

THE HISTORIC ENVIRONMENT: A PROSPECTUS FOR GROWTH IN THE SOUTH WEST

We are the South West Historic Environment Forum, an influential and expert voice for the historic environment in the South West. We represent the region's major heritage tourism businesses, principal heritage funders, and public sector advisers. We have over 100,000 individual members, represent hundreds of businesses, and operate the majority of the South West's heritage tourism attractions, many of which – such as Stourhead and Stonehenge - are internationally recognised and national treasures. HEF members also invest millions of pounds in our heritage annually.

Our shared aim is to champion the social, economic and environmental benefits that we know our historic environment can bring.

We have produced this Prospectus to show that the historic environment is fundamental to sustainable growth, and explain how it repays investment. We would also like to offer our support and expertise to South West Local Enterprise Partnerships and Local Nature Partnerships in developing and delivering strategic investment priorities.

By historic environment, we mean the fabric that makes the South West distinctive, vibrant, and economically successful: historic buildings, monuments, landscapes and gardens, and historic places (suburbs, villages, market squares, townscapes and city centres). We have a remarkable wealth of heritage - a quarter of England's listed buildings, a third of its scheduled monuments and around one fifth of England's protected landscape – 40% of the South West is either a National Park or Area of Outstanding Natural Beauty. That's quite an asset.

We want to see this outstanding resource realise its full economic potential and believe this is crucial to the future economic success of the South West. It is now well established that heritage is not an adjunct to a healthy economy, but a major driver of economic growth and a source of employment. Using evidence from tourism, infrastructure and places and skills, this Prospectus shows that:

1. Heritage is already a **key economic driver**
2. Heritage can help our economy grow **faster** - and in a sustainable way
3. Heritage is **not** a barrier to growth

CULTURAL HERITAGE TOURISM – A KEY ECONOMIC DRIVER

HERITAGE tourism is big business. New research shows that it is worth £26.4bn to the UK economy and employs over 742,000 people.¹ Heritage is a strong product driver in both domestic and overseas markets. In a recent survey, the most frequently mentioned perception of Britain as a tourist destination is that it has a rich and interesting history (59%).² A third of international tourists cite our heritage as the main factor in their choice to visit the UK. And 91 per cent of domestic tourists consider the historic environment to be either important or very important in deciding where to visit.³



Tourism is a major economic driver in the South West, generating £9.1 billion of spend per year and supporting around 200,000 FTE jobs.⁴ The region's rich heritage is both a crucial resource (70% of tourism businesses in the South West are in pre-1919 properties) and a major draw (1 and 2). In 2012, there were 8.64 million visits to English Heritage, National Trust and Historic Houses Association properties alone in the South West.⁵ Nationally, and despite challenging economic circumstances, visitor numbers to historic buildings grew by 3% in 2011 in the South West, but visits to some heritage attractions – historic houses and places of worship – grew three times as much, by 9%.⁶ (3)

1. Oxford Economics (2013), Economic Impact of the UK Heritage Tourism Economy 2013.
2. VisitBritain (2011), FORESIGHT. Tourism Attributes – Perceptions of Britain as a Holiday Destination.
3. VisitBritain (2009), British Tourism Framework Review: Achieving the Full Potential of the Visitor Economy, p 37.
4. South West Tourism Association (2011), Principles for Success.
5. Heritage Counts South West (2012).
6. VisitEngland (2011), Visitor Attraction Trends in England, 2011.



1. Stourhead, Wiltshire and 2. Dartmoor (overleaf). The South West attracts more UK visitors than any other region due in no small part to its diverse landscapes, valued for their outstanding cultural and natural heritage. 1 © National Trust Images/Nick Daly, 2 © Soo Martin.
3. The gardens at Sudeley Castle, a popular Historic Houses Association property in Gloucestershire. © English Heritage

CULTURAL HERITAGE TOURISM – HELPING OUR ECONOMY GROW FASTER

TOURISM is expected to grow by 2.6% a year between 2009 and 2018, higher than the 0.8% forecast for manufacturing.⁷ Cultural heritage tourism will drive much of this growth as one of the largest and fastest growing segments in the global tourism marketplace.⁸ Characterised by high-earning, high-spending visitors seeking

authenticity, quality and learning opportunities, our diverse historic environment will help the South West take full advantage of this growth market. To capitalise, we advocate strategic local investment in developing the higher value goods and services that this growing market segment will increasingly demand:



Artist's impression of the proposed Jurassic Coast Discovery Centre at Seaton, Devon. The Heritage Lottery Fund is supporting the development of this major new tourist attraction to reveal the area's rich marine and coastal heritage in innovative ways.

- **investing in authenticity, choice and quality** ('destinations of distinction') – ensuring that heritage attractions, heritage infrastructure and the public realm are repaired, enhanced and maintained, particularly in emerging or underperforming destinations.
- **unlocking development potential in existing historic visitor attractions**, for example reusing historic structures for commercial uses, or providing new access and interpretation.
- **developing new markets, products and experiences in heritage tourism**, especially around learning activities (4).
- **developing digital technologies for heritage tourism businesses and attractions** to sustain their competitiveness and resilience. Smaller heritage tourism attractions are behind the curve in the use of ICT and should be a priority.⁹

7. Deloitte (2008), The Economic Case for the Visitor Economy, p 38.
8. European Travel Commission (2012), European Tourism 2011 – Trends and Prospects.
9. VisitEngland, 2011 p 41.

HISTORIC PLACES AND INFRASTRUCTURE – ENVIRONMENTS FOR GROWTH

AT THE HEART of the growth agenda is the drive to renew infrastructure. So often this is thought of simply in terms of road, rail and digital infrastructure. But it should also include the infrastructure we have inherited and which continues to support so much economic activity. The heritage of the South West is recognised as making a major contribution to the quality of life for its residents, businesses and visitors. Our historic infrastructure reflects past enterprise and creates the conditions for future growth. It can literally change the fortune of places.

Businesses based in listed buildings are highly productive. They make an estimated annual contribution to UK GDP of £47 billion and employ 1.4 million people, 3.5% of the UK GVA.¹⁰ In some places, a commercial business based in a historic building generates more wealth than is the average for all commercial businesses across the UK, at £308k GVA

per annum. The 'heritage premium' for businesses in listed buildings – additional GVA over non-listed premises – is £13k per year.¹¹

Historic premises are a sound investment. Commercial investments in listed buildings yield a higher return than unlisted commercial properties over three, five, ten and 30-year time periods.¹² The private sector has confidence in the historic environment as an economic proposition. Its investment in the historic environment dwarfs that of the public sector, at £3.4bn in 2003/04.

10. Colliers International and Oxford Economics (2012), New Ideas Need Old Buildings. http://www.hlf.org.uk/aboutus/howwework/Documents/NIOB_2013.pdf
11. Ibid, p 8.
12. Colliers (2011), Encouraging Investment in Heritage at Risk: The Investment Performance of Listed Buildings, p 4.

HISTORIC PLACES AND INFRASTRUCTURE – HELPING OUR ECONOMY GROW FASTER

HERITAGE is a good place to do business. In an increasingly globalised market, attracting new talent, new businesses and skilled workers will become ever more competitive, even in the desirable South West. We advocate investing in historic infrastructure – buildings, landscapes, monuments and historic places – to maintain the competitive advantage it gives us in a sustainable way: the adaptive reuse of historic assets is the ultimate in resource efficiency. Conversion is the most sustainable form of development, protecting past investment of effort, energy and materials and minimising the need for new construction materials and waste. (5)

Priorities should include:

- **regenerating commercially viable ‘at risk’ heritage.** A small proportion of the region’s most important historic assets are suffering from neglect, underinvestment and decay and are on English Heritage’s Register of Heritage at Risk. Almost half are capable of economic re-use.
- **investing in historic places** to attract people, businesses and spend. There is commercial demand for historic premises: one in four businesses in a recent survey agreed that a historic location is an important factor in deciding where to establish a business, the same as for road access.¹³ For 68% of people it’s important to work in a historic location, and for 74% it’s important to live in one. People spend more in the local economy after investment in the historic environment, and businesses experience an increase in turnover. Every £1 invested in the historic environment directly generates an additional £1.60 in the local economy over a ten year period.¹⁴ (6)
- **supporting retail in historic centres.** The South West’s cities and towns possess a distinctive historic character crucial to creating an attractive setting for retailing and reinforcing competitive advantage. Historic centres can and have adapted to changing policy and economic drivers in the retail sector to remain vibrant and sustainable.¹⁵ (7)
- **capitalising on the affinity between historic buildings and key growth sectors.** Some entrepreneurs, SMEs and independent businesses are attracted to historic buildings because they are often more affordable, flexible, cost-effective and add distinctiveness to their offer. Listed buildings are particularly sought after by creative industry start-ups, a key growth sector. In cities such as Bristol, there is a correlation between density of listed buildings and concentration of creative and knowledge-based businesses.¹⁶ In the rural communities in the South West, market town regeneration and the conversion of traditional farm buildings often supports other growth sectors, such as food and drink and tourism. (9)



The regeneration of the Royal William Yard in Plymouth - the largest collection of grade I listed military buildings in Europe - has created 283 jobs, premises for 20 business and 215 residential units to date. © Urban Splash.



Penryn, Cornwall, successfully regenerated with public and private sector funding through a Townscape Heritage Initiative. © Cornwall Council Historic Environment Service.



The starting point for the new retail destination in the heart of Exeter was an evaluation of its rich historic setting, including part of the city wall and proximity to the cathedral. The award-winning scheme respects and enhances this context. © English Heritage.

13. Amion-Locum (2010), *The Impact of Historic Environment Regeneration*, p 73.

14. Ibid.

15. English Heritage/Allies & Morrison Urban Practitioners (2013), *The Changing Face of the High Street: Decline and Revival*, p 4.

16. *New Ideas*, p 6.

SKILLS TO DRIVE HERITAGE-LED GROWTH



Trainees using traditional Cornish slate to repair a roof in Tuckingmill, Cornwall. © Cornwall Council Historic Environment Service.

PROTECTING and regenerating the historic environment requires a broad range of skills and knowledge, from construction and maintenance to professional technical and advisory skills (or ‘heritage science’). The growth needs and opportunities differ across this spectrum.

In construction and maintenance, growth will depend upon addressing skills shortages and developing new skills. The repair and maintenance of existing building stock accounts for around one third of the UK’s construction industry, or £34.8bn of construction output in Britain in 2010. A significant part of this output will be on historic (pre-1919) buildings, which make up a fifth of all dwellings in England.¹⁷ Maintaining what we have creates more jobs than building new: every £1m output in repair and maintenance of housing creates 55% more direct construction labour input than £1m of output for new build.¹⁸ But there is a shortage of skilled workers to repair and maintain historic buildings, a declining numbers of new trainees, and an urgent need to

upskill the existing workforce to ensure traditional buildings remain energy efficient and where appropriate are retrofitted sensitively.¹⁹

Heritage science, on the other hand, is recognised as a national strength; we have world-class expertise in disciplines such as conservation architecture, surveying and engineering, a valuable asset in a growing global market. The issue here is not skills shortages, but exporting our expertise.²⁰

Existing evidence points to the following growth opportunities:

- **supporting the many SMEs in the traditional construction skills sector** to start up, grow, diversify, and train and mentor new entrants, to enhance their competitiveness with mainstream construction businesses.
- **innovative ways** to help mitigate and manage the pressures on cultural and natural heritage environments.
- **growing and exporting 'heritage science' skills.**
- **developing skills for energy efficiency solutions** in older buildings and low carbon products and services in the historic environment, a growing market.
- **growing and diversifying digital heritage products and skills.**

HERITAGE IS NOT A BARRIER TO GROWTH

The historic environment is a shared resource and the economic potential we've outlined can benefit all of us. To achieve this, historic assets must be capable of change and adaptation.

- English Heritage adopts an approach called constructive conservation and the National Trust one of 'creative restoration.' Both reflect an ethos in which development in historic assets balances historic significance and commercial growth.
- the sector welcomes the heritage reforms in the Enterprise and Regulatory Reform Act which will provide greater clarity and certainty for developers and investors.
- more than 80% of listed building consent applications are granted, and more than 70% are dealt with in 8 weeks.
- some members of the SW HEF have a formal role within the planning process to provide high quality, constructive and timely expertise to deliver sustainable development in an efficient way.

WE ARE EASY TO DO BUSINESS WITH

WE WOULD BE PLEASED to discuss the role of heritage in your plans for growth further, and to explore potential joint funding opportunities.

As expert advisers, we can work with you and your delivery partners on:

- investment 'hooks' for heritage in strategic investment plans, including options for the programmes in the EU Strategic Investment Framework, City Deals and Growth Deals
- specific priorities for the historic environment in your area
- early identification of heritage considerations in proposed developments
- approaches to reusing historic assets
- supporting your local priorities as members of themed sector groups for example in retail in historic centres, heritage tourism in urban and rural areas, or construction skills



Constructive conservation in action: The mid-Victorian listed Clifton Lido in Bristol, sensitively restored by a local entrepreneur as a vibrant and successful business venture.
@ Liz Eve/www.fotohaus.com.



St Paul's Bristol: adapted to a new use in 2005 and now a thriving centre for contemporary circus and physical theatre and a multi-purpose venue. Copyright: Churches Conservation Trust.

17. Heritage Counts 2008.

18. ConstructionSkills (2008), Built Heritage Sector Professionals.

19. Ibid.

20. Work Foundation (2010), Heritage in the 2020 Knowledge Economy.

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