

**NP11**

**A Place Strategy  
for the North**

**Appendix i: Synthesised Evidence Base**

## A Place Strategy for the North – Evidence Base

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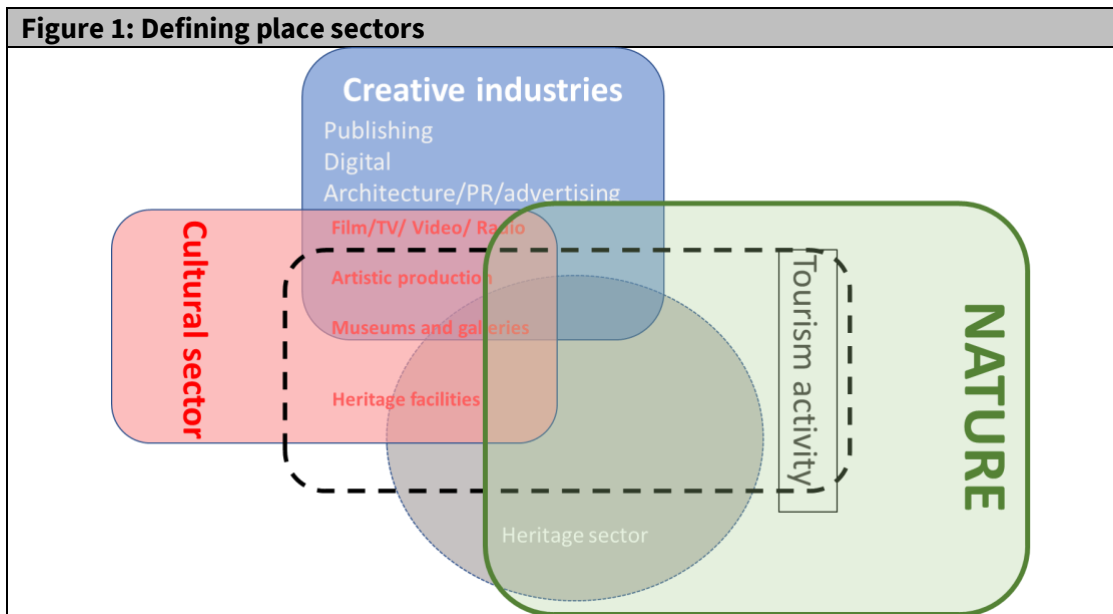
### Introduction

- 1.1 This evidence base has been prepared to support the development of the Place strategy for the North. It has been developed and sourced from a deep dive of the research literature and available statistics relevant to the focus of the Place strategy<sup>1</sup>.
- 1.2 Throughout this evidence base the “North” is defined, unless otherwise stated, as the three English regions of the North East, North West and Yorkshire and the Humber. This area encompasses 11 Local Enterprise Partnerships areas – the NP11 - and is also the same as the Northern Powerhouse area.
- 1.3 The research considers the role of three place-based “sectors” or sets of activity. Defining these sectors and their economic footprint is complex as there is no standard or uncontested way of defining the economic and other activity linked to these three sector concepts.
  - **Arts/culture:** there is no one single way of defining arts and cultural activities. We have used the DCMS sector definitions either for the cultural sector<sup>2</sup> or the wider creative industries.
  - **Heritage:** again there is no standard definition of this sector. Heritage assets can be defined by the element of protected value assigned to them. The heritage sector is involved in the support and delivery of services to these heritage assets. There are areas of overlap between the heritage and the arts/culture sectors (eg museums and galleries).
  - **Nature:** there are many aspects to nature - the countryside, the outdoors, urban parks and green spaces, the wider green economy. The focus in the research and strategy is on green spaces, of all types, and their role in the economy and society of the North and the rest of the UK.
  - The sectors also link to each other and have significant overlaps (see Figure 1).
- 1.4 The evidence base is not intended as a compendium; it is a focussed synthesis of a wide range of information. A full list of themed references is provided at Appendix B for those interested in exploring the evidence further.

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<sup>1</sup> The research and analysis has been carried out by Stephen Nicol, Director Nicol Economics and Dr. Clare Devaney, Strategic Lead for Place & Culture in the North, NP11

<sup>2</sup> Work by Cebr for ACE on the economic value of the arts and culture industry uses a different and less encompassing definition that excludes film and TV (see Cebr (2019b))



## Current importance to the North’s economy of its place sectors

- 1.5 The arts/culture sector and heritage sectors together contribute directly around **£5.3 billion** to the North’s economy in 2019 or 1.4% of total GVA (£1 in every £69)<sup>3</sup>. In comparison, the share of these sectors in England’s total GVA is more than double at 2.9%<sup>4</sup>. The total direct jobs supported by the two sectors is around **170,000** across the North (at 2.3% of all jobs a higher share than GVA). It is not possible to quantify the contribution of the nature sector in the same way.
- 1.6 Over time, the North’s share of total UK GVA has been falling, but the share of GVA outside London rising -reflecting an increased concentration of these sectors in London over time.

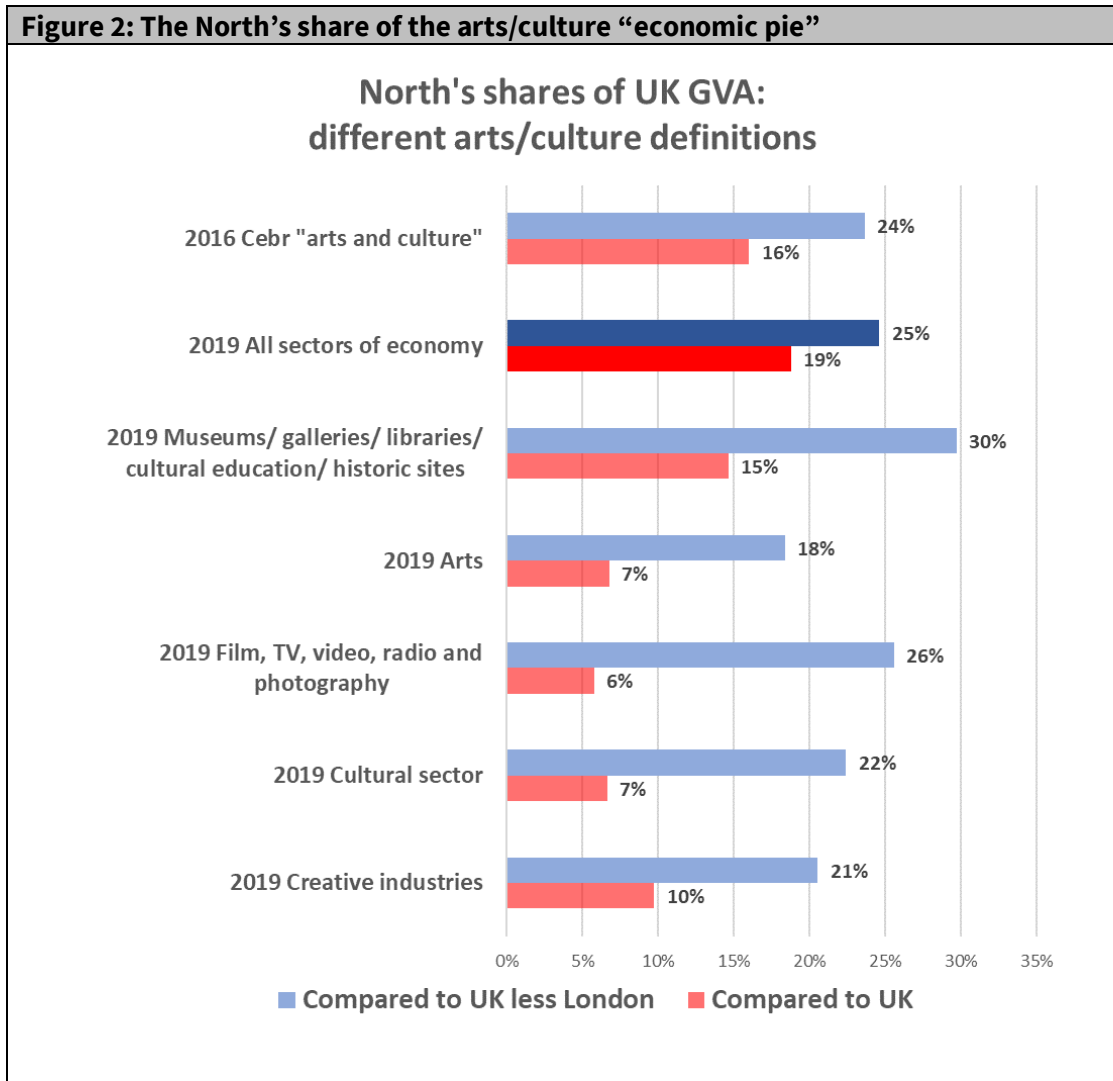
### Arts and culture

- 1.7 For 2019 (pre-pandemic) the overall value of the cultural sector (using the DCMS definition) in the North was a direct £2.3 billion GVA contribution; the wider creative industries (also as defined by DCMS) contributed £11.3 billion in GVA. Overall these two groupings of sectors represented respectively 0.6% and 3.0% of the total economy of the North (£370 billion). Most of the culture sector is also defined and included as part of the creative industries, the difference between the economic value of the sector groups is largely accounted for by the inclusion in creative industries of advertising and marketing (£1.5 billion), publishing (£0.8 billion) and IT, software and computer services (£6.1 billion) which are not part of the culture sector.

<sup>3</sup> If we include estimated multiplier effects this contribution rises to of the order of £10.4 billion. However, as much of the impact is generated by spend by the North’s residents; if they spend in other sectors this would also generate multiplier economic impacts elsewhere therefore this assessment does not focus on the wider multiplier effects

<sup>4</sup> The comparison is to England as the heritage estimates (Cebr (2020a) for Historic England) are only available for England not the whole UK

1.8 Although these are, on any measures, significant sectors in the North, the North’s share of overall UK GVA in the cultural sector (6.7%) or creative industries (9.8%) is far below its share of all sectors (19%). This discrepancy is largely due to the **dominance of London** in the cultural and creative industries. The North's share of cultural sector GVA outside London (22%) is broadly in line with its share of all industries (25%). This shift is true across all sub-sectors of the cultural sector or creative industries (see Figure 2).



1.9 The Cebr 2019 definition of “arts and culture” using 2016 data appears to show a much larger relative share of UK GVA (16%) in the North based on 2016 data. This is because this definition excludes film/TV/music which is particularly heavily concentrated in London.

1.10 Which are the key cultural and creative sub-sectors? **Film/music/TV/radio** (loosely “screen”) is, as shown in Table 1, by far the largest cultural sector in the North (£1.25 billion in direct GVA in 2019); however the North’s share of overall UK GVA is very modest (6%). The next most important sector in the North is the arts sector with total GVA of £520 million, but also again accounting for a relatively low share of total UK GVA (7%).

DCMS Sub sector	Size of sub-sector, 2019	% of total North GVA	Share of UK	Share of UK less London
Advertising and marketing	£1,489	0.40%	8.7%	28.8%
Architecture	£389	0.10%	10.8%	19.2%
Crafts	£28	0.01%	8.0%	13.7%
Design and designer fashion	£423	0.11%	11.9%	20.3%
Film, TV, video, radio and photography	£1,251	0.34%	5.8%	25.6%
IT, software and computer services	£6,112	1.65%	13.0%	19.2%
Publishing	£816	0.22%	7.4%	16.7%
Museums, Galleries and Libraries	£146	0.04%	15.0%	27.9%
Music, performing and visual arts	£726	0.20%	6.9%	18.4%
<b>All creative industries</b>	<b>£11,303</b>	<b>3.04%</b>	<b>9.8%</b>	<b>20.5%</b>
Arts	£538	0.14%	6.8%	18.4%
Photography	£71	0.02%	11.1%	18.9%
Crafts	£28	0.01%	8.0%	13.7%
Museums and Galleries	£116	0.03%	14.6%	29.7%
Library and archives	£29	0.01%	15.9%	23.6%
Cultural education	£107	0.03%	16.3%	20.3%
Operation of historical sites and similar visitor attractions	£119	0.03%	15.2%	18.2%
<b>Total cultural sector *</b>	<b>£2,308</b>	<b>0.62%</b>	<b>6.7%</b>	<b>22.4%</b>

*Notes: there are some overlaps between creative and cultural sectors; \* estimates for Film, TV and Music and for Radio not currently available or shown, they are included in the totals for the cultural sector. Based on DCMS (2021c)*

- 1.11 Total GVA generated by the North's cultural sector rose from £1.7 billion to £2.3 billion between 2010 and 2019 (in nominal terms). Its share of total economic output in the North, however, remained pretty constant at around 0.6%. The North's share of the UK total economic output for the cultural sector has actually **fallen** over this period (from 7.1% to 6.7%)<sup>5</sup>; the region has, however, seen its share of UK less London sector output rise (from 20.6% to 22.4%). This reflects the increasing dominance of London in the value of output from the sector across the UK (as measured by GVA). A similar, but even more acute picture is true for the creative industries (the North's share of UK GVA fell from 10.8% in 2010 to 9.8% by 2019).
- 1.12 For 2019 (ie pre-pandemic) the overall total **employment** the cultural sector in the North (DCMS definition) was around 110,000 or 1.5% of all jobs in the region (compared to 0.6% of all GVA). The 64,000 employees in the sector represented 1.0% of all 6.34 million employees in the North; but the 49,000 self-employed were a rather larger share (4.6%) of all self-employed estimated for the North (1.06 million). Overall, cultural sector employment in the North accounted for 16.7% of the UK total. This share is roughly 3/4s the share of jobs across all sectors in the UK (22%).

<sup>5</sup> Although over this same period the North's total GVA in all sectors as a share of the UK fell from 19.6% to 18.8%

- 1.13 When using employment as a measure London appears far less dominant in the UK in the cultural sector. It accounted for 70% of all GVA generated in the sector in 2019 in the UK (and 75% of film/TV/music, 65% of artistic activity but 30% of museums, libraries education). However, London accounted for 33% of all jobs in the overall cultural sector in the UK. Therefore the mismatch in shares and roles is less stark when looking at jobs.
- 1.14 It follows, however, that GVA per job and average pay is very different between London and the rest of the UK/North. This reflects the much more important role of **private sector** cultural sector jobs and economic activity in London than the North. It should be noted that these productivity gaps are reflected in other sectors and across the economy. IPPR North’s State of the North 2020 report observes that *“regional disparities in productivity have been present for at least 150 years, and the gap between London and the South East and the rest of the UK has widened since the 1970s”*<sup>6</sup>.

### Heritage

- 1.15 Recent research work for Historic England<sup>7</sup> suggests that the heritage “sector” supported directly just over £3 billion of GVA and 50,000 jobs in 2019 in the North<sup>8</sup>. The estimate is derived by assessing the share in output for each sector of the economy accounted for by heritage activities. It is therefore a different approach to that used to estimate the economic output or employment in the cultural sector or creative industries and so not strictly comparable.
- 1.16 This estimated level of output was equivalent to 0.8% of all GVA in 2019 in the North. This is slightly below the share in England (0.9%). Estimated GVA per job at £56,000 in the North is similar to the average for the sector outside London<sup>9</sup> (£59,000).
- 1.17 There are estimates going back to 2011 for regional GVA and jobs in the heritage sector. The North's share of the total for England was 26% for jobs and 21% for GVA on average over the period (with a slight downwards trend). Over this 9 year period the share of the heritage sector in the North’s overall GVA has averaged around 0.8% with some annual fluctuations around this total.

<b>Box 1: The North’s heritage assets</b>			
The North has a rich history and heritage that support the heritage sector. The rich industrial heritage of the North has seen the repurposing of many other warehouse and mill buildings for a wide range of uses – cultural (eg Baltic Flour Mills, Dean Clough Mills, Albert Docks), as well as residential and commercial.			
The heritage assets provide an opportunity for investment in brownfield sites. Currently, there are some 700 mills that are vacant or underutilised that offer repurposing potential. Collectively, these mills offer circa 2.3 million sqm of vacant floor space; over 1.1 million sqm in Greater Manchester, 750,000 sqm in Yorkshire, and 400,000 sqm in Pennine Lancashire <sup>10</sup> .			
	The North	England	The North's share
Listed buildings	<b>69,703</b>	378,865	18.4%

<sup>6</sup> IPPR North (2020b)

<sup>7</sup> From Cebr (2019b). The estimates use a mixture of occupational employment data and sector employment and GVA data to try and assess the economic value of heritage at the level of England and also for its regions

<sup>8</sup> Note: this is the direct GVA and jobs and does not include multiplier effects

<sup>9</sup> In London, estimated GVA per job is much higher (at £118,000)

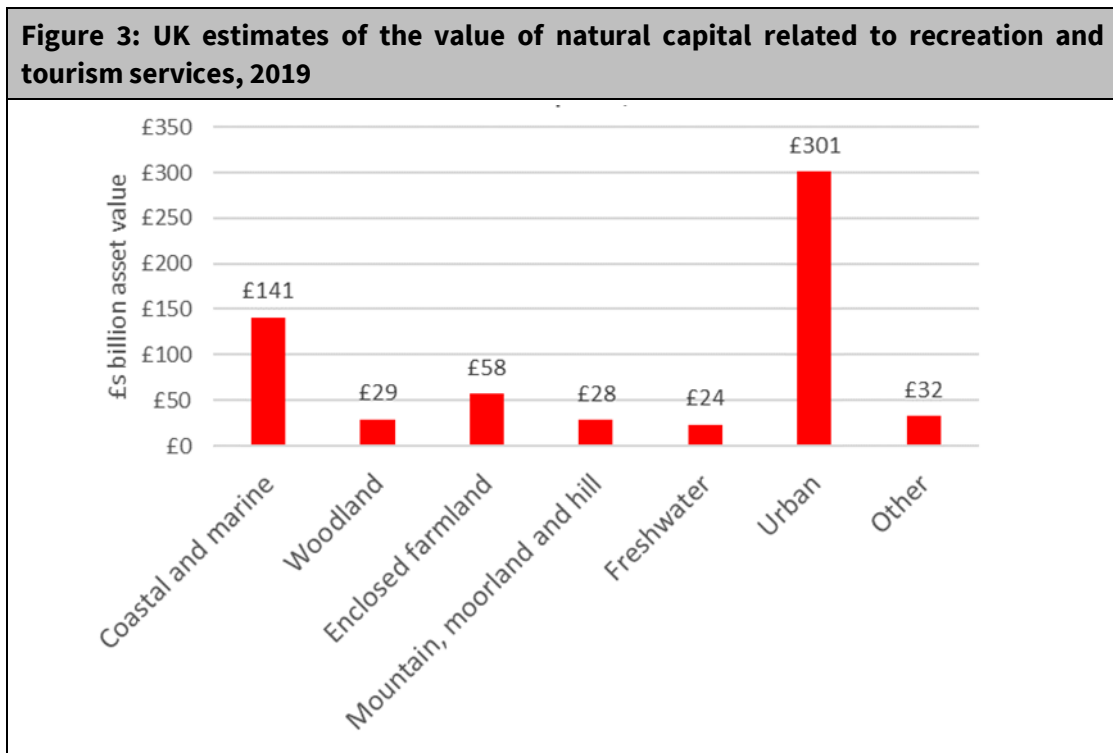
<sup>10</sup> Driving Northern growth through repurposing historic mills, Historic England (2021c)

Scheduled monuments	<b>5,365</b>	19,895	27.0%
Parks and gardens	<b>317</b>	1,670	19.0%
Battlefields	<b>17</b>	47	36.2%
World Heritage Sites	<b>6</b>	20	30.0%
Population (millions, 2019)	15.6	56.6	27.5%

Source: Heritage England (2021b)

**Nature**

- 1.18 There is no simple or generally accepted way of defining nature as an economic driver or sector. Economists have developed the concept of “natural capital” to measure the value of natural assets (such as woodland etc) based on the role these assets play in the support of eco-system services. However, this covers a very wide range of assets and roles.
- 1.19 In the Place strategy the focus is on the role of outdoor spaces (in towns, cities and the countryside) that are visited and used by people. This means focussing on their role as places to enjoy, rather than their role in food production or supporting carbon sequestration or biodiversity. In natural capital terms this represents a focus on their role in provision of “cultural services”<sup>11</sup>.
- 1.20 In the overall “cultural services” role of natural capital there are estimates of the contribution by type of “broad habitat”. Of these, “urban” habitats (parks, gardens etc) are the most important. This is of course because of their proximity and location of the majority of the UK’s population and are the places where more people regularly visit and exercise etc. This highlights the important role of **local nature/outdoors spaces, accessible to the population and improving accessibility to other spaces.**



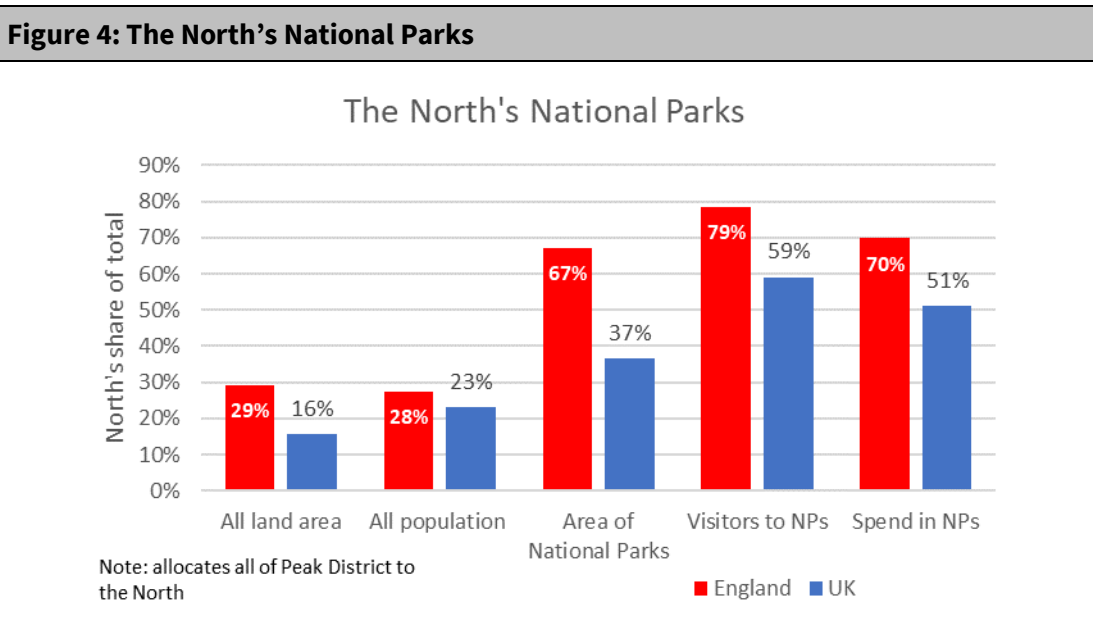
<sup>11</sup> The less tangible ‘quality of life’ benefits people receive through spiritual enrichment, recreation and aesthetic experiences from the natural environment. See ONS (2020b), UK natural capital accounts: 2020

Source: ONS (2020b), UK natural capital accounts. Note: these data or estimates are not yet available at a regional level

1.21 The North has some really key assets that are part of the UK’s natural capital. These include:

- Five of the UK’s 15 National Parks (Lake District, Peak District (in part), North York Moors, Yorkshire Dales and Northumberland), and seven AONBs.
- Around a fifth of the North’s land area covered by National Parks (8,000 sq.km), this is much higher than the rest of England or the average for the UK.
- Including the seven AONBs (which cover around 4,000 sq.km) overall around 33% of the North’s land area is in these two prime forms of designated landscapes (compare to 21% in the rest of England).
- Around 70% of all wetland areas in England, including 88% of all peatlands; 71% of all moor and heathland in England, 70% of all natural grasslands and 28% of all forest (including 51% of all coniferous forest); 31% of all water bodies (lakes, reservoirs etc); and 49% of all water courses (rivers, streams etc) in England<sup>12</sup>.
- The North is home to a huge proportion of open access land. Of the 855,000 hectares of land that are subject to a ‘right to roam’ in England, over three-quarters (77%) is in the North<sup>13</sup>.

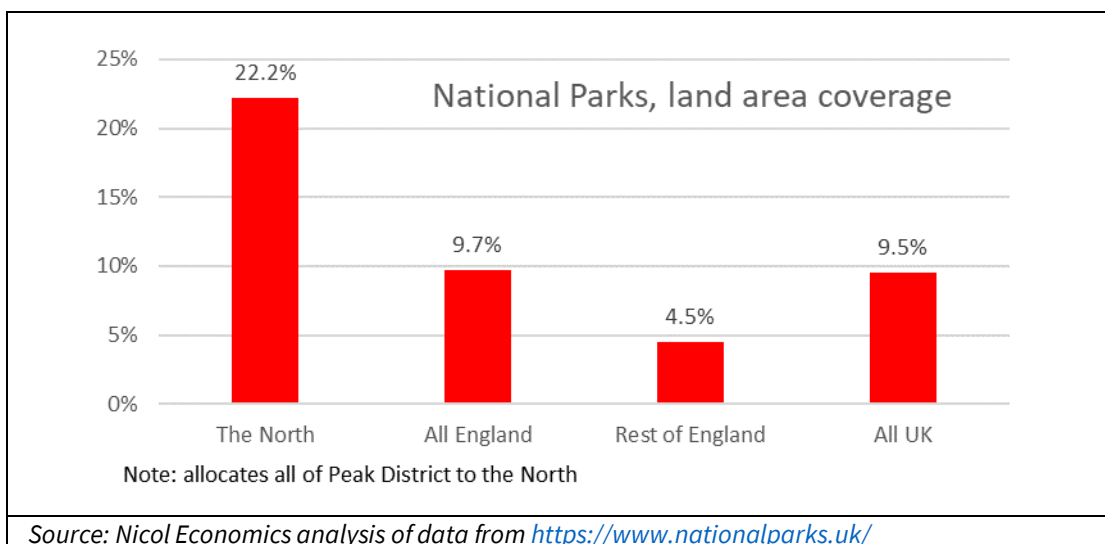
1.22 The North benefits from the proximity of its people to its natural assets. The major city regions of Liverpool, Sheffield, Leeds, Greater Manchester and Newcastle are all situated close to land covered by a National Park, or an AONB.



<sup>12</sup> IPPR North (2020a)

<sup>13</sup> IPPR op cit





### The pandemic

- 1.23 The **pandemic** has had a profound impact on the sectors across the UK and also in the North. It has hit the arts/entertainment sector and the accommodation and food sector particularly hard. During 2020/21, at a UK level these sectors saw their output fell by 34% and 54% respectively compared to the 10% overall for the whole economy. In 2020, total domestic tourism spend fell by 59% compared to 2019, international inbound tourism by 81% and total tourism GVA (based on tourism satellite accounts by an estimated 63%<sup>14</sup>).
- 1.24 At its peak (April/May 2020) across the UK, 89% of all staff working in the arts, entertainment and recreation sector were furloughed (and 94% in accommodation and food services), compared to 31% across all sectors. It is only since May 2021 that furlough rates started to fall appreciably in these sectors.
- 1.25 These changes will have applied to the North largely as for the UK, although the North has, historically, received relatively little international inbound tourism spend so will have been less affected than some other parts of the UK (particularly London).
- 1.26 Both sectors were therefore very badly impacted by Covid-19 and have been some of the hardest hit and last to recover. Many arts, culture and heritage bodies and businesses have major “Covid hangers” in terms of weakened cashflow and balance sheets or reserves. A recent estimate is that over 400,000 jobs are expected to be lost in the creative industries sector across the UK in the wake of Covid-19, including 287,000 freelance contracts<sup>15</sup>.
- 1.27 The pandemic has impacted on the ability of the public sector to maintain heritage assets. The National Lottery Heritage Fund’s 2021 assessment of local authority support needs finds that “*the pandemic has deeply affected the provision of heritage services and the management of heritage assets by local authorities*”<sup>16</sup>.

<sup>14</sup> UK Tourism Scenario Forecasts by (Oxford Economics, 2021), prepared for the UK Tourism Recovery Plan, DCMS (2021b)

<sup>15</sup> The Impact of Covid-19 on Jobs in the Cultural Sector - Creative Industries Policy and Evidence Centre (PEC) (2021)

<sup>16</sup> National Lottery Heritage Fund (2021)

- 1.28 The pandemic has also had other impacts on places in the North. In particular, it has intensified all aspects of previous shifts in the role of **high streets** (for instance as identified in the 2013 and 2018 Grimsey reviews). There has been a marked increase in online shopping and escalation of retail businesses falling into administration, as noted by<sup>17</sup>. At the same time, the lockdowns have seen a rise in the preference for local shopping, and fewer store closures in smaller town centres<sup>18</sup>.
- 1.29 There is an important **intersection between arts/culture, heritage and the high street**. Recent Arts Council England’s research<sup>19</sup> notes a marked contrast between the contraction in high street retail with the persistence in the high street presence of culture. It found that 75% of buildings used by arts and culture organisations (including ACE National Portfolio Organisations, Sector Support Organisations and Music Education Hubs) are either on or within a five-minute walk of a high street in England, and 90% are within a fifteen-minute walk<sup>20</sup>.
- 1.30 High Streets and town and village centres across the North are integral to place identity and deeply interconnected with cultural heritage, provision and expression. ACE research found that 69% of people think that culture on their high streets make their place a better place to live<sup>21</sup>.
- 1.31 Whilst work for Heritage England identified that for 69% of commercial occupiers “*historic buildings give a positive image to customers and clients*”. In addition, it found that between 2012 and 2018 the number of Listed Buildings used for branded food and drink retail rose by 173%; and the number of Listed Buildings with branded retailers rose by 154%<sup>22</sup>.
- 1.32 On a more positive note the impact of the pandemic has been a reconnection and greater use of (and awareness of) the North’s residents with its **green and open spaces**.

### The opportunity

#### Box 2: Arts and cultural sectors - scale of underfilled potential

Although the North’s art, culture and heritage sectors are large and in many respects successful, overall the area punches below its weight. We have carried out a what if exercise to see the potential prize if, over time, the North’s arts and cultural sectors performed closer to their potential. The estimates based on 2019 values are that:

- **Modest** uplift scenario - £310 million in extra direct GVA or a 0.1% overall uplift in the North’s overall GVA. (North’s GVA per job in the sector moves to the average levels outside London).
- **Ambitious** uplift scenario - £960 million in extra direct GVA or a 0.3% overall uplift. (North closes gap on best performing region outside London in terms of GVA per job).
- **Transformational** uplift scenario - £1,710 million in extra direct GVA or a 0.5% overall uplift. (North captures a significant share of current UK GVA including output from London, or generates extra GVA).

<sup>17</sup> See for instance, [Store Openings and Closures](#) – PWC (2021)

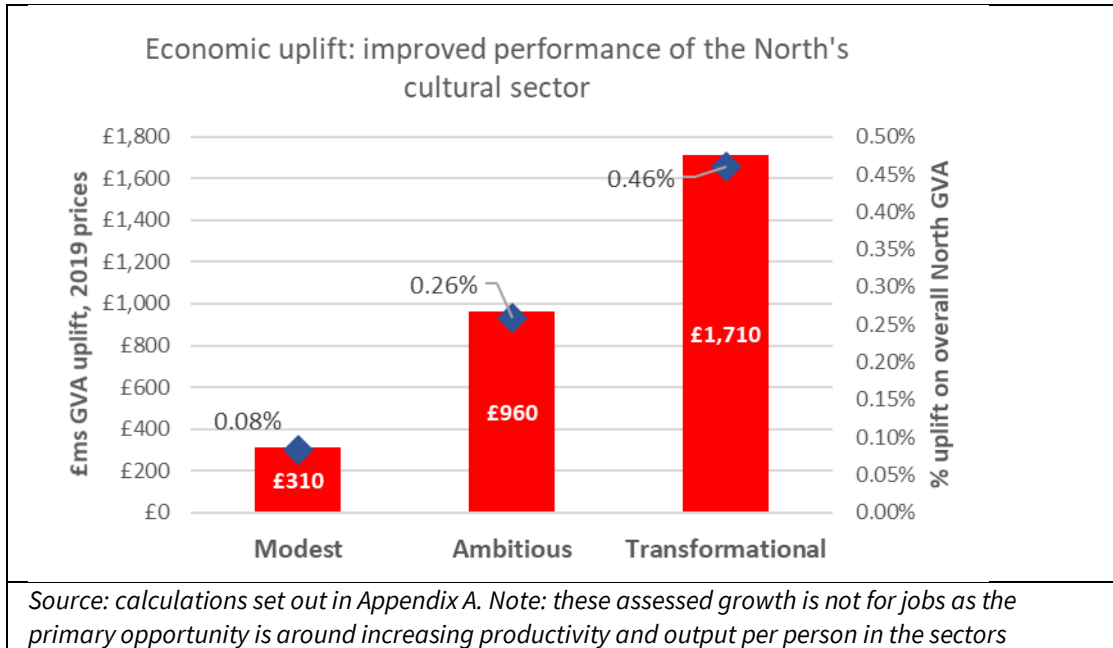
<sup>18</sup> *ibid*

<sup>19</sup> A High Street Renaissance ACE (2021)

<sup>20</sup> ACE (2021)

<sup>21</sup> ACE (2021)

<sup>22</sup> Historic England (2018)



### Wider role in the UK of the North's places and place sectors

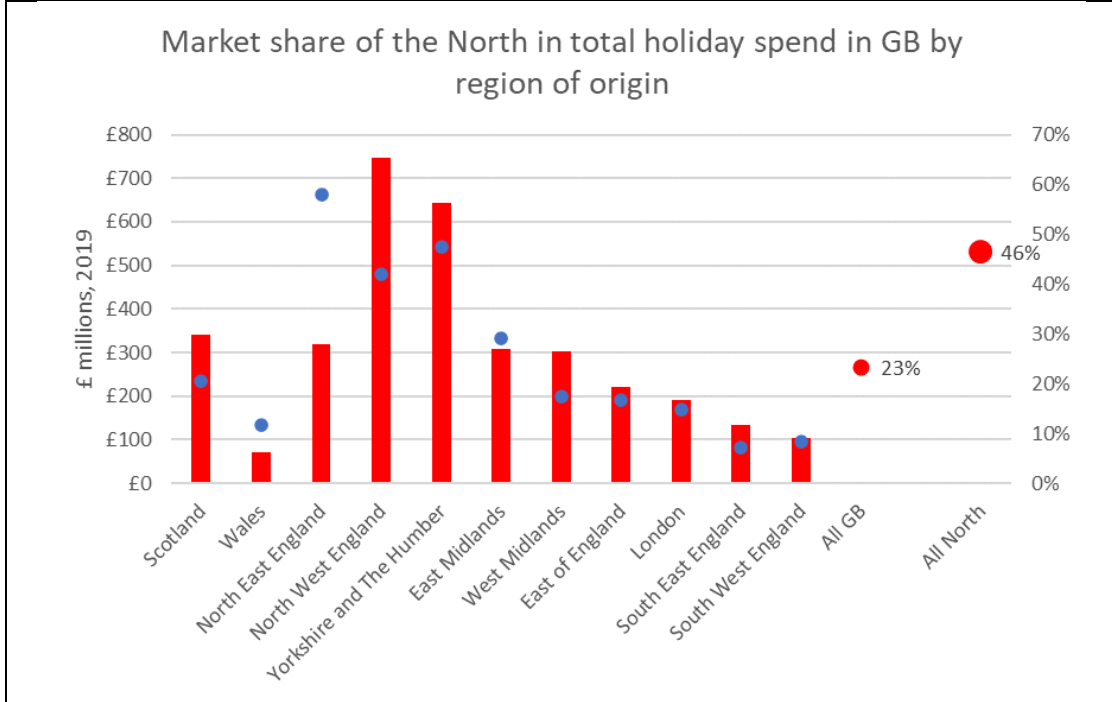
- 1.33 The previous section has focussed on the narrow directly measurable assessment of the economic role of place sectors in the North's economy. The North's places play a **much wider role** than this: people chose to visit the North's places (and so spend money and receive benefits). This is reflected in day trips to "consume" the North's places (primarily by residents of the North), domestic UK tourism (overnights stays in the North for holiday reasons) and international inbound tourism into the North. This is of course offset by residents from the region travelling elsewhere in the UK or abroad for holidays.
- 1.34 During 2019 (ie pre-pandemic) the North experienced:
- 390 million day trips for tourism purposes generating (or 25 trips a year or roughly one every two weeks per head of population) total spend of £17.2 billion in the region<sup>23</sup>.
  - 20 million domestic (ie UK resident) tourism trips, generating £3.4 billion in spend in the North - although the North's residents spent an estimated £1.7 billion in the rest of the UK on holidays.
  - 1.65 million international (inbound) tourism trips generating an estimated £850 million in spend - the North's residents spent an estimated £10.8 billion on holiday trips abroad in 2019.

<sup>23</sup> The Great Britain Day Visitor 2019 Annual Report. Tourism day trips are a subset of all leisure day trips. The World Tourism Organisation (UNWTO) defines a Tourism Day Visit as a same day visit taken for leisure purposes outside of the participants 'usual environment'.

<b>Table 2: Tourism spend, the North, £bns, 2019</b>						
£bns 2019	All UK	London	All UK less London	In the North	All areas outside North	All areas outside North and London
INTERNAL: UK residents holiday spend in the UK*	£14.47	£1.12	£13.35	<b>£3.38</b>	£11.09	£9.97
% share by area	100%	8%	92%	<b>23%</b>	77%	69%
INBOUND: overseas holiday tourism spend in the UK	£13.26	£8.24	£5.02	<b>£0.85</b>	£12.41	£4.17
% share by area	100%	62%	38%	<b>6%</b>	94%	31%
OUTBOUND: est. UK resident overseas holiday spend by region of residence	£45.73	£5.18	£40.54	<b>£9.76</b>	£35.97	£30.78
% share by area	100%	11%	89%	<b>21%</b>	79%	67%
<i>Source: analysis of UK tourism statistics by Nicol Economics. * Note: excludes all VFR spend</i>						

- 1.35 The North plays an important role as a place that **UK residents** (including the North’s own residents) visit on holiday. In 2019, as a destination, the North accounted for 23% of all spend by GB residents on domestic holidays (leaving 77% or £11.1 billion spent in the rest of GB). This was made up of:
- £1.7 billion by the North’s residents which was spent in the North itself (or 45% of the total £3.7 billion spend on domestic tourism by the North’s residents)
  - £1.7 billion by residents from the rest of GB (or 15% of their total spend in GB).
- 1.36 So, in market terms, the single most important market sources of domestic tourism in the North is actually visits and spend by the **North’s own residents**. The market share of the North is significantly lower in other parts of the UK (for instance under 10% of spend by residents of the South East and 100% for all four southern regions together) (see Figure 5).
- 1.37 There are a variety of reasons for visits to the North. These include its towns and cities, its cultural activities (including sports and leisure) and its countryside. The region has strong shares of visits and spend to towns/cities, small towns and the countryside (less so the seaside where the South West is a more important destination) (see Table 3).

**Figure 5: Market share of the North in UK domestic tourism spend, 2019**



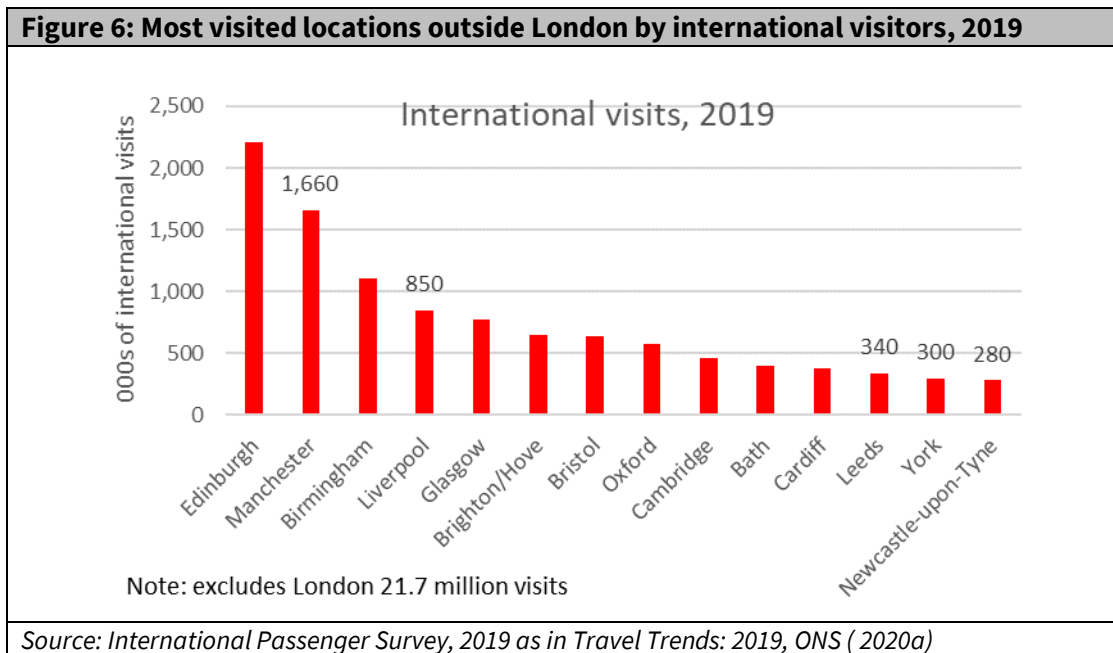
Source: Nicol Economics analysis of the 2019 Great Britain Tourism Survey accessed by <https://www.visitbritain.org/about-gbts-and-gbdvs>. Note: the data is for holiday spend and so excludes business tourism and visiting friends and relatives

**Table 3: North's role in UK domestic tourism - Holidays, 2019**

All holiday	Total	Seaside	City/ large town	Small town	Countryside/ village
Spend, £ms					
North East	£575	£173	£242	£62	£96
North West	£2,136	£364	£848	£408	£484
Yorkshire and Humber	£1,372	£344	£558	£204	£260
<b>All North*</b>	<b>£4,083</b>	<b>£881</b>	<b>£1,648</b>	<b>£674</b>	<b>£841</b>
Share of England	29%	21%	32%	32%	35%
Share of GB	23%	16%	26%	23%	26%
Trips, millions					
North East	2.9	0.7	1.3	0.4	0.5
North West	10.0	1.8	4.4	1.7	2.3
Yorkshire and Humber	7.3	1.6	3.1	1.3	1.6
<b>All North</b>	<b>20.2</b>	<b>4.2</b>	<b>8.9</b>	<b>3.5</b>	<b>4.4</b>
Share of England	28%	23%	32%	26%	35%
Share of GB	22%	17%	26%	20%	26%

Note: \* excludes business trips and VFR not for holiday reasons, but does include VFR mainly holiday (c. £700 million of spend in 2019), which is why the total is larger than the £3.4 billion in Table 2

- 1.38 The North has historically only received a small share of total **UK inbound tourism** visits and spend. The silver lining from this is that it has been less impacted by the dramatic fall in inbound tourism during 2020 and 2021 into the UK than many other areas.
- 1.39 In 2019, there were 5.3 million staying visits over 36 million nights by international visitors in the North spending £2.6 billion (9% of the UK total and 44% of the UK total spend less London). Of these, 1.65 million visits and £850 million of spend (6% of the UK total) was linked to holiday trips. Spend per trip in the North was below average for areas outside London<sup>24</sup>, mainly because the average trip was shorter. However, the North has some of the most visited places outside London.



**The new staycation opportunity**

- 1.40 A positive effect of Covid-19, has been the re-focus of the UK’s residents on the tourism offer and opportunities **within the UK**. This has benefited many parts of the UK during some of 2020 and in the summer and autumn of 2021; but it has particularly benefited outdoors destinations (seaside and countryside). The gradual ease on domestic travel restrictions contributed to a boost in domestic tourism and a re-emergence of the already growing trend in so-called “staycations”.
- 1.41 For example, despite national trends to the contrary, Cumbria was able hit 100% hotel occupancy in the summer months of 2020 (albeit at reduced capacity due to social distancing)<sup>25</sup>. Across the North, average room and bed occupancy rates had by August 2021 returned to close to 2019 levels (whereas for England as whole they had dropped considerably) and average revenue per room had risen by 15% to 30% compared to 2019 (see Table 4).
- 1.42 Visit Britain reported a rise of 10% in visits per week to ‘an outdoor park or scenic area’ across each of the UK lockdowns, rising to 48% of respondents by the third wave lockdown in December 2020.

<sup>24</sup> See data in Table A3, Appendix A

<sup>25</sup> UK Tourism Recovery Plan – DCMS, 2021

<b>Table 4: Staycation and Covid effect: tourism sector performance August 2019, 2020, and 2021</b>						
Area/ type of destination	August	August	August	Change 21 on 19		
	2019	2020	2021	Absolute	%	
<b>Occupancy rate</b>						
NE	78	53	82	<b>4</b>	5%	
NW	80	50	73	<b>-7</b>	-9%	
YH	81	53	80	<b>-1</b>	-1%	
England all	82	47	71	<b>-11</b>	-13%	
England - city /large town	82	44	69	<b>-13</b>	-16%	
England - countryside	79	75	80	<b>1</b>	1%	
<b>RevPAR (revenue per available room)</b>						
NE	£45.4	£30.6	£59.2	<b>£13.8</b>	30%	
NW	£56.1	£30.6	£63.3	<b>£7.3</b>	13%	
YH	£53.5	£33.1	£67.4	<b>£13.8</b>	26%	
England	£79.1	£33.7	£66.1	<b>-£13.0</b>	-16%	

*Source: Visit England (2021)*

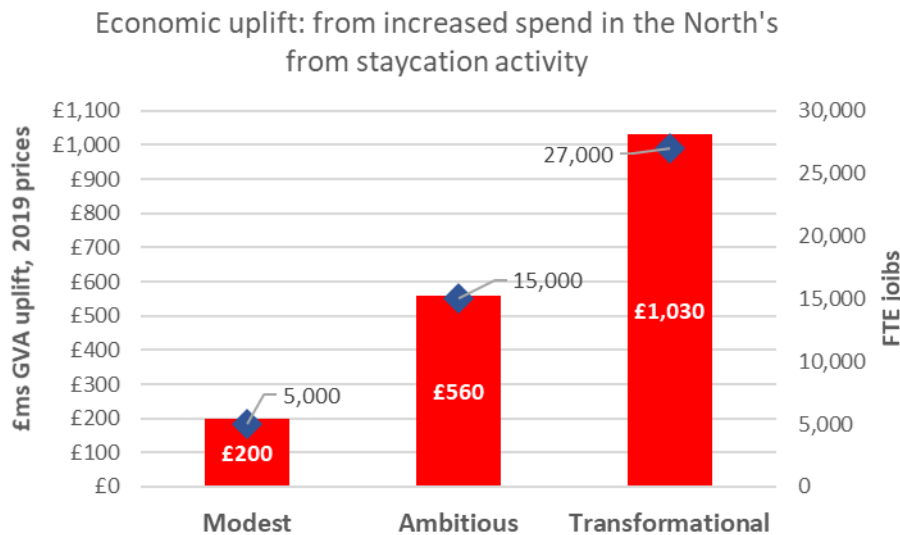
1.43 Domestic UK day visit spend was forecast to recover to its pre-pandemic baseline by the close of 2021, whilst domestic overnight spend was forecast recover to 87% of 2019 levels during this time<sup>26</sup>. The experience of the last couple of years has demonstrated that there is a considerable **staycation opportunity** in the North: whether capturing UK domestic holiday spend or from “clawed back” and so lower levels of outbound tourism visits and spend captured in the region.

<b>Box 3: Staycation underfilled potential - a larger and more successful visitor economy in the North</b>
<p>We have carried out a “what if” exercise to see the potential prize if, over time, the North was able to capture more of the internal, inbound and or outbound holiday/tourism spend. The estimates suggest that based on 2019 values:</p> <ul style="list-style-type: none"> <li>• A <b>modest</b> ambition scenario would be to increase the North’s share of pre-pandemic levels of UK domestic tourism spend (both from the rest of the UK and the North’s residents). A 2.5% increase in market share by spend from residents from the rest of the UK and 5% increase for the North’s residents would increase: (1) spend by around £440 million (10% of combined UK and international holiday tourism spend in 2019); (2) direct GVA supported by around £200 million; and (3) jobs by around 5,300 FTEs.</li> <li>• A much more <b>ambitious</b> scenario would be to persuade/ encourage fewer UK resident to holiday abroad and spend time and money in the North (ie increase overall staycation spend). A clawback of 5% of the North’s resident 2019 overseas tourism/holiday spend (£1 In every £20) and 2% of every resident elsewhere (£1 in every £50) would increase: (1) spend by around £1.2 billion (29% of combined UK</li> </ul>

<sup>26</sup> UK Tourism Recovery Plan – DCMS, 2021

and international holiday tourism spend in 2019<sup>27</sup>); (2) direct GVA supported by around £560 million; and (3) jobs by around 14,700 FTEs.

- A truly **transformational** scenario would include both these previous uplifts (from capturing more existing UK domestic spend and clawing back UK spend abroad), plus increase the level of international tourism spend in the region (by closing 25% of the gap on average spend per trip on England less London and the North in 2019, so raising spend per trip by 25% from £515 to £630). Overall, this would increase: (1) spend by around £2.2 billion; (2) direct GVA supported by around £1,030 million; and (3) jobs by around 27,000 FTEs



Source: calculations set out in Appendix A

1.44 Such a level of extra tourism spend (and associated visitor numbers) would have a range of wider economic and social benefits beyond these direct impacts on GVA and jobs (on top of the typical multiplier effects):

- First, the spend would help support the sustainability, range and choice of artistic, heritage and cultural attractions/ organisations as well as entertainment/ accommodation facilities by increasing visitors, spend and audiences (to the benefit of visitors and residents alike);
- Second it would provide new opportunities for a range of new businesses; and
- Third, it would help raise the profile of the North for future investment or people considering relocating.

1.45 However, substantial increased visitor numbers to the North will bring some clear challenges:

<sup>27</sup> This increase sounds large but the increase would be around just 5% on top of total tourism spend including day trips in the North



- The majority of UK domestic tourism trips are by car (in 2014 72% of trips and 76% of spend was in trips where the main mode of transport was the car<sup>28</sup>). Hence, an increase in tourism activity in the North is likely, unless mitigated, to increase congestion, air pollution and other issues associated with car travel (although the net impact on carbon emissions is likely to be positive as international air travel is reduced).
- The experience of the summer of 2021, in particular, with the increase in visitors to the North’s attractive outdoor locations (whether inland or coastal especially in the National Parks and AONBs) was that significant extra pressure were placed on what are, often sensitive and fragile locations. This requires extra resources in active visitor management, education and mitigation – for instance improving and repairing visitor infrastructure such as footpaths.
- There are opportunities for better management and to encourage the use of green travel options for the North’s residents as well as visitors from the rest of the UK and overseas<sup>29</sup>.

### Wider role of place in the future economy of the North

- 1.46 Place factors play an important role in where people choose to live and work, alongside other key factors such as the availability of job/career opportunities, education and cost of living.
- 1.47 How does the North perform as a place to live? It is of course dangerous to make generalisations about an area as large and diverse as the North. The evidence suggests that there is, on average, a slightly higher level of belonging of residents in the North than the rest of England. However, this is coupled with a slightly lower satisfaction with their local area. The lower levels of satisfaction with local areas as a places to live is closely linked to the local level of deprivation (which is more concentrated in the North).
- 1.48 In a 2018 survey run by YouGov for the BBC, the proportion of people who positively identified “the landscape” as a key factor in their sense of belonging to where they live was significantly higher for those living in the North than in other English regions<sup>30</sup>.
- 1.49 This **sense of belonging**, sense of place and civic pride is intrinsically connected to culture. In a 2021 survey for Arts Council England, 68% of people in the North – more than any other area in the country – said that culture makes them proud of where they live.<sup>31</sup>

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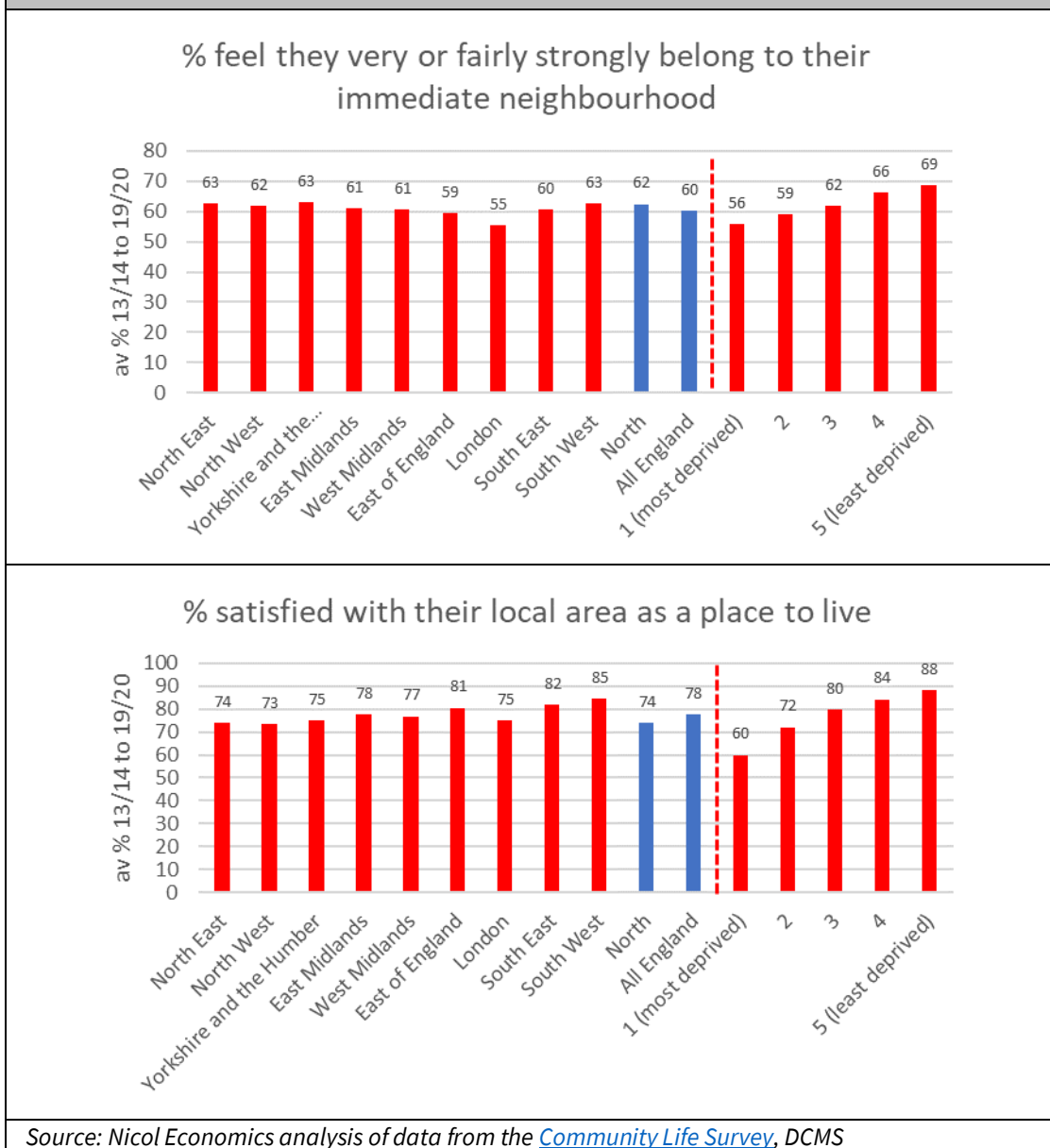
<sup>28</sup> Transport and Domestic Tourism, Visit England, March 2016

<sup>29</sup> As discussed in TfN (July 2021)

<sup>30</sup> *English Identity* – YouGov Survey for the BBC, 2018

<sup>31</sup> *A High Street Renaissance* – Arts Council England, 2021

**Figure 7: Satisfaction with place in the North**



1.50 The North has faced a long term challenge of attracting and retaining talent, not because of the quality of its places, but due to economic factors. The 2020 Social Mobility Commission found continuance of a net and gross North-South flow in UK internal migration, “largely due to migration by young, educated graduates”. The Commission’s report identifies a lack of high-skilled jobs as a specific driver, observes that “people want to remain in local areas; however, the lack of opportunities and infrastructure pushes them out”.<sup>32</sup>

<sup>32</sup> [Moving Out to Move On](#) – UK Social Mobility Commission, 2020

## Remote Working

- 1.51 The ‘remote working’ practices necessitated by the Covid-19 pandemic and lockdowns have resulted in very significant shifts to established live/work patterns, with widespread adoption of virtual meeting platforms and the current emergence of hybrid methods. In June 2020, 88% of employees said that they would like to continue working from home in some capacity after social distancing measures are relaxed, while 47% wanted to work at home ‘often or all of the time’<sup>33</sup>.
- 1.52 These shifts in working patterns have resulted in a greater flexibility in decisions around living and housing locations, having formerly been driven in many cases by proximity to workplaces. In its 2021 analysis of the UK commercial property market, KPMG reports that “*the reduced requirement for physical office space will make companies more flexible about their base. Locations will need to offer more to attract both companies and people to their area. Those that succeed will be likely to have a range of cultural assets as well as easy access to green space, which will serve to boost the quality of living in the area*”.<sup>34</sup>
- 1.53 PWC has projected that the number of people living in London will fall by more than 300,000 in 2020/21 to a record low of 8.7 million, representing the first annual drop in the population of the capital since 1988<sup>35</sup>.
- 1.54 This shift provides a **potential major opportunity** for the North to attract and retain talent. This involves drawing on the quality of its places and its wider offer to attract those knowledge sector workers who have a greater choice on where they live compared to their official place of work, or are able to serve and meet clients remotely.
- 1.55 The potential prize from the benefits of remote working will however only be realisable if the quality of digital connectivity can keep pace with the need and be available to a high standard across all the North’s places. There are parts of the North, especially its rural areas, which lag behind in term of connectivity.

## Wider role of place in health and well-being

- 1.56 Place, linked to culture and green space, plays another important role in relation to health and well-being. The Heritage Fund’s 2019 ‘Spaces to Thrive’ report finds that “*physical health, mental wellbeing and life satisfaction are all enhanced through access to and use of parks and green spaces*”<sup>36</sup>. The report sets out a range of social and economic benefits, including individual and collective wellbeing, and social integration, and recommends enhanced management of parks and green spaces to optimise these benefits.
- 1.57 The report finds too that “parks and green spaces highlight inequalities in society”, noting reduced access to parks and green spaces in areas of lower income and a risk of people from minority ethnic backgrounds facing marginalisation and discrimination in terms of access to green space<sup>37</sup>.
- 1.58 On some measures, the North is well-endowed with green space overall and it tends to be relatively accessible. However, Despite the North’s large natural assets, distribution and

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<sup>33</sup> Recovering Places Report - IPPR North for NP11, 2020

<sup>34</sup> The Future of Towns & Cities, post Covid-19 – KPMG,2021

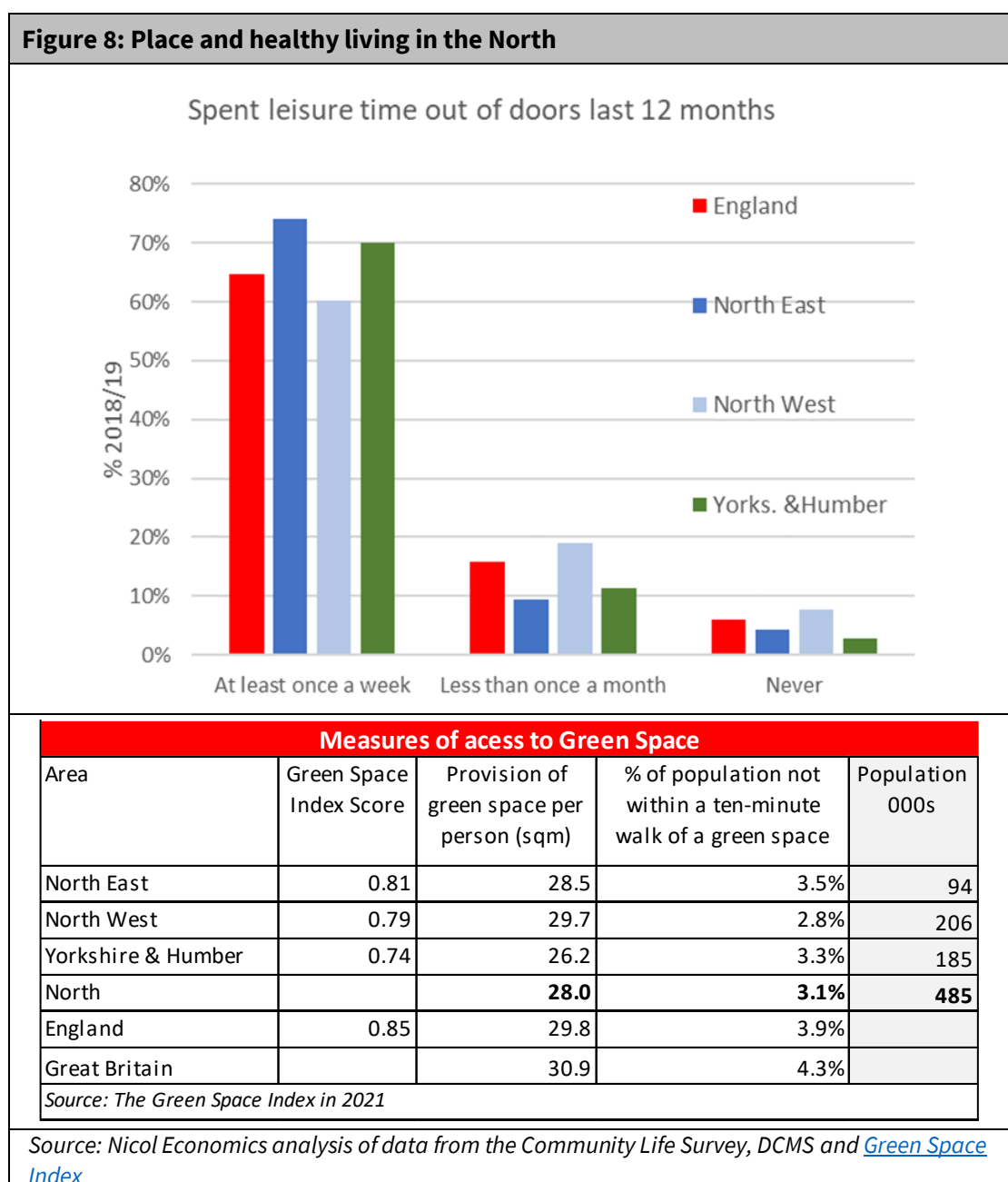
<sup>35</sup> Annual Report 2021 – PWC, 2021

<sup>36</sup> [Spaces to Thrive](#) – National Lottery Heritage Fund, 2019

<sup>37</sup> *ibid*

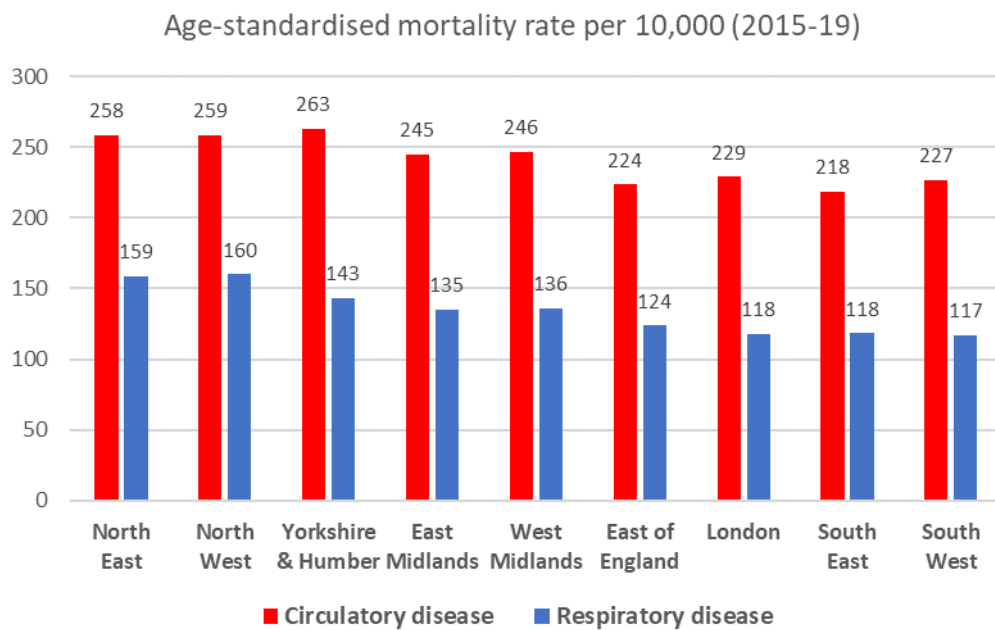
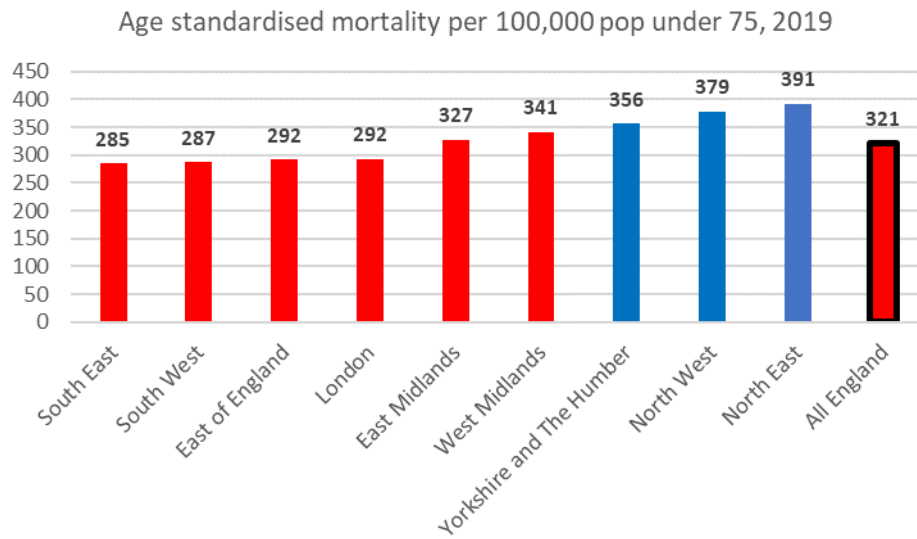
access to greenspace remains unequal, with lower access in lower income areas<sup>38</sup>. Around half a million people in the North have no accessible green space within ten minutes’ walk of their home (see Figure 8) .

1.59 Overall, data on the regularity of using the outdoors varies across the North but is in line with England averages. However, on many measures the North has serious and worse than average health issues that could be tackled by better connecting residents to the outdoors (see Figure 9 for overall mortality rates and for respiratory and circulatory diseases that benefit from exercise).



<sup>38</sup> [Space to Thrive report, January 2020](#)

**Figure 9: Place and healthy living in the North**



Source: [Health Profile for England, 2021](#), Public Health England

**Box 4: Place and wider well-being in the North**

There are no simple metrics or ways of measuring the role of place in supporting the health and well-being of the North's residents. This is an area where further work is needed. Better management of, provision of and connection to the North's outdoor spaces would and could help tackle a number of issues. These include:

- The overall physical health gap with the rest of England
- Mental health and well-being issues

There are complex reasons for these differences shown in Figure 9; more research is needed to establish the actual and potential role of place and better places in the health and wellbeing of the North.

## Appendix A: Background on targets

### Greater productivity in arts and culture sector

- 1.60 The following table shows how the total GVA in the arts/culture sector in the North could be transformed, either by an increase in GVA per job in the sector (as a result of more productive/higher value activity) or an increase in the share.

<b>Table A1: SCALE OF POTENTIAL PRIZE in GVA TERMS FROM STRONGER CULTURAL SECTOR</b>					
Extra GVA in North (based on 2019 values and prices)		% uplift	PRIZE £ms pa		As % of overall current North GVA
SCALE OF AMBITION			Est. £ms	Rounded	
BASELINE			£2,308	£2,310	
MODEST	1. North GVA per culture sector job = rest of UK less London	11%	£260	£260	0.1%
	2. North GVA per culture sector job = rest of UK less London and North	15%	£347	£350	0.1%
	3. North culture sector GVA to average per all jobs in the economy Rest of UK less London	17%	£397	£400	0.1%
	4. North culture sector GVA to average share of Rest of UK less London	10%	£227	£230	0.1%
	<b>Average of these</b>		<b>£308</b>	<b>£310</b>	<b>0.1%</b>
AMBITIOUS	1. North GVA per cultural sector job rises to highest outside London (Eastern)	34%	£788	£790	0.2%
	2. North GVA per culture sector job closes 25% of the gap on the UK average	38%	£869	£870	0.2%
	3. North gains 5% of the current GVA generated across the cultural sector in London (£24.3 billion)	53%	£1,215	£1,210	0.3%
	<b>Average of these</b>		<b>£957</b>	<b>£960</b>	<b>0.3%</b>
TRANSFORM-ATIONAL	1. North gains 10% of the current GVA generated across the cultural sector in London	105%	£2,429	£2,430	0.7%
	2. North GVA per job closes 50% of the gap on the UK average	75%	£1,737	£1,740	0.5%
	<b>Average of these</b>		<b>£1,708</b>	<b>£1,710</b>	<b>0.5%</b>

*Notes: value in 2019 in £s billions of total North GVA all industries = £371.5 billion; comparison data shown in Table A2*

- 1.61 The baseline data drawn from DCMS estimates are as follows:

<b>Table A2: Baseline GVA pr job, 2019</b>			
Area	GVA per job, £000s		
	Culture sector	All sectors	Culture to all sectors
North	£20.4	£50.2	41%
UK	£51.2	£58.9	87%
UK less London	£22.7	£53.5	42%
UK less London and the North	£23.5	£54.7	43%
Eastern region	£27.4		

*Sources: DCMS Sectors Economic Estimates - Regional Gross Value Added (GVA), August 2021, and DCMS Sectors Economic Estimates, Employment in DCMS sectors, April 2020*

### Increased visitor spend

1.62 The baseline data is in Table A3. Internal UK tourism spend is drawn from the Great Britain Tourism Survey; inbound (international) tourism spend is drawn from the International Passenger Survey and the online tool via Visit Britain. The estimates on outbound spend is derived from two sources:

- The total spend abroad is derived from Travel Trends for 2019 (ONS) and is spend by UK residents travelling abroad for holidays; this is 70% of the total spent by UK residents abroad
- The regional shares is derived from an analysis of the Family Spending Survey Workbook 3 - Expenditure by Region<sup>39</sup> this enables an estimate of the average amount per household and total households by region to estimate the overall share of UK outbound leisure travel spend.

<b>Table A3: BASELINE TOURISM SPEND DATA</b>						
<b>£bns 2019</b>	All UK	London	All UK less London	All in the North	All areas outside North	All areas outside North and London
<b>BASELINE</b>						
<b>INTERNAL:</b> UK residents holiday spend in the UK	£14.47	£1.12	£13.35	£3.38	£11.09	£9.97
% share by area	100%	8%	92%	23%	77%	69%
<b>INBOUND:</b> overseas holiday tourism spend in the UK	£13.26	£8.24	£5.02	£0.85	£12.41	£4.17
% share by area	100%	62%	38%	6%	94%	31%
<b>OUTBOUND:</b> UK resident overseas holiday spend by region of residence	£45.73	£5.18	£40.54	£9.76	£35.97	£30.78
% share by area	100%	11%	89%	21%	79%	67%

<sup>39</sup> Table A35, Detailed household expenditure by countries and regions, UK, financial year ending 2018 to financial year ending 2020



1.63 Table A4 considers scenarios for the North capturing greater shares of internal UK holiday spend (based on 2019 data). It considers spend by residents of the North elsewhere in the UK and spends by residents outside the North elsewhere in the UK and possible shifts in market shares (based on the pre-pandemic spend patterns). The conversion of spend to GVA is based on an assumed ratio of 46% and GVA to FTE jobs based on an average of £38,000 per FTE job<sup>40</sup>.

<b>Table A4: POTENTIAL PRIZE INTERNAL: Share of UK residents holiday spend in the UK</b>						
	% points change	Market share		Spend in the North £bns	Direct GVA £bns	Direct Jobs (FTEs 000s)
Market share/spend in the North from UK residents <b>OUTSIDE</b> the North (2019)						
Baseline/current		<b>15.5%</b>		<b>£1.67</b>	<b>£0.77</b>	<b>20.3</b>
<i>Increase share by:</i>	2.5%	18.0%		£0.27	£0.12	3.3
<i>Increase share by:</i>	5.0%	20.5%		£0.54	£0.25	6.6
<i>Increase share by:</i>	7.5%	23.0%		£0.81	£0.37	9.9
Current market share/spend in the North from UK residents <b>INSIDE</b> the North						
		<b>46%</b>		<b>£1.71</b>	<b>£0.79</b>	<b>20.9</b>
<i>Increase share by:</i>	5.0%	51.4%		£0.17	£0.08	2.0
<i>Increase share by:</i>	7.5%	53.9%		£0.25	£0.11	3.0
<i>Increase share by:</i>	10.0%	56.4%		£0.33	£0.15	4.1

1.64 Table A5 considers the possibilities from the North either capturing a greater share of inbound tourism spend (or potential attracting different visitors altogether to the UK. This is down by considering increases in the average spend per trip, which in 2019 was significantly below the UK average in the North. Such an increase would come either from greater dwell time in the region of increased spend per day.

<b>Table A5: POTENTIAL PRIZE INBOUND: Increase share of overseas holiday tourism spend in the UK</b>						
	North £s/trip	UK £s/trip	England less North and London £s/trip	Spend in the North £bns	Direct GVA £bns	Direct Jobs (FTEs 000s)
Market share/spend in the North from International tourists						
Baseline/current (2019)	£515	£784	£986	<b>£2.63</b>	£1.21	<b>32.0</b>
<i>Increase average spend per trip to average</i>						
	Amount gap closed	Uplift in spend per trip	Spend per trip to the North	Total extra spend £bns	Direct GVA £bns	Direct Jobs (000s)
Close gap on UK spend per trip	25%	13%	£582	£0.34	£0.16	<b>4.2</b>
	50%	26%	£649	£0.68	£0.31	<b>8.3</b>
	75%	39%	£717	£1.03	£0.47	<b>12.5</b>
	100%	52%	£784	£1.37	£0.63	<b>16.7</b>

<sup>40</sup> Both based on previous analysis of Cumbria Tourism jobs spend data by Nicol Economics.

<b>Table A5: POTENTIAL PRIZE INBOUND: Increase share of overseas holiday tourism spend in the UK</b>						
	North £s/trip	UK £s/trip	England less North and London £s/trip	Spend in the North £bns	Direct GVA £bns	Direct Jobs (FTEs 000s)
Close gap on spend per trip for England excluding London and the North	25%	23%	£633	£0.60	£0.28	<b>7.3</b>
	50%	46%	£751	£1.20	£0.55	<b>14.6</b>
	75%	69%	£868	£1.80	£0.83	<b>22.0</b>
	100%	91%	£986	£2.40	£1.10	<b>29.3</b>

1.65 Finally, Table A6 considers the possibilities from the North playing a greater role in capturing the potential increased staycationing spend in the UK. This is both from encouraging the North’s residents to substitute overseas for North based holidays, and similarly for residents in the rest of the UK.

<b>Table A6: POTENTIAL PRIZE OUTBOUND: Divert UK holiday tourism spend abroad to the North</b>						
Overseas holiday spend £bns in 2019) by	Residents of the North	Residents of the rest of the UK	All UK	Total extra spend £bns	Direct GVA £bns	Direct Jobs FTEs (000s)
Baseline/current (2019)	£9.8	£36.0	£45.7			
Clawback international holiday spend by <b>residents of the North</b>	2.5%			£0.24	£0.11	<b>3.0</b>
	5.0%			£0.49	£0.22	<b>5.9</b>
	7.5%			£0.73	£0.34	<b>8.9</b>
	10.0%			£0.98	£0.45	<b>11.9</b>
Clawback international holiday spend by <b>residents of the rest of the UK</b>		1.0%		£0.36	£0.17	<b>4.4</b>
		2.0%		£0.72	£0.33	<b>8.8</b>
		3.0%		£1.08	£0.50	<b>13.2</b>
		4.0%		£1.44	£0.66	<b>17.5</b>

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