

# CULTURE CLUB

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## Can culture lead urban regeneration?

As part of the Commonwealth Games Business Club programme of events, the 'Cultural Impact' conference was held at the Liverpool Insitute of Performing Arts on Tuesday 30 and Wednesday 31 July 2002. Its purpose was to disseminate leading-edge insight and market intelligence among some of Europe's key destination decision-makers, in the fields of tourism, leisure, culture and regeneration. Locum chairman [Richard Tibbott](#) addressed delegates on the question of whether culture can ever be capable of genuinely leading sustainable urban regeneration. Here, we reprint an edited version of Richard's presentation.

Culture has often been built up as a potential catalyst of regeneration, in urban and rural settings. But does it really have the ability to spark meaningful long-term social and economic renewal? There are some well-known instances where major cultural destination projects have been established to achieve exactly this aim. Have they delivered economic benefits, either in their own right or to the local economy? Two case studies, Tate Modern in London and the Guggenheim Bilbao, illustrate that architectural symbolism and a sense of place are more important than the content of a museum.



*Guggenheim Bilbao*

### Guggenheim Bilbao

One of a family of Guggenheim museums designed by Frank Gehry, the Guggenheim Bilbao has undoubtedly helped to transform Bilbao's economy, and put the city on the international map. Indeed, before it arrived in 1997, very few of us knew anything about Bilbao, other than that it had a famous football team. Certainly, the international press coverage of the museum during and after its opening meant that the global profile of the city as a whole was raised almost overnight. But how has the museum's presence helped the local economy in the years since its opening? The museum itself has received 3.5 million visitors since opening, about 85 per cent of whom have come from outside the region, and over 50 per cent of whom are foreigners, mainly from Britain and France.

Even more impressive than the direct contribution that the museum has already made has been the £318 million of economic benefits to Bilbao that it has generated, some six or seven times its initial investment cost. It is estimated that in 2001, the Museum's economic impact on the local economy was worth £107 million (up from £94.8 million in 2000). In the same year, it also brought in a further £17.2 million to the Basque treasury in taxes. This represents the equivalent of 4,415 jobs. And in addition to £5.7 million spent inside the museum, visitors spent much larger sums in the city on accommodation (£31.8 million), catering (£25.4 million), shopping (£10 million), transport (£7 million) and leisure (£4.7 million).

## Tate Modern

In the UK, the most publicised cultural project that has been established as a catalyst for urban regeneration has been Tate Modern, the country's National Museum of Modern Art. We all know about Tate Modern, and most of us have probably visited it by now. In terms of scale of admissions, it has truly been a success, although the visitor numbers, like those of the Guggenheim Bilbao, are now plateauing at around 3.5 million, down from 5.25 million visitors in its first year. But how many of its visitors are going to enjoy the modern art? By and large, people are going to explore the enormity of the iconic architectural and destination experience. Whatever is drawing in visitors, the economic knock-on effects of Tate Modern are impressive. Its presence on Bankside is estimated to have brought in between £50 million and £70 million per annum to the London Borough of Southwark, and created about 3,000 new jobs. Tate Modern is estimated to be worth about £100 million per annum to London as a whole. Three new hotels in Southwark have opened for business since Tate Modern's arrival, and plans for four others have been announced. Whenever a full economic analysis is done - and it needs to be - then it should show positive results.

## Angel of the North and BALTIC

When it was erected in 1998, the Angel of the North generated a very mixed response from critics and local residents alike. It was built as a cultural statement and was not particularly welcomed. A positive public attitude really took off when a group of Newcastle United fans famously draped an enormous replica of Alan Shearer's famous No.9 shirt over the Angel just before the 1999 FA Cup final, much to the delight of the player, the sculptor (Antony Gormley) and the people of the North East. This helped change popular attitudes to public art, and led to greater artistic confidence, now being expressed through a range of major cultural projects, including BALTIC - The Centre for Contemporary Art, opened recently on the banks of the River Tyne in Gateshead.

BALTIC certainly has a number of the ingredients needed to become a successful destination and to drive regeneration of its surrounding area. Newcastle and Gateshead has dramatically raised its cultural profile, with its bid for the capital of culture being

judged at the present time. It should also benefit from the cumulative effect of other regional icons: the 'winking' Millennium Eye Bridge directly outside BALTIC, which crosses the Tyne, the Gateshead SAGE Centre (formerly the Gateshead Music Centre), the International Centre for Life and, of course, the icon that started it all off - the Angel of the North itself. BALTIC welcomed 12,000 visitors in its opening week. It is expected to attract hundreds of thousands more over the coming years. It is estimated by Gateshead MBC that, ultimately, funding attracted to the overall East Gateshead area is likely to exceed £500 million, with over half from the private sector. Whether it will be able to deliver the same economic benefits as Tate Modern and the Guggenheim Bilbao only time will tell.

## The Lowry

This cultural project played a significant role recently in the promotion and hosting of the Commonwealth Games in Manchester. The fact that the BBC chose to use The Lowry as a backdrop to their broadcasts was a sure sign that it is now recognised as an important symbol of place, not just for Manchester but for the UK itself. The attraction itself, as we all know, is located in Salford. It has wonderful, iconic design, and good visitor figures. Yet after an apparently successful first year of operation, Locum was called in to help The Lowry undertake an operational review and establish a sustainable financial model for the future. Things seem to be on a much more even keel now, and a clear operational future lies ahead.

But has the project really delivered regeneration benefits to the local area? It is estimated that The Lowry and associated initiatives have created 6,500 new jobs in the local community, and that the regeneration of Salford Quays as a whole has created some 11,000 new jobs. A £90 million commercial retail and leisure development has been attracted to the site adjacent to The Lowry, which builds on the brand name of the attraction: 'The Designer Outlet @ The Lowry'. And there is also, of course, the £28 million Imperial War Museum North, which was attracted to the site adjacent on the basis of The Lowry's presence. Like the shopping centre, I can't help wondering if, in years to come, the IWM North won't actually be referred to as the 'Imperial War Museum at The Lowry'. The cultural project provides the branding of the location.



BALTIC - The Centre for Contemporary Art



The Lowry



## The Eden Project

Broadening out the definition of 'culture' to include visitor destinations beyond museums and arts centres, it is worth considering for a moment the early economic achievements of what is arguably the UK's best-known new attraction: Eden. By March 2001, Eden had attracted no fewer than 1.91 million visitors, having anticipated only 200,000 in 2000 and 750,000 in 2001. Setting aside the unusual physical location and iconic design of the venue, what is quite remarkable about Eden is the fact that almost overnight it has become one of the prime reasons that people visit Cornwall. Eden has generated its own 'Guggenheim effect'. The total expenditure associated with holiday trips influenced by the Eden Project by March 2001 was estimated to be in the region of £127 million. Total annual visitor spending by day visitors at the Eden site is estimated to be £5 million, with a further £4.3 million of off-site spending. The Eden Project's own team currently stands at around 600 permanent staff. Of those, 95 per cent were recruited locally, and 50 per cent were previously unemployed. On top of this, Eden's purchasing plan has secured 197 jobs in supplier businesses, of which 33 are in the local St Austell area. The pulling power of Eden is phenomenal - to local, national and international visitors, to local suppliers, and even to its own staff. The 'Eden' brand has become the symbol of regeneration in the locality.

## Regeneration needs a brand

Why has Eden enjoyed such huge success? There are many reasons, of course, not least of which has been the inspirational vision and leadership of its founder, Tim Smit. But the main reason is that most people buy into the idea of Eden long before they make a visit. Eden's publicity and marketing have been of the very highest calibre, transforming Eden into one of the UK's most exciting new destination brands.

One project currently in development that is seeking to build on the pulling power of an existing cultural brand is The Turner Centre in Margate, East Kent. This major cultural project seeks to build on the association of the artist Turner with the town of Margate. It is planned to be a contemporary art gallery in essence, with some Turners on display, much other art, and a range of other facilities.

Big regional employers in Kent had been saying for some time that new cultural facilities were needed if they were going to keep their prized staff in the region long-term. Currently, the residents of the area have no major cultural destinations, and must visit London for major museums, galleries and performing arts venues. The Centre is intended not just to bring new cultural experiences to residents of the area, but to be a major catalyst for the regeneration of Margate and its surrounding region. If it is to achieve this, it must achieve what other regeneration winners have done: to transfer its own brand values and aspirations to the surrounding area and population.

If a cultural project is going to succeed in leading regeneration, it is crucial that it does so as part of a holistic destination brand. This means the promotion not just of separate elements of a destination but all of them, wrapping up individual attractions and buildings with the infrastructure surrounding them, to create a unified destination brand and sense of place. The overall brand should guide the long-term planning and operation of the destination as a whole.

It is only this sense of strong destination brand that is capable of connecting with the heart and gut of the consumer. Once it has achieved this, it is able to position itself in the minds of visitors, and then to actually deliver market share and all the economic benefits that flow from this. Cultural projects give emotional 'fuel' for successful destination brands. And cultural brands can be adopted by commercial regeneration projects. Ultimately, correctly planned cultural projects can add significant value to regeneration.

## Can culture lead urban regeneration?

Destination theory is crucial to the success of cultural destination projects, regardless of whether they are expected to catalyse regeneration. And, sad as it may seem, cultural projects are no longer affordable for their own sake. In today's market, I am now of the opinion that major investment should only be made in brand-driven destination projects, particularly those where regeneration is the ultimate objective. Often, cultural attractions are not capable of becoming big money-spinners in their own right, and should really be seen as loss-leaders, which can radically change an area's image for the better. But to succeed in this crucial task, they must transfer their brand values and aspirations to the surrounding area, population and businesses. This is what actually attracts inward investment into an area.

In summary, cultural projects are capable of leading urban regeneration, but only if they are competently planned and 'brandable'.

