



Pre-Call Announcement:

AHRC Creative Industries Clusters Programme: *A unique opportunity to imagine, design and build the future of the creative industries.*

Introduction

The Arts and Humanities Research Council- led Creative Industries Clusters Programme is a key part of the Government's Industrial Strategy. It will enable new research and development (R&D) relationships between the UK's internationally renowned creative industries and its higher education sector.

The UK has one of the largest, most successful and fastest growing creative industries sectors in the world; based on a long tradition of cultural expression through music, literature and the performing and visual arts; and now including advertising, architecture, design, publishing and fashion industries; and the film, media and video gaming sectors.

But nothing stands still, particularly in this extremely dynamic area. As digital technology continues to open up new ways to imagine, create, distribute, consume and participate in creative work, the future success of this crucial sector must be underpinned more than ever by risk-taking, innovative R&D. Only by investing at an early stage in new products, services, creative content and experiences can we be sure to maintain the UK's status as world leaders, to exploit the opportunities provided by world-class intellectual property and to identify and develop our potential in emerging fields.

The continuing development of a robust creative R&D infrastructure is a central foundation of this future vision. Generating and executing the ideas, content, products and services which will drive economic growth and develop the multi-skilled workforce of the future will depend both on deepening existing partnerships between higher education institutions (HEIs) and industry, and on building new relationships and new approaches to power a fresh wave of R&D activity.

The 2016 Nesta report 'The Geography of Creativity in the UK'¹, identified that creative businesses and workers often gather in geographic locations where they are able to collaborate and compete with each other. These clusters bring significant advantages, such as the ability to share information and ideas, access customers and benefit from being part of a critical mass of local talent.

In many of these clusters, HEIs and other research organisations already play an important role. Connecting researchers from the arts and humanities fields – as well as those with expertise in the social sciences and STEM – with these clusters of industrial activity has shown enormous potential for positive impact. By further strengthening this multidisciplinary work and linking it with strategic activity led by local, regional and national government, development agencies and sector bodies, we are looking to achieve a step-change in the impact of R&D across the creative and cultural sectors.

The aim here is to reinforce and accelerate successful approaches and to encourage new models of research that can drive forward activity with the potential for high impact. We are not looking to establish new creative clusters from the ground up but rather to maximise existing creative and cultural assets; although, of course,

¹ https://www.nesta.org.uk/files/the_geography_of_creativity_in_the_uk.pdf

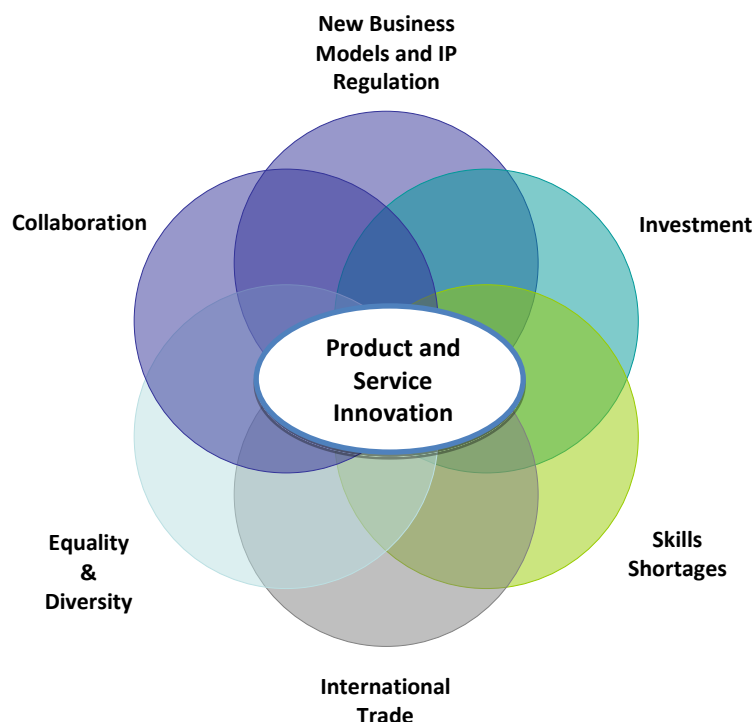
we are aware that clusters and their focus can change quite radically in line with the development of the creative industries sector itself.

The AHRC Creative Industries Clusters Programme is an £80 million-plus research and development investment² to establish eight Research & Development Partnerships in existing creative clusters across the UK, along with a Creative Industries Policy and Evidence Centre to provide insight and independent analysis on the creative industries that will be of national and international significance. Working together, and alongside other key sector stakeholders, these investments will provide a greatly strengthened research foundation supporting the creative industries' vital role in the future growth of the nation's economy.

Background – opportunities and threats facing the UK creative industries

The creative industries are one of the UK's most dynamic sectors, growing at almost twice the rate of the wider economy and estimated to be worth around £90 billion a year³. Almost 2.1 million people are employed directly in creative industries⁴, with a further million in the wider creative economy, translating as one in every 11 UK jobs. British musicians, artists, TV programmes, fashion brands, video games and films are household names in many nations around the world, proving that domestic success can be translated to global impact. The UK is also recognised as one of the best markets in the world for forecasting and generating emerging trends and is seen as a key global influencer in creativity and innovation.

The UK creative industries are world leaders: but digital disruption, rapidly evolving business models, transformed user behaviour and expectations, expanding distribution and global supply chains, often including new technology and data-enabled creative processes present the creative industries with a series of imminent opportunities and threats across the entire spectrum of their activities, summarised in the following diagram:



² A percentage of this investment will come in the form of leveraged, or matched funding

³ <https://www.gov.uk/government/news/creative-industries-worth-almost-10-million-an-hour-to-economy>

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/632185/DCMS_Sectors_Economic_Estimates_2017_Employment_and_Trade.pdf

At the heart of this Programme is the desire to have a positive, direct and significant impact on the ability of UK creative industries to develop new products, services and experiences. Our investments will focus on early-stage, risky research and development where funding is often difficult to obtain. However, the innovations produced by our investment must have the potential to contribute to commercial outcomes. We are not able to fund purely theoretical research, critical studies or historical analysis except where a strong case can be made that it is a central component of such innovation. The timeline to exploitation need not be immediate, but the potential must be there.

The AHRC believes the opportunities and threats identified in this document are addressable by HEIs and industry coming together to develop a national creative R&D architecture that can bring arts and humanities, social science and STEM disciplines together to generate new research and innovation for, and with, the creative industries.

Product and Service Innovation

- What new creative processes, interdisciplinary knowledge and research collaborations are required to enable the UK's creative businesses to develop the new products, services, creative content and experiences that will enhance their competitive edge and drive future commercial value?
- How can we support SME's to pursue longer-term strategic innovation rather than short-term revenues?
- Which specific sectors or future market opportunities are deserving of R&D investment and why?
- How do these reflect existing strengths and potential?

Innovations may include some or all of the elements below, or may identify new characteristics that can be considered as productive targets for innovation.

New Business Models and IP Regulation

Creative industry businesses rely not just on their ability to create new intellectual property but, critically, on their ability to extract value from it. How can creative businesses respond to a world of rapidly evolving business models? How do legal and regulatory frameworks need to change to enable innovation in the creative sector whilst retaining audience and consumer trust? How can such innovation be embedded in practical products and services?

Collaboration

How can HEIs, industry and policymakers come together to define and deliver cutting edge-research and development programmes that address the real challenges of their creative sectors? How can innovation be enhanced by improved collaboration between large and small companies, within creative clusters and across supply chains to generate value and enable greater access to global markets? How can HEIs and research organisations use their convening power to align research and policy interventions within creative clusters to sustainably improve outcomes? How do universities need to evolve to effect productive collaboration with the creative industries?

Investment

Research and development funding is a vital initial investment in innovation but how can this be shaped to maximise access to further and future sources of public and private finance? The creative industries have faced challenges in accessing traditional sources of finance. What needs to be done to align incubators, public and private investors, financial service providers and the research sector to provide innovative new products, services and experiences with the widest access to capital and

investment to scale up and reach the market? How can specific product and service innovations opportunities provide evidence for and drive the need for change?

International Trade

The export of services and goods by the creative industries are worth £21.2 and £14.7 billion respectively, accounting for 7.2 per cent of the UK's total services and 5.2 per cent of the UK's total goods exports⁵. There is, however, still a sense of fragility around access to overseas markets, brought into sharp focus by Brexit. How can regulators, the creative industries and the research base work together to ensure businesses continue to access the people, skills, supply and distribution chains they need to thrive and grow trade opportunities? How can specific products or services illustrate the potential for this?

Equality and Diversity

Neither the creative industries nor research workforces accurately reflect the diversity of the wider UK population, with notable disparities in gender, race and socioeconomic background. For the creative industries, perhaps more sharply than other sectors, a failure to address this issue is likely to hit their bottom line and lead to wasted business opportunities⁶. How can new innovation models and industry/research partnerships break down this pattern and deliver wider access and opportunity for the diverse creative talent of the UK? How should R&D investment be allocated to ensure the positive impact of diversity can be maximised?

Skills Shortages

The creative industries sector has one of the most educated workforces in the UK, but a demand for new skills is being created by new technology-enabled modes of creativity, evolving markets for new kinds of products and changing ways of engaging audiences and consumers. International competition will drive this demand further. In parallel, for UK HEIs, there will be a global competitive advantage in the search for international students from being ahead of the game in developing new approaches to creative industries disciplines. How can partnerships between industry and universities lead the way in fusing the creative, digital, STEM and entrepreneurial skills of a new workforce equipped to span research and industry? How can this shape the design and delivery of new high-level courses that meet the needs of creative industries within specific sectors and places? How will specific R&D investments illustrate this potential and see it through to success?

The AHRC Creative Industries Clusters Programme will seek to address these issues at an aggregate level, and will look for individual proposals for R&D Partnerships that present a clear strategy based on evidence of the strengths of the creative cluster they will be working within; how these issues and opportunities impact (as opportunities or threats) on that geographical or sectoral grouping, and to provide the basis of how a strong industry/HEI research partnership will address this.

Successful proposals will convincingly reference the above opportunities and threats for the sector and may provide arguments based around other dynamics of change. They should do this by focusing on one or more specific challenge in the development of products, services and/or experiences. The challenge must be capable of being delivered by the cluster. Not all of the elements need to be addressed equally, however. The balance of effort should be defined by the needs on the ground and in the context of the specific challenge identified by the proposal.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/632185/DCMS_Sectors_Economic_Estimates_2017_Employment_and_Trade.pdf

⁶ [https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20\(1\)\(1\).pdf](https://www.creativeindustriesfederation.com/sites/default/files/2017-06/30183-CIF%20Access%20&%20Diversity%20Booklet_A4_Web%20(1)(1).pdf)

Scope of the AHRC Creative Industries Clusters Programme

The creative industries are recognised as a strategic area of importance for AHRC. Previous AHRC-led initiatives have demonstrated success in developing partnerships between HEIs and creative businesses, inspiring digital innovation, supporting skills development, developing new working models for intellectual property and effecting regional culture change.

The Programme is an £80 million-plus research and development investment that will deliver new growth opportunities for the creative industries. The aim of the Programme is to establish and develop industry-focused R&D Partnerships linked to existing creative clusters, anchored in a lead HEI.

For the purposes of this Programme, a 'cluster' is defined as either a geographical concentration of interconnected creative enterprises, organisations or institutions; or a sector-based collection of entities that operate in specific fields but do not necessarily fall within pre-existing recognised boundaries (e.g. government office regions).

The Programme will comprise:

- A maximum of **eight Research and Development Partnerships (R&D Partnerships)** – each led by an HEI, located anywhere in the UK. Creative R&D Partnerships will bring together HEIs, creative industries businesses and other key stakeholders.

Funding: £6-9m per partnership (including a minimum of 33.3 per cent matched funding) with an AHRC contribution of £4-6m fEC for 54 months (October 2018 – March 2023).

- **A Policy and Evidence Centre for the Creative Industries Sector** – led by an HEI or a recognised Independent Research Organisation, this will offer independent analysis on the creative industries for businesses and policy makers, identify research gaps and co-ordinate data and analysis on the key challenges for the sector.

Funding: minimum £8m (including minimum 25 per cent matched funding) with an AHRC contribution of £6m fEC for 57 months (July 2018 – March 2023).

What will the Creative Industries Clusters Programme aim to deliver?

The core objectives of the AHRC Creative Industries Clusters Programme are to:

- Enhance creative clusters by boosting HEI-creative industries R&D infrastructure.
- Design and implement particular interventions and R&D programmes that address the challenges identified by the Partnership with reference to issues identified in the 'Background' section above.
- Enable micro-businesses, SMEs and large enterprises to partner with academic researchers to develop new products, services and experiences; allowing companies to access specialist knowledge or expertise provided by universities and universities to collaborate with leading-edge commercial enterprises.
- Provide individuals and teams with high-level skills needed to thrive in the creative industries, and establish models for their continuing development and delivery.
- Provide impetus to local and regional economies, and step-up the growth and impact of the creative industries in those places.

- Support the creation of strong international links and partnerships for UK businesses.
- Support the sector, policymakers and researchers by improving the quality and accessibility of rich-data sources and independent analysis to improve understanding of the creative industries with a view to improving the effectiveness of future public interventions in the field.

What will be the key features of the R&D partnerships?

Successful proposals for R&D Partnerships will be framed around an individual or group of clearly addressable challenges defined by the needs of industry within the cluster.

They will design a multidisciplinary research strategy and collaborative delivery model to meet those challenges. In so doing, the Partnerships will develop appropriate, optimal modes of working between business and the research base; offer innovative R&D opportunities to help shape a new type of industry-focused researcher; and develop the new highly skilled multidisciplinary workforce that the sector needs to compete on the global stage. The new knowledge and modes of application created will increase the competitiveness, resilience and potential for growth of proposed products or services of individual creative businesses and of the cluster as a whole. They should have a positive effect on the delivery of strategies with the creative industries both within individual HEIs and across the HEI sector as a whole.

The partnerships will need to demonstrate strong leadership from both the HE sector and industry, and will be led by an appropriately qualified individual with a demonstrable and relevant track record, based at an HEI eligible to hold Research Council funding.

Partnerships will be rooted in the arts and humanities, although they will need to provide appropriate disciplinary research combinations that draw on the arts, humanities, social sciences and STEM disciplines in order to respond to the needs of the specific challenge(s) that the partnership intends to address.

Successful R&D Partnerships will be required to meet a matched funding commitment, be closely aligned to local KE/HEIF⁷ strategies and provide evidence of significant stakeholder engagement. Through this investment they will be expected to build and develop existing and new partnerships that support access to investment and routes to market for the collaborative R&D projects which emerge from their cluster.

Furthermore, they will be required to make a commitment to contribute actively to a longer-term national partnership at the programme level in coordination with the other funded R&D partnerships, the Policy and Evidence Centre and other significant national initiatives.

Creative R&D partnerships will be expected to bid for small amounts of capital funding to cover costs of equipment, infrastructure, facilities and the development of data assets. This funding will need to fall within the 5-10% range of the total amount of funding requested from AHRC.

What will be the key features of the Policy and Evidence Centre?

The Policy and Evidence Centre will collate and coordinate evidence of national and international significance regarding the UK Creative Industries. It will curate relevant data assets, synthesise existing research in areas directly relevant to the creative industries, identify research gaps and undertake research and analysis on key sectoral and sub-sectoral challenges.

The Centre will position itself as an independent voice in providing this analysis, evidence and research to other researchers, policy makers, creative businesses and sector organisations. It will generate insight and initiate conversations about challenges facing the creative industries and actively seek to develop partnerships

⁷ <http://www.hefce.ac.uk/ke/heif/>

with other organisations that produce and use data and/or provide official statistics (e.g. The Office of National Statistics, The Department for Digital, Culture, Media and Sport, sector-based trade associations, think tanks and large enterprises).

It will be expected to establish a robust communications plan and stakeholder engagement strategy for the dissemination of its work and outputs in both the academic and industry contexts.

Applications to the Policy and Evidence Centre will be required to bid for a limited amount of capital funding to cover costs of equipment, infrastructure, facilities and the development of data assets. This funding must fall within the 5-10% range of the total amount of funding requested from AHRC.

Timeline/key dates

Creative R&D Partnerships

Call document published	Late September 2017
Statement of intent submission deadline	Late October 2017
Stage 1 deadline	December 2017
Stage 2 deadline	April 2018
Stage 2 assessment and interviews	June 2018
Announcement of successful Creative R&D Partnerships	July 2018
Launch of the Creative R&D Partnerships	October 2018

Policy and Evidence Centre:

Policy and Evidence Centre (PEC) call document published	Late October 2017
Statement of intent submission deadline	November 2017
Application deadline	January 2018
Assessment and interviews	February 2018
Announcement of successful Creative R&D Partnerships	March 2018
Launch of the PEC	July 2018

Further information and events

In the coming months, further details will be released through the AHRC website. A series of events for creative industries practitioners, Partnership Leads, collaborators/partners and research officers will take place across the UK in October. Details of the events at seven locations across the UK will be released in the coming weeks. Bid development surgeries are scheduled in November in London. For the Policy and Evidence Centre there will be a tailored briefing event in November (location tbc).

How to make an application

Statement of Intent (Creative R&D Partnerships and Policy and Evidence Centre)

The first step in the application process will be to submit a statement of intent document that provides us with an indication of demand, enables us to arrange appropriate peer review and assessment arrangements, and allows us to identify proposals that potentially fall out of scope of the call. We will expect a limited level of detail at this stage, but will require the following information:

- Named contact for the consortium – this should be an individual based at the lead organisation who will act as the key point of contact for the statement of intent. We recognise that this individual may change between this point and the submission of the full proposal.
- List of anticipated partner HEIs/research organisations, (if possible to confirm at this stage).
- List of anticipated key partners – where known (industry partners, other related organisations or institutions, local government, etc.).
- Outline of how you are going to work with industry, including how the processes may be designed and implemented.
- An indication of the funding that will be requested from the AHRC by the partnership.

...and the following information for the R&D partnerships only:

- Lead organisation – this must be a HEI eligible to hold Research Council funding.
- The cluster or geographical area they are going to engage with.
- An indication of the likely specific challenge/s within that cluster that will be addressed.
- Named industry lead/s.
- The creative industries sub-sector(s) involved.

...and the following information for the Policy and Evidence Centres only:

- Lead organisation – this must be an HEI or research organisation eligible to hold Research Council funding.

We appreciate that the level of detail indicated above may be difficult to achieve fully in all areas by the submission deadline, so we are happy to receive tentative or partial information at this stage that can be firmed up by the Stage 1 submission deadline.

Templates for the statement of intent will be released alongside the relevant call documents in September and October.

Stage 1 bids (Creative R&D Partnerships)

Full proposal documents, submitted through the Research Councils' Joint electronic Submission System (Je-S) will be required by the stage 1 deadline. The assessment criteria for Stage 1 bids are currently being finalised and will be included in the full proposal guidance document. Criteria are likely to be based around the following principles:

- The articulation of well-defined creative industries challenges, constructed with industry partners within the cluster;
- The articulation of a well-structured R&D programme involving the relevant disciplines and sector-partners;
- The requirement for well-defined deliverables that are measurable;
- Strong and robust leadership and governance arrangements;
- Robust project management;
- A clear vision for how this programme will establish a legacy.

Stage 1 bids will be independently peer reviewed by an expert assessment panel who will provide recommendations for a shortlist (anticipated to be approximately 12-14 proposals). The assessment panel will also provide feedback for further areas of development and will have the potential to recommend where one or more of the proposals submitted to Stage 1 might be merged to provide a stronger proposal for Stage 2.

Stage 2 bids (Creative R&D Partnerships)

Stage 2 bids will be considered as final proposals and will be independently peer reviewed by an assessment panel with consistent membership from Stage 1 and will include interviews with all shortlisted applicants. The assessment panel will provide funding recommendations based on the final published assessment criteria.

Full application process – Policy and Evidence Centre (PEC)

Full proposal documents, submitted through the Research Councils' Joint electronic Submission System (Je-S) will be required by the application deadline. The assessment criteria for PEC bids are currently being finalised and will be included in the full proposal guidance document. Criteria are likely to be based around the following principles:

- The articulation of a well-defined research programme;
- The articulation of a well-defined programme of engagement with the sector;
- The requirement for well-defined deliverables that support the objectives of the PEC;
- Strong and robust leadership and governance arrangements;
- Robust project management;
- A clear vision for how this programme will establish a legacy and become a sustainable entity beyond the lifetime of the Creative Industries Clusters Programme

PEC bids will be independently peer reviewed by an assessment panel that will include interviews of all shortlisted applicants. The assessment panel will provide funding recommendations based on the final published assessment criteria.

Full proposal guidance

The AHRC will publish full guidance and FAQ documents to address likely questions related to the formulation of your Creative R&D Partnership and the Policy and Evidence Centre in September and October respectively.

Details of how to submit full applications using the Research Councils' Joint electronic Submission (Je-S) System will also be announced in September 2017.

For the lead RO, standard AHRC guidelines will apply.

Contact

Enquiries regarding this pre-call should be directed to the AHRC Creative Clusters team:

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Telephone: 01793 416060

About the AHRC

The AHRC is a non-departmental public body sponsored by the Department for Business, Energy and Industrial Strategy (BEIS), along with the other UK Research Councils. The AHRC's purpose is to fund excellent research, support researchers and postgraduate students and take an overview of research in the arts and humanities in order to support new strategic areas and important but vulnerable disciplines.