

Committee(s)	Dated:
Culture, Heritage and Libraries Committee	23 November 2020
Subject: Culture's role in driving investment and business	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	7
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Director of Major Projects	For Information
Report author: Nick Bodger, Cultural and Visitor Development Director	

Summary

Your Cultural and Visitor Development Team (CVDT) is commissioning research that will seek to gauge the power of culture in influencing location decisions for businesses and consider its role in driving economic growth for an area. This research will – it is hoped – better enable officers to make the case for culture and demonstrate its value as a vital component in delivering attractiveness of place – be that for the City specifically or for the City in the context of London's wider cultural offer. This initiative will complement the work of the Culture and Commerce Taskforce (also on the agenda for today's meeting) and help to inform future decisions about how and where investment in culture may best deliver competitive business advantage at a time of recovery.

A growing body of research already exists on this topic, but it is fragmented and – in large part – not specific to the City, or indeed, to London. Top line findings, however, which are compiled and presented in appendix 1, indicate that culture *does* play a key role in desirability of place by delivering positive messaging and shaping perceptions, attracting a skilled and talented workforce and driving prosperity, and through these outcomes, creating the right conditions for business to thrive.

Recommendation(s)

Members are asked to:

- Note the report

Main Report

Background

1. The City is one of the world's leading financial and business centres. Pre-Covid, its creative sector was growing faster than anywhere else in the UK, visits to its attractions were at an all-time high (up 4.1% year-on-year) and investment in culture by the City Corporation topped £134m (2018/19), making it one of the largest funders of the sector in the UK.
2. In your Year 1 Cultural Strategy Report published earlier this year, your former Chairman asserted that:

“...through our investment in culture we ensure that international communities continue to see the district as an open, vibrant and culturally rich space. This increases our attractiveness as a place to be and delivers benefits for all London, driving economic growth as businesses seek to locate here...we continue to champion arts and culture in order to build a more prosperous future for London and its people.”
3. At the time of a second lockdown, culture in the City and in London more widely is in crisis, with many organisations at risk or closed and many cultural freelancers – the backbone of creative output – facing unprecedented financial hardship.
4. Your Cultural and Visitor Development Team (CVDT) have sought to address issues through a number of new initiatives – not least, with the Culture and Commerce Taskforce (delivered jointly by the CVDT, Culture Mile and the Lord Mayor's Team at Mansion House) which is also reported to your Committee at today's meeting.

Current Position

5. Building on this (and complementing it), your CVDT is commissioning research that will seek to gauge the power of culture in influencing location decisions for businesses and consider its role in driving economic growth for an area. This research will – it is hoped – better enable officers to make the case for culture and demonstrate its value as a vital component in delivering attractiveness of place – be that for the City specifically or for the City in the context of London's wider cultural offer.
6. The research will support a growing body of evidence which indicates that the cultural and creative industries are essential to business geography, helping to develop a creative and competitive workforce, and ultimately delivering advantages to businesses and local economies. However, while this contributes to the arguments for supporting culture and helps enable officers to articulate the case for continued funding of cultural activities, what exists is not City or London specific (in large part) and has been undertaken as part of wider projects with no targeted focus on the points raised in item 5 above. A summary of this research is given in appendix 1.
7. To develop a more robust defence for ongoing and new sources of cultural investment, the research commissioned by your CVDT will seek to gather insights on:

- i. Why London-based business leaders locate their HQs / offices in areas with significant creative and culture sectors, ranking factors to understand the priority afforded to culture as an influencer
 - ii. The financial impact of culture-considered location choices, working up a model to quantify this proportionate to culture's ranking in the decision-making process
 - iii. Why London-based workers want to work and live in culturally rich areas with consideration of how the sector supports their lifestyle choices outside of work and their perceptions of prospective employment opportunities.
 - iv. How culture and heritage foster positive perceptions of the City and London, increasing desirability of place, drawing on key case studies and associated media coverage to indicate the sector's role in raising the profile of an area in a competitive marketplace.
 - v. How vibrant cultural and creative areas will continue to be business and lifestyle drivers and therefore integral for the City's recovery.
8. The suggested methodology for this work will include:
- i. Agreeing the definition of culture that we will use in the study and determining the geography of the work, noting that the City as a location choice is unlikely to be based on its specific cultural offer but on that of wider London (and that the choice of London as a location may be influenced by the City's cultural offer / investments)
 - ii. Surveying business leaders to provide quantitative and qualitative data, determining who is particularly passionate about arts and culture as business and lifestyle attractors, and how this can be championed and translated across wider organisations and sectors.
 - iii. Gathering case studies and testimonials that evidence the importance of culture when locating businesses and attracting a competitive workforce, considering breadth of business type in both size and sector
 - iv. Surveying London workers to understand the ways in which cultural opportunities are key drivers for workplace and lifestyle choices.
 - v. Identifying case studies of key cultural activities in London over the last three years that have received significant media attention, ascertaining metrics as part of a wider narrative to better understand culture's role in raising the desirability of London as a place to live and work.
 - vi. Compiling case studies that extract quantitative data, showcasing real financial impacts of being located near vibrant cultural offers, including property value and local economic activity.
9. This primary research will be shaped into a public-facing report and advocacy tool which will articulate the case for sustained cultural investment and seek to establish new sources of funding with target audiences including:
- i. Local and national governing bodies, particularly those that oversee business districts and placemaking

- ii. Senior leaders from a range of established and emerging business sectors
 - iii. Funders and decision makers across London's cultural and creative industries
 - iv. Advocacy networks and agencies that support both business and creative sectors
10. It is anticipated that the report will help to influence perceptions of culture's role in business location decisions supporting the argument that workers want to be near cultural amenities, that companies seek to locate to the same or nearby areas to attract a talented workforce, and that, therefore, an area will become less attractive to business if cultural provision weakens.
11. In so doing, the report will deliver evidence-based and clear financial impacts around culture's ability to gain competitive advantage and drive economic growth.
12. Ultimately, it is hoped that the research will better inform business leaders, cultural funders, urban decision-makers and thinktanks, as well as London's governing bodies, promotional agencies and recovery boards of the interdependency of cultural investment and thriving local economies within the context of urban business districts.

Corporate & Strategic Implications

13. **Strategic implications** include alignment with the [Corporate Plan](#) at outcome 7 in that promotes London for its creative energy and competitive strengths, and the City as a world-leading global centre for financial and professional services, commerce and culture.
14. **Financial implications** there are no financial implications noting all work is undertaken using local risk budget funding.

Conclusion

15. London's cultural and creative industries are in crisis – many artists, freelancers and cultural SMEs are facing financial hardship, others are unable to continue operating. Funders of the sector are also challenged, with investors facing difficult choices as, with smaller funding pots and greater demand for support, London moves into recovery.
16. The cultural sector has a significant role to play in that recovery but must be able to articulate its impact and value in a more compelling way, demonstrating the necessity of continued support.
17. The research commission described in this paper seeks to arm cultural and creative businesses with evidenced based data, highlighting the interplay between them and the commercial sector and in the driving force culture plays in sustaining and/or building competitive business advantage for an area.

Appendices

- Appendix 1: Desk research highlighting the role of culture in delivering competitive business advantage

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