

Impact of the Arts and Culture Sectors on the Economy of York Scrutiny Review

Information Gathered

1. In support of the review objectives listed in paragraph 5 of the final report, the Task Group considered information on the following:
 - York's Local Plan, which now has a stronger cultural element;
 - Regional & National Information & Comparison Data provided by Historic England;
 - The Culture White Paper published by the Department of Culture, Media & Sport in March 2016;
 - Heritage Lottery Fund Research

Local Plan

2. Since the Task Group started its work on this review the cultural element of the Local Plan has been strengthened with additions including:

Vision and Development Principles

- York aspires to be a city whose special qualities and distinctiveness are recognised worldwide. The Local Plan aims to deliver sustainable patterns and forms of development to support this ambition and the delivery of the city's economic, environmental and social objectives. This will include ensuring that the city's place making and spatial planning policies reflect its heritage and contemporary culture contributing to the economic and social welfare of the community whilst conserving and enhancing its unique historic, cultural and natural environmental assets. The plan will ensure that the vision and outcomes are delivered in a sustainable way that recognises the challenges of climate change, protects residents from environmental impacts and promotes social, economic and cultural wellbeing.
- The Plan recognises the critical importance of York city centre as the economic, social and cultural heart of the area. By the end of the plan period, York city centre will have strengthened its role as a regional commercial, shopping, leisure, culture, tourism and entertainment destination through:
 - ensuring development contributes to the creation of a world class, high quality, accessible public realm;

- increasing the supply of modern retail units, enhancing department store representation to attract a broader range and quality of multiple retailers to trade whilst enabling the growth of the already strong, quality, independent sector;
 - improving the tourism, cultural and leisure offer by ensuring a flexible approach to the use of land;
 - ensuring development sustains, enhances and adds values to York's culture;
 - developing an improved high quality affordable office space offer for small enterprises and start-ups in the arts, creative, digital media and related industries;
 - protecting and enhancing its unique historic and cultural assets;
 - protecting and enhancing its existing office provision complemented by commercial development on the adjacent York Central site; and
 - pursuing improvements to sustainable transport infrastructure.
- The built environment is the most tangible expression of a city's character and culture – its past, its present, its aspirations for the future. Over the plan period, the Local Plan will help York to safeguard its outstanding heritage for future generations by promoting development which respects the city's special character and contemporary culture and encourages opportunities for rediscovering and reinterpreting those assets which make it an attractive, beautiful and accessible city. Enhancing York's physical appearance, improving accessibility and improving its image and perception are vital if the city is to increase investment, employment, and wealth and wellbeing.
- York's past informs its future so both its heritage and its approach to innovation are important for the city's future success and wellbeing. The city's unique historic character and setting is an essential component of its continued economic success as well as being valuable in its own right. York's outstanding architectural and archaeological heritage contributes to the city's special significance, distinctiveness and sense of place. Implementing the Local Plan should ensure that the city's heritage assets are preserved and enhanced. These assets include the architecture and archaeology of its historic centre, its skyline, views, street patterns, the Minster and its precinct, the Medieval and Roman walls, Clifford's Tower, Museum Gardens and other open spaces.

- York is also a UNESCO City of Media Arts. Given this status, it is equally important that York increasingly becomes, and is perceived as, a forward-looking and creative city, one that values learning, retains its graduates, attracts investment, and supports its creative, digital, and innovative industries. In this, place-based and proactive spatial planning and the encouragement of excellent design in buildings and public spaces, have an important role to play. Protection and enhancement of the city's arts and cultural assets should be part of the Local Plan's implementation, with new assets and resources created whenever possible.
- By the end of the plan period York's Green Infrastructure, including open space, landscape, geo-diversity, bio-diversity and the natural environment, should have been both conserved and enhanced. Its role in promoting the city's economic, cultural and social aspirations, particularly in terms of contributing to a beautiful, legible, accessible and healthy city, should have been optimised.

Economy and Retail

- A key aim of the Council's Economic Strategy 2016 (see section 7 page 19 of Strategy), is to continue to creatively develop York's tourism and culture offer and to raise the city's profile as a quality visitor destination.
- Tourism, leisure and cultural developments should be directed towards the city centre or other particularly significant attraction locations like York Racecourse with its conferencing facilities.
- Where suitable sites are not available in the city centre, sites in edge- of-centre locations will be considered and, if no suitable sites are available in any of the preferred locations, out-of-centre sites will be considered. Where edge-of-centre or out-of-centre sites are considered, preference will be given within each category to accessible sites that are well connected to the city centre.

Place-making, Design and Culture

- Good place-making is the key driver of this Plan. A Local Plan is a spatial planning policy, but spatial planning and the overall planning and making of 'place' are inseparable.
- Successful place-making is a creative, practical, and continual process. It is underpinned by a holistic approach to community wellbeing that embraces health, economy, culture, and the

environment. It requires leadership combined with clear and widely-owned policy and practice developed in partnership between a local authority and all of its stakeholders. It is typified by strong and ongoing community engagement, as well as professional involvement, in the planning, design and management of new and regenerated places.

- York is a unique place with special character. History has created one part of this character, and the city's historic built and historic environment is of outstanding quality. The other part of York's specialness is its expression of contemporary culture and its aspiration. Our vision is for a city dedicated to innovation melded seamlessly with its heritage and expressed through a future-oriented culture of creativity, entrepreneurship, and learning.
- This integration of past and future, of tradition and innovation has been central to York's economic success in the past and will continue to be so in the future. York's special characteristics are key benchmarks when considering the quality of future development and the contribution it will make to the city's social, economic, environmental and cultural wellbeing.
- Development proposals should be of high design standards at all scales – from master planning to individual building and open space design. To complement this legacy these developments should not attempt to ape the past but instead should simply be based on good design. Good design should be fit for purpose, sustainable, efficient, coherent, flexible, responsive to context, attractive and a clear expression of the requirement of a particular brief. It should seek to add to the city's overall cultural quality as a place, and also enhance its cultural capacity – its ability to create opportunities for cultural creation, expression, learning, sharing, and enjoyment. Good design can be demonstrated through engagement in peer-review design panels and meaningful public engagement and this will be encouraged and supported.
- Good place-making and design and the culture identity that arises from them starts with a clear understanding of what makes the city and its surrounding villages.
- There are a number of existing studies that will assist the process of analysing character and significance, and they should always be used to guide development proposals. These include Conservation

Area Character Appraisals and Statements, the City of York Streetscape Strategy and Guidance (2014), the 2014 review of the 'York Development and Archaeology Study', the York Heritage Topic Paper the Historic Environment Characterisation Project, York New City Beautiful (2010). Reference should also be made to the background studies referred to in Section 9: Green Infrastructure and Section 10: Approach to Managing Appropriate Development in the Green Belt and, where relevant, Village Design Statements and Neighbourhood Plans. Complementing this, a Cultural Strategy for York is also currently in the early stages of development.

- In meeting the policy requirements of this section of the Plan, applicants will be required to describe the significance of heritage assets likely to be affected by development, including any contribution made by their setting, most likely set out in a supporting Heritage Statement. The extent of such an appraisal should be proportionate to the asset's importance and no more than is sufficient to understand the impact of the proposal on its significance. The Council will also want to understand how the city's culture and cultural capacity will be affected by developments. Applicants in appropriate developments will be required to submit a Cultural Wellbeing Plan.
- Cultural wellbeing is identified as one of the twelve core planning principles underpinning both plan-making and decision-making in the National Planning Policy Framework (NPPF). Development proposals will be supported where they are designed to sustain, enhance, and add value to the special qualities and significance of York's cultural character, assets, capacity, activities, and opportunities for access.
 - i) Development proposals will be supported where they:
 - Enable and promote the delivery of new cultural facilities and/or activities and services such as permanent and temporary public arts
 - Provide facilities, opportunities, and/or resources for cultural programmes and activities, during an/or after the development period
 - Do not cause the loss of cultural facilities, activities, or services
 - Do not cause the loss of venues or spaces, including in the public realm, that deliver cultural opportunities, activities, or

services

- ii) The master planning on all strategic sites, of whatever scale, will need to include an assessment of the current status and need relating to culture and its provision. This assessment should be included in a Cultural Wellbeing Plan, which should also describe how the four criteria of above section (i) are satisfied. In addition to demonstrating enablement of cultural facilities and/or services, the Plan can also refer to:
 - Citizenship through participation
 - Encouragement through leadership
 - Fostering long term benefits
 - Encouragement of diversity
- Culture can and does contribute positively to York's local character by responding to the underlying structure, distinctive patterns and forms of development and local culture. Development should deliver a multi-functional public realm comprising streets and spaces that can accommodate a range of appropriate arts and cultural uses and activities both now and in the future, providing animation, vitality and inclusion.
- Major development schemes and significant schemes at whatever scale should also enable the delivery of permanent and temporary public arts, promoting a multi-disciplinary approach to commissioning artists in the design process itself. Facilities and resources, including funding, for arts and cultural activity both within and beyond the development period itself (for example via a legacy trust), will also be supported.
- Cultural facilities add value and support to community participation, wellbeing and development. The City of York's residents demonstrate pride in their cultural diversity. The City of York is keen to protect these capacities to engender community cohesion and civic pride. As part of good place-making, cultural quality, assets, and opportunities can also add to the attractiveness and value of development schemes.
- When a new cultural facility or programme is required, it should be accessible for local residents as well as visitors, and be a place where cultural diversity can be explored and enjoyed. Furthermore,

to build on existing opportunities, proposed developments which have a significant impact, at whatever scale and those directly related to the cultural industries, will be required to contribute towards enhancing public realm through the promotion of the public arts, cultural diversity and provision of additional facilities and activities where appropriate.

- Where needed to manage and promote cultural wellbeing, the council will seek to work with stakeholders as appropriate in the preparation of sustaining, enhancing and adding.

Cultural Heritage Landscape

The Aim of this part of the Plan is to:

- Conserve or enhance York's historic environment, cultural heritage, character and setting
 - Preserve or enhance the special character and setting of the historic city
 - Promote or enhance local culture
 - Preserve or enhance designated and non-designated heritage assets and their setting
 - Preserve or enhance those elements which contribute to the 6 Principle Characteristics of the City as identified in the Heritage Topic Paper.
- Protect and enhance York's natural and built landscape
 - Preserve or enhance the landscape including areas of landscape value
 - Protect or enhance geologically important sites;
 - Promote high quality design in context with its urban and rural landscape

Regional Information

3. In October 2016, Historic England published Heritage and the Economy 2016 presenting key facts and figures which illustrate the benefits that the historic environment brings to the economy.
4. The headline statistics are:
 - Heritage directly contributed over £756.5m in GVA in Yorkshire and the Humber in 2013;

- In 2013, there were over 14,400 people directly employed in heritage in Yorkshire and the Humber ;
- In 2014, heritage tourism generated nearly £1.1 billion in spending by domestic and international visitors in Yorkshire and the Humber;
- Repair and maintenance of historic buildings in Yorkshire and the Humber directly generated £682m in heritage-related construction sector output in 2015.

5. Historic England found that heritage directly contributed over £756.5m in GVA in Yorkshire and the Humber in 2013. This figure increases to over £1.6 billion when direct, indirect and induced heritage GVA is combined. This is equivalent to 1.6% of total GVA in Yorkshire and the Humber.

6. Total GVA (m) (Direct, indirect and induced)

Area	2011	2012	2013
Yorkshire & the Humber	£1,980.7	£1,724.4	£1,638.4
% of total GVA for Yorkshire & Humber	2.0%	1.7%	1.6%
England	£21,363	£21.116	£21,697
% of total GVA for England	1.7%	1.7%	1.6%

7. In 2013, there were over 14,400 people directly employed in heritage in Yorkshire and the Humber. Including indirect and induced employment, this number increases to over 28,900. The number of people employed has declined from 32,600 in 2011 primarily due to a decline in heritage construction employment.
8. In 2014, heritage tourism generated nearly £1.1 billion in spending by domestic and international visitors in Yorkshire and the Humber. In total, it is estimated that there were 1.6m domestic overnight trips, 15.5m domestic day trips and 710,000 international visits to Yorkshire and the Humber in 2014.

Heritage-related visitors (2014)	Heritage -related spend (m)	Heritage-related trips/visits (m)
Domestic overnight		
Yorkshire and the Humber	£342	1.60
England	£3,549	15.94

Domestic day		
Yorkshire and the Humber	£457	15.5
England	£4,978	156.43
International		
Yorkshire and the Humber	£295	0.71
England	£9,856	17.38
Total (domestic & international)		
Yorkshire and the Humber	£1,094	17.8
England	£18,383	192.7

9. Compared to the national average, as shown in the figures below, heritage-related domestic visit spending provides a proportionally higher source of tourism income in Yorkshire and the Humber than nationally. Consequently, heritage-related international visitor spend accounts for a significantly lower proportion of tourism income in the region.
10. Distribution of total heritage spend

	England	Yorkshire and the Humber
Domestic overnight	19%	31%
Domestic day	27%	42%
International visits	54%	27%

11. Heritage Construction
Heritage-related construction plays an important part of Yorkshire and the Humber's construction industry and the historic environment forms a vital part of our nation's infrastructure, providing premises for businesses; homes for residents; and amenities and utilities for communities and visitors.
12. Repair and maintenance of historic buildings in Yorkshire and the Humber directly generated £682m in heritage-related construction sector output in 2015. This is equivalent to 7.1% of total construction output or 22% of the repair and maintenance output.

Yorkshire & the Humber construction output (m)	2011	2012	2013	2014	2015
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Heritage-related construction	£734	£705	£720	£792	£682
All Construction	£8,967	£8,573	£8,974	£10,249	£9,584
Heritage as a % of total construction	8.2%	8.2%	8.0%	7.7%	7.1%

National Information

13. Historic England noted that while Heritage is an important source of economic growth and prosperity it is difficult to monetise and isolate the added value or net impact of heritage from the activities attracted to it or embedded within it.
14. The economic value and impact of heritage can come from a variety of sectors and functions, including: tourism; the demand from the construction sector to service heritage buildings; conservation activity; economic activity in historic buildings; investment in the investigation, research and display of archaeological sites and structures and education.
15. In 2013, heritage directly generated £10 billion in GVA in England. If indirect and induced effects are considered, heritage sectors' contribution to GVA increases to £21.7 billion. This is equivalent to 2% of national GVA. In 2013, there were 164,100 direct heritage jobs in England. If indirect and induced heritage employment is included then this figure rises to 328,700 heritage jobs or 1% of total national employment.
16. In total, domestic and international heritage-related visits generated £18.4bn in expenditure in England in 2014. This level of heritage tourism expenditure contributed £11.0bn in GDP and 285,700 jobs. If indirect effects are included this rises to £24.2bn in GDP in 2014. Heritage tourism expenditure accounted for 22% of all tourist spending in 2014.
17. Domestic overnight visits: 17% of all domestic overnight trips in England in 2014 or 15.7 million trips were heritage-related trips. Domestic overnight visitors spent £3.6bn on heritage-related trips in 2014.
18. Domestic day visits: In 2014, it is estimated that 12% of the total or 159.4 million day visits were motivated by heritage-related activities.

Domestic Day visitors spent £4.97bn on heritage-related day visits in 2014.

19. International visits: There were 15,392,000 heritage-related international visits in 2014. There has been a steady increase since 2010. International tourists spent £9.86bn on heritage-related visits in 2014.
20. Historic England noted the ways in which heritage tourism generates benefits in the local economy. These include:
 - Investing in the historic environment generates economic returns for local places. On average, £1 of public sector expenditure on heritage-led regeneration generates £1.60 additional economic activity over a 10-year period.
 - Visiting heritage generates money for the local economy – for every £1 spent as part of a heritage visit, 32p is spent on site and the remaining 68p is spent in local businesses: restaurants, cafes, hotels and shops.
 - On average, half of the jobs created by historic visitor attractions are not on the site, but in the wider economy.
 - UNESCO estimates the financial benefit of World Heritage Sites (WHS) to the UK to be £85 million per year. The WHS brand is a significant marketing tool, which increases tourist numbers and spend, local employment, house prices and local economies.
 - 14% of visitors stayed in the area as a result of a historic houses/castles attraction, while 15% stayed in the area as a result of visiting other historic properties.
 - Three-quarters of adults (73.2%) in England, or approximately 40 million people, visited a heritage site at least once in 2015/ 16, compared to 69.9% in 2005/06.
 - When asked about their most recent UK holiday in 2015, 63% domestic travellers cited being able to visit a historic building or monument as their 'sole reason' or a 'very important reason' why they took their holiday.
 - Heritage tourism is more popular in Britain, compared with most of Europe – UK citizens have the 4th highest participation rates for visiting a historical monument or archaeological site in the past 12 months (65%) –13 percentage points higher than the EU average.

- 30% of overseas visitors cite heritage as the biggest single motivation for their visit to the UK – the largest single factor for non-business visitors.
- Only shopping (71%), visiting parks or gardens (54%), or going to the pub (50%) were as, or more, popular activities among visitors.
- Heritage-related construction plays an important part in England's construction industry and heritage construction output is estimated at £9.7 billion for 2016.

21. Historic England concludes that tourism is expected to grow in the future. It was estimated in 2013 that the UK tourism economy would grow by 3.8% a year between 2013 and 2018, which is higher than sectors such as manufacturing, construction and retail. Visit Britain forecasts that the tourism industry will be worth over £257 billion by 2015 – just under 10% of UK GDP and supporting almost 3.8 million jobs, which is around 11% of the total UK number.

The Culture White Paper

22. The White Paper published by the Department for Culture, Media and Sport in March 2016 put the 2014 economic contribution of culture to be £5.6 billion. This contribution from museums, galleries libraries and the arts represents 0.3% of the total UK economy, up 59% (in normal terms) since 2010, a massive increase compared to total economic growth of 16% (in normal terms) over the same period.
23. The number of people employed in the cultural and creative sectors has been increasing since 2011 and now stands at 321,000.
24. The fact that the UK's culture is seen so positively around the world increases its contribution to the economy beyond its direct impact. This is evident in tourism. Research by the British Council shows that cultural attractions are the most commonly mentioned factor in terms of what makes the UK an attractive place to visit while the arts was the third most commonly mentioned reason.
25. The White paper specifically mentions Hull as an example of how cultural place-making can shape the fortunes of regions, cities, towns and villages. Having been chosen as the UK City of Culture 2017, it is now on the Rough Guide list of the top 10 world cities to visit. It is no coincidence that Hull is attracting new business and jobs. The award of

UK City of Culture is expected to be worth some £60 million to the local economy in 2017.

26. A January 2016 government briefing paper on support for the UK's creative industries and their contribution to the economy defined creative industries sector as including advertising, architecture, design, media, IT and computer services, music and publishing.
27. The economic output in the creative industries was £84.1 billion in 2014. Growth in the creative industries has been faster than the overall economy in recent years. Between 2009 and 2014 economic output (in cash terms) of the creative industries increased by 45.9% in total compared with 20.0% for the economy as a whole.
28. There were 1.9 million jobs in the creative industries in 2015, an increase of 3.2% compared with 2014 and up by 19.5% since 2011. An estimated 640,000 of these jobs are in 'IT, software and computer services', with a further 286,000 in 'music, performing and visual arts' and 231,000 in 'film, TV, video, radio and photography'. Creative industries accounted for 5.8% of all jobs in the UK in 2015.
29. 60% of jobs in the creative industries were filled by people who have at least a degree-level qualification compared to 33% for all jobs in the UK.

Heritage Lottery Fund Research

30. A Heritage Lottery Fund study "New Ideas Need Old Buildings" published in 2013 following research across 56 different towns and cities, including York, noted that historic buildings and the historic quarters of major towns and cities are the places where new ideas and new growth are most likely to happen. The research shows that the commercial businesses based in the historic buildings of major cities are more productive and generate more wealth than is the average for all commercial businesses across the whole economy.
31. The research findings back up an idea about economic development that has been understood for some decades – that innovation, new products, new services and new economic growth – flourish best in cities possessing a good stock of historic, distinctive buildings. It found that businesses can set up in older buildings with lower risk because of lower costs. Older buildings are suitable for a huge variety of business

use. They have character and colour, so creating the distinctive leisure quarters of cities and an atmosphere that fosters creativity.

32. The research found that:

- More than 130,000 businesses operating in listed buildings in the UK.
- In major cities, historic buildings have a greater concentration of businesses linked to the creative and knowledge economy than across the UK as a whole.
- The areas of cities where there is a higher density of listed buildings also have a higher concentration of businesses linked to the creative and knowledge economy.
- Listed buildings are far more likely to be occupied by the types of independent non-branded business that give places a sense of distinctiveness, authenticity and diversity.
- Listed buildings are highly attractive to entrepreneurs and start-up businesses in the creative and cultural sector. Creative industry businesses based in historic buildings that were surveyed for the research included a very high proportion of start-ups – with over 60% established in the past three years.
- Listed buildings are three times more likely to be used as a fashion retail shop than non-listed.
- Historic buildings are highly suited to a great variety of uses and are now used for a wide range of manufacturing activities from publishing to jewellery and clothing factories – whilst former industrial heritage buildings have been re-used for residential, office, retail and leisure.
- Across the UK, the businesses based in listed buildings are highly productive and make an estimated annual contribution to UK GDP of £47billion and employ approximately 1.4 million people. This represents 3.5% of the UK's GVA and 5% of total UK employment. Not all historic buildings are listed – adding the non-listed would make these figures even higher.
- In the places surveyed, a commercial business based in a listed building generates an average of £308,000 in GVA per year – 4.4% higher than the average for all commercial businesses across the UK. Rather than being a drag on productivity, listed buildings attract businesses in the most productive sectors of the economy.

- The 'heritage premium' associated with the occupation of these listed buildings – the extra GVA they generate over and above the amount generated by an equivalent number of businesses in non-listed buildings – is £13,000 per business per year.