



Historic England

MEASUREMENT AND VALUE IN THE BUILT HISTORIC ENVIRONMENT: AN ECONOMIC PERSPECTIVE

Adala Leeson

Head of socio-economic analysis and evaluation

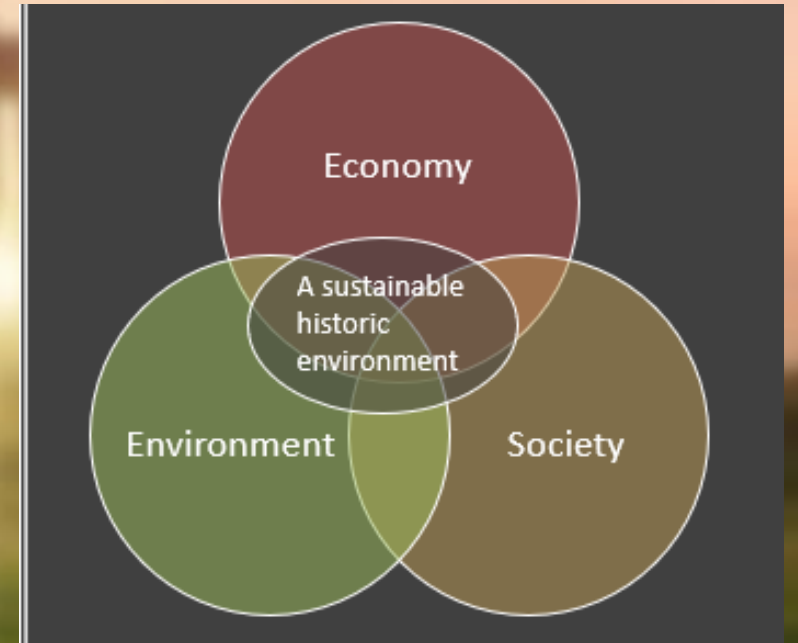
INTRODUCTION & CONTEXT

#1. Heritage has a broad range of values – including environmental values. These are often excluded (externalities) in our current economic models and decisions.

HERITAGE BENEFITS PEOPLE IN MULTIPLE WAYS

- Archaeology - a bridge to the past
- Architecture - uniqueness, distinctiveness
- Aesthetic- beauty
- Historic- remembering the past
- Social- identity, cohesion, wellbeing
- Spiritual- faith
- ...

These are largely not captured using orthodox economic techniques



A TYPICAL BUSINESS CASE: Heritage values largely un- monetised (externalities)



We measure e.g.

Floorspace

Land use

Land values

Visits

Training

Volunteering

To calculate...

Net Jobs

GVA

(new and safeguarded)

(new jobs and training)

But silent on...

Historical values (collective memories, vintage effects)

Architectural values (distinctiveness, craftsmanship)

Aesthetic values (beauty)

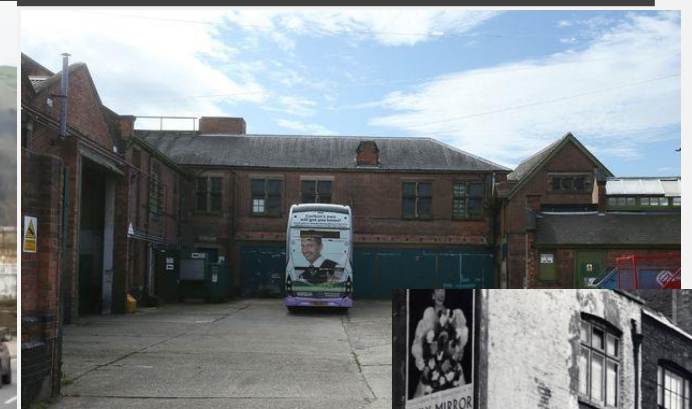
Spiritual values (meaning, authenticity, pride)

**Environmental values (Embodied carbon,
biodiversity)**

THERE ARE CONSEQUENCES OF POOR MEASUREMENT, POOR VALUATION AND GENERAL LACK OF CONNECTION BETWEEN ECONOMICS AND ENVIRONMENTAL (AND OTHER SOCIAL) SCIENCES

'Death trap' mill which has had 250 emergency incidents in the last three years -including arson and serious injuries - to be knocked down

Controversial Halifax building earmarked for demolition granted listed status



THE TIMES

WILL HURST

**Demolishing 50,000 buildings
a year is a national disgrace**

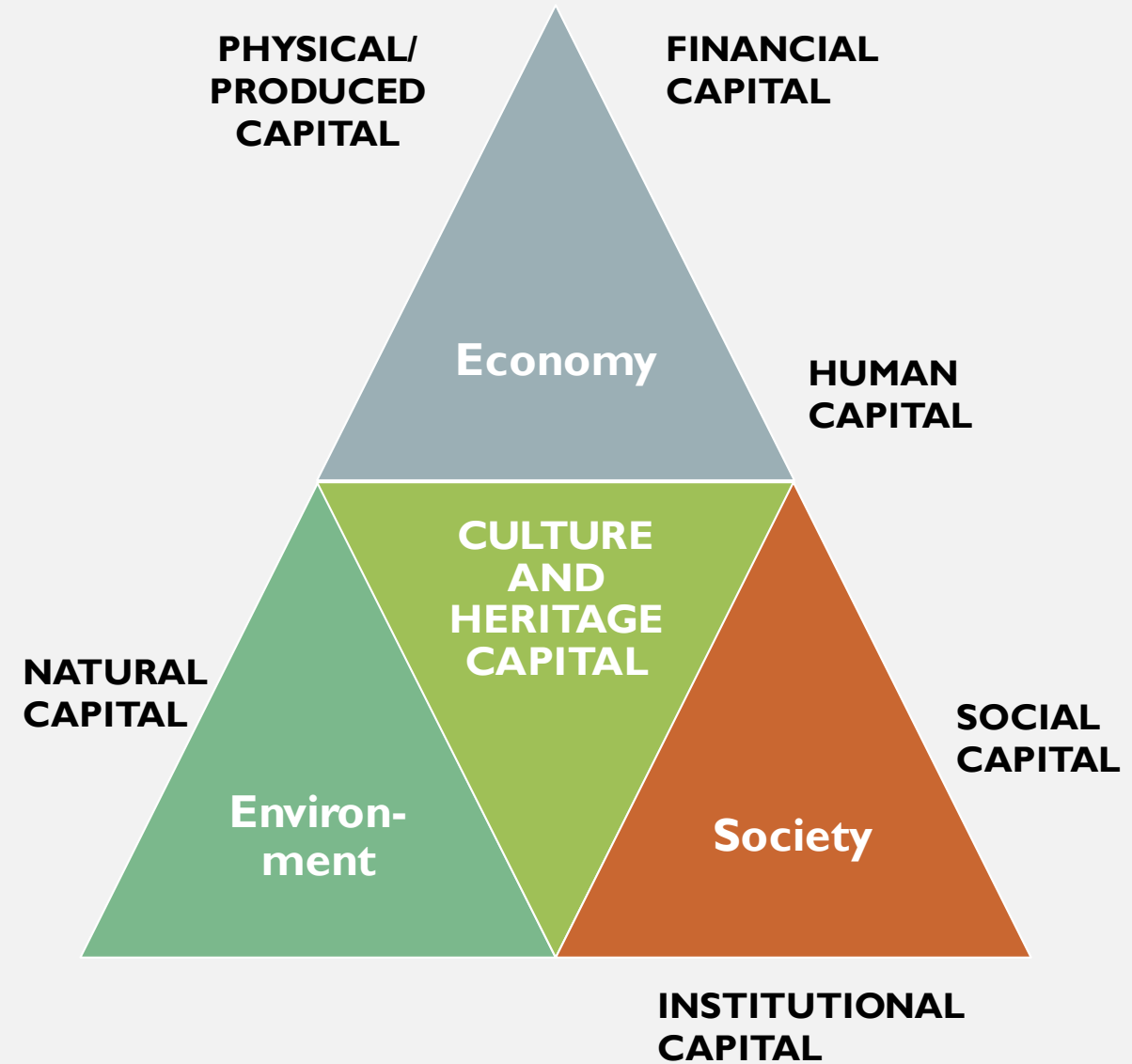
Will Hurst Monday June 28 2021, 12:01am, The Times



, as seen over railings from New Road. Picture: Ed Nix.

MOVE TOWARDS A MORE HOLISTIC APPROACH

The culture and heritage capital
approach



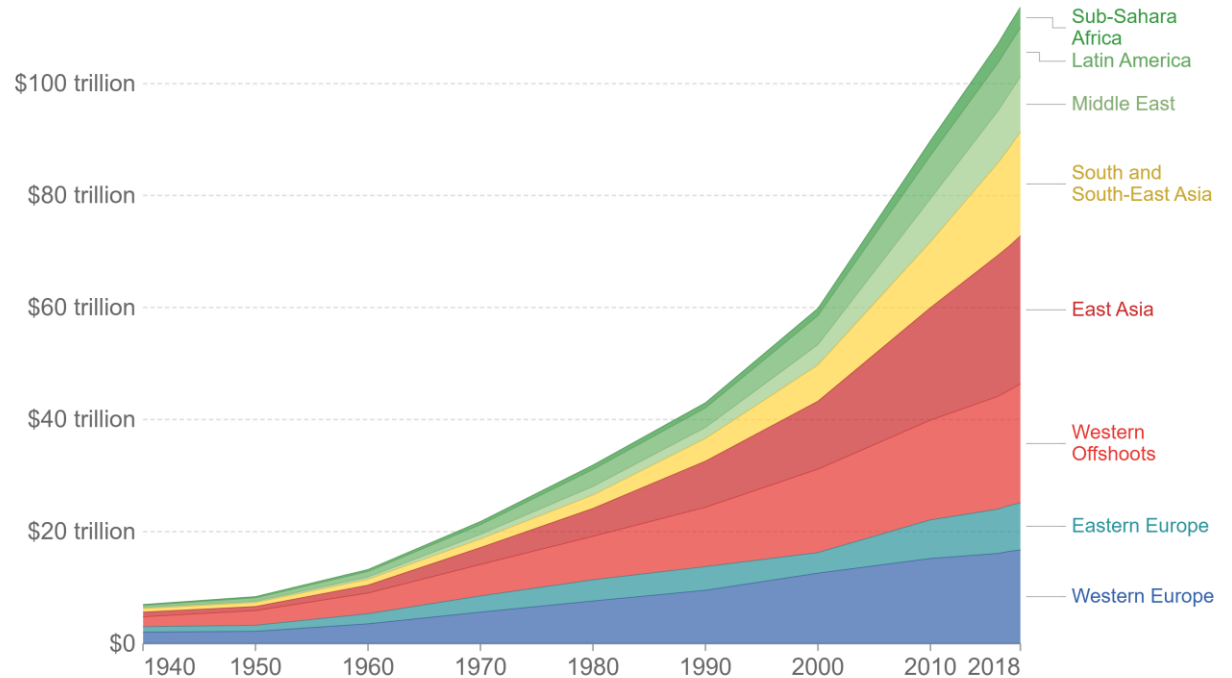
MEASURING OUTCOMES

GDP is the core
metric of prosperity.
A measure of market
output.

GDP, 1940 to 2018

GDP adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.

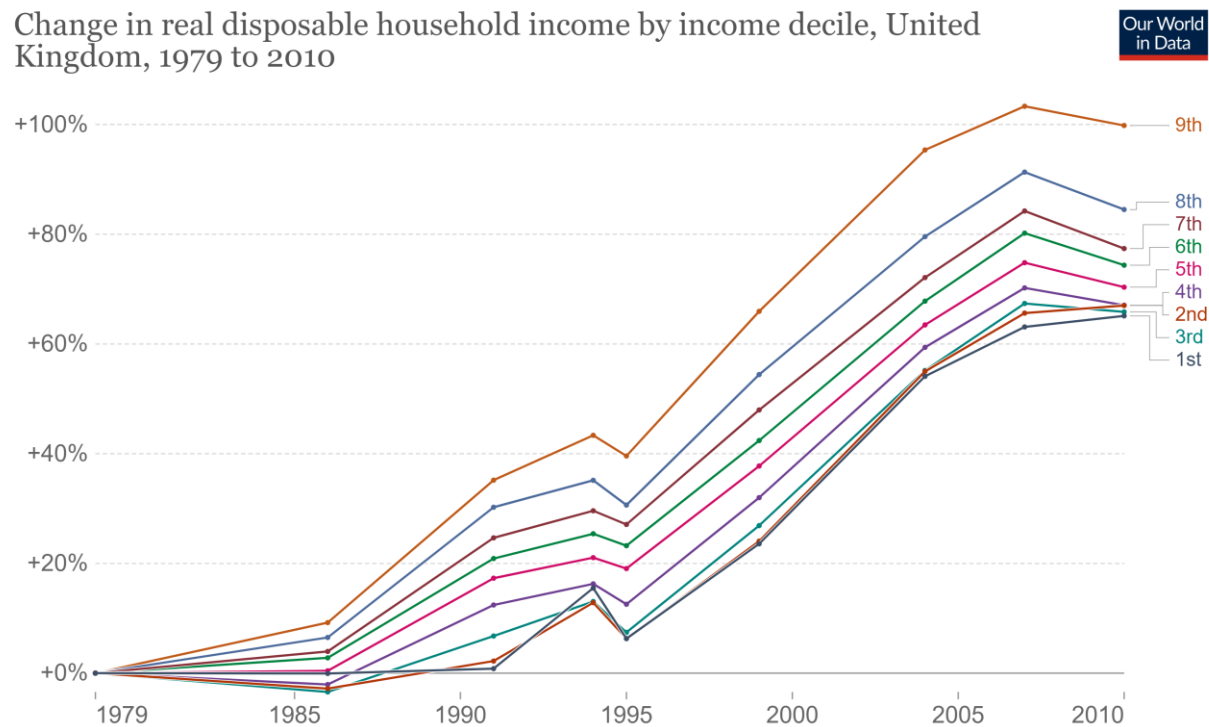
Our World
in Data



Source: Maddison Project Database 2020 (Bolt and van Zanden, 2020)

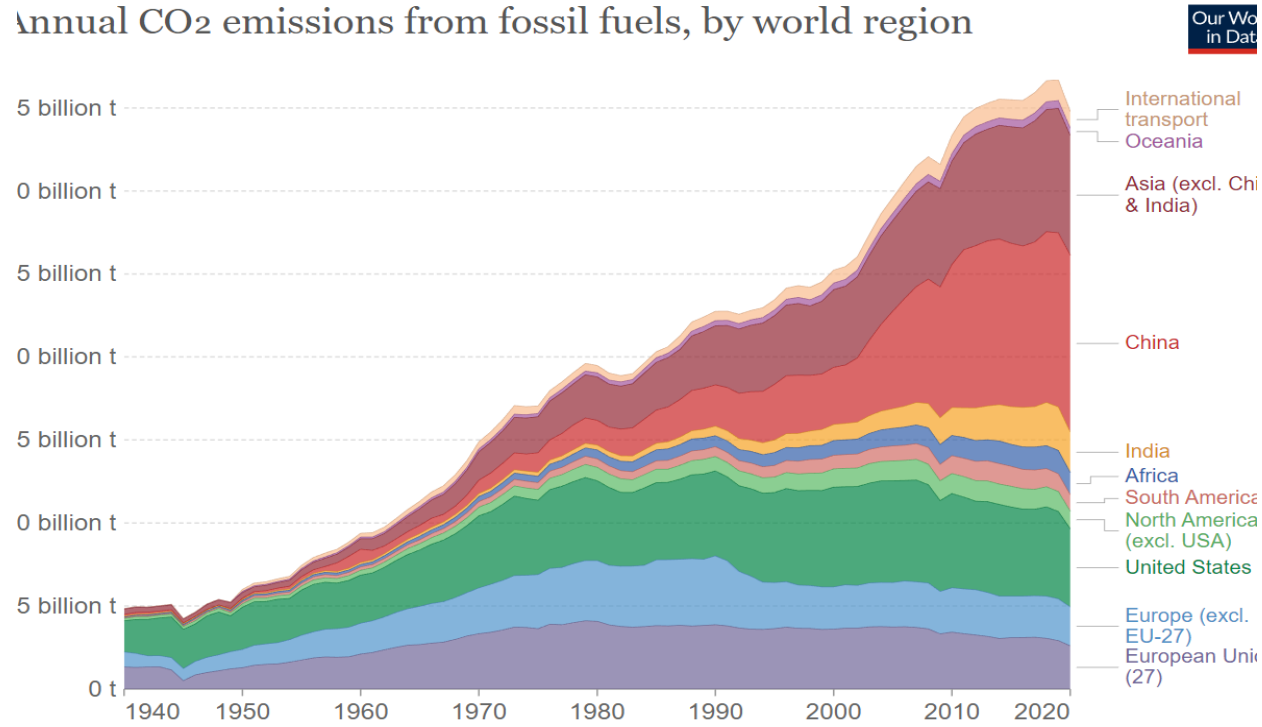
OurWorldInData.org/economic-growth • CC BY

Change in real disposable household income by income decile, United Kingdom, 1979 to 2010



Source: Incomes across the Distribution Database (Nolan, Thewissen, Roser (2016))

Annual CO2 emissions from fossil fuels, by world region



Source: Global Carbon Project

OurWorldInData.org/co2-and-other-greenhouse-gas-emissions • CC BY

“WHAT WE MEASURE INFORMS WHAT WE DO. AND IF WE'RE MEASURING THE WRONG THING, WE'RE GOING TO DO THE WRONG THING.” Joseph Stiglitz, Economist, Nobel Laureate

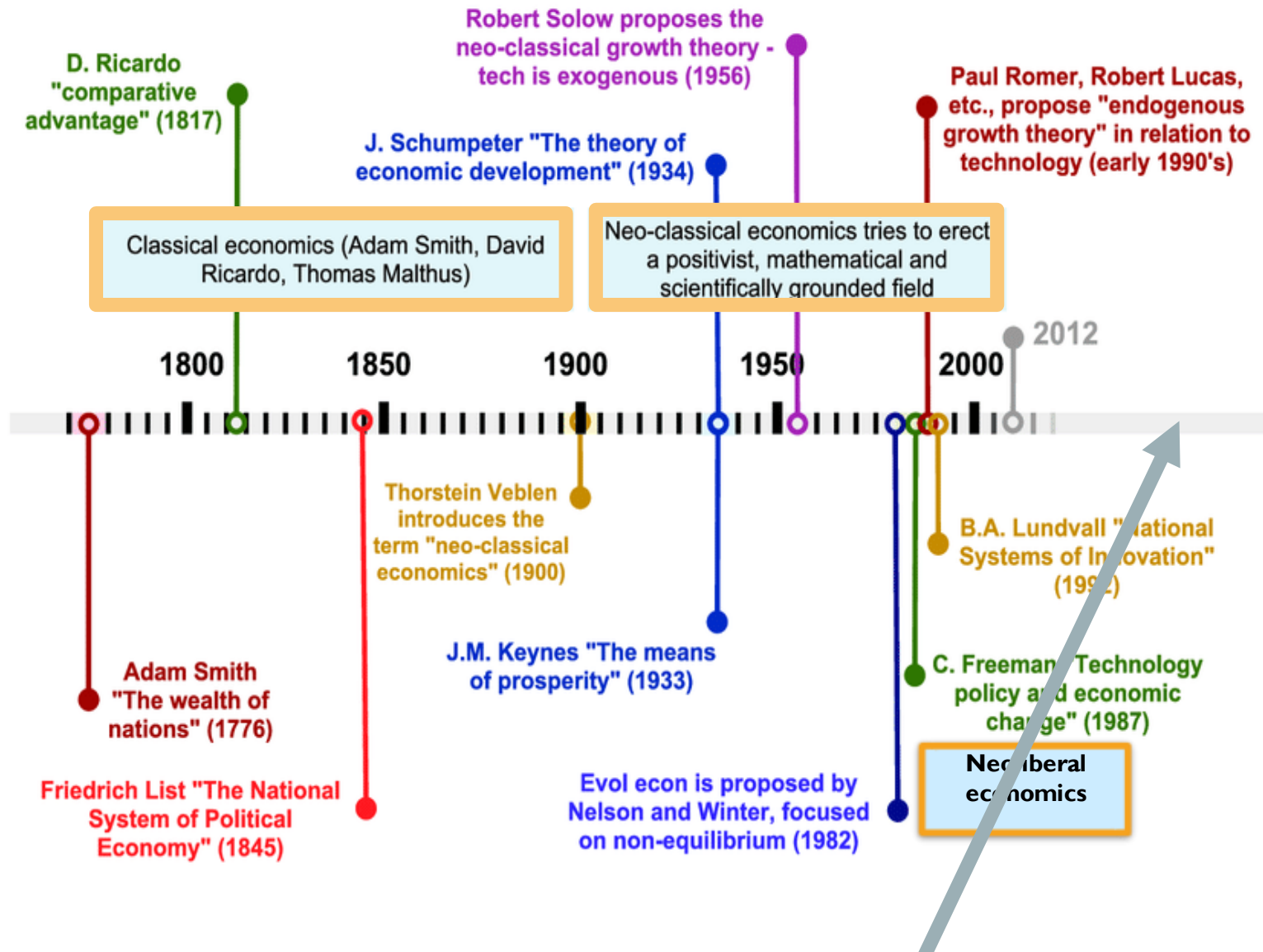
Concern about climate change and rising inequality is fueling a global demand for better measures

“Economics is in greater flux, and generating more interesting ideas, than it has for a generation.”

ECONOMICS IS
A POWERFUL
TOOL BUT IS
AT BEST AN
INCOMPLETE,
EVOLVING
SCIENCE

The heritage sector must have a voice in this evolution – we cannot afford to be passive agents.

Source: <https://www.researchgate.net/profile/Mauricio-Uriona-Maldonado-2>



WHAT'S NEXT?

Ecological econ, evolutionary econ, doughnut econ, wellbeing econ, ...circular economics?

EMBEDDING THE ENVIRONMENT IN VALUATION

#3

Can support the case for
the conservation of the
built historic environment.

MARKET FAILURE IN THE BUILT ENVIRONMENT

“Extraction of materials is a chief culprit in climate change and biodiversity loss—a challenge that will only worsen unless the world urgently undertakes a systemic reform of resource use,” UN Environment climate change specialist Niklas Hagelberg. “Such a reform is both necessary and possible.”

UK: 80% of buildings that will exist in 2050 have **already been** built.

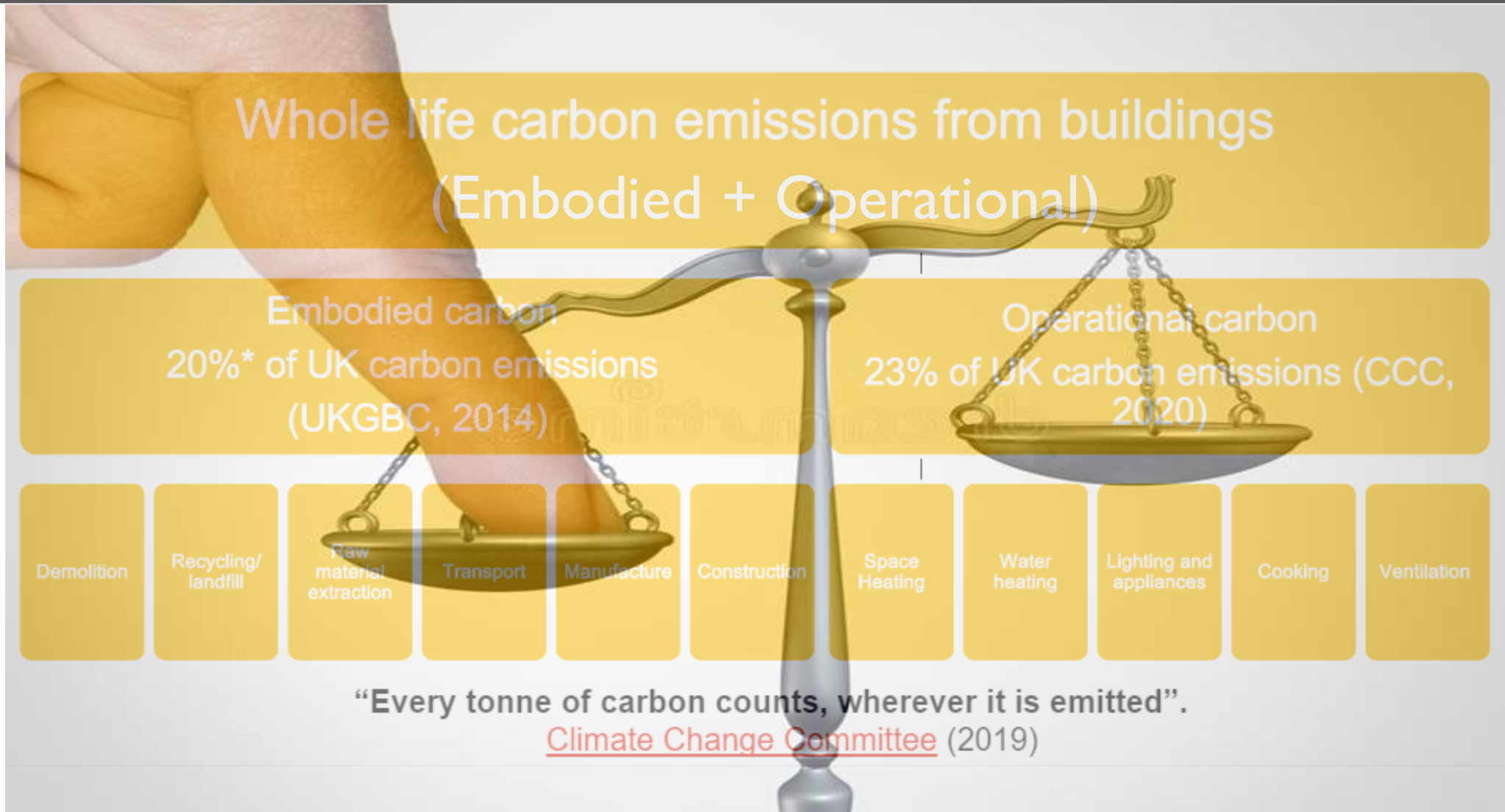
Africa: 80% of buildings that will exist in 2050 **are yet to be** built.

- “Besides transport, another **major consumer of resources is the rapidly growing building sector.**
- Resource extraction has more than **tripled** since 1970
- By 2060, global material **use could double** to 190 billion tonnes (from 92 billion)
- Building quality [sand](#) is currently being **extracted at unsustainable rates.”**

Source(United Nations Environment Programme Global Resources Outlook 2019)

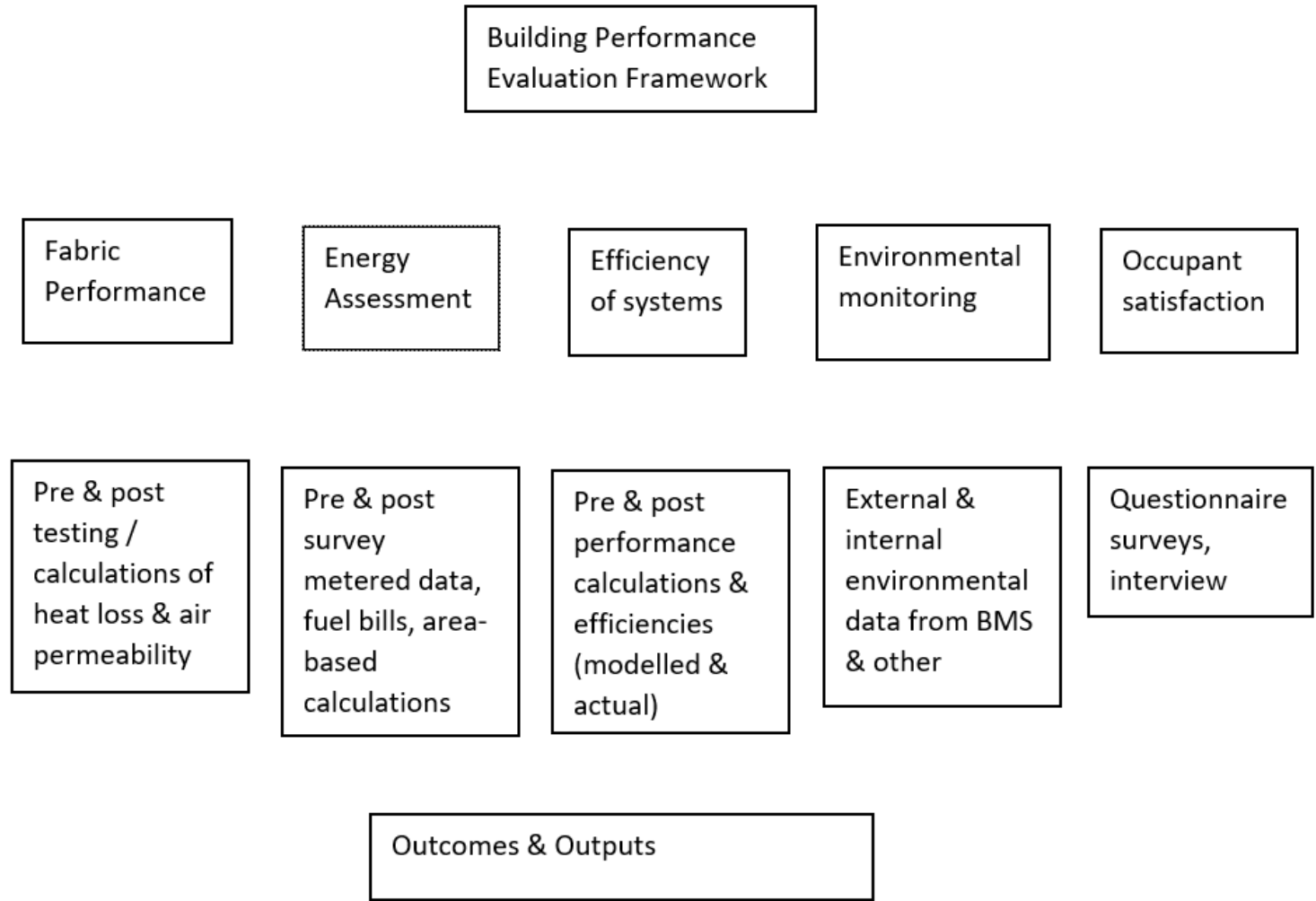
MEASURING HOLISTICALLY, AVOIDED CARBON

E.g. net zero targets based on territorial emissions – off-shoring our carbon footprint? (HMTreasury 2021)



DEVELOPING MEASUREMENT FRAMEWORKS

- Need evidence to articulate the social, economic and environmental value of heritage
 - To demonstrate progress against strategic aims
 - To inform decision making
 - Monitoring and evaluation critical to this



Contents

1. Overview of Monitoring and Evaluation Framework	2
2. Summary	2
3. Context	3
4. Logic Model and Governance	5
5. Theory of Change.....	4
6. Evaluation Objectives and Key Evaluation Questions (KEQ)	6
7. Data Collection Methods	8
8. Evaluation Approach and Outputs.....	10

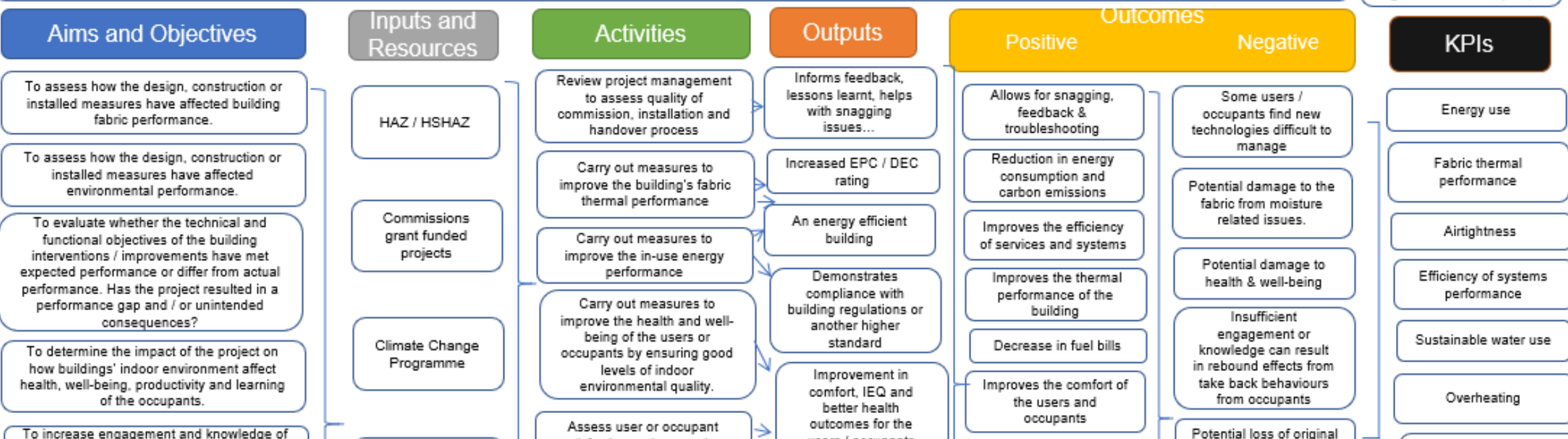
HE EVALUATION APPROACH

- Supported by a detailed monitoring and evaluation framework

Rationale: The study of the performance of buildings and understanding their relationship between health and well-being and environmental parameters is required for the decarbonisation of the existing building stock.

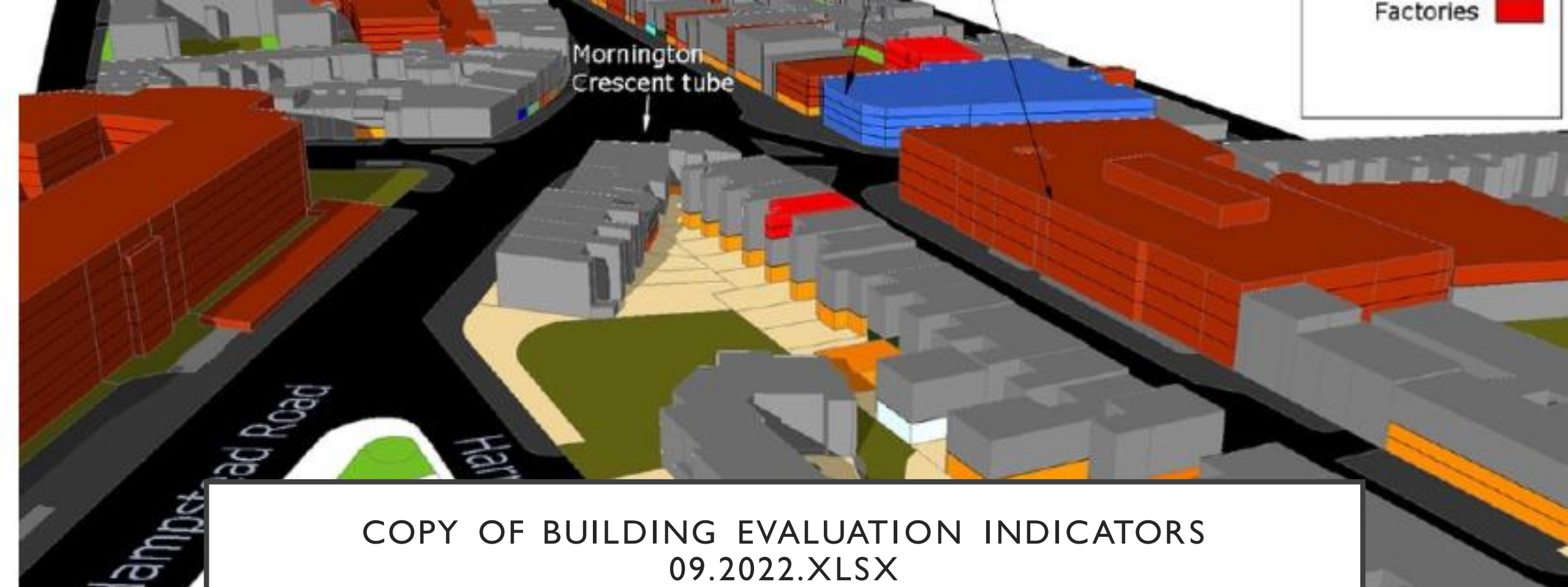
External Factors: 1. UK has committed to a net zero emissions target by 2050. 2. Requirement in Each Home Counts, the associated PAS2035 and PAS2030 which sit under the overarching Quality Mark, to predict the outcome and to evaluate the post-works performance. 3. Building Regs – more emphasis on outcome performance in the future 4. Grenfell – fire safety 5. Fuel poverty / equality

Assumptions: focus on retrofit; building is in a good state of repair,



THE EVALUATION APPROACH

- Aims to evidence the impact of an intervention as a whole
- Driven by theory of change and logic model



COPY OF BUILDING EVALUATION INDICATORS
09.2022.XLSX
&
BIG DATA E.G. UCL 3D STOCK MODEL



MAIN TAKEAWAYS

- **Economics is a powerful tool** – it is used widely – it is used in decision making - shapes outcomes.
- **But economic tools are incomplete** – here 2 things
- **i) ‘Externalities’ are not folded into current economic systems**
 - We need to actively seek solutions to value and embed embodied carbon in policy, business and everyday decisions
- ii) These can be better embedded in our systems**
- iii) It is vital that the heritage sector is an active partner in the evolution of economic theories**
- iv) But the questions remains as to whether change to the system are sufficient? A paradigm shift?**

THANK YOU

Adala.leeson@historicengland.org.uk