



The heritage sector in England and its impact on the economy

An updated report for Historic England

May 2020

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London, May 2020

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Executive Summary

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

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 **Gross Value Added (GVA) contribution to the UK's GDP of £14.7 billion in 2019**, equivalent to 0.86% of UK's total GVA. The heritage sector grew by 9% between 2018 and 2019; a growth of £1.2 billion.
- The greatest contributing factor to this growth was increased economic activity attributable to the heritage sector in the libraries, archives, museums and other cultural services sector.
- The heritage sector in London generated the largest GVA contribution of £5.1 billion in 2019, accounting for 35% of the total heritage sector in England. The South East accounted for the second largest GVA contribution with £2.3 billion. The heritage sector in the North East had the lowest GVA contribution of £590 million in 2019, although this was the second highest contribution as a percentage of regional output.
- Total estimated **employment of 206,000 in England's heritage sector in 2019**, equivalent to 0.74% of the entire workforce in England. London alone accounted for 43,000 workers in the heritage sector in 2019, followed by the South East with 35,000 workers. The North East had the lowest employment with 11,000 heritage workers in 2019.

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 £1.50 of GVA is supported in the wider UK 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 considered, **England's heritage sector supported an estimated aggregate GVA impact of £36.6 billion in 2019, across the UK**.
- The same logic applies to the heritage sector's estimated employment multiplier of 2.74, so that for every job created in the heritage sector, an additional 1.74 jobs are supported in the wider UK 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 564,000 jobs in 2019, across the UK**.
- In terms of the regional breakdown, the heritage sector in London alone supported a total of £13.4 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 the intermediate

input needs of the heritage sector within the region. Just £1.2 billion of GVA was supported in the region in 2018.

- The picture is similar for employment. The heritage sector in London supported the largest number of workers, 123,000, through direct, indirect and induced impacts in 2018. The North East with 25,000 workers again had the lowest aggregate impact in terms of total employment supported.

Spillover impacts of heritage though 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 increased slightly from **14.9 million in 2018 to 15.1 million trips in 2019**. This is still significantly lower than the peak in 2012 of 16.5 million.
 - In 2019, the **South West** accounted for the highest number of trips (**2.8 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 2019** while on domestic overnight heritage-related trips. Since 2015 spending has plateaued at around £3.3 billion.
 - The **South East** generated the highest spending from these trips (**£720 million in 2018**). This was followed by **London (£529 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** have steadily **increased from 14.2 million in 2012 to 18.0 million in 2019**. A large share of inbound heritage visits (52% in 2019) are made to London.
 - In line with this increase in inbound visits, the associated spending increased from **£7.7 billion in 2012 to £10.4 billion in 2019**.

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 wellbeing effects, can help with 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 and the additional economic activity supported through employee spending. We also consider the 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 overseas tourism.
- [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 1](#) 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.

1.3 Connotations of the COVID-19 crisis

The analysis within this report considers the economic impact of England's heritage sector through the end of 2019. Given this timeframe, the impacts discussed do not yet reflect the likely extreme impact of the COVID-19 crisis.

At the time of writing, many sites, monuments and attractions have already been closed for several months as part of lockdown measures to control the spread of the virus. This will clearly have an extreme impact on the sector's economic footprint for 2020, and potentially beyond. A substantially smaller footprint would be anticipated for similar analysis carried out for 2020.

Yet this report also illustrates the significant value provided by the sector, through its direct economic impact, further macroeconomic contributions and additional spillover benefits. While many of the businesses and institutions that make up the sector are likely to have struggled due to COVID-19, allowing this to translate through to weaker medium and long-term performance would be a significant mistake. As initially domestic and eventually international activity opens up, the heritage sector can play a valuable role in supporting an economic upturn, through the continuation of its strong economic value.

2 Scope and methodology

This study is the third iteration of an initial Cebr report for Heritage England in 2018, calculating the impact on the economy of England's heritage sector.¹ The scope of the study is broadly consistent with the initial study and a subsequent refresh in 2019.² The direct economic impact of the heritage sector was 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. This study goes further than the 2019 refresh, with those multipliers being updated for the first time since 2018. This allows our analysis to reflect underlying changes in the structure of the economy.

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 2016 Historic England commissioned research to produce its first Heritage Economic Impact Indicators Workbook and this has been followed by a number of regular updates since then.

¹ <https://historicengland.org.uk/content/docs/research/heritage-sector-england-impact-on-economy-2018/>

² <https://historicengland.org.uk/content/heritage-counts/pub/2019/the-heritage-sector-in-england-and-its-impact-on-the-economy-pdf/>

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 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 2019 (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 economic contribution of the heritage sector is assessed through three tranches: the direct economic impact of the sector; the aggregate economic footprint and the spillover impacts of heritage.

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

Direct economic impacts

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.
- 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 2019. As such, for the employment estimates that relied directly on this, or for those which relied on the construction of SIC-SOC matrices, we had to adopt a different methodology. Here, top-line data on employment by SIC category was used, from the 2019 Annual Population Survey (APS). We then assumed the same employment distributions within SIC categories as 2018, to derive 2019 employment estimates.

Through the aforementioned process, the direct impact of the heritage sector is estimated in terms of GVA and employment for 2019.

This is very similar to how 2018 employment and GVA were estimated for the update that Cebr carried out in 2019. Since then, more detailed employment data has become available for 2018. As such, we have updated our estimates for 2018 employment and GVA based on this more complete data, in a methodologically consistent manner with the 2011-2017 estimates.

Aggregate economic footprint

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. Per the scope of this refresh, these multipliers have been updated.

To embed heritage activities within our macroeconomic impacts modelling framework, we adopt the framework provided by the ONS supply-use tables. 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 calculated direct impacts to produce estimates for the total footprint of the sector, inclusive of the supply chain response (indirect impacts) and the income from employment supported and spent in the wider economy (induced impacts).

As the ONS only produces supply-use tables for the UK as a whole, strictly these multipliers represent the contribution of England's heritage sector to the UK economy. However as the direct impacts only consider England's heritage sector, we would expect the majority of the economic footprint to be experienced in England.

Spillover impacts

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. This has been left in the report for the sake of completeness, but has not been updated since 2018.

3 Direct economic contributions of England's heritage sector

This section assesses the importance of heritage to the economy in terms of GVA and employment, over the period 2011–19.

We first outline the estimated contributions made by the heritage sector to GVA using national accounting data. We then consider 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 Direct national economic impact through Gross Value Added

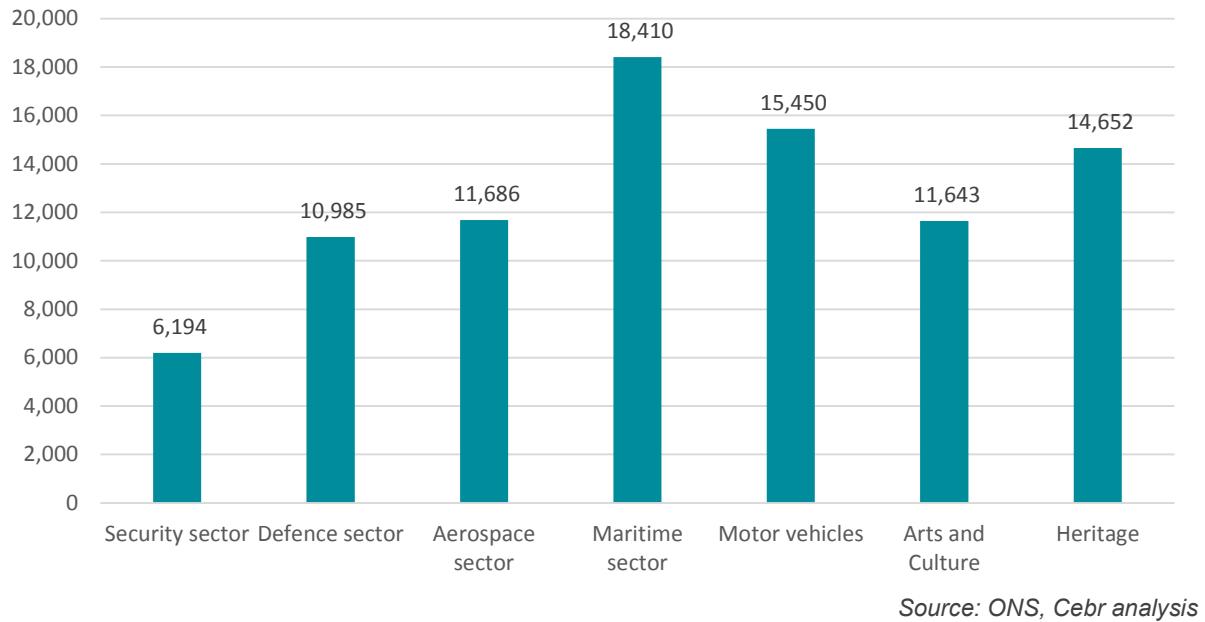


It is estimated that in 2019, England's heritage sector directly generated a GVA contribution of £14.7 billion to UK GDP.

Figure 1 below compares the GVA contribution of England's heritage sector to the GVA contributions of a selection of UK's industries.⁴ England's heritage sector's contribution of £14.7 billion is a larger GVA than the whole of the UK's security industry, defence industry, aerospace industry and the arts and culture industry.

⁴ The figures for non-heritage sectors are based on data from the Annual Business Survey and results from previous Cebr studies that have been scaled based on UK GVA growth to estimate values for 2019. As such, this is a 'high-level' approximation and should be treated accordingly.

Figure 1: Estimated GVA of England's heritage sector against GVA figures of selected UK industries in 2019, £ million



This GVA contribution can also be broken down by the constituent industries of the heritage sector. The results of this are shown in Table 1.

Table 1: GVA generated by constituent industries of the heritage sector, 2019

Constituent industries of the heritage sector	GVA (£m)	% of total heritage GVA
Construction	6,761	46.1%
Libraries, archives, museums and other cultural activities	3,007	20.5%
Architectural and engineering activities; technical testing and analysis	2,100	14.3%
Activities of membership organisations	755	5.2%
Public administration and defence; compulsory social security	618	4.2%
Education	199	1.4%
Scientific research and development	180	1.2%
Other professional, scientific and technical activities	170	1.2%
Real estate services on a fee or contract basis	116	0.8%
Owner-occupiers' housing	38	0.3%
Activities of head offices; management consulting activities	20	0.1%
All other industries	687	4.7%
Total	14,652	100%

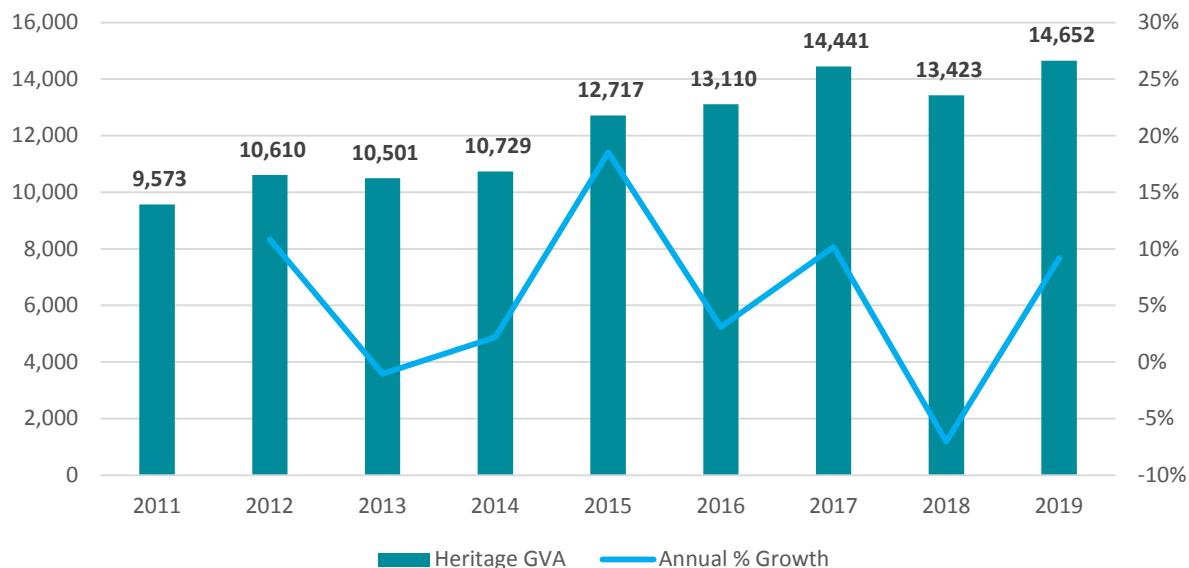
Source: ONS Annual Business Survey, Cebr analysis

The construction industry is the largest constituent heritage sector industry, generating 46% of total GVA, or £6.7 billion. This is more than double the next largest industry - libraries, archives, museums and other cultural activities – which generated just over £3 billion (20.5% of the total). Architectural and engineering activities is the third dominant industry within the

sector, generating 14% of the total heritage GVA (approximately £2.1 billion). Combined, these three industries make up over 80% of the total GVA of England's heritage sector.

The sector has grown significantly from 2011 to 2019. The £14.7 billion estimated in 2019 is over 50% larger (in nominal terms) than the £9.6 billion found in 2011, although this does mark some year-on-year variation. Figure 2 shows the direct GVA contributed by the heritage sector over this time period, and the sector's year-on-year growth rate.

Figure 2: Estimated GVA of the heritage sector, 2011-2019, £ million



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

England's heritage sector is estimated to have directly generated £14.7 billion in GVA contributions in 2019. As can be seen, this was, nominally, the highest of any year estimated, and a 9% growth on 2018. The largest increase occurred in 2015, when the sector grew by 18.5%. The GVA contribution of England's heritage sector has grown in every year except 2013 and 2018, in which it suffered contractions of 1% and 7% respectively.

Our estimate for heritage sector GVA of £13.4 billion in 2018, is slightly below the £14.0 billion estimated for 2018 in the previous Cebr report on England's heritage sector. This is due to the release of more granular data for 2018 allowing us to refine our estimates, making it methodologically consistent with 2011-2017 estimates. Our downward revision for heritage GVA in 2018 is largely driven by new data showing a lower than expected number of heritage workers in the relatively high-value construction industry.

The fall in 2018 relative to 2017 was also partially driven by a fall in the number of archivists and curators, many of whom work in the museum sector. This was a trend that reversed in 2019 and may reflect limitations in the Annual Population Survey data. Along with this, heritage-related output increased slightly in the archives subsector, construction sector, education services sector and architectural and engineering services. Combined, these contribute to the increase in GVA observed in 2019.

As seen in Table 1, measured by GVA, the largest constituent industry of the heritage sector is construction activities. The construction industry is inherently volatile and is responsive to fluctuation in both confidence and key economic variables. This volatility partially explains the volatility in year-on-year heritage sector GVA growth, seen in Figure 2.

3.2 Regional direct economic impacts through Gross Value Added

In 2019, England's heritage sector contributed an estimated 0.86% of England's GVA. The exact percentage contributed ranges from a high of 1.09% in London to a low of 0.67% in the East Midlands. These percentages and the associated monetary contributions from which they are derived can be seen in Figure 3.

Figure 3: Direct heritage sector GVA by region, 2019



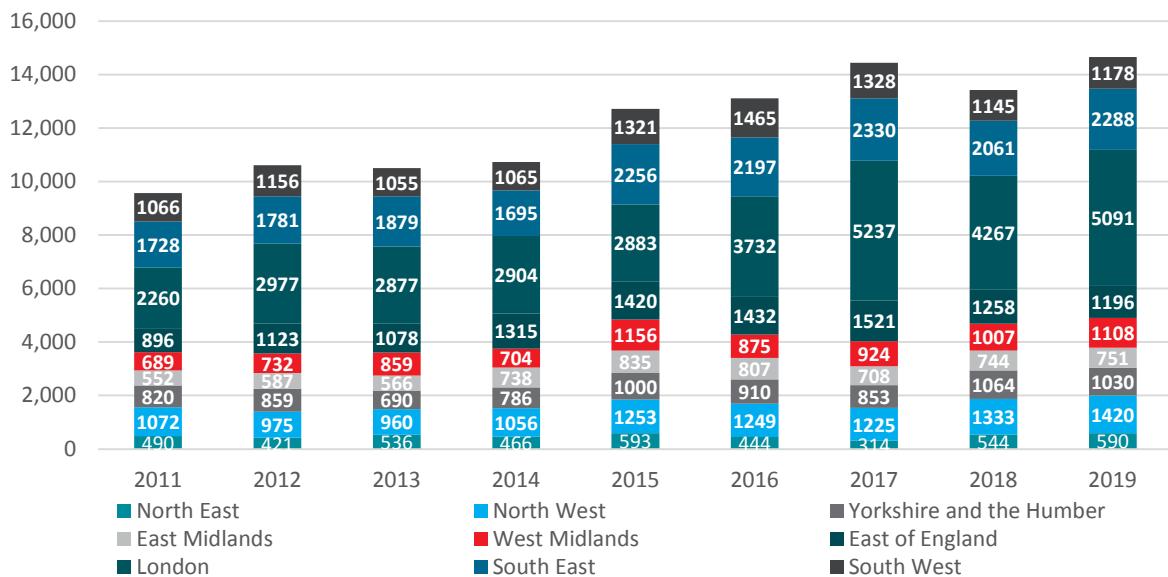
Source: ONS' Annual Business Survey, Cebr analysis

In monetary terms, London clearly contributes the most, with a heritage sector GVA of over £5 billion. This makes up 35% of the total. However, this is largely a function of London consistently being the region with the highest contribution to the UK economy. As a percentage of total regional GVA, while still the largest region, London is far less dominant.

Interestingly, while in monetary terms the heritage sector in the North East contributes the least to the UK economy (£590 million), in percentage terms this is the second highest contribution to any region (1.04%). This is driven by a high concentration of heritage sector workers in the region, relative to the total regional workforce. In most regions, the heritage sector directly contributes approximately 0.7-0.8% of total GVA.

Figure 4 shows the direct impact of heritage through GVA, disaggregated by the regions in England in the years 2011 to 2019.

Figure 4: Estimated GVA in the heritage sector by the regions in England, 2011-19, £ million.



Source: ONS' Annual Business Survey, Cebr analysis

Broadly, the trend for regional GVA in 2019 is consistent throughout the time-period assessed, however the increasing importance of London's heritage sector is notable. This can be further seen in Figure 5, which shows the GVA of London's heritage sector from 2011-19, 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, 2011-19 £ million



Source: ONS' Annual Business Survey, 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 occurred from 2015 to 2017. 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 axes have been used to show the relative trend. In 2018, London's heritage sector GVA is estimated to be £5.1 billion – still £4.5 billion

less than the rest of the England. However, from 2011 to 2019, the GVA of London's heritage sector grew by £2.8 billion. This constitutes over half (56%) of the total GVA growth in England's heritage sector over the same period.

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 will 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 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.

3.3 The direct national economic impact through employment



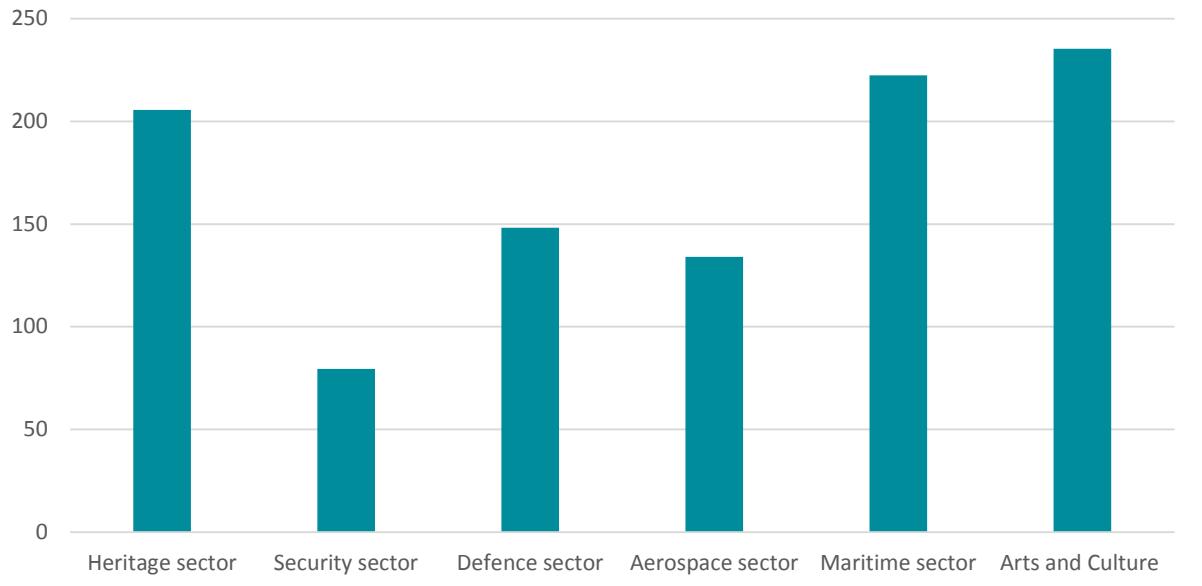
It is estimated that in 2019, England's heritage sector employed 206,000 workers. This represents 0.74% of total employment in England.

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**.

It is estimated that in 2019, England's heritage sector employed 206,000 workers. For comparison, Figure 6 below shows that in 2019, employment in England's heritage sector was higher than employment in the security, defence, and aerospace industries.⁵

⁵ 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 2019. Therefore this again represents a 'high-level' approximation.

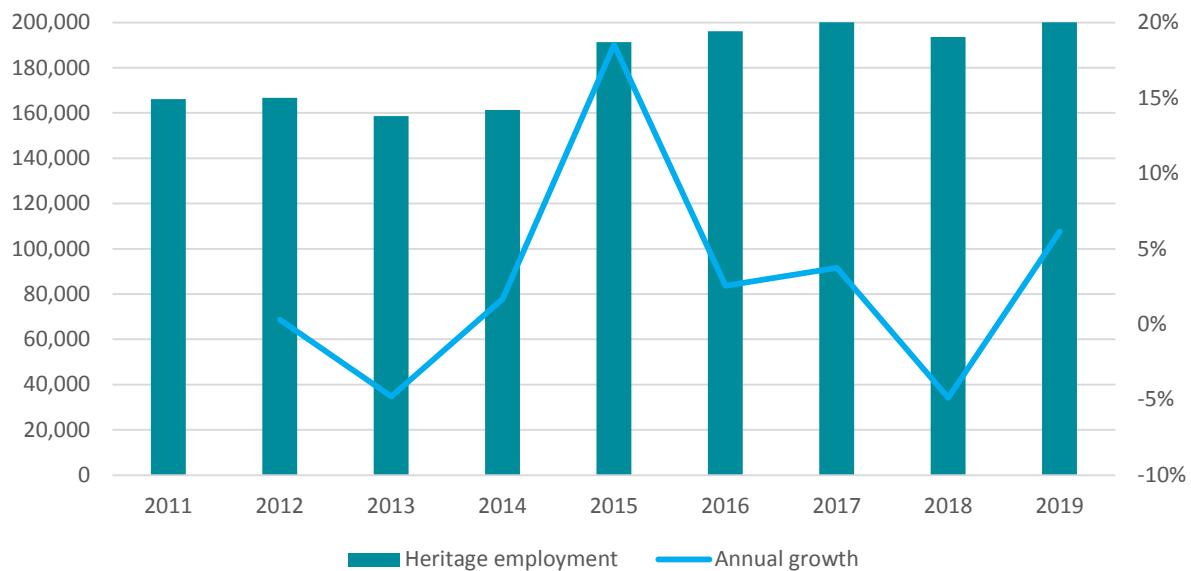
Figure 6: Estimated employment in England's heritage sector against employment figures of selected UK industries in 2019, thousands.



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

Figure 7 shows the direct impact through employment in the years 2011 through 2019, along with the year-on-year percentage change in heritage employment.

Figure 7: Estimated employment in the heritage sector, 2011-19



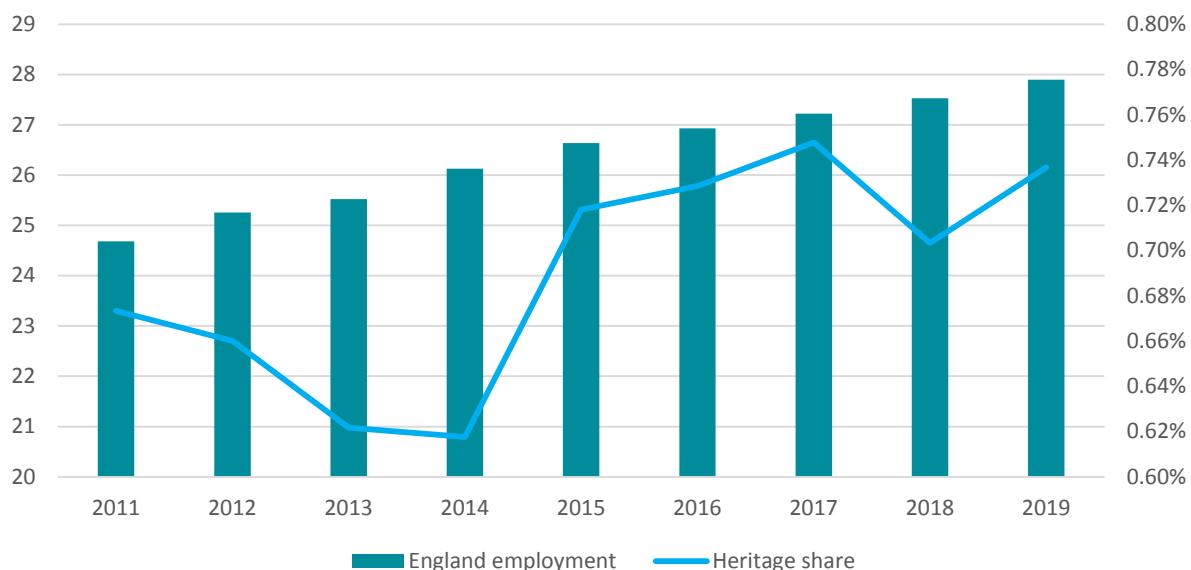
Source: ONS' Business Register and Employment Survey, Annual Population Survey, Cebr analysis

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 206,000 workers in 2019, and 194,000 jobs in 2018.⁶ Over the entire period, heritage sector employment has increased by 39,000, or 24%. The greatest driver of this was significant increases in heritage workers in the construction sub-sectors, and the number of archivists and curators in all industries.⁷

The average yearly growth rate in employment in the heritage sector from 2011-19 was 2.91%. This compares favourably to an average overall increase in employment in England of 1.54% over the same period. A further comparison of total employment in England, and the heritage sector's share can be seen in Figure 8.

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



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

Over the entire period, total employment in England has increased by 13.0%, from 24.7 million in 2011 to 27.9 million in 2019. The heritage sector's share of total English employment fell from 0.67% of total employment in 2011, to 0.62% in 2014. Since, it has increased significantly, peaking at 0.75% of total employment in 2017, before declining slightly to 0.70% in 2018. As of 2019, the current level of heritage sector employment represents 0.74% of total employment in England. Alternatively, this means that one in every 136 jobs in England is directly provided by the heritage sector. From 2011-19, the heritage sector's share of total employment in England increased by 0.06 percentage points. This is especially impressive given the consistently rising employment in England over the period.

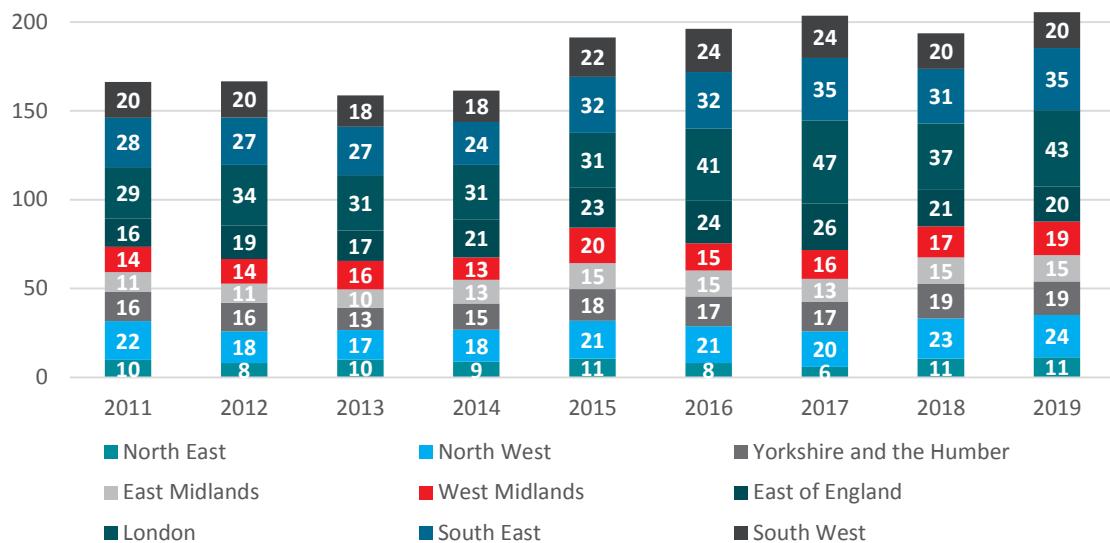
⁶ This 2018 estimate is again slightly lower than the 198,000 found for the same year in the previous Cebr report on the heritage sector. This is for the same reasons as discussed in Section 3.1 – more granular data for 2018 now available has allowed us to refine our estimates.

⁷ A full breakdown of employment by employment type and region for 2011-19 is available in Appendix I.

3.4 Direct regional impact through employment

Figure 9 illustrates employment in the heritage sector by English regions over the period 2011-19.

Figure 9: Employment in the heritage sector by English regions, 2011-19, thousands



Source: ONS Annual Business Survey, Cebr analysis

London contributed the most in every year bar 2015⁸, peaking at 46,900 in 2017. Over the entire period, it also grew the most, from 28,800 workers in 2011, to 43,000 workers in 2019. This increase of 14,300 workers (50%) is by far the most over the period, accounting for 36% of the total increase in heritage employment. In percentage terms, the two regions with the greatest increase in heritage employment are the East Midlands and West Midlands, with 32% and 33% growth respectively.

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 35,000 employees in 2019. The North West (23,800) and South West (20,200) are third and fourth. Over the assessed period, all nine regions have seen an increase in employment in the heritage sector. This ranges from the aforementioned 14,300 increase in London, to an increase of just 100 workers in the South West.

The increase in total heritage sector employment from 2018 to 2019 of 11,900 was the second highest increase from 2011 to 2019, after 2014 to 2015. This was largely driven by increasing employment in the two largest regions, the South East (an increase of 4,300) and London (5,700). Combined these make up 84% of the observed total employment growth.

⁸ 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

The wider economic footprint of the heritage sector goes beyond the direct impacts discussed in the previous section. Specifically, our analysis considers two further impact layers:

The indirect impact

To conduct its operations, the heritage sector purchases goods and services from suppliers. This helps to support output and jobs amongst these firms. In turn, these suppliers place demands on their suppliers which supports further output and jobs. The indirect impact captures the GVA and employment supported along the supply-chains as a result of the sector's operations.

The induced impact

The workers who receive income and employment benefits through the direct (heritage sector operations) and indirect (the suppliers of the sector and in turn their suppliers) channels spend their earnings on goods and services in the wider economy. This helps to further stimulate demand and as such supports further GVA and employment. The induced impact captures these wider-spending effects.

We define the aggregate economic footprint supported by the heritage sector to be the sum of the direct, indirect and induced impact layers.⁹

4.1 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. Therefore the supply chain 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.

⁹ For this refresh, we have migrated to updated economic models, reflective of structural changes in the economy and slightly refined conceptual thinking. As such, while the changes are not overly substantive, the aggregate impacts presented here are not perfectly comparable with the impacts in previous iterations.

Table 2: Structure of the heritage sector's domestic supply chain

Sector	% of Domestic Supply Chain Expenditure
Construction	29.5%
Manufacturing	19.1%
Professional, scientific and technical activities	11.2%
Administrative and support service activities	10.5%
Heritage sector	5.2%
Wholesale and retail trade; repair of motor vehicles	4.2%
Information and communication	3.8%
Financial and insurance activities	3.6%
Other service activities	2.4%
Public administration and defence; compulsory social security	1.8%
All other sectors	8.6%

Source: ONS, Cebr analysis

We estimate that the heritage sector's supply chain is dominated by the construction industry and the manufacturing industry, accounting for 29.5% and 19.1% of the domestic supply chain. This is followed by professional and administrative industries with estimated shares of 11.2% and 10.5% respectively. The heritage sector's purchases from its own constituent industries are estimated to account for 5.2%. This is slightly higher than the 4.2% found in 2018, likely reflecting the growth in the sector over the intermediary period.

4.2 The heritage sector's contribution to GVA

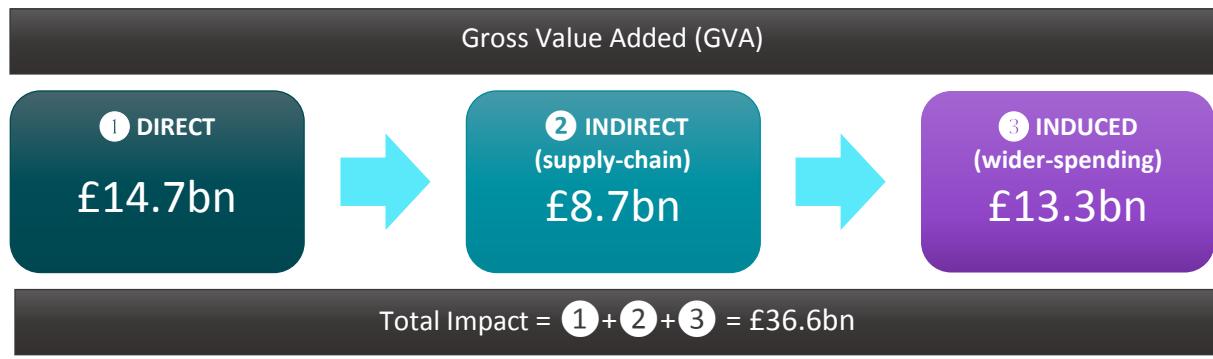
For every £1 of GVA directly generated by England's heritage sector, a further £0.59 of GVA is supported in the sector's supply chains (the indirect impact). This £0.59 represents the GVA of the industries from which the heritage sector purchases goods and services as inputs to its own production processes, and of the industries that in turn provide inputs to these suppliers, and so on.

In addition, for every £1 of direct GVA generated, £0.91 is supported through wider spending effects (the induced impact). This represents the GVA of the industries that supply goods and services to households when the direct and indirect employees of the heritage sector spend their earnings in the wider economy.

Together, these findings imply that **for every £1 in GVA directly generated, a total footprint of £2.50 is supported, within the UK economy.**

By combining these multipliers with our direct impacts, we estimate that **the heritage sector supported an aggregate GVA contribution of £36.6bn to the UK economy in 2019.** The full results of this analysis are shown in Figure 10.

Figure 10: The heritage sector's aggregate GVA footprint



Source: Cebr analysis

4.3 Contribution of England's heritage sector to employment

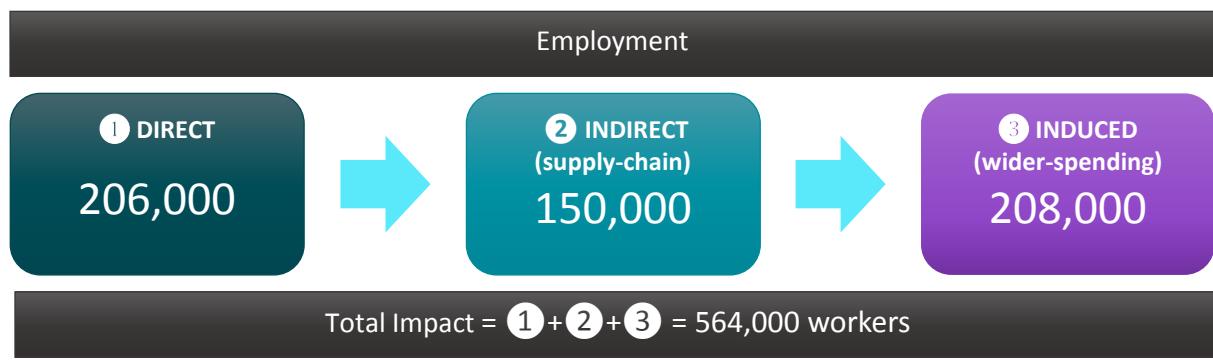
In Section 3, we estimated employment of 194,000 and 206,000 in the heritage sector in 2018 and 2019 respectively. However, the impact of the heritage sector on labour markets is not confined to these direct job contributions.

For every worker directly employed by heritage sector, a further 0.73 jobs are supported through indirect effects. Furthermore, 1.01 jobs are supported through induced impacts. This implies that **for every worker directly employed in the heritage sector, a total footprint of 2.74 workers is supported in the wider UK economy**.

In all, **the 206,000 workers directly employed in England's heritage sector in 2019 supported an aggregate footprint of 564,000 jobs**.

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 aggregate employment footprint



Source: Cebr analysis

4.4 Regional variation in our multiplier estimates

Using our multiplier modelling we have also estimated the contribution made by the heritage sector in 2019 to the regional economies in England. 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

Table 3 : Type II multipliers and impacts in the English regions, 2019

Region	Type II GVA multiplier	Aggregate GVA supported (£m)	Type II employment multiplier	Aggregate employment supported (000s)
North East	2.04	1,203	2.18	25
North West	2.35	3,332	2.56	61
Yorkshire & The Humber	2.33	2,398	2.53	48
East Midlands	2.36	1,773	2.58	38
West Midlands	2.26	2,506	2.46	46
East of England	2.37	2,833	2.59	51
London	2.62	13,354	2.86	123
South East	2.32	5,318	2.54	89
South West	2.36	2,778	2.56	52

Source: Cebr analysis

These estimates suggest that the heritage sector in the London had the largest Type II multipliers for both GVA and employment, while the North East had the lowest multiplier impacts. The high multiplier for London is interesting to note and is driven by several factors. Firstly, as the UK's largest economic region, it is a region which is relatively able to supply the goods and services demanded by the heritage sector. This strong supply chain is the basis for the support of significant additional GVA and employment. In addition, several of the highest earning occupations within the heritage sector (such as architects and chartered surveyors) are disproportionately located in London. Their high wages also help support additional economic activity.

In absolute levels, the heritage sector in London alone supported £13.4 billion in GVA and 123,000 jobs through direct, indirect and induced impacts in 2019. The South East was second by both metrics, with £5.3 billion in GVA and 89,000 jobs supported respectively. The North East had the lowest total GVA and employment supported, namely £1.2 billion in GVA and 25,000 workers supported by the heritage sector respectively.

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.

5 Spillover impacts of heritage through tourism

Tourism is affected by numerous factors such as exchange rate sensitivities, international trends and special events such as the Olympics. In recent years, the UK has seen a sharp depreciation in Sterling stimulated by the 2016 referendum, thus making the UK a relatively cheaper tourist destination. This is likely a contributing factor into why domestic tourism growth has been outpaced by the growth in international 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 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 All monetary data is in nominal terms. Data for international inbound tourism and day visits from domestic overnight holiday trips in 2019 has only been released in aggregate thus far. As such, the regional breakdowns for 2019 are taken from the assumption that the proportions in 2018 hold true for 2019.

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 the 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 II.

5.1 Domestic overnight tourism

The GB Tourism Survey is used to estimate the volume and spend of UK domestic overnight tourism. This survey covers overnight trips taken for any purpose such as holidays, business or visiting friends and family.¹²

Figure 12 below illustrates the volume of heritage-related trips taken by UK citizens. Apart from 2013 and 2014 the number of trips has remained relatively constant over the period;

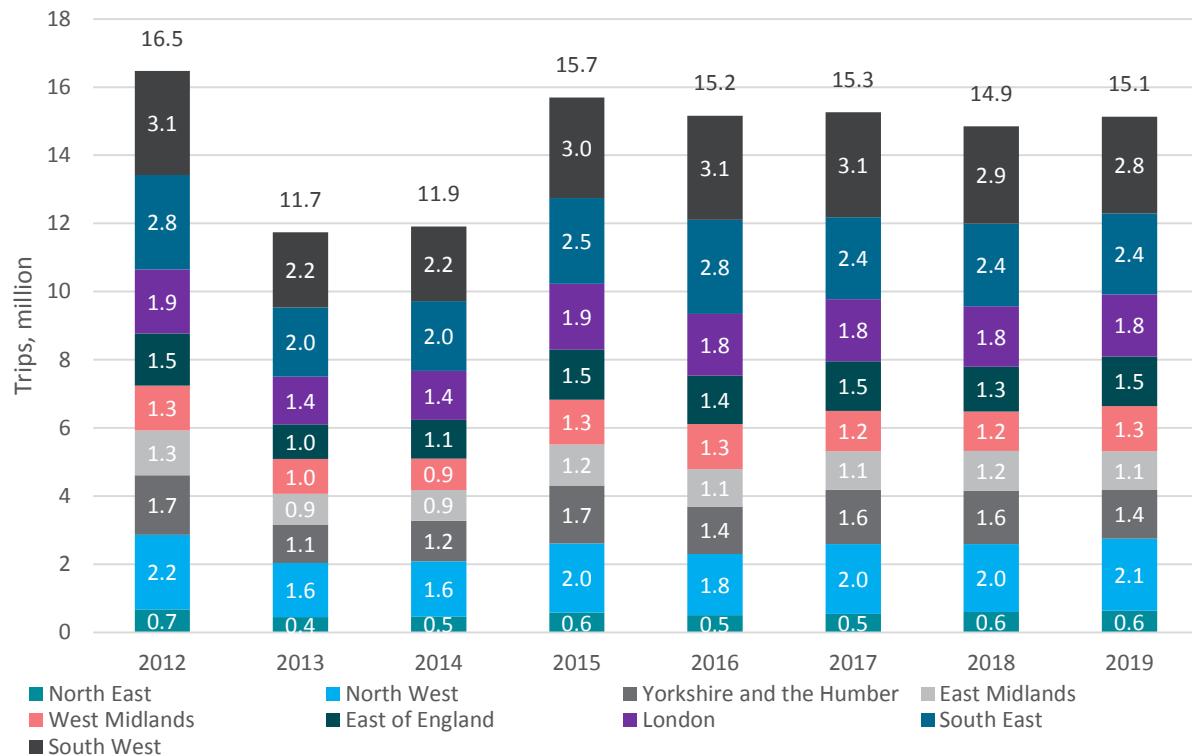
¹¹Throughout this section, trip purpose is only available up until 2015. To form our estimates past this date, the proportion of heritage related trips in 2015 is applied to total domestic trips.

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.

2019 saw a total of 15.1 million trips, compared to 14.9 million the previous year and 16.5 million at the beginning of the period.

The South West accounts for the highest share of trips taken across all years; 19% of total in 2019. This is closely followed by the South East with 2.4 million trips; 16% of total. The North East in contrast accounts for the smallest share throughout the period – 600,000 trips in 2019; only 4% of total.

Figure 12: Total estimated domestic overnight heritage-related trips, millions



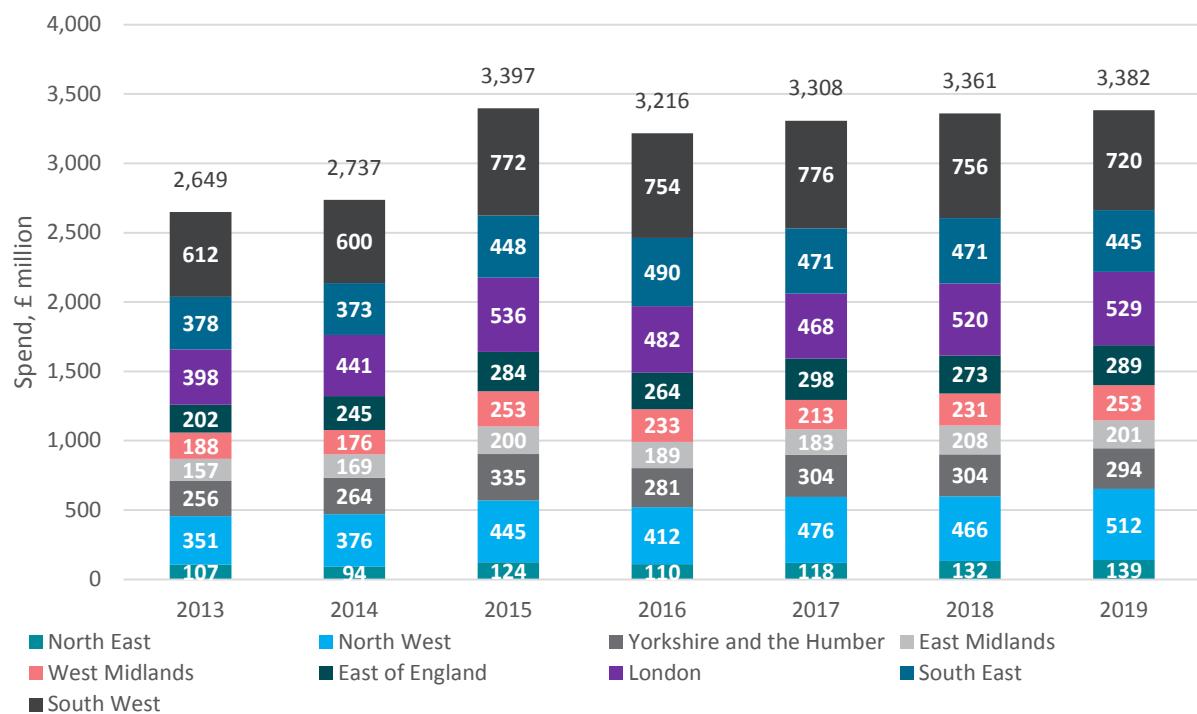
Source: GB Tourism Survey and Cebr analysis

When individuals go on these trips, they spend money which supports the local economies. Below Figure 13 illustrates the estimated spend per region as a result of domestic heritage trips. All data is in nominal terms. Since 2016, annual spending on domestic heritage related trips has been increasing. In 2019, total spend was £3,382 million, only marginally less than that in 2015: £3,397 million. Since 2013, total spend has increased by 28%, with 2014 to 2015 seeing the greatest year-on-year increase of 24%. In real terms, heritage-related domestic overnight spend has increased by £455m; a 16% increase.

Following the trend in the volume of trips, the South West dominates in term of proportion of spend; 21% of total in 2019. Likewise, the North East received the least spend, accounting for only 4% of total.

Since 2013, the North West has experienced the greatest nominal growth in overnight tourism spend, growing by 46% from £351m to £512m. In contrast, Yorkshire and the Humber has seen the smallest growth in spending at only 15% over the seven years.

Figure 13: Total estimated domestic heritage-related trip spend, £m



Source: GB Tourism Survey and Cebr analysis

To separate out the trips further, Figure 14 below illustrates domestic heritage-related holiday trips. Holidays in this context exclude visits to friends and family for leisure purposes. Analogous to before, the South West accounts for the greatest number of holiday heritage-related trips. However, under holidays, the South West has a greater share of total; 26% of holidays compared to 19% of all domestic overnight trips.

Similar to before, the total number of heritage-related holidays has fallen over the period 2012 to 2019 from 7.6 million to 7.4 million (2% fall). This decrease is not homogenous across regions: the West Midlands experienced the greatest fall in trips (13%) followed by the North East at 12%. The South East and South West were the only regions to experience growth over the period at 2% and 6% respectively. This is again in contrast to total overnight trips where the two regions experienced a fall in trips of 14% and 7% respectively.

Figure 14: Total estimated domestic overnight heritage-related holiday trips, millions



Source: GB Tourism Survey and Cebr analysis

As before, individuals going on these holidays support the wider economy in the regions through their spending; this is displayed below in Figure 15. The period has seen a general upward trend in spending from 2013 to 2019, increasing by £276 million; 16.2% increase. This period has somewhat plateaued since 2017, where 2019 total spend was the same as two years prior. In real terms, expenditure has increased by £97 million, equivalent to a 5% increase since 2013.

Almost all regions over the period experienced a nominal growth in spending. Only the West Midlands saw a minor decline of 3.7%, equivalent to £3 million less spend over the six-year period. In contrast, four regions saw growth upwards of 20%; North West (27.3%), East Midlands (28.2%), East of England (22.5%) and The South East (28.8%).

This is particularly interesting given that the number of trips for all these regions bar the South East fell over the same period. Thus, it must be the case that there are fewer holidays, but on average, those that do go on heritage-related holiday in these regions spend more. Average spend per heritage-related holiday grew from £233 in 2013 to £269 in 2019; a 21% increase.

Figure 15: Total estimated domestic overnight heritage-related holiday spend, £m



Source: GB Tourism Survey and Cebr analysis

5.2 Domestic day visits

The UK is home to 27 cultural and 4 natural UNESCO World Heritage sites, including iconic destinations such as Stonehenge, the Tower of London, the City of Bath and the Giant's Causeway.¹³ These are spread throughout the country and are major attractions for both citizens of the UK and international visitors. This is not an exhaustive list of heritage sites in the UK however; English Heritage cares for over 400 historic monuments, buildings and places ranging from Cold War bunkers to Roman forts.¹⁴ The UK thus has an expansive range of historical and cultural sites from which visitors flock to, supporting their region's economy.

This section's analysis draws on Visit England's Day Visit survey and defines a 'visit' as one that involves one of 15 defined leisure activities, lasts at least three hours, was not a regular activity and one that is in a destination outside the respondent's place of residence. This excludes sporting events and some other visitor attractions.¹⁵

Total heritage-related day visits are currently declining year-on-year and have been since 2016. Since 2016, the volume of visits is down by 11%, equivalent to 28 million fewer trips in

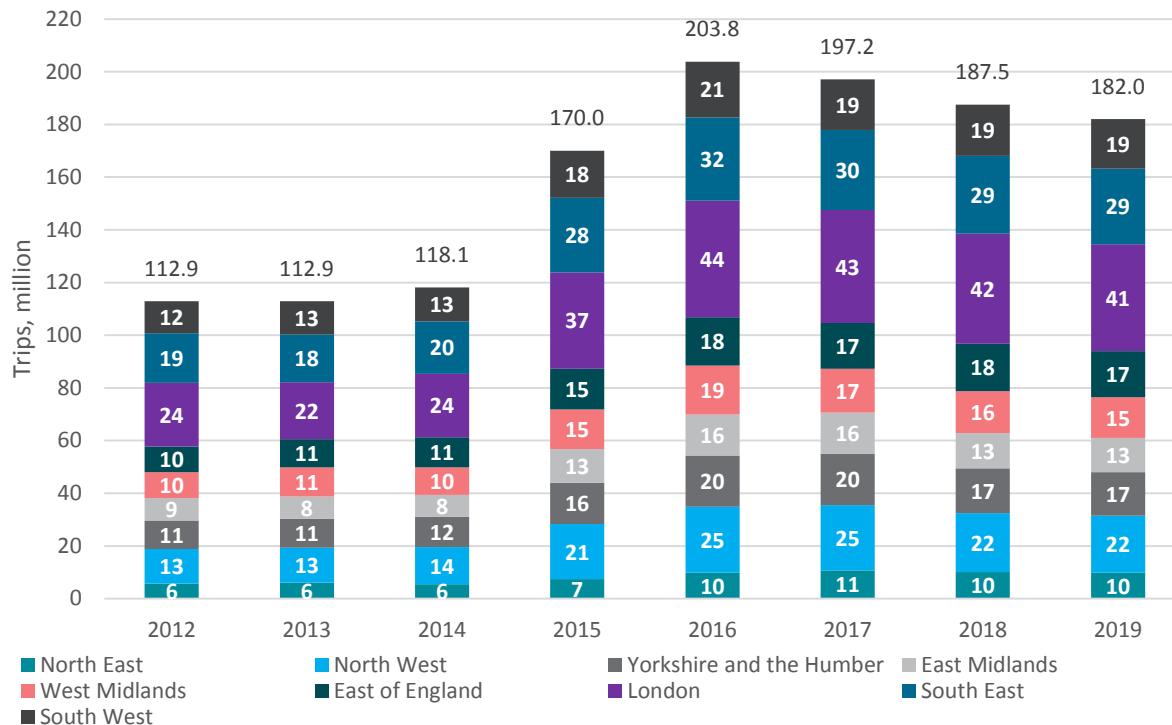
¹³ UNESCO. (2020). ['United Kingdom of Great Britain and Northern Ireland'](#).

¹⁴ English Heritage. (2020). ['Stand where history happened'](#).

¹⁵ For a complete definition and more information please see [Visit Britain's GB Day visits Survey](#)

2019. This is still significantly up from 2012 and all regions have experienced a growth of at least 50% over the period. The East of England experienced the greatest growth over the period at 80%, equivalent to 8 million additional trips. In absolute figures, London had the greatest number of visitors each year and accounted for 22% of all heritage-related day trips taken.

Figure 16: Estimated volume of heritage-related visits, millions



Source: Visit England's Day Visit Survey and Cebr analysis

Figure 17 below presents the value of heritage-related visits throughout the English regions. Total heritage-related visits in 2019 generated a value of £4.6 billion. This spending is not homogenous across the regions. London accounted for 26% of the value, equivalent to £1.2 billion. The North West and the East Midlands accounted for the smallest share at 5% each. A possible reason for this may be the fact that London, as the capital, attracts a greater share of individuals than other regions due to its cultural significance. The greater footfall thus increases spend. However, it is also true that London is relatively more expensive than other UK regions, meaning for the same number of visitors, spend is likely to be higher.

The value generated from these visits has grown significantly over the period, increasing by 26%, or £951 million. In real terms, this value has increased by 11% since 2012; £459 million.

Once again, this nominal growth is not shared equally across the regions. The East Midlands is the only region to experience a decline in value generated with a fall of 0.9%. Yorkshire and the Humber experienced the greatest growth, with value increasing by 53.2% closely followed by the East of England with a growth of 51.6%.

However, despite this significant growth in value generated, actual spend per visitor has fallen over the period. Average spend per visitor fell over the period from £32.60 to £25.44, a 22% decrease. Thus, the increase in value generated over the period is a function of the increased volume of visits.

London has the greatest spend per individual at £30.04. This is considerably down from its high in 2012 of £40.29; a 25% decrease. Only Yorkshire and the Humber saw an increase in spend per individual. This increased from £26.63 to £26.79; a mild 1% increase. However, this is a resurgence in spending since 2015, where spending per person fell to £19.30 (a 28% decrease). This is displayed in Table 4.

Figure 17: Estimated value of heritage-related visits, £ million



Source: Visit England's Day Visit Survey and Cebr analysis

Table 4: Estimated average spend per heritage-related visit, £

	2012	2013	2014	2015	2016	2017	2018	2019
North East	32.55	40.54	34.81	22.54	19.72	18.68	20.62	22.62
North West	31.34	37.43	32.33	22.74	22.80	25.29	23.33	25.59
Yorkshire and the Humber	26.63	33.46	30.49	19.30	18.36	21.11	24.42	26.79
East Midlands	29.60	30.02	26.22	21.23	23.59	20.00	17.52	19.22
West Midlands	30.19	38.52	31.27	25.53	18.54	21.18	19.73	21.65
East of England	29.98	33.45	28.99	18.70	15.79	18.17	22.96	25.19
London	40.29	37.35	37.72	25.86	26.70	24.13	27.38	30.04
South East	30.42	34.37	32.12	19.20	22.25	19.07	20.89	22.92
South West	33.52	35.40	30.95	23.86	18.03	17.60	24.73	27.13

Source: Visit England's Day Visit Survey and Cebr analysis

5.3 International tourism

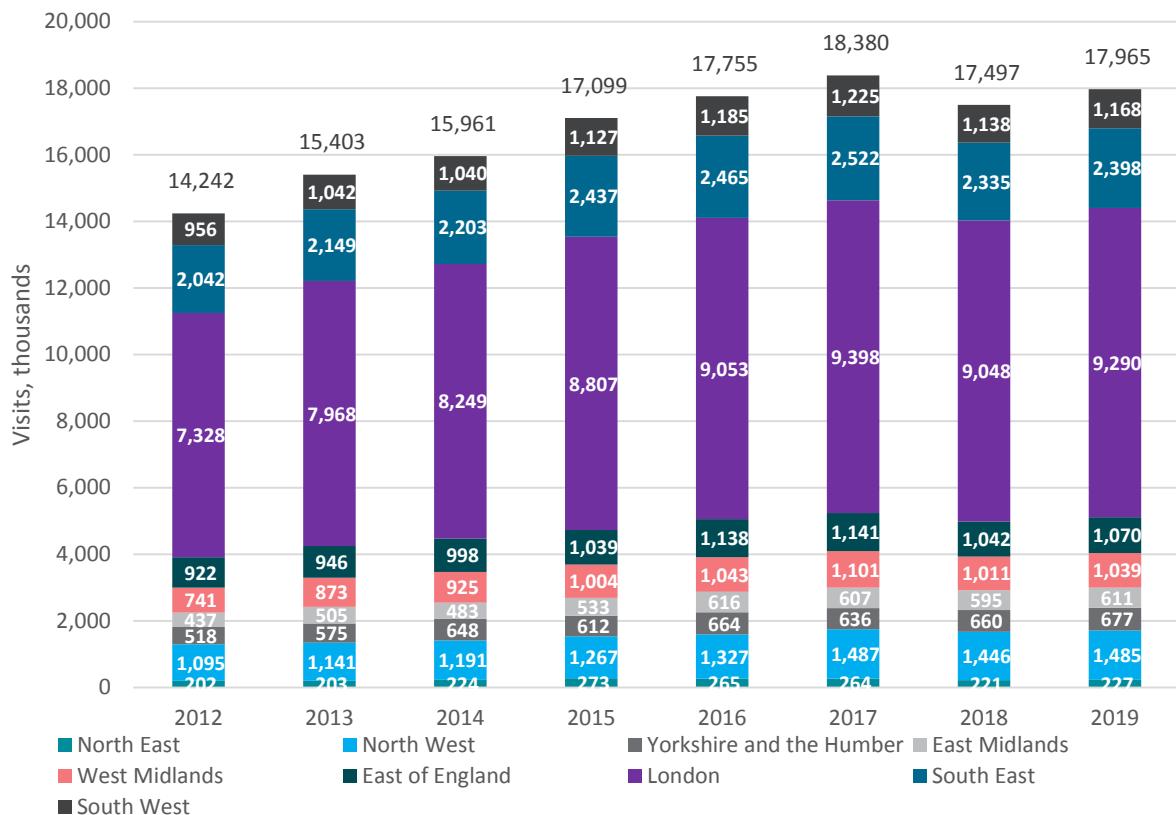
This section of the analysis draws upon the International Passenger Survey (IPS) which collects information about individuals entering and leaving the UK and is used to produce estimates of overseas travel and tourism.¹⁶

Figure 18 illustrates the volume of inbound heritage-related visits to the UK over the period 2012 to 2019. It is clear that there is a slow upward trend in the volume entering the UK, plateauing at 2017. Overall, the period experienced a growth in volume of 26%, equivalent to 3.7 million additional international visits.

London accounts for the vast majority of international heritage-related tourism, with 52% of the total in 2019. The South East comes in second with 13%. The remaining regions all account for less than 10%, with the North East accounting for only 1% of total.

Figure 18: Inbound tourist heritage-related visits, thousands

¹⁶ 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.



Source: IPS and Cebr analysis

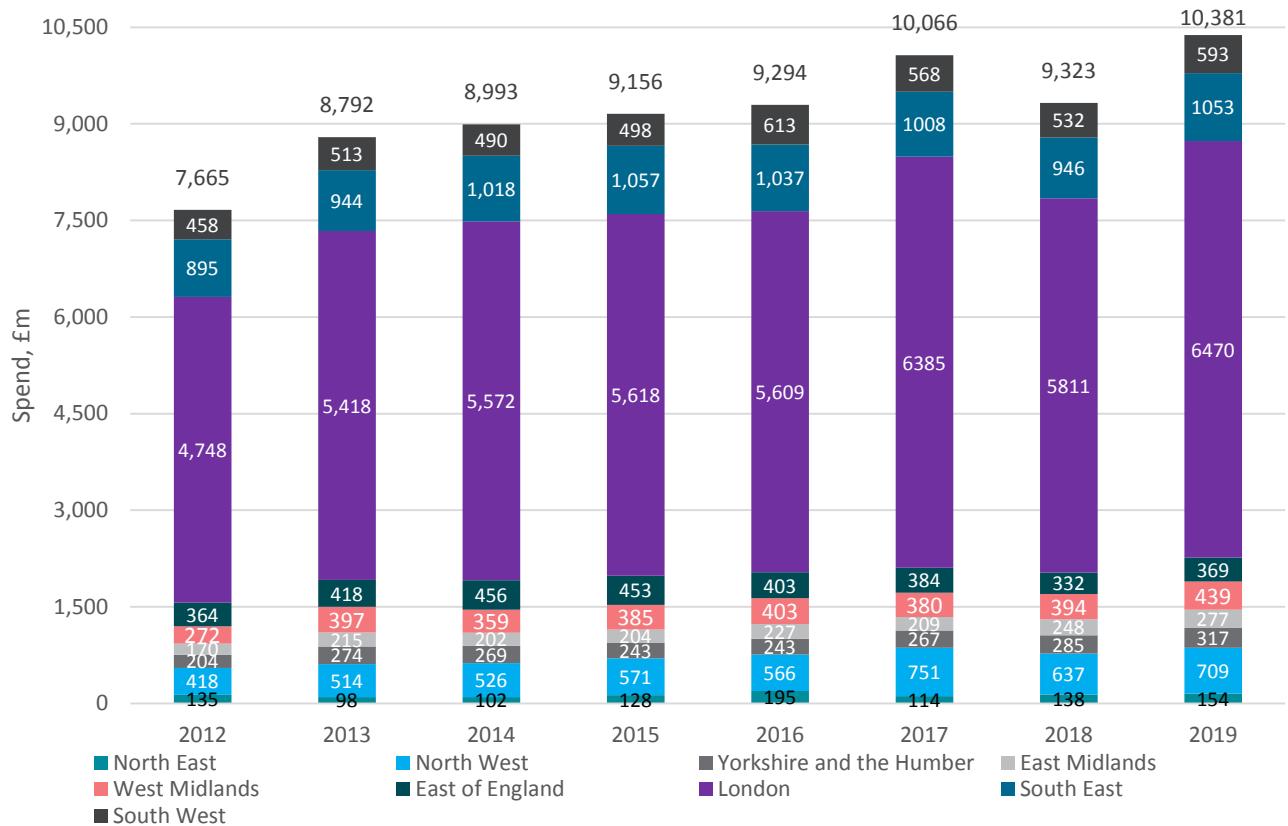
The heritage-related tourism spend has also increased over the period presented. In absolute terms, spending has increased by £2.7 billion between 2012 and 2019; an increase of 35%. In real terms, spending has increased by £1.7 billion over the period, equivalent to a 19% increase.

Much like with the visitor numbers, London dominates in this metric too; 62% of all international heritage-related tourism spend occurs here. Every other region is below 10% apart from the South East which sees 10% of the spend.

All regions apart from the East of England have seen a significant nominal growth in their respective tourist spend, with the East Midland growing the most at 63%, equivalent to £107 million. Once again, in absolute value, London's growth is the largest, amounting to an additional £1.7 billion.

Along with rising visitor numbers, actual spend per person has increased over the period as well. In 2012, average spend was £538 per trip. By 2019 it had grown to £578; a 7% increase. Thus, the UK has seen both a growth in numbers and average spend, increasing the support of the heritage sector throughout the economy.

Figure 19: Inbound heritage-related tourism spend, £ million



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.

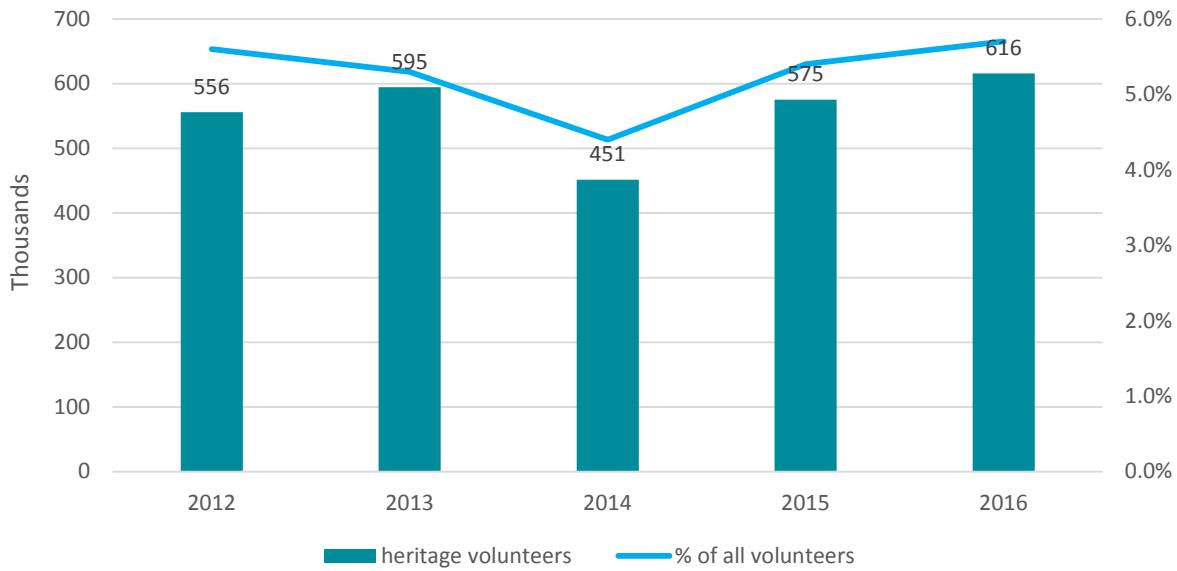
The analyses presented draw upon a variety of data sources. Specifically, we draw on existing research and support this with case studies drawn from our primary research that involved surveying organisations in the heritage sector as well as conducting a programme of in-depth interviews with individuals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

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~~ 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.

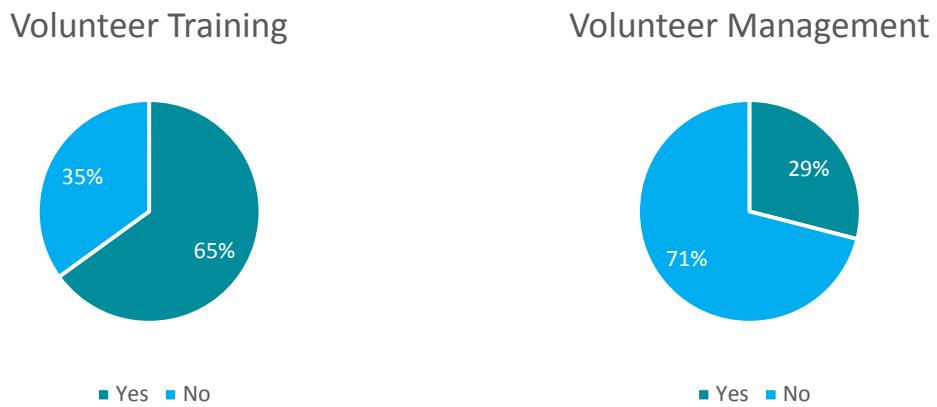
A significant part of innovation in creative industries is defined as ‘soft innovation’, unobservable or at least less observable than tangible products, networking through volunteering is thus likely to be an opportunity to showcase individual creativity.

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. One organisation 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

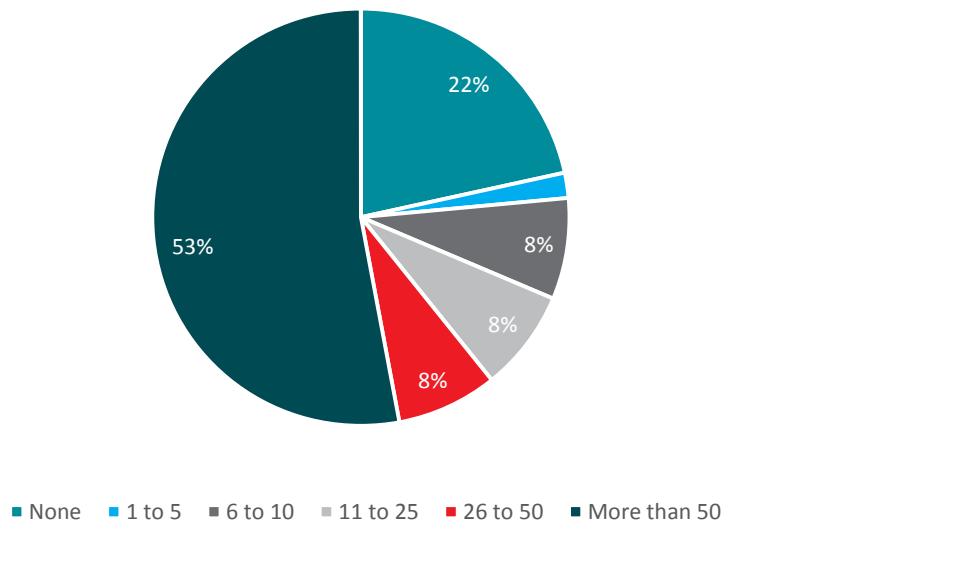


Source: Cebr survey of 52 heritage organisations and analysis, 2018

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



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 economy¹⁷.

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.

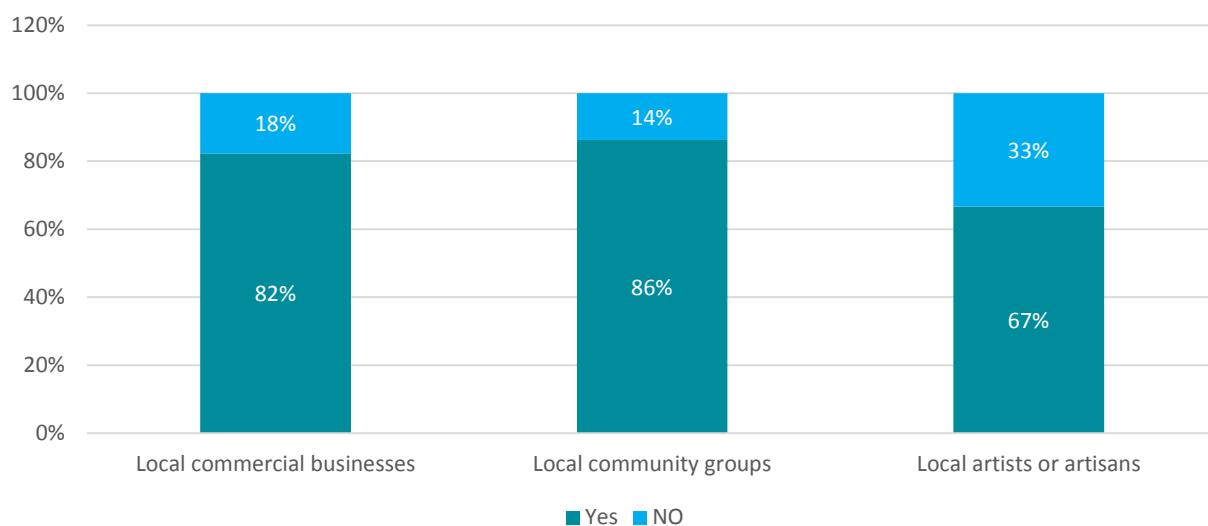
Many of these organisations also emphasised the importance of offering high quality heritage to their local community. They particularly stressed the importance of connecting

¹⁷ Northall, P., 2008. Culture Led Regeneration & Local Art Communities. Centre for Local Economic Strategies: Manchester, p.1.

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 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.

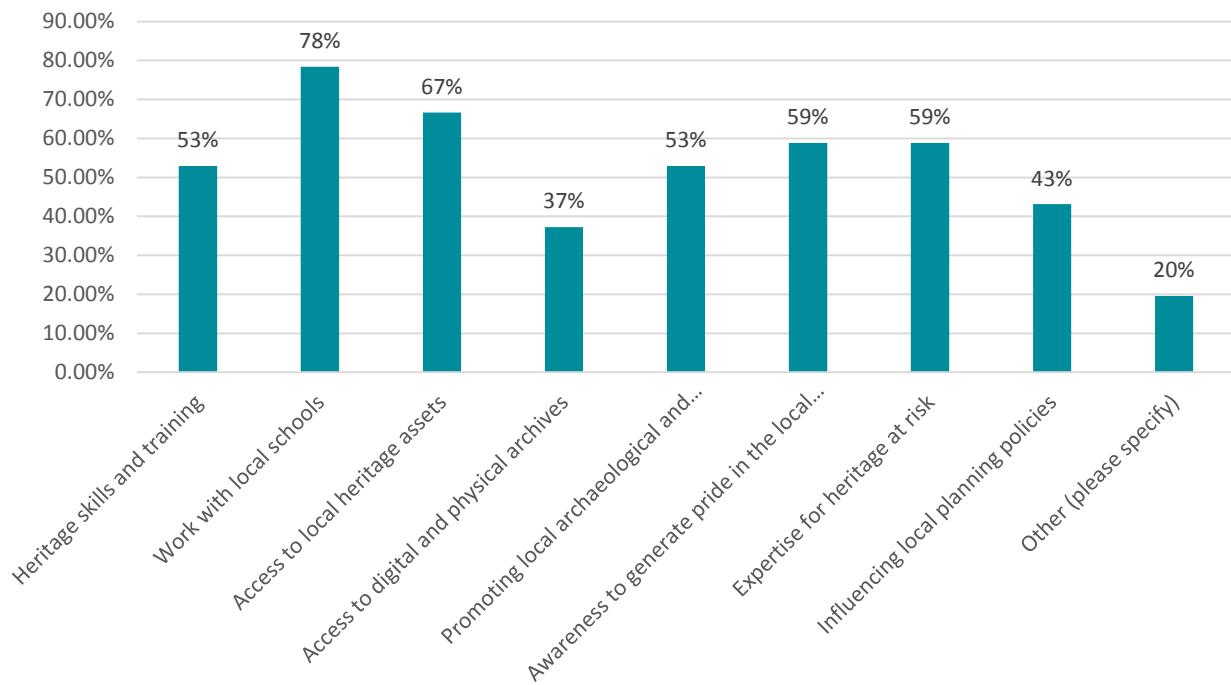
For example, a partnership between a community interest company and a registered charity delivering community-led regeneration which took part in our survey, reported that they were involved in drafting planning policies, feasibility studies and business planning, and advising on heritage strategies.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

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:



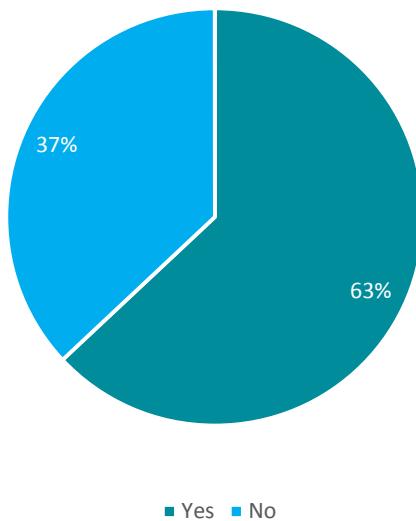
Source: Cebr survey of 52 heritage organisations and analysis, 2018

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, one organisation 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, 2011-2019. Thousands

Constituent industries of the heritage sector England	2011	2012	2013	2014	2015	2016	2017	2018	2019
Workers in the museum sub-sector	15	16	12	16	16	19	13	14	14
Workers in the historical sites & buildings sub-sector	10	10	8	10	11	13	12	13	13
Workers in the archives sub-sector	3	3	2	2	2	2	2	2	2
Heritage workers in the building completion and finishing sub-sector	45	44	42	46	53	58	62	57	57
Heritage workers in the other specialised construction activities subsector	33	34	32	27	39	37	40	38	38
Archivists and curators in all industries	9	8	10	10	10	11	15	10	16
Archaeologists in all industries	5	5	4	4	4	5	5	6	6
Conservation professionals in all industries	9	11	9	9	14	11	9	17	14
Conservation and environmental associates in all industries	7	8	7	7	10	7	8	7	12
Gardeners & nature reserve heritage workers	3	2	3	2	3	2	3	3	3
Architects working with heritage	10	8	11	11	10	11	12	11	12
Town planning officers working with heritage	3	3	3	4	3	3	6	4	4
Chartered surveyors working with heritage	12	12	12	11	11	14	12	10	10
Building and civil engineering technicians working with heritage	3	3	3	3	4	5	5	3	4

Source: ONS' Business Register and Employment Survey, Annual Population Survey, 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	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-

	Annual Population Survey (APS)	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	Business Register & Employment Survey (BRES). SIC code: 433 & 439 Annual Population Survey (APS)	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.
Heritage workers in the other specialised construction activities subsector	The English Heritage report Skills Needs Analysis 2013 Repair, Maintenance and Energy Efficiency Retrofit of Traditional (pre1919) Buildings in England and Scotland.	
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 &	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-

	Employment Survey (BRES)	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</p>

sector purchases its inputs and trace the sector's economic footprint.

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.

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.</p> <p>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

International tourism related to heritage

International Passenger Survey, ONS

- Viewed architecture

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':

- 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

