The Economic Impact of Culture in Winchester

Winchester City Council and Winchester BID

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BOP CONSULTING

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Executive Summary

BOP Consulting was commissioned to provide an economic impact study measuring the contribution that the cultural and creative sector makes to Winchester's economy. The study will support the 2010-2020 Economic Strategy, and forms a baseline against which to measure delivery of the Strategy in coming years. In the study, we defined the cultural and creative sector as all ten creative industries listed by DCMS as well as library and archive activities, museum activities and the operation of historical sites and buildings.

The study methodology brings together interviews with sector leaders, surveys of cultural organisations and their visitors, and analysis of Office of National Statistics data. We found that the cultural and creative sector creates £119m of Gross Value Added (GVA) and supports around 5,000 jobs across the City and the District. This means that Winchester City Council and Winchester BID's support for the cultural and creative sector yields far greater return than their investment.

Figure 1 Overall economic impact of the cultural and creative sector and the visitors it attracts

	Jobs supported	Net economic impact (GVA)
CITY TOTAL	2,077	£54m
DISTRICT TOTAL	2,861	£64m
OVERALL TOTAL	4,938	£119m

Source: BOP Consulting (2012)

Just under half of this economic impact occurs in Winchester City, and just over half in the rest of the District. 40% of the economic impact is a result of cultural and creative organisations' own spending on local suppliers and staff; and the majority (60%) is due to spending by the visitors that are attracted to Winchester by the cultural offer.

Our economic impact figures are comparable with the findings of the 2010 Winchester Tourism survey by Tourism South East. Together the two studies suggest that a large part of tourism in Winchester is driven by the cultural and creative sector. In our surveys, each cultural visitor spends around £50 on average per trip. Visitors from the UK spent around one half of their total spending at the venue they were surveyed at, and around one half off-site. Visitors from overseas spent more money off-site, presumably to pay for accommodation. The majority of visitor spending was reported to be within Winchester City.

In terms of recent trends, jobs in the cultural and creative sector fell in Winchester between 2008 and 2011. This is attributable to a localised loss of architecture jobs, and a contraction of computing jobs in line with the contraction across the country over this period. However Tourism South East research indicates that the jobs supported by Winchester's tourism sector rose between 2009 and 2010. Some Winchester cultural organisations expect their own income and expenditure to change over the next five to ten years, others do not.

From our interviews with leaders and custodians of Winchester's cultural and creative sector, it is clear that culture is valued in Winchester and there is good awareness of how culture generates economic value. There are intelligent plans to further strengthen Winchester's cultural and creative sector, safeguarding Winchester's success and growing the economic benefits in terms of attracting businesses and skilled workers, retaining talent and so on. These include:

- Developing a strong contemporary offer alongside the heritage offer
- Encouraging cross-promotion and cross-selling between attractions
- Using cultural events to help position the High Street as a destination for tasteful and pleasant shopping, eating and evening leisure, and introducing artistic 'talking points' into the streetscape and key sites
- Improving the supply of city centre affordable workspace and introducing more formal creative business skills support programmes
- Encouraging leadership and risk taking within the sector.

We hope that this report helps Winchester to plan for growth and to maximise the economic impacts of the cultural and creative sector.

1. Introduction

1.1 BOP's brief

BOP was commissioned to provide an economic impact assessment of culture in the Winchester District, measuring the substantial contribution that culture makes to Winchester's image and to its economy. The study supports the wider 2010-2020 Economic Strategy document, and forms a baseline against which to measure the successful delivery of the Strategy in the coming five to ten years.

The first task was to define the economic activity that is related to culture in Winchester. The Department for Culture, Media and Sport (DCMS) provides a definition of creative industries, which captures one aspect of Winchester's cultural offer. Some of the industrial categories in the list cover economic activity outside the creative industries, so we also apply DCMS' suggested weights to these industries, representing the estimated proportion of each sector that falls under creative industries.

Winchester's museums, libraries and heritage sites of course also play an important role in Winchester's cultural offer, in addition to its creative industries. Library and archive activities, museum activities and the operation of historical sites and buildings were therefore added to the DCMS creative industry list. Together, this collection of industrial sectors is referred to as the cultural and creative sector[1].

Winchester's 2010-2020 Economic Strategy picks out the five main sectors in the Winchester economy: public administration and business services, land-based industries, tourism and recreation, knowledge and creative industries and retail. Winchester punches above its weight in knowledge and creative industries, and this report estimates that around 5% of the District's jobs are due to the cultural and creative sector.

Local consultations carried out as part of the Economic Strategy suggest that there is potential for a knowledge-based economy in Winchester. The cultural and creative sector is therefore relevant not only to the current Winchester economy, but also to how the area pays its way in the future.

1.2 Methodology

Data Collection

Information on the impact of Winchester's cultural and creative sector was drawn from many different sources:

- Surveys were distributed to cultural and heritage sites in Winchester to fill in with details of their spending, employees, the number of visitors they welcome and their predictions of future developments in the sector. They were also asked about the effect of the Olympics.
- Six of these organisations (Winchester Cathedral, Theatre Royal Winchester, INTECH Science Centre, Winchester Festival, Wickham Festival and the Discovery Centre) were also given a survey to pass on to their visitors or members in order to collect data on visitor spending, satisfaction and the main purpose of the trip.
- In addition to this, interviews were carried out with six key stakeholders in the area (either by phone or face-to-face) about the value of the cultural and creative sector, the role of Winchester City Council and any improvements that could be made to increase the benefits of the sector to the local community.
- Data from the Office for National Statistics (ONS) were gathered on the number of jobs supported in various creative and cultural industries in Winchester (following DCMS classifications and weightings) as well as in museums, libraries and historical sites. Data were also collected on the accommodation, food and drink industries to cover spending by visitors. The ONS also provided data on turnover and Gross Value Added, which were used to convert the jobs figures for Winchester into an estimation of the real economic impact of the creative and cultural sector.

[1] Accommodation, food and drink were also considered to capture the spending by visitors drawn to Winchester by the cultural offer

- Tourism South East's previous studies of tourists, visitors and residents to Winchester in 2008 and 2010 were also useful for the analysis.

Data Analysis

The insights given by the interviews with local stakeholders and the audience questionnaire provided many qualitative insights about Winchester's cultural sector. However the responses to both the audience survey and the organisational survey were too limited to use in the calculation of economic impact.

Instead, ONS data on jobs (from the NOMIS database) were used, covering Winchester City and the wider district for the creative industries, museums, libraries and heritage sites as well as accommodation, food and drink. Jobs figures were available at ward level, and these wards were aggregated into Winchester City (the six 'Saint' wards) and the rest of the district. The exact industries used are reported in the Technical Appendix.

Two procedures were used to make sure that only jobs due to the cultural and creative sector were counted. To estimate the jobs in the organisations and sites themselves, standard DCMS weights were used to account for the fact that some of the industrial sector classifications cover jobs that are not creative or cultural. These weights are also to be found in the Technical Appendix.

Estimating the jobs supported by audience and visitor spending related to the creative and cultural sector started with ONS jobs figures for the whole of the accommodation, food and drink industries in Winchester. Data from the 2008 Winchester Residents and Visitors Survey (by Tourism South East) and from BOP's own audience survey were then used to assess how much of this turnover was due to the cultural and creative sector. The survey data suggested that the main purpose of the trips made by around 60-75% of visitors and residents was something to do with Winchester's cultural sites and creative industries, so these weightings were applied to the jobs figures for the relevant industries.

Having calculated the jobs supported by Winchester's creative and cultural sector and its audiences, these could then be converted into turnover and Gross Value Added using ONS data at regional level (for the South East).

2. The value of culture to Winchester

2.1 The value of culture to place

Culture creates economic value within a place via three main routes.

1. **Direct spending:** cultural organisations and creative businesses pay salaries to their employees, some or all of whom will live in the same local area as their employer. Cultural organisations and creative businesses procure services and supplies, some or all within the local area. Public cultural organisations are often able to secure external funding, for example grants from Arts Council England or the Heritage Lottery Fund. Such grants increase the recipient's ability to inject money into the local economy.
2. **Visitor spending:** culture attracts footfall, encouraging local residents to stay and spend their money locally, and – most valuably –attracting in visitors from outside the area. The majority of visitor spending tends to benefit retail, hospitality and transport businesses. Creative industry employees help to support local retail, hospitality and transport businesses (as do all other employees).
3. **Placemaking:** culture often generates positive media coverage for the local area and is used within publicity materials for inwards investment and tourism campaigns. Local residents and businesses often report that a strong cultural offer increases their pride and confidence in the local area. Creative industry workers are thought to be enthusiastic cultural consumers, implying a virtuous circle whereby a strong cultural and creative ambiance attracts further creative people, who generate further demand for culture.

In addition, cultural organisations often provide opportunities for deeper engagement for specific groups. This supports **social inclusion**, skills and employability, all of which ultimately have economic value.

2.2 A portrait of Winchester

How does the reality in Winchester compare with this theoretical model? This portrait of Winchester is based on BOP's interviews with a sample of leaders and custodians of Winchester's cultural sector.

We interviewed:

- Suzie Brown, owner of Urban Bird
- Mark Courtice, Chief Executive, Theatre Royal Winchester
- Simon Eden, Chief Executive, Winchester City Council
- Tommy Geddes, former Deputy Vice Chancellor, University of Winchester
- Rod Graham, Director, Design Engine
- Chris Turner, Executive Director, Winchester BID.

2.2.1 A strong performance

All three routes from cultural offer to economic value are highly evident in Winchester city centre: direct spending and visitor spending supporting local employment and businesses, and placemaking. There is strong local support for cultural organisations, assisting them to flourish and secure funding from outside the city. The largest cultural attractions like the Cathedral draw substantial visitor footfall and feature heavily in marketing for tourism and inwards investment. The city draws many culturally engaged visitors, and many residents also fit this profile. The creative industries are growing, fed by outmigration of skilled workers from London as well as talent developed at the two Universities.

There is a confidence about Winchester; a justified belief that few other small towns or cities perform so well. Nonetheless our interviewees see scope to further strengthen Winchester's cultural and creative sector, safeguarding Winchester's success and growing the economic benefits in terms of attracting businesses, retaining talent and so on. The interviewees have a good awareness of the opportunities and challenges of achieving this.

2.2.2 Developing the cultural offer

One key theme for our interviewees is developing a strong 'contemporary' counterbalance to the established and successful heritage offer in Winchester city centre. The Hat Fair is the most prominent manifestation of contemporary Winchester culture at present. It is felt to bring in fresh visitors and to encourage them to spend locally.

There is an ambition to better join the historic offer with the developing contemporary offer, and to encourage greater cross-promotion and cross-selling between each individual attraction's visitors. Such cross-promotion would also serve to point visitors towards the smaller and less-well-known parts of Winchester city centre's cultural offer, allowing these to grow. There are various suggestions as to how to deliver cross-selling in practice – for instance, through a single shared online marketing and ticketing portal, touch screen information points or carefully designed walking trails.

The main challenge to extending Winchester's cultural offer is the lack of city centre space to develop new attractions. The intelligent response is to programme events and festivals which – again, like the Hat Fair – can transform public spaces into cultural spaces and generate fresh ways to experience established cultural venues. This embodies the Chief Executive of the Council's view that culture must be "on show" in the city centre. The Council and BID are further developing schemes to encourage events in city centre public spaces, to support the evening economy and increase trade at bars and restaurants. Culture is thus supporting the positioning of the High Street as a destination for tasteful and pleasant browsing, eating and leisure – in contrast to the 'shop 'til you drop' offer of Basingstoke's Festival Place and other places.

The few new development opportunities in the city centre, such as the Silver Hill site, are seen as an opportunity to extend Winchester's cultural offer – or at least, to match and not detract from the city's cultural ambiance. Winchester Council has already successfully introduced artistic 'talking points' into the streetscape, for instance via the artist bollards in The Square and the Kite Flyer sculpture in Parchment Street.

2.2.3 Outside the city centre

The rest of Winchester district is acknowledged to be very different to the city centre. Our interviewees, who are mostly based in the city centre, emphasized Winchester's continuing role as market town and regional capital. For centuries, residents of the surrounding district have come to the city centre to access employment, retail and leisure. It follows that Winchester's most prominent cultural attractions are based in the city centre, as that is where the greatest density of audiences is. Cultural provision outside the city is more strongly oriented towards local community celebration and inclusion.

But the city outskirts do boast two large attractions: INTECH Science Centre, which attracts some 120,000 people each year, and Matterley Bowl. The latter is perhaps an under-valued resource: it can host much larger events than is possible anywhere else near to the city. The aim might be to ensure that the economic value of events at the Bowl trickles out into the district, by encouraging promoters to use local suppliers where possible and by encouraging visitors to combine their event with a visit to the city or a stay in the district. WOMAD and Glyndebourne festivals, which happen just outside Malmesbury and Lewes respectively, are working to achieve this connectivity and to maximise their local economic impact.

Further, popular, cultural provision exists beyond Winchester city outskirts, for instance Wickham Festival or the Grange Park Opera. These organisations play an important role in providing access to culture for all of Winchester district's communities, and make a contribution to the economic impact of culture in the district. The city centre however remains the focus of the local visitor economy.

2.2.4 Support for creative industries

Winchester is thought to be an attractive location for out-migrating London creative businesses and practitioners. The creative business community that is building up seems to take up the networking opportunities on offer from Wired Wessex, Café Culture, and the South Coast Design Forum.

The big debate among Winchester creative businesses is the shortage of suitable workspace in the city centre. Our interviewees all agreed that graduate retention and business growth is inhibited by the shortage of affordable units for creative start-ups and micro businesses, and the shortage of medium to large units for growing businesses. (However opinions differed on whether artists were a special case and art studios and galleries should be prioritised. It was pointed out that many artists and crafts people find space in the rural parts of the district.)

The Council and its partners, principally the Universities, are exploring options for increasing the supply of city centre affordable workspace and introducing a more formal business support programme to develop skills, alongside the existing creative business networks.

2.2.5 Leadership

Winchester City Council's leadership is felt to be good. Our interviewees also wanted more autonomous networks and initiatives to establish themselves, possibly assisted at first by public investment. This fits with the Council's own view that local cultural organisations should not become dependent on its funding; and that both the Council and local cultural organisations can become better risk takers.

The Council and its partners supported the London 2012 Olympic Games, most prominently via the successful Winchester leg of the torch relay and through the giant screen and associated events in the city centre. While our interviewees did not think the Olympics will directly impact Winchester's cultural and creative offer, they note that the city now feels more comfortable with hosting major celebrations.

3. Insights from surveys

3.1 BOP organisational survey

Seven of Winchester's cultural and heritage organisations were able to fill out BOP's organisational survey. While this is not enough to build a complete picture of the sector (we instead rely on ONS data in Section 4 for the number of jobs supported by these organisations), the responses do offer some interesting insights into the income, spending and activities of the organisations that make up the sector.

Expenditure

While patterns of reported spending vary widely, non-staff expenditure tends to either be in Winchester City or in the rest of the UK, with very little of it going to Winchester district. It is important to bear in mind that the seven respondents are some of the largest organisations in Winchester's creative and cultural sector. Smaller businesses and sites outside of the City could well be making most of their expenditure in the District.

Expenditure on staff did not follow any clear pattern, possibly due to the very different nature of the organisations that responded t the survey. A touring theatre group, a Cathedral and an interactive science and technology centre will clearly have different needs and uses for their staff, and some organisations only hired staff based in Winchester City while others only paid wages to people based outside of the District.

Many organisations predicted increases in paid and volunteer staff numbers over the coming 5-10 years, though one also predicted significant falls so again there is a mixed picture.

The respondents to the organisational survey did not believe that the Olympics would have any significant effect on staff expenditure this year.

Income

Half of these organisations rely on funding from the City Council and half also rely on funding from Hampshire County Council, but the composition of income varied widely between the seven respondent organisations. For the Theatre Royal, Winchester Festival and Winchester Chamber Music Festival the largest source of income was tickets and other sales, while the Hat Fair and Platform 4 Theatre are much more reliant on public funding. The INTECH Science Centre is self-funded, partly through a contract from STEMNET (the Science, Technology, Engineering and Mathematics network, an organisation promoting children's education) but mostly by income from tickets and sales.

The outlook for income generation over the next 5-10 years also varied between organisations. Some believed that public sector funding would stay the same or increase, along with income from sponsorship, ticket sales and other earned income. Others believed public sector funding, income from donations and other sources of funding would fall.

Some organisations believed that their public sector funding and other sources of sponsorship would fall as a result of the Olympics, but in general there was not thought to be much effect of the Olympics on funding or staff numbers this year.

Attendance, marketing & outreach

On average, half of attendees were from Winchester district, around a quarter from the rest of the District and another quarter from elsewhere in the UK.

Organisations reported targeting their marketing at children, the elderly, ethnic minorities and residents of specific geographical areas. In terms of outreach activities, these involved children and young people, the elderly, disabled individuals as well as those living in specific geographical areas.

3.2 BOP audience survey

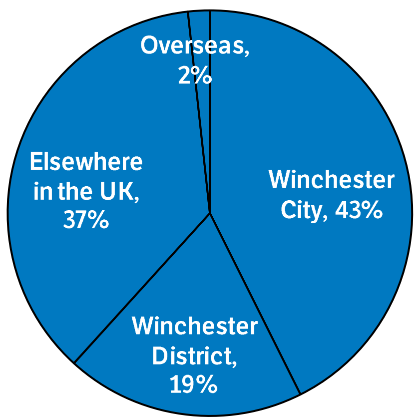
More than 100 people took part in BOP's audience survey across four of Winchester's major cultural and heritage sites (Winchester Cathedral, INTECH Science Centre, Theatre Royal Winchester and the Discovery Centre). With only a small numbers of responses from audiences at only four sites, we cannot extrapolate the findings to all audiences in Winchester's cultural and creative sector[2].

However the combined responses do offer some broad insights into the type of people the sector attracts, where they are from and what they spend. Around two thirds of audience members were from either Winchester City or the wider district, with another third from elsewhere in the UK.

The majority of audience members visited the relevant sites between one and six times per year. Audience members from overseas reported the lowest frequency of visit, followed by those from elsewhere in the UK, those from Winchester district and finally those from Winchester City, who attended most frequently. What is more surprising is the difference in average age, which ranged from 40 to 70 across audience members from different places.

The majority of audience members were women, ranging from 57% of Winchester City-based visitors to 67% of visitors from overseas. Part size ranged from 1.5 to 3.4, with the largest parties coming from elsewhere in the UK. This may reflect the trade-off between the tendency for larger parties the further they have travelled, and higher travel costs for larger groups especially if they have come from overseas.

Figure 2 Audience origins according to BOP audience survey



Source: BOP Consulting (2012)

Figure 3 Audience characteristics according to BOP audience survey

	Average age	Average party size	% female	Sample size (parties)
All	48	2.79	61%	115
Winchester city	52	2.50	57%	49
Winchester district	40	2.33	62%	22
Elsewhere in the UK	46	3.43	64%	42
Overseas	70	1.50	67%	2

Source: BOP Consulting (2012)

[2] In Section 4 we instead draw on ONS data to estimate the total number of jobs, turnover and GVA generated by visitor spending.

In terms of expenditure, the average domestic audience member spends around £47 per person on their trip according to the survey, while overseas audience members spend an average of £70 per person. Almost all of the reported trip lengths were one day, so these figures represent daily spend as well as total trip spend.

For domestic audiences, around a half of this was on-site spending (at the venue in question), another 45% off-site in Winchester City and 3% in Winchester district. For audience members from overseas, there was no expenditure reported in Winchester district and around 86% of spending occurred off-site, presumably reflecting the more common need for paid accommodation.

However these expenditure figures are not robust, with the figures for overseas visitors being based on only two parties from overseas at the same site. For this reason we use a different approach to measure the total impact of expenditure by audiences and visitors to Winchester's cultural and creative sector, as detailed in Section 4.

3.3 Tourism South East surveys

Tourism South East produced the Winchester Visitors and Residents survey in 2008, and then the Economic Impact of Tourism study in 2010.

Both of these studies address tourism in general rather than tourism specifically related to the cultural and creative sector, and the 2010 survey estimated 313,000 trips made to Winchester by staying visitors, who spent around £60m. Adding visitors who did not stay overnight and those who live in Winchester (another 4.3m trips) pushes the total spend figure up to £219m of extra business turnover as a result of tourism, plus another £73m due to spending by businesses that are part of the tourism sector. This works out at £48 per visitor per trip on average (when including local tourists).

These figures for general tourism are close to BOP's estimates for spending related to the cultural and creative sector, suggesting that a large part of Winchester's tourism is driven by this sector. £292m of extra turnover according to Tourism South East compares with an estimated £245m when using the ONS figures and BOP's audience survey data for the cultural and creative sector. 4,975 jobs supported compares with 4,938.

Average spend per trip is actually slightly higher according to BOP's estimates of the cultural and creative sector, at £53 on average, compared with Tourism South East's £48 average. While this may reflect lower spending by tourists who do not visit any of Winchester's cultural and creative sector as part of their trip, it is also probable that the small differences in spending per trip (and possibly in jobs supported) are within the margin of error of the estimations, meaning that the figures are statistically the same.

The 2010 Tourism South East survey gives some further detail on what the money was spent on:

Figure 4 Breakdown of tourist expenditure in Winchester

	Staying visitors' expenditure	Day visitors' expenditure	Overall visitors' expenditure
Accommodation	31%	1%	10%
Retail	24%	33%	30%
Catering	22%	42%	36%
Attraction/entertain	12%	11%	11%
Transport	11%	14%	13%

Source: Tourism South East (2010)

While Tourism South East's 2010 report goes into detail about visitors' spending, the 2008 report has more information on visitor characteristics and trip motivations, as a result of face-to-face interviews carried out in the City with more than 400 visitors and more than 200 residents.

Of the 400 visitors, 88% were day visitors and 12% stayed overnight. This matches with the findings of the BOP audience survey that the reported trip length was almost always 1 day. The average party size for visitors was 2.3 – roughly the same as the figure produced by the BOP audience survey.

Again the majority of visitors were female (between 56 and 58%), and the most common age group was 55-64-year-olds. 10% of visitors were from overseas, in contrast to 2% in the BOP audience survey. 43% of staying visitors stayed in a hotel, and another 35% stayed with friends or relatives.

The purpose of trips made by Winchester *residents* are displayed below, while the corresponding figures for visitors to Winchester are displayed and used in section 5 in calculating the impact on the area's accommodation, food and drinks sectors.

Figure 5 Purpose of visits by Winchester residents

Purpose	%
Leisure / social	38%
Work / study here	21%
Shopping trip (special)	15%
Shopping trip (regular)	15%
Visiting friends or relatives	3%
Business / conference	0%
Other	7%

Source: Tourism South East (2008)

4. Economic impact calculations

The organisations that makeup Winchester's cultural and creative sector provide a multitude of benefits, both to Winchester residents and to visitors. Aside from the inherent value of the sector and its impact on the local community, one of its most important benefits for many Winchester residents is that it provides them with a job, or with customers for the business they run.

We estimate that the net Gross Value Added of the cultural and creative sector and the attendees it attracts is around £119m. This supports around 5,000 jobs in Winchester city and district.

The overall total of £119m of GVA is derived from £245m of extra turnover. This compares with Tourism South East's 2010 estimate of £290m total extra turnover as a result of tourism *in general*, suggesting that a large proportion of the value added from tourism in the area is due to visitors and audiences in the cultural and creative sector.

4.1 Gross organisational impact

The Office for National Statistics collects annual data on employment in different industries, both for Winchester city and for the wider district. Using this data (and following the DCMS definition and weightings for creative industries, plus libraries, museums and heritage organisations[3]), we have compiled estimates for the number of jobs directly supported by the cultural and creative sector in Winchester City and in the wider district.

- 836 jobs in Winchester City (3% of total City jobs)
- 823 jobs in Winchester district (1% of total district jobs)
- 1,659 jobs overall, (1.6% of overall jobs).

The ONS also provides data on jobs and turnover at industry level for larger geographies (the South East being the most detailed level that includes Winchester), which can be used to calculate the ratio of turnover to jobs. These turnover per job figures were then used to convert the job figures into a *gross* economic impact of the creative and cultural sector on Winchester (details in the conversions used for different industries can be found in the Technical Appendix).

- £70m of extra turnover for Winchester city
- £63m of extra turnover for Winchester district
- £133m of overall extra turnover from direct spending by organisations in the cultural and creative sector.

4.2 Net organisational impact

While the figures for extra turnover generated by the cultural and creative sector's organisations are impressive, some of this spending will have been counted twice. This is because some of an organisation's revenue is then spent on suppliers. If those suppliers are also in the cultural and creative sector, they will also report this as their revenue.

To address this, the ONS also provides figures on Gross Value Added (GVA) for the South East. This allows the jobs figures from Section 4.1 to be converted into GVA, the net economic impact that the sector has on Winchester (these conversion factors can again be found in the Technical Appendix).

- £38m GVA for Winchester city
- £32m GVA for Winchester district
- £70m GVA overall.

4.3 Gross visitor impact

Tourism South East's 2010 study of the economic impact of Winchester's tourism asked how much tourists spent on their trips (including locals on days out, visitors from elsewhere on day trips and

[3] The list of industries included and their weightings can be found in the Appendix

staying visitors). Of course only some of this spending is due to the cultural and creative sector, but the study nevertheless provides gross estimates of economic impact to compare with BOP's gross estimates of visitor spending in general. In Section 4.4, we then assess how much of this spending is due to the cultural and creative sector, and the resulting turnover figures are then converted to GVA to reach a net estimate of the impact of visitor spending.

So looking at tourism in general, the total visitor spend figure from Tourism South East can also be compared with BOP's estimate of gross visitor spending and jobs supported (which was proxied by turnover and jobs in the accommodation, food and drink industries). Total gross spending (across all types of tourism) is around three quarters of the Tourism South East estimate, while the estimated jobs supported is very similar.

Tourism South East estimates that visitors spend £48 on average per trip. The average spend per trip figure from this study can be compared with BOP's audience survey, which estimated an average of £53 spent per trip in the cultural and creative sector.

Figure 6 Gross audience and visitor spending across all types of tourism, according to Tourism South East and BOP

	Tourism SE 2010	BOP gross estimates
Average spend per trip	£48	£53 (audience at cultural & creative organisations)
Total spending	£230m[4]	£171m
Jobs supported by spending	4,975	4,899

Source: Various

[4] This figure differs from the £290m figure mentioned in Section 3.3 because it does not include knock-on spending by businesses on their suppliers, only direct spending by tourists on local businesses.

4.4 Net visitor impact

We cannot attribute all of the economic impact of visitor spending to Winchester's cultural and creative sector. Some visitors came on business trips for example, and even if these individuals subsequently visited one of Winchester's heritage sites, we cannot attribute all of their spending to these since most of it would have happened anyway.

Meanwhile, those who were visiting friends and relatives may have been partly drawn to the city by its cultural and creative sector, so some of the spending during their trip can be attributed to the sector. There is a high chance that those on leisure trips and holidays were visiting Winchester because of its heritage, creative industries and cultural offer.

Both the 2008 Tourism South East study and our own survey of visitors at key cultural and creative sites offer insights into how big a role the cultural an creative sectors play in attracting visitors to the area. The 2008 study, which presents results of a survey of around 400 visitors, suggested the following reason were driving visits to Winchester:

Figure 7 Purpose of visit, based on 2008 Visitors & Residents survey

	Day visitors from home	Day visitors on Holiday	Staying visitors	All visitors 2008
Leisure/holiday	61%	81%	49%	67%
Visiting friends & relatives	5%	12%	37%	11%
Special shopping trip	16%	1%	0%	10%
Business trip	6%	0%	4%	4%
Language student	0%	0%	0%	0%
Other	12%	6%	10%	8%

Source: Tourism South East (2008)

Meanwhile BOP's audience survey collected the following responses to questions about the main purpose of the trip.

Figure 8 Main reasons for visit, based on BOP audience survey

	Importance (1-5 scale, 5 as most important)
Visiting the cultural site that contacted them following a visit	4.9
Visiting other cultural sites/events in Winchester City	2.8
Visiting other cultural sites/events in Winchester district	2.5
Visiting family and friends	2.8

Source: BOP Consulting (2012)

To use these findings to assess how much of the economic impact of tourism is due to Winchester's cultural and creative sector, we calculate the proportions shown in Figure 9 below. These assume that visitors on leisure/holiday trips and 'other' trips were drawn to Winchester because of its cultural and creative sector, and so their expenditure on food and drink can be attributed to the sector and is 'additional'. Adding the proportions of these two types of visitors together from the 'All visitors 2008' column in Figure 7 comes to 75%.

As for spending in the accommodation sector, we draw on the figures for 'Staying visitors' from Figure 7 in the same way (since the figures for 'all visitors' include those who did not stay the night). Combining the proportion of visitors who reported leisure/holiday or other as the reasons for their trip makes 59%.

To adjust these proportions for Winchester district (which has fewer cultural and creative sector organisations which attract a lower proportion of visitors), we then use the ratio of scores for the trip purpose questions in

Figure 8 for Winchester City and in Winchester district. The average scores of 2.8/5 for visiting other sites in the City and 2.5/5 for visiting other sites in the district implies that the cultural and creative sectors is responsible for around 10% less of visitor spending in Winchester district than in Winchester City.

Figure 9 Proportions of spending due to the cultural and creative sector

	Winchester city	Winchester district
Food and drink sector	75%	68%
Accommodation sector	59%	53%

Source: BOP Consulting (2012)

Applying these proportions to estimated gross tourism expenditure in Winchester city and Winchester district produces the following net GVA figures resulting from visitor spending due to the cultural and creative sector:

- £18m GVA for Winchester city
- £31m GVA for Winchester district
- £49m GVA overall.

4.5 Overall net impact

Combining the net GVA generated by the cultural and creative sector itself, and by the audiences and visitors it attracts, leads to a net economic impact in terms of GVA of £119m, generated by £245m of extra turnover. This supports around 5,000 jobs.

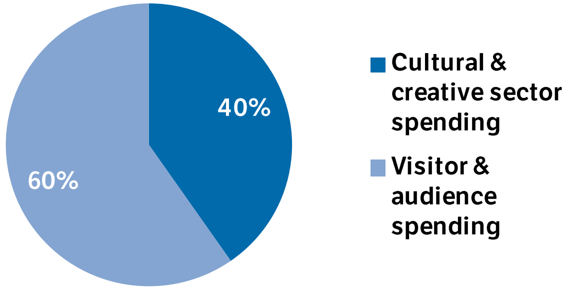
Figure 10 Combining net GVA contribution of the cultural and creative sector and the visitors it attracts

		Net jobs supported	Net Turnover	Net GVA
Winchester city	Cultural and creative sector	836	£70m	£38m
	Visitor spending on accommodation	144	£7m	£4m
	Visitor spending on food & drink	1,097	£34m	£14m
	CITY TOTAL	2,077	£111m	£54m
Winchester district	Cultural and creative sector	823	£63m	£32m
	Visitor spending on accommodation	470	£23m	£11m
	Visitor spending on food & drink	1,568	£48m	£20m
	DISTRICT TOTAL	2,861	£134m	£64m
Overall	Cultural and creative sector	1,659	£133m	£70m
	Visitor spending on accommodation	614	£30m	£70m
	Visitor spending on food & drink	2,665	£82m	£49m
	OVERALL TOTAL	4,938	£245m	£119m

Source: BOP Consulting (2012)

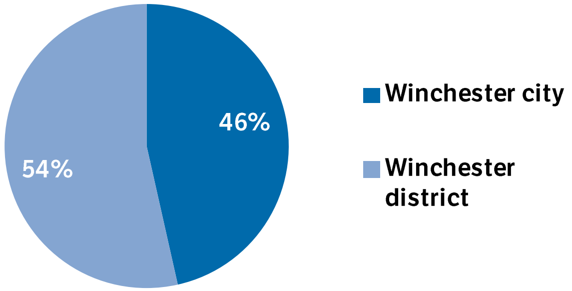
The overall total of £119m of GVA is derived from £245m of extra turnover. This compares with Tourism South East's 2010 estimate of £290m total extra turnover as a result of tourism *in general*, suggesting that a large proportion of the value added from tourism in the area is due to visitors and audiences in the cultural and creative sector.

Figure 11 Proportion of economic impact driven by direct organisation spending versus visitor spending



Source: BOP Consulting (2012)

Figure 12 Proportion of total economic impact (GVA) in Winchester city and Winchester district



Source: BOP Consulting (2012)

Figure 13 looks more closely at which particular industries are providing the jobs supported directly by Winchester's cultural and creative sector (i.e. aside from visitor spending). In Winchester City, architectural activities and performing arts support the majority of jobs (51.3%), and combined with advertising, library, archive and museum activities this accounts for 81% of the jobs supported.

In Winchester district, advertising agencies, architectural activities and artistic creation are the biggest provider of jobs in the sector (a combined 39% of the total), with museum activities, film video and television production and computer programming also providing significant proportions of the total jobs supported.

In total, the creative and cultural sector provides around 2% of all the jobs in the Winchester area (3% of the jobs in the City, and around 1% of the jobs in the district).

Figure 13 Breakdown of direct economic impact of creative and cultural sector (excluding visitor expenditure) by different industry

	Winchester city	Winchester district
Advertising agencies	**8.7%**	**14.3%**
Media representation	1.1%	2.1%
Architectural activities	**32.3%**	**14.1%**
Specialised design activities	5.0%	**5.7%**
Photographic activities	1.2%	**6.4%**
Performing arts	**19.0%**	1.0%
Support activities to performing arts	0.1%	0.7%
Artistic creation	2.3%	**10.4%**
Operation of arts facilities	0.0%	0.0%
Book publishing	0.7%	1.7%
Publishing of newspapers	1.6%	1.1%
Publishing of journals and periodicals	2.2%	1.0%
Other publishing activities	0.9%	0.5%
Publishing of computer games	0.0%	0.0%
Other software publishing	0.2%	1.6%
News agency activities	0.4%	0.1%
Radio broadcasting	0.0%	0.6%
Television programming and broadcasting activities	0.1%	0.5%
Library and archive activities	**12.0%**	1.8%
Museum activities	**8.6%**	**8.0%**
Operation of historical sites and buildings and similar visitor attractions	0.0%	0.0%
Other retail sale of new goods in specialised stores	0.7%	**7.6%**
Retail sale of second-hand goods in stores	0.8%	1.0%
Printing of newspapers	0.0%	0.0%
Pre-press and pre-media services	0.0%	3.3%
Reproduction of recorded media	0.0%	1.8%
Activities of employment placement agencies	0.0%	0.2%
Computer programming activities	0.3%	**6.2%**
Motion picture, video and television programme production activities	0.5%	**7.8%**
Motion picture, video and television programme post-production activities	0.2%	0.2%
Motion picture, video and television programme distribution activities	0.0%	0.0%
Motion picture projection activities	0.8%	0.0%
Sound recording and music publishing activities	0.2%	0.1%
Manufacture of leather clothes	0.0%	0.0%
Manufacture of workwear	0.0%	0.0%
Manufacture of other outerwear	0.0%	0.0%
Manufacture of underwear	0.0%	0.0%
Manufacture of other wearing apparel and accessories	0.0%	0.0%
Manufacture of articles of fur	0.0%	0.0%
Manufacture of knitted and crocheted hosiery	0.0%	0.0%
Manufacture of other knitted and crocheted apparel	0.0%	0.0%
Manufacture of luggage, handbags and the like, saddlery and harness	0.0%	0.0%
Manufacture of footwear	0.0%	0.0%
TOTAL	100.0%	100.0%

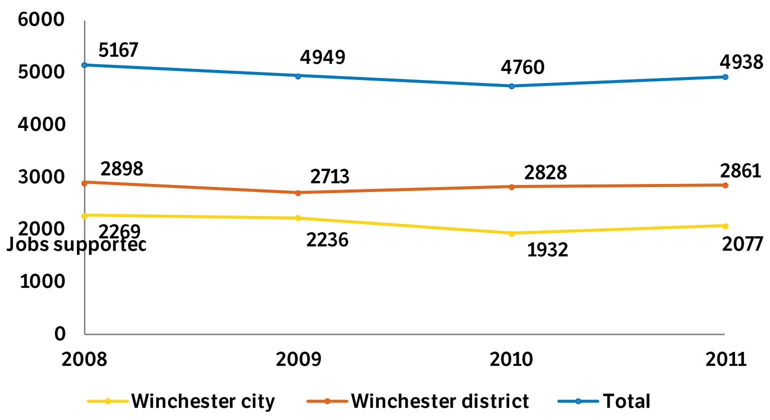
Source: BOP Consulting (2012)

4.6 Trends in employment and GVA

The ONS jobs data at Winchester level stretch from 2008 to 2011, and there are corresponding data on turnover and GVA available at regional level for the same years. This allows the job figures to be converted into turnover and GVA, assuming that workers in Winchester are as productive as those in the South East on average.

Carrying out these calculations revealed a slight decline in the number of jobs supported and the corresponding GVA generated since 2008, both in Winchester City and the district.

Figure 14 Trends in jobs supported by Winchester's cultural and creative sector, 2008-11



Source: BOP Consulting (2012)

The fall in jobs supported by the cultural and creative sector in Winchester *City* between 2009 and 2010 is almost entirely driven by a halving in the number of jobs in architectural activities, from 595 to 243.

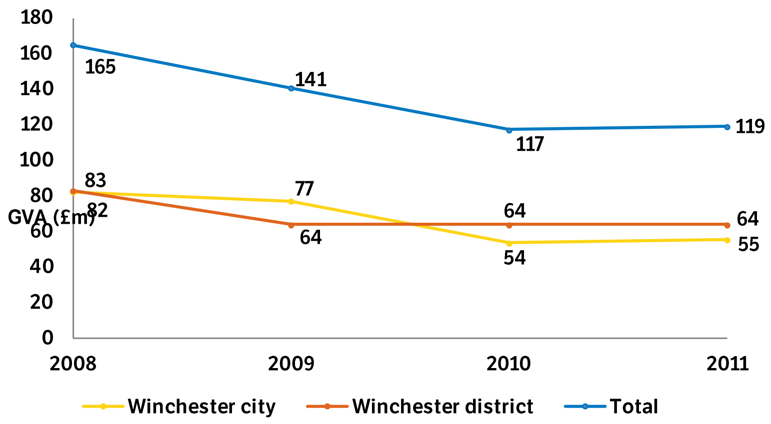
The fall in *district* jobs between 2008 and 2009 can similarly be explained almost entirely by a loss of almost 700 jobs in the computer programming subsector (from 2,918 to 2,225).

Together, these two events led to the decline in jobs supported between 2008 and 2010. As for the slight improvement in jobs figures between 2010 and 2011, this appears to be driven most significantly by an increase in the number of jobs in pubs and bars.

As for the GVA generated by the cultural and creative sector, the falls in the trend lines for Winchester City and the district follow the falls in the number of jobs supported, but with a greater magnitude.

This implies that the GVA generated by each employee in architecture and computer programming is relatively high, and these two industries are indeed among the 5 highest GVA per worker industries in the set (see Technical Appendix).

Figure 15 Trends in GVA generated by Winchester's cultural and creative sector, 2008-11



Source: BOP Consulting (2012)

How do these falls in the jobs compare with national trends? The 42% fall in jobs in the architectural services sector in Winchester City between 2009 and 2010 was not matched nationally (there was only a 3% fall in architecture jobs in Great Britain over the same period), indicating a Winchester-based shock to the industry.

However the fall in computer programming jobs in Winchester district between 2008 and 2009 (of around 13%) *was* matched by a national fall of a similar magnitude (11%), indicating that the contraction was not only Winchester-based.

Tourism South East's estimations suggest a 4% rise in the turnover generated by Winchester's tourism sector between 2009 and 2010, (as opposed to the 17% fall in GVA and 14% fall in jobs estimated in the cultural and creative sector.

5. Conclusions

5.1 Headlines

Our headline findings are that:

- Winchester performs strongly for culture and the creative industries: these sectors create £119m of GVA and support around 5,000 jobs
- The Council's support for culture and creative industries yields a far greater return than the value of the original investment
- The Councils' support does not just benefit the culture and creative industries but also benefits the tourism and hospitality sectors
- The leaders and custodians of Winchester's cultural sector have intelligent plans to further develop the cultural offer and its value.

5.2 Planning for growth

In BOP's experience, an Economic Impact study is not just a useful tool for advocacy but also to aid planning. We hope that this report helps Winchester leaders and custodians to plan for growing and maximising the local economic impacts of culture. For example by:

- Careful development and diversification of the Winchester brand (both for visitors and for prospective business investors)
- Working with strategic agencies to maximise the media coverage and publicity value of Winchester's cultural offer
- Marketing and cross-selling to currently discrete market segments
- Developing the cultural events and festivals programme – and linking to hospitality amenities – to encourage longer visits and visitor spend
- Encouraging cultural organisations to procure services and materials locally where feasible (perhaps jointly procure where this adds value)
- Collaborative leadership – connecting organisations and encouraging joint planning with Council facilitation / resourcing
- Raising the profile of local creative industries and introducing strategies for graduate support, attracting out-migrating Londoners, and supply of creative workspace.

5.3 Monitoring progress

We recommend updating this report every one to two years to monitor progress and to relate changes in Winchester's cultural and creative industries employment and GVA to the national picture.

6. Technical Appendix

The list in Figure 16 is based on the DCMS definition of creative industries. Library and archive activities, museum activities and the operation of historical sites and buildings have been added, in order to represent Winchester's museums, libraries and heritage sites in addition to its creative industries.

Some of the industries in the list cover economic activity outside the creative industries, museums, libraries and heritage. For example, some of the jobs created by the retail of second-hand goods in shops may fall come under transport and storage. DCMS therefore provides weights to apply to the ONS industrial classifications, representing the estimated proportion of each sector that falls under creative industries.

Figure 16 DCMS weighting of cultural and creative sector

Advertising agencies	100%
Media representation	100%
Architectural activities	100%
Specialised design activities	100%
Photographic activities	100%
Performing arts	100%
Support activities to performing arts	100%
Artistic creation	100%
Operation of arts facilities	100%
Book publishing	100%
Publishing of newspapers	100%
Publishing of journals and periodicals	100%
Other publishing activities	50%
Publishing of computer games	100%
Other software publishing	100%
News agency activities	100%
Radio broadcasting	100%
Television programming and broadcasting activities	100%
Library and archive activities	100%
Museum activities	100%
Operation of historical sites and buildings and similar visitor attractions	100%
Other retail sale of new goods in specialised stores	3%
Retail sale of second-hand goods in stores	27%
Printing of newspapers	100%
Pre-press and pre-media services	100%
Reproduction of recorded media	100%
Activities of employment placement agencies	0%
Computer programming activities	2%
Motion picture, video and television programme production activities	100%
Motion picture, video and television programme post-production activities	100%
Motion picture, video and television programme distribution activities	100%
Motion picture projection activities	100%
Sound recording and music publishing activities	100%
Manufacture of leather clothes	1%
Manufacture of workwear	1%
Manufacture of other outerwear	1%
Manufacture of underwear	1%
Manufacture of other wearing apparel and accessories	1%
Manufacture of articles of fur	1%
Manufacture of knitted and crocheted hosiery	1%
Manufacture of other knitted and crocheted apparel	1%
Manufacture of luggage, handbags and the like, saddlery and harness	1%
Manufacture of footwear	1%

Source: BOP Consulting (2012)

Figure 17 shows the process for converting the jobs supported by each subsector into turnover and GVA generated for Winchester City and district.

The first step is to gather data on jobs, turnover and GVA at the same geographical level. ONS supplies data on these three variables at regional level, so the figures for the South East were used to generate the turnover per job and GVA per job figures in the table.

These ratios of turnover and GVA per job were then applied to the number of jobs supported in Winchester city and district, in order to arrive at the figures for total turnover and GVA given in the main report.

The implicit assumption of this methodology is that workers in Winchester are as productive as they are in the rest of the South East.

Figure 17 Conversion factors from jobs to turnover to GVA

Detailed industry category	Broad industrial category	Turnover per job	GVA per job	Jobs in Winch.
Advertising agencies	Advertising and market research	£80,903	£40,969	191
Media representation	Advertising and market research	£80,903	£40,969	26
Architectural activities	Architectural activities	£135,606	£76,915	386
Specialised design activities	Other professional, scientific and technical activities	£94,456	£55,675	89
Photographic activities	Other professional, scientific and technical activities	£94,456	£55,675	63
Performing arts	Creative, arts and entertainment activities	£66,255	£34,322	167
Support activities to performing arts	Creative, arts and entertainment activities	£66,255	£34,322	7
Artistic creation	Creative, arts and entertainment activities	£66,255	£34,322	105
Operation of arts facilities	Creative, arts and entertainment activities	£66,255	£34,322	0
Book publishing	Publishing activities	£130,151	£60,980	20
Publishing of newspapers	Publishing activities	£130,151	£60,980	22
Publishing of journals and periodicals	Publishing activities	£130,151	£60,980	26
Other publishing activities	Publishing activities	£130,151	£60,980	12
Publishing of computer games	Publishing activities	£130,151	£60,980	0
Other software publishing	Publishing activities	£130,151	£60,980	15
News agency activities	Information service activities	£143,963	£94,156	4
Radio broadcasting	Programming and broadcasting	£232,891	£87,845	5

	activities			
Television programming and broadcasting activities	Programming and broadcasting activities	£232,891	£87,845	5
Library and archive activities	Libraries, archives, museums and other cultural activities	£12,104	£4,919	115
Museum activities	Libraries, archives, museums and other cultural activities	£12,104	£4,919	138
Operation of historical sites and buildings and similar visitor attractions	Libraries, archives, museums and other cultural activities	£12,104	£4,919	0
Other retail sale of new goods in specialised stores	Retail trade, except of motor vehicles and motorcycles	116,608	22,708	69
Retail sale of second-hand goods in stores	Retail trade, except of motor vehicles and motorcycles	£116,608	£22,708	15
Printing of newspapers	Printing and reproduction of recorded media	£74,668	£33,891	0
Pre-press and pre-media services	Printing and reproduction of recorded media	£74,668	£33,891	27
Reproduction of recorded media	Printing and reproduction of recorded media	£74,668	£33,891	15
Activities of employment placement agencies	Employment activities	£42,435	£31,224	2
Computer programming activities	Computer programming, consultancy and related activities	£144,562	£83,247	54
Motion picture, video and television programme production activities	Motion picture, video and television programme production, sound recording and music publishing activities	£110,424	£47,000	68
Motion picture, video and television programme post-production activities	Motion picture, video and television programme production, sound recording and music publishing activities	£110,424	£47,000	4
Motion picture, video and television programme distribution activities	Motion picture, video and television programme production, sound recording and music publishing activities	£110,424	£47,000	0
Motion picture projection activities	Motion picture, video and television programme production, sound recording and music publishing activities	£110,424	£47,000	7
Sound recording and music publishing activities	Motion picture, video and television programme production, sound recording and music publishing activities	£110,424	£47,000	3
Manufacture of leather clothes	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of workwear	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of other outerwear	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of underwear	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of other wearing apparel and accessories	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of articles of fur	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of knitted and crocheted hosiery	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of other knitted and crocheted apparel	Manufacture of wearing apparel	£315,589	£110,266	0
Manufacture of luggage, handbags and the like, saddlery	Manufacture of leather and related products	£29,268	£9,756	0

and harness				
Manufacture of footwear	Manufacture of leather and related products	£29,268	£9,756	0
Hotels and similar accommodation	Accommodation	£48,779	£23,586	599
Holiday centres and villages	Accommodation	£48,779	£23,586	6
Youth hostels	Accommodation	£48,779	£23,586	0
Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels)	Accommodation	£48,779	£23,586	1
Camping grounds, recreational vehicle parks and trailer parks	Accommodation	£48,779	£23,586	9
Other accommodation	Accommodation	£48,779	£23,586	0
Licensed restaurants	Food and beverage service activities	£30,645	£13,014	435
Unlicensed restaurants and cafes	Food and beverage service activities	£30,645	£13,014	230
Take away food shops and mobile food stands	Food and beverage service activities	£30,645	£13,014	181
Event catering activities	Food and beverage service activities	£30,645	£13,014	153
Other food service activities	Food and beverage service activities	£30,645	£13,014	29
Licensed clubs	Food and beverage service activities	£30,645	£13,014	36
Public houses and bars	Food and beverage service activities	£30,645	£13,014	1,020

Source: BOP Consulting (2012)