



The heritage sector in England and its impact on the economy

An updated report for Historic England

June 2019

Cebr

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Authorship and acknowledgements

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Executive summary

This is a summary of the Centre for Economics and Business Research's 2019 study for Historic England, which seeks to assess the economic contributions and impacts of England's heritage sector in the UK. This study is an updated version of an initial report commissioned for Historic England in 2018.

Scope and methodological overview

The research presented herein provides an examination of the role that England's heritage plays in the UK economy. A range of statistical data is generated to demonstrate different aspects of the value supported in the economy through heritage including:

- **The direct contribution** made to Gross Domestic Product (GDP) and employment through all segments of the heritage sector in the UK.
- **The indirect multiplier impacts** that arise through the activities stimulated in the supply chains of those engaged directly in the heritage sector.
- **The induced multiplier impacts** that arise through the activities supported in the wider economy when the employees associated with the direct and indirect heritage activities spend their earnings on domestic goods and services.

In addition, the study examines the ancillary contributions made by the heritage sector in the form of spillover impacts through tourism, regeneration, community-wellbeing and the role of the heritage sector in developing skills, nurturing innovation and fostering growth in other sectors.

The study combines desk and primary research. The analysis of the direct contributions and macroeconomic impacts of the heritage sector draws upon official data provided by the Office for National Statistics (ONS). Economic indicators including revenues, costs of production and gross value-added are provided for hundreds of disaggregated industries. These are broken down according to the Standard Industrial Classification (SIC) framework which provides the underlying data collection framework for much of the economic data produced by the ONS.

However, a large share of the activities in the heritage sector either cross the boundaries of the SIC framework or are relatively niche and therefore buried within broader categories of economic activity. For this reason, we use the Standard Occupational Classification (SOC), a common classification of occupational information for the UK, to map occupations in the heritage sector to the corresponding SIC industries.

Through this SIC-SOC mapping, the economic characteristics of the heritage sector and its direct macroeconomic impacts upon the economy, at a national and regional level, are estimated. The wider multiplier impacts of the heritage sector are quantified using our in-house UK and regional input-output models which trace the sector's economic footprint through its supply chain relationships.

The spillover impacts of England's heritage sector are captured through qualitative intelligence gleaned from a programme of primary research in which organisations in England's heritage sector were surveyed and some interviews were conducted.

Direct economic contributions of England's heritage sector

Aggregating all activities of England's heritage sector yields the following macroeconomic contributions:

- A total estimated **GVA contribution to the UK's GDP of £14.0 billion in 2018**, equivalent to 0.87% of UK's total GVA¹. For 2017, we estimate a slightly higher total GVA contribution of £14.4 billion. Both compare favourably to the £13.1 billion GVA contribution we estimated in 2016.
- The heritage sector in London generated the largest GVA contribution of £5.0 billion in 2018, accounting for 36% of the total heritage sector in England. The South East accounted for the second largest GVA contribution with £2.2 billion. The heritage sector in the North East had the lowest GVA contribution of £341 million in 2018.
- Total estimated **employment of 198,000 in England's heritage sector in 2018**, equivalent to 0.72% of the entire workforce in England. London alone accounted for 45,000 workers in the heritage sector in 2018, followed by the South East with 32,000 workers. The North East had the lowest employment with 6,000 heritage workers in 2018.

Macroeconomic impacts of England's heritage sector

Based on our analysis of England's heritage sector within the ONS national accounting framework, specifically the supply-use tables and Cebr's input-output models, we conclude that:

- **For every £1 of GVA generated by the heritage sector in England, an additional £1.21 of GVA is supported in the wider economy through indirect and induced multiplier impacts of the sector.** Indirect impacts are generated in the supply chains associated with the heritage sector, whilst induced impacts are generated when direct and indirect employees spend their earnings on domestic goods and services.
- Once these impacts are taken into account, **England's heritage sector supported an estimated aggregate GVA impact of £31 billion in 2018.**
- The same logic applies to the heritage sector's estimated employment multiplier of 2.34, so that for every job created in the heritage sector, an additional 1.34 jobs are supported in the wider economy, again through these indirect and induced multiplier impacts.
- Accounting for these wider multiplier impacts and adding them to the direct employment contribution, supports an **aggregate employment impact of the heritage sector of approximately 464,000 jobs in 2018.**
- In terms of the regional breakdown, the heritage sector in London alone supported a total of £10.4 billion in GVA through direct, indirect and induced impacts. On the other hand, the North East had the lowest 'in-region' multiplier impacts in England suggesting the region's economy is relatively less able to provide for all of the intermediate input needs of the heritage sector within the region. Just £616 million of GVA was supported in the region in 2018.

¹ Due to data availability, this 2018 value is partially projected using a combination of the 2017 analysis, and top-line data on regional employment by SIC category, from the 2018 Annual Population Survey (APS). This is set out in more detail in the methodology, in Section 2.2.

- The picture is similar for employment. The heritage sector in London supported the largest number of workers, 98,000, through direct, indirect and induced impacts in 2018. The North East with 12,000 workers again had the lowest aggregate impact in terms of total employment supported.

Spillover impacts of heritage through tourism

- England's heritage sector creates additional spending through tourism in two ways. Some tourists visit the UK **primarily to visit heritage attractions**, while others take part in heritage activities during trips made for other purposes, **potentially extending trips and generating additional spending**.
- In the case of overnight heritage-related trips in England, this report has found that:
 - The total number of trips decreased slightly from **15.3 million in 2017 to 14.9 million trips in 2018**.
 - In 2018, the **South West** accounted for the highest number of trips (**2.9 million**). While the **North East** accounted for the fewest trips with **0.6 million** heritage-related domestic overnight trips.
 - Tourists spent an estimated **£3.4 billion in 2018** while on domestic overnight heritage-related trips.
 - The **South East** generated the highest spending from these trips (**£756 million in 2018**). This was followed by **London (£471 million)**.
- While a large share of heritage-related activities and spending is generated domestically, England's heritage sector also draws visitors from much further afield. **Heritage-related inbound visits** has steadily **increased from 14 million in 2012 to 18 million in 2017**. This then decreased slightly to **17 million in 2018**. A large share of inbound heritage visits (52% in 2018) are made to London.
- Spending associated with these inbound heritage visits increased from **£7.7 billion in 2012** to a peak of **£10.1 billion in 2017**. Spending then decreased slightly to **£9.3 billion in 2018**.

Wider spillover impacts of heritage: evidence from primary research

- The evidence from our primary research demonstrates the importance of volunteering in the heritage sector and the role of heritage in improving community wellbeing and regeneration.
- Volunteering, in addition to the well-being effects, can help in skills development and support future employability. The number of heritage volunteers has been increasing since 2012, reaching 616,000 in 2016. Heritage volunteering has also gradually increased as a proportion of all volunteering, accounting for 5.7% in 2016.
- Volunteers in the heritage sector perform various tasks including running temporary events and exhibitions, regular "front of house" duties, research activities and administrative duties.
- Anecdotal evidence from our primary research indicates that volunteers in the heritage sector play a key role in facilitating the operation of the sector. For example, some of the organisations that we surveyed reported that without the time and effort given freely by volunteers, the effectiveness of their activities and engagements would significantly decline.

- Given the vital role played by volunteers, a considerable share of the organisations in the heritage sector offers schemes aimed directly at attracting and nurturing the skill set of volunteers. Of the organisations that we encountered through our survey, 29% offered volunteer management programmes, while 65% provided volunteer training.
- In terms of numbers employed, 53% of the organisations reported that they employ more than 50 volunteers on a regular basis. This suggests that a considerable proportion of the workforce of these organisations are made up of volunteers.
- The evidence from our primary research demonstrates the apparent breadth of the links between organisations in the heritage sector and the local economies. For instance, 82% of the organisations surveyed reported that they provide support or employ local commercial businesses. 86% of the organisations surveyed support local community groups. While 67% indicated that they support or employ local artists and artisans.
- Further evidence collected during our primary research found that organisations in the heritage sector play an important role in their community, through outreach work, partnerships with local schools and support for local heritage sites and assets.
- Heritage-led regeneration initiatives identify and make use of heritage assets and reinforce the qualities that make them significant to help stimulate environmental, economic and community regeneration.
- This includes historic buildings, landscape features and views. Evidence from our primary research suggests that the benefits of heritage-led regeneration can be large when this is related to place. Approximately 63% of the organisations surveyed reported that they were currently involved in heritage-led regeneration initiatives.
- This anecdotal evidence suggests that the heritage sector is indirectly a significant source of support for jobs in the local economies.

1 Introduction

This is a report by the Centre for Economics and Business Research (Cebr), on behalf of Historic England, detailing the economic contribution of the heritage sector to the UK economy.

1.1 Background and aims of the study

As part of the Heritage Counts publication, each year Historic England publishes key socio-economic indicators which demonstrate the scale, scope and value of heritage. The data are collected from numerous sources and presented in Excel spreadsheets on the [Heritage Counts website](#).

The research presented herein seeks to produce new estimates using the latest statistical releases and estimates from the past years. Our analysis considers the direct contribution of the heritage sector, measured by macroeconomic indicators such as gross value added (GVA), a measure of economic output, and employment.

However, we also examine the indirect contributions made by the heritage sector to the wider economy through its supply chain relationships with other sectors as well as wider spillover impacts of heritage.

The overall aim is to provide individuals and organisations involved in England's heritage sector with a clear, robust and evidence-based understanding of the ongoing economic contributions of the heritage sector to regional and national economies as well as to gather essential insight into the nature of these contributions to inform policy.

1.2 Structure of the report

The report is structured as follows:

- [Section 2](#) explains how the heritage sector is defined and the scope of the study. It also gives an overview of our methodology.
- [Section 3](#) assesses the direct contribution of the heritage sector to the 'business economy'. We consider this in terms of value-added contributions and employment.
- [Section 4](#) sets out our findings on the macroeconomic impact of England's heritage sector. This includes indirect and induced multiplier impacts. This section firstly estimates the contributions to GVA, and employment in England. It then examines the impacts across the English regions.
- [Section 5](#) presents our analysis of the spillover impacts of the heritage sector through domestic and inbound tourism from overseas.
- [Section 6](#) examines the role of the heritage sector in supporting economic regeneration, community well-being, skills development and supporting creative industries. This section draws on a variety of data sources. Specifically, we use existing research and support this with case studies drawn from the survey and in-depth interviews carried out as part of this study.
- [Appendix I](#) provides some context for the trend in employment by the constituent occupations of England's heritage sector.
- [Appendix II](#) details some technical issues related to approach and methodology used in the study.
- [Appendix III](#) provides lists of the contributors to Cebr's primary research exercises.

2 Scope and methodology

This study is a refresh of a previous report for Heritage England, calculating the impact on the economy of the heritage sector.² The scope of the study is consistent with the prior study, with the direct economic impact of the heritage sector calculated, via a SIC-SOC mapping process in which occupations are mapped to specific industries. Cebr's input-output models have then been used to calculate bespoke multiplier impacts for the heritage sector. For the purposes of this report, we have assumed the same multipliers as the previous version of the study.

The spillover impacts of the heritage sector through tourism have also been updated, although the wider spillover impacts have not. For the sake of completeness, this section has however been left in the report. Technical details related to approach and methodology used in the study are presented in the technical notes of **Appendix II**.

2.1 Background and scope of the study

Despite its importance, isolating the added value or net impact of heritage from the activities related to it or embedded within it presents many challenges. This is largely due to the fragmented market structure of the heritage sector and its economic value stemming from a variety of sectors and sub-sectors, ranging from conservation and preservation of historic buildings to activities in the natural environment.

This fragmentation means that it is difficult to identify a definition for heritage within the ONS Standard Industrial Classification (SIC) system. Although some SIC sectors clearly relate to heritage (for instance SIC 91.03 which refers to operation of historical sites and buildings), just considering heritage related SIC sectors would underestimate the impact of the heritage sector. It would fail to acknowledge the contributions made to sectors that aren't solely heritage activities but which do contain heritage activities (e.g. Construction). Given the highly fragmented nature of the heritage sector this is a significant problem.

In recent years, progress has been made in applying innovative ways to explore and measure the value of the historic environment. Historic England has commissioned fact sheets and reports demonstrating the interdependencies between heritage and economic activity. Some of these studies apply models of economic impacts that make distinctions between the direct (output and employment); the indirect (impacts of the heritage supply chain); and the induced impacts (employment and expenditure due to consumer spending out of staff wages). In addition to these collated indicators, in 2016 Historic England commissioned research to produce its first Heritage Economic Impact Indicators Workbook and an updated version was produced for 2017.

Although their definition of the heritage sector is constrained to a simple SIC based definition, the Department for Culture, Media and Sport (DCMS) has also attempted to address similar problems for creative industries by introducing the concept of creative intensities. These seek to establish the proportion of a given SIC sector that involves creative occupations. If this proportion is above a given threshold, the sector is included within the definition of creative industries.

It would be possible to extend such a methodology to the Heritage sector. Doing so would involve identifying Heritage related occupations and mapping the intensities of these across the various SIC sectors in the economy. A threshold would then need to be identified, with any sectors that contain

² <https://historicengland.org.uk/content/docs/research/heritage-sector-england-impact-on-economy-2018/>

more than the threshold proportion of heritage occupations, being included in the definition of the Heritage sector.

However, such a methodology is likely to be flawed. This is highlighted well in a review conducted by the Statistical Authority on DCMS methodology for creative industries. It reasons that the problem with the creative intensity approach used by DCMS is that it considers industries above the threshold in their entirety. This means “for example, Creative Industries includes the total economic value of companies undertaking ‘computer consultancy activities’ (SIC 62.02) despite only around a third of those working in these companies having been identified as having creative occupations”.³ Therefore directly applying the DCMS creative industry methodology to the Heritage sector would suffer from two problems. The approach would include the ‘non-Heritage’ parts of sectors that meet the threshold requirement and fail to consider the Heritage parts (however small) of sectors that don’t meet the threshold requirement.

In light of this, Historic England commissioned the Centre for Economics and Business Research (Cebr) to estimate the economic contribution of the heritage sector in England in 2018. Our approach substantially augments the DCMS intensity approach by applying the proportion of Heritage employment to the total economic contributions of each SIC sector. Doing so removes the need for a threshold and accounts for the two inaccuracies discussed above.

This report is an update to the original 2018 Cebr report. Our examination spans the period from 2011 to 2018 (inclusive), and endeavours to capture the full economic ‘footprint’ of the heritage sector. As such, the study is not confined to direct ongoing contributions to GDP and employment through the heritage sector’s operations and activities in England, but also considers the additional economic activity that the heritage sector supports, via the associated indirect and induced multiplier impacts.

2.2 Overview of approach and methodology

In line with the framework developed in the previous Heritage Counts and the DCMS Creative Industries Economic Estimates methodology, both embedded workers and organisational workers are considered.

The overarching methodology used to estimate the economic contributions of the heritage sector in terms of employment and GVA can be summarised as follows:

- For constituent heritage industries fully captured by the relevant Standard Industrial Classification (SIC) codes, employment figures are obtained from the Office for National Statistics’ (ONS) Business Register & Employment Survey (BRES).
- For some constituent industries, occupations rather than the industries are well defined, based on Standard Occupational Classification (SOC) codes. For these industries, employment estimates are derived by combining the Annual Population Survey (APS) with the BRES data. These official datasets are used to triangulate an estimate for heritage activities with no apparent industry SIC codes but with defined occupations, via the construction of bespoke SIC-SOC matrices.
- For heritage activities neither captured by the SIC nor the SOC codes, secondary data sources are used to establish estimated heritage employment figures or the employment share that could be applied to the relevant SIC or SOC codes.

³ [Assessment of compliance with the code of practice for official statistics: DCMS sectors economic estimates](#). Office for Statistical Regulations (December 2018) pg 12.

- The GVA figures are derived from the Regional GVA Estimates published by the ONS, by apportioning these regional estimates by employment estimates and earnings data from the Annual Survey of Hours & Earnings (ASHE).

Since standalone SIC and SOC codes are limited in their ability to define heritage, estimates of the activities of the heritage sector rely on cross extracting SIC codes through SOC codes, sometimes combined with secondary data sources or in some cases relying on secondary data sources alone. For example, since some heritage occupations in the APS or ASHE are buried within wider occupation categories, the use of secondary data sources is unavoidable.

To isolate specific activities in the heritage sector, coefficients are calculated from secondary data sources and applied to apportion the data. In cases where the data sources relate wholly to heritage, the data are not refined at all.

At the time of writing, detailed employment data by SIC code is not yet available for 2018. As such, for the employment estimates that relied directly on this, or for those which relied the construction of SIC-SOC matrices, we had to adopt a different methodology. Here, top-line data on regional employment by SIC category was used, from the 2018 Annual Population Survey (APS). We then used the regional changes from 2017 to 2018, and assumed the same employment distribution within SIC category as 2017, to derive 2018 employment estimates.

Through the aforementioned process, the direct impact of the heritage sector is estimated in terms of GVA and employment.

This report also estimates the aggregate economic footprint of the Heritage sector. These multiplier impacts are estimated using Cebr's input-output models, which draw on the ONS' national accounting framework. The input-output models identify the industries from which the Heritage sector purchases its inputs and trace the sector's economic footprint through its supply chain relationships with other sectors. This, in turn, generates output and employment in those sectors and increases earnings and employee spending in the wider economy. Per the scope of this refresh, the multipliers were assumed to be the same as calculated in the prior study.

Data that would be useful in quantifying the value of spillovers from heritage to the wider economy is more difficult to obtain. Section 5 considers the spillover impacts of the heritage sector through tourism and is largely driven on tourism data from VisitBritain and the International Passenger Survey (IPS). The results and conclusions of Section 6, which considers the spillovers associated with tourism more broadly, are based on our primary research, consisting of responses to a survey and a limited set of in-depth interviews.

3 Direct economic contributions of England's heritage sector

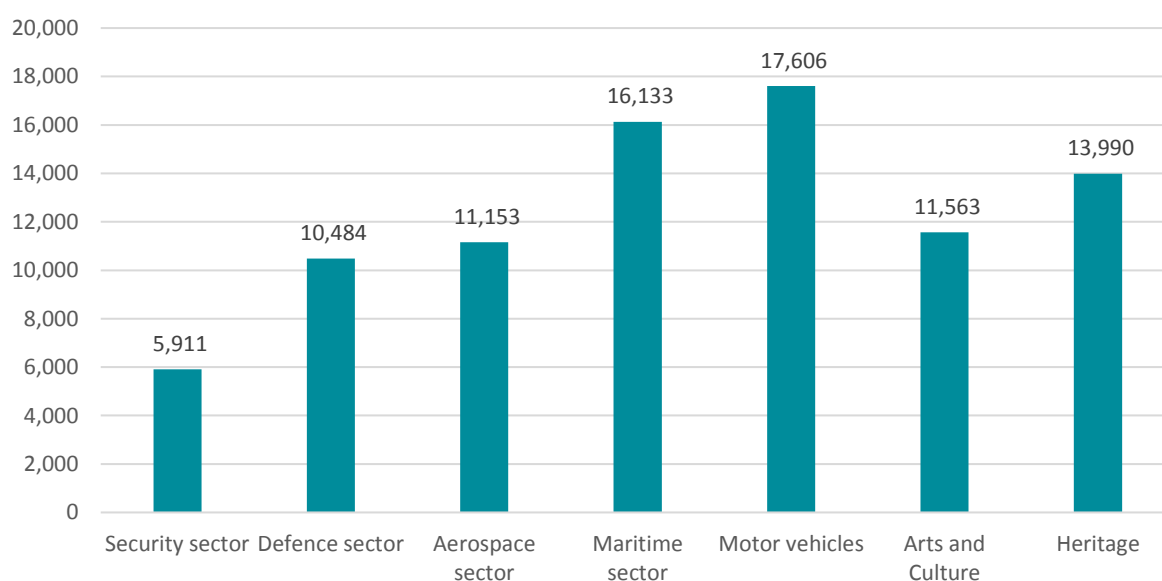
This section provides an assessment of the importance of heritage to the economy in terms of GVA and employment. The performance of these indicators will be examined over the period 2011–18.

We first outline the estimated contributions made by the heritage sector to GVA using the national accounting data. We then look at the contributions made to employment using the Business Register and Employment Survey (BRES) and other data sources, examining the impacts first for England and then across the English regions.

3.1 The direct economic impact through Gross Value Added (GVA)

This subsection illustrates the contributions in terms of the GVA from the heritage sector to UK GDP. Figure 1 below compares the GVA contribution of England's heritage sector to the GVA contributions of a selection of UK's industries.⁴ It is estimated that in 2017, England's heritage sector generated a GVA contribution of £14.4 billion to the UK economy. This is a larger GVA than the whole of the security industry, defence industry, aerospace industry and the arts and culture industry in the UK.

Figure 1: Estimated GVA of England's heritage sector against GVA figures of selected UK industries in 2018, £ million



Source: ONS, Cebr analysis

Table 1 provides some context for the magnitude in GVA generated by the constituent industries of the heritage sector in 2018.

⁴ The figures for non-heritage sectors are based on the results from previous Cebr studies that have been scaled based on UK GVA growth to estimate values for 2017. As such, this is a 'high-level' approximation and should be treated accordingly.

Table 1: GVA generated by constituent industries of the heritage sector, 2018

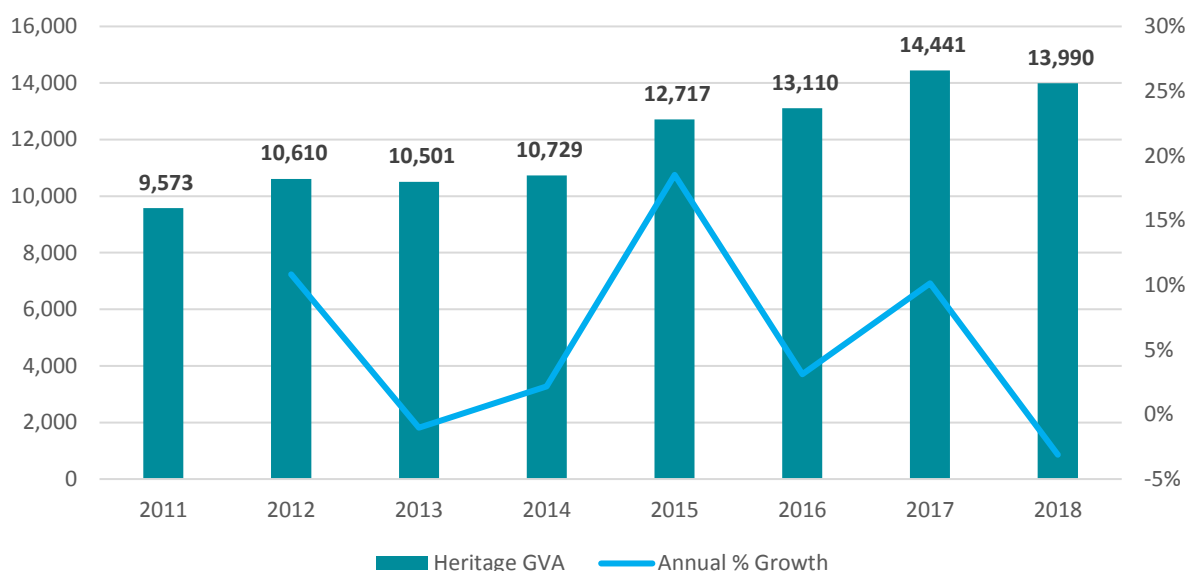
Constituent industries of the heritage sector	GVA £ millions 2018	% of total heritage GVA
Construction	7,143	51.1%
Libraries, Archives, Museums and other cultural activities	2,279	16.3%
Architectural And Engineering Activities; Technical Testing And Analysis	1,986	14.2%
Public Administration And Defence; Compulsory Social Security	780	5.6%
Activities Of Membership Organisations	411	2.9%
Education	240	1.7%
Real estate activities on a fee or contract basis	238	1.7%
Scientific Research And Development	166	1.2%
Other Professional, Scientific And Technical Activities	160	1.1%
Services To Buildings And Landscape Activities	126	0.9%
Owner-Occupiers' Housing	24	0.2%
Activities Of Head Offices; Management Consultancy Activities	16	0.1%
All other industries	422	3.0%

Source: ONS Annual Business Survey, 2016, Cebr analysis

Construction occupies the largest share - around 51% of the total GVA - and generated approximately £7.1 billion in GVA in 2018. This is followed by Libraries, Archives, Museums and Other cultural activities which accounted for £2.3 billion in GVA, or 16% of the heritage total. Architectural and engineering activities generated 14% of the total heritage GVA with approximately £2.0 billion generated in 2018.

Considering the GVA contributions of the heritage sector over time, Figure 2 shows this direct impact, in the period 2011 to 2018, and the sector's year-on-year growth rate.

Figure 2: Estimated GVA of the heritage sector, 2011-18, £ million.



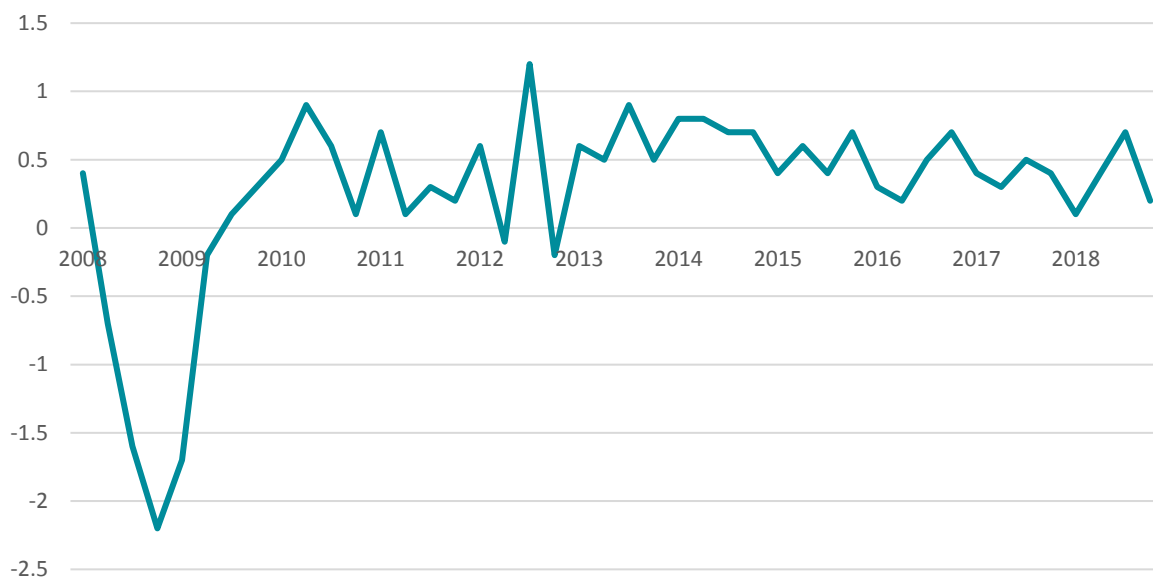
Source: ONS Annual Business Survey, 2011-16, Cebr analysis

England's heritage sector is estimated to have directly generated a total of £14.0 billion in GVA contributions in 2018. This was a slight decline on the 2017 peak of £14.4 billion but still represents a significant rise of approximately 46% since 2011. The largest increase occurred in 2015, when the sector grew by 18.5%. Overall, the GVA contribution of England's heritage sector has grown in every year except 2013 and 2018, in which it suffered slight contractions of 1% and 3% respectively.

As seen in Table 1, measured by GVA, the largest constituent industry of the heritage sector is construction activities. As such it is not surprising that this trend to an extent was driven by the wider construction industry in the UK. This saw a phased recovery between 2011 and 2018. As a whole, 2011 and 2012 saw the industry recover slowly, followed by contraction in 2013 and partial recovery through 2014. Since then the UK construction industry has largely remained on an upward trajectory with rising construction output between 2015 and 2018.

The construction industry is inherently volatile and is responsive to fluctuation in both confidence and key economic variables. The trend in the UK's construction industry is thus linked to GDP growth. As illustrated in Figure 3, UK's GDP has returned to positive territory since the sharp contraction in 2008.

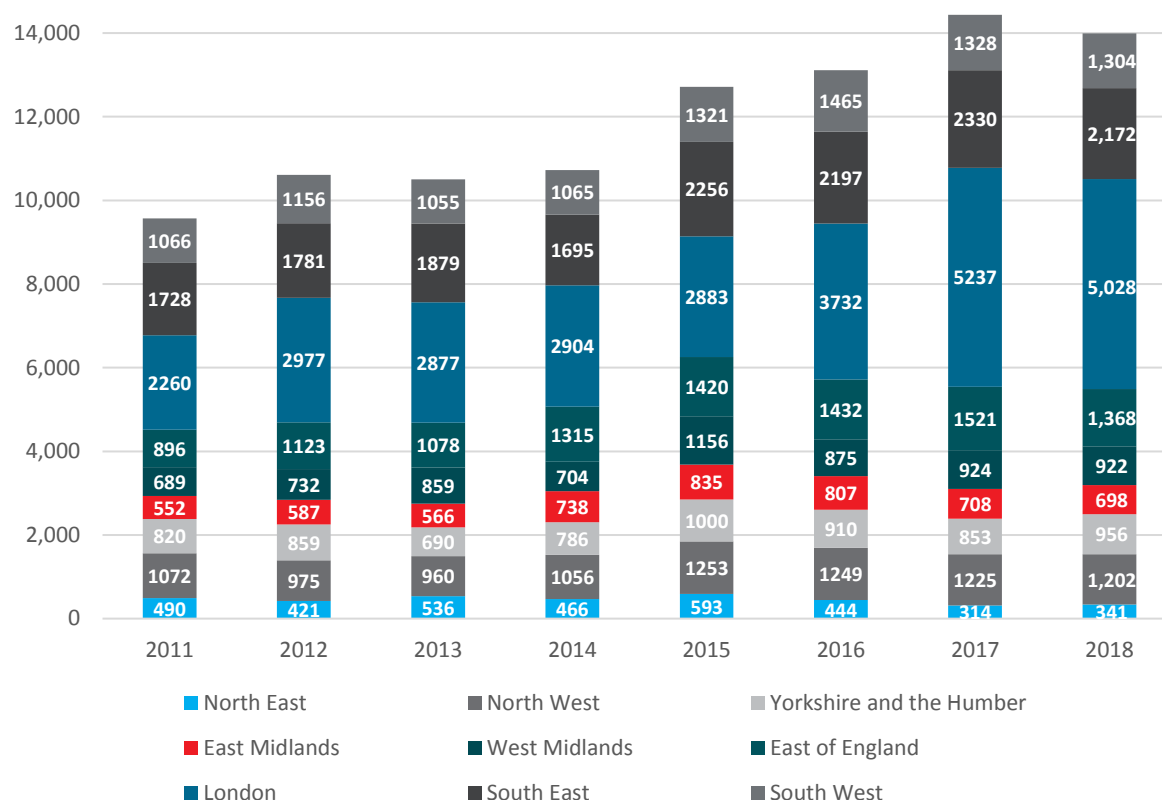
Figure 3: UK quarterly GDP growth, 2008-18



Source: ONS UK's GDP growth, Cebr analysis

In 2018, England's heritage sector contributed an estimated 0.87% of the UK's GVA. This exact proportion contributed ranges from a high of 1.1% of GVA in London to a low of 0.6% of GVA in the North East. Figure 4 shows the direct impact of heritage through GVA, disaggregated by the regions in England in the years 2011 to 2018.

Figure 4: Estimated GVA in the heritage sector by the regions in England, 2011-18, £ million.



Source: ONS' Annual Business Survey 2016, Cebr analysis

In 2018 it is estimated that the heritage sector produced its largest GVA contribution in the London region. London's heritage sector was responsible for an estimated £5.0 billion in GVA⁵ which represents 36% of the total for the sector in England. By contrast, the heritage sector in the North East produced the least in GVA contributions, approximately £341 million in 2018. This is just 7% of the GVA contributions produced by the heritage sector in London.

Interestingly the GVA contributions made by the heritage sector in London rose most significantly between 2016 and 2017 (from around £3.7 billion to £5.2 billion). As well be seen in Section 3.2, total employment in the heritage sector in London increased significantly from 2016 to 2017, and the GVA increase is partially driven by this. However heritage employment in London actually increased by more from 2015 to 2016 than the following year. This can be reconciled by the significant change in the employment distribution of the heritage sector in London in 2017.

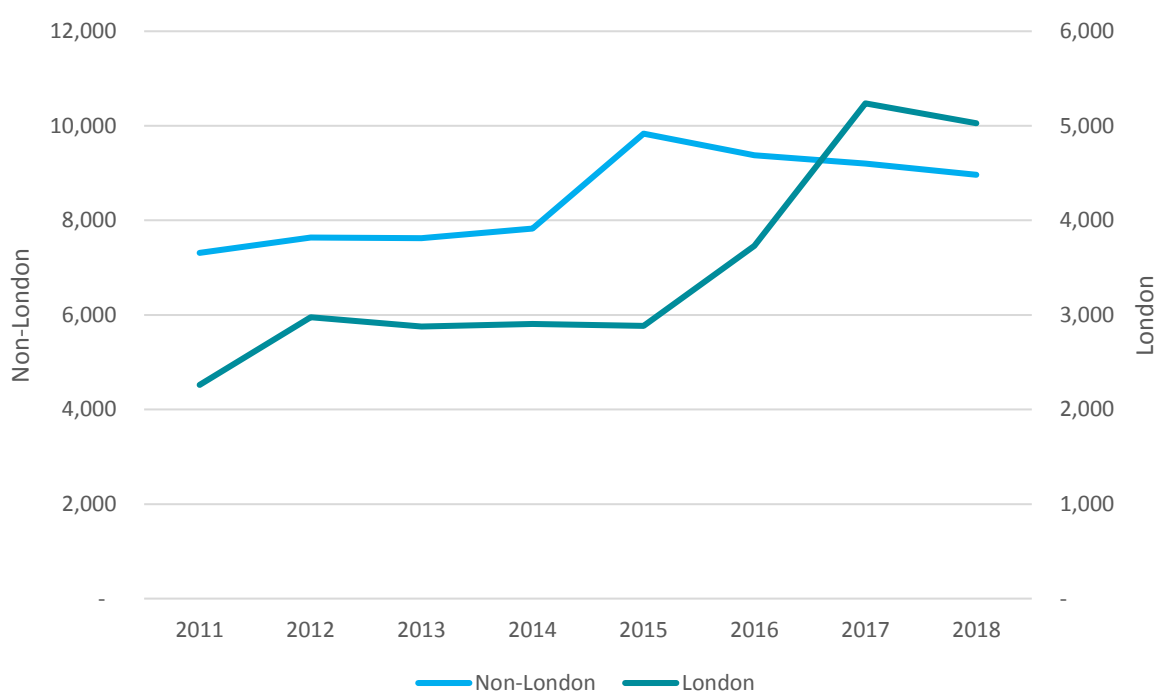
Heritage employment in London became increasingly concentrated in high GVA producing sectors between these two years. For instance, the number of workers in museums (a relatively low GVA/worker sector) in London fell from around 9,000 to 5,000 and the number of workers involved in building completion (relatively higher GVA/worker) rose significantly, from around 7,000 to around 13,000. This

⁵ The quoted figure in the report may not always equal the sum of the regional values due to rounding.

resulted in a significant increase in average GVA per worker. Given that heritage employment in London also increased in 2017, this caused the substantial increase in GVA observed.

The increasing importance of London's heritage sector to England as a whole can be further seen in Figure 5. This shows the GVA of London's heritage sector from 2011-18, compared to the combined GVA of the heritage sector in the rest of England's regions.

Figure 5: GVA of the London's heritage sector, compared to the rest of the England combined, £ million



Source: ONS' Annual Business Survey 2016, Cebr analysis

This shows how the growth in the GVA of London's heritage sector has far outstripped that of the rest of the UK. The majority of this increase has occurred since 2015. It is worth clarifying that this graph does not imply that London's GVA exceeds that of all non-London regions. Rather to improve comparability, dual axis have been used to show the relative trend. In 2018, London's heritage sector GVA is estimated to be £5.0 billion – still £3.9 billion less than the rest of the England. However this has fallen from a difference of £5.1 billion in 2011.

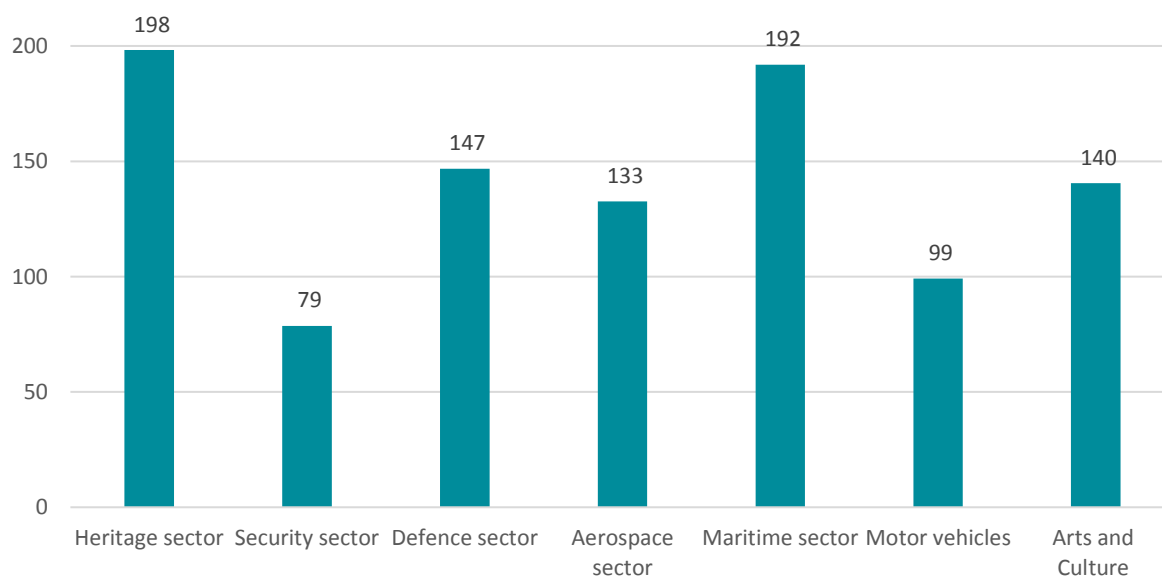
3.2 The direct economic impact through employment

Employment estimates are collated from a number of different sources. They are based on a definition that uses SIC and SOC codes, combined with data from other sources on specific areas of heritage. Since the SIC and SOC codes are limited in their ability to sufficiently isolate heritage employment, coefficients derived from a number of different data sources are used to proportionally allocate employment estimates. Technical details related to how this has been done can be found in the technical notes of **Appendix II**.

Figure 6 below show that, in 2018, employment in England's heritage sector was slightly higher than employment in the maritime industry and significantly higher than the employment in the security,

defence, and aerospace and motor vehicles industries.⁶ Similarly, during the same year, England's heritage sector had a higher employment contribution in England than the whole of the arts and culture industry in the UK.

Figure 6: Estimated employment in England's heritage sector against employment figures of selected UK industries in 2018, thousands.

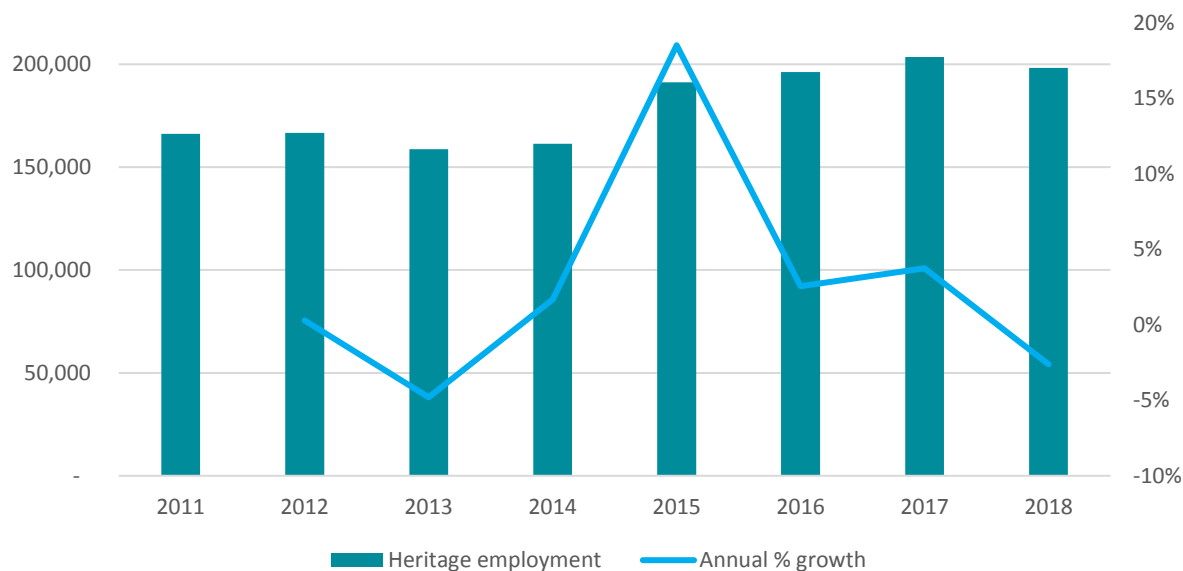


Source: ONS' Annual Business Survey, Labour Force Survey, Cebr analysis

Figure 7 shows the direct impact through employment in the years 2011 through 2018, along with the year-on-year percentage change in heritage employment.

⁶ As for GVA, the figures for non-heritage sectors are based on the results from previous Cebr studies that have been scaled based on UK employment growth to estimate values, this time for 2018. Therefore this again represents a 'high-level' approximation.

Figure 7: Estimated employment in the heritage sector, 2011-18



Source: ONS Business Register and Employment Survey, Annual Population Survey, Cebr analysis

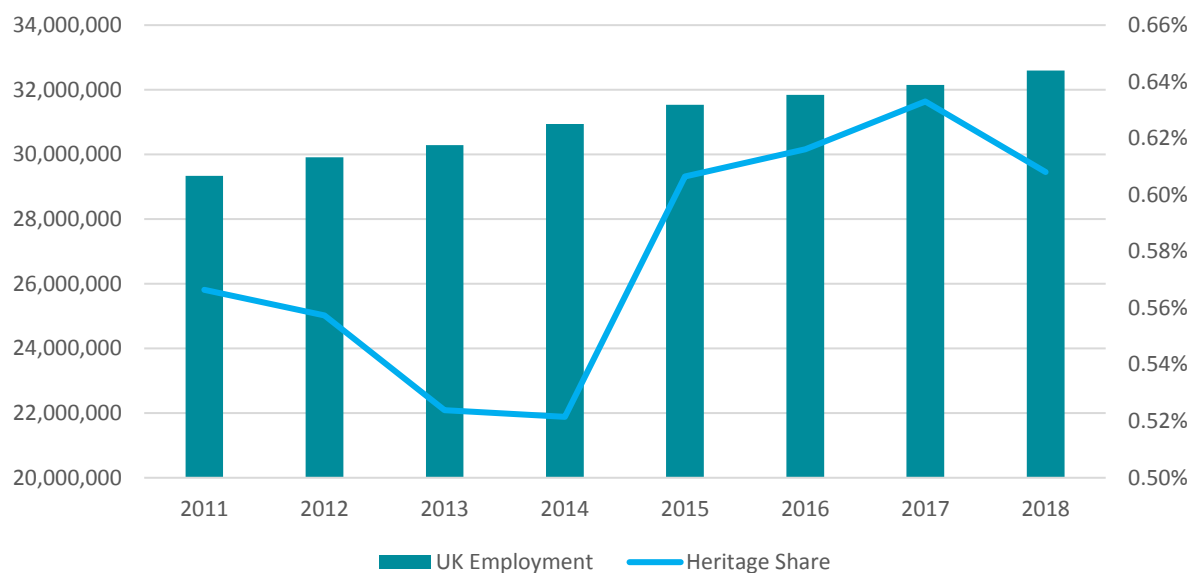
Given the nature of the activities embedded in the heritage sector, the sector's employment contribution has followed a somewhat volatile trend. It is estimated that the heritage sector in England directly employed around 204,000 workers in 2017, and 198,000 jobs in 2018. While this represents a fall of 2.5% from 2017 to 2018, both years are higher than estimated in any year prior.⁷ Over the entire period, heritage sector employment has increased by 32,000, or 19%. The greatest driver of this was significant increases in heritage workers in the construction sub-sectors, and the number of conservation professionals in all industries.⁸

The average yearly growth rate in employment in the heritage sector from 2011-18 was 2.79%. This compares favourably to an average overall increase in employment in England of 1.57% over the same period. A further comparison of total employment in England, and the heritage sector's share can be seen in Figure 8.

⁷ The previous high was an estimated 196,000 in 2016.

⁸ A full breakdown of employment by employment type and region for 2011-18 is available in Appendix I: Breakdown of the workforce of England's heritage sector.

Figure 8: UK Employment and the heritage sector's share, 2011-18

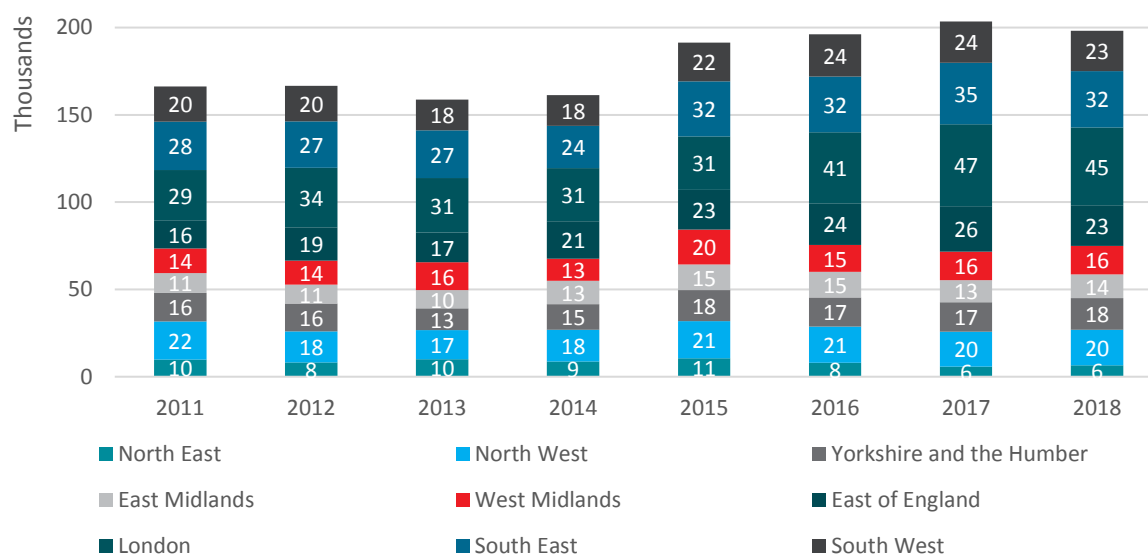


Source: ONS Labour Force Survey, Business Register and Employment Survey, Annual Population Survey, Cebr analysis

Over the entire period, total employment in the UK has been increasing, from 29.3 million in 2011 to 32.6 million in 2018. The heritage sector's share fell from 0.57% of total employment in 2011, to 0.52% in 2013. Since it has increased significantly, peaking at 0.63% of total employment in 2017, before declining slightly to 0.61% in 2018. From 2011-18, the heritage sector's share of total employment in England increased by 0.04 percentage points. This is especially impressive given the consistently rising employment in England over the period.

Figure 9 illustrates employment in the heritage sector by English regions over the period 2011-18.

Figure 9: Employment in the heritage sector by English regions, 2011-18



Source: ONS Annual Business Survey, Cebr analysis

London contributed the most in every year bar 2015⁹, peaking at 46,900 in 2017. Over the entire period, it also grew the most, from 28,800 workers in 2011, to 44,600 workers in 2018. This increase of 15,800 workers (55%) is by far the most over the period, accounting for 49% of the total increase in heritage employment. Largely driving this were significant increases in heritage workers in the construction sector, especially from 2015 onwards. The number of conservation professionals and architects in the heritage sector also increased significantly over the period.

The South East is still comfortably the second largest heritage employer, with 32,300 employees in 2018. The East of England and South West are third and fourth. Heritage employment in the East of England has grown by the second most since 2011, both in absolute (7,200 workers) and percentage (45%) terms. From 2011-18 it has gone from the sixth largest regional heritage employer, to third.

Over the period, seven regions have seen an increase in employment in the heritage sector. However heritage employment has fallen by 3,400 workers and 1,500 workers respectively in the North East and North West. Particularly notable, in the North East this represents a 34% fall, largely driven by significant falls in the number of museum workers, heritage construction workers and architects in the heritage sub-sector.

Interestingly, the slight fall in heritage employment estimated in 2018, is driven by a fall in employment in just four regions, with five seeing a slight increase. However a fall in employment of over 2,000 workers in the three largest regions (London, South East and East of England) ultimately led to the observed decrease in heritage employment.

⁹ In 2015, an estimated 31,600 employees worked in the heritage sector in the South East, compared to 30,800 in London.

4 Macroeconomic impacts of England's heritage sector

This section sets out our findings on the macroeconomic contributions of England's heritage sector, including indirect and induced multiplier impacts.

4.1 Embedding heritage within our macroeconomic impacts framework

In this subsection we give a broad overview of the way in which we embed heritage activities within our macroeconomic impacts modelling framework. We adopt the framework provided by the ONS supply-use tables to establish the size and economic impact of heritage. Using this framework to analyse the heritage sector is one of the best means of ensuring consistency with the national accounting framework.

The process of embedding a specific subset of productive activities within the framework involves assigning the heritage sector an explicit role within the supply-use tables and Cebr's input-output models. In so doing, we provide the foundation for establishing the economic size (direct impact) of heritage, and the wider economic footprint supported in the national and regional economies. We then use the multipliers along with the direct impacts data presented in Section 3 to produce estimates of the total impacts of the sector through the supply chain response (indirect impacts) and through the income from employment supported and spent in the wider economy (induced impacts). We produce these impacts for England as a whole before analysing regional differences.

4.2 The supply chain of the heritage sector

The most apparent way in which industries interact with the wider economy is through the purchases they make from businesses in the same and other industries through their supply chain. The supply chain thus provides the logical starting point for an analysis of the multiplier impacts and the economic footprint of the heritage sector. The structure of the heritage sector's supply chain is presented in

Table 2 below.

Table 2: Structure of the heritage sector domestic supply chain by product

Sector	% Domestic supply chain
Construction	29.4
Manufacturing	19.1
Professional, scientific and technical activities	10.9
Administrative and support service activities	10.3
Heritage	4.2
Wholesale and retail trade, repair of motor vehicles	4.2
Information and communication	4.1

Financial and insurance activities	3.5
Other service activities	3.1
Arts, entertainment and recreation	2.5
All other sectors	8.8

Source: Cebr analysis

We estimate that the heritage sector's supply chain is dominated by the construction industry and the manufacturing industry, accounting for 29.4% and 19.1% of the domestic supply chain. This is followed by professional and administrative industries with estimated shares of 10.9% and 10.3% respectively. The heritage sector's purchases from its own industries are estimated to account for 4.2%, while arts, entertainment and recreation industries stood for 2.5% of the domestic supply chain.

4.3 The heritage sector's contribution to GVA

The results of our input-output modelling estimates of the indirect and induced multiplier impacts of the heritage sector's contribution to GVA are presented in deconstructed form in Figure 10.

Figure 10: The heritage sector's GVA multiplier in England



Source: Cebr analysis

The Type I multiplier is the sum of direct and indirect impacts and is equal to 1.68, meaning that for every £1 of additional heritage GVA, an additional £0.68 of GVA is supported indirectly through the heritage sector's supply chains. This £0.68 represents the GVA of the industries from which the heritage sector purchases goods and services as inputs to its own production processes, and of the industries that in turn provide inputs to these suppliers, and so on.

The Type II multiplier, which is the sum of the direct, indirect and induced impacts, is equal to 2.21. The additional induced impact of £0.53 represents the GVA of the industries that supply finished goods and services to households when the direct and indirect employees of the heritage sector spend their earnings in the wider economy.

This means that for every £1 of heritage sector's GVA, an estimated £2.21 of GVA will have been or will be supported in the economy as a whole, due to the combination of direct, indirect and induced multiplier impacts.

Based on the heritage sector's direct GVA impact in 2018 of £14.0 billion, **we estimate that its aggregate GVA contribution, including direct, indirect and induced impacts, amounted to approximately £31 billion. For 2017, this value was slightly higher, at £32 billion.**

4.4 Contribution of England's heritage sector to employment

Our estimate of the direct employment contribution of the heritage sector to employment in England is outlined in Section 3, where we estimated employment of 203,000 and 198,000 in the heritage sector in 2017 and 2018 respectively. However, the employment impact of the heritage sector is not confined to these direct job contributions.

Figure 11 illustrates our estimate of the indirect and induced multiplier impacts related to employment in the heritage sector.

Figure 11: The heritage sector's employment multiplier in England



Source: Cebr analysis

The two types of multiplier are again visible. The Type I multiplier is estimated at 1.78, meaning that for every additional heritage job, an additional 0.78 jobs are supported indirectly through the heritage sector's supply chains. These represent employees of the industries from which the heritage sector purchases goods and services as inputs to its own production processes, and of the industries that in turn provide inputs to these suppliers, and so on.

The Type II multiplier is estimated to equal 2.34. The additional induced impact of 0.56 represents the employment of the industries that supply finished goods and services to households when the direct and indirect employees of the heritage sector spend their earnings in the wider economy.

This means that for every heritage job, an estimated 2.34 jobs will have been or will be supported in the economy as a whole, due to the combination of direct, indirect and induced multiplier impacts. **This employment multiplier implies an estimated total employment footprint of 476,000 jobs in 2017 and 464,000 jobs in 2018.**

4.5 Regional variation in our multiplier estimates

Using our multiplier modelling we have also estimated the contribution made by the heritage sector to the regional economies in England in 2018. Table 3 gives the results of our input-output modelling at the level of the English regions. Separate Type II multipliers that capture direct, indirect and induced impacts are shown for GVA and employment.¹⁰

¹⁰ Note that these estimates capture the impacts of the heritage sector of a region on that region itself. They do not take account of the potential impacts on the heritage sector of other regions when other regions need to draw on suppliers in that region for which the multiplier estimate is being produced.

Table 3 : Type II multipliers and impacts in the English regions, 2018

English regions	Type II GVA multiplier	Total GVA supported (£ million)	Type II employment multiplier	Total employment supported (Thousands)
North East	1.81	616	1.89	12
North West	2.13	2,563	2.26	46
Yorkshire and the Humber	2.14	2,044	2.27	41
East Midlands	2.11	1,474	2.25	31
West Midlands	2.08	1,916	2.21	34
East of England	2.15	2,939	2.29	53
London	2.07	10,413	2.19	98
South East	2.10	4,563	2.23	72
South West	2.10	2,735	2.21	51

Source: Cebr analysis

These estimates suggest that the heritage sector in the East of England had the largest Type 2 multipliers for both GVA and employment, while the North East had the lowest multiplier impacts. In the latter case, this suggests that the regional economy is relatively less able to supply the goods and services demanded as a result of increased demand for the heritage sector. This means that more of these goods and services must be sourced from outside the region, reducing the multiplier effects realised within the region itself.

In terms of absolute levels, the heritage sector in London alone supported £10.4 billion in total GVA through direct, indirect and induced impacts in 2018. This is an increase of £2.7 billion on our prior estimate for 2016. The region also supported by far the most jobs, with 98,000 workers estimated. The North East had the lowest total GVA and employment supported, namely £616 million and 12,000 workers supported by the heritage sector respectively.

5 Spillover impacts of heritage through tourism

Tourism in general is influenced by numerous factors such as exchange rate sensitivities and changing international trends. For example, in recent years, domestic tourism growth has been slower than inbound tourism growth due to the maturity of the market and the slow population growth in the UK relative to the global average. Similarly, the Brexit vote in June 2016 triggered a sharp depreciation in Sterling, making UK relatively cheaper to international visitors and travelling abroad relatively more expensive for UK residents.

England's heritage creates additional spending through tourism in two ways. Some tourists visit the UK primarily to visit heritage attractions, while others take part in heritage activities during trips that are made for other purposes, potentially extending trips and generating additional spending as a result. This in turn supports thousands of jobs and contributes to national and local economic growth.

In this section, we present a series of descriptive statistics on heritage-related overnight trips and day visits and the corresponding spending generated by these trips.¹¹

The methodology applied to isolate the figures for heritage-related tourism is based on an activities-based definition that estimates the appropriate portion of heritage expenditure and visits. Official data sources such as GB Tourism Survey that provides a national breakdown of activities undertaken by tourists enabled us to derive estimates for the direct impact of tourism attributed to heritage.

This methodology draws upon HLF tourism research which goes further in capturing the indirect and induced impacts of heritage tourism, as well as looking at motivation-based heritage tourism. Further details and rationale for the methodology used is found in the technical notes of **Appendix 2**.

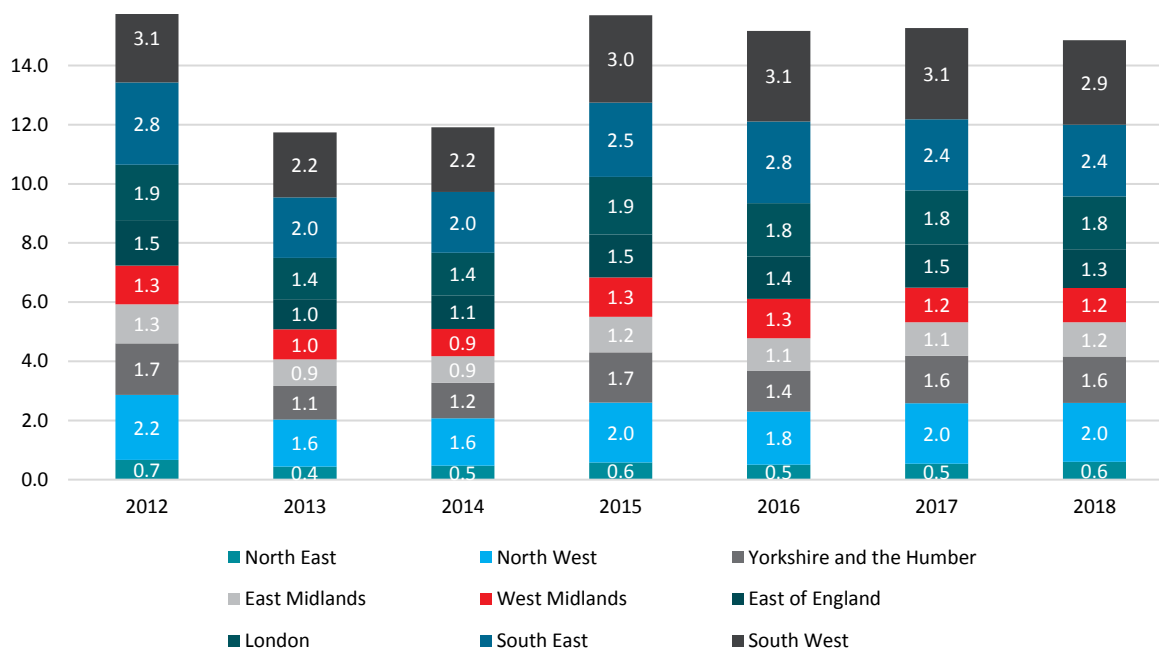
5.1 Domestic overnight tourism

In this sub-section, the GB Tourism Survey (GBTS) is used to estimate the impact of domestic overnight tourism. This is a monthly survey that covers overnight trips taken for any purpose, including holidays, business, or visiting friends and relatives.¹² We first present estimates for all heritage-related overnights trips, followed by heritage-related overnight holiday trips. The number of domestic overnight heritage-related trips in England can be seen in Figure 12.

¹¹Throughout this section, trip purpose is only available up until 2015. To form our estimates past this date, the proportion of heritage related trips in 2015 is applied to total domestic trips.

¹² GBTS measures the volume and value of domestic overnight tourism, and provides detailed information about trip and visitor characteristics. "Trips" are classified as trips or journeys away from home involving an overnight stay, taken by adults aged 16 and over and accompanying children. It includes costs paid in advance of the trip, costs paid during the trip and any other expenses incurred as part of the trip.

Figure 12: Total estimated domestic overnight heritage-related trips (million)

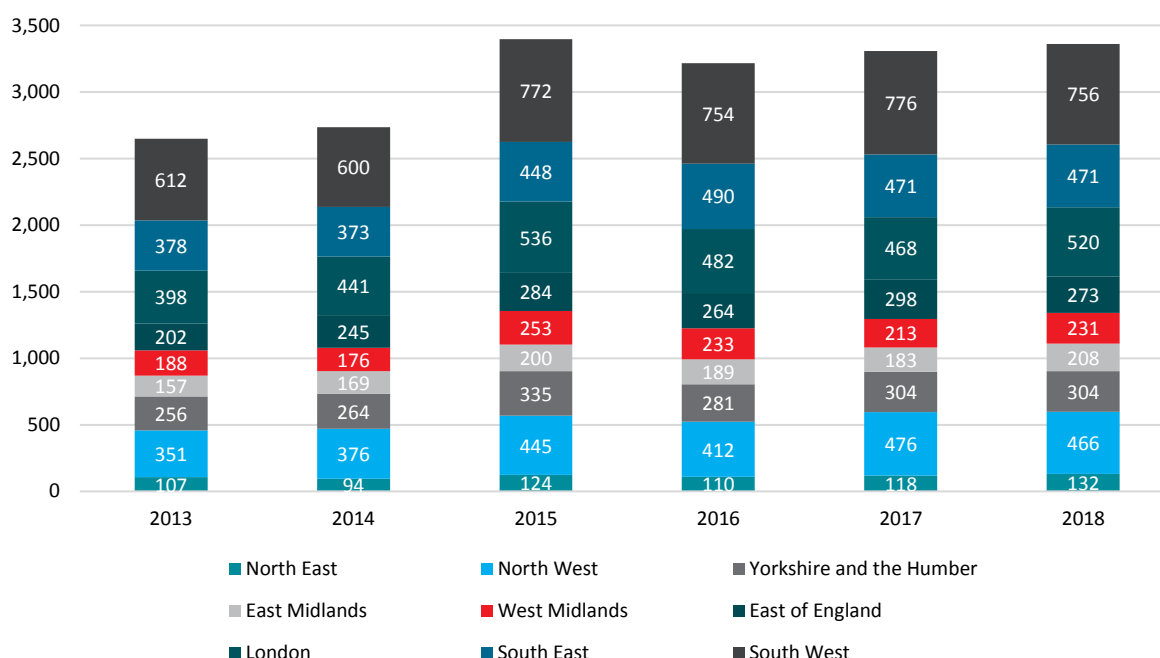


Source: GB Tourism Survey, 2012-18. Cebr analysis

The overall domestic overnight heritage-related trips in England decreased from 16.5 million in 2012 to 14.9 million trips in 2018, a fall of 10%. This decrease was most significant early in the assessed period, with domestic overnight tourism falling to 11.7 million trips in 2013 before somewhat recovering to 15.7 million by 2015. In 2018, the South West accounted for the highest number of trips with 2.9 million, while the North East accounted for the fewest trips with 0.6 million heritage-related domestic overnight trips.

Figure 13 shows the estimated spending generated from trips involving heritage-related overnight trips.

Figure 13: Total estimated domestic heritage-related domestic overnight spend (£ million)



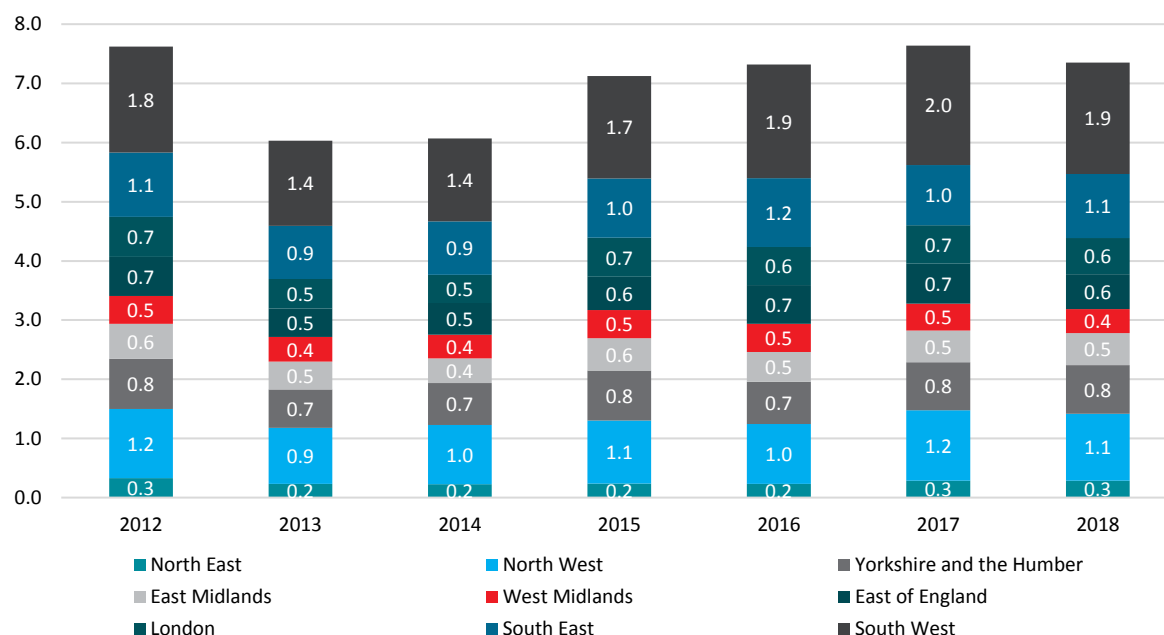
Source: GB Tourism Survey, 2013-18. Cebr analysis

The total heritage-related domestic overnight spend in England increased by 24% between 2014 and 2015, from £2.7 billion in 2014 to £3.4 billion in 2015. This spend figure then remained approximately constant, and remains at £3.4 billion in 2018.

Considering the regions, the South West is estimated to have generated £756 million in heritage-related domestic overnight spending in 2018, the largest spending amount in England. This is followed by London which is estimated to have generated £520 million in heritage-related domestic overnight spending in the same year. Interestingly, London dropped from having the second largest heritage-related spending in 2015 to the third highest spending in 2016. A significant increase in spending in London between 2017 and 2018 has meant that London retook its position as the region with the second highest spending. Despite being the region with the lowest domestic overnight tourism spending, the North East experienced a significant rise in spending between 2017 and 2018, from £118 million to £132 million, an increase of 12%.

Figure 14 illustrates domestic overnight heritage-related holiday trips in the regions of England in the years 2012-2018. 'Holidays' are planned holidays, and do not include visits to friends and relatives trips for leisure purpose.

Figure 14: Total estimated domestic overnight heritage-related holiday trips (million)

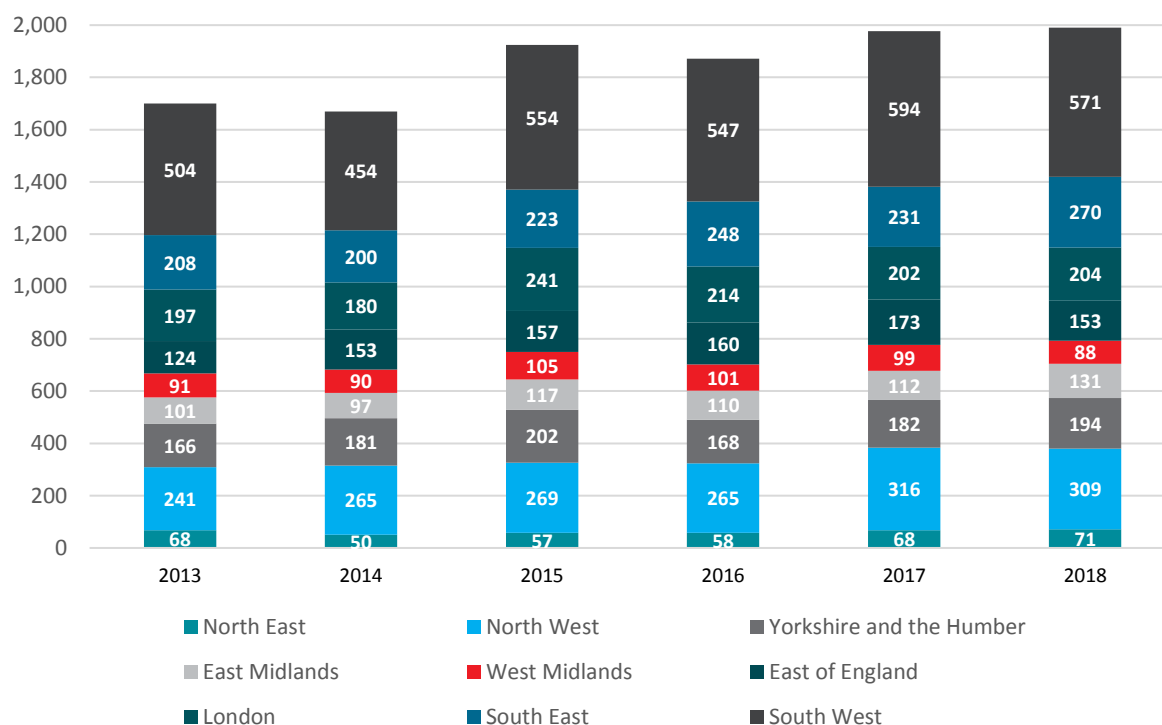


Source: GB Tourism Survey, 2012-18. Cebr analysis

Analogous to all heritage-related overnight trips, the South West accounted for the highest number of heritage-related overnight holiday trips. Meanwhile the North East accounted for the fewest heritage-related holiday trips with 0.3 million in 2018. For England as a whole, domestic overnight heritage-related holiday trips decreased slightly between 2012 and 2018, from 7.6 million holiday trips to 7.4 million holiday trips.

Figure 15 presents estimated spending generated from trips involving overnight heritage-related holiday trips.

Figure 15: Total estimated domestic overnight heritage-related holiday spend (£ millions)



Source: GB Tourism Survey, 2012-18. Cebr analysis

The total heritage-related overnight spend in England increased by 17% between 2013 and 2018, from £1.7 billion to £2.0 billion. Considering the regions, the South East saw the biggest rise in domestic overnight holiday spending, with spending rising by 30% between 2012 and 2018. Conversely, the West Midlands was the only region to experience a decline in domestic overnight holiday spending over the period, with spending falling 3%, from £91m to £88m.

5.2 Domestic day visits

The National Lottery has played an important role in helping England's heritage attractions to thrive. This includes funding for eight of England's top 10 most popular attractions, 21 of the UK's 25 World Heritage Sites, and 14 National Parks, as well as providing considerable funding for heritage attractions in the most deprived local authorities.¹³

This sub-section presents the volume of domestic day visitors and related expenditure for England and all the English regions. The analysis draw on Visit England's Day visit survey. A visit is defined as one that; involves one of 15 defined leisure activities, lasted at least three hours, was not a regular activity, and one that is in a destination outside the respondent's place of residence except trips to special public events, live sporting events and visitor attractions.¹⁴

¹³ https://www.hlf.org.uk/file/10822/download?token=nYc3SDf6niLPrTzXGY4Sz7_f7ZlqntB9Ue81u2Z-Osg

¹⁴ For more information: <http://www.visitengland.com/biz/resources/insights-and-statistics/market-size-and-value/domestic-day-visits>

Figure 16 illustrates that the volume of heritage-related domestic day visits in England increased by 66% between 2012 and 2018. The vast majority of this growth occurred between 2014 and 2016.

Figure 16: Volume of estimated heritage-related visits in the English regions (million)

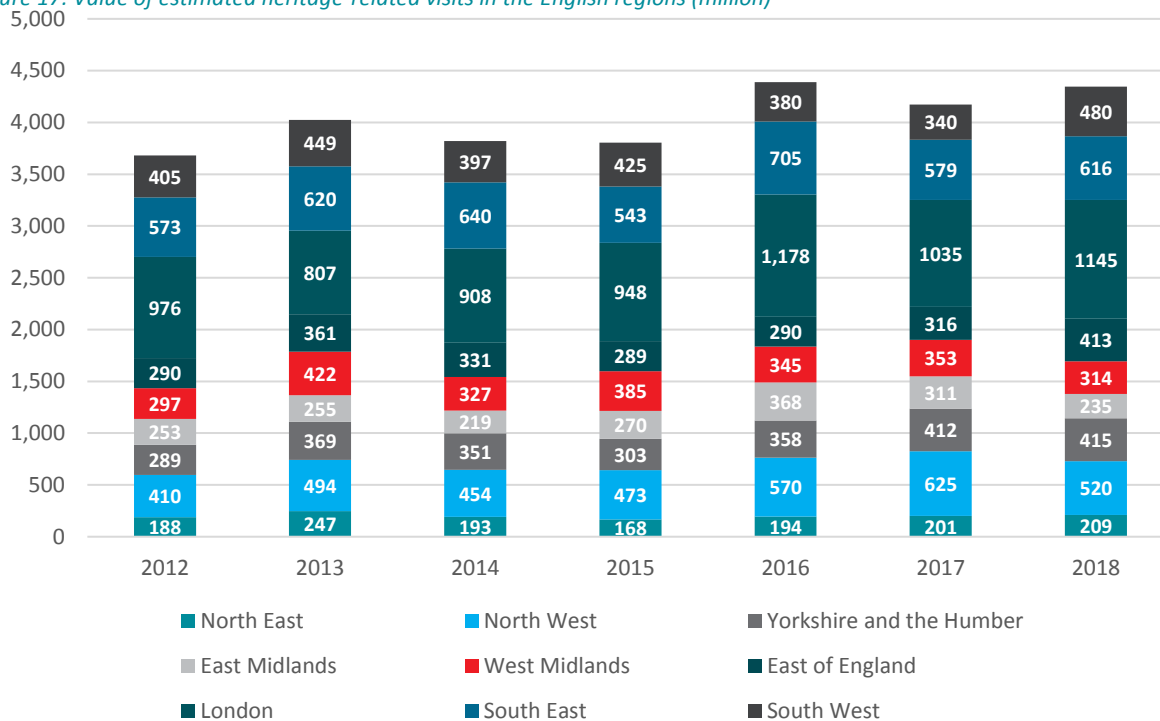


Source: Visit England's Day visit survey, 2012-18. Cebr analysis

The East of England experienced the largest increase in domestic day visits between 2012 and 2018, with the number of trips increasing from 9.7 million to 18.0 million or 86%. Despite a small decline in the volume of heritage-related day visits between 2012 and 2013, London saw a significant increase of 12.6 million between 2014 and 2015. Since then, the volume of heritage-day-related visits in London has increased further, reaching a peak of 44.1 million in 2016 before decreasing slightly to 41.8 million in 2018.

Figure 17 presents the value of heritage-related visits in the English regions. The total heritage-related visits in England as a whole generated £4.3 billion in 2018, an increase of 18% from £3.7 billion in 2012.

Figure 17: Value of estimated heritage-related visits in the English regions (million)



Source: Visit England's Day visit survey, 2012-18. Cebr analysis

Considering the regions in England, London experienced the greatest expenditure from these visits, £1.2 billion in 2018. The South East experienced the second most, although this was only around half that of London at £616 million. Spending in Yorkshire and the Humber experienced the largest growth between 2012 and 2018, increasing from £289 million to £415 million, a rise of 42%.

Table 4 below shows average spend per heritage-related visit for the regions in England.

Table 4: Estimated average spend per heritage-related visit in the English regions (£)

	2012	2013	2014	2015	2016	2017	2018
North East	32.55	40.54	34.81	22.54	19.72	18.68	20.62
North West	31.34	37.43	32.33	22.74	22.80	25.29	23.33
Yorkshire and the Humber	26.63	33.46	30.49	19.30	18.36	21.11	24.42
East Midlands	29.60	30.02	26.22	21.23	23.59	20.00	17.52
West Midlands	30.19	38.52	31.27	25.53	18.54	21.18	19.73
East of England	29.98	33.45	28.99	18.70	15.79	18.17	22.96
London	40.29	37.35	37.72	25.86	26.70	24.13	27.38
South East	30.42	34.37	32.12	19.20	22.25	19.07	20.89
South West	33.52	35.40	30.95	23.86	18.03	17.60	24.73

Source: Visit England's Day visit survey, 2012-18. Cebr analysis

In 2018, London had the highest average spend, at around £27 per visit. This was followed by the South West and Yorkshire and the Humber. Over the period under consideration, average spend per heritage-related visit exhibited considerable fluctuations between different years. For instance, in 2013 the North East generated the highest average spend per trip at £41. This almost halved by 2018, when the average heritage related visit to the North East had an average spend of just £21.

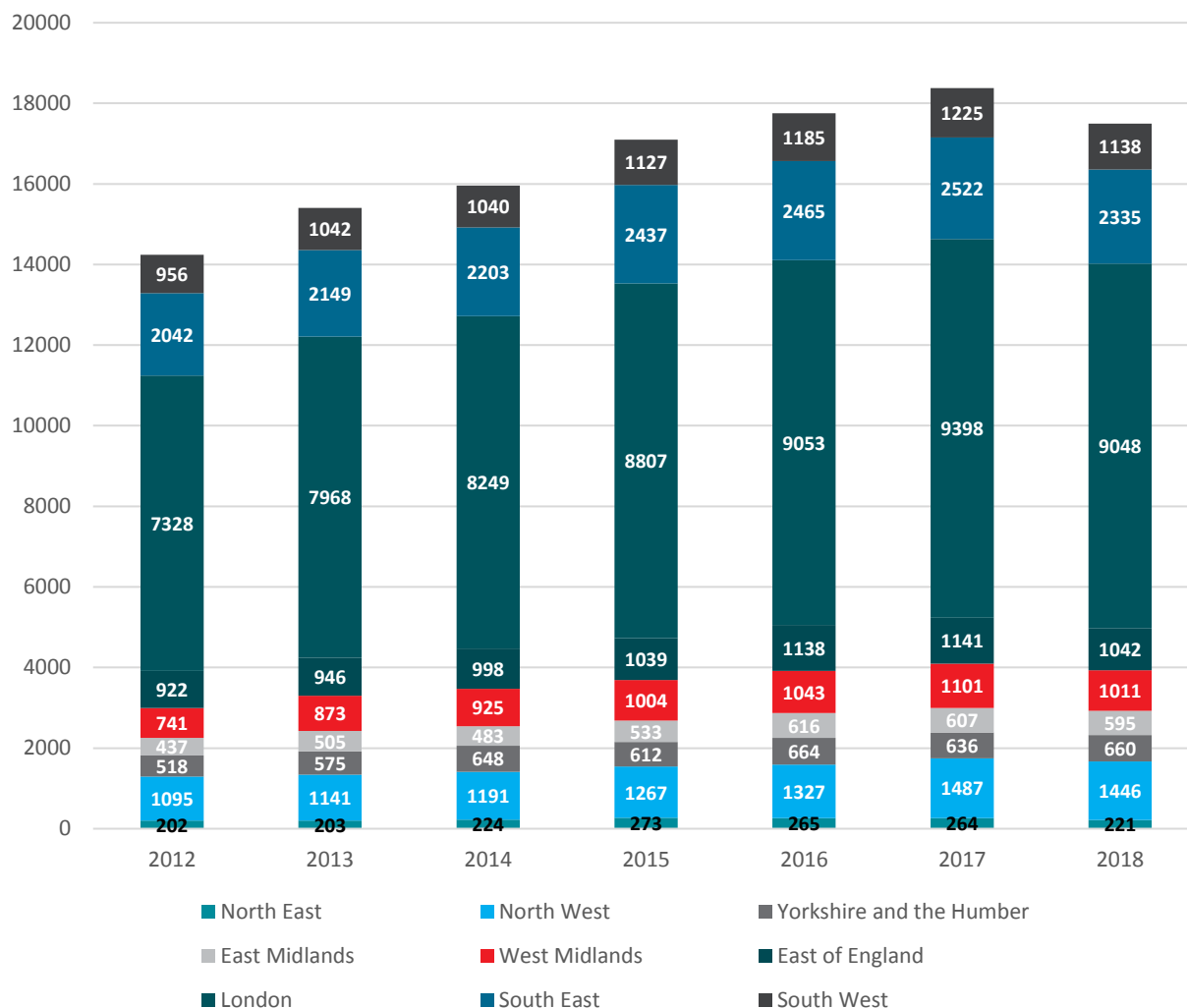
5.3 International tourism

While a large share of heritage-related activities and spending is generated domestically, England's heritage sector also draws visitors from much further afield. The Anholt Nations Brand Index (NBI) consistently ranks the UK's strengths in history and culture attributes including contemporary culture, historic buildings and cultural heritage.

In this sub-section, the International Passenger Survey (IPS) which collects information about passengers entering and leaving the UK is used to produce estimates of overseas travel and tourism.¹⁵ Figure 18 illustrates estimated heritage-related visits to the regions in England by international visitors.

¹⁵ The IPS conducts between 700,000 and 800,000 interviews a year. Interviews are carried out at all major airports and sea routes, at Eurostar terminals and on Eurotunnel shuttle trains.

Figure 18: Inbound visits: Estimated heritage-related visits (thousands)

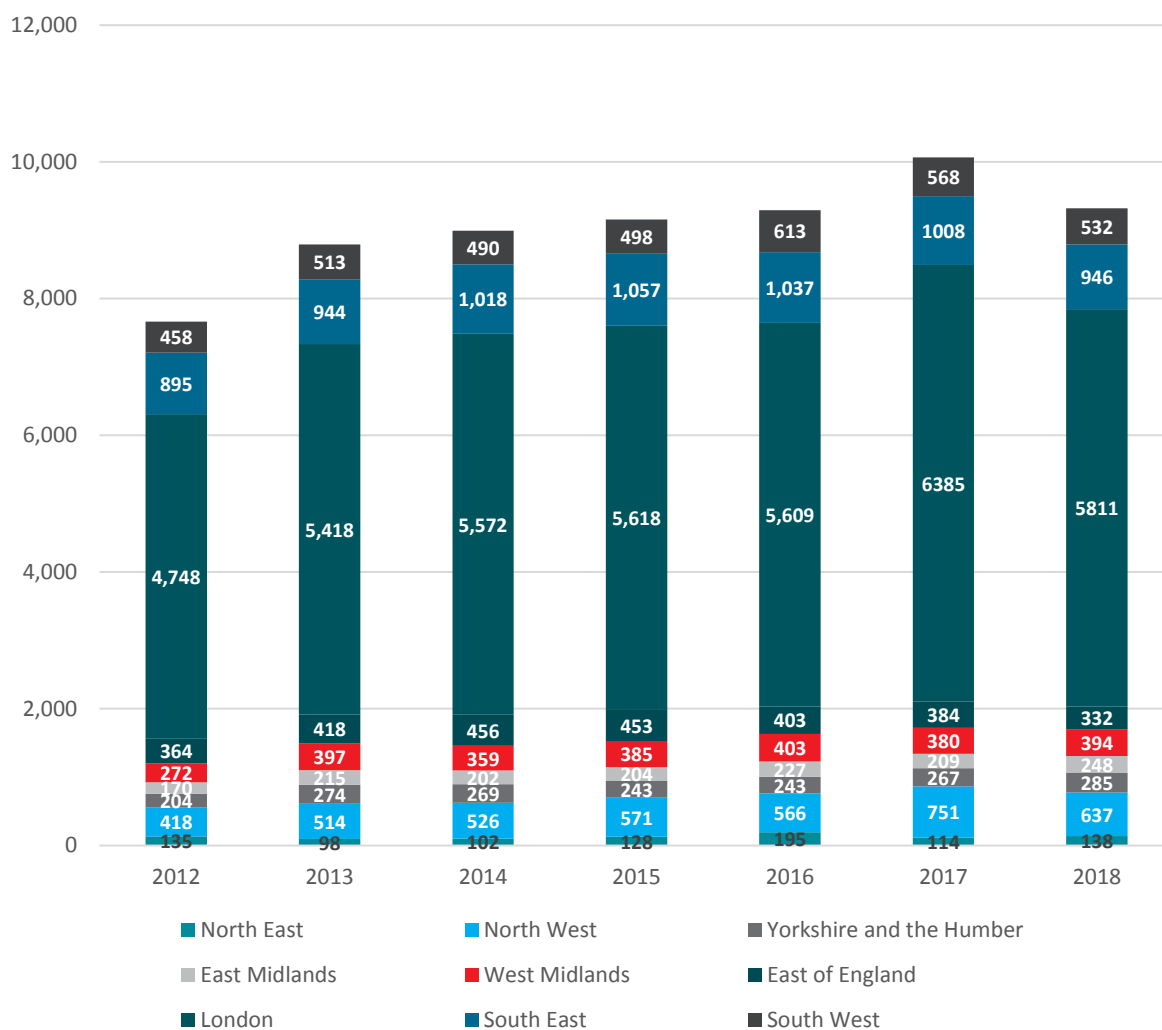


Source: IPS, 2012-18. Cebr analysis

For England as a whole, heritage-related inbound visits increased steadily between 2012 and 2017 before dropping slightly in 2018. A large share of the inbound visits are made to London, accounting for 52% of all inbound visits to England in 2018. An increase in the number of inbound visits to London is also the primary driver of the increase for England as a whole.

Figure 19 builds on this analysis, showing estimated heritage-related spend by international visitors.

Figure 19: Inbound visits: Estimated heritage-related spend (£ million)



Source: IPS, 2012-18. Cebr analysis

In line with the increasing visitor numbers, heritage-related inbound spending by international visitors for England as a whole steadily increased between 2012 and 2017 (from £7.7 billion to £10.1 billion) before declining slightly to £9.3 billion in 2018.

Once again, London had the lion's share of inbound visitor spending. The North West experienced the largest growth in inbound visitor spending between 2012 and 2018, of 52%.

6 Wider Spillover impacts of heritage: evidence from primary research

In this section we set out our findings on the wider spillover impacts of the heritage sector. These spillover impacts come, for example, through the role of heritage in developing skills, nurturing innovation and through community wellbeing and regeneration.

The analyses presented draw upon a variety of data sources. Specifically, we draw on existing research and support this with case studies drawn from our primary research that involved surveying organisations in the heritage sector as well as conducting a programme of in-depth interviews with individuals and organisations in the heritage sector.

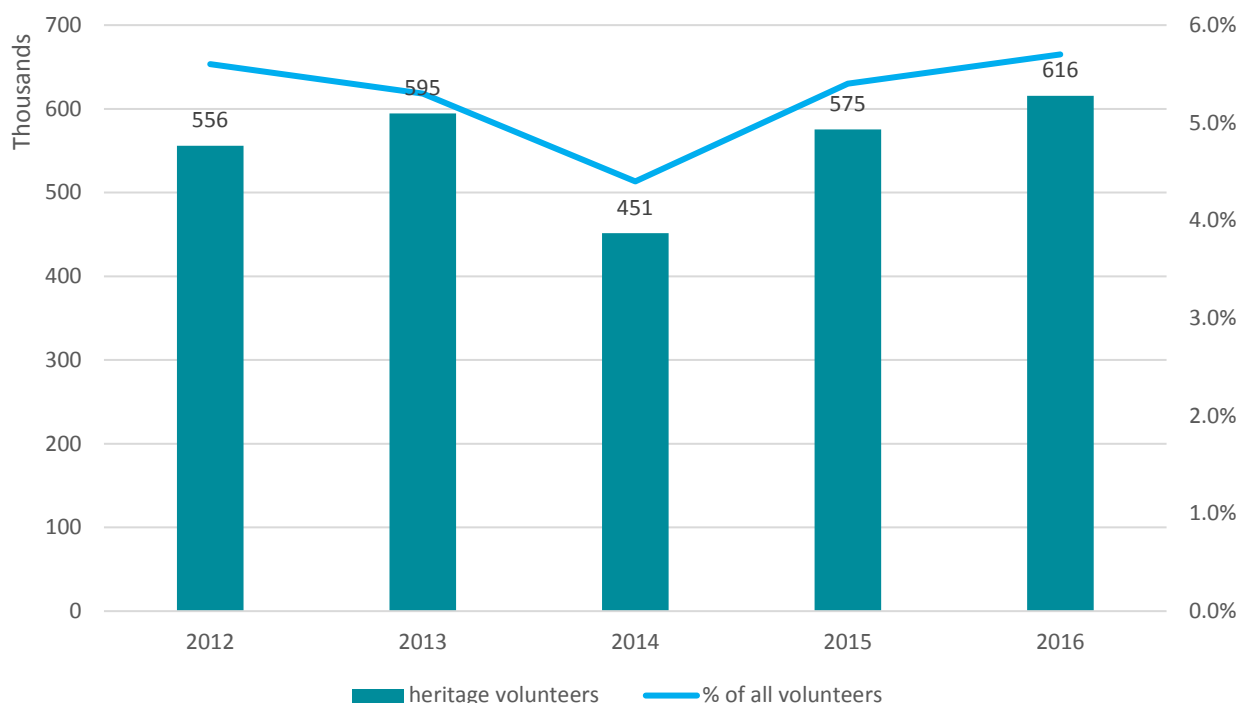
This involved a survey of 52 heritage organisations and a programme of in-depth interviews with ten organisations selected to be representative of the sector. The list of organisations that contributed to the survey and the in-depth interview programme is presented in **Appendix III**.

We begin with an examination of the importance of volunteering in the heritage sector before examining the role of heritage in improving community wellbeing and regeneration.

6.1 Volunteering and skills development in the heritage sector

Volunteering, in addition to the well-being effects, can help in skills development and support future employability. As illustrated in Figure 20, the number of heritage volunteers has been increasing since 2012, peaking at 616,000 in 2016. Heritage volunteering has also gradually increased as a proportion of all volunteering, accounting for 5.7% in 2016.

Figure 20: Estimated number of adults volunteering in connection to heritage



Source: Taking Part Survey, 2011-16. Cebr analysis

Anecdotal evidence from our primary research indicates that volunteers in the heritage sector play a key role in facilitating the operation of the sector. For example, some of the organisations that we surveyed reported that without the time and effort given freely by volunteers, the effectiveness of their activities and engagements would significantly decline.

Our survey evidence also suggests that volunteers in the heritage sector dedicate significant amounts of time, knowledge and expertise in a wide range of high-skilled and low-skilled activities, including running temporary events and exhibitions, regular “front of house” duties, research activities and administrative duties. A majority of the organisations surveyed also indicated that volunteers were involved in fundraising and outreach activities. Participating in collective activities such as these can improve the skills and knowledge of volunteers and help them develop professional networks.

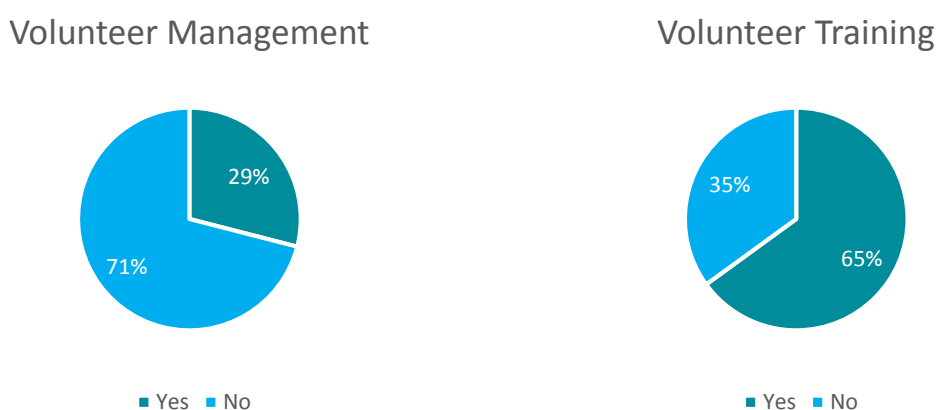
A significant part of innovation in creative industries is defined as ‘soft innovation’, unobservable or at least less observable than tangible products, networking through volunteering is thus likely to be an opportunity to showcase individual creativity.

For example, some of the organisations that we surveyed reported that the exposure through heritage leads, in some cases, to individual volunteers gaining professional work. Particularly, heritage organisations in the construction sector reported that there is a shortage of heritage tradesmen and that volunteering is important in closing the gap. CLA which took part in our in-depth interview stated that some of their volunteers are currently training to be committee members and officers.

Given the vital role played by volunteers, a considerable share of the organisations in the heritage sector offers schemes aimed directly at attracting and nurturing the skill set of volunteers. As illustrated in Figure 21, of the organisations that we encountered through our survey and in-depth interviews, 29% offered volunteer management programmes, while 65% provided volunteer training. While the sample size of the survey was smaller than would have been ideal, the extent of the organisations at least offering volunteer training leads us to be confident that this trend would be replicated in a larger survey, and by extension across the heritage sector.

In addition to skills development, programmes such as these offer young people a role in leading and shaping their own lives and activities, allowing them to take responsibility for their own learning. Heritage activities are understood to support wellbeing of both young and elderly volunteers by increasing life satisfaction and perceived health.

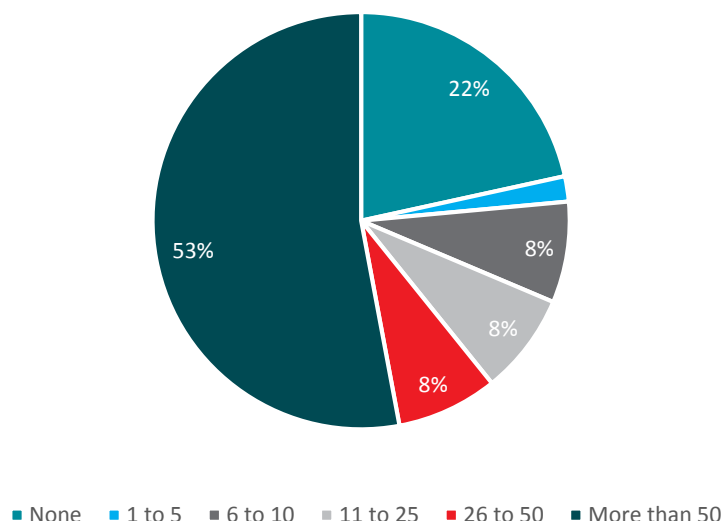
Figure 21: Heritage organisations which offer: Volunteer Management Programme and Volunteer Training



Source: Cebr survey of 52 heritage organisations and analysis, 2018

Furthermore, the organisations surveyed were asked to state the number of volunteers they employed in the latest available financial year. 53% of the organisations reported that they employ more than 50 volunteers on a regular basis. Given that over 70% of the organisations that we surveyed had fewer than 50 employees, this suggests that a considerable proportion of the workforce of these organisations are made up of volunteers.

Figure 22: Heritage volunteers employed by organisations surveyed



Source: Cebr survey of 52 heritage organisations and analysis, 2018

6.2 Heritage as a catalyst for improving community wellbeing and economic regeneration

The arts and culture industry has often been seen to be effective in stimulating local economic development and regeneration with the premise of creating local areas that attract skilled artists and creative businesses needed to fuel the local economy¹⁶.

The evidence from our primary research carried out as part of the study demonstrates the apparent breadth of the links between organisations in the heritage sector and the local economies. For instance, as illustrated in Figure 23, 82% of the organisations surveyed reported that they support or employ local commercial businesses. This suggests that local businesses are part of the heritage sector's supply chain. Similarly, 86% of organisations surveyed support local community groups. While 67% indicated that they support or employ local artists and artisans.

When asked what prompted them to offer these schemes, most of the organisations that took part in our in-depth interviews reported that development of next generation talent and providing opportunities to local artists are at the heart of their mission.

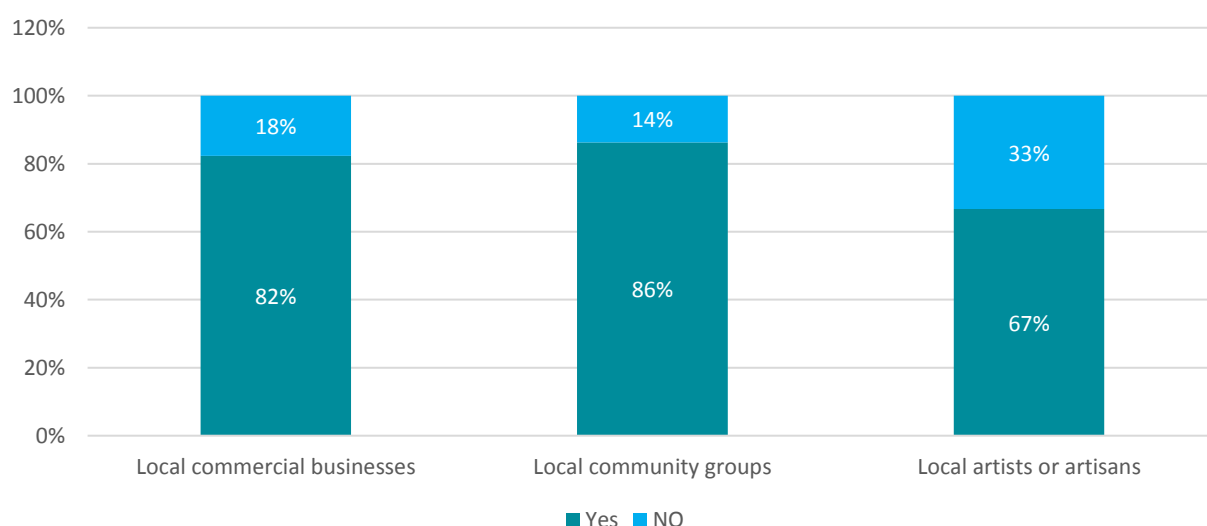
Many of these organisations also emphasised the importance of offering high quality heritage to their local community. They particularly stressed the importance of connecting their offer to their geographical surroundings and considered this as an important factor in making a local impact.

Partnerships with local heritage organisations are also understood to help spread knowledge of opportunities and available resources to local businesses. While we did not find systematic evidence to

¹⁶ Northall, P., 2008. Culture Led Regeneration & Local Art Communities. Centre for Local Economic Strategies: Manchester, p.1.

confirm the assertion, anecdotal evidence suggests that partnerships with local heritage organisations are an important source of innovation and creative ideas for local community groups and artists.

Figure 23: Regularly employ or work closely with:



Source: Cebr survey of 52 heritage organisations and analysis, 2018

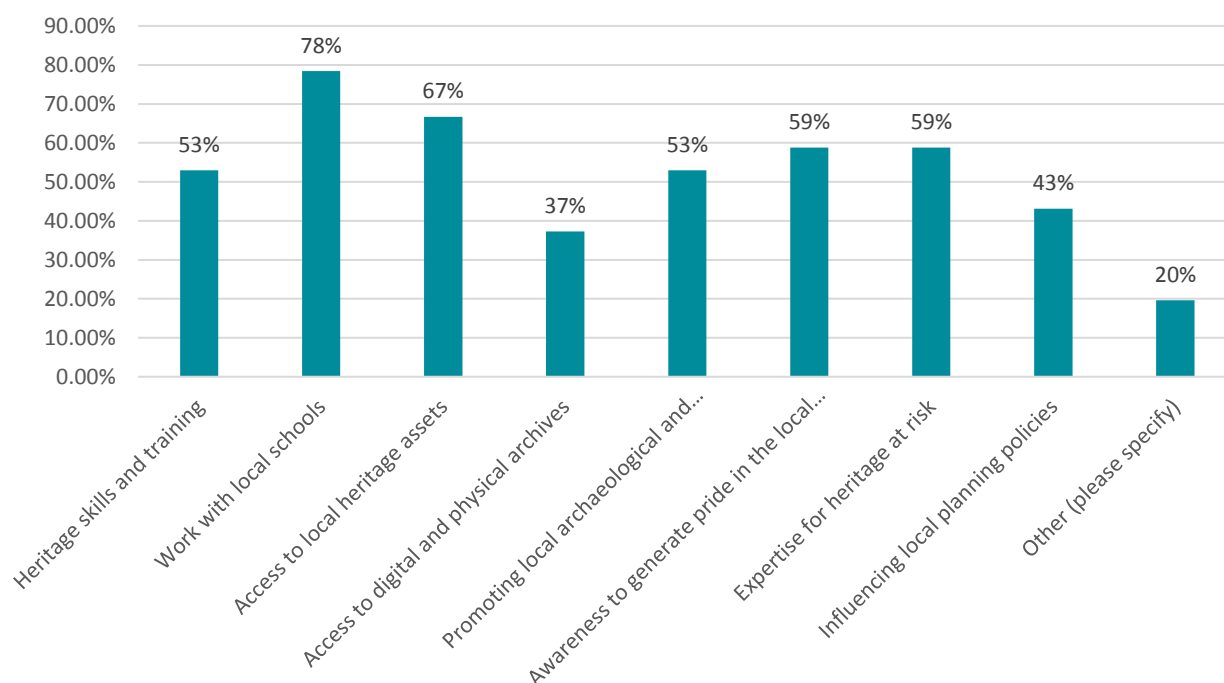
Further evidence collected during our primary research found that organisations in the heritage sector play an important role in their community, through outreach work, partnerships with local schools and support for local heritage sites and assets.

For example, Urban Vision Enterprise CIC, a partnership between a community interest company and a registered charity delivering community-led regeneration which took part in our survey, reported that they were involved in drafting planning policies, feasibility studies and business planning, and advising on heritage strategies. Blackburn Cathedral, which also took part in our survey, reported that they are currently developing a multi-use conferencing, exhibition, education and community space through Heritage Lottery Fund.

Figure 24 below shows a breakdown of the range of outreach activities undertaken by the heritage organisations surveyed. 78% of the organisations surveyed reported that they work with local schools and educational establishments. 67% indicated that they promote physical and intellectual access to local heritage. While over a half of the survey participants indicated that they provide heritage skills and training courses. An equivalent proportion of the survey participants reported that they provide expertise for heritage at risk.

Similarly, about 59% of the participants stated that they promote local archaeological and historic sites and an equivalent proportion raise awareness to generate pride in the local environment. 43% of the survey participants, mainly those involved in heritage construction, also reported that they seek to influence local planning policies as part of their outreach activities. Others indicated that they provide a wide range of services from consulting to restoration and conservation work. The level and extent of outreach activities that the surveyed organisations are involved in leads us to be confident in asserting that the heritage sector as a whole provides significant benefit in this area, despite the relatively small sample size of our survey.

Figure 24: Involved in the following outreach activities:



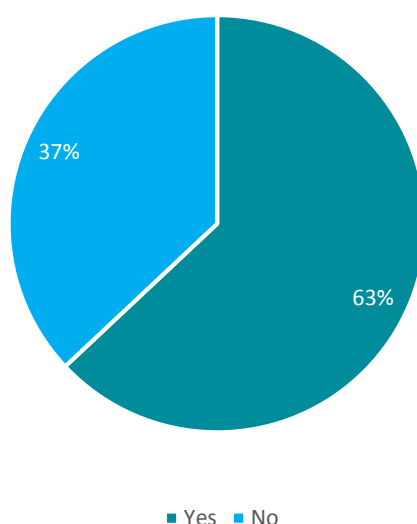
Source: Cebr survey of 52 heritage organisations and analysis, 2018

Evidence from our primary research suggests that the benefits of heritage-led regeneration can be large when this is related to place. Heritage-led regeneration initiatives identify and make use of heritage assets and reinforce the qualities that make them significant to help stimulate environmental, economic and community regeneration. This includes historic buildings, landscape features and views.

As illustrated in Figure 25, approximately 63% of the organisations surveyed reported that they were currently involved in heritage-led regeneration initiatives.

For example, Historic Houses, which took part in our survey, reported that the majority of the historic houses they represented are in active use as businesses, homes, tourism attractions or a combination of all three. This wide range of active uses reinforces the qualities that make these heritage assets significant, and helps stimulate environmental, economic and community regeneration.

Figure 25: Involved in heritage-led regeneration:



Source: Cebr survey of 52 heritage organisations and analysis, 2018

The organisations that we interviewed also noted that it is rare for heritage-led regeneration to take place in isolation. Instead regeneration efforts usually form part of a broader strategy including, for example, the development of green spaces or revitalising commercial districts. For instance, Wells Cathedral reported that they work with partners in Wells to create a "medieval quarter" in order to conserve heritage and promote tourism with the end goal of fostering local economic growth.

The few heritage organisations in the construction sector that we interviewed also reported that there are strong dependencies within the construction sector on heritage skills, knowledge and expertise. This includes the repair, maintenance and conservation of historic buildings as well as archaeological surveying for major infrastructure projects.

The above anecdotal evidences suggest that the heritage sector is indirectly a significant source of support for jobs in the local economies. This, along with the indirect impacts through other sectors of the economy and through induced employee spending impacts, is reflected in the direct and multiplier impacts presented in Section 4.

Lastly, as part of our in-depth interviews, we explored whether, against a backdrop of large cuts in local government spending, raising funds for heritage investment has been challenging in recent years. The general insight is that a majority of the organisations interviewed reported a difficult yet dynamic operating environment. Particularly, the organisations we interviewed suggested that the scale and speed of the public funding cuts presented new challenges.

Among the many issues raised, the intense pressure to generate additional income streams in an increasingly competitive business environment was extensively reported. By working closely with local authorities, Historic England and other public bodies, many of the organisations we interviewed noted that they have been able to survive and indeed thrive through new commercial practices and business models. Some of the organisations surveyed suggested that the change in the way in which they operate as a result of the public funding cuts has made them more entrepreneurial and business-like.

Appendix I: Breakdown of the workforce of England's heritage sector

Appendix I.: Workforce of England's heritage sector, 2011-2016. Thousands

Constituent industries of the heritage sector England	2011	2012	2013	2014	2015	2016	2017	2018
Workers in the museum sub-sector	15	16	12	16	16	19	13	14
Workers in the historical sites & buildings sub-sector	10	10	8	10	11	13	12	12
Workers in the archives sub-sector	3	3	2	2	2	2	2	2
Heritage workers in the building completion and finishing sub-sector	45	44	42	46	53	58	62	61
Heritage workers in the other specialised construction activities subsector	33	34	32	27	39	37	40	39
Archivists and curators in all industries	9	8	10	10	10	11	15	10
Archaeologists in all industries	5	5	4	4	4	5	5	6
Conservation professionals in all industries	9	11	9	9	14	11	9	17
Conservation and environmental associates in all industries	7	8	7	7	10	7	8	7
Gardeners & nature reserve heritage workers	3	2	3	2	3	2	3	3
Architects working with heritage	10	8	11	11	10	11	12	11
Town planning officers working with heritage	3	3	3	4	3	3	6	4
Chartered surveyors working with heritage	12	12	12	11	11	14	12	10
Building and civil engineering technicians working with heritage	3	3	3	3	4	5	5	3

Source: ONS Business Register and Employment Survey 2011-17, Annual Population Survey 2018, Cebr analysis

Appendix II: Technical notes related to approach and methodology used in the study

Appendix IIA: Technical note GVA

Type of indicator : GVA	Data source	Estimation method and assumptions
Regional GVA estimates	Regional GVA Estimates (income approach) and Annual Survey of Hours & Earnings, both ONS	<p>Economic output from heritage was estimated using a method adapted from that used in the DCMS Creative Industries Economic Estimates, and requires heritage employment estimates to have been calculated.</p> <p>The Annual Survey of Hours & Earnings was used to calculate median earnings for relevant heritage sectors and occupations. Given the insufficient sample sizes at regional level, estimates for the UK as a whole were used; these were weighted by region according to the ratio of total median earnings per region and the overall national average.</p> <p>Median earnings for relevant heritage sector and occupations were then multiplied by employment numbers to derive weighted total earnings for the heritage sector of each region. This was then divided by total weighted earnings of all industries of the respective region to arrive at the share of total earnings which heritage accounts for. Lastly, this share was applied to the ONS regional GVA estimate to estimate total heritage GVA for each region.</p>

Source: Cebr analysis

Appendix IIB. Technical note workforce

Type of indicator : Workforce	Data source	Estimation method and assumptions
Workers in the museum sub-sector	Business Register & Employment Survey (BRES). SIC code: 91020 Annual Population Survey (APS)	To avoid double-counting between APS and BRES, defined heritage professions in the museum subsector such as Archaeologists, Conservation professionals etc. were stripped out using a SIC-SOC mapping process.
Workers in the historical sites & buildings sub-sector	Business Register & Employment Survey (BRES). SIC code: 91030 Annual Population Survey (APS)	To avoid double-counting between APS and BRES, defined heritage professions in the museum subsector such as Archaeologists, Conservation professionals etc. were stripped out using a SIC-SOC mapping process.
Workers in the archives sub-sector	Business Register & Employment Survey (BRES). 91012 Annual Population Survey (APS)	To avoid double-counting between APS and BRES, defined heritage professions in the museum subsector such as Archaeologists, Conservation professionals etc. were stripped out using a SIC-SOC mapping process.
Heritage workers in the building completion and finishing sub-sector Heritage workers in the other specialised construction activities subsector	Business Register & Employment Survey (BRES). SIC code: 433 & 439 Annual Population Survey (APS) The English Heritage report Skills Needs Analysis 2013 Repair, Maintenance and Energy Efficiency Retrofit of Traditional (pre1919) Buildings in England and Scotland.	The number of people involved in heritage building craft skills in England was divided by total employment in built environment sectors, to arrive at a coefficient. This was then applied to the relevant BRES data. In addition, SIC-SOC matrices were used to avoid double-counting between APS and BRES.
Archivists and curators in all industries	Annual Population Survey (APS). SOC code: 2452 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. This was done to avoid double-counting between APS and BRES.
Archaeologists in all industries	Landward Research report Archaeology Labour Market Intelligence. Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. This was done to avoid double-counting between APS and BRES.

Conservation professionals in all industries	Annual Population Survey (APS). SOC code: 2141 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. This was done to avoid double-counting between APS and BRES.
Conservation and environmental associates in all industries	Annual Population Survey (APS). SOC code: 3550 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. This was done to avoid double-counting between APS and BRES.
Gardeners & nature reserve heritage workers	Annual Population Survey (APS). SOC code: 5113. Business Register & Employment Survey (BRES)	Gardeners & nature reserve workers involved in holiday centres and villages and general public admin activities were isolated using a SIC-SOC mapping process. This was done to avoid double-counting between APS and BRES.
Architects working with heritage	Annual Population Survey (APS). SOC code: 2431 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. To isolate heritage employment, coefficients were calculated based on the proportion of pre-1919 building stock in each region. These were derived from Council Tax: Stock of properties data from the VOA.
Town planning officers working with heritage	Annual Population Survey (APS). SOC code: 2432 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. To isolate heritage employment, coefficients were calculated based on the proportion of pre-1919 building stock in each region. These were derived from Council Tax: Stock of properties data from the VOA.
Chartered surveyors working with heritage	Annual Population Survey (APS). SOC code: 2434 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. To isolate heritage employment, coefficients were calculated based on the proportion of pre-1919 building stock in each region. These were derived from Council Tax: Stock of properties data from the VOA.
Building and civil engineering technicians working with heritage	Annual Population Survey (APS). SOC code: 3114 Business Register & Employment Survey (BRES)	Using APS data at regional level, SIC-SOC matrices were constructed to examine the distribution of employment by SIC and SOC, and to identify the intersection. To isolate heritage employment, coefficients were calculated based on the proportion of pre-1919 building stock in each region. These were derived from Council Tax: Stock of properties data from the VOA

Source: Cebr analysis

Appendix IIC. Technical note multiplier impacts

Type of indicator : Multiplier impacts	Data source	Estimation method and assumptions
Multiplier impacts of GVA and Employment	ONS supply-use tables and Cebr input-output models.	<p>The national accounting data in the supply-use tables provide detailed information for a given year on production activities, the supply and demand for goods and services, intermediate consumption, Primary inputs (factors of production) and foreign trade.</p> <p>The multiplier impacts are estimated using Cebr's in-house input-output models, which draw on the ONS' national accounting framework. The input-output models identify the industries from which the heritage sector purchases its inputs and trace the sector's economic footprint.</p> <p>In so doing, it provides the foundation for establishing the economic size (direct impact) of heritage, and the wider economic impact on the national and regional economies. We use the multipliers along with the direct impacts data to produce estimates of the total impacts of the sector through the supply chain response (indirect impacts) and through the income from employment generated and spent in the wider economy (induced impacts). We produce these impacts for England as a whole before analysing regional differences.</p>

Source: Cebr analysis

Appendix IID. Technical note heritage tourism

Type of indicator: heritage tourism	Data source	Estimation method and assumptions
Domestic trips and spending related to heritage	GB Tourism Survey (GBTS), Visit Britain	<p>The approach taken to apportion the figures for heritage-related tourism uses an activities-based definition. GBTS provides a national breakdown of the data by activities undertaken, which enabled us to derive a proportion for heritage activities undertaken as a share of all activities undertaken by visitors. The following categories were classed as 'heritage' to create this coefficient:</p> <ul style="list-style-type: none"> • Visiting a historic house, stately home, palace • Visiting a cathedral, church, abbey or other religious building • Visiting a country park • Visiting a garden • Visiting a castle/other historic site • Visiting an art gallery • Viewing architecture and buildings • Visiting a museum

Domestic day visits and spending related to heritage	Great Britain Day Visits Survey (GBDVS), Visit Britain	<p>The approach taken to apportion the figures for heritage-related tourism uses an activities-based definition. GBDVS provides a national breakdown of the data by activities undertaken, which enabled us to derive a proportion for heritage activities undertaken as a share of all activities undertaken by visitors. The following categories were classed as 'heritage' to estimate the heritage-related share of trips and spend:</p> <ul style="list-style-type: none"> • Visited a country park • Visited a garden • Visited an art gallery • Visited a cathedral, church, abbey or other religious building • Visited a historic house, stately home, palace • Visited a museum • Visited a castle/other historic site • Viewed architecture
International tourism related to heritage	International Passenger Survey, ONS	<p>The approach taken to apportion the figures for heritage-related tourism uses an activities-based definition. IPS provides a national breakdown of the data by activities undertaken, which enabled us to derive a portion for heritage activities undertaken as a share of all activities undertaken by visitors. The following categories were classed as 'heritage':</p> <ul style="list-style-type: none"> • Went to countryside or villages • Visited religious buildings • Visited museums or art galleries • Visited castles or historic houses • Visited parks or gardens

Source: Cebr analysis

Appendix III: Cebr's heritage survey 2018 participants list

Appendix III.: Cebr's heritage survey 2018 participants list

Survey participants
Alan Baxter Limited (survey + in-depth-interview)
Bath Abbey
Birmingham Conservation Trust
Blackburn Cathedral
Bradford Cathedral
Bridlington Priory Church
Bristol Cathedral
Buttress Architects Ltd (survey + in-depth-interview)
Carlisle Cathedral
Catholic Bishops' Conference of England and Wales
Chester Cathedral
Christ Church
CITB
City of Westminster
CLA (survey + in-depth-interview)
Conchie & Co: Community, Heritage and Learning
Cornwall Archaeological Unit
Cornwall Council (survey + in-depth-interview)
Coventry Cathedral
Derby Cathedral
Doncaster Minster
Durham Castle & Cathedral World Heritage Site
Giles Quarme & Associates
Guildford Cathedral
Hereford Cathedral
Heritage Trust Network
Historic England
Historic Houses
Leicester Cathedral
Listed Building Surveys Ltd (survey + in-depth interview)
Liverpool Cathedral
Local government historic environment record
London Parks & Gardens Trust

Martin J Clayton Ltd
Museums Association (survey + in-depth-interview)
National Parks England (in-depth-interview)
North Somerset Council (survey + in-depth-interview)
Past Wight Archaeological Consultancy
Pershore Abbey
Ripon Cathedral
Robinson Wild Consulting
Rochester Cathedral
Sheffield Cathedral
St Albans Cathedral
St Martin in the Bull Ring
Stone Federation GB (survey + in-depth interview)
Suffolk Preservation Society
Touchstone Glazing Solutions Ltd
U + I (in-depth-interview)
University of Suffolk
Urban Vision Enterprise CIC
Wells Cathedral
Westminster Abbey
Worcester Cathedral

Source: Cebr heritage survey 2018