

NEW FRONTIERS

CREATIVE INDUSTRIES AND DIGITAL TECHNOLOGIES



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Context

Our proposition will see Cornwall and the Isles of Scilly become an internationally renowned digital and creative-tech cluster, spearheading the fourth Industrial Revolution just as we led the first.

Cornwall and the Isles of Scilly has a long tradition of cultural expression, with the arts and our rich cultural heritage underpinning the creative and visitor economy. Now propelled by digital connectivity and content we also have a high-growth creative sector which has seen the number of creative firms in the region increase by 26% from 2011 to 2015. By 2025 the creative industries will be worth £128bn nationally¹⁹.

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from 2011 to 2015

Cornwall and the Isles of Scilly is uniquely placed to grow the artificial intelligence and data driven economy in support of the Industrial Strategy. More technology ready than Greater Manchester²⁰ and one of the best digitally-connected rural areas in Europe, we have secured further investment of £17.6 million to deliver ultrafast broadband to homes and businesses in the next phase of our highly successful £160m Superfast Cornwall programme²¹. Our space and satellite connections are amongst the best in Europe, with £8m investment further enhance Goonhilly Earth Station. We are home to world-leading research activity, one of the fastest-growing digital and technology clusters, and we are delivering significant investment in projects trialling innovative application of technology such as the Council of the Isles of Scilly's Smart Islands project showcased in the Industrial Strategy.



¹⁹ "Independent Review of the Creative Industries", (HMSO, 2017), p. 7.

²⁰ "European Regional Competitiveness Index", relative scores on the relevant section of the index are Cornwall, 94 and Greater Manchester, 89

²¹ For more details, see <http://www.superfastcornwall.org/>



Our proposals will capture and accelerate this growth for the poorest part of the UK and increase the UK's market share in the sector, with support for the creation of:

- **a pilot for rural deployment 5G technology and 100% coverage of superfast broadband,** building on our existing capabilities as one of the best digitally enabled rural areas in Europe to maintain our competitive advantage, underpin our target growth sectors like the creative industries, and overcome the challenges caused by our peripheral geography removing the remaining 'not spots' for growth in our more remote and rural areas
- **a 'Harbour' for the screen industries,** hothousing top talent from Falmouth University's growing School of Film and TV, providing business incubation space and industry standard post production, visual effects, studio and workspace for over 1200 new jobs. This will support a programme of work (BBC Kernow) in partnership with the BBC and creative industries in Cornwall to produce Cornish TV, film and radio programmes and develop a platform for them to reach a wider audience.
- **a 'Creative Industries Enterprise Zone',** developing Cornwall as a priority area for the screen industries by locating key national assets in the region, including a British Film Institute Centre of Excellence.
- an Arts and Humanities **Creative Industries Cluster Programme** to drive product development, new IP and accelerate growth in the creative industries.
- **a Cornwall Innovation and Research Park (CIRP)** where entrepreneurs, students, investors and researchers work together to solve problems, gain knowledge, innovate and commercialise, supporting the creation of 600 jobs.
- an augmented and virtual reality lab, **'Immersive Cornwall'** creating a unique Mixed Reality (MR)²² resource, providing businesses with access to technology, RD&I expertise and investment to generate new digital content for an emerging, high-value Smart Specialisation marketplace.
- a pioneering **'Fibre Park'** located in the centre of Cornwall with access to hyperfast connectivity at 100Gbps speeds. The Fibre Park will be a game changer for the tech industry, combining tech innovation, next generation connectivity and grow-on space to create a digital market place; the integration of educational facilities within an industry led complex; and serve as a well-being hub, linked with other global food tech hubs.

²² Mixed Reality is the merging of real and virtual world to produce new environments and visualisations where physical and digital objects coexist and interact in real time

Unlocking barriers

The rationale for change

The first phase of our award-winning Superfast Cornwall programme is adding an estimated £275 million to our economy every year and has helped to create around 3,300 start-up businesses²³. Further digital infrastructure investment is now essential to maintain this competitive advantage, enable access to global markets and the ability to produce and distribute world class digital content, and remove the remaining 'not spots' for growth in our remote and rural communities.

Cornwall and the Isles of Scilly supports a density of creative businesses normally found in cities and hosts the UK's third-fastest growing tech sector cluster (Truro-Redruth) with 153% turnover growth recorded in 2017²⁴. This cluster currently provides 1,380 digital jobs, £39m digital GVA and 79% tech sector growth potential. 'The Geography of Creativity in the UK' report confirmed Cornwall is a nationally significant creative cluster²⁵.

New creative and tech companies from Falmouth University's flagship 'Launchpad project' are

working with market leaders such as Amazon and Sony to grow our own high value jobs and will create 65 new companies and 526 jobs over the next five years. Local investments are producing growth and multiple success stories. The distinctive offer that embracing our heritage offers to our future prospects is illustrated by the award winning 'Man Engine', which had a global reach of 112 million people across 104 countries and an economic impact of £2.9 million.

Tate St Ives recently opened its doors to world class arts provision and this will be followed by a £20m investment in the Hall for Cornwall, which will have an economic impact of £62m²⁶.

The University of Exeter's new Institute for Data Science and Artificial Intelligence creates a platform for collaboration between the university and industry, and introduces the UK's first Degree Apprenticeship in Digital and Technology Solutions.

We have other ambitious projects in the pipeline to capitalise further on the strengths of our creative and digital industries, and we request the support of the Government to unlock the full potential of these projects.



²³ <https://www.businesscornwall.co.uk/news-by-industry/digital-industries/2017/08/17m-ultrafast-investment/>

²⁴ TechNation 2017, <http://technation.techcityuk.com/>

²⁵ *The Geography of Creativity in the UK* (Nesta), <http://www.nesta.org.uk/publications/geography-creativity-uk>

²⁶ <http://www.tate.org.uk/about-us/projects/new-tate-st-ives>; <https://www.hallforcornwall.co.uk> (see relevant dedicated pages under 'Redevelopment')

Our ask

In order to deliver and accelerate our vision and project pipeline, we seek Government support and flexibility in a number of areas, including:

- **Enhancing our Digital and Creative-tech Innovation Hub** by de-risking the necessary investment to build 'large data' digital capability alongside the associated physical, Innovation and research assets within Cornwall and the Isles of Scilly.
- Supporting the establishment of a **HE-based Data Hub and collaborative workspace** for product and service co-creation developing synergies between enterprises, research and development and HE. This will develop a capability in Cornwall that will enable it to engage in future Industrial Strategy challenges building on our universities' expertise in enabling technologies relevant to the creative sector and the 'creative bridge' into other high growth sectors. This will stimulate demand by developing/showcasing new data applications designed at the hub so that businesses can become new technology adopters.
- **Facilitating investment in our pioneering 'Fibre Park'**, which will combine education, tech innovation, next generation connectivity and grow-on space to create a digital market place, enabling businesses across Cornwall to meet and collaborate on future technological opportunities. It will also serve as a well-being hub, creating links with global food tech hubs.
- **Becoming a pathfinder region to pilot rural deployment of 5G technology and 100% coverage of superfast broadband.** Utilising and building on our existing capabilities and reputation as a leading rural region in terms of connectivity and digital sector growth is a key enabler to overcoming the challenges caused by our peripheral geography and underpinning our target growth sectors like the creative industries. We also want to explore the potential to require developers to install superfast broadband so that new developments enjoy the same connectivity as our existing homes and premises.
- **Creating a Global Creative Industries Observatory in Cornwall** to 'cement the UK's position as the leading international authority on Creative Industries strategy and policy for, and measurement of, this sector' as recommended in the Bazalgette Report. We are a test-bed for Creative Industries policy and investment.
- **Developing Cornwall as a priority area for the screen industries** by locating key national assets in the region, including a British Film Institute Centre of Excellence, and establishing an enhanced Creative Industries Enterprise Zone pilot in line with the Creative Industries Federation's response to the Industrial Strategy.
- **Shaping emerging Financial Instruments and Business Support** mechanisms to accelerate digital and creative industries, removing the barriers to finance which are a brake on growth for IP led businesses.
- **Facilitating investment and support from Innovate UK** in our interdisciplinary 'Immersive Cornwall' Lab and other programmes of related innovation led research.
- **Promoting creative careers and a talent pipeline** to diversify recruitment and support a trail programme, which enables a wider range of creative subjects (STEAM) to be taught and provides better careers advice which aligns with the regional focus on the Creative Industries.

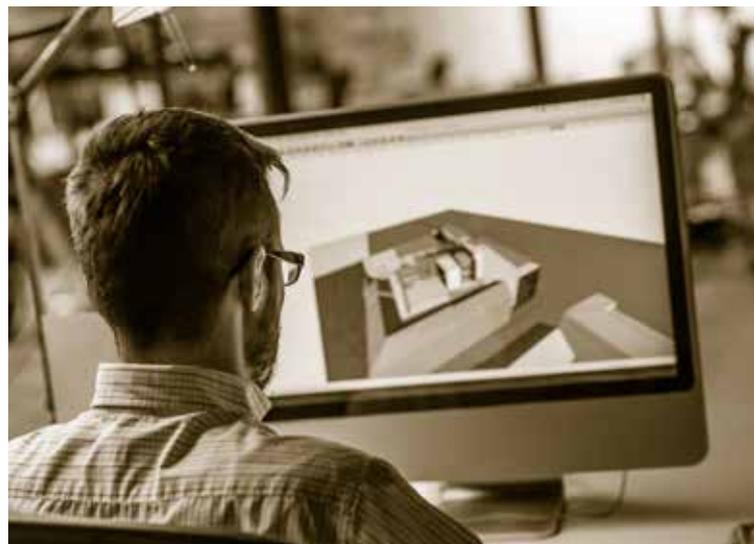
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Our offer

Our projects will accelerate growth, capture market share, increase productivity, boost skills and create jobs in Cornwall and the Isles of Scilly, delivering a 'global presence' in the post-Brexit environment. This will make a significant contribution to the delivery of the Industrial Strategy and the vision of shared prosperity throughout the UK.

Building on the supporting measures we seek, our offer would include:

- **A Data Hub**, providing data platforms supporting data gathering, analytics connectivity, simulation, visualisation and interpretation to create a data network aligned to meeting Cornwall and the Isles of Scilly strategic priorities through investment in research facilities, technology transfer and people to support business supply chains in data intensive enabling technologies.
- **An Augmented and Virtual Reality 'Lab'**. Our 'Immersive Cornwall' project will create a unique Mixed Reality (MR) resource, providing businesses with access to technology, RD&I expertise and investment to generate new digital content for distribution in an emerging, high-value Smart Specialisation marketplace.
- **Targeted growth in the Screen Industries** (Film/TV/Games/Visual Effects) by creating a 'Harbour' for the industry in Cornwall, building on the success of local companies and the growth of the Falmouth University School of Film and TV (SOFT). 'Harbour' will hothouse top SOFT talent, provide business incubation space and industry standard post production, visual effects, studio and workspace, enabling a high value cluster to develop which will fill a strategic gap in the UK economy.
- **Deliver an Arts and Humanities Creative Industries Cluster Programme**. This will support the creative industries' vital role in the growth of the nation's economy and enable micro businesses, SME's and larger enterprises to partner with academic researchers to develop new products, services and experiences.
- **Fibre Park**: The proposed site in Pool, near Redruth, will enable space for over 1200 new jobs, plus safeguarding 300 existing jobs. With average salaries in the tech/software development industries around double the local average, the Fibre Park will generate HMRC annual taxation revenue at a density of £1622/sqm or approximately £18m per year to HM Treasury. The impact on the local economy of such jobs will be similarly much higher than average levels and provide a very positive direct social influence on the Camborne, Pool and Redruth areas.
- **Further digital infrastructure investment** to maintain Cornwall and the Isles of Scilly and the UK's competitive advantage, enable access to global markets and the ability to produce and distribute world class digital content.



Benefits

Cornwall and Isles of Scilly is the place where creative industries and digital technologies cluster together to drive growth and jobs in a rural context. The Bazalgette review revealed that by 2025 the Creative Industries will be worth £128bn and generate one million new jobs by 2030. Our proposals will capture and accelerate this growth for the poorest part of the UK. Cornwall and Isles of Scilly will become an internationally renowned creative cluster, contributing significantly to the UK's market growth in the sector, focussing on exports to existing and emerging markets;

- Our 'Harbour' project and associated Creative Enterprise Zone will have an economic impact of circa £80m and create over 200 jobs.
- Our Immersive Cornwall project will allow our businesses to access a market that the Digital Catapult predicts will be worth £1.2bn in the UK alone by 2020; PWC estimate annual growth of 76% over the next 5 years²⁸, with over 257m MR headsets in use global values could reach \$166bn by 2021²⁹.
- Our plans for a Cornwall Innovation and Research Park will create capacity for world class Research and Innovation. We will create a 10,000m² environment where entrepreneurs, students, investors and researchers work together to solve problems, gain knowledge, innovate and commercialise. Concepts will turn into products, services and experiences. Collectively, we will access global markets, with the economic benefit felt in Cornwall and the UK, including the creation of 600 jobs.
- The Fibre Park will be located in the centre of Cornwall and have access to hyperfast connectivity at 100Gbps speeds. The Fibre Park will be a game changer for the tech industry, providing for the integration of educational facilities within the industry-led complex to enable business-led FE courses, HE degrees and advanced apprenticeships to be pioneered through co-location and a collaborative approach with local educational institutions.

Our proposals will capture and accelerate growth for the poorest part of the UK

²⁷ '2017 Media and Entertainment Outlook, Price Waterhouse,' www.pwc.co.uk/outlook

²⁸ IDC, Goldman Sachs, 2016