

# Liverpool Arts Regeneration Consortium

## Economic Impact of the Liverpool Arts Regeneration Consortium (LARC)

### Revised Final Report





## SUMMARY

### *This Study*

1. Roger Tym & Partners (RTP), Burns Collett and NEMS were commissioned by the Liverpool Arts Regeneration Consortium (LARC) in August 2010 to undertake an economic impact assessment of the arts in Liverpool, focusing on the organisations that make up the consortium. The study has used detailed data from the individual LARC organisations to arrive at estimates of direct and indirect employment supported by their spend on staff, goods and services. It has used visitor survey work to determine the quantity and profile of visitor spend, estimate additionality and provide data to identify double counting from multiple visits between the different LARC members. The figures presented here are net additional estimates – i.e. they are the impacts which would not have occurred without the existence of the LARC partner organisations. The impacts are presented in the form of gross value added (GVA<sup>1</sup>) and employment supported.

### *Liverpool Arts Regeneration Consortium*

2. The LARC member organisations are:
  - The Bluecoat
  - Liverpool Biennial
  - Liverpool Everyman & Playhouse theatres
  - Foundation for Art and Creative Technologies (FACT)
  - Royal Liverpool Philharmonic
  - Tate Liverpool
  - Unity Theatre
3. LARC's objectives relate to policy influence, arts and culture as a regeneration tool, cultural organisation capacity building and city region profile. This study provides an information base for these objectives.
4. Despite recent economic improvements, Liverpool's economy continues to struggle in comparison to regional and national economic performance. The arts are part of the digital and creative growth sector, and are seen as a key driver in Liverpool for improving social cohesion, inventiveness, tourism and retail visits. Within Liverpool the arts have already assisted with the physical regeneration of the City – particularly Albert Dock and the City Centre. Liverpool's success as the 2008 City of Culture has helped to redefine the image of the City.
5. The different LARC partner organisations operate on a variety of scales, with different roles in the City's arts offer. The organisations include performance and exhibition, as well as cinema. Liverpool Biennial holds a biennial festival over a 10 week period which is partially hosted by other LARC partners.

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<sup>1</sup> The standard economic measure of the value in £s of the goods and services produced in an area

### LARC Partner Visitor Numbers

Venue	2010 Visits
Liverpool Biennial	834,000
The Bluecoat	700,000
Liverpool Everyman & Playhouse	136,000
FACT	355,500
Royal Liverpool Philharmonic	303,000
Tate Liverpool	570,207
Unity	25,500

### Employment and Value Impacts

6. It is estimated LARC activities annually support a net additional gross added value (GVA) of:
  - £26.3 mn to Liverpool City
  - £32.0 mn to the Liverpool City Region
  - £35.2 mn to North West England
7. This GVA can be expressed as full time equivalent (FTEs) jobs supported:
  - 868 FTE jobs in Liverpool City
  - 1,052 FTE jobs in Liverpool City Region
  - 1,179 FTE jobs in North West England
8. The public sector provides £15 mn support for LARC per annum, of which £3.4 mn is from local authorities. The return on this investment is £1.75 of GVA generated in Liverpool City for every £1 of public money invested. If the return on investment is narrowed to the £3.4 mn support from local authorities then for every £1 of local public money invested there is £11.14 of GVA generated in Liverpool City.

### Catalytic Impacts

9. Interviews with key regeneration stakeholders provided positive views of the wider value of the arts within the city region economy. Arts are not just good per se, but they provide a tangible and integral substance to the identity, attractiveness and saleability of the city alongside the wider social and intellectual benefits.

### Context

10. The LARC organisations are part of a wider set of arts activity. Liverpool City has an estimated 265 arts based enterprises employing 2,576 workers, including freelancers and micro-businesses<sup>2</sup>. Liverpool has an above average representation in this sector, compared to the North West region and the Liverpool City region. The arts sector contributes £85m

<sup>2</sup> Betamodel, supported by North West Research and Information Unit with Experian. This is an on line database which provides analysis of over 200,000 North West based companies.

(or 1%) towards Liverpool's total GVA. For example this is greater than the ICT sector (0.85% of the City's GVA).

## Glossary

- Economic Impact – in this case the effect of arts activity delivered through the LARC partner organisations on the economy of a Liverpool.
- Value – the economic impact is described using Gross Value Added (the measure of the value in £s of the goods and services produced) and also expressed as the number of jobs supported:
  - GVA consists of earnings, profit and investment in the area of benefit – a true economic value of the goods and services after discounting payment for supplies
  - We are aware that some economic assessments use expenditure as the key measure – however expenditure will also include labour, profit and investment outside the area of benefit for goods and services consumed within the area of benefit i.e. it produces an incorrectly inflated estimate of the economic value produced
- Direct impacts – these are the impacts that relate to the direct employment of staff by the LARC partners.
- Indirect impacts – these are the impacts from the local supply chain purchases by the LARC partners as well as spending on goods and services by LARC staff.
- Net additional – this refers to the impacts adjusted to take account of leakage (i.e. benefits that accrue outside Liverpool), displacement and substitution (i.e. impacts that result from reduced economic outcomes elsewhere in Liverpool), deadweight (i.e. impacts that would have occurred anyway) and multipliers (coefficients used to estimate the subsequent rounds of impacts on Liverpool's economy resulting from the direct and indirect impacts).

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Appendix 2 – Areas of Benefit

Appendix 3 – Method Statement

Appendix 4 – Summary Survey Data

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# 1 INTRODUCTION

1.1 Roger Tym & Partners (RTP), Burns Collett and NEMS were commissioned by the Liverpool Arts Regeneration Consortium (LARC) in August 2010 to undertake an economic impact assessment of the arts in Liverpool, focusing on the organisations that make up the consortium. The LARC member organisations are:

- The Bluecoat
- Liverpool Biennial
- Liverpool Everyman & Playhouse theatres
- Foundation for Art and Creative Technologies (FACT)
- Royal Liverpool Philharmonic
- Tate Liverpool
- Unity Theatre

1.2 The membership of LARC included the National Museums of Liverpool (NML) at the outset of this study. However NML withdrew from LARC membership during the course of the work and so this report covers the seven organisations making up the Consortium partners.

1.3 In addition to this report, RTP produced a detailed spreadsheet based model that provides further detail of the direct and indirect economic impacts.

## Study Objectives

1.4 The study objectives as set out in the brief are:

- To develop improved intelligence about the arts sector and its value to the local and regional economy
- To develop a robust methodology for assessing the economic impact of the arts sector that has credibility within both the arts sector and elsewhere
- To produce a transparent and replicable methodology and primary research processes that will enable comparable studies to be undertaken in the future
- To develop improved market intelligence for the LARC partners through primary research with the consortium partners' audiences and visitors

## Study Method

1.5 In response to the study brief the methodology includes the following elements:

- Collection of data from the LARC partners on their employment and their expenditure on goods and services
- Use of survey work to quantify the off-site expenditure from visitors to the LARC partner organisations, and to provide additionality measures
- Development of a model as an analysis tool to provide the estimated impacts

- Analysis of wider arts employment and value data to provide a context for the LARC partners' impacts
- Stakeholder interviews to explore the catalytic impact of the arts in Liverpool

1.6 Further detail can be found in Appendix 3 of this report.

1.7 As well as the direction from the core LARC project management group, this study has been guided by an advisory group including the Arts Council, DCMS, Liverpool City Council and Liverpool Vision, and other individuals and organisations with useful perspectives on the role of arts in economic development and regeneration. The Advisory Group members can also be found in Appendix 3 of this report.

### Liverpool Arts Regeneration Consortium

1.8 Liverpool Arts Regeneration Consortium (LARC) is an alliance of seven of the city's major cultural organisations and was set up to play a leading role in helping regenerate Merseyside. The seven members are the Bluecoat, FACT, Liverpool Biennial, Liverpool Everyman and Playhouse, Royal Liverpool Philharmonic, Tate Liverpool, and the Unity Theatre. LARC's vision is to *harness the power of the arts and culture to inspire, engage and involve the people of the region, in order to create a confident, prosperous and healthy city that is open to ideas, globally connected and constantly learning.*

1.9 LARC's objectives relate to policy influence, arts and culture as a regeneration tool, cultural organisation capacity building and city region profile. This study provides an information base for these objectives.

### Definition of the Arts

1.10 For the purposes of this study the arts have been defined as:

The creation, production, distribution and consumption of artistic activities and products where those activities and products are not produced through mass production nor primarily distributed through retail or broadcasting. To include:

- Performing & Live Arts
- Visual Arts & Crafts
- Literary Creation

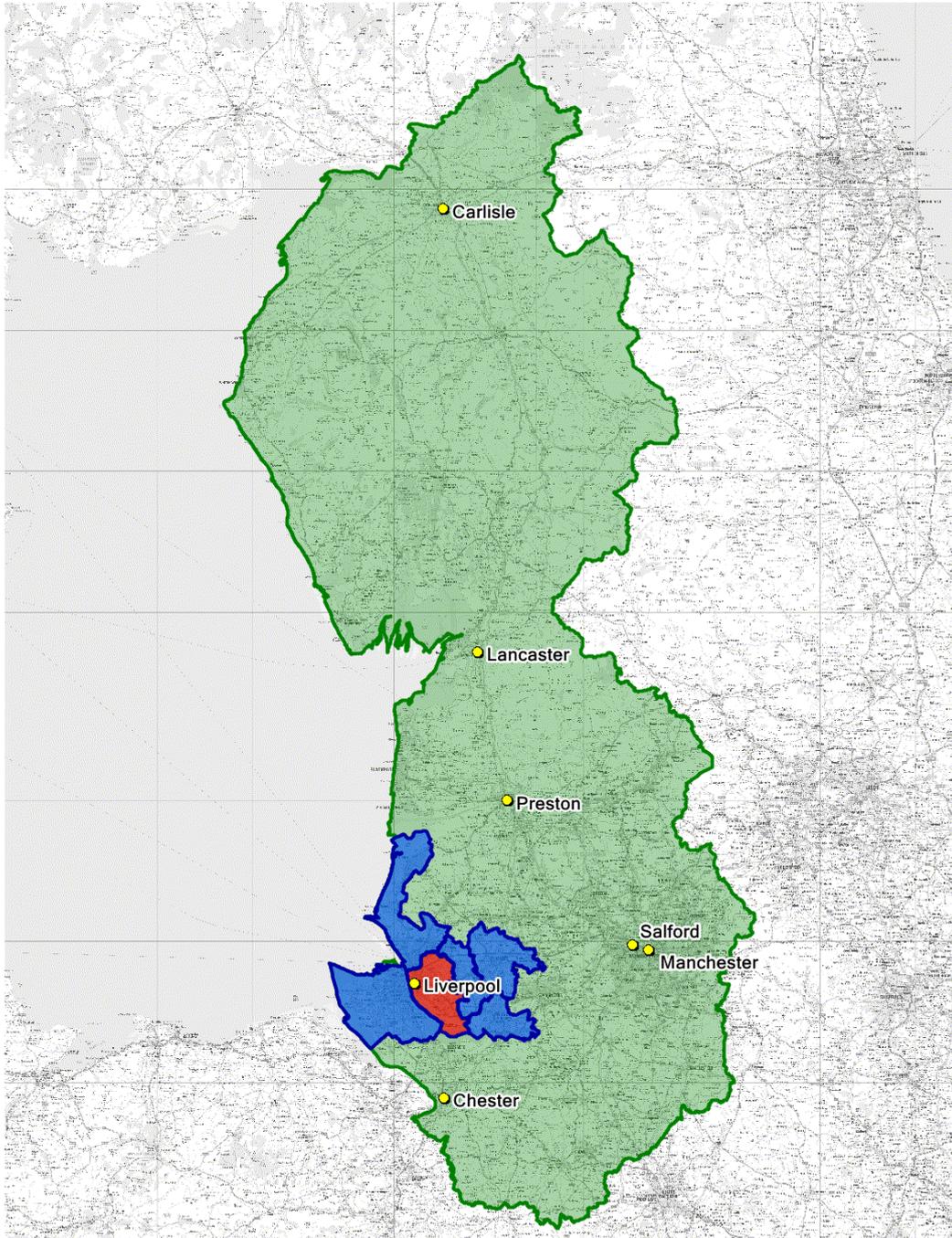
1.11 Further detail can be found in Appendix 1.

### Study Area

1.12 This study considers the economic benefits to the following areas:

- Liverpool City; which includes the area covered by Liverpool City Council
- Liverpool City Region; which includes the areas covered by Liverpool City Council, and Halton, Knowsley, Sefton, St Helens and Wirral Councils
- North West England; which includes Cumbria, Lancashire, Greater Manchester, Merseyside, and Cheshire

Figure 1.1 Areas of Economic Benefit Map



- Areas of Economic Benefit
- Liverpool City Council
  - Liverpool City Region
  - North West Region
  - North West Cities



## 2 CONTEXT

### Introduction

- 2.1 This section briefly reviews the economic development and arts development issues and priorities, with a focus on Liverpool.

### Economic Development and Regeneration in Liverpool

- 2.2 Liverpool has been undertaking a long term restructuring of its economy in response to continued decline in the manufacturing and other traditional industries seen across the UK, and the emergence of new service sector and knowledge-based activity. These long term trends have produced some deep-seated economic and social issues, and in response UK Government and EU sourced funding has been directed to the City. Liverpool's economy has grown strongly over the past decade but has started from a low base and there is still some way to go to close the gap with national economic performance and the best performing core cities. The case for regeneration is still strong and it is clear that arts and culture has a role in helping to deliver economic growth.
- 2.3 Regeneration has helped to renew the physical environment of the city and much has been achieved. Key advances and transformations in the centre include the waterfront, the growing commercial centre around Old Hall Street and the Liverpool One retail centre. Key employment sites outside the city centre have been boosted by Liverpool John Lennon Airport, development of the Estuary Business Park and Edge Lane Gateway.
- 2.4 Importantly, Liverpool's economic growth has greatly outpaced that in the other authority areas in the Liverpool City Region over the past decade. – these areas have significantly lower GVA per head and have grown at a slower rate than the City. Key However social and economic challenges remain, especially resident unemployment and a lagging skills base<sup>3</sup>.

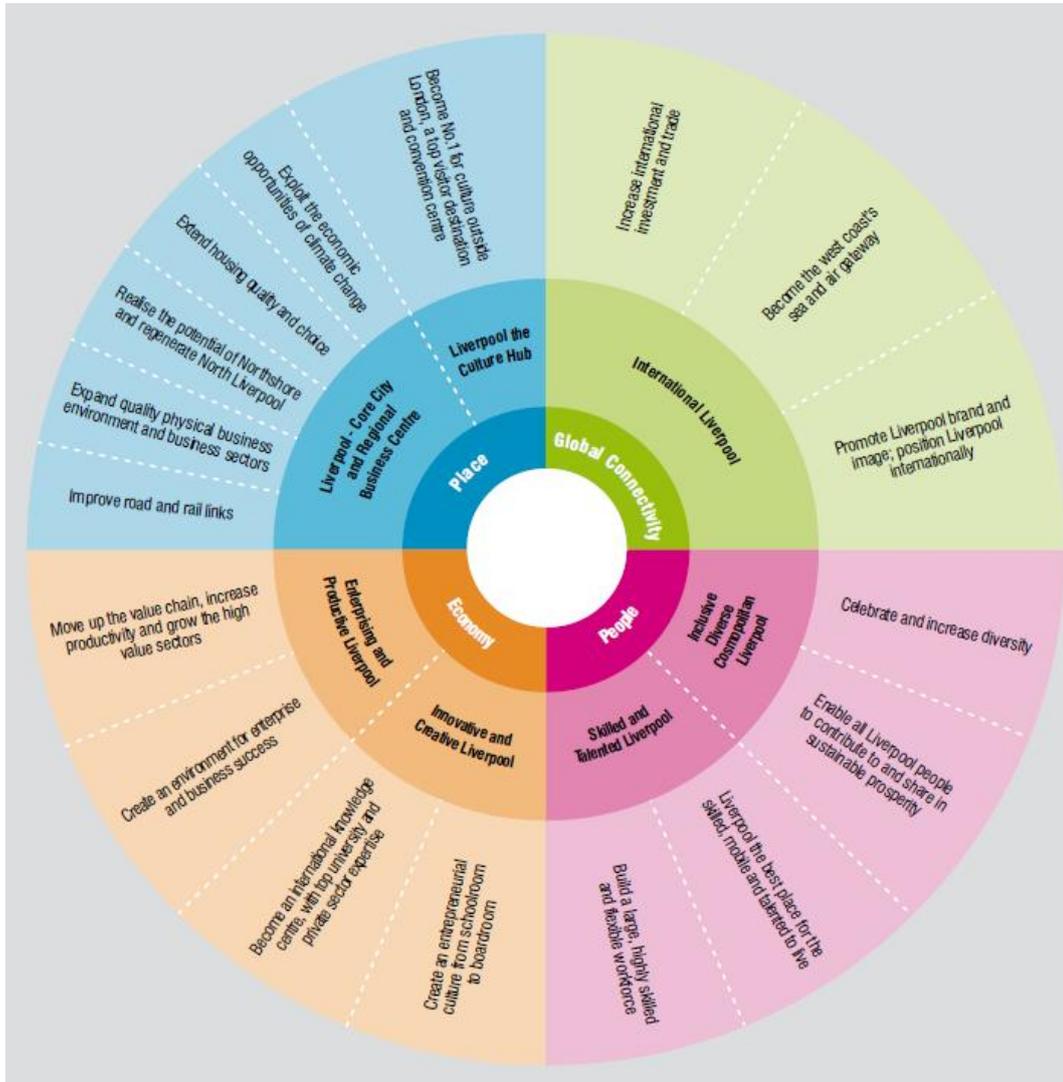
### Strategic Priorities

- 2.5 The future direction for strategy and investment will need to focus less on urban renaissance, a key area of success so far, and apply more weight to economic competitiveness – skills, innovation and growth/priority sector industries<sup>4</sup>. Liverpool Vision URC is leading this process as the city's economic development agency. Their approach to economic development and regeneration is based upon four pillars of ambition and seven drivers. The digital and creative industries, which includes the traditional 'arts' is identified as a fast growing and priority sector.

<sup>3</sup> Liverpool Vision URC (2009) Business Plan 2009/10 - 2011-12.

<sup>4</sup> Liverpool Vision URC (2008) Make No Little Plans: The Regeneration of Liverpool City Centre 1999-2008.

Figure 2.1 Liverpool Vision Pillars and Drivers for Change



Source: Liverpool Vision (not dated) People, Place and Prosperity: An Economic Prospectus

2.6 It is clear that the Liverpool Vision places importance on the cultural sector as a driver for social cohesion, inventiveness, tourism and retail visits. Building upon the European Capital of Culture 2008, Liverpool Vision aims to ensure that Liverpool becomes the number one arts and culture destination outside of London. Actions for delivering change will focus upon the key drivers in Figure 2.1. Such actions within the 'Place' theme include developing and expanding the quality cultural infrastructure and visitor attractions. The cultural reputation and assets in the city are seen as a magnet for wider growth and prosperity through the attraction and retention of investors, students and residents. Clear linkages can be found between the strategic pillars and drivers whereby efforts within the 'cultural hub' resonate with objectives for place shaping, creative and knowledge based capital, increasing diversity and development of the visitor economy.

## Measuring the economic effects of the arts

- 2.7 Nationally, work has been undertaken on measuring the economic value of the arts since the late 1980's with John Myerscough's seminal 'The Economic Importance of the Arts in Britain'. One of the three area studies that Myerscough drew upon was the economic value of the arts on Merseyside.
- 2.8 The focus of economic value work around culture shifted to the wider creative industries in the late 1990s with Government policy and regional strategies focusing on the creative industries as a driver of the new economy. Alongside regional and sub-regional studies, The Department of Culture, Media and Sport (DCMS) commissioned a study – The Regional Cultural Data Framework: A Toolkit for Researchers - designed to develop a nationally agreed set of guidance for undertaking economic studies of the creative industries. The work on the toolkit was never fully completed and the work was quickly superseded by an annual study undertaken between ONS and the DCMS, the Creative Industries Economic Estimates that provide benchmark figures and sector trends at a national level.
- 2.9 More recently, CASE<sup>5</sup> has developed a series of detailed reports of work undertaken around drivers, impacts and value of engaging in cultural activity. 'Understanding the Value of Engagement' provides a recent history of attempts to derive economic values for engagement, an analysis of subjective well-being and an analysis of the health cost savings from sport.
- 2.10 Of particular relevance to this study is the first key message from the work around estimating the economic value of subjective well-being gains associated with engagement. The research establishes a statistically significant relationship between sports and arts engagement and increased subjective well-being. The analysis allows for comparisons with other domains, such as health and employment to understand the scale of these associated gains.
- 2.11 Concurrent work by Dr David O'Brien for the DCMS, 'Measuring the Value of Culture: a Report to the Department for Culture Media and Sport' explores the debates around cultural value, considering the meaning of culture and the reasons why valuation of culture is such a difficult task. The report considers several solutions to the problem of how to value culture, giving an overview of techniques from environmental and health economics, arts and humanities research and recent studies on subjective wellbeing. Overall the report concludes that, in the context of HM Treasury's Green Book, the economic valuation techniques supported by the Green Book should be used by the cultural sector when articulating its value to central government.
- 2.12 More broadly, The Department of Culture, Media and Sport (DCMS) highlights that:

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<sup>5</sup> CASE is a joint programme of strategic research lead by DCMS in collaboration with Arts Council England, English Heritage, the Museums, Libraries and Archives Council and Sport England

‘Culture, whether as a central part of a regeneration initiative, or as a substantial component of a broader programme, can play a distinctive role in bringing economic benefits to an area. It does not just bring direct economic improvement by providing employment and generating revenue, but can have a wider economic impact on the general prospects of an area, by making it a more desirable place to live and work, and subsequently, for businesses to invest’.

- 2.13 However, measuring the economic or welfare effects of cultural change can be a difficult task. Nevertheless, three different types of economic impacts of a cultural asset can be identified and assessed. Total economic impact is the cumulative effect of the impacts below:<sup>6</sup>
- Firstly, there is a consumption value received by both, users and non-users of the asset. For users, this means calculating expenditure on using the asset (i.e. ticket price for a museum) as well as related expenditure (i.e. travel expenses to get there). For non-users, the value will equate to the derived benefits of improved quality of life in the area.
  - Second, there is a short-term impact which can be measured in terms of output, jobs created and income. Further, this includes indirect multiplier effects due to increased spending in the area.
  - Third, a long-term (catalytic) impact may exist and can be measured using hedonic analysis. This refers to the rise in economic development and productivity and includes the rise in property prices (i.e. value of a place) in the location of the cultural asset as a result of new investment.
- 2.14 On a regional, or city region level, a number of studies have been undertaken over the past 3 years that attempt to reach an understanding of the economic impact of the arts within those city regions. These have been detailed in the Scoping Study to this piece of work but briefly include work undertaken for GNAF in Newcastle/Gateshead, a broader study in Birmingham and more recently an economic impact of the arts in Lancaster District in the Northwest.
- 2.15 In Liverpool, Impacts 08 has developed a unique and comprehensive approach to evaluating the range of outcomes and impacts that flow from a major cultural event. Impacts 08 was commissioned by Liverpool City Council and established a joint University of Liverpool/Liverpool John Moores University research team that developed a framework for tracking the impacts of Liverpool’s year as European Capital of Culture in 2008.
- 2.16 Significantly, the Impacts 08 research programme has been able to take a longitudinal approach to its research and has had the time and resources to engage

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<sup>6</sup> Seaman, B. (2003), *Economic Impact of the Arts*, in *A Handbook of Cultural Economics* (Ed. R. Towse), Cheltenham, Elgar

in a wide range of research projects to gather together evidence of impacts from the year. The primary areas that the programme addressed were:

- Cultural Access & Participation
- Economy & Tourism
- Cultural Vibrancy & Sustainability
- Image & Perceptions
- Governance & Delivery Processes

- 2.17 All of the research above provides context for this report, in particular through illustrating the different ways in which the arts produce an intrinsic set of benefits as well as impacts on other areas of human activity. This study sets out to explore the provider-based economic impacts from the LARC partners, whilst acknowledging that this is but one of the ways in which the impact of the arts can be assessed.

## Arts and Regeneration in Liverpool

### Overview

- 2.18 Cultural and arts institutions have a symbolic place in the history of the City of Liverpool and are significant for their heritage role within the fabric of the city, for their modernising and popularising role and for the role they have played over the past decades in the regeneration of a city that was severely disrupted and damaged by 1940's wartime bombing and then again by the recession, high unemployment and civil unrest of the late 1970s and 1980s.
- 2.19 Cultural institutions are sited in some of the most iconic buildings in Liverpool city centre ranging from the cluster of buildings housing the Walker Art Gallery, Liverpool Central Library and St George's Hall on William Brown Street, the Everyman and Unity theatres and the Philharmonic Hall on Hope Street to the Bluecoat and the Cavern in the retail area of the city.
- 2.20 Over the past two decades, the cultural sector has been at the heart of the physical regeneration of the city as city centre development has focused around re-branded districts or quarters that become a focus for investment, renovation and reinvigoration.
- 2.21 In the 1980s, Tate Liverpool played a significant role in the positioning of Albert Dock as a destination for shopping, leisure and culture and marked a new confidence in a city slowly emerging from a period of political and social upheaval. This was shortly followed by the redevelopment of the streets around the rebuilt Cavern as the Cavern Quarter to create a new destination brand drawing on the Beatles theme. In the late 90s, the Ropewalks – an area of derelict warehouses and Georgian streets in the heart of the city centre – emerged as the new creative quarter for the city with the development of FACT's iconic, modernist building signifying the emergence of the digital cultural economy in the city centre.

- 2.22 As Liverpool City Centre went through a transformation in the early 21<sup>st</sup> century with new confidence bringing new investment into the city, traditional creative ‘quarters’ like Hope Street have re-emerged as significant cultural areas. The Waterfront and the Pier Head have also been transformed with the Leeds-Liverpool canal extension and the dramatic design of the new Museum of Liverpool.
- 2.23 During the same period – a period in which smaller arts organisations, music venues and creative practitioners were finding it increasingly difficult to find affordable space in a city centre where land values had increased dramatically in a 5 year period - the Baltic Triangle, has emerged as the latest creative district in the city housing arts galleries, a music venue, theatre and dance space and a hive of workspace for housing creatives from all disciplines.

### *Liverpool City Region Tourism Strategy*

- 2.24 Liverpool City Region has a well-developed tourism offer that has been co-ordinated over the past decade by The Mersey Partnership. Tourism has long been considered a driver for growth in the sub-regional economy and Liverpool has developed a number of high profile destination brands and key themes on which to drive its international, national and regional visitor marketing. The visitor economy is considerably broader than the specific arts organisations at the core of this report (for example it will include a variety of activities such as business and conference tourism) and is currently one of four transformational sectors that has the potential to make a step change and help transform the region’s economy.
- 2.25 The city region partners involved in developing tourism are currently working to the Liverpool City Region Visitor Economy to 2020 Strategy<sup>7</sup>, which aims to capitalise on the combined culture, music, heritage and sport opportunities. The target is to grow the Visitor Economy from its current £1.3 billion visitor spend per annum by 60% to £2 billion by 2020. The strategy estimates that by 2020, the visitor spend will support 37,000 jobs in the local economy.
- 2.26 Liverpool’s success as European Capital of Culture 2008 was the culmination of a long period of development and provided a bedrock to build on Liverpool’s strengths. Culture and Heritage are considered to be a key strength and are at the heart of the destination marketing of the city region’s brands.
- 2.27 The institutions embodied in LARC are important components of the Visitor Economy strategy both as venues within the Liverpool ‘attack’ brand and for the value they provide in supporting visitors to explore the wider city region through public art installations.

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<sup>7</sup> L&R Consulting (2009), Liverpool City Region Visitor Economy Strategy to 2020

### *The Knowledge Economy*

- 2.28 Over the past two decades, Liverpool has had a significant role to play in understanding and developing the role that the creative and cultural sector can play in developing local and regional economies. That work has been echoed in Manchester and for the past 10 years has been spearheaded regionally by Northwest Development Agency.
- 2.29 The Liverpool City Region has moved through a process of including the creative industries as a growth sector in its economic development plans, adapting that to a broader Digital and Creative Industries Sector definition and more recently has included the digital and creative industries sector as a one of four key elements of the Liverpool City Region Knowledge Economy Plan 2010.
- 2.30 The LARC organisations are referenced in the Plan where the City region could improve its performance and make more of its major cultural assets - for example, Tate Liverpool, FACT and Liverpool Biennial.

### *Liverpool Arts and Culture Investment Strategy (2009-11)*

- 2.31 This is a Liverpool City Council strategy which stems from the European Capital of Culture bid and sets out the framework for investment and support in the cultural sector.
- 2.32 The Investment Strategy is designed to help deliver against the broader Sustainable Community Strategy and the Cultural Strategy, especially in relation to developing 'distinctive sense of place', 'creative learning and skills development', 'cultural vibrancy' and 'access and participation' amongst others. Following on from significant cultural advances between 2003 and 2008 there is a recognised need to consolidate the growth of the sector and allow for continued success.
- 2.33 The crux of the strategy is a plan for delivering the cultural grants programme. The Strategy sets out three core themes to which organisations and individuals can apply. These are:
- **Cultural Drivers** – intended to support the City's major cultural organisations which provide the backbone of the annual cultural offer, sustain visits and contribute to the high profile of the City.
  - **Cultural Contributors** – a competitive application programme to support a wide range of arts and cultural organisations to help them develop a world class offer which will help to create a unique cultural offer for Liverpool. The strand will fund applications via three topic areas of:
    - Festivals
    - Young people and communities
    - Innovation
  - **Grass Roots Innovators** – a small grants programme to support voluntary and community groups working with arts organisations to deliver community level projects.

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## Summary

- 2.34 Despite recent economic improvements, Liverpool's economy continues to struggle in comparison to regional and national economic performance. There has been considerable success with urban renaissance initiatives and the future priorities have a stronger focus on economic competitiveness – skills, innovation and growth sectors. The arts are part of the digital and creative growth sector, and are seen as a key driver in Liverpool for improving social cohesion, inventiveness, tourism and retail visits.
- 2.35 Understanding the impact of the arts remains an important issue. Since the Myerscough report in the 1980s there has been continued work looking at the different ways that impact can be assessed. Recently the DCMS CASE work has begun the process of quantifying the subjective well being resulting from arts attendance, although the methodology and data required makes local application of this approach problematic. The study recognises the value in some of the other approaches but has not pursued them for reasons including budget, timescale and intended audience. Instead this study for LARC uses a well tested economic impact methodology, focussing on jobs created and values, along with catalytic impacts.
- 2.36 Within Liverpool the arts have assisted with the physical regeneration of the City – particularly Albert Dock and the City Centre. Liverpool's success as the 2008 City of Culture has helped to redefine the image of the City. The arts are important elements in developing the City's visitor economy and knowledge economy.

## 3 LARC ORGANISATIONS

### Introduction

3.1 This section briefly reviews the seven organisations making up LARC.

### Liverpool Biennial

#### Overview

3.2 Liverpool Biennial was established in 1999 by James Moores and is an art commissioning and festival organisation - providing artistic direction, commissioning, curation and marketing of a visual arts festival every two years as well as commissioning or managing a year round programme of public art, for example, Antony Gormley's *Another Place*, Richard Wilson's *Turning the Place Over*.

#### Summary of programme

3.3 Liverpool Biennial presents a 10-week festival of international contemporary visual art in Liverpool every two years between mid September and the end of November. The festival is structured around a number of individual exhibitions and events and presents both an international and a more local festival. The 2010 edition included:

- The Biennial Exhibition *Touched*, presented in partnership with across multiple venues: Tate Liverpool, the Bluecoat, FACT, A Foundation, Open Eye Gallery and public spaces.
- Bloomberg New Contemporaries – the very best from up-and-coming artists' studios throughout the UK presented at A Foundation, Greenland Street.
- CityStates presented at the Contemporary Urban Centre.
- John Moores Painting Prize 2010 at the Walker Art Gallery.
- S.Q.U.A.T. Liverpool 2010 - a collaboration between The Art Organisation and No Longer Empty re-animating of abandoned premises around the city centre.
- The Cooperative - an initiative jointly run by leading artist-led studios.

3.4 The festival attracts a significant fringe programme which takes place under the banner of The Independents.

#### Volume of users

3.5 Work by England's Northwest Research Service estimated that the 2010 Liverpool Biennial received 834,000 individual venue visits with many visitors going to more than one venue.

#### Admission arrangements

3.6 All Biennial events are free at the point of entry.

#### Location

3.7 The Festival takes place in a wide range of sites across Liverpool and includes building and non-building based activity. Liverpool Biennial programmes encompass

LARC partner spaces (e.g. the Bluecoat, Tate Liverpool, FACT) as well as other formal gallery space (e.g. Open Eye Gallery, A Foundation), non-gallery spaces (e.g. 106 Wood Street, The Black-E, Anglican Cathedral, The Oratory) and public/external sites (Mann Island, Duke Street, Lime Street Big Screen). SQUAT Liverpool 2010 took place in a number of otherwise empty properties in and around the Ropewalks area.

- 3.8 The public art and public realm activity that the Biennial is engaged in on a year round basis is located in a diverse range of venues.



Do Ho Suh, *Bridging Home*, 2010. Image courtesy of Liverpool Biennial 2010. Photo taken by Alex Wolkowicz

### Linkages

- 3.9 Liverpool Biennial is a partnership organisation and by its very nature has strong linkages with a large number of formal and informal visual arts organisations across the UK and around the world. Liverpool Biennial works closely with the 3 LARC organisations that have a distinct visual arts element to their work – Tate Liverpool, the Bluecoat and FACT as well as Liverpool’s Visual Art in Liverpool group (VAiL) and the festival also includes the John Moores Painting Prize at the Walker Art Gallery and Bloomberg New Contemporaries. A substantial number of the estimated visitors and visits in 2008 and 2010 will have also have been counted by Tate Liverpool, the Bluecoat and FACT as visitors to their buildings.
- 3.10 Website [www.biennial.com](http://www.biennial.com)

### The Bluecoat

#### Overview

- 3.11 The Bluecoat is a multi-art form arts centre presenting a programme of visual arts, performance, literature and live arts throughout a number of spaces in the building. The building is Grade 1 listed and recently underwent a £12.5 million refurbishment

programme including building a new wing of galleries. The refurbished Bluecoat was re-opened in March 2008. The Bluecoat has been in continuous use as an artists' space since 1907 when as an unused former Bluecoat School building, it was occupied by the Sandon Group of artists.

### **Summary of programme**

- 3.12 The organisation runs a year round exhibition programme in a suite of galleries, a music, dance, theatre and live art programme in a small theatre space as well as an annual Literature Festival *Chapter & Verse*. Bluecoat has a strong Participatory Arts programme providing access to arts for children and families through *Explore*, works with learning disabled adults in *The Blue Room* and delivers outreach programmes in community settings in Liverpool for example *Alt Valley Art Valley* programme.
- 3.13 The Hub area is used for a number of formal and informal events including Philosophy in Pubs, networking meetings, music promotions etc. The Bluecoat hosts the Arabic Arts Festival, an annual festival that is developing a year round programme of work. DaDaFest (Deaf and Disabled Arts), holds many of its events at The Bluecoat which also manages the ticketing for the festival.



- 3.14 The building houses 26 artist studios and office spaces and hosts a range of arts organisations, creative businesses and individual artists – including two studios for international and graduate residencies and a Print Studio. There is good outdoor space with a garden, a courtyard and a small internal garden.
- 3.15 The building provides 8 small to medium size retail spaces and runs a café (Expresso), a Bistro and Bar (Upstairs) and a fully catered events service.

### **Audiences and Users**

- 3.16 There are approximately 700,000 individual visits to The Bluecoat each year with a high level of repeat visits.

### **Admission arrangements**

- 3.17 Admission is free to gallery and hub events with ticket sales for events taking place in the Performance Space. Ticket sales make up a only small percentage of the company's turnover.

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### **Location**

- 3.18 The Bluecoat is located in the city centre with the rear garden and retail units backing onto the recently opened new retail area, Liverpool One.

### **Linkages**

- 3.19 The Bluecoat, because of the wide range of activities generated by the company and by its resident artists, businesses and retailers, has extensive local, national and international linkages. The Bluecoat itself has close links with the Alt Valley partnership, a longstanding exchange arrangement with artist in Liverpool's twin city, Cologne, as well as strong links to LARC partners, DaDaFest and the Arabic Arts Festival.
- 3.20 Website [www.thebluecoat.org.uk](http://www.thebluecoat.org.uk)

## **Liverpool Everyman & Playhouse**

### **Overview**

- 3.21 Liverpool and Merseyside Theatres Trust was established in 1999 bringing together the city's Everyman and Playhouse theatres into one organisation
- 3.22 Built in 1866 as the Star Music Hall, the Liverpool Playhouse became a full-time repertory theatre in 1911, and was the oldest repertory company in the country when it was wound up in 1999. The Everyman was founded in 1964 in Hope Hall (once a chapel, then a cinema) and quickly built a reputation for ground-breaking work.
- 3.23 In 2004, with the arrival of Artistic Director, Gemma Bodinetz, and Executive Director, Deborah Aydon, an integrated programme across the two buildings was created, that has generated critical acclaim and audience growth, and been the springboard for forward-looking programmes of artist development and youth and community engagement.
- 3.24 Planning permission for a £28 million development of the Everyman Theatre was approved in 2010.



### **Summary of programme**

- 3.25 The two theatres present a year round programme of performing arts including theatre, dance, music and comedy. Alongside professional presentations, the joint theatre company works with young people through a young writers programme and a youth theatre group, in education through work with schools colleges and universities and in the community through two programmes, 'Included' and 'Art Valley'.
- 3.26 The theatres have a strong focus on new writing and produce work each year by new writers.

### **Number of Visits/Users**

- 3.27 The Everyman and Playhouse had a combined audience of 136,000 in the financial year 2009-10, plus 11,000 education visits.

### **Admission arrangements**

- 3.28 Both theatres primarily operate through ticketed sales for performances. They currently participate in A Night Less Ordinary, a free ticketing scheme for U26 year olds subsidised by Arts Council England.

### **Location**

- 3.29 The Everyman theatre is located on Hope Street which runs between Liverpool's two cathedrals. The Playhouse is situated in the heart of the old shopping district of Liverpool on Williamson Square.

### **Linkages**

- 3.30 Over the last few the theatres have collaborated with partners beyond Liverpool.
- 3.31 Recent productions to have a life beyond Liverpool include: West End transfers of Harold Pinter's *The Caretaker*; *Ghost Stories* with co-producers Lyric Hammersmith following a Liverpool world première; a co-production of *The Hypochondriac* with English Touring Theatre and *King Lear* starring Pete Postlethwaite with Headlong and the Young Vic.
- 3.32 Other collaborations include Hampstead Theatre, English Touring Theatre and Chichester Festival Theatre.

- 3.33 Website [www.everymanplayhouse.com](http://www.everymanplayhouse.com)

## FACT (The Foundation for Art & Creative Technology)

### Overview

- 3.34 FACT was established in 1989 (formerly as Merseyside Moviola) and was based at The Bluecoat until the move to their new building in 2003. The FACT building, designed by local architects, Austin Smith Lord, was the first purpose-built arts venue to be built in the city since the new Philharmonic Hall opened in 1939.
- 3.35 FACT is a leading UK video, film and new media arts organisation and curates exhibitions, education and research projects. The organisation aims to pioneer new forms of artistic and social interaction with individuals and communities.



- 3.36 Alongside the work of FACT, the building also hosts the Picturehouse Cinema, one of independent chain City Screen's art house cinemas providing 3 high quality, THX standard screens. FACT also contains a café, operated under a franchise.

### Summary of programme

- 3.37 **FACT Programme** is the artistic core of the organisation, commissioning and exhibiting projects by artists in film, video and new and emerging media forms. The programme delivers four seasonal exhibitions a year in the gallery spaces, which are linked by a common theme.
- 3.38 FACT also runs a range of programmes aimed at addressing issues such as community cohesion, social exclusion, technological exclusion, citizenship and civic participation. This includes TenantSpin, their longstanding webcasting collaboration with Arena Housing.
- 3.39 FACT runs a regular research programme in partnership with Liverpool John Moores University including a series of collaborative PhD studentships.

- 3.40 Films shown in the building are programmed by two organisations – FACT and Picturehouse. The FACT film programme relates to the exhibitions that are shown within the galleries as well as one off events. Picturehouse at FACT is part of City Screen, the leading independent cinema operator and includes mainstream blockbusters as well as independent, art-house and foreign-language films.

#### *Number of Visits/Users*

- 3.41 Total exhibition attendance is estimated at 100,000, plus FACT film attendance of 5,000 and education visits of 4,500. Total visits to FACT (including the Picturehouse cinema) are 360,000 pa.

#### *Admission arrangements*

- 3.42 Admission to FACT exhibitions are free. Picturehouse and FACT screenings are ticketed

#### *Location*

- 3.43 FACT is located in the central Ropewalks area of the city

#### *Linkages*

- 3.44 FACT has a long standing relationship with Arena Housing, jointly running a community engagement programme, TenantSpin, as well as education linkages through its schools and learning programmes. FACT has a research relationship with Liverpool John Moores University and hosts collaborative PhD studentships with the university.
- 3.45 Website [www.fact.co.uk](http://www.fact.co.uk)

## Royal Liverpool Philharmonic

### *Overview*



- 3.46 Royal Liverpool Philharmonic (RLP) includes the orchestra, a choir, contemporary music group Ensemble 10:10, chamber music, youth orchestra and youth choirs, and an extensive education programme. It also runs the Grade 2 listed Liverpool Philharmonic Hall.

- 
- 3.47 The Royal Liverpool Philharmonic Orchestra is the oldest surviving professional symphony orchestra in the UK, and gives approximately 70 concerts in its home, Liverpool Philharmonic Hall, as well as giving concerts in venues across the City including the two Cathedral under its Chief Conductor, Vasily Petrenko.
  - 3.48 The orchestra tours internationally and in 2010 played at the Shanghai Expo.
  - 3.49 In 1998 the orchestra launched its own recording label and in 2001 started a recording partnership with Classic FM which now extends until 2012.

#### ***Summary of programme***

- 3.50 RLP runs a full programme of classical and contemporary music between September and June as well as a film, comedy and events programme. The auditorium is programmed 5-6 days per week and includes lunchtime, matinee as well as evening performances.
- 3.51 In addition to performances at the Philharmonic Hall, the orchestra plays occasional concerts at other Liverpool venues as well as around the region and abroad.
- 3.52 RLP has an extensive Learning & Engagement programme including an orchestra and choir for young people, family workshops and concerts, support for community groups including a Community Choir and Gospel Choir, extensive work in children's centres and schools, with hospitals and NHS Trusts.
- 3.53 RLP runs one of 3 national pilots of 'In Harmony' based on Venezuela's 'El Sistema'.

#### ***Number of Visits/Users***

- 3.54 RLP had audiences totalling 303,000 in 2010 plus 55,500 education visits.

#### ***Admission arrangements***

- 3.55 Admission to concerts is on a ticketed basis.

#### ***Location***

- 3.56 Liverpool Philharmonic Hall, Hope Street.

#### ***Linkages***

- 3.57 Classic FM; wider regional linkages (Blackburn, Preston); international linkages through touring; local links through development of rehearsal space in the Everton area and through extensive community outreach, education work, choirs and youth orchestras and ensembles.
- 3.58 Higher education links with Royal Northern School of Music and Liverpool Hope University.

Website [www.liverpoolphil.com](http://www.liverpoolphil.com)

## Tate Liverpool

### Overview

- 3.59 Tate Liverpool is one of the family of four Tate galleries which include Tate Modern and Tate Britain in London and Tate St Ives in Cornwall. Tate Liverpool was established on the Albert Dock in 1988 as part of the redevelopment of the waterfront and has been considered a major plank of the regeneration of the city.



### Summary of programme

- 3.60 Tate Liverpool presents displays of work from the Tate collection alongside special exhibitions of modern and contemporary art. The special exhibition programme, presented on the Gallery's fourth floor, brings together works from national and international collections, both public and private.
- 3.61 Since the gallery opened, Tate Liverpool has presented over 150 different exhibitions and collection displays of work by hundreds of different artists, some seen for the first time in the UK at Tate Liverpool. Major exhibitions in the past five years include Summer of Love: Art of the Psychedelic Era (2005), Jake and Dinos Chapman: Bad Art for Bad People (2006-7), Peter Blake: A Retrospective (2007) and The Real Thing: Contemporary Art from China (2007), Turner Prize (2007), Gustav Klimt: Painting, Design and Modern Life in Vienna 1900 (2008) and Picasso: Peace and Freedom (2010). Tate Liverpool plays an active role in the Liverpool Biennial.

### Learning at Tate Liverpool

- 3.62 A key part of Tate Liverpool's work is delivered by the Learning team. Through a varied programme of activities for a wide range of audiences, the Learning Team broaden participation and engagement whilst increasing knowledge, understanding and enjoyment of the visual arts. Tate Learning organise activities and events for groups that include schools, communities, young people and families, as well as general gallery visitors. While many activities take place at the Gallery, Tate Liverpool also delivers outreach programmes in school and community settings across the city and region.

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### **Number of Visits/Users**

- 3.63 Total gallery visitors for 2010 were 570,207, plus 49,500 education visits.

### **Admission arrangements**

- 3.64 General admission to Tate Liverpool is free with a charge for special exhibitions.

### **Location**

- 3.65 Converted Grade 1 listed warehouse on the Albert Dock, Liverpool

### **Linkages**

- 3.66 As well as the natural linkages with the other three Tate galleries, Tate Liverpool has an established reputation for working with, and touring exhibitions to, international institutions as far afield as France, Spain, Portugal, Germany, United States, Canada, Ireland, Korea, Austria, Italy and Japan, as well as other institutions within the UK.
- 3.67 Tate is recognised as an Independent Research Organisation by the Arts & Humanities Research Council.
- 3.68 Website [www.tate.org.uk/liverpool](http://www.tate.org.uk/liverpool)

## **The Unity**

### **Overview**

- 3.69 The Unity Theatre grew out of a national theatre movement and became the Merseyside Left Theatre in the 1930s and then Merseyside Unity Theatre in 1944. With the closure of the Merseyside Unity Theatre, the Unity Theatre developed as a base for professional touring theatre and following development funding in 1994, completed a major refurbishment by August 1998. The Unity is the smallest of the LARC partners.
- 3.70 The theatre has developed a role within Liverpool of supporting emerging performing arts talent and is seen as home to a wide number of theatre companies on Merseyside.
- 3.71 The theatre has three performance spaces providing 150, 88 and 30 seat spaces. All three spaces are available for hire at different times throughout the year.



### ***Summary of programme***

- 3.72 The theatre provides a mixed programme throughout the year and combines the Unity's own programme of shows with productions by local small theatre companies, encouraging amateur and professional companies to use the spaces at the theatre.
- 3.73 Unity is a receiving house for national touring product and the theatre also holds regular art exhibitions within its public spaces.
- 3.74 Unity hosts Liverpool's annual Homotopia Festival and collaborates with several festivals including DaDa Fest, LEAP and Liverpool Comedy Festival
- 3.75 Unity has been running a youth theatre, Unity Youth Theatre since 2006 and runs regular 'family friendly' activities in the theatre.

### ***Number of Visits/Users***

- 3.76 The Unity had audiences of 25,500 in 2010, plus 3,500 education visits.

### ***Admission arrangements***

- 3.77 Admission is on a ticketed basis with concessions for low waged as well as student offers.

### ***Location***

- 3.78 Unity is located on Hope Place off Hope Street in Liverpool City Centre

### ***Linkages***

- 3.79 Unity has close links with a wide range of local theatre companies including Spike Theatre, Kick Theatre, Guilty Dog Productions and Hope Street Ltd as well as LIPA and with Homotopia Festival

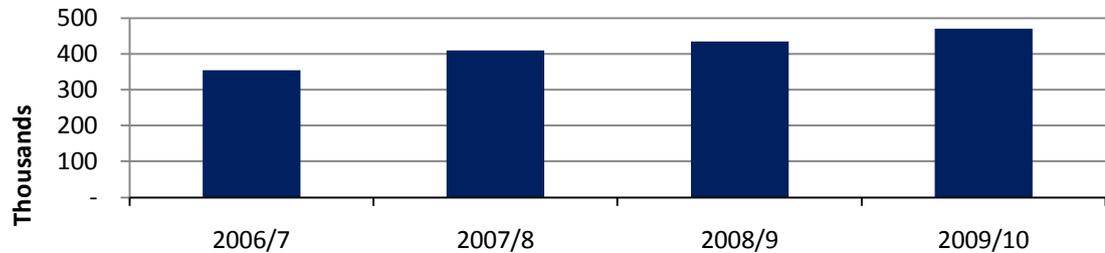
Website [www.unitytheatreliverpool.co.uk](http://www.unitytheatreliverpool.co.uk)

### ***Visitor Trends***

- 3.80 Based on the original wider definition of LARC (i.e. including the National Museums of Liverpool) it is apparent that the visitor numbers to the arts (and museums) in

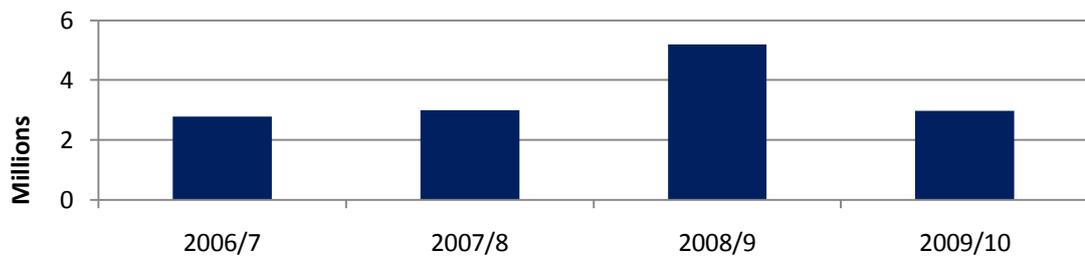
Liverpool have fluctuated over time. The impact of the 2008 City of Culture (which also coincided with a Biennial year) is clearly apparent on the exhibition visitor figures. There is a longer term increase in performance attendees while exhibition attendances have seen less change.

**Figure 3.1 Performance Attendance (known) across LARC organisations**



Source :Key Data Report, LARC, December 2010

**Figure 3.2 Exhibition Attendance (known) across LARC organisations<sup>8</sup>**



Source :Key Data Report, LARC, December 2010

- 3.81 These trends are important because they help to provide a context for this economic impact assessment, which deals with 2010 as a point in time. It is not yet clear whether 2010 will be a ‘typical’ year or indeed if there are ever any ‘typical’ years.

## Summary

- 3.82 The different LARC partner organisations operate on a variety of scales, with different roles in the City’s arts offer. The organisations include performance and exhibition, as well as cinema. The Biennial is unique in that it is partially hosted by other LARC partners and by definition it does not provide a continuous set of headline activity. Visitors to the different partners vary from year to year. The figures used for this study are summarised in the table below.
- 3.83 The figures in this section of the report are the total visitor figures. Note that for the purposes of the economic impact assessment later in this report adjustments are made to remove double counting between the LARC organisations<sup>9</sup>.

<sup>8</sup> This data includes NML which was a LARC member at the time of the Key Data Report

<sup>9</sup> Based on main purpose of visit revealed by the survey data

**Table 3.1 LARC Partner Visitor Numbers**

Venue	2010 Visits
Liverpool Biennial	834,000
The Bluecoat	700,000
Liverpool Everyman & Playhouse	136,000
FACT	355,500
Philharmonic	303,000
Tate Liverpool	570,207
Unity	25,500

Excludes education visits



## 4 LARC PARTNER IMPACTS

### Introduction

- 4.1 This chapter assesses the economic value of the Liverpool Arts Regeneration Consortium (LARC) activities to Liverpool City, Liverpool City Region and the North West England. The economic value is measured by the gross value added (GVA) output supported in the local economy over one example year<sup>10</sup> and the number of full-time equivalent (FTE) jobs that this output will support<sup>11</sup>.
- 4.2 The economic values are estimated based on a best practice standard economic impact assessment (EconIA) model that is set out in Appendix 3 along with some of the assumptions which underpin it. In particular, it is important to note that the economic values presented in this chapter are net additional values, after discounting for the following effects:
- *Leakage* - the proportion of outputs that benefit those outside of the target area that the project objectives intend to benefit. The areas of benefit for this study are Liverpool City, Liverpool City Region and North West England.
  - *Displacement and substitution* – the proportion of project outputs/outcomes that are accounted for by reduced outputs/outcomes elsewhere in the defined target area, i.e. the impacts that have been displaced from elsewhere within the area of benefit. In practice this means that people that already live, work or study within the area of benefit (unless there is clearly additional activity), and the people who would have visited Liverpool for other reasons even if they had not used one or more of the LARC partners.
  - *Second round multipliers* – The research undertaken as part of this study provides specific information about the direct and first round multiplier impacts (i.e. arts organisations spend on goods and services). However, it is beyond the scope of this study to generate second round multipliers, so we have used estimates based on a literature review and discussion with the advisory group (see Appendix 3 for further information).
  - *Deadweight* – the likely outcomes to have occurred should the LARC organisations not exist. One, albeit simple, way of considering this is to value alternative activities that may have taken place where LARC activities are located. Given the bespoke nature of the buildings and land spaces occupied by LARC activities, it may be considered unlikely that other activities would take place that are not already. This coupled with the availability of other vacant land/buildings within Liverpool City implies that the losses of LARC activities are only likely to add further unused space in Liverpool City, creating no or little economic activity. Owing to the difficulty in measuring or understanding this very

<sup>10</sup> The end of the previous section notes that the visitor activity within LARC will vary from year to year.

<sup>11</sup> The glossary earlier in this report covers the terminology used in this section

uncertain factor, the reference case is simplified to reflect a scenario of zero deadweight.

4.3 In the rest of this chapter we present the answers to the specific study objectives, which are to:

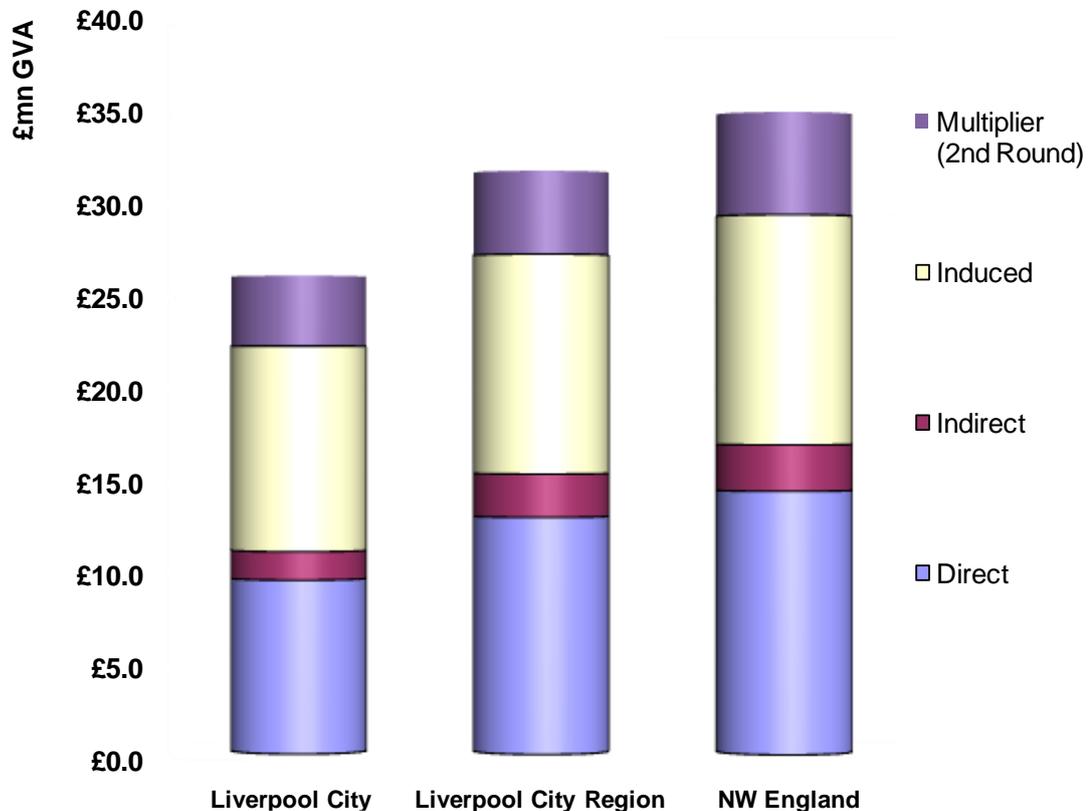
- Determine the overall value of the Liverpool Arts Regeneration Consortium (LARC) activities to the areas of benefit.
- Explore which areas of the economy benefit directly and indirectly from LARC activities.
- Assess the induced impact from LARC visitor spending.
- Assess the value of each LARC organisation to the overall value.

### Overall Value of LARC Activities to the Study Area

4.4 Based on the estimation method set out in Appendix 2, Figure 4.1 summarises the estimated net additional gross added value (GVA) impact of LARC activities over one year to be worth:

- £26.3 mn to the Liverpool City
- £32.0 mn to the Liverpool City Region
- £35.2 mn to North West England

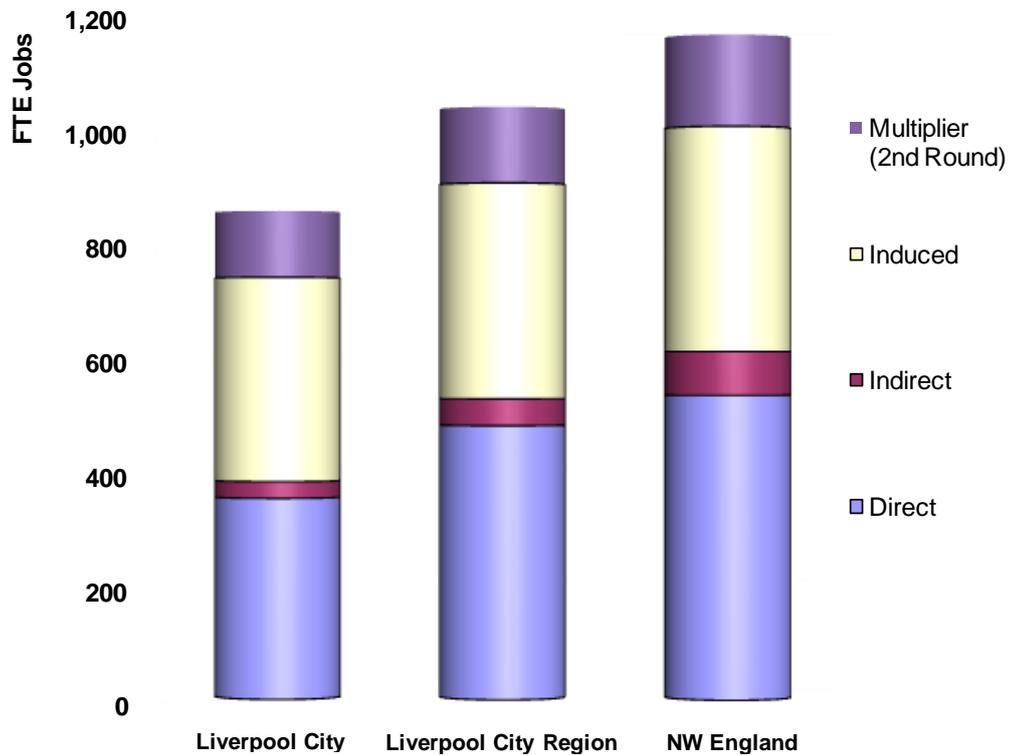
**Figure 4.1 LARC’s Overall Annual Economic Impact by Area of Benefit**



4.5 Figure 4.2 shows the number of full time equivalent (FTEs) jobs supported through the value added by LARC activities to the economy, which summarised by area is:

- 868 FTE jobs in Liverpool City
- 1,052 FTE jobs in Liverpool City Region
- 1,179 FTE jobs in North West England

**Figure 4.2 LARC Activities Supported FTEs by Area of Benefit**

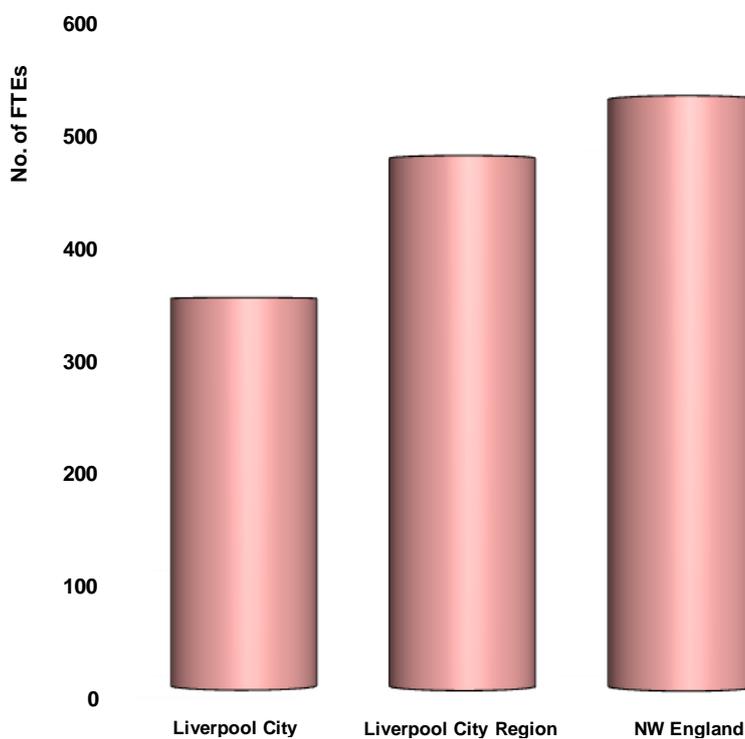


4.6 The above economic value contributions are derived from the direct, indirect or induced impacts by LARC activities. Next we look at each in turn.

## Direct Economic Benefits from LARC Activities

- 4.7 The direct impacts of the LARC activities relate to the number of staff employed by the seven LARC organisations to run and support LARC activities.
- 4.8 Figure 4.3 shows the following number of full time equivalent (FTEs) jobs supported by area of benefit. In summary, direct jobs total:
- 357 FTE jobs in Liverpool City
  - 486 FTE jobs in Liverpool City Region
  - 540 FTE jobs in North West England

**Figure 4.3 LARC Activities Directly Supported FTEs by Area of Benefit**



- 4.9 Figure 4.4 shows the estimated net additional GVA of LARC activities direct impacts over one (stable) year to be worth:
- £9.5 mn to the Liverpool City
  - £13.0 mn to the Liverpool City Region
  - £14.4 mn to North West England

**Figure 4.4 Annual Direct Economic Impact Value of LARC by Area of Benefit**



### Indirect Economic Benefits from LARC Activities

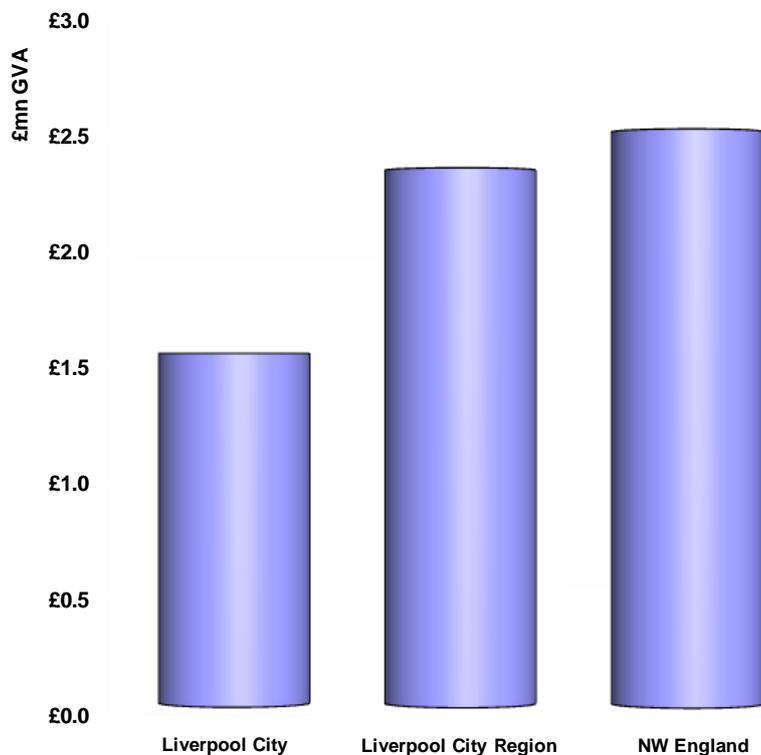
- 4.10 Indirect impacts come in the form of local supply chain purchases by the LARC organisations, shown in Table 4.1, and spending on goods and services by LARC’s staff (assuming typical family spending patterns – see Appendix 3). This is a first order effect resulting from the LARC organisations and their staff purchasing goods and services from suppliers based in the Liverpool City Region.
- 4.11 Table 4.1 shows that between them, in the year 2009/10, the LARC organisations’ supplier spending in Liverpool City totalled £4.4 mn, with a further £2.2 mn spent in the rest of the Liverpool City Region, and a £4mn in the rest of the North West. Interestingly, the two largest spending categories of LARC activities in Liverpool City are *Performing & visual arts specialist services*, followed by *Publicity/marketing/advertising*, which are within cultural and creative sectors. The Rest of the North West had a similar profile, while *Building maintenance* (largely construction services) was the main supply sector of businesses within the rest of the City Region.

**Table 4.1 LARC Organisations' Spend by Sector and Area, 2009/10**

	Liverpool City	Rest of Liverpool City Region	Rest of NW England
Transport	£56,000	£66,000	£47,000
Wholesale food & beverage	£472,000	£91,000	£66,000
Publicity/marketing/advertising	£658,000	£229,000	£463,000
Performing/ visual arts specialist services	£1,555,000	£357,000	£2,228,000
Retail consumables	£258,000	£177,000	£122,000
Business admin services	£295,000	£108,000	£461,000
Building maintenance	£20,000	£478,000	£175,000
Rent and property charges	£441,000		
Insurance		£55,000	£222,000
Utilities	£315,000	£83,000	£103,000
Business rates	£80,000		
Other spending, inc Tax	£253,000	£567,000	£139,000
<b>Total spend</b>	<b>£4,403,000</b>	<b>£2,211,000</b>	<b>£4,026,000</b>

4.12 The economic value of this indirect spending is summarised in Figures 4.5 and 4.6.

**Figure 4.5 Annual Indirect Economic Impact Value of LARC by Area of Benefit**



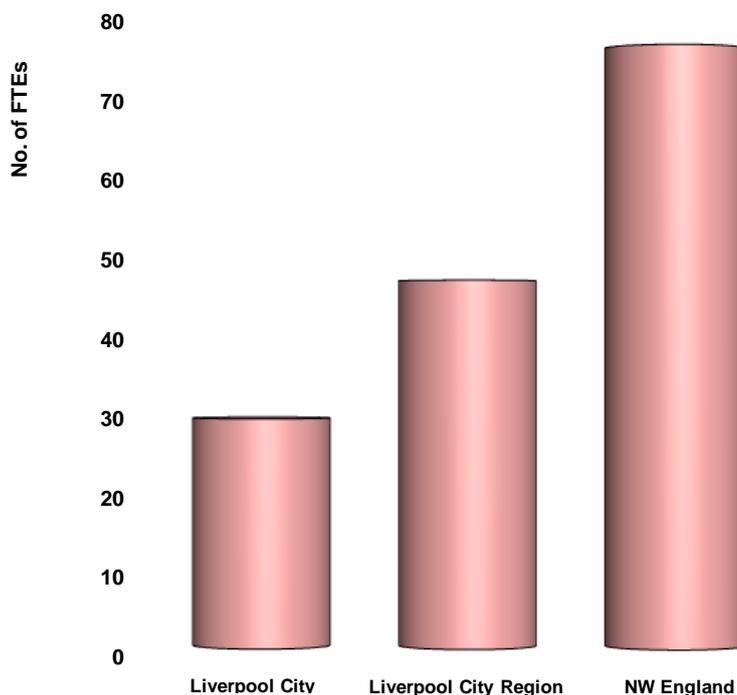
4.13 Figure 4.5 shows LARC activities indirect GVA created impacts over one (stable) year to be worth:

- £1.6 mn to the Liverpool City
- £2.4 mn to the Liverpool City Region
- £2.5 mn to North West England

4.14 Figure 4.6 shows the following number of full time equivalent (FTEs) jobs which are supported through the above GVA value:

- 30 FTE jobs in Liverpool City
- 48 FTE jobs in Liverpool City Region
- 78 FTE jobs in North West England

**Figure 4.6 LARC Activities Indirectly Supported FTEs by Area of Benefit**



### Induced Impact from LARC Visitor Spending

4.15 A further impact of the LARC activities is through the off-site spending in the local economy by visitors attending LARC activities. Where these are visits that would not have taken place should these activities not existed, this is referred to as *induced* spending. In estimating this impact, the model draws upon the visitor survey research which covered some 2,200 visitor interviews<sup>12</sup>. This research provided information about the amount, type and location of visitor expenditure. It also covered the extent to which one of the LARC activities was the reason for making the visit to Liverpool City Region, and the extent to which arts visitors may have visited more than one

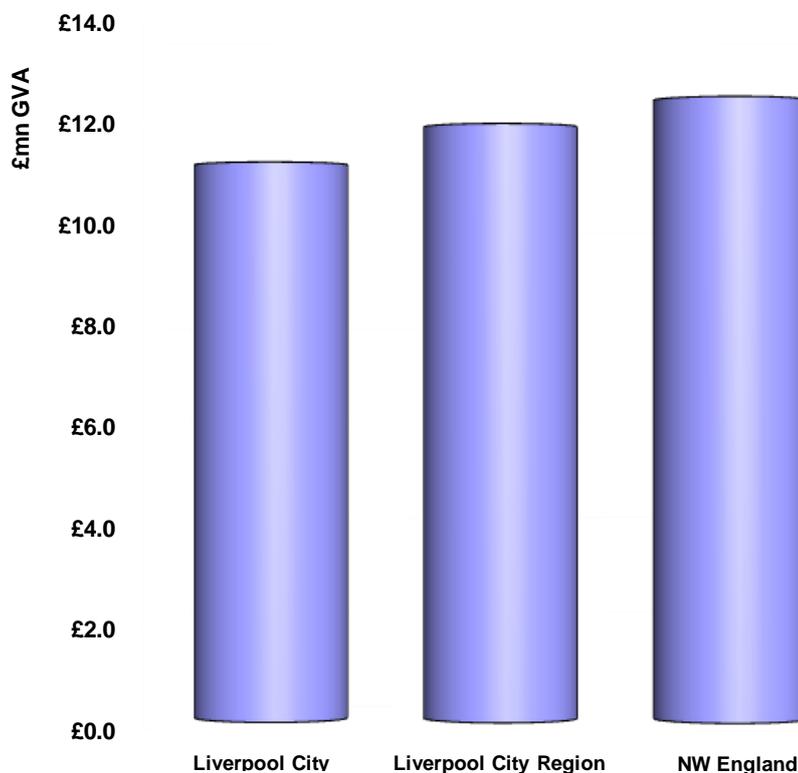
<sup>12</sup> This includes TMP surveys for Tate and the Biennial as well as the survey undertaken by NEMS for this study

LARC partner during any one trip, which allows adjustments to be made to avoid double counting of impact. The visitor survey results are shown in Appendix 4.

4.16 Figure 4.7 shows the estimated net additional GVA of LARC visitor (induced) off-site spending impacts over one (stable) year to be worth:

- £11.3 mn to the Liverpool City
- £12.1 mn to the Liverpool City Region
- £12.6 mn to North West England

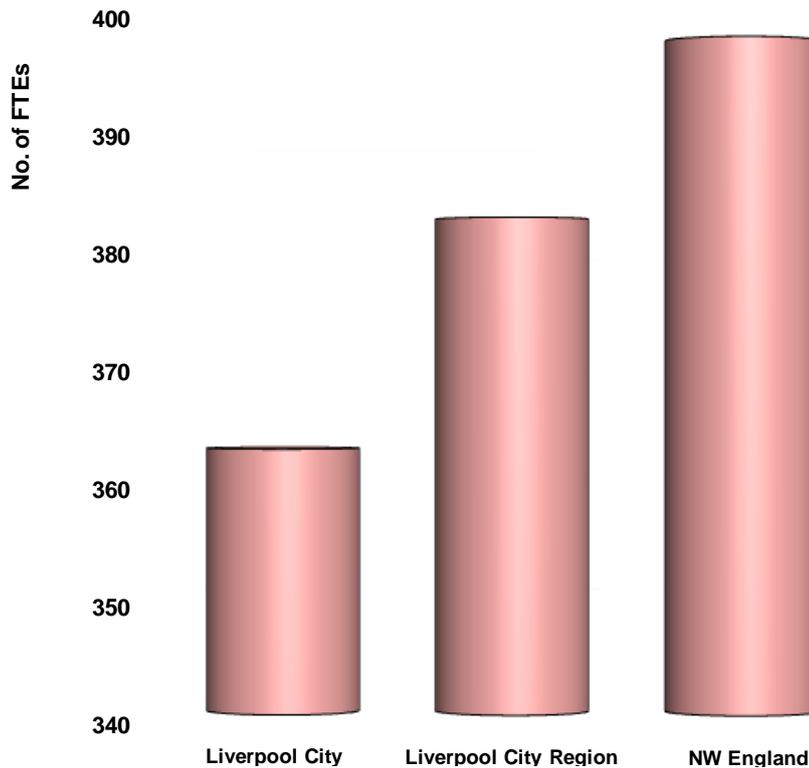
**Figure 4.7 Annual Induced Economic Impact Value by Area of Benefit**



4.17 Figure 4.8 shows the following number of full time equivalent (FTEs) jobs which are supported through the above GVA value:

- 363 FTE jobs in Liverpool City
- 383 FTE jobs in Liverpool City Region
- 399 FTE jobs in North West England

**Figure 4.8 LARC Induced FTEs by Area of Benefit**



### Second Round Multiplier Impacts

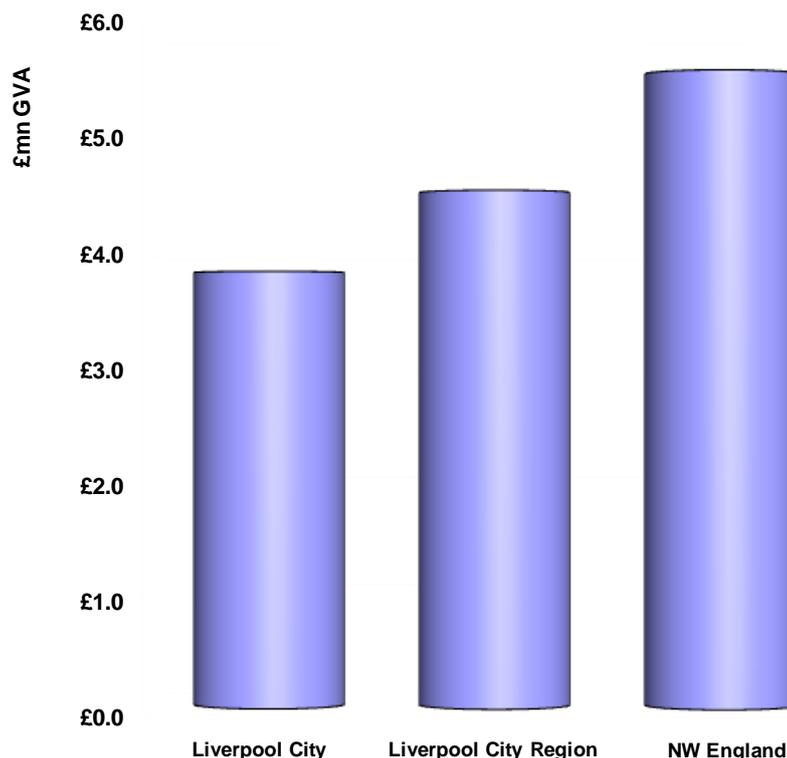
- 4.18 A further form of induced spending is through what is called 'second round multiplier effects'. This is the additional jobs and GVA generated in the wider economy through re-spending by businesses and their staff. This forms the second tier supply chain for LARC activities, LARC staff and LARC visitors. For example, purchasing a ham sandwich from a deli shop provides the shop owner with income to spend on supplies; some of which will come from the local area (i.e. supplier multiplier). The shop owner will also use the income also pay his staff salaries, who in turn use their wages to purchase a haircut in a neighbouring barber shop (i.e. income multiplier), and so on. To estimate the value of these second round (supplier and income multiplier) benefits we have applied a standard multiplier factor to the indirect and induced values measured above.
- 4.19 Many studies have attempted to calculate multiplier levels in local areas, which will vary according to the characteristics of the locality and the depth of its economic base (see Howard Bond (2008)<sup>13</sup>). Stephen Wanhill's study of different multiplier techniques (he reviewed seven studies) found that economic multipliers for UK cities and towns ranged between 1.19 and 1.40, with a mean multiplier value of 1.28.

<sup>13</sup> Howard Bond (October 2008), *Estimating the Economic Benefits of Event Tourism: a review of research methodologies*. Impacts '08

Research by RTP on the impact of visitor spending in Brighton & Hove City found a composite (income and supplier) multiplier of 1.38 in the local economy.

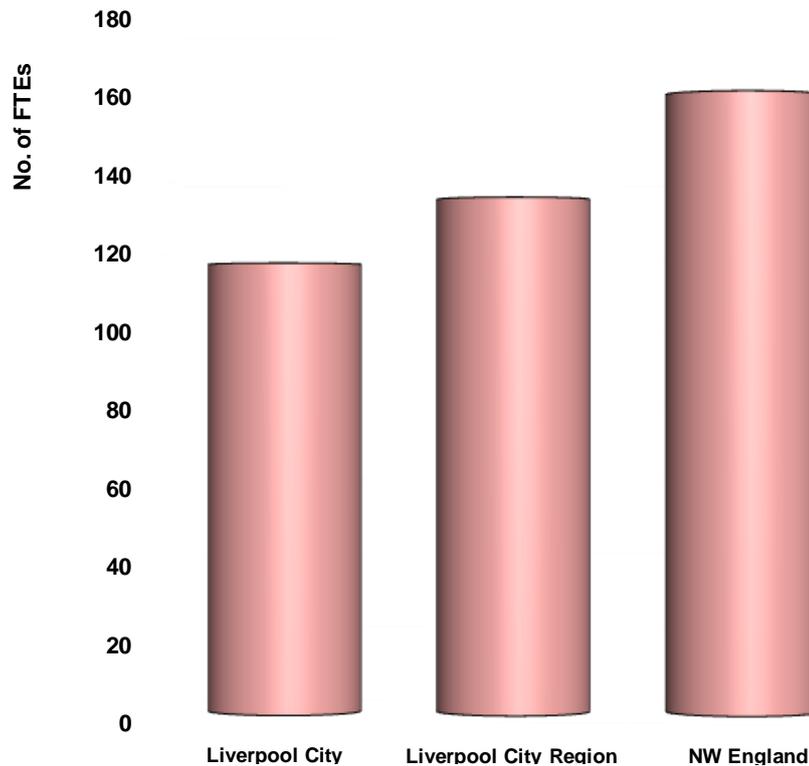
- 4.20 The smallest geographical area of benefit in this study is Liverpool City which has a relative large local economy. So we assume it would be safe to use a composite (income and supplier) multiplier of 1.30 for Liverpool City, followed by 1.45 for the rest of Liverpool City Region and 1.60 for the rest of the NW England. These are in line with the multiplier ready reckoner values identified for recreation projects in the HCA Additionality Guide (2008), which uses composite multiplier values ranging between 1.38 in a local area to 1.57 in a typical region.
- 4.21 On this basis, Figures 4.9 shows the annual GVA created from the second round multiplier impacts to be worth:
- £3.9 mn to the Liverpool City
  - £4.6 mn to the Liverpool City Region
  - £5.6 mn to North West England

**Figure 4.9 LARC Induced Annual Second Round Multiplier Economic Impact Value by Area of Benefit**



- 4.22 Figure 4.10 shows the following number of full time equivalent (FTEs) jobs which are supported through the above GVA value:
- 118 FTE jobs in Liverpool City
  - 135 FTE jobs in Liverpool City Region
  - 163 FTE jobs in North West England

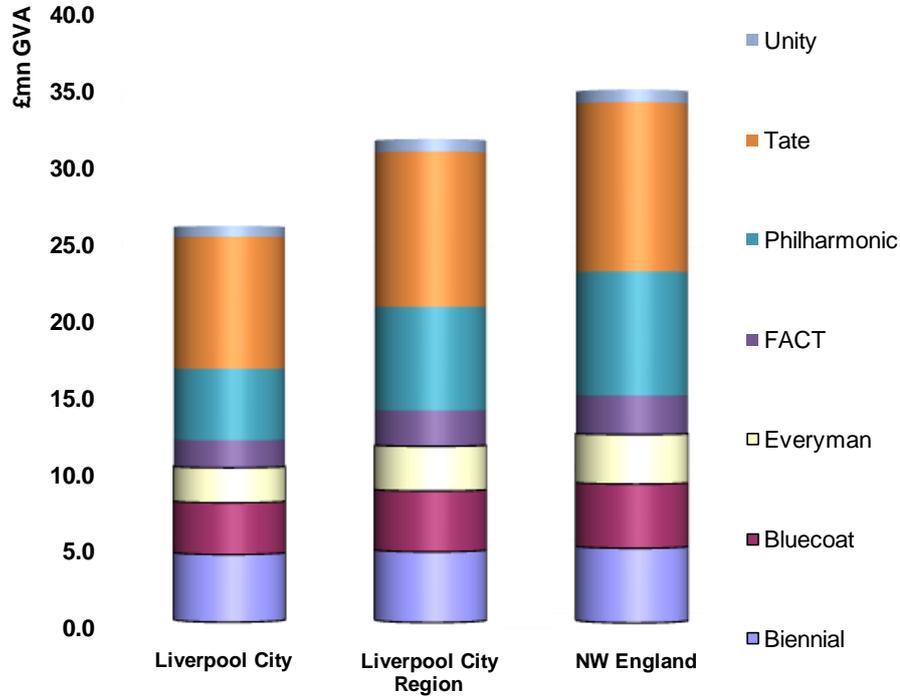
**Figure 4.10 LARC Second Round Multiplier Supported FTEs by Area of Benefit**



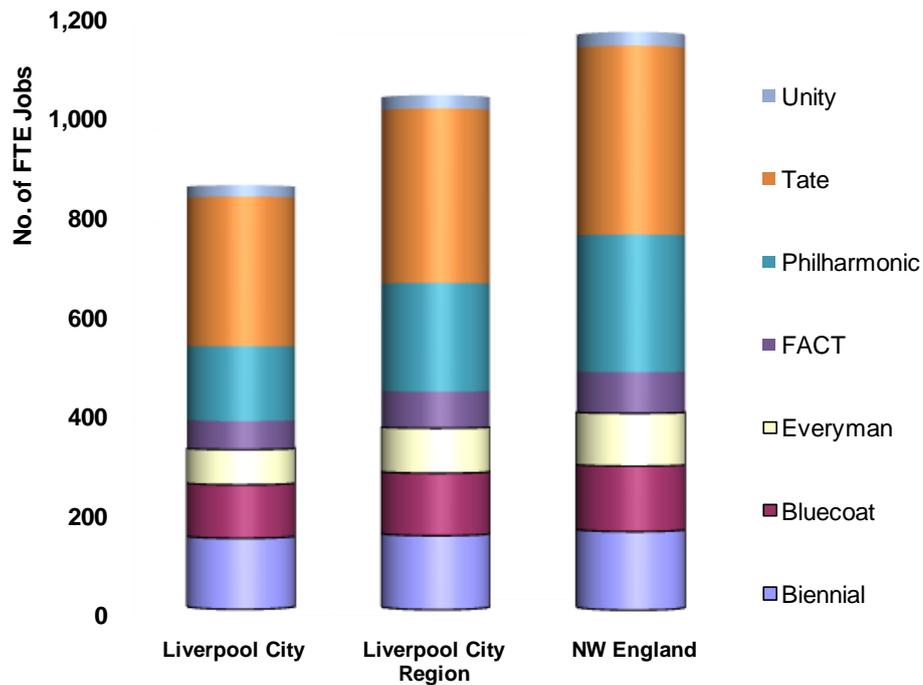
### The Economic Impact of Individual LARC Organisations

4.23 Lastly we look at the summary of the total economic impact contributed by each of the seven LARC organisations to the overall impact of LARC is shown in Figures 4.11 and 4.12 below. Further breakdown of the direct, indirect, induced and multiplier impacts for each organisation is set out in the EconIA model generated as part of this study.

**Figure 4.11 Annual Economic Impact of Individual LARC Organisations by Area of Benefit**



**Figure 4.12 Individual LARC Organisations Supported FTEs by Area of Benefit**



4.24 Based on the model estimates, below is a summary of the individual LARC organisations impacts.

*Biennial*

4.25 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of the Biennial events activities over one (stable) year to be worth:

- £4.5 mn to the Liverpool City
- £4.7 mn to the Liverpool City Region
- £4.9 mn to North West England

4.26 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 145 FTE jobs in Liverpool City
- 151 FTE jobs in Liverpool City Region
- 160 FTE jobs in North West England

*Bluecoat*

4.27 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of Bluecoat's activities over one (stable) year to be worth:

- £3.4mn to the Liverpool City
- £4.0 mn to the Liverpool City Region
- £4.2 mn to North West England

4.28 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 110 FTE jobs in Liverpool City
- 128 FTE jobs in Liverpool City Region
- 134 FTE jobs in North West England

*Everyman*

4.29 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of Everyman's activities over one (stable) year to be worth:

- £2.3 mn to the Liverpool City
- £3.0 mn to the Liverpool City Region
- £3.3 mn to North West England

4.30 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 72 FTE jobs in Liverpool City
- 92 FTE jobs in Liverpool City Region
- 108 FTE jobs in North West England

#### *FACT*

4.31 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of FACT's activities over one (stable) year to be worth:

- £1.8 mn to the Liverpool City
- £2.4 mn to the Liverpool City Region
- £2.6 mn to North West England

4.32 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 58 FTE jobs in Liverpool City
- 75 FTE jobs in Liverpool City Region
- 84 FTE jobs in North West England

#### *Philharmonic*

4.33 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of Philharmonic's activities over one (stable) year to be worth:

- £4.7 mn to the Liverpool City
- £6.9 mn to the Liverpool City Region
- £8.2 mn to North West England

4.34 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 153 FTE jobs in Liverpool City
- 222 FTE jobs in Liverpool City Region
- 281 FTE jobs in North West England

#### *Tate*

4.35 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of the Tate's activities over one (stable) year to be worth:

- £8.8 mn to the Liverpool City
- £10.3 mn to the Liverpool City Region
- £11.2 mn to North West England

4.36 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 307 FTE jobs in Liverpool City
- 357 FTE jobs in Liverpool City Region
- 386 FTE jobs in North West England

### Unity

4.37 Based on the method set out in Appendix 3, Figure 4.11 shows the estimated net additional gross added value (GVA) impact of the Unity's activities over one (stable) year to be worth:

- £0.7 mn to the Liverpool City
- £0.8 mn to the Liverpool City Region
- £0.8 mn to North West England

4.38 Figure 4.12 shows the following number of full time equivalent (FTEs) jobs to be supported through, or supported by, the above GVA value:

- 23 FTE jobs in Liverpool City
- 27 FTE jobs in Liverpool City Region
- 28 FTE jobs in North West England

### Return on Investment

4.39 The economic impacts set out here are supported by a set of public sector investment in the LARC partner organisations. The total public sector support received by these organisations is £15 mn out of a total income of £30.1 mn.

**Table 4.2 LARC Organisations' Revenue**

Source	Amount £mn
Earned income	£9.9
Contributed income	£5.2
<i>Sub-total</i>	<i>£15.1</i>
Arts Council England subsidy	£7.3
Local authority grants	£3.4
Other public sector grants	£4.3
<b><i>Public Sector Sub-total</i></b>	<b><i>£15.0</i></b>
Total	£30.1

Source: LARC Thrive data, 2009-2010

4.40 The discussion earlier in this section indicates that the GVA resulting from LARC is as follows:

- £26.3 mn to the Liverpool City

- £32.0 mn to the Liverpool City Region
  - £35.2 mn to North West England
- 4.41 Based on the estimates of economic value from the modelling work above, the return on public sector investment varies between 175% to Liverpool City to 221% for the North West - so for every £1 of public money invested there is £1.75 of GVA generated in Liverpool City and £2.35 in the wider North West.
- 4.42 A substantial amount of the public subsidy for the LARC organisations is from national organisations. If the return on investment is narrowed to the £3.4 mn from local authorities then it can be argued that as well as leveraging in the remaining £11.6 mn public support, the return is 1,114% (i.e. (£26.3 m + £11.6 m)/£3.4m) - or for every £1 of local public money invested there is £11.14 of GVA generated in Liverpool City.
- 4.43 In considering this return on investment it should be noted that the reason for most of the public sector support identified above is for cultural and social reasons – the economic impacts are a by-product. LARC has commissioned separate work on the intrinsic value of the arts which provides a more detailed insight into this aspect.
- 4.44 We note that some of the other studies considering the economic impact of the arts in other locations do not attempt to estimate GVA, but instead use estimates of total direct, indirect and induced expenditure. While expenditure can provide a quantitative basis for assessing return on investment, expenditure is a less satisfactory measure of economic impact than GVA because:
- GVA consists of earnings, profit and investment in the area of benefit – a true economic value of the goods and services after discounting payment for supplies
  - Expenditure will also include labour, profit and investment outside the area of benefit for goods and services consumed within the area of benefit i.e. it produces an incorrectly inflated estimate of the economic value produced

## Summary

- 4.45 For the Liverpool City Region, the following economic values can be derived from the investment in LARC organisations and their activities over one year:

### LARC Partner Economic Impacts in Liverpool City

	FTE jobs (No.)	GVA (£m)
Direct	357	£9.5
Indirect	30	£1.6
Induced	363	£11.3
Multiplier (2nd Round)	118	£3.9
<b>Total</b>	<b>868</b>	<b>£26.3</b>

- 4.46 The return on investment for all public sector support is between 163% to Liverpool City and 235% for the North West - so for every £1 of public money invested there is £1.75 of GVA generated in Liverpool City and £2.21 in the wider North West. If the

return on investment is narrowed to the £3.4 mn from local authorities then it can be argued that as well as leveraging in the remaining £11.6 mn public support, the return is 1114% - or for every £1 of local public money invested there is £11.14 of GVA generated in Liverpool City.



## 5 CATALYTIC IMPACTS

### Introduction

- 5.1 It is recognised that the fullest economic impact of the arts sector is far wider than net additional GVA calculations show. This section reviews the evidence of catalytic impacts from the arts on the Liverpool economy. This is a qualitative assessment based upon structured interviews with economic development and arts development organisations<sup>14</sup>, and recognises that the quantitative analysis in the previous section does not cover all of the impacts. By necessity this is a broader view than the impacts of the LARC partners, as it is not possible to ascribe impacts to any one set of facilities or events.
- 5.2 The work draws upon stakeholder interviews undertaken as part of this research as well as recent relevant work considering the impacts of the 2008 European Capital of Culture.

### Context

- 5.3 Recognition of the impact and value of arts activity has continued to grow. This has come from the need to find solutions to economic restructuring from traditional manufacturing industries and recognition of the arts as part of the creative industries as rapidly expanding sectors of the economy. It also includes the worth of the arts as mechanisms for neighbourhood renewal and addressing social exclusion. In addition the arts sector itself has embraced economic and social rationales for its activity alongside the core artistic intrinsic values. All of these arguments have been used to support the case for the inclusion of arts facilities and projects in economic development and regeneration initiatives in the face of competing public policy priorities.

### Catalytic impacts of the arts in Liverpool

- 5.4 The fact that Liverpool's Chamber of Commerce has an Arts and Culture Committee, and is the only chamber nationally to do so, reflects the importance of the arts to the local business community. Members of the committee see the benefits of the city's arts extending well beyond the additional visitor spend that the individual facilities bring in.
- 5.5 Another example of the significance of the arts is represented by Royal Liverpool Philharmonic Orchestra's performance at the recent Shanghai Expo. Liverpool used the Expo as an opportunity to drive trade and economic links with its twin town, Shanghai, and the Philharmonic performance, as a centrepiece of the event, underlines how important Liverpool sees its arts leaders when it comes to securing international investment.
- 5.6 We set out the impacts cited by stakeholders below in seven broad categories:
- Business Location Decisions*
- 5.7 Perhaps the most direct catalytic impact identified by consultees was on business relocation decisions. Whilst not a universally held opinion, many of those involved in

<sup>14</sup> The Method Appendix details the interviewees

business locally, as well as organisations whose role is to attract businesses to the city, say that the profile, quality and active nature of the arts in Liverpool is regularly cited as one of the reasons for choosing to start their business in Liverpool or relocate it to the city. It is a particularly relevant factor for businesses in the creative sector.

- 5.8 Indeed, a recent YouGov poll of business leaders showed that 60% believed a strong cultural offer to be an increasingly important consideration in determining business location decisions, albeit relatively minor in relation to factors such as availability and cost of suitable premises and workforce. Even so, where property and labour market factors are comparable between Liverpool and its competitors, it is the strength of the arts offer that differentiates it. That said, other consultees questioned whether there is a direct ‘read-through’ between the undoubted quality of life benefits of an active and high quality arts sector and business location decisions.

#### *Attracting & Retaining Skilled Workers*

- 5.9 Businesses and other stakeholders also cite the strengths of the arts in Liverpool as a powerful tool in attracting and retaining highly skilled people to the city. Workers, particularly those in knowledge based and higher value added sectors, are considered to be attracted to cities that have a strong arts offer. Without these assets, the consensus appears to be that such highly skilled individuals are more likely to move on to other cities that can provide them with the diverse, high quality arts scene they desire. The evidence cited to support this assertion includes the now thriving digital and creative industries sector in the city.
- 5.10 A recent arrival to Liverpool working in a senior media position in the city attributes the arts strengths of the city as one of its key skills attractors and ascribes much of the cultural and physical change that is taking place within the city to the pioneering work that takes place within the arts sector.
- 5.11 The quality of the arts offer is also said to engender a sense of civic pride that also serves to retain skilled individuals in the city by delivering more and better quality cultural experiences for residents. In particular, events such as the MOBOs, the Klimt and Picasso exhibitions help to give the city a modern, forward thinking feel for residents as well as reaching far beyond the city’s boundaries.

#### *Brand, Profile & Perceptions*

- 5.12 Importantly, it is noted that the city’s artistic offer is a key part of Liverpool’s national and international ‘brand’ and has led the way in challenging and, ultimately, changing previously negative perceptions of the city as a place to live and as a place to do business. The arts offer is a significant part of what defines Liverpool and gives the city its distinctive character.
- 5.13 The overarching importance of the arts organisations in Liverpool is that they form an important part of the narrative of the city. What makes a city vibrant is far more than its buildings and its businesses and arts organisations play an important part in the identity and vibrancy of the city. They are one of the critical things that distinguish it from other towns and cities.
- 5.14 As with the Universities, the city’s arts institutions allow the city to make a mark in different market places and form an important element of the brand of Liverpool - they play a real

role in attracting students and academics to the city and this is on a far more sophisticated level than simply place marketing. There is a general recognition that without these institutions and organisations, the city would be a far poorer place.

- 5.15 High profile exhibitions such as the recent Picasso at Tate Liverpool have important profile raising impacts, with national reviews<sup>15</sup> and attracting about 100,000 visitors in three months. Businesses see the benefits of these 'headline acts' principally through the positive profile and publicity that they generate for the City.
- 5.16 Liverpool's arts institutions are becoming as important as its football clubs (Liverpool and Everton FC) and The Beatles to Liverpool's tourism industry – without them, the city would appear pedestrian and lacking in ambition. Increasingly – and more difficult to measure - is the role that public art plays in not just attracting people to the Liverpool City Region but in affirming self-belief amongst the people who live and work in the area.
- 5.17 Analysis of media coverage over Liverpool over the period between 1996 and 2009, as part of the Impacts 08 work, has shown a considerable change in the nature of stories written about the city, with a fewer negative stories focussing on crime and social issues, and a corresponding increase in the proportion of coverage of the arts.
- 5.18 The recent 'One Plan' for marketing Liverpool draws together business, arts, regeneration and education and health agendas as the basis for selling the city nationally and internationally. Consultation on the plan is now underway and it is planned to be launched in April 2011.

#### *Diversionsary activities*

- 5.19 Several arts-based projects, including 'It's Not OK' which used arts related activities to tackle gang culture and gun crime amongst young people; and 'In Harmony' that provided opportunities for young people from deprived communities to learn a musical instrument, are considered to have delivered significant positive impacts on crime and anti-social behaviour in the city. The Liverpool 08 Mental Well-being Impact Assessment considered how to maximise the impact of the arts on Mental Well-being.
- 5.20 It is clear that there are profound impacts of the arts on health and crime, and that these impacts have only been glimpsed as part of this study. Ultimately there is a link between positive health/ crime reduction and the city region's economy (e.g. through reduction in incapacity benefit and reduction in the cost of crime) although these impacts are worthy of a study in their own right.

#### *Shared values*

- 5.21 Exciting, high profile works like Ai Wei Wei's Spider, Anthony Gormley's Another Place, and Richard Wilson's Turning The Place Over are significant not simply for their longevity – with welcome extended stays – nor simply for their ability to attract people into the area, get people outside the city talking about Liverpool – but for their role in engaging a broad spectrum of local people as 'moment in time' signifiers. They are part of a process that

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<sup>15</sup> E.g. Independent, BBC

informs and affirms identity amongst the people of Liverpool. Arts participation promotes a sense of community and shared values almost at a subliminal level and these open access public art projects contribute substantially to that sense of shared values.

### *The arts ecology*

- 5.22 It is important to understand the larger arts institutions (such as the LARC partners) within the wider context of an 'ecology' of arts organisations, activities and practitioners. This ecology is a result of the critical mass of all sizes and forms of the arts. The larger arts institutions play an important role in this ecology but it is difficult to separate them from their interactions with a host of other offerings, activities and practices around the city. Without the larger institutions the ecology would be substantially diminished and weaker but equally, the constant interaction with the artists, practitioners and smaller arts organisations in and around the city provides a substantial benefit to the impact and profile of the larger institutions.
- 5.23 The impact of securing the European Capital of Culture 2008 through an intensively competitive process should not be undervalued in terms of its impact on the arts ecology but equally on the sense of pride, of belonging amongst very different communities in Liverpool.

### *World class*

- 5.24 The larger arts institutions provide a year round arts offer and within that provide diversity of offer. Importantly, it is one of the city's offers that is truly world class on a national and international stage.
- 5.25 Critically, the arts institutions represent not only some of the finest and most iconic buildings in the city but they are also important as attractors of world class arts professionals such as curators, administrators and artistic directors. The breadth of the arts offer creates reasons to stay for those professionals coming to Liverpool.
- 5.26 On a broader level, the presence of undoubtedly world class organisations helps raise aspirations for world class operation among organisations across all sectors.

## Summary

- 5.27 Catalytic impacts are less easy to measure than direct economic impacts and the feedback from a small number of people in key positions within the city is a small snapshot of where and how the arts have wider impacts within the economic life of the city region.
- 5.28 The feedback, however, is generally very positive with the vast majority of consultees providing distinctive and positive views of the wider value of the arts within the city region economy. Where there was negative feedback, this was generally in relation to two things:
- The difficulties in measuring and substantiating claims of 'value'
  - The uncertainty that lies ahead for the arts sector in terms of its underpinning investment from the public sector
- 5.29 In general, the feedback received has been well thought through and considered. Consultees have not simply advocated that the arts are good per se, but that they provide a

tangible and integral substance to the identity, attractiveness and saleability of the city alongside the wider social and intellectual benefits.



## 6 SECTOR BASED EMPLOYMENT AND GVA

### Introduction

- 6.1 The core of this economic impact report is based upon the impacts linked to the LARC partner arts organisations. However it is also useful to consider the broader arts economy context which LARC both benefits from and supports. This section reviews employment and the number of enterprises in the arts sector in Liverpool, Liverpool City Region and the North West. As well as providing a view in its own right it serves as an additional benefit to the LARC derived impacts discussed elsewhere in the report.
- 6.2 The analysis is produced using data from the BETA model, supported by North West Research and Information Unit with Experian. This is an on line database which provides analysis of over 200,000 North West based companies.

### Sector Definition and Geography

- 6.3 The agreed definition of the arts for this study is as follows<sup>16</sup>:
- The creation, production, distribution and consumption of artistic activities and products where those activities and products are not produced through mass production nor primarily distributed through retail or broadcasting. To include:
- Performing & Live Arts
  - Visual Arts & Crafts
  - Literary Creation
- 6.4 This definition has been expressed as Yellow Pages categories, confirmed through discussion with LARC and the advisory group. The data has been collected using Betamodel. The model is able to capture small scale activity such as self employed and enterprises operating below the VAT threshold (unlike ONS' Annual Business Inquiry). A list of the agreed Yellow Pages categories which make up the arts sector definition can be found in the appendix to this report.
- 6.5 The study geography is based upon three areas of benefit: Liverpool City; Liverpool City Region; and North West England.
- 6.6 The arts sector is also benchmarked against the ICT sector to illustrate the relative composition of arts based employment. The ICT sector was selected due to its familiarity and similarity with arts based businesses – i.e. several larger employers, with many small enterprises and freelance/self-employed workers.

<sup>16</sup> As agreed with the study Advisory Group

## Employment and Organisations

**Table 6.6.1 Organisations**

	All Sectors	ICT	ICT organisations as % of total	Arts	Arts as % of total enterprises
Liverpool City	14,342	202	1.4%	265	1.8%
% of NW Region	5.2%	4.8%	-	7.9%	-
Liverpool City Region	43,874	602	1.4%	582	1.3%
% of NW Region	15.9%	14.4%	-	17.3%	-
NW Region	275,679	4185	1.5%	3,360	1.2%

Source: Beta Model October 2010

- 6.7 The 265 arts organisations comprise just under 2% of the 14,342 organisations in Liverpool City. The proportion of arts organisations fall as the area of benefit is widened to the City Region (1.3%) and the NW (1.2%). Arts organisations in Liverpool City make up 8% of all arts organisations in North West England.
- 6.8 There are more arts organisations in Liverpool City than ICT businesses, and a similar number (around 600) when the area is widened to the City Region.

**Table 6.6.2 Employees**

	All Sectors	ICT	ICT employment as % of total	Arts	Arts as % of total employees
Liverpool City	225,537	1,226	0.5%	2,576	1.1%
% of NW Region	7.1%	3.2%	-	15.6%	-
Liverpool City Region	553,032	3,058	0.6%	3,984	0.7%
% of NW Region	17.4%	7.9%	-	24.1%	-
NW Region	3,178,735	38,778	1.2%	16,564	0.5%

Source: Beta Model October 2010

- 6.9 Employment in the arts sector follows a similar pattern to that of enterprises, in that Liverpool City has a higher share of arts employees as a percentage of the total workforce (1.1%) compared to the wider City Region (0.7%) and North West region (0.5%).
- 6.10 Arts organisations in Liverpool City are larger than ICT businesses, with 10 employees on average compared to six in ICT businesses. The average number of employees across all sectors is just under 16 employees in Liverpool City.

- 6.11 When looking at the three areas of benefit, Liverpool City again has a high proportion of the NW region's arts based employment (16%), while Liverpool's ICT sector comprises just 3.2% of NW regional ICT employment. For all employment Liverpool hosts 7.1% of NW jobs.
- 6.12 The location quotient<sup>17</sup> for Liverpool's employment in the arts and museums sector is 2.19, indicating that the arts sector has a significantly higher share of this type of employment compared with the North West region as a whole (the reference economy). This indicates that these jobs are above and beyond what is needed to serve the local resident economy (they are basic in nature<sup>18</sup>) and thus they are exporting their goods and services beyond the City area. In this context, attracting tourism is an export activity.
- 6.13 By comparison the ICT sector is under-represented in Liverpool with a location quotient of 0.45.

### Gross Value Added

- 6.14 It is possible to assess the GVA of each sector and geography in order to provide an indication of the productive outputs of the arts and museums sector in relation to that of ICT and all industry employment.

**Table 6.6.3 GVA output by sector and geography**

	All GVA (£m)	ICT GVA (£m)	Arts GVA (£m)
Liverpool City	8,550.3	72.8	85.3
Liverpool City Region	20,965.9	181.5	131.8
NW Region	120,508.5	2,302.1	548.2

Source: GVA per head sourced from ONS ABI, 2008. Employment numbers are Beta Model Oct 2010.

- 6.15 Liverpool's GVA (for all industry employment) contributes around 7% of the NW's total GVA. The arts sector in Liverpool City contributes £85m, which is around 1% of total GVA for the city. It is notable that arts contribute more in GVA output than ICT in Liverpool, although this is reversed in the City Region where ICT has a greater output. However it is clear Liverpool's ICT sector is underdeveloped (it has a low location quotient of 0.45) and thus, while GVA per head is high for ICT, there are fewer businesses and jobs than there are in the arts sector.
- 6.16 At the regional level, GVA output for the arts sector is less significant than it is for Liverpool, with a 0.6% contribution to overall GVA. Conversely, ICT generates a higher proportion of

<sup>17</sup> Location quotient indicates the geographical concentration of an activity in a particular region set against a reference average (the NW region in this case)

<sup>18</sup> Basic industries are those exporting from the region and bringing wealth from outside; non-basic (or service) industries support basic industries.

regional GVA than the arts sector, indicating stronger productivity of ICT elsewhere in the NW outside Liverpool and the City Region.

## Summary

- 6.17 Liverpool City has an estimated 265 arts based enterprises and an employment base of 2,576 workers, including freelancers and micro-businesses. The analysis illustrates that Liverpool has good representation in this sector, boasting an above average share of enterprises and employment compared to the North West region. Liverpool City region also experiences a greater share of arts and museums organisations and employment than the NW region, although the location quotient is not as strong as that of the City, illustrating a focus for arts sector activity in Liverpool City itself.
- 6.18 The arts sector contributes £85m (or 1%) towards Liverpool's total GVA. This is greater than that of the ICT sector (0.85%), and reflects the higher proportion of arts employment in the City.

## APPENDIX 1

### Definition of the Arts



## Definition of the Arts

For the purposes of the study, we have developed a definition of the arts that enables us to provide a snapshot of the arts sector within a number of geographic areas as context for the LARC Institutional Impact Study.

### Geography

The agreed areas of benefit for the 'snapshot' of the arts are as proposed:

- Liverpool City Council area
- Liverpool City Region (Halton, Knowsley, Liverpool, Sefton, St Helens, Wirral)
- Northwest Region (Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside)

### Definition

We propose and have agreed the following as a working definition of the arts:

*The creation, production, distribution and consumption of artistic activities and products where those activities and products are not generated through mass production nor primarily distributed through retail or broadcasting. To include:*

- *Performing & Live Arts*
- *Visual Arts & Crafts*
- *Literary Creation*

This definition makes no distinction between publicly funded or commercially generated and distributed arts activities. It does take a supply-chain approach to the arts but within that it distinguishes between 'artistic creation and production on an individual or small batch production scale' and 'mass production and distribution of artistic products'. The latter sits more comfortably within a wider creative industries definition.

For example, literary creation (writing and associated activity) is included but book publishing and book selling is not. Music creation and performance is included but sound recording and specialist retail sale of music is not. And so on.

### Data gathering

We have agreed to use the Betamodel as the principal source of data for this exercise. It has a number of advantages over ABI and gets around some of the problems associated with SIC codes. It also has a time lag of 3 months at most allowing for the production of up to date data for comparative purposes.

Betamodel draws on Experian's National Business Database and allows interrogation of a range of different geographies by Yellow Pages category. For the purposes of this snapshot we collated a set of YP codes that correlate to the 5 SIC subclasses and which include arts activities that may be embedded in other sub classes (casting, for example). This provided a more accurate and detailed picture of the sector.

The Betamodel data for the arts sector (using the the agreed definition and filtering data using Yellow Pages categories) presents a set of figures at the local authority, city region and regional level that is heavily weighted towards enterprises in the 1-5 employee bracket. We know from a wide range of sources that self employment/sole trader activity is very high in the arts. This appears to be reflected in the concentration of enterprises in the 1-5 employee category which accounts for 80% of all arts enterprises in Liverpool, 85% in the Liverpool City Region and 88% in the Northwest region.

The average size of arts enterprises in the 1-5 employee bracket is as follows: Liverpool - 1.89; Liverpool City Region - 1.72; Northwest - 1.63. This is calculated by dividing the number of employees by the number of enterprises in this size bracket. If we apply the percentage of arts enterprises in this size bracket, we find that 80% of arts enterprises in Liverpool have less than 2 employees/owners and so on.

We are confident that the profile of the data by size of business reflects the overall profile of the sector reasonably well and do not believe that any adjustments to the figures would improve the accuracy of the data provided and, other than using the Creative Industries model, we have no agreed model for adjusting for self employment within the arts.

In addition as we are including comparisons with the ICT sector we need figures on the same basis to allow for meaningful comparison.

### **Yellow Pages Categories**

The following represents the agreed Yellow Pages Categories for the Arts and incorporates feedback from both the Advisory Group consultation process and the Working Group discussions of 2<sup>nd</sup> November.

Those marked with \* were tested and checked for anomalies prior to finalising a 'hard' dataset on the Betamodel programme.

- 09891 Wood Carvers
- 09844 Weavers
- 09640 Theatrical Companies
- 09639 Theatrical Supplies
- 09636 Theatrical Services
- 09635 Theatrical & Variety Agents
- 08812 Theatres & Concert Halls
- 08779 Sculptors
- 08777 Artists
- 08390 Speech & Drama Teachers
- 08188 Stained Glass Artists
- 07912 Authors & Script Writers
- 06665 Packers-Fine Art
- 05781 Musicians
- 05770 Musical Instrument Tuning & Repair

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05764 Music Teachers	
05762 Music Studios & Practice Rooms	
05761 Music Publishing	
05760 Music Arrangers & Composers	
05588 Literary Agents	
04435 Glass Decorators	
04433 Glass Workers & Blowers	
03376 Etchers	
01275 Church Craftsmen & Restorers	
01235 Ceramic Products & Services	
01204 Carvers & Gilders	
00577 Arts Organisations	
00541 Make Up Artists and Services	
00262 Bookbinders	
00139 Artists' Agents	
00138 Artists-Commercial & Industrial	
00129 Art Galleries-Public	
00128 Art Galleries & Dealers	
00099 Calligraphy	
00263 Bookbinders' Equipment & Supplies	
00180 Ballet Shoes	
00131 Art Publishers & Dealers	*
07900 Music Schools	*
07890 Drama Schools	*
07889 Dancing Schools	*
07883 Art & Handicraft Schools	*
07880 Art & Design Schools	*
04991 Instrument Makers & Repairers	*
04622 Potters' Materials & Services	*
00124 Art & Craft Equipment & Materials	*

## **APPENDIX 2**

### Area of Benefit

## Areas of Benefit Geography

This appendix was used to inform a brief Advisory Group discussion about the areas of benefit to be used by this study.

### The City

The core geography of Liverpool City seems clear and uncontentious – Liverpool City Council area.

### The City Region

The City Region includes the Liverpool City Council Area as well as the Boroughs of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral.

The Liverpool City Region Partnership LEP bid approved in late 2010 (supported by all 6 local authorities and by Liverpool Vision) covers the city region and although there is reference to the ‘wider functional area’ (Warrington, Cheshire West and Chester, Ellesmere Port, North East Wales and Lancashire), there is no suggestion of any body being considered to cover this area.

### The Wider Region

Other NW LEP proposals were:

- Greater Manchester city region
- Cheshire & Warrington: Warrington BC, Cheshire West & Chester Council, and Cheshire East Council
- Cumbria
- Lancashire
- Blackpool and Fylde Coast;
- Pennine Lancashire

The Atlantic Gateway LEP proposal was an outlier bid was also submitted by Peel Holdings, covering the area of the company’s Atlantic gateway development across Merseyside and Greater Manchester. However, as the bid had no local authority support the company has now withdrawn its proposal and will instead focus on developing a special purpose vehicle for the development area that will be accountable to the Greater Manchester, Merseyside and Cheshire-Warrington LEPS.

There has been discussion about a residual regional organisation to help coordinate LEP activity and the NWDA is planned to continue until April 2012.

There is no clear prospect of any organisation or partnership covering any other significant geographies.

### Recommendation

The Advisory Group recommended that the study uses **Liverpool City, Liverpool City Region** and **NW England** (covering the LEP proposal areas as set out above) as the three areas of benefit.

## **APPENDIX 3**

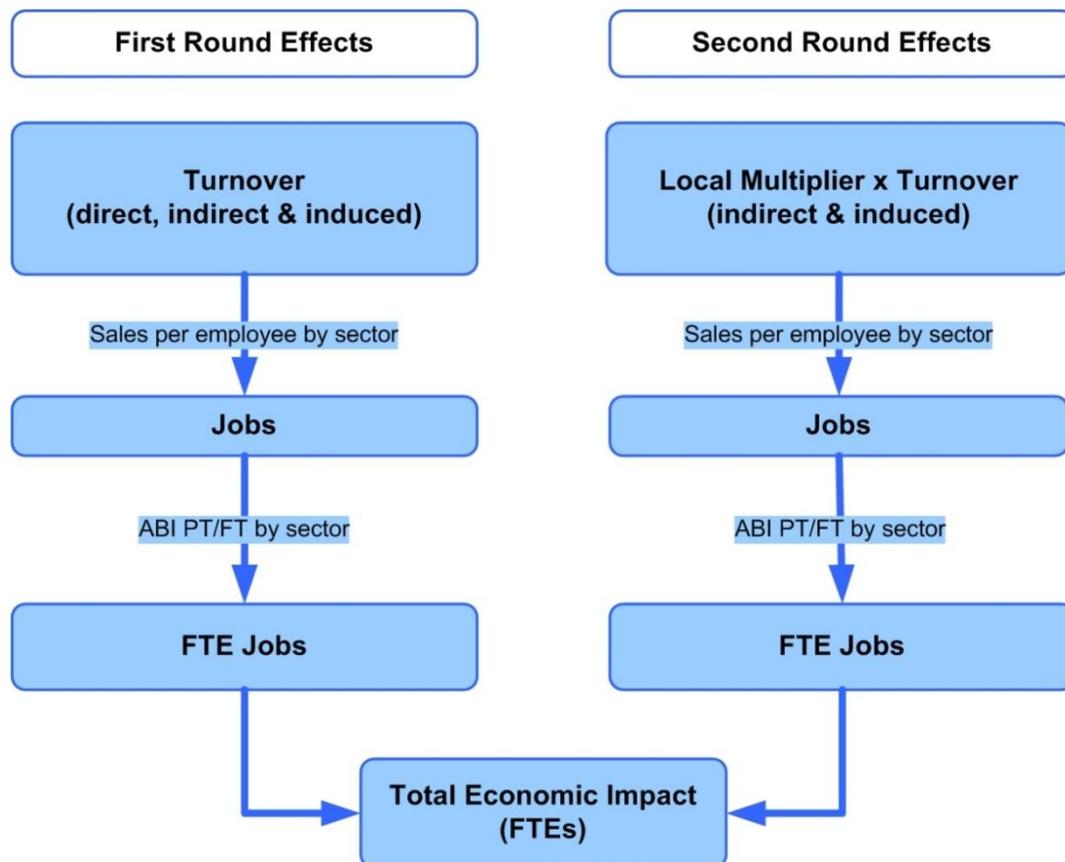
### Method Statement

## Method Statement

11. This method statement summarises the structure of the study approach and the way that this was implemented. This includes the key decisions, assumptions and data sources.
12. The study objectives are to:
  - Determine the overall value of the Liverpool Arts Regeneration Consortium (LARC) activities to Liverpool and the Wider Merseyside area
  - Explore which areas of the economy benefit directly and indirectly from LARC activities
  - Assess the induced impact from LARC visitor spending;
13. Assess the value of each LARC organisation.

## Overview

14. An overview of the economic model approach is illustrated below:



15. The following work stages were used to deliver the objectives:

- i Advisory Group Meetings
- ii Setting the arts sector and geography definitions
- iii Collecting and analysing information from the LARC partner organisations
- iv Collecting and analysing spend and additionality information from arts facility users

- v Collecting and analysing employment and value data for the wider arts sector in the different areas of benefit
- vi Production of a spreadsheet-based model to show the individual and collective economic impacts of the LARC partners
- vii Undertaking stakeholder interviews to explore the catalytic impacts of the arts

16. Brief discussion about each of these workstages is set out below.

### Advisory Group Meetings

17. LARC invited representatives from a cross section of local stakeholders and key regional and national organisations to form an advisory group for the study. These were:

- Jemima Pyne – Tate Liverpool
- Lucy Horne & Martin Thompson - Liverpool City Council Policy Unit
- Ian Raymond, Head of Research, The Mersey Partnership
- Graham Boxer – Culture Liverpool
- Jo Johnson – Manchester City Council (Cultural Strategy)
- Sophy Krajewska and Naomi Sherwood – Liverpool Vision
- Helen Corkery – Arts Consultant
- Rachel Smithies – ACE Research Team
- Dr Adam Cooper – DCMS Research and Evidence Team
- Dr Dave O'Brien – DCMS/Leeds Metropolitan University
- Sian Johnston – Arts Consultant/Lancaster Arts Partnership
- Jo Hargreaves – Morris Hargreaves McIntyre
- Chris Norwood – All About Audiences (Regional Audience Development Agency)
- Alan Freeman – Chief Economic Advisor, Greater London Assembly
- Michael Phelps – Economist
- Dr Abigail Gilmore – University of Manchester
- Alex Addyman – NW Regional Intelligence Unit
- Belinda Kidd/Richard Nutter, Ruth Melville, Neil Morin – LARC

18. This group met in August 2010 and May 2011. The initial meeting of the group considered the arts and area of benefit definitions, and provided advice and suggestions about the implementation of the research study. The relationship between this study and concurrent work, on the intrinsic value of the arts and the subjective well-being impacts from the arts, were also discussed. It was agreed to maintain a watching brief to identify and capitalise upon mutual findings as well as to use the group as a sounding board for ideas and definitions, drawing on their skills as appropriate.

## Setting the arts sector and geography definitions

### Arts Sector Definition

19. It is recognised that LARC is only part of a wider arts ecology to which it adds, but also from which it benefits. As such, part of the study process includes an analysis of the wider arts sector, in order to provide a context for the LARC partners' impacts. The advisory group provided guidance on the definition of the arts to be used in this study, which was agreed as:

*The creation, production, distribution and consumption of artistic activities and products where those activities and products are not generated through mass production nor primarily distributed through retail or broadcasting. To include:*

- Performing & Live Arts
- Visual Arts & Crafts
- Literary Creation

20. This definition was then used for converting to Yellow Pages categories for gathering relevant statistical data (see discussion below). These categories are included in Appendix 2.

### Areas of Benefit Definition

21. The discussion about the potential areas of benefit considered the existing council boundaries, established groupings (particularly the Liverpool City Region), the UK government standard regions and the emerging Local Enterprise Partnerships. The objective for this set of discussions was to ensure that the study used functional economic areas of relevance to the intended audiences. Based on the advisory group discussion and consultant recommendation the study uses Liverpool City<sup>19</sup>, Liverpool City Region<sup>20</sup> and NW England<sup>21</sup> as the areas of benefit.

## Collecting and analysing information from the LARC partner organisations

### Data Collection

22. Following a briefing to CEOs from LARC, the consultants collected the necessary data to drive the analysis of direct impacts. This process ran from September through to December 2010. The information collected was via a proforma which covered:

- Spend on staffing

<sup>19</sup> i.e. the area covered by Liverpool City Council.

<sup>20</sup> i.e. the area covered by Liverpool City Council, as well as the boroughs of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral.

<sup>21</sup> i.e. Cumbria, Lancashire, Greater Manchester, Merseyside, and Cheshire.

- Spend on suppliers
  - Staffing numbers and proportion of staff living in Liverpool
  - Proportion of spending going to suppliers in Liverpool
  - Overview of associated self employment and third party businesses
23. Not all of the partner organisations were able to supply all of the information and therefore some assumptions have been used where data was not available. These assumptions were informed by the profile of the other LARC partners' data in order to provide a realistic assessment
24. In order to generate the full matrix of information required the approach was to
- Use the distribution of spend by sector and by geography from those organisations who were able to supply it and apply the same distribution to the missing data. We used the average of the proportions in each sector/area of benefit rather than the actual spend in order to stop the averages being skewed to the larger organisations
  - Use the consultants' experience and discussion to generate estimates for employment numbers and salaries
  - Fill missing spend information by applying average spend per employee on suppliers from other organisations
25. The spending pattern of employees was estimated using the annual Family Spending Survey<sup>22</sup>.
26. Through this process the study generated a matrix of spend by sector by area of benefit for each LARC partner organisation, which is set out in the spreadsheet toolkit (see discussion below).
27. The study used turnover per job by sector data based on Annual Business Survey<sup>23</sup> data; this was applied to the LARC partner organisation spend by sector to provide employment estimates for the different areas of benefit. This is also set out in the spreadsheet toolkit.

### Collecting and analysing spend and additionality information from arts facility users

28. The study used survey work to collect data from visitors about their off-site spend and about the additionality of their visit. This was undertaken through four separate surveys:
- Biennial Visitor Survey undertaken by The Mersey Partnership (TMP) September – November 2010
  - Biennial Tally Survey (to estimate visitor numbers) undertaken by TMP September – November 2010
  - Tate Liverpool Visitor Survey undertaken by TMP as a rolling annual survey

<sup>22</sup> ONS, 2010, Family Spending in 2009

<sup>23</sup> Nomis, 2010, Annual Business Survey 2009 (formerly Annual Business Inquiry)

- NEMS survey of visitors to the remaining LARC partner organisations' venues during December 2010 (excluding Christmas/New Year), January and February 2011

29. Of these surveys above, only the NEMS survey was directly part of this study. The other three surveys were separately commissioned.
30. The consultant's team for this study worked with TMP to ensure a consistent approach to the spend and additionality data. While the TMP surveys covered a range of information, the survey specifically for this study focussed on a narrow set of questions to inform the core economic impact model.
31. The location and timing of interviewing was discussed with the LARC partner organisations to ensure that there was a representative spread of events and exhibitions. Except for the Biennial survey itself, interviewing was not undertaken during the Biennial in order to avoid the un-representative Biennial activity.

### **Visitor Numbers**

32. The total visitor numbers (used to gross up the visitor impact data) was provided by LARC from the partner organisations.
33. Care was taken to avoid double counting of the Biennial visitor numbers and the visitor numbers of the LARC partner Biennial hosts (Bluecoat, FACT and Tate Liverpool). The separate tally survey provided a set of estimates of Biennial visitors by different venue, including the LARC partner hosts. The separate Biennial Visitor Survey provided information on whether the Biennial was the main purpose of visit to both venue and Liverpool; and this was used to specify how many of the visitors could be attributed to the Biennial and how many to the host venue. In reality this is an artificial distinction as the venues are also intrinsically part of the Biennial, but it is necessary in order to determine whether a given set of visitors were 'venue visitors' – and therefore had the venue profile and spend data applied; or 'Biennial visitors' with Biennial profile and spend data applied.

### **Production of a spreadsheet-based model to show the individual and collective economic impacts of the LARC partners**

34. In addition to the information presented in this report, the quantitative direct and indirect LARC partner impacts are set out in a spreadsheet-based model. This allows LARC to undertake scenario testing (e.g. changes to visitor numbers or direct employment) and explore the resulting economic impacts.
35. This model has also been designed so that it can be re-applied to Liverpool in the future. It could also be used by arts organisations in other areas, subject to the following provisos:
  - Anonymous data – the current model has detailed operation data for the LARC partner organisations that they may not want to share and it will be important to maintain the spirit in which the information was given
  - Adaptation to local circumstances – the model is built around the characteristics of a particular mix of large and smaller exhibition and performance venues in an urban area. This does not necessarily mean that the relationships cannot be used to approximate impacts in other locations - but careful consideration about making local

adjustments based on relevant data would be the only way to ensure accuracy. The underlying principles would remain exactly the same.

### **Gross and Net Impacts**

36. The approach used in estimating the economic impact and visitor spending complies with the HM Treasury Green Book. Specifically, the Green Book approach is to focus on identifying the net additional impacts.
37. The Treasury Green Book states that additionality must be calculated with consideration of 'leakage', 'displacement' and 'substitution' effects. These are explained below.
  - 'Leakage' effects: the proportion of outputs that benefit those outside of the target area that the project objectives intend to benefit.
  - 'Displacement' and 'substitution' impacts are closely related. They measure how many of the economic impacts are not new but have been moved from elsewhere in the area of benefit.
38. The Green Book also states that additionality must be calculated with consideration of 'deadweight', by considering likely outcomes that might have occurred even if the LARC organisations didn't exist.

### **Undertaking stakeholder interviews to explore the catalytic impacts of the arts**

39. A series of interviews was undertaken to explore the wider catalytic impacts. The consultees were:
  - John Flamson, Liverpool University
  - Alison Gow, Liverpool Post & Echo
  - Deborah Best, Arts Council England
  - Claire McColgan, Head of Culture, Liverpool City Council
  - Martin Thompson, Regeneration, Liverpool City Council
  - Maresa Molloy, Liverpool Chamber of Commerce
  - Kevin McManus, Liverpool Vision
  - Iain Bennett, Digital & Creative Sector Leader, NWDA
  - Nick Brooks-Sykes, Director of Tourism, NWDA
40. In addition to the one to one interviews, the consultants attended a meeting of the Liverpool Chamber of Commerce Arts and Culture Committee to ask how the arts sector contributed towards achieving economic and regeneration objectives
41. The results of these interviews are presented under a set of themes rather than as attributable comments. By their nature it is not possible to ascribe a quantified value to catalytic impacts explored in this way. However the process produces valuable information which is able to present a good picture of the wider economic impacts not captured by the other parts of the study.

## **Collecting and analysing employment and value data for the wider arts sector in the different areas of benefit**

42. Using the agreed areas of benefit and the arts sector categories the NW Regional Intelligence Unit's BETA model was used to provide data on the arts sector. This is presented in comparison to all employment and in comparison to the ICT sector. ICT was chosen as a comparison because it is valued as an important priority (knowledge-based) sector that has a similar mix of different sized businesses.

## **APPENDIX 4**

### Summary Survey Data

**Table 1 Visitor Profile**

Visitor Type	Total Annual Visitors	% Day visitors from Home	% Staying Visitors
Biennial	168,355	64	36
Bluecoat	700,000	73	27
Everyman & Playhouse	136,000	86	14
FACT	355,500	89	11
Philharmonic	303,000	92	8
Tate	570,207	55	45
Unity Theatre	25,500	82	18
LARC Total	2,118,387	74	26

**Table 2 Origin of Visitors**

Origin Of Visitors	% from Liverpool City	% from City Region	% from Elsewhere
Biennial*	-	-	-
Bluecoat	56.6	26.5	16.9
Everyman & Playhouse	42.4	29.1	28.5
FACT	63.0	28.9	8.1
Philharmonic	37.9	41.2	20.9
Tate*	-	-	-
Unity Theatre	37.5	39.6	22.9
LARC Total	47.7	33.7	18.7

Data on visitor origins reported separately by TMP Research.

**Tables 3 Biennial Visitor Spend Profile**

Biennial	Avg value of spend by visitor (£)	% of total spent in Liverpool	% of total spent in Rest of City Region	% Elsewhere
Accommodation (per person)	36.03	95	1	3
Shopping (per person)	23.05	95	1	3
Food & drink (per person)	30.32	95	1	3
Ticketed events (per person)	1.28	95	1	3
Other attractions & entertainment (per person)	0.57	95	1	3
Parking costs (per person)	1.11	95	1	3
Other travel costs & transport fares (per person)	14.56	95	1	3
Other (per person)	0.42	95	1	3
<b>Total spend (per person)</b>	<b>107.34</b>	<b>95</b>	<b>1</b>	<b>3</b>

**Table 4 Bluecoat Visitor Spend Profile**

<b>Bluecoat</b>	<b>Avg value of spend by visitor (£)</b>	<b>% of total spent in Liverpool</b>	<b>% of total spent in Rest of City Region</b>	<b>% Elsewhere</b>
Accommodation (per person)	12.68	84	11	5
Shopping (per person)	4.64	100	0	0
Food & drink (per person)	5.36	100	0	0
Ticketed events (per person)	1.47	88	0	12
Other attractions & entertainment (per person)	0.18	100	0	0
Parking costs (per person)	0.60	100	0	0
Other travel costs & transport fares (per person)	6.93	85	11	4
Other (per person)	0.03	100	0	0
<b>Total spend (per person)</b>	<b>31.89</b>	<b>94</b>	<b>4</b>	<b>3</b>

**Table 5 Everyman & Playhouse Visitor Spend Profile**

<b>Everyman &amp; Playhouse</b>	<b>Avg value of spend by visitor (£)</b>	<b>% of total spent in Liverpool</b>	<b>% of total spent in Rest of City Region</b>	<b>% Elsewhere</b>
Accommodation (per person)	3.09	93	7	0
Shopping (per person)	2.00	98	0	2
Food & drink (per person)	5.62	100	0	0
Ticketed events (per person)	8.61	100	0	0
Other attractions & entertainment (per person)	0.39	100	0	0
Parking costs (per person)	1.31	100	0	0
Other travel costs & transport fares (per person)	3.71	90	3	7
Other (per person)	0.29	79	0	21
<b>Total spend (per person)</b>	<b>25.02</b>	<b>98</b>	<b>1</b>	<b>2</b>

**Table 6 FACT Visitor Spend Profile**

<b>FACT</b>	<b>Avg value of spend by visitor (£)</b>	<b>% of total spent in Liverpool</b>	<b>% of total spent in Rest of City Region</b>	<b>% Elsewhere</b>
Accommodation (per person)	4.31	88	13	0
Shopping (per person)	4.45	100	0	0
Food & drink (per person)	3.41	100	0	0
Ticketed events (per person)	4.57	100	0	0
Other attractions & entertainment (per person)	0.04	100	0	0
Parking costs (per person)	0.73	100	0	0

Other travel costs & transport fares (per person)	2.73	84	16	0
Other (per person)	0.00	0	0	0
<b>Total spend (per person)</b>	<b>20.23</b>	<b>97</b>	<b>3</b>	<b>0</b>

**Table 7 Philharmonic Visitor Spend Profile**

Philharmonic	Avg value of spend by visitor (£)	% of total spent in Liverpool	% of total spent in Rest of City Region	% Elsewhere
Accommodation (per person)	3.35	94	6	0
Shopping (per person)	1.08	73	26	1
Food & drink (per person)	3.05	94	3	3
Ticketed events (per person)	2.11	100	0	0
Other attractions & entertainment (per person)	0.01	100	0	0
Parking costs (per person)	1.33	95	2	3
Other travel costs & transport fares (per person)	2.29	85	12	3
Other (per person)	0.03	0	0	100
<b>Total spend (per person)</b>	<b>13.26</b>	<b>91</b>	<b>7</b>	<b>2</b>

**Table 8 Tate Visitor Spend Profile**

Tate	Avg value of spend by visitor (£)	% of total spent in Liverpool	% of total spent in Rest of City Region	% Elsewhere
Accommodation (per person)	32.10	94	2	4
Shopping (per person)	22.28	94	2	4
Food & drink (per person)	28.29	94	2	4
Ticketed events (per person)	2.67	94	2	4
Other attractions & entertainment (per person)	3.73	94	2	4
Parking costs (per person)	0.00	n/a	n/a	n/a
Other travel costs & transport fares (per person)	6.59	94	2	4
Other (per person)	1.46	94	2	4
<b>Total spend (per person)</b>	<b>97.12</b>	<b>94</b>	<b>2</b>	<b>4</b>

**Table 9 Unity Visitor Spend Profile**

Unity	Avg value of spend by visitor (£)	% of total spent in Liverpool	% of total spent in Rest of City Region	% Elsewhere
Accommodation (per person)	9.78	91	9	0
Shopping (per person)	5.15	100	0	0
Food & drink (per person)	7.80	100	0	0
Ticketed events (per person)	2.03	100	0	0
Other attractions & entertainment (per person)	0.56	100	0	0
Parking costs (per person)	0.98	100	0	0
Other travel costs & transport fares (per person)	6.12	100	0	0
Other (per person)	0.00	0	0	0
<b>Total spend (per person)</b>	<b>32.44</b>	<b>100</b>	<b>0</b>	<b>0</b>

**Table 10 LARC Average Visitor Spend Profile**

LARC Average	Average value of spend by visitor (£)	% of total spent in Liverpool	% of total spent in Rest of City Region	% Elsewhere
Accommodation (per person)	15.00	91	6	4
Shopping (per person)	10.28	95	2	3
Food & drink (per person)	10.35	96	1	3
Ticketed events (per person)	3.51	96	1	3
Other attractions & entertainment (per person)	0.91	95	2	3
Parking costs (per person)	0.68	98	1	1
Other travel costs & transport fares (per person)	5.07	88	9	4
Other (per person)	0.36	92	2	6
<b>Total spend (per person)</b>	<b>46.15</b>	<b>94</b>	<b>3</b>	<b>3</b>

**Table 11 Importance of venue for visiting Liverpool - day and staying visitors excluding Liverpool City residents**

	Bluecoat	Everyman & Playhouse	FACT	Philharmonic	Unity Theatre	LARC Average
Main Reason	27.8	89.1	60.9	88.0	80.3	74.6
Very Important	9.7	1.0	5.4	4.3	7.6	5.0
Fairly Important	16.7	5.0	20.7	6.3	7.6	10.0
Little Importance	22.2	5.0	12.0	1.0	1.5	6.5
No Importance	23.6	0.0	1.1	0.5	3.0	3.9

**Table 12 Importance of venue for visiting Liverpool - day and staying visitors excluding Liverpool City residents**

	Biennial	Tate
Main Reason	41.0	28.1
Not Main Reason	59.0	71.9

Source: TMP Research

**Table 13 Additionality Proportion of Visitors to Venue**

	%
Biennial	41.0
Bluecoat	17.9
Everyman & Playhouse	54.0
FACT	26.5
Philharmonic	58.9
Tate	28.1
Unity Theatre	56.2
LARC Average	36.1

Note: Additionality proportion defined as the percentage of day and staying visitors where the main reason for their visit to Liverpool was to attend a LARC venue/exhibit. This excludes all residents of Liverpool city.

**Table 14 Total Survey Interviews Completed**

	NEMS/TMP Full Surveys
Biennial	502
Bluecoat	72
Everyman & Playhouse	101
FACT	92
Philharmonic	208
Tate	1,226
Unity Theatre	66
LARC Total	2,267

Note: NEMS also undertook tally counts of visitors who were residents of Liverpool city. These visitors were not interviewed but the data was used as part of the impact assessments.