

Impacts 08 Team

Dr Beatriz García, Director
Ruth Melville, Programme Manager
Tamsin Cox, Interim Programme Manager
Sonia McEwan, Programme Assistant

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Impacts 08 (January 2009) *Core Messages*



Impacts 08 Core Messages

2007 and early 2008 data

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Introduction

Impacts 08 is a five year research programme designed to establish the economic, environmental, social and cultural impact of being nominated, planning for, and hosting the Liverpool 2008 European Capital of Culture (ECoC). This summary report offers an update of the core messages that were presented as part of the Impacts 08 Baseline report.¹ The messages emerging from research to date are grouped below under the main research themes. Most findings relate to the situation in 2007, although some early indications from 2008 are also included.

Economic Impacts and Processes

General economic trends

- GVA per capita for Liverpool, though still lower than the UK average, continued to rise up to the end of 2006 (latest data available) and close the gap. Liverpool also consistently outperforms the sub-regional and, since 2002, the North West regional average, although is below that of all the other Core Cities apart from Sheffield.
- Between 1998 and 2007, the total employment volume in Liverpool increased by 12%, higher than for either the North West or Great Britain, and at a faster pace than the Core Cities average.
- The skills base for Liverpool has also improved, with a continued rise up to 2007 in the proportion of its working age population having qualifications. Additionally, interim results from the DfES² showed a marked increase in the percentage of Liverpool students leaving school with at least five GCSEs in 2008.
- Despite these improvements, Liverpool's employment rate and skills base remained low in comparison to similar UK cities in 2007.
- Business sustainability, however, has increased, with a growing rate of new business start-up (which jumped to 13.8% in 2007) and a decrease in business failure, with Liverpool being the only Core City to see a decline in the rate of business closure from 2006 to 2007.

Impact of the ECoC on the local and regional economy and business base

- When interviewed in 2007, the ECoC was seen by local investors as an entirely positive, but relatively minor, element within Liverpool's economic revival in comparison to major infrastructure investments (such as Liverpool One and the Arena and Convention Centre).
- The main areas of economic impact associated with the ECoC were the expected additional tourist activity in 2008 and the opportunity to attract senior management staff as a result of the perceived local image renaissance and a much improved, and more visible, cultural and hospitality offer.
- By the end of 2007, there were good levels of awareness about, and enthusiasm for, the ECoC across businesses in Merseyside. However, at that time, business stakeholders expressed some repeated concerns about their involvement in the ECoC hosting process. The main concerns noted were poor communications with the Culture Company, a perceived lack of advanced planning beyond 2008, and what they saw as a failure to maximise the potential benefits that may have emerged from working more closely with local business to secure a sustained legacy. Many of these concerns were addressed in 2008.³

Impacts on tourism

- From estimates using the STEAM model, the numbers of visitors to Liverpool and visitor expenditure has continued to increase. In the period 2002 to 2006 (latest data available), visitor growth was 16% by volume and 24% by value.
- Hotel supply has grown by more than a third in a decade, from 24 hotels and 2,127 rooms in 1998 to a projected number of 41 hotels and 4,190 rooms by the end of 2008 and early 2009.

¹ The full Impacts 08 *Baseline Report 2006/07* is available online at: www.impacts08.net

² Department for Education and Families (now replaced by the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills).

³ See report: *Understanding the 08Sponsors' experience of Liverpool European Capital of Culture (2008)*, available from www.impacts08.net

- In spite of this increase in supply, occupancy rates remained above 70% for Liverpool hotels in 2008, compared to a North West average of 59.6%.
- In 2008 the city attracted a high percentage of new visitors – 26.6% of all visitors to Liverpool in the period January to September 2008 were new to the city.
- Over three quarters of these visitors claimed to have been influenced to some extent by the ECoC when deciding to visit. Of these, 32% indicated that the ECoC was a very influential factor.
- In 2007, visitors saw the city as a leisure holiday destination, with sightseeing (46.8%) being the main reason for visiting. Other reasons, in order of preference, were shopping, visiting friends or relatives, and visiting an attraction or attending an event. In 2008, shopping and visiting friends and relatives had become a stronger reason to visit than was the case up to the end of 2007.

Economic impact of cultural events

- In 2007, established open air events such as ‘Africa Oye’ attracted up to £1.2 million in visitor spend and had a net economic impact of £1 million. In 2008, the Matthew Street Festival had a net economic impact of £7.2 million.
- Some of the special one-off events having a high net economic impact on the city in 2007 and 2008 have been the Liverpool 800 Day in August 2007 (£1m), the Turner Prize (Oct 2007 to Jan 2008: £10m), the ECoC official Opening Weekend in January 2008 (£2.8m); the Liverpool Sound concert (£5 million), the Tall Ships event (£8.3 million), La Machine (£2 million) and Go Superlambananas (£9.6 million).
- At the end of 2008, the Liverpool Culture Company reported that the economic benefit to the Liverpool city region of its year as European Capital of Culture was £800 million. This was based on estimates from available data on global media coverage value, visitor spend, and activity at the Echo Arena and Convention Centre directly attributable to the ECoC Programme.⁴

The City’s Cultural System⁵

Size and shape of the sector

- Employment in the city’s ‘visitor infrastructure’ (encompassing hotels, restaurants, bars, etc.) noticed a remarkable growth between 2000 and 2003, and has since remained stable.
- Between 2003 and 2006, Liverpool saw a sharp rise in employment in its creative industries sector relative to other core cities. However, the city’s previous decline in employment in this sector has yet to be fully reversed.
- The number of visitors to Merseyside’s seven largest attractions rose by 45% in 2007 to 4.2m (from 2.9m in 2004). By July 2008, the number of visitors to the same attractions had already topped 3.3m. (These attractions were: National Museums Liverpool, Tate Liverpool, Liverpool Cathedral, World of Glass, Southport Pier, Beatles Story and Mersey Ferries.)
- In the financial year 2007/08, arts organisations receiving regular funding from Liverpool Culture Company reached a total audience of nearly 3 million. When broadcast performances are included, a potential audience of over 12.6 million was reached by these organisations.

Profile of the sector

- In 2007 the city’s arts and cultural sector had a positive national media profile, with the main focus of press coverage from 2000 to 2007 being the city’s music scene, its museums and galleries, and event programming. The areas that had gained the greatest national visibility were Liverpool’s heritage and its performing arts scene. There had also been a marked growth in stories about the quality of hospitality.

⁴ Impacts 08 is engaged in undertaking a detailed economic impact study of the ECoC year on Liverpool, Merseyside and the North West region. This study will seek to ascertain the number of additional visits created by ‘08, the estimated spend from these visits and the jobs created or supported by the year’s programme. To create the most complete picture possible, it will be supported by primary data collected as part of a special visitor survey undertaken in 2008, data from work commissioned by the Liverpool Culture Company on the economic impact of particular events within the ECoC programme, and a number of other regional and sub-regional sources. It is anticipated that these findings will be published in October 2009. Further information on our methodology is available from our website at www.impacts08.net

⁵ As defined in the Impacts 08 Baseline Report (2007) and Indicators Report (2008), the city’s cultural system comprises Liverpool’s cultural and creative industries, city attractions, visitor infrastructure, and retail offer.

- The ECoC had made a contribution to positive perceptions of the city's cultural system nationally and locally, by stimulating high levels of arts and event coverage and by balancing out the traditional media emphasis on (mainly negative) stories related to Liverpool's social and economic issues.
- The number of national press stories per annum on culture-related matters doubled between 2005 and the end of 2007. In 2007, cultural events attracting the greatest national media attention were the Turner Prize exhibition at Tate Liverpool and the BBC-produced Liverpool Nativity.
- Between 2003 and 2007, 65% of all national culture-related stories were positive and 32% neutral.
- In 2007, national perceptions of Liverpool's cultural system were generally positive, with up to 35% of people identifying its music scene as a UK and European leader. Locally, Liverpool's cultural offer is perceived to be on a par with, or better, than other (non-London) UK cities.

Sustainability of the sector

- Liverpool art organisations have a diverse funding base, not relying entirely on public subsidy. In 2006/7, the percentage of income directly earned by performing arts sector organisations was above the national average (75% in Liverpool, 50% nationally).
- The city's cultural and arts sector has seen the development of strong networks since the announcement of the ECoC title. These include the Liverpool Arts Regeneration Consortium (LARC) and the Small and Medium Arts Collective (SMAC), which have formed in addition to the previously established Arts and Culture Network (part of the Liverpool Community Network).
- The LARC group has successfully attracted several multi-million pound national arts grants to the city, such as the Arts Council England Thrive! programme. As a result, Liverpool City Region is a pathfinder for the government's pilot of "Find Your Talent" cultural entitlement scheme.
- The city's cultural and creative sector has gained momentum, and feels confident in its strength and its ability to drive forward local economic growth in Liverpool and Merseyside. When interviewed in 2007, local entrepreneurs identified the key opportunities/drivers as: developing stronger links between higher education and creative industries; and, building on the image of Liverpool as the core brand for the sub-region. A lack of leadership in the sector and the drain of local creative talent towards Manchester and London were perceived as ongoing challenges.

Culture Company contribution

- Between 2005 and 2008 the Liverpool Culture Company contributed over £4m a year to the sector.
- Culture Company funding to the sector resulted in 33,560 artist days of work in 2007/8, a three-fold rise on 2005/6 levels.
- The Creative Communities programme employed 90% of its contributing professional artists locally in 2007. This is indicative of the high level of expertise in community arts that exists in Liverpool.
- The Culture Company Artistic programme provided a balance of local, national and international expertise, employing over a quarter of its artists locally and a quarter from abroad.

Cultural Access, Engagement and Participation

Cultural participation across Liverpool

- In the period leading up to 2008 (from 2004 up to the end of 2007), there was a greater number of events and performances funded, or directly organised, by the Liverpool Culture Company than was the case for Lille during its ECoC year in 2004.
- In 2007, Liverpool Culture Company in-house, commissioned or grant-funded events reached out to a total audience of 2.7million people.
- The geographic spread of audiences for Liverpool Culture Company funded activities in 2007 was quite diverse, with 17% being visitors from outside the North West (including 5% who were international).
- The Mathew Street Festival/Beatles Week were the most attractive to international visitors in 2007, attracting a 15% international audience.
- The 2007 ECoC Artistic Programme attracted a higher than average Liverpool-based audience of 54%.
- Audience satisfaction in 2007 was very high, with 89% of people indicating that events attended had been good or very good.

- One hundred percent of national and 75% of local media reports on the opportunities for participation and inclusion provided by the ECoC were positive in 2007. The same trend was maintained in 2008.

Demographic breakdown of participants and audiences

- In 2007, Liverpool Culture Company in-house and commissioned events secured above-average direct participation from BME groups. Grant-funded events secured even higher levels of BME participation, and a particularly high rate of young participants (double that of the percentage of under-16s in the Liverpool population).
- Audiences at Culture Company events showed an over-representation of people from BME and lower socio-economic groups and young adults in 2007. This meets both the DCMS's and the Culture Company's aim of attracting more diverse audiences to cultural events.
- In 2007, up to 80% of the Liverpool ECoC programme was targeted in various parts at particular community audiences and minorities. Thirty percent of the arts programme alone was targeted at BME groups, while 11% of all programmes specifically targeted people with disabilities.

Special initiatives to increase diversity and engagement

- The *08Volunteer* programme grew from 259 registered volunteers in 2005, to 9,894 in August 2008. Of these, 851 had received training to become active volunteers.
- Thirteen percent of active *08Volunteers* were of BME background, slightly above the Liverpool city proportion.
- In 2007, *08Volunteers* reported that their involvement in the ECoC programme had widened their cultural interests and helped them develop confidence and new skills.
- The number of supporters signed up to the *08Ambassadors* programme more than doubled within a year, from 3,626 at the end of 2006 to 8,559 at the end of 2007.
- The *08Welcome* programme is perceived by its users (hotel and security staff and taxi drivers) as an opportunity for local people to learn about Liverpool and become city ambassadors.

Local interest in culture and cultural events

- The proportion of Liverpool residents who express an interest in culture is above the UK average, particularly for museums and galleries – for example, 67% of Liverpool residents expressed an interest in going to museums and galleries in 2008, compared with 53% of North West and North Wales residents, and 57% of residents from the rest of the UK.
- Cultural participation was above average for Liverpool residents in 2008, with 69% reporting that they had attended a museum (an increase of over 25% on 2006) and 52% reporting that they had been to an art gallery (an increase of nearly 27%).
- Awareness of and pride in the city's broad cultural offer was very strong in 2007 across a diverse sample of Liverpool neighbourhoods. However, this contrasted with low understanding at that time of what the ECoC had to offer to the people of Liverpool beyond external image change.

Identity, Image, and Sense of Place

Media discourses on Liverpool

- By 2007 the ECoC nomination had had a short- to medium-term impact on the city's image, at a local as well as a national level.
- In 2003, national papers produced four times more positive stories about Liverpool's culture and arts scene than in 1996.
- Between 2004 and 2007, national press stories about the ECoC more than doubled and were 75% positive or neutral. Locally, attitudes to ECoC-related stories grew from 47% positive in 2005 to 60% positive in 2007. This had been achieved despite the ongoing growth in controversial stories about funding and management issues that occurred concurrently.
- Since the bid award in 2003, coverage of (positive) culture-related ECoC stories has predominated over (negative) managerial issues, particularly at a national level.
- In early 2008 the city was attracting unprecedented levels of national and international media coverage. The ECoC 'Opening Weekend' attracted 308 media representatives, a third of whom represented multi-

national or overseas agencies. The number of national press stories on the ECoC in the first half of the year was double the total coverage for 2007.

- Beyond the ECoC, sustained positive media associations relating to Liverpool at a local as well as national level include the city's football clubs; its galleries and visual arts scene; its music scene; the growth in quality and range of cultural events; the city's changing image; the profile of its media and entertainment personalities; and the city's business and investment growth.
- Following a similar trend for other UK cities, sustained negative media stories focus on crime, health and wider social issues. However, in 2007, most high-profile crime-related stories were presented as a national rather than just a Liverpool problem, and there was a growth in positive reporting about local measures to tackle crime and improve health and well-being. There was also a minor growth in national negative stories about management issues and physical development in 2007.
- Nationally, the Liverpool ECoC is mainly associated with the city's wider renaissance, in particular with its renewed (enhanced) image, economic regeneration and cultural vibrancy. Locally, the main associations are with the city's physical change as well as the increased range of cultural offer.

Personal interpretations

- Liverpool's local population feel proud and confident in Liverpool, rating it equal to or better than other UK cities, particularly in terms of its broad cultural offer and sense of community.
- When questioned in 2007, 80% of local residents agreed that the ECoC would give people outside the city a more positive impression of Liverpool, and 75% felt that it would attract high levels of new investment.
- Levels of confidence in the lasting positive benefits of the ECoC for the people of Liverpool varied slightly between neighbourhoods. Residents from low income communities felt less confident than those from wealthier areas.
- In 2006, Liverpool taxi drivers and hotel staff reported that first-time visitors to Liverpool undergo a transformation in their views on the city: overseas visitors realise there is much more to do than they expected, UK visitors find it safer and friendlier than they expected.

Physical Infrastructure and Sustainability of the City

Physical infrastructure investment

- Liverpool has undergone an intense period of physical development, which peaked in 2008. In the public imagination (as evidenced by media coverage, citizen surveys and stakeholder interviews), such developments have been associated with the ECoC award and hosting process.
- Since 2000, almost three hundred major developments have been completed in Liverpool City Centre, estimated to be worth around £4bn.

Travel, transport and public realm

- The number of Merseyside-bound passengers arriving at Liverpool John Lennon Airport doubled between 2003 and the end of 2007.
- A higher proportion of tourists to Liverpool travel by public transport than for other cities, thus lowering the environmental footprint.
- Only 39.5% of visitors to Liverpool in 2008 (between January and September) came by car.
- The majority of visitors to Liverpool between January and September 2008 rated transport to Liverpool as very good (67.3%), while less than 1% described it as very poor.

Cultural Company activity to minimise environmental impact

- Liverpool Culture Company achieved an ISO14001 environmental sustainability rating in April 2008, reflecting a broader process in which environmental sustainability requirements such as local sourcing, reusable glasses and other factors are embedded in procurement and event catering.
- The Culture Company's partnership with Merseytravel has enabled the positive promotion of public transport to access events. For the 2008 ECoC Public Opening Event, 40% of the audience travelled by local rail alone.

Philosophy and management of the process

ECoC income and expenditure

- The Liverpool ECoC was delivered on a larger budget than for any previous ECoC host city.
- Up to 74% of ECoC funding was focused on programming, 10% on overheads and administration, and 16.7% on marketing and promotions (percentages are partly based on projected expenditure).

Sponsors and partner engagement

- In the lead up to 2008, the Culture Company's relationship with key ECoC stakeholders was challenged by problems with communication and management of expectations. The Culture Company worked with partner organisations to address ongoing issues. By June 2008, stakeholder relationships had been strengthened, with most partners feeling that both Liverpool and their organisations had benefited from the ECoC.
- The Liverpool ECoC attracted a growing number of private sponsors of local, regional and national significance, securing 11 out of the 12 'Official Partners' that had been aimed for at premium sponsorship level by January 2008, plus a range of Official Supporters and Suppliers.
- 08 Sponsors felt strongly committed to the city and motivated to support the ECoC, building on their established relationship with Liverpool.
- The 08BusinessConnect initiative has seen a marked growth since 2004, with 4,117 registered businesses by June 2008.
- The prospect of the ECoC stimulated Merseyside boroughs to strengthen partnership working. In response to the opportunities perceived to be brought by the ECoC, boroughs outside Liverpool gave greater prominence to cultural projects at a strategic level.
- The ECoC has provided a frame of reference for re-thinking Liverpool's approach to a city-wide cultural strategy. Cultural organisations have been encouraged to play an active role, in parallel with a wider range of stakeholders including public, private, voluntary and community service providers.
- The city's plan for a cultural strategy, covering the period 2008 to 2013, provides an opportunity to strengthen the range of new cross-sectoral partnerships that have emerged and been developed in the lead up to 2008.

Awareness and satisfaction with the Liverpool ECoC and the 08 brand

- Unprompted awareness of Liverpool as ECoC rose nationally (ie outside the North West/North Wales region) year on year, reaching 31% before the official ECoC opening weekend in January 2008. By the end of 2008, national awareness of Liverpool as ECoC had almost doubled to 61%.
- Within the North West and North Wales, awareness of Liverpool as ECoC reached 75% before the opening ceremony, and by the end of 2008 had risen to 86%.
- Liverpool residents' perceptions of the ECoC as a city regeneration programme were slightly more negative than those nationally in 2007. This reflects the mixed feelings of those from some of the most deprived Liverpool communities, who were uncertain about the programme's lasting economic and social benefits.
- In 2007, there was a marked difference between the limited local confidence in the ECoC's social and economic impact and the level of satisfaction with its cultural offer. ECoC events were rated extremely positively, and 86% of Liverpool residents indicated that they are interested in attending them.
- In the lead up to 2008 Liverpool attracted similar levels of negative national press coverage on managerial and political issues as was the case for Glasgow in the lead up to its ECoC year. In contrast, Liverpool attracted much higher positive coverage on its cultural offer than was the case prior to 1990 in Glasgow.
- In general, the levels of national coverage about Liverpool's ECoC in the years preceding the actual event were far higher than for any previous ECoC host city, including Glasgow 1990.

Establishing an international point of reference

- Internationally, the Liverpool ECoC is perceived as a key point of reference for other cities aspiring to host the ECoC title in coming years. Liverpool initiatives that have attracted particular attention are its 08Welcome, 08Volunteers and Creative Communities programmes, and the decision to support an extensive five year research programme.
- Liverpool has led the way in the establishment of a network of future ECoC hosts and candidate cities to ensure the sharing of knowledge and lessons learnt.
- In 2008, Liverpool hosted over 62 events of international significance, involving visits from overseas national delegations.

Appendix: Impacts 08 reports

Available online or coming soon at: <http://www.liv.ac.uk/impacts08/Dissemination/I08reports.htm>

Economic impacts and processes

- *The Business of Culture: ECoC impacts and engagement with the regional and local business base* (3 reports)
- *Measuring the economic impacts of Liverpool ECoC - baseline indicators* (2006 data)

The city's cultural system

- *Scoping and understanding Merseyside's Creative Industries and impact of the ECoC*

Cultural access and participation

- *Impact of 08 Volunteering on levels of Cultural Engagement* (2007 data)
- *Local Area Studies* (2007 data)

Image and identity

- *Impact of the ECoC on Liverpool's local and national media coverage* (2003 to 2008 data)
- *'Re-telling the City - Exploring Narratives of Liverpool'* (2006 data)
- *'Press Impact Analysis - A retrospective study* (1996, 2003, 2005 data)

Philosophy and management of the process

- *Understanding the 08Sponsors' experience of Liverpool European Capital of Culture* (2007 data)

Complementary reports outlining our methodological approach are also available in the [Background Documents](#) section of the above webpage.