CUMBRIA ECONOMIC STRATEGY 2008 - 2028

DIGITAL, CULTURAL & CREATIVE INDUSTRIES

STRATEGY ACTION PLAN NO. 5

Purpose

The purpose of this Strategy Action Plan is to bridge the gap between the strategy as outlined in the Economic Plan and the delivery of the actions which will be outlined in the next Sub-regional Action Plan (due for release in December 2008). Each document accordingly takes a long term view when seeking to provide clarity and strategic prioritisation to an otherwise 'wish-list' of projects and programmes.

It should be noted that these Strategy Action Plans are progressive documents which look up to 20 years ahead; but which nonetheless focus on providing, where possible and evidenced, hard targets and economic impact over the next 10 years. The Strategy Action Plans thus begin to describe a future Cumbria and show, through aspiration, what the spatial impact of the Economic Plan could be across the 4 distinct delivery areas in the county; Barrow, Carlisle, West Coast, South Lakes & Eden.

Whilst these Strategy Action Plans acknowledge existing Cumbrian strategies, they try to reflect the impacts of an aspirational level of future economic growth. Each document is therefore deliberately challenging and ambitious, yet remains non-prescriptive in nature.

The plans attempt to identify the impacts and inter-relation between other closely linked priority industry sectors and assess the cumulative effects on cross-cutting themes highlighting, for example, how the spatial patterns of growth may necessitate the provision of appropriate housing, connectivity, employment land etc., and thereby examining whether current strategies could meet requirements in terms of employment, skills, infrastructure and the like, if we were to grow in accordance with our aspirations.

A significant amount of debate has already taken place to get to this point and we now open up the floor for full public discussion of the themes and actions highlighted by each Strategy Action Plan.

Whilst all comments are welcome, we would appreciate, in particular, comments which will aid in the prioritisation of the key actions. For example: What do you think would or would not work? Where should we be focusing most of our attention? What key actions would achieve the greatest results or which would bring little benefit?

Vision

"A fully developed digital, cultural and creative sector that exploits the obvious physical, environmental and cultural resources of the County to ensure maximum contribution both to the direct economy, and also to the appeal of the county as a place to live and work in."

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1. EXECUTIVE SUMMARY

THE VISION – Where we are going

"A fully developed digital, cultural and creative sector that exploits the obvious physical, environmental and cultural resources of the County to ensure maximum contribution both to the direct economy, and also to the appeal of the county as a place to live, work and invest."

THE CURRENT SITUATION

Across the County the Cultural industries form a fundamental component of the visitor offer, with several internationally recognised heritage institutions alongside a number of cutting-edge contemporary arts organisations operating in an international market. Statistics on the exact value of the sector are not available but they make a significant contribution to the £1.2 billion GVA per annum derived from the tourism economy. There are also over 500 Digital and Media companies within the county, which have experienced around 7% growth per annum in the past 10 years.

Barrow
Tourism-related cultural venues are sparse within the peninsula, the notable exception being the Dock Museum within the town. The strength of the areas lies in the Digital industries, with some notable organisations such as Shoreline Films, and a disparate but still considerable number of small and micro businesses operating in broader commercial markets.

Copeland and Allerdale
The diverse natural environment of the area is mirrored in the range of cultural industries, with the offer ranging from Theatre by the Lake in Keswick to the Senhouse Roman museum in Maryport and the Haig Mining Museum in Whitehaven, all of which are lynchpins in their local tourism economies. The area also excels in the delivery of festivals notable examples being the Whitehaven Maritme and Maryport Blues events. The breadth of the Digital and Cultural industries is a relative unknown here, but certainly the commercial opportunities presented by the presence of Sellafied are not fully exploited by Cumbrian companies.

Carlisle
Aside from Hadrian's wall, which runs the length of the District, the key cultural institutions are centred within the city itself, including the Tullie House Museum and the historic quarter of the town which includes the Cathedral, city walls and citadel. Whether these attractions maximise their impact on the local economy is questionable. The City also hosts the largest number of digital businesses in the county, although not clustered in any particular sense.

Eden & South Lakeland
Again have a varied offer, with key organisations including LanternHouse in Ulverston, The Wordsworth Trust in Grasmere and the Brewery Arts Centre in Kendal, all operating in different markets but extremely successful in their own right. The area also has a strong tradition of event delivery, notably Kendal Mountain Film Festival. Digital Industries are largely scattered, the only identifiable cluster being centred on Kendal.

SUMMARY OF KEY ACTIONS

1. **Develop effective collaboration within the Cultural Sector,** strengthening the position of Culture Cumbria by integrating all relevant stakeholders into the organisation and establishing dedicated resources for the partnership.
2. **Deliver the Cumbria Cultural Economic Strategy** through a programme of financial and capacity building support for key, economically-focused cultural projects.
3. **Develop a culture of entrepreneurship** within Cultural organisations and increase their capacity to respond to market changes, including instigating research into

changing funding mechanisms, developing cultural skills, business management and leadership, and establishing a creative consortium venture to enable access to commercial markets outside the sector.

4. **Deliver radical increases in benefits from the visitor economy** related to cultural projects in the county, Integrating cultural projects and expertise into regeneration activity, and developing collaborative activities between visitor venues
5. **Support and develop a focused portfolio of key events and festivals**, building on existing major events and stimulating growth in newer ventures. Develop event management capacity to successfully deliver these.
6. **Using the cultural assets of the county to enhance it's appeal, delivering the Cultural Tourism Marketing Project, integrating the 'Cultural Brand'** into wider branding proposals and **involving creative professionals throughout the design and development of regeneration and public realm projects.**
7. **Develop the capacity and scope of the Digital business base,** establishing a 'Digital and creative consortium', enhancing sector-specific business support, up-skilling the workforce particularly in cutting-edge ICT skills, and provision of selective investment grants.
8. **Establish Cumbria as a key player within the North West sector**, through delivery of high-profile, prestigious and visible Digital and Creative Enterprise Centres, with a hub in Carlisle and spoke sites in Kendal, Barrow, and Whitehaven / Workington, with strong linkages to the Mediacity development in Salford.
9. **Deliver a series of Iconic projects that identify Cumbria as an internationally-recognised destination.**
10. **Bring inward media investment into the county,** through ongoing development of the Cumbria Film Office.

INDICATIVE OUTPUTS

1. 90% of sector organisations participating in Culture Cumbria.
2. Visitor participation in Cultural activities increased from approximately 60% to 80%.
3. GVA growth of 7% year-on-year, matching regional averages.
4. Increase in Digital / media sector employment from approximately 10,000 full time equivalents (FTE) to 15,500, 6% year-on-year growth.

THE GOALS – What Cumbria will look like in 10-20 years time

The Cultural and creative sectors will collaborate effectively, with 90% of sector organisations participating in Culture Cumbria (up from current estimates of 40%), and with 2 firmly established consortium groups that compete effectively in commercial markets.

Growth and consolidation in the Cultural Sector will bring significant increases in Tourism GVA. Visitor spending across the Tourism sector increased by 15% above scheduled growth targets, with visitor participation in Cultural activities increased from approximately 60%% to 80%.

The cultural offer in the county is effectively marketed plays a key role in attracting highly-skilled people and investors to live, work and do business in the county, with international recognition of both our traditional heritage assets, and also for contemporary, innovative creative organisations. The county is also recognised as a key location for inward investment, and as a choice location for television and film production.

Clustered around a number of world-class, high-technology Media Enterprise Centres, the digital and media industries will experience sustained growth, bringing GVA benefits to the county; With consistent GVA growth of 7%, matching regional averages and increase in employment from approximately 10,000 to 15,500, 6% year-on-year growth.

This strategy is linked and therefore must be understood in conjunction with; Tourism, Education & Skills, Outdoor Sport Recreation and Education, Enterprise & Business and Rural.

2. THE GOALS – What Cumbria will look like in 10 years time?

a) Cumbria's Cultural and Heritage institutions are strong, sustainable, have the capacity to adapt to change and thrive in a climate of reducing grant availability
b) The Cultural and creative sectors collaborate effectively, for both their own benefit and the benefit of the economy.
c) Cumbria is effectively marketed and internationally recognised as a leading centre for both traditional and contemporary culture and creativity
d) The strong Cultural assets of the county are a key factor in drawing in higher-spending visitors, resulting in significant and sustained GVA gains.
e) The cultural offer in the county plays a key role in attracting highly-skilled people and investors to live, work and do business in the county.
f) 'MediaCumbria' – the county is recognised as a key player in the North-West, with a cluster of centres of media excellence in key settlements.
g) Heritage and environmental sustainability at placed the heart of transformational activity.

3. OVERVIEW

3.1 Introduction

Alongside its enviable natural assets, Cumbria also has a wealth of cultural assets, ranging from the ancient (e.g. Hadrians Wall), to the historic (e.g. Wordsworth, Beatrix Potter) through to the very contemporary (e.g. Lanternhouse, organisers of the opening ceremony at the Beijing Olympics). These assets are a significant contributor to the Cumbrian economy, not only through their positive impact on the £1.2 billion Gross-Value-Added that tourism brings to the county each year, but also from a significant business base in non-tourism related creative industries that generate significant exports from the county. What should also not be forgotten is the crucial role of the cultural sector in making Cumbria an appealing place to live, work and invest. Despite this strong asset base, there are many issues that threaten the ongoing vibrancy of Culture in the county – traditionally the sector is highly reliant on public sector funding for survival, and particularly when seeking growth or developing new activities. With the overall reduction in regeneration funding to the region, and a general decline in arts and cultural funding due to the 2012 Olympics, the sector needs to be supported, and given the resources to develop business capacity and survive in this changing environment.

The Digital / media sector differs from the Cultural sector in that the majority of the 500+ businesses in the county are not reliant on tourism. The sector as a whole has experienced rapid growth (7% per annum) over the past decade, and the trend is set to continue, with the future of the North West looking particularly bright with the massive potential of the Mediacity development in Salford. The key to assisting the sector in Cumbria to benefit from these trends is to develop collaboration, raise skills and capacity across the business base, and deliver high-profile, visible locations from which to sell the Cumbrian digital sector.

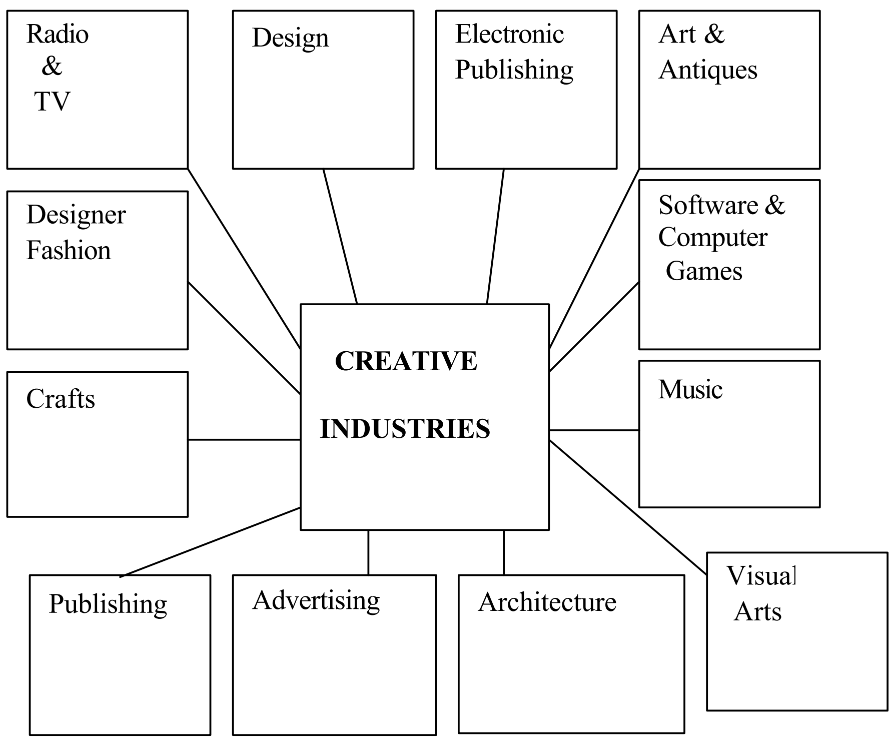
3.2 Defining the sector

The Digital, Cultural and Creative sector can broadly be divided into 2 categories, although both share common characteristics, not least their high levels of innovation and creative thinking, and the line between the sectors is seldom clear. For the purposes of this strategy however, the industries are distinguished by the nature of their economic impact; The 'Cultural' industries, which are a fundamental constituent of the tourism offer of the county, and derive a large proportion of their income from the visitor economy, and the Digital / creative industries, included here because of the growth potential within the business base.

The Cultural industries within Cumbria are too broad and varied to define here, but they range from internationally recognised organisations that play on the history and traditions of the county – The Wordsworth Trust and the Beatrix Potter foundation for example, to cutting-edge contemporary institutions such as Lantern House in Ulverston, or Grizedale Arts, based high in Grizedale Forest above Coniston Water.

The breadth of the digital and creative industries can best be illustrated in Figure 1 below.

Figure 1: Creative industry sectors



3.3 UK Context

The creative industries sector is a growth area for the UK both in terms of contribution to GVA and up until recently in the numbers employed. In 2003, the creative industries accounted for 8% of national GVA and they grew by an average of 6% p.a. between 1997 and 2003 (which compares to an average of 3% for the whole economy over this period). The sectors which grew the fastest were Software (11% p.a.); Art and Antiques (9% p.a.); and Radio and TV (8% p.a.). The only industry to see a lower contribution to GVA in 2003 than in 1997 was Design.

In 2004, it was estimated that there were around 113,000 companies in the Creative Industries sector with nearly three quarters of these companies being accounted for by two sectors: Software and Electronic Publishing (49,000 enterprises) and Music and the Visual and Performing Arts (30,000 enterprises). The total number of businesses has however declined since 2003 as has employment in 2004. The total number of people employed in Creative occupations was estimated at 1,825,000 in 2004. This included just over 1 million jobs in companies in the Creative Industries and just under 0.8 million jobs within companies outside the Creative Industries, for example, graphic designers who might work in a large company whose main activity is classified as manufacturing.

Total Creative employment increased from 1.5 million in 1997 to 1.8 million in 2004, an annual increase of 3% which compares to an increase in total employment for the whole economy of 1% p.a. The Software, Computer Games and Electronic Publishing sector employs by far the most people, 593,900 in 2004 and this sector has seen the greatest growth rate in employment, 8% over 1997-2004. There were however, two of the Creative Industries in which employment declined over the period 1995-2004, namely, the Crafts and Publishing industries. It is reported that "in the UK, KPMG predicts 46% employment growth and 136% output growth in the Creative Industries between 1995 and 2015".

In addition to these industry sectors, Cultural and Heritage organisations make a further contribution, particularly towards the visitor economy. Statistically defining the economic benefits of these organisations proves difficult, however they certainly make a very significant contribution to the overall tourism economy of the UK, which in 2005 was estimated at £85 billion, or 3.5% of the overall economy.

In November 2005, the Government launched the Creative Economy Programme "which aims to create the best framework to support the innovation, growth and productivity of the Creative Industries," in recognition of the fact that they are playing an increasingly important role in the British economy and will also require strategic assistance if they are to remain world leaders in their fields. The Programme focuses on the following key themes:

- Skills and education – to better foster creative thinking in our schools, and ensure that Creative Industries have the skills that they need. It is thought that a schools system and university sector must nurture the creative and entrepreneurial talent of all our young people.
- Competition and Intellectual Property – establish a world-class competitive business environment. Ensure that intellectual property is protected.
- Technology – seizing the opportunities created by the internet and digitalisation.
- Business support and access to finance – helping to nurture new businesses and then help them to thrive.
- Diversity – minimise barriers for innovative creators.
- Infrastructure – nurture and harness the unique make-up of the Creative Industries.
- Evidence – establish the importance of the Creative Industries to the economy.

3.4 North-West Context

The vision for Digital and Creative Industries in the Northwest is of an internationally competitive cluster of businesses built on innovation and creative talent, with mediacity:uk at its centre.

Over the last two decades, the pace of economic, physical and social regeneration of the Northwest has been set by Digital and Creative Industries. Manchester, the largest creative hub city outside London, is now recognised as one of the world's top ten creative cities.

Currently, as a whole the Cultural and creative sector as a whole contributes £15bn to the region's economy; Gross Value Added (GVA) for the cultural sector as a whole has been estimated to be 12% of the regional GVA and the sector employs 12% of the region's workforce. Average household expenditure on culture and recreational activities is 15% which is higher than UK average expenditure. Culture is a critical component of the continued economic and social renaissance of the North West region. A critical mass and excellence in culture are essential prerequisites for a competitive region. There are over 90 iconic buildings, facilities and attractions across the region building the profile of the region and supporting its distinctive image. Over £540m of direct capital investment has occurred in cultural facilities across the region;

The North West has a unique heritage of cultural led regeneration which has resulted in world class public realm, cultural attractions and facilities, and the transformation of many areas across the region. Combined with infrastructure developments, culture transforms local economies, attracting jobs and leveraging substantial investment. Further and higher educational institutions provide a supportive environment to foster creativity and innovation; Higher Education Institutions provide additional cultural provision, and attract over 200,000 students to the region annually who act as supporters and innovators of culture.

'Creative' Industries Sector

- GVA for the Creative Industries sector as whole is estimated to be 4.5%
- 149,000 are employed within the sector – 99,000 directly employed with a further 50,000 self-employed.
- The Number of businesses is estimated to be 18,000.
- Employment grew between 1995 and 2002 by 34,000 – 29% growth.
- Employment is expected to further grow by 18% over the next 8 years creating 27,000 additional jobs.
- Creative Industries play a vital role in the development of a highly skilled, knowledge based economy. The Creative Industries are highly entrepreneurial and encourage innovation and risk taking, key to revitalising the region's economy. Substantial levels of investment from Local Authorities as well as Arts Council England supports a wide range of artistic activities – over £61.5m in 2003 -2004 was invested in the region by local authorities, Arts Council and external funders.

Event and Festivals

- Festivals have a significant impact on the economic vitality of their local areas.
- Numbers employed in the sector: 14,825.
- Number of businesses in the sector: 1,883.
- The Arts sector is an integral part of the wider Creative Industries sector and encourages risk taking and innovation.

- Improving the public realm and environment through arts is a key component of physical regeneration.
- Attendance and participation in arts activities across the region is higher than other Northern regions - 79% of adults have attended an arts event whilst 86% participated in an arts activity.

Museums, Libraries and Galleries

- There are over a 160 museums and galleries in the region.
- Visitor numbers to North West registered museums has increased by over 30% since 1995.
- The sector is a significant employer and has seen substantial growth in recent years – over 12,000 people work in the sector across the region.
- Over £450m has been invested in the sector.
- Museums, libraries and archives directly benefit the region's economic and social renaissance; attracting visitors and increasing the cultural offer as well as providing opportunities to access learning and training for local communities.

Heritage and the Environment

- Levels of Investment over the last ten years has been over £545m.
- Numbers employed: 9,629.
- Number of businesses: 1,027.
- Heritage and the Historic Environment are integral components of the visitor offer.
- Contribution to the creation of a distinctive identity and high quality environment adding value to the regeneration of towns and cities.
- Employment is substantially higher when volunteers are included.
- Cultural attractions, whether they are iconic buildings, museums, art galleries, stately homes, leisure attractions or the fantastic natural heritage, such as the Lake District, Tate Liverpool, Blackpool Pleasure Beach or the historic cities of Chester and Lancaster, are the key to attracting visitors to the region.

With government policy seeking to identify the UK as the world's 'creative hub' (DCMS, 2006), the BBC's decision in June 2007 to move five major departments (including Children's; Future Media and Technology, Learning, Sport and Radio Five Live) to the Northwest as the anchor tenant of mediacity:uk in Salford Quays was the starting pistol for the development of a wholly new environment for convergent media in the UK. The BBC recognises that mediacity:uk offers the unique combination of a dedicated world class location for content and technological innovation within an established Digital and Creative cluster. Where it has led, others will follow. Inward investment by media and technology companies with the scale and infrastructure to move quickly into new markets will create opportunities for fast-moving and innovative SMEs equipped with the talent, technology and capital to exploit their ideas to maximum players' will strengthen the supply chain, provide Northwest businesses with access to emerging technologies, attract new investors and encourage more of the regions' thousands of graduates to stay to participate in collaborative forms of open innovation, research and development.

3.5 Cumbrian Context

In 2006, Culture Cumbria published a report into the current state of cultural and creative industries - 'A Cultural Assets investment strategy for Cumbria. The report mapped the existing sectoral organisations within the county. Figure 2 shows the locations of these businesses by geography, number and specialism.

Table 1: Scale of the cultural and creative industries 2006

Industry	Great Britain	North West	Cumbria	Allerdale	Barrow-in-Furness	Carlisle	Copeland	Eden	South Lakeland
Printing and publishing	312,902	25,290	1,149	147	190	368	125	85	236
Computing	495,599	44,485	1,582	345	313	104	560	54	211
Architecture	314,590	33,163	1,932	177	446	439	455	136	279
Advertising	79,363	7,149	55	2	2	18	0	8	26
Photography	27,519	2,163	66	13	5	12	9	6	21
Fashion, interior and graphic design	348,328	33,266	1,183	155	100	269	94	157	407
Film, TV & Radio	111,417	5,961	363	49	24	126	4	80	78
Other recreation	96,416	8,700	535	106	33	77	24	66	231
News	11,667	308	17	0	0	1	4	0	12
Library, museum and heritage	91,558	8,920	990	123	91	172	113	71	421
TOTAL	**1,889,359**	**169,405**	**7,872**	**1,117**	**1,204**	**1,586**	**1,388**	**663**	**1,922**

Source: Annual Business Inquiry 2006: Office for National Statistics

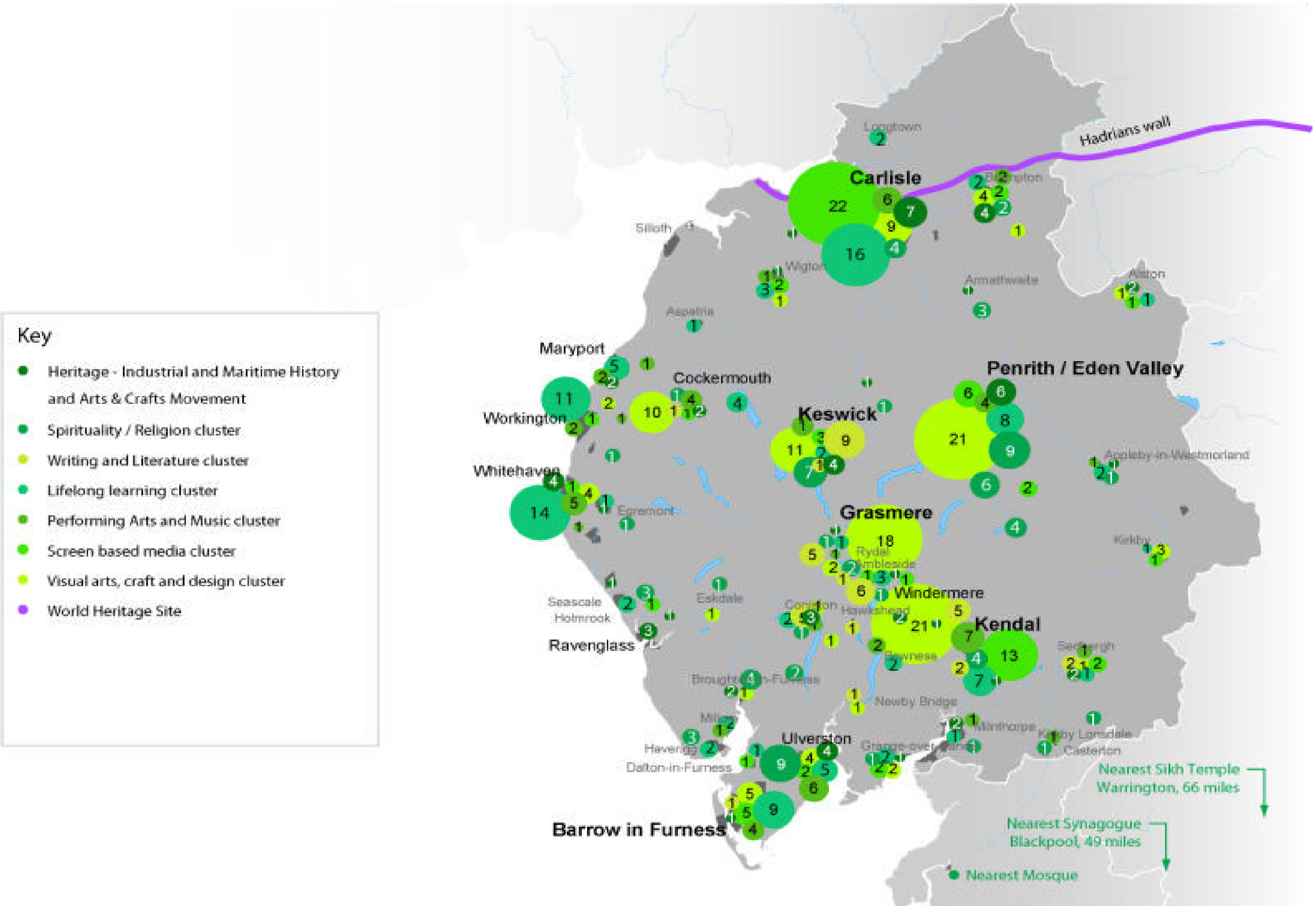
It is recognised by policymakers that the demand for the products and services of this sector needs to be expanded by looking at potential customers in other parts of the UK and indeed the world. This is now *technically* possible due to advances in ICT- many services can now be provided to customers across the globe from offices or homes in Cumbria. However, this may not be possible for some types of activities, particularly those that rely on face-to-face contact on a daily basis which suggests that some differentiation is required as a basis for targeting types of activities. It is widely recognised that creative industries thrive on the basis of new and existing entrepreneurs. Given the present scale of the sector in the County, GVA is unlikely to increase substantially in creative industries in Cumbria without in-migration of additional entrepreneurs

Table 2: Number of Businesses in the Cumbrian Creative Industries, 2005

Advertising	32
Architecture	117
Art & antiques trade	34
Visual Arts & Crafts	92
Designer fashion	93
Video, film & photography	42
Music	38
Publishing	56
Software, Computer games & electronic publishing	175
Performing Arts	38
Design	96
Total	813

Source: Creative Cumbria (2005), page 60

Figure 2: Distribution of cultural and creative sector businesses in Cumbria



Key creative industries in terms of number of business units are Software, Computer Games and Electronic Publishing industry; Architecture; and Design. Creative Industries account for roughly 2.3% of all employment in Cumbria. According to the Regional Intelligence Unit report (2003), 37% of all workers in the Creative Industries in Cumbria are in self-employment with particular high numbers in the Music, Performing Arts, and Designer Fashion sectors. 63% of those working in the sector are full-time. Employment in individual industries in Cumbria is given in Table 3.

Table 3: Employment in the Creative Industries in Cumbria

Sub-Sector	Total employment	% of cultural * industries employment	% of employ-ment in all sectors
Advertising	107	0.3	0.0
Architecture	973	2.8	0.4
Arts & Antiques	147	0.4	0.1
Design	835	2.4	0.4
Designer Fashion	134	0.4	0.1
Music	622	1.8	0.3
Media (Film, video, radio & TV)	491	1.4	0.2
Visual arts & crafts	588	1.7	0.3
Performing arts	360	1.1	0.2
Publishing (including literature)	906	2.6	0.4
Digital content	644	1.9	0.3
Other (e.g. support services)	1,563	4.6	0.7

Development of some of the Creative Industries is going to be limited whilst others offer great potential for contributing to the growth of the Cumbrian economy. Some activities may have limited growth potential, particularly where they depend on the size of the local population as in the Publishing and Advertising industries. For example, readership numbers in Carlisle for the daily newspaper The News and Star were 26,025 in the period Jan.–June 2005 and for the weekly The Cumberland News, 38,271.

The architectural industry, however, is one where there are growth prospects within Cumbria as well as potential to access markets elsewhere. In the short term, there are possible local contracts associated with the Carlisle Renaissance project planned for 2006-16, reportedly costing over £180 million and bringing an estimated 1,600 jobs to the economy. Proposals to regenerate Workington through the development of a marina, shops, a hotel and restaurants in a £150 million project have been announced as well as plans for Maryport's harbour area will see a facelift. These are all large scale projects that could have significant multiplier effects for the local economy if local businesses are successful in securing contracts. This, however, may test the capacity of local firms who may need to enter partnerships with firms outside Cumbria in order to fulfil the entire requirements of contracts.

The Crafts industry in Cumbria consists of many life-style businesses and some relatively low GVA products. With better marketing by these businesses on a regional, national and international level, there is potential for growth in this sector. Demand for unique giftware and paintings of Cumbrian landscapes could be increased by internet marketing and business managers travelling to present their wares in exhibitions and trade fairs throughout the country. However, for life-style crafts businesses, growth can be limited by how much work the individual is physically able to do. Growth for the sector will therefore only then come from clustering, that is the ability of the County to attract additional craftspeople from elsewhere.

In December 2005, the creative industries in Cumbria achieved a further landmark in establishing a Film Office with the objective of promoting film production in the County. As part of this promotion, the project involves creating a database of Cumbria based crew and facilities and developing “a location portfolio to entice production companies into the area” and to “encourage creative clusters in order to support and facilitate film and television productions.” The Film Office’s target was to create an additional spend in the Cumbrian economy of £1 million in 2007/08.

In economic terms, it is possible to separate the digital, cultural and creative sector into two distinct categories; Cultural and creative industries that contribute to, and to an extent rely on, the visitor economy, and Digital / creative businesses that are situated within the county but operate primarily in markets outside the visitor economy, both inside and beyond the county boundaries. In terms of potential growth and delivery of economic impact, this latter category consists primarily of businesses in the digital and media industries.

Whilst these categories are treated as distinct entities in the following strategy, it should be noted that there are fundamental linkages between the two, and also into other economic sectors – ICT, Tourism, the Rural Economy and also in the quality of life agenda. Thus the two areas should be considered as complimentary to one another, rather than completely discrete.

Cultural and creative organisations in the visitor economy

Tourism is Cumbria’s largest industry. Visitor expenditure supports over 36,000 people (21,322 FTE’s) and contributes significantly to the county’s broader social, economic and environmental strategic objectives, in particular tourism activities continue to

In 2006 tourism contributed £1.1 billion to the Cumbrian economy accounting 18% of the County’s spending (GDP). The value of tourism has grown by 32% since 1992 (£812m) and is forecast to grow to £1.6 billion in real terms by 2012.

Within the county, there are a vast range of Cultural organisations that contribute to this income, ranging from unique, internationally recognised institutions such as the Wordsworth Trust, through to micro-businesses operating in particular craft specialisms. This diversity of activity ensures that calculating the exact proportion of visitor spend generated as a result of culture is difficult.

Digital and Creative industries

There are a significant number of digital and creative companies within the county, they are thinly distributed, and predominantly micro or small enterprises, or individual freelancers who subcontract to other organisations on an ad-hoc basis. Historically the sector operates very much on a cluster approach, and hence the major concentrations of industry tend to be in urban areas, where sufficient critical mass exists. More recently, the advent of ICT and a policy of decentralisation have been the primary reasons for digital and media companies choosing to relocate to the regions, but the geographical remoteness of Cumbria, and the lack of easy access to large urban areas has resulted in the limited number of indigenous Cumbrian companies. Where businesses exist, their reasons for locating in Cumbria are cited as pre-existing local connections; the quality of life in the area; and in a few cases, a business portfolio that focuses on Cumbria itself.

Despite this lack of critical mass, there is recognition that the greatest potential for GVA growth in the creative industries will be in the high-tech, high value-added, knowledge-intensive areas of Video, Film and Photography; Radio and TV; Software and Computer Games; and Electronic Publishing. These areas are not necessarily dependant on particular location but they are centred around human knowledge and skills in tandem with the use of computers. IT specialists have unbounded opportunities to gain business in web hosting for small local businesses in the crafts and tourism sector in Cumbria. Programme software can also be sold through e-business. Cumbria will be the first region in the UK to move from analogue to digital TV, opening up the possibilities of interactive programmes and thereby providing great opportunities for other sectors in IT.

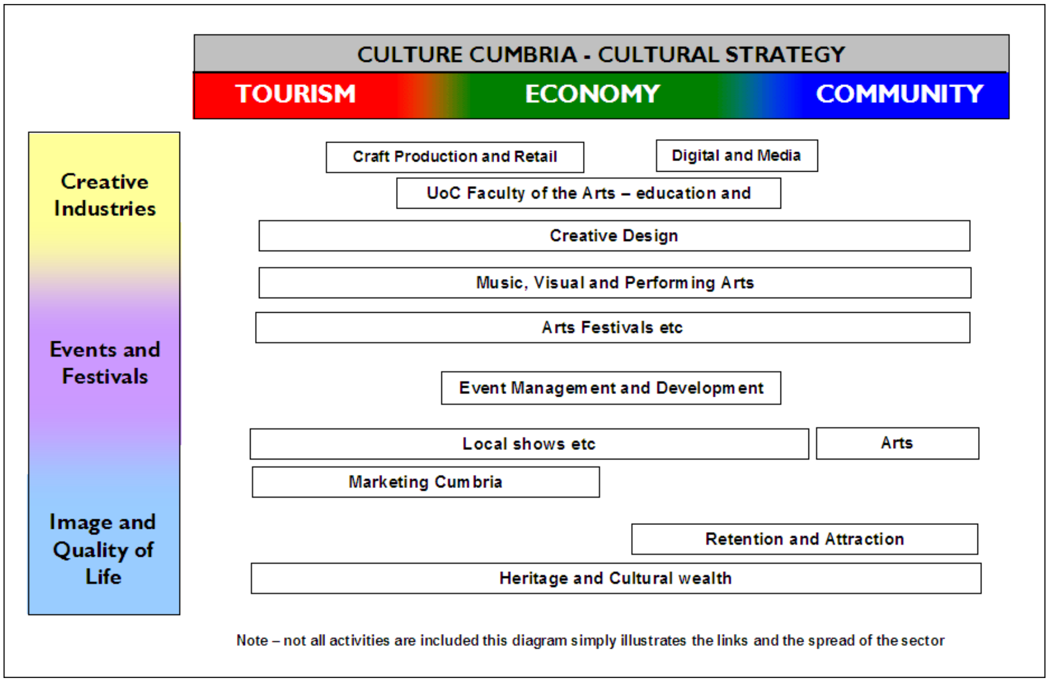
3.6 Cumbria's Challenges

- The Cultural Sector has traditionally been highly reliant upon public sector funding (both from sources dedicated to culture, such as the Arts Council for England, and more 'general' funding such as Regional Development Agencies) However the sector is now facing drastic reductions in the availability of this funding, as a result of reducing regeneration budgets, and changing priorities at a government level, the primary example being the 2012 Olympic Games.
- The seasonal nature of tourism and fluctuations in visitor numbers and spend.
- The sector is characterised be a lack of joint working and strategic direction behind investment, with frequent duplication of activity and funding being distributed on an ad-hoc basis.
- Perceptions and realities of remoteness, particularly relating to the Media sector, which has traditionally thrives around 'clusters'.
- The current speculation over the future over the future of Border TV (which with the exception Cumbria Newspapers Group is the last remaining major media company in Cumbria), poses a significant risk.

3.7 Progress so far

Over the past decade, there have been a considerable number of substantial, high-profile cultural projects within the county that have made significant impact in raising the game of the county; examples include the Jerwood Centre at the Wordsworth Trust in Grasmere, the Brewery Arts Centre in Kendal and the Tullie House Museum Carlisle. In addition the county delivers over 60 cultural festivals and events per year, and in the digital / media sector there have been notable successes such as the production of a number of films by Shoreline Films in Barrow.

But whilst these developments are all outstanding in their own right, they stand in isolation, and as such do not maximise their potential to benefit the Cumbrian economy. Key to success in the future lies in strong, and consistent, collaboration within the sector. Culture Cumbria, the umbrella group that co-ordinates the cultural industries within the county, has recently gone from strength to strength, with a membership now approaching 200. The organisation is currently preparing a strategy to take the sector forward. Successful implementation of this strategy – as opposed to intervention on an individual project level – is key to the ongoing health of the sector within Cumbria.



In addition, the other key opportunity is the University of Cumbria, which has an established Arts faculty that has evolved from the former Cumbria Insititute of the Arts. Ongoing development of the Faculty will ensure a steady supply of new talent into the sector.

3.8 Related Strategic Action Plans

Within the Cumbria Economic Plan, the following Strategic Action Plans have extensive cross-cutting links with the outdoor sector:

- Action Plan No 3:Tourism
- Action Plan No 7: Education and Skills
- Action Plan No 10: Rural and Agriculture

4. ACTIONS AND IMPACTS BY CROSS-CUTTING THEME

4.1 Education and Skills

Skills provision within the of tourism and (visitor-focused) cultural industries focus in two broad areas; Practical service-industry / customer service skills (for example Catering qualifications), and higher-level business and financial management skills, to improve productivity and business performance.

In addition the industries are becoming increasingly reliant on immigrant labour. Although in the main this labour supply is adequately qualified, adequate provision of English for Speakers of Other Languages (ESOL) and basic literacy / numeracy courses are essential to maximise the impact of this workforce.

The development of the University of Cumbria offers an unrivalled opportunity to deliver the right skills provision to meet the needs of these businesses, through it's established Faculty of the Arts.

4.2 Connectivity

In terms of transport infrastructure, there are no issues which have a particular impact on the Digital, Cultural and Creative industries, with the exception of congestion and poor road / transport infrastructure affecting visitor access to cultural attractions (particularly in the core areas of the Lake District). The key impact of connectivity on the sector is the close relationship with ICT infrastructure, particularly in the Digital industries. Cumbria has been the beneficiary of significant public sector investment in the infrastructure to support Broadband via the Northwest Regional Development Agency funded Project Access and currently Cumbria has 98.7% broadband access. Only a few remote rural valleys still do not have broadband access, However further investment is required to maintain the county's position in the global knowledge economy. The key areas for investment are:

- Ubiquitous access to Next Generation Broadband. There is an increasing appetite for greater band with to support a multiplicity of applications.
- Delivery of skills to business to enable them to compete in a global market, web design, e-commerce and management.
- The implementation of high speed wireless networks in key service centres and tourism destinations to drive economic gain

For further information see Strategy Action Plan 11 – Connectivity.

5. ACTIONS AND IMPACT BY LOCATION

5.1 Barrow

Tourism-related cultural venues are sparse within the peninsula, the notable exception being the Dock Museum within the town, but there is potential for The strength of the areas lies in the Digital industries, with some notable organisations such as Shoreline Films, and a disparate but still considerable number of small and micro businesses operating in broader commercial markets. Key priorities include:

- Developing the cultural tourism offer within the town, alongside the infrastructure to support tourism industries and make the town appealing as a place to visit.
- Development of a Media Enterprise Centre to act as a focal point for the collaborative development of the digital and media sector in Furness.

5.2 Copeland and Allerdale

The diverse natural environment of the area is mirrored in the range of cultural industries, with the offer ranging from Theatre by the Lake in Keswick to the Senhouse Roman museum in Maryport and the Haig Mining Museum in Whitehaven, all of which are lynchpins in their local tourism economies. The area also excels in the delivery of festivals notable examples being the Whitehaven Maritme and Maryport Blues events. The breadth of the Digital and Cultural industries is a relative unknown here.

- Developing the cultural tourism offer outside the core Lakes area, alongside the infrastructure to support tourism industries and make the area appealing as a place to visit.
- Development of a Media Enterprise Centre (Possibly in Workington or Whitehaven) to act as a focal point for the collaborative development of the digital and media sector and develop linkages with knowledge-based companies in other sectors.

5.3 Carlisle

Aside from Hadrian's wall, which runs the length of the District, the key cultural institutions are centred within the city itself, including the Tullie House Museum and the historic quarter of the town which includes the Cathedral, city walls and citadel. Whether these attractions maximise their impact on the local economy is questionable. The City also hosts the largest number of digital businesses in the county, although not clustered in any particular sense.

- Development of the primary Cumbrian Media Enterprise Centre to act as a focal point for the collaborative development of the digital and media sector and develop linkages with knowledge-based companies in other sectors.
- Strengthening linkages between the University of Cumbria and the digital and creative sectors.
- Maximising the opportunities for integrating cultural development into the wider Carlisle Renaissance programme, particularly within the 'Historic quarter' development.

5.4 Eden & South Lakeland

Again have a varied offer, with key organisations including Lantern House in Ulverston, The Wordsworth Trust in Grasmere and the Brewery Arts Centre in Kendal, all operating in different markets but extremely successful in their own right. The area also has a strong tradition of event delivery, notably Kendal Mountain Film Festival. Digital Industries are largely scattered, the only identifiable cluster being centred on Kendal.

- Ongoing development of the Cultural tourism offer both in, and out, of the National Park Area.
- Development of Kendal as a focal point for the creative industries, including the development of a Media Enterprise Centre, tying development in to existing key organisations and the University of Cumbria.

6. STRATEGY

DCC 1 Developing effective collaboration and co-operation between organisations and agencies within the Sector

Key Objective – All support and investment in the cultural sector is directed towards strategic, economic goals which are developed through a consensus approach with stakeholders, and all activity is delivered with a minimum of duplication.

Key actions –

a) **Continue to strengthen the position of Culture Cumbria** as the focal point for strategic development and delivery in the cultural sector.
b) **Fully integrate all relevant stakeholders into Culture Cumbria** including local authorities and representatives from all cultural sectors
c) **Establish dedicated personnel and financial resources** to drive forward Culture Cumbria's development.
d) Develop and deliver the **Cumbria Cultural Economic Strategy**
e) **Develop delivery mechanisms for cultural sector projects,** in line with the county-wide review of delivery arrangements.

Key indicators –

- Increased membership of Culture Cumbria (to 50% of known cultural sector organisations).

DCC 2 Fostering a culture of enterprise within Cultural organisations

Key Objective – Developing business capacity, productivity and enterprise skills, to encourage sustainability and enabling the sector to react to market changes and respond to a climate of reducing availability of grant funding.

Key actions –

a) Implement an ongoing **programme of research into changing Cultural funding mechanisms** to pre-empt and successfully adapt to these changes.
b) **Review current cultural / creative sector skills provision** within the county and implement positive changes where required
c) **Develop a programme of skills delivery with key cultural sector organisations –** focusing on business and financial management, marketing, product development, leadership and change management.
d) **Programme of capital and revenue support –** for targeted organisations and projects only, where potential for growth and sustainability can be generated.
e) **Develop event management capacity** within the county.

Key indicators –

- Percentage of overall Cultural sector income derived from public sector
- Level 3, 4 qualifications among cultural sector workforce.
- Increase in sector GVA
- Number of cultural sector companies engaging commercially in other sectors.

DCC 3 Deliver radical increases in benefits from the visitor economy related to cultural projects in the county

Key Objective – to maximise the benefits of the cultural and creative sector to the tourism economy.

Key actions –

a) **Integrate cultural projects and expertise into key developments** such as the Barrow and West-Coast marinas, Carlisle Renaissance and the Kendal Regeneration Action Plan.
b) **Develop collaboration between venues and organisations** to deliver multi-venue activities with enhanced visitor appeal. .

c) **Deliver a co-ordinated marketing and branding campaign highlighting the cultural attractions** of the county, building upon the existing Cultural Marketing project.
d) **Focus investment on attractions with the capacity to significantly enhance visitor spend,** particularly outside the core tourism areas.
e) **Support and develop a focused portfolio of key events and festivals**, develop strategically with stakeholders, with priorities based on their impact on the local economy, and prospects for growth and sustainability.

Key indicators –

- £ GVA generated from tourism spend.
- £ GVA generated at cultural attractions.

DCC 4 Utilise the cultural assets of the county to enhance its appeal as a place to live, work and visit

Key Objective – Developing an international profile of the county for something other than the Lakeland Fells.

Key actions –

a) **Successfully integrate the 'Cultural Brand'** of the county into the wider branding and marketing proposals for the county and region.
b) **Support organisations operating in national and international cultural markets** to integrate awareness-raising of Cumbria into their operations
c) **Involve creative professionals throughout the design and development of regeneration and public realm projects –** To ensure the highest possible quality of physical environment.

Key indicators –

- Increased visitor spend in Cumbria.
- £ Press and PR equivalent coverage.

DCC 5 Developing the capacity and scope of the Digital and Creative business base in Cumbria

Key Objective – To triple the GVA contribution of the Digital and Creative Sector in Cumbria by 2020

Key actions –

a) **Defining the sector –** Through a comprehensive review of the sector's business base, capacity and issues, focusing on the large base of freelancers and creative professionals embedded in other industries.
b) **Radically improving sector business performance** through enhanced business advice and support, capitalising upon the Business Link service as an existing well-resourced and effectively-funded route to market for support initiatives and services.
c) **Up-skilling the workforce through targeted skills and training provision**, particularly in the use of the latest software and ICT packages, including investigating possible partnership arrangements with software providers.
d) **Provision of selective investment grants** to facilitate expansion of indigenous businesses and attract potential inward investors.
e) Work with the University of Cumbria to **retain talented graduates within the Digital and Creative sectors** and enable such talent to be integrated within the workplace.

f) **Provide access to new markets** – by establishing a 'Digital and creative consortium' amongst sector businesses to provide access to larger contracts that are currently beyond the capacity of most Cumbrian Businesses, and deliver '**Cumbria first'** – A programme to encourage Cumbrian companies to prioritise Cumbrian creative industries in their procurement procedures.

g) **Branding and marketing** the Cumbrian Digital and Creative industries at national and international levels, in line with 'Team North West' and the combined Cumbrian branding initiative.

h) **Explore opportunities for development of digital / creative apprenticeships.**

i) **Stimulate inward investment** from external media companies through the continuing work of the Cumbria Film Office, and the establishment of a permanent Cumbrian presence at MediaCity in Salford.

Key indicators -

- No of new sector businesses
- Growth in sector GVA
- Number of inward relocations
- Employment in sector

DCC 6 Establish Cumbria as the key player within the North West sector, under the banner 'MediaCumbria'

Key Objective – Develop a network of sub-regional 'Media Enterprise Centres' to complement the 'MediaCity' developments in Salford.

a) **In Carlisle, deliver a high-profile, prestigious and visible 'Media Enterprise Centre'** identified as a centre of excellence and figurehead for the sector in the county, providing a base and point of contact for the Cumbrian Digital Consortium

b) At sites in Kendal , Barrow, and Whitehaven / Workington, **deliver complimentary Media Enterprise Centres as 'spokes' to the Carlisle 'hub'**

c) **Both Hub and spoke sites will offer** the following - Incubator / workspace tailored to the needs of the Digital and Creative industries; Access to business support; Provision of relevant and effective training provision, particularly through strong linkages with the University of Cumbria; Access to cutting-edge digital and ICT facilities and close linkages to local regeneration programmes. These sites will be developed based on local opportunity, rather than availability of external funding.

Key indicators -

- No of new businesses in the sector.
- Growth in sector GVA.
- Growth in sector employment.
- Number of inward relocations.

DCC 7 Deliver a series of Iconic projects that identify Cumbria as an internationally-recognised destination

Key Objective – Develop a series of flagship strategic projects, both physical and conceptual, that deliver transformational change, gain international recognition and provide focus points for creative business clusters and business and skills development.

Key actions –
See section 6 for list of potential projects.

Key indicators -

- Number of iconic projects delivered.

7. DELIVERING THE STRATEGY – ACTION PLAN

7.1 The following Action Plan is a comprehensive list of all identified programmes, projects and activities that have the potential to make a positive contribution towards achieving the vision for Digital, Cultural and Creative industries in Cumbria, as detailed above. To successfully deliver this Action Plan will require a co-ordinated approach, and commitment and investment from Public, Private and voluntary sectors. The Action Plan does not therefore relate to particular funding bodies or programmes (for example the North-West Development Agency Single Programme, or the European Regional Development Fund) and is not a representation of any future Sub-Regional Action Plan.

7.2 The Red / Amber / Green classification in this Action Plan reflects priorities in terms of timescales for delivery only, in recognition that a number of actions (particularly major, transformational projects) will take substantial time to develop and deliver, whilst others can be delivered within a much shorter timescale. Please also note that the classification are based on timetable for final completion, so actions a mixture of short-term and long-term components will be listed by the targets for long-term completion.

7.3 Within each colour group, projects are listed in order of their reference number which relates to the key actions within section xxx (NB section 4 currently) of the Strategic Action Plan. Neither the colour-coding nor the numerical listing within each colour classification are indications of the importance of actions relative to one another.

7.4 A key role of Cumbria Vision will be to monitor, evaluate and update the Action Plan on an ongoing basis. This process will be undertaken in close consultation with stakeholders from the county and region.

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Delivering the Strategy – Action Plan for Education and skills

Timeframe	Ref	Activity	Detail	Allerdale	Carlisle	Copeland	Eden	Furness	South Lakeland
	DCC1.1	Culture Cumbria	Ongoing development and increasing membership.	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 2.1	Collaborative Innovation Partnerships	Develop links between Creative, business and academic sectors.	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 2.2	Cultural Business, enterprise and leadership skills programme		*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 5.1	Digital Sector Review	Cumbria Vision / Culture Cumbria Lead	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 5.2	Digital Sector Business Support	Within Business Link NW existing programme	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*

Immediate	3 – 5 years	5 -10 years

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Delivering the Strategy – Action Plan for Education and skills

	DCC 5.3	Digital and Creative Skills	Specialist programme to be established with existing providers	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 5.4	Digital and Creative Investment Fund	Capital Grants for inward investment and indigenous business - Linked to GVA or Employment increases.	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 3.1	Culture Cumbria Development Fund	NB Projects to be identified through consultation process and the development of the Culture Cumbria Cultural Economic Strategy	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 4.1	Cultural Tourism Marketing Project	Ongoing project, delivered by Cumbria Tourism	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 4.2	Cumbria Events and Festivals Fund		*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 5.5	Cumbria Film Office	Expansion of programme under NW vision for 3 years	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 5.6	Cumbria Digital Consortium	Operating from Media Hub, constituted consortium to enable access to major contracts	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*

Immediate	**3 – 5 years**	**5 -10 years**

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Delivering the Strategy – Action Plan for Education and skills

	DCC 5.7	Cumbria First	Campaign to encourage use of indigenous creative business in Cumbrian companies.	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 6.1	Digital Hub – Carlisle	Possibly incorporated into Renaissance Historic Quarter Redevelopment.	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 6.2	Digital Spoke - Barrow	Possibly incorporated into current Shoreline films Creative Media Production Centre proposal	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 6.3	Digital Spoke - Kendal	Possibly incorporated into Brewery Arts Centre Creative Campus or Canal Head Programme	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 6.4	Digital Spoke – West Coast	Possibility incorporated into 'Powerhouse' development, West Lakes Science Park, Whitehaven Civic Hall developments?	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.1	Brewery Arts Centre	Development of Creative Campus	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.2	Lowther Castle Redevelopment	Development of castle site and gardens into world-class cultural destination	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*

Immediate	**3 – 5 years**	**5 -10 years**

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Delivering the Strategy – Action Plan for Education and skills

	DCC 7.3	Wordsworth Trust Museum	Redevelopment of site	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.4	The Glebe, Windermere;	Redevelopment of site	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.5	Senhouse Roman Museum	Expansion of site	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.6	Brockhole	Completed feasibility and comprehensive redevelopment of visitor attraction	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.7	Powerhouse at Workington;	Feasibility / development of Energy Museum and technology centre at Derwent Howe	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.8	Attract high-profile contemporary organis ations to Cumbria	Ongoing investigations	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*
	DCC 7.9	Farfield Mill, Sedbergh	Development of site	*Allerdale*	*Carlisle*	*Copeland*	*Eden*	*Furness*	*South Lakeland*

Immediate	**3 – 5 years**	**5 -10 years**