

# The Creative Economy in Amber Valley

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## INTRODUCTION

This fact sheet has been produced as part of the East Midlands Creative Industries Rural Strategy study commissioned by Culture East Midlands. (Fact sheets are available for each of the 26 rural districts of the East Midlands.)

Creative industries are an increasingly significant element of the rural economy in the East Midlands. In 2005, 28,600 people were employed in creative industries throughout all rural districts of the region (3% of all employment). There were also 7,800 creative industries businesses in the region's rural districts (more than 8% of all businesses). In these districts, creative industries employment grew by 20% between 2001 and 2005 (compared to 8% employment growth in the whole economy), and the number of creative industries businesses increased by 23% (compared to 11% growth in businesses in the economy as whole). In 2004, average GVA per head in creative industries in the rural East Midlands was £24,500.

## KEY FACTS – AMBER VALLEY

- More than 1,600 people were employed in the creative industries in Amber Valley in 2005, representing 3.4% of all employment in the district
- There were more than 350 creative industries businesses in Amber Valley in 2005 – 8% of all VAT-registered businesses in the district
- Creative industries businesses are concentrated in Belper, Ripley, Heanor and in and around Alfreton
- Employment in Amber Valley's creative industries grew by 34% between 2000 and 2005 – but employment in the district's overall economy fell by 10%. The number of creative industries businesses grew by 37% – more than three times the rate of growth of businesses in the economy as a whole (11%).
- The Audio-Visual sub-sector employs the most people, while Visual Art & Design accounts for the most businesses. Both exhibited very strong rates of growth.

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## 1 THE CREATIVE INDUSTRIES

The creative industries are defined by the Department for Culture, Media & Sport (DCMS) as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. The definition of creative industries used in this paper is based on the DCMS Evidence Toolkit (DET)<sup>1</sup>, a methodology for measuring creative industries using official government data.

The DET classifies creative industries into four sub sectors, or ‘domains’: Audiovisual, Books & Press, Performance and Visual Art & Design. Table 1 below indicates which industries are included in each domain:

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Art & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

**Table 1 - Creative Industries Domains**

*Source: DCMS Evidence Toolkit (2004)*

Two sources of data were used in this paper. The first, the National Business Database (NBD), is commercially licensed information provided by Experian<sup>2</sup>. The second, the Annual Business Inquiry (ABI), is based on a national survey of businesses, conducted annually by the Office for National Statistics (ONS).

Analysis of NBD provided a detailed breakdown of the types of creative businesses in Amber Valley, which in turn made it possible to calculate employment and business numbers for specific years using ABI. NBD also provided information about the geographical location of businesses, and an indication of the proportion of freelance workers and sole traders in the workforce.

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<sup>1</sup> DCMS (2004), DCMS Evidence Toolkit – DET: Technical Report

<sup>2</sup> A commercial data provider

Analysis of ABI made it possible to calculate changes in creative industries employment and businesses numbers over time, and to compare data for Amber Valley with other districts and larger geographical areas.

Further information about data sources and methodology is provided in the APPENDIX.

## 2 CREATIVE INDUSTRIES EMPLOYMENT – ABI (2005)

Table 2 below shows creative industries employment in Amber Valley in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- More than 1,600 people were employed in creative industries in Amber Valley in 2005, representing 3.4% of all employment in the district. Creative industries account for a similar proportion of all employment in Amber Valley as in rural districts of the East Midlands as a whole.
- In terms of employment, the Audio-visual domain and Visual Arts & Design domain are the largest, together accounting for 69% of all creative industries employment. Books & Press accounts for 28% of creative industries employment, and Performance less than 3%.
- Analysis of Experian NBD data indicates that around 9% of creative industries workers in Amber Valley are sole traders or self-employed. This is slightly higher than the level of self-employment in creative industries across all rural districts of the East Midlands, which is around 8%. (Note that ABI data in the table below do not include sole traders or most micro businesses.<sup>3</sup>)

	Employment	% of Employment in whole economy of district
Audio-visual	595	1.2%
Books & Press	456	0.9%
Performance	45	0.1%
Visual Arts & Design	522	1.1%
<b>TOTAL</b>	<b>1,618</b>	<b>3.4%</b>

**Table 2 - Creative Industries Employment in Amber Valley 2005**

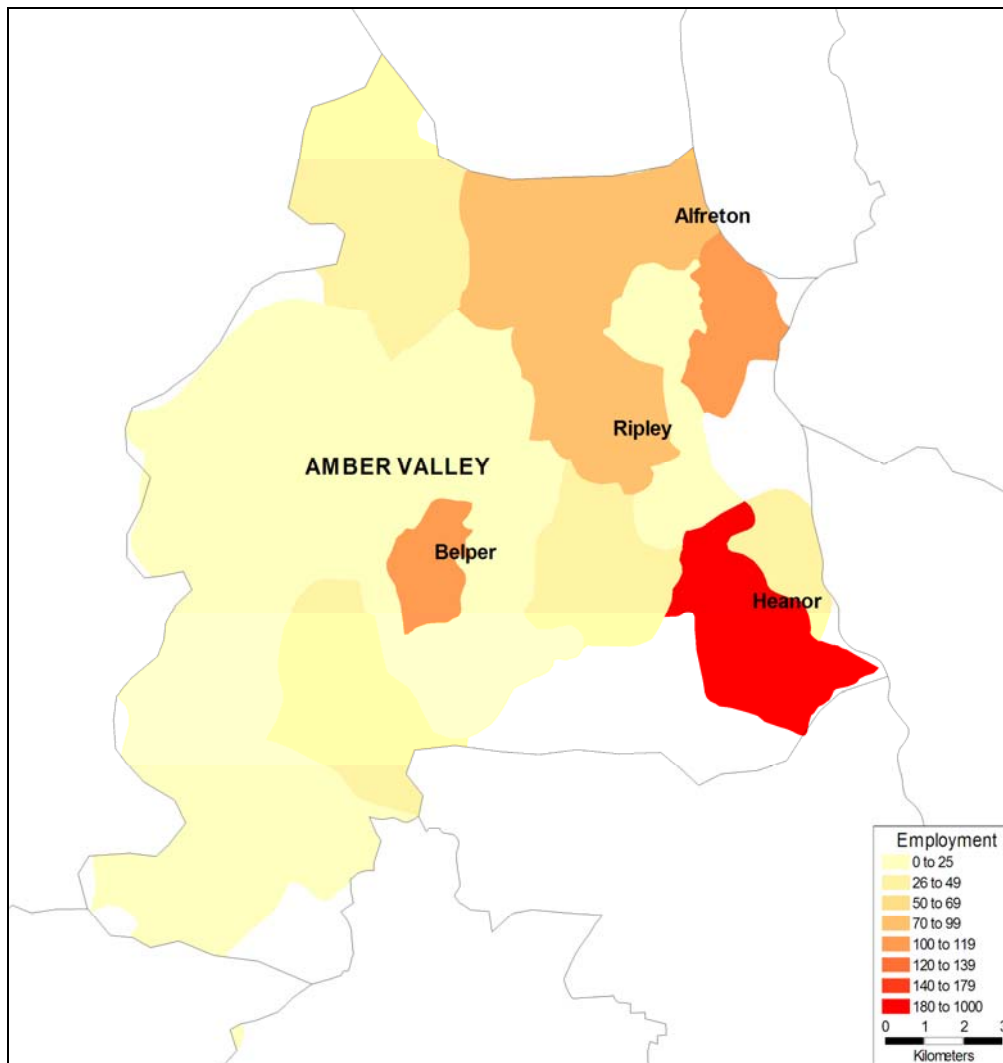
*Source: ONS ABI (2005)/BOP*

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<sup>3</sup> Note that ABI data does not include sole traders, freelancers and many small and micro companies (for example, those below the VAT threshold). It should also be noted that ABI is less reliable when looking at a single local authority district than when analysing a larger area, or at specific industrial sectors rather than the whole economy. The margin of error increases as the level of detail becomes more specific.

Figure 1 below illustrates the distribution of creative industries employment in Amber Valley, based on Experian NBD data. It shows that:

- Creative industries employment is most heavily concentrated in and around Heanor, Belper and in the area around Alfreton and Ripley<sup>4</sup>.
- Levels of creative industries employment are low in other areas of the district, where there is an absence of larger towns.



**Figure 1 –Creative Industries Employment in Amber Valley**

*Source: BOP (2007), from Experian NBD*

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<sup>4</sup> Note that the shaded areas on the map are postcode sectors. Employment levels are mapped against each postcode sector in the district. Note also that the size intervals in the key are specific to this district, so the map should not be directly compared with similar maps for other districts produced for this study.

## 2 CREATIVE INDUSTRIES BUSINESSES – ABI

Table 3 below shows the number of creative industries businesses<sup>5</sup> in Amber Valley in 2005, based on ONS ABI data. It shows that.

- There were more than 350 creative industries businesses in Amber Valley in 2005, representing more than 8% of the total stock of VAT-registered businesses in the district. Creative industries account for a similar proportion of all businesses in Amber Valley as in rural districts of the East Midlands as a whole.
- The largest number of businesses were in the Visual Art & Design domain – 57% of all creative industries businesses. 25% of businesses were in the Audio-visual domain, 13% in Books & Press, and 5% in Performance.
- Although Visual Art & Design businesses were most numerous, they employed fewer people than Audio-Visual businesses – indicating that, on average, Visual Art & Design businesses were smaller.

	Number of business units	% of all businesses units in Amber Valley
Audio-visual	90	2.1%
Books & Press	46	1.1%
Performance	18	0.4%
Visual Art & Design	203	4.7%
<b>Total</b>	<b>357</b>	<b>8.3%</b>

**Table 3 – Creative Industries Businesses**

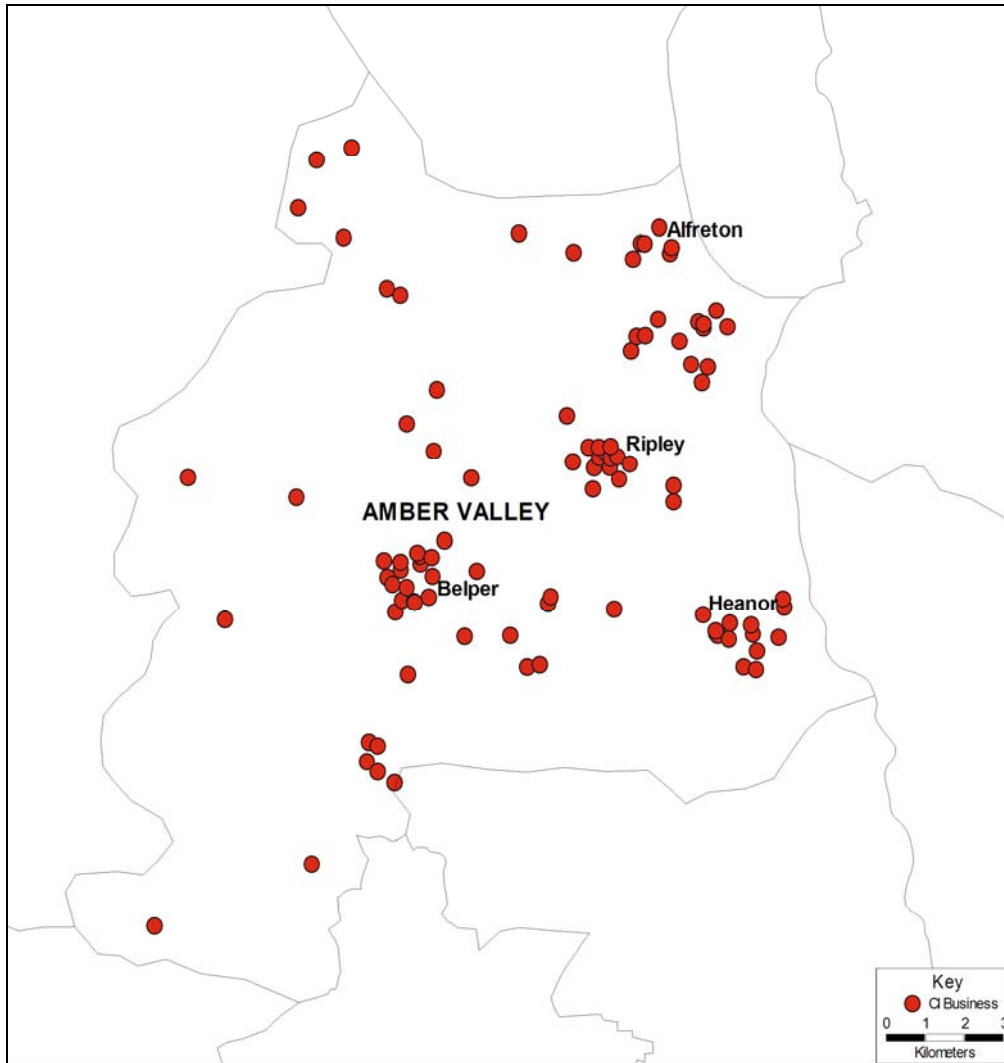
*Source: ONS ABI (2005)/BOP*

Figure 2 below illustrates the distribution of creative industries businesses in Amber Valley. It shows that:

- There are concentrations of businesses in Belper, Ripley, Heanor and in and around Alfreton.
- There appear to be more businesses in Belper and Ripley than in Heanor, although the latter accounts for the largest share of employment (indicating the presence of one or more larger employers).

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<sup>5</sup> Strictly speaking, these are ‘data units’ rather than individual businesses, as some companies may have several premises. However, most creative industries companies are relatively small, and only occupy one address.



**Figure 2 - Creative Industries Businesses in Amber Valley**

*Source: BOP (2007), from Experian NBD*

### 3.1 TRENDS: EMPLOYMENT 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in levels of employment in Amber Valley's creative industries. Table 4 shows that:

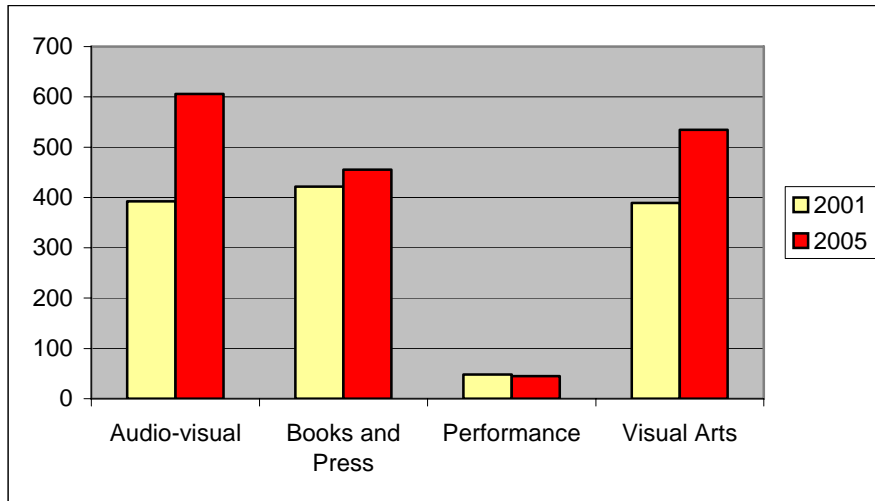
- Employment in creative industries grew by 34% in Amber Valley between 2001 and 2005 – bucking the trend in the economy as a whole, in which employment fell by 10% over the same period.
- Growth in creative industries employment was not even across all domains. Audio-visual grew at the highest rate (55%), while Visual Art & Design also grew significantly (47%) over 5 years.
- Growth in Books & Press was more modest (8%) – but this is a sector in which employment is declining nationally, due to structural changes in the printing industry.
- Employment in Performance declined slightly (-7%), but as the sector is small this equates to only a small number of jobs.

Employment	2001	2005	% change
Audio-visual	383	595	55.3%
Books & Press	422	456	7.9%
Performance	49	45	-7.2%
Visual Art & Design	354	522	47.4%
<b>Total Creative Industries</b>	<b>1,208</b>	<b>1,618</b>	<b>33.9%</b>
Whole Economy of District	53,532	48,077	-10.2%

**Table 4 – Creative Industries Employment in Amber Valley, 2001 – 2005**

*Source: ABI/BOP*

Figure 3 below illustrates how employment in each creative industries domain has changed in Amber Valley between 2001 and 2005.



**Figure 3 – Creative Industries Employment in Amber Valley, 2001 – 2005**

*Source: ABI/BOP*

### 3.2 TRENDS: BUSINESSES 2001 – 2005

ABI data for 2001 and 2005 was analysed in order to examine changes in the numbers of creative industries businesses in Amber Valley. Table 5 below shows that:

- The number of creative industries businesses in Amber Valley grew by 37% between 2001 and 2005. This is more than three times the rate of growth of the economy as a whole, in which the number of businesses increased by 11%.
- The highest rate of growth of businesses was in the Visual Art & Design domain, which grew by 80%. However, most of these businesses are very small.
- The number of Audio-Visual businesses grew by 5%, though employment in the sector grew by 55% during the same period. This suggests that individual businesses in the sector were able to grow and increase the number of people they employed.

Business Units	2001	2005	% change
Audio-visual	86	90	5.0%
Books & Press	46	46	-1.7%
Performance	16	18	16.1%
Visual Art & Design	113	203	79.7%
<b>Total</b>	<b>261</b>	<b>357</b>	<b>36.8%</b>
Whole Economy of district	3,887	4,313	11.0%

Table 5 – Creative Industries Businesses in Amber Valley, 2001 – 2005

Source: ABI/BOP

Figure 4 below illustrates how the number of businesses in each creative industries domain changed between 2001 and 2005.

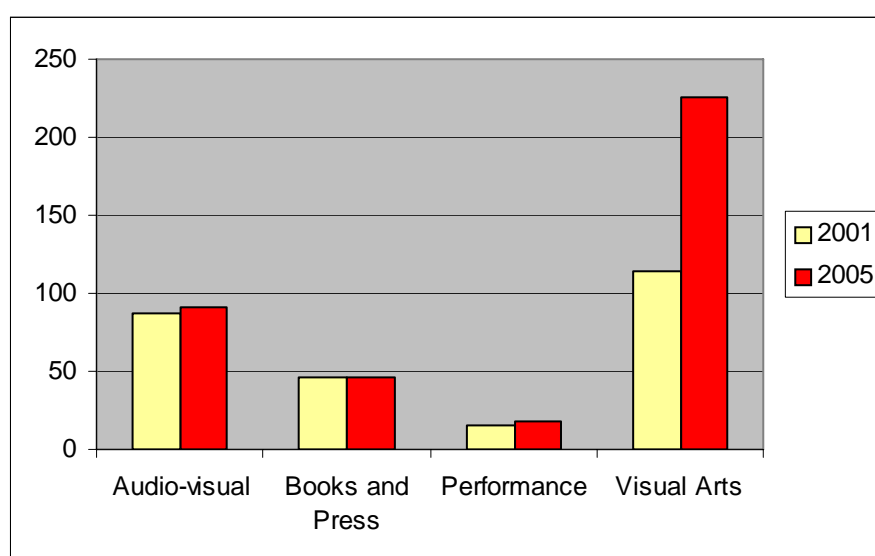


Figure 4 – Creative Industries Businesses in Amber Valley, 2001 – 2005

Source: ABI/BOP

## 4 AMBER VALLEY – COMPARISON WITH ALL RURAL DISTRICTS IN EAST MIDLANDS

DEFRA classifies local authority districts and unitary authorities in England<sup>6</sup> according to how rural or urban they are, based on the proportion of the population living in rural settlements. The three most rural classes are:

- **Rural 80** (the most rural); there are eight such districts in the East Midlands;
- **Rural 50** (the next most rural); there are ten such districts in the East Midlands;
- **Significant Rural** (a mixed rural/urban category); there are eight such districts in the East Midlands.

Amber Valley is classed as a ‘Significant Rural’ district, which means that more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns; this category contains both rural and substantial urban areas. (See APPENDIX for a list of ‘Rural 80’, ‘Rural 50’ and ‘Significant Rural’ districts in the East Midlands.)

### Employment and Businesses

When Amber Valley is compared to the aggregated data for employment and numbers of businesses for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands<sup>7</sup>, we can see that:

- As a share of the economy, creative industries in Amber Valley are in line with those in ‘Significant Rural’ districts in the East Midlands as a whole.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
Amber Valley	1,618	3.4%	357	8.3%
Rural 80	8,400	3.0%	2,800	8.2%
Rural 50	9,800	3.3%	2,800	8.6%
Significant Rural	10,400	3.6%	2,300	8.2%

**Table 6 – Amber Valley in relation to rural categories in East Midlands (2005)**

*Source: ABI/BOP*

<sup>6</sup> Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide (2005), Rural Evidence Research Centre, Birkbeck College, University of London

<sup>7</sup> Note that the statistics for Significant Rural include those for Amber Valley.

**Rate of Growth**

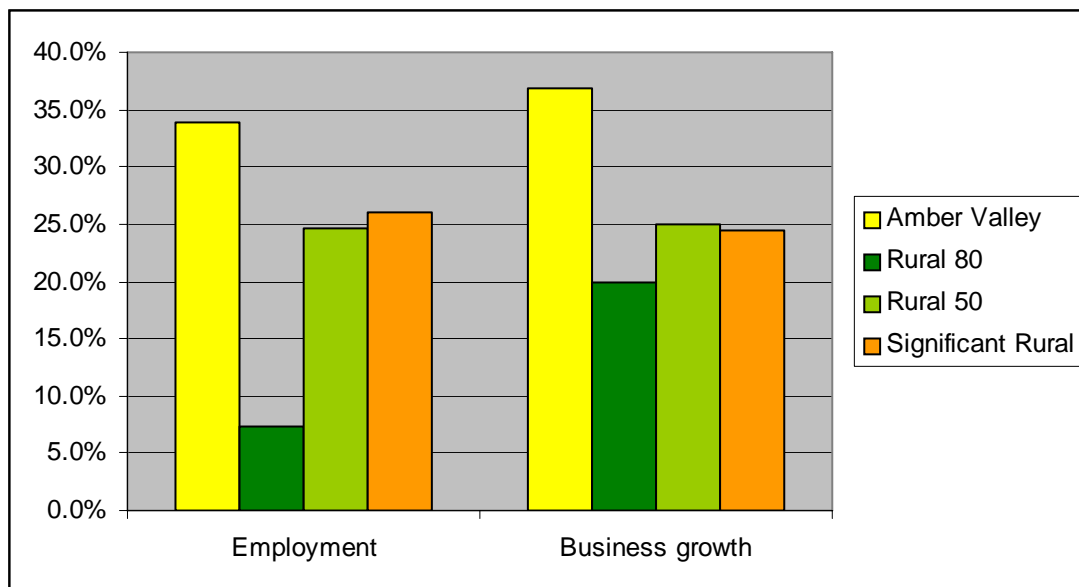
When Amber Valley is compared to the aggregated data for growth in employment and business numbers for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands<sup>8</sup> between 2001 and 2005, we can see that:

- The rate of growth of creative industries (in terms of employment and business numbers) was significantly higher in Amber Valley than in Significant Rural districts as a whole.
- Despite this, employment in Amber Valley’s whole economy declined between 2001 and 2005, compared to growth of 6.4% in Significant Rural districts as a whole.

	CI employment growth, 2001-2005	CI business unit growth, 2001-2005	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
Amber Valley	33.9%	36.8%	-10.2%	11.0%
Rural 80	7.4%	20%	8.7%	12.2%
Rural 50	24.6%	24.9%	8.1%	13.1%
Significant Rural	26.1%	24.5%	6.4%	7.6%

**Table 7 – Creative industries growth, 2001-2005**

*Source: ABI/BOP*



**Figure 5 – Creative Industries employment and business growth in East Midlands rural districts 2001 - 2005**

*Source: ABI/BOP*

<sup>8</sup> Again, statistics for Significant Rural include those for Amber Valley.

## APPENDIX

### Definition of Creative Industries

Creative Industries are defined according to the DCMS Evidence Toolkit (DET), published by the Department for Culture Media and Sport in 2004 (DCMS Evidence Toolkit: Technical Report – see <http://tinyurl.com/huocg>). The DET organises the cultural sector into 7 thematic domains: Audio Visual, Books & Press, Performance, Visual Art & Design, Heritage, Sport & Tourism (of which the first four constitute the creative industries, and have been analysed in this fact sheet). The 4 creative industries domains include the following sectors:

**Table 8 – Creative Industries Domains**

Audio-visual	Books & Press
TV & radio Film & video Photography Advertising Music Interactive digital media (games, web, software development, mobile etc)	Publishing (books, magazines, newspapers) Literature Printing
Performance	Visual Art & Design
Theatre Dance Circus Carnival Puppetry	Design Architecture Fine arts Crafts Art & Antiques Designer fashion

(Note that sectors that could appear in more than one domain are only counted once. Music, for instance, is not counted in performance as well as audiovisual.)

The DET also includes within its definition of each domain the entire production chain: Creation, Making/Manufacturing, Dissemination, Exhibition, Archiving/Preserving and Education/Understanding. This means that as well as core creative activities, such as writing a screenplay, other related activities are also included, such as the manufacture of film cameras or wholesale of computer games, CDs and DVDs.

### Data Analysis Methodology

The DET supplies a list of Standard Industrial Classification (SIC) codes with which to identify the industrial sectors that contain the creative industries. Using these codes it is possible to extract data on creative industries from Office for National Statistics (ONS) data, such as the Annual Business Inquiry (ABI). However, there is not a direct match between all creative sub sectors and the corresponding SIC codes that are used to identify them. Some creative sub sectors are included within SIC classes that also contain non-creative-industries sectors. Architecture,

for example, is included in 74.20, but this code also includes quantity surveying and a wide range of engineering activities.

The solution is to attribute a proportion of the data in these SIC classes to creative industries. This is done by applying weightings to the statistics; the difficulty lies in calculating what the weightings should be.

For this study, a second data source was used to calculate weightings for creative industries – Experian's National Business Database (NBD). The NBD provides commercially licensed data on businesses in a given geographic area, derived from a range of sources, including Yellow Pages, Thomson and Companies House. These data are mapped against SIC codes, but also a number of other classificatory systems that allow a more detailed, 'finer-grained' analysis of creative industries sectors. By analysing NBD, it is possible to calculate accurate weightings for creative industries in a specific region. These weightings can then be applied to ONS data such as ABI to provide an estimate of the size and growth of the creative industries sector.

For this study, Experian NBD data for each of the rural districts was analysed in its own right, and then used to produce weightings to apply to relevant SIC codes, as specified in the DET.

These were then applied to ABI (Workplace Analysis) data for the district for the years 2001 and 2005, to produce an estimate of employment and business numbers in creative industries.

#### Note on accuracy

It should be noted that ABI data does not include freelancers, sole traders and a high proportion of micro businesses (those beneath the VAT threshold, for example). Yet a significant proportion of those working in creative industries work in these kinds of businesses<sup>9</sup>, and this should be taken into account when considering the ABI data presented above.

It should also be noted that ABI data is derived from an annual survey of a sample of businesses in the overall economy, and for statistical reasons it is more accurate when the sample size is larger – as in the accompanying report on all rural districts in the region. Examining only specific industrial sectors in a single local authority district (as we have been done here) involves a margin of error. The figures presented in this report should be regarded as indicative only. Where the variation between 2001 and 2005 data appears particularly pronounced, this could be due (at least in part) to sampling variations.

### Rural Districts in East Midlands

When considering the wider economy of the East Midlands, we have employed DEFRA's urban-rural classification for local authorities in England<sup>10</sup> to

<sup>9</sup> On average, around 8% in rural districts of the East Midlands, according to our analysis of Experian NBD data.

<sup>10</sup> Defra Classification of Local Authority Districts and Unitary Authorities in England: An Introductory Guide

identify the rural districts. This complements EMDA's work on the rural economy, which also uses this classification system in some of its analyses. The three most rural classes of district were examined: Rural 80, Rural 50 and Significant Rural.

**Rural 80** districts are those in which at least 80 percent of the population lives in rural settlements and larger market towns. There are 8 such districts in the East Midlands, and 73 in England.

**Rural 50** districts are those in which at least 50%, but less than 80%, of the population lives in rural settlements and larger market towns. There are 10 such districts in the East Midlands, and 52 in England.

**Significant Rural** districts are those in which more than 37,000 people, or more than 26 percent of the population, live in rural settlements and larger market towns. This category is a mixed urban/rural class that contains both rural and substantial urban areas. There are 8 such districts in the East Midlands, and 53 in England.

Under this classification system, the following districts in the East Midlands can be regarded as 'rural':

#### **Rural 80**

Daventry  
Derbyshire Dales  
East Lindsey  
Harborough  
Melton  
North Kesteven  
Rutland  
South Holland  
South Northamptonshire  
West Lindsey

#### **Rural 50**

Bassetlaw  
East Northamptonshire  
High Peak  
Newark and Sherwood  
North East Derbyshire  
North West Leicestershire  
Rushcliffe  
South Kesteven

#### **Significant Rural**

Amber Valley  
Bolsover  
Boston  
Charnwood  
Hinckley & Bosworth  
Kettering  
South Derbyshire  
Wellingborough

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