**SOCIAL COST BENEFIT ANALYSIS STUDY – PETERSFIELD FESTIVAL HALL**

The Petersfield Town Council (PTC) needs to commission a ‘Social Cost-Benefit Analysis’ study for its Festival Hall project. The project is currently at RIBA Stage 3 (now approved with conditions) and is estimated to cost approximately £22m, including an element of optimism bias (as of December 2022). Full present value costs for both the renovation, ongoing maintenance, and proposed operation of the building have already been estimated by independent consultants as part of the RIBA process. All architectural and strategy direction details can be found on the PTC’s website ([www.petersfield-tc.gov.uk](http://www.petersfield-tc.gov.uk)).

In terms of financing the project, capital funding is expected to rely on more than 50% being obtained from private and other public sector grant-awarding agencies, with the remainder coming from the PTC’s own resources (e.g., taxes). The PTC is also prepared to consider committing a substantial amount to the future operations and maintenance of the renovated building for a 30-year period, thus helping to ensure the long-term sustainability of the project (possibly through the establishment of a new independent trust to operate the building).

The redevelopment plan includes a renovated building that aims to have a net-zero impact on the PTC’s carbon footprint (an unprecedented achievement for a building of its size and age in the UK), transforming it into a major regional ‘cultural hub’ that significantly increases its service to the town community (e.g., performing arts, education, charity use, and e-sports activities). The main aim is to greatly broaden local participation and utilisation of the asset, thereby generating substantial financial and non-financial public benefits.

Although not a legal requirement for town or parish councils, the PTC is endeavouring to follow the HM Treasury’s Green Book methodology on major project appraisal, which also includes the Department for Digital, Culture, Media and Sport’s (DCMS) intended framework for ‘valuing culture and heritage capital’ (2021). All bids must therefore adhere fully to the DCMS’ proposed tool for informed decision-making regarding the valuation of culture and heritage, in terms of research approach, structure, terminology, and both quantitative and qualitative assessments. The output of the Social Cost-Benefit Analysis must, therefore, include an estimation of the:

* Relevant ‘pressures and interventions’ that exist,
* The building’s ‘cultural & heritage asset (stock)’ value,
* A list of assets that produce goods and services
* The building’s present and future ‘benefits (flows)’ value,
* The value projected over the life of the 30-year project
* The total cumulative asset value (stock) of a redeveloped building to the present and future population of Petersfield, and also of the present and future population of all the people in the surrounding parishes (ibid: 12).

The value types that must be considered and make explicit in the output include the ‘value to the individual’ broken down into the following categories:

* Use Value
  + Direct Use Value
  + Indirect Use Value
  + Options Value
* Non-use Value
  + For others (both altruism and Bequest)
  + Existence Value (ibid: 14)

The PTC recognises that the DCMS lists six different ‘welfare approach-based’ methodologies to help derive such value estimates (ibid: 15). It is also noted that, in 2024, new approaches were published that have been advocated by Historic England, in particular *Heritage Capital and Wellbeing: Examining the Relationship Between Heritage Density and Life Satisfaction*. Using such approaches, it may be possible to reduce the cost and time needed to conduct this research. For this reason, bidders are encouraged to use secondary research, when possible, instead of conducting primary research based on public surveys. For example, existing research based on a ‘Benefit Transfer’ methodology (Simetrica Jacobs 2020: 55).

That said, the most important requirement, irrespective of the methodology proposed, is to obtain well-reasoned quantitative and qualitative estimates of the values listed above, and to ensure that such research meets a medium-to-high REA Quality Grading Standard (ibid: 3). Bidders are, therefore, still required to outline the REA methodology or methodologies they propose to use in their proposal (Simetrica Jacobs 2020).

The PTC understands that the current Festival Hall building, and the resulting project, contains elements that could be classified by the DCMS as part of the “Built Historic Environment,” as it is an ‘unlisted historic building’ of significant value (as per the local Neighbourhood Plan). It is also classified as a ‘Performance Venue,’ as it is, and will remain, a performing arts venue, while also serving as a venue for the delivery of various other community services (e.g., charity, youth, health, education). For this reason, these different perspectives must be considered in the final output analysis.

Bidders for this consultancy must demonstrate in their proposals their experience in producing similar research and their ability to provide the prescribed output.

**BIBLIOGRAPHY**

Department for Digital, Culture, Media and Sport’s (DCMS) (2021), *Valuing Culture & Heritage Capital: A framework towards informing decision making*, pp 26

Collwill, Thomas (2024), *Heritage Capital and Wellbeing - Examining the Relationship Between Heritage Density and Life Satisfaction*, Historic England, pp 43

Simetrica Jacobs (2020), *DCMS Rapid Evidence Assessment: Culture and Heritage Valuation Studies – Technical Report*, pp 110