ENJOY
TEES VALLEY

TEES VALLEY CULTURAL & CREATIVE INDUSTRIES BASELINE REPORT
EXECUTIVE SUMMARY

As part of development of the Tees Valley Combined Authority's Growth Programme for the Creative and Visitor Economies The Fifth Sector were commissioned to produce a baseline report of the scale and characteristics of the Tees Valley cultural and creative industries. This executive summary captures the main findings.

ENJOY TEES VALLEY
TEES VALLEY COMBINED AUTHORITY
TEES VALLEY MAYOR

HEADLINES

Tees Valley has an **emergent and growing independent sector** spanning both culture and a **burgeoning commercial creative sector** with **significant ambition** throughout the creative industries. There is also a **flourishing scene of independent visual and performing artists, producing diverse work of international quality both through a programme of festivals and events and at visual arts showcases across the region. This represents an opportunity to stimulate regeneration of key locations** in towns across the region and in the process to promote a more contemporary and diverse identity that builds upon the Tees Valley's heritage of innovation without being in thrall to its industrial past.

- Official figures suggest Tees Valley has the **lowest level of cultural employment of any Combined Authority area** and is **lacking in scale and visibility** with Office of National Statistics figures suggesting **little or no growth** in the local cultural and creative industries sector between 2015 and 2021 with a net gain of just 65 businesses over this period – a rise from 885 to 950 businesses.

- Research suggests the size of the Tees Valley cultural and creative sector is **much larger than represented in official statistics and more diverse and inclusive than the general population.**

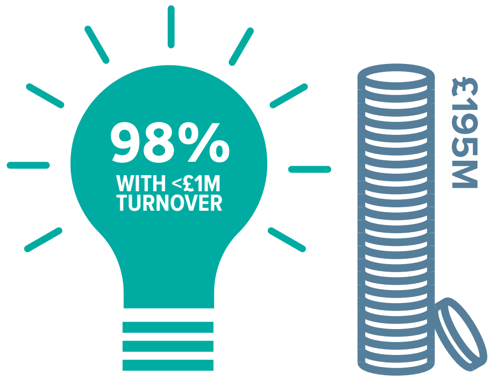
- Research notes continuing growth of an **established, specialised, high-performing and interdependent cluster of digital and creative businesses** in Middlesbrough and Stockton-on-Tees.

- Performing and visual arts is the largest single creative subsector in Tees Valley, whilst 'content creation' – screen industries, computer games and software development – is of considerably greater significance than reflected in official data.

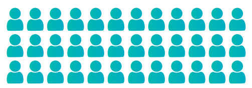
- The report concludes if those independents can be better coordinated and motivated toward greater collaboration and investment in new creative IP, this, along with **new investment from BBC, could represent a tipping point for the sector in Tees Valley.**

THE SIZE OF THE TEES VALLEY CULTURAL SECTOR

Creative enterprises with turnover of less than £1m make up 98% of the sector and generate revenues of £195 million per annum – 56% of the sector total (2019).

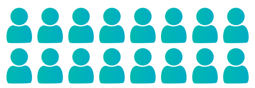


The annual turnover of cultural and creative organisations in Tees Valley is **£376m** (when augmenting Companies House data with Dun & Bradstreet estimates and Charities Commission data)



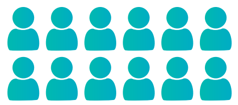
£142million

generated by 22 larger companies



£51million

generated by 166 medium companies



£73million

generated by 80 medium-large companies

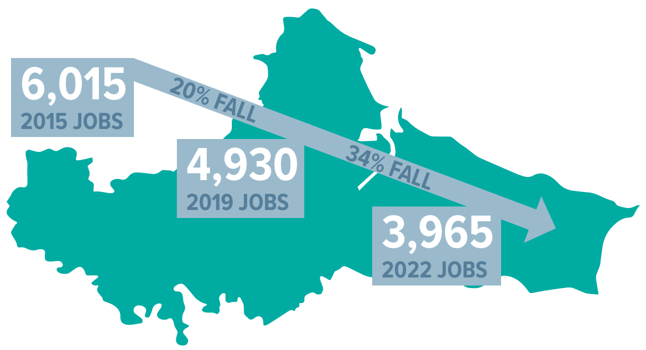
£45million

generated by 324 small companies

£65million

generated by 1631 micro companies

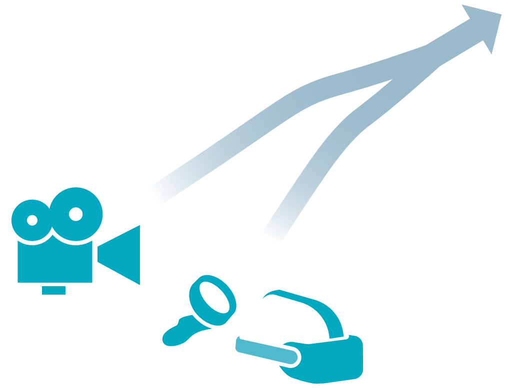
Official figures state that total creative industries employment in Tees Valley as 3,965 – a fall of 20% from the 4,930 jobs recorded in 2019, and 34% from 2015's total of 6,015.

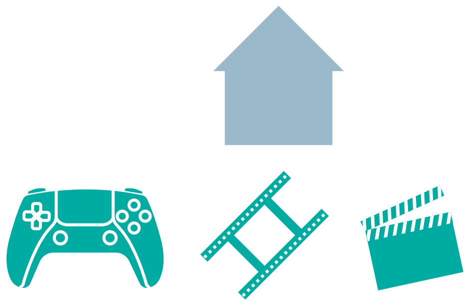


However, data scraping and analysis from LinkedIn shows 12,856 individuals located in Tees Valley working within or actively seeking employment in the cultural, creative and digital industries **is more than three times larger** than the total creative industries employment figure given by BRES. This is a result of a high proportion of freelancers in this sector.

The average creative company employed three people in 2016 analysis - the figure has rose slightly to 3.5 in 2021.

Employment within digital sectors has grown consistently, reflecting increasing convergence between 'traditional' sectors such as film and other forms of digital content.



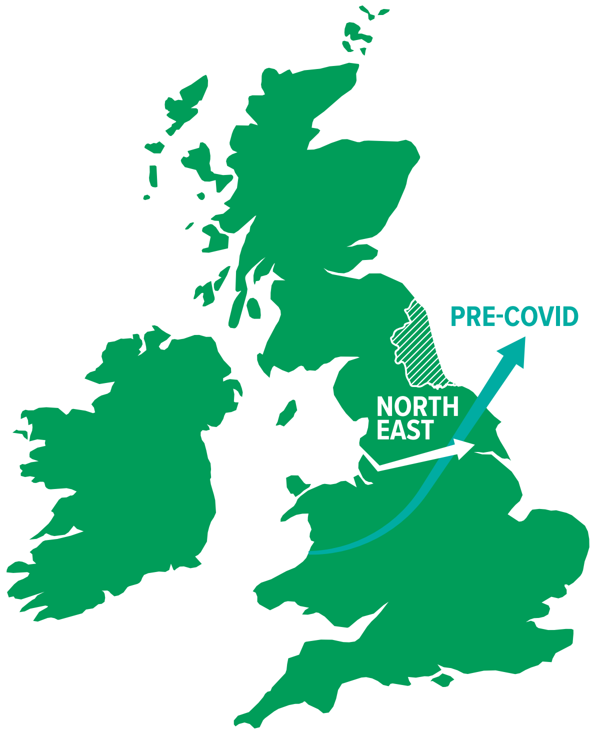


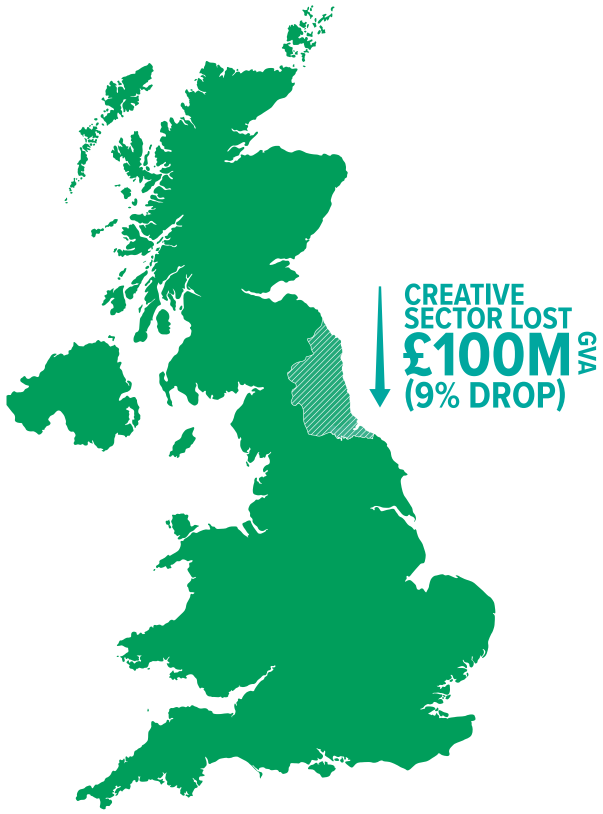
Employment in digital creative industries (including games and animation) has grown since 2016 and has even shown growth through the pandemic.

IMPACT OF COVID-19

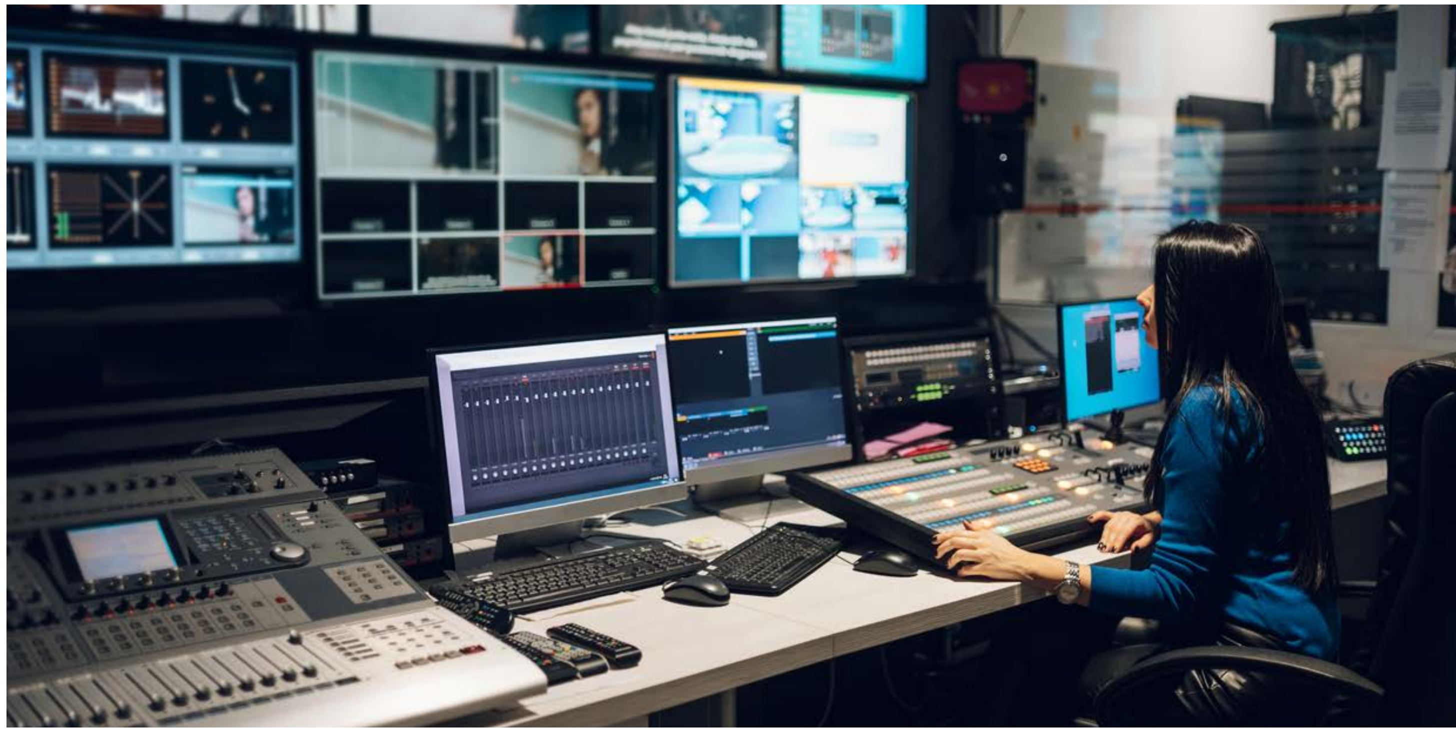
The Tees Valley lost 840 creative jobs (more than a quarter of the pre-Covid total) from the start of the Covid pandemic.

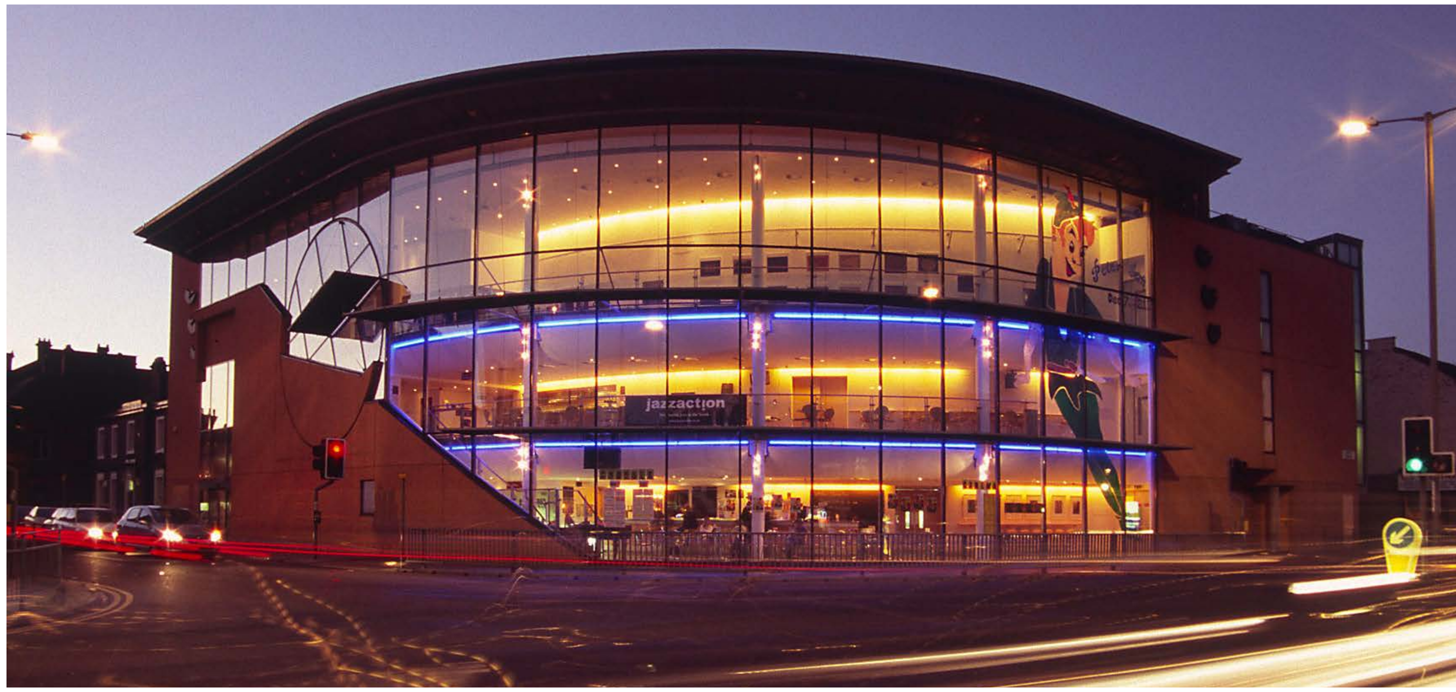
Research from the Creative UK Group also suggests that recovery from the impact of COVID is not equal across the UK. The creative industries in the North East is predicted to be the slowest of all English regions to return to pre-pandemic levels.





The report shows evidence that the North East's creative sector lost £100m GVA during the pandemic, a drop of 9%.



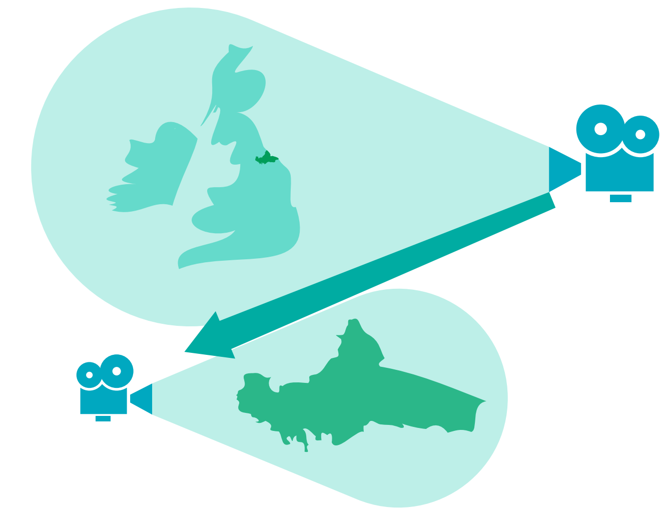


POTENTIAL GROWTH IN TEES VALLEY CREATIVE SECTOR

STRENGTHS	WEAKNESSES
Assets – new Northern Film studios & new Northern School of Art building in Middlesbrough.	Lack of large and medium-sized creative businesses to act as 'anchors' for growth.
Some nationally significant and recognised festival, visual arts and theatre organisations.	Lack of connectivity between emerging clusters and within creative sectors across Tees Valley.
Diverse, ambitious and creatively excellent independent sectors in music, performing and visual arts.	Relative under-investment from national arms-length bodies in arts & culture.
Positive initiatives already underway to develop talent (e.g., Tees Valley Screen (evolving to North East Screen Industries Development Programme) and Tees Valley New Creatives).	Freelance talent is dispersed and not connected into professional networks.
Strong digital capabilities and leading talent in animation, VR / AR.	Limited opportunities for career progression / development.
Longstanding levels of commitment, investment and leadership by LAs.	Lack of diverse representation at leadership levels and elsewhere within the workforce.
Commitment of TVCA and local authority partners.	Lack of consistent and accurate careers advice and access to networks, stifling talent pipeline.

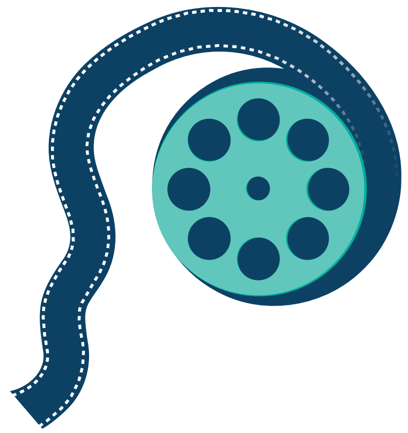
OPPORTUNITIES	THREATS
BBC investment in the North East, with commitment to Tees Valley, can catalyse screen production sectors.	Failure to recognise the value of culture and creative industries in wider regeneration.
Develop sector support organisations to grow capacity and reach for targeted skills, business development and investment support within sectors with potential for growth.	Young people and diverse communities do not identify themselves within current cultural offer.
Realising full potential of national partnerships and programmes e.g. only Combined Authority to received Arts Council England Priority Place designation; connected discussions with ALBs.	Cost of living crisis / heightened supply chain costs put unmitigable strain on businesses already struggling with capacity.
Emerging micro clusters in town centres and opportunity to develop more diverse new entrants, producers and audiences.	'Siloed' approach to development of IP and audiences within individual businesses and creative sectors limits opportunities for collaborative R&D.
Prepare for future audiences through stronger integration of digital innovations into cultural offer.	High levels of delivery by LAs suppresses opportunities for enterprise / business growth.

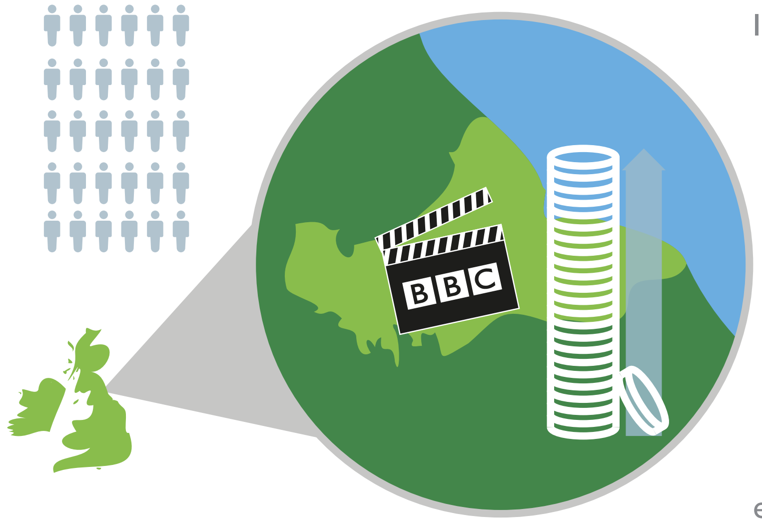
EMERGING CLUSTER: SCREEN INDUSTRIES



Tees Valley Screen has found the Tees Valley and North East to have one of the smallest TV and films sectors in the UK, described as "significantly underdeveloped"

Less than 2% of film and TV produced in the UK is made in this region.





Interviews and consultation with stakeholders suggest the sector is anticipating new opportunities for growth, spearheaded by **the incoming £25m BBC investment**, which needs to be backed with a sustained programme of sector-specialist support for talent and skills, and for management and leadership development.

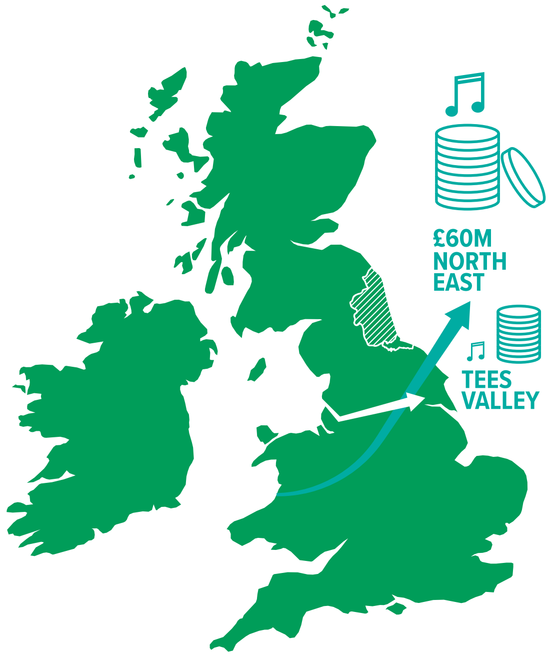
Competitive infrastructure will also be essential – in 2022, **The Northern Studios** will open – the largest, purpose-built film & TV studio in the North East.

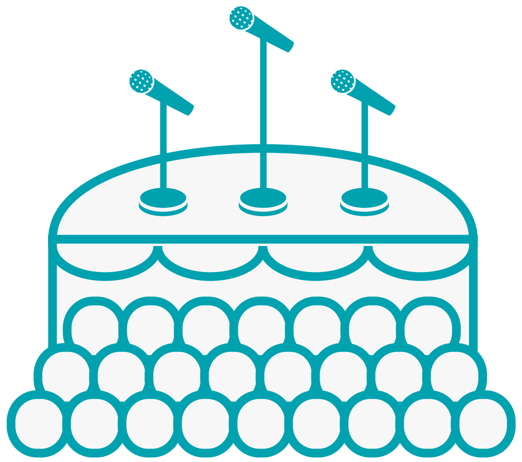
The Tees Valley is well resourced by its education sector (particularly **the Northern School of Art** and **Teesside University**)

EMERGING CLUSTER: MUSIC

Music, performing and visual arts is the Tees Valley's **largest creative sub-sector**, with some 400 registered businesses.

Music tourism added **£60m to the North East economy** in the last pre-pandemic year for which figures are available. However, evidence suggests that music is **not fulfilling its full potential in Tees Valley** with a comparison of music tourism figures for the North East with those of the North West showing that the latter generated more than six times the number of music tourists (1.5 million vs 242,000), seven times the number of music tourism jobs (4,976 vs 662) and eight times the spend (£477 million vs £60 million). This highlights the opportunity for more and different kinds of live music events and festivals.





Analysis of the music venue infrastructure of the region shows that there is a complete escalator of music venues across the region, with local artists having the opportunity to develop their act and audience in venues from 60 to 3,000 capacity.

EMERGING CLUSTER: VISUAL ARTS

The report finds that many of the elements needed for a functioning visual arts ecosystem are already in place in Tees Valley including:

- National Portfolio Organisation: MIMA/Teesside University
- HE/FE infrastructure: Teesside University and Northern School of Art
- Festivals and events: Middlesbrough Art Weekender (and others)
- Venues / Workspace: The Auxiliary, Saltburn Studios and Base Camp
- Networks: Tees Valley New Creatives and those around venues and festivals

PUBLIC FUNDING / INWARD INVESTMENT

- Total Arts Council investment in Tees Valley in 2019-20 was £2.9m. If levelled up to the all-England average using a per capita spend this would almost double to £5.9m per annum.
- National Lottery Heritage Fund funding into Tees Valley averaged £754,250 across 2017-18 and 2018-19. If levelled up to the England average per capita this would increase to £1.9m, again more than double the current level of funding.

ENJOY TEES VALLEY