit organisation which works with tech and digital businesses, including start-ups, scale-ups, SMEs and global corporations, to help them thrive through its networks and knowledge, and connects over 35,000 people monthly. But we need to raise our game in terms of research and development across the sector. Tech initiatives are not cutting through to BCI members, and more needs to be done to build even stronger connections between creative and tech, educate more businesses about R&D and ensure programmes delivered at a national level deliver more for BCI members.

SECURING BUSINESS SUPPORT

- While there is no shortage of support available to BCI members and potential new members, we need to work more closely with the local infrastructure providing business support, such as the West of England Growth Hub, Business West and other local partners, to deliver a better service for creative businesses and creative freelancers. We are committed to building stronger partnerships with our allies in the region, but it is not always clear how BCI's services complement other business support organisations. This may need further clarity and signposting as we collaborate more closely with our wider partners.

- Looking at the wider picture, there is an opportunity to adopt a more 'quadruple helix' approach consisting of educators (e.g., colleges and universities), industry, and society working together to bolster business support and boost innovation. The more these factors work together, the stronger our creative cluster will be.

- Creative businesses and freelancers are looking for more targeted support to meet their specific needs. The research shows that networking opportunities and business development-focused meetups are appreciated, but more training and information aimed at their requirements is needed. This is particularly important post-COVID as hybrid working models and remote working becomes the norm, and creatives strive for more of a sense of real-life community.

SUSTAINABILITY AND NET ZERO

- Creative businesses do not feel equipped with the knowledge and technical capability to tackle sustainability and net zero. While there is more of an appetite for business networking opportunities rather than training events, a climate change and sustainability training drive would help share best practices across peer groups.

INTRODUCTION

The Bristol creative sector has the power to change lives for the better. We believe that reaffirming creativity at the heart of Bristol and the South West's economy, education, and culture will reap considerable dividends in the coming years, enabling us to continue to play an even more significant role on the global stage.

Our **Creative Force Report** shares findings from quantitative and qualitative member and non-member research we commissioned with The Audience Agency to better understand the current state of the creative sector in and around Bristol.

We wanted to understand the profile and stage of development of businesses in our cluster, uncover the support they may want now and need in the future, and develop an advocacy tool for the wider creative sector.

Some of the issues from our research findings highlight areas we can tackle as a membership network uniting Bristol's creative industry. However, in many other cases, our Creative Force Report should be a catalyst, a convenor, and an advocate for action - working both within the sector and with the local and national government.

A CREATIVE FORCE

STATE OF THE NATION
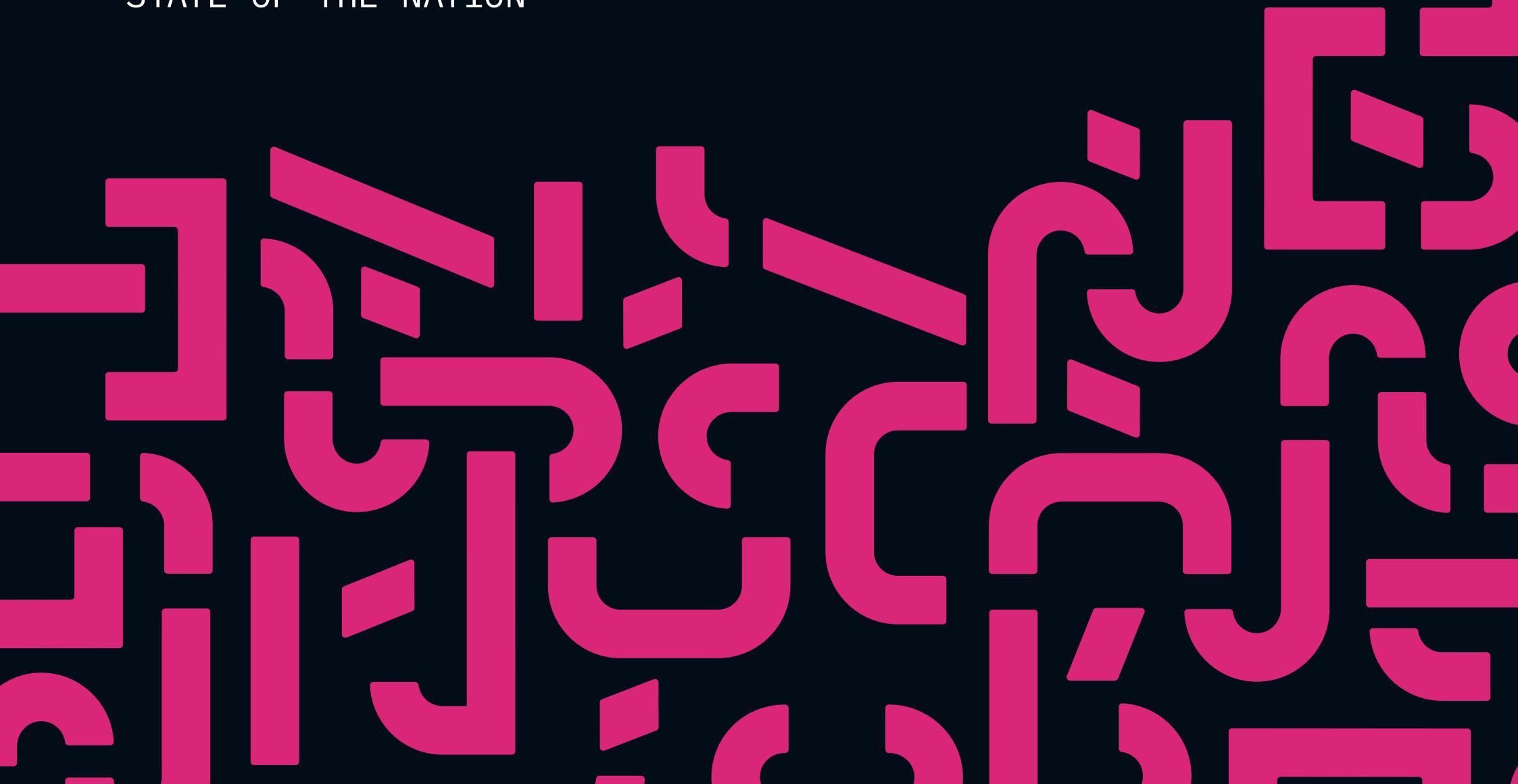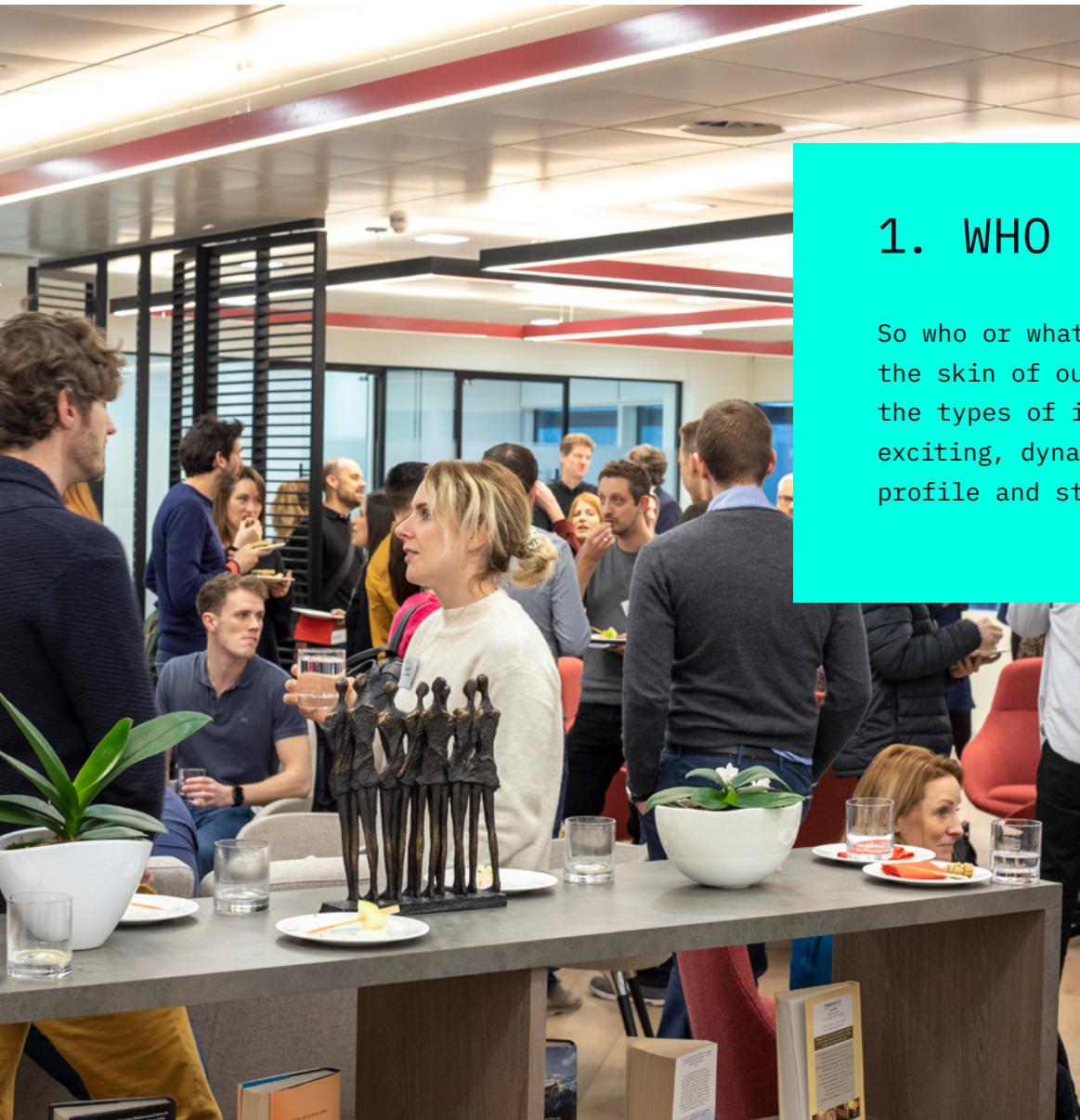
1. WHO ARE WE?

So who or what is the Bristol creative sector? To get under the skin of our membership, we wanted to learn more about the types of individuals and businesses that make up our exciting, dynamic, and ambitious sector by determining their profile and stage of development.

We are wide-ranging

The creative industry in Bristol represents a diverse set of creative subsectors spanning:

Architecture

Crafts

Publishing

Fashion

Museums, galleries & libraries

Music, performing & visual arts

Computer games/ Interactive leisure software

IT, software or computer services

Film, TV, video, radio or photography

Design including product design & graphic design

Advertising, marketing & PR

Our respondents span across the creative sector, with the majority working in **marketing** (including advertising, PR, communications and media), **design** (including project design and graphic design) and **film and TV** (including video, radio, photography, and online media).

3% none of the above

3% Architecture

7% Museums, galleries & libraries

7% Crafts

10% Publishing

12% Music, Performance or visual arts

15% IT, software or computer services

37% Film & TV

42% Design

56% marketing

10% 20% 30% 40% 50% 60% 70% 80%
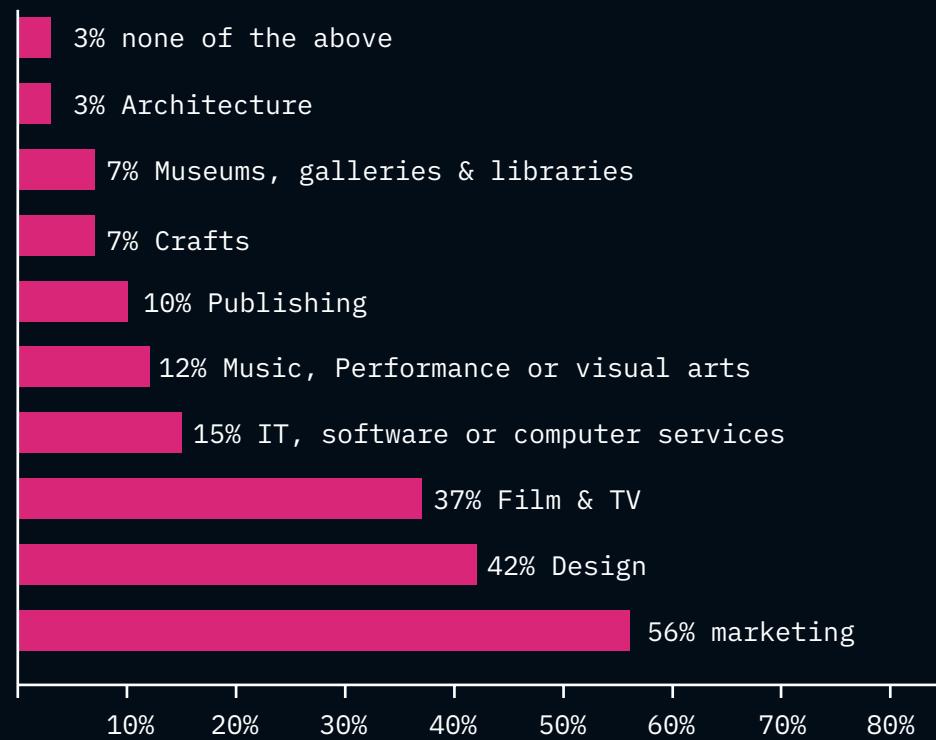
We are established

Surprisingly, when it comes to the number of years of trading, most creative businesses in Bristol are well established, having traded for six years or more. Almost half (46%) of our respondents have been trading for between six and 20 years, and 25% have been in business for over two decades.

Just 18% have been in business for 2-5 years, while only 11% are younger firms with less than two years on the clock.

- Less than 2 years
- 2-5 years
- 6-10 years
- 11-20 years
- Over 20 years
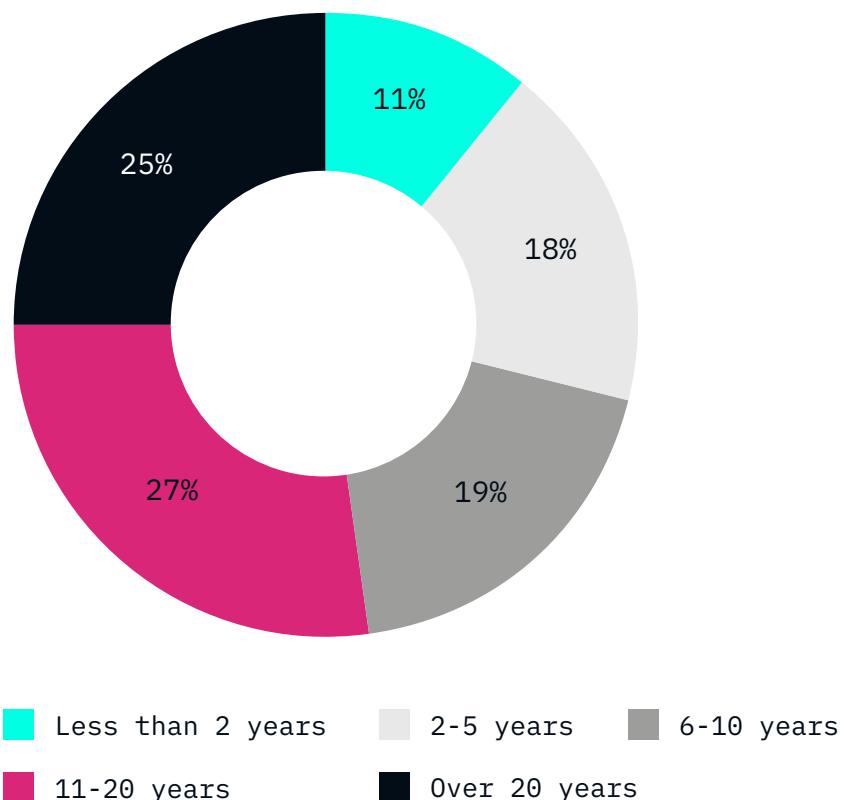
We are micro-businesses

The vast majority of creative firms in Bristol are micro-businesses. Almost three-quarters (72%) of our respondents have just 0-4 employees. Half (51%) are sole traders or self-employed with no staff, and 21% have 2-4 employees.

A further 21% of respondents are medium-sized businesses with 50-99 employees, while only 6% represent large businesses with 250 or more employees.

The findings in our survey chime with what is happening at a national level. The Government's DCMS (Department for Digital, Culture, Media & Sport) figures show that the vast majority (88.3%) of businesses in the creative sector are in the micro-business (0-9) employee band.

- Sole trader/ self employed
- 2-4 employees
- 50-99 employees
- 250+ employees
- Prefer not to say
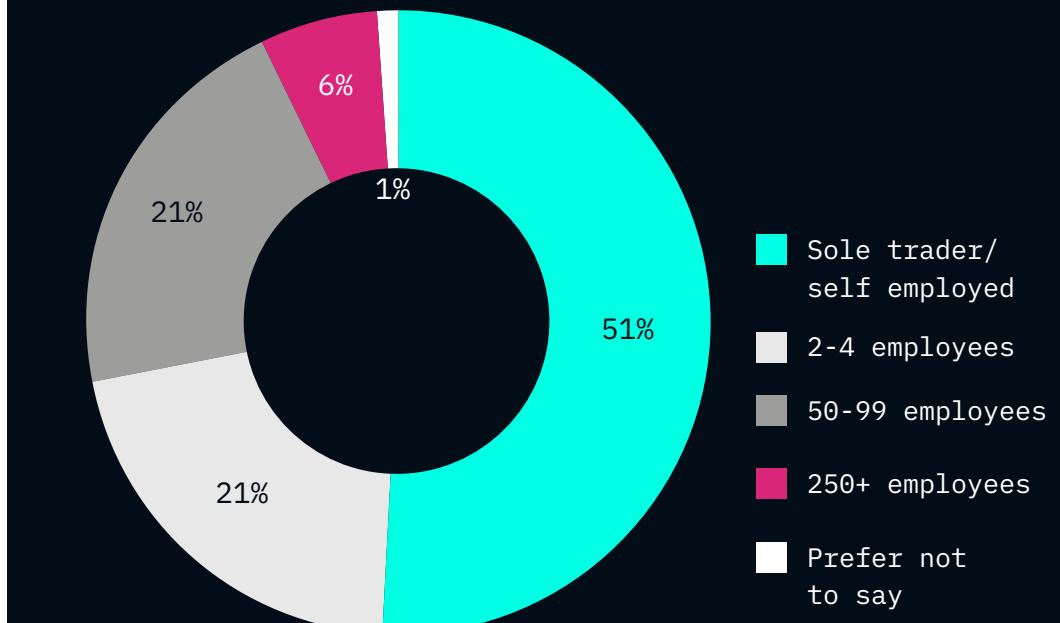
We are financially successful

While Bristol's creatives occupy the micro-level of businesses within the UK, they have a solid financial position. One-third of respondents (33%) report an estimated turnover of more than £5 million for 2021-2022, while 36% anticipate they will have earned between £2 million and £5 million in the last financial year. A further 44% forecast a turnover of between £1 million and £2 million.

This contrasts sharply with the latest national DCMS figures, demonstrating that businesses in the UK creative sector are slightly more likely to be in a lower turnover band than UK businesses, with 79% of companies in DCMS sectors reporting an annual turnover of less than £250,000.

|	2019/20	2020/21	2021/22 (estimated)
Over £5million	33%	33%	33%
£2million - £5million	41%	23%	36%
£1million - £2million	20%	36%	44%
£500,000 - £1million	37%	37%	26%
£250,000 - £500,000	29%	29%	42%
£100,000 - £250,000	42%	31%	27%
£50,000 - £100,000	26%	37%	37%
Up to £50,000	35%	38%	27%
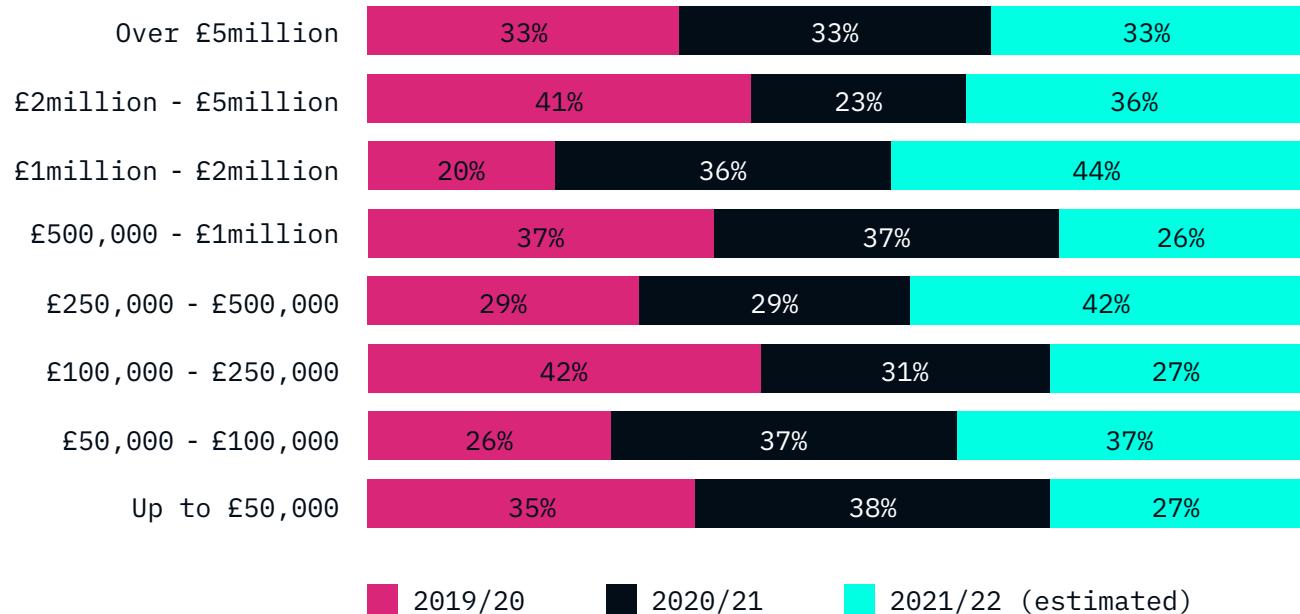
We are commercial

Almost all our respondents represent commercial enterprises, with the majority (56%) working within the corporate sector and many individuals freelancing for commercial organisations. Most of our respondents work in advertising, design or film and TV.

However, looking at the types of sectors and businesses our respondents engage with, we have a robust public sector client base, including the health and education sectors. In fact, over the last two years, 35% of respondents have had public sector clients or collaborated with the state sector. A further 32% work and collaborate with higher education institutions or other research organisations.

Our respondents are mainly service businesses, with some 71% receiving income from sales of creative services, including design. The sector demonstrates substantial IP exploitation, with nearly a quarter (24%) relying on content sales, while 22% have received income from sales of software and technology services (including licensing and support).

- Commercial business
- Freelancer/self employed/ operating through a company for just your services
- Charity/voluntary/ non profit
- Public sector
- other
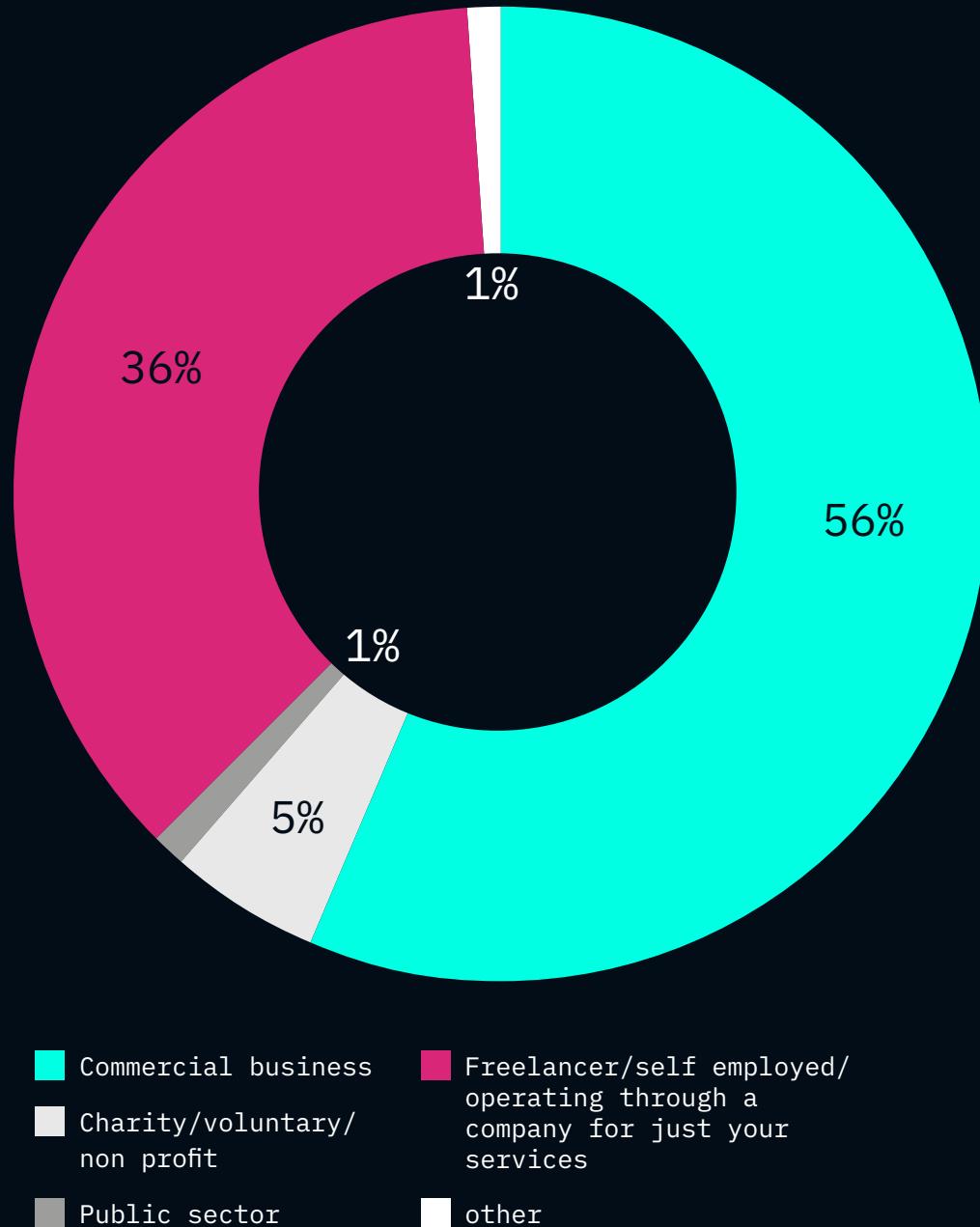
2. THE COVID-19 EFFECT

COVID-19 has significantly impacted businesses in the UK - and the creative industry is no exception. It has had a massive impact on freelancers – many of whom, without support from the central government, have not been able to bounce back from the pandemic as quickly as businesses.

We have all had to rethink, restrategise, refocus, and reconfigure how we live and work. As creatives, we have had to reconsider how we engage and communicate with audiences and potential clients and promote products, services, places, and experiences during an uncertain and unnerving time.

While COVID has wreaked substantial financial consequences, government data shows a positive trend in the economic contribution of the UK creative industries in 2021, bouncing back from the fall in Gross Value Added (GVA) during the first year of the pandemic.

According to the latest figures, reported DCMS sector GVA is estimated to have grown by 1.4% from Quarter 4 2021 (October to December) to Quarter 1 2022 (January to March) in real terms. The UK economy grew by 0.7% from Quarter 4 2021 to Quarter 1 2022.

In March 2022, the GVA of reported DCMS sectors was 4.3% above February 2020 levels, the most recent month not significantly affected by the pandemic. By comparison, GVA for the whole UK economy was 1.2% higher than in February 2020.
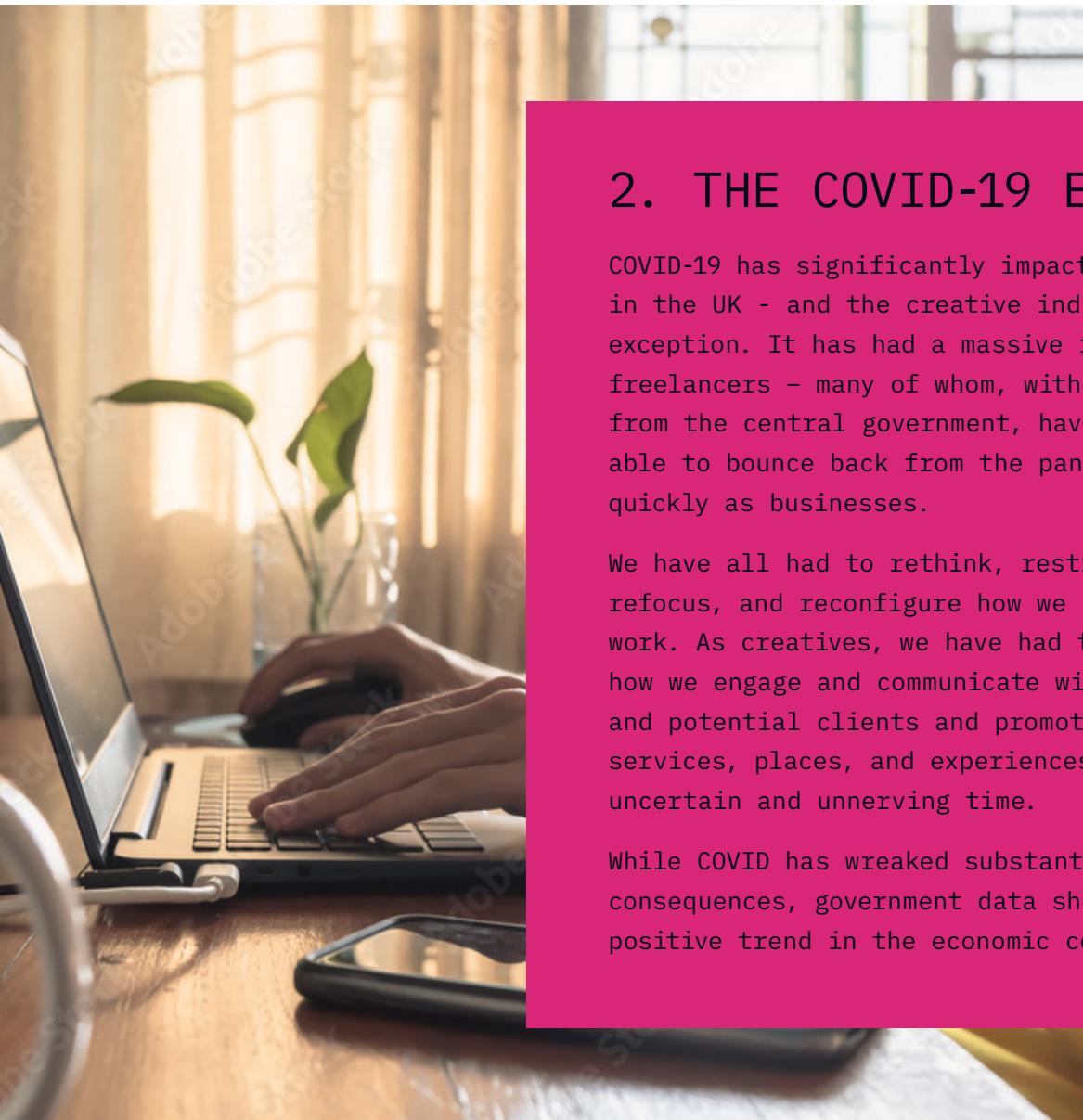
Mind over matter

Looking at respondents' mindsets about their prospects for financial growth before the COVID pandemic, some 28% aimed to scale up in the next three years (more than 20% annual growth on average). Fast forward to now, and more than a third (35%) claim their current growth objectives will grow significantly by more than 20% in the next three years.

Pre-pandemic, more businesses (57%) had moderate growth expectations compared to four in 10 firms (40%) after the pandemic.

However, views on business growth expectations are somewhat polarised because there has been a 6% increase in the number of businesses aiming to stay the same size over the next three years to 19% (from 13% of firms before the pandemic to 19% in this post-pandemic era).

Mindset before COVID-19

Mindset after COVID-19

13%
2%
28%
57%

19%
2%
3%
35%
40%

Grow substantially (more than 20% annual growth on average)

Grow moderately (up to 20% annual growth on average)

Stay the same size

Become smaller

Prefer not to say
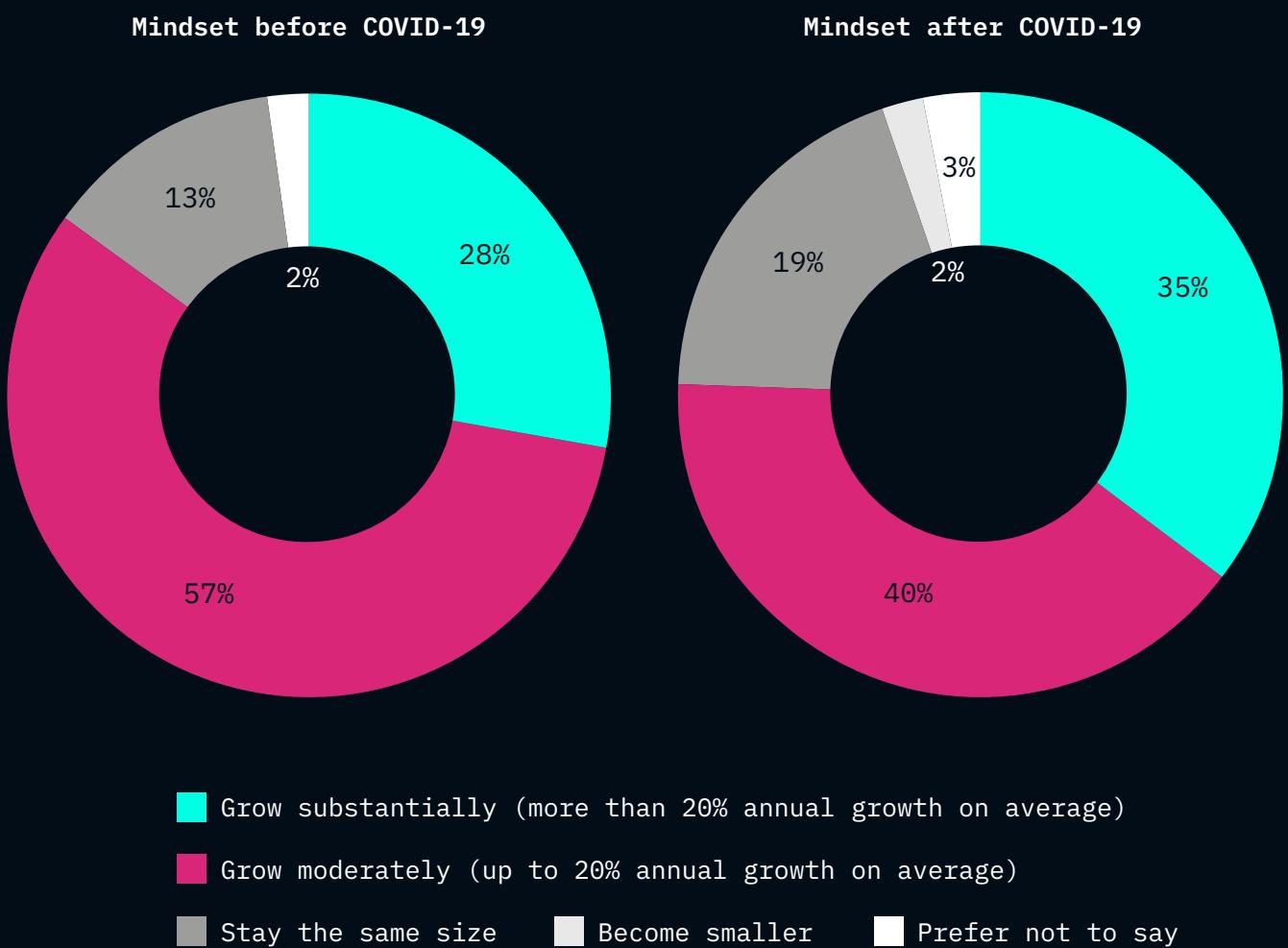
People and the pandemic

The impact of COVID on recruitment and retention has proved to be a thorny issue. Most respondents (63%) have experienced an increase in the number of staff remote working, but while over two-thirds (36%) claim this has increased their access to skilled staff, more than a quarter (27%) say remote working has reduced their access to talent.

However, nearly four in 10 businesses (38%) believe the move to more remote working has increased their access to staff outside the Bristol area, presumably because they can attract talent from a larger pool.

A report published last year found that roughly one in five jobs in the UK, or 6 million jobs, can now be classified as "Anywhere Jobs", with characteristics that mean they can be done remotely or principally remotely as efficiently or more efficiently than in regular office working.

Participants in our focus group workshops were conscious of increased competition from London and New York global agencies. Remote working means that staff can now take advantage of the Bristol lifestyle – previously a recruiting advantage for Bristol-based companies – while earning tens of thousands of pounds more working for larger organisations in the capital.

"The pandemic has spurred a large-scale experiment in the ability to work remotely and, in doing so, has begun to loosen the binds that previously tied a job to specific geography. There is a new class consisting of relatively well-paid, professional white-collar jobs that can be done remotely anywhere in the UK or, indeed, in the world."

Report: Anywhere Jobs:
Reshaping the Geography of Work,
16 June 2021

"We are now competing against people across the globe. And I've had somebody that's gone to work for a US company still living in Bristol, somebody's gone to China to work for a Chinese company, but also to London, as well. And actually, they don't have the same pull for the office, they now care more about their own environment, the home environment…"

"… It was always competitive in Bristol for creative people, developers… There was always a relatively good talent pool, but we're competing globally, right now. It's like you can work for a London agency or London in New York… there's global roles, distributed workforces…"

Creative Force workshop participant, January 2022

COVID has also led to challenges around recruiting and socialising junior staff. *"We don't have people in the office every day,"* said one workshop participant who had paused recruitment completely. *"How do you form your view of what work practices should look like?"*

Young people starting their careers now lack networks of support and learning that they previously had through their workplaces, not having built as much experience as they would have pre-pandemic. Many of our workshop participants saw this as an issue that must be addressed.

There are indications that the culture sector is being hardest hit and having difficulties with recruitment. One participant noted that *"lots of people jumped ship from working in the arts because of COVID. Working for a charity, on pretty low salaries, across a broad range of responsibilities, seems less attractive than it did before… It's like an uprising that we've got to work our way through."*

One aspect of the pandemic which can be seen as a benefit for respondents is that nearly half (49%) have found that remote working means they have less demand for office space.

Increased homeworking means businesses can reduce costs by cutting overheads – particularly the cost of leasing expensive office space in the city.

Of course, labour is another way businesses can reduce costs post-pandemic. Labour is increasingly becoming a variable cost as creative firms increase the number of freelancers and contractors they work with.

The use of freelancers is increasing in the creative sector. More than a quarter (27%) of respondents have worked with 3-4 freelancers in the past year compared to 22% in the year before the March 2020 COVID lockdown.

While the growing reliance on freelancers is rising, it is not a new phenomenon. But COVID seems to have increased the trend toward freelancers as businesses move to a leaner workforce and preference for remote and hybrid working.

In addition, there have been more freelancers on the market since the pandemic. A survey last year found that of those people who started freelancing in 2020, 25% had done so due to losing their job as a result of COVID, which forced many businesses to downsize and make redundancies.

How many freelancers have you worked with in the past year?
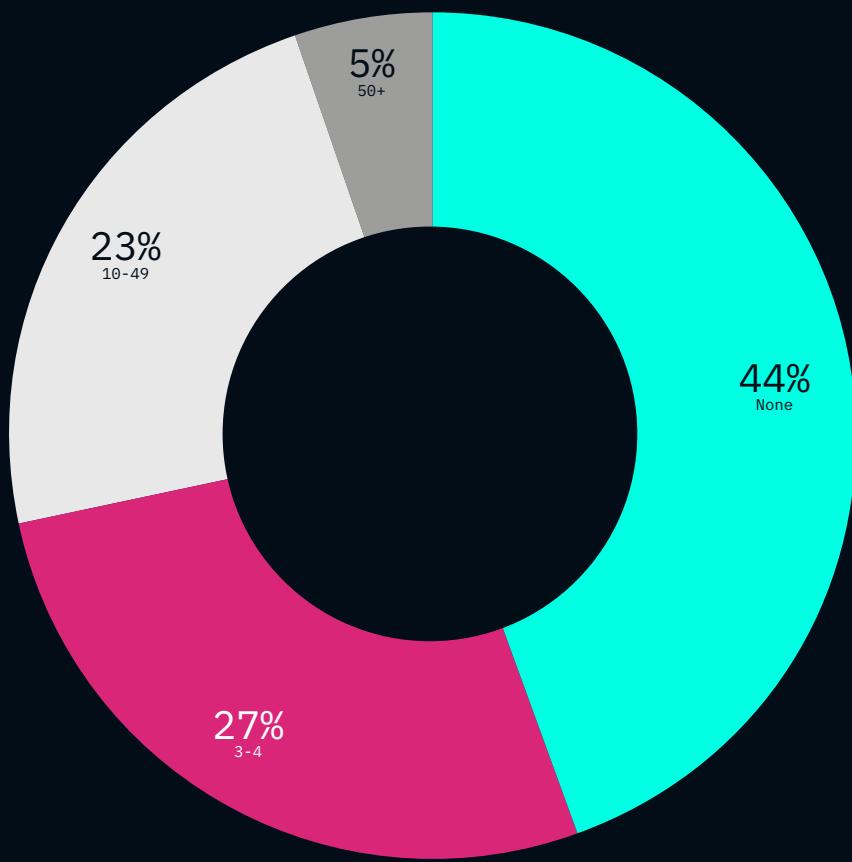
How many freelancers did your organisation work with in the year before the COVID lockdown?

5%
50+

23%
10-49

44%
None

27%
3-4

8%
50+

1%
Don't know

24%
10-49

45%
None

22%
3-4

None   3-4   18-49   50+   Don't know
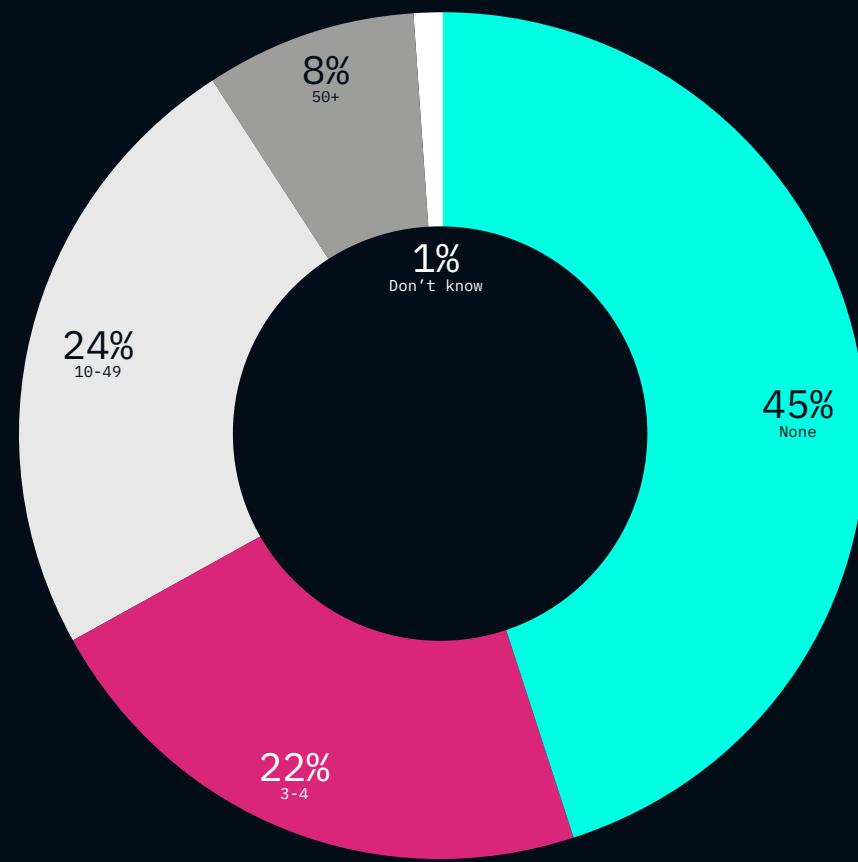
However, not all the creatives we spoke to are having good experiences with freelancers, and finding good, reliable freelancers is an area of concern:

"I've given up by trying to find freelancers to help me because either they're just not reliable enough or they don't have the right skills… They will paint a good picture but when it comes down to actually needing to do the work, you realise these people aren't what they say they are. It's very difficult when you're on your own as well, actually managing that."

This concern was echoed by another participant who noted that her PR and marketing business has an agency model that relies on a pool of freelancers, but "it's really hard to get to know who's who. By the time you've got a job, you're always going to go to the same partners that you trust. We want to try out new people, but we need ways of meeting and greeting."

It is clear there is a significant and growing role of freelancers in our creative sector and more needs to be done to meet their specific requirements, including access to more CPD and support, as well as better ways to connect freelancers to creative businesses and vice versa.
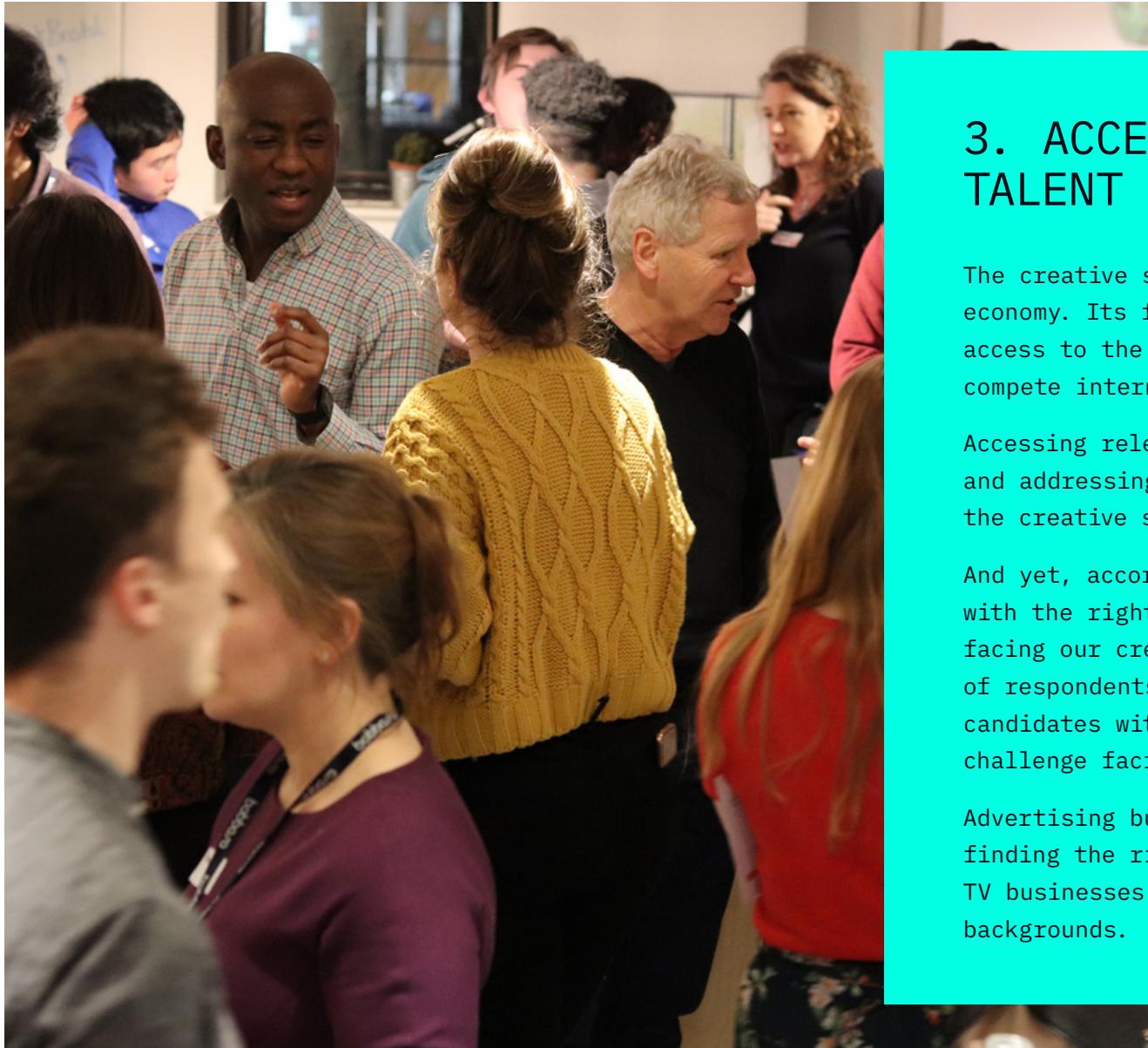
3. ACCESS TO SKILLS AND TALENT BEYOND COVID-19

The creative sector is a major cornerstone of the UK economy. Its future success depends on businesses having access to the skills and talent needed to ensure they can compete internationally and generate inward investment.

Accessing relevant skills is key to sustaining growth, and addressing current shortages is a priority to ensure the creative sector continues to thrive.

And yet, according to our research, acquiring talent with the right skill set is by far the biggest challenge facing our creative industry, with more than a third of respondents (36%) citing the issue of recruiting candidates with the skills they need as the main challenge facing their business.

Advertising businesses are most likely to face challenges finding the right skill set, whereas design and film/TV businesses prioritise accessing talent from diverse backgrounds.

What is the main challenge for your organisation?

- 8% Difficulties in accessing external finance or funding
- 4% Lack of leadership, managerial and/or business skills
- 2% Lack of creative skills
- 8% Lack of technical skills
- 9% New or significantly more intense competition
- 8% Difficulties in getting paid on time
- 6% Securing funding, resources, time or partners to support R&D
- 6% Issues with broadband or other digital infrastructure
- 2% Issues with transport links or other physical infrastructure
- 3% Lack of knowledge around Equality, Diversity and Inclusion
- 35% Accessing talent with the right skill set
- 21% Accessing talent from diverse backgrounds
- 4% Other
- 20% No challenges

"It's a crazy market out there for trying to find skills. There's young people who are expecting so much with so little. And you've got to look really sceptically at some of the younger people that look like they might have got a couple of years work experience now, but they haven't really because they did it during the pandemic. And actually, for those youngsters, they haven't really scooped up the experience, that normally somebody with two years experience would have had."

Creative Force workshop non-member participant, January 2022

As the creative sector grows, demand for key skills across all the creative sub-sectors is only going to increase, resulting in greater competition for a limited pool of skilled workers. Combined with the considerable skills gap that younger people have at the entry-level due to the pandemic, vital steps need to be taken to bridge the skills gap.

Bristol Creative Industries Board member Dr Susan McMillan from Boomsatsuma Education says:

"Accessing talent is a big challenge for south west businesses, but not an insurmountable one. However, as a region we've got work to do to attract younger entrants from socially diverse backgrounds. Clearly, we need to step up our game and work in partnership to promote Bristol's creative industries to young people.

"We need to support new talent coming into the sector and help them develop their creative, technical and business skills. With our local partners' support, we can - and should - be able to understand and address the needs of creative businesses at a local level. Failure to do so could inhibit the creative sector's growth now and into the future."

The rise and rise of apprenticeships

Addressing the skills gap by opening up entry-level opportunities may offer a medium to a long-term solution. Apprenticeships can provide young people from different backgrounds with an alternative way to get into the creative sector. It opens the door for individuals who may lack pre-existing skills but more than make up for this with enthusiasm and determination about gaining experience and building a career in the industry.

The apprenticeship programme gives employers access to what the government calls a 'growing talent pipeline' to support the growth of the creative sector.

We asked creative businesses if they would consider taking on an apprentice, and it was a resounding yes for almost half (48%) of our respondents. However, nearly four in 10 (38%) would not consider taking on an apprentice, which suggests that there are many creative sector employers who are still unsure about apprenticeships and their benefits.

48%

38%

13%

Yes   No   Don't know
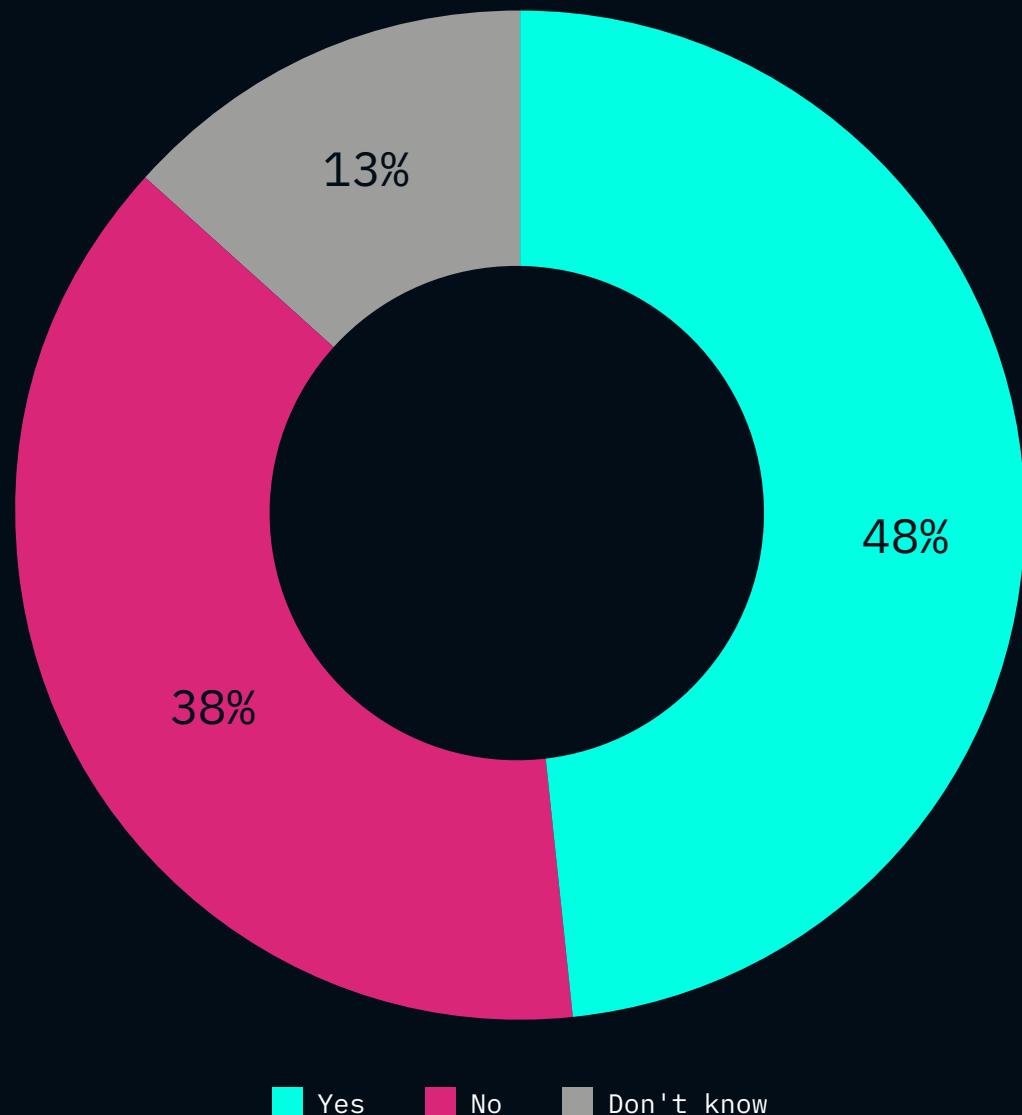
Looking at the barriers to taking on an apprentice, there is a range of concerns as can be seen in the chart to the right. The biggest drawback to taking on an apprentice for 48% of respondents was the prospect of the administration required and related to this, 47% said the time involved in taking on an apprentice and, presumably investing time training them, was a barrier.

However, this perception of a lack of time and capacity may be counterintuitive. Like taking on any kind of new recruit, a commitment needs to be made to invest time in providing guidance and support. However, while this may seem onerous initially, the investment soon pays off, and productivity and output can markedly increase.
That said, apprenticeships are not a feasible option for everyone. Several freelancers and sole traders noted that their business model was not suited to apprenticeships, while another area of concern was working patterns, including working from home, being on location and working irregular hours.

12%	Length of apprenticeship placement
38%	Training requirement
48%	Administration requirements
32%	Cost - cash
47%	Cost - time
40%	Lack of knowledge about how apprenticeships work
32%	Something else

10%   20%   30%   40%   50%   60%
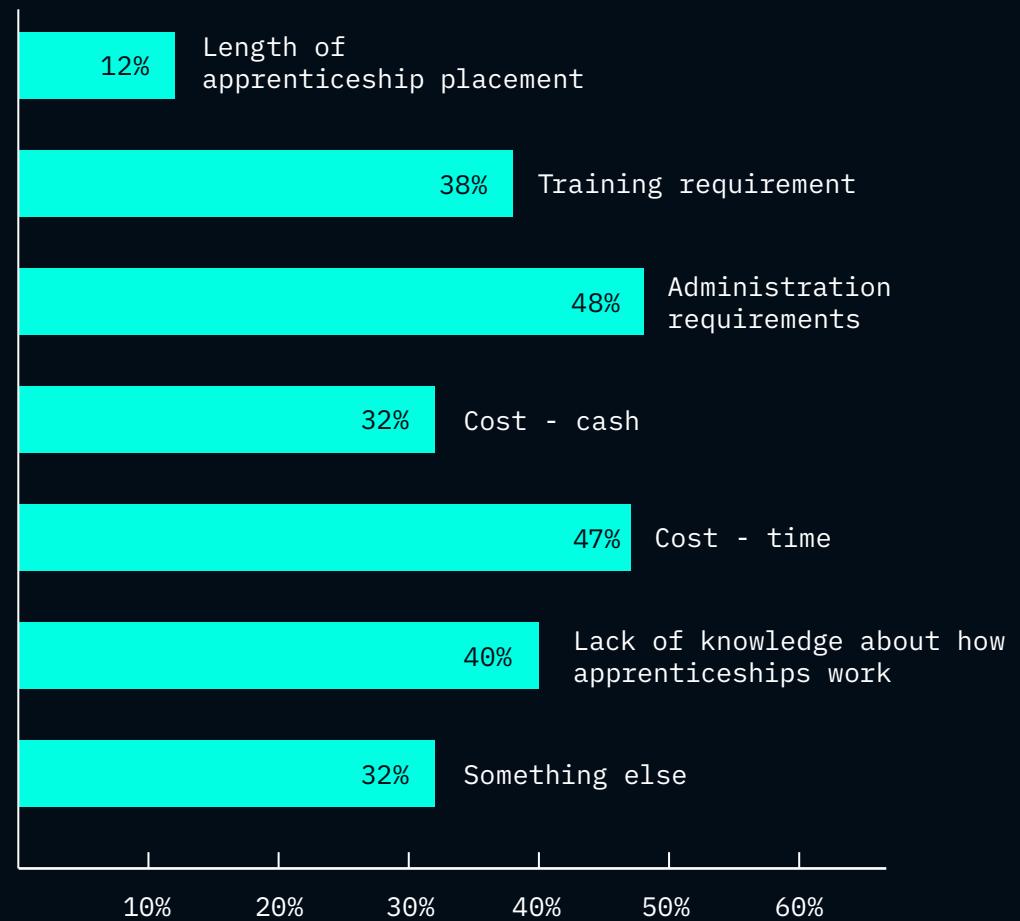
Offering internships

Hiring interns can be another way to bring potential new talent into the creative sector, providing valuable additional support for businesses and staff alike. Interns can take on lower-level tasks freeing up other staff to get on with more challenging tasks. They can also be a way for businesses to discover new, emerging talent and, ultimately, in time, gain an edge over competitors.

The benefits of offering internships were neatly summed up by one of our workshop participants, a marketing firm working hard to get around the tight labour market:

"We're finding the opportunity to take on interns with the capability and the skills is immense. We've got some really, really good people. So we're continuing on the intern route. We are a complex business, and I know we're young and new and not established yet, but we find that interns are really up for the challenge, and they learn our ways. So that's how we've got round the skills shortage."

Of course, not all companies can take on interns, but there was broad interest from many of our workshop participants in making the process more straightforward and rewarding on both sides.

However, a drawback several people noted was the challenge of dealing with large numbers of emails from people seeking internships. A possible suggestion was that Bristol Creative Industries could add value by managing a more centralised and coordinated internship scheme.

Other participants who were not able to take on interns were still interested in supporting their development by mentoring interns who were working in other agencies – particularly as part of a diversity initiative.

4. EQUALITY, DIVERSITY AND INCLUSION

Increasing diversity is a significant priority for businesses across the globe, and the creative industries are no exception. Equality, diversity and inclusion are moral imperatives, and firms must embrace this to reflect our wider society.

In recent years, the world's biggest brands have spent considerable time and money trying to understand and target their increasingly diverse audiences. Technology has meant that the world is a much smaller place. Anyone with a smartphone, tablet or laptop can engage with brands – no matter where they are in the world.

Rapid globalisation has been a driver for businesses to practice more diversity in their workplaces, as well as the realisation that it is the right thing to do. Even on a smaller scale, local demographics are constantly changing and evolving, accelerating the need for start-ups, smaller firms and sole traders to consider equality, diversity and inclusion in everything they do.

It is clear from our research that the Bristol creative sector recognises the need for greater diversity. Six in 10 (59%) creative firms in our survey agree that increasing diversity and inclusion within their organisation is a significant priority. This rises to nearly two-thirds (65%) of businesses that have been trading for 20 years or more, suggesting established firms have more to do to introduce diversity into their workplace.

58% of firms that have a more diverse workforce state that this gives them a significant or very significant advantage over their competitors. This advantage is particularly strong in advertising, marketing and PR firms (64%) and design companies (62%).

However, according to our research, it is not always easy to increase diversity. One in five (21%) respondents stated that accessing talent from diverse backgrounds is the main challenge they are dealing with. And achieving greater diversity is a specific priority, particularly for design, film and TV companies.

"My biggest challenge is the lack of diversity in the creative sector… I came into this business 20 years ago, and at the BBC, I was the only black journalist… it's still pretty much the same today. You know, it's not changed in all of that time. And you only reach certain levels, and you're still fighting and battling. And I think that is the biggest challenge to change right now. A lack of diversity in most areas of the business of television."

Creative Force workshop non-member participant, January 2022

"There is a huge lack of diversity in the TV and film industry, very noticeable at the BBC. And there were always ways I felt like we could have been doing more to look at recruiting from a wider pool."

Creative Force workshop non-member participant, January 2022

The majority of businesses (63%) monitor and understand the demographic makeup of their staff, including gender, ethnicity and disability. This monitoring is particularly prevalent in the charity, voluntary and not-for-profit sectors, with eight in 10 (80%) keeping a close eye on their demographics.

Looking at ways to improve equality, diversity and inclusion in the Bristol creative sector, nearly half (48%) agree that they need more help finding diverse talent from under-represented groups and a third (33%) claim they need more support to implement inclusive recruitment practices.

Interestingly, the majority (55%) of creative companies in the music, performing, and visual arts sector feel that a better understanding of physical and digital access needs and how to meet them will improve their equality, diversity and inclusion working practices.

What do you feel would be required for your organisation to improve its approach to equality, diversity and inclusion (EDI)?

31%	None of these
4%	Something else
33%	Access to information about grants/funding schemes to support staff, freelancers and interns from under-represented groups
25%	Understanding appropriate use of language around EDI issues
21%	Understanding physical and digital access needs and how to meet them
48%	Increasing access to potential employees from under-represented groups
33%	Support to implement inclusive recruitment practices
11%	Improving monitoring of the demographic and socioeconomic background of staff
11%	Support to internally make the case for the ways in which EDI can benefit your organisation
25%	Finding ways to support existing staff who belong to under-represented groups
12%	Improving pay and terms/structure of employment for staff, freelancers and interns

10%   20%   30%   40%   50%   60%

"It's a business imperative that we as a creative industry reflect the world in which we live. It's about diversity in its broadest sense – covering social and economic factors too. To stay relevant and in tune with our target audiences and ultimately, to get ahead of our competitors, we need to recruit talent from all walks of life, from many different and diverse cultural and social-economic backgrounds.

"Building strong relationships at a grassroots level with schools, colleges and universities will help. Offering apprenticeships and internship opportunities can also go a long way to addressing EDI in the creative sector."

Board member, Jules Davis

5. INNOVATION AND TECHNOLOGY

The rise of information and communication technologies has fundamentally changed the world and the way we live, work and play.

It goes without saying that it is vital the creative sector embraces innovation and technology to create products, services and experiences that resonate with consumers and audiences and allows them to remain competitive and profitable.

Indeed, in the last three years, the Bristol creative sector has been innovating in a range of ways. Nearly half (49%) have made changes to their working space (either going entirely virtual or reducing or increasing their office environment), while 42% have introduced or significantly improved organisational or management practices.

Other innovative actions have included significantly improving creative content or experiences (38%) and introducing or refining their marketing practices.

These business practices and operational innovations are almost certainly due to the impact of COVID, which has demanded innovation and agility on multiple fronts.

Charities, voluntary sector organisations and not-for-profit organisations have done more to develop new processes, products and services (80%) compared to 49% of commercial businesses.

Over the last three years, has your organisation introduced any of the following?

Response	%
None of these	16%
New types of engagement with local communities and businesses	27%
Changes to your office space (bigger, smaller, virtual…)	49%
New technologies such as data analytics, machine learning, virtual reality or digital platforms	30%
New or significantly improved marketing practices	38%
New or significantly improved organisational or management practices	42%
New or significantly improved production processes or distribution activities	19%
Other new or significantly improved products or services	36%
New or significantly improved creative content or experiences	38%

Many workshop participants felt that they had spent the last two years with their heads down, focused on adapting to immediate challenges. Now that COVID has become the 'new normal', many organisational leaders are starting to ask themselves how to find the time and focus for big-picture, future-focused thinking. It was agreed that there is definitely a role for Bristol Creative Industries in creating the space and the forums where this type of innovative thinking can happen.

Adopting new ways of doing things

Most businesses we spoke to are responding well to the need to adopt more digital ways of working. In fact, nearly half (47%) have started using digital platforms such as app stores, streaming services and online sales platforms in the last three years.

This increases to 53% of businesses that have been trading for two to five years and 52% of companies that have been around for over 20 years. This suggests that more established firms perhaps have more to do to improve digitisation and adopt new ways of working. It may also be they have the means to invest more in emerging technologies.

However, there appears to be little take-up of breakthrough technologies, such as artificial intelligence (AI), big data, immersive technologies, robotics or 3D printing. This may be due to the prohibitive cost for early adoption of these new, emerging technologies.

Over the last three years, has your organisation introduced any of the following?

Category	Percentage
Digital platforms (e.g. app stores, streaming services, sales platforms, etc.)	47%
Big data, data mining or data analytics	18%
Data-driven or iterative design	16%
AI or Machine learning	12%
Immersive technologies (Virtual, augmented or mixed reality, 360-degree video, 3D object/environment capture)	17%
Automation or robotics	9%
3D printing	7%
Another innovative technology or approach	7%
None of the above	36%
Don't know	2%

Investing in research and development

The Bristol creative industry is full to
brimming with creative, innovative ideas.
But to turn ideas into commercial realities,
investment and access to funding are needed.

Research and development spending in the
Bristol creative sector is generally low.
With the exception of some respondents in the
advertising sector, most businesses have spent
less than £50,000 in the last financial year.
And in total, over six in 10 (62%) of firms
spent nothing on R&D, and 83% have spent less
than £11,000.

2% £250,000+

4% £100,000 - £114,999

2% £50,000 - £55,999

2% £26,000 - £49,999

6% £11,000 - £25,999

21% £1 - £10,999

62% None
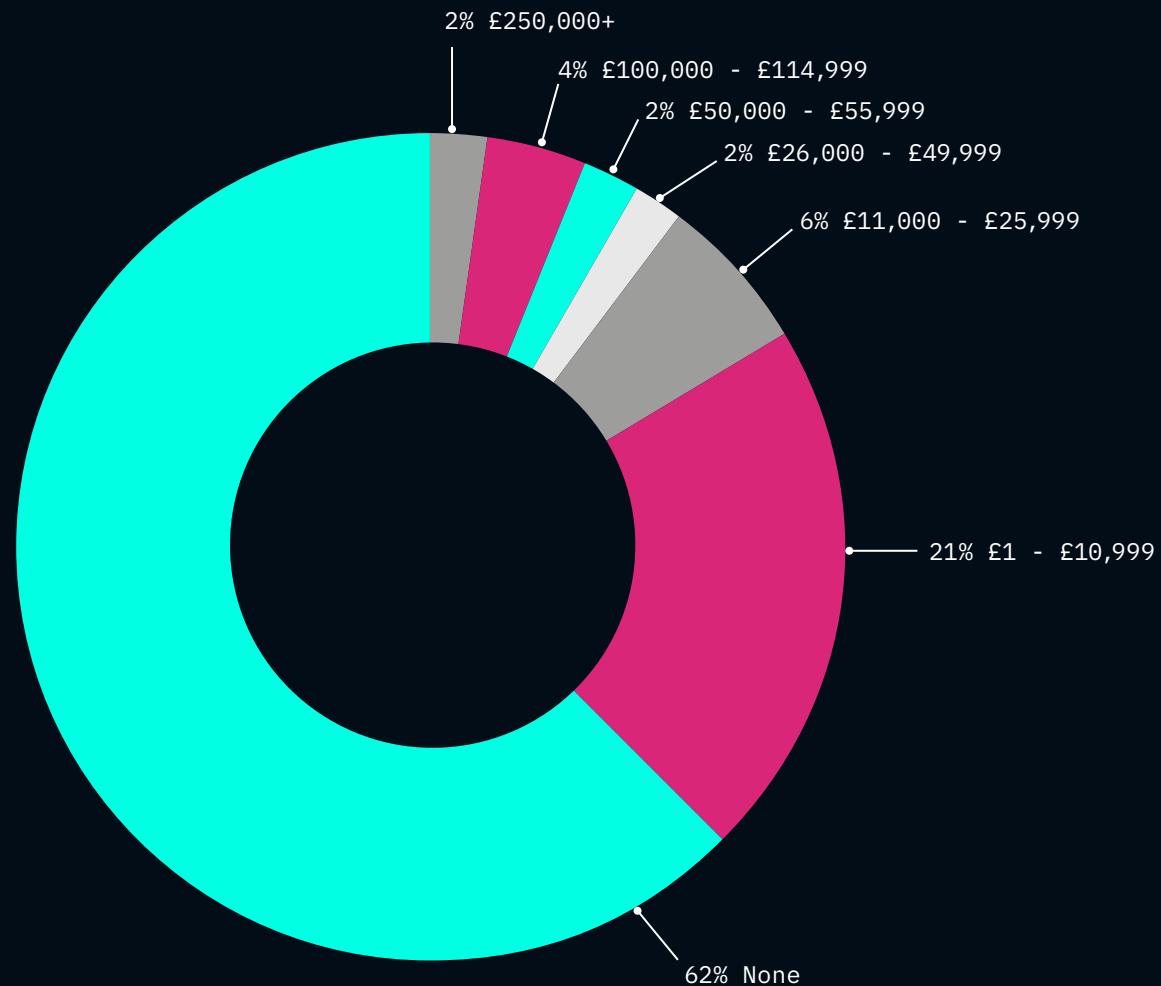
R&D Tax Credits

Looking at R&D tax credits, nearly three-quarters (74%) of Bristol's creative sector have not applied for R&D tax credits. Only 20% of respondents have applied for R&D tax credits – rising to 35% of commercial businesses.

However, as pointed out by the Creative Industries Policy & Evidence Centre (PEC) in the UK, the definition of what constitutes R&D for the purposes of tax credits is limited to science and technology activities. This means that many subsectors of the UK's creative industries fall outside the scope of what is recognised as R&D.

PEC suggests that only one in four UK creative industries businesses that could be eligible for R&D tax credits have actually received support. It argues that the current R&D tax credit provision is not capturing the breadth of the creative industry's activity, and the government should take steps to review its definition of R&D for tax relief purposes.

Has your organisation applied for R&D tax credits?

7%

20%

74%

Yes   No   Don't know
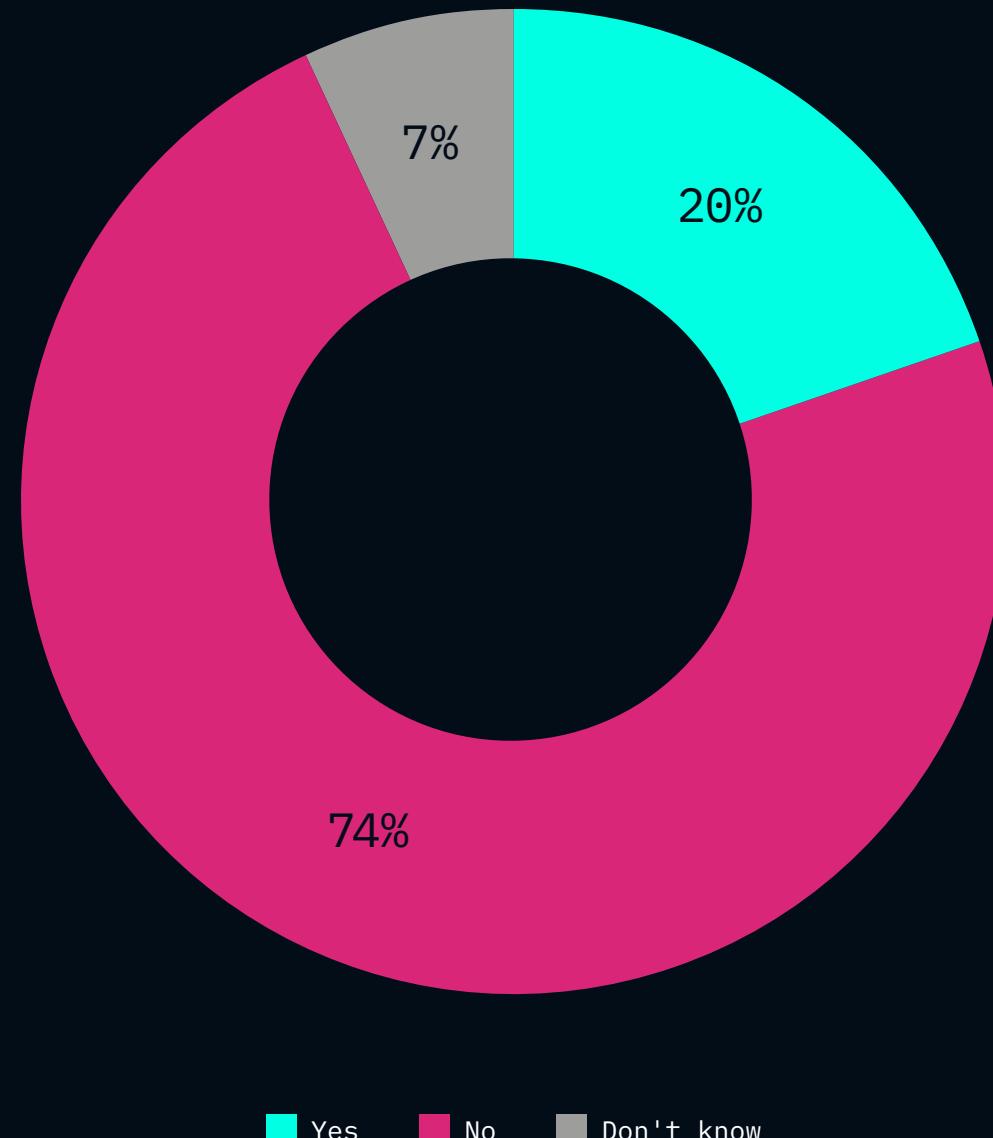
Our research bears this out, with almost half (46%) of our respondents stating they have not applied for R&D tax credits because they are not eligible.

Another significant barrier is the lack of knowledge of R&D tax credits. Although these barriers are higher among freelancers, 38% of commercial business respondents believe they are ineligible for R&D tax relief, and 17% admit they lack knowledge.

Most workshop participants strongly identified with the creative industries and saw tech as a completely different sector. The Bristol creative industry's limited technical innovation tends to bear this out – as does the fact that only 14% of respondents saw their technological capacity as a significant competitive advantage.

Participants felt disadvantaged when seeking innovation funding, which they saw as heavily tech-focused. However, there is a strong desire to build bridges with the tech sector.

While progress is being made to strengthen the links between the tech community and the CI, we need to raise our game in terms of research and development across the sector. There is a major UK Research and Innovation (UKRI) cluster programme in Bristol as well as the Catapult Network in the South West, but the research shows that these initiatives are not cutting through to BCI members. The challenge is on to build even stronger connections between creative and tech, educate more businesses about R&D and ensure programmes delivered at a national level deliver more for our members.

Why has your organisation not applied for R&D tax credits?

15%	Lack of knowledge
7%	Not sure it's worth the effort
4%	Not interested
46%	Not eligible
25%	Hadn't heard of them
4%	Another reason
4%	Don't know

10%   20%   30%   40%   50%

6. SECURING BUSINESS SUPPORT

Creative businesses' support needs may be quite different to traditional, more established industries. They have their own unique set of circumstances and need to transform their working practices and embrace more technology to unlock global business opportunities.

Bristol is not short of support for innovation, and over a third (37%) of respondents have taken advantage of business support in the Bristol area. A further 34% have not received any additional business support but voiced keen interest in doing so.

However, creative businesses and freelancers are looking for more targeted support to meet their specific needs. The Department for Digital, Culture, Media and Sport (DCMS) funded West of England Combined Authority's Creative Scale Up Programme, which supports businesses in the CI to grow while encouraging investment into the sector, is a prime example of how targeted support can help.

Lis Anderson from Bristol agency AMBITIOUS PR, which specialises in corporate and B2B communications, has experienced first-hand the benefits of focused business support specifically aimed at creative firms. She says:

"The programme has given us the opportunity to onboard performance coaching for our team, part of an ambition to develop leadership skills within our business. It's been incredibly valuable and our business has really benefited."

Our workshop participants mentioned the key role of techSPARK and the West of England Growth Hub as a source of valuable business support; however, with a range of support options available, businesses need to be kept informed and updated on relevant programmes and grants.

This is particularly an issue for participants whose work is less tech-focused. And there is confusion about eligibility from those who are innovating outside the usual tech sphere.

Has your organisation taken advantage of business support in the Bristol area?

10%

37%

19%

34%

■ Yes   ■ No but would like to

■ No, and no interest in doing do   ■ Don't know
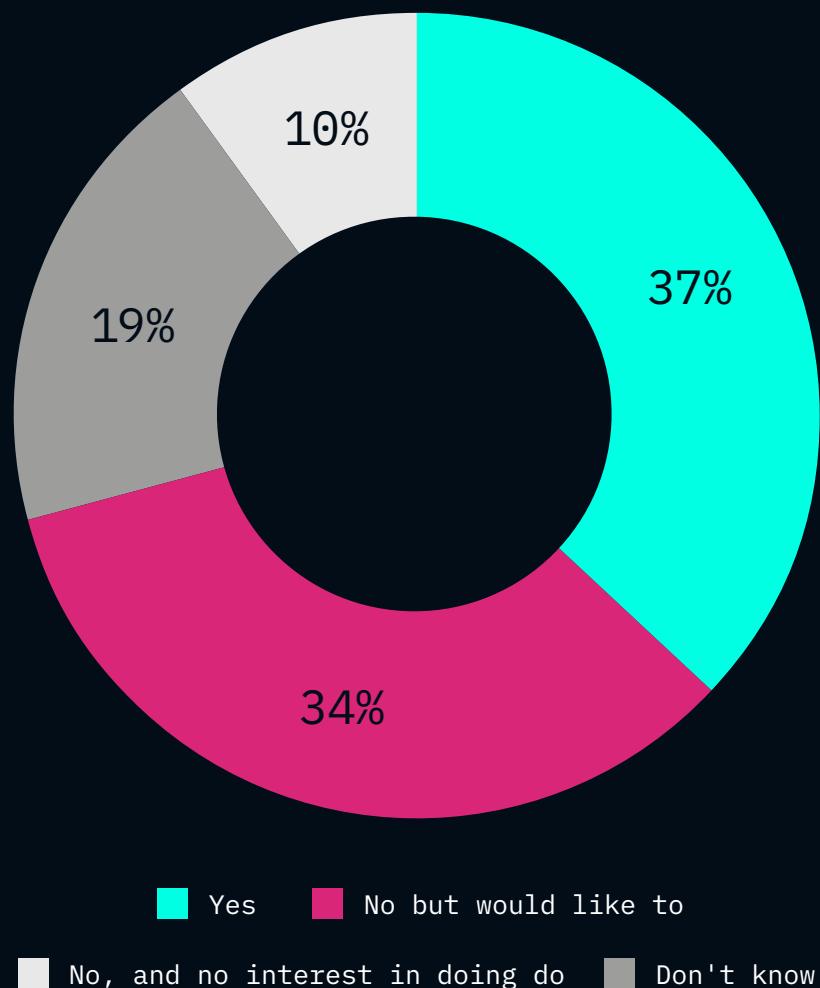
Securing funding is a particular issue for creative businesses in our region. Some 11% report difficulties in accessing external finance or funding, and a further 11% claim they are having trouble securing funding, resources, time or partners to support R&D.

In addition to funding programmes and tax relief, business support in the form of mentoring, coaching and business advice are also important factors to consider as a tool for encouraging and nurturing creative innovation.

There is potentially a requirement for further research into business support for the creative sector and, specifically, what businesses need. For example, one-to-one business advice from business advisors who have strong expertise in the creative sector would be more beneficial than having 'generic business advice'.

Business support networks

Workshop participants expressed a clear need – particularly powerful in the wake of COVID – for more forums in which they can build a like-minded community to spark creativity and facilitate collaborations. "Something that I desperately miss when I talk about business community," said one participant, "is those conversations that spark ideas, whether it's in a roundtable or a panel session of some sort."

Specifically of interest was the idea of building bridges between the creative industries and the wider tech sector. Two participants discussed the buzz they felt at a recent NFT Bristol event:

"This is what creativity is for me, innovation in the widest sense. There's always amazing stuff going on in Bristol, it's not just about agencies doing agency work… It's bringing together musicians, artists, writers around this discussion… This was artists and technologists coming together in new ways, in this digital realm. BCI could be part of that discussion."
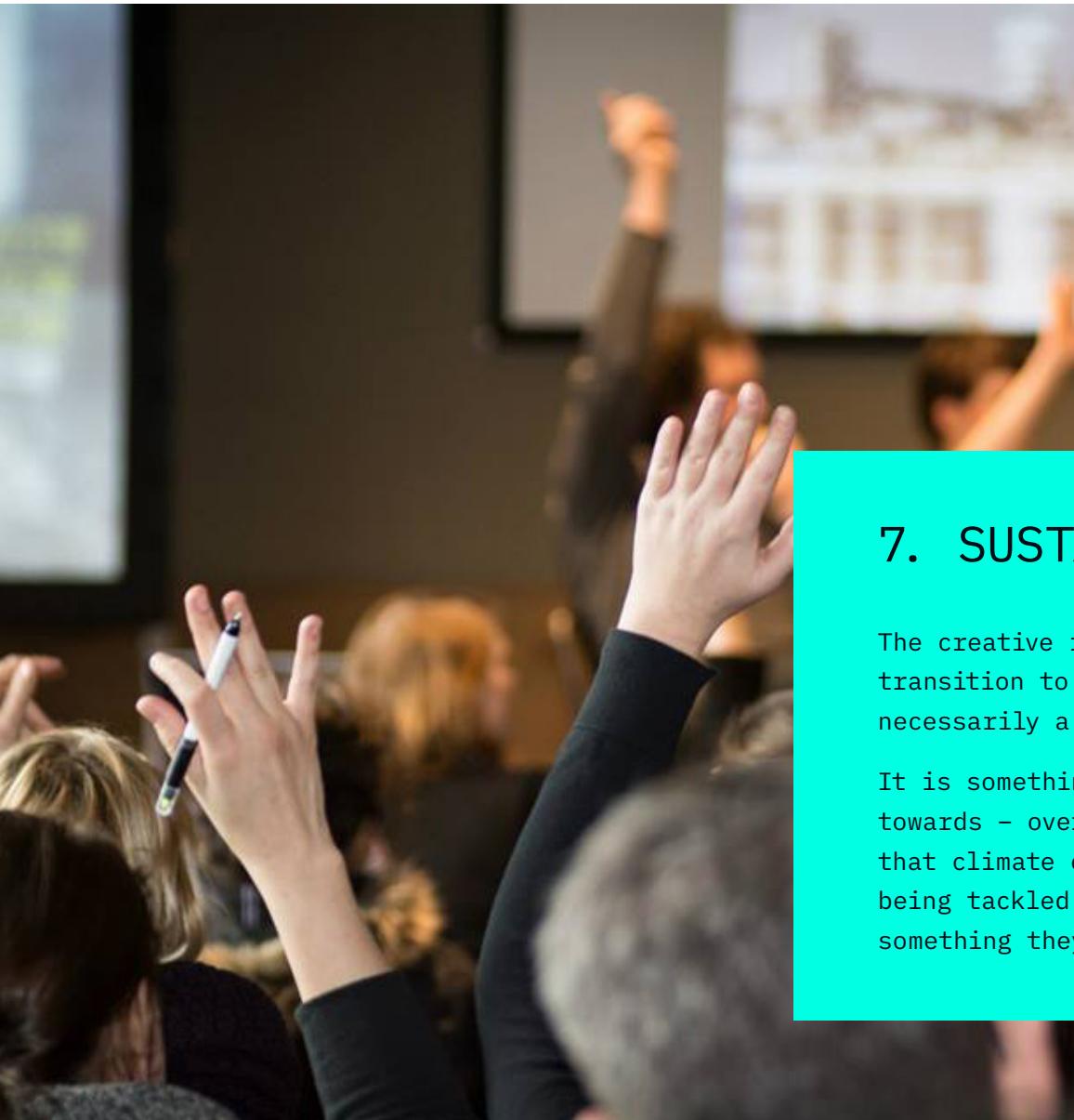
7. SUSTAINABILITY AND NET ZERO

The creative industries have a pivotal role to play in the transition to sustainability and net zero, but it is not necessarily a straightforward task.

It is something that Bristol's creative industry is moving towards – over two thirds (67%) of respondents state that climate change and achieving net zero are actively being tackled in their business, with 44% admitting it is something they are doing 'to a certain extent'.

Is climate change and moving towards net zero carbon emissions something you are actively tackling in your businesses?

- 23% Yes, very much so
- 44% Yes, to some extent
- 26% No, not really
- 7% No, not at all
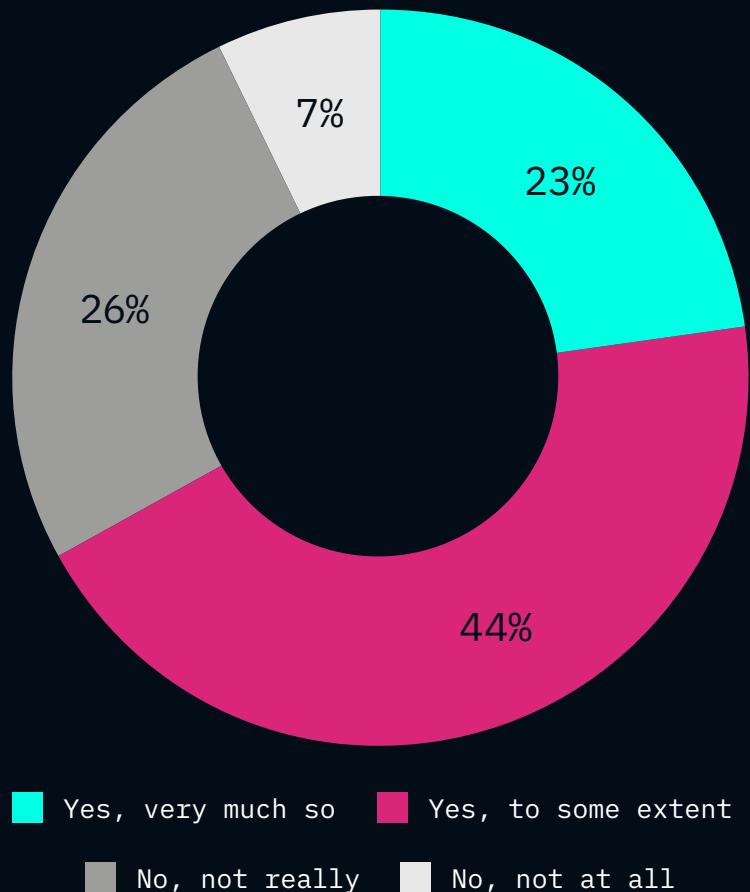
However, most creative businesses don't feel equipped to grapple the complexities of achieving net zero, with the vast majority (43%) admitting that this is an area they would benefit from some support.

"The creative sector by its very nature is generally not short of exciting, new, innovative ideas. With the right levels of support and by sharing best practice across different sectors, and championing transformative behaviour that promotes carbon reduction and climate adaptation, there is every reason to be optimistic that our best creative minds can collectively come up with robust, world-leading strategies to influence policymakers and public opinion and combat major global environmental challenges."

8. PLACE — THE BRISTOL CREATIVE CLUSTER

Bristol has long been considered a world-leading creative hub and a major cultural destination contributing to the UK's thriving creative economy by supporting and promoting a socially responsible environment for innovation that puts people first and drives regional growth and reputation overseas.

However, according to our research, business location is neither an advantage nor a disadvantage in these post-pandemic times. This begs the question, 'has Bristol been resting on its laurels as a great place to locate your business?'

It is clear from our research that there is a significant opportunity to strengthen the business network within the region and to encourage more creative firms to see the value of connecting, networking and collaborating.

Businesses want to engage with other like-minded firms and are actively seeking opportunities for meetups and networking sessions to revive a sense of real-life community and spark ideas and innovation.

As Chris Thurling, the chair of Bristol Creative Industries, said at the end of last year:

"The prognosis for the creative industries in the region is a healthy one. In many ways, the lockdown has liberated the creative industries from the south east. Many have realised that to build a successful business; you don't need to be in the centre of London.

"People still want to be near a strong ecosystem, and Bristol and Bath have got the combination of factors needed to be competing as alternative locations for creatives."

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