

Submission to the House of Lords Rural Economy Committee: (revised)

£2 billion (GVA) p.a. - Unlocking the full economic potential of Britain's creative and digital rural economies - the CaDRE R&D initiative.

"The [creative] rural sector is ideally placed to re-invent itself for the digital age, by opening up new world markets to locally based businesses and providing fresh opportunities for jobs growth and inward investment. The New Creative Rural Economies report and seminar (CaDRE initiative) clearly point to all of these opportunities and many other creative challenges that are ahead - the future is rural."

Lord David Puttnam, international digital advocate, House of Lords (4th April 2017)

1. Executive summary

One important sector of the rural economy debate that often gets overlooked is that of the emerging new creative rural economies. This is potentially also a major rural success story whereby the creative rural sector alone is currently estimated to be contributing around £2 billion (GVA) p.a. to the national economy. This is all the more remarkable an achievement given that there has, as yet, been no strategic government, public, Arts Lottery or private sector investment support targeted specifically to support the creative rural economy sector. Which might partly explain why the importance of the creative rural economy's contributions to the national economy seem, so far, to have largely been ignored by the mainstream creative industries (CI) and the lead arts funding and rural and cultural policy agencies; DCMS, DEFRA, Arts Council, BEIS, CIF, CIC, etc.. This report to the House of Lords Rural Economy Committee will try to explain the background and the origins of the creative rural economy initiative, also something of its on-going difficulties in securing recognition and fair access to Arts Lottery funding support, and will conclude with some practical and constructive proposals that might help overcome the current hiatus.

2. Background - leading the field? The pioneering work of the Rural Cultural Forum

This submission has been compiled by Dr Ian Hunter on behalf of the Creative and Digital Rural Economy R&D initiative - CaDRE, which is an informal coalition of rural NGOs, Universities and rural arts and media organisations.¹ The creative rural economy proposal had its origins following the FMD outbreak in 2001 and was initially intended as a contribution by the arts and cultural sector to the cross sectoral response advocated by the New Rural Strategy (2002), led by (then) Sir Donald Curry. This later gave rise to the creation of the Rural Cultural Forum RCF (2005 - 2015), <www.ruralculture.org.uk> which organised the first international Creative Rural Economy conference at Lancaster University in September 2006. This was heralded at the time by the world's leading expert on the creative industries, and author of the influential 'Creative Class' publication (2004) Richard Florida. Who stated;

"What you are doing [in England] is very important.. the knowledge industries and creative rural economy and environmental sustainability will be the likely key drivers in determining the next major breakthrough areas and challenges for the creative industries. We need to.. [document and analyse] the new patterns of creativity and cultural employment across the urban-rural spectrum".

Richard Florida, (May 2006)

3. Is there an urban bias in current creative industries and arts-led regeneration investment?

In this context we again invoke the precedent of the huge international success of the UK's urban creative industries (CI) sector, which is an example that the creative rural sector is attempting to follow. Aided by billions of government, private sector, and Arts Lottery funding investment the urban CIs are now expected to be generating close to £90 billion (GVA) p.a. for the national economy by 2024. Secondly, the powerful and influential urban professional arts, digital media, and cultural sectors were also encouraged, and actively supported by government with additional Arts Lottery funding, to play a leading role in supporting innovative culture-led urban regeneration and related post-Industrial creative economic recovery programmes in our cities.

¹ They include, WiRE (women in rural enterprise), ACRE (observer), University of Cumbria, Cybermoor Alston, Rural Media Company Hereford, the Littoral Arts Trust.

4. The UK's 'creative cities' have benefited from billions in new public and arts lottery funding

Numerous prestigious civic art museums and major culture-led urban regeneration initiatives were also developed as part of the government's new urban cultural infrastructure and creative industries investment programmes. Examples include; the UK Cities of Culture programme, Belfast, Hull (the latter generating c. £220 million new cultural investment)² etc., promoted by DCMS; the Liverpool and Folkestone international coastal town art biennials; Tate Modern extension London at £260 million (£50 million from Lottery), The Hepworth Museum Wakefield at £33 million, and recently the £100 million+ Arts Lottery funding awarded by Arts Council England to Manchester for the new Factory Art centre. The latter, one of the largest single arts lottery awards yet made, was justified to help regenerate Manchester's inner city area, bring international recognition of Manchester's cultural tourism offer, and create new arts, media and cultural sector jobs for its urban citizens.

Many in the creative rural sector would also argue that an equivalent, albeit more modest, Arts Lottery award (i.e. £20 million over five years) would also greatly help to regenerate many of Britain's struggling rural areas and marginal communities (e.g. the Uplands), stimulate the vital rural tourism sector, and also create new arts, media and cultural employment and skills for our talented rural women, rural elders, creative farmers, rural artists and young people living in rural areas.

5. Growth of the 'creative rural' sector constrained by lack of fair access to Arts Lottery funds

Concerned about the lack of progress, the then coalition government Ministers, Richard Benyon (DEFRA) and Ed Vaizey (DCMS) requested in 2011 that a Rural Cultural Strategy Working group (RCSWG) be set up to aid progress with the creative rural economy. The RCSWG working group comprised senior policy officials from Arts Council England (Paul Bristow/Richard Russell), DCMS (Stephen Darke) and led by senior DEFRA officials (Tony Williamson and Barbara Silberstein). The RCSWG published an independent report by Professor John Holden (March 2012), a leading UK creative industries and cultural policy expert. Funded by the Arts Council the report recommended that a combined national rural cultural strategy and creative rural economy investment initiative be adopted as a matter of urgency. However, despite the fact that the Holden report's recommendations were also endorsed in the House of Commons via an EDM in June 2013, some twelve years on from original 2006 conference very little appears to have been achieved. It has also proved increasingly difficult for the RCF and its support Arts Trust (Littoral Arts) to access even modest levels of Arts Lottery funding for this important work. Concerns which were again highlighted in the Holden Report.

It is clear that there has been a strong and on-going tendency for arts and cultural policy and funding over the past ten-fifteen years to be overwhelmingly preoccupied with the discourse of urbanism and in primarily serving the needs of the urban creative industries and post-industrial urban regeneration.

Professor John Holden (March 2012)

For example a number of relatively modest Arts Lottery funding bids from the rural sector RCF/Littoral (c. £22,000) for vital R&D work promoting the creative rural economy (submitted between 2011 - 2017) were declined by Arts Council England. The Arts Council have stated that the levels of Arts Lottery funding awards available to it were now rather limited and that, consequently, "*competition for arts funding is fierce*". The Arts Council again recently declined to support proposals for the establishment of a strategic arts and cultural investment framework for the creative rural economy sector. Stating; "*..we [Arts Council England] do not see the need for a rural cultural [investment] strategy.*"³

The present situation is considered unfair and disadvantageous to rural communities with the result that the particular cultural needs, artistic aspirations and creative economic potentials of rural communities are not being fully addressed or supported.

Professor John Holden (Independent Study Report, March 2012)

² £220 million invested in Hull's tourism and cultural sectors since the city was named UK City of Culture 2017. Industrial Strategy - Creative Industries Sector Deal 28/3/2018

³ Statement by Laura Dyer, Executive Director ACE Midlands and the ACE's National Rural Lead, at the ACE Rural Stakeholders meeting, Bloomsbury St. London, 24/07/2018.

7. Is the urban bias in mainstream CI policy further disadvantaging the rural creative economy?

Through effective lobbying on the part of the urban Creative Industries Federation (CIF), and Creative Industries Council (CIC) and Arts Council the government's Industrial Strategy (BEIS) recently announced a major new Creative Industries Sector deal. Which, in addition to helping the UK's cultural and creative business sector thrive with a major £150 million award, added a further £20 million earmarked for the establishment of a New [urban] Cultural Development Fund.

8. Creative rural sector suffers from lack of robust statistical evidence and strong political lobby

However, and despite some 12 years of active lobbying on the part of the RCF/Littoral Arts and the creative rural sector, e.g. the major Creative Rural Communities report* published in July 2010, the government's Creative Industries Settlement makes no mention of the creative rural sector, which would suggest that they the lead national CI advocacy agencies still seem to be unaware - or remain somewhat unconvinced, of the importance of the creative rural sector's expanding contribution to the UK creative economy.

9. CaDRE - a positive and constructive response on the part of the creative rural sector

In response to these concerns, and inspired by the challenges posed by government's post-Brexit Industrial Strategy, the CaDRE - Creative and Digital Rural Economy R&D initiative is currently being developed; (a) to try and help the creative rural sector gain greater recognition by the mainstream CI policy and arts and cultural funding community, and (b) to generate a body of robust and credible economic statistics to back up its claim of contributing c. £2 bn. to the national creative economy. Some important new thinking about the future of the rural economy and creativity has also come about through the pioneer work of geographer/academics, David Bell ('rural cultural work is extraordinary') and Michael Wood (The Global Rural), the OECD (Principles for a robust rural policy, Edinburgh, 2018), and international architect Rem Koolhaas (2012); *"The countryside is now more volatile than the most accelerated city.."*

10. A £20 million ask - in return for £2 billion? Arguments for a strategic investment framework

Citing the precedent of the extra £20 million given the cities recently under the government's Industrial Strategy's CI sector settlement, i.e. the Cultural Development Fund⁴. The creative rural sector feels that it should now also be allowed to make an equally strong case for £20 million from government or from the Arts Lottery fund, for the establishment of a 5 year (2019 - 2024) national creative and digital rural economy (CaDRE) R&D strategic investment programme.

"It means no longer trying to shoehorn rural cultural industries into an urban script, but instead write a new script attentive to both urban and rural, and to the connections between them.."

Dr David Bell, "Cottage Economy: the 'ruralness' of rural cultural industries", (Routledge Companion to the Cultural Industries, 2015)

11. Are the rural creative industries different from urban CIs - if so how can we measure them?

There is also a need to agree what we mean by; (i) the rural creative rural sector and, (ii) the new creative rural industries (creative rural economy). For example how are they structured differently from the urban creative sector or, as is probably more likely, could they be complementary to the urban CIs? In this context we have been arguing that the formal 13 (i.e. the classic largely urban-orientated) CIs classifications employed by DCMS and Creative Industries Federation - CIF (listed under) are also active and quantifiable within the creative rural economic sector. But these 'classic CIs' have not as yet been formally researched or measured in the context of the creative rural sector's current contributions to the national economy. Which could measure in the £100s p.a. (GVA) of millions, per CI sector. For example an earlier study of the Heritage (traditional) rural crafts undertaken by the Countryside Agency in 2004⁵ estimated that the rural (traditional) crafts sector was then contributing at around £240 million GVA to the national creative economy.

* Creative Rural Communities report published in July 2010

<http://www.ruralculture.org.uk/wp-content/uploads/2010/07/RCS_web.pdf>

⁴ Creative industries: Sector Deal A Sector Deal between government and the creative industries sector. 28/03/2018 <<https://www.gov.uk/government/publications/creative-industries-sector-deal>>

⁵ The Crafts in the English Countryside, Prof. E.J.T. Collins, Countryside Agency, Nov. 2004

Similarly, the massive expansion and international success of rural arts and literatures festivals, (e.g. Booktowns) such as the major Hay-on-Wye book festival which is now turning over £70 million p.a. and has been franchised internationally. Including many other open air countryside festivals and cultural events (e.g. Alex James and Jamie Oliver's Feastival, and Glastonbury at c. £37million p.a., etc.), CLA Game Fairs, and NFU, RASE, and WiRE sponsored rural innovation events. It is estimated that these and other innovative outdoor rural cultural events are already contributing well over £500 million p.a. to the national creative economy. But such speculative figures and data will need careful examination and verification, which is partly what the CaDRE initiative aims to achieve.

12. The 'Vertical Axis' of the 'Classic 13' [urban] creative industries 'CI' classifications

In brief, we propose to employ the 13 main urban CI classifications currently set out by DCMS (2016) to identify and quantify a complementary rural creative economies contribution as listed under. But that they have not as yet been fully studied in term of their contributions within the terms of reference of what we are now arguing are the emerging 'New Creative Rural Economies'.

- Advertising;
- Interactive leisure and software;
- Music;
- Performing arts;
- Publishing;
- Software and computer services;
- Television and radio
- Architecture;
- Art and antiques market;
- Crafts;
- Design;
- Designer fashion;
- Film and video.

13. Widening CI classifications to include rural creativity, rural innovation and rural cultural capital

There have been efforts recently to expand the 'classic' urban CI definitions to embrace a wider pool of national creative enterprise and rural cultural economic activity. For example, when DCMS proposed eliminating the crafts from the list back in 2016, the Crafts Council and the UK heritage crafts sector (HCA) mobilised in protest and had the proposal rescinded. What we are proposing with CaDRE is not a 'protest' as such about the omission of the significant contributions of the creative rural sector from the above CI list, which we will henceforth describe as 'the vertical [urban] CIs axis, but rather we are proposing is the introduction of a second tier or complementary set of specifically rural CI classifications; i.e. the rural creative economy as a second or 'horizontal axis'

14. The New Creative Rural Economies - mapping the creative rural sector's 'horizontal' CI axis

In essence the CaDRE project proposes to devote itself to mapping out the scope and measuring the hard economic contributions of the creative rural sector's 'horizontal axis' of CIs. In support of this work it has recently published the New Creative Rural Economies report and resource hand book. (Nov. 2017)⁶ The New Creative Rural Economies report documents in more detail something of the rationale and arguments for the adoption of a complementary set ('horizontal axis') of new rural CIs. These we are hoping will also form the basis for future dialogue with: DCMS, DEFRA, Arts Council England, CIC - Creative Industries Council, CIF - Creative Industries Federation, NESTA, Creative England, etc., leading to the formal adoption of the creative and digital rural economy as an important part of the national CI (creative Industries) policy discourse and funding strategies.

⁶ The New Creative Rural Economies report and resource handbook, November 2017
<<http://www.ruralculture.org.uk/wp-content/uploads/2010/02/Mini-RURALReport-Sept2017.pdf>>

15. The seven main complementary, i.e. 'horizontal' CaDRE R&D project areas proposed for study

1. RIOT - the Rural Internet of things, Big Data, Agri-tech, agri-bio-technology (creating new life forms) and the rapidly expanding digital creative rural economy; Rural England CIC 'Unlocking the digital potential of rural areas..' report March 2018 estimates that the rural digital contribution to the national economy is in the range of £12 - £22 billion p.a. The creative digital element of this is probably at c. 15%. But this would need to be verified.
2. Rural women - key drivers of rural innovation and rural cultural capital: Measuring the major economic contribution of rural women's creativity and domestic rural home based arts and cultural enterprises to the national creative economy;
3. Enhancing rural community cultural capital: Mobilising the full economic potential of grassroots rural community creativity, promoting grassroots rural innovation, innovative arts-led rural SMEs and the, as yet, untapped considerable economic potential of rural community cultural capital;
4. The Glastonbury effect: Promoting farmer creativity and enhancing the agriculture sector's important and growing contributions to the national creative economy and the nation's cultural life;
5. The New rural arts: The role of the professional arts, designers, craftspeople and digital media sectors currently located in and/or operating mainly within the rural economic sphere; measuring the equally important contributions of the profession urban arts, media, music and cultural sectors to the rural economy;
6. Culture-led rural tourism - the arts, media and cultural sector are potentially major partners and contributors to the future growth and sustainability of the national rural tourism economy, which is currently valued at £17 bn. p.a. ⁷
7. The Hyper Rural - proposing new creative and cultural responses (solutions?) to the range of new economic, social, health and environmental problems and challenges now emerging in the countryside; e.g. Zoonose pandemics (Avian Fu), flooding due to climate change in the countryside, the growing rural housing crisis and changing urban - rural demographics.

15. £2 billion p.a. by 2022? Measuring the rural CIs - need for more robust study and verification

One of the main tasks of the CaDRE initiative would be to identify and articulate (in credible CI/DCMS policy terms) what some of these 'horizontal axis' creative rural economies might be. Including the adoption of a formal rural CI research methodology by which to assess and measure their full economic contribution to the national creative economy.

16. Recommendations for a national creative and digital rural economy investment strategy

In support of the development of the above CaDRE - Creative and Digital Rural Economy initiative, the report's main recommendations to the House of Lords Rural Economy Committee are as follows:

1. That the adoption of a dedicated national creative rural economy investment and R&D initiative should be expedited; the intellectual, social, political and economic arguments (i.e. the Government's Industrial strategy) for this are now compelling;
2. A wider informed public debate leading to the formulation of a democratic rural cultural mandate is now long overdue. Whereby grassroots rural communities, rural support NGOs, rural artists, farmers and rural policy makers, academics, etc., could have a greater say and a more direct input into setting future arts and cultural funding and creative economy (CI) investment policy priorities for rural areas;

⁷ EFRA Environment Food and Rural Affairs Select Committee of inquiry, (uncompleted) May 2015
<<https://www.parliament.uk/business/committees/committees-a-z/commons-select/environment-food-and-rural-affairs-committee/inquiries/parliament-2015/rural-tourism-inquiry-16-17/>>

3. Proposals for a national rural cultural strategy, as endorsed in Parliament (via an EDM 252, 17/06/2013)⁸ and supported in principle by the lead grassroots rural community, rural NGOs, academic, and art practitioner communities, should also be adopted; without this the vital post-Brexit creative rural economy contribution to the Government's Industrial Strategy may struggle and, ultimately, could fail;
4. Mainstream (DEFRA) agriculture diversification, animal welfare, agri-tech, sustainable food and farming, rural tourism, environmental sustainability, rural development policy initiatives, etc., could also benefit considerably by having a dedicated rural cultural policy framework and supporting creative rural economy investment strategy in place;
5. A new set of critical art practices and radical (disruptive innovation) cultural strategies is also needed that could be deployed more quickly and effectively when in dealing with some of the major economic, public health and environmental crises now emerging in rural areas; i.e. the Hyper Rural: (i) 'art and pandemics' as a response to and in managing possible future Zoonose pandemics; (ii) 'art and the anthropocene' which could perhaps also help with finding creative solutions to major flooding and climate warming effects in rural areas; (iii) 'art and agriculture' - agriculture sits at the heart of culture - proposes a major cultural policy sector response to some of the radical changes (economic, social, health, technological, environmental) now taking place within the agricultural sector.
6. The Government, if it was so disposed, could instruct DCMS and the Arts Council to ring-fence £20 million from the approximately c. £700 million p.a. (Grant in Aid – GiA and Arts Lottery) funding that ACE has available annually to support future development of the nation's cultural, social and economic well being. This funding should also be earmarked specifically for the implementation of a five year (2019 - 2024) creative rural economy and culture-led rural regeneration investment programme;
7. An interim creative rural economy advisory panel, and/or rural cultural policy strategy think tank should be set up as matter of some urgency to help coordinate and implement some of the above. This would include representatives from the leading grassroots rural community advocacy organisations and rural NGOs, in partnership with DEFRA, DCMS, ACE, Creative England and the Creative Industries Federation, etc.
8. The pioneering national creative rural economy work would also greatly benefit by having the endorsement and support of the House of Lords Rural Economy Committee. Which might further attract support for the possible establishment of a Creative and Digital Rural Economy APG in the House of Commons.

⁸ **Early Day Motion 252, House of Commons, 17th June 2013**

Sponsor: Tim Farron MP

That this House recognises the need for a Government-led rural cultural strategy (RCS), to be delivered in conjunction with the Rural Cultural Forum; notes that rural communities are being denied their cultural voice at present due to the significant disadvantages they face compared to urban areas in terms of access to arts funding; highlights the perception that too great an emphasis is being placed on serving the needs of the urban creative industries by the arts establishment, as identified in the Independent Study Report compiled by John Holden and endorsed by the Rural Cultural Strategy Working Group; considers that these barriers could be overcome by the introduction of a dedicated rural cultural funding strategy which would redress the current imbalance and ensure rural cultural initiatives receive adequate attention and support from decision-makers in the arts world; further notes that a strategic approach to diversifying rural culture of this nature would have positive benefits economically in terms of attracting young people towards rural areas and thereby jobs and services; and calls on the Government to make the implementation of a RCS a reality as soon as possible.

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