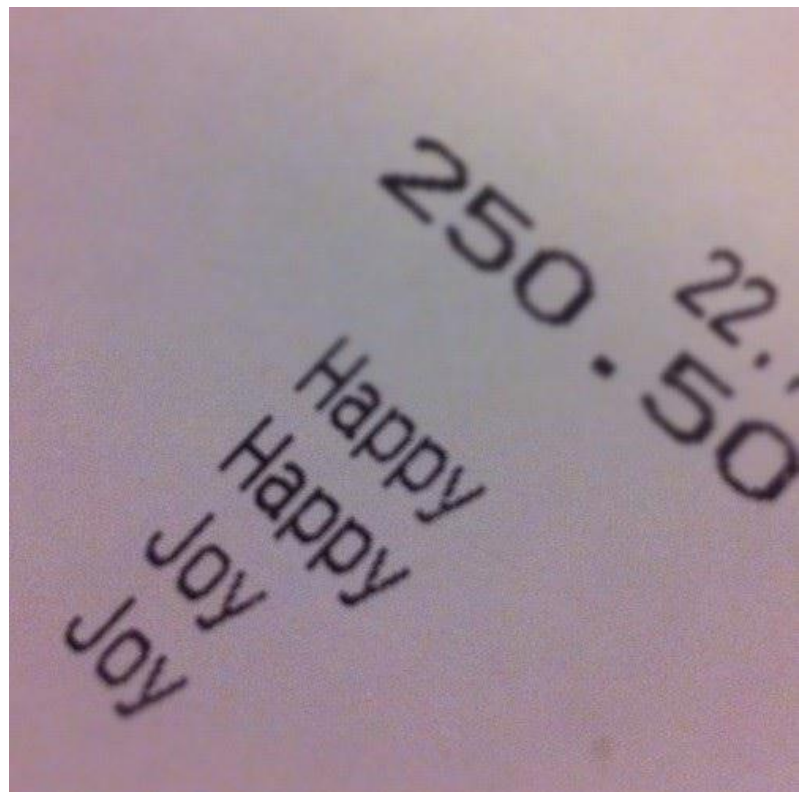


# A holistic approach to valuing our culture:

a report to the Department for Culture, Media and Sport

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# Chapter 1: Introduction

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This report provides a summary of a programme of work for an AHRC/ESRC Public Service Placement Fellowship ‘Measuring Cultural Value (Phase 2)’, based at the Department of Culture, Media and Sport. It focuses on the part of this research that engaged directly with representatives of the cultural sector, and with their views on the idea of measuring the value of culture.

## 1.1 Background

For many years the government has been interested in developing a stronger evidence-base to help make decisions about its funding of the cultural sector. It needs to make informed choices about the relative value to the public of funding Project A compared with Project B, and this decision should be taken in a fair and transparent manner. It has been argued that the quality of decision-making for funding the cultural sector is lagging behind the rest of government, which uses economic valuation techniques to calculate the costs and benefits of competing demands on the public purse.

However, placing a monetary value on the benefits of culture to individuals, or groups of people, is complex. The cultural sector is diverse, and includes the arts, built heritage, galleries, libraries, and museums. So how can a transparent decision be made to support a particular cultural good, service, or institution, at the expense of another? Or indeed to invest in culture rather than in health or education?

The Phase One report, *Measuring the Value of Culture: A Report to the Department of Culture, Media and Sport*, grapples with these issues and concludes that ‘the cultural sector will need to use the tools and concepts of economics to fully state their benefits in the prevailing language of policy appraisal and evaluation’ (O’Brien, 2010: 4). It recommends that a particular set of economic valuation methods should be used to calculate a monetary value for the relative benefits of culture: revealed preference techniques (based on observing people’s spending behaviour when accessing cultural goods) and stated preference techniques (using questionnaires to estimate people’s willingness to pay for cultural goods). It argues that these methods have been successfully used within government to support decisions about, for example, environmental policies or projects that have a great deal in common with the cultural sector, such as having to place a value on heritage, aesthetics, and the preservation of goods for future generations.

## 1.2 Approach

A key aim of this project was to consult with cultural sector representatives who had expertise in evaluation, and whose organisations had different and competing interests, to see if any consensus could be reached on appropriate sector-wide measures of cultural value.

### A holistic approach

The Phase One report, *Measuring the Value of Culture*, recommended that the cultural sector should be pragmatic and embrace the use of economic valuation techniques as a means of securing greater public funds (O'Brien, 2010: 8-9). The Phase Two approach builds on this recommendation, and notes that economic valuation techniques may usefully provide evidence to support large-scale investments in the cultural sector (such as supporting major national cultural institutions). Yet these techniques are expensive, time-consuming, and require a great deal of expertise, and so are not suited to smaller-scale enterprises and projects. However, there is a range of appropriate, alternative economic and non-economic approaches that smaller enterprises can use to robustly articulate the value of culture.

This project therefore chose to investigate the possibility of a holistic approach to valuing our culture that is sensitive to various scales of investment in the cultural sector, and that can balance the need for transparent decision-making with a broad vision of the unique value that the cultural sector creates.

### A consultative approach

In order to gauge the potential appeal of a holistic approach to valuing our culture, this project sought to engage with the cultural sector generally, and then to engage in more detailed discussion with experts in cultural sector valuation. This was achieved through discussion threads on a project blog hosted by DCMS, and by organising two stakeholder workshops.

This consultative approach was desirable due to the strong impression that the cultural sector was polarised about the use of economic valuation techniques (Bakhshi *et al.*, 2009; O'Brien, 2010). To attempt to move the debate forward, it was necessary to bring together the interests of DCMS, its various stakeholders, and the cultural sector generally, in the hope that some consensus might be reached on the use of novel economic and non-economic valuation techniques to inform decision-making processes.

However, during the course of this consultation the expected polarisation of the cultural sector over the use of economic valuation techniques was not apparent, on the condition that space was also made for non-economic valuation methods where appropriate. The outcome was that the idea of

a consultative and holistic approach to assessing the value of culture gained general approval. The key messages from the consultation were:

- Support for the idea that valuation should not be a 'one size fits all' exercise.
- That economic valuation techniques are appropriate for large-scale investments but not for small-scale enterprises.
- The need for sector-wide practical guidance on what economic and non-economic valuation techniques to use and in which circumstances.
- Cultural sector organisations, from small community-based projects to large national institutions, are keen to learn how best to articulate the value their activities generate for their various publics.

# Chapter 2: The very idea of measuring cultural value

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The purpose of this strand of research was to consult with the cultural sector on the potential appeal, or otherwise, of a holistic approach to valuing our culture. This was set against a backdrop of perceived resistance within the cultural sector to the idea of using economic valuation techniques to measure cultural value. The Phase One report, *Measuring the Value of Culture*, provides a more detailed overview of the debate (O'Brien, 2010: 11-14; 18-21), but the most salient points for thinking about a holistic approach to valuing our culture are now discussed.

## 2.1 Two cultures of valuation?

The most powerful case against applying economic valuation techniques was part of the outcome of the 2003 'Valuing Culture' debate, and was voiced by Robert Hewison and John Holden (2004; Hewison, 2006; Holden, 2004; 2006), and informed by the work of David Throsby (2001; 2003) and Sara Selwood (2002). Hewison and Holden maintain that public funds create three types of cultural value: instrumental, institutional, and intrinsic.

Instrumental value is found in the indirect social and economic benefits that can be derived from cultural engagement, for example, addressing social exclusion or creating health benefits; and institutional value is derived from the practices organisations employ to engage with and create value for the public, such as in generating trust and providing social space to explore cultural experiences. And instrumental and institutional value can be measured in terms of outputs and objective outcomes.

Intrinsic value is deeply intertwined with instrumental and institutional value, and 'relates to the subjective experience of culture intellectually, emotionally and spiritually' (Holden, 2006: 14), is 'embodied or expressed through images, objects, experiences, performances, shared memories and the like' (Holden, 2004: 39-40), and 'operate[s] at a range from the personal through to the international' (Hewison and Holden, 2004: 30). This form of cultural value is derived from attributes of cultural goods such as 'their aesthetic properties, their spiritual significance, their role as purveyors of symbolic meaning, their historic importance, their significance in influencing artistic trends, their authenticity, their integrity, their uniqueness, and so on' (Throsby, 2003: 280). However, the

perception is that governments are only interested in instrumental value and its social and economic impact, and so data collection to inform policy and funding decisions not only overlooks capturing intrinsic value, but the methods employed cannot grasp the essence of subjective experiences (Holden, 2006: 32; 48).

An important alternative argument is that the analysis of subjective preferences is in fact the basis of modern microeconomics (Bakhshi *et al.*, 2009: 20). And when applied to the cultural sector, economic valuation techniques do capture intrinsic values because these underpin people's preferences, either revealed through related market behaviour, or expressed in terms of their hypothetical willingness to pay for cultural goods or services. It is argued that cultural economics can therefore provide estimates of the value the public places on culture, and this is 'a commensurable estimate of intrinsic value – one that permits comparisons between alternative uses of public funds', and so can be used as evidence to inform cost-benefit analyses. In this light, economic valuation techniques can greatly strengthen the case for government support of the cultural sector (2009: 15; 20). Indeed, because economic valuation techniques are based on people's preferences, this is a highly democratic approach to informing decision-making (Pearce *et al.*, 2002: 22). For Hasan Bakhshi *et al.*, economic valuation studies tend to find that 'the public places a considerable value on art and its availability, a value often greater than the public funding actually allocated', and it follows that 'reluctance to use rigorous economic methods has hindered rather than helped the case for the arts' (2009: 2-3).

Bakhshi does, however, also recognise that not all aspects of cultural value can be captured by economic valuations, and so in a keynote speech at the *Culture Count: Measuring Cultural Value Forum*, he conjured up the 'tantalising prospect' of a 'holistic, yet integrated' approach to assessing cultural value that is 'eclectic in its methodological approach' (2012: 3; 6).

## **2.2 Measure for measure**

Given this history, the project blog sought to test the temperature of general opinion about approaches to measuring cultural value, and so set a series of provocative questions in order to gauge how polarised responses were. The stakeholder workshops, on the other hand, sought to focus discussion around the practical exercise of empirically testing, on a case by case basis, a range of diverse measures of cultural value, including economic valuation techniques, quantitative non-monetary measures, qualitative indicators, and narrative approaches. While the cultural value debate does have a long pedigree, it was felt that a focus on a possible holistic approach to measuring cultural value was a novel and positive way to move this discussion forward.



# Chapter 3: The ‘Priceless?’ blog and stakeholder workshops

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This section outlines the approaches the project adopted to engage with the cultural sector on the issue of measuring cultural value, and to test whether a holistic approach would gain support.

## 3.1 The ‘Priceless?’ blog

*Priceless?: A Blog on the Very Idea of Measuring Cultural Value* was hosted by DCMS (<http://blogs.culture.gov.uk/priceless>), and was sent up in January 2012, with discussion running through to June 2012. Its purpose was to connect more broadly with the cultural sector, and potentially the general public, and consult on issues and concerns surrounding the idea of ‘measuring cultural value’. The blog comments fed into the wider research project, and themes arising from the discussion helped to inform the shape of the two project workshops.

The blog sought to debate various questions related to whether it is possible to measure the value of culture in monetary or other terms. There were three main discussion threads, designed to stimulate debate: (1) *Welcome to the ‘Priceless?’ Blog*; (2) *Bring out your Measures!*; and (3) *Art for Art’s Sake?* Questions posed to stimulate discussion included:

- Can we realistically maintain that public funds be asked for and spent without accountability?
- Why should funds be given to a museum or a library rather than to a hospital or a school?
- Is the cultural sector a special case, and should different rules should apply to funding decisions?
- Is ‘measure’ the right word?
- What is ‘culture’ anyway? And what does ‘value’ mean and to whom?
- Is to want evidence of cultural value the height of philistinism?
- Is to want evidence of cultural value a concern that government spending will bring high quality arts experiences to those who would otherwise be excluded?
- Is the economic case the bottom line?

- Do non-economic approaches to valuation have anything meaningful to offer?
- Who is at the forefront of developing novel economic or narrative approaches?
- What can we learn from other policy areas?
- Are there novel ways of demonstrating cultural value that other areas of government could learn from?
- Should cultural organisations be pragmatic, and speak whatever funding language they need to use?
- What 'measures' does your organisation use? What 'measures' do you think DCMS should use (or not use)? Is anything important being missed?

The blog also sought to compile a list of the different types of economic and non-economic valuation methods and techniques various cultural sector organisations were using to measure cultural value. It encouraged online discussion, and over fifty separate comments were published from arts and culture professionals and administrators, academics, consultants, and the general public. The key message was that there was a general pragmatic support for a holistic approach to assessing the value of culture, with economic and non-economic methods being used according to context and scale of investment. Blog discussions also helped to frame the agendas for the two project workshops.

In April 2013 the user statistics for the 'Priceless?' blog's three main discussion threads were as follows, with over 5,400 lifetime page views and over 4,400 unique page views:

Discussion thread	Lifetime page views	Unique page views	Average time on page*
<i>Welcome to the 'Priceless?' Blog</i>	3,740	3,171	3 minutes 52 seconds
<i>Bring out your Measures!</i>	665	537	3 minutes 41 seconds
<i>Art for Art's Sake?</i>	1,013	750	1 minutes 59 seconds

\*Note that the average time on page for other DCMS blogs is 1 minute 7 seconds.

## 3.2 The stakeholder workshops

The purpose of the workshops was to engage with a representative group of stakeholders from the cultural sector who were involved in developing novel methods to assess the value of culture. Their collective interests covered cultural economics, social return on investment frameworks, and questionnaire-based or narrative-based approaches to capturing intrinsic cultural value. There were two one-day project workshops, which focused on testing various techniques for assessing the value

of culture, and then deciding which techniques did or did not add value to making decisions about funding the cultural sector. Workshop members were drawn from the arts, galleries, heritage, museums and libraries, and from the public sector, the third sector, consultancy and academia. Attention was also paid to inviting representatives of various philosophies of assessing cultural value, ranging from cultural economists through to advocates of anthropological approaches to constructing narrative accounts of cultural value.

### **Workshop participants**

- Mandy Barnett (Consultant, MB Associates)
- Anna Carter (Policy Advisor, HM Treasury)
- Stephanie Crossley, (Assistant Director, Culture and Community Services, Bolton Council)
- Jocelyn Cunningham (Director, Arts and Society, RSA)
- John Davies (Economist, English Heritage)
- Sophie Hayles (External Relations Officer, Whitechapel Gallery)
- Helen Jones (Head, Strategy and Planning, National Museum of Science & Industry)
- Alex Martin (Economic Advisor, Department of Culture, Media and Sport)
- Ruth Melville (Freelance Researcher; PhD Candidate, Essex University)
- Jenny Ngyou (Research Policy Officer, Arts Council England)
- Richard Nutter (LARC Programme Director, Royal Liverpool Philharmonic)
- David O'Brien (Lecturer in Creative and Cultural Industries, City University, London)
- Jenny Pescod (Head, Culture Spending & Strategy, HM Treasury)
- Guy Purdey (Arts Council England)
- Antonio Rizzo (Head, Lewisham Library & Information Service)
- Harman Sagger (Economic Advisor, Department of Culture, Media and Sport)
- Javier Stanizola (Lecturer, School of Performance and Cultural Industries, University of Leeds)
- John Stroud (Resource Manager, Customer Services, London Borough of Newham)
- Iain Watson (Director, Tyne & Wear Archives & Museums)
- Samuel West (Actor; Director; Trustee, National Campaign for the Arts)

- Shelagh Wright (Director, Missions Models Money)

### **Workshop one**

The first workshop was held at DCMS on 20 January 2012, and focused on two specific areas: (1) the range of 'measures' of the value of culture that exist or that have been proposed, and strategies for the testing of selected measures; (2) selection of possible case studies.

The group considered what measures should be tested, and it was decided that there should be a balance between monetised indicators, measures of well-being, social return on investment, stakeholder values and perspectives, and narrative approaches. The group also gave advice on the necessary features for case study simulations to be presented in the second workshop. These included testing the same measures across case studies so that there was a comparative element; the need for broad sector coverage; to include a mixture of major capital projects, community events, and national festivals; to include traditional Western art; and to include community and participatory arts projects. It was also agreed that there should be good coverage of scale of investment, and a balance between national, regional, and small community projects.

In this workshop, the key outcome was unanimous support for the project's holistic approach, and recognition that both economic and non-economic approaches to assessing the value of culture are valid depending on context.

Other concluding points from the group discussion were:

- To make a successful holistic case for funding, the tools need to be properly developed to articulate this.
- Approaches to valuation should be proportionate according to the scale of investment: while it is appropriate to use economic valuation techniques for large-scale investments, these are too expensive for smaller-scale investments where non-economic techniques are more appropriate.
- Agreement that non-economic techniques could provide evidence of 'added cultural value' to enhance large funding bids.
- If a novel approach to valuation is proposed, it is essential to be able to clearly show the difference that it makes.
- Concern that there was a power imbalance in government approaches to valuing culture, with national interests dominating regional interests, but that DCMS could help to level this out by promoting valuation techniques that are easy, robust, and cheap to use.

## Workshop two

The second workshop was held at Arts Council England on 30 March 2012, and focused on testing approaches to assessing the value of culture through: (1) assessing a range of 'measures' applied to a set of hypothetical case studies; (2) using indicator checklists to test the robustness of economic and non-economic approaches to valuing culture.

Six hypothetical case studies were presented that covered a varied range of large to small investments across the cultural sector:

- Coketown Heritage Centre
- East Bromwich Participatory Arts Scheme
- Opera West, Barchester
- St. Erehon Literary Institute
- The London Manuscript Archive, Great Gaunt Street
- Watermouth Community Dance Festival

Each scenario included a variety of expected outcomes including financial returns, improved social inclusion, enhanced sense of community, cultural preservation, educational outcomes, self-enlightenment and personal growth. In small groups, the workshop participants were asked to assess these proposals and, on the basis of simulated measures of cultural value, to decide which projects to fund. The measures of cultural value used by the proposals ranged from economic valuation techniques to narrative methods:

- contingent valuation (willingness to pay)
- hedonic pricing
- financial/social return on investment
- tangible assets
- public engagement/participation figures
- narrative accounts/evaluation interviews

Once again, the holistic approach was endorsed by all workshop participants, although it was noted that there is more to a holistic approach than just a list of different economic and non-economic techniques: *an overarching valuation framework is essential.*

All of the economic and non-economic techniques tested at the workshop were regarded as potentially good evidence of the value of financial investment in the cultural sector, if applied to an appropriate funding context. And what constitutes that appropriate context was embodied by the

notion of 'proportionality': the cost and effort required to supply economic or non-economic measures or assessments of the value of culture should be relative to the size of funds requested.

One major concern was that the various techniques used in the case studies produced data related to inputs and outputs, but not to outcomes or benefits. In that light, the valuation lacked breadth and depth, and the measures used missed the connection between how the arts and culture bring about change. It was felt that in this respect the case studies were disappointing, and all added up to less than the sum of their parts. This was because an instrumental focus on inputs and outputs neglected the cultural or artistic practice or production at their heart. In other words, the starting point should be a focus on what the cultural sector uniquely offers, expressed through the intrinsic value of arts and culture to individuals and groups, including non-use value (e.g. a person may not use their local library but is nonetheless willing to fund the library so that others in the community may use it). Any wider instrumental social benefits should be viewed as a spill-over of the cultural intervention and its intrinsic value.

The workshop participants advised that guidance to the sector on what kinds of evidence to use in making a case for funding, and in what context, would be helpful (for example providing online step-by-step advice on what methods to use, and when, and including links to examples and technical guidance). It was emphasised that funding applicants should not think that they have to collect all the data themselves as many other organisations already make relevant data publicly available, such as DCMS and local authorities. In this respect, an evolving website for the cultural sector that provided links to available data, guidance on applying various economic and non-economic techniques, or generic visitor questionnaire templates, for example, would be a helpful resource.

The DCMS's initiative on measuring the value of culture was seen as an opportunity to 'hit the future' with a holistic and multifaceted approach to valuation, which also could be applied to other areas of government.

### **Workshop conclusions**

The most important message that came out of engagement with the cultural sector was that there was unanimous support for a pragmatic and holistic approach to valuing our culture. This included approval for the use of economic valuation techniques for large-scale investments, and also acceptance of non-economic approaches for smaller-scale endeavours. This was linked to the notion of proportionality, and that the cost, effort, and level of sophistication used to measure cultural value should reflect the size of the potential investment. Where it is not viable to apply revealed preference or stated preference techniques, for example, then non-economic approaches should be embraced that also capture individual preferences and non-use values.

In addition, there was clear support for non-economic approaches to valuation to include non-economic quantitative data (such as participation figures, and feedback from visitor satisfaction surveys) and narrative approaches (such as evaluation interviews). It was also noted that the case studies in the second workshop were fictitious, and that evidence was simulated: while a holistic approach was endorsed, it was felt that in reality all techniques were in need of development, ranging from economic valuation to narrative accounts. In this respect, the consultation found that there was a general aversion to the use of the term 'measuring cultural value', and workshop participants preferred to talk about 'assessing' or 'capturing' the value of culture when considering a holistic approach.

Another key concern was that approaches to valuation should represent the uniqueness of the offer that cultural goods and services provide. For example, benefits of arts participation to individuals and groups may also extend to improved health, or more instrumental benefits such as social inclusion or reduction in crime. It is therefore possible to amass a wide range of economic and non-economic data about arts participation that only presents benefits in domains outside of culture. While it may be desirable to build a case for investment in, for example, a participatory arts initiative that has a broader instrumental value, it was felt that any case for cultural investment must also include assessments of value and quality that are specific to the cultural sector and the specific art form in question.

An important finding was that small cultural organisations want advice about what cheap, easy to use measures they can employ in making a case for funding. In this respect, if there was some online guidance and, for example, generic templates for visitor questionnaires (both quantitative and qualitative), this could be a step towards a more uniform approach to data collection across the cultural sector.

In conclusion, the consultative approach has revealed that there are many organisations and individuals with expertise in different approaches to valuation in the cultural sector, and who are willing to engage with, and develop, a holistic and pragmatic approach. This is a resource that should be drawn on in the future.

# Chapter 4: Recommendations

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In addition to the consultative phase of the Phase Two project, there was a desk-based element that focused on providing guidance to the cultural sector on applying the economic valuation techniques recommended by the Phase One report *Measuring the Value of Culture* (O'Brien, 2010). This desk-based work found that reliance on those economic techniques alone was insufficient and unrealistic in practice. This was due in part to the lack of a sufficient foundation of relevant economic valuation studies, an absence previously noted by Hasan Bakhshi (2012: 2). Also, the time and expense required to conduct or commission economic valuation studies was found to be prohibitive for the vast majority of cultural sector institutions.

The key recommendations of the *Phase Two* project are as follows:

1. That DCMS adopt a holistic approach to valuing our culture, recognising a combination of economic and non-economic approaches are valid, depending on context.
  - What constitutes appropriate context is *proportionality*: the cost and effort required to supply economic or non-economic measures or assessments of the value of culture should be relative to the size of the enterprise or the funds requested. While it is appropriate to use economic valuation techniques for large-scale investments, these are too complex, time-consuming, and expensive, for smaller-scale investments where non-economic techniques are more appropriate.
  - There is more to a holistic approach than selecting various techniques from a list of possible economic and non-economic measures. It is essential to synthesise this information within an overarching evaluation framework, such as multi-criteria analysis (see Appendix B).
  - Approaches to valuation should represent the uniqueness and quality of the offer that cultural goods and services provide.
2. DCMS should develop clear and detailed guidance on the use of economic and non-economic valuation techniques:
  - There is a need to extend the evidence base for both economic and non-economic approaches to valuing culture, and to indicate which techniques are appropriate, accessible, and affordable, for smaller-scale cultural sector enterprises.



- In order to fully articulate the value of culture, a full range of tools is in need of further development, ranging from economic valuation techniques to narrative approaches. The Arts and Humanities Research Council's recently launched £2 million *Cultural Value Project* (<http://www.ahrc.ac.uk/Funded-Research/Funded-themes-and-programmes/Cultural-Value-Project/Pages/default.aspx>) is a golden opportunity for new research to explore non-economic approaches to assessing the value of culture, to raise awareness of data that already exists and that may be readily accessed, and to ultimately provide guidance to the cultural sector on the use of non-economic valuation techniques.
- The need exists for a suitably sized pool of economic valuation studies that cover the diversity of the cultural sector, and which should be publicly available. In such a context, the use of benefits transfer equations might be explored to reduce costs of future economic valuations. To achieve this, DCMS should use in-house expertise or commission a series of economic valuation studies. However, it must be noted that original economic valuation studies will always be needed for unique cultural goods, large investments, and important policy decisions.
- There is a need for a similar bank of publicly-accessible non-economic valuation studies.
- A DCMS online resource could helpfully provide a step-by-step guide to the cultural sector on what kinds of evidence to use in making a case for funding, and in what context. Such a resource might helpfully include links to worked examples, generic templates (e.g. visitor questionnaires) and technical guidance on the application of various techniques.
- Shared guidance and templates could be used to encourage uniformity in data collection across the cultural sector, and so, where appropriate, allow decision-makers to compare like with like.

3. DCMS should continue to develop a consultative approach. The Phase Two project found that the cultural sector has a wealth of experience in devising and applying economic and non-economic valuation techniques, and it is willing to engage in a constructive dialogue with DCMS about a holistic approach to valuing our culture.

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# Appendix A: Questions to consider when valuing culture

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Participants in the Phase Two workshops emphasised the need for some form of central resource to provide guidance to the cultural sector on assessing the value of culture. For example, a step-guide to help decide what techniques to use when providing evidence to support bids for funding; and checklists to follow when applying (or commissioning consultants to apply) particular economic or non-economic valuation techniques.

The points below are intended to give a flavour of the kinds of questions to consider when considering valuation or making a case for funding, and also act to highlight where sector guidance is currently lacking. This is, however, an indicative starting point, and there are many gaps that other initiatives, such as the Arts and Humanities Research Council's *Cultural ValueProject*, might helpfully begin to fill. Appendix B lists some resources that offer technical guidance about applying (mostly economic) valuation techniques.

## General questions:

- What is the purpose of the valuation: e.g. annual reporting against selected performance indicators, or making a bid to an external organisation for funding? Will this impact on the range of techniques you might use? For example, economic measures may be less of a priority for philanthropic funders.
- Are you able to clearly define the cultural good or service, and its benefits? Can these benefits be evidenced most powerfully by financial or other quantitative data, or by qualitative data or testimony of practitioners, visitors, audiences or service users (or a combination of these)?
- Do you understand what would be an appropriate technique or combination of techniques and why?
- Is the full range of value being captured? Is there a distinct use and non-use value than can be demonstrated?

- Are the valuation techniques proportional, i.e. will the cost and effort required to supply economic or non-economic assessments of value be relative to the size of the enterprise or the funds requested?
- Do the skills required to apply a technique exist in-house, or will consultants need to be hired?
- Do you know if, for example, questionnaires will need piloting, if focus groups are needed, or what is an appropriate sample size?
- Will any other specialist advice be needed? For example, in the case of economic valuation studies a statistician or econometrician may need to be consulted.

Questions to ask about 'measures' of cultural value (see Donovan and Butler, 2007: 232):

- Validity – is it an effective surrogate for what it is supposed to measure?
- Reliability – does it offer consistent results?
- Fairness – does it accommodate cultural sector (and sub-sector) characteristics?
- Transparency – can the data generated be independently replicated and verified?
- Independence – is the technique resistant to manipulation by institutions in the cultural sector?
- Cost-effectiveness – how complex is it to obtain and interpret the required data, and what are the financial and opportunity costs involved?
- Behavioural impact – what is the likely effect it will have on the practice of institutions, their employees, and the public, and is this impact in line with desired policy outcomes?
- Green Book compliance – is it necessary to use an economic valuation technique?
- Cultural sector buy-in – is the technique supported by stakeholders in the cultural sector?
- *Ex ante*, *ex nunc*, or *ex post* – can the technique be applied before, during, or after an investment or policy intervention? Can *ex post* evidence from a similar case be used as *ex ante* evidence in this instance?
- Simplicity and 'do-ability' – is the technique easy to understand and apply?
- Public value – does the technique robustly demonstrate public value in cultural (and possibly also economic, social or environmental) terms?



# Appendix B: Resources

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Based on the workshop outcomes, one of this report's key recommendations is that an evolving web-based resource should be established for the cultural sector that provides links to available data, guidance on applying economic and non-economic techniques, and additional generic resources such as, for example, templates for visitor surveys.

It is clear that there is much work to be done in this respect across the full range of economic and non-economic approaches to valuing culture. The desk-based work for this project largely investigated the idea of providing guidance to the cultural sector on applying the economic valuation techniques recommended by the Phase One report *Measuring the Value of Culture* (O'Brien, 2010), yet found the theory of *Green Book* compliance for the cultural sector to currently be unrealistic in practice due to the absence of a sufficient foundation of relevant economic valuation studies. This dearth has already been noted by Hasan Bakhshi who observed that, 'With so few examples of cultural sector applications of economic valuation techniques, is it any surprise that we have not developed more *fit-for-purpose* tools that can be better used to value the work of cultural institutions?' (2012: 2).

However, as a modest starting point, some useful references and links are provided below from the Phase Two project's review of economic and non-economic approaches to valuing culture, largely drawn from government guidance on the use of economic valuation techniques, and examples of the application of these techniques to the cultural sector in the UK and internationally. This could be usefully supplemented by additional guidance on, and examples of, the application of economic and non-economic techniques for capturing the value of culture, which are appropriate, accessible, and affordable for smaller-scale cultural sector enterprises.

## **Hedonic pricing method**

The hedonic pricing method infers people's willingness to pay for cultural goods by examining their purchases of closely-tied market goods. Historically, studies have tended to focus on environmental policy, and on the relationship between non-market goods (or bads) such as traffic noise or air pollution and their effects on housing prices.

## Links to UK government guidance

- Daniel Fujiwara and Ross Campbell (2011) *Valuation Techniques for Social Cost-benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-being Approaches: A Discussion of the Current Issues*. London: HM Treasury; Department for Work and Pensions. [www.hm-treasury.gov.uk/d/green\\_book\\_valuationtechniques\\_250711.pdf](http://www.hm-treasury.gov.uk/d/green_book_valuationtechniques_250711.pdf)

Description of hedonic pricing technique, p. 13; advantages and disadvantages, pp. 35-6; main issues involved in the application of the hedonic pricing technique, pp. 59-61.

## Travel cost method

The travel cost method estimates people's willingness to pay for a cultural good by examining the costs incurred in consuming that good. The costs of going to a West End musical will include the price of tickets, travel, and perhaps overnight accommodation. Even when a cultural good is free at the point of entry, people will incur travel costs to visit the site, and if they travel by car will probably pay for parking. In both cases, value can also be ascribed to the leisure time given up in consuming the cultural good and in travelling to and fro. And depending where people live in relation to the cultural good in question, and the mode of transport used, travel costs will differ. It is assumed that by virtue of visiting a cultural attraction, a visitor will derive some benefit from it, and that this value will exceed the cost of the visit. The travel cost method is a technique that seeks to understand the extent of that value by examining those costs and visiting patterns.

## Links to UK government guidance

- Daniel Fujiwara and Ross Campbell (2011) *Valuation Techniques for Social Cost-benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-being Approaches - A Discussion of the Current Issues*. London: HM Treasury; Department for Work and Pensions. [www.hm-treasury.gov.uk/d/green\\_book\\_valuationtechniques\\_250711.pdf](http://www.hm-treasury.gov.uk/d/green_book_valuationtechniques_250711.pdf)

Description of travel cost method, pp. 13-14; main issues involved in the application of travel cost method pp. 61-62.

## Stated preference techniques

Stated preference techniques construct future hypothetical markets and elicit people's maximum willingness to pay for cultural goods either by asking direct questions, or by presenting them with a range of rankings or ratings of alternative options and asking which they prefer most. Unlike revealed preference techniques (hedonic pricing, travel cost method), stated preference techniques can estimate non-use value, such as a person's willingness to pay to support their local library even

though they may not intend to visit it, but gain satisfaction from the fact that others can do so. It follows that monetary values can be established for otherwise unobservable cultural benefits. This is of particular importance for the cultural sector, where the total economic value of a cultural good may greatly exceed its use value. There are two alternative groups of techniques: contingent valuation deals with the cultural good as a whole; and choice modelling focuses on the characteristics or attributes of a cultural good.

### **Links to UK government guidance**

These sources provide guidance on stated preference techniques generally, and so are relevant to both contingent valuation and choice modelling (which are later dealt with separately).

- Pearce, David, Ece Özdemiroglu *et al.* (2002) *Economic Valuation with Stated Preference Techniques: Summary Guide*. London: Department for Transport, Local Government and the Regions. [http://www.hm-treasury.gov.uk/green\\_book\\_guidance\\_stated\\_preference.htm](http://www.hm-treasury.gov.uk/green_book_guidance_stated_preference.htm)

Provides a comprehensive summary of the essential steps required to conduct a stated preference study (Chapter 4), how to choose between contingent valuation and choice modelling (Chapter 5), benefits transfer (Chapter 6), survey methods (Chapter 7), identifying the target population and choosing the sample (Chapter 8), testing questionnaire design (Chapter 11); plus Part 4 gives guidance on analysing stated preference data, including reliability and validity (Chapter 14) and aggregation and reporting (Chapter 15).

- Daniel Fujiwara and Ross Campbell (2011) *Valuation Techniques for Social Cost-benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-being Approaches - A Discussion of the Current Issues*. London: HM Treasury; Department for Work and Pensions. [www.hm-treasury.gov.uk/d/green\\_book\\_valuationtechniques\\_250711.pdf](http://www.hm-treasury.gov.uk/d/green_book_valuationtechniques_250711.pdf)

Introduction to applying stated preference techniques, pp. 11-12, pp. 55-56; discussion of the strengths and weaknesses of these methods, pp. 32-35.

- HM Treasury (2003) 'Valuing Non-market Impacts', Annex 2, *The Green Book: Appraisal and Evaluation in Central Government*. London: TSO, pp. 57-8. [http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf)

### **Other technical guidance**

- Bateman, Ian J., Richard T. Carson, Brett Day, Michael Hanemann and Nick Hanley (2002) *Economic Valuation with Stated Preference Techniques: A Manual*. Cheltenham: Edward Elgar.

Provides detailed technical guidance for conducting stated preference studies, and is a companion volume to Pearce *et al.* (2002).



## Contingent valuation

Contingent valuation focuses on the value of a cultural good as a whole, and seeks to elicit measures of willingness to pay by asking people either open-ended questions such as 'What is the maximum amount you would be prepared to pay every year to receive good x?', or using a payment card format where respondents are presented with a range of written options and asked 'Which of the amounts listed below best describes your maximum willingness to pay every year to receive good x?' (HM Treasury, 2003: Annex 2, 57). It is particularly suited to the cultural sector as the technique can capture the intrinsic value of culture to individuals or groups, and non-use values such as existence value. This is important for social cost-benefit analysis as the non-use value of cultural goods and services is significant, and in many cases may outweigh use value.

### Links to UK government guidance

- Pearce, David, Ece Özdemiroglu *et al.* (2002) *Economic Valuation with Stated Preference Techniques: Summary Guide*. London: Department for Transport, Local Government and the Regions. [http://www.hm-treasury.gov.uk/green\\_book\\_guidance\\_stated\\_preference.htm](http://www.hm-treasury.gov.uk/green_book_guidance_stated_preference.htm)

Provides a comprehensive summary of the essential steps required to conduct a contingent valuation study, specifically survey design (Chapter 9), analysing the data (Chapter 12), and testing for validity and reliability (Chapter 14).

- Daniel Fujiwara and Ross Campbell (2011) *Valuation Techniques for Social Cost-benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-being Approaches - A Discussion of the Current Issues*. London: HM Treasury; Department for Work and Pensions. [www.hm-treasury.gov.uk/d/green\\_book\\_valuationtechniques\\_250711.pdf](http://www.hm-treasury.gov.uk/d/green_book_valuationtechniques_250711.pdf)

Provides an introduction to applying contingent valuation methods, pp. 11-12; and the design of contingent valuation questionnaires, pp. 56-58.

- HM Treasury (2003) 'Valuing Non-market Impacts', Annex 2, *The Green Book: Appraisal and Evaluation in Central Government*. London: TSO, pp. 57-8. [http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf)

### Other technical guidance

- Bateman, Ian J., Richard T. Carson, Brett Day, Michael Hanemann and Nick Hanley (2002) *Economic Valuation with Stated Preference Techniques: A Manual*. Cheltenham: Edward Elgar. Provides detailed technical guidance for conducting contingent valuation studies, and is a companion volume to Pearce *et al.* (2002).

- 'Report of the NOAA Panel on Contingent Valuation' (2001) National Oceanic and Atmospheric Administration (Kenneth Arrow *et al.*) <http://www.darrp.noaa.gov/library/pdf/cvblue.pdf>

NOAA (USA federal government) appointed the Contingent Valuation Panel to advise and make recommendations on the viability of contingent valuation as a technique to measure non-use values of negative environmental impacts. Chapter IV and the Appendix provide guidelines for the robust design, conduct, and interpretation of contingent valuation studies.

## Examples of application in the cultural sector

### Key UK studies:

- Economic impact of the British Library

Spectrum Consultants (2003) *British Library: Economic Impact Assessment*. London: Spectrum Consultants. <http://www.bl.uk/aboutus/stratpolprog/increasingvalue/index.html>

Pung, Caroline, Ann Clarke and Laurie Patten (2004) 'Measuring the Economic Impact of the British Library', *New Review of Academic Librarianship*, 10(1): 79-102.

Applied contingent valuation to calculate annual willingness to pay (WTP) or willingness to accept (WTA) figures for British Library reading room users, remote users, public exhibition visitors and the general public. WTP/WTA was calculated at £363m (£59m use value, £304m non-use value), compared with 2003/04 public subsidy of £83m. This represented £4.40 value generated for every £1 of public funding: <http://www.bl.uk/pdf/measuring.pdf>

- Bolton's museums, libraries and archives

Jura Consultants (2005) *Bolton's Museum, Library and Archive Services: An Economic Valuation*. Report to Bolton Metropolitan Borough Council and MLA North West. Edinburgh: Jura Consultants.

[http://webarchive.nationalarchives.gov.uk/20120215211001/research.mla.gov.uk/evidence/documents/bolton\\_main.pdf](http://webarchive.nationalarchives.gov.uk/20120215211001/research.mla.gov.uk/evidence/documents/bolton_main.pdf)

Built on the British library study and applied contingent valuation to a local authority environment. Relates to three museums, 15 local libraries, and a central archive, all of which were free of charge. This also included Bolton's Art Gallery, which displayed 3,500 items of fine art. An annual willingness to pay/willingness to accept figure was calculated at £10.3m (use value: libraries £4.4m, Museums, £2.8m, archive £0.2m; non-use value £3m), compared with public subsidy of £6.5m. This represented £1.60 value for every £1 of public funding. The report provides a very clear presentation of the study's methodology, and reproduces copies of the questionnaires distributed to users and non-users.

## Other UK studies

- Adamowicz, W. L., G. D. Garrod and K. G. Willis (1995) *Estimating the Passive Use Benefits of England's Inland Waterways*. Newcastle: Centre for Rural Economy Research Report, University of Newcastle upon Tyne. <http://www.ncl.ac.uk/cre/publish/researchreports/>

Calculated the cultural, heritage and environmental value of the preservation of canals in Great Britain. Used an open-ended elicitation format, calculated willingness to pay (WTP) per household, with taxation as the payment vehicle. Mean WTP £6.80 (£8.90 for users, £5.60 for non-users).

- Brown, J. (2004) *Economic Values and Cultural Heritage Conservation: Assessing the use of stated preference techniques for measuring changes in visitor welfare*. PhD thesis, Imperial College London.

Valued avoiding congestion at Chartwell House, Kent. Used payment card elicitation format, calculated mean WTP to avoid congestion at £2.80 per visit (or £3.00 using choice modelling).

Valued the conservation of collections at Upton House, Warwickshire. Used payment card elicitation format, with financial donation as the payment vehicle, calculated mean WTP per visit £3.70 - £6.40.

- Garrod, G. D., K. G. Willis, H. Bjarnadottir and P. Cockbain (1996) 'The Non-priced Benefits of Renovating Historic Buildings. A case study of Newcastle Grainger Town', *Cities*, 13(6): 423-430.

Valued the renovation of historical buildings in Grainger Town, Newcastle. Used an open-ended elicitation format, with taxation as the payment vehicle, calculated mean WTP per household £10.10 - £13.80.

- Maddison, D. and S. Mourato (2002) 'Valuing Different Road Options for Stonehenge'. In S. Navrud and R. Ready (eds.) *Valuing Cultural Heritage: Applying Environmental Valuation Techniques to Historic Buildings, Monuments and Artefacts*. Cheltenham, UK: Edward Elgar, pp. 87-104.

Valued the impacts of various options for road improvements upon the Stonehenge landscape. Used a payment card elicitation format, with taxation as the payment vehicle, calculated WTP per household £12.80 (tunnel scenario), £4.80 (current scenario).

- Ozdemiroglu, Ece and Susana Mourato (2001) *Valuing our Recorded Heritage*. London: EFTEC and The Centre for Cultural Economics and Management, University College London.

Valued the benefits of the preservation of recorded history in the form of an archive of material at the Surrey History Centre, Woking, which was largely used to trace family history. Calculated

mean WTP to avoid closure, and loss, dispersion or sale of recorded heritage £35.00 p/a; mean WTP for closure but preservation of material £13.00 p/a.

- Pollicino, M. and D. Maddison (2002) 'Valuing the Impacts of Air Pollution on Lincoln Cathedral'. In S. Navrud and R. Ready (eds.) *Valuing Cultural Heritage: Applying Environmental Valuation Techniques to Historic Buildings, Monuments and Artefacts*. Cheltenham, UK: Edward Elgar, pp. 53-67.

Valued aesthetic changes to Lincoln Cathedral due to air pollution. Used double-bounded dichotomous choice, with taxation as the payment vehicle, calculated mean WTP per household per year £49.80 (Lincoln residents), £27.70 (Lincolnshire residents).

- Pollicino, M. and D. Maddison (2004) 'Using Contingent Valuation to Value Maintenance Options for Oxford's Historic Building'. Unpublished paper, Institute of Archaeology, University College London and Institute of Economics, University of Southern Denmark.

Valued maintenance required to address air pollution damage to historic buildings in Oxford. Used payment card elicitation format, with taxation as the payment vehicle, calculated mean WTP per household per year £20.40 - £26.70 (cleaning), £20.00 - £24.80 (restoration), £29.60 - £34.40 (preservation).

- Powe, N and K. Willis (1996) 'Benefits Received by Visitors to Heritage Sites: A case study of Warkworth Castle', *Leisure Studies*, 15: 259-275.

Valued benefits for visitors to Warkworth Castle, Northumberland. Used open-ended elicitation format, with entry fee as the payment vehicle, calculated mean WTP per person per visit £0.90 - £1.20.

- Willis, K. G. (1994) 'Paying for Heritage: What price for Durham Cathedral?', *Journal of Environmental Planning and Management*, 37(3): 267-278.

Valued access to Durham Cathedral. Used open-ended elicitation format, with entry fee as the payment vehicle, calculated mean WTP per person per visit £0.88.

### **International studies**

- Throsby, David and Glenn Withers (1984) *What Price Culture?* Sydney: Australia Council.

Valued the benefits of supporting the arts (theatre, opera, ballet, music, visual arts, crafts) for Sydney residents. Use open-ended WTP question, with taxation as the payment vehicle, calculated mean WTP \$32.78 (actual government spend \$6 per capita).

- Morrison, William G. and Edwin G. West (1986) 'Subsidies for the Performing Arts: Evidence on Voter Preference', *Journal of Behavioural Economics*, 15: 57-72.

A similar study to Throsby and Withers (1984). Valued the benefits of supporting drama, dance, classical music and opera for residents of Ontario. Used taxation as the payment vehicle, median WTP \$6 - \$9 (actual Ontario spend \$3.35 per year per capita). Also found Canadian public expenditure on culture generally (as a whole package of art galleries, museums, books, publishing, painting and sculptures, film, records and cassettes, crafts, multiculturalism, public archives, TV and radio, and heritage) \$128 p/a. The median WTP was also \$128 (\$90-109 for liable sample, \$140-\$149 non-liable sample).

## Choice modelling

Choice modelling (also known as conjoint analysis or choice experiments) focuses on the value of the characteristics or attributes of a cultural good. In contrast to contingent valuation, choice modelling does not ask individuals directly for values or for their willingness to pay. Rather, respondents are presented with a series of alternatives and then asked to produce rankings or ratings, from which willingness to pay can then be inferred. So while choice modelling focuses on the attributes of cultural goods, through valuing these attributes it can also value the good as a whole (Fujiwara and Campbell, 2011: 58).

### Links to UK government guidance

- Pearce, David, Ece Özdemiroglu *et al.* (2002) *Economic Valuation with Stated Preference Techniques: Summary Guide*. London: Department for Transport, Local Government and the Regions. [http://www.hm-treasury.gov.uk/green\\_book\\_guidance\\_stated\\_preference.htm](http://www.hm-treasury.gov.uk/green_book_guidance_stated_preference.htm)  
Provides a comprehensive summary of the essential steps required to conduct a choice modelling study, specifically survey design (Chapter 10), analysing the data (Chapter 13), and tests for reliability and validity (Chapter 14).
- Daniel Fujiwara and Ross Campbell (2011) *Valuation Techniques for Social Cost-benefit Analysis: Stated Preference, Revealed Preference and Subjective Well-being Approaches - A Discussion of the Current Issues*. London: HM Treasury; Department for Work and Pensions. [www.hm-treasury.gov.uk/d/green\\_book\\_valuationtechniques\\_250711.pdf](http://www.hm-treasury.gov.uk/d/green_book_valuationtechniques_250711.pdf)  
Introduction to applying choice modelling methods, p. 12; and the design of choice modelling questionnaires, pp. 58-59.
- HM Treasury (2003) 'Valuing Non-market Impacts', Annex 2, *The Green Book: Appraisal and Evaluation in Central Government*. London: TSO, pp. 57-8. [http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf)

## Other technical guidance

- Bateman, Ian J., Richard T. Carson, Brett Day, Michael Hanemann and Nick Hanley (2002) *Economic Valuation with Stated Preference Techniques: A Manual*. Cheltenham: Edward Elgar.  
Provides detailed technical guidance for conducting choice modelling studies, and is a companion volume to Pearce *et al.* (2002).

## Examples of application in the cultural sector

### UK studies:

- Adamowicz, W. L., G. D. Garrod and K. G. Willis (1995) *Estimating the Passive Use Benefits of England's Inland Waterways*. Newcastle: Centre for Rural Economy Research Report, University of Newcastle upon Tyne. <http://www.ncl.ac.uk/cre/publish/researchreports/>

Calculated the cultural, heritage and environmental value of the preservation of canals in Great Britain. Used an open-ended elicitation format, calculated willingness to pay (WTP) per household, with taxation as the payment vehicle. Mean WTP £6.80 (£8.90 for users, £5.60 for non-users).

- Brown, J. (2004) *Economic Values and Cultural Heritage Conservation: Assessing the use of stated preference techniques for measuring changes in visitor welfare*. PhD thesis, Imperial College London.

Valued avoiding congestion at Chartwell House, Kent. Calculated mean WTP to avoid congestion at £3.00 per visit (or £2.80 using contingent valuation).

Valued conservation of collections of English and continental Old Master paintings at Upton House, Warwickshire, with financial donations as the payment vehicle, calculated mean WTP per visit £3.70 - £6.40.

Valued the characteristics of National Trust properties (Chartwell House, Kent; Upton House, Warwickshire; Stourhead House, Wiltshire) with implicit prices for characteristics (garden, house, collections, associations, facilities). Calculated mean WTP £8.70 - £9.00 (gardens and parklands), £2.60 - £4.80 (architectural style of house), £2.70 - £5.20 (art collections), £0.50 - £3.00 (historical associations), £0.30 - £1.60 (visitor facilities).

- Jaffry, Shabbar and Alexandros Apostolakis (2011) 'Evaluating Individual Preferences for the British Museum', *Journal of Cultural Economics*, 35: 49–75.

Valued visitors' WTP for various museum policy options, such as extended opening hours, additional exhibitions per year, staffing levels, provision of information and communications technology, and entry fees.

- Kinghorn, Naomi and Ken Willis (2008) 'Valuing the Components of an Archaeological Site: An application of choice experiment to Vindolanda, Hadrian's Wall', *Journal of Cultural Heritage*, 9: 117-124.

Calculated the mean loss of utility for ceasing on-site excavations (which visitors could observe, and where archaeologists gave presentations to the public twice a day) as £27.18, and £18.65 if artefacts on display were moved to other museums; mean WTP £6.16 to have more reconstructions (replicas) on site; £2.94 to prevent the creation of a children's play area; £2.34 for an audio-guide.

- Kinghorn, Naomi and Ken Willis (2008) 'Measuring Museum Visitor Preferences Towards Opportunities for Developing Social Capital: An application of a choice experiment to the Discovery Museum', *International Journal of Heritage Studies*, 14(6): 555-572.

Valued social capital opportunities during museum visits. Found visitors had a preference for visiting museums with other people, and believed that interactive activities, longer opening hours, and locally-themed displays would create more social capital. The study did not ask for monetary valuations.

- Kinghorn, Naomi and Ken Willis (2007) 'Estimating Visitor Preferences for Different Art Gallery Layouts Using a Choice Experiment', *Museum Management and Curatorship*, 22(1): 43-58.

Valued visitor utility and satisfaction for various art gallery layouts and their attributes. The study did not ask for monetary valuations.

- Maddison, David and Terry Foster (2003) 'Valuing Congestion Costs in the British Museum', *Oxford Economic Papers*, 55: 173-190.

Valued avoiding congestion at the British Museum, with entry fees as the payment vehicle, calculated mean WTP £8.05 per visit.

## Multi-criteria analysis

Multi-criteria analysis provides a clear decision-making process for funding non-marketed cultural goods and services, and can be informed by non-economic valuation approaches. There are various types of multi-criteria analysis, some of which are highly complex.

The purpose of multi-criteria analysis is for a small team of people to assess options and to provide advice to decision-makers. It is important to consider the viewpoints of various stakeholders or affected groups of people when deriving criteria, either through involving these parties directly, or conducting research into, for example, policy statements provided by interest groups (DCLG, 2009: 33). The technique proceeds by creating a performance matrix, where rows describe options, and

columns rate the performance of options against various criteria; and this rating can be numerical or even colour-coded. In a simple format, this matrix in itself may be the final product, and decision-makers are then given this information on which to base their deliberations. More complex versions of this approach, such as multi-criteria decision analysis (MCDA), convert information in the performance matrix into consistent numerical values (DCLG, 2009: 21).

### **Links to UK government guidance**

- Department of Communities and Local Government (2009) *Multi-criteria Analysis: A Manual*. London: Department of Communities and Local Government.

<http://www.communities.gov.uk/publications/corporate/multicriteriaanalysismanual>

Offers detailed guidance on how best to conduct multi-criteria analysis for the appraisal of options for policy, and for other decisions within government. Largely focuses on environmental policy.

Provides an overview of software alternatives for conducting MDCA.

### **Examples of application in the cultural sector**

#### **Key UK studies**

- DETR (1998) *A New Deal for Trunk Roads in England: Understanding the New Approach to Appraisal*. London: DETR.

Used multi-criteria analysis for the appraisal of 67 schemes in the Roads Review, including Stonehenge.

#### **International studies**

- Dutta, Mousumi and Zakir Husain (2009) 'An Application of Multicriteria Decision Making to Built Heritage: The case of Calcutta', *Journal of Cultural Heritage*, 10(2): 237-243.

Employed multi-criteria analysis to grade 69 heritage sites in Calcutta. Assessment criteria included historical value, architectural value, sociocultural value, signs of deterioration, accessibility, integrity, public opinion, local response, and usability.

- Giove, Silvio, Paolo Rosato and Margaretha Breil (2010) 'An Application of Multicriteria Decision Making to Built Heritage: The redevelopment of Venice Arsenale', *Journal of Multi-criteria Decision Analysis*, 17: 85-99.

Applied multi-criteria analysis to built heritage, and assessing the sustainability of various proposed projects for the redevelopment of Venice Arsenale. Assessment criteria included intrinsic sustainability, context sustainability, and economic-financial feasibility.



## Non-economic approaches to valuation

If multi-criteria analysis is accepted as a potentially fruitful framework for making decisions about funding the cultural sector, and as an approach that could readily include non-economic data, the next question to ask is what data collection techniques could be used? In principle, this could be any non-economic method or technique that offers information on the intrinsic (or instrumental or institutional) value of cultural goods and services to individuals or groups, or which captures non-use value. It is important to remember that the desire to use non-economic valuation techniques, and the potential use of multi-criteria analysis, is driven by the need to develop new and robust approaches to data collection and valuation that are neither too expensive nor too onerous for small-scale cultural sector enterprises.

As has been noted, the key messages from the Phase Two project workshops included the need to adopt a holistic approach to valuing our culture, and the importance of clear guidance to the sector on employing economic and non-economic valuation techniques. The Arts and Humanities Research Council's £2 million *Cultural Value Project* launched in 2013 presents a golden opportunity for new research to explore non-economic approaches to assessing the value of culture, to raise awareness of data that already exists and that may be readily accessed, and to ultimately provide guidance to the cultural sector on the use of non-economic valuation techniques. Below are examples of some promising approaches identified during the desk-based research component of the Phase Two research.

### Examples of application in the cultural sector

- NMSI (2009) *Defining, Planning and Measuring a Life-enhancing Experience*. London: National Museum of Science and Industry.  
[http://www.sciencemuseum.org.uk/about\\_us/about\\_the\\_museum/~media/FF1474E860A44E17AC9F8365EC9F9395.ashx](http://www.sciencemuseum.org.uk/about_us/about_the_museum/~media/FF1474E860A44E17AC9F8365EC9F9395.ashx)
- The Science Museum has been using visitor questionnaires to explore the idea that museums provide 'life-enhancing experiences' to their visitors.
- The Heritage Lottery Fund has convened citizens' juries to deliberate the public value of heritage: [www.helm.org.uk/upload/pdf/Public-Value.pdf](http://www.helm.org.uk/upload/pdf/Public-Value.pdf)
- Narval Media/Birkbeck College/Media Consulting Group (2009) *Stories We Tell Ourselves: The Cultural Impact of UK Film 1946-2006. A Study for the UK Film Council*. London: UK Film Council. [http://industry.bfi.org.uk/media/pdf/f/i/CIReport\\_010709.pdf](http://industry.bfi.org.uk/media/pdf/f/i/CIReport_010709.pdf)

This UK Film Council report sought public narratives on the cultural impact of British cinema from 1946 to 2006, and combined this with expert views, box office and sales figures, media presence,

and analysis of whether films captured a 'zietgeist' moment in British history, or reflected broader changes in British society.

- Selwood, Sara (2010) 'Measuring Culture', Spiked Online. <http://www.spiked-online.com/articles/00000006DBAF.htm>

Sara Selwood (2010: 6) found evidence of cultural value from visitor book comments, visitor discussion board comments, market research evaluation, comments on websites, letters, testimonials and museum evaluations of visitor responses to museum programmes in terms of:

- 'saying the unsaid – articulating and exploring sensitive and difficult issues within the context of a national institution';
  - 'generating a sense of belonging and integrating themselves within local communities and society';
  - 'opening themselves up to different attitudes and perceptions – envisaging potential and revisiting personal histories';
  - 'considering their affiliations and associations – albeit to the personal and the national.'
- Lowe, Toby (2012) *A Quality Framework for Helix Arts Participatory Practice*. Newcastle upon Tyne: Helix Arts.  
<http://www.helixarts.com/pdfs/Helix%20Arts%20Quality%20Framework%20full.pdf>

Helix Arts has developed 'dialogic participatory arts conversations' as a technique for people to self-assess the quality of a participatory arts experience. This is centred around the idea of 'creative progression' where individuals reflect on the transformational nature of making art, what the idea of progression means for them, and using participatory art as a way to narrate or re-narrate their lives to themselves and others.