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Impacts 08 (May 2009) *Economic Impact–Abridged Methodology*

Economic Impact of Liverpool's Year as European Capital of Culture 2008

Abridged Version of Methodology Report

June 2009

Report prepared by
England's Northwest Research Service (ENRS)



Edited by Impacts 08

Impacts 08 is a joint programme of the University of Liverpool and Liverpool John Moores University
Commissioned by Liverpool City Council



Overview

Impacts 08 is working with England’s North West Research Service (ENWRS) to undertake a detailed economic impact study of the effect of the European Capital of Culture year (ECoC) on Liverpool, Merseyside and the North West region. This study will seek to ascertain three measures at local, sub-regional and regional level:

1. The number of additional visits created by '08,
2. The estimated spend from these visits
3. The jobs created or supported by the year’s programme.

In constructing the model the following basic premises at all times were adopted:

- The model should follow best practice.
- The methodology should be as transparent as possible.
- Clarification of the limits of reliability of external data sources to be explicit.
- Methods used should be capable of replication for measuring the impact on other capitals of culture.
- Clear setting out of timelines in the process

The model combines two broad core elements to provide the measurement;

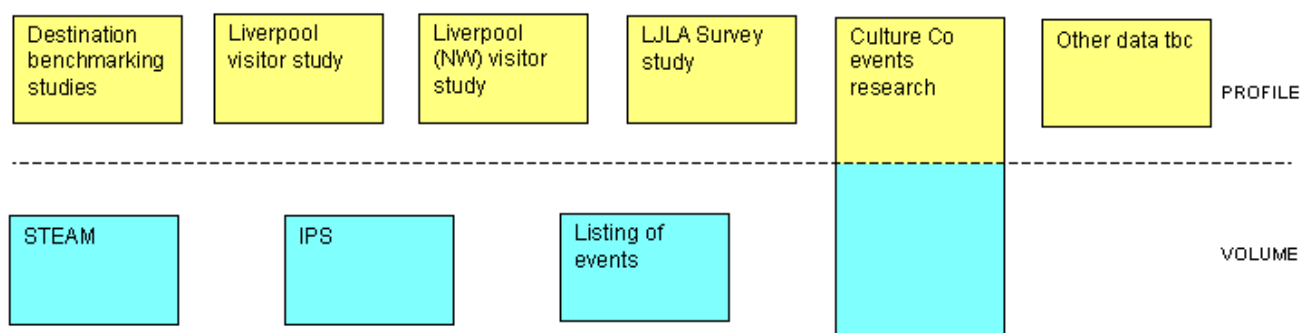
- Publicly-available datasets to present the overall volume of visits to the Liverpool City Region
- Primary survey work to gain the profile of visitors, including the extent to which their visit was influenced by ECoC.

Data Sources

As indicated above, the study will be supported by primary data, collected as part of special visitor surveys throughout 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 secondary data sources, to create the most complete picture possible.

The diagram below presents the key data sources being used in the model, whether primary or secondary. Note that this diagram is essentially a listing of the sources of data, to give an idea of the breadth, and is not to be considered as representing a hierarchy or relationship between the components.

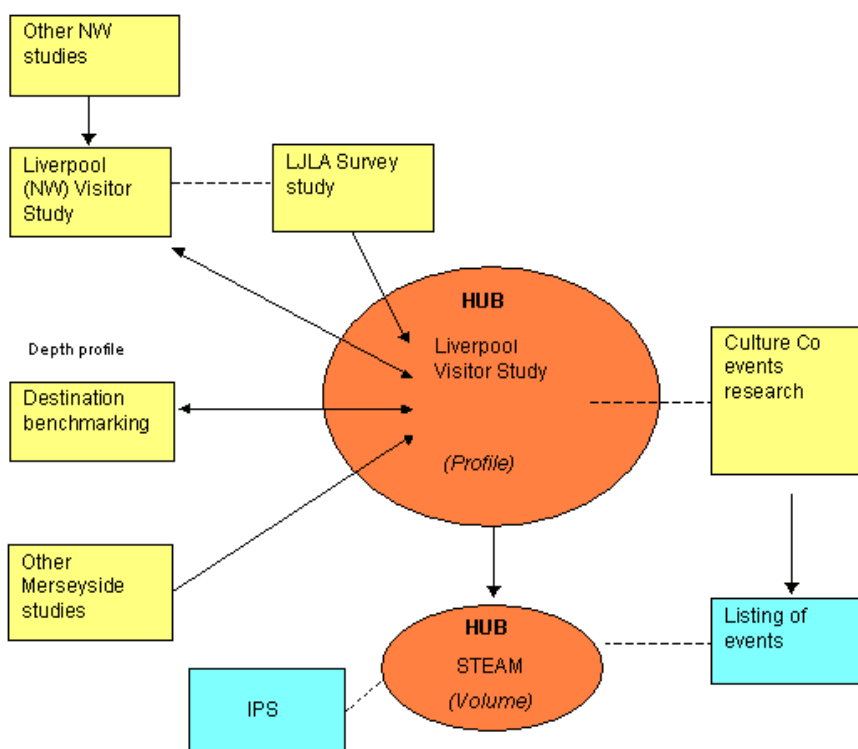
Figure 1: Key sources of information used within the model¹



¹ LJLA is Liverpool John Lennon Airport

Model of Data Interaction

The table below represents the relational aspects of these different data sources:



Essentially, the model revolves around two *hubs* of data; STEAM² – providing the ‘volume’ and the Liverpool visitors study – providing the ‘proportion’ of visitors influenced by Capital of Culture.

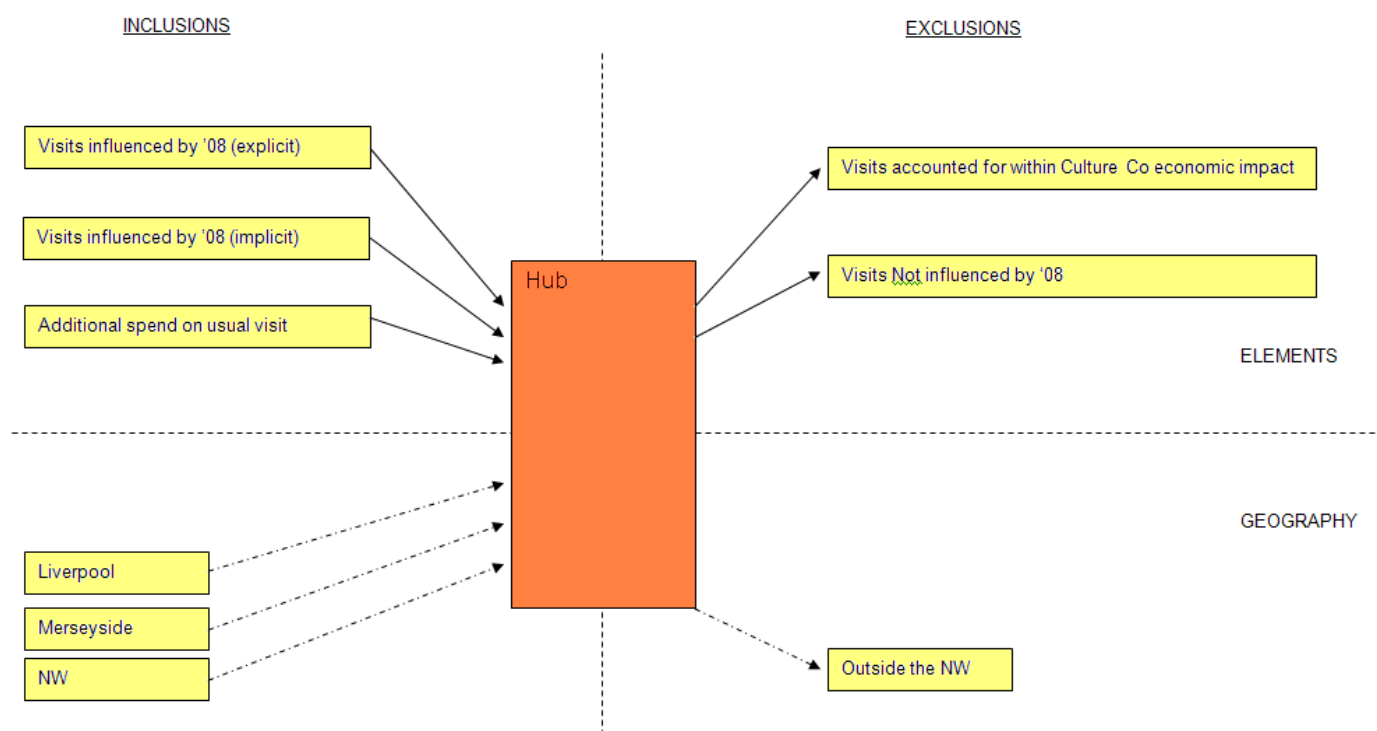
This is mapped alongside the impact of visits to events, as drawn from events research conducted by the Culture Company.

Inclusions and Exclusions – Avoiding Double Counting

A core concern in ensuring the reliability of the model is to ensure not just that a reliable level of the impact is gauged but also that there is no potential for double counting. For example, not including someone who’s visited an event due to Capital of Culture if they have already been included within the overall visitor profiling study.

² Scarborough Tourism Economic Activity Monitor – the primary model used by the Northwest Regional Development Agency and The Mersey Partnership to calculate the volume and value of tourism.

Figure 3: Inclusions and Exclusions from the model



Note that currently the economic impact of visitors as calculated for outside the Northwest region is excluded – although this figure will be available, and it may be useful in particular to indicate the benefit to the rest of the UK from ECoC.

Calculating Value and Related Impacts

The model outlined above leaves us with just direct spend; what it does not present is indirect spend – and there are a number of items that need to be included in this.

- Tourism jobs directly supported by tourism spend
- Indirect tourism spend
- Indirect spend through local linkages (goods and services).
- Indirect jobs supported

To arrive at the values for these figures, two approaches will be utilised;

- Use of the figures in STEAM, which indicate a ratio to give jobs supported (direct and indirect spend) and the indirect spend generated for each £ spent by visitors,
- Use of the Cambridge Model's multipliers, the predecessor of STEAM. The Cambridge model provides a breakdown in terms of £ to create to jobs by sector and £ create indirect and local linkages spend in the economy, and this is by a series of multipliers. We will be using ASHE³ to update the estimates of wages per job to 2008 levels.

We expect to use both figures within the final report, but with an emphasis on the Cambridge data.

³ Annual Survey of Hours and Earnings – a survey run by ONS, with data available by broad industry sectors and to NUTS3 geographic level.

Timescale for Reporting

What follows is the timescale for this project and key milestones, subject to external input by outside bodies.

Date	Action
July 2008	Schematic of model
	Identification of key data inputs
August 2008	Receipt of initial '08 events report/data (and thence at event +3 months timing)*
	Receipt of draft 06/07 STEAM data*
	Desk research / scoping
September 2008	Model construction and testing
October 2008	Full methodology published (applied as indicator to initial data)
November 2008	Data mining of existing datasets
January 2009	Receipt of final dataset*
	Close on data inputs
February 2009	Initial draft of 2008 data
May 2009	Input of recent STEAM data*
July 2009	Input of recent IPS data*
August 2009	Final modelling and Quality Checks
October 2009	Final report
	Evaluation

*Denotes external input critical to timeline. Delay to these components will have an effect of delaying later components.

Important note on citation:

Note this report is not to be quoted or summarised without reference to Impacts 08: The Liverpool Model – European Capital of Culture Research Programme. Suggested reference format: Impacts 08 (2009). *Economic Impact of Liverpool's Year as European Capital of Culture 2008 (Abridged Version of Methodology Report)*. Liverpool, UK: Impacts 08 [online: <http://www.liv.ac.uk/impacts08/Dissemination/I08reports.htm>]