Economic Impact Case Study: The Arts and Creative Industries in Eilean Siar

Annexes to Final Report
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ANNEX 1: MEASURING A&CI - DEVELOPING A SCOTTISH APPROACH

The recent emergence of the creative industries as a distinct area of interest for economists, statisticians, cultural specialists and public-policy makers reflects a growing awareness of their economic potential and their role in fostering cultural diversity through the market. The concept of creative industries for the purpose of public policy making remains very young and not all governments are convinced of the need to address this sector with targeted initiatives.

With the advent of new technologies in the last 20 years such as the internet, e-commerce and electronic files that make sharing, trading and consuming cultural goods and services easier than ever before, globalisation has had a profound impact on the creative industries. Statistical methodologies, which are so important to provide officials with the information they need to develop suitable policy to support the creative industries, have yet to catch up with this reality. In order to harness the opportunities offered by the creative industries, governments first need to undertake thorough mapping and statistical research to better understand them.

From 'Understanding Creative Industries' (UNESCO, 2006)

Scoping the Arts and Creative Industries – Starting with DCMS

An 'industry' is a group of activities. Most businesses and almost all industries require some degree of creativity, but some are more profoundly dependent on creative individuals than others.

This study started by taking the scope of creative industries, as used by the Department for Culture, Media and Sport for its latest Creative Industries Economic Estimates (DCMS (UK), December 2011): '***those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of economic property'***.

The industries listed in those estimates are derived from the thirteen 'Creative Industries' (listed in Table A1.1 overleaf) selected after the DCMS Creative Industry Mapping Projects of 1998 and 2001 (DCMS (UK), 1998 and 2001). They are normally presented in alphabetical order (as in Table A1.1 overleaf).

Table A1.1: List of Creative Industries (DCMS, 2001)	
1.	Advertising
2.	Architecture
3.	Art & Antiques Market
4.	Crafts
5.	Design
6.	Designer Fashion
7.	Film & Video
8.	Interactive Leisure Software
9.	Music
10.	Performing Arts
11.	Publishing
12.	Software & Computer Services
13.	Television & Radio

This DCMS list of 'Creative Industries' has come to be considered 'standard' in the UK. While it is sometimes considered a 'leader' in the world as a whole, it certainly cannot be considered a standard outside the UK. In other places different boundaries are set, sometimes on issues of principle, and sometimes because the pattern of local creative and economic activity is different. The European Union and UNESCO have both had significant influence in the adoption of wider definitions, seeking to cover the 'Cultural' sector, including in UNESCO's case sport and tourism (UNESCO, 2006). Others have advocated significantly narrower definitions tied to intellectual property which can be protected. Some have rejected the term 'creative' altogether, on the grounds that operationally creative is essentially a synonym for innovative, and is thus not a fixed feature of an industry (Alanen, 2008).

DCMS itself uses at least two definitions, in addition to the list of thirteen industries above. One is the broader one adopted in the DCMS Evidence Toolkit. The Technical Report for that (DCMS (UK), August 2004) usefully reviews the issues and originally, as the Regional Cultural Data Framework, was intended to assist in delineating the scope of investigations such as the present one in parts of the UK. It sets out seven 'domains', and provides something of a conceptual framework for selection, something which is missing from the crude alphabetical list of 13 industries.

There is important debate about the distinctions and boundaries between 'creative' and 'cultural' industries (Galloway & Dunlop), but as a practical matter the 2001 DCMS definition became widely accepted. It is therefore adopted as a starting point for this study seeking to measure the economic contribution of Arts & Creative Industries in Scotland.

The original choice of industries for inclusion in the Mapping made by DCMS elevated considerations of international competitiveness, growth, and exports alongside art and culture. It has been valuable in showing that creative endeavour has a substantial economic contribution to make at the national level.

Grouping and Classifying the Arts & Creative Industries

In the years after the 1998 and 2001 mapping projects DCMS continued its analysis of cultural and creative industries, taking account of work in the area by UNESCO and the European Union. One document, the DCMS Evidence Toolkit (DCMS (UK), August 2004) offered a conceptual and practical grouping of the classification into seven domains.

The seven domains are:

- Visual-Arts
- Performance
- Books and Press
- Audio-Visual
- Sport
- Heritage
- Tourism

The conceptual structure is more appealing than an alphabetical list, and provides a framework for potential further subdivisions and extensions of the Arts & Creative Industries concept. As in almost every classification system there remain moot issues and contestable cases, but the overall system has substantial cognitive and practical appeal. DCMS presents its classification on the basis of two premises:

A. Culture has both a 'material' and a non-material dimension. The definition of the Cultural Sector must focus upon material culture, and we understand this to be the sum of activities and necessary resources (tools, infrastructure and artefacts) involved in the whole 'cycle' of creation, making, dissemination, exhibition/reception, archiving/preservation, and education/ understanding relating to cultural products and services.

The notion of the culture cycle can be thought of as analogous to a production chain or network. A production chain is basically the steps or cycle that any product or service goes through to transfer it from an idea through production, distribution, and exchange, to final consumption. At each step or link, a transformation takes place. Like a chain, each link is dependent upon, and often interactive with, the other links in the chain. Thus, the production of goods and services always happens in a context – an idea is nothing without execution, a product or service is nothing without distribution, and distribution is nothing without a site for exchange or an end consumer or user. All the leading international statistical frameworks for the Cultural Sector embody the same or similar logic.

B. We recognise that the range of activities defined as 'cultural' is mobile and changing. However, at their most inclusive, we propose that the domains of the Cultural Sector cover the following: Visual Art, Performance, Audio-Visual, Books and Press, Sport, Heritage, and Tourism.

In addition to the strong linkages that exist across the culture cycle or production chain within each domain, there are also significant linkages between these seven domains. The interaction between the cultural domains is the factor that makes for a logical 'cultural' grouping, as the relationship between the domains is far stronger than the interaction between the same domains and other activities, for example the financial services or the extractive industries.

Overlain on this list of domains is the issue of funding and markets. Some activities are exclusively pursued for profit, others are not, and more still are mixed. Thus, there is a strong case for the subdivision of some activities into 'mainly for profit' and 'not for profit' categories. This would usefully inform public funding decisions, as well as gauging the relative role of markets in particular domains.

The final three of the seven domains – Sport, Heritage and Tourism – are officially outside the scope of this study. However, in order to more accurately reflect the economic footprint of cultural activity in Scotland, it was agreed to include Heritage. While the tourism connections of the other domains are an important part of this study, and Visit Scotland has been closely involved with the work as members of the national Steering Group, tourism *in and for itself* has not been included as a domain in this study.

Moving Beyond the DCMS CIEE Methodology

Underpinning the results presented in Section 2 of the main report (i.e. the application of the DCMS CIEE 2011 definition and weightings) is the fact that there are a range of issues with applying this standard approach to Scotland.

A key influencing factor in the investigation of these issues is the principle that the approach used in this study sought to reflect the character of artistic, cultural and creative endeavour in Scotland, and its industrial structure – not only as a whole, but within the country's various geographic areas. The aim of this was to develop a more nuanced understanding of some of the interactions and organisational structures that exist within the Arts & Creative Industries in Scotland and to ensure that this study captured these as appropriately as it could.

The DCMS CIEE methodology has recently changed and recognises alternative approaches. Recent work from a range of sources, including the Scottish Government, NESTA, sector-groups (e.g. for the Crafts sector, Creative & Cultural Skills), and a range of other sources and commentators indicates that mechanistically applying the DCMS CIEE 2011 methodology will not capture appropriately the economic contribution of the Arts & Creative Industries. Even without this present study, this is specifically the case for Scotland, and raises questions for aspects of the industries in the UK generally.

In order to test this, this study included reviewing a range of sources of evidence to assess the extent to which the DCMS definition should (or should not) be amended/extended to ensure that as far as is possible, Arts & Creative Industries in Scotland can be appropriately reflected and measured.

This review included carrying out a range of data analyses (including drawing on findings from examining industry and occupation data for Scotland and for the UK), literature/document reviews (covering academic literature and current policy debates), assessing examples of international practice about defining and measuring the economic contribution of the Arts & Creative Industries, as well as drawing on the views of representatives from the Arts & Creative Industries sectors – especially those sections of Arts & Creative Industries where the data analysis and other research identified issues with how the standard DCMS definition dealt with them.

All of this research identified a number of issues which suggested that applying the standard CIEE 2011 definition would not appropriately reflect Scotland. In addition, it was also able to identify (primarily due to the availability of new statistical classification systems as well as a detailed analysis of occupational and industrial data) a more refined approach to the assessment and categorisation of Arts and Creative Industries. In summary, these issues include:

- The lack of ability for the DCMS CIEE to provide any data on the Crafts sector – a sector regarded as important within Scotland's Arts & Creative Industries.
- The lack of inclusion of sectors that are accepted as being core elements of the creative and cultural landscape/ecology within Scotland – including heritage and textiles.

- The identification of new, more specific, data on relevant industrial classifications that fall within the definition of Arts & Creative Industries (e.g. Cultural Education – 85520 in SIC2007).
- The lack of inclusion of some sectors that, whilst not previously regarded as creative when the original DCMS definition was set out, could now, due to changes in practice, be regarded as creative (e.g. photographic processing)
- The use of broad sector groupings (e.g. the conflation of Music and Visual and Performing Arts into one group) that restrict the usefulness of data to both policy makers and those active in the Arts & Creative Industries sectors.
- The removal, within the most recent CIEE definition, of specific sectors from the definition of Creative Industries (e.g. parts of the Software Industries).
- The recent removal (in 2011) of a 'grossing up' factor used in previous DCMS CIEE definitions. The decision is understood to have been made on the basis that forthcoming data improvements would remove the need for such a factor. However, investigation has shown that issues still exist with the data, as well as identifying that a blanket grossing up factor is not an appropriate solution.
- The use of weightings for some sectors (e.g. designer fashion) that are now regarded as outdated and do not appropriately reflect the current industrial/economic structure in Scotland.

The last three bullet points – all relating to the recent changes to the DCMS CIEE definition and methodology – are considered in more detail below.

Changes to the 2011 Methodology for CIEE

There have been recent changes to the DCMS approach – outlined in the December 2011 Creative Industries Economic Estimates (CIEE) – that have been the subject of some debate. These issues, in particular, relate to changes made possible by the introduction of a new industrial classification system (SIC 2007, which replaced the previous SIC 2003) – and which have included the removal of some particular sectors from recent estimates that were previously included, and also the removal of a grossing up factor that was previously used in the CIEE but that has now been removed.

In amending the methodology for the CIEE in 2011, DCMS has taken early advantage of the new classifications from SIC 2007. In the Creative Industries SIC 2007 makes it straightforward to distinguish between writing software for 'routine' business and domestic purposes, and writing computer games. In the new CIEE DCMS has deemed that only the games are considered 'creative', so resolving an issue which had a long standing issue for many with a cultural interest. In addition newspaper publishing has been brought into the scope of Creative Industries.

Conceptually these shifts in scope have been welcomed by some, but they have the effect of significantly reducing the numerical estimates: business and domestic software was a large part of the previous definition of Creative Industries. Many advocates will fear that reducing the final numbers reduces the political clout of the sector. This issue is helpfully addressed at a UK level by NESTA (Bakhshi & Freeman, 2012), but there remains for Scotland the conceptual issue of how much commercial programming to include as a 'creative industry'.

(i) Elimination of 'grossing up'

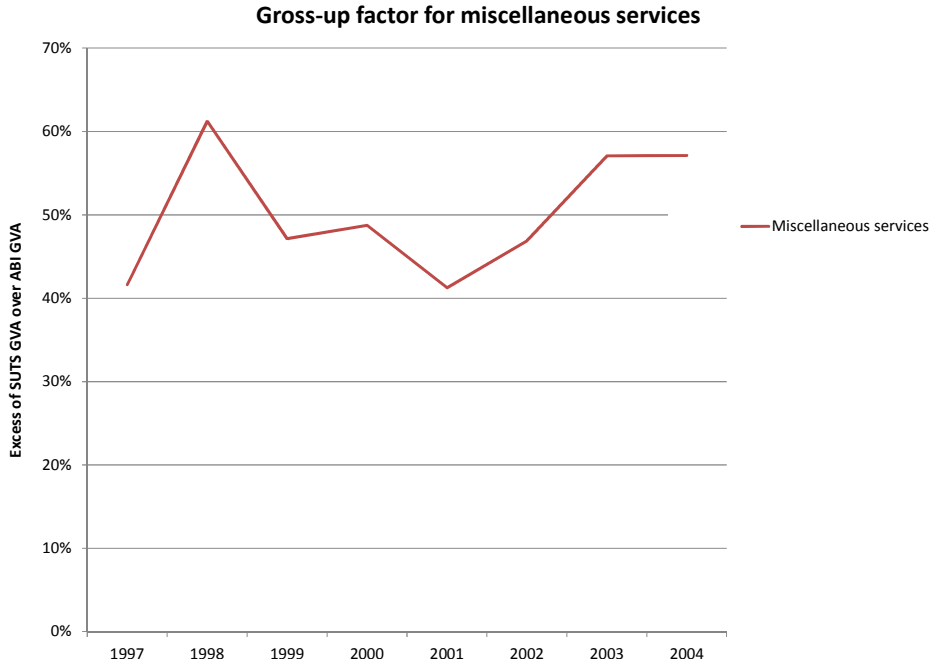
The biggest change in the new CIEE comes from a different source: elimination of a 'grossing up' factor of 30 per cent. It is understood that this was originally introduced to compensate for the difference between the initial survey estimates of GVA, and the final estimates prepared as part of the National Accounts. ONS reconciles 'supply based'

estimates of sales and GVA from the surveys with 'use-based' estimates from such sources as consumer inquiries and export and investment data. The balanced Supply and Use Tables, summarised into more than 100 industries and products, usually provide figures that are statistically stable and consistent across the whole economy.

The decision to eliminate 'grossing up' in the CIEE was, it is understood, made in the summer of 2011. On December 1st 2011 new supply and use tables were published.

National accounting/ABI discrepancies were reviewed historically and it was found that for the broad sector 'miscellaneous services', in which many cultural industries are included, a grossing up of 50 per cent would have been more appropriate – looking at the time series in Figure A1.1 the 30 per cent figure was less than the minimum that happened to occur in the year the second cultural mapping project was carried out.

Figure A1.1: 'Grossing up' factor – recreational services



In terms of the preparation of the latest CIEE (December 2011), it is very likely that in summer 2011 Treasury/ONS were very confident that the need for grossing up would disappear. This was because there was a much-vaunted new method of compiling the supply and use tables (SUTS).

However publication of the new SUTS (on November 11th 2011) shows this is certainly not the case – for example large and strategic industries like North Sea oil and gas require adjustments as large as 27 per cent. Appropriate adjustments therefore need to be investigated on as focused a basis as possible. A preliminary investigation has been carried out and it has been summarised in a separate document, formally outwith the current project (Gibson, February 2012). Sample figures for 2008 and 2009[1] for industries with some creative content are shown in table A1.2 overleaf:

[1] 2009 is the latest year for UK input output tables. There are as yet no official Scottish input output tables based on SIC2007.

Table A1.2 Grossing up/down factors by industry

Gross Value Added ratio of national accounts final estimate (SUTS) to ABS 'approximate' estimate	2008	2009
Product		
Wearing apparel	2.02	2.56
Publishing services	1.06	1.01
Motion picture, video and TV programme production service	2.17	2.05
Programming and broadcasting services	1.09	1.03
Computer programming, consultancy and related services	0.82	0.83
Information services	0.59	0.60
Architectural and engineering services; technical testing and	0.82	0.78
Advertising and market research services	1.09	1.13
Creative, arts and entertainment services	0.72	0.64

These figures must be treated with caution, because in the course of the work it has become apparent that significant adjustments may be required to the National Accounts sales and GVA estimates for some economically large and politically important industries (notably oil and gas).[2]

The crucial conclusion from the creative estimation viewpoint is that a blanket grossing up – whether by 30 per cent or nothing – is inappropriate and, if adopted at all, detailed grossing up figures for the individual industries should be applied instead.

However, in the present circumstances, it is clear that the relationship between National Accounts and Annual Business Survey figures has changed because of new methodologies on both sides, and is probably not yet stable. ***Therefore, there has been no application of grossing up to BRES results in this study. The extraction of grossing up factors can be considered for inclusion once the national accounts have been revised.***

(ii) Issues with the DCMS Weightings/Proportions

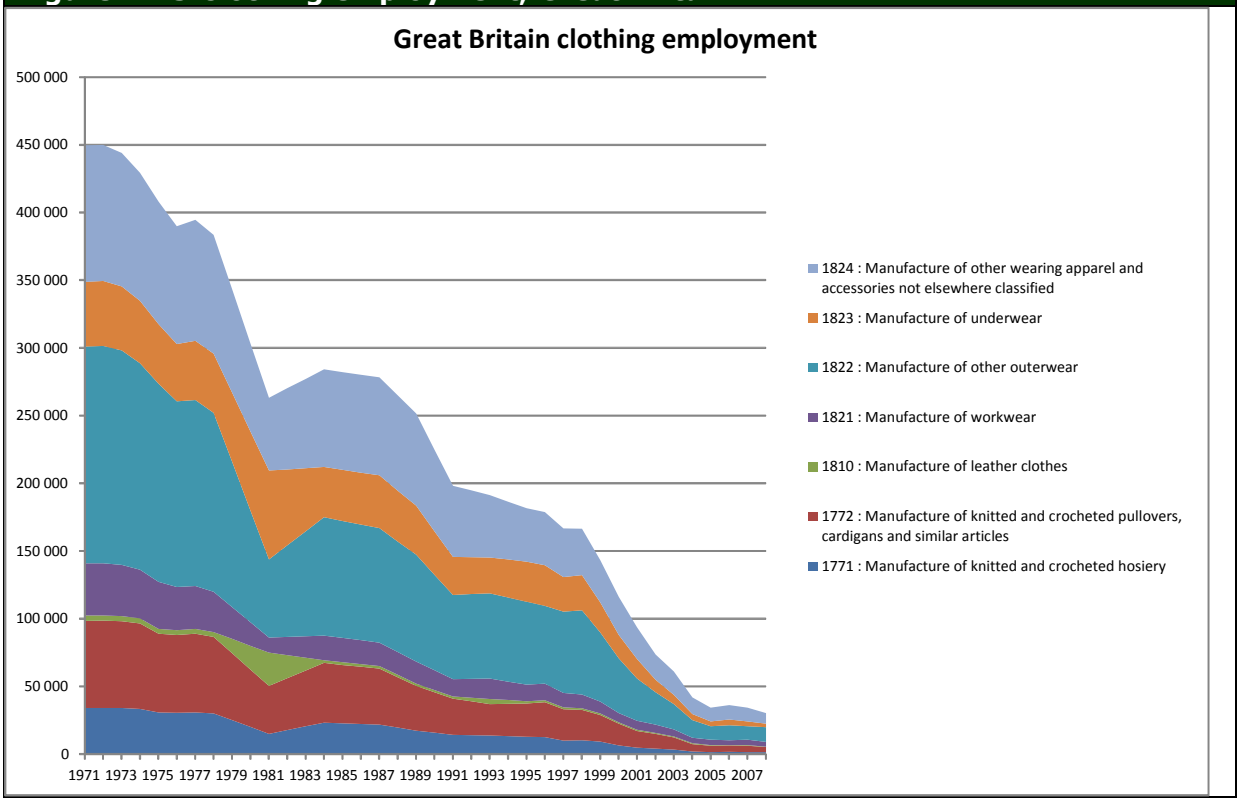
It is also clear that even in their own terms, and for the UK as a whole, the DCMS proportions may have gone awry. One prominent aspect of this is examined below.

Fashion design provides a good illustration of how the DCMS proportions have been hard to adjust as the overall industrial structure of the UK has changed. The DCMS CIEE statistical system estimates fashion designers as 0.5 per cent of employment in the clothing industry. When the proportion was first promulgated the latest available figures showed about 180 000 people employed in the clothing industry in Great Britain, so this amounted to around 900[3].

[2] The study team opened a dialogue with ONS about these, and they (ONS) have accepted that revisions are necessary. It was noted that some of the issues had already been detected by ONS internal quality control systems, and steps taken to correct them. ONS indicate that current thinking is not to change the figures until new National Accounts are published. Even then, it may perhaps not be possible to address all the issues.

[3] For this illustration please note that there has been no *precisely* controlled analysis to match the industry delineation under the older Standard Industrial Classifications, so this figure may vary slightly from ones published at the time.

Figure A1.3 Clothing employment, Great Britain



Currently[4] there are about 30,000 people employed in the clothing industry, so the DCMS CIEE calculation yields only 150 people employed in fashion design in Britain. It is believed, based on analysis of available evidence about fashion design (e.g. occupation data - see bullet points below), that this is a clear under-estimate, and while overall clothing employment has fallen by five sixths, it is understood, that the number of fashion designers and people working closely with fashion designers had been relatively stable or even increased. There are two mechanisms through which any potential undercount can be assessed and confirmed:

- Firstly, through the examination of the occupational data. Indications, based on an assessment of occupational data, suggest that Scotland may have around 500 people working in fashion design, about four times as many as the DCMS methodology would indicate.

- Secondly, as for other sectors, the findings from the Arts & Creative Industries sector consultation events held as part of this study helped us to ascertain the extent to which Scotland's role in designer fashion has changed.

Perspectives of the Arts & Creative Industries in Scotland

The approach adopted for this research has also been able to reflect upon the findings from the sector consultation events carried out during this study, and many of the issues with the DCMS CIEE definition identified above were reaffirmed in the findings from these consultation events.

[4] These charts finish in 2008 to avoid the complications introduced by the new SIC2007.

The key themes that emerged from the consultations are presented below.

First, for those who have an appreciation of the recent changes to the DCMS CIEE methodology – i.e. the 2011 method as compared to the previous method – there are concerns about the impact of these changes on the estimates of the contribution of the sector (especially given that the changes have resulted in a reduction in the overall estimate of the economic contribution of Arts & Creative Industries). There are fears that the implications of these methodological changes could include a reduction in the level of importance and recognition placed on the creative industries by politicians and policy makers.

Second, the categorisation of the creative industries (as presented in Table A1.1) causes frustrations for the sector – in terms of the (lack of) usefulness of these categorisations for those actively involved in the A&CI. These frustrations become more acute when the results typically merge two of the 13 categories to create a category of 'Music and Visual and Performing Arts'.

The strong view from the sector is that the disaggregation of such 'lumping together' is an important issue that needs to be addressed.

Third, whilst those individuals consulted as part of the sector consultation events recognised the focus of this study on assessing the economic impact of A&CI in Scotland, there are strong calls for the impact and contribution of the A&CI to be more fully captured by going 'beyond GVA'.

There are calls for any assessment of the impact of A&CI to reflect the contribution to other (non-economic) agendas – such as health, education, mental well-being, happiness etc. Assessing such wider impacts has long been an issue for cultural economics, and is an area that DCMS amongst others has a long term commitment to (e.g. through the Culture and Sport Evidence (CASE) research[1]).

In addition, there are concerns about going beyond GVA within an economic paradigm – recognising that GVA-based economic assessments will not capture all of the economic impacts of A&CI due to the way that some aspects of activity are treated (e.g. it is particularly recognised that the contribution of the heritage sector as well as the state-funded elements of the broadcasting sectors are missed (or counted as negative) in a GVA based assessment.

Fourth, representatives from across A&CI sectors expressed concerns about the extent to which an economic impact assessment (especially one based on standard economic datasets rather than primary research), can sufficiently reflect and capture the 'portfolio lifestyle' of many of those involved the A&CI. This is thought to be particularly true for those in rural areas (where the activity of those involved in the A&CI is described by those in the sector as a 'crofting approach to the arts'. The scale of portfolio working (or project based working) is accepted as more prevalent in the A&CI than in other sectors, and therefore any issues and challenges with capturing the economic impact of such ways of working are more pronounced.

Linked to this is the issue and challenge of trying to capture the cross-sector and cross-art form activity of many of those involved in A&CI. The scale of 'portfolio lifestyle'/project based working and cross-art form activity can make some of the sectoral distinctions presented in the DCMS approach of limited value and usefulness.

[1] CASE is a joint programme of strategic research lead by DCMS in collaboration with Arts Council England, English Heritage, and Sport England, which aims to strengthen understanding of how best to deliver high quality culture and sporting opportunities to the widest audience, generating positive outcomes for society.

As such, many of the issues mentioned above lead to calls from those involved in the A&CI sectors for the categorisation of A&CI in such economic impact studies to be made meaningful to those in the sector (rather than simply a construct that fits neatly with statistical definitions).

Fifth, the importance of capturing the role of freelancers and sole traders in the A&CI (who may not be accurately captured by standard economic datasets), was emphasised especially when – reflecting the aforementioned issues around portfolio lifestyles, project based working etc. – the scale of freelancers and sole traders is thought to be more significant for the A&CI.

In addition, the role of volunteers within the A&CI is thought to be significant, and for some activities, events and organisations, volunteers can play a critical role (but one that is often under-valued in economic terms).

Sixth, an important dimension for those working in the A&CI (which has emerged as a key theme within the Outer Hebrides case study) is the balance between creative/cultural drivers and economic/business drivers for those operating in the A&CI. There are those for whom creative drivers are as significant as (or more significant than) economic drivers, and as such, there are calls for any economic impact study to reflect or at least appreciate this.

Seventh, the wider tourism role and contribution of the A&CI is thought to be an important and significant economic contribution of the sector, and as such, there are calls from the sector for this role to be appropriately captured in any economic impact assessments.

Finally, alongside all of these issues there were some clear sector specific issues that were identified during the consultations. These primarily related to:

- Including areas of A&CI that are not currently included in the 'DCMS 13' definition but that are regarded as core parts of the A&CI in Scotland (such as heritage/museums & galleries, and textiles).

- Ensuring that attempts to capture particular sectors where identifying the economic contribution using standard economic datasets is accepted as difficult or impossible (most notably crafts) must be addressed or at least explicitly recognised as an issue.

- Ensuring that the weightings attributed to particular sectors/sub-sectors are appropriate to Scotland (rather than the UK) and are appropriate to the structure of the economy in 2012 (e.g. some weightings were created in the late 1990's and the structure of some of the sectors have changed radically since then – such as designer fashion).

Scoping the Arts & Creative Industries in Scotland – Outlining the Approach

Building on the issues with the DCMS approach set out above, outlined below is a refined scope for defining the Arts & Creative Industries in Scotland. In the final scope adopted for this study, a list of sixteen industries has been established (compared to the standard thirteen used in the DCMS CIEE 2011), with Crafts being further subdivided into a number of subsectors.

The definition used reflects the understanding that has emerged from various strands of analysis, detailing some of the interactions and organisational structures that exist within the Arts & Creative Industries in Scotland. It also seeks to exploit the potential for

improved measurement that derives from new statistical classification systems (i.e. SIC2007). Finally, to arrive at the final scope/definition, further work by DCMS, the Scottish Government (including the recent Growth Sectors – SIC 2007 Definitions - User Consultation), and international and academic commentary has been drawn on, along with findings from examining industry and occupation data for the UK and Scotland.

In shaping the definition, the final approach has also been able to reflect upon the findings from the sector consultation events carried out during this study.

In the final scope, a list of **sixteen industries** has been established, with Crafts being further subdivided into a number of subsectors. Not all of these industries and subsectors are present everywhere in Scotland, but presenting them all helps to capture the creative environment and its economic ramifications as well as official statistics can, and to show how distinctive creative activity is. With one exception, the sixteen industries fall into five cultural domains (as set out by DCMS in the 2004 DCMS Evidence Toolkit), and in addition software development (which has until recently been part of the DCMS Creative Industries scope) has been included as a sixth, alongside Creative Education[5] as a seventh domain.

Key adjustments that have been included in this scope - as compared to the DCMS methodology - include:

- **Splitting out/rearranging some industries into more appropriate categories.** This includes splitting out the 'Music and Visual and Performing Arts' into three separate categories; separating the art dealers element from antiques within the DCMS 'Art and Antiques' category and re-categorising them more appropriately; and assigning a part of artistic creation (based on occupation data for artists) to the art galleries category.
- **Adding in industries regarded as part of the wider scope** of **Arts and Creative Industries in Scotland.** Specifically the inclusion of Textiles (within the 'Fashion and Textiles' category), of museums, galleries, historic sites etc. within the 'Heritage' category, and the addition of the 'Creative Education' category.
- The **retention of some categories recently removed by DCMS.** Within Software/Electronic Publishing the classifications covering computer consultancy activities and business and domestic software development have been included within the scope despite recently (2011) having been removed from the DCMS CIEE definition. This retention is consistent with the recent Scottish Government User Consultation on Growth Sectors, which proposes the continued inclusion of business software, reflecting that the Growth Sector has been named in the Government Economic Strategy as 'Creative Industries (including Digital)'.
- Attempting to **capture the 'Crafts' sector** (something that DCMS have not been able to do at all) by identifying the appropriate Standard Industrial Classifications for craft activities and assessing (through data analysis at the local level) which elements within each class can be appropriately designated as crafts rather than manufacturing. In a number of crafts related industries the analysis has sought to exclude large establishments (e.g. in local authorities where hundreds of people are employed making glassware, this has been assumed to be bottles, but places with smaller employment have been assumed to be craft activities). Similar approaches

[5] The analysis for this study has taken advantage of the identification of 'Cultural Education' in the new Standard Industrial Classification (SIC 2007). This class includes provision of instruction in the arts, drama and music. Establishments giving this kind of instruction might be labelled 'school', 'studios' or 'classes'. They provide formally organised instruction mainly for recreational purposes, and such instruction does not lead to a *professional* diploma, baccalaureate or graduate degree [our italics]. Establishments that do lead to a professional qualification are classed elsewhere in the education sector, and their cultural content can only be adduced from education statistics (e.g. Higher Education Statistics Agency, Scottish Funding Council). A&CI in the education sector in Scotland is addressed in Section 5 of this report.

have been used in furniture, ceramics and textiles, and antiques and furniture restoration have also been included within Crafts.

- **Amendments to the DCMS weightings** for some specific industries (e.g. through the use of various aspects of analysis (comparing industrial (SIC) with occupational (SOC) data, assessing Scottish Input-Output Tables, etc.) some issues with the DCMS weightings were able to be addressed in order to make them more relevant to Scotland at the current time.
- Examination of the occupational structure has also led to the **inclusion of some other sectors** which *prima facie* might not have been considered 'creative' (e.g. photographic processing used to be a mundane mechanical industry, whereas now it includes creative photo-editing processes, similar to those employed in other areas of graphic design).

Table A1.3 below summarises the scope used – setting out the domains and industries included. More information on how each industry is precisely defined in terms of the Standard Industrial Classification (SIC 2007), are set out in Annex 2 to the national study report.

Table A1.3: Summary of Scope of Definition of Arts and Creative Industries

DCMS CULTURAL DOMAINS	SCOTTISH ARTS AND CREATIVE INDUSTRIES	
Visual Art	1) Advertising	
	2) Architecture, planning and building design	
	3) Visual art and art dealers/ commercial galleries	
	4) Crafts	4a) Furniture and wood crafts
		4b) Jewellery
		4c) Pottery
		4d) Glass
		4e) Textile craft goods
		4f) Other crafts
		4g) Antiques markets
	5) Fashion and Textiles (includes designer fashion)	
	6) Design and design-dependent industries	
Performance	7) Performing arts including arts facilities and support	
Audio-Visual	8) Music including sound recording, music publishing and distribution and instruments	
	9) Photography	
	10) Film and video	
	11) Computer games etc	
	12) Radio and TV	
Books and Press	13) Writing and Publishing	
Heritage	14) Museums and galleries, archives, libraries, historic sites	
Digital Industries (Formerly in DCMS Creative Industries but not in Cultural Domains)	15) Software/electronic publishing	
Cultural Education	16) Cultural education	

ANNEX 2: TECHNICAL NOTE ON APPROACH TO ADJUSTED GVA

There are important conceptual issues arising from the formal definition of Gross Value Added, which is the normal metric by which contributions to economic growth and development are gauged. The value that an organisation or an institution adds is calculated as the difference between the value of its outputs and the value of its inputs. Adding it up across a whole country gives a figure for national Gross Value Added, which is what used to be known as GDP (provided that taxes and subsidies are properly accounted for).

For most commercial bodies the value of outputs is the value of sales, and the value of inputs is the value of purchases (again, with tax adjustments, and also allowing for opening and closing stocks). ONS statistical systems (principally the Annual Business Survey) collect these data from every large enterprise in the country, and a good sample of smaller ones, in the same way as the BRES is used for employment.

However this approach does not work for most government activities, mainly because there are no sales, or very few, but also because national and local government accounts are kept differently from commercial ones. Sometimes a private sector sales figure can be used as a guide, but more usually the statisticians simply assert that the value of government output must be at least as much as the cost of the inputs, so the GVA must be at least as much as the employment costs and any capital use.

However it makes the original 'supply based' estimates, ONS reconciles them with 'use-based' estimates from such sources as consumer surveys and export and investment data. The balanced 'Supply and Use Tables', summarised into more than 100 industries and products, usually provide figures that are statistically stable, and consistent across the whole economy.

When the Annual Business Survey results for the UK were examined in detail, it was found that broadcasting and the heritage sector present some anomalies due to the way in which they have dealt with by the accounting conventions. Across the whole UK the heritage sector is shown in formal national accounts as a value subtractor, rather than a value adder, and the BBC is shown as subtracting value, which serves to greatly reduce the value which commercial broadcasters are shown as adding. According to the Annual Business Survey, GVA is negative for both these sectors.

What has happened is that these two sectors have fallen, in accounting terms, between the two stools which were designed for purely commercial institutions and for government. Most museums and heritage activities are largely supported by grants-in-aid, and also nationally by benefactions, and they have relatively little income by way of sales. This is not to diminish the role of museum shops and the like, but they are not the primary purpose of the institutions that house them. However they do have costs, and the shortfall between the full costs of an institution and any sales-for-money that it earns is considered by the system as negative value added.

- **If** the sectors were considered to be 'selling' services to the public (like universities, or many parts of the NHS) then the grants-in-aid would be treated as sales, and so there would be positive value added. This was the case for the BBC until about five years ago, when the licence fee was considered to be a payment for service. Now, it is considered to be taxation, and so when it is transferred to the Corporation it is considered a subsidy.

- **If** the sectors were considered to be wholly a part of government, whether UK, Scottish or local, they would qualify for having their GVA estimated by rounding up their costs.

The study team has enquired of some overseas national statistical offices, and the latter system is the one that appears to pertain in most countries, despite the formal strictures of the European System of Accounts.

The **study team's interpretation as set out above has been confirmed by ONS**, both in general and by the specific sector teams that compile the relevant sector data.

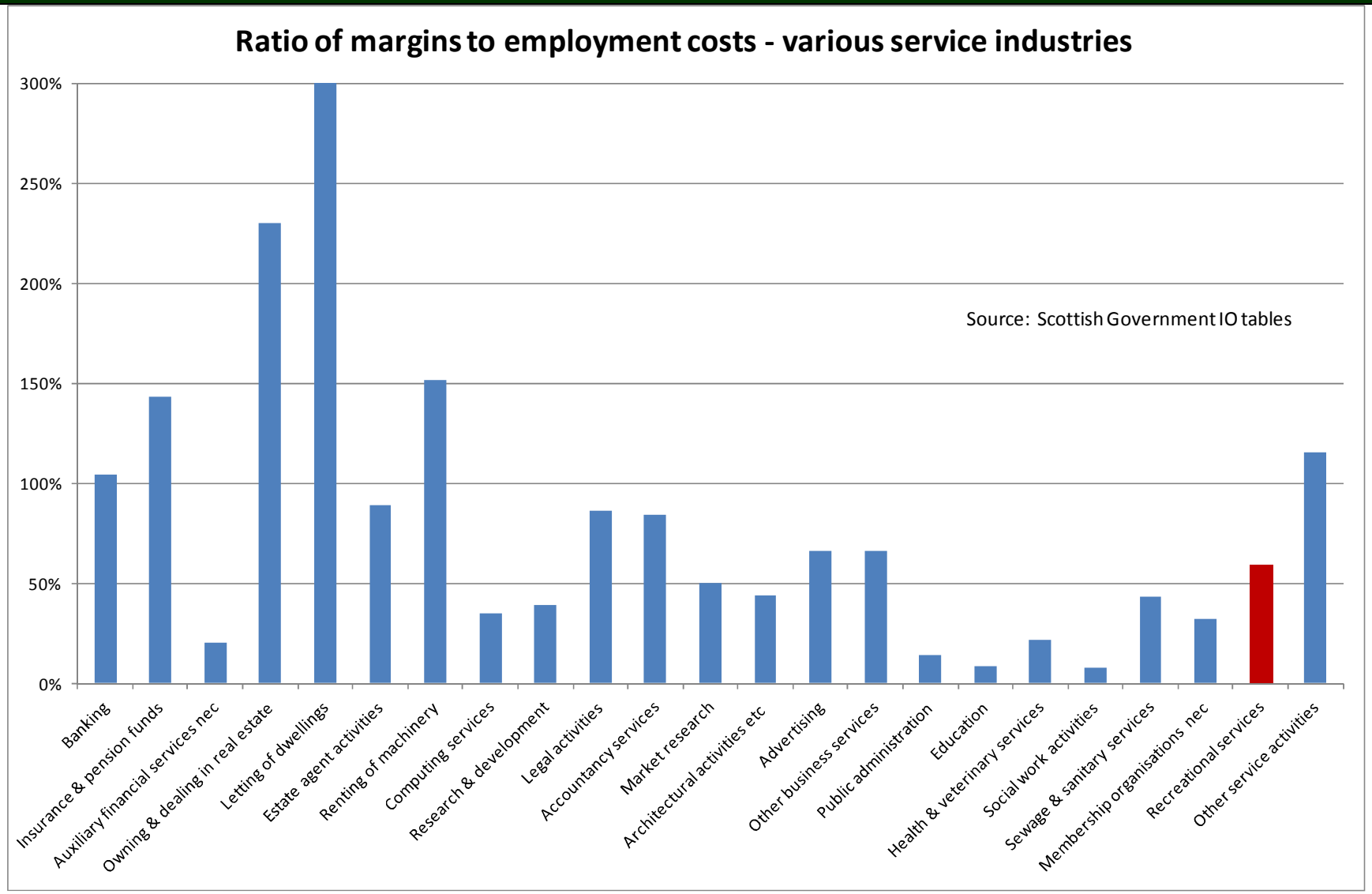
Given all of the above, set out below are estimates of **what the GVA of the sector would be if heritage and broadcasting accounts were compiled in the same way as other sectors of the economy**. We refer to these below as 'adjusted conventional accounts'.

In fulfilling this aim, the study team looked back at earlier/previous practice. For the heritage sector this is indicated in Table A2.1 (set out at the end of this Annex). It is clear that within the years shown in this table there had been at least two changes in practice, one method being used up to 1998 and a different one after 2005. It is not clear what methods were used in the interim years, as no results were published. However what does usefully emerge from Table A2.1 is that UK-wide the heritage sector has been growing, whether measured by the number of establishments, turnover, purchases or employment costs.

The first step in estimating 'conventional accounts' is to attempt to generate a 'turnover' figure for the sector. For heritage we looked at the ratio of the generality of costs in relation to employment costs. In the UK museum sector as a whole these amount to 95 per cent and in the heritage sector to 97 per cent. These figures are much less than in the recreational services in Scotland, where the figure is 250 per cent.

The other element of turnover in a commercial situation is operating margin. The ratio of this to employment costs also varies widely across service industries, unsurprisingly being low (a few percentage points) in public sector activities, but relatively high (60 per cent) in the leisure and recreational sector to which museums and galleries and broadcasting belong. The ratios are shown in Figure A2.1 overleaf.

Figure A2.1: Ratio of Margins to Employment Costs



In the heritage sector a first estimate of 'turnover' was therefore made by adding estimated purchases to the estimated wage bill and a margin equivalent to 30 per cent of employment costs. This yielded an adjusted turnover figure of approximately £6 million, or 70 per cent higher than formal accounting suggests. GVA would be approximately £3.6 million, or double the conventional estimate.

In broadcasting the Annual Business Survey GVA estimates do not take account of the subsidy, so they approximate to normal company accounts. When looking at the ratio of turnover to employment, in the sector across the UK, as measured by the Annual Business Survey, it is exceptionally high, approximately £500,000 per employee, but the BBC accounts show turnover of £5 billion for 17,200 employees, or £290,000 per employee. Value added in the ABS is £270,000 per employee, and the BBC accounts show value added of £2.1 billion (operating surplus £0.5 billion plus salary costs £1.3 billion plus depreciation/amortisation £0.3 billion), or £122,000 per employee. Applying the ABI figures to 3,500 employed in radio and TV in Scotland would yield £1.8 billion turnover and £1.0 billion GVA, and applying the national BBC figures to the whole Scottish sector would yield £1billion and £430 million.

The BBC has recently published a response to an FOI request, indicating that just over 1,000 people (plus part-timers and freelances) are employed in BBC Scotland, at an average annual salary of £35,300. Adding on-costs and the other components of value added pro-rata would give £74,000 GVA per head, 60 per cent of the UK figure. This no doubt takes take account of different market conditions and a truncated organisational structure in Scotland, and so will conditions at other broadcasters. The ABS figures may include very highly-salaried London-based executives, and some freelancers, but any of these three sets of figures leads to many times that reported using the conventional approach.

Accordingly, it was thought appropriate to reduce the ABS-based figures to about 40 per cent, to give £24 million turnover and £12.8 million GVA for Radio and TV.

Thus the impact of bringing heritage and broadcasting accounting practices into line with other industries is to **increase the estimate of A&CI turnover from £24.3 million to £51.4 million and to increase the total GVA of the A&CI from £11 million to almost £26 million**. Needless to say, as well as giving higher weight to the economic importance of the A&CI sectors, these adjustments have a visible impact on the measured overall performance of the Outer Hebrides.

These should be considered preliminary estimates which can probably be refined once issues with the National Accounts have been resolved and the Scottish Government has published new input output tables for Scotland.

Table A2.1: Extract from the Annual Business Survey issued November 2011

Standard Industrial Classification (Revised 2007) Section Division Group Class	Description	Year	Number of enterprises	Total turnover	Approximate gross value added at basic prices	Total purchases of goods, materials and services	Total employment - point in time	Total employment - average during the year	Total employment costs	Total net capital expenditure	Total net capital expenditure- acquisitions	Total net capital expenditure - disposals	Total stocks and work in progress - value at end of year	Total stocks and work in progress - value at beginning of year	Total stocks and work in progress - increase during year
			Number	£ million	£ million	£ million	Thousand	Thousand	£ million	£ million	£ million	£ million	£ million	£ million	£ million
R	Arts, entertainment and recreation	2008	58,389	87,649	15,588	69,521	593	585	9,624	2,411	2,764	353	195	194	2
		2009	56,398	89,736	17,055	70,142	593	597	10,440	2,037	2,288	251	194	221	-27
		2010	55,866	91,110	15,230	73,082	714	..	10,783	1,937	2,316	378	177	172	6
91	Libraries, archives, museums and other cultural activities	2008	1,659	1,458	9	1,446	52	51	1,113	511	534	23	7	11	-4
		2009	1,605	1,144	28	1,201	57	60	1,159	205	240	35	22	13	9
		2010	1,597	1,294	162	1,210	107	..	1,254	281	339	58	16	21	-5
91.01	Library and archive activities	2008	329	141	7	134	6	6	133	25	28	2	-	-	-
		2009	322	76	-9	85	7	7	171	18	27	8	-	-	-
		2010	314	264	94	187	47	..	196	46	51	5	1	1	-
91.02	Museum activities	2008	523	380	-60	436	18	18	472	328	332	4	1	1	1
		2009	530	313	-150	462	19	20	468	121	129	7	1	1	-1
		2010	529	375	-69	443	29	..	468	162	186	24	1	3	-2
91.03	Operation of historical sites and buildings and similar visitor attractions	2008	489	377	59	321	11	11	198	63	78	15	6	10	-4
		2009	444	309	111	216	13	14	185	23	35	13	18	8	10
		2010	434	338	106	236	12	..	187	3	29	26	13	16	-3
91.04	Botanical and zoological gardens and nature reserve activities	2008	318	559	4	556	17	17	310	95	97	2	-	-	-
		2009	309	447	76	439	18	19	335	43	50	7	3	3	-1
		2010	320	317	30	344	20	..	404	70	74	3	1	1	-

Source: ABS UK, Section R (Arts, Entertainment and Recreation). Release Date 17/11/2011. Data has been collected under SIC (2007). Please see ABS Background Information for further information.

Table A2.2: Extract from the Annual Business Survey issued June 2009

ANNUAL BUSINESS INQUIRY

SECTION O - OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES

Release Date 16/06/2009

Data for 2003-2007 has been collected under SIC(2003). Please see ABI what's new page for further information.

Standard Industrial Classification (Revised 1992) (Revised 2003) Subsection Division Group Class	Description	Year	Number of enterprises	Total turnover	Approximate gross value added at basic prices	Total purchases of goods, materials and services	Total employment - point in time	Total employment - average during the year	Total employment costs	Total net capital expenditure	Total net capital expenditure- acquisitions	Total net capital expenditure - disposals	Total stocks and work in progress - value at end of year	Total stocks and work in progress - value at beginning of year	Tota an p du
			Number	£ million	£ million	£ million	Thousand	Thousand	£ million	£ million	£ million	£ million	£ million	£ million	
92.52	Museum activities and preservation of historical sites and buildings	1995	927	284	114	170	..	..	139	80	87	7	-	-	
		1996	958	373	162	211	..	..	176	60	60	-	-	-	
		1997	920	544	190	358	..	..	322	143	162	19	2	1	
		1998	885	511	73	441	27	27	362	177	187	10	..	..	
		1999	911	522	*	*	32	31	475	194	203	9	*	*	
		2000	888	400	*	*	23	24	371	*	*	*	3	2	
		2001	884	494	*	*	25	25	409	154	157	2	*	*	
		2002	906	518	*	*	27	27	482	143	*	*	89	86	
		2003	954	757	112	646	30	31	590	203	211	7	13	21	
		2004	980	758	*	*	31	32	649	161	175	15	5	8	
		2005	1 021	848	96	766	35	36	689	180	188	7	9	3	
		2006	1 060	777	29	752	36	36	715	134	213	78	5	9	
		2007	1 087	944	137	827	38	37	703	174	204	30	12	8	

ANNEX 3: LIST OF CONSULTEES

Table A3.1: One-to-One Consultees (Face to Face and Telephone Interviewees)

Consultee	Organisation
Agnes Rennie	Acair Ltd
Alan Turner	Chair of Uist Craft Producers
Alex and Sue Blair	Borgh Pottery
Alex Cluness Norman Macleod Andy MacKinnon	Taigh Chearsabhagh
Ann Morrison	MAC TV
Billy MacPhee	Hebridean Jewellery
Bruce Armitage	HTT Manufacturing Ltd
Caroline Maclennan Murdo Maclennan	Hebridean Celtic Festival
Donald Morrison	Storlann
Floraidh Maclean	BBC
Ged Yeates	Ged Yeates
Gordon Anderson	Anderson Associates
Group Meeting	Historical Societies
Iain Finlay Macleod	Breanish Tweed
Iain Macmillan	Lews Castle College UHI
Ian Stephen	Ian Stephen
Jenna Morrison	Feisean nan Gaidheal
Keith Mcintyre	Keith Mcintyre
Leila Angus	Brighter Still
Lorna Macaulay	Harris Tweed Authority
Lorraine Burke	Hebridean Graphics
Malcolm Maclean	Proiseact nan Ealan
Marion Isa Macphee	
Mary Schmoller Mairi V MacInnes	Ceolas
Matthew Macdonald	
Murdo Macmillan	Harris Tweed Hebrides
Muriel Anne Macleod	Rural Nations Ltd
Neil Graham Donnie Macdonald Chris Macdonald	MG Alba
Olwen Shone	Olwen Shone
Pamela Conacher	Craft Development Coordinator, HI-Arts
Paulette Brough	Rarebird
Pauline Prior-Pitt	
Roddy Murray	An Lanntair
Sharon Blackie	Two Ravens Press
Stella Whittle	Uist Crafts Workshop
Trish Botten	Head of Museums and Libraries (Comhairle nan Eilean Siar)

Table A3.2: Scoping Meeting Consultees/Attendees and (Telephone) Scoping Discussants		
NAME	**ROLE**	**ORGANISATION**
Agnes Rennie	Councillor; Acair Ltd; Broadcaster; Proiseact nan Ealan; Galson Estate; Studio Alba	
Alex Clunas		Taigh Chearsabhagh
Angus McCormack	Councillor, An Lanntair (Chair); Director of Studio Alba, Stornoway Historical Society	
Anne Murray	Economic Development Officer	Comhairle nan Eilean Siar
Bruce Armitage		HTT (Manufacturing) Ltd
Calum Iain MacLeod	Development Director	Comunn na Gàidhlig
Caroline Maclennan	Festival Director	Hebridean Celtic Festival
David Powell	Archivist	Comhairle nan Eilean Siar
Deborah Anderson	Council Archaeologist / Udal Project	Comhairle nan Eilean Siar
Doileag Macleod	Gaelic Development Officer	Comhairle nan Eilean Siar
Elsie Mitchell	Arts Development Officer	Comhairle nan Eilean Siar
Erica Morrison	Gaelic Arts Development Officer	Comhairle nan Eilean Siar
Iain Maclennan	Skills Development Scotland	Skills Development Scotland
Iain Macleod	Economic Development Officer	Comhairle nan Eilean Siar
Jane MacIntosh	Head of Communities	Highlands and Islands Enterprise
John Murdo Macmillan		Proiseact nan Ealan
Jori Kim		Honcho Productions
Lorna Macaulay	Harris Tweed Authority	Harris Tweed Authority
Mairi Buchanan	Senior Development Manager	Highlands and Islands Enterprise
Malcolm Maclean		Proiseact nan Ealan
Mary Schmoller		Ceolas
Murdo Maclennan	Chair	Hebridean Celtic Festival
Murdo Macmillan		Harris Tweed Hebrides
Neil Graham	Head of Operations	MG Alba
Nicky Sobey	Economic Development Officer	Highlands and Islands Enterprise
Norman Maclean	Business Gateway	Comhairle nan Eilean Siar
Peter Urpeth	Writing Development Coordinator	HI-Arts
Robert Livingston	Director	HI-Arts
Roddy Murray	Director	An Lanntair
Trish Botten	Head of Museums and Libraries	Comhairle nan Eilean Siar

ANNEX 4: QUESTIONNAIRE USED FOR E-SURVEY

Below is a copy of the Outer Hebrides Business Survey distributed to Arts and Creative Industries based in the Outer Hebrides between late February and mid-March 2012. Direct, individualised e-mail invitations were sent to a range of creative enterprises and individuals, and the survey was also promoted and publicised via various routes (including press releases). A total of **100 replies** were received, (of which 96 were useable) equating to an **approximate response rate of 33%.**

Introduction

DC Research and partners (Pirnie Ltd., Cogent Strategies International, and Dr Douglas Chalmers) have been commissioned by Creative Scotland, in collaboration with Highlands and Islands Enterprise (HIE), Comhairle nan Eilean Siar and Skills Development Scotland to research the economic impact of the arts and creative industries in Eilean Siar.

As part of this work, we are carrying out a survey of those involved in the arts and creative industries in the Outer Hebrides. The aim of the survey is to explore both the economic impact of key industries, larger groups and organisations as well as the 'wider' economic role played by those working in the arts and creative industries, including 'micro' enterprises, social enterprises and other alternative business models.

Gathering your views is very important to the study – it will enable us to provide an accurate assessment of the impact of arts and creative industries in the Outer Hebrides, ensuring that the views of those involved in the arts and creative industries are part of this study.

We would therefore be grateful if you could complete this survey by no later than Friday 16th March 2012. It should only take around 10 minutes to complete. Please note that all individual responses are treated in complete confidence, all views remain anonymous. All and any results of the survey will only be released in aggregated form so that no individuals can be identified.

Your time in responding to this survey is very much appreciated. If you have any questions, do not hesitate to contact Stephen Connolly (Director at DC Research) on 01228 402320, 07501 725114 or via stephen@dcresearch.co.uk.

Your Details

1. Please enter your details below:
(Please note: All information is kept confidential and responses are only used to assess representativeness of replies. However, if you would rather not give your name, please feel free to leave your response to this question blank).

Your Name	
Enterprise/Organisation Name (where applicable)	
Main Location	
Year in which your 'creative activity'/enterprise/organisation was established	

2. Please describe what you do:

3. In what legal form is your 'creative activity'/enterprise/organisation organised?

- ○ Sole Trader
- ○ Partnership
- ○ Limited Company
- ○ Charity
- ○ Voluntary Organisation (formally constituted)
- ○ Other

If you ticked Other please specify below

People and Wages

4. How many people does your 'creative activity'/enterprise/organisation employ, including yourself?

Number of full-time employees	
Number of part-time employees	
Number of seasonal employees	

5. If you use seasonal employees, please describe below the level/scale of this employment (e.g. the number of weeks they work for, the full-time or part-time nature of the roles, etc.)

6. In terms of other individuals (not employees) you are involved in/engaged with:

Number of Freelancers you use:	
How often do you make use of freelancers, and to what extent:	
Number of Volunteers you use:	
How often do you make use of volunteers, and to what extent:	

7. Overall, how competitive are the salaries/wages you pay, at the local (Outer Hebrides) level?

- Higher than the local average for this type of work
- About the same as the local average for this type of work
- Lower than the local average for this type of work

Business Size and Income Sources

8. Please estimate, for your most recently completed year, the overall annual income/turnover for your creative activity/enterprise/organisation (Note this information will be treated in the strictest confidence)

9. Does this income/turnover value include or exclude VAT

- This turnover/income figure INCLUDES VAT
- This turnover/income figure EXCLUDES VAT

10. Has your overall annual income/turnover fluctuated in recent years?

- Yes
- No

11. If Yes, please describe the fluctuations and the main reasons for these:

12. What proportion of this income/turnover is generated through the following routes:

Commercial sales (%):

Grants and awards (%):

Fees earned (from performances, residencies, delivery of activities and programmes) (%):

13. How much of your overall income/turnover is derived from your creative activity/enterprise/organisation (as compared to any other sources of income/turnover you receive that are NOT related to arts and creative industries):

Please estimate a percentage (%):

14. Are you VAT registered?

- Yes
- No
- Not Applicable

15. If you are not VAT registered, are there particular reason(s) why? Please explain below.

Skills and Capabilities

16. What proportion of your 'activity'/enterprise/organisation's time (considering all staff) is involved in Creative, Technical and Business related roles?

CREATIVE (mainly related to the imaginative processes involved in initiating ideas and developing them into a suitable form)

TECHNICAL AND DELIVERY (mainly related to supervision/operation and delivery of the processes involved in 'production')

BUSINESS (mainly related to generic fields of business specialisms and skills, such as finance, marketing, sales, human resources and administration)

17. In terms of training, skills and continuing professional development for your staff (including yourself) in each of these areas, where do you look for such activity:

	Creative	Technical/Delivery	Business
Local providers of training and support	☐	☐	☐
Regional providers of training and support	☐	☐	☐
National (Scotland) providers of training and support	☐	☐	☐
Rest of UK providers of training and support	☐	☐	☐
Overseas providers of training and support	☐	☐	☐
We do not have any opportunity to access such training and support	☐	☐	☐

If you indicated that you do not have any opportunity to access such training and support, please explain the reasons for this:

Outer Hebrides as a Location

18. Why did you choose the Outer Hebrides as the location for your 'creative activity'/enterprise/organisation? (Please tick all that apply)

- ☐ Skills needed for your creative activity/enterprise are located in the Outer Hebrides
- ☐ Raw materials needed for your creative activity/enterprise are located on the Outer Hebrides
- ☐ Bought a business located in the Outer Hebrides
- ☐ Customer base is located in the Outer Hebrides
- ☐ Identified a market opportunity in the area
- ☐ The heritage and culture of the Outer Hebrides is core to what you do
- ☐ Lived in the Outer Hebrides already
- ☐ Previously lived in Outer Hebrides, and wanted to return
- ☐ Did not previously live in the Outer Hebrides, but wanted to for lifestyle reasons
- ☐ Did not previously live in the Outer Hebrides, but wanted to for family reasons
- ☐ Other

If you ticked other please explain:

19. What do you see as the MAIN ADVANTAGES of being located in the Outer Hebrides (compared to other locations, elsewhere)?

1

2

3

20. What do you see as the MAIN CHALLENGES of being located in the Outer Hebrides (compared to other locations, elsewhere)?

1

2

3

21. Where do you source the MAIN types of materials/equipment used in what you do? (Tick all that apply)

- ☐ Locally - in the Outer Hebrides
- ☐ Regionally - in the wider Highlands and Islands
- ☐ Elsewhere in Scotland
- ☐ Other parts of the United Kingdom
- ☐ Imported from overseas

22. How is the equipment you use normally maintained, serviced, and repaired?

- ○ By yourself (or colleagues)
- ○ By local technicians (in the Outer Hebrides)
- ○ By technicians from other parts of Scotland
- ○ By technicians from other parts of the United Kingdom

Infrastructure and Support

23. How important are the following forms of infrastructure to your activities?

	Critically Important	Extremely Important	Very Important	Quite Important	Not Very Important	Not Important
Internet and telecommunications	○	○	○	○	○	○
Transport - Air	○	○	○	○	○	○
Transport - Sea	○	○	○	○	○	○
Transport - Road	○	○	○	○	○	○
Transport - Rail	○	○	○	○	○	○
Energy/Utilities	○	○	○	○	○	○

24. Overall, how would you rank the present quality/reliability and costs of these forms of infrastructure (On a scale of 1-5, 1=very poor; 5=very good)

	1(very poor)	2	3	4	5 (very good)	Not applicable
Internet and telecommunications						
Transport - Air						
Transport - Sea						
Transport - Road						
Transport - Rail						
Energy/Utilities						

25. What changes to current infrastructure availability and cost, would have the most positive impact on the performance of your enterprise?

Creative Inspiration

26. How important is where you live and work as a source or significant contributory factor to your creative inspiration and activity?

Extremely Important | Very Important | Quite Important | Not Very Important | Not Important

27. How important is the opportunity to meet, communicate with, exchange and share practice and ideas with others in your area of work, in a professional or social environment?

Extremely Important | Very Important | Quite Important | Not Very Important | Not Important

28. In practice, how much interaction is there between you and other artists/creative industries/cultural organisations in your area?

Frequent interaction | Occasional interaction | No Interaction

If you have selected frequent/occasional interaction, what form does this mainly take:

29. How important is Gaelic to what you do: directly or indirectly?

Critically Important | Extremely Important | Very Important | Quite Important | Not Very Important | Not Important

30. What percentage people involved in your 'creative activity'/enterprise/organisation would you estimate speak Gaelic (approximately)?

Markets, Sales, and Competition

31. Where are your MAIN GEOGRAPHIC MARKETS (by value of 'sales')?

Local area - i.e. the Outer Hebrides (%)

Regionally - wider Highlands and Islands (%)

Scotland (%)

Other parts of the United Kingdom (%)

Exporting or working overseas (%)

32. Who are the MAIN CUSTOMERS for what you do/make/create/produce:

- Members of the general public locally
- Tourists
- Trade buyers (for onward distribution and sales)
- Other

If you ticked other please explain

33. How do you market and sell what you do/make/create/produce? (Please tick all that apply)

- Directly to the public (including visitors) through your own outlet/s
- Through intermediaries (for example, shops, galleries touring venues)
- Through agents/promoters
- Internet
- As part of a collaborative network (of other similar enterprises/organisations/cooperatives)

Business Drivers and Competition

34. Do you develop 'business plans' for your creative activity/enterprise/organisation?

- Yes
- No

35. If yes, how strong are each of the following as the main drivers behind such plans:

	Very Strong Driver	Strong Driver	Moderate Driver	Minor Driver	Incidental	Not considered at all
Creative goals						
Business goals						

36. Overall, on a scale of 1 to 5 (where 1 is strongly competitive) how strong is creative/business rivalry and competition in your area of work?

	1 (very strong)	2	3	4	5 (very weak)	Don't know (or N/A)
In the Outer Hebrides						
In Scotland						
In the UK						
Internationally						

37. In terms of competition and rivalry, what other individuals, enterprises, and organisations would you compare yourself with?

What will most help your development...

38. Looking forward, what are the 3 factors that will most help the development of what you do?

1

2

3

Other comments

39. If you have any other comments about the economic impact of Arts and Creative Industries in the Outer Hebrides please use the box below.

Thank you!

Many thanks for taking the time to complete this survey.

The results of the economic impact study will be published in due course.

ANNEX 5: BIBLIOGRAPHY

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