State of the Historic Environment Report

THE ECONOMIC DIMENSION

2

The Economic Dimension

2.0

INTRODUCTION

The purpose of this chapter is to begin to evaluate the contribution the historic environment sector makes to the economic well-being and competitiveness of England's economy. Despite the importance the sector places on making a convincing case for investment in the historic environment there is surprisingly little research in this area, though there is a little more information on the value of the historic environment to tourism. The research that does exist provides some powerful evidence of the considerable contribution the sector makes to England's economy; however there are many gaps in this knowledge that will need to be filled in the future. Another key area for action is to give greater emphasis to the link between the management of the historic environment and sustainable development.

Regeneration in London's Hatton Garden. Ongoing repair to a c1700 house in Leather Lane, London as part of the Hatton Garden Heritage Economic Regeneration Scheme (HERS). An initial investment of £60,000 by English Heritage in the HERS has been supplemented by over £170,000 of other funding, delivering improvements to five buildings including over 1,000 sq m of commercial floorspace and one home. So far the scheme has resulted in the creation of ten jobs.

2.1

THE HISTORIC ENVIRONMENT AS A CORNERSTONE IN SUSTAINABLE DEVELOPMENT

The Government's Strategy for Sustainable Development sets out four basic objectives:

- Social progress which recognises the needs of everyone
- Effective protection of the environment
- Prudent use of natural resources
- Maintenance of high and stable levels of economic growth and employment

English Heritage's discussion document *Sustaining the Historic Environment*[1] set out some key sustainability principles which were later incorporated in the English Heritage, Countryside Agency, English Nature and Environment Agency initiative *Quality of Life Capital*[2] which advocated an approach that:

- Stands back from areas and features and considers the human benefits they provide
- Provides a systematic and transparent evaluation framework
- Integrates environmental, social and economic issues
- Places the emphasis on improving quality of life
- Values the commonplace as well as the unusual and rare
- Puts professional judgements alongside the concerns of local people

The historic environment includes both natural and built heritage. These are inseparable and make up the 'warp and weft' of the English landscape. At present there is only very limited information about the value of historic building fabric (both in terms of building elements and as composite types) in demonstrating the true environmental cost of manufacture, and matching this to lifecycle costs; this should be contrasted and compared with similar data for common forms of modern construction. There is a large constituency of pressure groups in the UK lobbying on issues of sustainability, and many areas of the public and private sectors are succumbing slowly but surely to integrating 'environmental sustainability' into their areas of activity. The case that the built heritage is inseparable from the 'natural' environment is not being made strongly enough. They both comprise largely finite resources, which are at risk from inappropriate development. The sector could quickly win more hearts and minds if people understood the true value of repair and conservation. People need to be shown clearly how sustainable historic buildings are. In the UK, buildings account for 50% of primary energy use (CO_2) output and for every inhabitant, six tonnes of building materials are used each year[3].

Recycling buildings and, where they can't be saved, their materials makes economic and environmental sense. In looking at the energy costs of producing materials, it has been calculated[4] that it takes the equivalent energy of a UK gallon of petrol to produce six bricks (the 'embodied energy'). If one demolishes the bricks and builds a new wall, it wastes not only the embodied energy of the bricks but uses up more energy in demolition and even more energy in putting back new bricks. Replacement materials, such as aluminium cladding, can contain higher levels of embodied energy. The embodied energy in the brickwork alone of a typical Victorian terraced house is the equivalent of over 31,500 litres of petrol – enough to power a modern fuel-efficient car for 263,308 miles, or more than ten times around the world.

The recent changes in part 'L' of the Building Regulations are predicated on the need to cut carbon emissions (part of the Kyoto protocol). The historic environment sector needs to be able to clearly and simply demonstrate the 'environmentally sustainable' credentials of historic buildings, both on an elemental basis and in terms of particular building types. However, at present, we are not in a position to do this. There are currently no UK government statistics which analyse this aspect of the built heritage from the 'environmentally sustainable' perspective, but it is an area of statistics that the historic environment sector needs to develop and include in future SHERs.

1 English Heritage 1997.

2 www.qualityoflife capital.org.uk

3 *Building –in Sustainability: A Guide to sustainable construction and development in the North East*, SUSTAINE and Durham County Council.

4 Calculated for the UK situation by P Schurer of English Heritage using data from '*New Energy from Old Buildings*'.

Some of these issues are being raised at a regional level, through Sustainable Development Frameworks that have been produced by Regional Development Assemblies with the assistance of a wide range of partners. Although coverage of historic environment issues is limited, the documents all recognise the important contribution to quality of life that comes from managing the asset carefully. *The Sustainable Development Framework for the East of England*[5] for example sets out key objectives relating to the historic environment including the need to promote local distinctiveness, to promote public education and enjoyment, to support conversion of redundant buildings and to encourage mixed-use developments.

Many regional development agencies and local authorities are also active in promoting awareness of issues surrounding sustainability and development plans include relevant policies to ensure that developments are assessed against sustainability criteria. Although there are increasing references to sustainability in public documents, development appraisals and strategies, they do not always follow through to actions and developments that are fully sustainable. Further consideration is needed of ways in which progress on sustainability can be objectively measured.

2.2

THE HISTORIC ENVIRONMENT AS A CATALYST FOR REGENERATION

Investment in important historic elements of settlements makes a vital contribution to regeneration. In certain areas and for some buildings, public pump-priming grants are often a pre-requisite for economic activity. Funding from local authorities, the Heritage Lottery Fund, English Heritage and other agencies is often the first element from which larger regeneration schemes are built, in the form of grant aid both to individual historic buildings as well as to areas.

REFURBISHMENT AND THE RE-USE OF BUILDINGS

Re-using and refurbishing sites is big business. The DTI statistics on construction work[6] show that in 2000 46% of all construction work was for refurbishment, repair and maintenance, a total of £26,801 million[7]. The proportion of refurbishment to new-build has been falling slightly year-on-year since 1996 when 49% was refurbishment. Of the repair and maintenance work in 2000, 62% was private sector work. Refurbishment and maintenance output is forecast to rise by 3.5 to 4% for each of the next three years[8]. Although only a proportion of the refurbishment work will be on historic buildings and only an element on listed buildings or in conservation areas, the sums involved are considerable. Research to identify the historic environment element is necessary.

RICS Building Maintenance Information[9] found that total expenditure on maintenance in 2000 in Great Britain was estimated at £47,105m with maintenance representing around 5% of Gross Domestic Product, a figure which, at constant prices, has drifted down only very slightly since 1991. In 2000 householders spent £8,806m on DIY goods; at constant prices expenditure increased in the previous four years also and total expenditure on these items has risen by 67% since 1991 (46% at constant prices). This represents just over £400 per dwelling.

Regeneration through historic building grants for individual buildings, for example under English Heritage's 'Section 3A' powers, often combines high standard-setting conservation solutions within a context of buildings which are being repaired and improved. The often exemplary standards of work are achieved through financial leverage combined with the expertise of specialist Architects and Surveyors. The Isaac Lord complex in Ipswich is an example of conservation-led regeneration that allows business to prosper in historic properties. Grants to places of worship not only repair important historic fabric but also support what is both a religious and cultural community focal point as well as an important tourism asset. Recipients of grants for places of worship agree to public access conditions which ensure that the site can be enjoyed by locals and tourists. The cost of opening is extremely low and therefore very cost-effective as it relies on local volunteers.

5 *A sustainable Development Framework for the East of England*, East of England Regional Assembly, October 2001.

6 www.gov.uk/construction/stats/07120/pntable1.pdf

7 At constant 1995 prices.

8 Research by EC Harris research department for Architects Journal 26/9/02.

9 *Review of Maintenance Costs – Building Maintenance Information* – December 2001.

Church Street, Wolverton, Buckinghamshire. The Countryside Agency's *Healthcheck* in the town has helped to draw together the work of several organisations in understanding and regenerating the town. For example, British Waterways is involved in a characterisation study of the canal corridor and English Heritage's Historic Characterisation study, based on the town's conservation area, is likely to be further developed using the Quality of Life Capital approach. English Partnerships, the SE Regional Development Agency, Milton Keynes Council and British Waterways have agreed to help produce a Development Framework for Wolverton (i.e. an urban design approach that will complement the *Healthcheck*).

Work carried out for English Heritage by consultants[10] on the impact of heritage investment in conservation areas has demonstrated that funding physical improvements to historic buildings and spaces brings real economic and social benefits to an area – the *Heritage Dividend*. The study looked at the performance of 20 Conservation Area Partnerships (CAPS) and Heritage Economic Regeneration Schemes (HERS) (funded by English Heritage, the Heritage Lottery Fund and local authorities) over a three-year period to 2002. It was calculated that every £10,000 of heritage investment by English Heritage and the Heritage Lottery Fund brings an additional £46,000 of funding from private sector and public sources. Together this investment delivers one new job, one safeguarded job, one improved home, 103 sq m of environmental improvements and 41 sq m of improved commercial floorspace. Although such impressive figures may well not apply to all the conservation areas where HERS or HLF-assisted projects are being carried out, the contribution made by EH and the HLF to such schemes in a year is around £25m and the number of jobs created and safeguarded each year will be considerable.

The work was based on research initially published in 1999[11] in *Heritage Dividend* which showed that an English Heritage investment in regeneration funding spread between 357 Conservation Areas between 1994 and 1999 had directly influenced the creation of more than 3,500 new jobs and 3,500 safeguarded jobs. At the same time the investment helped secure improvements to more than 3,600 homes and over 600,000 sq m of floorspace.

The Heritage Lottery Fund Townscape Heritage Initiative (THI) invests approximately £17m a year in urban conservation areas in need of regeneration and improvement, providing a total of over £77m to some 97 schemes since 1998. The average grant is 50% of the common fund put together from a range of public and private sources. But many schemes are attracting a much higher percentage of additional funding; for example in Liverpool, an HLF grant of £1.5m attracted a common fund of £15.5m, and an estimated additional expenditure on conservation works of £20.5m over and above the THI project. A ten year evaluation of the THI is currently underway, with interim results likely to be available early in 2003.

HLF is also a significant source of grant aid for a range of other regeneration projects, including those carried out by building preservation trusts. In addition, its Public Parks Programme has contributed approximately £250m to the regeneration of over 200 public parks, promenades, cemeteries and squares, giving priority to those serving areas of social and economic deprivation.

There are many examples of successful regeneration projects. The Anderton Boat Lift, after a long period of disuse has been repaired and is now fully operational again, thus restoring to navigation a key link between the Trent and Mersey canal and the River Weaver, 15m below canal level.

Constructed in 1875, British Waterways led the £7m project with practical and financial support from English Heritage, the Heritage Lottery Fund and a wide range of partners including the Waterways Trust, the Inland Waterways Association, the Anderton Boat Lift Trust and the Friends of the Anderton Boat Lift. It is estimated that the refurbished lift will generate £1.1m additional spend in the area.

The work of the Countryside Agency, in conjunction with local partners, on the 'Market and Coastal Town' initiative and 'Vital Villages', provides a useful model for partnership working in smaller settlements to achieve regeneration.

Further work is needed to try and quantify the sum total of historic environment regeneration activity that the various local authorities, public agencies, trusts and other bodies undertake. Public bodies will usually take the lead in regeneration activities but there are a number of other organisations that play a significant role in regeneration. The Civic Trust Regeneration Unit has a long-established track record of initiating projects and offering advice. Recent projects have taken place at Great Yarmouth, Didcot, Bromley and Liverpool. The Prince's Foundation[12] includes bodies that facilitate various types of regeneration, including the Urban Villages Forum (encouraging a holistic approach to new urban development), Regeneration Through Heritage (providing support for partnerships undertaking complex regeneration projects in sensitive locations) and the Phoenix Trust (renovation projects such as the Mills Bakery in the Royal William Yard in Plymouth).

10 *The Heritage Dividend – 2002.* A draft report prepared by Urban Practitioners (formerly Town Centres Ltd) for English Heritage.

11 *The Heritage Dividend: Measuring the Results of English Heritage Regeneration.* Research by Town Centres Ltd.

12 www.princes-foundation.org.uk

Other trusts have a narrower focus, such as the Railway Heritage Trust which has offered 51 grants for the repair and restoration of railway buildings and structures of historic value.

It is estimated that urban regeneration programmes (SRB, ERDF, English Partnerships etc) contributed a figure in excess of £100m in 1998/9 to the cultural sector as a whole[13] and current figures are likely to be broadly similar. These funds tend to be available to public bodies, trusts and charities rather than to private companies or individuals, and make a very valuable contribution to revitalising town centres and run-down areas. These funds are not covered in this report because of the difficulty in separating out spending on the historic environment from general regeneration investment. On occasions there are conflicts, but the overall impact is very positive.

What cannot be achieved in this document is to calculate the full impact on the historic environment that results from investment in historic environment properties. In Yorkshire, as part of a bid for EU funds (Objective 2) for a small visitor centre at one of English Heritage's properties, an Economic Impact Assessment was commissioned. The purpose was to ascertain the effects it would have on the local economy and it used the standard methodology that is used to calculate the impact of EU funding. For a project costing £650,000 with an approximate doubling in visitor numbers (from a base of 26,000 visitors), the model predicted that something like 40 jobs would be created locally with an additional regional spend of over £3m.

The National Trust-led research project *Valuing our Environment*[14] looked at the economic impact of the environment in the North East, the South West, Cumbria and Wales. The summary findings, produced in 2001, demonstrated the importance of a high quality environment in attracting tourism and businesses. The project looked at both the natural and historic aspects of the environment, but the findings are important in demonstrating the wider positive benefits of the activities of the Trust. The summary found that "40% of employment in tourism depends directly on a high quality environment" rising to between 60% and 70% in rural areas. It produced evidence of the growing importance of day visits: in Cumbria such trips generated an estimated £344m in 2000 compared to £468m for visits involving overnight stays. In Wales staying visits generated only 0.2% more income than day visits.

The National Trust is an important influence as a land and property owner and manager in the rural areas that were studied. With its sites being a key reason for additional tourism expenditure in an area. Their consultants estimate it generates between five and nine additional Full Time Equivalent (FTE) jobs for each person the Trust is directly responsible for. The Trust estimates that because of its commitment to environmental quality it influences 137,000 full time job equivalents in the four study areas.

For example, in the North East the National Trust employs the equivalent of 244 full time employees (FTEs), generates a further 455 FTEs by such things as farm tenancies, suppliers and the associated multiplier effects and a further 1260 FTEs are created by visitor expenditure leveraged by the Trust's activities (including multiplier effects). The use of such calculations to ascertain the impact of investment in the wider historic environment will need to be undertaken if its economic contribution is to be recognised.

The effect of heritage designations on property values. Relatively little work has been done to establish whether there is a relationship between property value and the presence of a designation – usually listed building status or being within a conservation area. The most important piece of work done to date is on the Investment Performance of Listed Offices by Investment Property Databank[15]. In its latest report on the period 1981 to 2001 it came to the following conclusions:

13 *The UK Cultural Sector: Profile and Policy Issues*, Ed Sarah Selwood, PSI, 2001.

14 *Valuing our Environment* reports and summaries available onwww.nationaltrust.org.uk

15 *The Investment Performance of Listed Office Buildings* – a regular survey carried out by Investment Property Databank for English Heritage and The Royal Institution of Chartered Surveyors. Data from the 2002 update.

2

[16] *Listing Traditional, Vernacular Buildings has been detrimental to their condition – the relationship between listed status and building condition in three north Cornish towns.* University of Plymouth for RICS Education Trust 2002.

[17] English Heritage, London Region.

[18] www.nlud.org.uk previously developed land that is unused or may be available for redevelopment. Figures for England 1998.

- In 2001 listed offices in the UK achieved higher total returns than non-listed offices for the fifth consecutive year. This was due to higher rates of rental value growth which were more than sufficient to offset the unfavourable yield movements.

- Listed offices in the UK have also out-performed over the last 21-year period again due to faster rates of rental growth. Their only sustained period of under-performance was between 1990 and 1992 during the property crash.

- Listed offices in London have achieved higher total returns than non-listed offices over the last 21 years, and last five years at least in part, due to the higher relative weighting of listed stock in the better performing West End market.

- Rest of UK listed offices have achieved identical returns to non-listed offices over the last 21 years. For most of the 1990s they under-performed but have achieved significantly higher total returns in the last 2 years.

- Listed office equivalent yields are now higher than non listed offices, having been lower for much of the 1980's. This at least partly reflects the higher volatility seen in both the London and Rest of UK listed office total returns over the last 21 years.

- In London, non-listed offices should benefit from slightly higher uplift in income from reversions and have a slightly lower level of vacancies than listed offices. In the Rest of the UK, listed offices currently have higher incidences of over-renting but similar vacancy levels and reversionary potential.

The absence of research on other sectors of the market, and the considerable variations in the way sectors perform, limits the ability to draw general conclusions from very specific work.

A recent small study of three conservation areas in north Cornwall by the University of Plymouth[16] found that while listed commercial buildings were generally in the same condition as non-listed ones of the same age, listed domestic properties were in significantly worse condition overall than similar non-listed buildings. Occupancy had a strong relationship with condition which they found could create a cycle of decay. The researchers were careful to point out that the results applied only to the study area, which is atypical, but it highlighted an area of work that would benefit from additional research to see whether the findings can be applied elsewhere.

There is some limited evidence suggesting that domestic property values can benefit from conservation area status. A small-scale survey in London[17] suggested that in some areas properties in conservation areas can command a significant price premium over similar non-designated properties.

The importance of historic environment issues on the reuse of previously-developed land (usually known as 'brownfield land') is partially recognised but the whole picture is rarely understood. The role of such land in addressing economic development and housing issues should not be under-estimated. Estimates from the National Land Use Database[18] are that in 1998 there were around 57,710 ha of previously-developed land unused or available for redevelopment. This represents an average of 163 ha of land per local planning authority. Just under half this area is suitable for housing (27,320 ha). Nationally just under 5% of all developed land may be available for redevelopment, of which a third is currently in use but has potential for redevelopment. The proportion of brownfield land is highest in Yorkshire at 7.9% followed by the NE at 6.8%. It is lowest in London (2.2%) and the West Midlands (3.9%). The DTLR publication Land Use Change in England No 15 found that in 1998 57% of new dwellings were constructed on land that had been previously developed and which included 3% of new dwellings provided through conversion of existing buildings.

Royal William Yard, Plymouth (1826-35) was built by the Admiralty as a victualling depot for the Royal Navy. The South West of England Regional Development Agency is now responsible for the Yard and is working with a wide range of partners to restore the fabric and bring a mix of uses to the site.

The total has varied between 53% and 57% between 1989 and 1998 but from 1995 onwards has remained at 57%, perhaps an indication of the greater emphasis of government policy on re-using brownfield sites. Dwellings on re-used land are constructed at a higher density (28 dwellings/ha) than on land not previously developed (22 dwellings/ha).

There are considerable differences in the percentage of new dwellings built on previously developed land. But in terms of dwelling density, apart from London at 48 dwellings per hectare, the other regions vary between 23 and 26 dwellings per hectare with a national average of 28.

The reuse of brownfield land raises a range of historic environment issues:

- the previous, often industrial, use may be of historic or archaeological importance and this may affect the development potential of the land.

- the classification of previously-developed land includes sites that still have buildings or other remains that may be of historic interest. The sites also offer areas that can be subject to archaeological investigation prior to re-development in parts of settlements that are otherwise developed. In considering redevelopment, there is a need to balance the efficient use of brownfield land by maximising development density (which diminishes the demand for new land) against potential damage to the character of an area caused by over-dense development which dominates surrounding historic fabric.

- unless sensitively handled, and backed by strong planning policies, the desire to maximise the development potential of brownfield land both to reduce the loss of greenfield land and offset higher development costs can create developments that are out of scale with their surroundings.

Another important aspect of successful regeneration is the role of high quality design in transforming the perception of a place. The Commission on Architecture and the Built Environment (CABE) is taking a strong lead in encouraging excellence and broadening knowledge and debate over design issues (for example with the recent poll regarding Britain's favourite and least favourite streets). CABE has produced *Building in Context* jointly with English Heritage which highlights best practice in fitting high quality contemporary development into sensitive historic contexts. It has also produced and distributed learning materials called *Our Street: Learning to See* and *From One Street to Another* to every school in the UK.

Other organisations, such as the Urban Design Alliance (UDAL), play an important part in broadening interest in design issues. UDAL launched PlaceCheck in 2001, a method of assessing the qualities of a place, showing what improvements are needed and focusing people on working together to achieve them. UDAL also organises the annual Urban Design Week; in 2001 the theme was *Urban Visions* and in 2002 *Streetlife* about local scale and the community dimension.

The importance of more recent architecture to people was highlighted in the MORI poll carried out for *Power of Place*. It found that 75% of people thought that the best of our post-war buildings should be preserved, rising to 95% of the 16-24 age group. 69% of respondents did not agree that 'nothing after 1950 counts as heritage'. This growing sophistication in understanding how much is encompassed within the phrase 'historic environment' is encouraging but there is a great deal of work to do to develop greater appreciation of design issues within historic contexts.

19 English Tourism Council/British Tourist Authority.

20 www.star.org.uk

21 *BTA Survey of Overseas Visitors* 1995.

22 *ETB Survey of Visits to Tourist Attractions.*

2.3

TOURISM AND THE HISTORIC ENVIRONMENT

Tourism is one of the largest industries in the UK; it accounts for 4.9% of the GDP of England and about 7.6% of employment (over 2m people)[19]. UK residents made 140m trips within or to England in 2001 and spent £20bn. In the same year, more than 22.8 million trips were made by overseas visitors, who spent more than £11 billion. UK residents spent more than £2 billion, and overseas visitors more than £320m on 'entertainment' which includes visits to tourist attractions, historic houses, theatres etc. When on trips, UK residents spent, on average, £49/day and overseas visitors £59/day on tourism. In 1998 there were 1,253m day visits to the English countryside (the wider historic environment) generating spending of £8.4bn. In 2001, 24% of all trips to the countryside were to visit heritage sites and 16% were to museums and galleries.

A 1995 survey[21] showed that 54% of overseas visitors cited historic buildings as one of the things that encouraged them to visit London. It also showed that, even if they did not come to London specifically for the purpose, 79% of all overseas visitors went to a historic building while they were there.

A 1996 survey[22] showed a similar picture for visitors to the country as a whole. 37% mentioned visiting heritage sites as being of particular importance in influencing their decision to visit Britain; 29% exploring historic towns or cities; 29% visiting museums, galleries and heritage centres; 18% watching the performing arts; and 16% visiting gardens. No other activity was mentioned by more than 10% of the sample.

The national tourist boards of England, Northern Ireland, Scotland and Wales monitor visits to visitor attractions in the UK by means of an annual postal survey among all known visitor attractions open to the public. Each board is responsible for the survey in their own country and the data is collated and analysed to form a UK-wide picture. The results are published annually by the English Tourism Council (ETC) in *Visits to Visitor Attractions* (listing visits by individual sites) and *Sightseeing in the UK* (which presents a full analysis of the characteristics and performance of the attraction market). The ETC has agreed to allow the findings from the 2001 survey in England to be published in this report, and the analysis has been carried out by Ian Baxter of the Moffat Centre, Glasgow Caledonian University.

It is important to note that the definition of 'historic visitor attractions' taken for this SHER document is broader than the 'historic properties' category used in the ETC reports. For the purposes of SHER, 'historic visitor attractions' are also taken to include 'gardens' and 'heritage/visitor centres'.

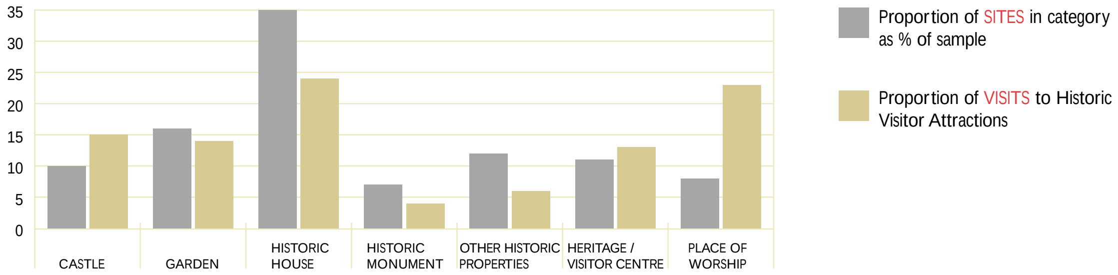
The survey data are geared towards tourism analysis (i.e. visitor attractions), rather than heritage management per se (sites of historic interest).

The survey does not attempt to collect statistics on visits to town trails or urban parks, as these do not fall within the visitor attraction definition used in the survey and private sites not open to the public on a regular basis are excluded. Equally, Government departments and agencies are large owners of heritage buildings, but have far fewer generally open to the public and it is only those that are normally open to the public that are included. Sites that are only open temporarily, for example during archaeological digs, are not covered by this kind of survey. As most parish churches are not able to answer the detailed questions about visitor numbers or revenue, they tend not to be included in the survey. For example only 88 places of worship still in use formed part of the survey. While these are likely to be the most visited places of worship, they only form a tiny part of the total historic church stock (which numbers more than 10,000). An assessment of the overall numbers of visits to historic sites is constrained by the difficulties and costs of collecting information on visits to such sites.

Nevertheless the ETC survey provides a wide sample for analysis, and can provide useful baseline data for the ongoing assessment of the historic environment's contribution to tourism. More detailed information from the survey is included on the SHER website.

Site Numbers. A total of 1041 sites in England responded to the survey. SEE TABLE 1. This sample forms a significant part of the total number of historic visitor attractions, of which there are almost 2000 recorded on the survey database for England. Of those sites that responded in England, 51% were in private ownership, 20% National Trust, 15% Local Authority, 12% English Heritage and 3% Government Department or Agency.

Visits to historic visitor attractions, 2001



Source: ETC Survey of Visits to Visitor Attractions 2001

1 Visits to historic visitor attractions, 2001

CATEGORY	Proportion of sites in category as % of sample	Proportion of visits of Historic Visitor Attractions	Average number of visits to each site type in 2001 (to nearest '000)	Total visits to sites in category in 2001 (to nearest '000)	% change in visits 2000 to 2001
SAMPLE	(1,041)	(57.7m)	(57.7m at 983 sites)	(57.7m at 983 sites)	(57.7m)
	%	%	No.	No.	
CASTLE	10	15	83,000	8,729,000	-8%
GARDEN	16	14	53,000	8,089,000	4%
HISTORIC HOUSE	35	24	40,000	14,042,000	-6%
HISTORIC MONUMENT	7	4	34,000	2,402,000	-14%
OTHER HISTORIC PROPERTIES	12	6	32,000	5,635,000	-4%
HERITAGE/ VISITOR CENTRE	11	13	69,000	7,474,000	-4%
PLACE OF WORSHIP	8	23	167,000	13,309,000	-6%
TOTAL	(1,041)		59,000	57,681,000	-5%

NB These figures are for sites which responded to the survey only, not the total market
Source: ETC Survey of Visits to Visitor Attractions 2001

2 Visit numbers to historic visitor attractions recorded in 2001 survey

CATEGORY	Coastal sites	% change 2000 to 2001	Rural sites	% change 2000 to 2001	Urban sites	% change 2000 to 2001
CASTLE	1,324,285	-4%	2,336,426	-9%	5,068,617	-8%
GARDEN	572,311	-1%	5,314,209	-2%	2,202,139	11%
HISTORIC HOUSE	720,844	-4%	9,347,853	-7%	3,973,498	-5%
HISTORIC MONUMENT	322,376	3%	1,259,573	-23%	820,230	-4%
OTHER HISTOIC PROPERTIES	197,056	4%	701,440	-3%	2,736,905	-5%
HERITAGE/VISITOR CENTRE	633,854	2%	2,601,364	-2%	4,238,708	-5%
PLACE OF WORSHIP	82,992	3%	511,855	-13%	12,714,571	-5%
TOTAL	3,853,718	-1%	22,072,720	-6%	31,754,688	-5%

Source: ETC Survey of Visits to Visitor Attractions 2001

3 The effects of Foot and Mouth Disease

CATEGORY	Number of sites affected by Foot (FMD)	% of attractions which had to close when they would normally have been open as a result of FMD
CASTLE	19	18%
GARDEN	48	30%
HISTORIC HOUSE	122	33%
HISTORIC MONUMENT	18	24%
OTHER HISTOIC PROPERTIES	26	20%
HERITAGE/VISITOR CENTRE	23	20%
PLACE OF WORSHIP	3	3%
TOTAL	259	25%

Source: ETC Survey of Visits to Visitor Attractions 2001

Visitors to a section of Hadrian's Wall near Haltwhistle. The Wall was built following an order of the Emperor Hadrian, most likely during his visit to England in AD122. Around 1.25m visitors a year visit the Wall and almost a quarter of visitors to its central section are from overseas. It is estimated that tourism in the area is worth £200m a year, supporting at least 750 tourist small and medium enterprises (www.hadrians-wall.org).

[23] *Heritage Monitor 2000/01*. The definition of 'historic properties' was slightly tighter than the current one, excluding gardens and heritage centres.

Visitor Numbers and Trend. The survey found an overall 5% drop in visits between 2000 and 2001. This comes on top of a 4% drop in visits between 1999 and 2000[23]. SEE TABLE 1. These changes are attributable in part to a number of factors affecting the tourism industry more generally. Most notable amongst these for 2001 was Foot and Mouth Disease (FMD), whilst the impact of reduced international tourist arrivals following September 11 had a further effect. The opening of a new visitor attraction in the vicinity of a heritage site may draw tourists away, and the marketing of an area, locality or network of sites may contribute to a change in visitor numbers.

The heritage sector as a whole, with approximately two-thirds of its sites in rural locations was, unsurprisingly, affected during the period of FMD restrictions at the start of the year (however the ETC survey as a whole found that farms were the hardest hit through access restrictions during the crisis). Despite this, over 57.5 million visits in 2001 were reported by the 1041 heritage sites responding to the survey. Historic houses account for the largest proportion of visitors, followed by places of worship (dominated by visits to cathedrals in historic towns and cities). The largest reduction in visitor numbers was in the historic monument category – comprising archaeological sites and other smaller historic sites which are often in rural locations.

The survey found that historic sites in coastal locations saw the smallest overall decline in visitor numbers between 2000 and 2001 with a drop of only 1%. SEE TABLE 2. Sites in such locations were only affected in a minor way by FMD restrictions. Where a general decline in visitor numbers was seen, in many cases visitors headed for the coast where there was still readily available "countryside" access. A number of site categories at coastal locations therefore saw slight increases in visitor numbers. Equally, categories of site in rural locations saw larger decreases on average. Historic sites in urban locations saw an overall decline of 5%. This fall is likely to be the result principally of the fall in overseas visitors to the UK. In addition these sites are in competition with other leisure and tourism sites which have better opportunities for service and facility development. The wide public interest in gardens, the 'controlled nature' of access during the FMD period, meant that these sites saw an increase in visitor numbers in both urban locations and rural areas (see section on 'types of site' below) by 11% and 2% respectively.

The effects of Foot and Mouth Disease. The particular effects of FMD were measured as part of the survey. A quarter of historic sites that responded to the survey were affected, with historic houses being hardest hit. SEE TABLE 3. Of the sites that were affected the number of days closed varied between 2 days and a whole year, with the average closure being 43 days. It is important to note that many sites may have been affected in other ways as a result of FMD, even if they did not have to prevent public access.

Overseas visitors to the UK. The International Passenger Survey conducted by the Office for National Statistics provides figures for the 20 most visited towns by number of overseas visits and number of overnight stays. In 2000 the figures for UK visits are shown in TABLE 4.

The pre-eminence of London as a destination for foreign visitors is clear; the second most visited English city, Manchester, receives 4% of the visitors that London does. The 15 English towns and cities (apart from London) that feature in the table together receive less than one third of London's visitors. Birmingham, the English city with the largest number of overnight stays after London received 5% of the number of stays the capital did. The 17 English towns and cities with the most overnight stays after the capital together registered only 29% of London's total. Both lists are a mix of large cities and smaller more tourist-orientated cities and large towns. It is not possible to estimate what percentage of trips would have been motivated by a desire to see historic environment attractions. A change in the way the data was collected rules out comparison to earlier years' results.

The majority of visitors to historic sites is estimated by the sites to be local or day visitors. Around 10% of visitors on average are estimated to be overseas visitors, although this varies significantly between London and the rest of the country. The highest proportion of international visitors are welcomed at places of worship (22%) with gardens and 'other historic properties' having the lowest proportion of overseas visitors at 8%.

4 Overseas visitors to the UK 2000

Rank	City/Town (with cities and towns outside England shown in brackets)	Nights (in millions)	Rank	City/Town (with cities and towns outside England shown in brackets)	Nights (in millions)
1	LONDON	13,150	1	LONDON	82.0
2	(EDINBURGH)	(910)	2	(EDINBURGH)	(4.2)
3	MANCHESTER	560	3	BIRMINGHAM	4.0
4	BIRMINGHAM	520	4=	MANCHESTER	3.2
5	(GLASGOW)	(430)	4=	CAMBRIDGE	3.2
6	OXFORD	410	6	OXFORD	2.9
7	CAMBRIDGE	370	7	(GLASGOW)	(2.6)
8	BRISTOL	360	8	BRIGHTON/HOVE	2.2
9	YORK	310	9	BOURNEMOUTH	2.1
10	BATH	300	10=	BRISTOL	2.0
11	BRIGHTON/HOVE	260	10=	NEWCASTLE-UPON-TYNE	2.0
12	(CARDIFF)	(240)	12	NOTTINGHAM	1.8
13	(INVERNESS)	(220)	13	BATH	1.5
14=	LIVERPOOL	190	14	READING	1.4
14=	NOTTINGHAM	190	15=	COVENTRY	1.1
16	NEWCASTLE-UPON-TYNE	180	15=	LIVERPOOL	1.1
17=	STRATFORD-UPON-AVON	170	15=	YORK	1.1
17=	COVENTRY	170	15=	SOUTHAMPTON	1.1
17=	READING	170	19=	LEICESTER	1.0
20	BOURNEMOUTH	150	19=	SHEFFIELD	1.0
	TOTAL FOR ENGLISH CITIES ON LIST	17,280		TOTAL FOR ENGLISH CITIES ON LIST	114.7

Source: Office for National Statistics

5 Proportions of visits to historic visitor attractions in Coastal, Rural and Urban locations recorded in 2002 survey (sample 983 sites)

CATEGORY	Proportion of visits to Coastal sites	Proportion of visits to Rural sites	Proportion of visits to Urban sites
SAMPLE VISITS	3,854,000	22,073,000	31,755,000
	%	%	%
CATEGORY	2001	2001	2001
CASTLE	34	11	16
GARDEN	15	24	7
HISTORIC HOUSE	19	42	13
HISTORIC MONUMENT	8	6	3
OTHER HISTORIC PROPERTIES	5	3	9
HERITAGE/VISITOR CENTRE	16	12	13
PLACE OF WORSHIP	2	2	40

Source: ETC Survey of Visits to Visitor Attractions 2001

[24] Attractions were asked to provide information on the average revenue per visit. In order to take account of the differing volumes of visits to site, the average revenue per visit for each category was arrived at by multiplying the average revenue per visit at each site by the number of visits to the site, summing the revenue data costs across the sites, then dividing by the total number of visits reported by those sites.

Types of Sites. More than half of all visits to historic attractions in the ETC survey are to urban sites (55%) with 36% of visits to rural areas and 7% to coastal areas. SEE TABLE 5. Places of worship dominate the urban category, welcoming 40% of all visitors to urban sites. Historic house attractions dominate the rural sites category and castles are the largest single site category in coastal sites.

Free/Paid Admission. More than three quarters of all historic sites make a charge for entry. SEE TABLE 6. It was these sites that saw a reduction in overall visitor numbers between 2000 and 2001; free admission sites saw an increase in visitor numbers. SEE TABLE 7. The average charge for all surveyed sites was £3.60 for adults and £1.59 for children. SEE TABLE 8. On average, the highest admission charges were for historic houses with the lowest for historic monuments.

Revenue changes between 2000 and 2001. The drop in the number of visits does not appear to have followed through into revenue changes, with a 1% increase in revenue. However, when inflation is taken into account, this represents a real decrease.

When asked about the change in revenue between 2000 and 2001, 19% reported no change, 41% reported a decrease in revenue and 40% reported an increase. SEE TABLE 9. On average, those reporting a downward trend experienced a 21% fall and those reporting an increase experienced a 22% increase. Gardens and places of worship saw an average 6% gain in revenue. Castles were the only group recording a loss in revenue (averaging at a 5% reduction).

When looking at the data on Coastal, Rural and Urban sites, the former saw a 16% growth in average revenue, compared to a 3% fall in average revenue in rural sites and a 3% growth in urban sites. FMD is likely to have been a major contributing factor to these revenue changes.

The average revenue figure per visit for those historic visitor attractions responding to the survey was £6.08 with the lowest revenue per visit at places of worship. The highest average revenue per visit was at historic houses[24]. SEE TABLE 11.

As there were attractions which did not provide information on revenue, the estimates below relate only to those attractions which did not provide such information. The broad picture of income shows that the larger heritage sites, castles and historic houses generate the largest amount of income – a minimum of £50m in each category in 2001. Places of worship and heritage/visitor centres each generated over £20m with gardens generating nearly £13m Overall the minimum income at sites in the heritage sector totalled almost £170 million in 2001 (based on half of the attractions within the survey sample providing data on revenue). Making assumptions for those attractions which did not provide revenue information, it is likely therefore that the sector will have had an indicative overall income in 2001 of between £280 million and £300 million.

Dwell Time. The average length of time that visitors spend at historic sites varies considerably, from almost 2 hours at historic houses and gardens to 50 minutes at places of worship. SEE TABLE 12. Around an hour is spent on average at historic monuments and other historic properties.

Investment in Upgrading properties. Around a quarter of heritage sites in the survey sample provided data about upgrade of facilities and spend on site improvement works. They show an estimated spend of nearly £70m, an average of £285,000 per site. However this masks the fact that only a small proportion of sites spent over £200,000 – the majority spent less than £50,000.

Staffing. The survey found that in the 748 sites that responded to the question, there were a total of 11,249 paid staff and 18,838 unpaid volunteers. SEE TABLE 13. The paid staff were made up of 3759 full-time permanent, 2260 part-time permanent, 1056 full-time seasonal and 4174 part-time seasonal. Almost half of all paid staff and unpaid volunteers worked in Historic Houses. A third of all volunteers worked in Places of Worship. The average complement of staff is dominated by the larger sites in the sample, but gives a useful indication within the categories of the likely number of people involved on a site by site basis and the size of those sites.

6 Free/paid admission

ADMISSION TYPE	Proportion of sites	Proportion of visits	% change in visitor numbers 2000 to 2001
FREE ADMISSION	24%	29%	2%
PAID ADMISSION	76%	70%	-5%

Source: ETC Survey of Visits to Visitor Attractions 2001

7 Visits to historic visitors attractions charging for admission in 2001

CATEGORY	Sample visits	Free Admission sites	Paid Admission sites
CASTLE	8,729,328	38%	62%
GARDEN	8,088,659	63%	37%
HISTORIC HOUSE	14,042,195	49%	51%
HISTORIC MONUMENT	2,402,179	26%	74%
OTHER HISTORIC PROPERTIES	3,635,401	42%	58%
HERITAGE / VISITOR CENTRE	7,473,926	76%	24%
PLACE OF WORSHIP	13,309,418	72%	28%
TOTAL SAMPLE OF HISTORIC SITES	57,681,106	57%	43%

Source: ETC Survey of Visits to Visitor Attractions 2001

8 Average admission prices – where charged

CATEGORY	Number of sites	Av Adult Entry	Av Child Entry
CASTLE	100	£3.50	£1.83
GARDEN	140	£3.46	£1.30
HISTORIC HOUSE	335	£4.24	£2.02
HISTORIC MONUMENT	66	£2.36	£1.25
OTHER HISTORIC PROPERTIES	90	£2.62	£1.36
HERITAGE / VISITOR CENTRE	51	£3.31	£2.00
PLACE OF WORSHIP	12	£3.88	£1.28
TOTAL	794	£3.60	£1.72

Source: ETC Survey of Visits to Visitor Attractions 2001

2

[25] Internal briefing paper from the Historic Houses Association (HHA), June 2001.

[26] HHA 2001.

[27] HHA 2001.

Tourism in England is largely dependent upon the significant elements of character of the historic environment being retained and protected, whilst allowing for growth and development. Research commissioned by the Heritage Lottery Fund from Locum Consulting shows that Lottery money has played a major role in revitalising a number of individual heritage attractions. As a result of this funding the profile of the attraction is raised, the quality of the visitor experience is improved, visitor figures are very impressive (several sites have reported increases of over 30%), and the impact on the local economy is often considerable. Lottery funds have revitalised 573 separate museums and collections – from fine art or science to football – with grants of over £699m for extensions, refurbishments or acquisitions, including all the UK's top 10 most visited museums and over 350 local authority museums. Tourism has also been boosted with HLF support of more than £120 million to refurbish and regenerate our coastal resorts, including £10 million to seaside piers. Work is needed to bring together the economic and social outputs of other sources of funding, such as local authority and Regional Development Agency investment that directly benefit the historic environment.

The Historic Houses Association (HHA) estimates[25] (based on their own records and information from the National Monuments Record), that there were 2,140 privately owned substantial historic houses in 2000, one third of which are regularly or occasionally open to the public. These include 332 privately owned historic houses, gardens and associated visitor attractions that open regularly to the public. 290 are in England and Wales. In England, Scotland and Wales there are a further 355 that have occasional access or, while in commercial use, have some form of public access. The National Trusts in the three countries have 279 similar properties. Many privately-owned houses are set in designed grounds and combine architectural interest with original fittings and fixtures. Although the latter are beyond the scope of this report it is recognised that retaining the link between houses, contents and associated land is very important. There is a danger that where there is a sale of part of this entity, further sales of other elements occur. The HHA found that 22% of central repairs to privately-owned houses were funded by the sales of works of art.

THE WIDER ECONOMIC IMPACTS OF VISITS TO HISTORIC SITES

The HHA estimates[26] that the privately-owned historic houses in the UK directly employ over 10,000 individuals with an annual wage bill of over £85m. Using figures from the HHA's Annual Visitor Survey as well as from the British Tourist Authority and the English Tourism Council, privately-owned houses attracted a total of 10.5m visitors to the houses themselves in 1999/00. In addition at many of the major properties up to 3 times this figure enjoy ancillary and external attractions. Using the BTA finding that only 4% of total visitor spend is retained by the attraction itself, the HHA projects that the tourism associated with privately-owned houses contributes around £1.6 billion per annum to the economy.

The HHA calculates[27] that the average annual maintenance costs for historic houses are £40,000 per house. This equates to some £45m per year for all historic houses in the Association. In addition average capital repairs over a 5 year period totalled £215,000 per property or around £43m per year for all houses in the Association.

9 Average revenue change reported by site category

CATEGORY	Sample	Average % revenue change
CASTLE	39 SITES REPORTED AN INCREASE	+8
	42 SITES REPORTED A DECREASE	-18
GARDEN	60 SITES REPORTED AN INCREASE	+20
	38 SITES REPORTED A DECREASE	-22
HISTORIC HOUSE	89 SITES REPORTED AN INCREASE	+24
	114 SITES REPORTED A DECREASE	-18
HISTORIC MONUMENT	25 SITES REPORTED AN INCREASE	+46
	35 SITES REPORTED A DECREASE	-28
OTHER HISTORIC PROPERTY	33 SITES REPORTED AN INCREASE	+22
	28 SITES REPORTED A DECREASE	-34
HERITAGE / VISITOR CENTRE	38 SITES REPORTED AN INCREASE	+23
	31 SITES REPORTED A DECREASE	-24
PLACE OF WORSHIP	20 SITES REPORTED AN INCREASE	+28
	20 SITES REPORTED A DECREASE	-13

Source: ETC Survey of Visits to Visitor Attractions 2001

10 Average revenue distribution

CATEGORY	Sample	Admissions	Donations	Catering	Retail	Other
ALL SITE CATEGORIES	605	50%	8%	10%	27%	4%

Source: ETC Survey of Visits to Visitor Attractions 2001

11 Average income distribution at sample of historic sites

CATEGORY	Entry	Entry	Entry	Entry	Entry	Entry	Entry
CASTLE	77	61%	1%	7%	28%	3%	£7.91
GARDEN	97	53%	3%	13%	27%	4%	£5.94
HISTORIC HOUSE	188	61%	4%	12%	18%	5%	£7.93
HISTORIC MONUMENT	61	57%	3%	5%	33%	2%	£3.48
OTHER HISTORIC PROPERTIES	74	50%	17%	11%	21%	1%	£5.26
HERITAGE / VISITOR CENTRE	64	25%	5%	11%	53%	6%	£7.07
PLACE OF WORSHIP	44	7%	48%	11%	31%	4%	£3.19

Source: ETC Survey of Visits to Visitor Attractions 2001

2.4

EMPLOYMENT IN THE HISTORIC ENVIRONMENT

An important element of understanding the way the historic environment is being managed is to know how many people are employed in the sector. It is a considerable undertaking to calculate a reasonably accurate estimate of employment, involving collation of information from a wide variety of sources. In this chapter and in annex 1 there are some figures but there are still large gaps in knowledge about employment in parts of the sector where it is not clear if the relevant data exists. More work is needed to devise a methodology.

2.5

POSSIBLE HEADLINE INDICATORS FOR FUTURE YEARS

THEME: The historic environment as a catalyst for regeneration

- Amount of public investment in historic area regeneration.

- Match funding achieved by Local Authority, English Heritage and Heritage Lottery Fund investment.

THEME: The level of investment in the historic environment

- Amount of construction work involved in maintenance, repair and refurbishment compared to new construction.

- Net impact on property values of historic environment designation, initially on office buildings, with consideration of some other sectors in future.

THEME: Tourism and the historic environment

- Total number of estimated visits to historic properties.

- Estimated number of historic visitor attractions.

- Estimated number of employees directly employed at historic sites open to the public.

THEME: Employment in the historic environment

- Estimated employment in the private sector including crafts people, builders, consultants etc.

- People employed in the public sector managing the historic environment, excluding the direct tourism jobs.

12 Dwell time at historic visitor attractions

CATEGORY	Sample	Average mins	Minimum mins
CASTLE	55	88	15
GARDEN	127	108	30
HISTORIC HOUSE	251	112	3
HISTORIC MONUMENT	39	61	18
OTHER HISTORIC PROPERTIES	93	66	5
HERITAGE / VISITOR CENTRE	93	81	8
PLACE OF WORSHIP	74	50	10

Source: ETC Survey of Visits to Visitor Attractions 2001

13 Staffing

CATEGORY	Sample	Average Full-time permanent	Average Part-time permanent	Average Full-time seasonal	Average Part-time seasonal	Average Unpaid volunteers
ALL SITE CATEGORIES	57	9	4	1	11	6
GARDEN	120	5	2	1	4	11
HISTORIC HOUSE	261	6	3	2	10	32
HISTORIC MONUMENT	43	1	2	2	1	7
OTHER HISTORIC PROPERTIES	98	2	1	1	2	14
HERITAGE / VISITOR CENTRE	94	5	5	2	2	9
PLACE OF WORSHIP	75	6	5	0	1	85

Source: ETC Survey of Visits to Visitor Attractions 2001