

Creative Industries toolkit



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Fun facts: did you know?

- **Glastonbury Festival** is the largest performing arts festival in the world
- **Vinyl sales** in the UK hit 7.7 million (worth £135.6m) – the highest amount of sales since 1990
- UK artist Adele's album '21' is the **best-selling album of the 21st century** so far
- Mini-skirts and hotpants? Brought to the mass market by **British fashion designers** in the 60s...the decade that gave rise to Mod culture, which endures into the 2020s
- **Animals feature** heavily in some of the UK's most famous ad campaigns. Think meerkats (comparethemarket); chimpanzees (PG Tips); Corgis (The Crown; ad by 3); cats (Cravendale) and horses (Guinness)
- The Soap Opera **Coronation Street** holds the Guinness World Record for longest-running soap in history (63 years)
- **Bond films** have been wooing international audiences since Sean Connery hit the screen in Dr No in 1962
- The **Royal College of Art** in London ranks top in its subject for art and design internationally¹



Introduction



The UK is renowned as a creative powerhouse and is a global leader in **creative industries**. From film to fashion, pop culture to literature and design to digital gaming software, the UK has produced some of the world's best-known artists.

The creative scene has come a long, long way from the Swinging Sixties when The Beatles, The Rolling Stones and fashion designer Mary Quant ruled Britannia. In fact, it has come a long way since Monty Python's Flying Circus and global star Mr Bean, too.

The UK is a global driving force for innovation with **investment opportunities** in the screen industries, TV, music, publishing, design, advertising, digital media and storytelling and games development. Especially in the UK's post-pandemic recovery, this increased investment in the sector is set to generate an **additional £28bn for the economy by 2025**, creating 300,000 new jobs.

The **videogames** sector has now scored 10 consecutive years as entertainment's largest sector, according to the annual yearbook of the digital entertainment and retail association ERA.² Videogames first overtook video, traditionally the largest entertainment sector in 2012, and has led the market every year since.

Not only the UK is the leading video game market in Europe, but it is also among the top five players globally. With the global video games industry forecast to be **worth £200bn by 2025**, the sector presents highly lucrative opportunities.

Music and arts festivals are held across the UK, with Edinburgh Fringe, Brighton Fringe, Hay Festival (Gloucestershire) and Glastonbury attracting the world's best artists.³ The prestigious **Turner Prize** – whose previous winners have included artist Damien Hirst, contemporary artist and writer Grayson Perry and fashion designer Steve McQueen – was awarded to artist Veronica Ryan in 2022 and the 2023 Prize will be held at Towner Eastbourne, on the Sussex coast. **Artes Mundi**, best known for its international exhibition and prize which takes place in Cardiff every two years, is one of Wales's biggest and most exciting contemporary visual art shows.

UK television and film content is recognised in the world over for its unique brand of humour, original concepts, quality writing, polished drama and break-the-mould documentaries. In 2020, to plug skills shortages and draw new talent to the sector, the British Film Institute and ScreenSkills joined forces to create 30,000 new jobs, under the BFI2022 Future Film Skills Plan.⁴

Streaming giants are showing their confidence in the sector. In 2021 Netflix made a £1.2m investment to train 1,000 staff and Sky's new Sky Studios Elstree site will house 13 sound stages and is expected to attract £3bn in new production investment in its first five years.

The best **advertising campaigns** are remembered for decades and some of the world's biggest advertising agencies are headquartered in the UK. The IPA, Interactive Advertising Bureau (IAB) and Market Research Society (MRS) all set benchmark standards in advertising and help oversee innovations in UK-produced marketing campaigns. In December 2022 the **Creative Industries Trade & Investment Board (CITIB)** set out a strategy to **grow UK creative exports to £78bn by 2030**.⁵

The link between designers and high-street retailers is one of the **fashion** industry's key strengths, making it a multi-billion pound industry. Who hasn't heard of luxury brands Burberry or Mulberry, founded in 1971? The late Vivienne Westwood, who revolutionised fashion in the Seventies, paved the way for trailblazing designers like Matthew Williamson and Temperly London while the popularity of Paul Smith, an iconic men's brand, straddles several decades.

UK **retailers** were the first in the world to bring designer collections onto the high street. The retailer M&S is one of the most recognised names in the world and iconic stores such as John Lewis, Fortnum & Mason, Selfridges and Harvey Nichols have helped make 'shopping' the motivation for millions of tourist visits to the UK each year. Together, the UK's film, fashion, music, video games and advertising markets are a global driving force for innovation in the creative industries.

¹QS World University Rankings by Subject 2022

²The Digital Entertainment and Retail Association, ERA

³Creative Clusters, BBC

⁴Film Skills & Business Development Fund, BFI

⁵Advertising: Why the UK? - The Creative Industries



Sector in Stats



- The creative industries contribute **£13.2m** to the nation's economy **on an hourly basis** (2020)
- The combined spend on film and high-end television (HETV) production in the UK for 2022 was £6.27bn, from **415 productions**
- In 2021, the manufacturing sector accounted for **9.7%** of total UK economic output (GVA)
- UK consumers spent **£4.3bn on videogames** in 2021, compared with £3.75bn on video and £1.68bn on recorded music
- Streaming accounts for 65% of global music revenues
- Pre-pandemic (2019) the UK's creative industries contributed around **£115.9bn to the UK economy**
- The top 20 films released at the UK and Republic of Ireland box office in 2019 grossed £767m [2020 skewed by pandemic]
- The UK had an estimated **2.29m creative industries jobs** in the year to September 2021⁶
- UK consumers spent a record **£7bn** on game and game-related activities in 2020⁷





Sub-sectors



Video games

Gamification is seeing exponential demand as consumers worldwide demand world-class video games and content across all digital formats. Pandemic lockdowns forced a boom in home entertainment and have helped push **UK gaming penetration figures** to around **65%**.⁸

The video-game market is worth **£5.49bn to the UK economy** and videogames revenues are overwhelmingly digital - with that **digital segment** alone worth **£3.775bn**, more than the entire video market and more than twice that of the recorded music business.⁹

The UK also boasts a highly skilled workforce in the industry. Pre-pandemic, the number of graduates on courses relating to games development rose for seven consecutive years (totalling 1,380 in 2018-19).

The reach of **immersive technologies** (augmented reality, virtual reality and mixed reality) in video game production is huge, with technologies also being adopted across other sectors, including the aerospace, automotive and space and healthcare industries.

According to Ukie (the trade association for UK Interactive Entertainment), the global AR, VR and MR markets are forecast to grow to £223.89bn by 2024.

Advertising and Marketing

With **more than 15,500 UK film and video companies** to choose from it's no surprise that advertising and marketing is a huge UK success story. In recent years agencies have helped to create effective global branding for stellar brands including HSBC, Samsung, Virgin Airlines, Hilton Hotels, Audi, Emirates and Air New Zealand. As well as its extensive capability in the production of advertisements, the UK has expertise across all channels, including video and TV, social media and paid advertising, and digital and B2B.

According to a 2021 Advertising Association report, the **UK ad industry exports services worth £11bn**. During the global pandemic spending on digital advertising jumped by more than 40%, highlighting the impact the event had on the digitalisation of the advertising ecosystem. **Digital advertising** is key to future growth and success and according to Statista the UK is the **largest digital advertising market in Europe**, with a spend of €32.33bn.

The IPA (Institute of Practitioners in Advertising) Effectiveness Awards held every two years ensure rigorous quality advertising standards are maintained.

Television and Film Production

From John Cleese's Fawlty Towers to David Attenborough's Blue Planet; Downton Abbey to Mary Berry's Bake Off and I'm a Celebrity... Get me Out of Here to Phoebe Waller-Bridge's Killing Eve and multi-award-winning The Crown, the UK's audience-winning formulas are exported and emulated the world over. The UK's longest running soap, Coronation Street, has been in production since 1960 and Michael Apted's ground-breaking and profound TV project, Seven Up! was first shown in 1964.

High-end TV production (HETV) is big business in the UK. According to Statista, in March 2020, there were more than 16,000 companies in the UK dedicated to film production, video production, or film, video, and television post-production. The revenue of the UK film industry was **£18.75bn in 2019**.¹¹

Film and TV productions struggling to get insurance for COVID-19-related costs received support from the UK government during the global pandemic, in the form of a **£500m Restart Scheme** to help productions across the country that were halted or delayed by an inability to obtain insurance for COVID-19-related risks. The latest figures (Feb 2023) published by the BFI's Research and Statistics Unit show significant growth in UK film and high- HETV production with a record levels of spend contributing to the UK economy.

The combined spend by film and high-end television production (HETV) during 2022 reached **£6.27bn** – the highest ever reported and £1.83bn higher than for the pre-pandemic year 2019 . 220 films started shooting in 2022, and total UK production spend for film starts was £1.97bn, which is 27% higher than the £1.55bn reported at the end of 2021.¹²

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- ¹¹Number of film and video production companies in the UK, Statista (Jan 2023)
- ¹²Official 2022 statistics, BFI
- ¹³The Creative Industries
- ¹⁴Creative Clusters, BBC
- ¹⁵Research and Statistics Unit 2, BFI (Feb 2023)



Sub-sectors



UK film – a deep dive

In the 2020/21 awards cycle, UK films and talent won 14 awards at the **BAFTA Film Awards** in 2020 and eight awards at the 2020 **Academy Awards**[®] across a range of awards categories, including acting, music and screenwriting. Nine awards were also won at the Sundance, Berlinale, Venice and Toronto film festivals.

Recent film successes have included tragicomedy *The Banshees of Inisherin*, largely funded by Film4, and *Aftersun*. The former scooped four BAFTAs, whilst the latter swept the board at the British Independent Film Awards (Bifas) late 2022 and both films have several Oscar nominations (Academy Awards) between them, including two in the Best Lead Actor category for Colin Ferrell (*Banshees*) and Paul Mescal (*Aftersun*).

In 2021, 209 films began principal photography, with a total **UK production spend of £1.55bn** (3% higher than the £1.5bn spent across 350 films in 2020). Inward investment productions accounted for 82% of the total UK spend (£1.28bn). Spend on UK domestic features was £221m or 14% of the 2021 spend, compared with £158m in 2020. Co-productions accounted for £58m (4% of UK spend).

UK Television – a deep dive

The lion's share of the total £6.27bn spend by film and high-end television production came from **HETV production** with **£4.30bn** (69%). The **BBC**, the **UK's flagship broadcaster** for over a century, is at the forefront of investment and innovation in the creative sector and acts as a critical anchor institution in the development of creative clustering across the whole of the UK.¹⁴

Each year the **British Academy Television Awards** and the **British Academy Television Craft Awards** recognise outstanding talent in the UK's buoyant television industry.

There were 195 high-end television productions filming in 2022 with a total UK spend of £4.30bn. The UK spend figure for 2022 is an increase from the record-breaking £4.09bn from 211 projects reported in 2021; it also indicates a higher spend in 2022 across fewer productions.

The 2022 spend on inward investment HETV production was £3.63bn (84% of the total HETV spend), co-productions were £37m (1%) and domestic productions accounted for £633m (15%).¹⁵

¹⁶Industry reports and stats, UKFT

¹⁷Industry reports and stats, UKFT

¹⁸Fashion, Study in the UK

¹⁹Fashion: Why the UK? - The Creative Industries

²⁰London Fashion Week

²¹This is Music 2022, UK Music

²²Vinyl outsells PlayStation [...], ERA



Sub-sectors



Fashion

The UK fashion industry is a **dynamic multi-billion pound industry** and a major player on the world stage. From high street to haute couture, UK designers are regarded as some of the most creative and innovative in the world. Famous designers including Mary Quant, Alexander McQueen, Paul Smith, Philip Treacy, Ozwald Boateng – the designer behind the new British Airways crew uniforms – Zandra Rhodes and the late, great Vivienne Westwood have all left an indelible mark on the world's leading catwalks.

The industry contributes almost **£20bn to the UK economy**.¹⁶ This spans everything from designer fashion, through to luxury knitwear, tailoring, workwear and beyond.

The UK **exported £8.9bn of fashion and textiles** in 2020 - UK textile exports worth approximately £2.6bn and UK apparel exports worth £6.3bn - **and imported £27.7bn**.¹⁷

Fashion Design courses in the UK embrace the design, production and marketing of clothing, and can range from industrial to leisure goods across a range of sectors.¹⁸

Seats at UK fashion events are highly sort after by the fashion cognoscenti. **London Fashion Week** is a high point in the fashion calendar. According to the Creative Industries Council, media coverage at London Fashion Week alone equals, or exceeds major news and international sporting events.¹⁹

Fashion Week shows in 2022 included collections from emerging designers including AGR, Olubiyi Thomas and QASIMI, BFC NEWGEN designers Ahluwalia and LABRUM London. Kicking off with its first 2023 show held in February, this year's haul of design talent has and will include Christopher Kane, Erdem, Nensi Dojaka, Roksanda and Simone Rocha.²⁰

Music

It should come as no surprise that music is a key creative sector for the UK. **Pop culture** is part of the DNA and our **music festivals** are legendary. Sir Elton John, Adele, Cliff Richard, The Beatles, Queen, George Michael, Kate Bush, Davie Bowie, Florence Welsh, Annie Lennox, Coldplay, Oasis, Ed Sheeran and Harry Styles are among its many, many revered pop artists.

In 2021 the sector contributed **£4bn to the UK economy** – up 26% from 2020 - and **£2.5bn in exports**²¹. The UK is in fact the second largest exporter of music in the world.

Importantly for the music industry, **streaming** has driven an increase in recorded music revenues from the low point of £761m in 2015 to £1,115m in 2021. Streaming now accounts for around three quarters of UK recorded music revenues. The success of streaming can be shown by the number of people using streaming services. In December 2021, there were 39 million monthly active users of music streaming services in the UK and tracks were streamed more than 138 billion times.

For the first time **vinyl LPs** have also overtaken all physical entertainment formats bar Nintendo Switch games.²² In 2022 UK consumers spent more money on vinyl than on Playstation 4 and 5 games combined, as well as more than on CDs, DVDs or Blu-ray discs.

Performing arts

The arts and culture industry contributed **£10.8m a year to the UK economy**, with over 363,700 jobs.²³

The UK's **performing arts**, specifically, are perceived abroad to be of the **highest standard**.²⁴ Home of the world's most famous playwright, the persistent run of Broadway shows in the West End and the touring undertaken by our theatre, opera and ballet companies are testament to the high regard in which our artists are held.

The UK produces more new writing for theatre than anywhere in the world,²⁵ and today's artists are exploring new ways of using performance to reflect on difficult issues and challenge our views.

The performing arts scene is active across the whole country. There's a **wide-ranging festival culture**, with events of all shapes and sizes. With its unique power to bring people together, performance is often a crucial part of cultural strategies, from city planning to rural touring initiatives.

The live performing arts are also an important training ground for participants in other creative industries, whether content creators, performers or producers, including film, television, radio, the music industry and advertising.



Research & Development



The Department for Education (DfE) and Department for Digital Culture, Media & Sport (DCMS) work closely with the creative sectors, through the creative advisory group, to explore possibilities and flexibilities for apprenticeships alongside other pathways for those aged 16-plus including T-levels, higher technical qualifications and skills boot camps.²⁶

In its Autumn Budget and Spending Review 2021, the Government announced that **£42m** would be allocated to **support the UK's creative industries**, with focus on funding for SMEs to expand, and on providing support for the UK's independent film and video game industries. The Government's most recent Budget and Spending Review (October 2022) increased tax reliefs for theatres, orchestras and museums and galleries until 2024. These additional tax reliefs are worth almost £250m to the sector.²⁷

UK research and Innovation (UKRI) is also providing support to the tune of **£100m to support innovation in the creative industries**. Five active flexi-job apprenticeship pilots are currently under way with sector employers including the BBC and the National Theatre. As an added incentive, creative-industry companies involved in television, film and theatre productions may qualify for Corporation Tax Relief from HMRC.²⁸

The **Creative Industries Cluster Programme** has provided an **£80m investment** to drive innovation in the sector - successfully connecting world-class research talent with world-renowned creative businesses. **Future Fashion Factory** received £1m in funding to support projects including an AI-powered virtual fitting service and an integrated design platform for creatives.²⁹

Fashion and textile innovation are also key in the UK. Ranked no.3 in the world and **no.1 in Europe** in terms of patent generation, spending on R&D in the industry stands at 5% of turnover³⁰ - above the average for all manufacturing industries.

The UK's significant strengths in research and development bring international students to the UK in droves. Several **high-ranking universities** including Loughborough University, the University of Central Lancashire, the University of Edinburgh, Kingston University, Salford University and the University of Wales, Trinity St David offer undergraduate degrees in fashion.

Among its **world-renowned art colleges** is The Royal College of Art and University of the Arts London, which offers an extensive range of courses in art, design, fashion, communication and performing arts is ranked second in the league table. Central Saint Martins and London College of Fashion are also among the capital's six renowned Colleges. Notable alumni include Alexander McQueen, John Galliano, musician Jarvis Cocker, Stella McCartney, Matty Bovan and the rapper, M.I.A.

Northern Ireland and cities and regions including Manchester, Coventry, Bristol, Cardiff, Warwickshire and Guildford and London all have **significant creative clusters** and benefit from a slice of the creative pie.

The UK's national broadcaster, the **BBC** - which is also the world's oldest broadcaster - is critical to the UK's Film, TV, video, radio and music subsector. From a sector **GVA of £21.7bn in 2019**, the BBC contributed 14% and of the 224,000 workers in this subsector, BBC employees accounted for 8.5%.

²³Arts and Culture Industry, Arts Council

²⁴Performing arts, gov.uk

²⁵Theatre & Dance in the UK, British Council

²⁶Lord Parkinson speech, gov.uk (Dec 2022)

²⁷Lord Parkinson speech, gov.uk (Dec 2022)

²⁸Creative industries, great.gov.uk

²⁹Creative Industries Clusters Programme, UKRI





Sustainable creative industries



The UK is ahead of the curve when it comes to **sustainability in fashion**. With pockets of manufacturing excellence and experience throughout the country, the **Fashion Manufacturing Alliance** promotes these home-grown skills in order to reduce carbon emissions through less travel, greater production flexibility and positive brand association.

The **British Fashion Council** supports the future growth and success of the British fashion industry by focusing on education, grant-giving and business mentoring. In its first three years, the BFC Foundation received total donations of more than £8m.

Working closely with and maintaining a presence at events including London Fashion Week and The Fashion Awards, the not-for-profit British Fashion Council strengthens British Fashion in the global economy by championing diversity and inviting the industry to work towards a **successful circular fashion economy**.

The **Institute of Positive Fashion** is the engine for industry change and demonstrates the BFC's commitment to climate action. It does this by convening the industry, government, academia and other stakeholders to develop industry-wide transformation programmes.

The Council and The Institute are also working on a **10-year strategy** to enable the industry to reduce climate and societal impact in line with UN goals. This strategy will comprise adaptation of business models and working practices across the industry.³²

Sustainability is a vital issue for the music industry as well. UK Music is working to expand on the work already being done in the sector, through schemes such as LIVE Green and the Music Climate Pact. **LIVE Green** aims to collate and provide research, expertise and cross-industry innovation that is informed by the best science and supports the transition to a regenerative future.

Lastly, sustainability can also be found in media. In 2020 Manchester's **MediaCity** hub was named as the first Wired Certified Neighbourhood in Europe. The following year its buildings became the first in the country to **achieve net-zero carbon status** (using the UK Green Building Council's framework). MediaCity was accredited as the first BREEAM sustainable community in the world, including the Green Flag Award and the Green World Ambassador award.

³⁰Innovation, UKFT

³¹British Fashion Council - Institute of Positive Fashion

Any
questions?

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