

RESEARCH REPORT



Report prepared for the City of London Corporation
by BOP Consulting
January 2013

The Economic, Social and Cultural Impact of the City Arts and Culture Cluster



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Foreword

Alderman Roger Gifford

The Rt Hon the Lord Mayor of London

The City of London is home to one of the most diverse concentrations of high quality arts and culture organisations and activities in the UK. This spans concert halls, museums, art galleries, libraries and festivals, in a geographic setting that includes world famous historic buildings, bridges and monuments. Together these provide a range of attractions for visitors to the City, as well as enriching the lives of residents and workers alike and providing jobs and educational opportunities for the City, neighbouring boroughs - and indeed London as a whole.

This report explores in detail the range of benefits that flow from the existence and excellence of the City arts and culture cluster. It highlights the economic benefits of these activities, clearly demonstrating the ways in which the City arts and culture organisations provide a substantial economic net contribution of £225 million to the City and to London as a whole. The research shows the economic impact on the ground, such as jobs supported and business generated, not only by and for these organisations, but also more widely in their supply chains and the sectors benefitting from audience spend, such as shops, restaurants and hotels.

The benefits are of course greater than the purely economic; the range of educational and outreach work carried out by these organisations, benefitting children and adults across London, is inspiring. These activities are impressive not only in terms of the number of people reached - over 300,000 in the last year alone - but also with regard to the pioneering and innovative approaches used. The opportunities for volunteering are also remarkable, with many structured in order to help develop and extend people's skills and confidence, and transform their employment prospects.

I am passionate about the way in which the arts and culture can transform lives and I am proud of the excellence and expertise of the arts and culture cluster here in the City. It is no surprise that the audiences surveyed for this project were so positive about the quality of these institutions - recognising that they offer the opportunity for innovative and ground-breaking experiences, with a truly international dimension, and showcasing new works and performers.

This year I hope to make a lasting contribution to developing aspiring performers, through the establishment of the 'City Music Foundation' – a new charity to support musicians in the early stages of their careers through mentoring and opportunities to perform, building on the existing world class facilities the City offers.

The City of London remains a leading financial centre. This report shows just how much it is also a leading centre for arts and culture.

It is a record of which we can be proud and on which we can continue to build.

January 2013

Report summary

The City of London is renowned for the global success of its financial and business services sector.

Yet the City has another, less acknowledged but equally world-leading cluster of expertise within its borders - the arts and culture organisations located there. While history has played its part in endowing the City with an abundance of cultural riches - from its archaeological remains and built heritage such as St Paul's Cathedral, through to the establishment of venerable institutions such as Guildhall Library in the 15th century, the City of London Corporation has also been an active participant in shaping and enhancing the cultural offer.

The arts and culture cluster dramatically adds to the appeal of the City as a place to live, work, visit and invest in. Further, it is key to the wider 'pull' of London as a world city.

Economic impact

This report explores in detail the extent to which the arts and culture cluster contributes to the economic success of the City. Although in receipt of significant amounts of public funding from sources including the City of London Corporation, the Arts Council and the Greater London Authority, the arts and culture cluster is a major net contributor to the economy.

The data presented here demonstrates the direct economic impact of the arts and culture activities, such as ticket sales and revenue generation. It also shows the wider economic benefits to other sectors, for example those in the supply chain, and those businesses that benefit from spending by the arts and culture cluster's employees and audiences, such as shops, restaurants and hotels.

In accordance with recommended best practice by HM Treasury in undertaking economic impact analysis, only expenditure that represents genuinely new, 'additional' economic activity has been assessed, i.e. those economic benefits accruing as a result of the arts and culture cluster, which would not otherwise have happened. As implied, taking into account only what is genuinely additional does reduce the overall size of impact. It has the effect, for instance, of stripping out the City of London Corporation's own investment in these organisations, as well as almost all of the expenditure by local audiences (as this would probably have been spent in the City in any case).

Yet even after this process of moving from the gross to the net economic impact, the figures for the full net impacts are still impressive: in 2011/12 the arts and culture cluster generated £225m of Gross Value Added (GVA) for the City of London and supported more than 6,700 Full-Time Equivalent (FTE) jobs.

This economic impact is primarily driven by the value of the goods and services produced by the City arts and culture cluster - direct impact from organisations accounts for 60% of the total, with another 33% of the total impact coming from audience spending. The knock-on effects of spending on suppliers and spending by staff contributes another 7%.

Examining audience spending more closely, almost half (48%) is driven by accommodation spending. This reflects the large numbers of 'staying visitors' from overseas and outside London. A further 17% of net audience spending is 'onsite' spending at venues (not including the cost of tickets, since these appear as a direct impact through organisational income). This demonstrates how well the organisations have been able to drive ancillary revenues from

areas such as cafes, shops and merchandise, in addition to their primary trading in terms of ticket income.

The total GVA for the overall London economy generated by the City arts and culture cluster in 2011/12 is £291m, approximately £66m higher than for the City itself. This reflects the spending by both arts and culture organisations and their audiences in the rest of London, even though a lower proportion of this spending is counted as additional. This GVA supports 500 more jobs than when just looking at the City in isolation.

Social impact

The importance and value of the City arts and culture cluster goes beyond simply the economic. Collectively, these institutions allow the City to reach out to the surrounding boroughs, and provide invaluable learning and volunteering opportunities for people of all ages.

Today's leading cultural institutions are centres of learning and community engagement, as well as places that provide enriching cultural experiences. In 2011/12, the City arts and culture organisations provided over 7,000 learning and outreach sessions for children and young people, split between work with schools (63% of all sessions) and outside of schools (27% of all sessions). These sessions covered cross-curricula school learning, all kinds and levels of tuition, creative workshops and projects, and even some elements of 'co-creation' artistic and cultural activities.

This well-developed learning and outreach infrastructure meant that over the last financial year, over 231,500 children and young people participated in learning and outreach activities delivered by the City arts and culture organisations. In addition almost 80,500 adults participated in learning and outreach over the same period.

As with their core cultural function, the learning and social activities of a number of institutions are nationally and internationally recognised and innovative. This applies equally to well established programmes, such as LSO Discovery, and new initiatives such as Guildhall School of Music and Drama's (GSMD) music therapy work. Indeed, the leading arts and culture institutions see the development of their education and outreach work as going hand-in-hand with their core artistic and cultural work; each informs the other in the search for excellence.

The City arts and culture cluster also provides a huge number and range of volunteering opportunities. Volunteering is a great example of a virtuous circle:

- Arts and culture organisations are able to draw on a pool of labour that not only provides additional capacity and skills, but also helps organisations to stay in touch with their audiences;
- Volunteers gain valuable personal development opportunities that can help with their employment prospects and where relevant, to maintain a healthy and active retirement;
- Society benefits from individuals who, through the act of participating, are more likely to play a part in other areas of civil and community life.

In 2011/12, over 1,100 people volunteered with the City arts and culture organisations, contributing close to 38,000 volunteer hours. Once again, organisations such as the Museum of London have developed exemplary practice with regard to volunteering. Close attention is paid to widening the volunteer pool (to ensure that all sections of the community are represented), and to providing training and structured volunteer opportunities, as well as working to ensure that the experience is sociable, fun, valued and celebrated.

World class culture and placemaking

The core artistic and cultural mission of the cluster organisations can be considered a prerequisite for the substantial economic and social impact they generate. If, for example, the visitor/audience experience is underwhelming, people will not want to return, will not participate in education and outreach activities, will not view the institutions as adding to the attractiveness of the area, will garner little media attention, and so on.

Assessing the quality of artistic and cultural output is multifaceted and notoriously difficult. While by no means comprehensive, this study provides evidence against a range of indicators that demonstrates the strength and quality of the City's core arts and culture offer.

Looking first at international programming and the extent to which the cluster organisations' work is 'unique and innovative', the study finds that:

- Many of the organisations have established dense international connections that include partnerships, networks, residencies, hosting visitors and co-productions. In 2011/12, for example, 285 musical performances in the City showcased international artists; the LSO alone took up 44 international residencies and the Barbican worked on 18 co-productions with international partners.
- Of the Barbican's and the City of London Festival's (COLF) respective audiences, in each case 95% agreed that the organisations offer high quality events, while 90% of the Barbican's audience agreed that it enables them to see international performances and artists that they otherwise would not get to see.

'Innovation and experimentation' is similarly a feature of the City arts and culture organisations. This is reflected by the range of new work and commissions that the City arts and culture cluster is responsible for - in 2011/12, 48 new musical works were commissioned and 56 UK premieres (across art forms) were staged. But it is also apparent in audiences' assessment of their experience: 76% of the Barbican's audience agreed that the Barbican provides 'ground-breaking and innovative work' which leaves them intellectually (88%), artistically (89%) and emotionally (82%) challenged.

The City arts and culture offer also has an important impact on people's perception of the City – both in terms of locals' identity and in the eyes of visitors:

- 86% of the Barbican's and 90% of COLF's audiences agreed that these organisations contribute to making the City of London area special;
- 69% of COLF visitors that are based elsewhere in the UK, agreed that the Festival made them more likely to return to the City in the future.

The City arts and culture cluster also raises the profile of the area in the national and international media. For instance, in 2011/12, the City arts and culture organisations were mentioned over 10,000 times in the national media. Such coverage sheds a different light on the Square Mile, which is more commonly associated with the financial services and business sector.

Conclusions

This study demonstrates that, alongside Exhibition Road, the South Bank and the West End, the City is another world class arts and culture cluster for London. It is a key asset in bringing vibrancy and diversity to the City, shaping the identity of the area, and providing learning and active citizenship opportunities. Above all, it has a core role in enhancing and enriching the

lives, well-being, and life chances of its residents and workers, and residents of neighbouring boroughs.

As with many of the leading examples of successful industrial clusters, the City arts and culture cluster has arisen from a potent combination of happenstance, organic growth, sustained investment and at times, bold and visionary decision-making.

While the cluster organisations have proved adept at growing a range of non-public sector revenues, the City of London Corporation's funding is vital to the continued development and excellence of the organisations. It allows them to develop the cultural, learning and organisational capacity that, in turn, enables them to attract other funding for their education and outreach activity – which ultimately feeds back and enriches their artistic and cultural output. It is this which particularly distinguishes the City arts and culture cluster: how many of the organisations within such a small geographic area exist and operate at the highest level in their field, whether it be classical music, performing arts, or cultural heritage. The high quality, often world class, cultural offer is the bedrock upon which the positive economic and social impacts for the City and London are built.

1. Introduction

In April 2012, BOP Consulting were commissioned by the City of London Corporation to assess the economic and social impacts of the City arts and culture cluster. This report presents the findings of the study.

1.1 Background to this report

The City of London is renowned for the global success of its financial and business services sector.

Yet the City has another, less acknowledged but equally world-leading, cluster of expertise within its borders - the arts and culture organisations located there. While history has played its part in endowing the City with an abundance of cultural riches – from its archaeological remains and built heritage such as St Paul's Cathedral, through to the establishment of venerable institutions such as Guildhall Library in the 15th century, the City of London Corporation has also been an active participant in shaping and enhancing the cultural offer.

This is perhaps most obvious when new additions to the cultural landscape have been established, such as the City of London Festival (COLF) in the 1960s or the Barbican in the 1980s. The patronage of the City of London Corporation is also key to the continuation, refurbishment and extension of existing institutions and facilities, such as the investment in the Guildhall Art Gallery's Roman Amphitheatre or the Museum of London's recently refurbished Modern Galleries.

VivaCity!, the Oxford Economic Forecasting (OEF) report commissioned by City of London Corporation in 2006, for the first time drew attention to the importance of the arts and culture cluster in the City, by demonstrating the sector's economic impact. Yet the importance and value of the City arts and culture cluster goes beyond simply the economic.

Collectively, these institutions bring vibrancy and diversity to the City, provide invaluable learning opportunities for people of all ages, help mark occasions for shared celebrations, and instil in people a sense of place and identity, among other benefits. In doing so, arts and culture in the City are about much more than providing high quality leisure opportunities for the City's internationally mobile workforce. They are important too for residents of the area, in bringing tourists and visitors to the City, as well as being a major conduit through which the City reaches out to surrounding boroughs. However, this richer account of the value and impact of the City arts and culture offer has yet to be explored. It is this gap that the study addresses.

1.2 Structure of this report

At the heart of this report is a revised account of the economic impact of the City arts and culture cluster. This is focused more on the geographic area of the Square Mile than the *VivaCity!* report, and also takes into account HM Treasury principles for assessing economic impact.¹ Subsequently, the economic impact figures set out in this report are not comparable with those in the *VivaCity!* report.

¹ HM Treasury (2011) *The Green Book: Appraisal and evaluation in central government*, HMSO.

Following a detailed account of economic impact, this report for the first time provides evidence of the social impact of arts and culture in the City. This account looks in detail at the arts and culture cluster's education and outreach activity, the volunteering opportunities it provides, and the contribution that it makes to well-being.

It is important to acknowledge that underpinning this economic and social impact is the core cultural offer. Assessing the quality of artistic and cultural output is multifaceted and notoriously difficult. While by no means comprehensive, this study demonstrates, against a range of indicators, the strength and quality of the City arts and culture offer.

1.3 Methodology

A mixed method approach has been used to assess the economic and social impact of the City arts and culture cluster.

- **Economic impact** – has been assessed using two main sources: detailed financial figures provided by organisations, and figures on audience expenditure at arts and culture events via onsite surveys of over 800 individuals. The results have then been subjected to an 'additionality' assessment to ensure that only genuinely new economic activity has been included in the final economic impact figures.
- **Social impact** – aggregate figures on volunteering and educational and outreach activities have been obtained via the organisational survey. Four in-depth case studies (Museum of London, LSO St Luke's, Guildhall Art Gallery and Guildhall School of Music and Drama) provide detailed illustrations of how arts and culture organisations in the City are delivering on a social, as well as a cultural level.
- **Cultural impact** – in demonstrating the high quality of the cultural offer in the City, we have drawn on the audience surveys, quantitative information on the international dimension and new work produced by the organisations, and the media coverage they attract. The effect of cultural experiences on audiences' views about the City of London was also assessed through the audience surveys and documented in two further in-depth case studies, of the Barbican and the City of London Festival.

There are a wide range of activities delivered by the City arts and culture organisations that could have been used as case studies for the study. As it was not possible to include all of them, the decision was made to focus on six of the most prominent organisations within the cluster: Museum of London (MoL); London Symphony Orchestra (LSO); Guildhall Art Gallery; Guildhall School of Music and Drama (GSMD); the Barbican; and City of London Festival (COLF). The case studies focus on very specific elements of each organisation's work. This focus was agreed upon in discussions with both the organisations themselves and the City of London Corporation. The focus of the case studies exemplifies the range of different ways in which the City arts and culture cluster generates both social and cultural value. Detail on the methodologies for each case study is provided in the relevant sections of this report.

2. Defining the arts and culture cluster

2.1 What do we mean by arts and culture?

'Culture', in its broadest sense, is often considered hard to define, as it has both a material and immaterial dimension – a 'structure of feeling', as the critic Raymond Williams famously put it. For the purposes of this report, we refer only to the material elements of culture and more specifically, to arts and culture as a set of aesthetic forms and practices. The 'breadth' of these are defined in the United Nations Educational, Scientific and Cultural Organisation (UNESCO)'s Framework for Cultural Statistics (2009).² The Framework suggests a distinction of six cultural domains, which "represent a common set of culturally productive industries, activities and practices". These are:

1. Cultural and Natural Heritage
2. Performance and Celebration
3. Visual Arts and Crafts
4. Books and Press
5. Audio-visual and Interactive Media
6. Design and Creative Services

For the purposes of this report, the definition of arts and culture is based only on the first three cultural domains. Together, these include organisations such as museums, organisations responsible for built and natural heritage, performing arts and music, and festivals, as well as fine arts and crafts.³

This definition of arts and culture follows the aim of this report to investigate the value and impact of the arts and culture activities in the City, and whose development the City of London Corporation helps shape, which are primarily represented by the first three cultural domains. The latter three domains predominantly represent the commercial, creative and cultural industries (i.e. organisations generally independent from government support), and thus fall outside the scope of this study.

2.2 Geographic scope

This study focuses on all organisations (within the definition provided in Section 2.1) situated within the City of London boundaries. However, in order to comprehensively evaluate the economic as well as social and cultural impact of the City arts and culture cluster, the following concessions were made:

- The economic impact analysis includes all organisations situated within the City boundaries, in addition to those owned by the City of London Corporation and/or lying

² UNESCO Institute for Statistics (2009) *UNESCO Framework for Cultural Statistics*, p.24

³ One exception has been made with regards to the above: whereas the UNESCO framework includes libraries within the fourth domain, Books and Press, in this report they are considered as falling within the first domain, Cultural Heritage. Libraries are thus included within the report's definition of arts and culture.

directly adjacent to the City boundaries (i.e. Tower Bridge, owned by the Corporation, Spitalfields Festival, supported by the Corporation, and the Tower of London).⁴ However, nothing further afield is included (e.g. South Bank or Keat's House in Hampstead Heath – both owned by City of London Corporation), as the primary aim is to gain a picture of the economic impact of the arts and culture cluster within the City itself.

- **The social and cultural impact analysis** includes all organisations within the City boundaries, as above, as well as the included organisations' relevant activities taking place outside the City (e.g. City of London Festival activities on Hampstead Heath or the Barbican's creative learning activities in the East London boroughs). This decision is based on pragmatic reasons – the City has a very low resident population, meaning that most visitors to cultural events come from further afield and that most 'social activities' undertaken by the City arts and culture organisations are targeted at groups outside the City boundaries.

2.3 Organisations included in the study

Based on the above definition and geographic scope, the following organisations are included in the study:

1. **Cultural and Natural Heritage:** The Monument, Tower Bridge, St Paul's Cathedral, Tower of London, the Clockmakers' Museum, London's Roman Amphitheatre, Museum of London, Dr Johnson's House, City of London Police Museum, the Bank of England's Museum, the Barbican's Library, City Business Library, Guildhall Library, Shoe Lane Library.
2. **Performance and Celebration:** The Barbican, London Symphony Orchestra (LSO), Guildhall School of Music and Drama, City Music Society, City of London Festival, the Winter Concert Series, Spitalfields Music, the Bishopsgate Institute.
3. **Visual Arts and Crafts:** Great St Helen's Sculpture Space, Guildhall Art Gallery.

While most of these organisations are funded by the City of London Corporation, the list also includes some organisations which do not receive funding from the Corporation (Tower of London, Bank of England Museum, Clockmakers' Museum, Bishopsgate Institute), but nevertheless fall within the scope of this study. Three organisations that were sent the organisational survey chose not to participate.⁵

Two organisations, the Barbican and the City of London Festival, also participated in audience surveys, while representatives of six organisations were interviewed in-depth to provide information for detailed case studies (Barbican, LSO, Guildhall School of Music and Drama, City of London Festival, Guildhall Art Gallery and Museum of London). These case studies can be found both within the main body of the report (in abbreviated form) and in the Appendices published online (in full).

⁴ While they have been included within the overall economic impact analysis, for these organisations that lie just outside the City boundaries, we have been careful not to apportion any economic impact to the City itself (it has simply been calculated at the London level instead).

⁵ It was felt that the survey was not applicable to Mansion House (Samuel Harris Art Collection); Bridewell Theatre and Goldsmith's Hall chose not to participate.

3. Economic impact

3.1 What do we mean by economic impact?

Putting an economic value on the City of London's cultural offer is a complex task. Access to its cultural organisations and events is often free, and their audiences include casual visitors on their lunch breaks and even passers-by, in the case of the City of London Festival. In addition, the full indirect impact (for example the influence that a high quality offer has on the decision of businesses to locate and invest in the City) is hard to quantify, even when the direct benefits of spending by audiences and organisations can be estimated.

Some of the economic impacts of the City's cultural offer are only felt in the longer term. For instance, the full economic benefits of training artists and performers in the Guildhall School of Music and Drama are only realised once the next Daniel Craig hits the big screen, the next Bryn Terfel brings the house down, or the next Eric Fellner produces an Oscar-winning film (all are alumni of the School). The training and experience that artists and performers benefit from in the City also contributes to the economy of the whole country, and not just the City.

In this section we measure and present the core economic impact of the City's cultural offer, using a methodology that draws on audience surveys and management accounts. While it does not predict the value to the economy of the next City-trained actor to play James Bond, it does quantify the impact of spending by the arts and culture cluster organisations and their audiences, as well as the knock-on impact that occurs through shops, restaurants and suppliers re-spending the money they have gained from this initial round of expenditure.

Further, and in accordance with HM Treasury Green Book guidance, the final figures only quantify the financial benefits to the City that are genuinely 'additional', i.e. those economic benefits accruing as a result of the arts and culture cluster, and which would not otherwise have happened. For example, if someone is in the City for a few days on business and visits a City of London Festival event while there, they would have spent money on accommodation, food and drink, regardless of the Festival event. The person's spending on these goods and services would not be genuinely additional. Our economic impact figures therefore represent a conservative and robust estimate of the core economic impact of arts and culture in the City of London.

3.2 How have we assessed economic impact?

The economic impact for two different geographic areas has been assessed and reported on in this report: the City of London and Greater London (referred to in the analysis simply as 'London'). In establishing the impact for these geographies, it has been necessary to determine intermediate calculations for the rest of the UK, specifically the spending of organisations and audiences outside London (so the expenditures that 'leak' out from the City and London as a whole, are not included in the final figures). In order to monetise the main outcomes and outputs generated through the activities of the City arts and culture organisations, we have utilised standard methodologies to measure the economic impact of a business, sector or investment.⁶

⁶ ONS (2010) *Measuring the economic impact of an intervention or investment*. This report informs our use of Gross Value Added to assess economic impact, as well as providing guidance on how to measure the second-round effects of an intervention (in this case the intervention being the funding of the City arts and culture cluster).

The economic impact assessment has been measured by totalling four separate impact streams:

1. Direct impact from the goods and services provided by the City arts and culture cluster's organisations and attractions.
2. Indirect impact from the arts and culture cluster's spending on suppliers.
3. Induced impact from expenditure made by the employees of the organisations and attractions, and by the employees of their suppliers.
4. Audience expenditure that is triggered as a result of visiting arts and culture organisations in the City.

1. Direct impact

In economic terms, the direct impact of a sector is measured by the value of all the goods and services provided by the sector, and the number of jobs it creates.

In this case, the direct impact is given by the value of the goods and services provided by the organisations and attractions that are part of the City arts and culture cluster. A standard methodology to measure the value of these goods and services is to calculate the gross value added (GVA) generated by each organisation and attraction. The GVA measures the total revenue of an organisation (e.g. total value of tickets sales, shop revenue and donations, as well as public funding and sponsorship) minus any intermediate consumption (i.e. operating costs excluding wages, salaries and artists' costs), and reflects the value of the goods and services provided.

To measure the direct economic impact of the City arts and culture cluster (GVA and employment), information was collected through a survey that was distributed among the organisations and attractions in the City arts and culture cluster (see Section 2.3). In assessing the contribution of sponsorship and public funding to the revenue of the City arts and culture cluster, we consider whether or not the funding would have gone to the City even without the arts and culture cluster (and is therefore not 'additional'). For example, we estimate that public funding to the Barbican from the City of London Corporation would probably have gone to other organisations in the City if not to the Barbican, and therefore cannot be counted as additional. In contrast, funding from the European Commission could conceivably have gone to many other UK or European organisations and is therefore considered additional. The decision tables and proportions of funding and sponsorship that were considered additional for each geographical area are shown in the Technical Appendix (Section 7.2).

The additionality adjustments change depending on the geographic area in question (i.e. whether the spending would have happened in the City or in London anyway), given the different ways in which the additionality assessment is applied at different geographies.⁷ Therefore the direct economic impact can technically be *lower* for the larger geographical area, as a result of being realistic about how much of the funding would probably have happened anyway.

2. Indirect impact

As with all other businesses, arts and culture organisations have to purchase a range of goods and services in order to operate. Thus the economic impact of the City arts and culture cluster goes beyond the direct provision of goods and services, to the impact that their expenditure

⁷ For more information please see the Technical Appendix.

has on the organisations that make-up their supply chain. For instance, if the Museum of London purchases stationery, their stationery supplier in turn will have to make purchases to meet this demand. Data on organisations' spending on suppliers (and their geographical locations) were also collected through the survey of organisations and attractions.

The indirect impact of the City arts and culture cluster also has to be measured in terms of GVA to avoid double accounting. The second step is therefore to translate gross figures on supplier spending into GVA. It is possible to do so using secondary data from the Office of National Statistics (ONS), which publishes information on total turnover and approximate GVA per region and industrial classification.⁸ It is therefore possible to calculate ratios that express how much extra supplier turnover can be translated into additional GVA.

A similar approach was followed to estimate jobs created in the supply chain that can be attributable to the City arts and culture cluster, since the ONS also provides information on total employment for different industrial classifications and regions.

3. Induced impact

The induced economic impact is generated by the expenditure made by employees of the arts and culture organisations and attractions (e.g. all staff working at the Barbican), and by a proportion of employees' spending in any of the businesses and organisations that are part of the supply chain for these organisations. Calculating the induced impact is not straightforward. For a detailed description of how this has been undertaken, please see the Technical Appendix.

4. Visitor expenditure

The fourth stream of economic impact arises from the expenditure made by visitors to the City that are attracted by its cultural offer. These visitors spend on food and drink, accommodation, transport and other goods and services in the premises that lie within, but also outside of, the City's boundaries.

Information on expenditure made onsite (i.e. buying programmes, merchandise, food and drink within the venues of the City arts and culture cluster) was captured through the audience surveys, whilst information on ticket expenditure was captured from surveys sent to the relevant organisations and attractions. Onsite expenditure by audience members at the organisations and attractions will appear in their revenue figures, so we took care not to count this twice when analysing the expenditure data.

The survey also collected information on visitor expenditure made outside the premises of the arts and culture organisations. To analyse whether this expenditure is 'additional' (i.e. would not have occurred without the presence of the City arts and culture cluster), the survey queried visitors' motivations to visit.

Again, it is important to note that additionality varies by the place of origin of the visitors, in connection with the geography of the economy that is being assessed. Thus, the expenditure of a 'day tripper' to the City arts and culture cluster who is from the rest of London (i.e. outside of the City), and who would have gone on a trip elsewhere in London if the arts and culture cluster's event had not taken place, would not have been additional to the London economy (as it simply displaced expenditure from elsewhere in London to the City). However, this expenditure would be additional to the City's economy (as it was being made there rather than elsewhere in the capital).

⁸ This information is derived from the Annual Business Inquiry (ABI).

Similarly, for a London-based (non-City) day tripper, who would otherwise have gone to work or stayed at home, expenditure made at one of the City arts and culture cluster's event would not be additional to London - it is assumed that this expenditure is deadweight, as it would have been made in the local economy at a later date. However it would be additional to the City, as it was spent there at the expense of the day tripper's local area.

The decision tables and the resulting proportion of audience expenditure that was considered additional for each type of visitor and for both of the geographic areas assessed, can be found in the Technical Appendix.

Lastly, to calculate the arts and culture cluster organisations' own expenditure, we also have to account for any leakage – that is, expenditure made outside of London. Supplies bought from Bristol, for example, cannot be counted as part of the impact on either the City or the London economy.

In a similar way to the treatment of sponsorship and public funding income, these additionality considerations mean that the total economic impact of the City arts and culture cluster can be *lower* for the larger geographical areas than the smaller ones.

3.3 Direct impact

Using financial data supplied by organisations and attractions in the City arts and culture cluster, the direct economic impact (the value of the goods and services provided by the organisations) was assessed by calculating the gross value added (GVA).

As outlined in Section 3.2, GVA generated by the arts and culture cluster was calculated by taking total *additional* revenue of an organisation, minus any intermediate consumption (e.g. operating costs excluding wages, salaries and artists' costs). Again, as noted in Section 3.2, the revenue streams are assessed for genuine additionality. Details of what has been included and excluded on these grounds are presented in the Technical Appendix (Section 7.2).

Figure 2. Direct impact (GVA) of the City arts and culture cluster for the City of London and London, 2012

	City of London	London
Earned income from ticket sales	£49,586,144	£49,586,144
Other earned income (e.g. shop, cafe, venue hire)	£42,372,387	£42,372,387
Additional external fundraising income from sponsorship (excl. in-kind) [£8,464,004 <i>before</i> additionality assessment]	£8,437,990	£8,437,990
Other external fundraising income (e.g. donations)	£4,332,423	£4,332,423
Additional public sector funding [£59,802,344 <i>before</i> additionality assessment]	£23,506,527	£22,849,021
Income from any other funding source not listed above	£6,648,708	£6,648,708

Total income	£134,884,178	£134,226,672
Total expenditure on staff	£47,450,436	£53,700,505
Total expenditure on performers/artists/speakers	£11,325,228	£12,156,578
Supplier & other expenditure related to your organisation	£423,795	£423,795
Total expenditure	£59,199,459	£66,280,878
Direct GVA (Revenue minus operating costs excluding wages, salaries and artists' costs)	£134,460,383	£133,802,877

Source: BOP Consulting (2012)

To indicate the difference that the additionality assessment makes – effectively converting from a gross to a net impact – the gross, ‘pre-additionality’ figures have been included for the City [in brackets] in Figure 2. Additionality has not been applied to earned income revenues and, although it has been applied to external fundraising, this does not make much of a difference (bringing the total external fundraising income down from approximately £8.46m to £8.44m). However, it has a significant impact on public sector funding, reducing the total for the City from a gross total of almost £60m, to a post-additionality net figure of £23.5m.

For both geographies, the largest contributing factor to direct GVA is earned income from ticket sales.

In Section 3.7, the GVA figures from the various sources of economic impact are converted into jobs. The £134m of GVA generated by the City arts and culture cluster equates to approximately 2,600 full-time equivalent (FTE) jobs supported. Given that 88% of the City arts and culture cluster’s spending on wages is made on employees based in the City, this equates to an estimated 2,311 jobs directly supported within the City boundaries.⁹

3.4 Indirect impact

The indirect economic impact is measured as the economic impact that the spending of the City arts and culture organisations has on their suppliers. This also has to be measured in terms of GVA, to avoid double accounting.¹⁰

Data on total turnover and approximate GVA are available for different industries and regions from the Office of National Statistics (ONS).¹¹ From these, we can convert the City arts and culture cluster’s spending on suppliers into GVA. Separate conversion ratios were calculated for 11 different industries that the organisations in the arts and culture cluster spent money on (a full list is available in the Technical Appendix), both for London and the UK as a whole. This approach has been followed by BOP Consulting when estimating the total GVA

⁹ 88% of the total 2,626 jobs generated by the arts and culture cluster.

¹⁰ While turnover measures the money passing through businesses, GVA only measures the value of the goods and services that business produces. If we were to take the turnover of suppliers, this would include some of the turnover of the arts and culture organisations which passes through to them. Since we have already used GVA for the arts and culture organisations, we need to calculate GVA for suppliers too.

¹¹ The Annual Business Inquiry (ABI).

generated by festivals or economic activities like, for instance, the UK contemporary craft sector as a whole. ONS also supplies data on employment for different industries, which allows us to convert the overall GVA contribution into jobs supported (Section 3.7).

Figure 3 shows how strongly the City arts and culture cluster is interconnected with other businesses based in the Square Mile. Approximately 70% of the £45m spent on suppliers by the City arts and culture organisations goes to suppliers based in the City, which translates into around £14m of GVA.

Figure 3. Indirect impact (GVA) of the City arts and culture cluster for the City and London, 2012

	City of London	London	Total (inc. outside London)
Spending on suppliers by the City arts & culture cluster	£31,132,471	£38,233,443	£44,979,444
Indirect GVA generated	£14,357,846	£17,843,240	£20,963,148

Source: BOP Consulting (2012)

Looking in more detail at what this expenditure consists of, Figure 4 breaks down overall supplier spending by industry and geography. In the City, the sectors that benefit the most from supply chain expenditure of arts and culture organisations are 'Other service activities sectors' (which includes legal and accounting services), 'Professional, scientific and technical activities' (including, among others, architecture and management consulting firms) and 'Construction'.

In the rest of London, the majority of supplier spending goes to 'Administrative and support service activities' (which includes employment agencies, security firms, and building services contractors). The vast majority of supplier spending outside of London was made on 'Transport and storage', and it is really only in this area that the expenditure of arts and culture organisations leaks out of the capital.

Figure 4. Industry breakdown of supplier spending by City arts and culture cluster organisations

Industry	Overall % of supplier expenditure	% of this expenditure made in City of London	% of this expenditure made elsewhere in London	% of this expenditure made elsewhere in the UK
Electricity, gas, steam and air conditioning supply	4%	6%	1%	0%
Water supply; sewerage, waste management & remediation activities	1%	0%	8%	0%
Construction	9%	13%	0%	0%
Accommodation and food service activities	6%	9%	0%	0%
Transport & storage	16%	0%	10%	94%
Information & communication (e.g. telecoms & IT)	6%	3%	20%	0%
Financial & insurance activities	2%	2%	0%	5%
Real estate activities (including rent)	5%	7%	0%	0%
Professional, scientific and technical activities	14%	19%	1%	0%
Administrative and support service activities	15%	7%	59%	0%
Other service activities (including legal advice)	22%	32%	0%	1%

Source: BOP Consulting (2012)

3.5 Induced impact

Induced economic impact refers to the expenditure made by employees of the arts and culture organisations and attractions (e.g. all staff working at LSO), and by a proportion of employees' spending in any of the businesses and organisations that are part of the arts and culture organisations' supply chains.

The 2006 OEF *VivaCity!* report used an in-house 'macroeconomic simulator' to estimate how the wages commanded by these employees are spent throughout the London and UK economies, generating a multiplier that could be applied to the direct and indirect expenditure to estimate induced expenditure.

Assuming that these multipliers have stayed the same, we have followed OEF in calculating the induced impact, shown in Figure 5. As one would expect given the small geography of the City – the 'Square Mile' – employees working in the City arts and culture cluster and its supply chain are likely to spend much more of their income in the rest of London, than in the City itself. This means that the induced economic impact is higher when considering the London economy (£53m) as opposed to that of just the City itself (£3.1m).

Figure 5. Induced impact (GVA) of the City arts and culture cluster for the City and London, 2012

	City of London	London
Direct GVA	£134,460,383	£133,802,877
Indirect GVA	£14,357,846	£17,843,240
OEF Multiplier	1.13	1.53
Induced GVA	£3,122,003	£53,072,285

Source: BOP Consulting (2012)

3.6 Visitor impact

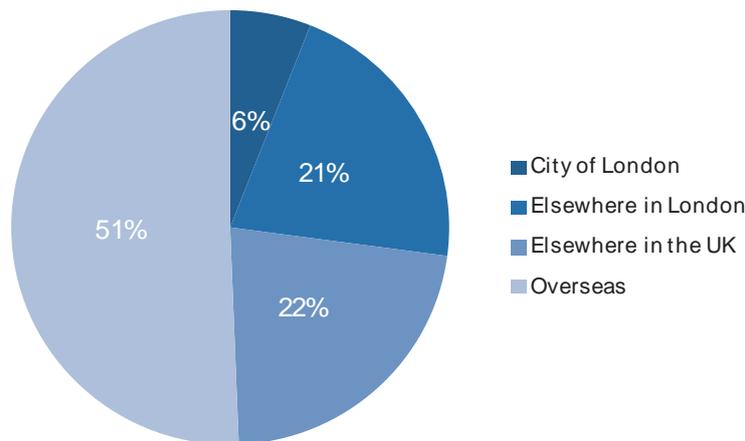
In previous studies of arts clusters, festivals and other cultural events, BOP Consulting has found that the economic impact of audiences depends greatly on whether these visitors are local residents/workers or not. Visitors from outside the local area spend more on accommodation, souvenirs, food, drink and transport than local residents/workers, and this spending is also more likely to be 'additional' (as they are more likely to have made a special effort to attend than local residents/workers, who would have been in the area anyway). Therefore we begin this section with a review of the types of visitors to the City arts and culture cluster.¹²

Figure 6 shows that around a quarter (27%) of visitors are from London (either the City or elsewhere), while another quarter (22%) are from elsewhere in the UK, and the remaining half (51%) are from overseas. However, these aggregate figures hide a great deal of diversity. The prominence of international visitors to the City arts and culture cluster is driven by the very large number of visitors

¹² The origin of audience members is based on audience figures provided by the organisations themselves. This is based on box office information for the organisations, except for the Barbican and the City of London Festival, where we were able to draw on the more detailed primary research with their audiences undertaken for this study.

to the Tower of London and St Paul’s Cathedral (which together make up 4.4m of the 7.6m total yearly attendance recorded by the City arts and culture cluster), and who are much more likely to be from overseas. These two ‘super attractions’ draw a predominantly tourist audience – for instance, 82% of the Tower of London’s visitors are from overseas. Beyond these two attractions, the audience profile looks quite different and much more local. For instance, the audience surveys carried out at the Barbican and City of London Festival revealed much higher proportions of City-based attendees (19% and 27% respectively), and from the rest of London (69% and 78% respectively). Correspondingly, the overseas component of their audiences was small: 7% of the Barbicans’ and 5% of the City of London Festivals’ audiences.

Figure 6. Origin of audience members for organisations in the City arts and culture cluster, 2012



Source: BOP Consulting (2012)

To assess spending in more detail, we split attendees from outside the City of London into day visitors and staying visitors, based on the findings of the Barbican and COLF audience survey (since none of the organisations had information on this from their own market research or box office data). Figure 7 shows average gross daily spending on accommodation and on other items for the resulting six groups. These figures are gross, since the additionality of the spending (i.e. how much of it would probably have happened, even without the City arts and culture cluster), has not yet been accounted for.

Figure 7. Daily gross accommodation and non-accommodation expenditure per person for visitors to the City arts and culture cluster, 2012

Type of audience member	Accommodation spend	Non-accommodation spend
City of London resident	-	£23.22
Day visitors (from elsewhere in London)	-	£21.59
Day visitors (from elsewhere in the UK)	-	£27.18
Day visitors (from overseas)	-	£50.42
Staying visitors (from elsewhere in the UK)	£59.65	£32.93
Staying visitors (from overseas)	£59.68	£43.92

Source: BOP Consulting (2012)

(-) indicates not relevant.

The additionality of audience spending was assessed using responses to a question about the main purpose of respondents' journeys. As noted above, this assessment changes depending on whether one is looking at the economic impact on the City, the whole of London or the whole of the UK. Figure 8 shows the additionality assessment criteria for the City. The criteria for London and the UK as a whole are shown in the Technical Appendix.

Figure 8. Additionality assessment criteria for the economic impact of the audience expenditure of the City arts and culture cluster, for the City of London economy, 2012

Which one of the following best describes what you would have done if you had not made this trip to the festival?	City of London resident	Visitors from elsewhere in London	Visitors from elsewhere in the UK	Visitors from overseas
I would have stayed at home or gone to work	Not additional	Additional	Additional	Additional
I would have done something else in the City of London area	Not additional	Not additional	Not additional	Not additional
I would have visited another part of London	Additional	Additional	Additional	Additional
I would have visited another part of the UK	Additional	Additional	Additional	Additional
I would have visited an area outside the UK	Additional	Additional	Additional	Additional

Source: BOP Consulting (2012)

Applying these additionality criteria produces the net total audience spend in the City of London of £153.6m (Figure 9), based on audiences at organisations and events within only the City (i.e.

excluding the Tower of London, Tower Bridge, Spitalfields Music Festival and the Museum of London's Docklands site attendees).

ONS data then enables this net spend to be converted into the net GVA resulting from audience expenditure (assuming that spending by audiences went predominantly to the 'Accommodation and food service activities' sector, which Figure 10 demonstrates is a reasonable assumption). This produces a net GVA total for the City of London of £73.5m, resulting from additional audience expenditure of visitors to the City arts and culture cluster.

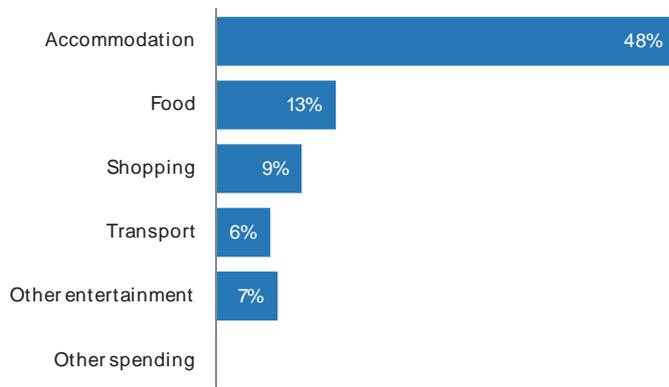
Figure 9. Net audience expenditure (and resulting GVA) of the City arts and culture cluster for the City of London, 2012

Type of audience member	Gross audience spend	Net audience spend	GVA
City resident	£4,491,203	£535,221	£256,083
Day visitors (from elsewhere in London)	£14,756,671	£11,458,121	£5,482,272
Day visitors (from elsewhere in the UK)	£14,743,254	£12,475,061	£5,968,839
Day visitors (from overseas)	£11,889,541	£5,944,770	£2,844,345
Staying visitors (from elsewhere in the UK)	£16,453,550	£12,751,501	£6,101,105
Staying visitors (from overseas)	£163,851,335	£110,421,552	£52,832,487
Total	£226,185,553	£153,586,226	£73,485,132

Source: BOP Consulting (2012)

The drivers of this net audience spending are summarised in Figure 10 (excluding onsite expenditure made by audiences, since this has already been accounted for in organisations' direct economic impact).

Figure 10. Breakdown of net off-site spending in the City of London while visiting the City arts and culture cluster, 2012



Source: BOP Consulting (2012)

Accommodation dominates net offsite spending, driven by high spending by 'staying visitors' from elsewhere in the UK and overseas visitors. While accommodation was the most expensive item reported by individuals, it was only purchased by staying visitors from outside of London, who make up 49% of the total audience. The next biggest offsite expenditure was on food and drink, purchased by the vast majority of audiences.

The additionality criteria shaves off a greater proportion of audience expenditure for London as a whole when compared with the City. However, including the organisations that lie just outside of the Square Mile (Tower of London, Tower Bridge, Spitalfields Music Festival and the Museum of London's Docklands site) within the audience calculations, means that the overall total is £179.8m - approximately £26m higher than for the City. Concomitantly, the resulting GVA generated in London by audience expenditure that is attributable to trips to the City arts and culture cluster is £86m, approximately £12.5m greater than within the City itself.

3.7 Overall economic impact

3.7.1 Output

The overall net economic impact figures are shown in Figure 11. These have been calculated by combining the direct GVA from organisations in the City arts and culture cluster with indirect GVA from their spending on suppliers, induced GVA from further spending by employees and suppliers' employees, and the GVA resulting from additional audience expenditure.

Figure 11. Net overall economic impact for the City of London and London, as measured by GVA, 2012

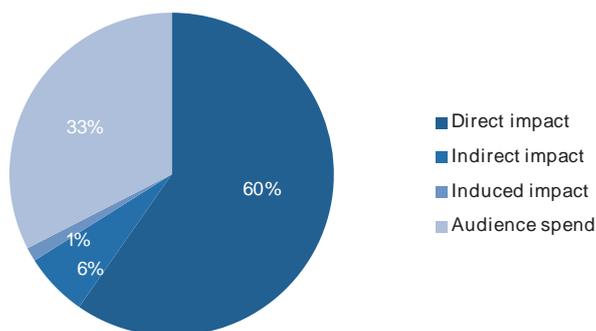
Source of GVA	City of London	London
1. Direct impact	£134,460,383	£133,802,877
2. Indirect impact	£14,357,846	£17,843,240
3. Induced impact	£3,122,003	£53,072,285
4. Audience spend	£73,485,132	£86,029,617
Overall GVA	£225,425,365	£290,748,020

Source: BOP Consulting (2012)

In terms of the City of London’s economy, the City arts and culture cluster generates an additional £225m of GVA. Figure 12 shows that this is mostly driven by direct spending by the organisations and attractions (60% of the total), with another 33% of the total impact coming from audience spending. The knock-on effects of spending on suppliers and staff contributes another 7%.

The economic impact of the City arts and culture cluster on the overall London economy is greater, amounting to £291m of additional GVA. Although assessing the impact at this larger scale means that the expenditure streams are less likely to count as genuinely additional flows of money, both City arts and culture organisations and their audiences spend money outside of the Square Mile. The London figure is also based on a slightly larger footprint of organisations, as it includes the elements of the City arts and culture cluster that lie just outside the City boundaries. On balance, these latter two factors outweigh the greater negative impact of the additionality factor and push the figure up beyond that for just the City itself.

Figure 12. Drivers of overall economic impact of the City arts and culture cluster for the City of London, 2012



Source: BOP Consulting (2012)

3.7.2 Employment

By applying conversion factors to each of the four components of the overall economic impact, the ONS data allows us to estimate the number of Full-Time Equivalent (FTE) jobs supported in the City and London as a whole:

1. Direct GVA into jobs supported - estimated using an average of the conversion factors from 11 relevant industries (detailed in the Technical Appendix).
2. Indirect GVA into jobs supported - estimated using individual conversion factors for 11 different industries, according to information on the distribution of expenditure between these industries, collected in the survey of City arts and culture cluster organisations.
3. Induced GVA into jobs supported – following the procedure drawing on OEF’s output multiplier to infer the induced GVA, we used OEF’s London employment multiplier to infer the number of jobs supported by induced GVA.
4. Audience GVA – the GVA/job conversion factor corresponding to the ‘Accommodation and food services’ multiplier was used to convert audience GVA spending into jobs generated.

The results shown in Figure 13 show that in 2012, the City arts and culture organisations supported over 6,700 FTE jobs in the City. As the GVA generated by the City arts and culture cluster in the rest of the London economy is around £66m higher than that generated within the City, this extra GVA supports approximately 500 more jobs in the capital as a whole.

Figure 13. Net full-time equivalent jobs supported by the City arts and culture cluster, for the City of London and London, 2012

Source of jobs	City of London	London
1. Direct impact	2,626	2,614
2. Indirect impact	364	66
3. Induced impact	660	953
4. Audience spend	3,087	3,615
Overall jobs supported	6,738	7,247

Source: BOP Consulting (2012)

Exploring in more detail the ‘overall jobs supported’ total in Figure 13, the number of jobs supported by indirect GVA actually falls when looking at the whole of London (from 364 to 66 jobs), even though indirect GVA is approximately £3.4m higher for London. This counter intuitive result arises as the spending on suppliers (which constitutes the indirect impact) changes composition when looking at supplier spending across the whole of the capital, and the precise composition of supplier expenditure in turn affects the number of jobs supported.

For instance, most of the supplier spending (59%) on out-sourced ‘Administrative and support services’ goes to companies in the rest of London (i.e. outside of the City). In this industry, relatively few jobs (23) are supported for every £1m of GVA. This compares with, for example, 42 jobs supported for every £1m of GVA in ‘Accommodation and food service activities’. Yet ‘Administrative and support services’ are a significant cost for organisations in the City arts and culture cluster (accounting for around 20% of total supplier spending across London). Therefore, when considering London as a whole rather than just the City, supplier spending on industries like ‘Administrative and support services’ brings down the number of jobs supported by indirect GVA.

3.8 Summary

There are many aspects to the economic value of the City of London's cultural offer. Some of these are intangible benefits, and some are only realised in the longer term. Drawing on a mixture of audience surveys and management accounts, our methodology measures the core economic impact of the City arts and culture cluster in 2012, making a robust but conservative estimate of the annual economic value of the City's cultural offer.

We estimated spending by arts and culture cluster organisations and their audiences, as well as the knock-on impact that occurs through shops, restaurants and suppliers re-spending the money they have gained from this initial round of expenditure. This led us to conclude that the arts cluster generated £225m of GVA for the City of London in 2012 – supporting more than 6,700 Full-Time Equivalent (FTE) jobs.

This economic impact is primarily driven by the value of the goods and services produced by the City arts and culture organisations and attractions (direct impact: 60% of the total), with another 33% of the total impact coming from audience spending. The knock-on effects of spending on suppliers and spending by staff contributes another 7%.

Total GVA generated is around £66m higher when looking at the whole London economy (at £291m), reflecting the 'spillover' effect of spending by arts and culture organisations and their audiences in the rest of London (even though a lower proportion of this spending can be counted as being genuinely additional). This greater GVA supports over 500 more FTE jobs than when only looking at the City.

4. Social impact

4.1 What do we mean by social impact?

In addition to the evident economic importance and value of the City arts and culture cluster, it is important to realise that the cluster's positive impact goes far beyond simply the economic. Today's leading cultural institutions are also centres of learning and community engagement for regular visitors, as well as for less frequent and hard-to-reach audiences.

This aspect of cultural organisations' work is being given increasing thought, resourcing and profile by cultural institutions across the world. The situation is no different for the City arts and culture organisations. Collectively, they play a crucial role in allowing the City to reach out to the surrounding boroughs. They provide invaluable learning and volunteering opportunities for people of all ages, and through these activities, contribute to local communities' overall well-being. As with their core cultural function, the learning and social activities of several of these institutions are nationally and internationally recognised and innovative – this applies equally to well established programmes and to newer initiatives.

To better understand the social impact of the City arts and culture cluster, the following section will examine three key indicators:

- Volunteering – this refers in particular to the opportunities that organisations offer to the public to engage more actively with them, thereby providing participants with learning and work experiences, as well as with new opportunities for social interaction.
- Education and outreach – this includes both formal education provision taken up by schools, as well as informal learning opportunities provided for individuals and communities. The latter in particular can again have educational impacts, as well as provide opportunities for social interaction. Outreach refers to organisations' efforts to engage new audiences and to reach as broad an audience as possible, to ensure that they are truly representative of the locality in which they are based.
- Well-being – this is connected to both volunteering and learning experiences. There is a well established literature on the well-being benefits of volunteering, including in the cultural sector,¹³ and positive learning experiences are also correlated with improved overall well-being.¹⁴ This section therefore looks in particular at audience's perceptions of the impact of attending cultural events on their social and emotional well-being, as well as looking at a case study example of how culture is being used in the City to address specific mental health issues.

¹³ See, for instance, the discussion of the well-being literature contained in BOP Consulting (2010) *Assessment of the social impact of volunteering in HLF-funded projects: Year two*, and the survey results in (2011) *Assessment of the social impact of volunteering in HLF-funded projects: Year three*. For a statistical analysis of non-cultural volunteering and its relationship to well-being, see Rosemberg (2011) *Volunteering and well-being*, a paper analysing the British Household Panel data presented at the OECD New directions in welfare 2011 Congress, OECD Paris, France, 6-8 July 2011. Presentation available at: <http://www.open.ac.uk/socialsciences/welfareconomicstheory/2011/programme.php>

¹⁴ See for instance, Sabates and Hammond (2008) *The impact of lifelong learning on happiness and well-being*, or Matrix Knowledge Group (2009) *Lifelong learning and well-being: An analysis of the relationship between adult learning and subjective well-being*, IFLL Public Value Paper 3.

4.2 How have we assessed social impact?

Information on the social impact of the City arts and culture provision came from three sources:

- Relevant questions in the **organisational surveys** which were completed by all participating organisations. These provide information on the relevant outputs generated by the individual organisations (e.g. number of volunteers, number of school sessions).
- Four of the six **case studies** in the report – on the Museum of London, the LSO, the Guildhall Art Gallery and the Guildhall School of Music and Drama – look at the social impact of these organisations. They provide examples of the different ways in which the organisations generate ‘social impact’. The case studies focus on the Museum of London’s volunteering programme, the LSO’s community outreach activities at LSO St Luke’s, Guildhall Art Gallery’s Youth Panel and the Guildhall School Music Therapy Department’s development of a clinical music therapy offer in and around the City.
- **Audience research** at the Barbican provided insight into audiences’ perceptions of the well-being they derived from their visit.

4.2.1 Volunteering

Volunteering is a great example of a virtuous circle:

- Arts and culture organisations are able to draw on a pool of labour that not only provides additional capacity and skills, but also helps organisations to stay in touch with their audiences;¹⁵
- Volunteers gain valuable personal development opportunities that can help with their employment prospects and where relevant, to maintain a healthy and active retirement;¹⁶
- Society benefits from individuals who, through the act of participating, are more likely to play a part in other areas of civil and community life.¹⁷

The organisational surveys show that the arts and culture cluster provides not only a large number, but also a very diverse offer, of volunteering opportunities. Looking at overall figures, in 2011/12, over 1,100 people volunteered with the City arts and culture organisations, contributing close to 38,000 volunteer hours. Clearly, volunteering can also have a beneficial impact on the organisations themselves, who gain valuable support for activities they may not otherwise be able to accomplish. Given the low number of City residents, it is perhaps surprising that as many as 14% of volunteers are City-based. The remainder are drawn from a wider geographical area and, it seems, are on some occasions prepared to take on substantial travel distances - 67% come from elsewhere in London and 11% from the South East of England.

Across sectors, volunteering is frequently cited as a key route into employment. However, while there is some research showing a link between volunteering and skills development and employability in the cultural heritage sector, this link seems less pronounced in the wider cultural domain.¹⁸ One of the reasons for this is that ‘traditional’ volunteers in the cultural sector are often of a certain demographic profile; they are often well educated, well connected and of a certain age (typically 55+ years). Considering this volunteer profile, there may be a limit to the extent to which these traditional volunteers can further enhance their skills, contacts or networks.¹⁹

¹⁵ BOP Consulting (2011) *Capturing the outcomes of hub museums’ sustainability activities*, report for MLA.

¹⁶ Davis, Smith and Gay (2005) *Active ageing in active communities: Volunteering and the transition to retirement (Transitions After 50)*. London: Policy Press

¹⁷ Jeanotte (2003) *Just showing pp: Social and cultural capital in everyday life*. SRA. Department of Canadian Heritage.

¹⁸ Institute for Volunteering Research (2005) *Volunteers in museums: Key findings and issues from the literature*, report for Re:source.

¹⁹ BOP Consulting (2011), *Edinburgh festivals impact study*.

Many cultural organisations have recognised this, and measures are being successfully introduced to develop more structured and inclusive approaches to volunteering. This is also visible within the City arts and culture cluster. While not all organisations engage volunteers (or were able to provide detailed breakdowns of their volunteer numbers), the organisational survey nonetheless shows that more diverse volunteer profiles are gaining ground. For example, of those organisations that were able to provide breakdowns, 19% of their volunteers were from non-White backgrounds. Age groups are also changing - 25% of volunteers were aged 20-25 years and 38% aged 25-54 years – considerably larger proportions than the 65+ years volunteer group (13%). Training is also being improved, with 33% of the City arts and culture organisations saying that “all volunteers” receive formal training and 42% stating that “a majority” receive formal training.

This development is particularly visible in larger organisations which arguably have the capacity to accommodate greater numbers of volunteers (and are more likely to attract the interest of funding bodies to support the development of volunteer programmes). This helps to address a common misconception about volunteers – namely, that as they provide their labour for free, there are no costs incurred in working with volunteers.

One example here is the Museum of London (MoL). Over the last couple of years the Museum has developed exemplary practice with regard to volunteering, using grant support from the previous Museums, Libraries and Archives Council (MLA)'s Renaissance programme. As the case study below demonstrates (Case Study 1), the Museum aimed to widen its volunteer pool to ensure a more equal representation of all sections of the community. At the same time, it has been working to create a more structured volunteer environment to accommodate this new influx of volunteers. The Museum aims for the experience to be of the utmost value to the volunteers themselves and has enhanced and formalised the training provided for volunteers, to ensure they gain relevant and transferable skills. The Museum is also aware of the social aspect of volunteering, and therefore tries to ensure that it is sociable, fun, valued and celebrated – which includes providing parties and biscuits for the volunteers!

Case Study 1: Volunteer programme at the Museum of London

While it has always worked with volunteers, the Museum of London for a long time did not actively push the development of its volunteer activity. In recent years, however, it has developed a more systematic approach to diversifying its volunteer pool and offering more structured volunteer experiences. As a result, volunteer work is now becoming integral to the Museum. The following case study documents this journey.

Towards a new approach to volunteering

The first time the Museum ran a focused volunteer project around a specific task was a project called 'Minimum Standards'. Based at the Museum's London Archaeological Archive and Research Centre (LAARC), it involved volunteers re-packaging legacy material according to modern professional standards. While the project still very much engaged the Museum's 'traditional' group of volunteers, it inspired the Museum to run future volunteer projects with a more diverse volunteer pool. For the 2006 Archival Volunteer Learning Programme (AVLP), it thus explicitly sought volunteers from other backgrounds.



Although successful, the Museum realised that it needed to develop a better infrastructure for volunteering before embarking on further projects. A volunteer strategy was written in 2007 that aimed to create efficient volunteer management policies and to increase staff confidence in managing volunteers, and a central volunteer post was established at LAARC. In 2008, the Museum received MLA Renaissance²⁰ funding to run a four-year Volunteer Inclusion Programme (VIP), based at LAARC, which included two further volunteer posts. This explicitly “included volunteers at risk of social exclusion” and attracted a much more diverse group of volunteers than previously. Drawing to a close in March 2012, it engaged 259 volunteers across 10 projects. The VIP project “was a sea change”: the Museum learned how it could give young people an opportunity to enter the industry and how to better diversify its volunteer base.

Parallel to the VIP programme, the Museum planned to introduce a more professional and structured approach to volunteer work across all departments. To support this, in 2011 the Museum established its first central volunteering post based directly in its Human Resources (HR) team, again funded by MLA Renaissance. This new post was responsible for coordinating the way staff across the organisation dealt with volunteers, and included the development of guidance documents, a volunteer handbook and a support system for volunteer managers. The Museum now regularly runs two-day induction programmes for new volunteers to provide them with insights into the Museum and to pass on key skills. Other departments who now work closely with volunteers are the Collections and Learning Departments, as well as Conservation and Press.

Benefits

Asked about the benefits from volunteering at the Museum, the VIP volunteers highlighted the skills and knowledge they had developed, which may help their future employment prospects or with training opportunities. Indeed, “all but one of the volunteers said that they would feel confident using the skills they had learnt on the VIP scheme within other museums or archives”.²¹ They also appreciated the social aspect of their work; “meeting other volunteers” and “working in a team” were often given as favourite elements of the programme. The Museum is keenly aware of the importance of this aspect to volunteering, and tries to make the surroundings as attractive as possible (e.g. by providing a common room and organising volunteer parties). It also participates in the London Museum Volunteer Awards, a way for museums to explicitly recognise and celebrate volunteers’ efforts.

There have also been important benefits for the Museum itself. In 2007, it calculated that

²⁰ MLA was the former strategic lead body for museums in England, before being disbanded in 2011, with responsibility for museums being transferred to Arts Council England.

²¹ MLA Renaissance London, *Volunteer inclusion programme, A Renaissance London publication*,

assuming that each of its volunteers worked an average of three hours a week, this represented a resource value of approximately £300,000. This provides a good indication of how much extra capacity the Museum gains through working so extensively with volunteers. At the same time, the Museum is keen to “become a more porous organisation, which is more part of the community”. Learning is a big part of the Museum’s mission – and its work with volunteers is a key way to fulfil these aims.

Future

The Museum now has 3.5 full-time equivalent volunteer managers. Although there is still work to do in further embedding volunteering across the organisation, many employees and departments now integrate volunteering more into their overall work programme. The Museum recently received a grant from the Arts Council to continue its volunteer work, which it hopes will help to deliver these changes. It also plans to invest in HR with the aim of further developing its volunteer structure and training and finding new ways of involving volunteers in its work.

(See Appendices online for full case study).

4.2.2 Education and outreach

Of particular relevance to the cultural sector with regard to education and outreach, is a body of educational research (socio-cultural and constructivist research) in which learning is seen as “fundamentally experiential and fundamentally social”, and as a process of “engaging in social practice.”²² This emphasis on the experience and context of learning is particularly relevant to education and outreach in the arts and culture sector. One of the distinctive characteristics of this sector is that learning experiences are not only educational, but also enjoyable and creative experiences (according to most evaluation in this area).²³ This is true for both the formal education offers provided by cultural organisations (i.e. education services for schools or continued professional development (CPD) classes for adults) and for informal educational activities (i.e. programmes, workshops or lectures offered to various age groups).

The organisational survey results show that the City arts and culture organisations indeed play an important role in this field. Organisations target different audience groups – asked which groups they engaged with through their education and outreach work:

- 89% of organisations replied that they work with children and young people;
- 72% work with elderly people; and
- 67% work with residents in specific geographical areas (predominantly the East London boroughs).

In 2011/12, the City arts and culture cluster collectively provided over 7,000 learning and outreach sessions for children and young people. Around two thirds (63%) of those sessions involved work with schools, and just under a third (27%) involved informal learning for young people outside of their school environment. These sessions covered cross-curricula school learning, all kinds and levels of tuition, creative workshops and projects, and even some elements of ‘co-creation’ of artistic and cultural activities. This well-developed learning and outreach infrastructure meant that over the last financial year, over 231,500 children and young people participated in learning and

²² Moussouri (2002), *A context for the development of learning outcomes in museums, libraries and archives*; report for Re:source.

²³ BOP Consulting (2012), *Economic and social impact assessment, St Magnus International Festival*.

outreach activities delivered by the City arts and culture organisations. In addition almost 80,500 adults participated in over 1,900 learning activities (including CPD) over the same period.

The LSO and the Guildhall Art Gallery both provide high quality examples of more informal education offers (alongside their school education programmes). The LSO, at its community base at LSO St Luke's, provides a range of activities for both young people and adults, through its LSO Discovery initiative (Case Study 2). Crucially, more than just letting visitors experience events as audiences, LSO Discovery offers unique opportunities for active participation. Children and young people are given the chance to work with renowned artists and meet other young people with similar interests – an enormous boost to their enthusiasm for arts and culture. Similarly, adults who have had no experience in creating music themselves are encouraged to try out new, easy-to-access musical activities.

The Guildhall Art Gallery (Case Study 3) in turn has a well-established Youth Panel, whose members are actively involved in supporting the development of new exhibitions. Through their involvement with the Gallery, members gain key skills around cultural management, marketing and administration – alongside involvement in creative activities such as producing exhibits to be presented with new exhibitions. Through this practical involvement, the Youth Panel members feel they are making a real impact on the Gallery. The initiative has similarly unlocked their enthusiasm for art in general and the Gallery in particular.

Both organisations are also excellent examples of the community outreach activities undertaken by arts and culture organisations – for example, by engaging with local groups and community centres to build and involve new audiences in their activities. A particularly noteworthy example is LSO St Luke's Community Ambassadors Scheme, where a group of members of the local community have been recruited as 'on-the-ground' representatives of the LSO, to provide a valuable link between the Orchestra and local communities.

These activities also benefit the organisations themselves. As the case studies show, new audiences are gained and new links with partner organisations both in the UK and globally, are forged via organisations' educational programmes, generating new opportunities for the organisations themselves. Moreover, leading arts and culture institutions see the development of their education and outreach work as going hand-in-hand with their core artistic and cultural work; each informs the other in the search for excellence. For example, Guildhall Art Gallery, which until recently did not consider young people as a key target group (and is currently in a period of development itself), clearly values the input it receives from the Youth Panel members. Similarly, the LSO members value working with young people in a different environment to that of their day-to-day orchestral work.

Case Study 2: The London Symphony Orchestra's community education activity

In parallel to its orchestral work, the LSO runs a pioneering education programme, LSO Discovery, based at the UBS and LSO Music Education Centre at LSO St Luke's. This case study documents the establishment of St Luke's and the impact of LSO Discovery's community work, reaching out from its dedicated home at the Barbican.

LSO Discovery at St Luke's

The ambition to set up a wide-reaching music education programme is anchored in LSO's mission statement: "to deliver great music to the widest possible audience". All LSO musicians are trained to support LSO Discovery's work. Around 10 years ago, the Orchestra felt that to

further develop its education activities, it needed a 'home' for LSO Discovery, eventually settling on St Luke's Church near Old Street. LSO took a holistic approach to the organisation's funding – there is little separation between the 'core' activity of the Orchestra and its education and outreach activities. Building relationships with funders that recognise the totality of LSO's work is therefore important, and the re-developed building has helped LSO raise funds from a range of trusts, foundations and private sponsors.

Today, LSO Discovery reaches over 60,000 people a year, offering people of all ages the opportunity to get involved in music-making and the Orchestra's activities. Projects are built around the participants and are a mix of regular activities and bigger events. Several community groups are based at LSO St Luke's, and it is used for open rehearsals, thus ensuring that LSO's orchestral work is part of the community. It also hosts regular ticketed events, inviting other musicians and groups to perform. LSO is aware that people who participate in LSO St Luke's often have little prior experience of classical music and may not have the confidence to approach LSO itself. Recruitment to the groups is therefore done on a peer-to-peer basis and through dedicated 'Community Ambassadors', who live or work in the area and "speak the same language as the local community". A range of initiatives have emerged as a result, including a 'Community Box Office' and events such as the 'Inside Out' series of free music around St Luke's.

Impact on the community and on LSO

LSO believes that LSO St Luke's has played a key role in animating the area, helping to turn an area 'on the up' into a culturally vibrant place. It feels that St Luke's is unique in being able to offer participatory community activities combined with music at the highest level. This high level of musical provision is a key part of the inspiration and appeal of LSO Discovery's community work. Many projects provide young people with a platform to interact with other musicians their age, practice with 'real musicians' and perform to a public audience. However, LSO purposefully does not let people audition for its community groups – the idea is to "invite everyone to bring their skills and then create something beyond this through LSO's professional skills". This approachable format has contributed to the popularity of LSO St Luke's community groups - particularly the Community Choir and Gamelan Group, both of which are consistently over-subscribed. Concerts at LSO St Luke's are also more accessible to the local community, creating a closer link between the City-based Barbican and its neighbouring borough. LSO Discovery for example regularly hosts popular Lunchtime Concerts – these are informal free concerts held at LSO St Luke's for people who live or work in the area.



LSO Discovery's activities have also provided considerable benefits to LSO's musicians as well as to the Orchestra as a whole. They provide a welcome balance to the musicians' work in the Orchestra where for once, top performance quality is not the only defining aspect of the work, and they help musicians hone new skills such as communicating and interacting with young

people. Indeed, some musicians feel that “they would not be able to survive as a musician” without this side to their work. LSO Discovery is now internationally considered as a leading example of integrating education with orchestral work, and LSO has secured several new residencies abroad for this reason.

Moving to a new delivery model: LSO On Track

While its work within St Luke’s local community remains a key focus for LSO, the organisation has also begun delivering education projects further afield. Through a major project which started in 2008, ‘LSO On Track’, the Orchestra has been working extensively in 10 East London boroughs by developing partnerships with the Local Authorities. This new model of strategic partnerships has allowed LSO to tie-in with key policy agendas of core funders and to tap into specific opportunities such as the London 2012 Olympic and Paralympic Games. The LSO is keen to continue its work both at LSO St Luke’s and, with the help of delivery partners, further afield. Sharing knowledge and providing advice and inspiration to other organisations is seen as an important element of this. Efforts are being made to create a link between activities in other boroughs and the ongoing work taking place at St Luke’s, with the aim of encouraging people to visit LSO St Luke’s and the Barbican in the future. While LSO is thus actively engaged in developing new delivery models to extend its impact beyond LSO St Luke’s, the venue remains central to all of LSO Discovery’s work, both for on-site activities and as a base for wider-reaching activities.

(See Appendices online for full case study).

Case Study 3: The Guildhall Art Gallery's Youth Panel

Guildhall Art Gallery has run an education programme for schools for around 10 years. More recently, it has begun providing a programme of activities for young people outside a formal education environment, in the form of a Youth Panel.

Background of the programme

This programme for young people was kick-started by a project on London's Roman history, which the Gallery ran together with the Museum of London and Keats' House in 2009. The idea was to set up a Youth Panel whose members would become involved in these organisations' activities around Roman London. The Gallery decided to adopt this model as "this is one of the ways of engaging young people in a different way – they have something real to be involved in". Funding was received for two years via Cultural Olympiad funding.

Contact was made with young people via the City's various youth services, and the initial cohort came from the City as well as the fringe boroughs. Around 50 young people took part in the initial project, with a core group of 10 'regulars'. The Youth Panel (called the 'ReHang Group') worked together on a variety of initiatives and projects over the two years. The project exceeded all expectations – many young people enjoyed it so much, they were keen to become more permanently involved after the initial two-year project. Based on this success, the Gallery was able to secure Cultural Olympiad funding for a further two years.



Developing the Youth Panel

Youth Panel members have had an input into all exhibitions and projects the Gallery has run since the Panel's establishment – for example, developing related products for the Gallery shop or audio guides, and creating art works which were exhibited alongside other pieces. The Panel also worked on an outreach project together with local community group Praxis, which works with refugees and new arrivals in the borough. Jan Pimblett, Head of Community and Education says, "It all depends on what they like doing; some prefer creative, others organisational tasks".

The Gallery has developed a balance between offering the young people an element of self-direction, and facilitating and guiding their engagement. While it is important to manage expectations, the Gallery recognises the importance of generating new project ideas, together with Youth Panel members to ensure their continued interest and to support their independent drive. Equally important is providing a sense of continuity for participants, "to ensure that they don't feel like they are being used as a tick-box exercise". According to Head of Public Engagement Geoff Pick, the Gallery's flexibility may stem from the fact that it is in a time of change – it is keen to experiment, and is interested in the ideas that the young people bring to the table.

Benefits for the Panel and Gallery

More young people have been recruited to the Panel since 2009 through the charity vInspired, and many Panel members have recruited their own friends – evidence of how enthusiastic they are about their work. Gallery employees have seen the Panel members grow, become more confident, and develop a real sense of achievement. These young people feel a real sense of ownership over the Gallery and have started putting in their own project proposals.

There are two main reasons why the Youth Panel members find their work at the Gallery so interesting: curiosity, i.e. wanting to find out more about the Gallery and how galleries in general operate; and skills development, i.e. gaining specific transferable skills that they can add to their CVs, such as marketing or administration experience. As Jan says, “the whole thing is about building skills for the young people – should they apply for courses and jobs; it’s giving them that edge”. Indeed, some members have gone on to take related degree courses at university, such as art or art history.

The Gallery in turn has gained valuable insight into working with young people and managing and organising such a “loose” project as the Youth Panel. Jan also feels that the Gallery has been able to feed its insights from the Youth Panel work into its regular school education offer, and a network of institutions with similar groups has been established. The Youth Panel has also had a more subtle influence on the Gallery; the project has helped to demonstrate the Gallery’s changing attitude towards who it perceives its target audience to be, and there has been a change in the attitudes of staff members who previously did not have much engagement with young people. There is now a definite difference in attitudes from a few years back (i.e. anxiety about exhibits’ security when young people were around), leading to a much more open and productive environment.

Next stage

The Gallery has successfully secured funding for the continuation of the programme until March 2013. However, it now needs to recruit more young people. For this reason, it has decided to include outreach activity into the next project phase of the Panel. Jan says there is a “big thrust to extend the building of professional skills and awareness, through marketing and strategic approaches to heritage management”. The Gallery also plans to strengthen its work with Praxis, and aims to establish a new Young Friends of Guildhall Art Gallery Group. It is thinking of ways to expand the Youth Panel to include advocacy work in the future, getting young people to act as opinion-makers for the Gallery. It is also keen to build on the links to Keats’ House and the London Metropolitan Archive, ideally offering more work across art forms to the Panel members and other interested young people. Finally, it is keen to establish a framework which will allow the Gallery to stay in touch with past members of the Youth Panel.

To support all this, seeking new funding to support the Panel beyond 2013 is “top of Jan’s list” – staff time is the key resource which requires further funding. While Jan feels confident that this will be possible, one issue might be that many funders prefer supporting new, rather than existing, projects. This is not an option for the Gallery - its key aim is to continue running its successful Youth Panel.

(See Appendices online for full case study)

4.2.3 Well-being

Over the last decade, policy on health in advanced economies, at both national and international levels, has moved away from focusing on simply physical health and the absence of illness, toward a more holistic conception of health as a “complete state of physical, mental and social well being”.²⁴ This shift towards well-being is not simply theoretical; it has also been driven by an increasing understanding of the costs and benefits of illness prevention over cure.²⁵ Well-being, then, is a much more complex, multifactoral phenomenon than simply the absence of ill health. The factors that underpin well-being are correspondingly also much more diverse than simply physical health factors.

Research on well-being suggests that participation in culture and leisure activities is important to supporting well-being and the related concept of ‘happiness’.²⁶ More specifically, there is an increasing body of medical research on the positive effects of participation in culture and leisure activities in addressing certain medical conditions, particularly for the elderly and/or conditions that are more prevalent among the elderly, such as Alzheimer’s.²⁷

To gain insight into whether audiences feel that their well-being is enhanced by visiting cultural events, we asked audiences at the Barbican the extent to which they agreed or disagreed with the statement “Attending the Barbican has improved my well-being (social, emotional, etc.)”. The results were very positive, with 82% saying they agree or strongly agree.

Along with these more general impacts on audiences’ well-being, some of the City arts and culture organisations are also having a direct impact on the more health-related aspects of well-being. One such example is GSMD’s Music Therapy Department (Case Study 4), which, alongside its academic and training provision, now provides clinical music therapy sessions (which were previously lacking within the City area) to those in need. Teachers have, for example, begun providing music therapy sessions in schools across the City and neighbouring boroughs, as well as to local dementia patients. If all goes to plan, the Department is hoping to one day establish its own walk-in Music Therapy Centre, working closely with local GPs and referral units to provide help and support to the local population.

²⁴ WHO (2004) *Holistic health*.

²⁵ Wanless, D. (2004) *Securing good health for the whole population: Final report*, London: TSO.

²⁶ Steuer, N and Marks, N (2008) *Local wellbeing: Can we measure It?*, nef report prepared for the Local Wellbeing Project.

²⁷ These include dementia, greater life expectancy (particularly for men) and improved cognition in middle age (see BOP (2010) *Assessment of the social impact of volunteering in Heritage Lottery-Funded projects: Year 2*, for a discussion of this literature).
http://www.hlf.org.uk/aboutus/howwework/Documents/Social%20Impact%20of%20Volunteering%20Yr%202%20Final%20Report_New%20Format_Aug%2010.pdf

Case Study 4: Developing a practical music therapy provision at the Guildhall School of Music and Drama

Within its Music Therapy Department, the Guildhall School of Music and Drama offers a music therapy master's degree programme, which equips students with the musical, clinical and therapeutic knowledge and skills to work as registered²⁸ music therapists. For the last few years, the School has wished to extend the Department's primary teaching role to include clinical music therapy practice, with staff running clinical music therapy sessions with local patients.

Developing a Music Therapy Service for the Guildhall School of Music and Drama

When Head of Music Therapy Ann Sloboda took up her post in 2005, there was little clinical music therapy being delivered in the vicinity. Coupled to that, there were no strong links between training and practice in the Music Therapy Department, despite the programme's strong practical focus. The Department also sensed that student placement positions were becoming increasingly insecure. For these reasons, the School's Director, Barry Ife, asked Ann to develop a clinical Music Therapy Service.

The first step was taken through a joint music therapy project in 2008,²⁹ which researched the impact of music therapy on patients with post-traumatic stress disorder and explored the possibility of working with such patients at the School. The project established the School as a provider for *clinical* music therapy, and its success demonstrated that such a service was worth developing. The team began to plan how they might offer similar treatments to patients referred from various local services, such as health services, schools or pupil referral units.³⁰ To develop this, they needed more space than the School could offer, and therefore started looking into a number of possibilities.

In 2010, St Luke's Community Centre on Central Street approached the School to offer their space for music therapy sessions. As a contained, local building, the School saw the Centre as an ideal location for its clinical Music Therapy Service. Since then, the idea has been generated to not only run a Music Therapy Service on the basis of sessions in demand, but for eventually establishing a dedicated Music Therapy Centre.

Practising music therapy in local communities

The Department has since taken active steps to establish a dedicated Music Therapy Service within the local community. As Ann explains, establishing a basis for such a Service, which includes assessing its need and making it known to institutions that might refer patients to them, as well as to potential funders, is of key importance. The Department has started doing so by working with local schools and health services, for which it has received funding from both the School and other sources.

Clinical sessions are currently run entirely by the Department's teaching staff. Key target groups are children with special educational needs within mainstream education; young people, and people aged 45+ years. In the past year, Ann provided regular therapy sessions for children with emotional and behavioural needs at a mainstream primary school in Finsbury Park. While this pilot project ended in July, it was so successful that it was decided to seek funding to continue its work. Ann says the sessions were extremely useful for her too – she

²⁸ With the Health Professions Council.

²⁹ Funded and run jointly by the Guildhall School of Music and Drama and the East London Foundation NHS Trust.

³⁰ Centres provided by the Local Authorities for children who are unable to attend a mainstream or special school for a particular reason (illness, expulsion etc).

learned what kind of music therapy is useful in a school environment, which activities are appropriate for different age groups and which children require support for what sort of problems. In parallel, Ann's colleague Ben Saul runs a music therapy group for dementia patients at St Luke's Community Centre. Dementia patients are often extremely isolated within society and, Ben says, "the group seems to bring people alive". Similar projects have recently begun at Morden College and Notting Hill House, a care home in Islington.

Having the space at St Luke's at its disposal means that the Department can offer to run music therapy sessions on location (i.e. in schools) or provide a space for patients to visit. For the moment it is the only place where the Department can work with individual patients who might have been referred to them by health services. While Ann feels that this side of their work will grow quite slowly, one way in which it could be financed is through patients' personalised budgets – these can now be handed out directly by GPs for people with chronic health needs, and could pay for patients with long-term trauma, where the health service feels attending clinical music therapy sessions will be of benefit. Ann has started regular music therapy session with one individual suffering from enduring mental health needs, which will be funded in this way.



Credit: Katie Henfrey

However, more funds would be needed to establish a dedicated Music Therapy Centre – until then, the Department will continue running a 'sessional' service. Ann feels that there is already a strong interest in the service within the City: "there are many institutions in the City who would like music therapy to be provided, but the challenge is, who is going to pay for it?" Encouragingly, the School was recently given a £28,000 grant from the City Bridge Trust. This will pay for Ben Saul's hours and has allowed the Department to develop a fellow post³¹ to support its practical music therapy work – the current fellow has now taken over the work at the primary school in Finsbury Park.³² The money is also being used to pilot work one day a week with a Tower Hamlets' pupil referral unit in Stepney, which also serves children from the City of London pupil referral units, as outreach work for the Music Therapy Service.

It is hoped that this will demonstrate the usefulness and impact such sessions can have on pupils and patients, and encourage local services to financially support them in the future.

Support from GSMD

While there is no provision or possibility for the Guildhall School of Music and Drama to directly fund regular clinical music therapy sessions, the School has nonetheless been keen to back the

³¹ A one-year fixed-term work opportunity for a graduate of the course.

³² The school has also applied for funding to the Cripplegate Foundation.

Music Therapy Department and has provided vital support along the way. A clinical base linked to the School would offer music therapy tutors a chance to practice their clinical skills, as well as possibly provide student placements in the future. There is thus an underlying awareness that the service will eventually make the Department more attractive to prospective students. However, there is also a strong wish within the School to be able to work locally and “give something back to the community”, and to be instrumental in the “generation of cultural and social wealth within the City”.

Future

Both the sessional Music Therapy Service and the development of the Music Therapy Centre are still very much in their infancy, and different solutions to creating income-raising activities are being investigated. While Ann says the main concern is “finding enough funding to make a big enough noise”, she also thinks the Department is fortunate in having access to potential funding from the City, such as through the City Bridge Trust or research funding from the Guildhall School of Music and Drama.

(See Appendices online for full case study).

5. World class culture and placemaking

5.1 What do we mean by world class culture?

This section looks in more detail at the output of the City arts and culture cluster, as well as audiences' perceptions of the cluster's cultural offer. First however, what is meant by 'world class culture', and why is it an important outcome to consider?

Undeniably, world class culture may be considered a somewhat arbitrary and subjective concept. However, there are some key factors which might generally be considered indicative of or influencing the quality of a cultural event or activity, and which will therefore be considered in more detail:

- **International programming** – i.e. drawing on the best the world has to offer, and on what is renowned within the international arts and culture sector.
- **Being 'unique and innovative'** – i.e. giving audiences the opportunity to attend events or activities which do not simply follow existing patterns but offer something new.

There naturally exists a close link between the quality of the arts and culture offer and the extent to which audiences enjoy their engagement with this offer. This leads to two reasons for considering the quality of the City arts and culture offer in more depth.

Firstly and more pragmatically, providing an arts and culture offer which is of high quality and hence satisfies its audiences, is crucial to sustaining the long-term popularity and success of the City arts and culture offer. This is especially so considering the increasing competition from other parts of London and further afield. Secondly is the fact that audiences' satisfaction and enjoyment of activities is an important outcome on which many subsequent outcomes, such as those outlined in Section 4 on social impact, depend. Enjoyment generally tends to lead to deeper and more frequent engagement with the cultural form, making outcomes such as well-being or learning from these activities far more likely and long-lasting.

5.1.1 How have we assessed world class culture?

Information on the quality of the City arts and culture provision and, crucially, on audiences' perceptions of quality, was obtained from three sources:

- Relevant questions were asked in the **organisational surveys** completed by all participating organisations. These focused on actual, relevant outputs offered by the individual organisations.
- Detailed **audience research** was undertaken for two of the participating organisations - the Barbican and the City of London Festival (the former as an example of a permanent, venue-based, cross-art form organisation, and the latter as an example of activities taking place across the City on a temporary basis. Both cover the breadth of the musical and performing arts). Given the importance of audiences' enjoyment of attending cultural events, information from these surveys focused on audiences' satisfaction and the perceived impact of attending cultural events in the City.
- Two of the six **case studies** – on the Barbican and City of London Festival – look in more detail at the cultural impact of these organisations, focusing in particular on the Barbican's vision to offer

“world class arts and learning” and the Festival’s impact on the image of the City as an area and a place.

5.1.2 International programming

In many ways, international programming might be considered a key indicator for the quality of organisations’ arts and culture provision. It means that organisations are recognised for their activities on an international level, and are understood to operate at international standards. This leads to organisations across the world considering them as attractive partners or hosts, and to audiences across the world being interested in attending the activities they have to offer.

The organisational surveys provided useful insight into participating organisations’ overall levels of international activity. They revealed that performing arts organisations in particular, have established a dense international framework; one which includes international partnerships and networks, residencies and visitors, and co-productions. In total, the City arts and culture cluster³³ in 2011/12 participated in 19 international networks – the Museum of London, with 10 international networks, is particularly active on this front. In the same period, 285 musical performances and 19 performing arts productions showcased international artists, groups or orchestras, and eight exhibitions showcased international artists. Compared to total numbers, this means that 40% of musical performances, 5% of performing arts productions and 13% of exhibitions, showcased international artists. City-based arts and culture organisations also toured or took part in international residencies – in 2011/12, the Barbican participated in two musical residencies and hosted one exhibition at an international partner organisation or event, while the LSO took up residencies in 44 international partner organisations or events, and the Museum of London loaned 27 exhibits to partners abroad.

In terms of collaboration, artistic co-productions with international partners can be considered a step further than hosting or touring. The survey indicates a total of 36 international co-productions across the year - 18 by the Barbican (of these, 11 were performing arts collaborations), 16 by Spitalfields Music and one each by the Museum of London and St Helen’s Sculpture Park (collaborations on art works or exhibitions).

The audience survey in turn provided information on audiences’ perceived quality of the City arts and culture offer vis-à-vis the Barbican and the City of London Festival. A number of survey questions looked at audiences’ overall satisfaction and enjoyment. Audiences were first asked whether they felt that attending an event at the Barbican or the City of London Festival had given them the opportunity to experience a high-quality event. 95% of each organisation’s audience agreed or strongly agreed that excellent arts organisations or festivals should offer a high quality programme of events, and the same proportion of both the Barbican’s and the Festival’s audiences agreed that these organisations respectively deliver high quality events (see Figure 14).

Looking in more detail at audiences’ perception of the organisation’s international standing and activity, Barbican audiences were asked whether they considered the Barbican to be “one of the world’s leading arts centres”, to which 79% agreed or strongly agreed that they did. We then investigated whether audiences felt they were given the opportunity to attend an international programme of events. 93% of the Barbican’s audiences agreed or strongly agreed that excellent arts organisations should enable audiences to see international performances and artists they would not otherwise get to see, and 90% also agreed or strongly agreed that the Barbican delivers on this – indicating that ‘international programming’ is considered a key feature of the Barbican by its audiences (see Figure 14).

³³ The following figures include only those organisations which were able to supply these figures/ for whom the question was applicable.

The Barbican’s international activity, both in terms of the aims it has set itself in this area and how it is working towards these aims – is further explored in Case Study 5 (p44 and in the Appendices online).

Figure 14. Audiences (%) for the Barbican and City of London Festival that agreed or strongly agreed with the following statements

	The Barbican		City of London Festival	
	% audiences agree that excellent arts organisations will...	% audiences agree that the Barbican delivers on this	% audiences agree that excellent festivals will...	% audiences agree that the Festival delivers on this
...offer a high quality programme of events	95%	95%	95%	95%
...enable me to see <u>international</u> artists and performances I would not otherwise get to see	93%	90%		

Source: BOP Consulting (2012)

5.1.3 Innovation and experimentation

Innovation and experimentation is another indicator of world class culture. This refers in particular to organisations’ engagement and experimentation with existing material, and the creation of new work to provide audiences with unique experiences they would not otherwise get to see.

To better understand the activities that organisations undertake to be innovative, the organisational survey included several relevant indicators, namely the number of new commissions and the number of premieres staged. Again, these sections were predominantly completed by performing arts organisations. In part, this may be explained as a characteristic of organisations which rely on drawing in audiences through a regularly updated performance programme, as opposed to organisations within the built heritage or museums, which inherently tend to present existing material.³⁴ Looking at the survey results, the Barbican, Spitalfields Music, City of London Festival and the LSO commissioned 48 new musical works, and the Barbican and the Festival commissioned 17 new performing art works in 2011/12. Within the same period, the Barbican, Spitalfields Music, City of London Festival and the Winter Concert Series also staged 56 UK, 12 European and 52 world, premieres.

As Figure 15 shows, when City of London Festival audiences were asked whether the Festival enables them to see performances and artists they would not otherwise get to see (something that 96% of the Festival’s audiences agreed or strongly agreed is something they look for in an excellent festival), 92% agreed or strongly agreed that the Festival delivers on this. In turn, 87% of the Barbican’s audience agreed or strongly agreed that excellent arts organisations should commission ground-breaking and innovative work, a characteristic which 76% also agreed or strongly agreed that the Barbican provides. It is worth noting here that comparisons between the organisations on these indicators are not particularly meaningful. How each organisation meets the expectations of

³⁴ Exhibition styles, museum activity programmes or temporary exhibitions might of course be considered as more or less ‘innovative’, although this was not evaluated within the scope of this study.

its own audiences is more important, because the audiences at the Barbican and the Festival start with differing levels of knowledge and experience of the art forms and what constitutes 'innovative'.

To explore the impact that such innovative programming has on audiences, we also asked the Barbican's audience whether they felt it was important for them to be intellectually, artistically or emotionally challenged by the programme they saw and, subsequently, whether they felt the Barbican's programme delivered on this. This question is particularly relevant to the Barbican because it is part of its mission to challenge its audience in such a way. The Barbican's audience overwhelmingly agreed or strongly agreed that excellent arts organisations should challenge their audiences intellectually (92%), artistically (93%) and emotionally (89%).

Figure 15. Audiences (%) for the Barbican and City of London Festival that agreed or strongly agreed with the following statements

	The Barbican Centre		The City of London Festival	
	% audiences agree that excellent arts organisations will...	% audiences agree that the Barbican delivers on this	% audiences agree that excellent festivals will...	% audiences agree that the Festival delivers on this
...enable me to see artists and performances I would not otherwise get to see	-	-	96%	92%
... commission ground-breaking and innovative work	87%	76%	-	-
... challenge their audience intellectually	92%	88%	-	-
... challenge their audience artistically	93%	89%	-	-
... challenge their audience emotionally	89%	82%	-	-

Source: BOP Consulting (2012)

(-) Indicates 'not applicable'

Similarly high numbers also agreed or strongly agreed that the Barbican's programme does challenge them intellectually (88%), artistically (89%) and emotionally (82%) – clear indicators of the nature of visitors' experience when attending the Barbican's activities (see Figure 15). The two following case studies on the Barbican (Case Study 5) and the City of London Festival (Case Study 6) exemplify in more detail these organisation's aims and ways of creating an innovative programme, as well as their audiences' perception of this.

Case Study 5: World class art and learning at the Barbican

The Barbican is a multi-art form centre, presenting work in genres including dance, film, music, theatre and visual arts to around 1.5 million visitors per year, as well as running an extensive Creative Learning Programme. It has a strong international focus, linking with international institutions as well as touring and staging international productions. The following case study considers the cultural impact of the Barbican's arts and learning programme.

A vision of 'world class arts and learning'

The Barbican's vision, set out in its current Business Plan (2012 to 2015), is to offer "world class arts and learning". Several key points are seen as contributing to this:

- Being world class on an international level
- Producing an innovative, inspiring and artistically challenging arts programme
- Being a multi-art form centre
- Being accessible by offering art for everyone

How does the Barbican work to achieve its vision?

Being international

The Barbican has become a key player on the international cultural scene, developing often long-lasting partnerships with arts centres, orchestras, art collections, theatre and dance companies, festivals, promoters and agents. The Barbican considers engagement in local, national and international debate as crucially important. It is an active member of a range of international networks, as well as contributing to roundtable discussions and conferences. This international activity provides Barbican programmers with an access point to artists across the world, and helps them form an understanding of the available work and its quality.

Being innovative, inspiring and artistically challenging

The international element of the Barbican's programme is not considered an intention in itself, but a crucial part of delivering world class art and learning. This means programming decisions are based primarily on the quality of work, whether it will translate for a UK audience, and whether it fits in with the Barbican's vision. All events should be "never less than engaging" – and "sometimes more than electrifying"; "never less than brave, adventurous and informed" – and sometimes more than "provocative, groundbreaking and intellectual". This quest for world class art also means investing in not yet widely known artists. The Barbican believes it is important to support the best new talents in developing their full potential, often doing so via institutional partnerships and networks.

Being multi-art form

According to the Season Review 2009/10, "the Barbican pushes the boundaries of all major art forms, including dance, film, music, theatre and visual arts". As few organisations match exactly what the Barbican does, most institutional partnerships depend on art forms rather than constituting whole-centre relationships. Each art form is overseen by a dedicated Head within the Management Team, who is responsible for maintaining international connections with relevant colleagues in the partner organisations. The dedication to being a multi-art centre also shines through in the Barbican's marketing approach, which ensures that marketing tools (i.e. website, newsletters, flyers) are geared towards potential visitors' individual interests.



Credit: Mark Allan

Being accessible

At all levels, the Barbican wishes to create “a real sense of belonging” and “inspire a deep and life-long relationship with the arts whether as an artist or enthusiast, practitioner or audience member.”³⁵ While striving to maintain a successful relationship with its most faithful (predominantly ‘art-savvy’) audience, the Barbican also considers the engagement of new (less culturally engaged) audiences to be crucial. It specifically plans to engage with young people and East London communities and has made considerable steps through partnerships with East London organisations and offsite events. A crucial way for the Barbican to interact with these target groups is through its Creative Learning Programme, which has been further integrated into the heart of the Barbican’s work.³⁶ As part of this, the Barbican works extensively with schools and communities in East London, offering events, classes and talks as well as Continuing Professional Development (CPD) for teachers. International artists frequently participate in these activities, and exchanges with international partners are organised.

How successful is the Barbican at implementing its vision?

The Barbican’s Business Plan includes key performance indicators related to each of its strategic objectives. The organisation measures performance in all aspects of its work against these indicators; new projects are identified according to whether they deliver to the indicators, and completed projects are evaluated on this basis. Close attention is paid to press and media recommendation, critical attention and acclaim as well as audience responses. In short, ‘world class’ is assessed thorough “a mixture of professional experience and knowledge in advance – supported by public feedback and assessment when the event happens”.³⁷

...at being international

Figures taken from the organisational survey completed for this report demonstrate the extent to which internationalism features in the Barbican’s programme. Out of 95 musical performances in 2011/12, 70 showcased international artists, groups or orchestras, and the Barbican was involved in several international co-productions. It played a key role in three international networks, and the Heads of each art form took on roles in a range of associations and organisations, as well as giving talks at international seminars or serving on boards and juries. The Barbican’s international role and offer also shone through in the audience survey carried out for this report: 79% strongly agreed or agreed that the Barbican is one of the world’s leading art centres and 90% strongly agreed or agreed that the Barbican provides the

³⁵ Season Review 2009/10.

³⁶ This goes hand-in-hand with the Barbican’s three-year role as an Arts Council National Portfolio Organisation (this funding programme was launched in April 2012; organisations were assessed with regards to their ability to deliver against the Arts Council’s strategic framework *Achieving great art for everyone*).

³⁷ Louise Jeffreys, Director of Programming.

opportunity of seeing international performances and artists they would not otherwise get to see.

...at being multi-art form

The organisational survey also demonstrated the Barbican's success at providing a multi-art form offer – in 2011/12, it staged 95 musical performances, 413 performing arts shows, five exhibitions and 972 film screenings. The audience survey showed that audiences predominantly agree with this, and appreciate the diverse offer: 82% agreed or strongly agreed that the Barbican offers the opportunity to experience cross-art form works.

...at being innovative, inspiring and artistically challenging

Asked about their visiting experience, 95% agreed or strongly agreed that the Barbican offers a high quality programme of events. More specifically, 88% agreed or strongly agreed that they felt intellectually challenged, 89% that they were artistically challenged, and 82% that they felt emotionally challenged by the work they see at the Barbican. These figures have added significance given the Barbican's large number of art-savvy visitors. Innovation was demonstrated by the organisational survey, which showed that the Barbican commissioned 39 new pieces of work in 2011/12 and hosted 45 UK premieres (11 world premieres). Not least, the Barbican's 8,163 appearances in the UK media in 2011/12 hint at its ability to 'inspire and challenge', clearly staging performances that attract the media spotlight.

...at being accessible

Creative Learning activities are successfully attracting new target groups to the Barbican, reaching over 40,000 participants and audiences in 2011/12. In its sustained work with young people, Creative Learning worked with 6,802 pupils across 160 school events and with 550 children and young people at events organised outside school. Key to all these activities is the aim to create sustainable models. Focus is therefore placed on developing relationships with groups of young people, such as through the Barbican Young Poets, Young Filmmakers or Young Programmers initiatives. Events are attracting an increasing proportion of attendees from neighbouring East London boroughs and in 2012, the Barbican received funding to further develop its community programmes with East London as part of the Cultural Olympiad. Managing Director Sir Nicholas Kenyon stresses that "the Barbican's arts programme and its Creative Learning activity are a key way in which the investment that is made by the City of London Corporation benefits the whole of London – audiences and students, young and old, are engaged in world-class arts and learning through the work of the Barbican Centre". Further community projects are planned for 2013, although attracting similar grants may become more difficult (there is a recognised need to diversify funding sources to enable the continued development of this area of work). Encouragingly, the Paul Hamlyn Foundation recently provided a grant to the Barbican and Guildhall School of Music and Drama for a three-year special initiative project, focused on developing the practice of artists who collaborate and lead in participatory settings.

(See Appendices online for full case study).

5.2 What do we mean by placemaking?

A further important impact of the City arts and culture offer is the effect it has on people's perception of the City of London. Arts and culture's contribution to placemaking includes the development of a feeling of identity and pride for the area amongst residents and workers, as well as the recognition and understanding which non-residents and others external to the area (including the media) may have for, and of, the City. This is particularly important considering the City's position as a financial services and business hub.

5.2.4 How have we assessed placemaking?

Information on the placemaking capacity of the City arts and culture provision came from three main sources:

1. Relevant questions were included in the **audience research** undertaken for the Barbican and the City of London Festival;
2. One of the six **case studies** – on the City of London Festival – looks in detail at the Festival's efforts to create a place-based identity and the impact this has had on audiences;
3. The **organisational survey** provided information on the media coverage of the participating organisations, and hence, in its entirety, on the general visibility of the City arts and culture cluster in the media.

5.2.5 A distinctive image and identity

The examination of audience's knowledge and perception of what the City has to offer, and whether a visit to the area would make them more inclined to re-visit in the future, provides a clear picture of the impact that the City arts and culture cluster is having on its audiences.

We first wanted to find out how far audiences are aware that the Barbican is based within the City of London. This revealed very positive results, with 95% of audiences based within the City, 95% based elsewhere in London, 85% based elsewhere in the UK and 76% of those based overseas, correctly identifying the Barbican's location. Audiences were then asked whether they felt the presence of the Barbican and the City of London Festival were part of what makes the City of London area special: 86% of the Barbican's and 90% of the Festival's audiences agreed or strongly agreed this was the case. Similarly, 73% of the Barbican's and 83% of the Festival's audiences agreed or strongly agreed that their visit to the respective organisation had improved their perception of what the City of London area has to offer.³⁸ 96% of the Barbican's audiences furthermore agreed or strongly agreed that the Barbican enriches the City of London area due to the range of art forms it presents, and 91% agreed or strongly agreed that the Festival enriches the City of London area through the 'buzz' it creates in the area each year.

Audiences of both organisations also felt strongly about the importance of the venues themselves. While 82% of the Barbican's and 90% of the Festival's audiences agreed or strongly agreed that excellent festivals or arts organisations should showcase their events in unique venues and locations, 76% of the Barbican's and 94% of the Festival's audiences agreed or strongly agreed that the organisations delivered on this (see Figure 16).

³⁸ Broken down by origin, of the Barbican's audiences, 74% of audiences based in the City, 75% of audiences based elsewhere in London, 66% of audiences based elsewhere in the UK and 93% of overseas visitors agreed or strongly agreed that their visit improved their perception of what the City of London area has to offer. Of the Festival's audiences, 82% of those based in the City, 83% of those based elsewhere in London, 82% of those based elsewhere in the UK and 91% of overseas audience agreed or strongly agreed to this.

Figure 16. Audiences (%) for the Barbican and City of London Festival that agreed or strongly agreed with the following statements

	The Barbican		City of London Festival	
	% audiences agree that excellent arts organisations will...	% audiences agree that the Barbican delivers on this	% audiences agree that excellent festivals will...	% audiences agree that the Festival delivers on this
... showcase its events in iconic and unique venues	82%	76%	90%	94%

Source: BOP Consulting (2012)

These are clear signs of the positive impact these organisations have on the perception of the City. This is reinforced by the evident role that the organisations play in attracting visitors to the City of London. Looking first at audiences' reasons for visiting the City, this shows us, for example, that for around half of the Barbican's audiences from elsewhere in London (54%) and from elsewhere in the UK (56%), the Barbican was their sole reason for visiting the City. Furthermore, as Figure 17 shows, of the Barbican's audience, 78% of those based elsewhere in London, 69% of those based elsewhere in the UK, and 90% of those based overseas, agreed or strongly agreed that their visit to the Barbican had made them more likely to return to the City of London. These figures are mirrored by those of the Festival, where 74% of audiences based elsewhere in London, 69% of those based elsewhere in the UK, and 92% of audiences from overseas, agreed that the Festival made them more likely to return to the City.

Figure 17. Audiences (strongly) agreeing that a visit to the organisations made them more likely to return to the City of London area in the future

Origin of audience	Barbican audience	Festival audience
City	74%	76%
Elsewhere in London	78%	74%
Elsewhere in the UK	69%	69%
Overseas	90%	92%

Source: BOP Consulting (2012)

In addition to this positive perception from audiences, the organisational survey revealed information on the role of the City arts and culture cluster in representing the City of London in the UK and international media – in particular in an 'arts and culture' context, as opposed to the City's predominant image as a financial services and business hub. Figures (based only on the organisations that were able to supply this information)³⁹ revealed 10,354 references in the UK

³⁹ Media appearance is not tracked by all organisations – figures here refer to nine of the 24 surveyed organisations and do not include information from some large organisations such as the LSO or Tower of London.

media and 716 in the international media.⁴⁰ This demonstrates how the City arts and culture cluster contributes to an image of the City as distinctive and creative, on a national and global level.

As an organisation with the inherent aim of ‘animating’ the Square Mile and changing audiences’ perception of the City, more detail is provided in Case Study 6 on the City of London Festival.

Case Study 6: Creating a place-based identity through the City of London Festival

The Festival runs for three weeks during mid-summer each year, and at its core is the idea of animating the Square Mile through world-class arts, by opening up City spaces, delivering a high quality cultural programme and providing good value for money.

Each year, the Festival puts on 50 ticketed events, covering music, visual arts, dance, film, walks and talks. Alongside this, it offers a programme of free events, which has grown substantially over the years and today boasts over 100 events across a wide range of art forms. Many free events take place outdoors and include a few large scale events targeted at family audiences. The growth of the free programme has been supported by corporate contributions related to new property developments in the City. The Festival also delivers a year-round programme of arts projects in schools and community groups within the City and neighbouring boroughs. In 2011/12, these involved over 700 children and young people within a school setting and over 2,900 children and young people outside schools. Education sessions are frequently linked to the main Festival and culminate in public performances.

Impact on audiences

In 2012, the Festival sold just over 21,000 tickets for paid events and estimated close to 143,000 attendances at the free events. Traditionally, there has been a split between the Festival audiences at paid and free events: the former tend to attract a more ‘arts-savvy’ audience that is likely to plan ahead and regularly attend the Festival and other cultural events. This audience tends to be older and is more likely to include tourists. In contrast, audiences at free events (which often take place during lunch hours, with some conceived as pop-up events), tend to be more ‘per chance’, less likely to have had previous experiences of the Festival, younger, and include a greater number of city workers. This pattern is confirmed by audience research conducted as part of the research for this report.



Audiences benefit from attendance at the Festival in a number of ways. Firstly, the Festival offers audiences an opportunity to experience a high quality cultural event – this is a key aim of the Festival and one that is confirmed by the audience survey results: 95% of the audience

⁴⁰ Of these, 8,163 UK and 595 international media appearances were registered by the Barbican.

agreed (or strongly agreed) that the Festival provides a high quality programme of events. As part of this, the Festival is committed to commissioning and programming innovative and new work. Secondly, the Festival helps increase access to cultural experiences by providing events that are 'very good value', both with regards to paid and free events. 94% of audiences agreed or strongly agreed that the Festival 'offers good value for money'. It is the combination of the performances and the settings that the events take place in, that makes the experience distinctive: 94% of visitors thought that the Festival showcases its events in unique venues and locations. For example, the Festival gives people the opportunity to experience venues that are largely inaccessible throughout the rest of the year.

Impact on perceptions of the City

The Festival has also had a positive impact on the way the City is perceived; during the Festival, people can experience it in a very different way (lively and animated) from what they know it to be like. The audience research shows that the Festival is highly valued for the vibrancy it brings to the area throughout its duration: 91% of the audience agreed or strongly agreed that the Festival provided enrichment to the London area due to the buzz it creates, while 85% agreed or strongly agreed that having the Festival is part of what makes the City of London area special. Moreover, the Festival experience encourages people to come back: 84% of those who neither live nor work in the City said that the Festival had made them more likely to return to the City in the future.

Creating a unique, distinctive Festival experience that is closely linked to the spaces and venues at which the events take place, is core to the City of London Festival. The ambition to create a festival with a strong sense of place is particularly pertinent considering that the Festival is located in the middle of a sprawling metropolis (rather than in a smaller, confined location). This adds to the challenge of communicating its place-based identity to audiences. The Festival thus attempts to clearly 'mark' the spaces it uses with clear geographical demarcations. Moreover, it aims to use venues that fit within the overall concept of 'opening up spaces', only rarely using the City's well-known arts venues – these are considered less 'special' for visitors than venues that cannot normally be accessed. The Festival thus consciously aims to enhance the audience experience by enabling visitors to make the most of their chance to visit such venues (i.e. other rooms apart from that housing the event might be opened up for a drinks reception).

Of course, the Festival needs to strike a balance between maintaining clarity in implementing its vision and pragmatism in response to funding requirements and opportunities. One example of this is a big family event which takes place outside the City boundaries on Hampstead Heath⁴¹ – communicating this to audiences can be a challenge. Similarly, challenges occasionally arise around providing adequate directions for audiences to find venues. Nevertheless, creating new and different experiences in City spaces remains at the heart of the Festival as it strives to provide a unique, distinctive and quality cultural experience for its audiences in the future.

(See Appendices online for full case study).

⁴¹ Though outside the City of London boundaries, Hampstead Heath is owned by the City of London Corporation.

6. Conclusion

Since the mid-1980s, there have been various claims concerning the economic importance of arts and culture, not all of which have been supported by solid research evidence. This study has followed a methodology consistent with HM Treasury best practice guidance for undertaking economic appraisals. It therefore constitutes a robust yet conservative estimate of the annual economic value of the City arts and culture offer.

This places the sector's net contribution to the economy of the City of London in the realm of a quarter of a billion pounds per annum, while supporting over 6,700 Full-Time Equivalent (FTE) jobs. While audiences and visitors are drawn from far and wide to the City, the arts and culture organisations themselves are strongly interconnected with other local businesses in the City, with 70% of their supply chain expenditure spent within the City's boundaries. This report also shows how the economic impact of the City arts and culture organisations 'spills over' these boundaries, contributing a further £66m of net additional output to London's overall economy.

This study also demonstrates that the arts and culture cluster contributes much more to the City than simply the economic. It is a key asset in bringing vibrancy and diversity to the City, shaping the identity of the area, and in providing learning and active citizenship opportunities. Above all, it has a core role in enhancing and enriching the lives, well-being, and life chances of its residents and workers, and residents of its neighbouring boroughs. It also helps to shape perceptions of those who reside and work outside of the City, through the large amount of media coverage that the City arts and culture organisations attract – such coverage casts the Square Mile in a different light to stories which focus on its position as a financial services and business hub. Arguably, then, the contribution of the arts and culture offer in the City has been little understood and undersold. This study demonstrates that, alongside Exhibition Road, the South Bank and the West End, the City is another world class culture cluster for London.

As with many of the leading examples of successful industrial clusters, the City arts and culture cluster has arisen from a potent combination of happenstance, organic growth, sustained investment and at times, bold and visionary decision-making. While the cluster organisations have proved adept at growing a range of non-public sector revenues, the City of London Corporation's funding is vital to the continued development and excellence of the organisations. It allows them to develop the cultural, learning and organisational capacity that, in turn, enables them to attract other funding for their education and outreach activity – which ultimately feeds back and enriches their artistic and cultural output. It is this which particularly distinguishes the City arts and culture cluster: how many of the organisations within such a small geographic area exist and operate at the highest level in their field, whether it be classical music, performing arts, or cultural heritage. The high quality, often world class, cultural offer is the bedrock upon which the positive economic and social impacts for the City and London, are built.

Looking ahead, the arts and culture organisations in the City understand that 'standing still' is not an option, whether artistically, in their learning and volunteering practice, or in their venue infrastructure. Indeed, this report comes at an opportune moment. Both the Barbican and Guildhall School of Music and Drama are on the verge of opening major new facilities that will (again) expand on the capacity and range of cultural activities that the City offers. While there has been operational joint-working between some of the organisations for some time (e.g. sharing premises and box office functions), the key institutions have recently been pursuing more strategic collaborations. This is most apparent in the imminent launch of the new Cultural Strategy. Further changes in which the cluster is managed and run have been enacted by City of London Corporation. One example being a recent re-organisation in the way that it manages the cultural assets within its

portfolio, which has seen these assets brought together for the first time under one Culture, Heritage and Libraries Department. Such strategic changes should help to ensure that the cluster continues to capitalise on its assets, and with renewed direction and purpose.

7. Technical Appendix

7.1 Calculating induced impact

OEF uses an in-house 'macroeconomic simulator' to estimate how the wages commanded by those employees are spent throughout the economy. The geographical dimension is included by identifying the area of residence of the employees.

In its report, OEF does not provide further insights on how these calculations are done and hence, it is not possible to design a methodology that will draw a comparable estimation of induced impact without the use of their 'macroeconomic simulator'. However, the 2006 estimations allow for identifying the underlying *multipliers* of the City of London arts and cultures sector. By definition, output multipliers tell us the total effect of a unit increase in the final demand of an industry on the economy of a given geography (e.g. the effect of a unit increase in total GVA of the City arts cluster over the UK economy). Output multipliers can be estimated by using the following formula:

$$\text{Multiplier} = \left(\frac{\text{Direct} + \text{Indirect} + \text{Induced}}{\text{Direct}} \right)$$

(eq.1)

This also means that:

$$\text{Multiplier} \times \text{Direct} = (\text{Direct} + \text{Indirect} + \text{Induced})$$

(eq.2)

As explained above, we will first estimate the direct and indirect impact generated by the organisations and attractions located within the boundaries of the City and by the business and organisations involved in their supply chain.

We then infer the Induced impact multiplying our estimates of direct impact by the multipliers estimated in 2006. If we think about it in terms of the equations shown above, the induced impact is the only *unknown variable*; consequently it is possible to estimate it using equation 2.

$$(\text{Multiplier} \times \text{Direct}) - (\text{Direct} + \text{Indirect}) = \text{Induced}$$

(eq.3)

We think this a sound methodology, which only rests on one credible assumption and that is that multipliers (i.e. the effect on the UK economy of a unit increase in final demand) have not changed between 2006 and 2012. Changes in a multiplier usually occur when there are major changes (i) in the relationship between an industry and its supply chain or (ii) in the consumption patterns of employees associated with this particular economy. We believe that there are not strong reasons to believe that either of these changes has occurred for the City arts cluster within that period.

7.2 Additionality of funding

In the assessment of the direct economic impact of the City arts and culture cluster, some sources of sponsorship and public funding were considered additional (i.e. the funding would not have gone to these particular geographical areas without the presence of the organisation in question). Figure 18 shows the additionality criteria for income from sponsors, reflecting the judgement that smaller sponsors will be less likely to fund projects far away.

Figure 18. Sponsorship additionality

Size of sponsor	Location of Sponsor	City point of view	London point of view	UK point of view
Large (>250 staff)	City	Additional	Additional	Not Additional
	Elsewhere in London	Additional	Additional	Not Additional
	Elsewhere in the UK	Additional	Additional	Additional
	Overseas	Additional	Additional	Additional
Small (<250 staff)	City	Not Additional	Not Additional	Not Additional
	Elsewhere in London	Additional	Not Additional	Not Additional
	Elsewhere in the UK	Additional	Additional	Not Additional
	Overseas	Additional	Additional	Additional
Donations	Additional	Additional	Additional	Additional
Other	Additional	Additional	Additional	Additional

Source: BOP Consulting (2012)

Figure 19 shows the treatment of public funding from various sources, reflecting judgements on whether funding for the particular area of focus would have continued without the City arts cluster.

Figure 19. Public funding additionality

Source of funding	City point of view	London point of view	UK point of view
City of London Corporation	Not Additional	Not Additional	Not Additional
Arts Council England	Additional	Not Additional	Not Additional
Greater London Authority	Additional	Additional	Additional
Local Authority Funding	Not Additional	Additional	Additional
Tower Hamlets	Not Additional	Not Additional	Not Additional
Youth Music	Additional	Not Additional	Not Additional
BBC	Additional	Additional	Not Additional
European Commission	Additional	Additional	Additional
Overseas Embassies	Additional	Additional	Additional
Higher Education Funding Council for England	Additional	Additional	Not Additional
City Lands	Not Additional	Additional	Additional
Bridge House Estates	Additional	Additional	Additional

Source: BOP Consulting (2012)

Figure 20. Proportion of funding remaining after additionality assessment

Type of funding	City of London	London	UK
Public funding	39%	38%	29%
Sponsorship	100%	100%	1%

Source: BOP Consulting (2012)

7.3 Industry-specific conversion of turnover

The spending on suppliers reported by organisations in the City arts and culture cluster was broken down into 11 industries (shown in Figure 21), and drawing on ONS data for these different industries both in London and the whole of the UK, we were able to convert supplier spending into GVA and then into jobs supported. We were also able to convert audience spending in the same way, assuming that off-site audience spending mainly went to the 'Accommodation and food services' industry. The ONS information, and resulting conversion factors are displayed in Figure 21 for London, and in Figure 22 for the UK as a whole.

The conversion of audience and supplier spending into GVA involved three steps:

- The ONS data on GVA, turnover and jobs were used to generate ratios of GVA:turnover and jobs:GVA for each of the eleven industries
- The amount of spending by organisations and audiences in each of the industries was then multiplied by the GVA:turnover ratio, in order to calculate the GVA resulting from this spending
- The amount of GVA was then multiplied by the jobs:GVA ratio to calculate the number of jobs this GVA supports in the economy.

Figure 21. Conversion of supplier and audience spending to GVA for London (including the City)

Industry	Turnover (2010) in millions	GVA (2010) in millions	Jobs ('000s)	GVA: Turnover ratio	Jobs: GVA ratio (x1m)
Electricity, gas, steam and air conditioning supply	11,505	3,062	6	27%	2
Water supply; sewerage, waste management and remediation activities	2,964	1,263	18	43%	14
Construction	30,934	11,198	239	36%	21
Accommodation and food service activities	16,018	7,664	322	48%	42
Transport & storage	36,851	16,835	257	46%	15
Information & communication (e.g. telecoms & IT)	69,586	34,206	333	49%	10
Financial & insurance activities	24,774	18,219	354	74%	19
Real estate activities (including rent)	13,902	9,577	100	69%	10
Professional, scientific and technical activities	78,755	43,678	607	55%	14
Administrative and support service activities	38,864	19,735	462	51%	23
Other service activities (including legal advice)	8,003	3,154	136	39%	43

Source: ONS 2012

Figure 22. Conversion of supplier and audience spending to GVA for the UK

Industry	Turnover (2010) in millions	GVA (2010) in millions	Jobs (‘000s)	GVA: Turnover ratio	Jobs: GVA ratio (x1m)
Electricity, gas, steam and air conditioning supply	101,971	23,980	129	24%	5
Water supply; sewerage, waste management and remediation activities	26,063	13,565	176	52%	13
Construction	182,922	68,109	2079	37%	31
Accommodation and food service activities	67,094	31,068	1929	46%	62
Transport & storage	139,743	63,936	1463	46%	23
Information & communication (e.g. telecoms & IT)	179,271	86,801	1145	48%	13
Financial & insurance activities	100,765	56,505	1119	56%	20
Real estate activities (including rent)	38,717	24,423	438	63%	18
Professional, scientific and technical activities	207,003	117,910	2361	57%	20
Administrative and support service activities	141,303	69,913	2386	49%	34
Other service activities (including legal advice)	28,673	13,202	849	46%	64

Source: ONS 2012

7.4 Additionality of audience expenditure

In assessing how much of the estimated audience expenditure can be attributed to the City arts and culture cluster, we used responses to a survey question about what audience members would have done had they not visited a particular organisation or attraction. The criteria for this assessment are reported in the figures below, for the City of London, London and the UK.

Figure 23. Additionality of audience expenditure for the City

Alternative plans	City resident	From elsewhere in London	From elsewhere in the UK	From overseas
I would have stayed at home or gone to work	Not Additional	Additional	Additional	Additional
I would have done something else in the City of London area	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited another part of London	Additional	Additional	Additional	Additional
I would have visited another part of the UK	Additional	Additional	Additional	Additional
I would have visited an area outside the UK	Additional	Additional	Additional	Additional

Source: BOP Consulting (2012)

Figure 24. Additionality of audience expenditure for London

Alternative plans	City resident	From elsewhere in London	From elsewhere in the UK	From overseas
I would have stayed at home or gone to work	Not Additional	Not Additional	Additional	Additional
I would have done something else in the City of London area	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited another part of London	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited another part of the UK	Additional	Additional	Additional	Additional
I would have visited an area outside the UK	Additional	Additional	Additional	Additional

Source: BOP Consulting (2012)

Figure 25. Additionality of audience expenditure for the UK

Alternative plans	City resident	From elsewhere in London	From elsewhere in the UK	From overseas
I would have stayed at home or gone to work	Not Additional	Not Additional	Not Additional	Additional
I would have done something else in the City of London area	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited another part of London	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited another part of the UK	Not Additional	Not Additional	Not Additional	Not Additional
I would have visited an area outside the UK	Additional	Additional	Additional	Additional

Source: BOP Consulting (2012)

Figure 26. Proportion of audience spending remaining after additionality assessment

	City of London	London	UK
City of London resident	12%	0%	1%
Day visitors (from elsewhere in London)	78%	0%	0%
Day visitors (from elsewhere in the UK)	85%	65%	0%
Day visitors (from overseas)	50%	50%	33%
Staying visitors (from elsewhere in the UK)	78%	25%	0%
Staying visitors (from overseas)	67%	15%	11%
Overall	65%	16%	1%

Source: BOP Consulting (2012)