CREATIVE HUBS

EUROPE'S CREATIVE HUBS

Who they are, what they do

Summary report - 2015

co-financed by

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Executive Summary

This research – based on 100+ survey responses, 12 depth interviews, and analysis of nearly 200 other Hubs – provides the starting point for understanding Europe's Creative Hubs. It sets out who they are, what they do, and what support they need. It shows:

- There are a huge variety of Creative Hubs, with a range of public and private funded organisations running Hubs. Around one-third receive no public funding. This diversity of business models makes it hard to provide effective support to the sector as a whole.
- To manage this diversity, we can break Hubs down into two groups: *space*-based Hubs (Studios or Centres) and *place*-based Hubs (Clusters or Networks).
- All Hubs aim to make a difference – to businesses, economies, and communities. Interviews identified evidence of this impact as a key research gap.
- To help reach their potential, Hub Managers need support to manage the range of challenges they face from advocacy to growth management. The proposed network is important in helping them to do this.
- But most of all, they are hungry for investment to help them develop new facilities and new services. EU funding programmes may not work for them.
- Hubs are optimistic and they feel their time has come. As recognition for the Creative Industries grows, so does the optimism of Hub Managers, who see themselves as drivers of this change.

HEADLINES

42% of our sample are non-profits. One quarter are government agencies.

Three quarters aim to support their local economies and the same to support their local communities.

22% of Hub Managers ask for management support to help them manage the range of skills needed to run their Hubs.

90% are optimistic about the future.

The major reason for pessimism is lack of funding.

Around half have applied for EU Funds, but few have won them.

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This research aims to set the context for and to better understand Europe's creative hubs

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EUROPE'S CREATIVE HUBS is a report authored by Callum Lee of BOP Consulting on behalf of the European Creative Business Network (ECBN).The study was part of a collaborative project between ECBN, ADDICT, Creative Industries Portugal, and the British Council.

Produced by Callum Lee (BOP Consulting , www.bopconsulting.eu), with Gemma Hutchinson, Kristina Orasanin & Melanie Esteves

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- Jonathan Robinson
- Janine Matheson (Creative Edinburgh)

And all the Hub managers who contributed or took part

Introduction

The argument for the value of culture and creative industries in Europe has largely been won – they help create societies that are worth living in, and they are central to any successful, prosperous economy.

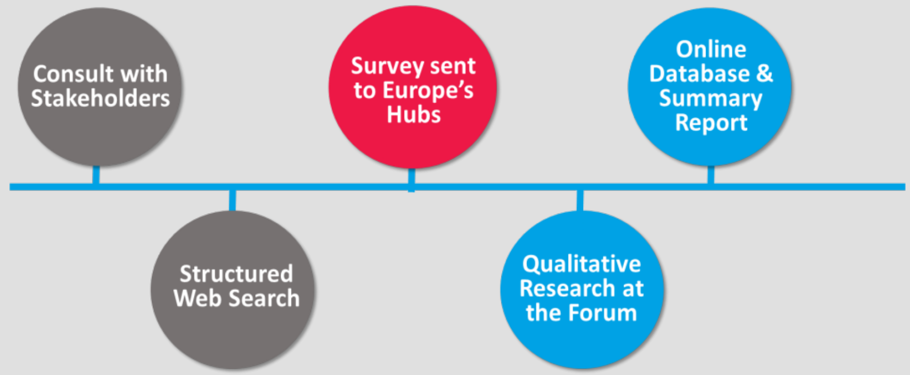
So the big question for government or those working in the sector is no longer *why* should we invest, but *how* should we invest. And, therefore, they need new evidence to help make these new decisions.

One gap in the research is around the Creative Hub, an elusive organisation defined by us as an "infrastructure or venue that uses a part of its leasable or available space for networking, organisational and business development within the cultural and creative industries sectors."*

This research – based on 100+ survey responses, 12 depth interviews, and analysis of nearly 200 other Hubs – aims to provide a starting point for this debate by providing first indications of who these Hubs are, what they do, and the support that they need.

We hope these findings provides a base from which further research can be commissioned, and which will ultimately improve the support offered to Creative Hubs, and so the contribution that the cultural and creative industries make, across Europe.

Our approach



- Preliminary consultation with stakeholders to understand key issues facing Hubs.

- Structured web search to identify nearly 200 Creative Hubs as well as basic data on size, type, location.

- Short survey circulated through ECBN members and in registration for the European Creative Hubs Forum (held in Lisbon in January 2015). This was open between December 2014 and February 2015. Additional responses were included from other ECBN members and project partners to increase sample sizes and fill gaps.

- 12 detailed interviews with Hub managers, half of which were at the Forum and half as follow ups.

- Summary Report launched May 2015, with listings and location data made open and available online.

***See creativehubs.org/en/creative-hubs-project/what-is-a-creative-hub**

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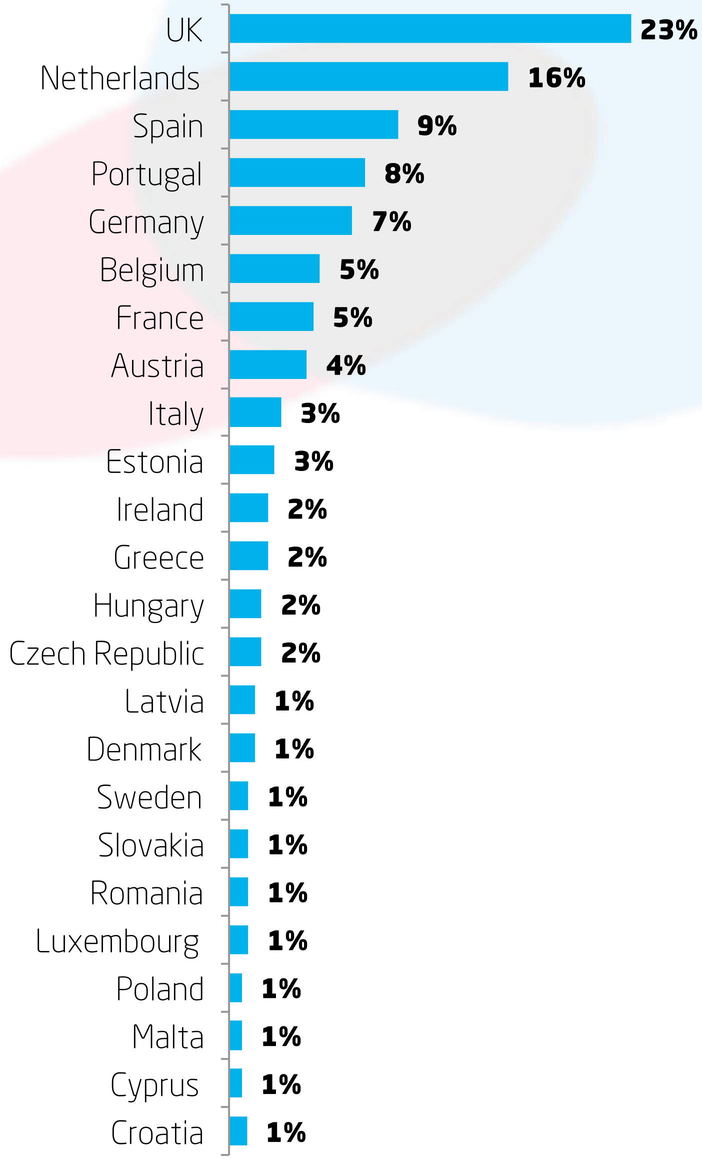
Our sample

The 300 Hubs we studied came from 24 of the 28 EU nations.

The sample is fairly well balanced at an EU level. The 100 Hubs who responded to the survey were representative of High and Low Creative Intensity countries.

	Hubs in study	EU pop.
Countries with High Creative Intensity Those with high proportions of CI jobs as % of total*	71%	64%
Countries with Low Creative Intensity Those with low proportions of CI jobs as % of total	29%	36%

Origin



But it's neither a precise mapping or perfect sample. We had more Hubs from the UK, Portugal & Netherlands than expected –representing the contacts of the organisations who sponsored the study.

The survey sample (where many of the findings are drawn from) is particularly over representative of these groups.

*See The European Cluster Observatory (2011) *Priority Sector Report: Creative and Cultural Industries*

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Using the data, we identified four distinct types of Creative Hub

HUBS BASED AROUND SPACES

STUDIO

Smaller, niche creative spaces, like Coworking Salzburg in Austria.

18% of our sample. We defined these as physical spaces supporting fewer than 20 businesses.

CENTRES

Larger, physical spaces. Like Strijp-S in the Netherlands.

47% of our sample. Physical spaces supporting more than 20 businesses.

On average, these have:

20 Businesses
EUR 210k Turnover
3.5 FTE staff

HUBS BASED AROUND PLACES

CLUSTERS

Halfway between a Factory and a Network. These include both big networks and physical spaces, like Brighton Fuse in the UK.

16% of our sample. Physical spaces but also a large network

NETWORKS

These Hubs don't run physical spaces (although they may use them) but they are often based on a geographical area, like Portugal's ADDICT.

19% of our sample. These have no physical space.

On average, these have:

40 Businesses
EUR 120K Turnover
9 FTE staff

Hubs feel they make a difference in three main ways

#1 Helping businesses to connect	#2 Supporting the local creative economy	#3 Supporting the local community
"We help freelancers & location independent workers be more socially connected, productive and happy"	"Bringing artists & residents together – supporting the areas creative environment whilst promoting it as vibrant, creative, socially engaged and welcoming."	"We invest part of our income from rent into making the building into art-work and into creative projects in neighbourhoods"
84% of Hubs said they did this	**76%** of Hubs said they did this	**74%** of Hubs said they did this

… But interviews with Hub Managers suggested few have robust evidence of their own impact

Base: 68

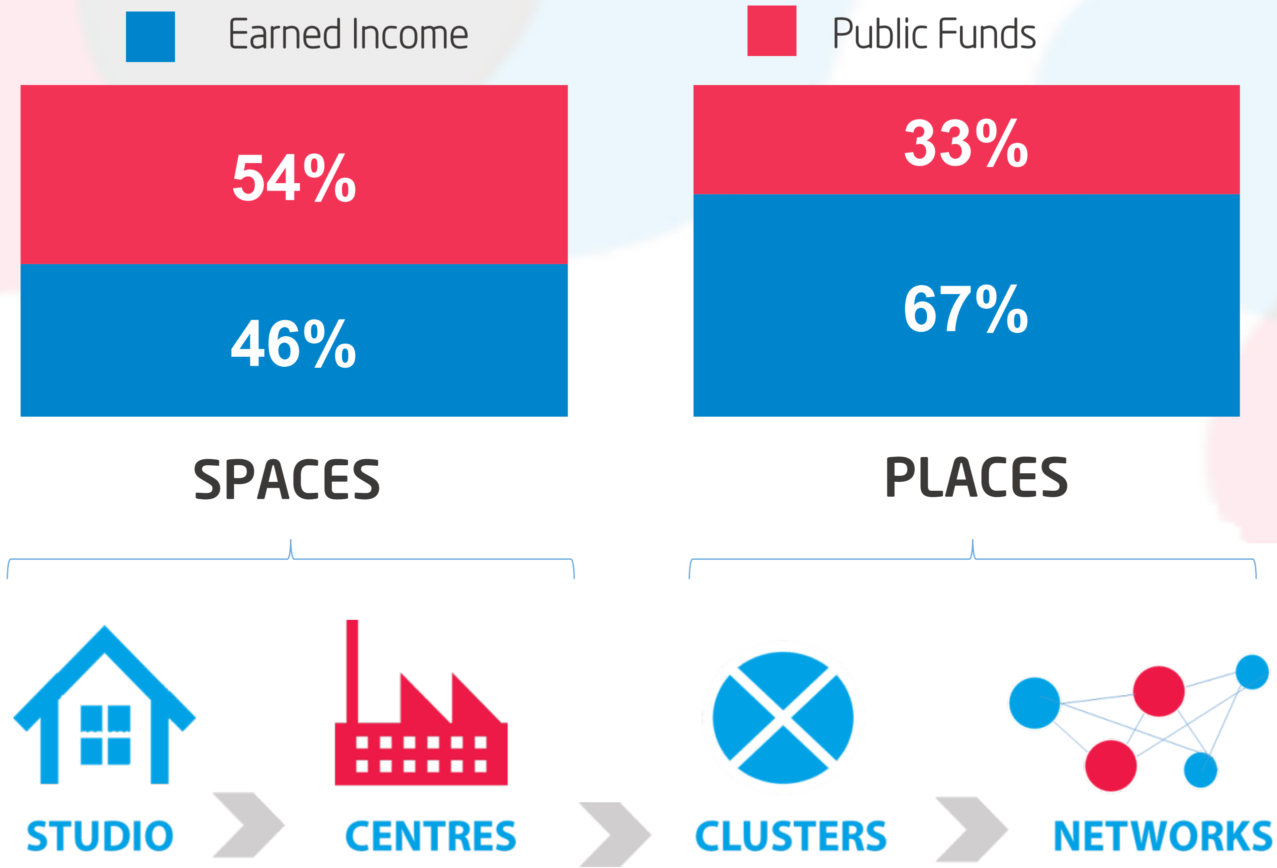
Hubs have a wide range of funding models

1 in 3 receive no public funding. On average, Places Hubs received more than Spaces Hubs. Non-profits are the largest group.

Organisation type

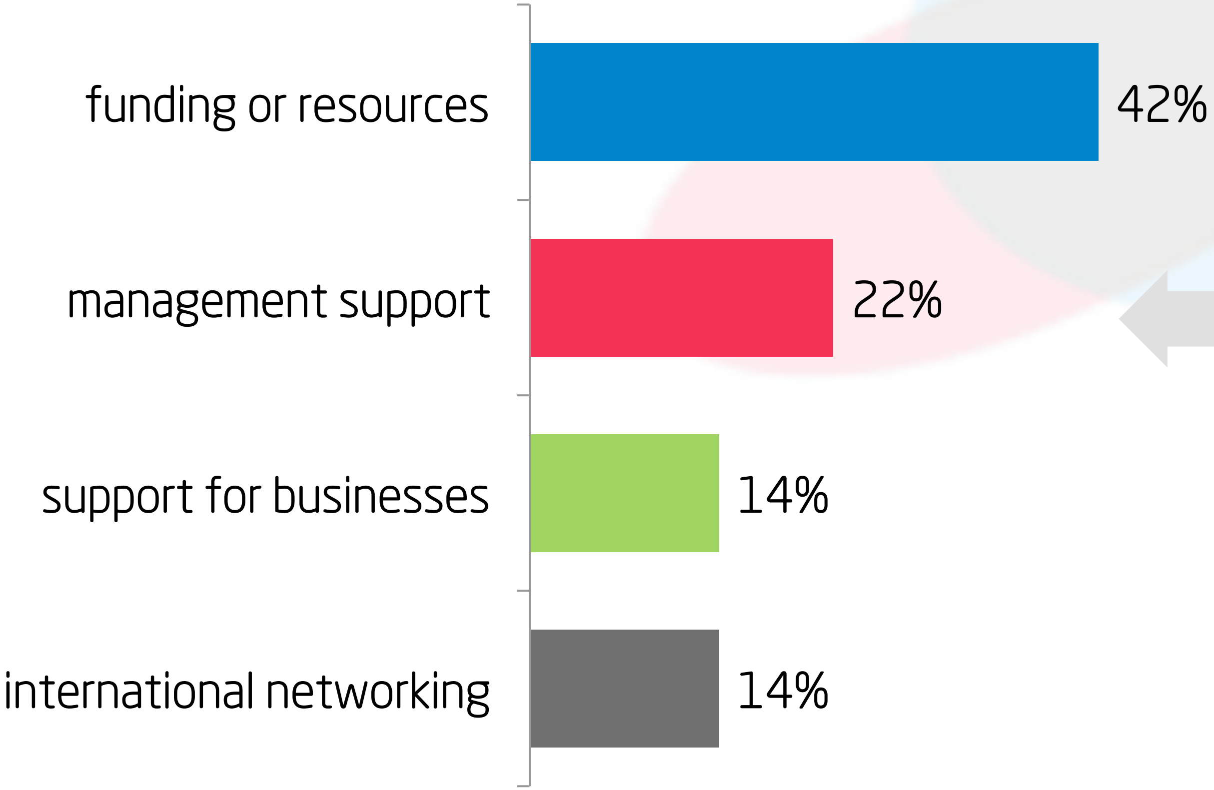
A non-profit (e.g. Community)	42%
Part of government	27%
A business (i.e. Profit making)	24%
Part of a University	7%

Source of funding



Hubs ask for funding and resources, but also management support

As % of total requests for support



Our interviews suggest Hubs are run by passionate, committed and entrepreneurial individuals.

But many recognised gaps in their expertise and lacked resources to address them (overleaf).

The British Council are developing a HubKit for Hub Managers, from Spring 2015

Base: 94

Hub Managers asked for management support in three main areas

"Help me with Hub management"

- **Growth management** to support scaling up, or in reaching new markets.
- Bureaucratic or **governance issues** to support relationship with funders or government.
- **Business model** or cash flow issues, such as operating without subsidy, maximising economic return.
- Establishing a collective **vision**.

"Help me improve the services I offer"

- Delivering an effective **programme** of activity.
- **Effective collaboration** with local universities.
- **Best practice** for my situation, such as creating a rural hub.
- Enabling **cross innovation**.
- **Meeting partners and collaborators**.
- **Market research** to understand the context that they work in.

"Help me with advocacy or communications"

- **Marketing and branding**.
- **Advocacy** to promote the creative and digital sector, or national lobbying for the creative industries
- **Changing the mindset of entrepreneurs** in the area to understand the value of these support services.

Internationalisation was a cross-cutting theme, mentioned in all three categories

Base: 94

Hubs feel their "time has come"

90% of Hubs are optimistic about the future, for three main reasons:

1. Enthusiasm & support of members

2. Growing recognition of the Creative Industries and of…

3. Growing recognition of Hubs' role in the local & national economic context

Base: 70

...there is one major reason for pessimism, which we heard often

"I don't have any money"

All pessimistic Hubs report funding as a reason for gloom

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Base: 24

… managers want these funds as an investment in their work, not just to cover costs

If you had more funding, what would you do?

"We would invest in better salaries, on operating costs, better security, accommodations for guests, as well as more lecturers."

"Funded business residencies to encourage more small businesses to engage with the University in a meaningful way through buying out some of their time. We are in a developing economy and we need to incentivize investment in research and development."

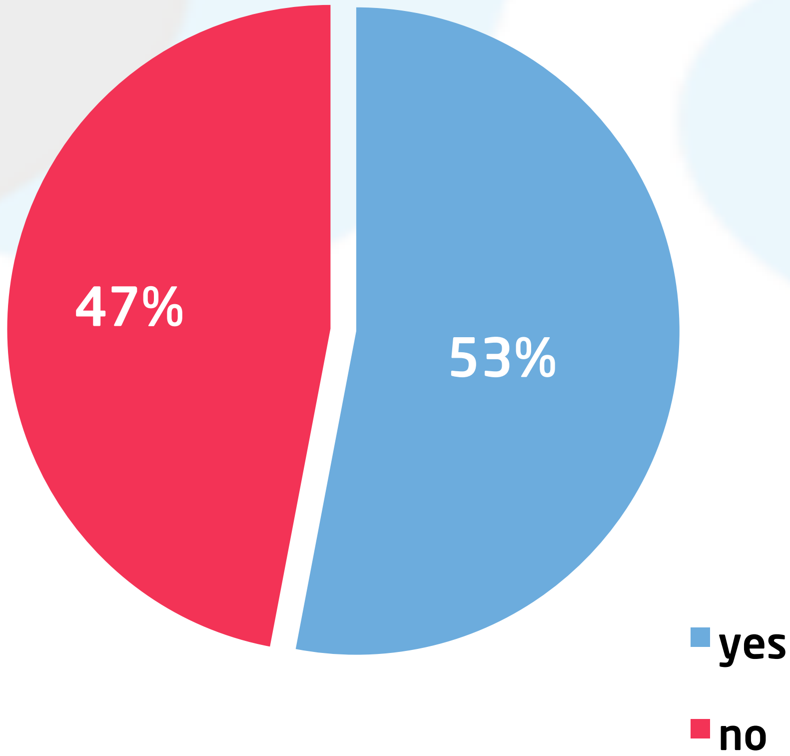
"We would invest in better equipment, better training, and also bring people from abroad to provide a different insight."

Source: Interviews

Money is an issue yet few have won the EU funding that is directed at the cultural and creative sectors

	Applied for funds from...	... and who've won funding
Creative Europe	17%	13%
ERDF	23%	13%

Applied to EU funding



Interviews suggested the funds were not suitable for many – but more research is needed here.

Conclusions

1. There are a huge variety of Creative Hubs. Future research should try to target subgroups of Hubs, as they have different operating and funding models and will require different support.

2. One common thread is that all Creative Hubs aim to make a difference – to businesses, economies, and communities. Interviews identified evidence of impact as a research gap, however.

3. To help reach their potential, Hub Managers need support to manage the range of challenges they face. The proposed network is important in helping them to do this.

4. They are also hungry for investment. But EU funding programmes may not yet work for them.

5. Hubs are optimistic – they feel their time has come.

Availability of data

The data used in the report is open and available for researchers to use at:

ecbnetwork.eu/europes-creative-hubs-mapping

Send comments and questions about the research to:

callum@bop.co.uk

PROJECT PARTNERS

The European Creative Business Network

www.ecbnetwork.eu

ECBN is a network of cultural and creative industries development agencies. We represent our 20 board members and help them to:

- Learn and inspire each other
- Campaign for the sector in Brussels
- Find new funding working with trusted partners

We were founded in 2011 and are a non-profit Foundation, based in the Netherlands.

British Council

creativeconomy.britishcouncil.org

The British Council is UK's international organisation for educational opportunities and cultural relations. The Council builds trust and understanding through activities in English, in education, and through the arts.

In addition to developing partnerships and projects across each major art form, the British Council has a bespoke programme focussing on the Creative Economy. We aim to strengthen the links between global and UK creative business, networks, policy makers and entrepreneurs: promoting international connections; exchanging skills, innovations and best practice; and enhancing opportunities for artists, creative businesses and entrepreneurs to reach broader markets.

PROJECT PARTNERS

ADDICT – Creative Industries, Portugal

addict.pt

Created in 2008, currently gathers around diverse 100 members spanning the whole spectrum of the culture and creative sector and it is recognised by the Ministry for Economy as the coordinator of the creative industries cluster in Portugal. ADDICT's mission is to foster a favourable environment for the creative economy to thrive, promoting capacity building and internationsalisation, advocating for adequate public policy and acting as a networking and knowledge platform.

In the period 2009-2013, the North region invested in the creation of infrastructures and events to ensure adequate conditions for hosting, producing and presenting cultural and creative products and services.

Since 2013, ADDICT has been promoting the informal encounter and debate of the sector´s main support venues. This group intends to be a space for exchange of experiences and shared discussion on these creative centres' role in the sector´s and the territory development, in view of establishing partnerships for future collaborations and joint action at regional, national and international level.