

LOCAL INDUSTRIAL STRATEGY WHITE PAPER

SX, SOCIAL EXPERIENCE: THE VITAL INGREDIENT FOR MORE SUCCESSFUL UK PLACES

Executive Summary

UK towns, cities and regions have not recognised the vital role local social experience ‘scenes’ play in successfully attracting technology businesses and their young, skilled employees. There is a high risk that this will result in Local Industrial Strategies that do not nurture places that can attract those businesses.

Fact 1 - Since the 1950s young people (18-34 year olds) have sought and consumed popular culture and a good time, dominated by music, food, drink and late nights.

Fact 2 - This is also the primary target employment demographic of the tech sector.

Fact 3 - USA cities have recognized these facts and are actively updating their strategies accordingly. UK towns, cities and regions must urgently modernize their thinking to succeed in aligning their strategies with this demographic by prioritising popular culture.

Fact 4 - The private sector uses music extensively to forge emotional connections with the 18-34 year old consumer market, and a growing body of research backs this up. The public sector needs to understand how these experiences also matter to places, and to the economic performance of places.

This paper identifies the risk to local productivity if places are not helped to understand and specifically develop strong social experience (SX) infrastructure strategies for inclusion in the Local Industrial Strategies. The UK Government and DCMS should immediately assist the regions in this matter by publishing a detailed ‘*Music & Entertainment Toolkit*’ to add to the existing Connected Growth Toolkit suite. This will fill the existing knowledge gap and ensure that the vital mechanics outlined here are catered for in all Local Industrial Strategies.

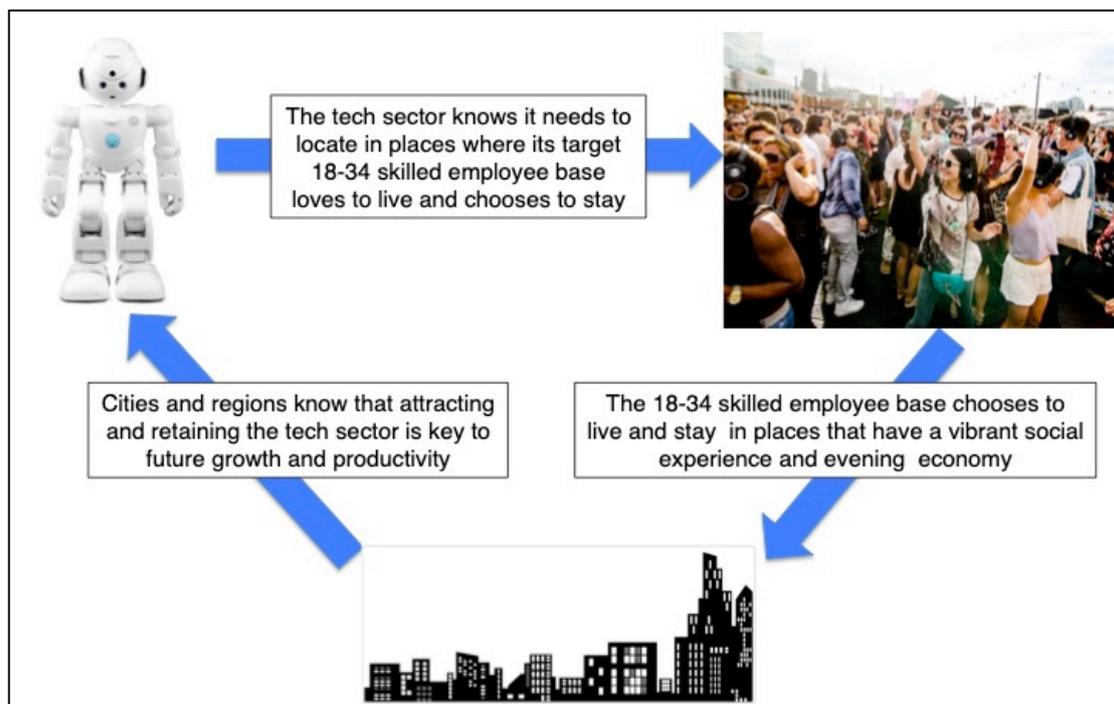
By alerting Local Enterprise Partnerships and local authorities to the value of SX infrastructure and ways to support it, Government can help places make the most of local entertainment assets.

Happily, that also means supporting the recreations that many people most enjoy!

Introduction

The mechanics are simple:

- i. UK regions recognise they must attract and retain the tech sector in order to ensure future growth and productivity
- ii. The tech sector recognises it can only locate in places that its target 18-34 year skilled employee population want to live and work
- iii. The 18-34 year old skilled population chooses to live and work in places that are socially vibrant and offer an evening and night-time scene primarily driven by music, food and drink.



To guarantee future success, places need to attract younger, skilled people with high-paying jobs. Increasingly and for many places, that means attracting technology companies.

The digital sector will drive future productivity in the UK

The UK's digital sector grows at more than double the average rate of the UK economy as a whole. Turnover of the digital sector increased by 4.5 per cent in 2017, compared with a 1.7 per cent rise in GDP across all business sectors. Digital

employment rose by 13 per cent between 2014 and 2017. In 2017, the digital sector generated a record £4.5bn in venture capital investment, almost double that generated the previous year (analysis of Tech Nation data 2018).

The UK economy as a whole lags key competitors (Germany, France, Japan) on productivity (output against hours worked), which has led government to make local productivity the focus of Local Industrial Strategies (more below).

The digital industry in the UK accounts for around 4% of employment but 7% of economic output. (The Future of the UK digital and tech industries, Parliament publication 2018).

Attracting technology companies to places can transform local economies

Regional economic planners know that given this higher productivity of digital companies compared to the rest of the economy, one of the clearest ways to increase productivity, for local growth and in line with Government strategy, is to increase the presence of local digital technology businesses and employment. Tech companies bring growth in local economies, raising aggregate local incomes and productivity levels, and have the potential to continue growing year on year.

LEPs and local government are quite rightly focused on developing a local environment that supports the creation of new tech businesses and the growth of existing ones, through local initiatives on connectivity and skills. There are also benefits in encouraging non-tech businesses to increase use of technology-enabled innovation and to employ more tech professionals, though this is more difficult to influence. These are all valuable long-term aims, now being actively pursued in cities and regions around the UK.

However, the most direct way to grow local technology economies is to attract large tech companies to establish a local presence. Places now compete actively to land these new investments. Creating tech-friendly environments through business incentives and infrastructure is now a common objective in local plans.

Young people today have extensive choice. The new generation won't allow themselves to get tied into boring jobs in boring places. They have much more choice and they are not afraid to exercise that choice. They have fewer material possessions and most do not own property, so relocation is not a big deal. They travel more. They are more likely to have multiple careers during their working life so are much less loyal to any one place or employer unless the experience is amazing. The new generations are not going to settle with 'dull'. They will choose to live and stay in places that offer them great social experiences.

Tech companies also compete to attract employees, and part of their offer to employees is where they are located. Companies have clear advantages if they locate in places where 18-34 year-old technology company employees actually want to live and work. Typically these roles require intense commitment from employees, in particular long hours, and these employees are clearly drawn to places that have adapted to suit them. Young people consume more music, food and drink driven social experiences than ever before (especially when they are high quality and look great on Instagram). They have very strong attachments to these experiences, as central to their identities and communities.

Economically and socially successful places attract and keep young people by enabling social experiences. Social experience infrastructure delivers these experiences, and is present in all popular and successful districts. Attracting people to spend time in districts is a multiplier, contributing well beyond the direct economic activity of a venue itself. Regions and cities that don't prioritise and support their social experience economy and evening scene will struggle to attract and retain this key demographic in the long term, as other areas improve their social scenes. As technology companies contribute more and more to the UK economy, the choices of their predominantly younger workforce become critical to the success of places.

The private sector has realized the immense value of X (experience). Businesses focus significant resources on it. CX – customer experience, IX – interactive experience, UX – user experience, BX – brand experience and EX – employee experience are key terms in today's business vocabulary. Design thinking as a tool has become standard practice in order to match the wants and needs of target customers.

It has become apparent that public sector and regional and local organisations do not recognize the value of X in the same way. Social experience (SX) is the vital ingredient in the recipe for future UK growth and productivity. A more modern customer experience led, design thinking approach would dramatically improve decisions about places.

The “Austin Model”

The future success of a region does not lie solely in employing high quality graduates. All LISs will undoubtedly recognize the scale of their low skilled young population and make several references to the importance of training and education in order to ‘upskill’ this target group.

However, it's important to note that it's simply not possible to upskill everyone into jobs in the tech sector. The City of Austin has recognized this. Despite their extensive efforts to reach everyone with a range of quality education and training programmes they have realized that some people just aren't suited to the types of jobs that the growing tech sector in the city is offering. This is where their thriving social scene provides important opportunities. It offers lower skilled work in restaurants, bars, hotels, clubs and venues. Austin has an exceptionally low level of unemployment and has recognized the importance of their thriving social scene and evening/night-time economy. They realize this scene is a core element that makes young people want to live and work in the city - and this existing scene has made it very attractive to the tech industry which has now grown rapidly in the neighbourhood adjacent to the music and entertainment district.

The City of Austin is now putting measures in place to protect and support this valuable social scene to ensure that the inevitable gentrification that is now taking place as the City booms doesn't price out the social scene that attracted the tech companies in the first place.

How to win the competition to attract skilled 18-34 year-olds

Other places should follow Austin by intentionally nurturing successful local social scenes and actively supporting the types of social infrastructure – the venues and facilities – that young professionals seek out. While UK Government has taken welcome steps to slow down the closure of popular venues (e.g. Agent of Change), the overall positive role that social infrastructure has in making places successful is massively undervalued, and often completely missed in local economic and development strategies.

Music venues, bars and pubs are still under extreme pressure in the UK due to a lack of support and poor communication between licensing and planning departments at local authority level. Places playing music - including busking pitches - have been allowed to be stifled or closed just based on a handful of noise complaints (usually by residents aged over 34) or a planning application (usually by property developers aged over 34). Consequently the evening scenes across the UK have been eroded, further contributing to the demise of high streets and town and city centres. This could become an even greater problem as cities and towns seek to expand the percentage of residential units in central areas to meet housing targets and fill empty spaces. Putting more residents in areas that should be thriving social hubs is inevitably going to lead to continuing problems and the increased 'silencing' of these areas unless the value of the social scene is specifically identified as an essential asset in Local Industrial Strategies.

Thriving social scenes attract lots of people and consequently create higher volumes than silent failing spaces. This volume has become classed as “noise” and viewed as something that needs to be reduced or removed. But these volumes actually demonstrate the success of a place in creating a vibrant social scene that young people want to spend time in.

Social eXperience (SX) infrastructure— venues and facilities for music, performance and other entertainments such as street food markets and busking – is essential for enabling places to thrive, and must be at the heart of Local Industrial Strategies.

Thanks to a sustained lobbying campaign by the Music Venue Trust and UK Music the Government thankfully made positive steps in this direction in 2018 with the inclusion of the new *Agent of Change* clause in the UK Planning Framework. But if the value of the social and evening economy continues to go unrecognized and unmentioned in Local Industrial Strategies regions may struggle to succeed in future. It is exceptionally hard to make a bar, restaurant or music venue into a profitable business, and these entrepreneurs are not getting enough support, recognition or respect from local authorities.

Planning and licensing typically sit in different council functions, and the economic and social benefits of protecting music and entertainment venues is often not apparent to licensing officers. In many places in the UK there has been a lack of diagnosis when it comes to responding to volume complaints. When a person makes a formal complaint (even just with an email) the party responsible for the “noise” is usually notified and instructed by the Local Authority to reduce the noise. This is a little like a patient visiting their GP saying they have a “pain in the knee” and the GP responding immediately with “no problem I’ll make an appointment for your leg to be cut off”. This would of course never happen because the complaint would be analysed in depth to identify the cause and decide appropriate action. Maybe the knee just needs some support while it heals. Maybe a minor adjustment or a range of exercises needs to be prescribed. Maybe the pain is actually a secondary symptom caused by a change in another part of the body. But when it comes to noise complaints regarding the evening economy legs have been amputated with little analysis over the past decade. Just as we need our leg, we need the social economy and evening scene in order for towns and regions to thrive.

Planning and licensing teams must work closely in collaboration to take action to build social vibrancy in key areas. Actively encouraging quality social experience businesses such as bars, restaurants, coffee shops and music venues to establish themselves and build a thriving scene.

The vibrant “Social Experience Infrastructure” of a place can:

- offer AFFORDABLE fun experiences that appeal to and are shared by multi-generations, incomes, social classes but in particular match the popular culture tastes of the key 18-34 year old graduate demographic
- drive social inclusion to combat loneliness and mental health risks
- provide employment for lower skilled local workforce
- attract the tech sector and the creative and design industries that accompany it, further fuelling social vibrancy

Highlighting the value of SX infrastructure

London has recently recognised this value and is acting to support SX infrastructure. Cardiff has also made progress with the development of a bespoke music strategy published in 2019. Other UK places can too, but will not if they are not aware of the need, the opportunities and the necessary steps for success. If SX infrastructure is not recognized in Local Industrial Strategies now in development, it will become more difficult to support it later on.

Social life often gets missed in strategic documents such as the Local Industrial Strategies. Music is usually loosely covered off by the term ‘Creative Industries’. The inclusion of Creative Industries references in economic growth plans tend to be focused on nurturing the growth of creative industry revenues, not the social scene. As tech increasingly dominates the GDP of the Creative Industries this in essence means that when discussing Creative Industries these documents are in fact mainly referring to the growth of the tech sector again.

The social fabric of a place is different – it’s a variety of activities that draw people to a place and create a vibrant social scene (often late into the night). This is vital infrastructure and is not usually referenced in isolation. The Greater London Authority has led the way in this thinking in recent years. The night-time economy and busking pitches are specifically referenced as important assets in the new version of the London Plan and will be in their Local Industrial Strategy. But this has not stopped music venues, bars and pubs being closed down by Local Authorities across the capital and the UK. Cardiff Council has also made assertive steps in this direction with the publication of a new music strategy to protect the city’s grassroots music infrastructure that was rapidly being eroded due to property development. The City stepped in and purchased a derelict site next to Cardiff’s long standing music venue Clwb Ifor Bach. This stopped an application by a developer to build a block of flats on that land. Thereby, helping to preserve Womanby Street as an entertainment zone.

This type of modern thinking around the vital social experience infrastructure needs lots more verbalization and inclusion in key strategic documents for all regions.

These problems are not insoluble, but they require specific and firm local commitments. It is vital to establish formal protections for venues, and to have clear messaging in formal strategic documents and public facing communications (including by local estate agents) that established entertainment districts will be protected and will feature higher levels of volume. While this will potentially deter some older citizens from moving into those districts, it will protect the local economic value and character, and may attract the target 18-34 year old population to live in those districts. Thereby, further fuelling vibrancy and social revenues in these neighbourhoods.

Local Industrial Strategies need to recognise the value of social infrastructure and commit to protecting it

Local industrial strategies (LIS), led by Mayoral Combined Authorities or Local Enterprise Partnerships, are intended to promote the coordination of local economic policy and national funding streams and establish new ways of working between national and local government, and the public and private sectors. LISs are charged with delivering improvements to the productivity of the UK's regions. All Combined Authorities and LEPs are required to deliver LISs by March 2020.

The West Midlands Combined Authority (WMCA) recently published its LIS, the first. LISs are developed in partnership with Government departments, so that they are consistent with national policy and instruments, and can take advantage of all relevant support mechanisms and synergies.

LISs are intended to be high level documents, and will specify principles and local priority objectives, rather than specific details of how funding will be applied. The LIS should provide a set of local priorities and actions on which local economic development strategies can be built and adapted as necessary over time. However, it will be important to include specific references to the value of a music and entertainment strategy in the LIS, because it will be more difficult to support this type of social experience activity in the future, if it is not flagged up in the LIS. This is vital infrastructure.

The WMCA LIS is a strong 84-page document (web version) that quite rightly focuses on the importance of the tech sector to the future success of the region. The value of the young population is also mentioned frequently but the evening economy is not

mentioned at all. There is no acknowledgement of the link between the vital 18-34 year old skilled employee demo and the fact that they will only want to continue to live in the region if it remains vibrant.

The document recognizes that they currently have a strong level of young people thanks to the local universities. However, they also correctly mention an important point – “graduates from local universities are in high demand nationally and command a salary premium”. This means that their graduates have extensive choice of where to live and work. Consequently, as other cities and regions increase their focus on social vibrancy in coming years the West Midlands will need to ensure that their social scene keeps up. Otherwise ‘graduate drift’ out of the region to other areas will inevitably be increasingly likely.

The term ‘live music’ receives one brief mention alongside theatre. But there is no reference to the popular music culture that young people crave and consume. The ‘leisure’ assets listed in the document don’t really seem to fit the typical young person’s mainstream cultural tastes. There is absolutely no mention of the links between the region and the birth of (still) one of the biggest music genres in the world – metal. Local acts Black Sabbath, Led Zeppelin and Judas Priest are heralded as icons in popular music culture yet receive no mention in the LIS.

Meanwhile, grassroots music venues are fighting for survival in the region. One of the last remaining venues (a Birmingham live music pub celebrating its 50th year in 2019) is due to be demolished to make way for a new development despite a campaign to save it. The Music Venue Trust has recently stepped in with the submission of a formal planning objection to try and assist. Birmingham pub ‘The Crown’ where Black Sabbath played their first gig was also sold to developers a few years ago.

“All social indicators and surveys continue to tell us that young people self-identify culture, and specifically music, as the primary, key element in how they socialise and communicate. Access to live music social situations therefore remains key in attracting and retaining young people in our towns and cities. We would strongly encourage Mayors and local authorities to include access to live music within any plans they make to address Local Industry Strategy. A comprehensive approach to protecting, securing and improving grassroots music venues should sit at the heart of any LIS if it is to successfully engage with young people.”

Mark Davyd, Chief Executive - Music Venue Trust

UK Government (DCMS) thinks it's already addressing this issue but that is not the reality

Kevin Brennan MP recently submitted the PQ below at the House to ask the government how they intend to ensure that music and the evening economy is firmly embedded in the Local Industrial Strategies.

The Department for Digital, Culture, Media and Sport has provided the following answer to your written parliamentary question (261119):

Question:

To ask the Secretary of State for Digital, Culture, Media and Sport, what steps his Department will take to ensure that (a) music and (b) the evening economy are embedded in local industrial strategies. (261119)

Tabled on: 06 June 2019

Answer:

Margot James:

The Government recognises the significant contribution generated by music and the evening economy to the UK. We have reformed entertainment licensing and planning policy guidance, making it easier for well-established music and cultural venues to operate. Government has confirmed that it will work with all Mayoral Combined Authorities and Local Enterprise Partnerships (LEPs) to develop Local Industrial Strategies, which are locally-led and agreed with Government. The national Industrial Strategy provides a policy framework against which Local Industrial Strategies will be assessed. Government recognises the value that creative industries bring to local places, and engages with LEPs in promoting the growth of these sectors through Local Industrial Strategies - for example by developing a Connected Growth Toolkit to support LEPs in designing local strategies.

The answer was submitted on 11 Jun 2019 at 16:59.

[DCMS Connected Growth Toolkit

<https://www.gov.uk/government/publications/connected-growth>]

However, while the Connected Growth Toolkit includes sections on Arts and Culture, Creative Industries, and Tourism, these do not give enough guidance on music and entertainment strategies, beyond a mention of one-off events.

There is insufficient focus on popular music culture and its immense power over the 18-34 year old population. Therefore the toolkit misses the opportunity to highlight the value of music, popular culture and social experience infrastructure in a way that will ensure it is successfully understood and harnessed by regions, and represented in Local Industrial Strategies.

An additional “Music & Entertainment Toolkit” needs to be written immediately so that LEPs and regions can quickly adopt the necessary guidelines to ensure that the vital connection between their social infrastructure and the tech sector is understood and leveraged properly within their Local Industrial Strategies before submission.

Local Social Infrastructure Strategies

Local Social Infrastructure Strategies should include several key and complementary elements.

1. Strong protection for social experience infrastructure

Councils and LEPs need to ensure that social and entertainment venues are protected from planning developments, and from complaints from people moving into new developments. This will be best approached as a positive strategy: clearly establishing and labelling planning and licensing “zones” where social economy businesses and activities are actively supported, as a feature and asset. Developers and estate agents would be required to accept this zoning, and inform future customers that new property is in an entertainment zone.

2. Event strategies

There is increasing awareness in major cities around the world that a full annual programme of events, including major public outdoor performances, and coordinated seasons and fairs involving local businesses, bring in repeated, whole-day visits. While many places have a small number of established annual events, most do not have integrated strategies to maximise the contribution of local partners to attract and retain visits by citizens and tourists.

3. Places to be, places to breathe

Planning for slow movement, less traffic, and better air quality is essential. Many high streets simply have no places that are pleasant to stop and stay in, so people don't, and if they don't stay, they don't spend. Citizens are much more concerned about air quality than they have ever been in the past, and there is increasing awareness of the health benefits of walking. Development plans should establish more areas with low to no nearby traffic, with outdoor seating, trees and green spaces, near food and

entertainment, to encourage people to walk and to spend time, not just hurry through. In time, places will restrict traffic in some areas to low- and then no-emission vehicles. That should be another step in an integrated strategy for slow places.

4. Digital Connectivity

Free wifi in public areas, and good connectivity to bars, cafes and other venues that enables them to provide excellent wifi, are the basis of a connectivity strategy. Mobile network operators also recently (15 May 2019) called on councils to explore how to use their buildings and street furniture to deliver 5G in the future. Demand for connectivity does not stay still, in part driven by social technology applications for recording and sharing located experiences. Connectivity strategies should specifically prioritise connectivity to individuals, directly through public wifi and through intermediaries.

This is now a matter of urgency

With all regions expected to deliver their Local Industrial Strategies to UK government by March 2020 it is recommended that a Music & Entertainment Toolkit is produced immediately to enable LEPs to develop local, effective Music and Entertainment Strategies for inclusion in their Local Industrial Strategies.

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