

# The Costs and Benefits of UK World Heritage Site Status

A literature review for the  
Department for Culture, Media and  
Sport



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# 1 Introduction and approach

## Introduction

- 1 This document represents a selective discussion of the existing literature in relation to the costs and benefits of heritage more broadly and World Heritage Site status specifically. The definitions of costs and benefits have been defined broadly to reflect not only the quantitative elements upon which these studies so regularly focus but also the important qualitative aspects which are equally important. It has been written for the Department for Culture, Media and Sport (“DCMS”) in relation to a policy evaluation of World Heritage Site status in the UK which is currently underway. This literature review will inform the approach taken to the remainder of this overall study.

## Scope and structure

- 2 The work presents an overview of the existing literature available on the areas in which heritage activities more generally and World Heritage sites more specifically add ‘value’, ‘impact’ or ‘benefit’ and also how they might ‘damage’ or add ‘costs’. It is constructed within these two areas and contains firstly a chapter on the theoretical positions that have been adopted from some of these broadly defined costs and benefits and secondly a chapter on the empirical evidence underpinning these assessments of value. Within the first of these chapters explicit references are made to other ‘frameworks’ or overviews which have been presented as a basis for understanding the costs and benefits of Heritage and World Heritage more broadly. Within the second chapter of empirical evidence we have also made reference to the various practical economic measurement approaches that exist to value these costs and benefits.
- 3 During the course of the review it has become clear that there are three primary methods by which the costs and benefits associated with WHS application and designation have been defined in the literature. By ‘category’ (e.g. economic, social, environmental, aesthetic, etc), by ‘audience’ (i.e. who incurs the cost or benefit e.g. local government, developers, tourism businesses, etc) and by ‘measurement approach’ (e.g. direct and indirect tourism expenditures, contingent valuation, hedonic pricing etc). At certain points in the review we have made reference to each of these approaches where they appear in the literature.
- 4 The review covers a wide variety of sources, which are primarily national but it also includes some international references. In the UK it has primarily focussed on previous work undertaken in relation to specific sites, (notably Chatham, the Lake District and Cornwall) and the work of the Local Authority World Heritage Forum in relation to costs.
- 5 We will attempt to consider all aspects of costs and benefits which, in many cases, have proved very difficult to measure and scale in a common currency. This is particularly true of social, environmental and more aesthetic aspects.
- 6 Ultimately the goal of this literature review is to begin to construct an initial framework of the costs and benefits associated with WHS status in the UK and within our conclusions we have begun to make such an assessment.

## Approach

- 7 During the course of this literature review, the research team have critically examined a wide variety of literature which has been identified by DCMS, other stakeholders or the project team. A full list of sources has been provided in the bibliography in Appendix A.

8 For each article we have reviewed the overall comments and conclusions in relation to costs or benefits of World Heritage Status (“WHS”), considered the robustness of the methodology and the overall approach and any other important lessons emerging from the work which we felt might be relevant in the context of this study.

**Key research questions for the literature review**

9 The review will seek to address the following key research questions.

- What can the theoretical perspectives on the costs and benefits of WHS tell us?
- What methods can be used to measure and scale these costs and benefits?
- What are the challenges in attempting to measure these costs and benefits?
- What can the empirical evidence tell us about the costs and benefits associated with World Heritage Application and Designation?

## 2 Theoretical perspectives

- 10 This chapter discusses the key literature in relation to the theoretical assessments of the costs and benefits of World Heritage application and designation. It brings together the various typologies and frameworks that have been provided in the literature on World Heritage and also heritage and the arts more widely. In general, there is an acknowledged gap in the literature surrounding the costs and benefits of World Heritage Status, either from a UK context or more broadly, and from the literature reviewed this appears to be particularly true on the costs side.

*'(I)t is well recognised that the benefits of WHS inscription in general are under-researched. For example, the North American Region's periodic report to UNESCO in December 2004 where the aim was set out to sponsor research into the social and economic benefits of world heritage site status for the benefit of the international heritage community' ERS, 2006*

- 11 The absence of work in this area is also recognised in the ERM (2004) report for NWDA and more recently the ICOMOS-UK Cultural Tourism Committee has begun work studying the impact of World Heritage Site Status on communities in the UK.

### Theoretical perspectives on benefits

#### The 'benefit' or 'value' typologies and surrounding issues

*'First, material heritage is valued in a number of different, sometimes conflicting ways. The variety of values ascribed to any particular heritage object- economic value, aesthetic value, cultural value, political value, educational value- is matched by the variety of stakeholders participating in the heritage conservation process. Balancing these values is one of the most difficult challenges in making conservation decisions that satisfy the needs of many stakeholders. Second, "heritage" is an essentially collective and public notion. Though heritage is certainly valued by individuals, its raison d'être is, by definition, to sustain a sphere of public interest and public good.'* Mason, R 'Economics and Heritage Conservation: Concepts, Values and Agendas for Research' in Getty Conservation Institute, 1998, 'Economics and Heritage Conservation A Meeting Organized by the Getty Conservation Institute'

- 12 By observing the different taxonomies of heritage value we can infer some useful lessons primarily around benefits. Table 1 below presents some of the different value typologies of several prominent studies or organisations. Often the specific values are similar but the nomenclature proposed to group them is different and in some instances it has been suggested that for example the difference between the 'economic' and 'social' categories is arbitrarily defined<sup>1</sup>.

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<sup>1</sup> Frontier, 2007

**Table 1: Value typologies**

<b>National Geographic, 2006</b>	<b>Frey, 1997</b>	<b>Liye, 1984</b>	<b>Burra Charter, 1998</b>	<b>English Heritage, 2006</b>	<b>Australian statistical office<sup>2</sup></b>	<b>Heritage Works<sup>3</sup></b>
<ul style="list-style-type: none"> <li>• Environmental</li> <li>• Social/Cultural</li> <li>• Condition of built heritage</li> <li>• Aesthetic</li> <li>• Tourism</li> <li>• Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary</li> <li>• Option</li> <li>• Existence</li> <li>• Bequest</li> <li>• Prestige</li> <li>• Educational</li> </ul>	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Aesthetic</li> <li>• Associative-symbolic</li> <li>• Informational</li> </ul>	<ul style="list-style-type: none"> <li>• Aesthetic</li> <li>• Historic</li> <li>• Scientific</li> <li>• Social</li> </ul>	<ul style="list-style-type: none"> <li>• Participation</li> <li>• Economic</li> <li>• Education and lifelong learning</li> <li>• Quality of life</li> <li>• Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Cultural</li> <li>• Social</li> <li>• Quality of life for consumers and for persons involved in the arts</li> <li>• Economic</li> </ul>	<ul style="list-style-type: none"> <li>• Urban context value</li> <li>• Aesthetic value</li> <li>• Social Value</li> <li>• Cultural Value</li> <li>• Historic Value</li> </ul>

- 13 This categorisation approach is also pertinent in the ‘statements of value’ or significance that have been adopted in many of the site management plans of the UK World Heritage Sites. An example of one of these ‘statements of significance’ is provided in Figure 1 for reference.
- 14 These statements have in many instances been evolutionary with many early efforts focussing on the aesthetic, archaeological values and only later elements mentioning the economic or social elements.

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<sup>2</sup> Australian Bureau of Statistics, 2006

<sup>3</sup> English Heritage et al, 2006

Figure 1: Avebury World Heritage Site Statement of Significance<sup>4</sup>

AREAS OF SIGNIFICANCE	KEY VALUES	SPECIFIC VALUE AREAS
World Heritage	<i>Outstanding Universal Values</i>	<ul style="list-style-type: none"> <li>● Represents a masterpiece of creative genius</li> <li>● Represents an important interchange of human values</li> <li>● Testimony to a distinctive past culture</li> <li>● Authenticity</li> </ul>
Cultural Heritage	<i>Archaeological</i>	<ul style="list-style-type: none"> <li>● Rich archaeological landscape spanning 10,000 years</li> <li>● Palaeoenvironmental deposits</li> <li>● Rich artefactual collection in the Alexander Keiller &amp; Wiltshire Heritage Museum in Devizes</li> </ul>
	<i>Historical &amp; Documentary</i>	<ul style="list-style-type: none"> <li>● The historic built heritage</li> <li>● Archives and documents in the Alexander Keiller &amp; Wiltshire Heritage Museum in Devizes</li> <li>● Antiquarian archives, off-site documents and resources</li> </ul>
Landscape & Nature Conservation	<i>Landscape &amp; Historic Land use</i>	<ul style="list-style-type: none"> <li>● Mosaic of landscapes and habitats</li> <li>● North Wessex Downs</li> </ul>
	<i>Nature Conservation &amp; Biodiversity</i>	<ul style="list-style-type: none"> <li>● Key habitats and species</li> </ul>
Educational & Research	<i>Archaeological &amp; Historical Resource for Formal Education</i>	<ul style="list-style-type: none"> <li>● Time depth</li> <li>● Range and complexity</li> </ul>
	<i>Scope for Informal Learning About the Past</i>	<ul style="list-style-type: none"> <li>● A wide range of visitors</li> <li>● Unique on-site museum</li> </ul>
	<i>Potential for Archaeological &amp; Historical Research</i>	<ul style="list-style-type: none"> <li>● Prehistory</li> <li>● Romano-British, Saxon and later history</li> </ul>
Social	<i>Creative Inspiration</i>	<ul style="list-style-type: none"> <li>● Antiquarians, authors &amp; artists</li> </ul>
	<i>Spiritual</i>	<ul style="list-style-type: none"> <li>● The spirit of place</li> <li>● Spiritual use of the site</li> </ul>
	<i>Recreation and Access</i>	<ul style="list-style-type: none"> <li>● Access for All</li> <li>● Volunteering</li> </ul>
	<i>Local Community</i>	<ul style="list-style-type: none"> <li>● Symbiosis of village and ancient monument</li> <li>● A living village</li> <li>● Local community role in the management of the site</li> </ul>
Economic	<i>Farming</i>	<ul style="list-style-type: none"> <li>● The agricultural resource</li> <li>● Integration of farming with environmental management</li> </ul>
	<i>Tourism</i>	<ul style="list-style-type: none"> <li>● Income generation</li> </ul>
	<i>Support for Local Economy</i>	<ul style="list-style-type: none"> <li>● Local employment</li> </ul>

15 In a 2003 Case study of the Hadrian's Wall World Heritage Site by the Getty Conservation Institute this point is made explicitly through analysis and assessment of the various value statements drafted about the site historically.

*'In the 2002 plan, the approach to value articulation was revised to suggest a new balance between heritage values (the basis of conservation policies) and contemporary-use values (the basis for access*

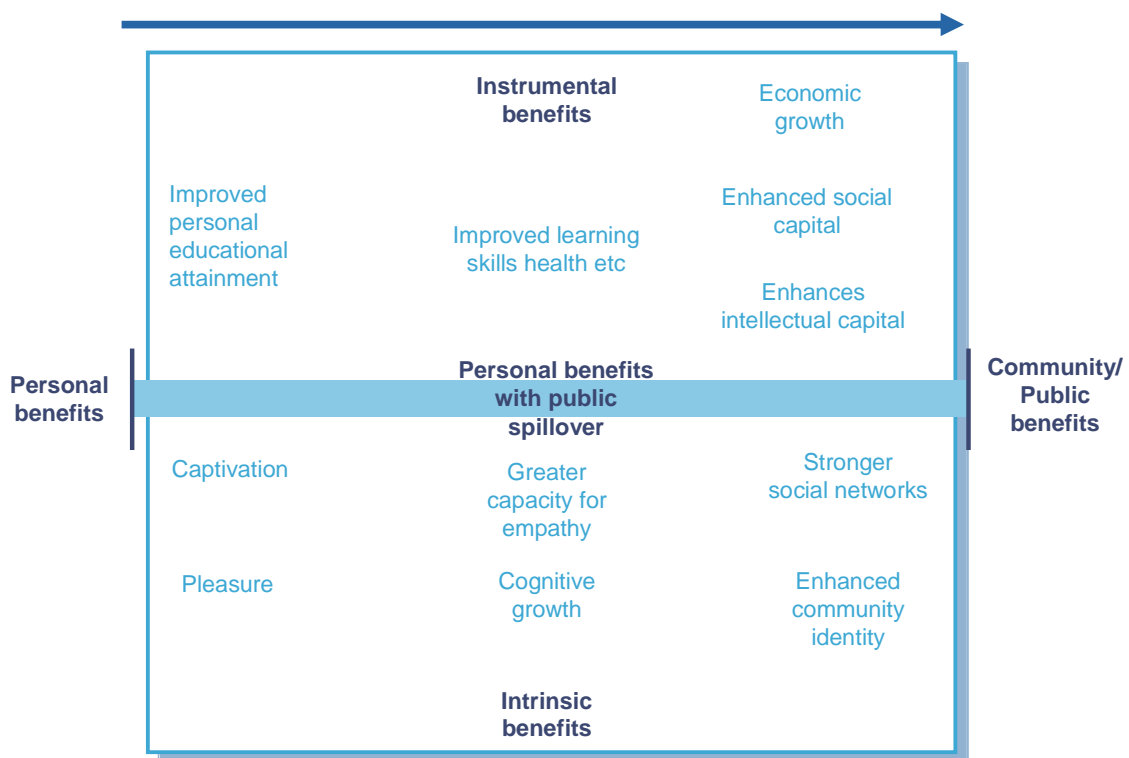
<sup>4</sup> Avebury World Heritage Site Management Plan-  
<http://www.kennet.gov.uk/avebury/archaeological/managementplan/docs/partone.pdf>

and development policies)... The core statement of significance makes the connection between archaeological values and their uses, both cultural and economic “[Hadrian’s Wall Military Zone] is of significant value in terms of its scale and identity, the technical expertise of its builders and planners, its documentation, survival and rarity, and also in terms of its economic, educational and cultural contribution to today’s world” Getty Conservation Institute, 2003, ‘Hadrian’s Wall World Heritage Site’

**‘Intrinsic’ and ‘Instrumental’ values**

- 16 The distinction between these ‘heritage’ values and ‘contemporary-use’ values is the same as the distinction between ‘intrinsic’ and ‘instrumental’ elements.
- 17 One taxonomy for assessing the value of the arts and culture that explicitly makes this ‘intrinsic’ and ‘instrumental’ distinction can be seen in figure 2; this is adapted from a 2004 RAND Corporation study into the benefits of the arts. Here the ‘intrinsic’ elements are in the bottom part of Figure 2 whilst the instrumental elements are represented in the top section. Both sets of values change as one moves from the perspective of the individual beneficiary on the left to the perspective of the community or wider public on the right.

**Figure 2: Framework for Understanding the Benefits of the Arts and Culture**



- 18 The ‘intrinsic’ elements relate to the notion that something has value in itself i.e. it’s natural characteristics or significance create value by for example deriving captivation and pleasure for an individual or enhancing the identity of a community. In the case of World Heritage more specifically, it is this ‘intrinsic’ element which would sit most comfortably with the notion of ‘outstanding universal value’ applied by UNESCO.

*‘benefits are instrumental in that the arts are viewed as a means of achieving broad social and economic goals that have nothing to do with art per se. Policy advocates acknowledge that these are not the sole benefits stemming from the arts, that the arts also “enrich people’s lives”. But the main argument downplays these other intrinsic benefits’, RAND, 2004, Gifts of the Muse, Reframing the Debate about the Benefits of the Arts.*

*“This intrinsic-value argument in heritage conservation would be analogous to the “intrinsic” argument in environmental conservation, through which it is assumed that “natural” characteristics (wildness) are intrinsically valuable. This idea parallels the notion of authenticity in the heritage field, which presumes that some kind of historic value is represented by—inherent in—some truly old and thus authentic*



*material (authentic in that it was witness to history and carries the authority of this witness). Thus, if one can prove authenticity of material, historical value is indelibly established”, de la Torre, Getty Conservation Institute, 2002*

19 In the context of World Heritage, the value judgements change in relation to the audience to whom the statement of ‘value’ is intended. For example, the UNESCO judgement of ‘Outstanding Universal Value’ is essentially related to the ‘intrinsic’ elements with the ‘instrumental’ elements being immaterial.

20 The distinction can also be seen in a 2005 discussion paper on the national and international value of Bletchley Park which breaks down the key values of the site into five key categories:

*‘1. Historical: Bletchley Park’s contribution to victory in the Second World War*

*2. Historical: Bletchley Park’s contribution to the development of Signals Intelligence*

*3. Scientific: Bletchley Park as the birthplace of the information age*

*4. Political: Bletchley Park as the catalyst of International Relations*

*5. Regional: Bletchley Park’s relationship to the locality and region’ The NATIONAL AND INTERNATIONAL VALUE of BLETCHLEY PARK, A PLATFORM FOR DISCUSSION and its future, 2005*

21 All of these values focus on the ‘intrinsic’ elements of the site, whilst none focus on the ‘instrumental’ elements.

22 Contrast this international study with one of the many local or regional studies that have been undertaken on impacts or benefits in relation to World Heritage Sites. For example the 2006 ERS study into the potential social and economics benefits for Cumbria of World Heritage Inscription proposed the following potential benefit types:

- Tourism impacts;
- Agriculture and Landscape impacts;
- Social and Community impacts;
- Education, Learning and Cultural;
- Funding and Investment; and
- Partnership Developments<sup>5</sup>

23 Here, the instrumental benefits are clearly much more strongly represented than the intrinsic elements.

24 This difference in itself is not surprising as it perhaps reflects the difference between the briefs of these two studies, it does however emphasise the variety of different notions of benefit and value accepted by various different audiences and also demonstrates a disconnect between the values desired by local and regional audiences and the international values requested by UNESCO.

### **Creating ‘Institutional’ value**

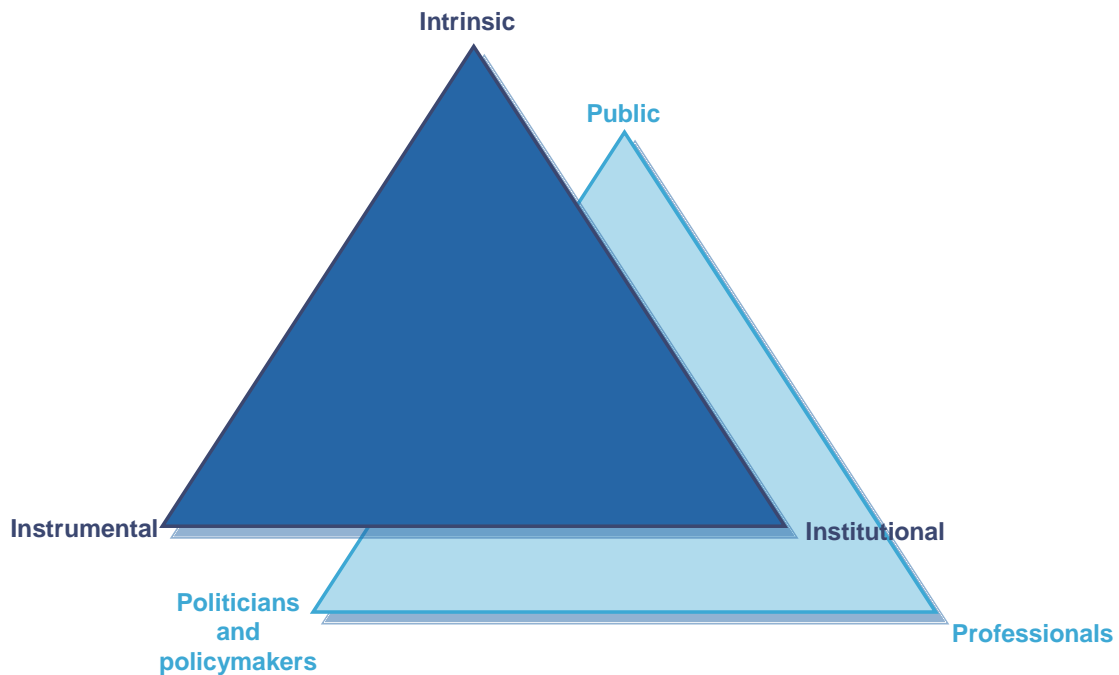
25 Recently some commentators (Holden, 2006) have added a third element to the intrinsic and instrumental elements, ‘institutional’ value and he sets these values against broadly defined audiences.

*“The third value is what we call ‘institutional value’. This relates to the processes and techniques that organisations adopt in how they work to create value for the public. Institutional value is generated, or destroyed, by how organisations engage with their publics; it flows from their working practices and attitudes and is rooted in notions of the public good”, Hewison, R and Holden, J, 2006*

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<sup>5</sup> ERS, 2006

**Figure 3: Demos triangles of heritage values and audiences**



26 This new value is put forward to emphasise the importance of public engagement in the text but could also be widened to include reference to the partnership and joint working benefits that WH bidding and designation can bring. This value is very similar to the concept of ‘Strategic Added Value’ used by Regional Development Agencies to demonstrate the benefits they generate as an agency body bring together different groups.

27 This institutional value implies an important role for WH Sites to work with and involve the wider electorate in defining and providing access to the site and its value. It also suggests an important role for the wider public themselves in understanding and communicating what they feel the ‘intrinsic’ values of these sites are. Finding out what the public wants and in this case which aspects of our heritage need to be protected or emphasised is key to creating this ‘institutional value’.

*“When we protect a building or site, it is done because it is of value to the public. The whole justification for regulation, intervention or subsidy in heritage is based on the idea that these assets are important not just to us as individuals, but to the wider community”, Clark, K, 2006*

28 A research report from the Getty Conservation Institute in 2000 reflected upon the relationship between conservation and value and suggested a number of responses to maximising public engagement and these ‘institutional’ benefits. Three of the more prevalent points in this context included:

- *The stewarding of heritage by outsiders in tandem with natives-* this relates to the need to involve local people in the custodianship of heritage assets;
- *Caring for the past while actively embracing the present-* not allowing heritage assets to be ‘frozen in time’ the need to work with the forces of ‘economic necessity’ taking place at these sites to support local and regional audiences and their needs; and
- *Not leaving stewardship to the experts-* accountability and transparency in decisions and heritage conservation with real notions of public value.

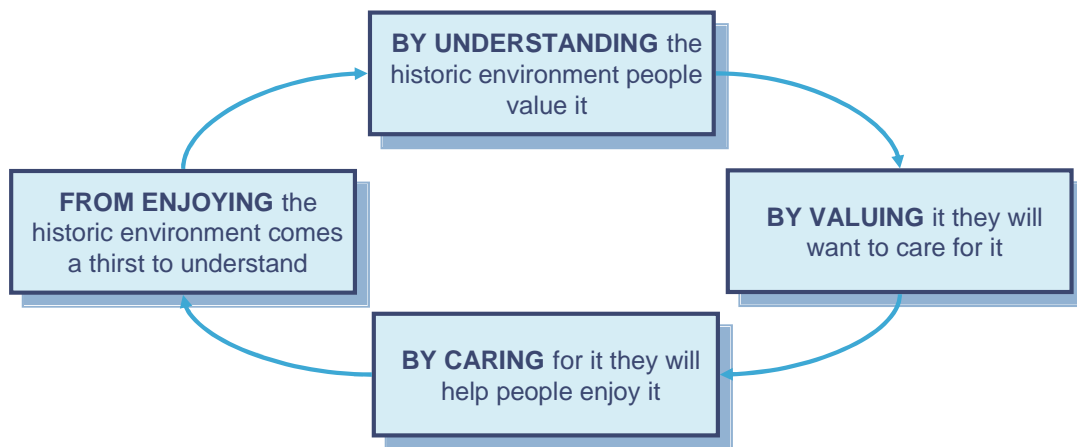
*‘The ultimate aim of conservation is not to conserve material for its own sake but, rather, to maintain (and shape) the values embodied by the heritage’, Getty Conservation Institute, 2000, ‘Values and Heritage Conservation’*

29 Public engagement is difficult and a distinction is made in the literature between the public’s refined and unrefined preferences.

*"In democratic theory, a distinction is drawn between a knee-jerk, ill-informed and unconsidered preference and a 'refined' preference...it does require some thought to have taken place among the public", Blaug, R et al., 2006*

- 30 The point here essentially suggests that often without a proper grasp of the issues the public is unable to make an informed choice. Therefore public value is equal to the responsiveness of the heritage sector to the public's refined preferences.
- 31 Thus public engagement and understanding is key to unlocking these 'institutional' values through these refined preferences. It is often quoted as one stage in a value chain which is sometimes seen as self reinforcing.
- 32 In Figure 4 the strategic vision of English Heritage between 2005 and 2010 has been represented. This framework emphasises the importance of engaging with the public and creating both new audiences and greater understanding to generate benefits mainly in terms of greater conservation of these sites and greater personal intrinsic benefit from them.

**Figure 4: English Heritage Strategy 2005-10**



- 33 A further example of this value chain approach can be seen in the Getty Conservation Institutes 2000 work on Values and Heritage Conservation, this identified the process as linear but uses this as a basis for criticising the status quo as being insular from its social context, they go on to suggest placing these elements within concentric, overlapping circles and beginning with an initial stage focussed on defining the sites 'values'.

**Figure 5: Conservation policy and practise in Getty (2000)**



**Value 'capitals'**

- 35 A further taxonomy of value is to consider values as 'capitals'. Capital is treated as both a store of value and a long-lasting asset that produces a stream of costs and benefits over time. In the case of 'Cultural capital' David Throsby suggests four key reasons why this use of 'capital' is valuable:

1. *"First, the phenomenon of 'capital' is... an important one in economics; defining heritage as*

*capital enables the related concepts of depreciation, investment, rate of return, etc to be applied to the evaluation and management of heritage. In so doing one can open up a dialogue between heritage professionals whose job it is to care for cultural assets and economists who are concerned with the formulation of economic and cultural policy.*

2. *Second, the idea of cultural capital depends on articulating specific forms of value. In particular it draws attention to cultural value as something distinct from (though not altogether unrelated to) economic value.*
3. *Third, since capital assets are long-lasting, the notion of cultural capital leads naturally to thinking about sustainability... Neglect of cultural capital by allowing heritage to deteriorate, by failing to sustain the cultural values that provide people with a sense of identity, and by not undertaking the investment needed to maintain and increase the stock of both tangible and intangible cultural capital, will place cultural systems in jeopardy and may cause them to break down, with consequent loss of welfare and economic output.*
4. *Fourth, it is usual to apply economic appraisal methods such as cost-benefit analysis to public investment in capital assets. Defining heritage as cultural capital opens up possibilities for looking at heritage projects in similar cost-benefit terms”, Thorsby, D, 2006*

- 36 The ‘capital’ typology could separate sites into a whole host of ‘capitals’ for example economic, environmental, cultural, etc but one concept which is particularly relevant in the context of some of the WHS benefit areas we will discuss later is the concept of **‘social capital’** which suggests that arts and cultural activities can promote interaction in communities, create a sense of community identity, and help build social capital<sup>6</sup> connections. In some of the literature World Heritage Status is in fact held up as a successful example something which can be universally agreed upon to build cohesion and social capital amongst international communities.

*‘The broad consensus and the widespread popularity of the Convention on World Heritage must be highlighted. This success has demonstrated that governments, spurred by public interest, have been able to agree on a world value on which to base a complex institutional charter and procedure to channel international cooperative actions.... it is highly significant that - at a time when globalization is pushing people to retrench themselves in particularistic cultural identities - there is one value that people of all cultures seem to agree on’, Getty Conservation Institute, 2000, ‘Values and Heritage Conservation’*

#### **Use and non-use values**

- 37 A further taxonomy of value typologies is to consider both the use and non-use values and this is the approach taken by Frey (1997) as shown in Table 1 but it has also been mentioned in Frontier Economics (2007), ettec (2005) and also is regularly referred to in David Thorsby’s work. This effectively separates values into those accruing to individuals who use these assets and those to individuals who do not use them. Non-users might still infer an ‘existence’ or ‘option’ value from the sites protection and the possibility of visiting it or they might infer a ‘bequest’ value from allowing these assets to be transferred to the next generation for them to enjoy. In some instances (ettec) alternative ‘Altruistic’ non-use values are proposed which suggest that there is a value for individuals knowing that others can visit the site.

*“These methods involve distinguishing between the direct use benefits of heritage that accrue to those using the assets, such as tourists, and the indirect or non-use benefits that accrue to the community at large. The former can be measured by market transactions, but the latter arise outside the market, and have to be measured by special-purpose studies designed to gauge people’s willingness to pay to preserve the heritage in question. These non-use values may relate to the asset’s existence value (people value the existence of the heritage item even though they may not consume its services directly themselves); its option value (people wish to preserve the option that they or others might consume the asset’s services at some future time); and its bequest value (people may wish to bequeath the asset to future generations). These non-use values are not observable in market transactions, since no market exists on which the rights to them can be exchanged”, Thorsby, D, 2006*

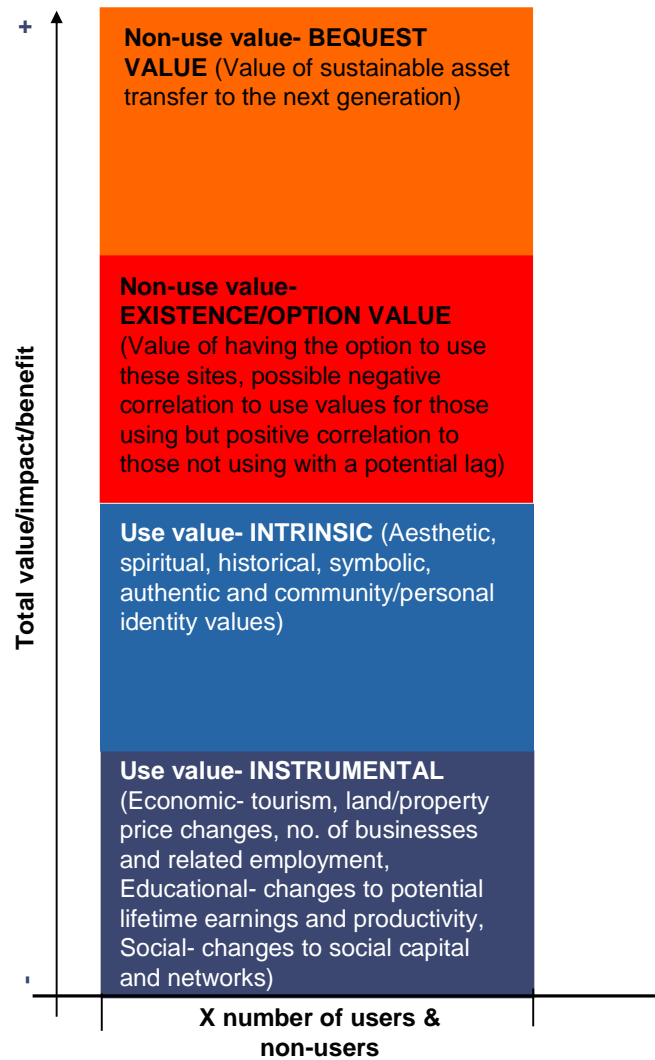
- 38 This categorisation can be seen in Figure 6 which also separates the use values into the instrumental and intrinsic benefits.

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<sup>6</sup> Lowe, 2000; Griffiths, 1993; Stern, 2000

39 The non-use existence/option values will as we have discussed previously rise incrementally and have a strong correlation to the changes in use values..

**Figure 6: Use and non-use values in Heritage (PwC)**



**UNESCO and ‘outstanding universal value’**

40 In the context of World Heritage, the definition of value presented by UNESCO, the critical judgement of ‘Outstanding Universal Value’ is essentially related to the site’s uniqueness and quality.

*‘The issues in a nutshell... The critical judgement on the identification of the outstanding universal value of a particular property should be seen in relation to two distinct issues, i.e. that:*

- *The adequacy (or extent) of the relevant “cultural region” or “area of human knowledge” fully justify representation on the World Heritage List;*
- *The “intrinsic quality” and cultural-historical genuineness of the nominated property meet the expected level of excellence.’ ICOMOS, 2005, ‘THE WORLD HERITAGE LIST Filling the Gaps- an action Plan for the Future.*

41 The focus here is clearly on the ‘intrinsic’ quality of the site itself and its cultural-historical context and significance rather than on the sites ‘instrumental’ use as a tool for economic and social goals or its ‘institutional’ value. Similarly no distinction is made from the perspective of different audiences or beneficiaries that would allow separation of users and non-users but the spirit of the ‘outstanding universal value’ implies value for all and is therefore likely to encompass both users and non-users.

**Theoretical perspectives on Costs**

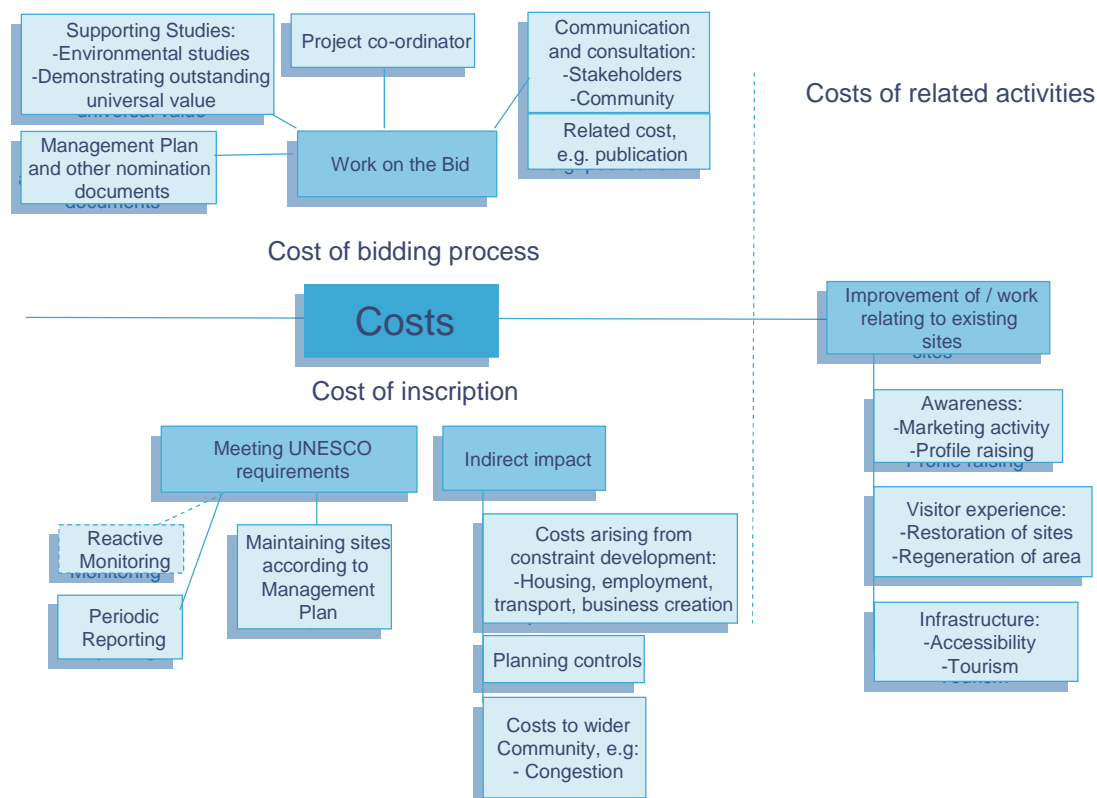
- 42 As we have noted previously, there is an acknowledged gap in the literature around both the costs and benefits or values associated with World Heritage status in both the UK and internationally. This problem is particularly acute on the cost side. The existing literature on costs is limited to several site specific ex-ante impact assessments in which brief commentaries on the bidding costs are made and a few articles and reports which make some reference to management costs in those sites which have recently gained World Heritage Status.
- 43 More recently, the Local Authority World Heritage Forum has undertaken a study looking into the management costs of World Heritage Sites in the UK. Given the sparsity of the literature on this subject this is welcome but the results of the study confirm the substantial differences in both the level and nature of costs between sites and who incurs them.

*'The varied nature of the sites themselves and their management arrangements makes comparison very difficult and aggregation virtually impossible' Kaye, M, 2007, 'Local Authority World Heritage Forum, Management and Finance of World Heritage Sites in the United Kingdom (Excluding overseas territories)'*

### Overview of costs

- 44 Figure 7 shows a theoretical overview of the types of costs that existing World Heritage sites have incurred. As illustrated these arise both during the process of bidding for WHS status and after a site has been inscribed. In addition the figure below shows the related costs, which may not be necessary for sites to gain WHS status but instead may be required for sites to maximise the benefits from that status.
- 45 None of the cost areas presented here is certain and different sites may or may not incur these costs depending on their circumstances. However, the taxonomy provides an overview of the elements where costs might be incurred.

**Figure 7: Overview of costs**



- 47 There are numerous theoretical value typologies that have been suggested in the literature and these typologies emphasise that the benefits from World Heritage must consider:

- the 'instrumental' benefits and values relating to certain targeted government outcomes (e.g.

education, economist benefit, social capital etc);

- the 'intrinsic' benefits relating to the value of the World Heritage Site itself; and
- the 'institutional' benefits or values gained through strong partnership working and communication with and involvement from local communities.

48 Maximising these values implies a new approach to conservation that has been termed 'value based conservation' which involves the definition of value by relevant stakeholders and the completion of actions to support that value by other groups.

*'Heritage is valued in a variety of different ways, driven by different motivations (economic, political, cultural, spiritual, aesthetic, and others), each of which has correspondingly varied ideals, ethics and epistemologies. These different ways of valuing in turn lead to different approaches to preserving heritage. For instance, conserving a historic house property according to historic-cultural values would lead one to maximise the capacity for the place to serve the educational function of telling the stories; the primary audiences in this case might be local schoolchildren and the local community, for whom association with this old place and its stories makes a significant contribution to their group identity. By contrast, conserving the same site to maximise economic value might lead to a conservation approach that favours revenue generation and tourist traffic over educational and other cultural values' Getty Research Institute, 2000, Values and Heritage Conservation*

49 Other value typologies we might consider from the literature would be the use of 'capitals' and the distinction between user and non-user groups. Capital is a beneficial label for some heritage values in that in economic terms it represents both a store of value and a stream of benefits and costs over time. Such a distinction could be useful in the context of World Heritage which amongst its non-user benefits includes values like intergenerational fairness or 'bequest' values in addition to the 'option', 'existence' and sometimes 'altruistic' values. This distinction is also useful when considering the 'intrinsic' and 'instrumental' difference. By making this user and non-user distinction it is clear that the user benefits will largely be affected by the quality of the visitor experience. There are various examples of indicators or guidance which have been created in different contexts to measure the value of culture or the social and economic importance of certain more qualitative aspects and some of these provide useful tools in certain situations.

50 On the costs side, the literature is sparse and the recent LAWHF study suggests that the differences between sites make costs inconsistent and aggregation 'virtually impossible'. However, based on the empirical evidence in this report we have developed a theoretical framework which splits the cost elements into bidding, management, opportunity and related costs, as seen in Figure 7.

# 3 Empirical evidence

- 51 This chapter discusses the key literature in relation to both the methodologies for assessing these benefits and costs and the empirical evidence for them. It begins by discussing the various methodologies which are currently being used for measuring some of these benefits including the economic stated and revealed preference approaches the approaches to assessing partnership benefits and the methods for identifying social capital and learning and educational impacts. It then discusses each of the costs and benefits in the context of the existing literature, what this tells us about the scale of these costs and benefits from elsewhere, what factors influence that scale and therefore how these can be maximised. It ends with some conclusions which includes references to the challenges which make these types of assessment difficult.

## Economic measurement approaches

- 52 The economic methodological tools devised by economists to assess the value of cultural heritage are now being used more widely as advocates and policy makers increasingly break new ground to assess the benefits of and make the best case for cultural investments<sup>7</sup>. These economic approaches can be separated into two groups 'revealed-preference' approaches and 'stated-preference' approaches<sup>8</sup>.

*"Economic methods are used more widely and for new purposes, and they are gaining credibility. But there remains a great danger in relying on quantitative economic methods alone—this is a view strongly endorsed by some economists", de la Torre, 2002*

- 53 Despite their value, some commentators have argued that the traditional economic approaches do not completely assess the full value of arts and cultural goods<sup>9</sup>. This is based on the assumption that there is an inherent or intrinsic value in art or cultural goods that is not adequately captured by economic values.

*"Consider the value to indigenous Australians of the rock paintings of Kakadu, which contain material sacred to Aboriginal culture. Consider the value of T.S. Eliot's The Waste Land in illuminating our understanding of industrial capitalism. Consider the value of the French language as symbolic of the cultural inheritance of France. These elements of the value of these goods can be clearly recognised and appreciated by individuals (whether or not they have travelled to Northern Australia, read Eliot, or speak French). But these aspects of the value of these cultural goods cannot, even in principle, be sensibly aggregated from the WTP judgements of individuals, and indeed they cannot be plausibly represented in monetary terms, no matter how they might be assessed." Throsby, 2003*

## Direct economic impact or 'spin-off' studies

- 54 **Economic impact or 'spin-off' studies** use a simple method to suggest that an investment in a heritage project will yield tangible economic gains. By measuring economic investments and employment gains directly related to conservation activity, and multiplying this on the theory that these direct investments yield secondary multiplier or ripple effects in terms of supplier and income payments, impact studies can

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<sup>7</sup> For example the use of Contingent Valuation to assess the value of the British Library <http://www.bl.uk/pdf/measuring.pdf>

<sup>8</sup> Useful summaries of these various approaches can be found in Frontier, 2007, Throsby, D in Getty Conservation Institute, 2000 and PwC, 2007

<sup>9</sup> Throsby, 2003



be used to infer return on investment. In this context economic impact studies can provide a useful assessment of the direct use values and some externalities of heritage and research investments.

*'Economic spin-offs are defined as activity that is associated with heritage projects and activities and can be measured in terms of employment and expenditure, including that which is related to the provision of goods and services down the supply chain and the effect of spending on the local economy by tourists attracted to the heritage feature', English Heritage, 2005, 'The Heritage Dividend Methodology'*

- 55 Assessments of tourism or economic impact benefits tend to follow an approach consistent with the economic impact or 'spin off' methods. They begin with an assessment of the number of potential 'additional' tourists or trips which could be generated by WHS status and their nature and length, which can either be inferred from freely available sources in some cases or in more difficult cases can be derived from primary research. From this it is possible to ascertain the total number of additional bed nights and to this an average spend per day can be applied again using freely available sources or primary research. Once a total gross additional expenditure is ascertained a 'multiplier' value is applied to take account of the knock on 'supplier' and 'income' effects. For example if a visitor spends £1 in a local hotel that hotel might use that £1 to buy more from its local suppliers, who will therefore re-spend that £1 in the local economy creating a knock-on 'supplier' effect. Similarly the hotel might use the £1 to pay its staff salaries and this 'income' might also be re-spent in the local economy. The multiplier value is used to represent these knock-on effects. The critical areas within these studies are usually the scale of the multiplier values used and the assumptions used in the calculation of additional trips.

*'For every £1 spent by visitors at the museum, £12 is spent elsewhere in the local economy. With 300,000 visitors spending £1.5m in 2000, the contribution to the prosperity of the region was £18m. To this can be added the goods and services purchased by the museum from local businesses, the employment of 120 people and the investment in new exhibitions and building work.'* Patrick Green, Director, The Museum of Science and Industry in Manchester in *Heritage Works*, 2006.

- 56 These studies are often criticised for using inappropriate local and regional multiplier values and for the approach that they take to assess additionality.

### **Revealed-preference methods**

- 57 Revealed-preference methods seek to 'reveal' or infer a value or market price for heritage assets where there is no existing market by looking at the effect on complimentary or related markets. They include hedonic and value transfer methods where market prices are effectively taken from related or complimentary markets, or approaches such as travel cost where values are taken from central guidance.
- 58 **Hedonic pricing and value transfer** methods use values attributed to goods elsewhere which can be reasonably linked to the assets in question. The two methods are not always the same but are very similar, hedonic pricing uses complimentary or related goods to the heritage asset by assessing the increments in property value gained, for instance, to a property or group of properties located in close proximity to a Heritage Asset we can make some judgement of value.

*'In the locally designated historic districts examined, property values in the designated areas experienced value increases that were either higher than, or the same as, nearby undesignated areas. This is true for both commercial and residential areas'* Clarlon Associates, 2005, *THE ECONOMIC BENEFITS OF HISTORIC PRESERVATION IN COLORADO*

*'Suppose the heritage site is a landmark asset that confers prestige and attraction on the surrounding area. Then, anyone living in that area might derive an amenity benefit from the site and this might show up in the value of their property',* eftec, 2005, *Valuation of the Historic Environment. This is this quote making the same point as the one above?*

- 59 In a related area, a 2006 report from the Royal Institute of Chartered Surveyors into the investment performance of listed buildings<sup>10</sup> found that 'on balance the prospects for future income growth on listed

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<sup>10</sup> RCIS, 2006, 'The investment performance of listed buildings'

offices are stronger than those on unlisted offices'. Whilst this is encouraging, the study uses a small sample of 221 listed offices which heavily weighted in favour of those in the West end of London.

- 60 **Value transfer.** Similarly value transfer also involves the use of comparator values but in this instance these values are not always done by looking at complimentary goods locally, this could be done by inferring values from a meta-evaluation of studies of similar sites elsewhere<sup>11</sup>. These approaches are used, for example, in Advertising Value Equivalent assessments of press and broadcast coverage when attempting to measure the promotional benefits.
- 61 Clearly the challenge in both value transfer and hedonic approaches relates to both finding relevant and reliable comparators and being able to distinguish between the effects derived from the site itself and the effects derived from other factors.
- 62 **Travel-cost** methods measure heritage values through the proxy of travel expenditures by viewing the revealed preferences of people in terms of their willingness to travel to a site. From this we can infer a value. However, by only recording travel motivations, times and earnings, these methods give only partial accounts of even instrumental heritage values and cannot take any account of the non-use values. At a simple level this approach involves an assessment of distance, i.e. how far people are willing to travel, whilst on a more complex level, it would use time earnings proxies to assess the overall amount of valuable economic working time forgone.

### **Stated-preference methods**

- 63 The stated-preference approaches rely on the creation of markets in which values can be inferred from users and non-users by asking them to make hypothetical choices. The major difference between these and the revealed preference approaches, is that they are based on the individuals response to a hypothetical situation rather than an actual action.
- 64 **Contingent valuation** methods seek to ask respondents what they would be willing to pay or accept as compensation for their loss from the gaining or losing of a particular experience or option. The method draws information from individuals about their preferences in order to construct values. This method is beginning to be used more extensively for heritage projects, because it yields quantified values which take account of the 'intrinsic' elements of Heritage. However these are subjective questions and therefore subject to a reasonable degree of error.

*"Ask a hypothetical question and you will get a hypothetical answer", Scott, 1965*

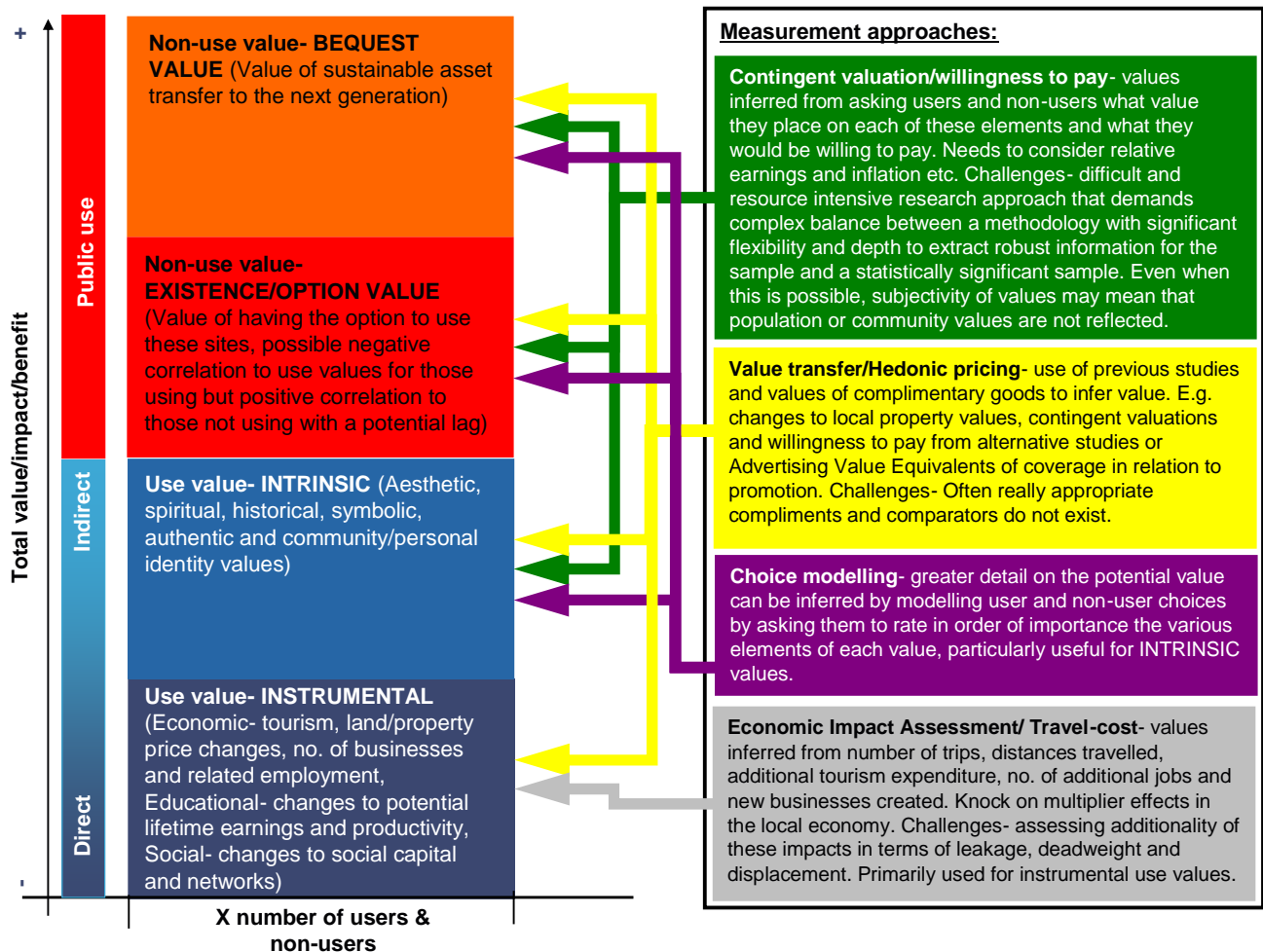
*'How truthful can people be when they are confronted with hypothetical situations? A conference devoted to the CV technique concluded that CV studies do not measure actual preferences and are therefore of little use in a cost-benefit analysis' Hausman, 1993 in Getty Research Institute, 1999, Economics and Heritage Conservation*

- 65 **Choice modelling** is a potentially very interesting method for heritage in that it breaks down the specific attributes of the overall value expressed by study participants. Therefore, it could be used to measure the values associated with the different characteristics of a heritage site, according, for instance, to the typologies outlined previously. Though people do respond well to these types of scenarios and comparisons, the method presumes very well informed participants, and it will not capture well the intangible, difficult-to-price intrinsic values.

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<sup>11</sup> To provide insights into this process and what some of these values have been elsewhere de la Torre, 2002 and eftec, 2005 both present lists of the results from these studies elsewhere.

Figure 8: Economic methodologies and when to use them (PwC)



## Other measurement approaches

### Learning, education and social capital approaches

66 One approach used for assessing the value of the learning outcomes generated by a particular heritage activity which has been adopted by the Museums Libraries and Archives Council (MLA) is the 'Generic Learning Outcomes' methodology. It uses self assessment surveys of children which are then cross referenced with surveys of their teachers and parents to assess whether the experience has supported learning and how the experience could be enhanced or changed to increase the learning impact. The methodology takes a very broad view learning beyond one dimensional considerations of the curriculum to include five main areas:

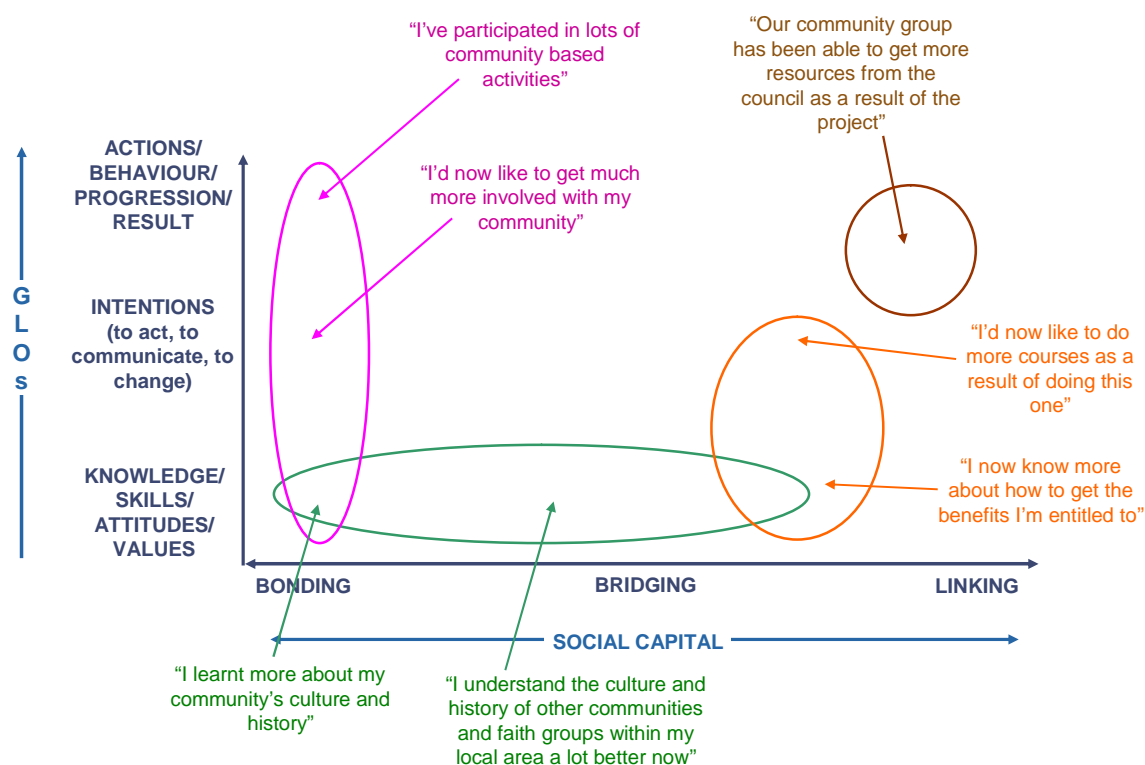
- knowledge and understanding;
- skills;
- attitudes and values;
- enjoyment, inspiration and creativity; and
- activity, behaviour and progression.

*"The type of evidence that the Generic Learning Outcomes methodology enables us to describe is both quantitative and qualitative. It gives us a framework for questioning people about the value they place on the experiences that MLAs offer as well as a way of analysing their responses. It is a methodology that can be applied to both users and nonusers of services because it is able not only to ask questions about*

*impact but also to analyse people's perceptions of what MLAs can do and might do in the future", Wilkinson, S, 2006*

- 67 In this instance whilst these kinds of qualitative survey can be useful tools in providing a snapshot of the current situation, more longitudinal assessments would be beneficial where time allows as there could be a considerable lag between engagement with heritage and wider academic achievement.
- 68 The MLA has also extended the work of Matarasso (1997) and combined it with some of their own Generic Learning Outcomes. Matarasso's research discussed social value as an aggregated value for individuals and MLAs methodology maps the outcomes of individuals against their activities. It requires the analysis of the perceptions of individuals who have participated to be triangulated against the views of group leaders (teachers, community and faith leaders, etc) and of the MLAs themselves.

**Figure 9: A way of thinking about the kinds of social outcomes your activities may have.**



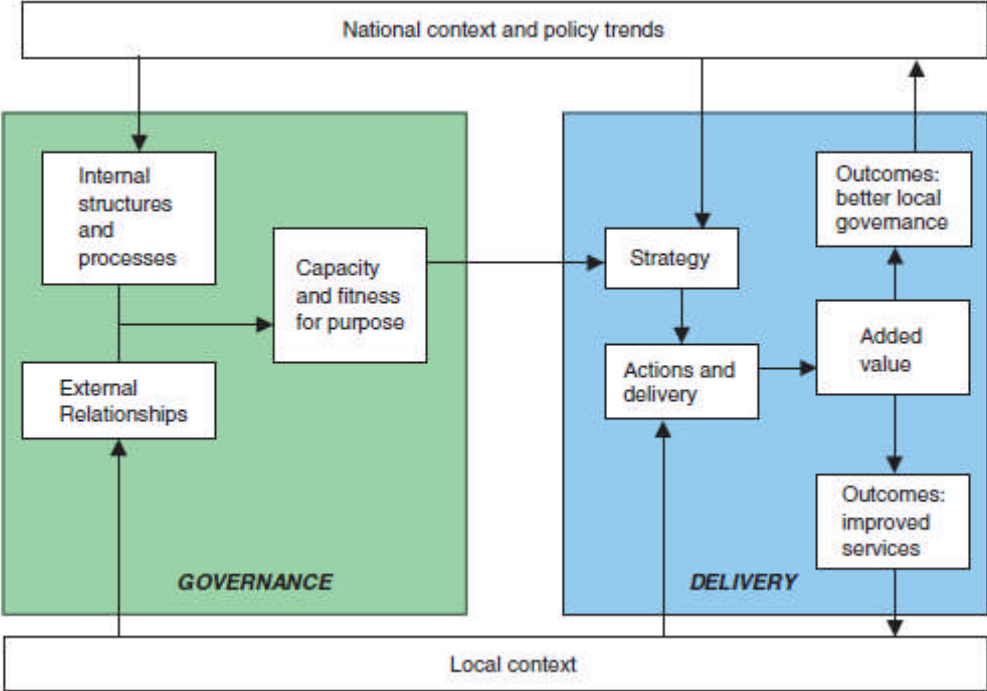
- 69 This approach whilst strongly qualitative does offer some robust assessment of the learning and social outcomes in a quantitative way. However, the approach is very resource intensive and often still does not provide a complete chain of causality.

### Partnerships and 'Theory of change' models

- 70 Measuring partnership benefits requires a qualitative approach that considers two important elements:
1. the improvements to the strength or robustness of the partnership relationships themselves; and
  2. the additional outcomes that are generated as a result of any new or strengthened relationships that accrue through the partnership improving.
- 71 The second element usually needs to be considered on a case by case basis, has the forging of a new relationship between two individuals or groups led to new outcomes or undertakings and if so what are they and what are their benefits. However the first is more difficult, increasingly partnership is seen as an important aspect of public sector working and there is therefore a much greater appetite for

methodologies that can measure the improvements in partnerships and relationships. One methodology that has been used effectively in an evaluation of Local Strategic Partnerships<sup>12</sup> uses a ‘theory of change’ model which defines a paradigm or process of change against which the relationship can be measured. Essentially this involves defining the characteristics and drivers of a good relationship and then testing the partnership in question against that paradigm. An example of the final theory of change model used in this evaluation can be seen in Figure 10 below.

**Figure 10: Evaluation of Local Strategic Partnerships, Theory of change model**



**Empirical evidence of benefits**

72 There is a wide variety of literature in relation to benefits and these benefits are not always articulated in a consistent language but a good summary of the potential benefits can be found in the Chatham feasibility study which attempts to broadly outline what the Social and Economic benefits from four existing World Heritage Sites. This can be seen in Table 2Table 2.

<sup>12</sup> <http://www.communities.gov.uk/index.asp?id=1136876>

**Table 2: World Heritage Sites – Social and Economic Benefits<sup>13</sup>**

	<b>Blaenavon</b>	<b>Greenwich</b>	<b>Liverpool</b>	<b>Saltaire</b>
<b>Social benefits</b>	<ul style="list-style-type: none"> <li>• Repopulating the town</li> <li>• Restoration of the library &amp; museum</li> <li>• New WHS centre in old school telling the people's story</li> <li>• Provision of community and education space in WHS centre</li> <li>• Volunteer countryside wardens</li> <li>• Shops, pubs and cafes</li> <li>• Public realm initiatives- stone pavements, painting iron railings, seating, toilets</li> <li>• Improved housing</li> </ul>	<ul style="list-style-type: none"> <li>• Location of the University of Greenwich &amp; Trinity College of Music in ORNC</li> <li>• Students from diverse cultural backgrounds</li> <li>• Public access initiatives to grounds of ORNC, NMM</li> <li>• WHS Visitor centre</li> <li>• Capacity building- Tourism Training by Greenwich Community College in ORNC</li> <li>• WHS Education Strategy</li> <li>• Market, pubs and restaurants</li> </ul>	<ul style="list-style-type: none"> <li>• Repopulating city centre: conversion derelict warehouses into residential flats; refurbishment</li> <li>• Public realm initiatives- high quality paving, brass studs for the visually impaired; courtyard open</li> <li>• Pubs, clubs and restaurants</li> <li>• Social inclusion agendas are central to NML</li> <li>• New museum of Liverpool Life- Social history and popular culture -1,100sq m community space, learning zones, café retail areas</li> <li>• Cultural diversity, slavery history trail</li> </ul>	<ul style="list-style-type: none"> <li>• Saltaire Village Society continues to fight for improvements – crime &amp; traffic problems</li> <li>• Local volunteer tour guides</li> <li>• The People's History of Saltaire: audio-visual oral history recording project</li> <li>• Public realm initiatives: York stone pavements, iron railings</li> <li>• Restoration of town park</li> <li>• New bridge (planned)</li> <li>• New community in Victoria Mill</li> </ul>
<b>Economic benefits</b>	<ul style="list-style-type: none"> <li>• House prices higher in WHS &amp; status used by estate agents as a symbol of prestige</li> <li>• 75% Grants to individual owners for home improvements £10m project</li> <li>• Book town, retail shops</li> <li>• Big Pit Mining Museum- NMGW- job creation of 63 posts- adds £1.3bn to local economy. HLF grant £7million</li> <li>• Marketing/brand development=increase in visitors</li> <li>• HLF grants for WHS centre- £25m</li> <li>• WDA grants- boundary walls, railings&amp; frontages</li> </ul>	<ul style="list-style-type: none"> <li>• Grants for £100m for building conservation visitor centre, museum galleries, access;</li> <li>• HLF grants to the NMM, ROG, Fan museum and Cutty Sark, also the Royal Park</li> <li>• House prices higher in WHS &amp; status used by estate agents as a symbol of prestige</li> <li>• WHS Marketing Strategy leads to increased visitor numbers</li> <li>• WHS corporate hospitality group- joint marketing</li> <li>• Job creation- tour guides, meters and greeters, stewards</li> <li>• Cutty Sark DLR Station added to serve WHS</li> </ul>	<ul style="list-style-type: none"> <li>• High value residential housing and halo effect but moves social problems elsewhere</li> <li>• Creative industries- 2<sup>nd</sup> film location to London, photography, architecture, landscape</li> <li>• Added value- retaining historic facades (advice from EH) in £920m Grosvenor estates- 2m sq ft of new shops, offices and leisure and local distinctiveness=higher volume of trade</li> <li>• HLF grant – World Museum St Georges hall THI</li> <li>• Job creation – construction and conservation</li> <li>• Increase in visitors – new Museum of Liverpool life £40m NWDA</li> </ul>	<ul style="list-style-type: none"> <li>• House prices higher in WHS &amp; status used by estate agents as a symbol of prestige</li> <li>• Inward investment- Newmason Properties- conversion of Victoria Mills for 400 residents, 2006</li> <li>• Local retail shops/cafes successful</li> <li>• HLF Grant £5m- park restoration</li> <li>• Shipley College expansion</li> </ul>

73 Using the taxonomy of benefits from these and other studies we have identified, we have chosen to focus our attentions on the core areas of benefits, including:

- **Tourism;**

<sup>13</sup> Jagger, M et al, 2006

- **Regeneration;**
- **Partnership;**
- **Attracting additional funding;**
- **Learning or Educational benefits;**
- **Community cohesion and social capital;**
- **Civic pride; and**
- **Conservation.**

74 Whilst we have discussed each of these benefits here individually in line with the categorisation in the literature, it is important to note that were we undertaking a holistic assessment of these benefits we would not be able to count each one individually without encountering some double counting issues and there is therefore a degree of overlap inherent between them, particularly between the tourism regeneration and additional funding elements.

75 The literature on each of these elements is discussed in turn below including any literature that suggests a causal link between WHS Status or bidding for it and these benefits. It also includes the main conclusions and issues emerging from the literature on these benefits.

### **Tourism benefits**

76 The tourism benefits associated with WHS status are probably the most regularly stated benefits and some studies have suggested that these are over stated as we have noted previously<sup>14</sup>.

77 Whilst in many instances the causal relationship between World Heritage inscription and increasing visitor numbers is assumed as a given, when the literature is examined in more detail there is a much greater degree of inconsistency. Some studies suggest that WHS Status does have a positive causal effect and others suggest that it doesn't.

*'Not only do each of our World Heritage sites have unique attributes which can and do draw visitors from all around the World, but considered together across the UK, we have a wealth of riches in one relatively small geographical space. Right that tourism promotion should have World Heritage as a key theme'*  
Lammy, D, 2006, *Speech to All-Party Group on World Heritage*

78 Heritage is a very important motivator for tourism within the UK. The most recent survey of 'Taking Part: The National Survey of Culture, Leisure and Sport' suggests that Seventy per cent of adults had attended a historic environment site; equivalent to approximately 27.7 million adults', Taking Part: The National Survey of Culture, Leisure and Sport, Annual Report, 2005/2006<sup>15</sup>,

79 In general, heritage is far more important for the success of the UK's tourism than for many of our competitor destinations, where sun, sea and sand rank very high. This can be shown through the results of the Overseas Visitor Survey. The 1996 Survey asked leisure visitors to the UK (i.e. excluding business visitors) how important certain activities in Britain were in the decision to visit the country. The enormous significance of the country's heritage in motivating tourism by overseas visitors was illustrated.

80 The importance of different activities in visitors decisions to come to Britain for a leisure visit, taken from the 1996 Overseas Visitor Survey.

- Visiting 'heritage' sites/castles/monuments/churches/etc- 37%

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<sup>14</sup> ERS, 2006

<sup>15</sup> [http://www.culture.gov.uk/Reference\\_library/Research/taking\\_part\\_survey/surveyoutputs\\_may07.htm](http://www.culture.gov.uk/Reference_library/Research/taking_part_survey/surveyoutputs_may07.htm)

- Exploring historic/interesting towns/cities- 29%
- Visiting artistic/heritage exhibits (museums/art galleries/ heritage centres/etc)- 29%
- Attending performing arts, etc (theatre/cinema/opera/ballet)- 18%
- Visiting gardens- 16%
- Hiking/walking/rambling/orienteering- 8%
- Pleasure motoring- 4%

*'More tangibly perhaps, historic environment can also contribute greatly to the nation's prosperity through tourism. It is significant that visitor surveys have shown that over 80% of overseas tourists cited heritage and countryside as important factors in tourist decisions to come here. Our World Heritage Sites are major tourist attractions, as the statistics show' The Rt. Hon. Chris Smith MP, then Secretary of State for the Environment, introducing the Government's intention to present a new Tentative List of UK World Heritage Sites in LAWHF, 2007, 'Building the UK World Heritage Brand'*

81 Whilst this appears to suggest a conclusive link between Heritage Tourism and World Heritage sites, the empirical evidence does not imply that simply because a site is presented with WHS Status it will therefore begin to attract more tourists and this is also relevant in the context of the comments from Chris Smith in 1997 when the list of UK heritage sites looked very different.

*'Many reports have pointed to specific evidence that WHS status increases the popularity of a location or destination with visitors...However, the causal relationship between inscription and tourism is often difficult to establish', ERS, 2006*

82 In 2005 a research study conducted by Van de Baart<sup>16</sup> looked at the changes in tourism numbers since inscription by sampling 86 World Heritage sites. 51 of these sites suggested that there had been no increase and of the remainder, 22 said there had been a large increase and 13 a small increase in visitor numbers. The research pointed to the fact that those tourist sites that were already well established destinations in their own right did not register any increase in visitor numbers as a result of WHS.

83 A study undertaken by Buckley in 2002 suggested that:

*'1. Total Visitor numbers at World Heritage Areas are commonly up to an order of magnitude higher than at comparable control sites, both pre-and post-listing.*

*2. For most Australian World Heritage Areas, data are inadequate to determine whether there is a significant World Heritage icon value.*

*3. For the few Australian World Heritage Areas with adequate data to test, World Heritage listing does seem to have a positive effect on measures of tourism expenditure, particularly by increasing the proportion of international visitors quite significantly', Buckley, R, 2002*

84 A further study undertaken by Buckley in 2004 suggested that:

*'Most of the WHAs considered here received several times more visitors than the control sites, but it is not clear whether the difference is because the WHAs are longer or more accessible, because they are better –known, because they are listed as World Heritage, or because they contain features of natural or cultural heritage which the others do not', Buckley, R, 2004*

85 There are many other studies that have been conducted which either support or reject the preface that WHS status increases visitor numbers but most of these studies have been conducted at specific sites and might therefore be viewed as anecdotal. There are very few studies which have sought to select a

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<sup>16</sup> Taken from ERS, 2006



sample of sites based on their World Heritage Status and then look for trends within that sample and therefore where positive relationships have been found it is unclear what role the intrinsic character of the site or other external factors might be playing in that change and what role is played by WHS status. The external environment is important as incidents for example like the Foot and Mouth disease outbreak have shown at Hadrian's wall<sup>17</sup>.

- 86 Whilst it is entirely likely that some sites have gained an increased profile as a result of their status or a certain quality mark and this status may lead to increased visitor numbers, identifying the chain of causality is difficult and any assessment which seeks to do this without some form of primary research and sampling is likely to be subject to a reasonable margin of error. This difficulty and the resulting margin of error increases exponentially when studies are undertaken at an ex-ante stage before WHS status has even been achieved. For example the most recent study into the potential economic impacts arising from tourism if the Cornish Mining bid was successful looks at several different evidence bases including the significance stated by visitors of 'mining heritage' in their trip motivations, the effects at alternative sites and various other existing input-outputs models. From these sources and the tourism projections of the area, it then proposes that a 10% increase in staying visits is likely. Whilst this conclusion seems reasonable given the evidence ex-ante assessments like this are always subject to a high degree of error.
- 87 Overall the literature we have reviewed in this area does not provide enough evidence for a conclusive answer as to whether WHSs contributes to increases in tourism numbers as the counterfactual scenario is unclear. Would any change in tourism numbers have happened anyway without WHS status? Overall, the number of tourists visiting these sites is likely to be affected by several factors such as awareness, location and access, intrinsic quality, links to other 'flagships' like 2012, local heritage critical mass and a number of other factors rather than just WHS status.
- 88 It is also important to remember that the economic benefits of increased tourism differ at different local geographies. For local populations a significant rise in visitor numbers will yield positive economic benefits primarily for those in the tourism and hospitality sectors (e.g. hotels and restaurants) but at a national level economic returns will only be comparable if that increase in visitor numbers is earned from overseas tourists which is much more difficult.

## Regeneration

- 89 The relationship between heritage and regeneration is also acknowledged to be a relatively new phenomenon 'inscription as a catalyst for economic development and regeneration is a relatively new concept'<sup>18</sup>. However there are several examples in the literature where successful heritage led regeneration is being suggested.

*'The English Heritage Report Growing Places: Heritage and a Sustainable Future for the Thames Gateway (2005) emphasises the key role of the historic environment to sustainable growth. It mentions that Chatham Historic Dockyard has contributed to local quality of life in a number of ways:*

*A total of 112 homes have been either built or converted from existing buildings, creating a thriving resident population of around 400. Small businesses and companies have been encouraged and there are now around 125 commercial tenants on site, employing more than 1000 people. The entire 32 hectare site, a focal point for community identity in Chatham for over 300 years, has been retained and converted to a new use, generating around £20m annually for the local economy. The historic environment has been used to develop a model sustainable community, where people want to live, work and visit', Jagger et al, 2006*

- 90 The process by which heritage assets can support regeneration is described in recent work by Frontier economics.

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<sup>17</sup> Getty Conservation Institute, 2002

<sup>18</sup> ERS, 2006

*'Regeneration often involves cultural projects to revitalise areas that suffer from economic social or environmental decline...It is argued that the cultural centres can substantially enhance the impact of regeneration projects in an area as they:*

- *Attract visitors – tourists may visit an area primarily to attend an arts event;*
- *Attract residents and businesses – the prevalence of arts events may attract residents and businesses by improving an areas' image and making it more appealing; and*
- *Attract investments – by improving a community's image, people may feel more confident about investing in that community' Frontier, 2007*

91 The issue again is the extent to which these activities would have happened anyway and the additionality of WHS Status to generating these regeneration benefits and impacts.

*'The WHS Status was seen as the ideal opportunity for regenerating the run down community of Blaenavon. Regeneration would have occurred to some extent without the WHS status, however, the WHS has been the catalyst for change and securing £25m of funding over 5 years. The WHS has helped secure funding and regenerate Blaenavon and it has worked. Several indicators have improved since 1998, property values have doubled in three years, and demand for property is competitive. Over 50 per cent of derelict property on the main street has been removed for housing, bookshops and new cafes. Visitor numbers have increased at all the main monuments. The Big Pit is the main monument and with new improvements 110,000 visitors came last year. Visitor numbers in other sites have also risen', John Rodger, Blaenavon World Heritage Partnership in ERM, 2004*

92 In 2006 the important 'Heritage Works'<sup>19</sup> publication was both an advocate about the potential benefits of Heritage led regeneration and a source of guidance for undertaking it.

*'Clacton Seafront and Marine Gardens were awarded over £400,000 by HLF in 1998 to restore the historic features that make a major contribution to the character of this seaside resort. Since the works were completed in the summer of 2000, visitor numbers to the town have substantially increased and the seafront road adjacent to the gardens has seen a rise in development activity.' Heritage Lottery Fund, New Life – Heritage and Regeneration (2004) in Heritage Works, 2006*

*'However, there have also been less successful cases where heritage-based regeneration projects have faltered or failed completely. The reasons vary considerably and are often complex. In some cases, unexpected costs have undermined viability, in others there has been difficulty in finding a beneficial use for a listed building, while elsewhere uses based on visitor attractions have failed to attract sufficient public interest', Heritage Works, 2006*

93 The major challenges or pitfalls outlined in this document for successful heritage led regeneration include:

- **Finding a financially viable economic use-** 'critical to the success of regeneration is the finding of a viable economic use that can support initial refurbishment'
- **Early consultation and involvement-** 'early consultation with the local planning authority and English Heritage...involving the community can build support'
- **Create the right partnership-** 'for area-based projects it is important to create the right partnership with a strong shared vision'
- **Think ahead-** 'plan for the long-term management of the heritage asset from the outset...prepare a fund-raising strategy and establish a clear and realistic programme of when different funding components may be secured'

94 The literature suggests that there is a strong link between regeneration and tourism, grant funding and

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<sup>19</sup> [http://www.english-heritage.org.uk/upload/pdf/Heritage\\_Works.pdf](http://www.english-heritage.org.uk/upload/pdf/Heritage_Works.pdf)

the strength of the partnership and governance structure. By looking at the sites involved it is clear that not all of those with WHS status are in areas where regeneration would be a key aim, many are located in prosperous areas but more of the sites coming forward do aim to support regeneration aims and this may reflect a change in motivations for WHS Status.

- 95 The additionality or causality issue is again challenging and clearly WHS status or bidding does not guarantee regeneration benefits will follow there are a wide variety of other preconditions which must be met.
- 96 Some of the sites where regeneration has apparently 'worked' have required significant up-front funding inputs to drive that regeneration benefit. Since this is public funding if it were not being used in this way then it would be spent on an alternative public investment. Ideally in order to assess the deadweight position of the regeneration impacts or the 'real' benefits, the benefits forgone from this alternative use should also be considered. In most cases whilst the literature suggests success has been achieved the evidence is only available through qualitative commentary and therefore closer inspection is not possible.

## Partnership

- 97 Both the processes of bidding for and managing a World Heritage Site demand a strong degree of partnership to be effective and therefore one of the benefits put forward in several studies is partnership improvement.

*'Stakeholder partnerships are important both in preparing the nomination bid and in subsequently managing the World Heritage Site post inscription. At Blaenavon a thirteen strong stakeholder group – The Blaenavon Partnership – was established to steer and advise on the nomination process, supported by a small Project Group. Post nomination, the Blaenavon Partnership has evolved into the Management Committee that meets twice yearly. The original Project Group has become the Project Board. The same World Heritage Coordinator has guided strategy formulation and implementation. We would recommend a similar model for Chatham', Jagger et al, 2006*

- 98 These benefits are both the stronger partnership working in itself which could lead to more effective outcomes and also any additional activities that partners undertake as a result of that partnership.

*'This involvement with WHS may prove to be spur for the partners involved on wider but related issues. For example Tynedale Council, closely associated with Hadrian's Wall WHS, was designated a beacon council for sustainable tourism in 2004. Other sites noting particular and tangible benefits from inscription on partnerships included Ironbridge and Maritime Greenwich (identified by the government's Improvement and Development Agency as a site of good practice in relation to its partnership working)' ERS, 2006*

- 99 These benefits can be substantial and this has led some commentators to suggest that 'the journey is as important as the destination' and this could have implications for these benefits if the number of bids was to reduce.

- 100 Overall the process is always going to involve multiple stakeholders but because the nomination process requires sites to set their own boundaries of significance, these often cross several lines of jurisdiction or ownership and therefore the number of partners or stakeholders is likely to be larger than other situations. On this intuitive basis and the strength of the literature it seems reasonable to conclude that successful achievement of WHS Status requires strong partnership working. However, here again there is not a causal relationship between application for WHS Status and partnership benefits and the achievement of this value is dependant on a host of other activities.

- 101 Similarly, partnership is not a benefit in itself but a substantial catalyst for many of the other benefits and values. As we have already mentioned it is important in supporting regeneration goals and this is highlighted in the Heritage Works guidance. It is also important in securing additional funding and sustainable governance has similarly been recognised for some time in the selection of sites for the UK Tentative list.

*'A further consideration was the practical and resource implications first of nomination and then*

*inscription. With increasing recognition of the need for positive management and co-ordination to achieve the appropriate balance between conservation, access, the interests of the local community and economic benefit, it is essential in every case that there is either a body able and willing to take on the necessary work or a realistic prospect that such a body will emerge over the next few years', DCMS, 1999, 'World Heritage Sites The Tentative List of The United Kingdom of Great Britain and Northern Ireland'*

## **Funding increase**

- 102 Again most of the literature on benefits makes reference to the fact that WHS Status provides some basis of opportunity for greater funding. In some of the literature there is the suggestion that WHS Status provides some kind of 'added weight'<sup>20</sup> in applications for funding from various audiences but in other instances a much more direct relationship is suggested with the energy coming from funders rather than the site itself.

*'We can show a demonstrable step change in the attitude of funding bodies in the wake of World Heritage designation. Both Dorset and Devon County Councils have provided significant additional funding of approximately £300,000 to allow for the appointment of a staff team, conservation projects, interpretation and publications budget, and to support sustainable tourism marketing projects', Tim Badman, World Heritage Site Manager and Team Leader for the Dorset and East Devon Coast.*

- 103 There are also lots of complex interrelationships here, a good partnership with many stakeholders could well expose the site to a much wider array of funders increasing the opportunities for funding. This funding is also an important catalyst for tourism and regeneration benefits which might require the up front investment in expensive infrastructure or marketing to create the preconditions necessary for these benefits to be delivered. Finally WHS Status is also likely to have an effect on other funding applications not directly related to the partners or management team, for example through applications of academic research grant funding may be treated more favourably if they were being undertaken at a WHS.
- 104 Overall it seems entirely likely that once again WHS Status will not guarantee additional funding but it does place a spotlight on the site as an area of substantial importance to many different funders and this is likely to affect its rank in funding priority terms.

## **Learning and educational benefits**

- 105 Studies of cognitive benefits focus on the development of learning skills and academic performance primarily in school-aged youth but some of the specific WHS literature also includes Universities. The impacts of these studies tend to fall into three major categories: improved academic performance and exam scores; improved basic and soft skills; and improved attitudes and skills that promote the learning process itself, particularly the ability to learn and how to learn. These studies mostly involve longitudinal evaluations of individuals to establish a correlation between arts or cultural and heritage exposure and improved performance and whilst they do represent a reasonable body of evidence critics would argue that their causality is in some cases difficult to follow or distinguish amongst other factors. This has led some to conclude that 'the evidence from the literature regarding the impact of culture on learning ability is inconclusive', Frontier, 2007.
- 106 In 2000 a longitudinal evaluation over three years undertaken by Harland et al into arts education in English and Welsh Secondary Schools concluded that there was no evidence to support the assertion that studying the arts improved performance at GCSE.
- 107 There are studies which make a connection between Arts education and levels of educational attainment in other areas<sup>21</sup> but in general these studies suggest a correlation between arts education and academic achievement rather than a directly attributable causal relationship. There are a wide variety of other factors which might also support academic achievement which the literature usually does not consider.

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<sup>20</sup> ERS, 2006

<sup>21</sup> Gardiner et al, 1996 and Winner and Hetland, 2000

## Community cohesion and social capital

- 108 The literature on community-level social benefits has emerged more recently and is therefore less substantial than some other sources. It can be categorised into two groups:
- those benefits that promote social interaction in communities, create a sense of community identity, and help build social capital<sup>22</sup>; and
  - those that build a community's organizational capacity through both the development of skills, infrastructures, leaders and other assets, and the more general process of people organizing and getting involved in community institutions and volunteering associations<sup>23</sup>.
- 109 The first group of studies suggest that cultural activities can help to create a realm in which there are opportunities for direct social contact and establishing links and bonds, welcoming cultural diversity and generating civic pride. The second group assert that culture can aid the development of community organisations and their capacities, develop local leaders etc. The bulk of the evidence base here is case study based focussing on how community members come together to share common goals by 'developing networks and understanding and building local capacity for organisation and self determination'<sup>24</sup>
- 110 There is naturally a close correlation between these community cohesion and social capital benefits and the 'institutional' values that were put forward in the theoretical perspectives chapter. Amongst those studies that relate specifically to World Heritage Status, this status is seen as an important contributory factor to the profile of the site, making it more visible to the local community. There are strong connections with the achievement of this benefit and the 'value based management' approaches that we have discussed previously and the consultation and involvement of the local community in that management.

*'Designation increases awareness at all levels. We have also led a very active programme of work on awareness raising. The most important is local awareness, where our emphasis is on organizing and developing a series of working groups, producing a twice yearly newsletter, providing over one talk per week to local groups, and generating local press stories. World Heritage Site status is a form of recognition that the public and the media respond to much more actively and positively than most national designations'* Tim Badman, World Heritage Site Manager and Team Leader for the Dorset and East Devon Coast.

- 111 The literature in relation to these social cohesion and social capital benefits provides some qualitative evidence that participatory cultural projects that actively involve the community can help bring people together and promote tolerance, amongst other benefits. For example, when examining cultural projects in Portsmouth, Matarasso (1997) found that:

*'people frequently spoke about how they had learnt to get on with a wider range of people'*, Matarasso, 1997

- 112 Overall, these cultural cohesion or social capital benefits are likely to begin to accrue when the local community can find something that they can share an interest in and World Heritage Sites are likely to offer that shared medium. However there is an attribution problem in that one must distinguish between the interests of locals in the site itself and their interest in the site once it has become a WHS.

## Civic Pride

- 113 The basic premise here is that by gaining WHS Status locals feel a greater sense of pride in their local community or area because of its cultural significance. This sense of pride could be linked to a wide

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<sup>22</sup> Lowe, 2000; Griffiths, 1993; Stern, 2000 are some of the best examples

<sup>23</sup> Wali, Severson, and Longoni, 2002; Stern, 2000

<sup>24</sup> Matarasso, 1997

range of improvements relating to quality of life and other objectives.

*'As one home-owner in Old Rauma put it; "once there were two couples here on the street and they asked about Naulamaki [area inside Old Rauma] in German. I had spare time so I took them there. They took a lot of photos and asked a lot about the buildings – that's when I ran out of knowledge. But it was actually an interesting experience, because apparently it was in itself exceptional, that they were interested in the old and they particularly wanted to see that specific area. Then I felt a little proud, that as a citizen of Rauma, I can show Germans, that we too have a place like this"' Vahtikari, 2006*

*"WHS Status is important in 'knitting it all back together' – identity, civic pride and belonging"  
Stakeholder Quotes in Jagger, 2006*

- 114 These benefits are listed frequently, both in the literature on WHS Status and also in the wider literature about the benefits of arts and cultural activities or investments. There is no direct causal relationship that suggests civic pride will increase directly as a result of WHS Status, but it does appear to create some seal of quality for a location and its cultural significance.

## Conservation

- 115 WHS Status in itself provides very little additional statutory protection to sites over and above that which they enjoy from their existing designations and most sites are of such a high significance that they are likely to already have a substantial number of existing designations. Since WHS Status is an international designation and administered at a supra-national level it is still not deeply embedded in the legislation<sup>25</sup>.
- 116 This does not mean that WHS Status offers no additional conservation benefits for sites, it does require sites to develop a management plan where the significance of the site is defined through public consultation. This management plan can be included in local planning documentation and given 'weight' in planning decisions around inappropriate local development as well. However, conservation benefits can also be improved by raising awareness of and interest in these cultural assets resulting in a virtuous circle of conservation improvement as defined by English Heritage's 2005-10 Strategy in Figure 4.

*'The managers of this site point to two specific examples where WH status appears to have helped protect the site. In the first, the status added weight to a case for resisting inappropriate construction near the site. In the second case, a private development application, World Heritage status was directly cited by the local planning authority as one of the reasons for refusal', Tim Badman, World Heritage Site Manager and Team Leader for the Dorset and East Devon Coast.*

*'It is likely that WHS inscription can play a supportive part in the maintenance, protection and development of the rural, built and public landscapes of the area. This is an important consideration for Cumbria and the Lake District, as this could allow WHS inscription to be used to help support the role of agriculture in the maintenance and enhancement of the living landscape within the Lake District and Cumbria', ERS, 2006*

- 117 In addition, the WHS Status can influence other activities like farming leading to improved protection. For example in Avebury the Countryside Stewardship Scheme has been used to offer an incentive to farmers with land within the WHS area to convert that land to pasture.

*'The main cause of the success has been the development of a Special Project for Countryside Stewardship (CSS) within the Stonehenge and Avebury WHS. This collaborative project was developed from 1999 by Defra, English Heritage, National Trust and the Avebury WHS Officer and commenced in May 2002. The Special Project element allows for farmers within the WHS to gain higher payments (£420 rather than the usual £280 per hectare) for converting arable land with archaeological features into pasture. The project has been a huge success and as a result six farms have entered land into Stewardship and converted arable areas to pasture in order to protect archaeological features. To date*

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<sup>25</sup> Although the statutory protection offered by WHS Status is one aspect currently being considered in the UK Heritage Protection review-  
[http://www.culture.gov.uk/what\\_we\\_do/Historic\\_environment/heritage/heritage\\_protection\\_review.htm](http://www.culture.gov.uk/what_we_do/Historic_environment/heritage/heritage_protection_review.htm)

*(June 2005) 110 hectares (5% of land in the Avebury WHS) has been converted in this way, protecting fifty monuments' Avebury World Heritage Site Management Plan, 2004<sup>26</sup>*

- 118 Overall it appears that without WHS Status many of these sites would already enjoy a high degree of protection, but WHS Status puts a larger spotlight on them and is likely to ensure that their protection is given priority over others. In certain instances however, it is clear that it may well be the promise of WHS Status rather than the status itself that could provide this protection. For example at Cresswell Crags the rejection from the process based on the existence of a nearby road and sewage works has galvanised local activity and investment to move these items, leading to greater protection for the site even without WHS Status.

*'Previously proposed, but not put forward on the Tentative List. Great disappointment, because "the presence of sewage works and road which had caused problems previously are now in course of being moved". "Such cooperation (with Severn Trent Water and Lafarge Redland Aggregates) and investment has only been possible because both companies believe the site to be of international importance and worthy of World Heritage Status"', Norman, 2006, 'Examination and analysis of the tentative list reviews for England, the crown dependencies and the overseas territories 1990-92 and 1997-99.*

## **Empirical evidence of costs**

### **Costs of Bidding for WHS Status**

- 119 Application for WHS status requires the submission of a nomination form that lays out how a site meets the criteria as set out by UNESCO World Heritage Centre in "Operational Guidelines for the Implementation of the World Heritage Convention", 2005, by addressing the following:

1. *Identification of the Property*
2. *Description of the Property*
3. *Justification for Inscription*
4. *State of conservation and factors affecting the property*
5. *Protection and Management*
6. *Monitoring*
7. *Documentation*
8. *Contact Information of responsible authorities*
9. *Signature on behalf of the State Party(ies)*

- 120 This process requires substantial preparation, which can include the undertaking or commissioning of specific studies such as work on reviewing appropriate boundaries for a given site<sup>27</sup> and requires extensive consultation. These studies can be seen in a 2004 appraisal of the impact of WHS inscription of the Lake District area of Cumbria.

*'In attempting to analyse the likely costs and benefits of WHS inscription we have looked at the following components:*

- *Likely costs of preparing the bid*
- *Likely costs of supporting actions to enhance the impact of the bid' ERM, 2004, 'An Objective Appraisal of the Impact of WHS Inscription of the Lake District Area of Cumbria*

- 121 As different sites have entirely diverse issues and characteristics the costs of preparing the bid vary greatly. Indeed for a given site the costs can vary depending on what strategy for application is decided upon, and the activities that are required under different strategies. The costs of bidding for World

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<sup>26</sup> <http://www.kennet.gov.uk/avebury/archaeological/managementplan/index.htm>

<sup>27</sup> "An Objective Appraisal of the Impact of WHS Inscription of the Lake District Area of Cumbria" (ERM, 2004)

Heritage Site status will fall to whoever is putting the bid forward. Costs are not automatically met by local authorities, and the bidding parties may have to seek funding from alternative sources.

### Costs of management and opportunity costs

- 122 Once a site has been inscribed there are on-going costs both to local government and to the broader community. Costs arise from maintaining the site in line with requirements set out in the management plan. This includes both the cost of actual maintenance such as the employment of a WH site manager as well as the costs that arise from complying with specifications of the management plan. For example costs arise from any consequent planning restrictions, which affect both local developers as well as local authorities' planning departments. In addition there may be costs to the local community if for example business creation or the provision of affordable housing is restricted as result of World Heritage Status.
- 123 Costs can also arise from dealing with specific constraints and barriers that are either created by, or heavily related to existing sites and locations and these can be substantial. Table 3 below illustrates examples of these kinds of costs for specific sites.

Table 3: Examples of specific constraints and barriers which may create opportunity costs at UK World Heritage Sites <sup>28</sup>	
World Heritage Site	Constraints and barriers
Edinburgh Old and New Towns (1995)	<ul style="list-style-type: none"> <li>• Planning restriction on development: Leaving (small) businesses in the centre at disadvantage compared to large retailers outside who do not face the same restrictions</li> <li>• Affordable housing: Extra costs incurred in meeting higher standards within World Heritage Site</li> </ul>
Ironbridge Gorge (1986)	<ul style="list-style-type: none"> <li>• Flooding risk</li> <li>• Land instability: to stabilise one of the areas at greatest risk will cost £5.2m</li> </ul>
Stonehenge (1986)	<ul style="list-style-type: none"> <li>• Adjacent roads</li> </ul>
Saltaire (2001)	<ul style="list-style-type: none"> <li>• Costs of specific necessary works in line with WH regulations: Repaving- no budget allocated by Highways Agency for World Heritage Site, leaving the Council to absorb these costs</li> <li>• Congestion: no budget allocated by Highways Agency</li> </ul>
City of Bath (1987)	<ul style="list-style-type: none"> <li>• Effect of the size of sites on costs to local planning authorities (as a result of residents bearing no costs and their being a cap on costs for developers)</li> </ul>

- 124 Similarly during a public consultation in 1995 at Hadrian's wall some specific concerns were raised:

*The overall number of responses was not large, and few were hostile, but specific concerns were strongly articulated:*

- *Fear of additional controls on farming through-out a wide zone.*
- *Fear of widespread enforced change to farming practices.*
- *Fear of increased bureaucracy and additional English Heritage controls.*
- *Concerns over traffic management on road B6318 (the Military Road).*
- *Fear of impact of tourism and of the National Trail on farming activities and archaeological remains'* Getty Conservation Institute, 2003, Hadrian's Wall Heritage Site

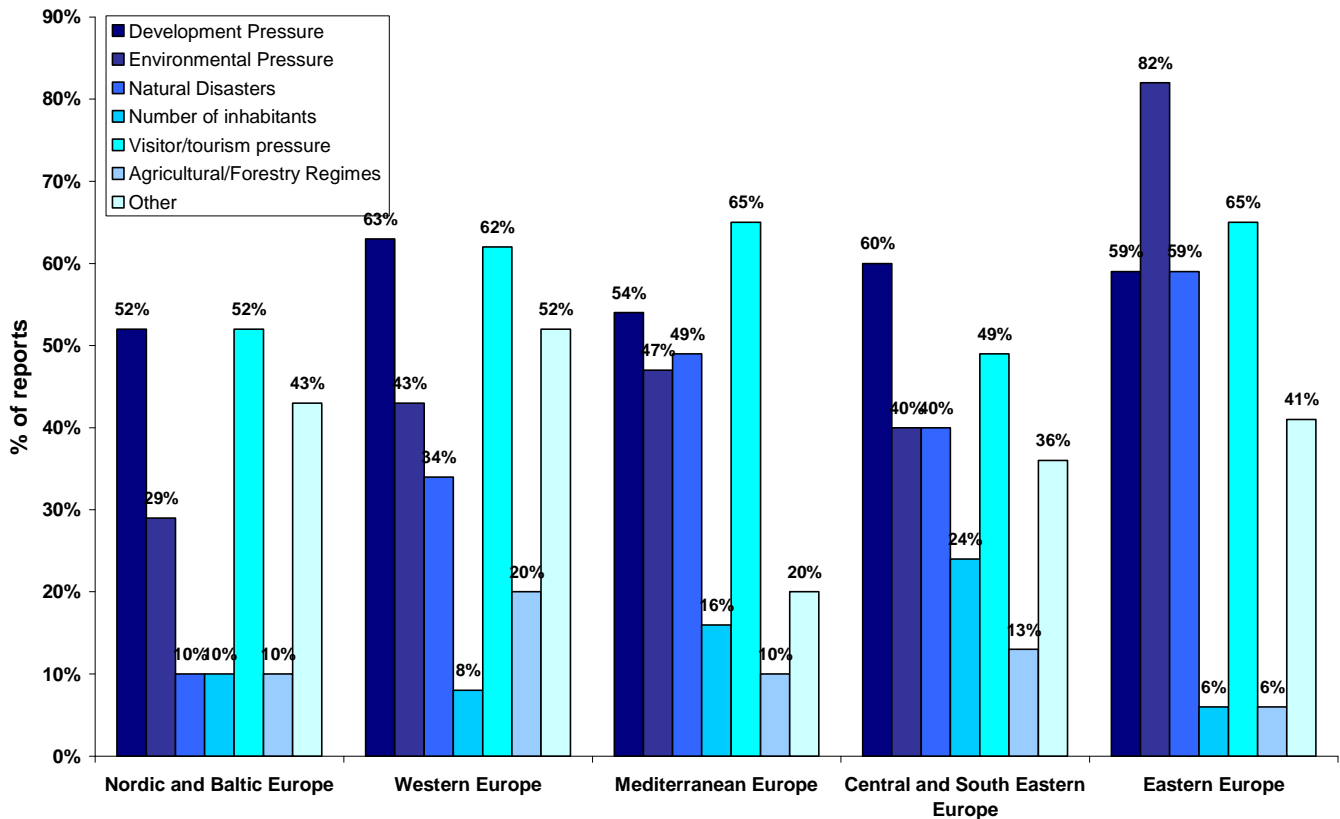
- 125 These categories are commonplace and UNESCO's Europe 2005-06 Periodic Report and Action Plan uses a simple taxonomy to identify 'problems affecting sites', this taxonomy includes Development pressure, Environmental pressure, Natural disasters, Number of inhabitants, Visitor/tourism pressure,

<sup>28</sup> Taken from a House of Commons Debate on World Heritage Sites, December 2006



Agricultural/forestry regimes and other pressures. Figure 11 suggests that Western European Sites have more significant problems from development and tourism or visitor pressure.

**Figure 11: Problems affecting the sites**<sup>29</sup>



- 126 Whilst there is currently no statutory protection for World Heritage designations, the World Heritage Convention recommends that each site prepares a management plan, which includes details of how the site will be safeguarded. The plan identifies a series of threats or risks to the site which are then given a mitigating action which is assigned to the site management or a partner.
- 127 This is backed up by official guidance such as Planning Policy Guidance 15, which requires local authorities to provide for the long-term protection of World Heritage Sites and that any development proposals are evaluated with regard to their potential impact on the prospective site and its setting. This position could change as the Government has proposed to strengthen protection for World Heritage Sites by including these sites in a unified system of national designation.<sup>30</sup>
- 128 One of the essentials point amongst the development and other pressures that these sites experience is that local residents might be forced to forgo certain developments and amenities which other communities enjoy because the WHS Status halts their development. This might include for example large retail developments, upgrading of transport infrastructure or the building of new affordable housing. In each instance, the local community would experience an 'opportunity cost' from not enjoying these developments and essentially this would need to be weighed up against the benefits of conserving the historic environment. These kinds of assessment are extremely complex and difficult and there is no literature which seeks to examine them perhaps for these reasons. Here again it is important to note that it is the additional protection WHS Status brings that would need to be responsible for halting these developments for such an opportunity cost to be incurred and this is likely to be marginal. Infact this balance between conserving the valuable historic environment and the economic necessity of growth is one encountered by many of the UK's historic cities and certainly is not unique to those which enjoy WHS Status.

<sup>29</sup> UNESCO, 2007, Periodic Report Action Plan Europe 2005-2006

<sup>30</sup> "Heritage Protection for the 21st Century" DCMS, White Paper ;

129 One element of costs which is given greater weight in relation to WHS bidding and management is the issue of governance and sustainability. There are naturally costs tied up in the adoption and implementation of new governance arrangements and some of these costs are illustrated in studies like the recent 'New Lanark Stage 2 Study' undertaken by Tribal consulting for Historic Scotland, South Lanarkshire Council and New Lanark Conservation Trust which discusses the governance arrangements within it. In addition, at a national level it is clear that these governance arrangements are seen to be increasingly important in the context of bidding for WHS status.

*'A further consideration was the practical and resource implications first of nomination and then inscription. With increasing recognition of the need for positive management and co-ordination to achieve the appropriate balance between conservation, access, the interests of the local community and economic benefit, it is essential in every case that there is either a body able and willing to take on the necessary work or a realistic prospect that such a body will emerge over the next few years', DCMS, 1999, '*

130 Recently, the Local Authority World Heritage Forum published a study into the management costs of WH Sites. The study was undertaken by an independent consultant and involved an investigation of 24 of the UK's existing World Heritage Sites asking them what costs were incurred in the management of their site and how those costs were being met. The study provides a useful overview of the broad nature of costs and who incurs them, however it is difficult to group these costs into more finite categories beyond the broadest elements discussed in Figure 7 in the previous chapter. In most instances it is not clear exactly what activity is being funded and for what length of time the funding will be provided. The results of this study can be found in Annex B.

### **Additional costs**

131 Many of the costs described above arise directly from completing UNESCO's requirements, but many sites undertake additional activities that can carry substantial costs, usually with the aim of increasing the number of visitors to sites. This includes

- Raising awareness and profile of sites for example through marketing campaigns.
- Diversion costs, does WHS impact on the popularity of non-WHS?
- Improving infrastructure including tourism infrastructure (e.g. visitor centres etc) and making sites more accessible through new roads and transport provision- the 2006 ERS study into the potential social and economic benefits of site inscription for Cumbria identifies that 'the creation of new or improved facilities often follows world heritage status inscription' and highlights five sites where this has taken place, Blaenavon, Derwent Valley Mills, the Dorset and East Devon Coast, Giant's Causeway and Stonehenge and Avebury.
- Improving the interpretation value and appeal for tourists and other groups, for example through regeneration, restoration or providing a more holistic experience.

132 As well as the costs associated with each of these activities, which are usually borne by local government or paid for through other public funding, there can be costs to the local community, such as through congestion from increased tourist numbers or building work during restoration and regeneration projects.

133 In some cases activities such as providing access or restoring a site may be part of the bidding process. Equally being nominated or inscribed for WHS status may provide a base for marketing activity. However, most of these activities are not directly necessary for a site to gain WHS status or comply with UNESCO requirements. Even so, it is often the case that WHS is the catalyst for these activities and it is therefore difficult to determine whether the costs arise from WHS or not.<sup>31</sup>

## **Conclusions**

### **The benefits and costs**

134 There are seven key areas of benefit which are regularly quoted in the existing literature. These include

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<sup>31</sup> "Proposed Chatham World Heritage Site Feasibility Study Report" 2006

**Tourism, Regeneration, Partnership, Attracting additional funding, Learning or Educational benefits, Community cohesion and social capital, Civic pride and Conservation.** After examining the literature it is clear that there are significant inter-dependencies between the benefits but strong partnership and governance is likely to be of central to their achievement.

- 135 There is a wide variety of costs incurred in both bidding for and managing a WHS but very little literature exists which pulls all of this costing information together in one place. During the bidding process cost is incurred in meeting the requirements set out by UNESCO for all bids and some of these requirements involve the conducting of additional research and surveys using consultants. The bidding process is getting more costly as competition and interest at a local or regional level appears to be pushing up costs with bidders seeking to present their best case for inclusion. The limited literature suggests that these costs could be as much as £400k<sup>32</sup>
- 136 Whilst the management of these sites is also subject to additional requirements by UNESCO, including the creation of a management plan, in general sites appear to be well covered anyway by existing designations and many of these costs can reasonably be assumed to occur anyway therefore. However, many of the sites do employ one full or part time co-ordinator.
- 137 Outside of the bidding and management costs a substantial amount of funding is often spent on infrastructure and transport or other capital projects. Whilst this expenditure does allow these sites to make the most of their WHS Status and maximise their benefits primarily in terms of tourism and regeneration it is not a requirement of achieving WHS Status and therefore should not be viewed as directly attributable.
- 138 Overall our ability to completely define and scale the likely costs and benefits of WHS bidding and inscription from the existing literature is significantly affected by a series of issues and challenges. These relate to the methodologies used, the additionality problem and the nature of research questions and existing literature. These challenges are discussed below.

### **The measurement challenges**

- 139 There are a wide variety of issues which make the measurement of the benefits of Heritage activities and impacts difficult and these and other challenges are likely to significantly influence both the volume of available literature in this area and the conclusiveness of that literature to prove or disprove certain cost and benefit paradigms. Each of the specific methodological challenges are discussed below.
- **Timing and data quality-** The timeframe taken for benefits to accrue can be substantial and this makes the assessment of impacts very difficult even through the use of very longitudinal evaluation techniques. In some of the instances where long time lags are anticipated, identifying a change or impact requires consistent data to be available over these long time periods and often the datasets are simply not available. This is particularly common in identifying tourism benefits from World Heritage inscription.
- 'For most Australian World Heritage Areas, data are inadequate to determine whether there is a significant World Heritage icon value' Buckley, R, 2004*
- **Response to World Heritage may be personal and individual** - Some people may be radically transformed by World Heritage experiences whilst others are largely unaffected. The effects felt by a sample of the population can rarely be scaled up for the whole population<sup>33</sup>, this makes the measurement of certain aspects very difficult.
  - **The prevalence of intangible benefits-** There are a wide variety of intangible benefits which need to be considered in the context of the study and valuing these benefits is very difficult. Providing a consistent scalar that can allow reasonable relative assessment against costs is even more challenging.

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<sup>32</sup> MEK, 2007, Jagger et al, 2006

<sup>33</sup> RAND, 2004

- **Cognitive bias-** A number of the benefits we have identified previously require very subjective questions to be answered by certain audiences and there are some inherent difficulties associated with asking these types of questions. For example how much intrinsic value do non-users place on Stonehenge? These are very difficult assessments to make in a robust way and when responses are obtained from these audiences the construction of the questions and the answers given may be subject to certain cognitive bias problems which can reflect the robustness of the responses.<sup>34</sup>

### The challenge of identifying the 'additionality' of WHS Status

- 140 **Identifying causality or additionality** is a problem in all impact assessment techniques, what would have happened in the absence of World Heritage application or nomination?<sup>35</sup> Across all these areas of potential benefit there is a significant additionality puzzle and we do not believe that any of the benefits are likely to be automatically derived as a result of bidding for WHS Status. The extent to which the relationship between WHS Status and each of benefits is simply a correlation rather than a directly causal one where WHS Status delivers the benefit directly is unclear from the literature in all cases.

*'There is an issue of attribution with reference to a number of the potential benefits and impacts of WHS – i.e. it can be difficult to ascertain if a benefit accruing to a site is directly attributable to WHS inscription' ERS, 2006*

- 141 The fact that a site is a World Heritage Site can be just one factor amongst a series of factors which may affect the benefits or costs associated with it can be seen as a subset of the causality/additionality problem<sup>36</sup>. This can be a particularly prominent issue when using certain measurement approaches like for example the hedonic pricing of property.

### The challenges in undertaking wider cost benefit assessments

- 142 In addition to these methodological and additionality challenges there are several challenges in undertaking wider cost benefit assessments such as this one from the existing literature. These are described below.

- **A general lack of research evidence-** There is a general lack of evidence and research in this area overall which is acknowledged widely in the literature.

*'First, it is well recognised that the benefits of WHS inscription in general are under-researched', ERS, 2006*

- **Focus on tourism impacts-** Too much of the existing literature has focussed almost entirely on the tourism benefits of World Heritage Status.

*'Second, much of the research examining the impact of WHS inscription to date has focussed heavily on the resultant effects on visitor numbers and tourism led development', ERS, 2006*

- **Some aspects of these benefits are either relatively new concepts or have only recently been considered as values and costs-** Some of the recognised benefits, like the use of WHS status as a tool for regeneration have only recently been described and management plans which more implicitly describe these values are relatively new and untested.

*'Third, WHS inscription as a catalyst for economic development and regeneration is a relatively new concept...there is recent evidence that WHS are now choosing to focus more attention on the wider social and economic benefits when applying for world heritage status or when developing management*

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<sup>34</sup> An excellent summary of cognitive bias issues can be found in Haselton, M. G., Nettle, D. & Andrews, P.W. (2005). 'The evolution of cognitive bias'. In D. M. Buss (Ed.), 'Handbook of Evolutionary Psychology', (pp. 724-746). Hoboken: Wiley.

<sup>35</sup> See Frontier, 2007 or HMT Green Book, 2000

<sup>36</sup> Holden, J, Capturing Cultural Value, Demos, 2004

*plans. However, this is a fairly new development...Many Management Plans are untested – either inscription is quite new, or the management plan has been written recently’, ERS, 2006*

- **Lack of ex-post assessment-** Whilst there have been studies undertaken into the benefits of WHS these have predominantly been ex-ante studies to provide information to support go/no go bidding decisions. There are in fact very few ex-post holistic studies of costs and benefits after sites have gained World Heritage Status and it is these studies which would be more valuable as they would identify what has happened as opposed to what might happen. In some instances we have been able to source tourism studies of this nature but these are usually inconclusive.
- **Differences between sites-** There are substantial differences between both the current sites and those involved in the nomination process, and these make broader aggregation or scaling of costs and benefits difficult and evidence is therefore largely anecdotal.

*‘much of the evidence around the benefits of WHS inscription is regarded as anecdotal and lacking robustness’ ERS, 2006*

*‘Control sites are valuable to differentiate the effects of external factors such as economic cycles and airline strikes, but the available control sites are too different from the World Heritage Areas to identify specific effects of World Heritage status by comparing the two’, Buckley, R, 2002, ‘World Heritage Icon Value: Contribution of World Heritage Branding to Nature Tourism’*

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# B Summary of empirical costs

- 143 **Error! Reference source not found.** overleaf presents the results from the LAWHF study and the costing assessments from the Chatham Feasibility Study. These have been summarised against the broad categories of 'bidding', 'inscription' and 'related costs'.

**Table 4: LAWHF Study review of Costs at UK World Heritage Sites**

World Heritage Site	Bidding costs	Inscription costs (management)	Related costs
City of Bath		<ul style="list-style-type: none"> <li>7.5 FTE Conservation/Archaeological staff</li> <li>One Officer- Costs shared between City Council (£32k) and EH</li> </ul>	
Blaenavon Industrial Landscape		<ul style="list-style-type: none"> <li>One WHS co-ordinator plus three additional staff – Torfean CBC meeting £100k in staff costs, £150k additional spending in 2006-07</li> <li>WHS warden service funded through European Interreg IIIB (£25k)</li> </ul>	<ul style="list-style-type: none"> <li>Marketing and promotion from Museum of Wales (£2.5k), Cadw (£5k), Monmouthshire CC (£7.5k), British Waterways (£3.5k) and Torfaen CC (£7.5k)</li> <li>World Heritage Centre Project (£1.375m)</li> </ul>
Blenheim Palace		<ul style="list-style-type: none"> <li>Management costs bourn by owner, West Oxfordshire District Council contributes (£15k p.a.) in staff costs</li> </ul>	
Canterbury		<ul style="list-style-type: none"> <li>Repair programme of £30m (and another £50m needed to preserve cathedral), funds were raised by Dean and Chapter of Canterbury Cathedral.</li> </ul>	
Castles and Town Walls of Edward I		<ul style="list-style-type: none"> <li>Conservation projects-Beaumaris- combined cost of £660k, Caernarfon-combined cost of £100k</li> </ul>	<ul style="list-style-type: none"> <li>Caernarfon-Victoria Dock project £4.4m</li> </ul>
Cornwall and West Devon Mining Landscape		<ul style="list-style-type: none"> <li>Funding for WHS office (Cornwall CC) of £280k in 2006-07 plus a project budget of £93k.</li> <li>Revenue funding by principle owners estimated at £2.8m</li> </ul>	
Derwent Valley Mills		<ul style="list-style-type: none"> <li>WHS Co-ordinator £43k, additional staff and other costs £42k from LA's</li> </ul>	<ul style="list-style-type: none"> <li>Economic development plan- £80k, leading to implementation at cost of £434k</li> </ul>
Dorset and East Devon Coast		<ul style="list-style-type: none"> <li>Site co-ordinator, Earth Science Manager, Visitor Manager and Earth Science Advisor plus other costs, overall core resources were £393,681 in 2005/06 and £451,043 in 2006/07</li> </ul>	
Durham Castle and Cathedral		<ul style="list-style-type: none"> <li>Costs covered by individual property owners- magnitude not specified</li> </ul>	
Edinburgh Old and New Towns		<ul style="list-style-type: none"> <li>Edinburgh World Heritage Trust- 7.5 FTE's</li> <li>Restoration projects and conservation grants, engaging with communities and educational and promotional activities at cost of £1.37m, c.£700k operating costs.</li> </ul>	→

World Heritage Site	Bidding costs	Inscription costs (management)	Related costs
Fountains Abbey and Studley Royal Water Garden		<ul style="list-style-type: none"> <li>Site managed in partnership between EH and NT</li> </ul>	
Giants Causeway and Causeway Coast		<ul style="list-style-type: none"> <li>WHS Management Officer to be appointed</li> </ul>	
Greenwich		<ul style="list-style-type: none"> <li>Maintenance costs met by owners of properties</li> <li>Borough contribution to WHS local co-ordinator and central administration, £8,200</li> <li>Environmental improvement £50k and £15k in officer time</li> </ul>	<ul style="list-style-type: none"> <li>Additional costs of marketing £12k,</li> </ul>
Hadrian's Wall		<ul style="list-style-type: none"> <li>WHS funding from owners, occupiers and site managers as well as LAs, EH or the Countryside Agency</li> </ul>	
Ironbridge		<ul style="list-style-type: none"> <li>Cost of management borne by Telford and Wrekin Council: £54k staff costs and £44k additional expenditure.</li> <li>£10m for project funding over past 3 years, and additional £10m approved for further improvements</li> </ul>	<ul style="list-style-type: none"> <li>£100m still required to deal with land instability problems</li> </ul>
Kew- Royal Botanical Gardens		<ul style="list-style-type: none"> <li>Day to day management by Royal Botanical Gardens' Director, Kew Palace and Queen Charlotte's Cottage managed by HRP.</li> <li>RBG has annual budget of £27m to cover costs</li> </ul>	
Liverpool Maritime Mercantile City	<ul style="list-style-type: none"> <li>NWDA £340k towards bid</li> </ul>	<ul style="list-style-type: none"> <li>City Council management costs £64k</li> <li>Staffing conservation team- £85k from EH, Liverpool Culture Company contributed staff time and £50k</li> <li>Request for £100k to support WHS supplementary planning document.</li> </ul>	<ul style="list-style-type: none"> <li>DCMS- £28m to National Museums Liverpool</li> <li>£600k from Council for 2006-10 towards WHS Townscape Heritage Initiative, plus contributions from HLF (£1.8m), Single Regeneration Budget (£350k), EH (£150k), NWDA (£1.5m)</li> <li>NWDA: Buildings at Risk Programme, £1m between 2004-07</li> </ul>
New Lanark		<ul style="list-style-type: none"> <li>Management responsibilities with New Lanark Conservation Trust, Historic Scotland contributes £89k per annum and Council contributes £89k</li> <li>In 2006-07 the council contributed £10k to help secure HLF support</li> </ul>	

World Heritage Site	Bidding costs	Inscription costs (management)	Related costs
Orkney		<ul style="list-style-type: none"> <li>Management costs funded by Historic Scotland</li> </ul>	
St. Kilda		<ul style="list-style-type: none"> <li>£18k per annum funding from Historic Scotland for archaeological work.</li> </ul>	
Saltaire		<ul style="list-style-type: none"> <li>WHS Officer jointly funded by MDC, EH at cost of £70k per annum.</li> <li>Additional projects: Buildings restoration £1.6m, Landscape restoration £4m, Church restoration £500k.</li> </ul>	<ul style="list-style-type: none"> <li>Additional costs: WH Study Centre £200k, Canal Bridge £400k, Parking strategy £200k</li> </ul>
Stonehenge and Avebury		<ul style="list-style-type: none"> <li>Full time WHS Co-ordinator and part-time assistant funded by EH at £58k (plus £1k from NT and Salisbury DC)</li> <li>Avebury: Management Plan full-time co-ordinator: £22.6k Kennet DC, £22.1k EH</li> <li>Residents Pack Project £14.6k</li> <li>Two grants from EH worth £21k</li> </ul>	<ul style="list-style-type: none"> <li>Stonehenge A303 diversion scheme expected cost: £500m, EH Visitor Centre £67.5m, Cost to District Council of dealing with planning and public enquiry around £100k, DEFRA: Grass Reversion Project around £143k, Wessex Archaeology education project: £2k, EH Riverside Excavation project £9.6k</li> <li>Application for HLF for £600k towards Silbury Hill</li> <li>Countryside stewardship schemes DEFRA around £462k, National Trusts operating costs around £425k</li> </ul>
Tower of London		<ul style="list-style-type: none"> <li>Bulk of management costs borne by the Historic Royal Palaces, management of development in buffer zone lies with London Boroughs</li> </ul>	
Westminster Palace, Abbey and St. Margaret's Church		<ul style="list-style-type: none"> <li>Westminster palace administered by Lord Great Chamberlain on behalf of the Queen, the House of Commons and the House of Lords. Maintenance responsibilities rest with the Parliamentary Estates Directorate – employing a conservation architect. The Dean and Chapter of the Abbey manage the Church and its estate – employing an archaeological consultant</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Proposed Chatham World Heritage Site (From 2006 Feasibility Study report)	<ul style="list-style-type: none"> <li>Project co-ordinator (including admin &amp; on-costs over 3 years) (£210k)</li> <li>Four supporting studies (£80k)</li> <li>Comms and consultation (£53k)</li> <li>Printing (£35k)</li> </ul>		

- 144 The empirical data on costs is clearly very varied, but by examining the elements we can deduce certain messages.
- There is a significant gap in the information around bidding costs;
  - In the two instances where bidding costs are proposed, the major funding contributions are suggested from local or regional public sector groups, with the RDAs suggested as providing significant resource;
  - Often those cost lines which are the most significant are related costs which often involve large infrastructure investments, whilst these may well be laudable projects in themselves to increase benefits from tourism etc, they are not in themselves requirements of World Heritage Status;
- 145 More information is required on the specific costs included in these studies to understand exactly what they include and when or how regularly they are likely to be incurred.

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