

Creating greater visibility for the UK's creative capabilities

Recommendation:

- A network of 'Creativity and Innovation' centres should be established throughout the UK, with a central hub in London.

If we are to see greater creativity in UK business, leading to practical and beneficial innovation, the issue goes far wider than today's SME leaders. Their understanding and commitment is essential – indeed a priority – but it is not sufficient. 'Creativity' cannot be viewed as a skill possessed by the gifted few. It needs to pervade the thinking of the whole business, to be embraced within public services, to be embedded in the education system, and to be sought out by those who buy goods and services, whether that means a company, a public-sector body or the consumer. In other words, getting greater creativity into UK SMEs has to be seen as part of a much wider cultural change.

Moreover, the strength of UK creativity needs to be celebrated and internationally recognised. That requires raising the profile of creativity and the UK's creative capabilities. This would be additional, but complementary, to the DCMS's programmes to support the creative industries and to bring about a more creative culture generally.

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For the purposes of this review, I commissioned the consultants Arthur D Little to look at potential recommendations in this area. It concluded that, "A clear opportunity and need exists for a well defined concept to act as an international showcase for the UK's talents and to drive activity via regional partners".

To this end, I recommend the setting up of a network of 'Creativity and Innovation' centres throughout the UK, with a central hub in London. The objectives would be:

- To position the UK as pre-eminent on the world's stage as a source of creative talent
- To enhance the uptake and use by UK business of creative services
- To strengthen the interaction between the various parties involved in promoting and representing creative skills and services
- To enhance the public's awareness of the relevance of creativity and innovation.

Elsewhere, authorities have already seen the benefit of such a concept. Within the UK, existing initiatives point the way forward. The proposed UK network of centres would serve as both a resource and a showcase for indigenous creative talent and, after initial funding help, would, I believe, become largely or wholly self-sustaining.



Competitors have already acknowledged the value of the concept

The centres already established abroad illustrate the importance that others attach to having a showcase for their creative capabilities, and to integrating them more with business and with public life.

Korea

The Korea Design Center is a 12-storey complex in Songnam City that serves as the hub of the Korean Institute of Design Promotion's work to raise national competitiveness through design. The complex – dubbed the 'Design Mecca of Korea' – was "created to play a unique role in the globalisation of the Korean design industry" and "to express the innovative creativity of Korean designers".

It includes a convention hall, a design-information centre, a design gallery and an integrated design centre, as well as space for design and business start-ups, design associations and an e-design academy. It connects to 16 Design Innovation Centres, which offer state-of-the-art facilities for the use of university students, small local companies and design firms. It may be a little more narrowly focused on design than the concept I am proposing here, but it is an example of the kind of competition that the UK is going to be facing.

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Taiwan

Taiwan also has a national design centre, a new building with 2,746 square metres of space, opened in February 2004. Its role is intended to be primarily that of design integrator, helping SMEs move up the manufacturing value chain with a range of services including product innovation, development, design, marketing strategies and skills training. It is two-thirds government-funded, with the balance coming from eight private companies, with eyes heavily focused on the growing Chinese consumer market. It is interesting to note that here, too, the plan is to extend to a network of regional centres.

Singapore

Both the above are dwarfed by Singapore's £158 million Fusionopolis creative centre, which is due to open in June 2007. The centre will bring together businesses from the ICT and creative sectors in an iconic new building occupying 1.2 million square feet, sited in the middle of the 'Central Xchange' – one of three 'Xchanges' aimed at fostering knowledge transfer and providing a vibrant work-live-work-play environment. The centre is a key component in the country's aim to increase the contribution of the creative industries to six per cent of GDP by 2012.

There are UK initiatives on which to build

In the UK, three existing approaches confirm the value of the concept, but others are needed to form a network and have a country-wide impact.

The Lighthouse, Scotland's Centre for Architecture, Design and The City, is one such example, successfully embodying a number of the required functions. The 7,400 square-metre building provides space for exhibitions, conferences, a restaurant, shop and office space. A unique buzz is created when these components are fused with incubation space for new, creative-industry businesses.

The centre's success is reflected in the visitor numbers – rising from 155,000 in 2002 to over 170,000 in 2004. The Lighthouse also provides the Scottish base for the National Endowment for Science, Technology and the Arts (NESTA), the Creative and Cultural Skills Council, and representatives from the Scottish Executive and a Creative Entrepreneurs club.

The plans for the Northern Design Centre, which was announced in the 2005 Budget, represent another approach. The Centre is an £18 million investment by Northern Way RDAs (North East, North West, and Yorkshire and The Humber), which will bring together new developments in science and technology and design, with the aim of improving the international competitiveness and productivity of the North's SMEs. The centre, due to open in Gateshead in 2007, will include seminar and exhibition areas, rapid prototyping facilities, shared project space, a cinema and incubation space.

Also, in London, the Design Museum, established in 1989, already plays a significant role in engaging the public and performs an important role with schools. Over the last three years, annual visitor figures have risen to 200,000, an increase of 40 per cent.

These enterprises point the way, but the requirement goes much further.

Each UK centre would be both a resource and a showcase for creative talent

My proposal for the UK is that in each location, the centre would take the form of either a single building or a cluster of buildings. Each would have some, although not necessarily all, of the following facilities:

- Exhibition space (for static and travelling displays)
- Seminar facilities
- A hub for creative industry gatherings
- Educational facilities
- Space for professional and trade bodies
- Retail environment/dining facilities
- Incubator space for early-stage creative businesses
- Serviced office/shared studio facilities for creative companies.

'...A wide variety of services... could also be built around the centres... to help SMEs engage with creative services, and... to help the latter to engage better with business...'

A wide variety of services, and virtual services, could also be built around the centres, such as educational material and programmes to help SMEs engage with creative services, and similar services to help the latter to engage better with business. The centres would not attempt to compete with, or replicate other local amenities, such as museums or conference centres, although the location might well be chosen to complement such facilities. Each centre might therefore take a slightly different form, reflecting local priorities and capabilities. However, there would be a sharing of knowledge and experience between them, particularly taking advantage of exhibitions.



The Lighthouse – Scotland's
Centre for Architecture, Design
and The City



Singapore's Fusionopolis will
create an impressive centre
where the nation's creativity
is stimulated and celebrated





The parallel DTI Economics Paper emphasised the need for networking – between service providers, their client companies and the ultimate users in their different sectors. Building up such networks can be difficult and slow for smaller firms. Part of the role of the centres would be to facilitate this, the attraction of exhibitions, seminars and product launches giving a natural physical focus for the process.

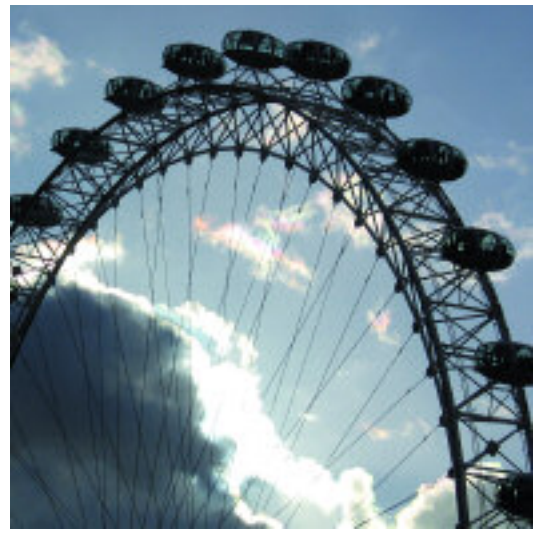
The London centre would have two additional functions. One would be to provide high-quality accommodation for various relevant professional and trade bodies. These organisations would benefit from closer contact with one another, a raised profile and, in many cases, better facilities and a more prestigious location. This does not imply, nor is it intended to lead to, any loss of independence or identity. The aim is to take advantage of a shared location, high-quality facilities and a higher profile for the creative industries and professions. The rental cost of much-improved premises would be off-set by the other income-generating activities of the centre.

The other function of the London centre would be to promote the UK's capabilities to visitors, particularly visiting trade delegations. It should seek to derive optimal benefit from the Olympics for UK business, particularly the creative sectors.

The centres should become largely self-sustaining

The immediate question is, of course, one of cost and financial viability. The level of upfront cost depends on whether existing buildings are used (and what refurbishment is required) or whether new building is required, but I believe that, once established, the centres should be largely or wholly self-funding. The experience of The Lighthouse demonstrates that as its profile has grown, so have the opportunities. Much of the space would be rentable; part of the promotional space, the seminar facilities and the meeting facilities would be income-earning, as would the restaurant and retail facilities. Moreover, there should be ample opportunities for sponsorship. A leading property services company on whom I tested the idea felt that there was considerable commercial promise in the concept.

It needs a creative approach to funding and running the centres, not just to their content. There is a strong case for public support for the establishment of each centre, subject to viable business plans and a clear end to such support. The Lighthouse provides an interesting example: the centre is run on a budget of £3.2 million per annum, 43 per cent from commercial income, 50 per cent from specific project grants and just seven per cent core grant from Glasgow City Council.



Logical responsibility for establishing and operating each centre would rest with the appropriate RDA or a commercial body. Each needs to be run by highly capable and enterprising management.

The London centre could be established by the LDA, the London Regional Authority or a commercial organisation, or a combination of these bodies. The Design Museum might also wish to play a prominent role; certainly, one would not want to see competing exhibition facilities in the capital. Its cost would be dependent on scale and choice of location. The minimum size to have any presence would be around 80,000 square feet. On this basis, Arthur D Little estimates the annual running cost to be around £4.6 million, with £2.8 million of this covered by letting, retail activities and workspace. The balance would need to be covered by grant, additional sources of revenue or sponsorship.

The development of the network would benefit from active coordination, a role to which the Design Council could contribute.

I have no doubt of the potential impact of such centres, or of their viability, and the Arthur D Little study reinforced that belief. However, the work done within this review does not constitute a proper feasibility study. That should be the next step and something I recommend to the LDA.