



**E R S**

Research and Consultancy

# **Economic Impact Toolkits for Archives, Libraries and Museums**

## **Final Report**



Milburn House Dean Street Newcastle upon Tyne NE1 1LE  
T. 0191244 6100 F. 0191 244 6101 E. [newcastle@ers.org.uk](mailto:newcastle@ers.org.uk)

Also in Bristol, Carlisle and Leicester

W. [www.ers.org.uk](http://www.ers.org.uk)

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## EXECUTIVE SUMMARY

ERS was appointed by ALMA-UK in September 2010 to analyse economic impact methodologies for archives, libraries and museums and to utilise these to inform the development of economic impact toolkits with the potential to be rolled out across the sector.

The toolkit development approach has focused on maximising usability and usefulness, providing a tool that can be used by an individual within the sector but also allow for aggregation more widely. A recurrent theme for identifying a tool has been to balance effort against benefit; in delivering these aims there are inevitably compromises that need to be made, comprehensiveness of assessment and capturing the full scale of social returns are two such compromises.

### ***Methodological Approach***

Following an inception meeting, the Study Team commenced a comprehensive desk research process which included a review of over 60 economic impact reports sourced by ALMA-UK and supplemented by ERS (See Appendix 3 and 4 for details). The review sought to assess the scale and quality of information, the transferability and complexity of the approaches used and the likely intensity of resource demanded in terms of data gathering and associated data analysis.

The research also incorporated analysis of toolkits already in existence (not merely limited to impact or those within the archives, libraries and museums sector) to assess the relative merits of the various approaches adopted.

ERS supplemented the desktop research through consultation with 19 stakeholders identified by ALMA-UK from each of its representative sectors with a focus on identifying:

- The kind of evidence relevant to economic impact studies that is already being collected by organisations;
- The feasibility of obtaining any additional relevant information required for a economic impact toolkit; and
- The form of toolkit most suitable for completion.

The findings from the above elements were disseminated in a progress session held with the full ALMA-UK group in November 2010 and with the ALMA-UK Economic Impact Working Group in December 2010.

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### ***Economic Impact Approaches***

There are a wide range of approaches that have been applied to assess economic impact of the sector which have been broadly categorised under four areas that were deemed most suitable for further consideration as part of this research:

- ***Multiplier Analysis*** – associated with capturing the scale and geographical pattern of expenditure impacts and applying ***multipliers*** to reflect the second and third round spending associated with these;
- ***Contingent Valuation*** – assesses the values associated with user and non-users' willingness to pay to continue accessing a service or the willingness to accept if the service were to cease;
- ***Return on Investment*** – seeks to obtain a ratio of benefit of availability of a service against the cost of providing that service utilising a combination of user value, user costs and multiplier techniques; and
- ***Economic Valuation (Cost-benefit analysis)*** – a streamlined return on investment approach focussed on economic values of services against the cost of the provision of those services.

Table A, overleaf, provides an overview of the benefits and risks of each of the methodological approaches in relation to developing a toolkit capable of aggregation within the archives, libraries and museums sector.

Whilst Contingent Valuation was explored in greater detail as an approach, it was subsequently felt that despite being the approved approach within central government for assigning non-market values, the challenges and complexity of obtaining non-user values would negate its effectiveness in a toolkit format of the nature demanded for this sector.

| <b>Table A: Overview of the Benefits and Risks of Methodological Approaches</b>   |   |
|---|---|
| <b>Multiplier Analysis</b>  |   |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Relatively straightforward approach that is widely recognised</li> <li>▪ Popularity of approach has led to the establishment of recognised benchmarks that can be applied instead of undertaking complex elements (e.g. the multiplier)</li> <li>▪ The approach can be delivered on an organisational and aggregate basis</li> </ul>  | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Rather narrow in focus, overlooking social impacts</li> <li>▪ Best suited to those organisations that generate significant visitor related impacts</li> <li>▪ Attribution and displacement elements of approach are often overlooked or can cause confusion</li> </ul>  |
| <b>Contingent Valuation</b>   |   |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ A means to capture value placed on non-marketed goods and services</li> <li>▪ An effective way of capturing intrinsic value</li> <li>▪ A useful approach where a relatively similar service is on offer across organisations (e.g. libraries)</li> <li>▪ After an initial resource outlay through a user and no-user survey, benchmarks can be established for aggregation</li> </ul> | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Demands extensive survey consultation</li> <li>▪ The survey approach and the concepts of attributing value can be difficult to grasp amongst respondents and may cause confusion. The current political context heightens the risk of confusion</li> <li>▪ Defining the parameters of the non-user population and consulting with them is fraught with difficulty</li> <li>▪ Not suited to subsectors where there is a uniqueness of offer (e.g. museums and archives)</li> </ul>   |
| <b>Return on Investment</b>   |   |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Enables the greatest breadth of activity to be captured through the assignment of user values to the services on offer</li> <li>▪ The approach avoids the need to capture non-user perceptions</li> <li>▪ Can capture the perceived value of more socially-orientated activities</li> </ul>   | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Demands an extensive user survey to ensure that the breadth of services and the range of individual investment is effectively captured</li> <li>▪ Demands a large sample size to enable any form of aggregation to take place</li> <li>▪ Provides challenges in aggregation due to the likely diversity of user travel and time costs which are largely dependent on the community that the facility serves</li> <li>▪ The costing of alternatives can be a challenging concept and is largely impossible for museums and archives</li> </ul> |
| <b>Economic Valuation</b>   |   |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Straightforward approach that avoids the need to capture non-user perceptions</li> <li>▪ Provides an approach that can be applied to a toolkit relatively easily once the user values are obtained</li> <li>▪ Is particularly useful in areas where the service on offer is relatively similar (libraries)</li> </ul>   | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Is an adaptation on the use of market valuations – an approach with limited use in the UK</li> <li>▪ Demands a large sample size to capture user values for the diversity of services on offer</li> </ul>   |

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### **Stakeholder Feedback**

A number of key trends emerged from consultation with key representatives of organisations across the archives, libraries and museums sector. All organisations consulted tended to collect at least a proportion of the data required to inform an economic impact assessment although not necessarily in the required format, level of detail or to a required degree of statistical robustness.

The key issue raised by a consensus of those interviewed was a requirement for those involved in generating the relevant data to know and understand **what** data they need to collect, **when** they need to collect it and, crucially, **why** they are collecting it including clarity on what value **they** will gain from the exercise.

Linked to the above axioms, stakeholders frequently highlighted a scarcity of resources (time and personnel) as the main barrier to greater participation in economic impact assessments. In this regard, where the data required to complete a toolkit could be aligned to existing or forthcoming framework or performance measurements, this would both boost participation and reduce the degree of frustration faced when completing multiple and/or very similar data collection exercises.

### **Capturing Social Returns**

The consultation exercise confirmed the breadth, scale, scope and quality of the activity coordinated and delivered through archives, libraries and museums which is social in nature.

From fostering civic pride, complementing wider regeneration activities, enhancing social and community cohesion, delivering education programmes to supporting health initiatives, the sector(s) contribute significantly to social outcomes. Accordingly there was an inherent desire to capture these impacts and to highlight the spectrum of impact which many organisations contribute to and support in conjunction with partners.

### **Toolkits**

Stakeholders were also asked about their knowledge and use of economic impact assessment toolkits and their preferred format of a toolkit. The overwhelming majority of those consulted were in favour of an electronic document, with the process being simple and straightforward yet robust. Ideally, the toolkit would be complemented by in-built or accompanying guidance to support timely and accurate completion.

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### ***Proposed Approaches for the Sector***

In considering approaches to assessing the impact of activities delivered through archives, libraries and museums a number of factors should be borne in mind:

- The critical balance of relative simplicity of approach alongside robustness of outcome;
- The flexibility (as outlined within the stakeholder feedback) to undertake assessment at organisational and aggregated level;
- The need, where possible to tie the collection of data in with existing reporting, benchmarking or accreditation processes;
- The ability to capture the scale of socially-oriented activities being delivered by each organisation;
- The flexibility of approach to enable participants to primarily undertake the assessment electronically alongside the potential to complete in “hard copy”; and
- The likely resource implications of the approaches proposed.

The table overleaf provides an ***initial outline*** of likely timeframes to undertake the research although it requires further consideration by the ALMA-UK working group to explore the implications of suggested approaches, the projected costs and the outline timeframes in greater detail.

A suite of three options have been identified in the table as the most suitable and appropriate approaches to measuring impact; the multiplier analysis for museums and archives and either return on investment or economic valuation for libraries. Whilst multiplier analysis is relatively straightforward for its adaptation into a toolkit, extensive survey research, initially piloted for its feasibility of approach but then captured widely to gain a sufficiently robust dataset, is required to enable either the return on investment or economic valuation approaches to be pursued further for the library sector.

**Table B: Overview of Timescales for Each of the Optional Impact Approaches**

| Approach             | Task  | Time   |
|----------------------|---|--|
| Multiplier Analysis  | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Test information availability and establish agreed benchmarks (multiplier and visitor attribution)</li> <li>▪ Develop guide and tool</li> <li>▪ Pilot approach</li> </ul> | <ul style="list-style-type: none"> <li>▪ Two weeks</li> <li>▪ Two weeks</li> <li>▪ Up to two months</li> </ul> <p><b>Total – up to 3months</b></p>           |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ <b>Roll out toolkit</b></li> </ul>   |  |
| Return on Investment | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Design Survey</li> <li>▪ Pilot survey</li> <li>▪ Refine survey</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Three weeks</li> <li>▪ 1-2 months</li> <li>▪ Two weeks</li> </ul> <p><b>Total – 2.5-3.5 months</b></p>              |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ Promote Approach</li> <li>▪ Survey launch and delivery</li> <li>▪ Survey Analysis</li> <li>▪ Compile Toolkit</li> <li>▪ <b>Roll out toolkit</b></li> </ul>             | <ul style="list-style-type: none"> <li>▪ One month</li> <li>▪ Two months</li> <li>▪ Two weeks</li> <li>▪ Two weeks</li> </ul> <p><b>Total - 4 months</b></p> |
| Economic Valuation   | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Design Survey</li> <li>▪ Pilot survey</li> <li>▪ Refine survey</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Two weeks</li> <li>▪ 1 month</li> <li>▪ Two weeks</li> </ul> <p><b>Total – 2 months</b></p>                         |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ Promote Approach</li> <li>▪ Survey Launch and delivery</li> <li>▪ Survey Analysis</li> <li>▪ Compile Toolkit</li> <li>▪ <b>Roll out toolkit</b></li> </ul>             | <ul style="list-style-type: none"> <li>▪ One month</li> <li>▪ Two months</li> <li>▪ Two weeks</li> <li>▪ Two weeks</li> </ul> <p><b>Total - 4 months</b></p> |

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## 1. INTRODUCTION

1.1 ERS was appointed in September 2010 by Archives Libraries Museums Alliance UK<sup>1</sup> (ALMA-UK) to:

- Analyse economic impact methodologies for archives, libraries (throughout the report “libraries” refers to publicly funded libraries only) and museums and support organisations from the sector; and
- To utilise these methods and ERS’ experience to inform the development of a series of potential toolkits that could be rolled out across the sector.

1.2 The study emanated from consultation amongst ALMA-UK members which recognised the value of enabling actors within the sector to demonstrate their economic impact in a consistent manner through the provision of robust and comparable information which can be aggregated at wider and ultimately UK level.

1.3 It is important to note that the toolkit proposals emerging through this research have focussed on maximising usability and usefulness, providing a tool that can be used by an individual within the sector but also allow for aggregation more widely. A recurrent theme for identifying a tool has been to balance effort against benefit, in delivering these aims there are inevitably compromises that need to be made. Two such compromises are:

- The comprehensiveness of assessment, with some elements inevitably being overlooked due to the complexities that accompany them; and
- Whilst some social activities could and should be collated through the toolkits proposed, assigning values to social returns from activities would be too complex to achieve given the likely role of the tool.

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<sup>1</sup> The Archives, Libraries and Museums Alliance, UK (ALMA-UK) brings together the leading strategic organisations for archives, libraries and museums in the home nations of England, Northern Ireland, Scotland and Wales, to optimise the sector’s impact on UK society, culture and public life.

The following organisations are represented on ALMA-UK – CyMAL: Museums Archives Libraries Wales, Museums Galleries Scotland, Museums Libraries Archives Council, Scottish Council on Archives, Scottish Library and Information Council, Public Record Office Northern Ireland, Libraries Northern Ireland and Northern Ireland Museums Council.

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- 1.4 A working-group of ALMA-UK members (see Appendix 1) agreed an initial focus on assessing appropriate methodologies and data capture with guidance required to inform and enable sector organisations to answer three key questions:
- a. What economic evidence/figures should I be collecting?
  - b. How do I collect economic data?
  - c. How do I apply the captured data to get a reliable economic impact report relevant to my local area and organisational needs?
- 1.5 This draft report represents the first of potentially three stages of research with the second and third stages dependent to a large extent on the findings of this initial work.
- 1.6 The objectives of **Stage 1: Data Gathering, Analysis and Options Appraisal** were to:
- Review and analyse existing economic impact studies;
  - Conduct additional research to ensure a comprehensive capture of methods including those which measure social impacts that can be translated into monetary values;
  - Assess the pros and cons of each method, including what they were designed to demonstrate and the outcomes and impacts achieved through use;
  - Conduct select consultation with sector bodies and key stakeholders to determine:
    - What kind of evidence relevant to economic impact studies is already being collected by organisations through other data collection processes.
    - The primary barriers to effective data collection.
  - Recommend up to five methods for creation into toolkits, suitable for application across a range of organisations and services, large and small;
  - Investigate other models for toolkits, recommending options and approaches and outlining risks and benefits;
  - Recommend an outline process for piloting toolkits across the four nations, with suggestions of possible organisations to involve; and
  - Calculate the provisional costs and delivery timeframe for creating and piloting toolkits.

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- 1.7 Carrying out this evaluation has required significant contribution of time and information from a large number of people (listed in Appendix 1). Their assistance is much appreciated.
  - 1.8 Every care has been taken to conduct this study openly, thoroughly and professionally, to retain an objective stance and to balance the opinions expressed.

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## 2. METHODOLOGY

- 2.1 There were several broad elements to the ERS approach to the study in order to achieve the stated study aims and produce the following study outputs:
- A comprehensive mapping document of all known economic impact methods in current use and economic impact studies carried out in the sector over the past 10 years;
  - An overview of existing data gathering processes and primary barriers to effective data collection in the sector;
  - A detailed analysis of up to five recommended methods, outlining benefits and risks of use, for potential development into sector-specific toolkits;
  - An analysis of other toolkit models in current use in the archives, libraries and museums sector, and in the wider voluntary/third sector;
  - An outline plan for pilot stage of project, including scope and project plan;
  - Projected costs and timeframe for development of toolkits and pilot exercise; and
  - A final written report to be presented at a meeting of ALMA-UK.
- 2.2 The study began with an ***inception meeting*** attended by ERS, the UK Coordinator at ALMA-UK and the Head of Research and Standards from Museums Galleries Scotland (also the Project Sponsor). The meeting enabled the exact terms of reference for the study to be agreed and the scale and depth of information to be assessed in relation to the matrix of economic impact studies to be discussed.
- 2.3 The study has been based upon a comprehensive ***desk research*** process including a review of over 60 economic impact reports sourced by ALMA-UK and supplemented by ERS. A selection of the reports of sufficient relevance that it merited a summary of the approach used can be found with ***Appendix 3*** of this report. A full list of the research reviewed is contained within ***Appendix 4*** of this report.
- 2.4 The review informed the Study Team's assessment of the pros and cons of the variety of approaches adopted and the applicability of these approaches to the development of tools that could be rolled out to archives, libraries and museums throughout the UK.

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- 2.5 The desk-based research also incorporated **analysis of existing toolkits** adopted and utilised by a wide range of organisations with a focus on:
- The approaches used, e.g. online versus hardcopy;
  - The programmes used, e.g. spreadsheet or web-based etc.; and
  - Widely distributed tools and the terminology adopted, e.g. volunteer impact assessment toolkit, full cost recovery toolkit or self-assessment toolkits etc.
- 2.6 ERS **consulted with 19 stakeholders** identified by ALMA-UK from each of its representative sectors in order to discuss a range of issues of importance to the development of this and further stages of the research including:
- The kind of evidence relevant to economic impact studies that is already being collected by organisations through other data collection processes;
  - The feasibility of obtaining relevant information from museums, libraries and archives throughout the UK in relation to the emerging recommendations for impact toolkit approaches;
  - The primary barriers to effective data collection and how these could be overcome; and
  - The form of toolkit(s) which would be most suitable for completion.
- 2.7 The semi-structured interview pro forma utilised by the Study Team as the basis for these discussions is provided in **Appendix 2** to this report.
- 2.8 The findings from the above methodological elements were assessed and disseminated in a progress session held with the full ALMA-UK group in November before a more comprehensive presentation of the study findings was provided to the **ALMA-UK Economic Impact Working Group workshop** at the beginning of December. This workshop gave members of the Working Group with an opportunity to discuss and debate the emerging findings and broad recommendations with the Study Team prior to the production of this Draft Report.

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### 3. ECONOMIC IMPACT – BACKGROUND AND APPROACHES

- 3.1 Economic impact studies within the field of arts and the creative industries emerged in the 1960s with studies by Galbraith<sup>2</sup> and Bowen<sup>3</sup>. However impact assessments within the sector remained largely sporadic throughout the 1970s and 1980s (e.g. Myerscough<sup>4</sup>) becoming more commonplace in the 1990s.
- 3.2 It is likely that the increased prominence of economic impact studies during the 1990s reflected a desire within the public sector for a greater level of accountability (for example, HM Treasury first published the Green Book Appraisal Guide in 1991) associated with public spend alongside the increasing availability of data.
- 3.3 Scrutiny of spend and an increased desire to identify economic contribution and added value of the arts led to widespread usage over the last 10 years derived by the need to identify the economic return and additionality of activities.<sup>5</sup>

#### ***Impact Methodological Approaches***

- 3.4 There are a wide range of approaches that have been applied to assess economic impact of the sector which can be broadly categorised under four areas:
- ***Multiplier Analysis*** – associated with capturing the scale and geographical pattern of expenditure impacts and applying ***multipliers*** to reflect the second and third round spending associated with these;
  - ***Contingent Valuation*** – Assesses the values associated with user and non-user's willingness to pay to continue accessing a service or the willingness to accept if the service were to cease; with the concept developed further to consider:

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<sup>2</sup> The Liberal Hour (1960)

<sup>3</sup> Performing Arts: The Economic Dilemma (1966)

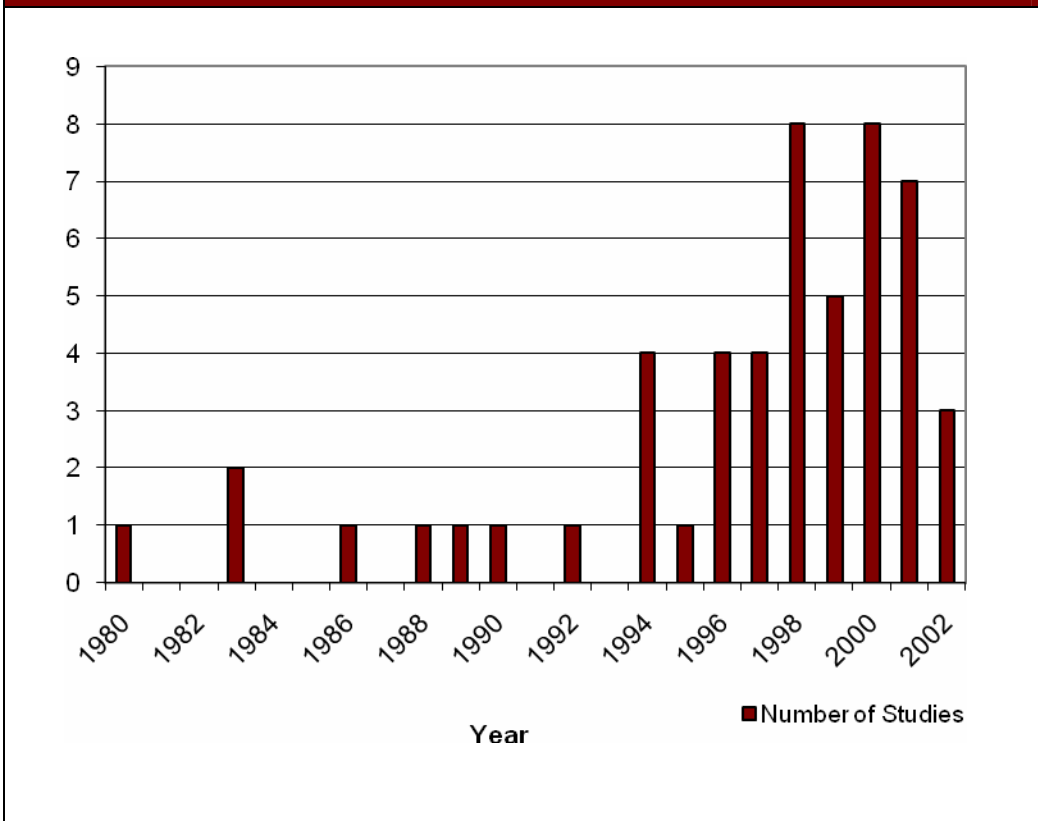
<sup>4</sup> The Economic Importance of the Arts in Britain (1988)

<sup>5</sup> See for example: English Partnerships Additionality Guide – Third Edition (2008), Evaluating the Impact of England's Regional Development Agencies: Developing a Methodology and Evaluation Framework, DTI (2006), Assessing the Impacts of Spatial Interventions, The 3 R's Guidance (2004), The Green Book – Appraisal and Evaluation in Central Government, HM Treasury (2003)

- **Income compensation** – A recent enhancement and adaptation of the contingent valuation (willingness to pay) approach that seeks to link perceptions of well-being with participation in cultural activities and to assign income values to these;
- **Return on Investment** – seeks to obtain a ratio of benefit of availability of a service against the cost of providing that service utilising a combination of user value and multiplier techniques; and
- **Economic Valuation (Cost-benefit analysis)** – a streamlined return on investment approach focussed on economic values of services against the cost of the provision of those services.

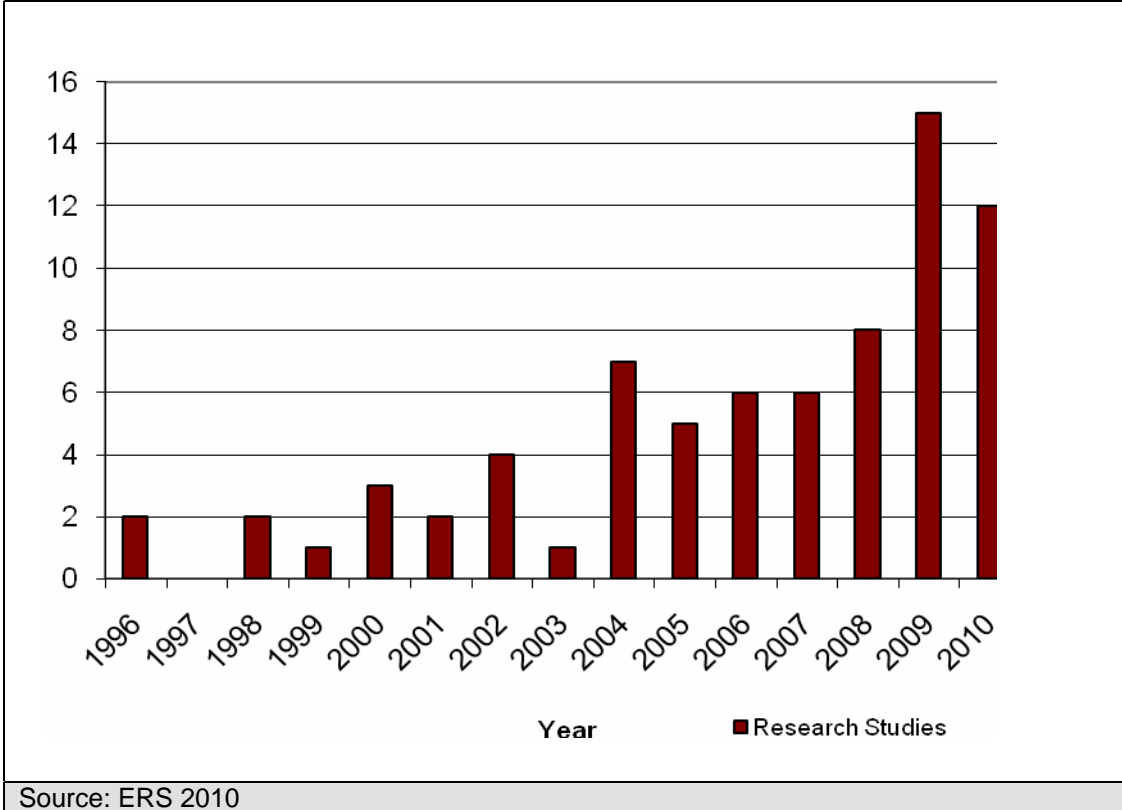
3.5 The popularity in the use of these approaches is outlined below, highlighting their increasingly widespread application.

**Figure 3.1: Number of Contingent Valuation Studies Identified Worldwide to Mid-2002**



Source: Morris et al (2002)

**Figure 3.2: Economic Impact Research in the Archives, Libraries and Museums Sector Analysed as part of the Literature Review**



3.6 The extensive literature review has provided the basis for a comprehensive review of each of the impact approaches described above, considering:

- The **complexity of approach**;
- **Resource intensity** - The scale of resources (personnel and/or financial) demanded in the application of an approach;
- Its **appropriateness** for archives, libraries and museums; and
- **Toolkit Aggregation/Application** - The extent to which an approach could be applied to a toolkit for application at the organisational level and/or subsequent aggregation over a wider area.

#### **Multiplier Analysis**

3.7 Multiplier analysis is by far the most frequently used approach for assessing economic impact within the cultural sector. Within the research reviewed by the Study Team, over 40% of the studies used a form of multiplier analysis to calculate the economic impact. The approaches utilised were largely consistent fluctuation in terms of the depth and intricacy likely to be dependent on the resource provided for the studies.

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3.8 The multiplier approach is based on mapping the scale and location of expenditure impacts in recognition that the operation of an organisation generates additional aggregate demand through expenditure.

3.9 Multiplier analysis seeks to capture three main forms of expenditure:

- **Non-wage operational expenditure** – specifically the scale and destination of expenditure typically incurred by an organisation as part of its annual operation;
- **Salaried expenditure** – specifically the scale of wage related spend on employees of the organisation (be they full time, part time, casual or temporary); and
- **Visitor related expenditure** – specifically the scale of visitor related expenditure within a given destination (local, regional or national) that is generated through the existence and/or operation of a service.

#### **Multiplier Effects**

3.10 A **multiplier** is then applied to the expenditure values to reflect further, knock-on effects of economic activity (jobs, expenditure or income) associated with the initial expenditure derived from the sources outlined above. There are two specific types of multiplier:

- Indirect (supply chain) multiplier – derived from purchases made through the operation of an organisation or service and subsequent, further purchases associated with linked firms along the supply chain; and
- Induced (income) multiplier – as a result of those who derive incomes from the direct supply linkage impacts of an organisations operation.

3.11 Most impact assessments that use multiplier analysis apply a composite multiplier which combines both the indirect and induced multipliers to give an estimate of the total direct and multiplier effects.

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### ***Estimating Multiplier Effects***

3.12 There are a number of ways in which multipliers can be tested although these can be resource intensive:

- Surveys of businesses within the organisation's supply chain and employees to identify the content of purchases they make to calculate the local supply linkage multiplier effects (see for instance the West Somerset Railway study)<sup>6</sup>;
- Economic models – developed by various commercial and academic organisations to assess the scale of multiplier effects<sup>7</sup>;
- Input-output tables – provide estimates of supply linkages between sectors and can be used to estimate multiplier effects (particularly prevalent in Scotland where national input-output tables have been published)<sup>8</sup>; and
- Previous research/evaluations – an increasing number of impact studies have captured multiplier effects that can be applied as a benchmark for organisations that operate within a similar sector over a similar geographical scale, these are increasingly utilised in studies (see for instance Heart of Hawick research).<sup>9</sup>

3.13 As the scale of studies continues to increase it is widely recognised and accepted for multiplier benchmarks to be adopted as part of multiplier analysis. Indeed, the vast majority of multiplier analysis studies reviewed as part of this study have employed benchmark multipliers at the regional level, typically ranging from 1.3 to 1.7, these are largely considered as acceptable by central government departments. Clearly for any toolkit or aggregation assessment the benchmark multiplier estimate would be the most appropriate method to adopt.

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<sup>6</sup> West Somerset railway: Local Economic Impact Study, Manchester Metropolitan University (2004) (*Summary 6 in Appendix 3*)

<sup>7</sup> See for instance National Museums Liverpool Economic Impact Study, North West Research Service (2009) (*Summary 3 in Appendix 3*)

<sup>8</sup> See for instance Economic impact of the historic environment in Scotland, ECOTEC (2008) (*Summary 1 in Appendix 3*)

<sup>9</sup> See for instance Economic Impact Assessment of the Heart Hawick Project, DC Research (2009) (*Summary 9 in Appendix 3*)

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3.14 Research has been undertaken recently<sup>10</sup> to collate evidence of impact from project interventions, providing benchmarks for estimating multiplier effects from activity. The research indicates a median average multiplier of 1.21 at the “local” level (based on 137 separate observations) and 1.43 at the regional level (based on 326 separate observations), the multiplier figures provide a useful platform to work from given the scale of research reviewed to obtain them.

### ***Attribution***

3.15 Multiplier analysis assessments conducted within the sector sometimes overlook or ignore key factors which can have a significant influence on the scale of impact associated with an organisation. One area which is commonly overlooked is that associated with the **attribution** of impacts to an organisation or service.

3.16 Procurement and employment related impacts are straightforward in their attribution to an organisation’s operation, with specific values of spend available through most company accounts. Attribution of impacts associated with drawing in visitor spend is however more contentious with conflicting approaches adopted.

3.17 Visitor spend is typically calculated through surveys of visitors (which is resource intensive) or through the use of average tourist spend per day (or per night if the visitor is planning to stay over) derived from national surveys or impact models. This information is available from a variety of sources (for example, the United Kingdom Tourism Survey (UKTS)), and in its most straightforward application, discounting attribution, involves a simple multiplication of visitor numbers by average visitor spend. In applying this multiplication it is important to understand visitor origin and apply some assumptions as to which are perceived to be “local” and “non-local” visitors (with the latter generating the additional visitor spend within a location).

3.18 The first step in this assessment will be through the definition of the term “local”. Arguably the most straightforward (and common) approach is to assign a geographical boundary linked to administrative areas (local authority areas by way of example). Clearly these fluctuate significantly in scale

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<sup>10</sup> Research to Improve the Assessment of Additionality, BIS (2009)

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however they are the most recognised of geographic areas for this form of assessment with the greatest number and range of datasets available at this boundary level, aiding analysis.

- 3.19 To undertake an assessment of attribution firstly demands consideration of the numbers of visitors attracted to an organisation or service that brings money into the area. This is defined by the World Tourism Organisation as being “any person making an irregular visit outside their usual environment”. Using this approach it is considered inappropriate to capture local visitor spend from an operation as that visitor is in fact a resident and would therefore typically spend that money within the local area anyway.
- 3.20 The subsequent assessment of attribution is less straightforward and relates to the **drivers behind a visit**. A visitor may, for example, visit a museum as part of a city break, however this could be to simply fill time, or they may happen upon the museum as they tour the city. The driver behind that visitor’s visit may have nothing to do with the museum and it is therefore difficult to attribute much of the spend that visitor makes during their break as museum related.
- 3.21 Whilst many organisations within the sector have profiles of visitors far fewer have sought to capture the drivers behind a visit (see Investing in Success<sup>11</sup> as an example of where the approach has been adopted). Research in the South East of England for example, which sought to collate visitor survey results from museums operating within the sector only obtained audience profiling for just eight of the 256 museums in the region<sup>12</sup>. Our literature review found that elsewhere, multiplier analysis approaches simply chose to ignore attribution whilst others stated a benchmark estimate based on stakeholder consultations to derive a figure.
- 3.22 Within the archives sector, the annual visitor survey conducted by the Public Services Quality Group captures much of this information anyway, thereby enabling visitor attribution to be tested.

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<sup>11</sup> Investing in Success, Oxford Economics (2009) (*Summary 4 in Appendix 3*)

<sup>12</sup> Assessment of the contribution of museums, libraries and archives to the visitor economy, Roger Tym and Partners (2008) – (*Summary 2 in Appendix 3*)

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### ***Displacement***

- 3.23 Displacement (where one organisation takes market share from another) is also often overlooked; this factor becomes increasingly prominent as geographical scale of analysis increases. Museums for example are predominantly competing for a share of the visitor market; often this involves competing with other museums. Again, this is a factor that is predominantly overlooked yet a benchmark will need to be applied were this approach adopted within a toolkit which will subsequently be aggregated.

### ***Multiplier Analysis – Summary***

#### *Complexity of Approach*

- 3.24 The widespread usage of multiplier analysis has provided a useful source of benchmark data for the more complex aspects of the approach. However, considering displacement and assigning attribution to visitor related impacts remains complex, yet in the Study Team's view needs to be addressed to ensure that the impact assessment is considered robust.

#### *Resource Intensity*

- 3.25 Direct procurement and employment related spend is typically easily obtainable for organisations and would demand a simple mapping exercise to capture this information by geography. Visitor profiling appears to be limited amongst organisations operating within the archives, libraries and museums sector which would demand additional analysis. Data available through, for example gift aid (for museums) and the Public Services Quality Group (PSQG) (for archives) would (for the former) underpin the audience profile. However, with regards to the former, it is unclear as to the prevalence of gift aid amongst museums whilst in the latter instance the PSQG would provide all the necessary visitor information required. In addition, libraries capture information on the number of physical and virtual visits through CIPFA stats data.

#### *Appropriateness*

- 3.26 Museums and archives both attract visitor numbers which add value to their economic impact. Whilst the scale of visitors to archives is far smaller than those typically visiting museums, they are often visiting from further away and staying longer in the location. In both instances therefore, they offer a significant contributory factor in the assessment of impact. Libraries however, act predominantly as an amenity of local users and impact associated with

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visitors to libraries would be overlooked. Library impact assessments using multiplier analysis would therefore generate limited economic impact due to the lack of visitor related expenditure.

- 3.27 Multiplier analysis is also specifically focussed on economic impact, overlooking the significant range of social value derived from the operation of organisations within the archives, libraries and museums sector. Our literature review identified that some valuing of social activities took place, particularly in relation to volunteer impacts but beyond these the focus through multiplier analysis was more on the collation and acknowledgement of these impacts rather than seeking to apply an economic contributory factor to them.

#### *Toolkit Application and Aggregation*

- 3.28 The relatively straightforward approach to multiplier analysis alongside the availability of benchmarks for the more complex aspects of the assessment means a toolkit approach for aggregation is a real possibility, albeit alongside recognition that social-orientated impacts are unlikely to be a factor within the assessment. It would be most appropriate for museums and archive operations but, due to its focus on visitor related impacts it would be largely inappropriate for the vast majority of libraries (apart from major reference libraries that draw in users over a much wider scale) given their primary roles as an amenity for local residents.

#### ***Contingent Valuation***

- 3.29 Contingent valuation is an approach that looks to capture the extent to which users and non-users of a service would be **willing to pay** for that service or the amount that **users and non-users** would be **willing to accept** for the cessation of a service (the approach is sometimes referred to as **stated preference**).
- 3.30 The approach demands the capture of a representative sample of users and non-users to assess the value of a service. The consultation approach needs to be carefully worded however to ensure that the nature of questioning does not arouse confusion or generate a misplaced perception that, for example, the service is no longer going to be free.

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- 3.31 The non-user assessment is also considered to be rather contentious due to the need to identify the parameters of the non-user population. Theoretically the non-user population should be those that could use, but have not as yet used the service on offer.
- 3.32 Contingent valuation has been used in two prominent studies in the culture sector in the UK and has been adopted as an approach in international studies.<sup>13</sup> In Bolton, the approach defined the non-user population as the population of Bolton Metropolitan Borough minus the number of users of the services<sup>14</sup>. The most prominent study, however involved the British Library who, rather contentiously, identified that all residents of the UK were non-users. With a non-user population of up to 60 million this generated a significant non-user value, however the non-user value was subsequently excluded from the contingent valuation analysis which itself provides an insight into perceptions of its robustness.<sup>15</sup>
- 3.33 Assigning a value to a non-market or free service is a challenging concept to convey through a survey, particularly to non-users. In the Bolton research, for example, only 25% of those within the non-user sample were able to provide a figure for their willingness to pay for a service. Similarly, for the users, between two thirds and three quarters of users were unable to provide a figure for the willingness to accept or be compensated for the loss of a service.<sup>16</sup>
- 3.34 Once a user and non-user valuation is obtained this is compared to the costs of offering that service to provide a ratio of the value compared to the value of investment in the service.

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<sup>13</sup> See for instance – Economic Value of a Local Museum: Factors of Willingness to Pay, Tohomo, T (2004), (*Summary 29 in Appendix 3*)

<sup>14</sup> Bolton's Museum, Libraries and Archive Services an Economic Valuation, Jura Consultants (2005) – (*Summary 19 in Appendix 3*)

<sup>15</sup> Measuring our Value – British Library, Spectrum Strategy Consultants (2004) (*Summary 20 in Appendix 3*)

<sup>16</sup> Bolton's Museums, Libraries and Archive Services – an Economic Valuation, Jura Consultants (2005) (*Summary 19 in Appendix 3*)

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## **Contingent Valuation Summary**

### *Complexity of Approach*

- 3.35 The methodological approach to conducting a contingent valuation is relatively straightforward. It demands knowledge of user-perceived value for an organisation or service and the geographical scale and scope of the non-users of that organisation or service.

### *Resource Intensity*

- 3.36 Contingent valuation demands consultation with a representative sample of users and non-users of a service. Given the propensity to confuse, there is a need to significantly over-compensate in terms of survey numbers by up to four times the sample size to ensure that sufficient number of useable responses is captured to be statistically robust.<sup>17</sup>
- 3.37 The survey needs to be carried out with a level of expertise that will overcome any confusion and misinterpretation of the context of the questions suggesting that external market research resource would be useful, if not vital.

### *Appropriateness*

- 3.38 The contingent valuation approach is fairly straightforward methodologically and is supported as a recognised approach for valuing non-market impacts within central government<sup>18</sup> with support for this approach reinforced through recent DCMS research.<sup>19</sup>
- 3.39 Despite its endorsement by central government and in the recent O'Brien research, in the context of the cultural sector it remains contentious amongst economists and can be confusing to the users and non-users surveyed<sup>20</sup>. The potential of confusion and misinterpretation of respondents that are surveyed is heightened due to the existing socio-economic and political context. Assigning a value to library services has the potential to generate misplaced concerns amongst users and non-users if it is not handled sensitively.

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<sup>17</sup> See for instance: Contingent Valuation: Controversies and Evidence, Carson et al, pp173-210, Vol 19: (2) *Environmental and Resource Economics*, (2001) and Economic Valuation with Stated Preference Techniques, Summary Report, DTLR (2002)

<sup>18</sup> See The Green Book, HM Treasury (2003)

<sup>19</sup> Measuring the Value of Culture: a Report for the Department of Culture, Media and Sport, O'Brien., D. (2010)

<sup>20</sup> See for example – Aggregation and deliberation in valuing environmental public goods: A look beyond contingent pricing (Sagoff 1988)

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- 3.40 The approach itself offers greatest potential to libraries which, due to their relative homogeneity of offer, would potentially enable the findings of one substantial survey to be applied across a region or even nationally. For museums and archives however, each service that is offered is unique due to the nature of artefacts or articles exhibited.

*Toolkit Application and Aggregation*

- 3.41 The individuality of museums and archives would demand contingent valuation studies on a site by site basis. Whilst a toolkit could be provided, this site by site assessment would demand huge resources (an estimated four figure cost for each museum or archive) and would negate any potential for aggregation.
- 3.42 Due to the relative homogeneity of offer within libraries, there is greater scope for undertaking a substantial sampling of users and non-users and then aggregating that value across a given area. An approach of this nature would then enable library operators to identify a non-user area of assessment and then multiply user and non-user values by the designated population.<sup>21</sup> However, despite the potential, there are clearly challenges with capturing non-user values. Whilst critics of the contingent valuation approach remain, so will concerns of the robustness of the data obtained.

***Income Compensation***

- 3.43 Income compensation is a recently developed approach that seeks to overcome some of the shortcomings of contingent valuation (particularly those aspects associated with willingness to pay). The approach is underpinned by the concept of social well-being as the outcome of activity with individuals measuring their own well-being – typically assessing how satisfied overall they are with their life.
- 3.44 Research<sup>22</sup> of this nature has used the British Household Panel Survey alongside the Take Part survey to capture linkages between participation in culture and sport and well-being. Where the linkages are identified a level of

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<sup>21</sup> There are also concerns associated with discrepancies of values between willingness to pay and willingness to accept. See for example: *The Evaluation of the Environment – the Contingent Evaluation Method*, Bateman and Turner (1992)

<sup>22</sup> Case – *Understanding the Value of Engagement in Culture and Sport Technical Report*, Matrix (2010) (*Summary 47 in Appendix 3*)

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income compensation can be applied to reflect the monetary value in well-being terms of this participation.

- 3.45 The approach is highly complex and is based on top-down assessment as opposed to organisational analysis with challenges around statistical significance within the library sector in particular. The concept remains rather embryonic in nature and due to its complexities, is inappropriate for developing into a toolkit at this stage.

### ***Return on Investment***

- 3.46 Return on investment utilises a combination of aspects from both multiplier analysis and contingent valuation to provide a value of benefit as a ratio compared to the scale of investment made, this is typically expressed as a ratio of benefit derived from availability against the cost of availability.
- 3.47 The return on investment approach has been most widely used amongst libraries in the United States<sup>23</sup> with the approach adopted informed by research undertaken in the United Kingdom.<sup>24</sup> It focuses on user-value but does not consider the more contentious non-user value. The extent to which value or user-investment is captured varies on a study by study basis but can include time invested and travel expenses<sup>25</sup> (as these relate to an individual's "investment").
- 3.48 The approach also utilises multiplier analysis in relation to employment and procurement activities to provide additional returns on the investment. The technique in its entirety uses the following measures:
- User Investment – in addition to expenditure through tax paid for the operation of the library, the approach considers time invested at the library by an individual and travel expenses;
  - Cost to use alternatives – if the service did not exist what alternative would they use and what would it cost;

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<sup>23</sup> See for instance - The Economic Impact of Public Libraries on South Carolina, Barron (2005) (*Summary 34 in Appendix 3*) and Placing an Economic Value on the Services of Public Libraries in Suffolk County, New York (2005)

<sup>24</sup> Economic Value of Public Libraries in the UK, Morris et al (2002) (*Summary 31 in Appendix 3*)

<sup>25</sup> Ibid., and The Economic Impact of Public Libraries on South Carolina, Barron (2005) (*Summary 34 in Appendix 3*)

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- User Value – the value placed on services offered through the library by its users;
  - Staff expenditure impacts;
  - Operational (non-salaried) expenditure impacts; and
  - Community economic benefits – spending by visitors in local service providers<sup>26</sup>.

3.49 The approach to each element above is varied in terms of its complexity and robustness. The value placed on services by users for example is a relatively straightforward assessment. Time invested (often referred to as shadow pricing which seeks to place a value (cost) on your spare time) and travel expenses are also possible to capture however the concept associated with the approach becomes increasingly complex as does the extent to which these aspects vary (e.g. travel costs in rural areas are going to be far greater than in urban areas).

3.50 User survey approaches are adopted to capture the costs associated with using the library and the costs of potential alternatives were the library provision unavailable. The breadth of the user survey can enable a wide range of value to be captured for more socially orientated activities delivered through archives, libraries and museums helping to broaden the scope of analysis. The surveys would need to be undertaken across a number of libraries to provide a balance of values and costs for libraries across a variety of settings.

3.51 Whilst a greater breadth of activities can be captured through the return on investment approach, valuing (or placing a cost on) the alternative is challenging given the nature of some of the services on offer. The concept becomes increasing complex as an approach to adopt and is perhaps a process more effectively done on behalf of, rather than by archives, libraries or museums.

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<sup>26</sup> Adapted from: Economic Impact Methodologies For the museums, libraries and archives sector: what works and what doesn't, Jura Consultants (2009)

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## ***Return on Investment Summary***

### *Complexity of Approach*

- 3.52 The overriding concept of return on investment is straightforward to grasp however the approach becomes increasingly complex and intricate as the nature and range of values associated with a service increases. The avoidance of non-user assessment is a welcome one however assigning a cost to an individual's time, identifying alternative routes to a similar service and assigning costs to these and assigning costs associated with travel to and from the service are all time consuming and rather challenging.

### *Resource intensity*

- 3.53 Return on investment, as with contingent valuation, demands a level of relative homogeneity of offer to ensure that aggregation from survey activity can take place. The intensity of resource will largely be focussed on the user survey which would undoubtedly be lengthy given the sheer range and diversity of social activities delivered through the sector (and therefore demanding capture through the survey). However, once a sufficient sample size is captured, the data would provide the necessary information for the majority of the return on investment analysis.

### *Appropriateness*

- 3.54 The uniqueness of offer, particularly within museums and archives presents huge challenges for costing alternatives; it would therefore be extremely difficult to capture the necessary information to undertake a full return on investment for these sub-sectors. This is less of an issue for libraries which largely offer services and products that can be accessed (and therefore costed as alternatives) elsewhere.

### *Toolkit Application and Aggregation*

- 3.55 The extent to which responses could be aggregated is highly questionable given the nature and costs of alternatives are likely to fluctuate depending on the socio-economic and environmental circumstances within which the service sits. By way of example, a state-wide return on investment analysis was undertaken in the state of Pennsylvania. The research involved:

- A state-wide household telephone survey of 1,128 adults;
- An in-library survey of 2,614 users in 19 representative public libraries;
- A survey of 226 school, university and college, business and non-profit organisation librarians; and
- A follow-up survey of 112 public libraries.<sup>27</sup>

3.56 Pennsylvania has a state-wide population of 12.5m, around one-fifth of the UK's with urban and rural diversity and a significant level of income inequality. There is no reason why this approach couldn't be scaled up to a UK-wide approach (indeed a similar state-wide assessment was undertaken in Florida with a population of almost 19m) however, the sampling of libraries would need to be representative of the diversity of library settings that exists and whilst scaled up analysis could be provided, it would be difficult to provide statistically robust analysis at the individual library level.

### ***Economic Valuation***

3.57 A more streamlined approach to return on investment has been embraced across libraries in the United States which has greater emphasis on valuing activity from a specifically economic perspective. The approach looks to assign a market value to the services offered; that is, the financial cost that users of the particular service would have paid had the resources of the public library been unavailable. By multiplying the number of users by each service on offer it is possible to calculate the total value of library services to their users and compare this to the cost of the provision of those services. The resultant figures enable a cost-benefit ratio to be applied to the service provision similar to that described for the return on investment approach.

3.58 The approach, given its simplistic form has been widely utilised in the United States<sup>28</sup> and is user-friendly to the extent that it has resulted in the development of **online calculators**.<sup>29</sup> The calculators have been adapted to provide economic valuation capability for libraries and to provide return on investment calculations for library users. Samples of these calculators are presented in figure 3.3 and figure 3.4 overleaf.

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<sup>27</sup> Taxpayer Return on Investment (ROI) In Pennsylvania Public Libraries, Griffiths et al (2006) (*Summary 39 in Appendix 3*)

<sup>28</sup> See for instance: Placing an Economic Value on the Services of Public Libraries in Suffolk County, New York, Kamer, P. (2005) (*Summary 33 in Appendix 3*)

<sup>29</sup> See for instance <http://www.lrs.org/public/roi/> for a wide selection of online calculators for calculating "return on investment" for libraries and users of libraries.

**Figure 3.3: Online Library “Return on Investment” Calculator**

### Peer-Based Return on Investment Calculator

Of the participating libraries listed below, please choose the one that is most similar to yours:  
*Mouse-over the library name to view a description*

- Cortez Public Library
- Denver Public Library
- Douglas County Libraries
- Eagle Valley Library District**
- Fort Morgan Public Library
- Mesa County Public Library District
- Montrose Library District
- Rangeview Library District

**Eagle Valley Library District (EVLD)** is located in the heart of the Colorado Rocky Mountains. It is organized as a library district and has a legal service area population of 40,107. It consists of three branches located in Avon, Eagle, and Gypsum. EVLD serves a resort community. See [www.lrs.org/resort.php](http://www.lrs.org/resort.php) for a definition of resort libraries.

EVLD's collection includes over 128,000 print volumes, 7,000 audios, 9,000 videos, and 500 periodicals. It also has 42 public access computers.

Fill out the following information for your library. Use numbers only - no dollar signs or commas, please.  
*These statistics are available for Colorado public libraries at [http://www.lrs.org/pub\\_stats.php](http://www.lrs.org/pub_stats.php).*

Number of Annual Visits

Total Operating Expenditures

Annual Staff Expenditures of your Library (salaries and benefits)

Annual Local Income for your Library

Source: <http://www.lrs.org/public/roi/calculator.php>

**Figure 3.4: Online Library Personal Return on Investment Calculator**

### Individual Return on Investment Calculator

Your Personal ROI

**\$32.59**

For every \$1.00 in taxes you invest in your library, you receive \$32.59 of value in return\*

Which Colorado library do you visit?

Please enter the number of times you use the following library services each month

| Your Use                       | Library Services  | Value of Services |
|--------------------------------|---|-------------------|
| <input type="text" value="2"/> | Books Borrowed per Month                                | \$ 30.00          |
| <input type="text" value="1"/> | Magazines Borrowed per Month                            | \$ 2.00           |
| <input type="text"/>           | Videos Borrowed per Month                               | \$ 0.00           |
| <input type="text"/>           | Audio Books Borrowed per Month                          | \$ 0.00           |
| <input type="text"/>           | In-Library Magazine Use per Month                       | \$ 0.00           |
| <input type="text" value="1"/> | Interlibrary Loans per Month                            | \$ 25.00          |
| <input type="text" value="1"/> | Meeting Rooms Use (Hours per Month)                     | \$ 50.00          |
| <input type="text"/>           | Program/Class Attended per Month - Adult                | \$ 0.00           |
| <input type="text"/>           | Program/Class Attended per Month - Child                | \$ 0.00           |
| <input type="text"/>           | Computer Use (Hours per Month)                          | \$ 0.00           |
| <input type="text"/>           | Databases Used per Month (Number of Separate Databases) | \$ 0.00           |
| <input type="text"/>           | Reference Questions Asked per Month                     | \$ 0.00           |

Value you receive monthly from **your library: \$107.00**

For every \$1.00 in taxes you invest in your library, you receive **\$32.59** of value in return\*

Source: <http://www.lrs.org/public/roi/usercalculator.php>

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- 3.59 This model of online valuation is widely regarded in the US as the potential route to enabling library patrons to think about their service in a new way. The first figure (figure 3.3) provides the potential for adaptation to suit local library conditions with the underpinning spreadsheet providing the capability for the addition of new categories or programmes of service.
- 3.60 A broader return on investment calculator was said to be in development in 2007<sup>30</sup> to provide individual libraries with the ability to conduct their own return on investment analysis through in-person surveys. However, despite attempting to contact the college on several occasions, no published evidence on this calculator could be found by the Study Team.
- 3.61 A factor for consideration as part of this research is the market value considerations for the services on offer. Some economic valuations of libraries have utilised average costs to purchase books within the marketplace as the value to use<sup>31</sup>. Others have factored in bulk buying by library services and have therefore sought to discount a portion of the market value as a result<sup>32</sup>.
- 3.62 In the Study Team's view however, it is the intrinsic, user-value which offers greatest credence and would be best placed to inform the approach to robust valuation (albeit less-dictated by market value). In most instances, the user has the option of purchasing the material outright or from benefiting from the substantially lower cost of borrowing or temporary access to the library. In a commercial setting this would be assessed by the price mechanism, based on market prices or differentially set prices, in the non-commercial setting alternative approaches (for example, through surveying users of the services) could be considered.

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<sup>30</sup> Worth Their Weight – An assessment of the evolving field of library valuation, Americans for Libraries Council, Bill Gates Foundation (2007)

<sup>31</sup> Placing an economic value on the services of public libraries in Suffolk County, New York, Kamer (2005) (*Summary 33 in Appendix 3*)

<sup>32</sup> The Economic Contribution of Wisconsin Public Libraries, North Star Economics Inc. (2008) (*Summary 35 in Appendix 3*)

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- 3.63 Research<sup>33</sup> has found that book buying and borrowing are complementary rather than competing activities, this is critical in considering economic value of services and the displacement of offer elsewhere. However the diversity of service provision has increased substantially which therefore requires an assessment of user-value and associated displacement on a service by service basis to retain a level of robustness.

### ***Economic Valuation Summary***

#### *Complexity of Approach*

- 3.64 The economic valuation approach applied in the US is relatively straightforward. It includes the multiplier analysis approach for spend and employment and considers costs and benefits of service provision based on the perceived market (or user) value of the services received.

#### *Resource Intensity*

- 3.65 The intensity of resources for this approach, in line with the broader remit of the return on investment method is largely front ended in relation to the user survey. The critical factor with a user survey would be the need to capture a sufficient sample to be considered statistically significant. By way of example, for the development of the broader online return on investment calculator a sample size of 4,000 in-library surveys conducted in 36 libraries in Florida and Pennsylvania and more than 3,000 household surveys in the two states and nationally were undertaken.<sup>34</sup> To ensure that a statistically significant user value is captured for the diversity of core services on offer the Study Team believes a similar scale of survey in the UK may be demanded. Once the user values have been captured however the economic valuation approach is a relatively straightforward process.

#### *Appropriateness*

- 3.66 The economic valuation approach, as with return on investment is only appropriate for library services. Again the challenge with museums and archives is the uniqueness of offer and the associated scale of fluctuation of user value which would emerge on a case by case basis.

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<sup>33</sup> Hawkins et al, Socioeconomic features of UK public library users, library management 22(6&7) pp258-265 (2001) and The economic value of public libraries, Morris et al (2001) (Summary 31 in Appendix 3)

<sup>34</sup> Worth their Weight – An assessment of the Evolving Field of Library Valuation, Americans for Libraries Council (2007)

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*Toolkit Application and Aggregation*

- 3.67 The extent to which a toolkit can be applied to the service is clear from the examples presented in the United States. The capturing of a sufficient sample of users to capture perceived value will underpin any application of a toolkit however this will demand user surveys that reflect the cross section of socio-economic and environmental circumstances of the UK. An intricate sampling process will need to be applied to ensure that the breadth of service users are sampled accordingly. Once user values have been obtained this approach can be undertaken on an individual library basis and then aggregated or simply just on an aggregated basis using (for example) CIPFA data as the basis for some services and local authority library expenditure figures.

***Summary of Methodological Approaches***

- 3.68 Table 3.5 overleaf provides a snapshot of the positives and negatives of each approach, providing a basis for the development of proposed approaches which can be found later within the report.

**Table 3.5: Overview of the Benefits and Risks of Methodological Approaches**

| <b>Multiplier Analysis</b>   |  |
|--|--|
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Relatively straightforward approach that is widely recognised</li> <li>▪ Popularity of approach has led to the establishment of recognised benchmarks that can be applied instead of undertaking complex elements (e.g. the multiplier)</li> <li>▪ The approach can be delivered on an organisational and aggregate basis</li> </ul>   | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Rather narrow in focus, overlooking social impacts</li> <li>▪ Best suited to those organisations that generate significant visitor related impacts</li> <li>▪ Attribution and displacement elements of approach are often overlooked or can cause confusion</li> </ul>   |
| <b>Contingent Valuation</b>  |  |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ A means to capture value placed on non-marketed goods and services</li> <li>▪ An effective way of capturing intrinsic value</li> <li>▪ A useful approach where a relatively similar service is on offer across organisations (e.g. libraries)</li> <li>▪ After an initial resource outlay through a user and non-user survey, benchmarks can be established for aggregation</li> </ul> | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Demands extensive survey consultation</li> <li>▪ The survey approach and the concepts of attributing value can be difficult to grasp amongst respondents and may cause confusion. The current political context heightens the risk of confusion</li> <li>▪ Defining the parameters of the non-user population and consulting with them is fraught with difficulty</li> <li>▪ Not suited to subsectors where there is a uniqueness of offer (e.g. museums and archives)</li> </ul>  |
| <b>Return on Investment</b>  |  |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Enables the greatest breadth of activity to be captured through the assignment of user values to the services on offer</li> <li>▪ The approach avoids the need to capture non-user perceptions</li> <li>▪ Can capture the perceived value of more socially-orientated activities</li> </ul>  | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Demands an extensive user survey to ensure that the breadth of services and the range of individual investment is effectively captured</li> <li>▪ Demands a large sample size to enable any form of aggregation to take place</li> <li>▪ Provides challenges in aggregation due to the likely diversity of user travel and time costs which are largely dependent on the community that the facility serves</li> <li>▪ The costing of alternatives can be a challenging concept and is largely impossible for museums and archives.</li> </ul> |
| <b>Economic Valuation</b>  |  |
| <p><b>Pros</b></p> <ul style="list-style-type: none"> <li>▪ Straightforward approach that avoids the need to capture non-user perceptions</li> <li>▪ Provides an approach that can be applied to a toolkit relatively easily once the user values are obtained</li> <li>▪ Is particularly useful in areas where the service on offer is relatively similar (libraries)</li> </ul>  | <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>▪ Is an adaptation on the use of market valuations – an approach with limited use in the UK which may undermine the perceived robustness of approach.</li> <li>▪ Demands a large sample size to capture user-values for the diversity of services on offer</li> </ul>  |

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### **Valuing Social Impacts**

- 3.69 Whilst the return on investment and, to a lesser extent, the economic valuation provide some scope for assigning user perceptions of values to some of the more socially orientated aspects of archive, library and museum services, they fail to fully capture the wider economic value gained from this activity.
- 3.70 Securing economic values for social activities has been receiving mounting interest since the 1990s and a wide array of toolkits (some researchers<sup>35</sup> have identified as many as twenty different approaches) have emerged.
- 3.71 Social approaches have tended to be developed in addition to rather than integrated within typical impact assessments, most therefore demand an additional or alternative approach to capturing evidence.
- 3.72 Figure 3.6 overleaf is a useful summary of the more prominent approaches and the likely resource implications of these. The most widely recognised impact measurements are social accounting and audit (SAA) and social return on investment (SROI). The latter of these as a concept is most suited to impact assessment through its approach of seeking to generate economic impact indicators for the social activities delivered; indeed SROI has become the tool promoted by government, thanks to its unique feature of attributing monetary values to 'soft' outcomes.
- 3.73 Figure 3.6 highlights however the scale of resource demanded for this approach. Indeed in some instances the Study Team have been made aware that participants who have received the training to undertake SROI have then refrained from doing so in their own organisation due to the associated resource implications on staff within their organisation and the longitudinal nature of approach.

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<sup>35</sup> Social Impact Measurement: towards a guideline for Managers, Marr (2008)

**Table 3.6: Approaches to Social Impact**

|   | Cost   | Complexity    | Time                | Demand on staff | Certification or quality mark | Support available |            |          |        |              |             |          |          |          |  |
|---|--------|---------------|---------------------|-----------------|-------------------------------|-------------------|------------|----------|--------|--------------|-------------|----------|----------|----------|--|
|   |        |               |                     |                 |                               | CD Rom            | Consultant | Handbook | Online | Peer network | Publication | Training | Workshop | Examples |  |
| <b>Community Impact Mapping</b>               | Free   | Low           | 3 hrs               | Low             |                               |                   |            |          |        |              |             |          |          |          |  |
| <b>Eco-mapping</b>                            | Free   | Low           | 1hr per map         | Low             |                               |                   |            |          |        |              |             |          |          |          |  |
| <b>EMAS easy</b>                              | Free   | Low to medium | 1 hr per map        | Low to medium   | £                             |                   |            |          |        |              |             |          |          |          |  |
| <b>LM3</b>                                    | Free   | Medium        | 13 to 55 hrs        | Low to medium   |                               |                   |            |          |        |              |             |          |          |          |  |
| <b>Prove It!</b>                              | Free   | Low to medium | 10% of project time | Medium          |                               |                   |            |          |        |              |             |          |          |          |  |
| <b>SIMPLE</b>                                 | Low    | medium        | Medium              | Medium          |                               |                   |            |          |        |              |             |          |          |          |  |
| <b>SAA</b>                                    | Low    | High          | High                | High            | £                             |                   |            |          |        |              |             |          |          |          |  |
| <b>SROI</b>                                   | Medium | High          | High                | High            | £                             |                   |            |          |        |              |             |          |          |          |  |
| <b>Volunteering Impact Assessment Toolkit</b> | Low    | medium        | Medium              | medium          |                               |                   |            |          |        |              |             |          |          |          |  |

Source: Adapted from The Guild (2010)<sup>36</sup>

3.74 Recent research<sup>37</sup> suggests that whilst current policy is focusing on making SROI a more accessible and user-friendly for organisations, very few organisations are implementing SROI as yet and, indeed, the majority are not ‘SROI ready’ (SROI readiness mainly involves being able to identify and measure organisational outcomes adequately in a quantitative way). Indeed, were this a route to be pursued, training to build capacity for undertaking this approach would be required.

3.75 Given the complexities with SROI and the lack of potential integration of other social impact measurement tools an alternative supplementary approach to capture social impact is suggested, particularly in relation to the following broad thematic areas which are briefly summarised below:

<sup>36</sup> Getting Started in Social Impact Measurement – A guide to choosing how to measure social impact, The Guild (September 2010)

<sup>37</sup> Measuring social value, the gap between policy and practice, Demos, (2010)

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- **Education** – particularly the number of learning events and learners supported by archives, libraries and museums, formally and informally, through accredited and non-accredited provision;
  - **Social Inclusion** – the number of volunteers, their role and the hours they contribute to the operation of an organisation. Any other social inclusion related activities including, interns, work experience support to those individuals further from the labour market etc.; and
  - **Regeneration** – contributory role in leveraging in investment to aid the regeneration of a location as part of development work.

3.76 Whilst it is also acknowledged that there are significant contributions in relation to health it would be very difficult to capture this information through a toolkit approach. Approaches to capturing more socially orientated activities within the sector are considered further within Section 4 of the report.

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## 4. STAKEHOLDER FEEDBACK

- 4.1 The following section of the report summarises the broad findings emanating from the discussions held between the ERS Study Team and a range of stakeholders from UK strategic and delivery organisations from the sector.

### *Understanding and experience of impact assessment*

- 4.2 In general, those stakeholders interviewed from the museums sector exhibited the greatest level of understanding and experience of participating and/or delivering economic impact assessments. In many cases, actors from the museums sectors highlighted a longer history of developing evidence bases to justify funding.
- 4.3 In contrast, very few studies specifically linked to archives were even identified by stakeholders whilst individuals from the libraries sector commonly referred to major national studies, typically that relating to the British Library, rather than regional or local studies. Where libraries and archives had looked to assess impact, this had typically been achieved as part of a feasibility study, e.g. for a capital build or as part of an evaluation of a wider programme, e.g. PEACE-funded activities in Northern Ireland and do not tend to follow traditional economic impact assessment methodologies.

### *Collating information to inform an economic impact assessment*

- 4.4 The majority of those interviewed were confident that most information required to inform the multiplier analysis approach to undertaking an economic impact assessment would be eminently achievable but might require a degree of education, flexibility and foresight on behalf of both those requesting and those collating the data.
- 4.5 All organisations consulted tended to collect at least a proportion of the data required to inform an economic impact assessment although not necessarily in the required format, level of detail or to a required degree of statistical robustness. There was however a general recognition of the need for impact assessment, especially in the current economic climate, and therefore a willingness to participate, adapt practices and introduce new data collection processes where necessary.

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- 4.6 The key issue raised by a consensus of those interviewed was a requirement for those involved in generating the relevant data to know and understand **what** data they need to collect, **when** they need to collect it and, crucially, **why** they are collecting it including clarity on what value **they** will gain from the exercise.
- 4.7 Linked to the above axioms, stakeholders frequently highlighted a scarcity of resources (time and personnel) as the main barrier to greater participation in economic impact assessments. Indeed, many smaller, voluntary-run and local operations will necessarily and understandably focus on maintaining services in the short-term rather than investing precious time in what could be viewed as potentially, an academic exercise.
- 4.8 In this regard, were the data required to complete a toolkit, it could be aligned to existing or forthcoming framework or performance measurements, which would both boost participation and reduce the degree of frustration faced when completing multiple and/or very similar data collection exercises.

#### ***Valuing Social Impacts***

- 4.9 The consultation exercise confirmed the breadth, scale, scope and quality of the activity coordinated and delivered through archives, libraries and museums which is social in nature.
- 4.10 From fostering civic pride, complementing wider regeneration activities, enhancing social and community cohesion, delivering education programmes to supporting health initiatives, the sector(s) contribute significantly to social outcomes. Accordingly there was an inherent desire to capture these impacts and to highlight the spectrum of impact which many organisations contribute to and support in conjunction with partners.

#### ***Toolkits***

- 4.11 Stakeholders were also asked about their knowledge and use of economic impact assessment toolkits including questions relating to the preferred design and format of any potential toolkits. The majority of those consulted had not used, or in many cases were not aware of, any toolkits to help value the impact of the sector. Where a toolkit was highlighted, the Association of Independent Museums (AIM) toolkit was most frequently cited and usually well regarded.

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- 4.12 When outlining a preferred format of a toolkit, the overwhelming majority of those consulted were in favour of an electronic document which allows both multiple contributors to add information, the flexibility to neatly cut and paste data from other sources, e.g. performance frameworks and also enables the user to print off a copy for its own records or internal use. For many, the toolkit would ideally facilitate the aggregation of impact from a local to regional and national level whilst also providing an individual organisation with the evidence of their own impact and performance.
- 4.13 Whilst there were very few instances where a lack of technical ability was thought to be a potential barrier to completion for example, of an electronic toolkit, stakeholders stressed the need for any document, file or process to be simple, straightforward yet robust. Ideally, the toolkit would be complemented by in-built or accompanying guidance to support timely and accurate completion.

### ***Implications***

- 4.14 Consultation broadly revealed a number of caveats or implications which the toolkit development process should approach in conjunction with the sector including:
- Clarity on the aims and objectives of any economic impact assessment exercise and/or toolkit, e.g. for advocacy purposes or in order to benchmark performance;
  - Clarity on the potential benefits that those completing a 'return' could feasibly enjoy relative to the effort employed in collecting the data and reporting the information; and
  - A need for consistency on what messages are provided across sub-sectors and different sizes/types of responding organisation.

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## 5. TOOLKIT REVIEW

- 5.1 An assessment and review of toolkits currently used to assess the impact of archives, libraries or museums provides one prominent finding in terms of the scarcity of toolkits that exist with a specific economic impact remit. Whilst there are many variations of the main impact models discussed in depth throughout this report, toolkits to support a consistent approach to data collection and analysis within the sector are less commonplace.
- 5.2 Where toolkits do exist however they are typically presented in one of two ways; as a guide (e.g. text based, hard or electronic copy) or as an interactive 'tool' (e.g. spreadsheet with pre-formatted formulae).
- 5.3 A separate toolkit or method is also associated with the Social Return on Investment (SROI) although this approach demands extensive training, endorsement by a SROI network and the employment of a very sophisticated methodology in order to achieve results which cannot be easily aggregated. As such, and whilst the approach continues to generate significant interest in many circles, it appears inapplicable to this specific exercise.
- 5.4 Two examples of toolkits designed as guides are found in the AIM Toolkit recently informed by DC Research and the Contingent Valuation Toolkit produced by Jura.
- 5.5 The AIM toolkit offers an approach that can be used by museums to estimate their economic value although the approach is subject to the accurate interpretation and application of the text-based guidance by individual museums. For example, whilst the guide stresses that 'it is important that for each stage, the most accurate available information and data is used', it is also acknowledged that key data and assumptions supplied in the guide will also 'change over time as new data and impact methodologies become available, and as such, data and assumptions included within this toolkit will need to be refreshed on a regular basis to ensure it is up to date'.
- 5.6 Whilst symptomatic of many toolkits, the level of responsibility and trust placed on the museum to source and apply timely data based only on a text-based guide is therefore quite high.

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- 5.7 Another crucial element of the toolkit to note is a change in methodology or approach suggested for museums of different sizes with AIM's standard approach to segmentation based on visitor numbers used in this instance, i.e. 0-9,999 visitors p.a., 10,000-49,000 and more than 50,000. Key to this argument is the degree to which an approach should be tailored to the characteristics of a museum in this instance rather than applying a 'one size fits all approach'.
- 5.8 It should also be noted that Arts Council England (West Midlands) are in the process of developing an electronic economic impact toolkit which will support users to generate a series of economic impact statements about their culture project(s).<sup>38</sup>
- 5.9 ERS research has found that the application of a variety of approaches within a sector based on preconceived characteristics or potential magnitude of its impact can be misleading, inappropriate and contradictory. For example, a large organisation is likely to have a larger economic impact and is more capable of capturing this information than a small organisation. However, the ability of that larger organisation to gather the required information to the desired quality and consistency may well be far less compared to a small organisation characterised by efficient systems and the vast personal knowledge of key staff. For example, local authority museums will often struggle to identify precise expenditure on shared services or where costs are accounted centrally across a vast area.
- 5.10 One of the best examples of a toolkit which can be used as a 'tool' is the Scottish Enterprise Additionality toolkit.<sup>39</sup> Such an approach adds value to a simple guide by supporting the museum for example in calculating impacts using pre-determined formulae and supporting data. This approach generates a greater level of consistency and is viewed to be more user-friendly.

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<sup>38</sup> See:

<http://www.tendersdirect.co.uk/Search/Tenders/Expired.aspx?ID=%2000000003108520&sect=S034&cat=6&Source=Categories> for reference to the development of this toolkit

<sup>39</sup> <http://www.scottish-enterprise.com/about-us/how-we-work/resources/impact-evaluations.aspx>

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## **Summary**

- 5.11 However, based on consultation with stakeholders and an assessment of the toolkits currently prevalent in the sector, it is viewed by the Study Team that the most effective solution would be a combination of the guide and tool. The suggested toolkit would meet stakeholder guidance in being as straightforward and user-friendly as possibly whilst maintaining the desired level of robustness in terms of the data requested and its consistent application.
- 5.12 It is considered that guidance including examples and links to background text, documents and wider support would complement an electronic approach to data gathering issued and collated from sector organisations in the most efficient manner possible, e.g. online. The approach would be characterised by a standard approach to be used by all actors, within each subsector, thereby reducing confusion, increasing the response rate, developing potential uniformity with established and forthcoming data frameworks and ensuring a thread of consistency to aid the aggregation of data from the local to the national level. The approach and exercise would provide robust comparators for future assessment if repeated and the guidance would also signpost organisations to other processes/procedures where they may already be collecting relevant information in an appropriate format (e.g. PSQG or Gift Aid receipts).
- 5.13 The information required for this approach would include:
- Procurement over a single financial year by agreed geographical location of the supplier;
  - Paid employment (identified as part time or full time) by resident location of the employee (broken down by broad salary bandings to overcome any issues of sensitivity); and
  - Visitor numbers, visitor origin (by agreed geographical location, where available) and visitor “drivers” (the proportion of visitors who had specifically come to the area to visit that facility, where available).

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## 6. RECOMMENDED APPROACHES TO ASSESSING IMPACT OF ARCHIVES, LIBRARIES AND MUSEUMS

6.1 In considering approaches to assessing the impact of activities delivered through archives, libraries and museums a number of factors should be borne in mind:

- The critical balance of relative simplicity of approach alongside robustness of outcome;
- The flexibility (as outlined within the stakeholder feedback) to undertake assessment at organisational and aggregated level;
- The need, where possible to tie the collection of data in with existing reporting, benchmarking or accreditation processes;
- The flexibility of approach to enable participants to primarily undertake the assessment electronically alongside the potential to complete in “hard copy”; and
- The likely resource implications of the approaches proposed.

6.2 This section provides an **initial outline** of timeframes to undertake the research although it requires further consideration by the ALMA-UK working group to explore the implications of suggested approaches, the projected costs and the outline timeframes in greater detail. The costs presented are largely based on ERS’ own estimations of the likely consultancy time (or equivalent) demanded to develop the tools. Clearly these are all subject to change and further scrutiny if ALMA-UK were to pursue any of the options proposed.

### ***Does one size fit all?***

6.3 Our research of impact approaches has reinforced the perception of diversity within the archives, libraries and museums sector. Museums in particular, lend themselves to multiplier analysis due to their relative reliance upon the visitor economy. For archives, whilst the scale of visitors is lower, they tend to visit from further afield and stay for longer periods thereby enhancing the likely visitor related impact. This justifies the use of the multiplier approach to assess their economic impact. Libraries however, act more as a local amenity and therefore generate limited visitor related additional economic impact, limiting the value of the multiplier approach.

- 6.4 As a result it is felt that at least two different approaches are demanded within the sector to best capture the economic impacts of an organisation's operation.

### ***Museums and Archives***

#### ***Multiplier Analysis***

- 6.5 Museums and archives are most suited to the multiplier analysis approach. The approach is widely recognised as are the benchmark figures available for the more complex methods within the analysis.

- 6.6 Both groups of organisations typically draw visitors from a relatively wide geographical area. Whilst visitor numbers are typically far fewer amongst archives they often travel from further afield and stay in an area for longer.<sup>40</sup> Furthermore, visitor related data (often regarded as the most challenging aspect of data capture) is, in many cases, available through existing means. For example, Gift Aid receipts for museums offer an insight into visitor origins whilst the Public Services Quality Group's (PSQG's) survey of visitors for archives provides all the information required to enable a comprehensive assessment of impact and attribution of visitor related impacts for the archives sector.

#### ***Multiplier Analysis – The Toolkit***

- 6.7 The toolkit for multiplier analysis within the museums and archives sector would be best suited to a guide or narrative used in conjunction with an MS Excel spreadsheet. The guide and/or spreadsheet could provide the necessary benchmarks to employ whilst the spreadsheet would include the relevant formulae to apply to the data captured. The spreadsheet could feasibly be downloaded (and the results uploaded) to a web location, which would then support potential aggregation.
- 6.8 The spreadsheet should capture expenditure related impacts in accordance with the multiplier analysis approach whilst providing the means to capture additional values alongside qualitative information in relation to social activity, including:

#### **Multiplier Analysis**

A basis for capturing the location and scale of expenditure associated with procurement, employment and visitor related expenditure

<sup>40</sup> Assessment of the contribution of museums, libraries and archives to the visitor economy, Roger Tym and Partners (2008) (*Summary 2 in Appendix 3*)

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- Volunteer roles and the hours assigned to each role (which through the reference guide could be assigned a market value (hourly wage))
  - Learning activities – (by number of learners and hours if available, broken down if possible by accredited/non-accredited)
  - Social Inclusion activities – (particularly in relation to any initiatives that support people into employment (e.g. the Future Jobs Fund), particularly those which support the hard to reach)
  - Regeneration impacts – (particularly in relation to leveraging in private sector investment or other cultural-led, physical regeneration impacts)

This approach for capturing social impacts would also be relevant when ascribing additional value to activities delivered in libraries.

#### *Risks*

6.9 There are several risks associated with this approach:

- By placing the onus on an organisation to complete the analysis there is little opportunity to quality assure the information uploaded;
- If the information were to be downloaded and uploaded to an online spreadsheet and portal, support and ownership would need to be identified and maintained. Similarly, were the recent pace of change in government policy to continue, the tool would need to offer scope for amendment and refinement should alternative, more effective approaches be identified in the future;
- The approach would need to be piloted across a range of organisations to ensure the toolkit works effectively before being rolled out further;
- The toolkit needs to be established in conjunction and consultation with other organisations/governmental departments as a number of toolkits are being developed across the culture sector concurrently and there is a danger of duplication, diversion or criticism;
- There are a number of different impact toolkits for the culture sector currently being explored. It is therefore important that clear messages associated with the toolkit are promoted to government departments, local authorities and museums and archives linked to the goals of this research, including:

- Promotion of the specific role of this toolkit - a tool that balances user-friendliness (as its priority) with robustness and comprehensiveness. The tool should enable all museums and archives across the UK to broadly estimate the economic impact of their operation individually and allow for wider operational, regional or national aggregation;
- That the toolkit has been developed for means of advocacy, not competition; and
- That the toolkit provides the means for a consistent approach to assessing impact across the sector, throughout the UK.

## **Libraries**

### **Contingent Valuation**

6.10 Whilst a suite of approaches exist for libraries (contingent valuation, return on investment and economic valuation) concerns and criticisms exist for all three with less than a handful of instances of impact assessments of libraries undertaken and published in the UK. Contingent Valuation has been used in the UK for libraries on two notable occasions,<sup>41</sup> however the Study Team believe that contingent valuation as a toolkit in this context is too complex an approach with too much potential for confusion to be considered further.

#### **Contingent Valuation**

An approach that captures user and non-user values for non-market (free) goods through surveys.

### **Return on Investment**

6.11 Return on investment has been utilised as an approach for impact assessment of libraries in the US on a number (at least 10) of occasions. The approach demands an extensive survey to capture values associated with an individual's investment in utilising a service. It also demands market research to assign costs to alternatives. Developing the survey to ensure that it is sufficiently robust to capture the data required alongside market research to capture costs of alternatives will demand an initial outlay of considerable resource.

#### **Return on Investment**

An approach that provides a ratio of investment by an individual against the perceived value assigned to the services they receive

<sup>41</sup> See – Bolton's Museum, Library and Archive Services an Economic Valuation, Jura Consultants, (2005) (*Summary 24 in Appendix 3*) and Measuring our Value – the British Library, Spectrum Strategy Consultants (2003) (*Summary 25 in Appendix 3*)

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- 6.12 The survey is purely focussed on library users so could conceivably be delivered in-house through existing user groups or within libraries. However this would demand significant resource to coordinate its implementation and to support its delivery to ensure that a statistically robust sample size is obtained (the Study Team estimates at least 400 responses for each library service element included within the assessment). Earlier within the report reference was made to a return on investment calculator for Florida and Pennsylvania states. The calculator was informed by a user survey of around 7,000 people. Given the combined population of the two states is around 35million, 7,000 respondents is considered a suitable target to achieve to ensure that benchmark costs and perceived values are established for all of the services on offer for a UK-wide survey.
- 6.13 Once the user values and the alternative costs are established a streamlined version of the multiplier analysis tool developed for the museums and archives could then be used to capture the expenditure details that are also demanded for the return on investment analysis.
- 6.14 The scope of activity assessed through a return on investment approach should be comprehensive, however in the context of this research and given the diversity of services on offer needs to remain useable and deliverable. There is therefore the potential to establish a “base-case” return on investment approach that could then be enhanced and added to in later years, feeding in (in particular) socially-orientated activities as operators become more familiar with the approach.

#### *Risks*

Again, as with the other impact approaches, there are several risks associated with this approach:

- The level of resource demanded for a survey of this scale is significant however if coordinated effectively should not be overly burdensome on one particular library. The coordination of a survey of this nature however would be a major challenge;
- There is a danger of confusion amongst library users when requesting perceptions of values for services that they use. Very careful wording is required with surveyors comprehensively briefed on the drivers behind the research approach;

- The socio-economic diversity of the UK means that costs to use a library are likely to be extremely diverse (for example, urban versus rural where costing of library usage will be significantly greater). It is important that this is recognised; however through a desire to aggregate over a wider area, any outliers are likely to be overlooked;
- The relative diversity of offer within libraries also provides a real danger of significant fluctuation in time spent and services used within libraries. The aggregated approach presented would again overlook these factors;
- The rapidly changing market (e.g. the provision of ebooks) may influence the nature of service and indeed the perceived value of services within libraries. A substantial change in consumer requirements of service provision may then demand a subsequent survey to revisit user-value, once every few years; and
- The aggregation at the UK-wide level has the potential to undermine the perceived robustness of the approach used due to the likely scale of distribution of responses.

### ***Economic Valuation***

6.15 Whilst it offers the potential for a narrower focus than that offered through the return on investment approach, economic valuation is a more straightforward solution to assigning an economic figure to libraries. Again, the process is popular within the United States and is more widespread than the return on investment approach described above (although the terminology associated with both methods appears to be fairly interchangeable).

#### **Economic Valuation**

Values activity from an economic perspective, assigning market value to user-services against narrow-based investment (e.g. council tax) to provide a ratio

6.16 Economic valuation, similar to the return on investment approach, demands an extensive survey to capture a sufficient number of user values to be statistically robust across the variety of services typically offered by libraries. The sample sizes suggested for the return on investment offer are a suitable benchmark for the economic valuation approach however the survey itself would be significantly shorter through not needing to capture costs of alternative services or costs associated with travel or time within the libraries.

6.17 Once user values have been captured these can be applied within a toolkit with multiplier analysis for expenditure along with benchmark multipliers integrated into the toolkit. The analysis could then provide a cost benefit ratio for consideration.

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### Risks

- Again, similar to return on investment, the level of resource demanded for a survey of this scale is significant however if coordinated effectively should not be overly burdensome on one particular library. The coordination of a survey of this nature however would be challenging;
- There is a danger of confusion amongst library users when requesting perceptions of values for services that they use. Very careful wording is required with surveyors comprehensively briefed on the drivers behind the research approach. This should highlight for example that the research **will not** lead to any form of charging for services received but is merely a comparison of the value users gain from the service against what they already pay through their council tax ;
- It is important that when deciding the population for the survey, users from all socio-economic backgrounds are sampled in order to ensure that aggregate user-value reflects user-profiles found across the UK (or the geographical area identified for aggregation if it is not the UK);
- As libraries continue to diversify the range of services they offer, assigning user values to services that can be aggregated will become increasingly difficult. User values of core services could be identified however some libraries (as they diversify) may increasingly refer to provision that sits outside of these core services and raise concerns as to why this value is not being captured.; and
- Whilst widely used in the United States, this approach has had limited usage in the UK<sup>42</sup> with UK government guidance for economic valuation approaches suggesting the need to incorporate willingness to accept and the capture of non-user value<sup>43</sup> (essentially, a contingent valuation approach). The approach is the most user-friendly option, but this may undermine perceptions of its robustness and perhaps demands further discussion and debate regarding the approach with central government departments and economists.

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<sup>42</sup> See: Economic Value of Public Libraries in the UK, Morris et al (2002) (*Summary 31 in Appendix 3*) – which utilises economic as part of its return on investment approach

<sup>43</sup> See for instance: Economic Valuation with Stated Preference Techniques: Summary Guide, Department for Transport, Local Government and Regions (DTLR), (2002)

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### ***Piloting Approaches***

- 6.18 It is important that if any approach described above is to be pursued further it is comprehensively piloted. The pilots should not seek to engage purely the uninitiated or indeed those that are both cognisant and enthusiastic to be involved but should seek to capture a broad spectrum of participants. This would therefore suit one of the smaller devolved nations (for example, Northern Ireland) where, due to its size and the potential number of organisation participants, the exercise can be effectively coordinated. However, ALMA-UK may feel it more appropriate to pilot across the UK to get an insight into the nature of coordination challenges that may emerge were these approaches to be pursued. Further detail on piloting methods is contained within Table 6.1 followed by a suggested methodological structure for each proposed approach.

### ***Timescales***

- 6.19 Table 6.1 provides an overview of the timescales to ***deliver and review a pilot phase and for rolling out*** each of the approaches considered above. The table highlights that all approaches could be piloted within three months, however the capture of necessary data to generate a toolkit for roll out for the return on investment or economic valuation is likely to take several more months.
- 6.20 For the economic valuation survey, piloting of the toolkit could notionally take place prior to the collation of benchmark user value data by using research undertaken in 2002 as a proxy indicator of potential user value. This would provide an insight into the potential returns the approach is likely to identify for a library in recognition that the approach is not fully comprehensive in terms of the breadth of services being valued (due to the need to retain high level of usability), but recognises the need for this to be an advocacy tool.

**Table 6.1: Overview of Timescales for Each of the Optional Impact Approaches**

| Approach             | Task  | Time   |
|----------------------|---|--|
| Multiplier Analysis  | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Test information availability and establish agreed benchmarks (multiplier and visitor attribution)</li> <li>▪ Develop guide and tool</li> <li>▪ Pilot approach</li> </ul> | <ul style="list-style-type: none"> <li>▪ Two weeks</li> <li>▪ Two weeks</li> <li>▪ Up to two months</li> </ul> <p><b>Total – up to 3months</b></p>           |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ <b>Roll out toolkit</b></li> </ul>   |  |
| Return on Investment | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Design Survey</li> <li>▪ Pilot survey</li> <li>▪ Refine survey</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Three weeks</li> <li>▪ 1-2 months</li> <li>▪ Two weeks</li> </ul> <p><b>Total – 2.5-3.5 months</b></p>              |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ Promote Approach</li> <li>▪ Survey launch and delivery</li> <li>▪ Survey Analysis</li> <li>▪ Compile Toolkit</li> <li>▪ <b>Roll out toolkit</b></li> </ul>             | <ul style="list-style-type: none"> <li>▪ One month</li> <li>▪ Two months</li> <li>▪ Two weeks</li> <li>▪ Two weeks</li> </ul> <p><b>Total - 4 months</b></p> |
| Economic Valuation   | <b>Pilot</b> <ul style="list-style-type: none"> <li>▪ Design Survey</li> <li>▪ Pilot survey</li> <li>▪ Refine survey</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Two weeks</li> <li>▪ 1 month</li> <li>▪ Two weeks</li> </ul> <p><b>Total – 2 months</b></p>                         |
|                      | <b>Roll Out</b> <ul style="list-style-type: none"> <li>▪ Promote Approach</li> <li>▪ Survey Launch and delivery</li> <li>▪ Survey Analysis</li> <li>▪ Compile Toolkit</li> <li>▪ <b>Roll out toolkit</b></li> </ul>             | <ul style="list-style-type: none"> <li>▪ One month</li> <li>▪ Two months</li> <li>▪ Two weeks</li> <li>▪ Two weeks</li> </ul> <p><b>Total - 4 months</b></p> |

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### ***Piloting – Multiplier Analysis***

1. The first stage of the piloting for the multiplier would be to establish the extent to which information is available or could be obtained in order to populate the multiplier tool, particularly in relation to:
  - Procurement
  - Employment
  - Visitors

It is proposed that a brief series of (4 or 5) questions is devised to capture this information with a number of responses:

- Easily available
- Available but requires some research/analysis
- Unavailable

The survey could be conducted via email/online for ease of use with its distribution agreed by ALMA-UK .

2. Benchmarks and associated justification would be established for multipliers and likely displacement for agreement with ALMA-UK representatives.
3. Excel tool developed along with guide and sense checked.
4. Tool circulated to agreed respondents (which could be selected as a cross-section of respondents to the initial survey of information availability) to gain feedback on its usefulness, user-friendliness etc and to identify benchmarks in terms of visitor information that could inform the tools wider distribution.

### ***Piloting – Return on Investment***

1. Agreement with library service providers on the nature of core services to be valued by users through the survey.
2. Agreement on most appropriate route to survey using pilot (e.g. online to save resources).
3. Design survey and pilot it, capturing feedback on the questions and scrutinising the nature of responses, exploring discrepancies to identify reasoning behind these.

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### ***Piloting – Economic Valuation***

1. Agreement with library service providers on the nature of core services to be valued by users through the survey.
2. Agreement on most appropriate route to survey using pilot (e.g. online to save resources).
3. Design survey and pilot it, capturing feedback on the questions and scrutinising the nature of responses, exploring discrepancies to identify reasoning behind these.

### ***Summary***

- 6.21 A suite of three options have been identified as the most suitable and appropriate approaches to measuring impact; the multiplier analysis for museums and archives and either return on investment or economic valuation for libraries. Whilst multiplier analysis is relatively straightforward for its adaptation into a toolkit, extensive survey research, initially piloted for its feasibility of approach but then captured widely to gain a sufficiently robust dataset, is required to enable either the return on investment or economic valuation approaches to be pursued further.

## APPENDIX 1: WORKING GROUP MEMBERS AND INTERVIEWEES

| <b>ALMA-UK Economic Impact Working Group Members</b> |   |                            |
|--|---|----------------------------|
| <b>Contact</b>                                       | <b>Role</b>                                 | <b>Organisation</b>        |
| Alison Turnbull                                      | Head of Research and Standards              | Museums Galleries Scotland |
| Katrina Thomson                                      | Coordinator                                 | ALMA-UK                    |
| Heather Doherty                                      | Research Manager                            | Museums Galleries Scotland |
| Trisha Ward  | Business Manager                            | Libraries NI               |
| Chris Bailey   | Director                                    | NIMC                       |
| Stephen Scarth                                       | Head of Public Services                     | PRONI                      |
| Mary Ellis   | Head of Collections, Standards and Training | CyMAL                      |
| Ayesha Khatun  | Research Manager                            | MLA                        |
| Irene O'Brien  | Chair                                       | SCA                        |
| Rhona Arthur   | Assistant Director                          | SLIC                       |

| <b>Stakeholders Interviewed</b> |   |   |
|---------------------------------|---|---|
| <b>Contact</b>                  | <b>Role</b>                                   | <b>Organisation</b>                       |
| Jayne Clarke                    | Curator/Acting Service Officer                | Museums Antrim Museum                     |
| Adrian Steel                    | Director                                      | British Postal Museum                     |
| Lesley-Anne Kerr                | Head of Access, Learning and ICT              | CyMAL                                     |
| David Polley                    |   | Department of Culture Arts and Leisure    |
| Maureen Bennett                 | Assistant Chief Inspector                     | Department of Education, Northern Ireland |
| Sarah McHugh                    | Manager of Museum Service                     | Fermanagh County Museum                   |
| Dorothy Browse                  | Service Manager – Libraries, Arts and Museums | Fife Council                              |
| Susan Edwards                   | Glamorgan Archivist                           | Glamorgan Archives                        |
| Mike Ward                       | Museum Curator                                | Grampian Transport Museum                 |
| Elizabeth Oxborrow-Cowan        | Independent Consultant                        | Independent Consultant                    |
| Heather Doherty                 | Museum Research Manager                       | MGS                                       |
| Virginia Mayes-Wright           | Director                                      | Museum of Scottish Lighthouses            |
| Mark Richards                   | Deputy Director-General                       | National Museum Wales                     |
| Chris Bailey                    | Director                                      | NIMC                                      |
| John Hentley                    | Hub Evaluation Officer                        | North East Regional Renaissance Team      |
| Stephen Scarth                  | Head of Public Services                       | PRONI                                     |
| Rhona Arthur                    | Assistant Director                            | SLIC                                      |
| Elaine Fulton                   | Director                                      | SLIC                                      |
| Hala Osman                      | Performance and Evaluation Officer            | South West Regional Renaissance Team      |
| Wendy Walker                    | Project Manager                               | The Keep                                  |

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## APPENDIX 2: STAKEHOLDER CONSULTATION PRO FORMA

### ALMA-UK Stakeholder Research Tool

We have been commissioned by ALMA-UK to undertake research into economic impact activities undertaken within the sector over the last 10 years to help capture the wide range of approaches adopted. In addition we are seeking to consult with stakeholders to help underpin our research of economic impact approaches by identifying what could be feasibly adopted on a broad basis across the Archives, Libraries and Museums sector to demonstrate the aggregated impact of the sector at both the individual nation level and UK-wide.

#### ***Organisation Name and Sector:***

#### ***Background***

1. Please describe the role of your organisation.
2. Please describe your role within your organisation

#### ***Understanding & Experience***

3. Can you outline your understanding of what economic impact means and what this approach might involve?
4. Have you or your organisation had any experience with economic impact assessments (either participating or delivering them)? (If yes) How were you involved and how did you find it?
5. Are you aware of or have you used any toolkits to help value the impact of museums, libraries or archives?
6. If yes, how did you find them? [probe usefulness, appropriateness, transferability etc.]

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## ***Collating information to Inform an Economic Impact Assessment***

Information to inform a basic economic impact assessment will involve capturing:

- Expenditure of an organisation on suppliers
- Employment patterns and pay
- Visitor numbers

7. To what extent/quality (to your knowledge) are each of the above captured within your sector? [also probe whether this could be integrated with existing/emerging performance frameworks]

8. What challenges do you envisage in capturing information in relation to the above (both for your organisation specifically and/or for the sector as a whole)?

*To add an additional level of robustness to the economic impact assessment a number of other visitor related aspects would need to be captured including:*

- *Visitor profiling (describe what we mean – include contingent valuation)*
- *Income derived from visitor spend (where relevant) – (describe what we mean)*

9. To what extent do you believe this information could be captured (by your organisation)? Can you foresee any challenges in relation to capturing this information?

10. In considering any challenges is there a need to segment the sector in recognition that some organisations can provide more information than another?

- By operation?
- By scale?

11. If so, for example what would be considered a large library/museum/archive and how could this be defined – visitor numbers? turnover?

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## **Valuing Social Impacts**

12. A significant aspect of the role of organisations operating within the museums libraries and archives sector is social in nature. Are you aware of, or have you experienced, any tools that aid the valuing of social impacts? [if yes, explore what experience etc]

13. What specific social aspects do organisations within your sector impact upon?

- Regeneration (e.g. capital investment, cultural quarter role etc.)
- Social and community cohesion (e.g. volunteering)
- Education (informal and formal – qualifications/accreditations?)
- Environmental/Health??

[please explore each of the above with examples where possible]

14. How crucial do you think it is for some of these social impacts to be captured within a toolkit?

## **The Toolkit**

15. What format would you consider to be the most user-friendly for a toolkit that operates across the sector? – (electronic, hard copy, online)

16. Would organisations be able to input the data themselves or should this be uploaded by an independent research organisation? [explore typical IT capability as part of this question]

17. Should the toolkit be able to provide an impact assessment for a specific operation in addition to providing information to aggregate impact over a wider area/sector?

***Thank you for your time***

## APPENDIX 3: LITERATURE REVIEW – SUMMARIES

### Subjective Ratings:

- Transparency rating – 1 (A report that is transparent in the approach adopted), 3 (Opaque)
- Complexity rating – 1 (a straightforward approach that could be rolled out in its current guise), 3 ( a complex approach)

| Multiplier Analysis  |                  |                        |      |   |          |              |            |
|--|------------------|------------------------|------|---|----------|--------------|------------|
| Title  | Who Commissioned | Who Undertook          | Year | Methodological Approach   | Location | Transparency | Complexity |
| 1. Economic Impact of the Historic Environment in Scotland | HEACS            | ECOTEC                 | 2008 | <ul style="list-style-type: none"> <li>▪ Database of organisations judged to be active in Scotland's historic environment sector was compiled using information provided by HEACS and Historic Scotland.</li> <li>▪ Survey related data on employment numbers grossed up based on estimations of wider sector employment through consultation etc.</li> <li>▪ Scottish Input-Output tables utilised for direct/indirect impacts.</li> <li>▪ Analysis also includes construction related expenditure (refurbishment etc) as an addition and visitor related spend derived from Scottish Visitor Monitor.</li> <li>▪ Strips out tourism related income from direct assessment in recognition of the fact that it doesn't assign a specific visitor number to the sector</li> <li>▪ Generates output figures through income divided by turnover</li> </ul> | National | 2            | 3          |
| 2. Assessment of the Contribution of Museums,              | MLA South East   | Roger Tym and Partners | 2008 | <ul style="list-style-type: none"> <li>▪ Employment is captured from previous research commissioned by the MLA South East (providing a broader perspective than that offered through Annual Business Inquiry (ABI)).</li> <li>▪ Excludes voluntary workers in the assessment.</li> </ul>  | Regional | 2            | 2          |

| Multiplier Analysis                           |                  |               |      |  |          |              |            |
|---|------------------|---------------|------|--|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook | Year | Methodological Approach  | Location | Transparency | Complexity |
| Libraries and Archives to the Visitor Economy |                  |               |      | <ul style="list-style-type: none"> <li>▪ Tourism Spend derived from Tourism south east</li> <li>▪ Utilises market research by Visit Britain to inform profiling of leisure related visitors (Britain Inbound - Overall Market Profile)</li> <li>▪ Utilises existing impact studies to identify average visitor spend per job created – but no citing of this research (<b>maybe STEAM?</b>)</li> </ul> <p><b>Museums</b></p> <ul style="list-style-type: none"> <li>▪ <b>Breaks down museums into three sizes (&gt;80,000 visits, 20-80,000 visits and &lt;20,000).</b></li> <li>▪ Visitor profiling undertaken through analysis of visitor information provided by museums in the south east - <b>this information is only based on 12 sources who could provide information with only 8 organisations (of the 256)</b> able to provide splits between staying and day visitors (day visit – irregular local, day trips – 3 hrs in duration and stay – staying overnight)</li> <li>▪ The report rightly states that it would benefit from more comprehensive information in this regard, even down to visitor origin.</li> </ul> <p><b>Libraries</b></p> <ul style="list-style-type: none"> <li>▪ Visitor analysis is based on previous research undertaken in the east Midlands where 3 libraries profiled their visitors and 100% of these were local in origin. It is acknowledged that this is likely to be the case in all areas aside from where tourist information centres are based within the facilities.</li> <li>▪ . Bodleian library is excluded from this due to its prominence (its profile of visitors is based on the museum profile)</li> </ul> |          |              |            |

| Multiplier Analysis                                 |                            |                                       |      |  |                |              |            |
|---|----------------------------|---------------------------------------|------|--|----------------|--------------|------------|
| Title   | Who Commissioned           | Who Undertook                         | Year | Methodological Approach  | Location       | Transparency | Complexity |
|   |                            |                                       |      | <b>Archives</b> <ul style="list-style-type: none"> <li>Audience profiling derived from IPF Market Research (2006) Public Services Quality Group of the National Council</li> <li>Recognised that audience of lower number from further afield</li> </ul>   |                |              |            |
| 3. National Museums Liverpool Economic Impact study | National Museums Liverpool | England's North West research Service | 2009 | <b>Employment</b> <ul style="list-style-type: none"> <li>Salary bandings</li> <li>No detail on PT – FT ratios</li> <li>Multipliers using Cambridge Models</li> </ul> <b>Procurement</b> <ul style="list-style-type: none"> <li>Based on locational analysis of 25% of spend</li> <li>No detail on multiplier (indirect and induced) approach</li> </ul> <b>Visitor Spend</b> <ul style="list-style-type: none"> <li>Meet the definition of a tourist (as defined by the World Tourism Organisation); this is,</li> <li>Any person making an irregular visit outside of their usual environment.</li> <li>Segments visitors by spend – (using destination benchmarking data)</li> <li>Visitor numbers informed by NML profiling study to identify “drivers” of visit</li> <li>Impact calculated through average visitor spend (no detail on average day calculation)</li> <li>Total visitor spend converted to FTE – no detail on approach</li> </ul> | Local/Regional | 3            | 2          |

| Multiplier Analysis                                   |                      |   |      |  |          |              |            |
|---|----------------------|---|------|--|----------|--------------|------------|
| Title   | Who Commissioned     | Who Undertook   | Year | Methodological Approach  | Location | Transparency | Complexity |
| 4. Investing in Success                               | HLF and VisitBritain | Oxford Economics and HLF (more than one piece of research in this publication)  | 2009 | <ul style="list-style-type: none"> <li>▪ Estimates of visitors are taken from Visit Britain and ONS data – with best fit categories to the sector</li> <li>▪ The motivations of the visitor are assessed – (drawn from Visit Britain, natural England, and ONS)</li> <li>▪ Survey data on expenditure is then applied</li> <li>▪ Other research enables a “spend:jobs” created conversion to be undertaken.</li> </ul> <p>The following link for related research provides a good range of estimates of tourism spend per job created (and sources therein)<br/> <a href="http://legacy.hlf.org.uk/NR/rdonlyres/F170F9BE-9BB4-45BB-A81E-F96DE6719F8C/7857/Economic_impact_HFprojects_2009_Finalreport.pdf">http://legacy.hlf.org.uk/NR/rdonlyres/F170F9BE-9BB4-45BB-A81E-F96DE6719F8C/7857/Economic_impact_HFprojects_2009_Finalreport.pdf</a></p> | National | 2            | 2          |
| 5. Economic Impact of the Cultural Sector in Scotland | n/a                  | Stewart Dunlop (Fraser of Allander Institute, Uni of Strathclyde) Susan Galloway, Christine Hamilton, and Adrienne Scullion | 2004 | <ul style="list-style-type: none"> <li>▪ Survey based – distributed to Scottish arts council funded organisations (54% response rate) to museums and galleries that were part of a Scottish national audit (13% response rate) (supplemented with large local authority spending data in Scotland)</li> <li>▪ Input output data used to generate multipliers for spend</li> <li>▪ Mapped spend within the sector</li> </ul>  | National | 3            | 3          |

| Multiplier Analysis                                   |                         |  |      |  |                  |              |            |
|---|-------------------------|--|------|--|------------------|--------------|------------|
| Title   | Who Commissioned        | Who Undertook  | Year | Methodological Approach  | Location         | Transparency | Complexity |
|   |                         | (CCPR, Uni of Glasgow)   |      |  |                  |              |            |
| 6. West Somerset Railway: Local Economic Impact study | Somerset County Council | International Centre for Research and Consultancy Manchester Metropolitan University | 2004 | <ul style="list-style-type: none"> <li>▪ Market segmentation undertaken through consultation with managing director – and a “small-scale internal survey”</li> <li>▪ Economic impact assessment uses the LM3 model – 14 major suppliers represented 60% of payments by WSR to local suppliers – identified a multiplier of 1.9</li> <li>▪ Survey and local business analysis suggest c. £61k per job created</li> <li>▪ Volunteer labour is included using multiplication of hours by average annual income – whilst this figure is quoted it is not included within the total impact assessment.</li> <li>▪ Consulted with 2 tourism providers and 7 accommodation providers to identify added value from the provision</li> <li>▪ Uses average spend to assess jobs created</li> </ul> | Local            | 1            | 2          |
| 7. Economic Impact of HLF Projects                    | HLF                     | GHK  | 2009 | <ul style="list-style-type: none"> <li>▪ Typical expenditure (one of project related and ongoing staffing /visitor related model) – utilises output/turnover ratios for job related impacts</li> <li>▪ Utilises input output tables for Wales, Scotland and the south west of England and utilises composite multipliers derived from English Partnerships Additionality guidance</li> <li>▪ Visitor expenditure estimated through visitor surveys (combination of primary and secondary data) – visitor impact related research has been used to benchmark spend against jobs created (pg 26) at the local level along with South west and Scotland data at the regional level (<b>although the report</b></li> </ul>   | Project specific | 1            | 2          |

| Multiplier Analysis                                    |  |               |      |   |          |              |            |
|--|--|---------------|------|---|----------|--------------|------------|
| Title  | Who Commissioned                               | Who Undertook | Year | Methodological Approach   | Location | Transparency | Complexity |
|  |  |               |      | <p><b>highlights that the scale of regional information is low)</b></p> <ul style="list-style-type: none"> <li>▪ Takes into account leakage, displacement, deadweight etc</li> <li>▪ Also considers volunteer time</li> </ul>   |          |              |            |
| 8. The Economic Value of the Independent Museum Sector | Association of Independent Museums (AIM) / MLA | DC Research   | 2010 | <ul style="list-style-type: none"> <li>▪ Online survey of AIM membership – 81 responses (from almost 700) + AIM database analysis</li> <li>▪ Low response due to complexity of information requested</li> <li>▪ Volunteering and in kind contributions assessed</li> <li>▪ Distinction by visitor numbers (AIM membership size bands), tourism significance (low v high to inform displacement) in local economy and whether paid employees – all banded</li> <li>▪ Size - small = total visitor numbers of up to 10,000, medium = visitor numbers of 10,001 to 50,000 and large = visitor numbers of 50,001+</li> <li>▪ HM Treasury’s ‘Green Book’ approach, using English Partnership’s Additionality Guidance (3rd edition, 2008), and where relevant, Scottish Enterprise’s Additionality &amp; Economic Impact Assessment Guidance Note (2008).</li> <li>▪ 1.07 (Type I – indirect only) 1.2 (Type II – indirect and induced) - Scottish Enterprise Guidance (November 2008) and from multiplier ‘ready-reckoner’ data drawn from Scottish Government Input - Output tables for 2004. Scottish multipliers have been selected as they are based on sector specific input-output data, and are more bespoke than the composite multipliers as used by the 2008 English Partnerships Guidance</li> <li>▪ SIC 55 used over Sic 92</li> <li>▪ same assumptions have been used in The Economic Impact of the Heritage Tourism Economy, Oxford Economics for HLF,</li> </ul> | National | 1            | 2          |

| Multiplier Analysis  |  |               |      |   |          |              |            |
|--|--|---------------|------|---|----------|--------------|------------|
| Title  | Who Commissioned                           | Who Undertook | Year | Methodological Approach   | Location | Transparency | Complexity |
|  |  |               |      | 2009 in terms of visitor spend <ul style="list-style-type: none"> <li>Regional data used for spend – unless regional data uncovered used Visit England: England Fact Book Key Statistics about English Tourism (Updated May 2009).</li> <li>allocate half a day visit as a spend assumption to local visitors</li> <li>Uses a two thirds/one third adult/child split, with the analysis discounting spend by child visitors based on discussions at AIM Conference</li> <li>no assessment of an individual’s primary driver for visiting that area (bigger additionality/attribution issues)</li> </ul>   |          |              |            |
| 9. Economic Impact Assessment of the Heart of Hawick Project | Scottish Borders Council / Heart of Hawick | DC Research   | 2009 | <ul style="list-style-type: none"> <li>HM Treasury’s ‘Green Book’ approach, using English Partnership’s Additionality Guidance (3rd edition, 2008), and where relevant, Scottish Enterprise’s Additionality &amp; Economic Impact Assessment Guidance Note (2008).</li> <li>Qualitative detail of ‘value added’ / catalytic impacts, e.g. recognition, confidence but no attempt to value these</li> <li>Assumptions in terms of deadweight, displacement, leakage and multiplier patterns developed with stakeholders</li> <li>436 responses to surveys of tenants and visitors – identified spend estimates from these</li> <li>Impact assessment approach compares a baseline scenario (no development) and the actual intervention - net effects are assessed by comparing the two scenarios.</li> <li>Multipliers - 1.07 (Type I – indirect only) 1.2 (Type II – indirect and induced) assumes low indirect multiplier and higher induced multiplier – reflecting analysis of procurement patterns and employee residential locations</li> </ul> | Local    | 2            | 1          |

| Multiplier Analysis   |  |                   |      |   |          |              |            |
|---|--|-------------------|------|---|----------|--------------|------------|
| Title   | Who Commissioned                             | Who Undertook     | Year | Methodological Approach   | Location | Transparency | Complexity |
|   |  |                   |      | <ul style="list-style-type: none"> <li>choice of SIC55 (the hotels, catering and pubs sector) is a “conservative/cautious” choice in terms of the scale of the multipliers and allows the economic impact assessment results to be summarised as the minimum impact</li> <li>Construction impacts not explained sufficiently</li> </ul>   |          |              |            |
| 10. The Value of Museums, Libraries and Archives to Community Agendas | MLA South East                               | MLA South East    | 2008 | <ul style="list-style-type: none"> <li>Predominantly a qualitative catalogue of activities with isolated value of Museums &amp; Libraries/Archives without supporting analysis</li> <li>Useful references</li> </ul>  | National | 2            | 1          |
| 11. Museums Deliver   | National Museums Directors Conference (NMDC) | NMDC              |      | <ul style="list-style-type: none"> <li>Predominantly a promotional catalogue of evidence of use and perceptions</li> <li>Some headline figures drawn from wider research</li> <li>Extensive references</li> </ul>   | National | 2            | 1          |
| 12. Valuing Museums: Impact and Innovation Among National Museums     | NMDC   | Tony Travers, LSE | 2004 | <ul style="list-style-type: none"> <li>A questionnaire was distributed to all 29 NMDC members, asking for information about expenditure, income, visitors, education, innovation, creativity and civic engagement.</li> <li>Bemoaning lack of visitor profiling information within tourism industry (2004)</li> <li>Adds turnover to wider visitor spend</li> <li>British Arts Festival Association report from 2002 suggested a multiplier of 1.99 be used. Treasury suggested a multiplier of 1.7 should be used for sectors with strong local supply linkages (1995). The Wyndham Report produced for the Society of London Theatre in 1998 used a more cautious multiplier of 1.5.</li> </ul> | National | 1            | 2          |

| Multiplier Analysis |                  |               |      |  |          |              |            |
|---------------------|------------------|---------------|------|--|----------|--------------|------------|
| Title               | Who Commissioned | Who Undertook | Year | Methodological Approach  | Location | Transparency | Complexity |
|                     |                  |               |      | <p>This study uses multipliers of 1.5 to 1.7 to generate a range of plausible indirect and induced effects.</p> <ul style="list-style-type: none"> <li>▪ Details “export” (external trade benefit to the UK economy) generated by overseas visitors</li> <li>▪ The number of jobs generated from wider expenditure assumes a job created for every £75,000 to £100,000 of turnover. The equivalent figure for NMDC institutions is £69,400.</li> <li>▪ Regeneration impacts of major developments</li> <li>▪ Stress creative catalyst of museums</li> <li>▪ Uses a figure 50 per cent above the spending figure calculated in a South West of England museums survey for UK visitors’ expenditure (based on higher figures from other sources linked to West End theatres and Notting Hill carnival (£11.25 a visit – acknowledged as likely underestimate for non-London based visitors to capital)</li> <li>▪ For overseas visitors, to attribute a monetary value to each visit the starting point is the average daily expenditure per visitor figure published in ONS’ Travel Trends. The overall and daily expenditure figures represent the value visitors place on their visit to the UK – the amount they are prepared to spend on their trip - then possible to attribute part of it to different activities, including museum visits – one third of a day based on average visit plus eating etc</li> <li>▪ Assumed that for between 5 and 15 per cent of visitors, their NMDC-related spend is double the central estimate figure due to attribution of visit within longer stay.</li> </ul> |          |              |            |

| Multiplier Analysis                                    |                            |   |      |  |          |              |            |
|--|----------------------------|---|------|--|----------|--------------|------------|
| Title  | Who Commissioned           | Who Undertook   | Year | Methodological Approach  | Location | Transparency | Complexity |
| 13. Economic Contribution of Museums in the South West | South West Museums Council | Steven Brand, Peter Gripaios and Eric McVittie. South West Economy Centre | 2000 | <ul style="list-style-type: none"> <li>▪ used questionnaire based postal survey – members and associate members of the SWMC</li> <li>▪ The questionnaire asked for income, attendance (and origins of the attendees), staff and mapped costs (operating costs and capital costs) – sometimes challenges noted when facilities shared with libraries – 76% response rate!</li> <li>▪ segments marketplace by small (income of less than £50k) medium (50-250k) and large (over 250k)</li> <li>▪ employment estimates 2:1 pt:ft and 12:1 pt vol to ft vol</li> <li>▪ value of voluntary labour estimated through the usual means</li> <li>▪ Information on principle motivations, spending associated with the visitors was described as “scarce” therefore speculative estimates were made using national research (former Visit Britain as source) but unclear as to how the estimates in terms of visitor motivation were benchmarked</li> <li>▪ Estimates of tourism spend per jobs created were also calculated</li> <li>▪ Assumption that within region visitors – 50% day visit, 50% local</li> <li>▪ UK visitors 50% day 50% overnight</li> <li>▪ Museum principal motivations for visit – 60% day visitors and 5% overnight – recognises many assumptions</li> <li>▪ Uses input output models to estimate multipliers</li> <li>▪ Begins to assess RoI through some income measures but doesn’t look at return per pound spent</li> <li>▪ Also looks at funds per visit and costs per visit – to enable benchmarking (contentious?)</li> </ul> | region   | 2            | 3          |

| Multiplier Analysis  |                  |               |        |  |           |              |            |
|--|------------------|---------------|--------|--|-----------|--------------|------------|
| Title  | Who Commissioned | Who Undertook | Year   | Methodological Approach  | Location  | Transparency | Complexity |
| 14. Valuing Our Environment: The Economic Impact of the National Trust in Northern Ireland | National Trust   | PWC           | Mar-04 | <ul style="list-style-type: none"> <li>▪ Used “tailored” impact model incorporating income, expenditure, employment, visitors and investment – also includes the valuing of volunteer time</li> <li>▪ Uses income drawn in from outside of the local economy as a net benefit</li> <li>▪ Three case studies were identified for more in-depth research in relation to visitor profiling, indirect employment, links or local partnerships with local businesses and social impacts</li> <li>▪ Income used to assess the level of dependence on public bodies</li> <li>▪ Expenditure split by operating and capital expenditure</li> <li>▪ Uses other studies to provide a benchmark multiplier impact</li> <li>▪ Employment 2:1 pt:ft</li> <li>▪ Use average wage for volunteer activity multiplier by volunteer hours</li> <li>▪ Estimates are provided on additional visitors to sites where it is difficult to calculate visitor numbers</li> <li>▪ Visitor profile in terms of origin recorded</li> <li>▪ Doesn’t consider the driver for the original visit but utilises the total spend per visit and then is careful with the terminology used but not really accurate</li> <li>▪ Also factors in local spend by day trippers to the activity and includes that within the visitor impact – big danger of double counting</li> <li>▪ Use national benchmarks for tourism spend per FTE created</li> </ul> | N.Ireland | 3            | 2          |

| Multiplier Analysis   |                                   |                   |        |   |                      |              |            |
|---|-----------------------------------|-------------------|--------|---|----------------------|--------------|------------|
| Title   | Who Commissioned                  | Who Undertook     | Year   | Methodological Approach   | Location             | Transparency | Complexity |
| 15. Creating an Impact: Liverpool's Experience as European Capital of Culture | n/a                               | Impacts 08        | 2010   | <ul style="list-style-type: none"> <li>▪ Visitor impacts – substantial survey of 2000 people on street interviews (as necessary given the nature of the offer) to assess visitor motivations</li> <li>▪ Use STEAM as the benchmark for visitor numbers</li> <li>▪ Visitor spend levels requested (no need to use wider benchmarks)</li> <li>▪ Uses the Cambridge model to calculate multiplier effects and ultimately the jobs created from visitor spend – coefficient is mapped by sector</li> <li>▪ Very comprehensive – reflecting the scale of resources involved</li> </ul> | Local                | 1            | 3          |
| 16. Museums and Galleries in Britain: Economic, Social and Creative Impacts   | NMDC                              | Tony Travers, LSE | 2006   | <ul style="list-style-type: none"> <li>▪ Mapping of expenditure and income</li> <li>▪ Visitor numbers</li> <li>▪ No economic impact applied</li> </ul>  | National             | 3            | 1          |
| 17. Cultural Capital: A Manifesto for the Future                              | various UK cultural organisations |                   | 2010   | <ul style="list-style-type: none"> <li>▪ Considers total expenditure on the arts – and “leverage” of non-public sector money (pg10)</li> <li>▪ The arts council’s public value enquiry aimed to capture of perception of value for the arts amongst the public</li> <li>▪ Provides useful (qualitative insight) into the social impact of the arts (pg12)</li> </ul>  | National             | N/a          | n/a        |
| 18. National Museums Scotland   | National Museums Scotland         | BiGGAR Economics  | Sep-10 | <ul style="list-style-type: none"> <li>▪ Employment related impacts</li> <li>▪ Procurement related impacts</li> <li>▪ Visitor related impacts</li> </ul>  | Scotland (Edinburgh) | 2            | 2          |

| Multiplier Analysis   |  |   |      |  |                                    |              |            |
|---|--|---|------|--|------------------------------------|--------------|------------|
| Title   | Who Commissioned                               | Who Undertook   | Year | Methodological Approach  | Location                           | Transparency | Complexity |
| Economic Impact Study – Executive Summary   |  |   |      | <ul style="list-style-type: none"> <li>▪ Captures the value of concessions impacts</li> <li>▪ Captures volunteer impacts – estimating their monetary value and the number FTE jobs that volunteers equate to</li> <li>▪ Considers impact derived from capital spend</li> <li>▪ Recognises (but doesn't seek to assign a value to) the additional qualitative impacts derived from museums in Scotland – specifically around destination promotion, education and cultural infrastructure.</li> </ul>         | specifically                       |              |            |
| 19. The Economic Impact of Nonprofit Arts and Culture Organizations & Their Audiences in the Greater Washington Metropolitan Region (FY 2005) | n/a  | Alliance for the Arts   | 2005 | <ul style="list-style-type: none"> <li>▪ full-time equivalent jobs</li> <li>▪ resident household income</li> <li>▪ revenue to local and state government</li> <li>▪ procurement</li> <li>▪ input/output analysis</li> </ul>  | US                                 | 1            | 1          |
| 20. Estimating The Economic Impact Of Local Cultural Organizations: The Charlotte Arts &  | Journal of Business & Economic Research – July | John E. Connaughton, University of North Carolina at Charlotte<br>Ronald A. | 2008 | <ul style="list-style-type: none"> <li>▪ Uses the IMPLAN methodology (IMPLAN provides a comprehensive set of disaggregated multipliers that can be used to estimate the <i>indirect</i> impacts and the <i>induced</i> impacts separately from the total impact at the regional level ()) to estimate the multiplier effect by assigning different components of the cultural community to specific industry categories.</li> <li>▪ Direct impact estimates based on the annual operating budgets</li> </ul> | Mecklenburg County, North Carolina | 2            | 1          |

| Multiplier Analysis   |                                    |  |      |   |               |              |            |
|---|------------------------------------|--|------|---|---------------|--------------|------------|
| Title   | Who Commissioned                   | Who Undertook  | Year | Methodological Approach   | Location      | Transparency | Complexity |
| Science Council Example   | 2008                               | Madsen, University of North Carolina at Charlotte<br>Rob Roy McGregor, University of North Carolina at Charlotte |      | <p>of the cultural organisations and surveys of attendees about off-site expenditures associated with their attendance at cultural events.</p> <ul style="list-style-type: none"> <li>Surveys of local residents about their potential out-of-region spending on cultural activities to estimate the extent of leakage blocking.</li> <li>Doesn't value output of volunteers other than qualitative quality of life argument</li> </ul>                     |               |              |            |
| 21. Economic Impact of the Museum of Fine Arts, Boston                    | MFA - Boston                       | Mt. Auburn Associates, Inc. and Economic Development Research Group  | 2002 | <ul style="list-style-type: none"> <li>Multiplier analysis supplemented by real life examples of the Museum's connections to individuals, residents, vendors, and the city's cultural sector and estimates of less tangible impacts related to enhancing the city's attractiveness as a place to live, work, meet, and operate a business.</li> <li>Links business investment decisions to cultural offer</li> </ul>  | Boston, US    | 2            | 1          |
| 22. Economic Impact of the Cleveland Museum of Art: A Tourism Perspective | The Cleveland Museum of Art (ohio) | By James E. Robey, Ph.D.<br>Jack Kleinhenz, Ph.D.<br>Greater Cleveland   | 2000 | <ul style="list-style-type: none"> <li>Total economic impact of non-resident patrons estimated using the Greater Cleveland Regional Economic Model developed by Regional Economic Models, Inc. (REMI). This is a regional economic forecasting model which transforms visitor inputs such as day-trippers and hotel/motel nights and employment data into economic inputs, and then estimates the economic and employment impacts on the region.</li> </ul> | Cleveland, US | 2            | 1          |

| Multiplier Analysis                        |                  |                    |      |   |          |              |            |
|--|------------------|--------------------|------|---|----------|--------------|------------|
| Title                                      | Who Commissioned | Who Undertook      | Year | Methodological Approach   | Location | Transparency | Complexity |
|  |                  | Growth Association |      |   |          |              |            |
| 23. Valuing the Welsh Historic Environment | National Trust   | ECOTEC             | 2010 | <ul style="list-style-type: none"> <li>▪ Employment and incomes associated with the Welsh historic environment sector.</li> <li>▪ he additional expenditure within the economy by visitors.</li> <li>▪ Indirect effects down the supply chain associated with procurement spend and purchases from other businesses by the historic environment sector.</li> <li>▪ Induced effects associated with the spend of all those who derive additional incomes from the historical environment sector whether directly or indirectly.</li> <li>▪ FTEs based on a 37 hour week</li> <li>▪ Including indirect and induced effects, it is estimated that the historic environment sector supports approaching 30,500 FTE jobs in Wales, contributes approximately £840m to Wales' national GVA, which is equivalent to 1.9% of Welsh GVA and also contributes £1.8bn in respect of output.</li> </ul> | Wales    | 1            | 2          |

| Contingent Valuation (willingness to pay)                               |                  |                               |      |   |          |              |            |
|---|------------------|-------------------------------|------|---|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook                 | Year | Methodological Approach   | Location | Transparency | Complexity |
| 24. Bolton's Museum, Library and Archive Services an Economic Valuation | MLA              | Jura Consultants              | 2005 | <ul style="list-style-type: none"> <li>▪ Followed an approach initially established by the British Library</li> <li>▪ Surveyed users and non-users (69) (face to face (325) and by telephone (25))</li> <li>▪ Aggregation using visitor stats/card holder numbers</li> <li>▪ Willingness to accept – between two thirds and three quarters of the users unable to answer. Only one quarter of non-users were able to answer willingness to pay.</li> <li>▪ Various scenarios analysed based on the combination of willingness to pay and willingness to accept benchmarked against the annual cost for the council – fairly low sensitivity overlooks the poor non-user response numbers.</li> </ul>  |          |              |            |
| 25. Measuring Our Value   | British Library  | Spectrum Strategy Consultants |      | <ul style="list-style-type: none"> <li>▪ Assesses both the value enjoyed <i>directly</i> by users of the Library, and the value enjoyed <i>indirectly</i> by UK citizens. In each case, the economic welfare that the British Library generates has been measured by the size of the consumer surplus, i.e. by the value gained by beneficiaries over and above any cost to them of the Library's services</li> <li>▪ Key questions: <ul style="list-style-type: none"> <li>○ How much they would be willing to pay for the Library's continued existence?</li> <li>○ What is the minimum payment they would be willing to accept to forgo the Library's existence?</li> <li>○ How much they invest in terms of time and money to make use of the Library?</li> <li>○ How much they would have to pay to use alternatives to the Library, if such alternatives could be found.</li> </ul> </li> </ul> | Local    | 3            | 3          |

| Contingent Valuation (willingness to pay)  |                     |                        |      |  |          |              |            |
|--|---------------------|------------------------|------|--|----------|--------------|------------|
| Title  | Who Commissioned    | Who Undertook          | Year | Methodological Approach  | Location | Transparency | Complexity |
|  |                     |                        |      | <ul style="list-style-type: none"> <li>over 2,000 people interviewed</li> <li>results exclude any value generated for non-UK British Library users which is thought to be substantial and to generate reciprocal value for the UK economy</li> <li>The total value each year of the British Library is £363m of which £304m is <i>indirect</i> value and £59m <i>direct</i> value.</li> <li>For every £1 of public funding the British Library receives annually, £4.40 is generated for the UK economy.</li> <li>If the British Library did not exist, the UK would lose £280m of economic value per annum.</li> </ul>  |          |              |            |
| 26. Understanding the Value of Engagement in Culture and Sport: Technical Report   | DCMS - CASE project | Matrix Knowledge Group | 2010 | <ul style="list-style-type: none"> <li>Review the origins of contingent valuation (1980s and 1990s particularly emerged in HM Treasury's Guidance on Economic Value - 2003) and provides detail as to why it is an unsuitable approach for valuing the arts – time consuming, expensive and unreliable</li> </ul>  | n/a      | n/a          | n/a        |
| 27. Are We Willing to Pay Enough to 'Back the Bid': Valuing the Intangible Impacts of London's Bid to Host the 2012 Summer Olympic | Academic Paper      | Atkinson et al         | 2008 | <ul style="list-style-type: none"> <li>Contingent valuation willingness to pay approach</li> <li>Respondents asked to consider only the intangible benefits and costs to themselves and their household of London hosting the Olympic Games in 2012</li> <li>Description and meaningfulness of the good to be valued was extensively piloted through qualitative (focus groups and cognitive interviews/verbal protocols) and quantitative methods (field pilots).</li> <li>Respondents were asked to consider seven categories of intangible benefit and then six categories of intangible costs and to assign each benefit (cost) a score, out of 100, reflecting</li> </ul> | UK       | 2            | 3          |

| Contingent Valuation (willingness to pay)                   |                  |               |      |   |          |              |            |
|---|------------------|---------------|------|---|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook | Year | Methodological Approach   | Location | Transparency | Complexity |
| Games   |                  |               |      | <p>the respondent's opinion about the relative importance of that category.</p> <ul style="list-style-type: none"> <li>Respondents were then asked for their household WTP for hosting the 2012 Summer Olympic Games in London</li> <li>The credibility of the contingent valuation approach is evaluated by examining its 'construct or theoretical validity'. Construct (or theoretical) validity examines whether the relationship between WTP and other indicators is in accordance with expectations.</li> <li>Conclusion that the contingent valuation approach, if properly designed and implemented, offers a valuable <i>addition</i> to the tools of economic appraisal across a number of public policy contexts including that of subsidies for hosting major sporting events and related investment.</li> <li>Mean willingness to pay (WTP) is £22 in London which equates to an aggregate benefit of £500m. Surveys in Manchester and Glasgow generated WTPs of £12 and £11 respectively.</li> <li>Estimated total benefit to the UK in hosting the 2012 Games could be in the region of £2bn.</li> </ul> |          |              |            |
| 28. A Contingent Valuation of the 2012 London Olympic Games | Academic Paper   | Walton et al  | 2008 | <ul style="list-style-type: none"> <li>Questions of the contingent valuation approach on the grounds of credibility, precision, bias, sensitive to survey mode, method of elicitation, statistical method adopted and sensitivity to the length of the payment period.</li> <li>This study focuses on individual (as opposed to household) WTP, uses a one-time one-off payment period (as opposed to a multi-payment period)</li> <li>Study uses the double-bounded dichotomous choice (DBDC) format with individuals firstly asked: "If London's bid is</li> </ul>  |          |              |            |

| Contingent Valuation (willingness to pay)                           |                  |                 |      |  |           |              |            |
|---|------------------|-----------------|------|--|-----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook   | Year | Methodological Approach  | Location  | Transparency | Complexity |
|   |                  |                 |      | <p>successful, would you vote in favour to pay £X to ensure that the Games can go ahead?" (£X is varied amongst respondents). This is followed by a second question that asks about a value approximately 50% higher or lower than £X, depending on the response to the first question.</p> <ul style="list-style-type: none"> <li>▪ Debriefing questions are then asked to identify why respondents answered the way they did to distinguish between use and non-use valuations and to identify protest responses.</li> </ul>   |           |              |            |
| 29. Economic Value of a Local Museum: Factors of Willingness to Pay | Academic paper   | T Tohmo         | 2004 | <ul style="list-style-type: none"> <li>▪ Data gathered from a sample of tax-paying residents aged 18 and over via a postal questionnaire</li> <li>▪ Questions covered the compensation the respondent would require if the Museum of Central Finland were to be closed</li> <li>▪ As the data were collected through a postal questionnaire, some of the questioning techniques associated with the contingent valuation method such as bidding game, the pay-card technique and the bidding tree technique could not be utilised.</li> <li>▪ Study used income tax as the means of payment because the respondents were already paying for the upkeep of the Museum through direct taxation</li> <li>▪ Uses the logistic regression model that predicts positive willingness-to-pay from a constant and several variables.</li> </ul> | Finland   | 2            | 3          |
| 30. Non-priced Benefits of Renovating Historic Buildings            | Academic paper   | GD Garrod et al | 1996 | <ul style="list-style-type: none"> <li>▪ This study was designed to investigate the preferences of the people of Newcastle for the renovation and restoration of historic buildings in the Grainger Town area, and specifically to determine how much they were willing to pay for this to be achieved.</li> </ul>   | Newcastle | 2            | 2          |

| Contingent Valuation (willingness to pay) |                  |               |      |  |          |              |            |
|---|------------------|---------------|------|--|----------|--------------|------------|
| Title                                     | Who Commissioned | Who Undertook | Year | Methodological Approach  | Location | Transparency | Complexity |
|   |                  |               |      | <ul style="list-style-type: none"> <li>▪ A questionnaire survey was used to collect information from a sample of 217 council tax payers in Newcastle</li> <li>▪ A contingent valuation question elicited information on household preferences and WTP for the renovation. Following this, respondents took part in a two stage contingent valuation bidding game.</li> <li>▪ The first stage consisted of a discrete choice question asking whether or not their household would be willing to pay additional council tax towards the renovation. Respondents who were not willing to make an additional payment were asked for their reasons.</li> <li>▪ The remaining respondents were asked to state their maximum annual WTP for the scheme, and then to give their main reason for stating this amount.</li> <li>▪ All respondents were then asked to allocate 100 points between the five sub-areas of Grainger Town in a way which reflected their perception of how much those areas required renovation and restoration.</li> <li>▪ A mean WTP was £13.76, with a median bid of £10.00</li> </ul> |          |              |            |

| Return On Investment/Economic Valuation          |   |  |      |   |          |              |            |
|--|---|--|------|---|----------|--------------|------------|
| Title  | Who Commissioned                                | Who Undertook  | Year | Methodological Approach   | Location | Transparency | Complexity |
| 31. Economic Value of Public Libraries in the UK | Anne Morris, John Sumison, and Margaret Hawkins | Department of Information Science, Loughborough University, Loughborough, Leicestershire, UK | 2002 | <ul style="list-style-type: none"> <li>▪ Utilises surveys from previous research (Book Marketing Ltd, and CIPFA Plus Surveys in particular), complemented by an additional survey of 550 library users to capture user value perceptions for borrowing books on their return to the library.</li> <li>▪ Data showed that book buying and book borrowing are complementary rather than competing activities.</li> <li>▪ User perception of value with 550 users identified a perceived value associated with borrowing books for the cost of a “read” book.</li> <li>▪ Books categorised in accordance with CIPFA – broadly value of borrowing reflects quarter of the typical price (in 2002 prices)</li> <li>▪ Values are (in summary) calculated by an average number of reads against an average value for reads – factors in where someone hasn’t read the book despite it being issued</li> <li>▪ By using ratio of cost of book against value per borrow the analysis recognises the challenge that it could overstate the value to the economy by encouraging over-payment for book issues.</li> <li>▪ Looks to consider wider return on investment features – e.g. economic costs to users associated with travel time and user time etc – seems to employ “shadow pricing techniques” – would question this aspect of the approach</li> <li>▪ Does not include multiplier related assessments to provide a full RoI</li> </ul> | UK       | 2            | 2          |

| Return On Investment/Economic Valuation   |                                    |  |             |   |                            |              |            |
|---|------------------------------------|--|-------------|---|----------------------------|--------------|------------|
| Title   | Who Commissioned                   | Who Undertook                              | Year        | Methodological Approach   | Location                   | Transparency | Complexity |
| 32. Return Investment calculator for Public Libraries   | Various                            | Various public libraries throughout the US | 2004 - 2010 | <ul style="list-style-type: none"> <li>The following website is the basis for the development of an online ROI calculator for public libraries in the US – at the individual and organisation wide level</li> <li>The data leading to the calculator are based on more than 4,000 in-library surveys conducted in 36 libraries in Florida and Pennsylvania, and more than 3,000 household telephone interviews conducted in the two states and nationally.</li> <li><a href="http://www.bibliotheksportal.de/fileadmin/0themen/Management/dokumente/WorthTheirWeight.pdf">http://www.bibliotheksportal.de/fileadmin/0themen/Management/dokumente/WorthTheirWeight.pdf</a></li> <li><a href="http://www.maine.gov/msl/services/calexplation.htm">http://www.maine.gov/msl/services/calexplation.htm</a></li> <li><a href="http://www.lrs.org/public/roi/calculator.php">http://www.lrs.org/public/roi/calculator.php</a></li> <li>It utilises a number of different approaches to capturing value associated with the services offered within a library and could be used as a basis for calculations in the UK</li> </ul> | US (state and county-wide) | 3            | 2          |
| 33. Placing an Economic Value on the Services of Public Libraries in Suffolk County, New York | Suffolk Cooperative Library System | PM Kamer                                   | 2005        | <ul style="list-style-type: none"> <li>The research was predicated on a cost-benefit study performed on St. Louis Public Library in 1998 who recognised that the multiplier approach was not appropriate for libraries given their visitor catchment area</li> <li>Assigns value to the services had the user paid for them – therefore assigns the market value, taking no account for the fact that these services/goods have been borrowed rather than bought on the basis that users would have had to pay these values were the public libraries to have been unavailable.</li> <li>This figure is then multiplied by the number of users and is compared to the costs of running the libraries to provide a cost-</li> </ul>  | US County                  | 1            | 1          |

| Return On Investment/Economic Valuation                       |                  |               |      |   |                 |              |            |
|---|------------------|---------------|------|---|-----------------|--------------|------------|
| Title   | Who Commissioned | Who Undertook | Year | Methodological Approach   | Location        | Transparency | Complexity |
|   |                  |               |      | benefit analysis. <ul style="list-style-type: none"> <li>▪ The above is undertaken for circulation, reference and transcription activities.</li> <li>▪ The study subsequently considers the impact derived from employment and operating expenditures using input output models to map economic impact</li> <li>▪ The study also considers capital expenditure as part of this research</li> </ul>  |                 |              |            |
| 34. The Economic Impact of Public Libraries on South Carolina | n/a              | D Barron      | 2005 | Used a number of measures to assess varying impacts associated with the library: <ul style="list-style-type: none"> <li>▪ Economic impacts from expenditure</li> <li>▪ Income received</li> <li>▪ Value of loans of books etc (benchmark at 50% of the market value for books, full market value for audio)</li> <li>▪ Estimates of values associated with reference questions</li> <li>▪ Undertook cost per time analysis (based on Morris et al approach described above)</li> <li>▪ Combines all the above impacts together against the income received to provide a return on investment figure</li> <li>▪ Subsequently factors in indirect and induced approaches to enhance the figure</li> </ul> | US – state-wide | 3            | 2          |

| Return On Investment/Economic Valuation                     |                  |                          |      |   |           |              |            |
|---|------------------|--------------------------|------|---|-----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook            | Year | Methodological Approach   | Location  | Transparency | Complexity |
| 35. The Economic Contribution of Wisconsin Public Libraries | n/a              | North Star Economics Inc | 2008 | <p>Utilises the following approach:</p> <ul style="list-style-type: none"> <li>▪ Maps out economic contribution through public library expenditures</li> <li>▪ Interestingly considers visitor spending but it is unclear how the additionality has been identified for these visits</li> <li>▪ The user value is based on research reported in Bowker's Books in Print research that values books at an 80% discounted price rather than against the cost of purchasing those materials for libraries (which itself will be sub-public market level given the ability to buy in bulk)</li> <li>▪ Reference calls and transactions are also valued by using average hourly wage of a librarian and estimating the average time taken up on reference calls as being 15 minutes (so therefore a quarter of that hourly wage)</li> <li>▪ Costs are assigned to computer usage based on 50 cents per hour use and \$3.50 in operating costs alongside estimates of the proportion to which the computer is typically used in a year.</li> <li>▪ Children's and adult programmes are also estimated for costs based on similar approaches to that above</li> <li>▪ Other services that aren't included within the assessment due to a lack of data but are noted are – meeting room provision, career/job info, periodicals and subscriptions, wifi access</li> <li>▪ The value of the above and the direct economic contribution are combined to provide a total economic contribution which is divided by the areas population and compared to the payment in tax per person towards libraries in the state – this calculation provides a return on investment figure.</li> </ul> | Wisconsin | 1            | 2          |

| Return On Investment/Economic Valuation                       |                  |               |      |   |          |              |            |
|---|------------------|---------------|------|---|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook | Year | Methodological Approach   | Location | Transparency | Complexity |
| 36. The Costs and Benefits of Measuring Creative Partnerships | CCW              | PWC           | 2010 | <ul style="list-style-type: none"> <li>▪ Return on Investment approach in line with the HM Treasury Green Book to assess the economic benefits of Creative Partnerships</li> <li>▪ Stated that for every £1 invested, the programme delivers £15.30 worth of benefits with learner benefits the single largest contributor to total benefits (two-thirds of the total benefit)</li> <li>▪ Learner benefits based on a National Foundation for Educational Research (NFER) study which found that young people who have attended Creative Partnerships activities made, on average, the equivalent of 2.5 grades better progress at GCSE than similar young people in other schools</li> <li>▪ Based on previous PwC analysis, there is an assumption that 87% of learners who obtain 5 'good' GCSEs progress to further education with 50% of these advancing to higher education.</li> <li>▪ Higher attainment will lead to increases in the lifetime earnings with DfE analysis suggesting that earning 5 'good' GCSEs leads to an extra £93k in earnings over a person's lifetime.</li> <li>▪ Study use sensitivity analysis to test the assumptions made in arriving at study estimates by changing some of the basic assumptions and parameters – seen as good practice and an important part of any cost benefit analysis.</li> </ul> | UK       | 2            | 2          |

| Return On Investment/Economic Valuation                         |                                     |                            |      |  |            |              |            |
|---|-------------------------------------|----------------------------|------|--|------------|--------------|------------|
| Title   | Who Commissioned                    | Who Undertook              | Year | Methodological Approach  | Location   | Transparency | Complexity |
| 37. Cultural Impact Study: The Impact of the Arts in Birmingham | Birmingham Arts Partnership and AWM | Morris Hargreaves McIntyre | 2009 | <ul style="list-style-type: none"> <li>▪ BAP comprises the major cultural venues within the Birmingham city centre</li> <li>▪ Based on financial audit of attendances, ticket sales, international earnings, other income, staff salaries, staff and volunteers employed, training supplied, subsistence allowances, goods and services expenditure.</li> <li>▪ Mapping of 178,619 postcodes of patrons attending performances</li> <li>▪ 1,550 completed e-surveys of attenders at events at the participating organisations</li> <li>▪ Telephone survey of 1,000 adults living in the West Midlands region (50% in Birmingham)</li> <li>▪ City based cultural organisations contribute £271m to the region's economy per year generated from almost 2 million attendances, with arts attenders generating £40m in Additional Visitor Spend (AVS) representing a return on investment of £29 for every £1 that Birmingham City Council spends on funding the arts. Does not include other funding, e.g. ACE which would bring this figure down significantly, e.g. £11.</li> <li>▪ The ROI would further diminish if funding from other sources as AWM, HLF, MLA and Universities.</li> <li>▪ Provides estimate of potential income from potential use of venues in the future</li> <li>▪ Methodology based on Economic Impact Study of UK Theatre, Arts Council (Shellard) England 2004 which only asked for accommodation spend for attenders at West End theatre and estimated AVS to be £7.77 across 259 regional theatres and</li> </ul> | Birmingham | 2            | 2          |

| Return On Investment/Economic Valuation                           |                  |   |      |   |                |              |            |
|---|------------------|---|------|---|----------------|--------------|------------|
| Title   | Who Commissioned | Who Undertook                                   | Year | Methodological Approach   | Location       | Transparency | Complexity |
|   |                  |   |      | <p>£53.77 across 49 West End theatres.</p> <ul style="list-style-type: none"> <li>Notably the impact calculation incorporates both turnover and expenditure on goods and services</li> <li>The calculation of AVS at West End theatres in the 2004 study factored in the additional visitor spend on accommodation, whereas the regional estimate did not.</li> <li>Whereas the Shellard study reported on overall spend across all audience members - this study provided a breakdown by visitor origin.</li> <li>Uses same multiplier of 1.5 as Shellard</li> </ul>   |                |              |            |
| 38. Carnegie Library of Pittsburgh: Community and Impact Benefits | n/a              | Carnegie Mellon Center for Economic Development | 2006 | <ul style="list-style-type: none"> <li>The report examines both the library's value to the economy in terms of return on investment as well as its contributions to people and their communities. Such community benefits include literacy and learning, quality of life issues, and activities for children and teens</li> <li>Uses various data collection and analysis methods including an online survey completed by more than 1,300 individuals, two focus groups conducted with business users and community stakeholders, costbenefit analyses, and an economic impact model (IMPLAN) to measure library impact on jobs and economic output</li> <li>IMPLAN provides a basic input output model of economic activity that can be used to identify the effect of a specific stimulus, such as investment in library renovations or expenditures for its operations.</li> </ul> | Pittsburgh, US | 2            | 2          |

| Return On Investment/Economic Valuation                            |  |                    |      |  |                  |              |            |
|--|--|--------------------|------|--|------------------|--------------|------------|
| Title  | Who Commissioned   | Who Undertook      | Year | Methodological Approach  | Location         | Transparency | Complexity |
|  |  |                    |      | <ul style="list-style-type: none"> <li>Argues that residents do benefit from the availability of books and other materials that they would otherwise have to buy, saving library customers close to \$27m annually</li> </ul>  |                  |              |            |
| 39. Taxpayer Return on Investment in Pennsylvania Public Libraries | Commonwealth of Pennsylvania, Office of Commonwealth Libraries | JM Griffiths et al | 2006 | <ul style="list-style-type: none"> <li>Based on four integrated surveys and the use of a state-wide economic input output model (REMI).</li> <li>The four surveys: a state-wide household telephone survey of 1,128 adults; an in-library survey of 2,614 visitors; a survey of 226 school, university and college, business and non-profit organization librarians; and a follow-up survey of 112 public libraries.</li> <li>Touches on contingent valuation of consequences of not having public libraries</li> <li>Results of the REMI analysis indicates a ROI of \$3.79 per dollar of public funding for public libraries.</li> </ul> | Pennsylvania, US | 2            | 2          |

| Return On Investment/Economic Valuation                      |                  |                         |      |  |              |              |            |
|--|------------------|-------------------------|------|--|--------------|--------------|------------|
| Title  | Who Commissioned | Who Undertook           | Year | Methodological Approach  | Location     | Transparency | Complexity |
| 40. University Investment in the Library: What's the Return? | n/a              | P Kaufman & SB Watstein | 2008 | <ul style="list-style-type: none"> <li>▪ The model developed in this study assesses the contribution of corporate and government libraries to their institutions based on the time and costs saved by users and the income generated when using library resources.</li> <li>▪ A parallel model developed for the university environment examined the use of citations drawn from library resources in grant proposals, the success rate for proposals, and the average grant award.</li> <li>▪ The university provided institutional data on the percent of faculty who are principal investigators, their success rate with grant proposals, the amount of university grants, and the library budget.</li> <li>▪ The ROI model produced a return of \$4.38 in grant income for every dollar invested in the library in 2006.</li> </ul> | Illinois, US | 2            | 2          |
| 41. The Bilbao Effect (Guggenheim Museum Bilbao)             | n/a              | B Plaza                 | 2007 | <ul style="list-style-type: none"> <li>▪ Uses the discounted cash flow to estimate whether the investment was recovered at the end of the investment period</li> <li>▪ Method seen as problematic when applied to museums because researchers rarely have access to the institutions' detailed income statements and balance sheets.</li> <li>▪ Another difficulty arises when a city has several iconic museums in one area, making it difficult to discern which museums are generating tax income from tourism</li> <li>▪ The DCF method solely explains whether the public sector recovers its investment through tax income.</li> </ul>   | Bilbao       | 3            | 3          |

| Return On Investment/Economic Valuation   |  |  |      |   |             |              |            |
|---|--|--|------|---|-------------|--------------|------------|
| Title   | Who Commissioned   | Who Undertook  | Year | Methodological Approach   | Location    | Transparency | Complexity |
| 42. Economic Impact of Non-Profit Arts and Cultural Organizations on the State Economy of Florida | Florida Cultural Alliance and the Florida Division of Cultural Affairs | Stronge Consulting Inc.                                    | 2009 | <ul style="list-style-type: none"> <li>▪ The indirect and induced expenditures generated as a result of the direct expenditures of Florida non-profit arts and cultural organizations and their audiences were estimated using the RIMS II Model prepared by the Bureau of Economic Analysis of the US Department of Commerce</li> </ul>  | Florida, US | 2            | 2          |
| 43. Taxpayer Return on Investment in Florida Public Libraries                                     | n/a  | Hass Centre for Business Research and Economic Development | 2010 | <ul style="list-style-type: none"> <li>▪ Investment includes state investment and user-investment with user investment including:               <ul style="list-style-type: none"> <li>○ Time</li> <li>○ Travel</li> <li>○ Purchases</li> <li>○ Cost to use alternatives</li> </ul> </li> <li>▪ Benefits (return) based on:               <ul style="list-style-type: none"> <li>○ The “added costs to use alternatives to the public library” (equivalent to the cost to use alternative minus the user investment)</li> <li>○ Community economic benefits – basically wages paid to staff and spending on suppliers in addition to some visitor related spending associated with trips to the library</li> </ul> </li> <li>▪ Input output model used to assess impact on a direct and indirect basis at not only the State Level but the County Level as well (REMI)</li> </ul> | Florida     | 2            | 2          |

| Other Research  |                                    |               |      |  |               |              |            |
|---|------------------------------------|---------------|------|--|---------------|--------------|------------|
| Title   | Who Commissioned                   | Who Undertook | Year | Methodological Approach  | Location      | Transparency | Complexity |
| 44. Designing a Model to Estimate the Social and Economic Value of Public Libraries, Museums, Arts and Sport in N.Ireland | Dept. Culture Arts and Leisure, NI | PWC           | 2007 | <ul style="list-style-type: none"> <li>▪ Explores economic and social impact based on: (direct &amp; indirect) health, education, regeneration, employment, community cohesion and social integration, tourism and crime.</li> </ul> <p><b>Libraries</b></p> <ul style="list-style-type: none"> <li>▪ Explores each of the above indicators in a typical fashion with social impacts qualitative – report recommends: more round quantification of benefits, more impact analysis rather than output collation and additional information on the impact of training courses</li> </ul> <p><b>Museums</b></p> <ul style="list-style-type: none"> <li>▪ Utilises typical volunteer impact calculation (using minimum wage as a baseline)</li> <li>▪ The research concludes that quantifiable benefits exist for the above in relation to employment and tourism with data available and the remaining assumptions possibly available to health (just libraries) and education/knowledge economy impacts with data available but conversion ability unknown for cohesion type activity</li> </ul> | National (NI) |              |            |

| Other Research   |                  |                  |      |   |          |              |            |
|--|------------------|------------------|------|---|----------|--------------|------------|
| Title  | Who Commissioned | Who Undertook    | Year | Methodological Approach   | Location | Transparency | Complexity |
| 45. The Heritage Dividend Methodology  | English Heritage | English Heritage | 2005 | <ul style="list-style-type: none"> <li>▪ uses the output and impact indicators commonly used in the evaluation of mainstream funded regeneration programmes such as Single Regeneration Budget (SRB)</li> <li>▪ analysis not subject to deadweight, additionality, displacement or indirect effects on suppliers of inputs to the scheme or expenditure by employees or tourists</li> <li>▪ Indicators such as transport mode of users and visitors could be used as a proxy for effects on air quality</li> <li>▪ Appraisal pro forma differentiated by size of public sector investment in heritage project - Type 1: Under £200,000, - Type 2: £200,000 to £500,000 - Type 3: More than £500,000</li> <li>▪ Evaluation pro forma also has size differentiation and fields for basic data collection</li> </ul>   | National | 2            | 2          |
| 46. Proving Value and Improving Practice: A Discussion about Social Return on Investment | MLA              | NEF              | 2009 | <ul style="list-style-type: none"> <li>▪ An SROI analysis produces a ratio that is calculated by dividing the net value of social benefits by the value of the investment made to achieve those benefits (the 'return on investment').</li> <li>▪ This is backed up by a full description of the <i>theory of change</i> (how outcomes are achieved) and how indicators and financial values have been assigned to make those outcomes visible and manageable.</li> <li>▪ Provides a framework for stakeholders themselves to be involved in the assessment and choice of the most appropriate one for each situation</li> <li>▪ Six key elements:               <ol style="list-style-type: none"> <li>1. Establishing scope and identifying key stakeholders.</li> <li>2. Mapping outcomes (developing an impact map, or theory of</li> </ol> </li> </ul> |          | 1            | 3          |

| Other Research |                  |               |      |  |          |              |            |
|----------------|------------------|---------------|------|--|----------|--------------|------------|
| Title          | Who Commissioned | Who Undertook | Year | Methodological Approach  | Location | Transparency | Complexity |
|                |                  |               |      | <p>change), which shows the relationship between inputs, outputs and outcomes.</p> <p>3. Evidencing outcomes and giving them a value.</p> <p>4. Establishing impact.</p> <p>5. Calculating the SROI.</p> <p>6. Reporting, using and embedding.</p> <ul style="list-style-type: none"> <li>▪ SROI looks at long term outcomes for more than one group of stakeholders where CBA focuses on financial returns to one stakeholder (e.g., the investor or the state)</li> <li>▪ There are two types of SROI: evaluative and forecasted. An <b>evaluative</b> SROI is conducted retrospectively and based on actual outcomes that have already taken place to assess the value that has been created. This is best used when an initiative is already up and running.</li> <li>▪ A <b>forecasted</b> SROI is based on projections of what is expected to take place if the objectives of an initiative are met. This is best used at the planning stages of an initiative where it can help show how investment can maximise impact and is useful for identifying what should be measured once the project is up and running.</li> <li>▪ Concerns re cost, intensiveness and skills required</li> <li>▪ Another concern relating to rigour was the reliance on monetised values as proxies for social value.</li> </ul> |          |              |            |

| Other Research   |                     |                        |      |  |          |              |            |
|--|---------------------|------------------------|------|--|----------|--------------|------------|
| Title  | Who Commissioned    | Who Undertook          | Year | Methodological Approach  | Location | Transparency | Complexity |
| 47. Understanding the Value of Engagement in Culture and Sport: Summary Report | DCMS - CASE project | Matrix Knowledge Group | 2010 | <ul style="list-style-type: none"> <li>Considers the use of income compensation approaches to assess short term value from visiting cultural attractions</li> <li>It is based on the consideration of subjective well-being (SWP) using perceptions derived from the British Household Panel Survey (BHPS) using life satisfaction as the well-being indicator and attendance at cultural events <b>not including</b> MLA activity so had to assess probability of engagement through the use of the Taking Part survey</li> </ul>   |          | 1            | 3          |
| 48. Measuring Social Value   | n/a                 | Demos                  | 2010 | <ul style="list-style-type: none"> <li>Aimed to gain an idea of the capacity within the third sector to measure and communicate social value and specifically assess the ability to utilise SROI</li> <li>Reviews a number of diverse theoretical frameworks for measuring social value and concludes that many TSOs are not ready to adopt the complex and resource intensive SROI process with scepticism regarding the feasibility of making SROI the norm for the third sector.</li> <li>However, finding that although SROI may be neither practicable nor desirable for all organisations, the basic concepts of outcomes evaluation that it encourages are important for all organisations to achieve.</li> </ul> |          | 1            | 3          |

| Other Research   |                                |                       |      |   |              |              |            |
|--|--------------------------------|-----------------------|------|---|--------------|--------------|------------|
| Title  | Who Commissioned               | Who Undertook         | Year | Methodological Approach   | Location     | Transparency | Complexity |
| 49. The Impact of the Arts: some Research Evidence   | n/a                            | ACE                   | 2004 | <ul style="list-style-type: none"> <li>Presents primarily qualitative research findings on some key areas of economic and social impact of the arts under the generic headings of: social inclusion; regeneration; leverage and public support for the arts.</li> </ul>   |              | 2            | 2          |
| 50. The Economic Impact of Major Exhibitions at The Metropolitan Museum of Art, The Museum of Modern Art and The Solomon R. Guggenheim | Department of Cultural Affairs | Alliance for the Arts | 2006 | <ul style="list-style-type: none"> <li>Mainly provides results of surveys undertaken but notable for use of 1-10 rating system to assess how important seeing the exhibition was in a visitor's decision to visit New York with 1 being "Not at all important," and 10 being "Very important." For each institution, the number of people responding 8, 9, or 10 was combined to indicate a high level of importance</li> </ul> | New York, US | 2            | 2          |

| Other Research  |                  |               |      |   |          |              |            |
|---|------------------|---------------|------|---|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook | Year | Methodological Approach   | Location | Transparency | Complexity |
| Museum  |                  |               |      |   |          |              |            |
| 51. Values and Benefits of Heritage A Research Review | English Heritage | HLF           | 2008 | <ul style="list-style-type: none"> <li>▪ Report summarising key information from a range of external reports of relevance to the heritage sector</li> <li>▪ The topics covered are: Valuing heritage (studies looking at the public's attitudes towards heritage and the ways that people value heritage); Heritage visits (both the numbers of people visiting heritage across the MLA, historic building, parks, countryside and IMT sectors, and the quality of their experience); Social benefits of heritage projects; and Economic benefits of heritage.</li> </ul> | Various  | n/a          | n/a        |

| Other Research   |                                       |                          |      |   |            |              |            |
|--|---------------------------------------|--------------------------|------|---|------------|--------------|------------|
| Title  | Who Commissioned                      | Who Undertook            | Year | Methodological Approach   | Location   | Transparency | Complexity |
| 52. The Economic Impact of Heritage in the North West Final report | Northwest Regional Development Agency | AMION Consulting Limited | 2009 | <ul style="list-style-type: none"> <li>▪ The focus of this report is on direct and indirect use values and the impacts arising from heritage-related activity.</li> <li>▪ Use values are particularly identified in terms of:               <ul style="list-style-type: none"> <li>○ tourism and the visitor economy;</li> <li>○ the management and operation of heritage assets;</li> <li>○ conservation and management activities associated with heritage;</li> <li>○ business activities that take place within a heritage setting; and</li> <li>○ skills and training.</li> </ul> </li> <li>▪ Non-use values<sup>3</sup> are limited to commercial and residential land and property prices that are related to heritage.</li> <li>▪ The visitor economy analysis indicates that some 50.5m visits that are made each year to the region are motivated by heritage, resulting in expenditure of some £1.96bn to the economy (after allowing for double counting). This supports some 20,400 jobs and generates annual GVA of some £804 million.</li> <li>▪ The analysis of heritage management and operation suggest that some 8,500 jobs are supported in the North West, generating annual GVA in the order of some £226m.</li> <li>▪ In terms of conservation and maintenance activities, the analysis indicates that an estimated 10,772 jobs are supported in the North West construction sector, giving rise to £584m GVA per annum.</li> <li>▪ The overall results of the analysis of tourism, the management and operation of heritage, and conservation and maintenance,</li> </ul> | North West | 1            | 2          |

| Other Research  |                  |                  |      |  |          |              |            |
|---|------------------|------------------|------|--|----------|--------------|------------|
| Title   | Who Commissioned | Who Undertook    | Year | Methodological Approach  | Location | Transparency | Complexity |
|   |                  |                  |      | suggests that some 39,680 jobs are supported in the North West, generating some £1.6bn in GVA per annum  |          |              |            |
| 53. Measuring the Value of Culture: a report to the Department of Culture Media and Sport | DCMS             | Dr. Dave O'Brien | 2010 | <ul style="list-style-type: none"> <li>▪ The report considers the application of HM Treasury Green Book economic valuation techniques in the context of the culture sector and the subjective income/compensation and wellbeing approach developed through the CASE research.</li> <li>▪ The report concludes that stated preference methods such as contingent valuation which are explicitly support by the Green Book should be used for decisions about cultural policy to maximum alignment with central government approaches</li> </ul> | UK       | n/a          | n/a        |

## APPENDIX 4: LITERATURE REVIEW - LIST

| Title   | Author   | Date |
|---|--|------|
| Economic impact of the historic environment in Scotland   | ECOTEC   | 2008 |
| Assessment of the contribution of museums, libraries and archives to the visitor economy                                | Roger Tym and Partners   | 2008 |
| National Museums Liverpool Economic Impact study  | England's North West research Service  | 2009 |
| Designing a model to estimate the social and economic value of public libraries, museums, arts and sport in N.Ireland   | PWC  | 2007 |
| Volunteering in Museums   | Laura Baird  | 2009 |
| Investing in success  | Oxford Economics and HLF (more than one piece of research in this publication)   | 2009 |
| West Somerset Railway: local economic impact study  | Manchester Metropolitan University   | 2004 |
| The economic impact of the cultural sector in Scotland  | Stewart Dunlop (Fraser of Allander Institute, Uni of Strathclyde) Susan Galloway, Christine Hamilton, and Adrienne Scullion (CCPR, Uni of Glasgow) | 2004 |
| The economic case for the visitor economy   | Deloitte   | 2008 |
| Economic impact of HLF projects   | GHK  | 2009 |
| Valuing cultural heritage using methods from environmental economics by Prof. Nick Hanley of the University of Stirling | Nick Hanley  | 2010 |
| Popular, Prized and Full of Potential: Yorkshire Museums and the Tourist Offer  | Wafer Hadley   | 2010 |
| Creating an impact: Liverpool's experience as European Capital of Culture   | Impacts 08   | 2010 |
| Economic Contribution of Museums in the South West  | Steven Brand, Peter Gripaios and Eric McVittie. South West Economy Centre  | 2000 |
| Valuing Our Environment: The Economic Impact of the National Trust in Northern Ireland                                  | PWC  | 2004 |
| An Initial Review of the Economic Impact of Museums in Northern Ireland   | PWC  | 2003 |
| Economic Impact of Museums in Northern Ireland - Update   | In house   | 2005 |
| The Arts and the Northern Ireland Economy   | John Myerscough  | 1996 |
| Museums Economic Growth Project   | Judi Caton   | 1998 |
| Valuing museums: impact and innovation among national museums   | Tony Travers, LSE  | 2004 |

|   |                                   |                   |
|---|-----------------------------------|-------------------|
| Museums and Galleries in Britain: Economic, social and creative impacts                                   | Tony Travers, LSE                 | 2006              |
| Benchmarking surveys  | GLLAM                             | 1998<br>-<br>2000 |
| Proving Value and Improving Practice: A discussion about Social Return on Investment                      | NEF                               | 2009              |
| Economic Impact Methodologies For the museums, libraries and archives sector: What works and what doesn't | Jura Consultants                  | 2008              |
| Evaluation of DCSF's Boys into Books Programme  | ERS                               | 2009              |
| Evaluation of DCSF's Book Ahead Programme   | ERS                               | 2009              |
| Bolton's Museum, Library and Archive Services: An Economic Valuation                                      | Jura Consultants                  | 2005              |
| Museums Deliver   | NMDC                              | 2009              |
| Cultural Capital: A Manifesto for the Future  |                                   | 2010              |
| Framework for Cultural Statistics   | UNESCO                            | 2009              |
| Tourism Strategy Scoping Project; Final Report for Museums, Libraries and Archives Council                | DC Research                       | 2009              |
| The value of museums, libraries and archives to community agendas   | MLA South East                    | 2008              |
| The Economic Impact of Heritage in the North West Final report  | AMION Consulting Limited          | 2009              |
| Museums Issues 11: Highland Independent Museums Assessment summary  | Steve Westbrook                   | 2001              |
| Values and benefits of heritage A research review   | HLF                               | 2008              |
| The Heritage Dividend Methodology   | English Heritage                  | 2005              |
| Measuring Our Value   | Spectrum Strategy Consultants     | 2003              |
| Valuing the Welsh Historic Environment  | ECOTEC                            | 2010              |
| Economic impact assessment of the Heart of Hawick project   | DC Research                       | 2009              |
| No charge? Valuing the natural; environment   | Natural England                   | 2009              |
| Impact of Festivals Edinburgh   | BOP Consulting and GHK Consulting | 2010              |
| The economic value of the independent museum sector   | DC Research                       | 2010              |
| Economic value of the independent museum sector: toolkit  | DC Research                       | 2010              |
| Understanding the value of engagement in culture and sport: technical report                              | Matrix Knowledge Group            | 2010              |

|   |  |      |
|---|--|------|
| CASE database   | Various research reports - this is a database of research evidence on the drivers, impact and value of engagement in culture and sport. About 5,500 reports included |      |
| Contingent Valuation and Cultural Policy Design: The Case of 'Napoli Musei Aperti'  | Walter Santagata & Giovanni Signorello   | 1998 |
| Non-priced benefits of renovating historic buildings  | GD Garrod et al  | 1996 |
| Uptapped demand for heritage: A contingent valuation study of Prinsep Ghat, Calcutta  | M Dutta et al  | 2007 |
| Economic value of a local museum: Factors of Willingness to Pay   | T Tohmo  | 2004 |
| Public library valuation, nonuse values and altruistic motivations  | S Aabø   | 2004 |
| The monetary value of cultural goods  | AK Last  | 2007 |
| Economic Impact of Non-Profit Arts and Cultural Organizations on the State Economy of Florida   | Stronge Consulting Inc.  | 2009 |
| The return on investment of the Guggenheim Museum Bilbao  | B Plaza  | 2006 |
| The Bilbao effect (Guggenheim Museum Bilbao)  | B Plaza  | 2007 |
| University investment in the library: What's the return?  | P Kaufman & SB Watstein  | 2008 |
| Taxpayer return on investemnt in Pennsylvania public libraries  | JM Griffiths et al   | 2006 |
| Carneige library of Pittsburgh: Community and impact benefits   | Carnegie Mellon Center for Economic Development  | 2006 |
| Placing an Economic Value on the Services of Public Libraries in Suffolk County, New York   | PM Kamer   | 2005 |
| The Economic Impact of Public Libraries on South Carolina   | D Barron   | 2005 |
| A Contingent Valuation of the 2012 London Olympic Games   | Walton et al   | 2008 |
| Are We Willing to Pay Enough to `Back the Bid'?: Valuing the Intangible Impacts of London's Bid to Host the 2012 Summer Olympic Games         | Atkinson et al   | 2008 |
| Cultural Impact Study: The Impact of the Arts in Birmingham   | Morris Hargreaves McIntyre   | 2009 |
| The Economic Impact of Major Exhibitions at<br>The Metropolitan Museum of Art<br>The Museum of Modern Art<br>The Solomon R. Guggenheim Museum | Alliance for the Arts  | 2006 |
| The impact of the arts:<br>some research evidence   | ACE  | 2004 |

|   |  |      |
|---|--|------|
| Economic Impact Methodologies<br>For the museums, libraries and archives<br>sector:<br>What works and what doesn't  | Report by Jura Consultants<br>Commissioned by the MLA<br>Council and MLA South East  | 2008 |
| Economic Impact of the Cleveland<br>Museum of Art: A<br>Tourism Perspective   | By<br>James E. Robey, Ph.D.<br>Jack Kleinhenz, Ph.D.<br>Greater Cleveland Growth<br>Association  | 2000 |
| Economic Impact of the<br>Museum of Fine Arts, Boston   | Mt. Auburn Associates, Inc.<br>and<br>Economic Development<br>Research Group   | 2002 |
| Estimating The Economic Impact Of<br>Local Cultural Organizations: The<br>Charlotte Arts & Science Council<br>Example   | John E. Connaughton,<br>University of North Carolina at<br>Charlotte Ronald A. Madsen,<br>University of North Carolina at<br>Charlotte Rob Roy McGregor,<br>University of North Carolina at<br>Charlotte | 2008 |
| National Museums Scotland Economic<br>Impact Study – Executive Summary  | BiGGAR Economics   | 2010 |
| The Economic Impact of Nonprofit Arts<br>and Culture Organizations &<br>Their Audiences in the Greater<br>Washington Metropolitan Region (FY<br>2005)<br>(A Summary | Alliance for the Arts  | 2005 |
| Economic Impact of Public Libraries   | North star economics   | 2008 |
| Economic Value of Public Libraries -<br>Research in General   | Resource (The Council for<br>Museums, Archives and<br>Libraries)   | 2002 |
| Economic Value of Public Libraries<br>in the UK   | Department of Information<br>Science, Loughborough<br>University, Loughborough,<br>Leicestershire, UK  | 2002 |
| Measuring Social Value  | Demos  | 2010 |
| The costs and benefits of measuring<br>creative partnerships  | PWC  | 2010 |
| A study of Taxpayer Return on<br>Investment (ROI)   | University of Pittsburgh and<br>North Carolina   | 2005 |
| Capturing the impact of libraries   | BOP Consulting a   | 2009 |
| Public Libraries in the Knowledge<br>Economy  | Local Futures  | 2006 |
| Measuring the Value of Culture: A report<br>to the Department for Culture Media and<br>Sport  | Dr. Dave O'Brien   | 2010 |
| Taxpayer return on Investment in Florida<br>Public Libraries  | Hass Centre for Business<br>Research and Economic<br>Development   | 2010 |