

Work Package 1

The Scale, Scope and Economic
Value of the Design Economy

Research Questions and Suggested Approach

This invitation to tender forms part of our overarching research programme 'Design Economy 2021', which aims to explore the current and future value of design from a social, economic and environmental perspective.

Our main aim for Work Package 1 is:

- To provide an up-to-date and comprehensive overview of the scale and make-up of the design economy of the UK, and its current and potential future economic value.

The objectives for Work Package 1 are to produce:

- An analysis of the scale and scope of the UK design economy.
- An updated economic assessment of the contribution of design, and design skills, to the UK and its role in innovation.
- Evidence of the economic impact of design across geographic nations, regions, local authorities and cities.
- Evidence of the contribution design could and does make to the UK's international standing.
- Predictions on future trends and patterns for the UK economy up until 2050.

This commission forms part of the next steps towards our goal of understanding the current and potential future state of the UK design economy. Below we have outlined the research questions for Work Package 1, and the suggested approach.

The research approach to assess the scale, scope and economic value of the design economy builds on the methodologies undertaken in Design Economy 2018, and Designing a Future Economy 2017. A full outline of the recommended research approach to capture the economic value of design, and its regional distribution, can be found in the following documents: Methodology Paper 2 and Methodology Paper 6. These will be supplied by Design Council on request.

We are looking for proposals that utilise this approach, but will also consider alternative approaches to address particular research questions outlined below if presented with a strong case.

The following outlines the research questions Work Package 1 should answer, and a summary of the recommended approach to be taken for each question. It is broken down into two areas of work:

- Quantitative Analysis of the Demographics of the Design Economy and its Economic Value
- Regional Analysis of the Composition and Economic Value of Design

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Area 1

Quantitative Analysis of the Demographics of the Design Economy and its Economic Value.

Action

- 1. What design practices and skills are used across the UK economy and how pervasive are these practices and skills?**
- 2. What occupations are sufficiently focused on these practices and skills that they can be deemed design occupations and how does this grouping of occupations (a) map onto SOC codes and (b) differ, if at all, from the SOC codes considered design occupations in DE18? What are the future occupations/ growing sectors in which design will be sufficiently practised to be deemed a design occupation?**

Design Economy 2021 will need to produce taxonomies for analysis of: design occupations, design industries, design skills, design-skilled occupations, design-skilled industries that map onto ONS SIC and SOC codes.

We recommend that these should be developed through a rapid-review and iteration of the existing taxonomies for design (in Design Economy, 2018) and design definition (see DE 21 Commissioning Brief), and design skills (in Designing a Future Economy, 2017), and draw on the ONS SIC and SOC codes.

Impact

- 3A. Given this grouping of design occupations and their concentration across the industries of the UK economy, which industries form the design industries and what mix of industries and occupations forms the design economy?**

We recommend that design industries be defined as in previous versions of the design economy: any industry in which 30% or more of total workers are employed in a design occupation = a design industry.

- 3B. Outside of the design economy, what occupations are design-skilled?**

In order to revise and update the list of design skills, and to undertake an assessment of their economic impact, we recommend that the contractor either (a) repeats the methodology used in Designing a Future Economy 2017, drawing on the US O*Net database to correlate design skills to professional occupations (SOC codes) in ONS datasets; (b) undertakes an analysis of LinkedIn data. More information on these can be found in Methodology Paper 2.

3C. How many businesses are in the design industries?

This should be addressed by drawing on the data gathered in 3A and analysing UK Business Counts data.

4A. How much employment is sustained by: (a) design occupations in the design industries, (b) non-designers in the design industries, (c) design occupations outside the design industries, (d) other design-skilled workers? And how benefits from this employment correlate with demographic information (Equality, Inclusion, Diversity, EDI)?

We recommend that employment estimates be taken from the Annual Population Survey, in line with the relevant SOC codes identified. In this section we wish to re-examine several variables used in Design Economy 2018, and build on these. Within our analysis of this data, the contractors should also adopt an intersectional approach. Whilst the final list will be agreed with the successful contractor, at minimum we would like these to include:

- Level of qualification
- Weekly salary by design occupation and region.
- Type of employment (e.g. full or part-time)

- Demographics of designers (inc. age, gender, ethnicity, class, disability, religion)
- Level of Seniority
- Trend analysis of the above (2009 – 2021) using existing Design Economy data.

The successful contractor should also explore causal relations between (but not limited to):

- The employment of designers (by sector) and wages (by sector)
- The characteristics and demographics of designers (e.g. gender, ethnicity) and their employment type (e.g. pay, hours worked).
- The characteristics and demographics of designers and their seniority.
- The education and training characteristics of new and established designers
- The employment pathways of students who study design (at the different educational levels)

4B. What GVA is created by each of these occupation groupings?

We recommend that GVA data for each of the above occupational groupings is gathered through The Annual Business

Survey and, where appropriate, the Annual Population Survey.

The contractor should also undertake inferential analysis to identify GVA contributions by:

- Different occupational groupings of design economy (e.g. design professional, design industry, design firm).
- Design sub-sector.
- Geographic location (nation, region, city, local authority).
- Trend analysis of the above (2009-2021) using existing Design Economy data.

4C. What exports are generated by these occupation groupings?

We recommend that export estimates are taken from the ONS International Trade in Services data and the UN Commodity Trade Statistics database. The contractor should analyse this data to identify:

- Design exports GVA contribution.
- GVA contribution of exports by sector.
- GVA contribution of exports by region.
- Global comparison of UK design exports to other countries.

4D. How productive are those working in design economy occupational groupings, as against UK averages?

4E. To what extent are the GVA and export contributions of design-skilled workers attributable to design?

The contractor will need to identify a mechanism to identify how much value 'design skills' contribute to GVA, when exercised by those in non-design occupations.

Area 2

Regional Analysis of the Composition and Economic Value of Design

Impact

1. How are designers, design firms, and design-skilled workers geographically distributed across the UK? How does their presence vary across...

- the regions/countries of the UK
- LEP geographies
- Local authorities
- Smaller geographic units

We recommend that distributional analysis be undertaken using ONS data captured and analysed in a part of the economic analysis phase. The contractor should also discuss whether alternative data-sources are available to analyse smaller geographic units.

2. 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?

3. What evidence of clustering emerges from this distribution?

Questions we are interested in exploring include:

- 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?

We recommend that cluster mapping is undertaken using Location Quotients to address the above questions. Potential data sources include the ONS Annual Population Survey, and data from Nesta's recent research into creative 'micro-clusters' (2021).

Value

4. 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?

We recommend that distributional analysis be undertaken using the ONS data from the economic analysis discussed above, disaggregating it into geographic units including: nation, region, top-10 performing LEPs, Local Authorities with strongest growth potential.

The Future

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

We recommend using metrics from previous Design Economy studies to build a time-series using the following metrics:

- Design firms by region
- Design employment by region
- Design contribution to GVA by region
- Design productivity by region
- Design exports by region
- Design clusters of distinct disciplines, employment growth clusters by discipline
- Design firms by city.

These will be used to assess the extent to which value generated by design is becoming more (or less) balanced across the country.

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?

- We recommend answering this questions 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)
- Design Council will be able to provide support on identifying a suite of actions from designers and design firms (5B) and policymakers (5C) that are relevant to design's role in levelling-up to inform these time-series.

Deliverables

- Final report with main findings, infographics and executive summary, including cluster maps.
 - Full dataset in Excel.
 - Detailed standalone methodology, building on that outlined in the Design Economy 21 Discussion Paper 2 and Discussion Paper 6, to enable Design Council to re-run the research in future.
 - Presentation of findings at up to two steering group meetings.
 - Presentation at a launch event in March 2022.
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Budget

This project is being funded by the Department for Business, Energy and Industrial Strategy (BEIS). A sum of up to **£75,000** (excluding VAT) has been awarded to cover the project fee which includes research, planning, facilitation, meetings and any materials and resources as required.

Invoices schedule will be monthly.

Your proposal should itemise daily or hourly rates and demonstrate how many days or hours each consultant/ researcher/ administrator will spend on the project and what each person's key responsibilities will be.

Timeline

We envisage this work package to be completed by the end of January 2021. We have outlined an approximate time-scale for this work package below, although this would be subject to discussion with the successful contractor.

Application Timeline

7 July	Commission issued
23 July	Deadline for submitting expression of interest
13 August	Deadline for application
20 August	Shortlisted applicants announced
24 August	Interviews with shortlisted applicants
27 August	Outcome announced
13 September	Work on Design Economy commences

Project Delivery Timeline

w/c 13 September	Project initiation meeting
w/c 27 September	Bi-weekly catch-up with Design Council Programme Lead and formal review at mid-point
w/c 29 November	Submit draft outputs agreed
w/c 29 November	Design Council feedback comments
w/c 10 January	Final draft deliberables available
w/c 31 January	Final submission of deliverables
22 March	Findings published on Design Economy 21 Platform



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