THE HIDDEN STORY

Briefing for national policymakers

The creative industries are significant to the success of the UK economy, contributing £87.4bn GVA in 2015.[1] Universities play a key role in the success of the sector. In 2015-16 the benefits of over £46m of public money for research and knowledge exchange flowed through to the creative industries.

The Hidden Story research assessed the models and impacts of university knowledge exchange with the creative industries, the existing funding structures and gaps in visibility using existing data.[2] This briefing summaries the report findings that consider the implications for policy support and national investment in knowledge exchange activity for this important sector.

WHY ARE THE CREATIVE INDUSTRIES A SPECIAL CASE?

The creative industries are distinct from many other sectors, requiring specialised approaches in funding and policy interventions:

- The creative industries produce cultural and social value as well as economic value. They help us make meaning as well as money.
- The creative industries play a key role in the growth of city regions producing higher quality of life.
- A very high proportion of dynamic micro-businesses and SMEs with a reliance on freelance labour forces characterises the creative industries.
- Collaborative, rather than competitive, activity generates growth in the creative industries, which thrive through the sharing of ideas, excitement and expertise that can produce clusters with long-term economic and social impact.

HOW DO UNIVERSITIES CREATE VALUE IN THE CREATIVE INDUSTRIES?

Throughout the UK universities are being drawn into closer and more intimate relationships with the creative industries and cultural sectors. As well as forming the most important talent pipeline for this sector, universities contribute to creative industry innovation through convening and leading networks and research and knowledge exchange. In return, universities gain benefits for their students, new research investments, impact and engagement opportunities. This research proposes a standardised taxonomy for these activities, to provide the creative industries, policy makers, regional authorities and university leaders with a common language for possible interventions.

A NEW TAXONOMY FOR KNOWLEDGE EXCHANGE IN THE CREATIVE INDUSTRIES

Type 0. University Teaching, Learning and Enterprise Activity

The traditional role of universities as providers of learning infrastructures and facilities, and as educators of the next generation of practitioners. Here Knowledge Exchange (KE) is partially informed by research.

Type 1(a). CPD

Updating skillsets for practitioners which recognise emergent roles and technologies within the sector – often supplemented by the employment of graduates with these skillsets (Type 0).

Type 1(b). Participative Workshops, Conferences and Networks

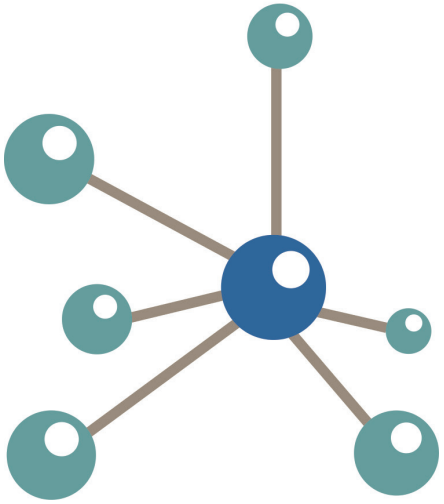
Largely focused on innovation, and co-curated by Higher Education Institutions (HEIs) in a knowledge partner role, these events provide a forum for the open exchange of knowledge and the cultivation of highly meshed networks.

Type 2(a). KTPs/KE into Individual Organisations (incl. consultancy and contract research)

Predominantly process or technology led, intensive interventions result in significant organisation change, based around the exploitation of IP. Such impacts are largely restricted to the individual organisation due to commercial sensitivity.

Type 2(b). KE into Creative Industry Sectors

As 2a, with a greater emphasis on developing capability and with reduced issues re: intellectual property and sensitivity.



Type 3. Commercialisation, Licensing and Spin-outs

Typically closed innovation, with HEIs as intellectual, and often inter-disciplinary, partners alongside private sector investors; predominantly content, process or technology led.

Type 4. Incubation and Digital Hubs

Characterised by significant localised infrastructural investment. Clustering is a key mechanism, and is dependent on the quality of facilities and incubators, and highly meshed interconnectivity between organisations. Such developments have a potentially high impact on capacity development, and are typically reliant on public funding with some private capital, with HEIs playing a key role as resource providers.

Type 5. Large Regional Cluster Developments

Characterised by substantial infrastructural ventures, typically coordinated by Combined Authorities with major anchor/beacon stakeholders, catalysing further public and private funding and/or inward investment. The focus is often on innovation capacity development within a specific value chain, via agglomeration mechanisms, typified by hub and spoke networks with HEIs as core knowledge/R&D providers, and in the case of larger clusters, serving a dual role as international ambassadors. Such approaches often trigger an influx of professionals in the creative industries, and can lead to gentrification and displacement effects.

Type 6. Cultural Consumption Channels

Typically focused on the development/ exploitation of digital platforms – although these may embrace more physical forms such as touring exhibitions – these seek to increase access to (and monetisation of) creative and cultural offerings beyond a locale, including broadcast and downloadable content. Such approaches typically capitalise on 'long-tail' economic models.

1 DCMS Sector Economic Estimates 2017 (DCMS, 2017)

2 Williams, A, Dovey, J, Cronin, B, Garside, P. (2017), *The Hidden Story: Understanding Knowledge Exchange Partnerships with the Creative Economy*. University Alliance

Type 7. Festivals
Bring together embryonic and established businesses and professionals in the creative sector, providing a platform for diverse offerings around key themes and kick-starting visitor economies. These typically adopt hub and spoke networks, with little connectivity between creatives, but have a potentially significant impact on regional economies through audience development, cultural tourism and associated economic multipliers.

Type 8. Iconic Builds and Place-making
Characterised by capital investments in iconic facilities which epitomise the brand values of a region and attract audiences and visitor. These contribute to place identity within the public environment, often reflecting heritage or contemporary themes. These have a low KE component, but typically house/host KE capability and activities, and may act as a catalyst for Type 12 community consultation projects.

Type 9. Curatorial Investigations
Typically rely on the (re)interpretation of collections to link art forms to contemporary issues, drawing on relevance to cultural identities, voices and issues, particularly for marginalised sub-cultures. Outcomes include exhibitions, archives and downstream community projects. Such projects are highly reliant on personal networks within (both cultural and practice) communities.

Type 10. Cultural/Artistic Commissions and Performances
Typically collaborative activities undertaken with, or reflecting on, communities (of practice, belief or co-location), and as such, rely on highly personal networks. These activities result in the creation of new works which are exhibited or performed, with the intention of promoting awareness and stimulating discourse and exchange.

Type 11. Arts and Wellbeing
As (12), but trialling interventions and exchanges based on consortia of HEIs, public health and third sector organisations providing access to patient, carer and community groups to reduce social cost.

Type 12. Socially and Culturally Inclusive Projects
Largely exploratory and low-cost interventions, such projects involve KE within specific communities or sub-cultures, promoting inclusivity, participation and empowerment, and mediated through public or third sector organisations – or simply providing space and venues for such activities – which increase social value. Such networks are highly personal and involve significant issues re, for example, trust.

HOW BEST TO SUPPORT KNOWLEDGE EXCHANGE FOR THE CREATIVE INDUSTRIES?
FINDINGS AND IMPLICATIONS FOR FUNDERS AND POLICY MAKERS

Just as the creative industries are distinctive, so are the ways in which universities create value for the sector, requiring different models of collaboration support than conventional tech transfer innovation processes.

1. **Collaboration, exchange and shared investigation with creative and cultural partners are central processes for university knowledge exchange.** Collaboration and network activities may be smaller and more dispersed; people and brokerage roles are key, and underpin successful regional clusters. Much of this activity is 'invisible' but its power lies in its aggregate reach. Brokers, people and networks are a distinctive valuable commodity in the creative industries and should receive support from funders and policy-makers, but smaller-scale interactions with small-scale businesses require different policy and funding support.

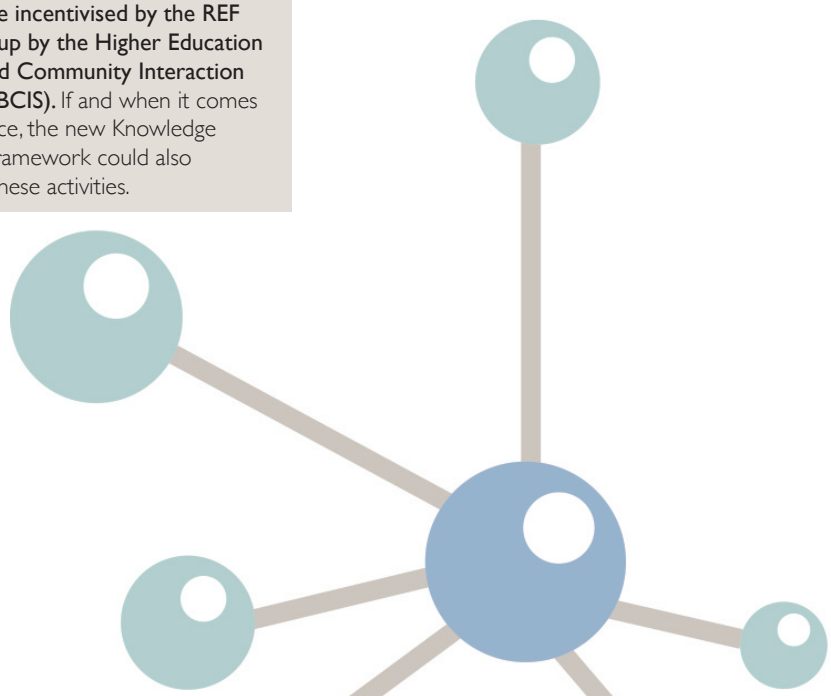
RECOMMENDATIONS

- **Ensure a diverse portfolio of funding awards that can reach he smallest companies**. UKRI and The Industrial Strategy Challenge Fund will need to recognise that there is currently a lower uptake of KE services in sectors like the creative economy with a majority of micro/SMEs, since these are too small to qualify for conventional knowledge exchange funding models. Funding streams need to be able to reach smaller and younger organisations and/or consortia of these.
- **Ensure partnership and network building activities are incentivised by the REF and picked up by the Higher Education Business and Community Interaction Survey (HEBCIS).** If and when it comes into existence, the new Knowledge Exchange Framework could also incentivise these activities.

2. **Funders as well as universities play different roles in the creative industry ecosystem, which require a joined-up approach to ensure the full ladder of innovation is supported.** The research showed that the routes of funding from national funders reach different universities, who in turn are collaborating in different modes and at different points in the lifecycle with cultural industry partners (Figure 1). There is also a concentration of funding in particular Principal Investigators (PIs) with extended networks; major funders have a tendency to follow funding with funding to these important brokers; however, other PIs who are well-connected to industry partners that exist outside of the main funding ecosystem may offer direct and high-value routes to impact. The presence of a high-performing group of creative leaders, firmly embedded in networks, also highlights the vulnerability of some of these networks through overreliance on significant individuals and could be mitigated by attempts to strengthen networks through co-collaborators.

RECOMMENDATIONS

- **Funders should work together to ensure a continuous ladder of funding opportunities, to allow burgeoning networks to grow and establish themselves.** Funders should work together to ensure continuity, linking follow-on funding to the delivery of knowledge exchange. This is particularly important in network-building, which is highly dependent on people and personal relations. Many (smaller) projects struggle to exploit findings post funding, and network capital/goodwill may dissipate rapidly.



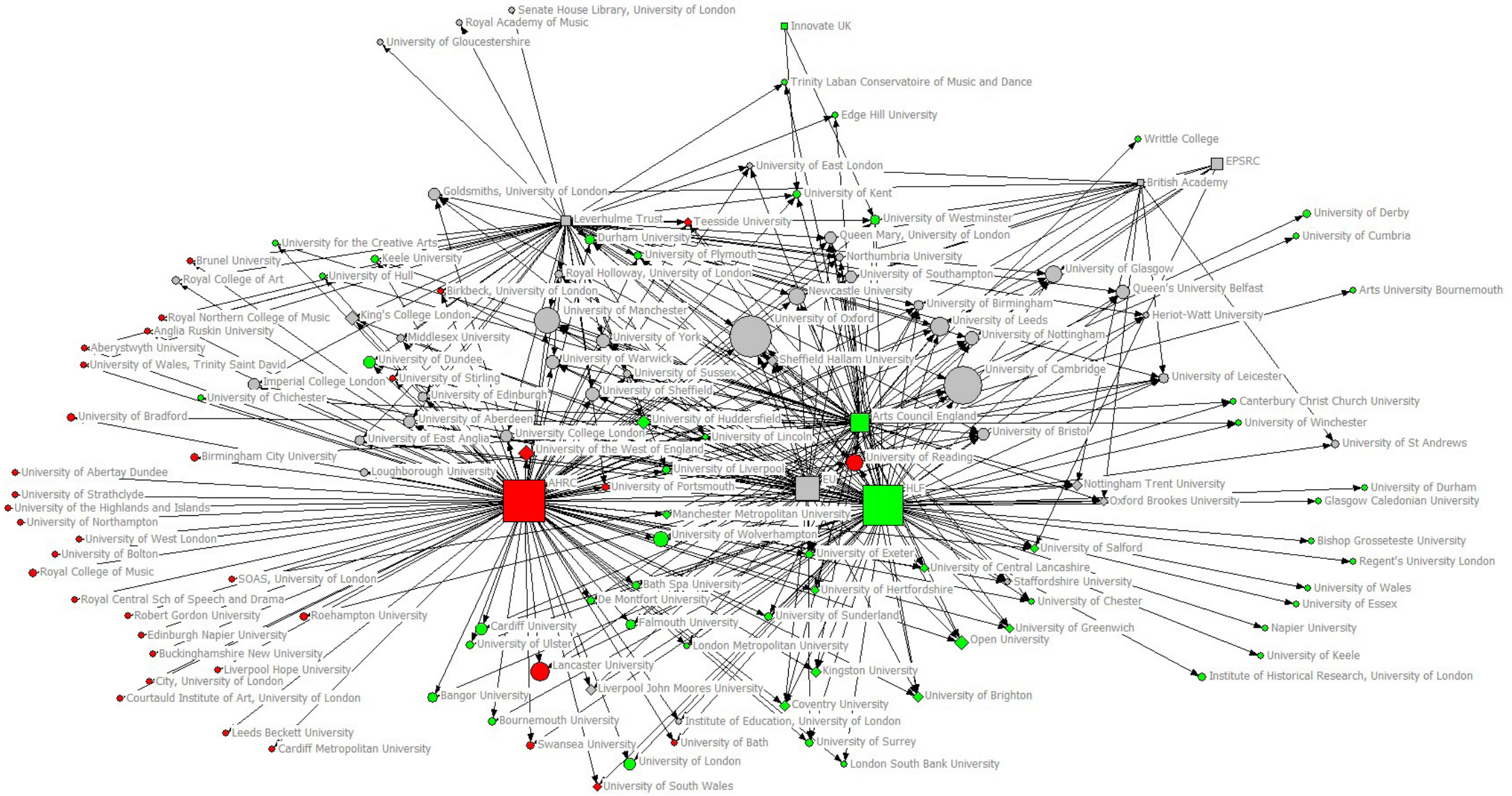
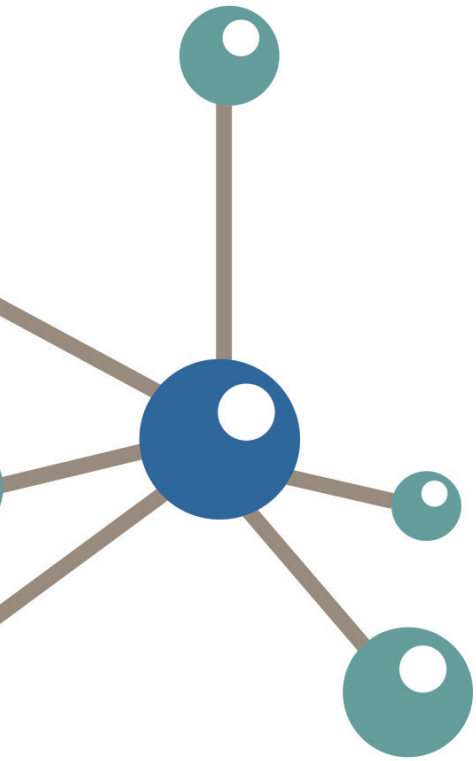


FIGURE 1: UK HEI funding of projects in creative industries by major public funders

3. **The majority of university-creative industry collaborative activity is currently 'invisible' through national funding data analyses.** For the 15 Alliance universities scrutinized, the public data represented only 28% of the number and 62% of the value of the awards recorded by the institutions themselves. National funding data alone in its current form therefore cannot be relied upon alone to indicate the full spread of activity underway, nor expect to identify the high-value networks that may benefit most from investment. Universities have a responsibility in their brokerage position to improve the data to help build up a better national picture.

RECOMMENDATIONS

- **Universities and research infrastructure leads should use the Data Toolkit to improve the quality of the data about the knowledge exchange with the creative industries.** Used in partnership with regional leaders, this improved data may lead to better understanding and planning for developing the local creative economy.
- **Universities should recognise their important role in holding and curating data.** Currently, few research management systems are geared to the cultural and creative sectors. The Data Toolkit sets out ways of enhancing Current Research Information Systems (CRIS) to work better for the creative industries. HEIs could consider investing in dedicated monitoring and analysis of data relating to regional cultural and economic changes in conjunction with regional authorities. UKRI and JISC could work to develop an improved national data infrastructure and interoperability between research information management systems.



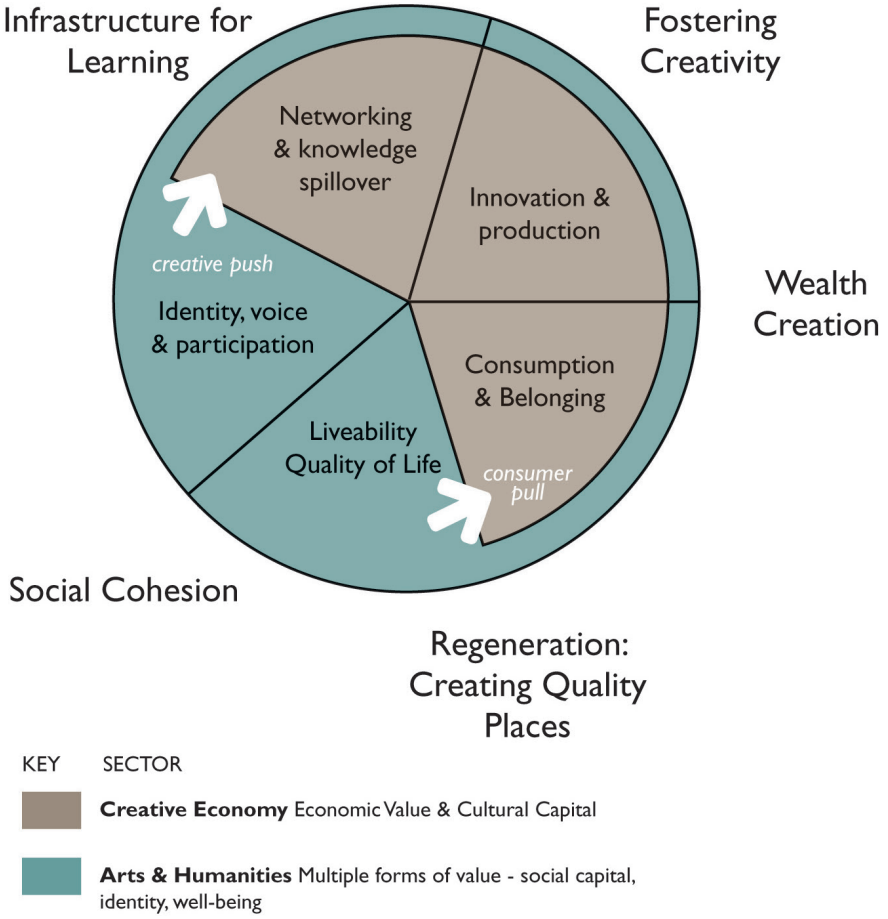


FIGURE 2: Mapping the creative industries onto the Arts and Humanities

4. **Measuring value.** The total investment in university projects in the creative industries was £255 million between 2011 and 2016 from large-scale public funders (not including QR funding, which cannot be traced in terms of its expenditure). Currently there are poor mechanisms for understanding the return on public investment however. Arts and Humanities research overlaps with the creative economy (Figure 2 above) but is not limited to this as it generates far broader societal and wellbeing benefits. Research in other disciplines can also have creative economy implications. The research proposes the development of a Cultural Impact Compass to be used by university and regional leaders to gain a 360° perspective on the impact and performance of a project or a portfolio of projects, to help shape future investment decisions.

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