



## Lancaster Arts Partnership

# Economic Value of Arts Activity in the district of Lancaster

Economic Impact Study

Executive Summary

January 2011



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**Reviewed and approved by:**

Signature(s):



Name(s):

Graeme Collinge

Job Title(s):

Partner

Date:

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## Executive Summary

### Report purpose

This report has been prepared on behalf of the Lancaster Arts Partnership (LAP) by GENECON LLP, with assistance from market research company *Information by Design* (IbyD) and arts specialist *Helen Corkery Research and Marketing* to capture the scale and economic value of arts activity in the district of Lancaster.

A strong arts sector has developed in Lancaster district over the past thirty years, supported with contributions from the Arts Council, Lancaster City Council and Lancashire County Council. With uncertainty over the future of arts funding – both nationally and locally, this report has been prepared to provide an evidence base for arts funders faced with future decisions on support for arts activities in Lancaster, and to assist arts organisations within Lancaster to better understand the economic contribution that they make to the local, sub-regional and regional economies.

The approach taken in undertaking this economic impact assessment has been based on the principles of HM Treasury Green Book, and analyses the direct and indirect impact of both 'on' and 'off' site expenditure, in relation to the activities of the seven Arts Council England (ACE) supported Regularly Funded Organisations (RFO's) in Lancaster district, and an assessment of the overall economic value of arts activity across the district based upon a bottom-up understanding of the number of arts businesses and organisations operating across the district.

The analysis is segmented at four spatial levels (Lancaster District, rest of Lancashire, rest of North West, and outside North West) to provide a net economic impact value of the arts and estimates of employment, expenditure and Gross Value Added (GVA).

### Arts activity in Lancaster

Formed in 2009, the LAP has brought together a consortium of arts organisations to work together to champion and promote the strategic development; to strive for excellence and innovation in arts activities and to establish a strong lobbying voice for the arts in Lancaster. Key members of the LAP include the seven ACE supported RFO's, with the table below providing a summary of their activities.

LAP RFO Partners		
		Summary description
The Dukes	<b>The Rake</b>	Traditional 'end-on' stage performance area with a 313 capacity with stadium style seating
	<b>The Round</b>	A new 240 seat theatre space which is circular, but can also be transformed into a horse shoe shape
	<b>Cinema</b>	An independent cinema which presents a selection of independent cinema and current releases
	<b>DT3</b>	A year-round arts participation programme for young people
	<b>Williamson Park Gallery</b>	Open every day and has free entry, presents work from some of the region's top artistic talent
<b>Ludus</b>		A leading UK professional contemporary dance company
<b>More Music</b>		Runs workshops, professional training, community festivals, live music and a programme of classes
<b>Litfest</b>		Literature events for people to engage with contemporary literature and celebrate literary excellence
<b>Storey Gallery</b>		Nurtures, commissions, promotes, and presents innovative and challenging contemporary visual art
Lancaster University	<b>Nuffield Theatre</b>	One of the most important venues in the UK for experimental and contemporary performance
	<b>Concert Series</b>	Held in the University's Great Hall, it offers a programme of concerts, music and events to the public
	<b>Peter Scott Gallery</b>	Presents a varied programme of exhibitions, including the University's international art collection
<b>folly</b>		A leading digital arts organisation that presents an innovative programme of art projects

In addition to the seven RFOs, this report identifies that Lancaster district is home to a wealth of arts and cultural activities that cover many art-forms and provide opportunities to develop creative skills across all sectors of the population. A detailed mapping exercise has been undertaken (including an assessment of data available from the Standard Industrial Classification, Yellow Pages and Google). This has identified 602 businesses and organisations located in the district within the arts sector, employing between 1,200 and 2,100 people and contributing more than £50m to the sub-regional economy.

## ***The Economic value of arts activity in Lancaster District - Key Findings***

### ***The economic value of the Lancaster arts partners is significant***

- ❑ Direct and indirect (supply chain and secondary spend) activities of the seven LAP Partners generate some 200 net additional jobs, and an annual economic contribution of £7.5m;
- ❑ The majority of this economic contribution is captured within Lancaster district (c.80%); a further 5% in the rest of Lancashire; 7% throughout the rest of the North West region, and the remaining 8% outside the North West region;
- ❑ A further £800,000+ of marketing/promotion value is generated through media coverage of the activities of the Partners reported outside the district;
- ❑ As a partnership, the LAP offers good value for money in terms of economic return on investment for the core funders of ACE, Lancashire County Council and Lancaster City Council, delivering £5.19 in economic benefit for every £1 of core revenue investment (comparing well against national benchmarks, for example, PWC's 2009 findings - average GVA return for RDA business support projects of £2.80:1).

### ***There are wider benefits from the activities of the Lancaster arts partners***

- ❑ The organisations involved in the LAP provide a wide range of activities and events aimed at all people within Lancashire, regardless of age, race, ethnicity or gender. These broader impacts cultivate a strong community identity for the people of Lancaster and a recognisable brand to promote nationally and internationally. This is particularly in relation to local policy contribution, with their activities aligning with the LDLSP Sustainable Community Strategy.
- ❑ For example, it is estimated that the LAP partners' work provide more than 20,000 participations for young people annually, inspiring interest and fulfilling aspirations in new skills, across activities as varied contemporary dance, theatre, digital media, creative writing and poetry appreciation.

### ***A significant cluster of arts based businesses and organisations has developed in Lancaster district over the past 30 years***

A comprehensive analysis of the businesses and organisations across Lancaster District has shown that there are more than 600 businesses and organisations involved either directly or indirectly in the arts and cultural sector, which between them it is estimated account for:

- ❑ 1,200 - 2,100 gross jobs;
- ❑ 1,390 – 2,430 net additional jobs;
- ❑ £50m - £85m GVA per annum.

It is likely that further investigation would reveal more detail on this important cluster. Whatever a further survey might reveal however, there needs to be more recognition of the importance of the three main funders and the role that each have played in investing in the arts in Lancaster district over the past 30 years. This investment has provided support to many arts providers which has contributed directly to the creation of a skilled and creative supplier base. It is no coincidence that there are so many businesses and organisations in the arts sector within the local economy.

### ***The new Arts Council policy may have an influence in funding decisions***

ACE currently provides investment support to 850 RFOs across England. Within the region, ACENW currently provides investment to 106 RFOs, of which seven are located in Lancaster district:

- ❑ Lancaster district is the third largest recipient of funding support from ACENW behind the region's two major cities of Manchester and Liverpool, representing an above average concentration of support for a single district. This is recognition of the excellence and innovation in arts within the district, particularly in the fields of dance, digital media, visual arts and live performance;
- ❑ Lancashire County Council for its part also recognises the need for concentration of investment into one area so that capacity can be built for supporting delivery of arts activity on a county-wide basis. The presence of 600 arts businesses and organisations within Lancaster district endorses this strategy.
- ❑ However, across the whole of the county, Lancashire (including Blackburn with Darwen and Blackpool Unitary Authorities) only receives the equivalent of £1.08 of ACE funding per head of population, compared with a regional average of £3.47, and lags significantly behind those in Merseyside (£5.92 per head), Greater Manchester (£4.74 per head) and Cumbria (£4.00 per head).

The funding landscape has changed during the course of the study, with reduced budgets and funding available to arts and cultural organisations. A new set of criteria is to be applied to future funding decisions and by the end of the process, a portfolio of organisations will be supported and shaped by the Arts Council's 10-year strategic framework. This will provide a balance of large and small organisations, across all art forms and geographical areas, and with either, an outstanding track record of achievement or outstanding potential.

This shift in the ACE approach presents a real opportunity for further investment in Lancaster's cultural economy. Following the new allocations of funding it is hoped that further recognition of the work of the LAP will encourage continued support from other funders.

### **Arts events and activities are important to Lancaster, residents & visitors**

Arts events attract people to and from outside the district, with 85% of attenders at arts events stating in surveys that it was the event itself which was the main reason for their visit. Other key survey findings from the study include:

- ❑ More than 80% of attenders agreed or agreed strongly that the arts are 'a very important part of my quality of life';
- ❑ 71% thought that the arts 'enhance the quality of life in Lancaster District'; and
- ❑ just under 50% thought that 'the range of arts activities in Lancaster District differentiates it as a place to live'.

### **Key Opportunities**

In terms of the future, this report has identified that there exists some real opportunities to further develop *the economic value of the arts in Lancaster district*.

### **Lancaster's arts based businesses are a talent pool which could be more widely promoted beyond the district**

- ❑ The study has identified 602 local businesses and organisations actively involved in the arts in the district. Potentially, these provide a talent pool in Lancaster district which could better serve the wider sub-regional and regional economy if their work were to be actively promoted outside the area. Both the county and the district councils have a potentially important role here.

### **The local hospitality trade should work with arts providers to encourage a "beds for bookers scheme"**

- ❑ Although the bookers' post codes show that some people could have been overnight stayers, it was somewhat disappointing that the audience survey work suggests that many of these tend to travel back home after the event, or those who do stay, tend to stay with friends and family. There was also not too much evidence of promotional activity between tourist / accommodation operators (some limited evidence of linked deals with restaurants) and arts providers, revealing that there is a significant opportunity for further economic benefit from the arts if these activities were better joined up, perhaps facilitated by the LAP Partners working with the City Council's tourism team. For example – a "sell beds to bookers" initiative.

### **More local events and festivals through involving arts providers**

- ❑ A further opportunity lies in the fact that arts providers in the district could be an important resource for the city council's new initiative for more events and festivals. The arts partners have a reach beyond the immediate local area which could be developed in partnership with the city council (for example, 61% of the audience for the Dukes's Peter Pan shows in Williamson Park came from outside Lancaster district, 29% from outside Lancashire, and 5% from outside the North West region).

***Live arts have as much to offer Lancaster's reputation for culture as its heritage***

- Tourism research from L&BTB has shown that Lancaster has a strong association with culture, but it is usually the heritage aspect of culture which is brought to mind. The "living" arts aspect of culture has a much lower profile and given this is the case, there is a significant opportunity to promote Lancaster district as a destination for all 3 aspects of culture - heritage, arts and landscape. A further benefit of including the arts in Lancaster's culture offer is that arts activity is spread across the whole district.