Design Council

Design Economy 2021

Scoping Project
Regional Use of Design

BOP Consulting

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Jonathan Todd

This report was commissioned by Design Council as part of the Design Economy 2021 research programme.

Design Council is the government's advisor on design. Our mission is to make life better by design. We work with people to create better places, better products and better processes, all of which lead to better performance. We commission research, develop programmes and influence policy to demonstrate the power of design. We bring together non-designers and designers from grassroots to government and share with them our design expertise to transform the way they work.

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1.

Introduction

As the UK recovers from Covid-19 and adopts a new international role after exiting the European Union (EU), economic growth is important. Design has a track record of providing that. Design Economy 2018 reported that the design economy generated £85.2bn in gross value added (GVA) for the UK in 2016 – which was 7% of UK GVA in that year and equivalent to the size of the distribution, transport, accommodation, and food sectors.

The UK government's commitment to levelling-up does not just entail a commitment to economic growth but to delivering economic growth that is balanced across the regions and communities of the UK. With the government committed to a White Paper on levelling-up later in 2021, this remains a concept and policy agenda in development.

However, it is clear that levelling-up must entail a commitment to improvement within historically underperforming parts of the UK – whether in relation to narrowly defined economic metrics (e.g., raising local rates of growth, productivity and other economic metrics covered in Paper 2 on the economic role of design) and/or more broadly defined indicators (e.g., quality of life measures that are more relevant to the themes of Paper 1 on the social and environmental dimensions of design).

Therefore, to be relevant to levelling-up design must not only contribute to the UK's economic growth but more balanced outcomes across the UK, with improved performance – economically, socially, and environmentally – in parts of the UK that have lagged other parts of the UK in these terms.

To quantify the potential for design to contribute to improving economic, social and environmental outcomes across the UK, we need to better understand the current geographic distribution of design's footprint on the UK. This paper sets out a methodological approach for doing this. In addition to this quantification, it provides qualitative methods for better understanding the relation between design and improved economic, social and environmental performance in all parts of the UK. These qualitative methods are designed to work towards concrete steps for design to improve economic, social and environmental performance in historically underperforming places and, therefore, have design maximise its contribution to a more levelled-up UK.

1.1. What the paper will do

This paper proposes for Design Economy 2021 an updated methodology for assessment of the geographic distribution of design's contribution to the UK.

This paper builds upon the methods contained in Papers 1-5 and the regional analysis contained in Design Economy 2018.

This paper provides methodologies for:

- Identification and quantification of:
  - The contribution of design to regional and local economies
  - Design clusters/micro-clusters
  - Correlations between design intensity and economic/social/environmental indicators

- To identify policy instruments at different tiers of government (UK government, devolved administrations, Combined Authorities, Local Enterprise Partnerships (LEPs), and Local Authorities, including cities) that have potential to enable design to strengthen its contribution to improved economic, social and environmental performance across the UK in terms of the key metrics:
  - Economic performance of regional and local economies
  - Design clusters/micro-clusters
  - Design helping to secure improvement in economic/social/environmental indicators

1.2. Key constructs

Key constructs that are relevant to this paper are:

- Levelling-up: This concept is about improving living standards, growing the private sector, and increasing and spreading opportunity across the UK. More precise definition and associated policy instruments remain in development. These instruments are likely to have implications for the delivery of policy at all tiers of UK administration: UK government, devolved administration, Combined Authority, LEP and Local Authority. While levelling-up is an important part of the context for this paper, it remains an emerging concept and, therefore, we do not explicitly refer to it in the research questions.

- This paper sets out methodologies for exploring the relationship between improving economic, social and environmental outcomes across the UK and other key constructs:

  – Design: While a range of different definitions and interpretations of design are in use and relevant to Design Economy 2021, it is a tighter definition (e.g., designers and design firms) that is most relevant to design clustering. This is because clustering is about deep concentrations of expertise (e.g., designers working collaboratively in proximity), rather than a broad spread of related skills or expertise (e.g., design skills utilised across the economy). Design skills are pervasive across the economy but here we are more focused on those practising as designers (whether in the design industries or more broadly across the design economy) or operating as design businesses and the geographic distribution and impact of these workers and businesses.
  – Geography: Different geographic units – national, regional, LEP, local authority – are relevant to this investigation.
  – Clusters: Statistical and policy definitions of clusters are in use and this paper explores the applicability of these approaches to design.

1.3. Approach overall

The overall approach entails extension of related methodologies (i.e., Design Economy 2018 and the other Scoping Papers that form Design Economy 2021), complementary data, correlation, and deeper understanding of both historic relationships and future potential:

- Extend Design Economy 2018 to capture the economic impact of design with as much geographic granularity as possible within ONS data. This will take the analysis down to local authority level

- Complement this extension to local authority level with alternative data and tools (i.e., Glass.ai[1]) of analysis that will enable the footprint of design to be understand at a more micro level than local authority geographies

- Correlation is sought within these data in numerous different ways:
  – Between economic outcomes achieved by design and the extent of design clustering
  – Between social/environmental outcomes achieved by design and the extent of design clustering
  – Between the actions and intentions of (a) designers and design firms, (b) public policy and these economic/social/environmental outcomes

- Understand how the historic performance of design within clusters as compared with elsewhere and provided structured reflection on the potential future potential contribution of clustering to design's economic, social and environmental impact.

[1] Data science firm Glass.ai scrap web data. In the context of research published by PEC in 2020, it scraped data from over 200,000 websites of creative industries organisations that listed an address at which their company could be contacted. Glass.ai data has been used in several earlier studies of creative industries, including Creative Nation (Mateos Garcia et al (2018a) and The Immersive Economy in the UK (Mateos Garcia et al (2018b)).

2.

Research questions

1. Intent

1a. What are the attitudes, motivations and intentions of (a) designers and design firms, (b) policymakers, in relation to design's role in achieving more equitable economic outcomes across the UK and improved social and environmental conditions improving economic, social and environmental outcomes across the UK?

2. Action

2a. What actions are currently being taken by (a) designers and design firms, (b) policymakers that seek to enhance design's contribution to improving economic, social and environmental outcomes across the UK?

3. Impact

3a. How are designers and design firms geographically distributed across the UK? How does their presence vary across...
- the regions/countries of the UK
- LEP geographies
- Local authorities
- Smaller geographic units (i.e., communities within cities and local authorities)

3b. What patterns emerge from this distribution? i.e., Are some regions/countries better served by designers and design firms than others? Are there more designers and design firms in urban local authorities than rural ones?

3c. What evidence of clustering emerges from this distribution? For example:
- What skills are most strongly represented in areas with design clusters?
- How do rates of company birth and death vary between design clusters and elsewhere?
- How do patterns of clustering vary between different kinds of design activities?
- How does the historic performance of design activities within clusters compare with elsewhere? More specifically, do firms in design clusters grow more quickly than elsewhere?

4. Value

4a. What does the distribution of designers and design firms mean for the distribution of economic, social and environmental value created by design within the UK?

5. The future

5a. How will the geographic distribution of value generated by design evolve on unchanged policies?

5b. Are the actions of designers and design firms likely to make this distribution more balanced?

5c. Is public policy likely to make this distribution more balanced and, therefore, increase the contribution of design to improving economic, social and environmental outcomes across the UK? What is the role different tiers of government in these interventions?

5d. Based on these public policy interventions, what alternative scenarios for the future of design across the UK can be projected and what impact will they have?

3.

Methods overview

1 and 2. Intent and Actions

1a. What are the attitudes, motivations and intentions of (a) designers and design firms, (b) policymakers, in relation to design's role in improving economic, social and environmental outcomes across the UK?

2a. What actions are currently being taken by (a) designers and design firms, (b) policymakers that seek to enhance design's contribution to improving economic, social and environmental outcomes across the UK?

Three methods will be used to address these questions:

- **Survey coordination:** There are questions in Paper 1 on Understanding the Social and Environmental Value of Design that will provide relevant insight
- **Literature review:** This is important to understand the evolution of levelling-up as a concept and its precise public policy applications
- **Roundtables:** With (a) designers and design firms, (b) policymakers to unpick their intensions and actions in relation to design's role in improving economic, social and environmental outcomes across the UK. This might be aligned with the Delphi process discussed in Paper 2

3. Impact

3a. How are designers and design firms geographically distributed across the UK? How does their presence vary across…
- *the regions/countries of the UK*
- *LEP geographies*
- *Local authorities*
- *Smaller geographic units (i.e., communities within cities and local authorities)*

This will extend the distributional analysis undertaken in past Design Economy reports. ONS data will allow this analysis to be extended to LEP geographies, cities and local authorities. However, alternative data sources will be required to analyse at smaller geographic units.

3b. What patterns emerge from this distribution? i.e., Are some regions/countries better served by designers and design firms than others? Are there more designers and design firms in urban local authorities than rural ones?

This will comment on the data emerging from 3c.

3c. What evidence of clustering emerges from this distribution?

This will apply statistical tests to the data emerging from 3A to identify relevant clusters. More specifically in relation to:

- Skills: How their incidence varies between design clusters and elsewhere
- Births and deaths of firms: How these rates vary between design clusters and elsewhere
- How these design clusters break down into different kinds of design activities
- The rate of business growth by design firms in these clusters and whether it outperforms that of design firms elsewhere

4.

Value

4a. What does the distribution of designers and design firms mean for the distribution of economic, social and environmental value created by design within the UK?

This question requires close alignment with Papers 1 and 2.

The economic results in Paper 2 can be disaggregated to relevant geographic units, i.e., (a) regional/country, (b) LEP, and (c) Local Authority. As this disaggregation is grounded in ONS data, it will not be possible to generate more geographically granular results than this.

The picture at more local levels will depend on the extent of engagement with the surveys included in Paper 1. These surveys will also provide insight into the social and environmental value generated by design. When combined with ONS data on the distribution of designers and design firms, these surveys will give a sense of how evenly balanced the distribution of this social and environmental value is across the UK.

5.

The future

5a. How will the geographic distribution of value generated by design evolve on unchanged policies?

5b. Are the actions of designers and design firms likely to make this distribution more balanced?

5c. Is public policy likely to make this distribution more balanced and, therefore, increase the contribution of design to improving economic, social and environmental outcomes across the UK? What is the role different tiers of government in these interventions?

5d. Based on these public policy interventions, what alternative scenarios for the future of design across the UK can be projected and what impact will they have?

These questions will be answered by:

- Building a time series by combining relevant metrics from past Design Economy studies and Design Economy 2021 to project how they are likely to evolve on unchanged policies (5a)

- Building a suite of actions from designers and design firms (5b) and policymakers (5c) that are relevant to design's role in levelling-up

References and reading list

DCMS (last updated 2017), *Creative Industries Economic Estimates*

Design Council (2018). *The Design Economy 2018: The State of Design in the UK*

Department for Business, Energy and Industrial Strategy (2017), *Density-Based Spatial Clustering: Identifying industrial clusters in the UK* – methodology report

NESTA (2016), T*he Geography of Creativity in the UK*

Nesta (2018), *Creative Nation*

Policy and Evidence Centre (PEC) (2020), *Creative Industries Radar*

Credits

Author
Jonathan Todd is Chief Economist at BOP Consulting. He has over a decade's experience in impact assessment and evaluation, and high-level policy experience, particularly within the cultural and creative sectors.

About BOP Consulting
BOP is a research and strategy consultancy specialising in culture and the creative industries. Over 20 years it has supported government bodies, leading arts and cultural organisations, property developers and international agencies through over one thousand assignments resulting in strategies, programmes and impact.

About the Social Design Institute, University of the Arts London
The Social Design Institute is one of UAL's new institutes. Its mission is to develop and use research insights to change how designers and organisations go about designing, resulting in equitable and sustainable outcomes. Its focus areas are the intersection of design and value, systems and public policy through original research, knowledge exchange and collaboration.

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