Our Creative Potential: Creative Industries Policy Opportunities for York and North Yorkshire

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Introduction

Our Creative Potential: Creative Industries Policy Opportunities for York and North Yorkshire

This report analyses the 2025 Creative Industries Sector Plan[1] and other major national policy documents to identify strategic opportunities for York and North Yorkshire (Y&NY). It connects these policy directions to the region's economic strengths and creative assets, offering an analysis to guide both short-term investment bids and longer-term cluster development. It also highlights the critical role of the University of York, the Guildhall facility and the University's flagship project, XR Stories, in anchoring innovation and growth within the region.

National policy now clearly positions the creative industries as a core pillar of the UK's industrial strategy, forecasting a near-doubling of investment by 2035 and placing significant emphasis on regionally led growth, commercialisation of intellectual property (IP), and CreaTech (defined as the fusion of creative content and emerging technologies). York and North Yorkshire is exceptionally well placed to benefit. The region's creative economy, though smaller in absolute terms than major metropolitan hubs, shows a high concentration of IP-rich microbusinesses, innovation-led projects, and specialist skills in immersive technology, screen content, digital heritage, and publishing.

According to the York and North Yorkshire Creative Industries Analysis of Size and Concentration (2025)[2], the region is home to more than 11,400 people employed in Creative Industries in York and North Yorkshire (2022) representing 3% of the workforce. There are a reported 645 creative businesses in York and a total of 2,600 creative businesses in York and North Yorkshire, representing 6% of businesses in the region.

The Creative Industries, with notable strengths in screen industries, games, software, immersive technology and digital services, visual arts, and design-led innovation, contribute £790m to Gross Value Added (GVA). Creative employment is growing, with clustering in and around York city. However, the surrounding North Yorkshire region is also home to valuable micro-clusters connected to place-based cultural production and visitor economy sectors. The analysis also identifies several barriers, such as access to finance, lack of dedicated infrastructure, and the need for tailored skills pipelines, which closely mirror those addressed in the national Creative Industries Sector Plan.

Central to the region's future growth is the University of York's role as an innovation hub and as a key component of that, the XR Stories project. Formerly, as part of the first wave of Arts and Humanities Research Council (AHRC) Creative Industries research and development (R&D) clusters, supporting the Yorkshire and Humber screen industries, XR Stories has established national leadership in immersive storytelling and screen innovation, producing investable prototypes and R&D partnerships that bridge academic research and industry needs. The project now supports small businesses and creative practitioners from an office and immersive technology R&D lab in The Guildhall in central York.

Whilst XR Stories' former role as a creative R&D cluster limits scope for similar bids of this kind, its strength and success still position it as a key driver for future University initiatives.

In 2025, the University continues to anchor innovation and growth within York and North Yorkshire. As part of the national CoSTAR (Convergent Screen Technologies And performance in Realtime) network, the University is leading CoSTAR Live Lab at Production Park near Wakefield. In parallel, XR Stories has been awarded funding to deliver the two-year Extending XR programme, providing innovative technology skills training to creative practitioners in the region.

These foundations support the region's potential eligibility for further national programmes such as CoSTAR expansion and IP-backed lending pilots.

[1] UK Government. Creative industries sector plan: the UK's modern industrial strategy [Internet]. UK Government. 2025. Available from: https://assets.publishing.service.gov.uk/media/685943ddb328f1ba50f3cf15/industrial_strategy_creative_industries_sector_plan.pdf

[2] Hatch. York and North Yorkshire creative industries: analysis of size and concentration [Internet]. Hatch. 2025. Available from: https://xrstories.co.uk/publication/york-and-north-yorkshire-creative-industries-analysis-of-size-and-concentration

Policy summary

This report distils opportunities across four main themes including creative corridors and clusters, R&D and CreaTech, finance and investment, and skills and workforce development. It headlines ways the newly formed York and North Yorkshire Combined Authority, working with academic, cultural and business partners, can lead a coordinated strategy to build on local strengths, close existing gaps, and unlock creative innovation and inclusive growth.

Context

The Creative Industries Sector Plan[3]

This report distils opportunities across four main themes including creative corridors and clusters, R&D and CreaTech, finance and investment, and skills and workforce development. It headlines ways the newly formed York and North Yorkshire Combined Authority, working with academic, cultural and business partners, can lead a coordinated strategy to build on local strengths, close existing gaps, and unlock creative innovation and inclusive growth.

Summary

The Creative Industries Sector Plan 2025 is the definitive statement of national strategy for the creative economy, replacing the 2023 Sector Vision. It sets out a 10-year roadmap to double annual investment in the UK's creative industries from £17 billion to £31 billion by 2035. The plan reaffirms the UK's ambition to become the number one destination globally for creativity and innovation. It focuses on four strategic pillars: innovation-led growth, access to finance, skills for the future, and trade and exports. It also introduces major investment packages and a renewed commitment to regional cluster growth, positioning the creative industries as a cornerstone of the Government's industrial strategy. It includes targeted investment in Frontier sectors (e.g. £75m in screen) and £150m in a Creative Places Growth Fund.

Key Themes

Creative Clusters and Corridors: The plan commits to expanding the AHRC R&D Creative Clusters programme and supporting "creative corridors," particularly in the North. York's role as a screen and publishing cluster with wider links to Leeds, Hull and Scarborough places it as a natural hub.

R&D and CreaTech: Increased R&D investment, including a new £100 million wave of Creative Clusters, a UK-wide Creative Content Exchange, and sector-specific tech adoption initiatives. York and North Yorkshire's leadership in immersive media, creative heritage and screen tech makes it well placed to benefit.

Creative Finance, Investment and IP commercialisation: Measures to increase access to IP-backed finance and business investment in underserved regions and support microbusiness and freelance-heavy ecosystems like those found in York and North Yorkshire. Foreign Direct Investment packages, trade missions and export finance mechanisms are being scaled up. The region's strengths in screen production, heritage content and festivals offer a compelling basis for global promotion.

Skills and Workforce: A refreshed creative careers offer and curriculum reforms in England are matched with new pathways into the sector, especially relevant to York's strong higher education bases and rural graduate retention challenge.

Headline data

£124bn GVA and **2.4m** jobs contributed to UK economy	Plan to grow annual investment from £17bn to **£31bn** by 2035	**£270m** in new and existing funding for culture and screen sectors	CreaTech businesses expected to generate **£18bn** GVA and **160,000** new jobs over the next decade	**55** major creative clusters and **709** micro-clusters mapped across UK

Relevance to York and North Yorkshire growth policy

York and North Yorkshire stand to benefit directly from the sector plan's focus on regional clusters, CreaTech innovation, skills pathways, and finance for microbusinesses. With strong assets in screen, immersive media, and heritage tech, the region is positioned as a high-potential creative growth area.

The 2025 plan therefore provides a comprehensive policy foundation for York and North Yorkshire's creative growth ambitions. The emphasis on regional clusters, CreaTech, and targeted investment aligns with the Combined Authority's strategic priorities for inclusive growth, digital innovation, and culture-led regeneration. The plan can also help shape future funding bids and cluster support across screen, immersive technologies, and publishing, while underpinning the case for investment in skills, transport and digital infrastructure.

[3] UK Government. Creative industries sector plan: the UK's modern industrial strategy [Internet]. UK Government. 2025. Available from: https://assets.publishing.service.gov.uk/media/685943ddb328f1ba50f3cf15/industrial_strategy_creative_industries_sector_plan.pdf

Leveraging key interventions in the national Creative Industries Sector Plan

1. Expanding the CoSTAR network; Why York and North Yorkshire should bid

The Plan commits £25 million to add five new R&D laboratories and two showcase spaces to the existing CoSTAR network that will demonstrate new CreaTech, screen and games innovations to investors alongside a package of commercial support. York and North Yorkshire is exceptionally well positioned to capitalise on this plan.

As leaders of CoSTAR Live Lab, the University of York is working with national and regional partners, including the York and North Yorkshire Combined Authority, to support companies from across the UK to create new experiences and technologies for live performance.

XR Stories' work supporting research, development and innovation in the Yorkshire and Humber Creative Industries spans heritage, tourism, games and extended reality/next generation convergent media, helping small businesses and freelancers in the region to innovate and grow.

Securing additional CoSTAR funding would build on existing infrastructure and expertise to bring more opportunities to the region's Creative Industries. In particular, providing a tangible and well resourced connection between CoSTAR Live Lab (located at Production Park formally within West Yorkshire) and XR Stories, in the centre of York, would capitalise on the facilties established at both locations. This would bring additional direct benefit to Y&NY creative businesses through having a direct local connection to this UK wide major infrastructure.

2. Turning regional IP into scalable businesses

Three national interventions are critical: (i) a forthcoming Creative Content Exchange (CCE) licensing marketplace; (ii) an IP-backed-lending pilot and new IP-finance products; (iii) strengthened copyright enforcement and Intellectual Property Office-led awareness campaigns.

For York and North Yorkshire, these create immediate incentives to surface, protect and package regionally-grown creative assets.

3. Securing investment through Mayoral and place-based funds

The first £150 million tranche of the Creative Places Growth Fund is reserved for six existing Mayoral Strategic Authorities; York and North Yorkshire is not yet included. However, the Plan invites engagement from emerging combined authorities and explicitly signals a 2026 review.

York and North Yorkshire should therefore combine near-term use of open national programmes with a medium-term lobbying strategy and look to collaborate with the West Yorkshire Combined Authority on a joint 'Screen Cluster East-West' proposition, demonstrating scale and partnership - a criterion highlighted in the fund guidance.

4. Driving commercial returns from Arts and Humanities Research Council (AHRC)-funded research

UK Research and Innovation (UKRI) will publish a Creative Industries R&D Strategy in late 2025 and invest £100 million in the next wave of creative R&D clusters, explicitly focused on commercialisation.

York and North Yorkshire can secure a share of this funding by demonstrating credible prototype-to-market pathways. A successful application from the region would leverage the creative IP from across York and North Yorkshire to support investor ready propositions for economic growth.

Each new R&D cluster must be led by a university and XR Stories' former role as the highly successful R&D cluster for the region (one of only two from the first wave across the whole of the North of England) places York and North Yorkshire - and the University of York - in an optimum position to further leverage partnership working for mutually beneficial opportunities for growth with other emerging regional creative cluster R&D projects.

Policy analysis and summary by theme and linked to key recent policy sources

Theme 1: Creative Clusters and Corridors

1. Geographies of Creativity, State of the Nations Research Series 2023[4]

Siepe, J, Ramirez-Guerra A, Rathi S. *Geographies of Creativity*. Creative Industries Policy and Evidence Centre. 2023.

Summary:

This report maps the geographical distribution and strength of the UK's creative industries using an updated version of the "Creative Nation" data model. It distinguishes between creative hotspots and coldspots, helping identify regional disparities and opportunities for levelling up.

Headline findings:

- Only a small number of cities (London, Manchester, Bristol, etc.) dominate high-growth creative clusters.
- York scores relatively high in embedded creative occupations but lacks scale in clustered creative enterprises.
- North Yorkshire is classed as a "coldspot" in terms of creative intensity but has notable cultural and tourism assets.

Recommendations:

- Support "emergent" areas by building infrastructure, investing in skills, and nurturing networks.
- Use data-informed policy to support creative industries growth in rural and peri-urban areas.
- Tackle transport, broadband and workspace access in underserved regions.

Policy relevance for York and North Yorkshire:

The report confirms that York is well positioned to become a creative "growth node," with potential spillover into North Yorkshire. Strategic opportunities include:

- Targeting investment in local creative clusters (e.g. creative technologies).
- Supporting rural-urban cultural production models.
- Using this geographical data to advocate for "levelling up" funds and spatially targeted support from national and regional bodies.

[4] Siepel J, Ramirez-Guerra A, Rathi S. Geographies of creativity [Internet]. Creative Industries Policy and Evidence Centre. 2023. Available from: https://pec.ac.uk/wp-content/uploads/2023/12/Creative-PEC-Geographies-of-Creativity-State-of-the-Nations-December-2023.pdf

2. Creative Corridors: Connecting Clusters to Unleash Potential[5]

The RSA. *Creative Corridors: Connecting Clusters to Unleash Potential*. The RSA. 2025.

Summary

This report introduces the concept of "creative corridors", interconnected creative clusters designed to amplify economic and social value across regions. It argues for cross-boundary cooperation to rebalance growth, currently over-concentrated in London and the Southeast.

Headline findings

- London and the M25 account for 68% of creative GVA (£71bn in 2019), highlighting a sharp regional imbalance.
- Creative industries generate 1.9 additional non-tradable jobs per creative job, enhancing their place-making value.
- Regional assets like arts venues act as "nodes" for clustering but are under pressure from funding cuts.

Recommendations

- Create a Creative Corridor Coalition to coordinate governance and strategy.
- Develop a Corridor Data Function to ensure evidence-led interventions.
- Launch an R&D collaboration fund with local universities and industry.
- Support corridor-wide skills strategies, including modular training, CPD, and micro-credentials.
- Promote the corridor via a unified campaign and an Investment Office.

Policy relevance for York and North Yorkshire:

Though not named as a current corridor, the report strongly supports York's potential as a key node in a future Northern creative corridor, leveraging assets like York's screen, museum, and publishing clusters, alongside connections to Leeds and Hull.

3. One Creative North. Chair's Scoping Report[6]

Kelly J. *One Creative North Chair's Scoping Report*. One Creative North. 2025 Apr.

Summary:

This report lays out a vision for a coordinated Northern creative strategy, highlighting the need for unity, identity, and investment to unleash the region's cultural and economic power.

Headline findings:

- The North contributes £10bn in creative GVA, with potential for this to double with targeted investment.
- Up to 500,000 jobs across the North could be generated through inclusive growth.
- Cultural inequality persists with regions underperforming on investment per capita despite vibrant assets.

Recommendations:

- Create a Northern Creative Compact to coordinate advocacy, planning, and delivery.
- Establish shared branding and storytelling for "One Creative North."
- Prioritise cross-regional skills, especially FE alignment and progression routes.
- Strengthen collaboration across creative sub-sectors, prioritising Screen, Games, Contemporary Music and Audio, Writing and Publishing.

Policy relevance for York and North Yorkshire:

The report signals York's role as a "cultural centre with national and international potential", citing its strengths in

[5] The RSA. Creative corridors: connecting clusters to unleash potential [Internet]. The RSA. 2025. Available from: https://www.thersa.org/reports/creative-corridors-connecting-clusters-to-unleash-potential-report/

[6] Kelly J. One Creative North Chair's scoping report [Internet]. One Creative North. 2025 Apr. Available from: https://thegreatnorth.org.uk/downloads/95/one-creative-north-report-may-2025.pdf

4. On the Waterfront: Key Cities and Coastal Communities; 2025[7]

de Graaf K, McKenzie K, Asthana S, Agarwal S, Smith R. *On the waterfront: why our ports and coastal communities hold the key to a more connected and prosperous Britain*. Key Cities. 2025

Summary

This landmark report sets out a policy case for the regeneration of the UK's coastal cities and communities. Drawing on wide-ranging evidence from local authorities, academic partners, and community voices, it argues that systemic neglect has left coastal regions significantly disadvantaged across multiple indicators including economic output, educational attainment, health outcomes, infrastructure and climate resilience.

The report introduces 28 actionable recommendations under four strategic pillars: Empower, Protect, Connect, and Invest. These focus on devolved local agency, improved infrastructure, better access to data, and long-term investment in skills, housing, and sustainable industries including renewables and creative sectors.

Headline findings

- Economic and infrastructure deficit: Coastal communities face 26% lower economic output than national average, with systemic underinvestment exacerbated by Treasury funding rules (notably the Green Book). Ports and marine industries are under-leveraged for growth.
- Health and social inequality: Coastal populations experience poorer health outcomes, mental illness, and preventable disease. Service provision and staffing levels are significantly below national levels, compounded by substandard housing and poor access to care.
- Skills and education: Low attainment, talent retention problems, and lack of vocational pathways are prevalent. The report calls for targeted skills investment and localised strategies like the London Challenge model.
- Climate and environmental risk: Rising sea levels, flood risk and coastal erosion demand better local planning and infrastructure funding, including energy grid access to enable offshore renewables.
- Creative and cultural potential: Coastal areas are urged to diversify into new industries including creative sectors. The report recommends creative micro-cluster development and corridor models to revitalise local economies and identities.

Recommendations

- Co-design hyperlocal public services with coastal communities to ensure locally tailored solutions.
- Improve transport, digital connectivity and National Grid capacity to reduce isolation and support economic growth.
- Introduce long-term, strategic funding streams rather than short-term competitive grants.
- Expand skills, vocational pathways and targeted education investment to address entrenched low attainment in growth industries such as renewable energy, digital services, and creative sectors.
- Support diversification of coastal economies into creative industries, digital enterprise and renewable energy.
- Strengthen data collaboration between local authorities and universities to improve evidence-led decision-making. creative industries, digital enterprise and renewable energy.

Policy relevance for York and North Yorkshire:

While not focused specifically on York and North Yorkshire, the report's findings and recommendations have significant resonance with the coastal and rural areas of North Yorkshire. The identified barriers: limited infrastructure, health disparities, educational gaps, and under-leveraged cultural and environmental assets are shared by parts of the Yorkshire coast. The call for new investment in coastal infrastructure, creative clusters, and devolved skills provision aligns closely with the strategic aims of the York and North Yorkshire Combined Authority.

[7] de Graaf K, McKenzie K, Asthana S, Agarwal S, Smith R. On the waterfront: why our ports and coastal communities hold the key to a more connected and prosperous Britain. Key Cities. 2025. Available from: https://keycities.uk/wp-content/uploads/2025/03/Key-Cities-On-the-waterfront-March-2025.pdf

5. Supporting the Creative Industries: The Impact of the 'Preston Model' in Lancashire[8]

Whyman PB, Wright A, Lawler M, Petrescu A. *Supporting the Creative Industries: The Impact of the "Preston Model" in Lancashire*. Creative Lancashire. 2022.

Summary

This report examines the impact of the Preston Model of Community Wealth Building (CWB) on the creative industries in Lancashire. It evaluates how anchor-led strategies, including procurement reform, cooperative development, and localised investment influence the growth and resilience of dispersed creative businesses. The analysis combines survey data, interviews, and secondary sources to assess the model's effectiveness in areas where traditional clustering is limited. It highlights the unique value of local authority leadership, partnership-building, and values-based procurement for creative sector development in non-metropolitan areas.

Headline findings

- Lancashire's creative economy is fragmented and lacks the density needed for agglomeration-based clustering.
- Anchor institutions such as local authorities and universities are central to supporting creative firms through procurement, workspace, and skills development.
- The Preston Model has contributed to greater economic resilience in the creative sector, with a local procurement multiplier of 1.47.
- Awareness and coordination across the ecosystem remain inconsistent, limiting wider adoption of successful interventions.
- Cooperative structures, shared infrastructure, and regional platforms help smaller creative firms scale and collaborate.

Recommendations

- Strengthen the role of anchor institutions in creative sector development through targeted procurement strategies and skills programmes.
- Build formal support infrastructures including creative cooperatives, shared workspaces, and platforms for peer exchange.
- Tailor interventions to regional conditions, particularly in rural or semi-urban contexts where clustering is impractical.
- Improve cross-sector coordination and data sharing between local government, educational institutions and creative businesses.
- Promote the Preston Model as a replicable framework for inclusive growth in other regions with similar socio-economic profiles.

Policy relevance for York and North Yorkshire:

York and North Yorkshire share many of Lancashire's spatial characteristics: dispersed towns, rural communities, and a high proportion of micro creative businesses. The Preston Model demonstrates how anchor-led approaches, including the role of universities as anchor institutions, can substitute for density-based clustering. Its emphasis on values-led procurement, institutional leadership, and local capacity-building aligns well with the goals of the York and North Yorkshire Combined Authority. It offers a viable template for Community Wealth Building strategies that embed culture and creativity into inclusive regional growth.

[8] Whyman PB, Wright A, Lawler M, Petrescu A. Supporting the creative industries: the impact of the "Preston Model" in Lancashire [Internet]. Creative Lancashire. 2022. Available from: https://www.creativelancashire.org/files/library/Supporting-the-Creative-Industries-The-Impact-of-the-Preston-Model-in-Lancashire_19042022-1.pdf

Add Observation
Reset All Observations
Manual Observations
Add Manual Observation
Calibration
Re-run Calibration
Calibration Results

Theme 2: R&D, Innovation and CreaTech

6. Unlocking CreaTech[9]

The Royal Anniversary Trust, Department of Digital, Culture, Media and Sport. *Unlocking CreaTech*. Erskine Analysis. 2025.

Summary

This report investigates how the UK can scale CreaTech – here defined as the fusion of creative content and emerging technologies – to drive economic and social value. It identifies critical barriers to growth, such as underpowered further education, limited access to dedicated R&D funding, and fragmented innovation infrastructure. The report also argues that CreaTech requires distinct policy tools and support structures, separate from those applied to traditional science or technology R&D. A roadmap is set out for a national CreaTech growth strategy, with regional testbeds and institutional partnerships at its core.

Headline findings

- There are approximately 350,000 workers in the UK CreaTech sector, with 13,800+ firms using immersive, AI, and interactive technologies.
- CreaTech innovation often involves non-linear, experimental processes, which current R&D systems do not fully support.
- Key barriers include an under-resourced FE sector, poorly aligned innovation policy, and a lack of accessible finance tailored to creative-IP-based firms.
- The report calls for the creation of a CreaTech Catapult, regional testbeds, and blended finance tools to unlock scalable growth.

Recommendations

- Develop a national CreaTech Catapult to coordinate research, commercialisation, and industry access.
- Reform further education and school curricula to combine digital and creative skillsets.
- Pilot place-based testbeds and dedicated R&D support for early-stage creative innovation.
- Design blended finance and IP-lending schemes suitable for CreaTech microbusinesses.
- Improve diversity and inclusion in the sector through targeted interventions and partnerships.

Policy relevance for York and North Yorkshire:

York and North Yorkshire is “ready-to-go” as a region for piloting CreaTech testbeds and innovation finance. The region’s strengths in immersive media, screen content, digital heritage and university–industry collaboration make it an ideal candidate for CreaTech-focused investment.

Existing projects and assets such as XR Stories and The Guildhall offer a strong foundation for establishing a regional creative R&D hub. Opportunities include co-developing a “Creative IP Studio” with the Combined Authority to support commercialisation of research outputs, and shaping new training models in partnership with further education institutions to plug regional skills gaps.

[9] The Royal Anniversary Trust, Department of Digital, Culture, Media and Sport. Unlocking CreaTech [Internet]. Erskine Analysis. 2025. Available from https://royalanniversarytrust.org.uk/wp-content/uploads/2025/02/CreaTech-Report.pdf

7. Research, Development and Innovation in the Creative Industries: Reframing Our Understanding of the Creative Economy[10]

Lupu R, Komorowski M, Lewis J, Miklos Fodor M. *Research, Development and Innovation in the Creative Industries: Reframing Our Understanding of the Creative Economy*. Routledge. 2025 Feb.

Summary

This shortform book presents evidence from the Clwstwr[11] programme in Wales (2018–2022), another from the first wave of AHRC creative R&D clusters, which pioneered the application of research, development and innovation (R,D&I) practices in the creative industries. The authors offer new frameworks to understand innovation within creative microbusinesses and present a roadmap for optimising support mechanisms.

Headline findings

- Creative R&D does not mirror traditional science/tech models: distinct typologies and pathways must be recognised.
- A four-part typology for innovation in creative sectors is introduced: Technocratic, Incremental, Conceptualising, and Disrupting.
- Data from Welsh businesses shows high variability in perception and outcomes of R&D efforts.
- Optimal support is not linear: timing and level must be tailored to different project types and innovation stages.

Recommendations

- Develop sector-specific research, development and innovation frameworks tailored to creative workflows and timescales.
- Move from individual project support to ecosystem-building strategies (networks, infrastructure, institutional capability).
- Funders and local authorities should integrate longitudinal support models to accommodate trial and error.

Policy relevance for York and North Yorkshire:

York and North Yorkshire can mirror lessons from Clwstwr, with XR Stories providing a similar case study, and by embedding creative research, development and innovation into its growth strategies. This means:

- Investing in infrastructure that supports early-stage idea development.
- Establishing innovation typologies relevant to regional creative clusters.
- Creating institutional networks (e.g., a regional Clwstwr-style hub) to de-risk experimentation and IP generation.

[10] Lupu R, Komorowski M, Lewis J, Miklos Fodor M. Research, Development and Innovation in the Creative Industries: Reframing Our Understanding of the Creative Economy [Internet]. Routledge. 2025 Feb. Available from https://www.taylorfrancis.com/books/oa-edit/10.4324/9781003481805/research-development-innovation-creative-industries-ruxandra-lupu-marlen-komorowski-justin-lewis-m%C3%A1t%C3%A9-miklos-fodor

[11] Clwstwr: https://clwstwr.org.uk/

Theme 3: Creative Finance, Investment and IP Commercialisation

8. Unleashing Creativity: Fixing the Finance Gap in the Creative Industries[12]

Bakhshi H, Siepel J, Carmona L, Tarr A. *Unleashing creativity: fixing the finance gap in the creative industries.* Creative UK / Creative Industries Policy and Evidence Centre. 2025.

Summary

Based on the largest survey of creative firms to date (896 responses), this report investigates the systemic barriers preventing creative businesses from accessing appropriate finance. It highlights mismatches in perception, product fit, and geographic distribution.

Headline findings

- 72% of creative businesses expect growth—much higher than the national average (59%).
- 41% said there were no suitable finance options available to them.
- 51% believed finance providers misunderstood their business model and risk profile.
- 93% of respondents were microbusinesses (<10 employees), highly reliant on IP.
- Established larger creative clusters have better access to finance; smaller "micro-clusters" face greater constraints.

Recommendations

- Boost public and blended finance targeted at IP-rich creative firms.
- Tailor financial products to suit creative business models.
- Invest in business support and financial literacy.
- Close regional gaps by focusing on underserved places.
- Improve data collection on creative finance to better guide policy.

Policy relevance for York and North Yorkshire:

York and North Yorkshire's many micro-clusters (e.g. architecture, advertisting and design, IT, software and corporate services) mirror the financial fragilities this report highlights. There is strong alignment with local needs for more accessible investment models, especially for freelancers and IP-led firms.

[12] Bakhshi H, Siepel J, Carmona L, Tarr A. Unleashing creativity: fixing the finance gap in the creative industries. Creative UK / Creative Industries Policy and Evidence Centre. 2025. Available from: https://unleash.wearecreative.uk/

9. Creative Economy Capital: A Framework for Creative Investment[13]

Norbury C, Tarr A. *Provocation paper creative economy capital – a framework for creative investment.* Creative UK. 2025.

Summary

This provocation paper proposes a bold new blended finance model—Creative Economy Capital—to unify fragmented investment sources. It argues for an ecosystem that combines public, private, and philanthropic capital to back scalable, socially valuable creative enterprises.

Headline findings

- Creative industries generate £124bn GVA annually and outperform most sectors in growth.
- 63% of equity investment is concentrated in London and the Southeast.
- IP-based creative businesses face systemic barriers to accessing traditional finance.

Recommendations

- Establish a Creative Economy Capital platform embedded in existing institutions (e.g. British Business Bank).
- Promote IP lending, impact investment, and patient capital models.
- Standardise data reporting and monitoring to improve investor confidence.
- Recognise and reward cultural and place-based value in investment decision-making.

Policy relevance for York and North Yorkshire:

The proposed framework would help redirect investment to underserved places like York and North Yorkshire, particularly relevant for cultural and digital IP-rich clusters in York. It also supports local strategies that value economic and social return from cultural growth.

10. Foreign Direct Investment in the UK's Creative Industries[14]

Jones J, Simandjuntak D, Maioli, S, Fazio G. *Foreign Direct Investment in the Creative Industries*. Creative Industries Policy and Evidence Centre. 2024.

Summary

This report examines the role of foreign direct investment (FDI) in driving growth and job creation in the UK creative industries. It finds FDI to be highly concentrated in a few sectors and places, with untapped potential elsewhere.

Headline findings

- 76% of FDI in creative industries went to London.
- Top sectors: film/TV, video games and software.
- Spillovers include job creation, upskilling, and inward innovation, but these are highly localised.
- Areas outside London are "under-leveraged" in terms of FDI potential.

Recommendations

- Develop regional FDI strategies aligned with creative strengths.
- Increase visibility of local assets (e.g. studio space, festivals, universities) to attract investment.
- Provide aftercare and retention services for inward investors.
- Link FDI to skills pipelines and infrastructure upgrades.

Policy relevance for York and North Yorkshire:

With strong creative industries assets, York and North Yorkshire has untapped potential to attract FDI. The report supports designing a local inward investment strategy focused on creative sectors, aligned with local growth plans.

[13] Norbury C, Tarr A. Provocation paper creative economy capital – a framework for creative investment [Internet]. Creative UK. 2025. Available from: https://freelance.wearecreative.uk/hubfs/Provocation%20Paper-%20%20Creative%20Economy%20Capital%20-%20A%20Framework%20for%20Creative%20Investment-FOR%20PUBLIC.pdf

[14] Jones J, Simandjuntak D, Maioli, S, Fazio G. Foreign Direct Investment in the Creative Industries [Internet]. Creative Industries Policy and Evidence Centre. 2024. Available from https://pec.ac.uk/wp-content/uploads/2024/11/Foreign-Direct-Investment-in-the-Creative-Industries-FINAL.pdf

11. UK Trade in a Global Creative Economy[15]

Fazio G, Jones J, Maioli S, Simandjuntak D. *UK trade in a global creative economy* [Internet]. Creative Industries Policy and Evidence Centre. 2024.

Summary

This State of the Nations report provides a comprehensive analysis of the UK's creative exports to date (2024), offering both macroeconomic trends and micro-level firm data. It finds that the UK continues to outperform internationally in creative services exports (especially IT, screen, and advertising), but that creative goods exports have stagnated or declined. The UK's global strength cannot be taken for granted: new competitors, digital disruption, and regional concentration all present challenges.

The report highlights a growing need for better digital trade data, improved export support for Small and Medium Sized Enterprises (SMEs), and policy tools that reflect the sector's increasingly intangible and IP-based output. Regional disparities persist, with exporters concentrated in London and the South East, but opportunities emerging in other UK regions. The UK is the fourth largest exporter of video games globally and continues to enjoy a comparative advantage in most creative services, though this lead is narrowing.

Headline findings

- UK exported £45.6bn in creative services and £9.1bn in creative goods in 2021.
- Creative services exports rose 150% from 2010–2020, outperforming other sectors.
- Creative goods exports fell sharply in 2016 and 2020 and have not recovered.
- IT, software and computer services now account for 57% of UK creative services exports.
- UK is 4th largest video game exporter globally; trade grew 2.5x from 2016–2021.
- Comparative advantage is strong but declining in areas like audiovisual and IT services.
- Exporting firms are more productive and concentrated in London and the South East.
- Creative exporters in other regions exist but face intensified access barriers.

Recommendations

- Upgrade UK digital trade data and metrics to reflect services and intangible exports.
- Target SMEs and microbusinesses with tailored export support, especially outside the South-East.
- Incorporate digital agreements and IP provisions in new trade deals.
- Expand place-based creative trade promotion (e.g. Department for Business and Trade (DBT) missions).
- Learn from international exemplars (e.g. South Korea's strategic creative export policies).
- Align creative trade strategies with FDI, skills migration, and R&D policies.

Policy relevance for York and North Yorkshire:

This report validates the central role of digital creative services in the UK's trade future and underscores the urgency of supporting regional exporters. With its strong base in creative technologies, York and North Yorkshire can position itself as a national leader in rural-urban creative exports, particularly if backed by export-oriented R&D, CoSTAR-linked infrastructure, and localised trade intelligence tools.

It also bolsters the rationale for XR Stories and similar programmes to act as regional trade accelerators, and to integrate IP, R&D and trade-readiness in future. This evidence further supports proposals for a Northern creative corridor and for York to act as a gateway node for globally connected but regionally anchored creative export growth.

[15] Fazio G, Jones J, Maioli S, Simandjuntak D. UK trade in a global creative economy [Internet]. Creative Industries Policy and Evidence Centre. 2024. Available from: https://pec.ac.uk/wp-content/uploads/2024/03/UK-Trade-in-a-Global-Creative-Economy-Creative-PEC-State-of-the-Nations-March-2024.pdf

Theme 4: Skills and Workforce

12. Skills Mismatches in the UK's Creative Industries[16]

Giles L, Carey H, O'Brien D, Gorman S, Green M. *Skills mismatches in the UK's creative industries.* Creative Industries Policy and Evidence Centre. 2025 Feb.

Summary

This report provides the most detailed analysis to date of employer-reported skills mismatches in the UK's creative industries, drawing on new analysis of the Employer Skills Survey. It identifies critical gaps between the skills required and those available in the workforce, as well as widespread underinvestment in training and skills development, particularly in microbusinesses. It also reveals significant mismatches in advanced digital skills, management, and transversal skills such as creative problem-solving.

Headline findings

- 65% of hard-to-fill vacancies in the creative industries are due to skills shortages (vs 41% across all industries).
- Nearly 60,000 creative workers are not fully proficient in their roles—up 15,000 since 2017.
- 45% of employers offered no training in the past year; any training offered is typically shorter and less likely to lead to qualifications.
- Skills shortages are particularly acute in high-skill occupations and are already hampering innovation.
- Employers anticipate strong future demand for upskilling, especially due to technology and AI.

Recommendations

- Stronger LMI (Labour Market Information) tailored to creative subsectors.
- New collaborative skills pathways linking schools, further education/higher education and industry.
- Modular, flexible training for SMEs.
- Enhanced employer investment via tools like the Growth and Skills Levy.
- A focus on management practices to maximise talent value.

Policy relevance for York and North Yorkshire:

York and North Yorkshire's microbusiness-heavy creative economy, with its mix of immersive tech and IP-rich content creation, mirrors the structural skills and training challenges identified in the report. It strengthens the case for targeted investment in further education pathways, modular continued professional development (CPD), and flexible training hubs that support creative freelancers and small employers. The insights directly support Skills England's sector-level review and regional cluster strategies. The XR Stories Extending XR training programme, funded by the Mayor's Skills Innovation Fund, will start to deliver input in this area.

[16] Giles L, Carey H, O'Brien D, Gorman S, Green M. Skills mismatches in the UK's creative industries [Internet]. Creative Industries Policy and Evidence Centre. 2025 Feb. Available from: https://pec.ac.uk/wp-content/uploads/2025/02/Creative-PEC-Skills-mismatches-in-the-UKs-Creative-Industries-12-Feb-2025.pdf

13. Sizing Up: Workforce Composition and Capacity in the Screen Industries[17]

Ampere Analysis. *Sizing Up: Workforce Composition and Capacity in the Screen Industries.* Ampere Analysis. 2025.

Summary

This is the most comprehensive data-driven study to date of the UK screen workforce. It maps workforce demographics, utilisation, and skills gaps, particularly in film, high-end television, visual effects (VFX), and post-production. It focuses on both employment data and structural challenges such as regional imbalance, retention issues, and diversity.

Headline findings

- Nearly 200,000 individuals work in film and TV production, but with only 60% capacity utilisation post-COVID and recent Hollywood strikes.
- Skills gaps persist in technical, mid-career, and role-specific areas despite underemployment.
- More recent Diversity, Equality and Inclusion (DEI) gains are at risk, especially at junior levels; 82% of juniors report being underemployed.
- Regional talent exists, but production and employment opportunities remain centralised.
- Yorkshire-specific finding: Higher demand for upskilling in technical roles; skills mismatch more acute here than in London or the South East.
- 72% of workers reported extra capacity; 33% dissatisfied with career progression.
- Only 3% of screen workforce respondents were based in Yorkshire.
- London employs 80,000 in screen roles; Yorkshire fewer than 6,000.
- Retention risks are higher in the North due to fewer sustained project pipelines.

Recommendations

- Expand technical and leadership training in regions that evidence growing scripted production demand.
- Invest in regionally anchored production hubs and training centres.
- Provide targeted DEI support to retain diverse junior talent in under-served areas.
- Create regional strategies for mobility and pitching skills, especially as 85% of film/TV spend is inward investment-led.

Policy relevance for York and North Yorkshire:

York and North Yorkshire could be a lead partner in a production-ready training programme, focused on immersive, VFX, editing, and technical crew. Investment in locally relevant training and retention is vital to reduce reliance on London and grow the Northern screen technology talent base. In June 2025, XR Stories secured funding from the Mayor's Skills Innovation Fund to run a new creative technology training programme, Extending XR, designed to bridge academic expertise and employer needs. This expands the region's capacity to deliver industry-facing creative skills and supports long-term ambitions for a screen and technology skills hub.

[17] Ampere Analysis. Sizing Up: Workforce Composition and Capacity in the Screen Industries [Internet]. Ampere Analysis. 2025 Apr. Available from https://www.screenskills.com/media/pfcoubcw/ampere_sizing-workforce_final-report_2025.pdf

14. Creative Further Education in the four UK nations[18]

Giles L, Carey H, Hickman, B. *Creative further education in the four UK nations*. Creative Industries Policy and Evidence Centre. 2024.

Summary

This report in the Creative PEC's "State of the Nations" series presents an overview of creative further education (FE) across the UK's four nations, using thirty-one data sources across eight agencies. The report explores participation levels, long-term trends, geographic spread, learner demographics, and achievement outcomes in creative FE. It reveals a fragmented picture across the UK, with falling enrolments in creative subjects, limited apprenticeship uptake (especially outside of Information and Communications Technology (ICT)), and stark spatial inequalities in provision. While all four nations show strong policy interest in growing creative industries, the education and skills pipeline remains fragile and uneven.

Headline findings

- Creative FE is declining across all nations, with sharper drops than in other FE disciplines. England lost over 220,000 creative FE enrolments (19+) in the past decade. Scotland saw a 20% decline; Wales and Northern Ireland also experienced major reductions.
- Creative apprenticeships remain minimal, representing between 1.7% (Wales) and 8.7% (England) of all apprenticeship starts. Growth is almost entirely in ICT, leaving other creative fields underserved.
- Provision is highly urban, centred in cities like London, Glasgow, Cardiff, and Belfast. Rural and coastal areas, including parts of North Yorkshire, lack access, reinforcing regional disparities.
- Learner diversity is limited. Creative FE learners are generally less ethnically and socioeconomically diverse than their peers. IT apprenticeships are overwhelmingly male; some creative disciplines have higher representation of disabled learners.
- Achievement and retention vary across subjects and nations. Arts, Media and Publishing show relatively strong results, Languages and Literature less so. COVID disrupted outcomes across the board, with recovery still incomplete.

Recommendations

- Rebuild participation in creative FE, particularly outside digital/ICT disciplines. Develop targeted outreach, updated course offers, and better careers messaging to attract diverse learners.
- Expand the apprenticeship offer, especially in underserved creative areas such as screen, design, and publishing. Work with industry to improve frameworks and uptake beyond ICT.
- Address spatial inequalities by funding creative FE provision in rural and coastal areas through devolved adult education budgets and transport-linked access programmes.
- Improve data and evidence across FE and skills systems. Establish consistent UK-wide metrics to track creative learning and inform cross-regional policy.
- Enhance employer engagement to ensure local FE is aligned with real creative economy opportunities, including live briefs, placements, and industry-designed curricula.

Policy relevance for York and North Yorkshire:

York and North Yorkshire reflects many of the key challenges highlighted in this report. Creative provision is concentrated around the city of York, while large parts of the county lack access to FE or apprenticeships in creative subjects. The narrowness of the apprenticeship offer, largely ICT, limits progression pathways in other aspects of creative industries and creative technologies as local growth areas. The region's rural profile makes it especially vulnerable to spatial exclusion from FE provision. The Combined Authority, alongside partners such as the University of York, is well placed to pilot new approaches: expanding non-ICT creative apprenticeships, improving local data on learner outcomes, and embedding creative FE into broader cluster and skills investment strategies.

[18] Giles L, Carey H, Hickman, B. Creative further education in the four UK nations [Internet]. Creative Industries Policy and Evidence Centre. 2024. Available from: https://pec.ac.uk/wp-content/uploads/2024/07/Creative-Further-Education-in-the-Four-Nations-Creative-PEC-State-of-the-Nations-report-1.pdf

15. Creative Industries: Employers' Perspectives on Skills Initiatives[19]

Giles L, Carey, H. *Creative Industries Employers' Perspectives on Skills Initiatives*. Creative Industries Policy and Evidence Centre. 2025

Summary

This report explores employer engagement with creative industries skills initiatives across the UK. Drawing on over 80 in-depth interviews with employers in England, Scotland, Wales and Northern Ireland, it assesses how creative businesses perceive and interact with skills policy. The research highlights the inconsistent reach of initiatives across sub-sectors and geographies, underlines the challenges in engaging microbusinesses and freelancers, and calls for more tailored, place-sensitive approaches. The report forms part of Creative PEC's wider work on education, skills and talent.

Headline findings

- Awareness of national and regional skills initiatives among employers is generally low, particularly outside of larger screen-sector networks.
- Employers feel existing initiatives are often too generic, lacking relevance to the operational realities of creative microbusinesses.
- Microbusinesses and freelancers are under-represented in engagement and programme design.
- Skills gaps are reported in areas such as business management, IP and commercialisation, and leadership.
- There is an appetite for greater co-design, more visible brokerage, and sustained support at the local level.

Recommendations

- Co-design skills initiatives with industry to ensure sector-specific and regional relevance.
- Establish mechanisms to reach and support microbusinesses and freelancers, potentially through trusted intermediaries.
- Improve communication around existing programmes to increase visibility and uptake.
- Develop more flexible models of training and progression that reflect non-linear creative careers.
- Strengthen monitoring and evaluation of skills initiatives to improve targeting and accountability.

Policy relevance for York and North Yorkshire:

York and North Yorkshire's creative sector, characterised by microbusinesses, freelancers and rural clusters, reflects many of the challenges identified in this report. The findings support development of locally led collaborative approaches to skills delivery. A regional skills brokerage model, co-designed with industry and cultural partners, could enhance relevance and reach. There is a strong case for place-based pilot programmes that better reflect the specific needs of dispersed creative workers, including modular training and pathways into leadership and IP-intensive roles.

[19] Giles L, Carey, H. Creative Industries Employers' Perspectives on Skills Initiatives [Internet]. Creative Industries Policy and Evidence Centre. 2025. Available from https://pec.ac.uk/state_of_the_nation/creative-industries-employers-perspectives-on-skills-initiatives-2025/

Summary of recommendations

The analysis identifies four priority themes with aligned opportunities for York and North Yorkshire. Each includes actionable recommendations drawn from national policy and contextualised for regional impact.

1. Creative Corridors and Clusters

York's role as a creative node is further reinforced by emerging national and regional strategies promoting cross-boundary collaboration, cultural infrastructure investment, and rural-urban spillovers. The evidence supports formalising York's position within a wider Northern creative corridor and building targeted support for micro-clusters in coastal and rural areas of North Yorkshire. Investment in transport, digital connectivity, and accessible workspace remains central to unlocking the value of these dispersed assets.

Actions

- Position York as a key "node" in a future Northern creative corridor, leveraging the city's creative industry and creative technology sectors.
- Use evidence from Geographies of Creativity and One Creative North to make the case for infrastructure and skills investment in North Yorkshire.
- Formally align with emerging northern initiatives (e.g., Creative Corridor Coalitions and One Creative North Compact) to strengthen advocacy and visibility.
- Use granular Creative PEC data to advocate for "coldspot" rural areas through spatially targeted investment strategies.

2. R&D, Innovation and CreaTech

York and North Yorkshire is well placed to harness the latest funding focus on creative R&D through immersive technologies and screen innovation. Regional assets like XR Stories exemplify successful academic-industry collaboration. York and North Yorkshire should prime itself to bid for national-level R&D funding for testbed or established innovation.

Actions

- Launch a regional bid to host a North Yorkshire based CoSTAR lab.
- Build on the success of existing UKRI-funded projects that support economic growth, and create a Creative IP Studio to support inward investment and leverage regional R&D into commercial content.
- Map and prepare regional creative content (XR, archives, prototypes) for onboarding to the upcoming Creative Content Exchange (CCE).
- Pilot testbeds for immersive and digital heritage technology in rural and heritage-rich settings.
- Embed innovation typologies (from first wave AHRC creative cluster projects such as Clwstwr and XR Stories) into regional planning, recognising different forms of creative R&D.

3. Creative Finance, Investment and IP Commercialisation

Access to tailored finance remains a critical barrier for creative microbusinesses, particularly in regions like York and North Yorkshire with high concentrations of IP-rich, early-stage firms. New policy developments offer promising routes to address this through blended finance models, IP-based lending tools, and public-private partnerships that reward cultural as well as economic return.

Actions

- Support IP audits and investor-readiness for at least 50 creative SMEs across the region by 2026.
- Partner with Creative UK and British Business Bank to design tailored finance offers for IP-rich microbusinesses.
- Develop a regional creative investment strategy, aligning with Creative Economy Capital proposals and FDI opportunities.
- Promote York as a destination for Foreign Direct Investment in screen, publishing and creative technology sectors by showcasing available infrastructure and skills.
- Encourage public-private funding blends and patient capital to support regional spinouts and IP ventures.
- Develop procurement models that prioritise local creative businesses and integrate social value criteria into commissioning decisions.

4. Skills and Workforce

A regionally focused skills approach is needed to meet current and future demand, particularly in screen and tech sectors. The evidence base shows entrenched gaps in training provision, especially outside urban centres, and a need for more modular, flexible, and employer-led pathways. There is strong justification for expanding non-ICT creative apprenticeships, investing in FE and CPD models tailored to freelancers and SMEs, and embedding work-based learning across education pipelines. The region's new Extending XR creative technology training pilot provides a foundation for scaling place-based skills innovation.

Actions

- Embed paid placements and work-based learning into regional HE/FE programmes to tackle graduate underemployment.
- Fund a regional "Screen & Creative Tech Training Hub" focused on mid-career and technical upskilling for immersive, VFX, editing, and production.
- Invest in rural talent retention strategies, including mobility support and freelance-friendly recruitment pipelines.
- Improve diversity and inclusion through targeted support for underrepresented groups in the creative workforce.
- Pilot collaborative curriculum design between York's higher education institutions and industry to ensure skills relevance.
- Build on the new Mayoral-funded Extending XR programme in creative technology skills training and become a hub for CPD training.

Conclusion

York and North Yorkshire is poised to take a leading role in shaping the UK's next wave of creative innovation. With national policy turning decisively toward regional, R&D-led creative growth, the region's blend of university excellence, creative technology, heritage and cultural assets, and micro-cluster creativity places it in a strong position. However, realising this potential will require coordinated action, leveraging the University of York as an innovation anchor, building strategic corridors with northern partners, and securing tailored investment in infrastructure, IP and skills.

This report sets out the first stage of a roadmap that aligns local ambition with national opportunity. By acting on the recommendations outlined across corridors, R&D, finance and skills, York and North Yorkshire can transform creative strength into long-term economic growth, cultural impact, and inclusive prosperity for communities across the region.

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