



Credit: Coventry City of Culture



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Coventry City of Culture 2021

Implementing the Culture and Heritage Capital Approach
Workshop 3

Cost Benefit Analysis Framework

March 2022





Context

- CCoC 2021 Social Cost Benefit Analysis (CBA) compliant with HM Treasury (HMT) guidance
- Revised HMT Green Book issued December 2020. Greater emphasis on:
 - Place-based impacts local employment and productivity
 - Distributional impacts equivalised income approach
 - Equalities in line with Equality and Human Rights
 Commission
 - Environmental cost of carbon (costs/benefits)
- ▶ DCMS Valuing Culture and Heritage Capital: A framework towards informing decision making (January 2021)





INVESTMENTS

UK CoC 2021

ACTIVITIES

social and economic issues

Infrastructure

Public and Private

Technology

Investments

Key Partners

Community and **Public Stakeholders**

Staff

Volunteers

Developing arts and cultural

initiatives that further key

Supporting young people and others to play an active role in governance and decision making

Developing strong working relationships with key partners and stakeholders

Developing initiatives targeted at specific protected groups

Working with communities and stakeholders to develop arts and culture events for UK CoC 2021

Employing professional artists to work with communities to co-create core elements of the programme

Developing initiatives that have influence beyond Coventry and UK CoC 2021

OUTPUTS

Programmes, planning and production of events involving Coventry communities

Outreach activities in the community

Model of co-creation established

Participation by underrepresented groups

Targeted representation of citizens of the city in cultural leadership and programming

Human resource capacity development in the cultural sector in Coventry

Distribution of 2021 events across Coventry

Increased investment in city projects as a result of UK CoC 2021 profile

Environmentally responsible programming

Combined arts and health initiatives developed in the city and region

Arts and cultural events involving physical activity and other health and wellbeing activities

International cultural exchanges and partnerships

Increased attraction as a destination choice

Coventry's CoC devolved and outcome led model shapes local, regional and national cultural policy making and funding

Needs based model for cultural delivery and planning

Evidence based decision making

Use of 5G & immersive technology in cultural initiatives

OUTCOMES

Increase in civic pride

Community led production and programming increases cultural participation and activism

Cultural leadership and programming reflects and represents the citizens of

There is increased understanding, accessibility and provision of career routes into the cultural and creative sector

Cultural engagement is geographically dispersed across the city

Cultural sector activity makes economic, environmental, social, health and wellbeing targets for the city and the region

Coordinated cultural sector capacity and infrastructure is building a sustainable and resilient sector

Investment in culture accelerates inward investment and economic growth in the region

Collaborative national and international cultural programming increases Coventry and the region's global presence

Coventry's innovative & diverse cultural life, increases local, national and international tourism to the region

Coventry's model of culture led lacemaking influences regional and ational policy making

Coventry is recognised as a pioneering model of culture-led inclusive growth

Increased data generation and capture leads to well-informed civic and cultural planning and decision making

Cultural programming is environmentally responsible and promotes environmental awareness

The city makes and develops creative cultural and civic uses of 5G and immersive technology

IMPACTS

COVENTRY CITIZENS POSITIVELY INFLUENCE AND SHAPE THE CITY THEY WANT TO LIVE IN

COVENTRY'S CULTURE CONTRIBUTES TO THE SOCIAL AND ECONOMIC PROSPERITY OF THE CITY AND REGION

COVENTRY IS A GLOBAL AND CONNECTED CITY

COVENTRY IS RECOGNISED AS A FUTURE FACING PIONEERING CITY

UK CoC 2021

Programme*	Expenditure			
Build up programme	£1,680,000			
2021 Programme	£23,600,000			
Marketing and PR	£3,400,000			
CoC Trust staffing and on costs (excl secondments)	£5,622,955			
Overheads and research	£1,906,850			
Volunteering programme (City Hosts)	£750,000			
Contingency	£720,195			
	£37,680,000			

Source: Coventry CoC 2021 Bid document; * Excludes partner contributions

Projected Economic Impact	Expenditure			
Programme*	£61,360,000			
Research	£2,000,000			
Heritage and Cultural Capital	£64,800,000			
Direct Hotel Construction	£14,000,000			
Cultural and Creative SME growth	£5,000,000			
Tourism impact of 2021	£106,915,698			
Tourism impact of build-up and 2022	£95,731,193			
Total	£349,806,891			

Source: Coventry CoC 2021 Bid document; * Excludes partner contributions



2021 Events and activities Programme - examples:

- ✓ Coventry Glides Cathedral Ruins
- ✓ Turner Prize Herbert Art Gallery and Museum
- ✓ Window Wonderland + Artist On My Street
- ✓ Try it! Art and Stitch Workshops
- ✓ Arts Industry Visits

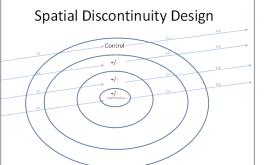


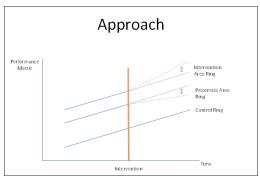
CCoC 2021 CBA - approach

- Clear analytical CBA framework
- Clear typology of impacts (costs/benefits)
- Clear methodological approach
 - Data assembly/collection
 - Mixture of monetised and qualitative (textual)
 - Triangulation of methods (e.g., Travel Cost and Spatial Discontinuity)
 - Benefits transfer (e.g., contingent valuation and subjective wellbeing)



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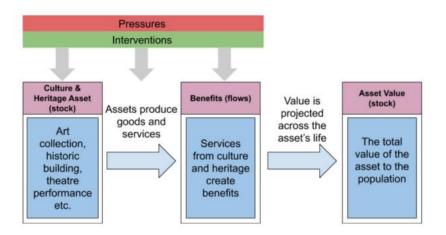


Clear Analytical Framework



- CCoC 2021 combines investment in cultural and heritage assets and funding for events (services)
- Core Cultural and Heritage CBA Framework will combine asset (stocks and Flows) and consumption services (flows) analyses
- Stocks and flow analysis will consider use and non-use values
- Externalities will also be included (e.g. positive including potential placemaking effects and negative effects such as congestion and carbon effects)

Framework for valuing Culture and Heritage assets



Clear Analytical Framework



Contextual factors and external influences



Cultural and Heritage Assets (Stocks)

Historic Environment

- Drapers Hall
- · Burges; Whitefriars Gate; Priority Row
- Charterhouse
- · St Mary's Guildhall

Landscapes - historic in a natural environment

- London Road cemetery
- Cathedral and ruins
- Coventry Canal

Heritage Collections

- · Herbert Art Gallery and Museum
- Sculptures; other collections?

Performance and Performance venues

- Belgrade Theatre; Albany Theatre
- Warwick Arts centre
- Other theatres; cinema, concert hall, dance, festivals, music Digital assets
- · Virtual/online collections

Creative Organisations

· SMEs; Freelancers; Enablers; Portfolio organisations

Cultural and Heritage Services

- · City hosts volunteering
- Training programmes apprenticeships; management and leadership
- Programme of exhibitions and events Turner Prize;
 Coventry Biennial 2021; WOS21: Random String Festival Light
 Night Art Walk; Coventry Glides



CCOC 2021 Interventions (Inputs and Activities)

Benefits (Flows)

Goods and services from cultural and heritage assets create benefits:

Economic

- · Tourism demand (visitors) and expenditure
- Employment
- · Skills and training opportunities
- Agglomeration
- · Innovation including new technology
- Social enterprise
- Increased productivity
- Investment including inward investment and increased trade

Environment/Place

- Travel
- · Air quality/greenhouse gases
- Vitality and attractiveness
- Placemaking/Property values
- Civic Pride; place identity; sense of belonging

Social - human capital

- Education
- Social skills and personal development
- Volunteering
- · Health and wellbeing
- · Diversity within the workforce

Social - social capital

- Social cohesion and cooperation
- Shared values and Trust

Social - cultural and heritage benefits

- Inspiration; creativity
- Happiness
- · Improved quality of life
- · Knowledge/history

Value

conomic

- Productivity more productive jobs (wage premiums); agglomeration; product market competition; private investment (producer surplus); innovation and ideas
- Land value uplift
- · Placemaking and wider land value uplift
- Employment (labour supply) effects

Environmental

- Travel costs and benefits (WTP; pollution)
- Air quality and greenhouse gases cost of carbon
- Built/historic environment heritage benefits
- Natural capital/biodiversity

Social

- Welfare/wellbeing use and non-use (contingent valuation; subjective wellbeing; WEMWBS)
- Volunteering (shadow wages; subjective wellbeing)
- Health physical and mental (QALY)
- · Distributional impacts (equivalised income)

Public Account

- · Cost to Cultural budget
- · Indirect tax revenues



Clear impact framework

- Developing a detailed Evaluation Summary Table (EST) for COCC 2021
- Summarising key impacts and sources/guidance
- Developing a matrix applying the EST framework to the assets/services associated with the CCOC 2021 Programme



Cultural Intervention Impacts								
e e	S1	Welfare/wellbeing - use						
	S2	Welfare/wellbeing - non-use/existence						
	S3	Accessibility - Generalised Travel Costs (individuals)						
	S4	Transport - Active mode						
	S5	Volunteering						
Social	S6	Health - physical activity and mental wellbeing						
	S7	Education/Skills - welfare/wellbeing						
	S8	Placemaking - wider land value uplift (Hedonic pricing)						
	S9	A menity impacts						
	S10	Distributional Impacts (Marginal Utility of Income - equivalised distributional income)						
	Ec1	Productivity - Agglomeration (static or dynamic clustering)						
	Ec2	Productivity - Product market competition (output change in imperflectly competitive markets)						
	Ec3	Productivity - Private investment (producer surplus)						
	Ec4	Productivity - Idea flows/innovation/R&D						
S	Ec5	Productivity - Labour supply impacts						
Economic	Ec6	Productivity - Movement to more (or less) productive jobs (wage premium)						
Ë	Ec7	To urism - additional national added value						
	Ec8	Land Value Uplift						
	Ec9	Employment (labour supply) effects						
	E c 10	Productivity - Education/Skills						
	Ec11	Accessibility - Generalised Travel Costs (businesses)						
-	En1	Transport costs						
Environmental	En2	Air quality and greenhouse gases						
	En3	Built/historic Environment - heritage benefits						
Env	En4	Natural capital/bio diversity						
olic	P a 1	Cost to public sector budget - capital and revenue (gross and net)						
Public Accounts	Pa2	TaxImplications						

Mapping Impacts and CCoC Activities



Cultural Intervention Impacts		Coventry City of Culture 2021 Investment:								•	
			Historic Environment	Natural Environment	Heritage Collections	Performance and Performance Venues	Digital Assets	Creative organisations	City Hosts	Training programmes	Exhibitions and events
	S1	Welfare/w ellbeing - use	✓	✓	✓	✓	✓				✓
	S2	Welfare/w ellbeing - non-use/existence	✓	✓	✓	✓	✓				✓
	S3	Accessibility - Generalised Travel Costs (individuals)	✓	✓	✓	✓					✓
	S4	Transport - Active mode	✓	✓	✓	✓					✓
ज	S5	Volunteering	✓	✓	✓	✓		✓	✓		✓
Social	S6	Health - physical activity and mental w ellbeing	✓	✓	✓	✓					
o,	S7	Education/Skills - w elfare/w ellbeing								✓	✓
	S8	Placemaking - wider land value uplift (Hedonic pricing)	✓	✓	✓	✓					
	S9	Amenity impacts	✓	✓	✓	✓					✓
	S10	Distributional Impacts (Marginal Utility of Income - equivalised distributional income)	✓	✓	✓	√	√	✓	✓	√	√
	Ec1	Productivity - Agglomeration (static or dynamic clustering)				✓					✓
	Ec2	Productivity - Product market competition (output change in imperflectly competitive markets)				✓					✓
	Ec3	Productivity - Private investment (producer surplus)				✓					✓
	Ec4	Productivity - Idea flows/innovation/R&D				✓	✓	✓			✓
Bic	Ec5	Productivity - Labour supply impacts				✓					✓
Economic	Ec6	Productivity - Movement to more (or less) productive jobs (wage premium)				✓		✓			✓
	Ec7	Tourism - additional national added value	✓	✓	✓	✓					✓
	Ec8	Land Value Uplift				✓					✓
	Ec9	Employment (labour supply) effects				✓		✓			✓
	Ec10	Productivity - Education/Skills								✓	
	Ec11	Accessibility - Generalised Travel Costs (businesses)	✓	✓	✓	✓					
tal	En1	Transport costs	✓	✓	✓	✓					✓
Environmental	En2	Air quality and greenhouse gases	✓	✓	✓	✓					✓
ron	En3	Built/historic Environment - heritage benefits	✓								
Env	En4	Natural capital/biodiversity		✓							
Public	Pa1	Cost to public sector budget - capital and revenue (gross and net)	✓	✓	✓	√	√	✓	✓	√	√
Pul	Pa2	Tax Implications	√	√	✓	✓	✓	√	✓	✓	✓





- The evaluation will address a broad range of questions
- Many of the methods will provide evidence to inform the CBA
- Economic and econometric analysis will include testing counterfactual impact analyses using spatial discontinuity approach

Evaluation questions	Trust/Creative Industries financial data	Performance Monitoring Data (CRM)	Secondary data sources	Primary data surveys	Case studies with SMEs and CW10	Stakeholder interviews	Economic and econometric analysis	Cost Benefit Analysis
Economic Uplift to the City		✓	✓	✓	✓	✓	///	✓
Achievement of objectives – tourism; investment; cultural and creative industries	✓	///	✓	√ √	/ /	/ /	//	√
Distribution of impacts	✓	√√	√√	√√	✓	✓	√√	
Unanticipated outcomes		✓		√√	√√	√√		
SME impacts		√√	✓	√√	///	✓		
CW10 impacts	11				///	√√		
Was CoC 2021 a beneficial investment (VfM)	√√	√ √	/ /	///	√	√ √	///	/ / /
Wider banofits			✓	√√	√√	√ √		V
What worked well/lessons				√√	√ √	√√		
Culture-led inclusive growth	✓			√√	√ √	√√	√√	

EST Framework – CCOC 2021



- Developing a detailed Evaluation Summary Table (EST) for COCC 2021
- Summarising key impacts and sources/guidance
- Bringing together all key evaluation evidence into a single table
- Set out Benefit Cost Ratios (BCR) and Net Present Social Value (NPSV)
- Present other factors that cannot reliably be monetised
- Provides a key input into the overall judgement on value for money

Exar	Example Evaluation Summary Table (2021/22 prices, £m)					
		CCoC2021 Programme				
Α	Present Value Benefits	£xxm				
В	Present Value Costs / (Surplus)	£xxm				
С	Net Present Social Value [A-B]	£xxm				
D	Benefit-Cost Ratio [A/B]	X.X:X				
E	Significant Non-monetised impacts					
F	Value for Money	BCR ratiosNPSV				