

### Desk research highlighting the role of culture in delivering competitive business advantage

#### Business leaders believe that culture and creativity is important for business location

A major publication [The Rise of the Creative Class](#) by Richard Florida has shaped urban policy and planning since its publication in 2002, particularly at mayoral level. In the book, the leading urbanist demonstrated how:

- Creative occupations are growing and firms now orient themselves to attract the creative class. This accounts for all people whose work requires creativity, no matter the profession - an engineer, designer, architect, writer, musician, artist, lawyer, entrepreneur, educator, health care provider, or anything else.
- Cities that want to succeed must aim at attracting the creative types who are the wave of the future.
- If cities want to succeed, they need to think about providing lifestyle, or consumption, advantages to their residents.
- The creative class's choices have already had a huge economic impact. In the future they will determine how the workplace is organized, what companies will prosper or go bankrupt, and even which cities will thrive or wither.

In [Harvard Business News](#), Richard Florida states that location will continue to be key following the pandemic:

- 'Forward-looking corporations take location more seriously than ever, making site selection and community engagement a centrepiece of their overall corporate strategy'.

[The City as a Place for People](#) report, 2018 (*City of London Corporation / CPA*) found that commercial businesses also 'want to be close to the innovative know-how and creativity that will give them the competitive edge' and stressed the importance of vibrant areas that combine employment and social amenities in attracting global businesses and top global talent.

The [World Cities report 2015](#) (*BoP / Bloomberg philanthropies / Mayor of London*), tells us:

- Culture's role as a key ingredient of a city's success is shared by a wide stratum of 150 senior leaders in the private, NGO and (non-culture) government sectors.

[The Value of Arts and Culture in Place-shaping, Aug 2019](#) (Arts Council) states that:

- Strategic partners (including business leaders) emphasised the value of a strong arts and cultural offer in helping to attract creative entrepreneurs and enterprises who, given their size, can be more flexible in their location decisions.

A [2015 study in Economic Development Quarterly](#) finds substantial evidence that performing arts organizations add to both the growth of the knowledge class and to urban economies broadly.

- ‘Over a ten-year period, the 118 metros with at least one performing arts organization generated a whopping \$60 billion in annual income and more than half a million additional knowledge-class jobs, or over 12 percent of all knowledge-class jobs created over that time frame’.

Source: [Bloomberg](#)

The [Improving Places, 2017](#) report (*King’s College / Arts Council England / Mayor of London*) on Culture and Business Improvement Districts, highlighted case studies that show how culture has attracted business:

- The Southbank’s visitor economy ‘is growing, but its use is also diversifying – the largest growth sector is now in office space, reflecting the cultural offer’s attractiveness to business’

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## **Cultural and creative industries are driving factors in attracting people to live and work in a city**

A [new culture and placemaking report commissioned by Arts Council England](#) says there is growing evidence of the “positive impact of arts and culture on places and the people who live in them”.

- The report asserts that culture can support economic growth by being a catalyst for regeneration, driving footfall and the visitor economy, and attracting clusters of creative businesses.

Separate research commissioned by Arts Council England findings indicated that:

- The local arts and cultural offer is a factor, both for people considering moving to an area and for people remaining within an area.
- Arts and culture was cited as an **equal priority to ‘schools’ in people’s decision to move to or remain in an area.**
- The analysis of the national survey data found that the arts and cultural offer as a pull factor is **equally important to someone employed in a high-skilled job as to someone seeking employment in a lower skilled role.**

Source: [The Value of Arts and Culture in Place-shaping, Aug 2019](#).

The "[World Cities report 2015](#)" (BoP / Bloomberg philanthropies / Mayor of London), tells us:

- ...a busy cultural life, and the connections that come from it, are a critical requirement for social and economic progress [for cities]: cultural vibrancy and city success share a common DNA.

[Humankind's London Key Message](#) research, 2017 (London & Partners, GLA, City of London Corporation) outlined the values that people want from a city:

- The terms: 'cultural', 'historic' and 'dynamic' were identified as being the top pull factors (genuine differentiators that shape decisions)

The research also highlighted perceptions of London compared to other major cities. London was rated as the top city for leisure, with 82% identifying this as a reason to visit. Other cities including New York, Paris and Singapore scored lower.

[The GREAT Tech Research, 2016](#) (London & Partners and UKTI) engaged with American nationals from the tech sector who had recently located to London. The research identified culture and heritage as a key reason why they chose London:

'Many did not consider other alternative [cities] to London. A combination of business, language and cultural factors make it an obvious choice as a destination to both live and work, and give it an iconic status'

- 'The UK's culture and history provide a real draw... Those we spoke to spoke about London passionately an 'amazing' city to live and work in offering a multitude of activities, events, places to visit. Many art galleries, cathedrals, theatres, parks, restaurants etc.

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### **Culture is integral to social and economic recovery following the pandemic:**

In August, the Local Government Association [published a report](#) outlining how 'local creative industries can be the cornerstone of recovery for our communities and local economies from the impacts of COVID-19'

Kenneth S. Rogoff (Professor of Public Policy and Professor of Economics at Harvard University) asserts in [Bloomberg](#) that:

- Investing in the Arts will speed economic recovery. Private and public partnerships to protect a vital U.S. industry will pay off, especially in hard-hit cities.
- "...the arts sector can create and sustain middle-class jobs for workers of diverse backgrounds to pursue creative careers and ones that are mobile. In turn, the culture industry is a magnet for creative clusters, and provides synergies that can spill over into a much broader range of economic endeavours."

The World Bank's [Sustainable Cities](#) blog, Sameh Wahba (Global Director, Urban, Disaster Risk Management, Resilience and Land Global Practice) states that:

- 'Culture is not just another affected sector in need of public support during this time of crisis. In fact, culture can also accelerate socio-economic recovery from the pandemic.'

The blog post also references the 2018 publication "[Culture in City Reconstruction and Recovery](#)," in which the World Bank and UNESCO called for a culture-based approach for city reconstruction and recovery in post-crisis situations.

[New research into the cultural infrastructure funded by Arts Council England](#) highlights "the value of cultural organisations to our high streets, signalling the important role these spaces will play in reanimating local economies as we emerge from the Covid-19 pandemic"

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### **Context: the contribution of culture and creative industries to the UK economy**

For further background on the contribution of the cultural and creative industries to the UK economy, each year Arts Council England commissions [a report based on ONS figures](#).

Published in April 2019, the latest highlighted:

- The arts and culture industry has grown **£390million** in a year and now contributes **£10.8billion** a year to the UK economy.
- The sector contributes **£2.8billion** a year to the Treasury via taxation, and generates a further **£23billion** a year and **363,700 jobs**.
- Productivity in the arts and culture industry between 2009 and 2016 was greater than that of the economy as a whole, with gross value added per worker at **£62,000** for arts and culture, compared to £46,800 for the wider UK economy.

A recent study from [Oxford Economics](#) also asserts that, prior to the pandemic:

- 'the UK's wider creative sector was growing at five times the rate of the wider economy, employing over 2 million people and contributing £111.7 billion to the economy - more than the automotive, aerospace, life sciences and oil and gas industries combined'.

The creative industries also support job creation across wider commercial sectors. As made evident in the [Mayor's Cultural Infrastructure Plan](#) (2019):

- ... dependency on the creative sector exists at various points along the creative supply chain, not just amongst direct suppliers.
- For every full-time equivalent job in the creative industries, a further 0.75 full time equivalent job is created within the supporting supply chain. London's cultural infrastructure supports a total of 203,250 jobs along the various supply chains.

Culture Mile's [Creative Enterprise and Innovation \(Bop / Publica\)](#) study showed that:

- Growth of creative enterprises in the City was 88% between 2010 and 2016, which is double the London average over that period.

Research by Nesta on the [creative economy and future of employment](#) (2017) concluded:

- 87 per cent of creative jobs are unlikely to be automated, meaning that creativity will shore up our global position in the future.

[Cultural vision for London](#), 2015 (Mayor of London) also indicated how culture is key to the tourism market, thus supporting the economy further:

- Four out of five travellers say 'culture' is their main reason for coming to London and this report shows cultural tourists spend £7.3 billion a year, generating £3.2 billion for our economy and supporting 80,000 jobs in the capital.

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## **Economic impact of culture for cities - case studies:**

WATERFALLS, NYC, 2008 – a public Art Spectacular by artist Olafur Eliasson:

- Total economic impact was calculated as \$69m against a \$15.5m project budget (see [The New York City Waterfalls: The Economic Impact of a Public Art Work, NYC Economic Development Corporation, 2008](#))

### [LUMIERE LONDON FESTIVAL 2016](#)

A case study on Lumiere London including press coverage achieved:

- 1m+ visitors
- £22m visitor spend
- £14.7m PR coverage achieved
- 4m page views on visitlondon.com

Other key London event case studies can be found in [London & Partners' report](#) on the impact of event tourism on London's economy.

### [LIVERPOOL CAPITAL OF CULTURE, 2008](#)

- 9.7m extra visitors attracted to the city
- Economic Impact of over £750m across the city
- 2.6m European and global visits motivated by the Liverpool ECoC . 97% of which

- were first time visits to the city
- 1.14m increase in visitor nights in Liverpool hotels