Investing in Success

05/03/2010

A new report published today, commissioned by the Heritage Lottery Fund (HLF), reveals for the first time the scale of the heritage tourism industry in the UK, estimating its gross domestic product (GDP) contribution to be £20.6billion.

The research establishes that the sector makes a bigger contribution to UK GDP than the advertising, car manufacturing or film industries. These findings highlight the importance of continued investment from leisure, culture and heritage budgets in supporting tourism and its ability to help with post-recession recovery.

Building on work carried out for VisitBritain, the report, Investing in success: Heritage and the UK tourism economy, demonstrates that heritage is a major motivation behind the tourism expenditure of both overseas and domestic visitors. It shows that the heritage tourism sector, including historic buildings, museums, parks and the countryside, directly supports an estimated 195,000 full-time equivalent (FTE) jobs.

Jenny Abramsky, Chair of HLF, said: “We now have the figures to prove that heritage packs a substantial economic punch. Last year, domestic and overseas holiday visitor numbers grew as the wider UK economy was shrinking. Our museums, historic sites and landscapes, are proving to be an immense and essential attraction, bringing in new visitors and boosting local economies. As we all look to economic recovery, we must keep investing in heritage tourism so that it continues to flourish, bringing with it key economic benefits”.

Key points in the research report

- Over 10 million holiday trips are made by oversees visitors to the UK each year with 4 in 10 leisure visitors citing heritage as the primary motivation for their trip to the UK – more than any other single factor
- Heritage tourism is a £12.4bn a year industry. This is the annual amount spent not just at heritage attractions themselves (e.g. the cost of entrance to a historic site or in a museum shop) but also the broader amount of spending that can be reasonably said is ‘motivated’ by the desire to visit heritage attractions (e.g. visiting a restaurant or staying at accommodation)
- Domestic tourism or the ‘staycation’ is the main component of this expenditure; of the annual £12.4billion spent on heritage-based tourism, 60% comes from UK residents on day trips and UK holidays
- £7.3billion of heritage expenditure is based on visits to built heritage attractions and museums, with the bigger £12.4billion including visits to parks and the countryside as well
- The direct GDP contribution of heritage tourism – the wages and profits earned by tourism businesses, such as hotels, restaurants and shops, as well as heritage attractions themselves – is estimated at £7.4bn a year*. Once economic multiplier impacts are added – such as the income earned by suppliers to tourism businesses – the total GDP contribution of heritage tourism is £20.6bn a year**
- Tourism has the potential to be one of the fastest growing sectors of the economy over the next decade, and the appeal of heritage will be vital to that growth.

Sandie Dawe MBE, Chief Executive of VisitBritain commented: “This new HLF report is very welcome. Heritage tourism is the UK’s 5th largest industry. Our heritage economy is vibrant and a crucially important part not just of the £114billion visitor economy but of our local, regional and national economies as well. VisitBritain’s research in 32 countries around the world reveals that our core strength as a visitor destination is our heritage, history, pageantry and culture.”

Simon Thurley, Chief Executive of English Heritage, added: “HLF’s current report successfully demonstrates the importance of heritage tourism to the UK economy. In times of economic difficulty, heritage tourism has proven its enduring popularity. As we come out of recession, we must continue to build on this positive position.”

The report has been endorsed by other leading heritage organisations including National Trust, Museums Libraries and Archives Council, Scottish Natural Heritage, Broads Authority and the Association of Independent Museums.

HLF has invested £4.4billion in the UK’s heritage since 1994. Over the past five years, the organisation has carried out extensive research into the impacts of completed projects including a series of visitor surveys and economic-impact case studies. The research has shown that:

- visit numbers typically increase by more than 50% following an HLF-funded project
- 88% of visitors rate the value for money of HLF’s investment as either ‘good’ or ‘excellent’
- an estimated 32,000 jobs have been sustained in the tourism sector as a direct result of HLF funding
- every £1million of HLF funding leads to an increase in tourism revenues for regional economies of £4.2million over 10 years.

Detailed HLF case studies, including Croome Park (Worcestershire), Kelvingrove Art Gallery and Museum (Glasgow), Bit Pit National Coal Museum (Blaenavon), De La Warr Pavilion (Bexhill-on-Sea) and Locomotion, the National Railway Museum (Shildon), are available within the report.

Notes to editors

Reasoning and Methodology
In 2009, HLF commissioned economic consultancy Oxford Economics to undertake a detailed analysis of the heritage-based UK tourism sector. The analysis looked at the extent to which tourism visits and expenditure are motivated by heritage. From this analysis, the researchers were able to estimate the contribution that heritage tourism makes to the UK’s economic output, and the employment impact of heritage tourism.

HLF reviewed a random sample of 62 projects that completed between 2004 and 2007.

* Based on analysis undertaken for Visit Britain on the relationship between tourism expenditure and GDP.

** Includes both ‘supply’ and ‘income’ multipliers, and incorporates tourism industry investment.

Roundtable discussion
On Thursday 4 March 2010, HLF hosted a roundtable discussion at VisitBritain with key representatives from the heritage sector, government, the tourism industry, business and the media to discuss the HLF report findings.

It was attended by:
Dame Jenny Abramsky, Chair, Heritage Lottery Fund
Carole Souter, Chief Executive, Heritage Lottery Fund
The Rt Hon Margaret Hodge MBE, Minister of State for Culture and Tourism
Sandie Dawe, Chief Executive, VisitBritain
Robin Broke, Director, Association of Leading Visitor Attractions (ALVA)
Bill Ferris, Chair, Association of Independent Museums
Roy Clare, Chief Executive, Museums, Libraries and Archives (MLA)

Dr. Stephen Johnson, Chair, Broads Authority
Ian Lush, Deputy Chair, Heritage Alliance
Dr. Michael Dixon, Director of the Museum, Natural History Museum
Sandy Nairne, Director, National Portrait Gallery
Mark Pemberton, Director of Properties and Outreach, English Heritage
Ben Cowell, Assistant Director of External Affairs, National Trust
Kurt Janson, Director of Policy and Administration, Tourism Alliance
Paul Raynes, Prgramme Director, LGA
Peter Aspden, Arts Correspondent, Financial Times
Sharon Heal, Editor, Museums Journal

Heritage Lottery Fund – Over the past 15 years, using money raised through the National Lottery, HLF invested £4.4 billion in around 34,000 projects right across the UK. From museums, parks, traditional skills and historic places to archaeology, the natural environment and species, we invest in every part of our diverse heritage.

HLF has funded 8 of England's top 10 most popular attractions, 21 of the UK's 25 World heritage Sites and 14 National Parks.

Further information

Natasha Ley or Alison Scott, HLF Press Office on 020 7591 6143 / 6032 or natashal@hlf.org.uk / alisons@hlf.org.uk.