

# The Creative Economy in Derbyshire Dales

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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 – DERBYSHIRE DALES

- 730 people were employed in creative industries in Derbyshire Dales in 2005 – 2.3% of all employment in the district.
- There were 320 creative industries businesses in the district in 2005 – 8.1% of the stock of all businesses.
- The number of creative industries businesses grew by 22% between 2001 and 2005 – twice the rate of growth of businesses in the district's economy as a whole. However, during the same period creative industries employment declined by 23%. This suggests that although levels of business formation are relatively high, there is a need to cultivate the growth of larger businesses that employ more people.
- The Visual Arts & Design domain exhibited strong growth of around 10% per annum in terms of both employment and numbers of businesses. It is the largest and fastest growing sub-sector.
- The highest concentrations of businesses are in Matlock, Bakewell and Ashbourne.

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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 Derbyshire Dales, 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 Derbyshire Dales 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 Derbyshire Dales in 2005 (the most recent year for which ABI data are currently available from ONS). It shows that:

- 730 people were employed in creative industries in Derbyshire Dales in 2005, representing 2.3% of all employment in the district. This is a slightly lower share of all employment than in rural districts in the East Midlands as a whole.
- The largest number of people were employed in the Visual Arts & Design domain – 48% of all those working in creative industries. The Audio-visual domain was the next largest, with 31% of the creative industries workforce. Books & Press accounted for 18% of creative industries workers, and Performance 3%.
- Analysis of Experian NBD data indicates that around 9% of creative industries workers in Derbyshire Dales 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	223	0.7%
Books & Press	132	0.4%
Performance	24	0.1%
Visual Arts & Design	352	1.1%
<b>TOTAL</b>	<b>730</b>	<b>2.3%</b>

**Table 2 - Creative Industries Employment in Derbyshire Dales 2005**

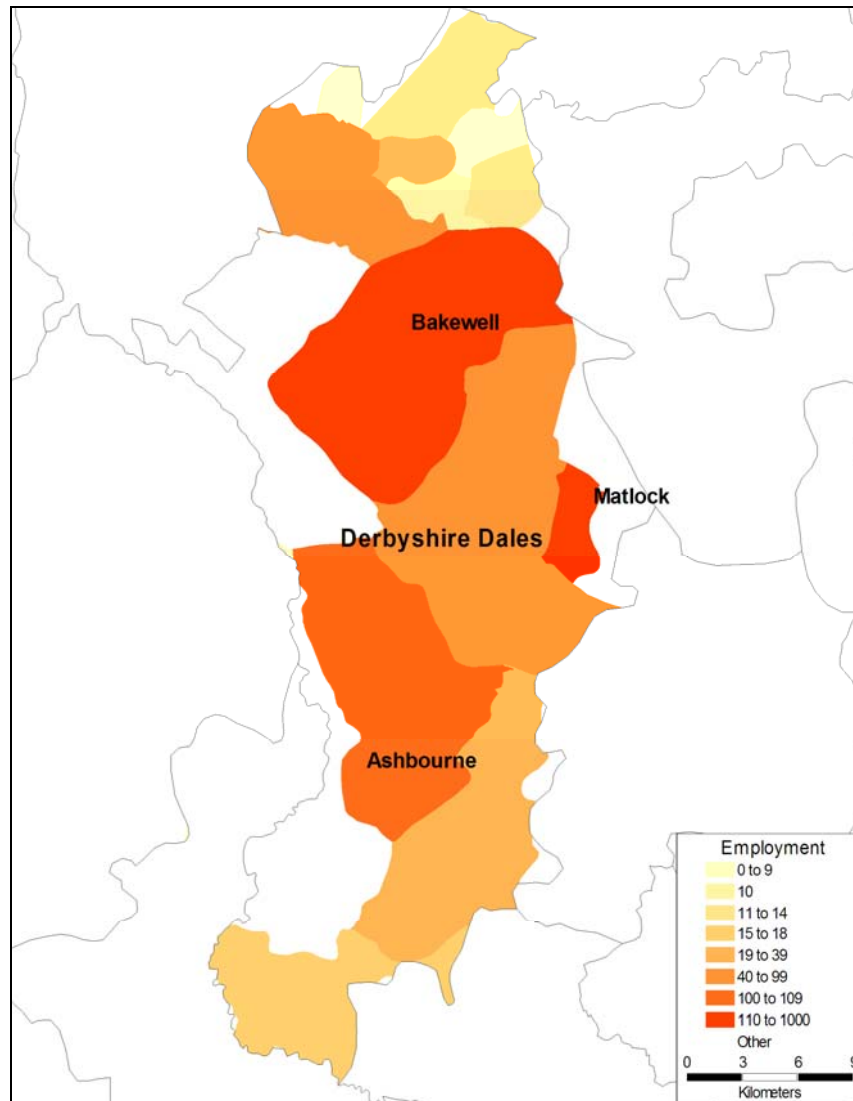
*Source: ONS ABI (2005)/BOP*

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

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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.

- Creative industries employment is most heavily concentrated in and around Bakewell, Matlock and (to a lesser extent) Ashbourne<sup>4</sup>.



**Figure 1 –Creative Industries Employment in Derbyshire Dales**

*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 Derbyshire Dales in 2005, based on ONS ABI data. It shows that.

- There were 320 creative industries businesses in Derbyshire Dales in 2005, representing more than 8% of the total stock of VAT-registered businesses in the district.
- The largest number of businesses were in the Visual Arts & Design domain – 53% of all creative industries businesses. 29% of creative businesses were in the audio-visual domain, 11% in Books & Press and 6% in Performance.

	Number of business units	% of all businesses units in Derbyshire Dales
Audio-visual	94	2.4%
Books & Press	35	0.9%
Performance	20	0.5%
Visual Arts & Design	170	4.3%
<b>Total</b>	<b>320</b>	<b>8.1%</b>

**Table 3 – Creative Industries Businesses**

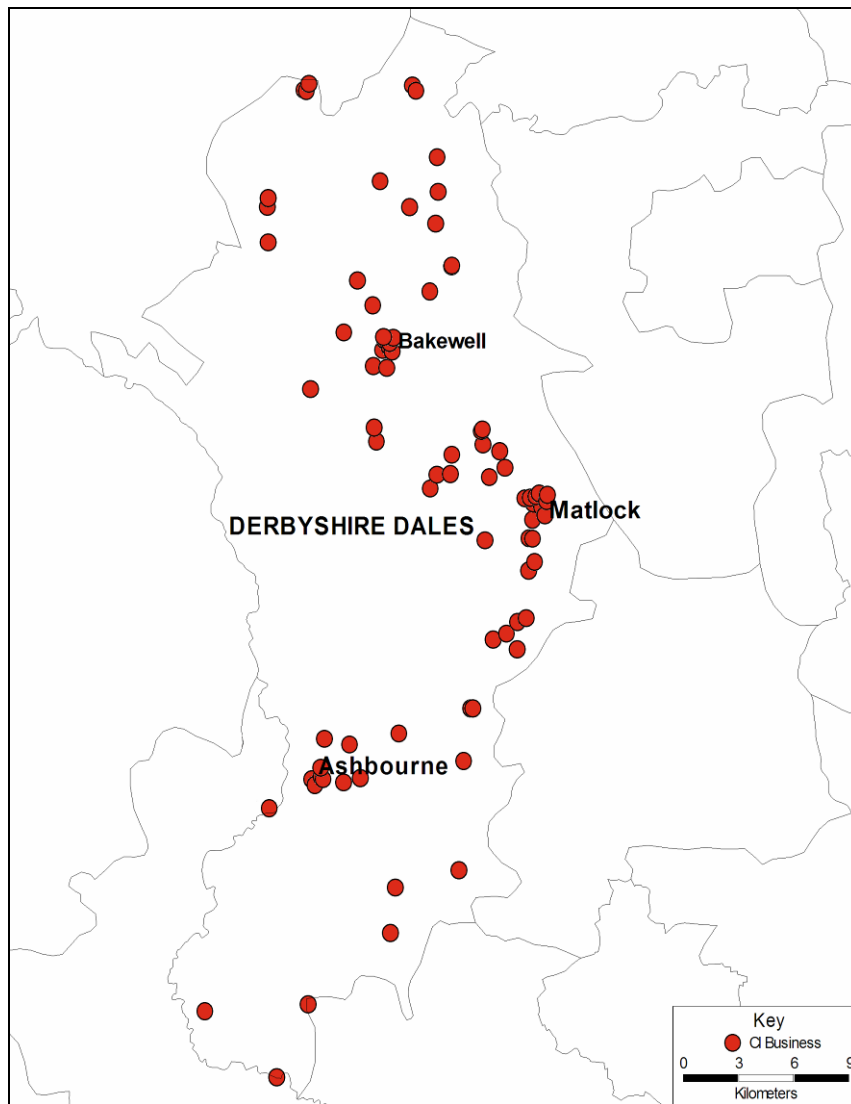
*Source: ONS ABI (2005)/BOP*

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

- The largest concentrations of businesses are in Matlock, Bakewell and Ashbourne, indicating that creative industries businesses are most likely to be located in the main towns within the rural district.
- However, there is also a relatively high number of businesses dispersed throughout Derbyshire Dales, particularly towards the north of the district and between Matlock and Bakewell.

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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 Derbyshire Dales**

*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 Derbyshire Dales's creative industries. Table 4 shows that:

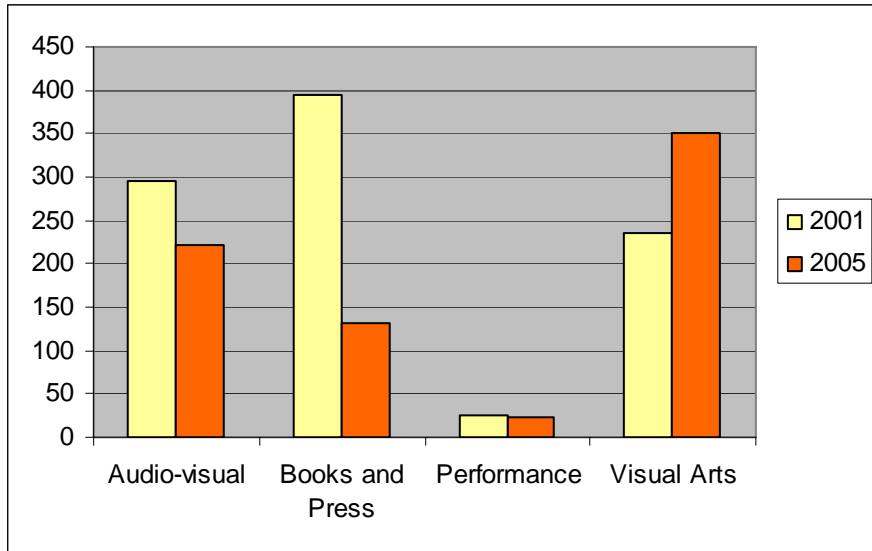
- Creative industries employment declined by 23% between 2001 and 2005. This is against the trend in rural districts of the East Midlands as a whole, where creative employment grew by 20%. During the same period, employment in Derbyshire Dales's whole economy also grew, although relatively modestly (6.3%).
- Employment did not decline in all creative domains, however. There was strong growth in the Visual Arts & Design sector, which increased by nearly 10% per annum on average.
- The largest relative decline in employment was in the Books & Press domain. This may have been caused by decline in the printing sector. There was also a significant decline in employment in the Audio-visual sector – 25% over 5 years.

Employment	2001	2005	% change
Audio-visual	295	223	-24.6%
Books & Press	395	132	-66.6%
Performance	26	24	-5.9%
Visual Arts & Design	235	352	49.7%
<b>Total Creative Industries</b>	<b>950</b>	<b>730</b>	<b>-23.2%</b>
Whole Economy of District	30,452	32,377	6.3%

Table 4 – Creative Industries Employment in Derbyshire Dales, 2001 – 2005

Source: ABI/BOP

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



**Figure 3 – Creative Industries Employment in Derbyshire Dales, 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 Derbyshire Dales. Table 5 below shows that:

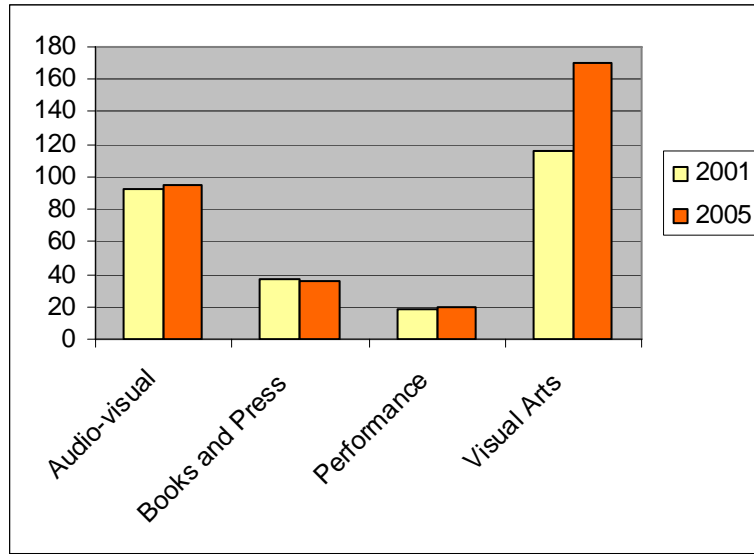
- The number of creative industries businesses in Derbyshire Dales increased by nearly 22% between 2001 and 2005 – twice the rate of the district’s economy as a whole. This is in marked contrast to creative employment, which decreased by around the same proportion during the same period.
- The largest increase in businesses was in the Visual Arts and Design domain (47%), which grew by around the same margin as employment in the same sector.
- Despite a significant drop in employment, the number of Audio-visual businesses grew slightly (by 2% over 5 years). Similarly, there was only a small decline in the number of Books & Press businesses, despite a very high drop in employment in the same sector; this suggests the loss of one or two large employers.

Business Units	2001	2005	% change
Audio-visual	92	94	2.1%
Books & Press	37	35	-3.9%
Performance	18	20	11.1%
Visual Arts & Design	116	170	46.9%
<b>Total</b>	<b>263</b>	<b>320</b>	<b>21.6%</b>
Whole Economy of district	3,581	3,970	10.9%

**Table 5 – Creative Industries Businesses in Derbyshire Dales, 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 Derbyshire Dales, 2001 – 2005**

*Source: ABI/BOP*

## 4 Derbyshire Dales – 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.

Derbyshire Dales is classed as a ‘Rural 80’ district, which means that at least 80 percent of the population lives in rural settlements and larger market towns. (See APPENDIX for a list of ‘Rural 80’, ‘Rural 50’ and ‘Significant Rural’ districts in the East Midlands.)

### Employment and Businesses

When Derbyshire Dales 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:

- Creative industries represent a slightly smaller share of all employment in Derbyshire Dales than in Rural 80 districts of the East Midlands as a whole.
- Creative industries businesses represent around the same share of all businesses in Derbyshire Dales as in Rural 80 districts as a whole.

	CI Employment	% of all Economy	CI Business Units	% of all Economy
Derbyshire Dales	730	2.3%	320	8.1%
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 – Derbyshire Dales 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 Rural 80 include those for Derbyshire Dales.

**Rate of Growth**

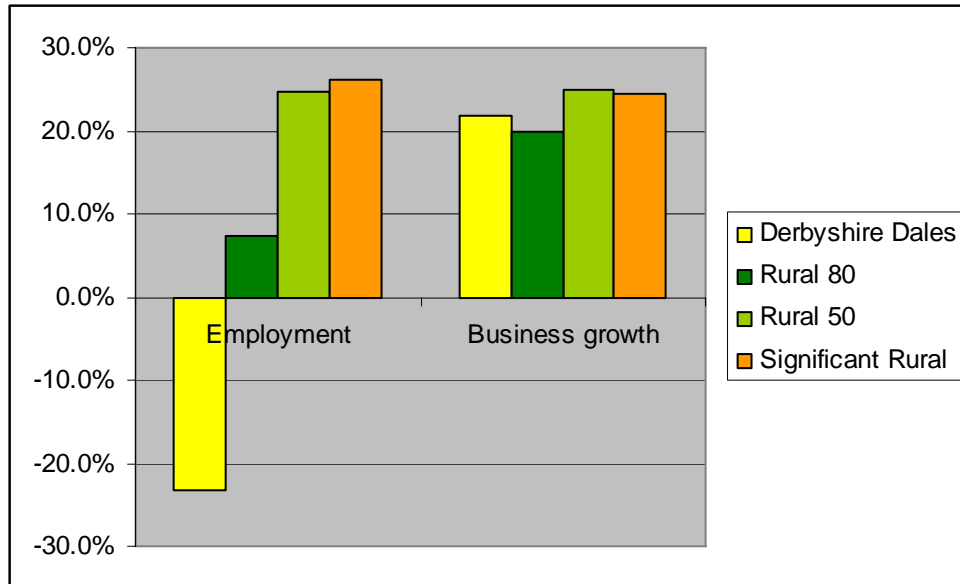
When Derbyshire Dales is compared to the aggregated data for growth in employment and business numbers for all Rural 80, Rural 50 and Significant Rural districts in the East Midlands<sup>8</sup> between 2001 and 2005, we can see that:

- Creative employment declined significantly in Derbyshire Dales, but grew in Rural 80 districts as a whole. Despite this, the number of creative industries businesses grew at a higher rate than in Rural 80 districts as a whole.
- The district’s economy as a whole grew during the same period, but at a slightly slower rate than in Rural 80 districts as a whole.

	CI employment growth, 2001-2005	CI business unit growth, 2001-05	Whole economy employment growth, 2001 – 2005	Whole economy business unit growth, 2001 - 2005
Derbyshire Dales	-23.2%	21.9%	6.3%	10.9%
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 Rural 80 include those for Derbyshire Dales.

## 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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(2005), Rural Evidence Research Centre, Birkbeck College, University of London.

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