

# The Design Economy 2018

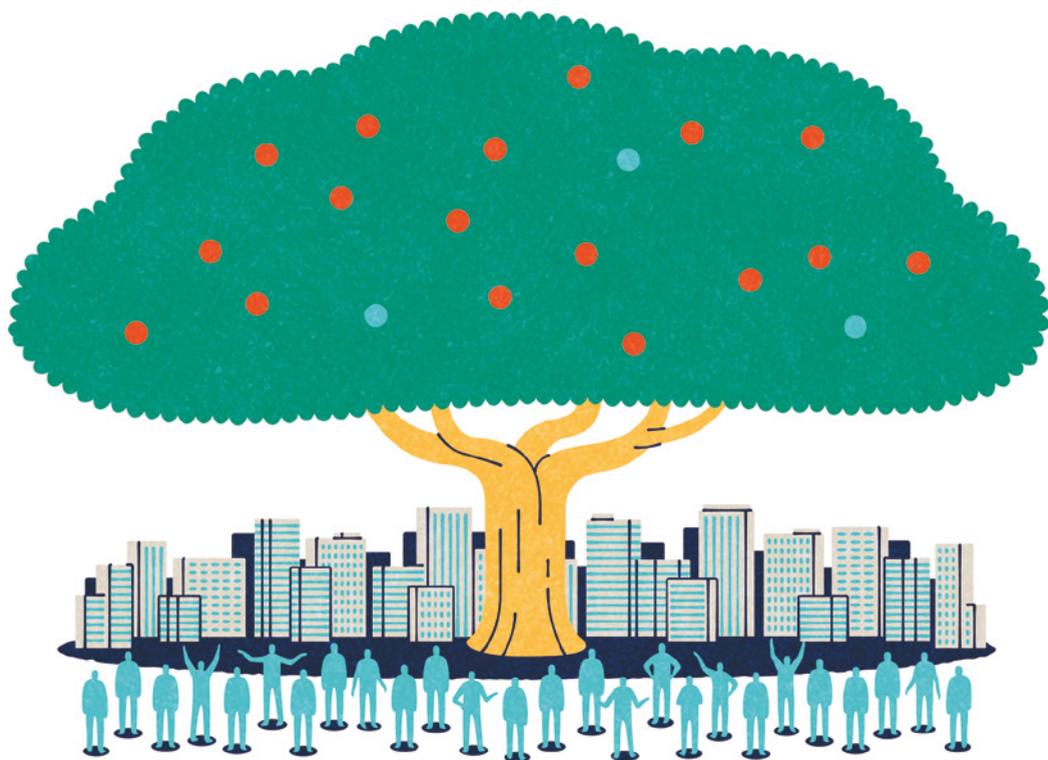
The state of design in the UK





# The Design Economy 2018

The state of design in the UK



Summary

**Churchill's war government established the Council for Industrial Design in 1944 to support the economic renewal of the nation. The country turned to design to rebuild, innovate and instigate growth.**



**Our role now as Design Council is to make life better by design. So as the country faces seismic economic challenges and change, it is time to once again turn to design.**

# Foreword

The UK is responding to the fourth industrial revolution, whilst tackling stagnant productivity, unequal growth across its regions and automation's increased impact on living conditions and job security. It must also establish a new vision for its place in the world – negotiating an exit from the European Union and developing new trading partnerships.

Yet with these challenges come opportunities. Innovation and technological change – from 3D printing to artificial intelligence – offer hope for a brighter future. They bring the prospect of business growth and higher value jobs that can transform the economy across the UK. As advanced economies such as the UK adjust to technological and economic developments, commentators from Nesta<sup>1</sup> to the World Economic Forum<sup>2</sup> predict that demand will grow for skills which are difficult to automate. Our 2017 research found that designers have these attributes, typified by their emphasis on interpersonal skills such as operations analysis and social perceptiveness, and cognitive abilities such as visualisation and thinking creatively.<sup>3</sup>

Design and design skills are at the heart of the fourth industrial revolution. They give us the tools to respond to these unprecedented challenges, and instigate the growth, innovation and jobs that will drive the UK's global future.

Good design puts people first. It uses creativity to solve problems, challenge thinking and make lives better. Designers operate across the whole economy. They shape the built environment, the digital world and the products and services we use, creating better places, better products, better processes and better performance.

We define this activity as 'the design economy' – the value created by those who use design in a wide variety of industries. This includes designers in design industries (eg, digital design or animation), other roles in design industries (such as administration, finance and distribution on the basis they are supporting the main design function), as well as designers in other sectors of the economy, such as in banks, consultancies, automotive or aerospace companies.

<sup>1</sup> Nesta (2017) *The Future of Skills: Employment in 2030* [online]

<sup>2</sup> World Economic Forum (2016) *The 10 Skills You Need to Thrive in the Fourth Industrial Revolution* [online]

<sup>3</sup> Design Council (2017) *Designing a Future Economy: Developing design skills for productivity and innovation* [online]



*The Design Economy 2018* builds on our 2015 research, a world first state-of-design report. It demonstrated how design drives growth and innovation to create significant value for the UK economy. Design economy studies have since been replicated by others for the City of Atlanta and New Zealand, with more in the pipeline. Our 2018 report explores wider questions arising from our original research and connects to the emerging economic challenges facing the UK. It examines in greater depth the economic impact of design on regional and local economies, and provides a deeper analysis of the types of businesses and people who are using, working with and benefiting from design.

Our 2018 report shows that design is growing – both in value and demand. However, there is still room for improvement, with many businesses, areas of the country and people continuing to miss out on the benefits. Our report draws on in-depth analysis of data from the Office for National Statistics (including the Annual Business Survey and Annual Population Survey) undertaken on behalf of Design Council by the Enterprise Research Centre. A unique survey of over 1,000 UK businesses about their use of design, delivered by BMG Research, complements this. Additionally, BOP Consulting compiled in-depth case studies of seven firms who either operate in design-intensive industries or are exemplars of how non-design firms can use design to achieve better outcomes.

This summary document outlines a selection of 20 key findings from the research. We have responded to these findings with several recommendations for how the UK can better use design to successfully adapt to change and take a leading position in a global economy. A more detailed document with methodology, data tables, charts and excerpts from all of the case studies is available digitally on our website.

We hope you enjoy reading this research and will work with us to deliver on the recommendations and help the UK economy turn to design once more.

Sarah Weir OBE  
CEO, Design Council



**The Design Economy  
2018 provides a  
comprehensive  
overview of the state  
of design in the UK  
and is packed full  
of data and new  
evidence on design's  
value and impact.**

**10 The value of design to the UK**

- Design is high value and growing
- The scale of the design economy is growing
- The design economy has a 'long tail'
- Designers are highly productive
- Design is increasingly digital

**14 The scale and scope of the UK design economy**

- Designers are highly qualified
- Designers are well paid
- Design has a diversity challenge
- Design can generate significant value for local and regional economies

**18 Case study: Page\Park****20 The design economy in a global UK**

- UK designed products and services are in demand and recognised across the world
- A global UK needs to maintain its position as the destination of choice for design
- Protecting UK design

**22 How design is used by UK businesses**

- Investment in design is growing
- Design-led firms lead the way

**24 Case study: The Guardian****26 Design drives innovation**

- Design is a resource for innovation
- Design is a form of innovation
- Design boosts long-term productivity
- There is room for improvement in the use of design by UK firms

**30 How the use of design by UK firms is expected to change**

- Demand for design skills is expected to grow
- Design has the potential to play an even greater role in economic growth in future

**34 Conclusion****36 Recommendations****40 About the research****42 About Design Council**



# The value of design to the UK

The UK has transitioned from an economy powered by might and machine to one increasingly powered by services and technology. Design has played a key role in these developments, evolving with economic shifts, boosting productivity and instigating innovation<sup>4</sup> – from the industrial designers that pioneered post-war aviation to those designing robots and artificial intelligence today. This 2018 report focuses on the value created for the UK economy by designers operating either in design industries or outside in wider business sectors.<sup>5</sup> It demonstrates the continuing importance of design to UK growth and future economic sectors:

## Design is high value and growing:

The design economy generated £85.2bn in gross value added (GVA) to the UK in 2016. This is equivalent to 7% of UK GVA and equivalent to the size of the distribution, transport, accommodation and food sectors.<sup>6</sup> This value has grown 10% since our last report, outstripping the UK growth rate during the same period (7% between 2014 and 2016). Over the longer term, between 2009 and 2016 the design economy grew by 52%, spreading far beyond the creative industries and across the UK economy. Designers operating in non-design industries such as aerospace, automotive and banking created the majority of this value (68%).



# 02

## The scale of the design economy is growing:

In 2016, there were 1.69 million people employed in design roles. This represents growth of 6% since our last report, equivalent to 99,604 new jobs (compared to a UK average of 4% since 2014). If the design economy were one sector, this would make it the ninth largest employment sector in the UK. This size renders it comparable to the hospitality sector (1.6 million employees) and the logistics sector (1.5 million). We also found there are 78,030 design-intensive firms operating in the UK (2017). This represents a 63% increase in design-intensive firms since 2010 (compared to a 3.7% increase for businesses across the UK as a whole).

## The design economy has a 'long tail':

A 'long tail' characterises design-intensive sectors, with many small firms compared to a few larger firms. The growth in firm numbers is being driven by a large number of start-ups, the majority of which (60%) survive for more than three years, which is higher than the average for SMEs and medium enterprises (SMEs) across the country (44%).<sup>7</sup>

# 03

## Designers are highly productive:

We found designers were 29% more productive than the average UK worker, each delivering £50,328 in output (GVA per worker, 2016), compared to £39,111 across the rest of the economy. This figure is higher than those working in 'professional, scientific and technical activities' (£50,064) which incorporates accounting and auditing activities, and research and experimental development in the natural sciences, among others.<sup>8</sup>

# 04

<sup>4</sup> Design Council (2018) *Understanding Design-Intensive Innovation: A literature review* [online]

<sup>5</sup> In *The Design Economy 2018* we have focused our analysis on those 23 Standard Occupational Classification (SOC) codes that were previously identified as being design occupations. This means figures for GVA and employment are naturally lower than those reported in our 2017 *Designing a Future Economy* report, which identified 40 SOC codes that use design skills, including many non-design occupations.

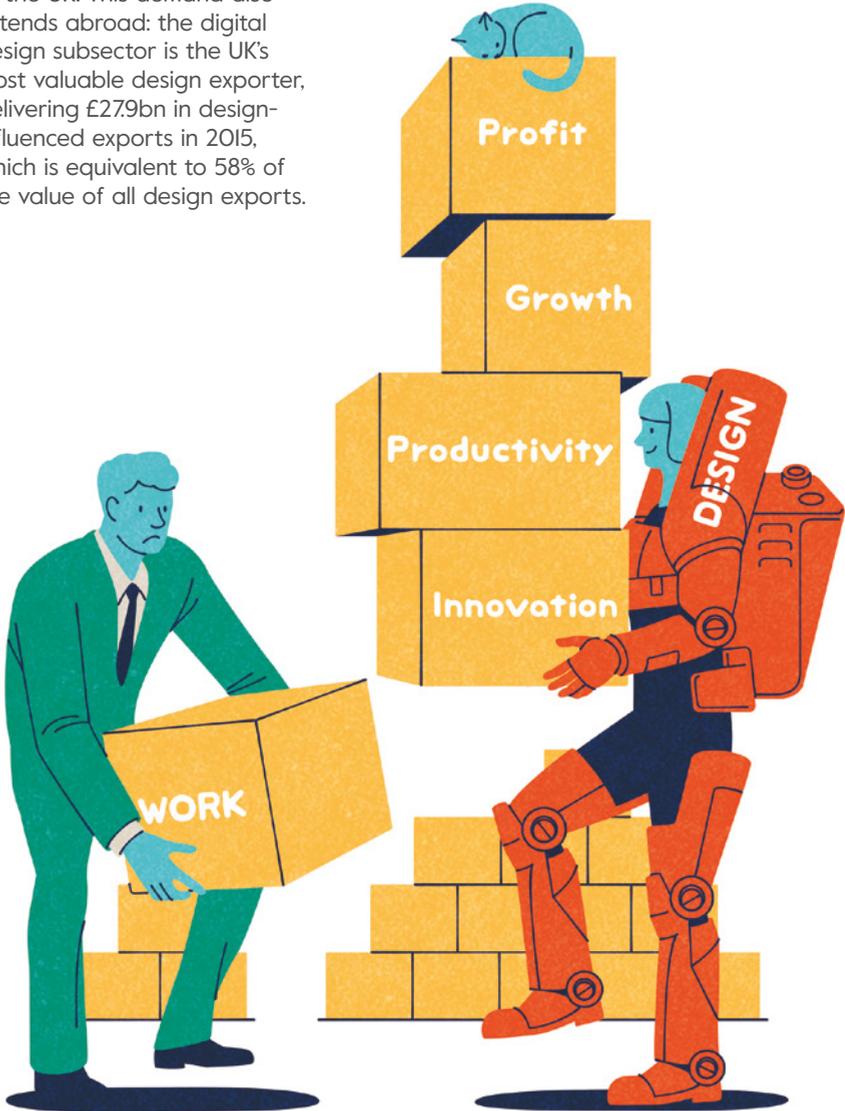
<sup>6</sup> ONS (2017) *Regional gross value added* [online]

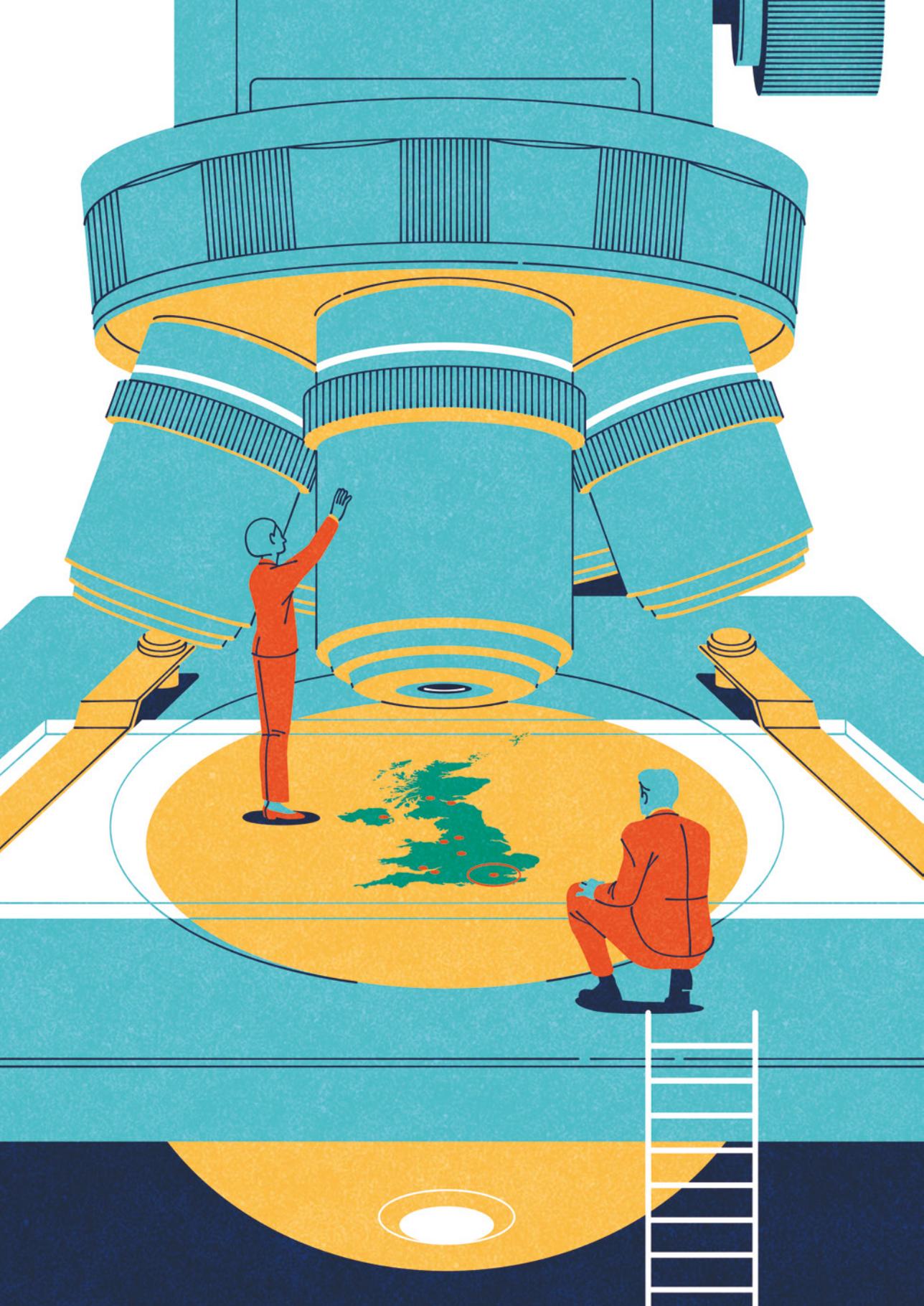
<sup>7</sup> ONS (2017) *Business demography, UK: 2016* [online]

<sup>8</sup> ONS (2018) *Labour productivity: region by industry* [online]

# 05.

**Design is increasingly digital:** Digital design now accounts for just over one in three design roles (2016) and is the fastest growing part of the design economy. Firms in this sector experienced an 85% growth in turnover between 2009 and 2016, reflecting the growing importance of digital design to the UK. This demand also extends abroad: the digital design subsector is the UK's most valuable design exporter, delivering £27.9bn in design-influenced exports in 2015, which is equivalent to 58% of the value of all design exports.





# The scale and scope of the UK design economy

It is within the context of the fourth industrial revolution and the predicted growth in demand for design skills that we sought to better understand the qualifications, pay and working patterns of those operating within the design economy and where in the country design is having an impact.

Our analysis shows that designers have higher levels of formal qualifications than the average UK worker and are, in many cases, also more highly paid. This signifies the demand for design skills, knowledge and services. Building on this demand presents a unique opportunity for the design economy.

However, our analysis also highlights key challenges. The south-east of England continues to benefit disproportionately from high value design occupations and innovation. With 1.69 million people currently employed in the design economy, there is room for growth. Design largely operates in higher value sectors, impacting some local economies more than others and has a less diverse workforce.

As such, much of the design economy's potential to contribute to future UK growth remains untapped, and there is an emerging risk of growing inequality between firms accessing design and those that do not, as well as between people who have such skills and those who don't.

06

**Designers are highly qualified:**

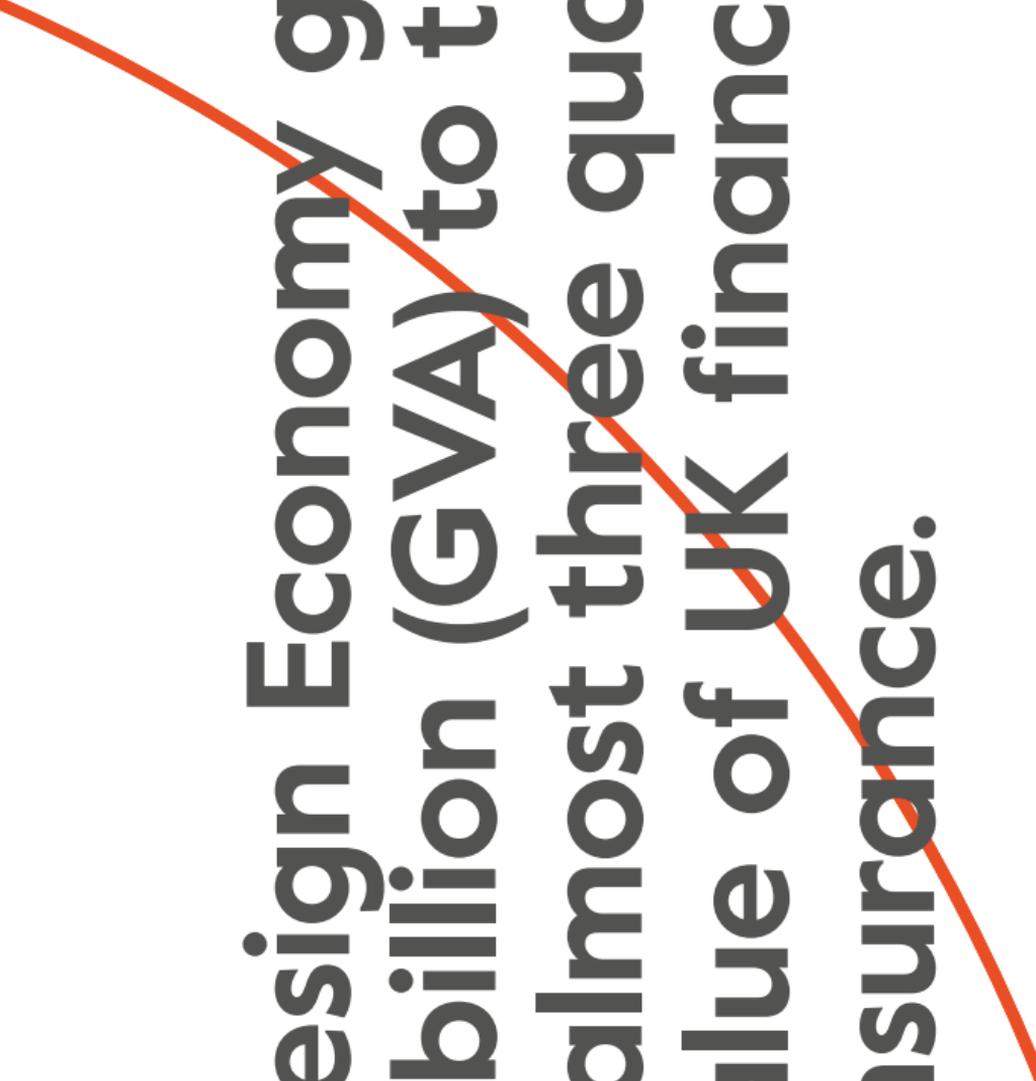
Across the design workforce 57.1% of workers held a degree as their highest level of qualification (in 2016), compared with a UK average of 34%. This indicates that not only are designers staying in formal education longer, but also that there is a growing expectation amongst employers for designers to be educated to this level.

07

**Designers are well paid:**

Our research shows that in 2016, the average weekly salary for workers in the design economy was £548, only slightly higher than the UK average weekly wage of £539 that year. However, this figure is depressed by the wages of support roles in design industries, and rises to £609 per week for designers in design industries. Digital designers earn the most with an average weekly wage of £757. Coupled with the higher levels of formal qualifications in these sectors, this suggests these skills have a high perceived value to these firms.

**The Design Economy generated  
£85.2 billion (GVA) to the UK in  
2016, almost three quarters of  
the value of UK financial services  
and insurance.**



**There were 1.69 million people employed in design roles in 2016 in the UK, equivalent to employment in the hospitality sector.**

**The number of digital design firms has more than doubled since 2010, growing to 35,000 firms in 2016.**

**Design remains 78% male,  
yet women make up 63% of  
students studying creative  
arts and design at university.**

### Design has a diversity challenge:

**Ethnicity:** The design economy employs a slightly higher proportion of people from Black, Asian and Minority Ethnic (BAME) groups than are employed in the wider UK economy (13% compared with 11%), and this figure has improved since our previous analysis (11.4%). However, BAME designers are least likely to be in senior roles, accounting for only 12% of all design managers.

**Gender:** 78% of the UK's design workforce is male. This is higher than the percentage of men in the wider UK workforce (53%). This is also despite women making up 63% of all students studying creative arts and design courses at university. The overall ratio is skewed by the male dominated subsectors of product and industrial design (95%), digital design (85%), and architecture and built environment (80%). Even when employed in design, women earn less. For example in the multidisciplinary design subsector, women working as product, clothing and related designers earn 18.3% less than men in that subsector despite making up nearly two-thirds of that design subsector (64%). Women are also less likely than men to be in senior roles, with only 17% of design managers being female.

### Design can generate significant value for local and regional economies:

London remains the powerhouse of UK design, with almost one in three design firms now based in the capital, as well as one in five design workers. This has become more concentrated since our last study. Yet this study also shows that over the past few years most UK regions have also experienced growth in the GVA generated by designers in their area. This growth appears to be driven by a combination of two things. The first driver is localised design specialties such as craft design in the West Midlands (eg, the potteries in Stoke-on-Trent). Outside London and the south-east, the West Midlands, along with the north-west, has experienced the most significant growth in design GVA since 2010 (83% and 28.5% respectively). The second key driver is a growth in clusters of multidisciplinary design firms – covering firms undertaking specialised design activities ranging from sustainable design and industrial design to interior design, among others. These are strongest in London and the south-east, with the multifaceted nature of the design economies in these regions a strength not always replicated elsewhere.



“The old hierarchical value system which dictates who works at what level has always defined the field practice. But I think the way things are going now is going to blow the old hierarchy apart.”

David Page, Director and Head of Architecture





## Case study: **Page\Park — the Scottish architecture practice breaking down hierarchies**

Page\Park Architects is a Glasgow-based architecture and master planning practice applying a 'handcrafted' philosophy toward design for the built environment. They have designed some of Scotland's most beloved buildings including The Lighthouse, the Centre for Contemporary Art, the National Museum of Rural Life, and the Scottish National Portrait Gallery.

Over the last five years, Page\Park has moved to an employee-ownership model with a progressive open-salary model. This means more transparency about progression and salary increases. Architects at all levels take an active role in the day-to-day running of the firm, including being able to see its financial position and belonging to internal expertise groups.

The rapid adoption of Building Information Modelling (BIM) in the sector is also breaking down hierarchical structures based on seniority.

# The design economy in a global UK

Design specialism sets the UK apart from global competition. But whilst the demand for UK design is growing, international competitors are also growing their design exports rapidly. Capitalising on design's potential to increase UK goods and services exports is more important than ever as the UK exits the European Union.

**UK designed products and services are in-demand and recognised across the world:**

We found that in 2015, the total value of exports where design had made a key contribution was £48.4bn, representing 7% of total UK exports that year. In keeping with the wider economy, this value is slowing down with only a 1.6% improvement since 2009 (compared to -3.1% for the UK economy as a whole during the same period).





**A global UK needs to maintain its position as the destination of choice for design:**

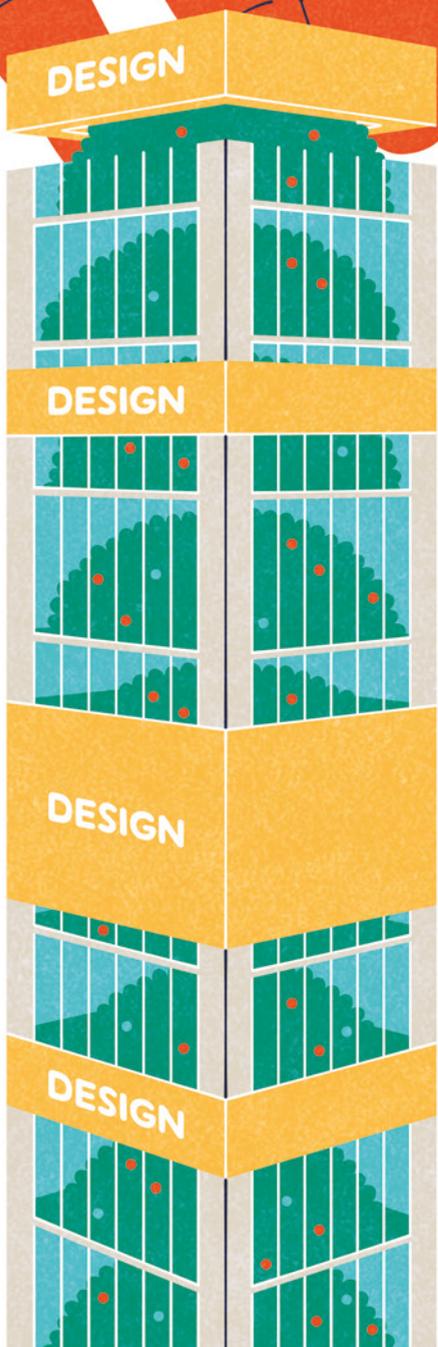
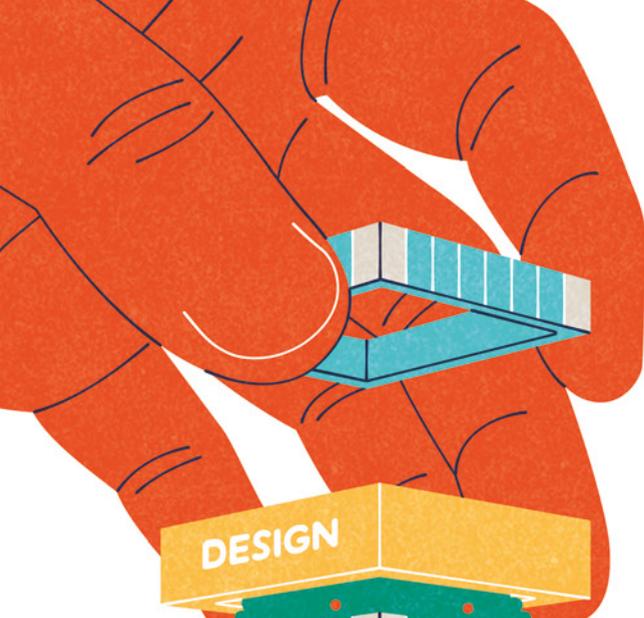
Despite impressive exports, the total value of UK design goods exports ranks sixth in the world behind France, Switzerland, USA, Hong Kong and Germany. This trend is in keeping with our 2015 analysis. The value of these exports also appears to be growing fastest amongst those countries which strategically invest in design, including Saudi Arabia, China, the UAE and South Korea.



**Protecting UK design:**

Designers need an intellectual property system that is flexible, reliable and easy to use. This is challenging in the rapidly changing global context, but it is vital given the international nature of the UK design industry. Domestically, there was a 46% rise in design registrations by UK businesses with the Intellectual Property Office between 2015 and 2016. However, internationally the number of design registrations made by UK businesses with the World Intellectual Property Office is continuing to decrease, and has dropped 58% since the year 2000. Only Italy has experienced a greater decrease out of G20 nations. This may be for a variety of reasons: fewer design-influenced goods and services being exported outside the European Union and/or declining awareness of the World Intellectual Property Office system, among others. As the UK exits the European Union, this trend must be further investigated to ensure it does not hold back international trade.





# How design is used by UK businesses

Design operates across the UK economy and is no longer confined to the creative industries. Other types of firms are investing in designers and design skills. We wanted to explore how the rest of the UK business population interacts with designers – how they're investing in design, the impact it has on their organisation and what the demand for design is.

## Design-led firms lead the way:

More than two-fifths of our survey respondents agreed that the use of design within their organisation has contributed to an increase in sales turnover, business competitiveness, and awareness and recognition of the brand and/or raised brand loyalty.



## Investment in design is growing:

In 2015, UK firms invested £14.7bn in design. Our analysis shows that when firms invest in design, they are more likely to invest in other intangible assets such as R&D and get them working in synergy to generate new innovations and create additional value.





## Case study: The Guardian — using design to re-state values

The Guardian is a news publication of The Guardian Media Group. It has a long history of strong design culture and a 'design literate' readership. The Guardian's recent redesign, which launched in January 2018, illustrates the business impact design can have.

Pressures on the news media and changing reader habits necessitated a move to a standard paper size which the publication could outsource. The design team approached this as an opportunity by redesigning across all platforms and products. The resultant redesign became an integral part of Editor-in-Chief Katherine Viner's work to reaffirm The Guardian's purpose and vision as a progressive global news brand. An advertising campaign accompanied it promising a 'space for hope'.

The redesign involved big, bold design changes and an extensive user testing process. This gave the design team confidence that they weren't going to alienate their existing readers with the new visual identity and format. The impact of the redesign has been significant cost savings and jumps in sales, subscriptions and donations. They acquired almost four times more print subscribers than an average week before the redesign.



“Editors really value the input of design, right at the start of the process. I’ve worked in other newspapers and other media organisations where that is not so prominent. Here, you really do feel like you have that say.”

Alex Breuer, Creative Director

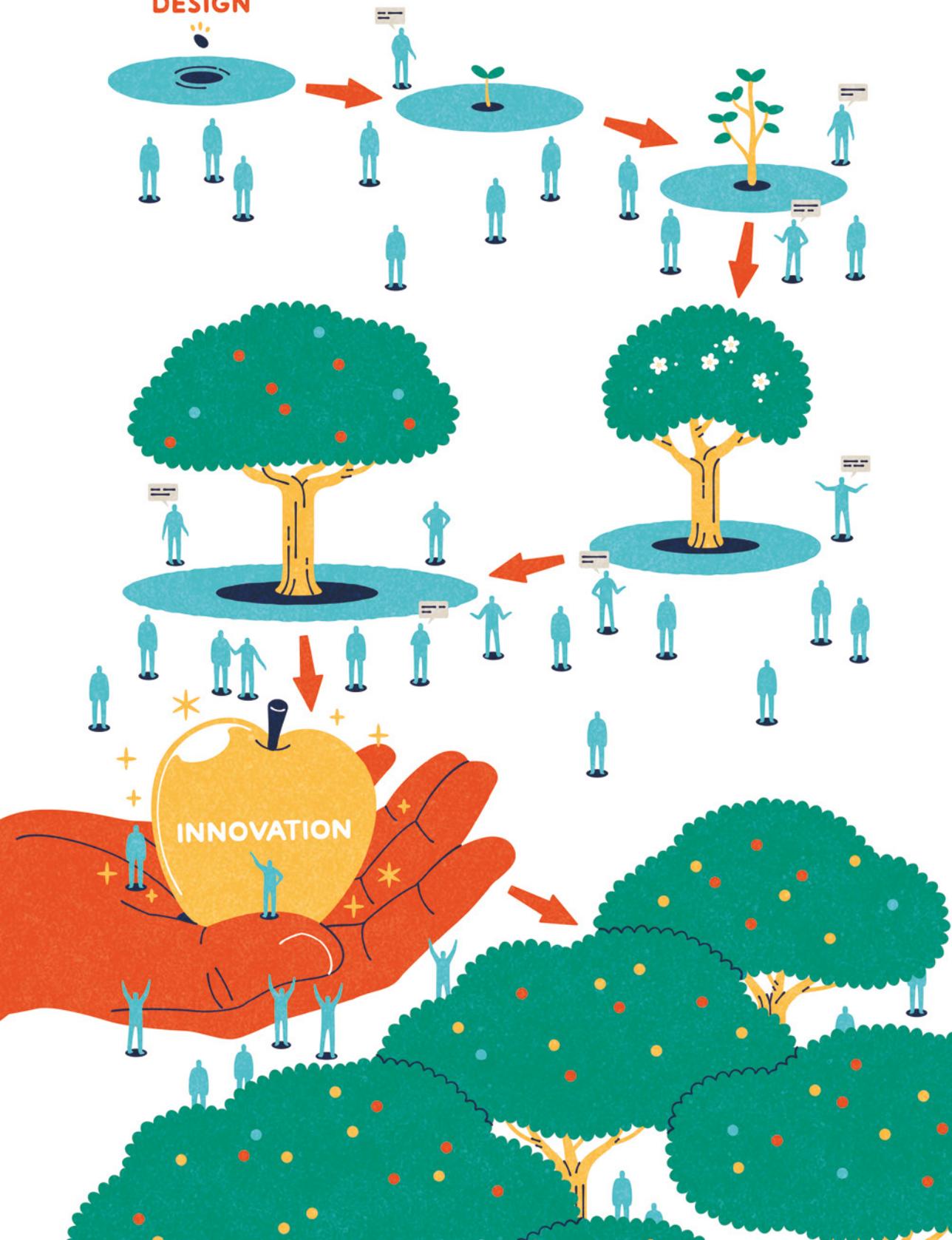
# Design drives innovation

Design can be both a resource for, and a form of, innovation. It adapts to meet demand and user needs, but also generates and delivers ideas which push boundaries. Forward-thinking businesses will combine user insight and data to generate innovations that are novel or radical and that change perceptions and behaviours rather than accommodating them.

To better understand how UK businesses use design, we asked them to rate themselves on the Design Ladder. This rates design use on four steps – from design playing only a small part in a business’s operations through to design being central to strategy.<sup>9</sup>

<sup>9</sup> The Design Ladder is a tool for rating a company’s use of design. The Design Ladder was developed in 2001 by the Danish Design Centre, and enabled us to obtain a succinct but broad understanding of the role of design within UK firms.

DESIGN



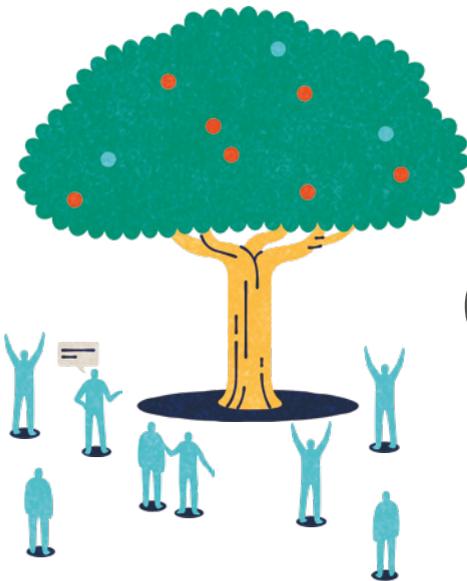


**Design is a resource for innovation:**

Our survey found that firms with any R&D or design functions or facilities in-house are significantly more likely than average to have developed completely new and original products, services or processes.

They are also more likely to consider design activity as being 'very important' or 'critical' to the development of these completely new products, services or processes.

15



**Design is a form of innovation:**

Sixty per cent of firms use design in some way (as defined using the Design Ladder). This ranged from using design to bring a final finish to a product through to design being fundamental to their organisation's strategy. The ranking that firms give themselves on the Design Ladder is often an accurate reflection of their tendency to innovate. Multivariate analysis finds design is ranked third as a driver of innovation, close behind having an R&D budget and R&D staff.

16

**UK firms invested £14.7bn in design in 2015. Firms investing in design are more likely to invest in other intangible assets like R&D.**

#### Step 4

Design as strategy:

10%

Design is a central and determining element in the business – it is an essential factor in the overall business strategy.

#### Step 3

Design as process:

24%

Design is an important factor in the business and is integrated into many aspects of operations and delivery.

#### Step 2

Design as form-giving:

26%

Design is not a fundamental contributor to what the business supplies or produces but it is used at the interface with customers, eg, in marketing or packaging or to bring a final finish to a product or service.

#### Step 1

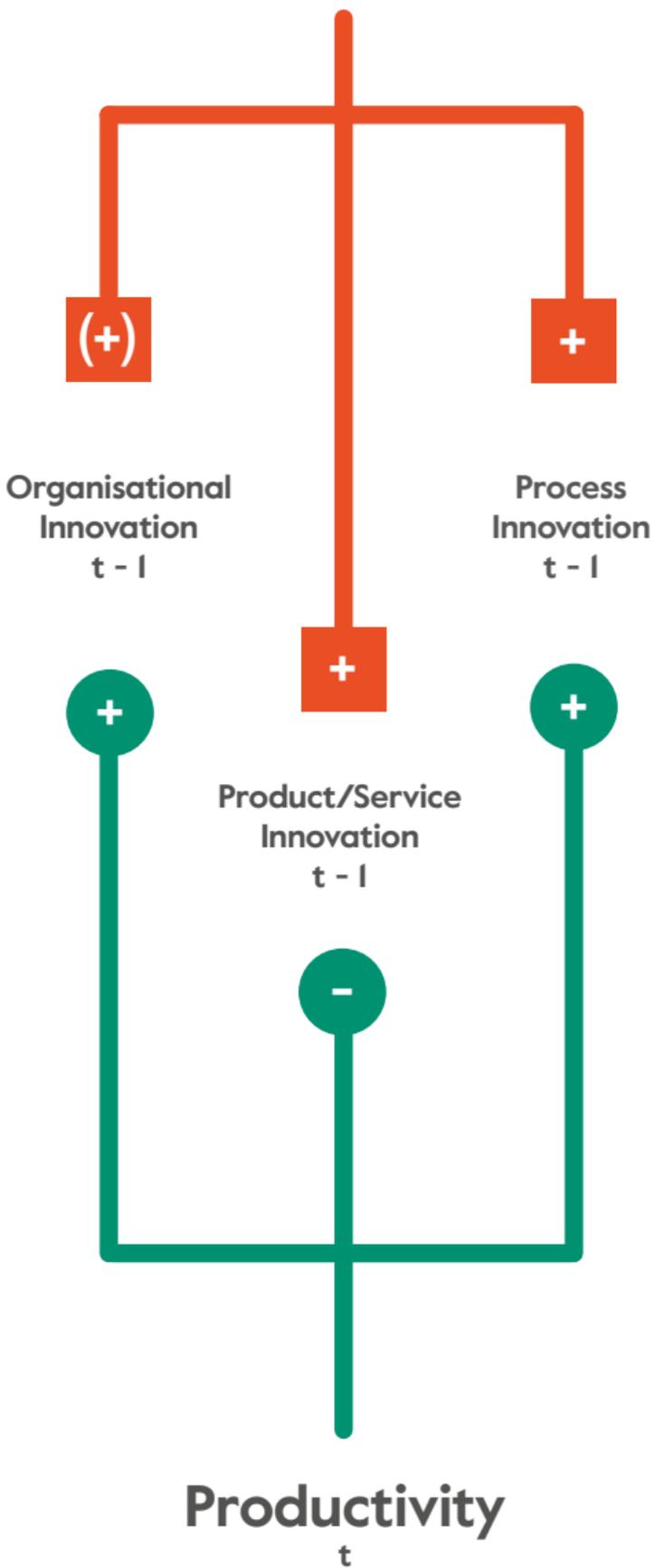
Non-design:

40%

Design plays only a small or very peripheral part in the operations of the business.

# Design Investment

$t - 1$



+ and (+) represent statistically significant relationships,  
+ the more significant of the two,  
- represents no statistically significant relationship,  
 $t$  = time

Design is becoming more concentrated in London and the south-east, with almost 1 in 3 design firms now based in the capital.

**Design boosts long-term productivity:**

Analysis of the UK Innovation Survey shows engagement with design increases the probability that firms will undertake both product/service and process innovation. This effect is largest among manufacturing firms and where firms are also undertaking in-house R&D. As process innovation is positively related to productivity, the effect of using design to shape processes also leads to productivity increases. To a lesser extent we also found that design is linked to organisational innovation<sup>10</sup> and subsequent productivity gains. However, our analysis also shows that while design contributes to product/service innovation, this has a disruptive effect on productivity in the short term as new innovative products are first introduced. The potential for such short-term disruptive effects has been noted in other analyses of both product and organisational change.<sup>11</sup>

**There is room for improvement in the use of design by UK firms:**

A sizeable proportion (40%) of UK firms perceive themselves to be on the bottom step of the Design Ladder where design only plays a small or very peripheral part in the operations of the business. This 40% tended to be smaller sized firms. Additionally, despite the positive evidence of the impact of design functions or facilities in-house on innovation, only a quarter of all firms employ staff whose role it is to undertake design functions. There is, therefore, room for improvement in the use of design by UK firms, which connects directly to wider findings on regional and sector use of design.



<sup>10</sup> Organisational innovation is broadly defined and covers changes to firms' strategy, work organisation and marketing activities.

<sup>11</sup> Bourke J and Roper S (2017) 'Innovation, quality management and learning: short-term and longer-term effects' *Research Policy* 46(8) pp.1505-1518



DESIGN

# How the use of design by UK firms is expected to change

Our analysis shows that when non-design firms use design in their work, it can generate new innovations and create growth. We found that UK firms acknowledge that design will become a greater requirement in order to stay competitive in the changing economy. Yet, there is significant ground to cover to get the majority of UK firms to use design to prepare for this future. Without the right support, failure to achieve this could prove costly as the UK enters a period of change and responds to the fourth industrial revolution.



**Demand for design skills is expected to grow:**

More than half of respondents (53%) expect the demand for design-related skills to increase in their sector or industry in the next three years. Such skills include originality and creative skills (the ability to generate new ideas for products, services and business processes) and digital skills (those required to produce visual digital products such as animations, software and database management systems).



20.

**Design has the potential to play an even greater role in economic growth in future:**

Three-fifths of respondents (59%) believe that design will contribute substantially to any of a range of business improvement activities in the next three years. This includes efforts to increase sales in the UK, the development of new products or services, and marketing campaigns. Yet design offers much more than this, and despite awareness of its potential benefits a sizeable proportion of businesses still do not use design as effectively as they could. When asked why, most respondents (88%) stated they would like support to use design more, with the most popular request being for financial support for investment in design.



The continuing importance of design to the UK economy is clear. Design contributes to UK growth, productivity and innovation and has the potential to play an even greater role in future economic growth. But for the UK to grasp this opportunity, access to design and skills must be more evenly distributed across firms, regions and people.

# Conclusion

*The Design Economy 2018* highlights the substantial contribution design makes to the UK. This value is growing. As advanced economies such as the UK embrace new technologies and business models, the demand for design skills and knowledge is building, and building at pace.

This presents a significant opportunity for the UK during a period of economic and social change. Addressing the UK's stagnant productivity, its regional imbalance and its response to global economic change requires new economic foundations. It requires access to skills and assets that drive innovation, accelerate growth and provide higher value, resilient jobs across the country.

*The Design Economy 2018* demonstrates that design has a significant role to play in delivering these new foundations. The use of design in the UK economy is not only growing, it is helping firms to innovate, improve their productivity and increase turnover – but more needs to be done. The regional concentration of design in London and the south-east – and in specific clusters of design such as the West Midlands and the north-west – demonstrates that design is working to drive innovation and create higher value. Yet there is still significant scope for improvement.

If design is a key part of our economic future, it needs to be better distributed. Our findings demonstrate that whilst design offers a solution for localised growth there is evidence of a growing gap between firms, regions and people that use design and those that don't. Not only does this have implications within the UK domestic market, with a few large firms driving growth and pulling away from the wider SME population, it also has implications for the UK internationally. As we move into a new global context, our use of design risks falling behind other countries just when it is most needed.



The lack of diversity in design also presents multiple challenges. Firstly, while demand for design skills appears to be growing, with only 1.69 million people employed in a design role there is a risk of growing inequality between those who have such skills and those who do not. This is accentuated by the lack of gender, social class and ethnic diversity in significant sectors in the design economy, meaning only a small portion of the population has access to this more creative, higher value work.

The continued growth of digital design also raises new questions for the design economy to consider. That design is at the forefront of economic and technological developments should not come as a surprise. However, with growing scrutiny on the negative effects of technology on people's lives as well as its benefits, digital designers will find themselves under the spotlight more than ever. Over the coming years it is essential that the sector leads on discussions about the ethics of digital design.

For everyone and everywhere in the UK to succeed and thrive in the 21st century, we need to build on the fundamental successes of the design economy. The opportunity for design to drive growth in the fourth industrial revolution is clear. We need to respond to the evidence to make this change happen. There is the potential to use design as the UK has done previously at key moments of industrial change in its history – to help UK firms, regions and people thrive. Now is the time to turn once again to design.



# Recommendations

Design Council consistently champions the role and importance of design to the UK based on the evidence from our research. Our evidence overwhelmingly shows that design is at the forefront of global economic change, key to UK innovation, helping to drive up business turnover and deeply connected to the success of some UK regions. It is therefore essential that design plays an important role in delivering the skills, knowledge and jobs of the future. As such, Design Council recommends:

## **A Research, Design and Development tax credit**

Support from government can help improve the confidence of UK firms to invest in design. Design enables firms to better understand their users and shape their goods or services to meet their needs. In the context of R&D, this can provide structure and focus. It encourages practical applications for research insights and helps map the route from idea to market proposition. Yet four in ten firms only use design in a limited way, with too many still perceiving it to be a cost rather than an investment.

Alongside delivering on its global ambitions, the government could use the Research, Design and Development tax relief to deliver against its domestic policy objectives. Incentives should be targeted at the sectors with the lowest levels of productivity and the highest chances of automation (such as retail and administrative services). These would benefit most from an uplift in productivity while creating more meaningful, creative and higher value jobs in the process. Design Council is committed to working with key partners to develop an implementation plan for this solution.

## A UK Design Action Plan

The impact of design on innovation and economic growth is clear. To maximise this impact, the UK needs a consolidated, national action plan for design. This should bring together key stakeholders in design and beyond to help UK firms navigate how design can be used for innovation, as well as policymakers and service providers to operationalise design for economic and social impact.

The Design Action Plan should be measurable with responsibilities for central government, the regions and the design community. It should ensure design sits across policies and investment to drive innovation and growth, providing ministerial level responsibilities to deliver change. Design Council, along with our partners including Manchester Metropolitan, Cardiff Metropolitan and Lancaster Universities, has begun work on developing this plan. We will work with central government, regions and businesses to further develop and deliver the plan, and ensure tangible opportunities to grow the use of design across the UK.



## Improving access to design

Most of the UK workforce does not currently have exposure to the advanced skills and knowledge required in future economies. Design spans sectors and occupations and will be in high demand in the future economy. Building on our pool of design skills is one way in which to create a future ready workforce and this can be achieved by focusing on the following four areas:

- The supply of designers will stagnate if the decline in students studying design between 14 and 18 years old is not addressed. Without state support, design will be left as a pursuit for only those who can afford it through their own means. To ensure young people from all backgrounds can study design and that the UK has the diversity of thought and ideas required for the future, Design and Technology must become a core EBacc subject.
- Future engineers, scientists and digital pioneers will need design skills to generate new ideas, products and services and to enhance their benefit for users. These skills are also less likely to be automated. Along with art, the UK should incorporate design methods, tools and approaches into STEM subjects. This will teach future generations the skills required for a changing economy.
- As the fourth industrial revolution takes hold, boundaries will continue to blur between disciplines. This is already evident in the growth of multidisciplinary clusters across the country. Higher education institutions therefore need to do more to break down the boundaries between subject areas, whether figuratively (such as through Design Council's Design Academy programme<sup>12</sup>) or literally (as is the case at Manchester School of Art<sup>13</sup>) to ensure they are preparing young designers for the future.



<sup>12</sup> Design Council (2017) Design Academy 2017-18 brochure [online]

<sup>13</sup> Manchester School of Art provides opportunities for collaboration between students in its four main departments, including the innovative Unit X module offered to students across the School that encourages interdisciplinary study and collaboration on an external-facing project [online]

- The design industry has a responsibility to start recruiting individuals who break the mould of the current designer stereotype and who could be the design leaders of the future. Urgent action is required to improve diversity. Disparities between men and women in the sector have persisted for far too long. Inequalities exist too for those from different ethnicities and social backgrounds. Design industries must lead on introducing measures that improve access to design occupations for these groups. This also includes exploring how women, ethnic minorities and those from less privileged backgrounds enter leadership positions. For some sectors this may require introducing diversity targets, although lessons should also be learnt from what other sectors such as engineering are doing to widen recruitment and design training amongst women and those from different social backgrounds. For designers to connect to the world around them, they need to reflect the world around them. Otherwise the world of design risks becoming disconnected from the design of the world.

## Putting in place the right intellectual property framework for design

Greater use of design would further cement the position of UK goods and services as the best in the world. Yet alongside this opportunity for growth there are risks for the design industry following the UK's exit from the European Union. Design and intellectual property rights are of critical importance. As part of any future trade agreements, the government should ensure it is creating a supportive framework under which UK firms can export, confident in the knowledge that the quality and integrity of their products and services will be protected.



# About the research

*The Design Economy 2018* is the most comprehensive account of design's contribution to the UK ever undertaken. Building on our previous research in 2015, it explores a wider definition of design by analysing the Office for National Statistics' data to better understand the value generated by designers and design firms across the UK economy.

In addition to exploring the health of design firms and designers, the 2018 edition explores how they interact with the rest of the UK business population through a survey of over 1,000 UK firms. This wealth of data is complemented by seven in-depth case studies of firms that demonstrate the value of design every day.

This summary document outlines a selection of 20 key findings from the research. A more detailed document with methodology, data tables, charts and excerpts from all of the case studies is available digitally on our website. The full versions of the case studies will also be published periodically on our website.

This report was authored and designed by Design Council.

For further information visit: <http://www.designcouncil.org.uk/>

### **Authors**

Sally Benton  
Stephen Miller  
Sophie Reid

### **Researchers**

#### **Enterprise Research Centre:**

Karen Bonner  
Victor Ekpu  
Professor Mark Hart  
Laura Heery  
Neha Prashar  
Professor Stephen Roper

#### **BMG Research:**

Emma Parry  
Philip Roe  
June Wiseman

#### **BOP Consulting:**

Rebecca Greenwald  
Eleanor Jubb  
Dr Lucy Kimbell  
Callum Lee

#### **Art direction & design**

Calum Spence

#### **Illustration**

Kouzou Sakai - Folio Art

Kouzou Sakai lives and works in Tokyo, Japan. He began his career in Animal Science & Biotechnology, but the call of a career in the creative industries led him down a different path and Kouzou has been working as a freelance illustrator ever since.

### **Copyediting**

Adam Dixon  
Vanessa Richmond

### **Advisory Group**

Representatives from:  
Creative Industries Federation  
D&AD  
Engineering UK  
Google  
IBM  
Innovate UK  
Knowledge Transfer Network  
Nesta  
RIBA  
UsCreates

### **Case study contributors**

City ID  
Fjord  
Map Project Office  
Monzo  
Page\Park  
Studio Moross  
The Guardian

### **Marketing & Communications**

Saphia Barrios  
Abid Gangat  
Hiten Kamari Popat  
Deborah Kellard  
Gareth Playford

### **With thanks to**

Guy Bilgorri  
Stuart Coote  
James Hughes  
Rebecca May  
Sarah Weir

### **Typography**

Value Sans,  
Value Serif by Colophon

### **Printing**

Pureprint

Pureprint Group is CarbonNeutral®, ISO 14001 and EMAS accredited, has developed the highly acclaimed pureprint™ environmental printing system and in 2013 won, for the third time, the Queen's Award for Enterprise: Sustainable Development.

### **Paper**

Cover: Mohawk Superfine  
Ultra White Eggshell 270gsm  
Text: Mohawk Superfine  
Ultra White Eggshell 148gsm  
Short: Heaven 42  
Soft Matt 150gsm

# About Design Council

Design Council's purpose is to make life better by design. We are an independent charity and the government's advisor on design. Our vision is a world where the role and value of design is recognised as a fundamental creator of value, enabling happier, healthier and safer lives for all. Through the power of design, we make better places, better products, better processes and better performance.

[info@designcouncil.org.uk](mailto:info@designcouncil.org.uk)

[@designcouncil](#) [#designeconomy](#)



