HERITAGE COUNTS 2017
Heritage and the Economy

Heritage is an important source of employment and draws millions of visitors each year. England's unique collection of historic buildings provides premises for businesses, homes for residents and can help reverse decline in town centres.

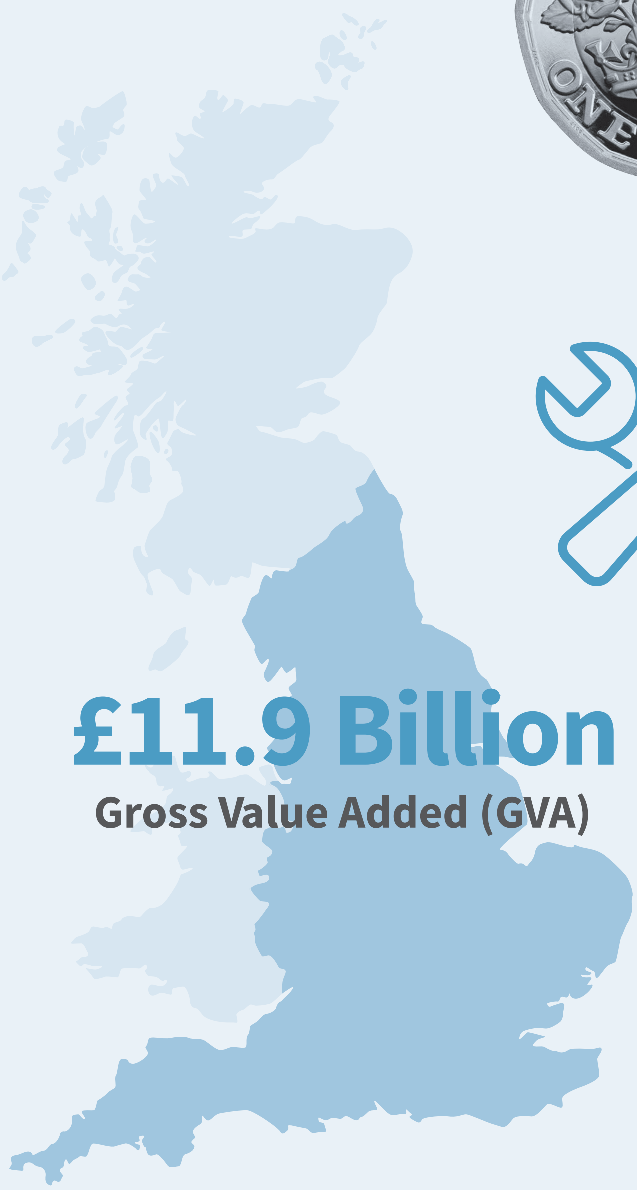
Headline findings

£16.4 Billion

Heritage tourism generated £16.4 billion in spending by domestic and international visitors.

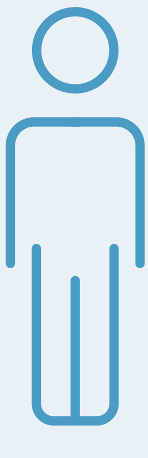
£9.6 Billion

Repair and maintenance of historic buildings directly generated £9.6 billion in construction sector output.



£11.9 Billion

Gross Value Added (GVA)



278,000

278,000 people are employed in heritage.

Heritage and the Economy

The historic environment is intrinsically linked to economic activity, with a large number of economic activities occurring within it, dependent on it or attracted to it. The value and impact of heritage can be measured using orthodox measures of economic impact evaluation in areas such as:

heritage-related tourism (p.4);

the role of heritage in the regeneration of towns and cities (p.6);

commercial activity within historic buildings, especially in the creative industries (p.9);

the demand from the construction sector to repair and maintain historic buildings (p.11);

the market for historic and period properties (p.11);

investment in the investigation, research and display of archaeological sites and education (p.12).

However, the full value of heritage cannot be measured using traditional market-based measures alone. A comprehensive estimate must also consider other aspects such as:

the value of heritage expressed by the millions of hours spent by heritage volunteers each year (p.12);

and the social benefits gained from the historic environment which new valuation techniques are starting to capture (p.13).

> “What we measure affects what we do. If we have poor measures, what we strive to do (say, increase GDP) may actually contribute to a worsening of living standards. We may also be confronted with false choices, seeing trade-offs between output and environmental protection that don't exist.
>
> *Joseph Stiglitz, Economist and Nobel Laureate* (2010).”

Heritage and the Economy 2017 summarises the findings from a wide range of studies to present a broad picture of the economic value of the historic environment and also presents the latest estimates from the Heritage Economic Impact Indicator Workbook 2017.

Heritage Economic Impact Indicator Workbook 2017

In 2016, Historic England commissioned Trends Business Research Ltd to produce an interactive Excel-based workbook that uses standard approaches to economic impact assessment to estimate the national and regional economic impact of the heritage sector. The workbook has been updated with the latest statistical releases for 2017 by Ortus Economic Research Ltd.

The workbook can be found on the Heritage Counts website: https://historicengland.org.uk/research/heritage-counts/

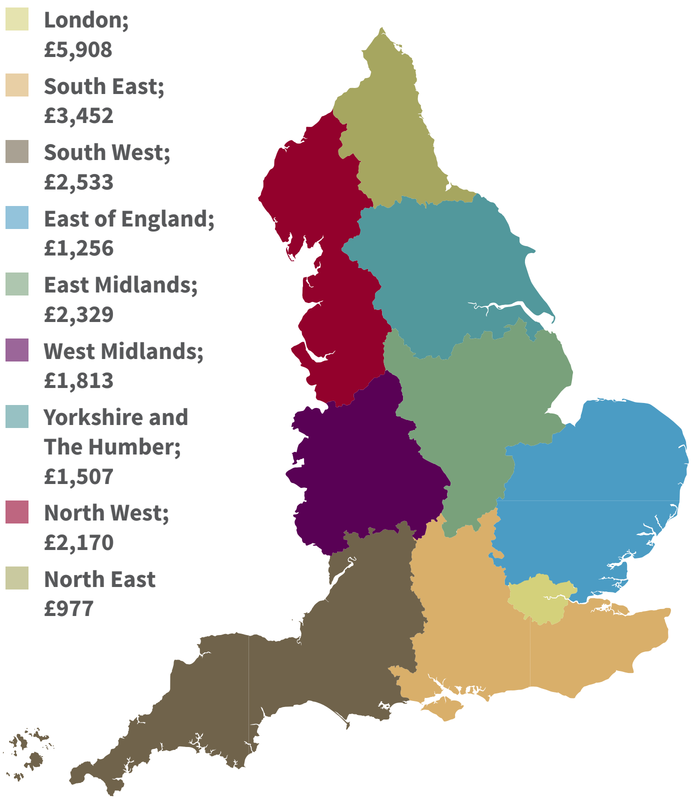
The net economic impact of the heritage sector

The heritage sector is an important source of economic prosperity and growth. Methodological issues make it difficult however to monetise the true value of heritage. In recent years progress has been made to develop robust methods that can isolate and capture the value added or net impact of interdependent economic activities and sectors. Heritage is a complex and multidimensional sector with multiple economic activities attracted to and embedded within it. Using a method adapted from DCMS' Creative Industries Estimates (DCMS, 2015) the *Heritage Economic Impact Indicator Workbook* (Ortus, 2017) estimates of the net economic impacts of heritage.

Heritage Economic impact Indicator Workbook (Ortus, 2017)

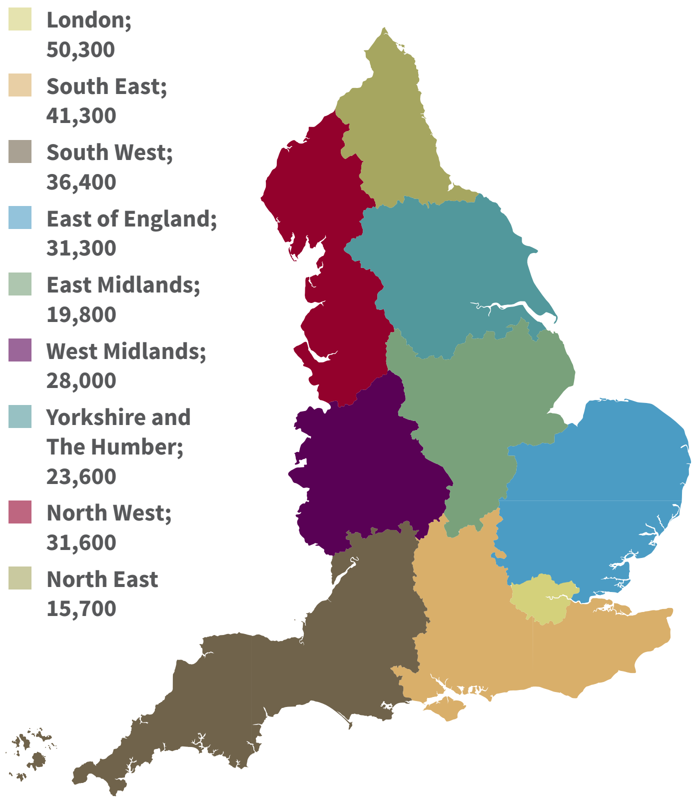
In 2014, heritage directly generated **£11.9 billion in gross value added (GVA) in England.** If indirect and induced effects are considered heritage sectors' contribution to GVA **increases to £22 billion. This is equivalent to 2% of national GVA.**

The regional distribution of direct, indirect and induced heritage GVA in England (£millions)



Total Heritage GVA £22,015 (mil)

The regional distribution of direct, indirect and induced heritage employment



Total Heritage Employment: 278,000 jobs

In 2014, there were **168,000 direct heritage jobs in England.** If indirect and induced heritage employment is included then this figure rises to **278,000 heritage jobs or 1% of total national employment.**

1. Heritage and Tourism

England's historic environment is a unique asset that draws millions of domestic and international visitors each year

The historic environment is a significant contributor to the economy attracting domestic and international tourists. This in turn supports thousands of jobs and contributes to national and local economic growth.

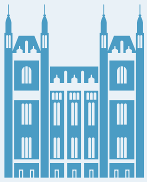
5 of the top 10 most visited paid attractions in England in 2016 were heritage attractions (VisitEngland 2017)

Tower of London
2.7 million
visitors 2016
Rank 1

Royal Botanic Gardens, Kew Gardens
1.8 million
visitors 2016
Rank 3

St Paul's Cathedral
1.5 million
visitors 2016
Rank 6

Stonehenge
1.4 million
visitors 2016
Rank 7



Westminister Abbey
1.2 million
visitors 2016
Rank 10

Heritage Economic impact Indicator Workbook (Ortus, 2017)

In total, domestic and international heritage related visits generated £16.4bn in expenditure in England in 2015. This is equivalent to 19% of all tourist expenditure in 2015.

Domestic overnight trips: 15 million domestic overnight trips in England in 2015 (16% of the total) are heritage-related trips. Domestic overnight visitors spent £3.4bn on heritage-related trips in 2015.

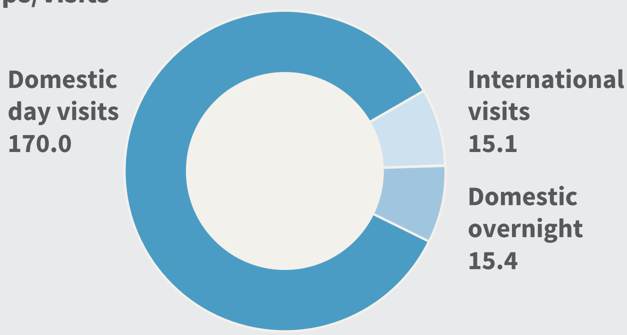
Domestic day visits: In 2015, it is estimated that 170 million day visits (12% of the total) were motivated by heritage-related activities. Domestic Day visitors spent £3.8bn on heritage-related day visits in 2015.

International visits: There were 15 million heritage-related international visits in 2015[1], almost half the total of all inbound international visits (47%). There has been a steady increase since 2010. International tourists spent £9.2bn on heritage-related visits in 2015.

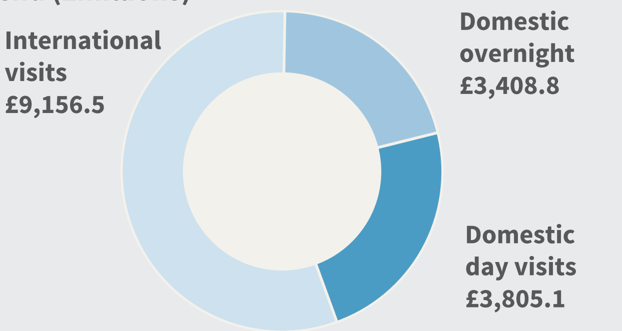
	Trips/ visits	Spend
Domestic overnight trips	15.4 million	£3.4bn
Domestic day visits	170.0 million	£3.8bn
International visits	15.1 million	£9.2bn

[1]Note the Ortus estimates include business visitors.

Trips/visits

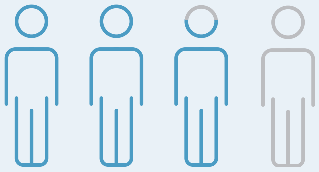


Spend (£millions)



Heritage plays a key role in attracting domestic visitors

According to DCMS's Taking Part Survey, **three quarters of adults (73.2%) in England, or approximately 40 million people, visited a heritage site at least once in 2015/16.** This is a statistically significant increase since the survey began in 2005/06 (69.9%) (DCMS, 2016a).



73.2%

of adults in England visited a heritage site at least once in 2015/16

When asked about their most recent UK holiday in 2015, **63% of domestic travellers cited being able to visit a historic building or monument as their 'sole reason' or a 'very important reason' why they took their holiday** (TNS, 2015).

Heritage tourism is more popular in Britain, compared with most of Europe – UK citizens have the 4th highest participation rates for visiting a historical monument or archaeological site in 2012-13 (65%) – this is 13 percentage points higher than the EU average (European Commission 2013).

Over three quarters of visitors to historic attractions in England were local visitors in 2016, including both day trips and longer stays (BDRC, 2017). The proportion of domestic visitors has been increasing steadily since 2008, suggesting that holiday trends in England are changing.

Heritage is an important motivator for international visits

Heritage is a key part of the UK brand and tourism. History and heritage is a strong product driver for most overseas markets, the GREAT campaign has identified heritage as one the UK's 12 'unique selling points'.

- In 2015, the UK was ranked 5th out of 50 nations in terms of being rich in historic buildings and monuments, and 7th for cultural heritage in the Anholt Gfk Nations Brand Index (VisitBritain, 2016a)
- The UK was ranked 3rd in the Overall Nations Brand Ranking in 2016 (VisitBritain, 2016a)

In 2011, 48% of international visitors holidaying in the UK visited a castle or historic house during their stay (VisitEngland, 2011).

This figure is more than:

- Museums, art galleries (43%)
- Theatre, musical, opera, or ballet (14%)

Only shopping, visiting parks or gardens, or going to the pub were as, or more, popular activities among inbound visitors.

NOTE: The definition of heritage visits in tourism studies vary (e.g. some measure visits to historic properties, while others have a wider definition of heritage which also includes visits to parks and gardens; religious buildings; historic towns, etc.). It is also necessary to distinguish between visitor activities; visits and trips[2].

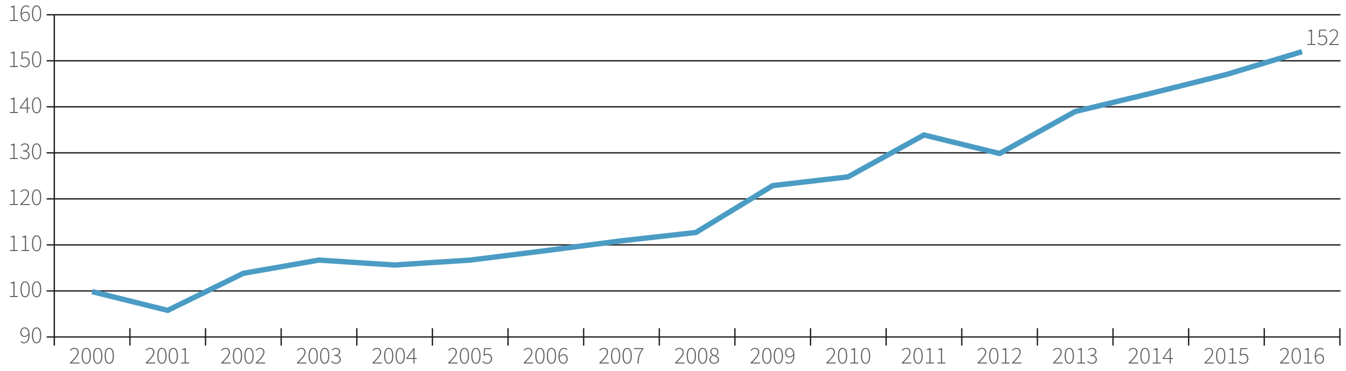
Heritage tourism has been growing and is forecast to grow further in the future

In a survey of historic attractions, 725 responding sites reported a total of 71.5 million visitors in 2016-17 (BDRC, 2017). This is equivalent to the projected population of the UK in 2030.

Historic attraction numbers experienced strong growth in the last decade. In 2016, visits to historic houses/castles increased by 3% compared to 2% for all other English visitor attractions in the previous year. Since 2000, visits to historic attractions have risen by 50% (BDRC, 2017).

[2]A trip refers to the travel by a person from the time of departure from his usual residence until he/she returns: it thus refers to a round trip. A trip is made up of visits to different places. A visitor is someone who is making a visit to a main destination outside his/her usual environment for less than a year for any main purpose [including] holidays, leisure and recreation, business, health, education or other purposes. A visit can be made up of different activities (UNWTO 2010).

Index of visits to historic properties in England 2000-2016



Indices 2000 = 100. Constant samples (from one year to next only). 2017 base: 725 historic properties (BDRC, 2017)

Tourism is expected to continue to grow in 2017 (Visit Britain, 2016b) – VisitBritain forecasts inbound visits to the UK to increase by 6% to 39.7 million visits and a 14% increase in visitor spending to £25.7 billion, compared to 2016.

Heritage tourism generates benefits in the local economy as well as the national

Visiting heritage generates money for the local economy – In 2010, research commissioned by the HLF estimated that for every £1 spent as part of a heritage visit, 32p is spent on site and the remaining 68p is spent in local businesses: restaurants, cafés, hotels and shops (HLF, 2010).

In a study commissioned by Heritage Lottery Fund, Oxford Economics estimates that the **heritage tourism sector paid almost £2 billion to the Exchequer in tax revenue in 2015.** This includes VAT, corporation tax and other taxes such as income tax, business rates and employer national insurance contributions (HLF, 2016).

UNESCO estimates the financial benefit of World Heritage Sites (WHSs) to the UK to be £85 million per year (UNESCO, 2016). The WHS brand is a significant marketing tool, increasing tourist numbers and spend, local employment, house prices and local economies.

2. Heritage and Regeneration

Our built heritage has formed the cornerstone of many successful regeneration projects in towns and cities across England. Local historic buildings add to the unique character of an area, help to foster a sense of community and have an important role in creating a sense of place and distinctiveness; this in turn attracts people, businesses and investment.

> “The development of our historic built environment can drive wider regeneration, job creation, business growth and prosperity.
>
> *Culture White Paper* (DCMS, 2016b)”

Local heritage assets can play a critical role in successful regeneration projects

Heritage-led regeneration projects are where a new viable economic use is found for historic buildings, offering owners or developers a return on their investment whilst maintaining the conservation value of the heritage asset. (Deloitte, 2017).

Investing in the historic environment generates economic returns for local places. On average, £1 of public sector expenditure on heritage-led regeneration generates £1.60 additional economic activity over a ten year period (AMION and Locum Consulting, 2010).

People spend more in their local economy after investment in the historic environment – In areas that had received investment in the historic environment, approximately one in five visitors in a survey of 1,000 stated they spent more in an area after investment in the historic environment than they did before. One in four businesses stated that the historic environment investment had directly led to an increase in business turnover (AMION and Locum Consulting, 2010).

Case Study – Derby Partnership Schemes in Conservation Areas

Historic England's (HE) Partnership Schemes in Conservation Areas (PSiCA) are collaborations with Local Authorities seeking to ensure the long-term sustainable future of conservation areas through heritage based regeneration initiatives. HE's partnership with Derby City Council (DCC) for the delivery of a PSiCA between 2008-2016 was successful at using Derby's unique historic character to drastically transform the city centre's fortunes by attracting new investment and businesses, lowering shop vacancy rates and increasing footfall on the high streets.

In 2008 when the PSiCA began, Derby's historic centre was in state of serious neglect and the conservation area was flagged as being at risk in the 2009 Heritage at Risk survey. Vacancy rates had risen to 19% of eligible leasehold properties within the historic centre, reaching as high as 40% in the Sadler Gate area of the city. A new shopping complex on the outskirts of the centre had drawn many visitors away from the historic centre. In a downward economic climate, Landlords offered lower rents and more flexible lease terms, impacting further on Derby's city centre and its historic buildings and further diminishing the confidence to invest in the city's character.

Images: 10 – 28 The Strand, Derby before and after multiple shop front repairs and reinstatement

Case Study – Derby Partnership Schemes in Conservation Areas

The purpose of the Derby PSiCA was to maximize the city's historic assets and restore confidence in the high street as an attractive place to visit and invest in.

Grants were offered to property owners to encourage a sympathetic renovation of the historic shop fronts within the conservation area, primarily using local tradesmen to carry out the work.

Derby PSiCA in numbers:

£924,325
of private investment

£2,612,717
total public and private investment

166
jobs safeguarded

£844,196
invested over eight years by Historic England and matched by Derby City Council

42
new jobs created

97
properties repaired and or reinstated

2757m^3
of commercial floor space brought back into use

A report by the Local Data Company revealed that Derby had the highest levels of vacancy of any city in the UK. In the first five years of the PSiCA project (2008-2013), high streets across the United Kingdom suffered a dramatic loss in business due to the global economic crisis, out-of-town retail parks, integrated shopping centres and online retailing. Over this period of time the national average for footfall on the high street dropped by an unprecedented 26%. In comparison, footfall in Derby's Cathedral Quarter bucked this trend by +12%, and Sadler Gate, at the heart of the PSiCA scheme, achieved +15% against the national level. Sadler Gate vacancy rates have been transformed from 40% vacant in 2008 to 100% occupancy in 2017.

The scheme has successfully reversed the spiral of decline in the historic centre of Derby, combatting pressure from edge of centre shopping centres and culminated in Derby winning the Great British High Street 'Best City Centre High Street' 2016 award.

Heritage assets can give places a competitive advantage.

Place branding is a strategic concept that focuses on developing, communicating, and managing the identity and perception of a place. Place brands are based on perceptions of a place's strengths and weaknesses, including its reputation as a place to visit, study in, invest in or trade with.

Heritage-based place branding, which focusses on the unique historic assets of an area, can be used by local organisations to attract businesses and investment. At a national level, VisitBritain estimated that **for every £1 spent overseas on the UK's GREAT national branding campaign, overseas visitors spend £23 in Britain** (VisitBritain, 2016c).

Heritage highlights the unique character of a place and plays an important part in shaping peoples' perceptions and authentic experiences of a place. Heritage has the potential to form a key element of place brands by providing authenticity, distinctiveness and credibility to place brands (Historic England, 2016a).

Historic places are attractive to businesses – One in four businesses in a survey of over 100 agreed that the historic environment is an important factor in deciding where to locate. The presence of heritage was as important as road access (AMION and Locum Consulting, 2010).

> Over the long term, places with strong, distinctive identities are more likely to prosper than places without them. Every place must identify its strongest, most distinctive features and develop them or run the risk of being all things to all persons and nothing special to any.
>
> *(Robert Merton Solow – Economist and Nobel Laureate cited in Economics of Uniqueness* (Licciardi et al., 2012).

Image: Deptford Market Yard, a new two acre community space next to Deptford Station that incorporates a Grade II listed Carriage Ramp as a central feature. Prior to the redevelopment, the Carriage Ramp - London's oldest railway structure dating from 1836 - contributed little to the sense of place in the town, even positively detracting from it in its derelict form.

3. Heritage and Commercial Activity

The historic environment is an important site of economic production and activity

The historic environment forms a vital part of the nation's infrastructure by providing premises for businesses, amenities and utilities. Many of the shops, restaurants, hotels, offices, warehouses and industrial units within our towns and cities are located within pre-1919 traditional buildings. Therefore, the historic environment isn't just about the past but is also an important part of current commercial activity.

The density of cultural and heritage assets is highly and positively related to the concentration of firms in a local economy, and positively and strongly related to the overall movement of businesses into an area, which suggests that such assets are important 'pull' factors which influence location decisions (TBR & NEF, forthcoming).

138,000 businesses were located in a historic building in 2011, providing 1.4 million jobs in the UK – This represented 5% of all employment (HLF, 2013).

Overall, businesses based in historic buildings contributed over £47 billion in GVA in 2011. This is 3.5% of the UK total GVA (HLF, 2013).

Businesses that occupy listed buildings generate £13,000 extra GVA per business per year – This extra GVA is the amount above that generated by an equivalent number of businesses in non-listed buildings (HLF, 2013).

A recent survey of listed building owners found that a fifth of respondents (21%) undertake some sort of commercial activity within their property (Ecorys, 2017)

12%
of respondents indicated that they had office space at their property.

9%
indicated that they provided accommodation such as bed and breakfast of cottage rental

3%
provided accommodation at their property through Airbnb/One Fine Stay or similar.

7%
of respondents were self-employed or running a business from home.

2%
were involved in farming or agriculture.

Over a quarter (27%) of listed building owners reported that they were a homeworker. This is higher than the official UK estimate (13.7% of those in employment) (Ecorys, 2017).

Historic buildings provide perfect premises for the growing creative industries

The creative industries have been amongst the fastest-growing in the economy for nearly a decade and its growth is strongly linked with historic buildings, as they can offer less risk through lower costs, flexible work spaces and distinctive character.

Recent research commissioned by DCMS found that **the greater the density of cultural and heritage assets, the better the performance of the creative industries and the greater the level of specialisation towards the creative industries** (TBR, forthcoming).

Creative and cultural industries are 29% more likely to be found in a listed building that in a non-listed building in England – this difference is particularly pronounced in England's core cities, where creative industries are 55% more likely to be found in a listed building than a non-listed building (HLF, 2013).

A very high proportion of creative industries based in historic buildings are start-ups, with over 60% established between 2010 and 2013 (HLF, 2013).

Property agents state that historic buildings are attractive to creative industries because they are smaller, more flexible and cost-effective (AMION and Locum Consulting, 2010).

Case Study – Watershed, Bristol

Housed in a Grade II listed building at the entrance of Bristol's Harbourside, Watershed is a film culture and digital media centre that forms an important part of Bristol's growing Creative Economy. Watershed, a social enterprise and registered charity, is a multifunctional space that includes 3 cinemas, a café-bar, conference and events space and a Studio for artists, technologists and academics from the University of Bristol and the University of West of England and others.

Image: © Watershed 2017

At the heart of Watershed's continuing success is the 19th century transit shed, now converted to a flexible space (Pervasive Media Studio) that provides support for creative entrepreneurs and acts as the central point of a wider network. Creative hubs like Watershed are as much places for social exchange and informal networking as they are premises for doing business, this is especially valuable for people in the creative sector who are often self-employed or in micro-businesses where their range of contacts and networks may be limited (British Council, 2014).

4. Heritage and the Property Market

The historic built environment is an important component of the property market in England. Their unique historic features can often make the buildings themselves and the areas in which they are situated highly sought after.

Image: © Historic England

An estimated 4.9 million dwellings in England were built before 1919, representing one fifth of all dwellings in England (DCLG, 2017).

Conservation area properties generally have a higher selling price (Ahlfeldt et al., 2012). An analysis of over 1 million property transactions between 1995 and 2010 in 8,000 conservation areas found that:

- Houses in conservation areas sell for a premium of 9% on average, after controlling for other factors;
- Property prices inside conservation areas have grown at a rate that exceeded comparable properties elsewhere by 0.2% a year;

Property prices close to conservation areas increased at a relative rate of about 0.1% per year.

Property values near World Heritage Sites (WHSs) are almost £80,000 higher than the UK average – that is 27% more than the average UK property (Zoopla, 2015). The study also found that the longer an area has had WHS status, the higher the property values. Ahlfeldt et al also surveyed 500 residents in 47 conservation areas to obtain information on 'attractiveness' and 'distinctiveness'. **In conservation areas deemed to be distinctive, authors found on average a positive price effect of approximately 10% compared to other conservation areas. This rises to 12% in the most 'distinctive' conservation areas** (Ahlfeldt et al., 2015).

The historic environment is an important factor for property developers. A 2016 study of property developers and professionals found that protecting and preserving historic buildings and cultural monuments was seen as a very important characteristic of a development (ranking 4.31 out of 5) (Trower & Hamlins, 2016).

Listed properties generate a higher level of total return on investment (Colliers, 2011). A 2011 analysis of the Investment Property Databank (IPD) Index (a leading real estate industry data source for commercial property) shows that at the All Property level, the IPD Listed Property Index has generated a higher level of total return than the IPD Index for three, five, 10 and 30 year time periods.

The listed office sector delivers the greatest consistent outperformance, with the industrial sector also delivering much stronger returns over the 30 year time period. The listed retail sector underperforms in the short to medium term time frame, but delivers outperformance over the 30 year period.

5. Heritage and Construction

The historic environment is an important part of the construction sector

There are strong dependencies within the construction sector on heritage skills, knowledge and expertise. This includes the repair and maintenance of historic buildings as well as archaeological surveying for major infrastructure projects such as HS2 and Crossrail.

Based on the Ecorys 2012 study, the Ortus Heritage Economic Impact Indicator workbook (Ortus, 2017) estimates the value of repairing and maintaining historic buildings in England and the regions:

- Repair and maintenance of historic buildings directly **generated £9.6bn in construction sector output in 2016.**
- This is equivalent **to 7% of total construction output or 20% of the repair and maintenance output.**

An existing skills shortage in the sector has the potential to negatively impact upon the economy

A shortage of skilled heritage professionals will potentially impact upon the wider economy. Notably a lack of skilled heritage tradesmen has been identified as a risk to the proposed renovation of the Houses of Parliament and a shortage of archaeologists threatens to affect major infrastructure projects such as HS2, Crossrail 2 and major road improvements (House of Commons Committee of Public Accounts, 2017; b Historic England, 2016).

Traditional construction skills and trades

Image: A traditional blacksmith at his forge in Derbyshire conserving gates from Oakes Park, Norton, Sheffield. Historic England 2015

Proper maintenance and repair of historic buildings require specialist knowledge and skills to be able to use traditional materials and techniques. These skills are also required to improve energy efficiency, without damaging or altering the character of the traditional building stock (English Heritage, 2013).

An estimated £3.8 billion was spent in 2012 on work on traditional (pre-1919) buildings; £2.8 billion was spent in the same year on work on pre-1919 buildings using traditional materials (English Heritage, 2013).

There is, however, a looming skills crisis as the workforce ages and the number of apprentices and trainees in heritage-related craft skills dropped 78% between 2005 and 2013-14 (Financial Times, 2016).

Archaeology

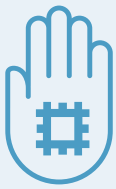
Commercial archaeology is an important aspect of all major infrastructure projects. Archaeological work needs to take place in advance of construction as there is a consequent risk of delays to major infrastructure projects if historic assets are discovered after construction has begun. Archaeologists also ensure compliance with planning legislation where heritage assets have been identified during construction.

An Archaeological Market Survey from 2016 estimates that UK commercial archaeology generated a total of £293m revenue in 2015-16 (Landward Research, 2016).

Over 40 major infrastructure projects are planned in the UK during the period 2015 – 33 with the majority falling in the period 2015-21. The total capital cost is £464.9bn.**There is a projected shortage of between 25 and 64% in the available workforce needed to service the archaeological needs of the planned major infrastructure projects in the UK** (Historic England, 2016c).

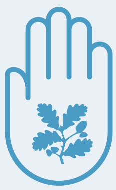
6. Heritage and Volunteering

Volunteers are vital to the day-to-day running of many heritage organisations and represent 6% of all voluntary work undertaken in England (DCMS, 2016a). Volunteers dedicate significant amounts of time, knowledge and expertise in a wide range of high-skilled and low-skilled activities, ranging from fundraising activities, staffing events and exhibitions to specialist conservation work.



2,724

English Heritage volunteers – 2,724 volunteers in 2016/17



65,349

National Trust volunteers – 65,349 volunteers in 2016/17

9,085

Heritage Lottery Fund – 9,085 volunteers used in *Heritage Grants* projects in 2015/16

Source: Heritage Indicators 2017

Heritage Economic impact Indicator Workbook, (Ortus, 2017)

Based on DCMS Taking Part survey data, it is possible to estimate the economic value of heritage volunteering using the replacement-cost method. This involves attributing an hourly wage to the total number of hours contributed by heritage volunteers.

Table 1. Estimated number of adults volunteering in connection to heritage	2011/12	2012/13	2013/14	2014/15	2015/16
England – heritage volunteers	555,900	594,600	451,400	575,300	615,500
England – all volunteers (million)	9.9m	11.1m	10.4m	10.6m	10.7m
England – heritage volunteers as % of all volunteers	5.6%	5.3%	4.4%	5.4%	5.7%

Two estimates have been produced, one based on the national minimum wage, the second based on median hourly earnings. The former is a conservative estimate that likely underestimates the skilled work that many heritage volunteers undertake and therefore represents a lower bound estimate, with the median earnings representing an upper bound estimate.

Estimated economic value of heritage volunteering – Method 1, based on National Minimum Wage (£m)

Area	2011/12	2012/13	2013/14	2014/15	2015/16
England	£408.7	£460.3	£428.7	£607.9	£520.1

Estimated economic value of heritage volunteering – Method 2, based on regional median hourly earnings (£m)

Area	2011/12	2012/13	2013/14	2014/15	2015/16
England	£752.1	£871.0	£769.8	£1,054.4	£909.9

7. Heritage and Social Value

So far, the economic contribution of heritage has been mainly expressed in terms of traditional macroeconomic measures such as Gross Value Added (GVA) and employment. To only focus on these measures, however, would be to significantly underestimate the full value of heritage to individuals, communities and the nation as a whole.

The historic environment also has important social value which manifests itself in a sense of identity, memories, spiritual association, belonging and place (AHRC, 2015). The extent of this social value of heritage is explored in Heritage and Society (Historic England, 2017), however, its relevance here comes from the need to be able to take them into account when economic decisions are being made about conservation, preservation and funding.

Valuing Non-market Benefits

It is well understood that heritage encompasses more than orthodox methods of economic impact evaluation capture, that's why new techniques and data sources are imperative for heritage.

Alternative methods for valuing the benefits of heritage that go beyond market based measures have been growing in popularity in recent years. This has been due to advances in techniques and as well as an appreciation within UK policymaking of the need to go beyond standard economic measures of valuing public goods.

> "The full value of goods such as health, educational success, family and community stability, and environmental assets cannot simply be inferred from market prices, but we should not neglect such important social impacts in policy making.
>
> *The Green Book (HM Treasury, 2011)*"

Innovative methods such as **Contingent Valuation, Stated Preference** and **Subjective Wellbeing** are included in HM Treasury's Green Book, the Government's main guidance on the appraisal of public investments. These methods apply a monetary value to non-market goods such as visiting a historic site or engaging with heritage by looking at the impact these things have on 'utility', the satisfaction a person gets from this activity or the change in their wellbeing that results.

A study by Simetrica in 2014 estimated the well-being value of visiting heritage sites to be equivalent to £1,646 per person per year (Fujiwara et al., 2014). This is the amount of money that would have to be taken away from a person to restore them to the level of well-being they would have had, had they not visited a heritage site. This figure is more than participating in sports or the arts. Visiting a historic town or city was found to be the most beneficial.

Research by VividEconomics and the National Trust estimate that for every £1 spent on parks services in Sheffield, £36 of benefits are generated for local residents (VividEconomics, 2016). The methods used in this research involved combining evidence on health and other benefits of urban parks and green space and presenting it in a financial reporting statement: a 'natural capital account'.

Natural capital accounting is another innovative method being explored by the ONS as a means of incorporating natural assets that are often overlooked, hidden, partial or missing into policy evaluation (ONS, 2017).

Attempting to put a monetary value on the social benefits of heritage and the historic environment is a contentious issue. However, the intention is undoubtedly a positive one for heritage as it seeks to express the hard-to-measure and intangible benefits of heritage in the same monetary units as the costs. This allows for them to be included in cost-benefit analyses, the standard evaluation methodology used by Government to allocate scarce public resources, and to not be excluded as they have been so many times in the past.

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