
The Economic Impact of the Heritage Tourism Environment
for Growth (E4G) Project

[EXCERPT CHAPTER FROM FORTHCOMING E4G REPORT]

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REPORT ON THE ECONOMIC IMPACT OF THE HERITAGE TOURISM ENVIRONMENT FOR GROWTH (E4G) PROJECT

The overarching purpose of the E4G monitoring and evaluation work is to better understand the economic effects levered by both improvements to E4G sites, and visitation to E4G sponsored events. This report covers the estimation of the economic impact of the E4G Heritage Tourism Project (HTP) strategic project from November 2009 to August 2014.

SUMMARY

- The economic impacts that are attributable to the HTP programme take place largely away from the visitor sites themselves (e.g. spending occurs in shops and on accommodation etc. in local towns). The analysis therefore looked at all trip related spending whether at the site or directly attributable to it (a single day's impact e.g. including one night's accommodation for staying visitors).
- Details of 25 initiatives in HTP were included in the analysis. A total of 28 visitor surveys were carried out at initiative sites with a combined 3,830 individual questionnaires completed.
- Visitor volume estimates were combined with data from the visitor surveys and estimates of the indirect impacts of visitors spending to provide a gauge of individual initiatives' overall economic impact.
- For sites where surveys were not undertaken estimations of their economic impact were derived. Average spends and economic impact details were taken from similar sites that had been surveyed and an average figure applied to the non-surveyed site annual visitor number to generate economic impacts.

ECONOMIC IMPACT

- Adding together the economic impacts directly attributable to visitor spending with initiative **sites** it is estimated that in total they could be connected with impacts of £19,363,000 of gross value added (GVA) per year and with this supporting employment of around 1,045 full-time equivalents (FTEs).
 - Surveyed sites: GVA £14,123,600 per year; 762 FTEs
 - Non-surveyed sites estimate: GVA £5,239,400 per year; 283 FTEs
 - All sites estimate: GVA £19,363,000 per year; 1,045 FTEs.
- As well as impacts in terms of leveraging tourism spending the HTP has also involved considerable amounts of **capital spending** (construction type activity). Total estimated construction expenditure associated with the HTP project was £15.9m. Taking a mid-range estimate of 80% local sourcing it is estimated that, once the multiplier effects of this construction spending are taken into account, that some £11.4m of value added is supported in Wales and around 270 jobs.

1. THE ENVIRONMENT FOR GROWTH (E4G) PROJECT

1.1 INTRODUCTION

In the 2006-13 round of European Convergence Funding, over 150 initiatives related to the visitor economy in Wales received funding under the “Environment for Growth” umbrella.

E4G comprises six strategic projects, managed by Welsh Government, Visit Wales, Cadw and Natural Resources Wales. The six strategic E4G projects are: Coastal Tourism; Communities and Nature; Heritage Tourism; Sustainable Tourism; Valleys Regional Park; and Wales Coast Path.

There is a requirement that projects and sites supported by ERDF funding provide evidence that the resources have been used appropriately; that projected impacts have been achieved; and that fundamental ‘good management’ practices have been followed (for example with respect to the cross cutting themes of equal opportunities and environmental sustainability). Estimating the economic impact of visitor sites, however, presents distinct challenges. Many of the important impacts of visitation will not occur ‘onsite’ or directly because of the activity, but more widely throughout the regional economy as visitors spend money on accommodation and other services away from the destination in question; meanwhile, sites will have impacts away from their immediate location through their purchases of goods and labour.

Projects under E4G were subject to common monitoring and evaluation procedures with the aim of providing cost savings and a better understanding of the economic, social and environmental benefits of individual initiatives; the six strategic projects; and E4G as a whole.

As part of this monitoring and evaluation approach Cardiff University (Welsh Economy Research Unit) was contracted to provide a central management service to help evaluate economic impacts in Wales. The Cardiff team provided a set of monitoring forms to be completed by initiatives to fulfil WEFO and Assembly requirements; a monitoring and evaluation guidance pack; off-site workshop days for initiative managers and other stakeholders; a central website offering advice and useful materials; and centralised data analysis and reporting (including summary reports for individual sites). This evaluation activity was complementary to the core monitoring requirements undertaken for WEFO grant purposes

1.2 OBJECTIVES OF THE REPORT

The overarching purpose of the E4G monitoring and evaluation work is to better understand the economic effects levered by both improvements to E4G sites, and visitation to E4G sponsored events. This report covers the estimation of the economic impact of the E4G Heritage Tourism Project (HTP) strategic project from November 2009 to August 2014.

It presents economic impact assessments of visitation to sites and events that were subject to visitor surveys and, where possible, indicates the estimated economic impact at non-surveyed sites using

data collected at other similar initiatives within the overall E4G project as a proxy. Furthermore, estimates of economic impact are given for the capital spending associated with the HTP project.

This report follows two interim progress reports on the wider E4G project covering the periods November 2009 to April 2010, and then in the period to March 2011. It also follows the Mid Term Report covering progress from November 2009 to February 2012. For background on the procedures and process of the E4G monitoring and evaluation work these earlier commentaries should be read in conjunction with this report.

The objectives of the monitoring and evaluation project commissioned by the E4G project partners required that Cardiff University would:

- Work with Strategic E4G Project managers to implement the E4G monitoring and evaluation framework majoring on the economic effects of levered visitation;
- Develop the E4G monitoring and evaluation framework using feedback from partners and site managers;
- Deliver workshops on monitoring and evaluation measurement techniques around the Convergence Fund area;
- Develop and assist in the application of a system to collect the appropriate monitoring and evaluation information from E4G sites/projects and/or bid partners as appropriate, including developing a process for the electronic submission of visitor survey data;
- Develop a meta-analysis of sites, in order to focus survey resources on a sample of representative sites;
- Mentor project managers at sampled sites as appropriate;
- Analyse the collated monitoring data, and report information in short reports and datasheets to project sponsors and stakeholders at site and aggregate level;
- Create and maintain a website for E4G partners to provide access to information on M&E tools, approaches and 'best practice', and include a stakeholder discussion forum.

This report majors on the penultimate point above, describing the monitoring and evaluation work overseen by Cardiff Business School and setting out the findings from the analysis of data received from Heritage Tourism Project (HTP) E4G initiative sites and events.

The economic impact is reported in terms of output, gross value added and employment arising directly, and indirectly, through the spending in Wales of visitors to HTP initiatives. In order to estimate the impact of visitor direct spending and capital spending the Welsh Economy Research Unit's Welsh Input-Output Tables were utilised.

Input Output tables provide a detailed financial account of trading between different parts of the economy during one year. This includes trade between industries within the economy, external trade through imports and exports, as well as consumer and government spending. The Input Output framework then enables the effect of any spending or activity to be traced through the various supply chains, ultimately estimating indirect and induced-income effects.

1.3 STRUCTURE OF REPORT

Section 2 outlines the methodology used in estimating the economic impacts of E4G sites and events. Section 3 aggregates the visitor survey information and presents the estimates of economic impact associated with visitor spending at surveyed and non-surveyed initiatives. Section 4 considers the capital spending effects of the overall HTP project. An appendix to this report highlights the main findings for each survey carried out at HTP initiatives as part of E4G monitoring and evaluation work.

2. METHOD

2.1 SOURCES OF ECONOMIC IMPACT

There are difficulties in estimating the economic impact of visitor sites and events. Visitor economic impacts can largely arise away from the destination (e.g. a relatively high proportion of their spending takes place in shops and hotels in nearby towns, not at the destination itself). Furthermore, sites will have impacts off site through their purchases of goods and labour.

As E4G visitors spend their money in the wider Convergence region away from E4G sites many E4G-related jobs will be created 'indirectly'. In order to understand whether the substantial regional match-funding allocated under this EU priority is justified, these impacts must be evaluated, requiring an overall understanding of visitors' characteristics and behaviour. Visitor surveys requested at a sample of sites and events by the research team had the aim of supplying this understanding as their goal. With relatively high numbers of returns it is possible to come to conclusions on the types of initiatives expected to have the greatest visitor economy effects.

Visitor surveys were not undertaken at every site and event. For small or unmanned projects, undertaking visitor surveys in order to reveal visitor characteristics or behaviour is impractical and cost-ineffective. For example, for very small sites, the effort involved in interviewing a sufficient sample of visitors to provide statistically robust estimates of expenditure would be wholly disproportionate to the usefulness of the data collected. It is possible though, and in some cases necessary, to assume that impact per visitor is comparable between similar sites or visitors within an area. Here, then we measure visitor volumes, and then to assume characteristics and behaviour are in line with those reported at other similar or proximate initiatives. To assist this, a typology of sites was produced, categorising locations by a number of activities.

The E4G framework required that inference be drawn from visitor survey information at a sample of sites to the whole population, whether by strategic project or for the whole E4G project. To make this process work it was critical that the Cardiff University team have visitor numbers associated with E4G sites and events that were not covered by surveys. The aspiration at the start of the E4G monitoring and evaluation process was for the six strategic projects to aim to gain around 1,000 completed questionnaires in each of two separate calendar years (the target for the Wales Coast Path project was half this).

As well as impacts in terms of leveraging tourism spending it is important to recognise that the Environment for Growth programme has also involved considerable amounts of capital spending, in large measure on construction type activity. Much project activity has taken place in more needy parts of the regional economy, such that employment and incomes supported in construction could have important local effects. The analysis following relates the effects of levered visitation to the capital expended in making site improvements or in developing events.

2.2 DIRECT AND INDIRECT ECONOMIC IMPACTS

The assessment of the economic impacts of spending by visitors to E4G sites and events in Wales needs to take place at two discrete levels. There is a need to first estimate the direct economic impact of this expenditure in the region, as visitors purchase food and drink, pay for parking and meet accommodation costs etc.

However, the estimation of direct effects only provides a partial estimate of impact. There is also a need to consider how the visitor spending supports economic activity in Wales indirectly. Expenditure by visitors requires outputs from other Welsh industries, so that as, for example, visitors stay in local B&B's/Guesthouses, purchases are made by the accommodation providers from local farms or wholesalers to provide breakfasts. This regional sourcing then in turn leads to further regional spending by the local farms, and so on. The extent of these supplier effects then depends on the level of Welsh sourcing for the particular sector and on levels of regional sourcing by its suppliers. Additionally, visitor spending adds to local incomes, a large part of which will likely be spent in the region, further adding to local incomes. These induced-income effects can be added to supplier effects to form the total indirect consequences of the direct local economic activities.

2.3 ECONOMIC IMPACT MEASUREMENT INDICATORS

Economic impacts, levered by visitors to E4G sites and events, can be expressed in terms of spending, incomes and jobs, or in economic terms- Output, Gross Value Added and Employment (see Table 2.1).

Table 2.1: Economic Impact Indicators

<i>Economic Measure</i>	<i>Description</i>
Output	<i>The value of the goods and services produced in the local economy as a result of the increase in visitor expenditure due to the E4G initiatives</i>
Gross Value Added (GVA)	<i>Locally earned incomes and profits, and part of taxes on economic activity</i>
Employment	<i>The number of Full-Time Equivalent (FTE) jobs supported by spending associated with the E4G initiatives</i>

To estimate the indirect economic impacts it is necessary to have a model of the Welsh economy which shows how different types of consumption spending create supplier and induced-income effects across different sectors of the Welsh economy. The Input-Output tables for Wales provide such a framework.

It is important to note that the employment figures mentioned in this report are not the same as the WEFO defined “*additional jobs*” used in measuring project outputs. Employment as defined in this report includes both the direct and indirect activity supported by project spending (both visitor expenditure and capital spend).

2.4 INPUT OUTPUT TABLES

The most recent Input Output Tables for Wales were produced by the Welsh Economy Research Unit with support from the Environment Agency Wales (July 2010). Details were published for the Input Output tables for Wales 2007 at: www.business.cf.ac.uk/sites/default/files/IO_2007_Final_30_6.pdf

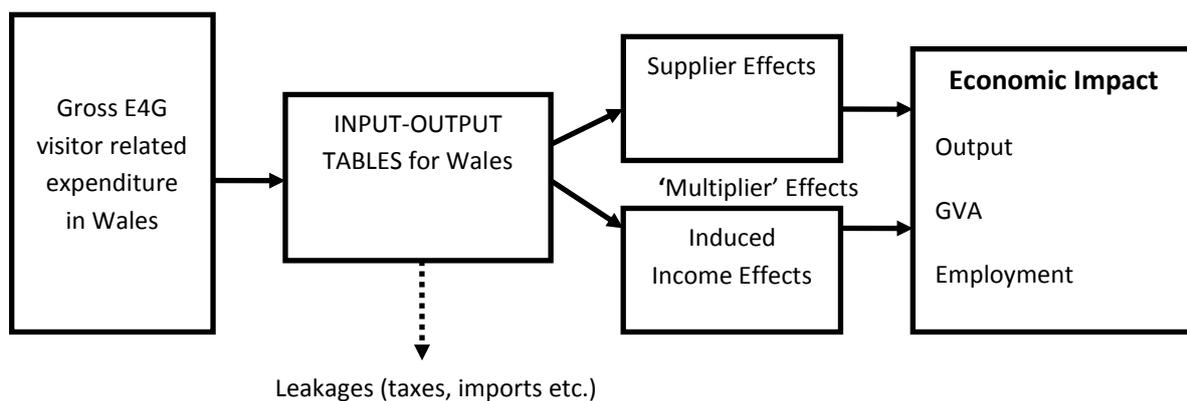
In addition to the Input-Output tables the analysis also used the Tourism Satellite Account (TSA) for Wales 2010 (produced by Cardiff University for Visit Wales in 2013). Using this tool, further analysis was possible on aspects of tourism's economic significance. The TSA provided a wealth of information on tourism's direct economic importance to Wales, including an employment module detailing how tourism directly supports Welsh employment. The TSA allows the estimation of Tourism Direct Gross Value Added (TDGVA). This variable shows how much of the gross value added (GVA) created in Wales is as a result of tourists' spending before, during or after trips to Wales.

Cardiff University has undertaken additional work to develop a modelling structure from the Welsh TSA linking to the Input-Output framework described above. This is known as the Tourism Impact Model for Wales (TIM) and it is from this model that the impact figures are derived.

2.5 SUMMARY OF APPROACH

Figure 2.1 provides a summary of the economic impact estimation approach. Here, the direct spending of visitors to E4G initiatives is used within the framework of the Input-Output tables for Wales and the Tourism Impact Model for Wales to estimate indirect supplier and induced income effects.

Figure 2.1 Estimation of Net Economic Impact in Wales



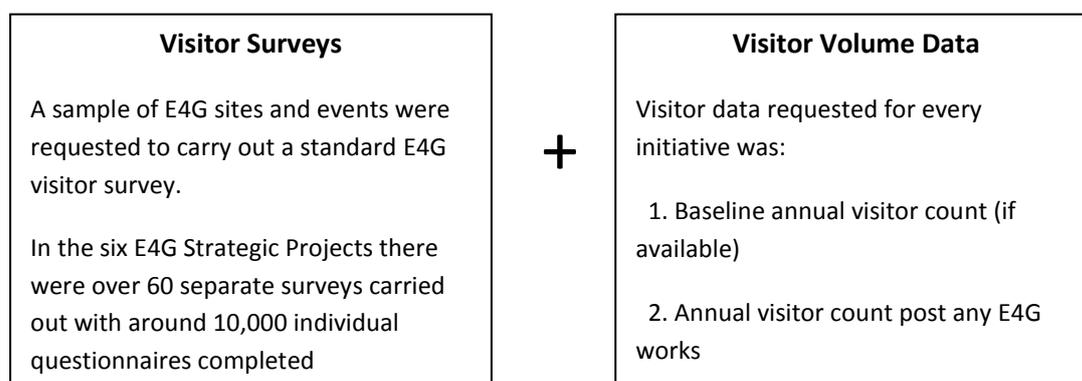
2.6 DATA SOURCES

Visitor volume estimates were combined with data from visitor surveys and modelling of the indirect impacts of visitor spending to provide a gauge of individual initiatives overall economic impact.

Estimates of visit numbers to E4G sites and events were supplied by initiative stakeholders (such as Local Authorities and National Parks). These were collected through a variety of means including automatic people counters; ticket sales; and manual survey counts.

The visitor surveys, which were carried out by stakeholders, provided data on expenditures, type of visit (day-trip or overnight), and accommodation used.

Figure 2.2 Data Sources to Inform Direct Economic Effects of Visitation to E4G Initiatives



The evaluation was set up to meet WEFO requirements, where outputs are number of visitors and numbers of jobs, with no requirement to count *additional* visits. The research team did ask initiatives to supply 'baseline' visitor number data from the pre-project period as useful extra information (particularly to help inform discussion on project additionality), but data returns here were sparse.

The evaluation of the E4G investment intended to provide information that was both regionally and locally relevant. Where E4G sites or events did not carry out visitor surveys, but visitor numbers were able to be supplied, estimates of the economic impact were made, where possible, by using proxy data on spending from similar E4G locations. Each supported initiative or event was classified into one or more specific (lower level) typology designations. In each case up to three designations were applied (Table 2.2). For example, information on the characteristics of visitors to industrial heritage sites gleaned from E4G surveys can be applied to sites with no relevant survey information (but with relevant volume counts) to provide indicative information on economic and environmental impact – albeit with the proviso that there is an expectation that visitor characteristics are determined by the type of site they visit.

Table 2.2: Typology of E4G Initiatives

High level designation	Lower level designations
1. Route, link or connection	1.1. Cycle route
	1.2 Walking trail
	1.3 Bridleway
	1.4 Other route or link
2. Museum, gallery or heritage centre	2.1 Museum of industrial heritage
	2.2 Museum of history/culture
	2.3 Local/Community museum
3. Industrial heritage sites/activity	3.1 House and/or gardens
	3.2 Coal
	3.3 Metal industries
	3.4 Maritime
	3.5 Other industrial heritage
4. Non-industrial Heritage site/activity	4.1 Medieval
	4.2 Roman & prehistoric
	4.3 Defence of the Realm
	4.4 Linguistic Heritage
	4.5 Rural heritage
	4.6 Other non-industrial heritage
5. Natural Heritage Sites & reserves	5.1 Country Park/visitor centre
	5.2 Woodland or forest
	5.3 Hill, mountains or moorland
	5.4 Wetland
	5.5 River, canal or stream
	5.6 Beach
	5.7 Other coastal site
	5.8 Designated natural reserve
6. Activity Tourism	6.1 Family activities
	6.2 Cycling
	6.3 Walking
	6.4 Riding
	6.5 Extreme sports
7. Events	7.1 Popular culture events
	7.2 Heritage events
	7.3 Community events
	7.4 Nature & countryside events
	7.5 Other event
8. Non-spatial project	8.1 Interpretation and presentation
	8.2 Guiding
	8.3 Training, coaching & skills development
	8.4 Dissemination & reporting

2.7 ESTIMATING REGIONAL IMPACTS

Over the evaluation period, some 10,000 visitor questionnaires have been collected for the E4G project as a whole, including both characteristics and expenditure details. The potential improvement to understanding the regional impact of the E4G sites (and indeed tourism as a whole) is significant. We cannot, however, simply aggregate all the expenditure of E4G visitors on trips to Wales and use this to estimate economic (or indeed environmental) impact. Key issues here are

double counting and additionality. An individual survey respondent to an E4G survey may only in part be motivated to visit the region because of that specific attraction – or indeed may visit more than one attraction during the same regional trip. Counting whole-trip impact would thus overestimate the impact of E4G sites and attractions. In order to avoid this, the evaluation process allocates a single day's impact (including one night's accommodation for staying visitors) to an E4G visit. This softens the assumption on the motivation of the trip, now assuming only that the visit to the E4G site is the main motivator for that day's activities. Information gathered on the length of time spent at the site, and on multi-destination trips, can be used to test the reasonableness of this assumption.

Displacement also serves to lower the net additional impact of (here) EU supported activity. For tourism, and in this regional context, displacement largely refers to how far E4G visitors have been attracted away from other Welsh attractions – and if this is the case, comprising little additional economic impact. It is difficult to adjust the questionnaire returns to account for this element; it is thus accepted that there will be some displacement from other Welsh sites.

A similar issue arises with respect to the 'additionality' of EU funding – i.e. the extent to which projects might have gone ahead without the EU funding intervention; such an assessment is outside the scope of this research project. We are thus still some way from a true assessment of the *net* additional benefit of EU intervention, but a number of these issues are more properly addressed after the end of the project term.

3. HERITAGE TOURISM PROJECT ECONOMIC IMPACT OF VISITOR SPENDING

3.1 INTRODUCTION

This section reports the estimated economic impact of spending arising from visitation to individual sites surveyed during the E4G project. Then economic impact estimates are provided for initiatives that were not surveyed but for which annual visitor numbers were submitted to the Cardiff research team. Here proxy data on spending from similar E4G initiatives was incorporated.

3.2 SCOPE OF HTP E4G INITIATIVES

At the start of the monitoring and evaluation process for E4G, the WERU research team instituted the “e-flyer” as a means of picking-up basic information from initiatives. This was intended to provide an insight into the breadth of activity being undertaken, the time-scales associated with projects and their spending (with subdivisions for matched funding and ERDF elements) and details of the expected outputs from the projects.

The overarching project data also provided the evaluators with information used to develop typologies of initiatives, and to inform the numbers of initiatives which required more detailed surveys on top of simple volume counts. Table 3.1 lists the 25 initiatives for the HTP E4G strategic project.

Table 3.1 List of HTP Initiatives

CADW PROJECTS	
Anglesey Neolithic – Barclodiad y Gawres and Bryn Celli Ddu	
Blaenavon Ironworks	
Caernarfon Castle	
Caerphilly Castle	
Conwy Castle	
Denbigh	
Dyfi Furnace	
Harlech Castle	
Segontium	
St Davids Bishops Palace	
Strata Florida Abbey	
NON-CADW PROJECTS (and sites)	
Calch (Limestone Heritage)	<i>Black Mountain Quarries</i>
Carew Castle	<i>Carew Castle</i>
Castell Henllys	<i>Castell Henllys</i>
Castles & Princes, Carmarthenshire / Princes of Deheubarth and Lords of the Southern March	<i>Careg Cennen Castle Carmarthen Castle Dinefwr Castle Pembroke Castle Swansea Castle</i>

Ceredigion Churches	
Defence of the Realm	<i>Chapel Bay Fort (Angle, Pembrokeshire)</i>
Denbigh Town and Castle	
Hafod Morfa Copperworks	<i>Hafod Morfa Copperworks</i>
Mona Antiqua	<i>Copper Kingdom Centre Hubs Holyhead Llanddwyn Island Parys Mountain</i>
Our Heritage	<i>Great Orme Country Park Great Orme Mines Llandudno Museum Llechweidd Slate Caverns Oriol Pendeitsh Quarry Hospital/ Park Padarn Conwy Oral History North Wales Pilgrim Trail Slate Trail</i>
Oystermouth Castle	<i>Oystermouth Castle</i>
Pontcysyllte Aqueduct	<i>Horseshoe Falls</i>
Princes of Gwynedd	<i>Conwy Tourist Information Centre Hub Criccieth Dinas Emrys Dolbadarn Dolwyddelan</i>
Romans in Carmarthenshire	<i>Carmarthen Fort Carmarthen Museum Carn Goch Dolaucothi Roman Gold Mines Waun Ddu Yr Pigwn Ddu</i>

For the individual initiatives of which the research team have data for, Table 3.2 indicates the total initial level of external and leveraged investment. Table 3.2 shows that there was an estimated total spend associated with these initiatives of around £16.991m, of which £7.645m represents ERDF support, and with an average intervention rate of 45%. The average expenditure associated with a Heritage Tourism Project E4G initiative is £849,550.

Table 3.2 Summary of Heritage Tourism Project Initiatives from E-Flyer Returns

	Number of E4G Initiative E-flyers	Total Value of Initiative Spend (£s)	Value of ERDF grant aid £s
Heritage Tourism Project	20	16,991,000	7,645,950

3.3 ECONOMIC IMPACT VISITOR SURVEYS CARRIED OUT AS PART OF THE HTP E4G PROJECT

Table 3.3 shows the 28 visitor surveys that were carried out by HTP initiatives. A total of 3,830 individual questionnaires were completed at 22 individual sites (Caernarfon, Caerphilly, Conwy, Harlech, St Davids and Blaenavon were surveyed twice over the duration of the project).

Table 3.3 HTP Visitor Surveys undertaken

	<i>Number of questionnaires completed</i>	<i>Site or Event survey?</i>
Blaenavon 2011	183	Site
Caernarfon 2011	209	Site
Caerphilly 2011	223	Site
Conwy 2011	226	Site
Harlech 2011	207	Site
St Davids 2011	199	Site
Carew Castell 2013	130	Site
Castell Henllys 2013	168	Site
Pembroke 2013	100	Site
Dinefwr 2013	73	Site
Carmarthen 2013	30	Site
Dinas Emrys, Beddgelert 2013	130	Site
Llanddwyn 2013	114	Site
Copper Kingdom Centre 2013	50	Site
Parys Mountain 2013	55	Site
Great Orme Mines 2013	60	Site
Pendeitsh Caernarfon 2013/14	140	Site
Oystermouth Castle 2013	120	Site
Blaenavon Ironworks 2013/14	104	Site
Caernarfon Castle 2013/14	249	Site
Caerphilly Castle 2013/14	196	Site
Carreg Cennen Castle 2013/14	107	Site
Conwy Castle	212	Site
Criccieth Castle 2013/14	184	Site
Denbigh 2013/14	106	Site
Harlech 2013/14	90	Site
St Davids 2013/14	141	Site
Strata Florida 2013/14	24	Site
	3,830	

NOTE 1: Where site sample sizes were too small (typically < 100) economic impact assessment estimates were not undertaken.

3.4 ECONOMIC IMPACT OF HTP SITE INITIATIVES CARRYING OUT A VISITOR SURVEY

Table 3.4 provides an overview of economic impact associated with visitation to sites. In developing the estimates in these tables it was necessary to gross up the information in the visitor surveys to the overall visitor numbers at each site over a year or season as appropriate. Clearly the accuracy of the estimates relies heavily on the representativeness of the surveys collected, with smaller numbers of surveys having to be considered more carefully. The information on tourism spending at the sites becomes an input into the framework of the Tourism Impact Planning Model for Wales developed for Visit Wales by Cardiff University. This economic model generates an estimate of the gross value added and employment connected to the tourist visits.

The economic impact information in Table 3.4 is presented in two panels. First, the tables provide an estimate of the E4G site/event visitor total trip impact. Here for example the visit to an E4G site might only take up one day of a three day visit. However, we account for the economic impact associated with the whole trip. The E4G site clearly represents just part of the visit but it is important to consider the type and impact of tourism in Wales that E4G is helping to lever. The second panel provides an estimate of the economic effects associated with the visit to the E4G site/event itself and is classified as an on-site impact. These are the effects associated with visitor spending at the site, and those directly attributable to it (a single day's impact e.g. including one night's accommodation for staying visitors). It is possible that where visitors to E4G sites visited more than one initiative on their trip on a particular day, or were surveyed on their way to a site or event, then there is the possibility of double-counting their economic impact. However, after examining data on wider trip characteristics and the length of time spent at one E4G site, in the case of the Heritage Tourism Project initiatives we do not believe that there is a significant magnitude of error.

The economic impact is reported in terms of gross value added and supported employment. It is important to note that the employment estimates in the second panel do not link directly to full time equivalent employment at the respective sites. Rather the economic impact tables reveal the direct and indirect employment impacts associated with the tourism spending as a whole. For example this reflects the amount of annual full-time equivalent (FTE) employment supported per £ of different types of tourism spending in Wales for a given year.

There are a number of determinants of the scale of economic impacts at site and trip level. Fundamentally this reflects differences in spending patterns from day trip as opposed to staying visitation, and then precisely what tourists spend money on. In the case of on-site economic effects this is inevitably bounded by the supply side around sites and events. Some E4G sites feature few opportunities to purchase goods and services often with good reason to preserve the services deriving from the environmental assets at sites. For these reasons care needs to be exercised in comparing sites on the economic impact numbers. Smaller on-site impacts may not be a bad news story.

For surveys where sample sizes and data quality was adequate (25 out of the 28 surveys), Table 3.4 summarises economic effects associated with HTP sites.

Blaenavon Ironworks was estimated to have received 28,055 visitors between October 2009 and September 2010. The GVA supported by trips of which this site was a part was around £1.6m and with linked tourism spending supporting an estimated 73 FTE jobs. On-site spending effects were £0.26m of GVA and 14 FTE jobs. Blaenavon survey results were available for 2011 and 2013/14, and illustrate that despite annual visitor numbers decreasing to 18,867 in 2013/14, whilst work was ongoing, higher average spending per visitor meant that GVA supported on-site remained relatively stable at £0.24m and 13 FTE jobs.

Taken together the 19 HTP sites surveyed (Caernarfon, Caerphilly, Conwy, Harlech, St Davids and Blaenavon were surveyed twice) could be connected to tourism visits in Wales that contributed £63.6m of GVA and that supported 2,850 FTE jobs directly and indirectly. There may be the possibility of double-counting in the total trip figures as visitors to one site may have visited another HTP site. However, analysis of visitor travel and dwell-time data suggests the number of such multi-HTP-destination is relatively small.

The GVA attributable to on-site spending across the nineteen HTP sites per year was £14,123,600 and 762 FTE jobs supported directly and indirectly by on-site visitor consumption.

Table 3.4 Heritage Tourism Project –SITE Surveys Economic Impact

	Blaenavon 2011	Caernarfon 2011	Caerphilly 2011	Conwy 2011	Harlech 2011	St Davids 2011	Carew Castell 2013	Castell Henllys 2013
Type	Site	Site	Site	Site	Site	Site	Site	Site
Annual Visitors	28,085	191,871	84,631	177,411	93,624	26,165	30,992	24,310
Dates for visitors	Oct'09-Sep'10	Oct'09-Sep'10	Oct'09-Sep'10	Oct'09-Sep'10	Oct'09-Sep'10	Oct'09-Sep'10	Jan'13 to Sep'13	Oct'12-Sep'13
Questionnaires completed	183	209	223	226	207	199	130	168
Number in respondents' parties	598	829	735	803	835	686	449	671
Staying away from home in Wales	53.0%	88.0%	57.8%	82.7%	91.8%	92.5%	86.8%	81.7%
Economic Impact								
<u>Total Trip</u>								
Gross Value Added	£1,643,000	£14,029,000	£4,433,000	£12,622,000	£6,799,000	£2,186,000	£2,257,000	£1,749,800
Supported employment - FTE	73	630	199	565	305	95	101	78
GVA to create each job	£22,507	£22,268	£22,276	£22,340	£22,292	£23,011	£22,347	£22,433
Trips to create job	385	305	425	314	307	275	307	312
Total trip GVA per visitor	£58.50	£73.12	£52.38	£71.15	£72.62	£83.55	£72.83	£71.98
<u>Directly attributable to site</u>								
Gross Value Added	£263,000	£3,618,000	£1,230,000	£3,317,000	£1,347,000	£697,000	£262,900	£256,970
Employment FTEs	14	197	63	180	70	35	14	14
GVA to create each job	18,786	18,365	19,524	18,428	19,243	19,914	18,779	18,355
Visits to create job	2,006	974	1,343	986	1,337	748	2,214	1,736
On-site GVA per visitor	£9.36	£18.86	£14.53	£18.70	£14.39	£26.64	£8.48	£10.57
GVA per visitor} total trip: on-site	6.25	3.88	3.60	3.81	5.05	3.14	8.59	6.81
GVA to create job} total trip: on-site	1.20	1.21	1.14	1.21	1.16	1.16	1.19	1.22

	Pembroke 2013	Dinefwr 2013	Dinas Emrys 2013	Llanddwyn 2013	Copper Kingdom 2013	Great Orme Mines 2013	Pendeitsh Caernarfon 2013/14	Oystermouth Castle 2013	Blaenavon Ironworks 2013/14
Type	Site	Site	Site	Site	Site	Site	Site	Site	Site
Annual Visitors	83,867	59,844	1,933	30,000	6,022	26,581	4,885	15,445	18,867
Dates for visitors	Apr'13-Mar'14	Apr'12-Mar'13	Jan'13-Dec'13	Jan'13-Dec'13	Jan'13-Dec'13	Sep'12-Aug'13	Jul'13-Apr'14	Jan'13-Dec'13	Apr'13-Mar'14
Questionnaires completed	100	73	130	114	50	60	140	120	104
Number in respondents' parties	384	251	420	249	136	194	420	390	314
Staying away from home in Wales	81.0%	65.8%	92.3%	58.8%	84.0%	72.9%	95.0%	29.9%	65.4%
Economic Impact									
<u>Total Trip</u>									
Gross Value Added	£5,514,300	£4,538,800	£129,100	£1,847,770	£550,200	£1,418,300	£421,300	£408,200	£1,082,900
Supported employment - FTE	246	202	6	83	25	64	19	18	49
GVA to create each job	£22,416	£22,469	£21,517	£22,262	£22,008	£22,161	£22,174	£22,678	£22,100
Trips to create job	341	296	322	361	241	415	257	858	385
Total trip GVA per visitor	£65.75	£75.84	£66.79	£61.59	£91.36	£53.36	£86.24	£26.43	£57.40
<u>Directly attributable to site</u>									
Gross Value Added	£819,700	£862,600	£26,250	£352,500	£81,800	£445,600	£82,800	£27,700	£242,800
Employment FTEs	44	46	1.4	19	4.4	25	4.4	1.5	13
GVA to create each job	18,630	18,752	18,750	18,553	18,591	17,824	18,818	18,467	18,677
Visits to create job	1,906	1,301	1,381	1,579	1,369	1,063	1,110	10,297	1,451
On-site GVA per visitor	£9.77	£14.41	£13.58	£11.75	£13.58	£16.76	£16.95	£1.79	£12.87
GVA per visitor} total trip: on-site	6.73	5.26	4.92	5.24	6.73	3.18	5.09	14.74	4.46
GVA to create job} total trip: on-site	1.20	1.20	1.15	1.20	1.18	1.24	1.18	1.23	1.18

	Caernarfon Castle 2013/14	Caerphilly Castle 2013/14	Carreg Cennen Castle 2013/14	Conwy Castle 2013/14	Criccieth Castle 2013/14	Denbigh 2013/14	Harlech 2013/14	St Davids 2013/14	Site average
Type	Site	Site	Site	Site	Site	Site	Site	Site	
Annual Visitors	167,860	110,954	17,161	176,231	40,574	13,461	74,335	32,454	61,503
Dates for visitors	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	Apr'13-Mar'14	
Questionnaires completed	249	196	107	212	184	106	90	141	149
Number in respondents' parties	1,215	628	301	929	699	318	287	430	527
Staying away from home in Wales	79.9%	57.1%	47.7%	75.5%	97.3%	66.0%	86.7%	78.7%	74.7%
Economic Impact									
<u>Total Trip</u>									
Gross Value Added	£13,274,600	£4,978,500	£863,600	£11,493,300	£3,124,500	£448,400	£5,288,000	£2,894,800	£4,159,815
Supported employment - FTE	595	224	39	516	140	20	237	130	186
GVA to create each job	£22,310	£22,225	£22,144	£22,274	£22,318	£22,420	£22,312	£22,268	£22,321
Trips to create job	282	495	440	342	290	673	314	250	330
Total trip GVA per visitor	£79.08	£44.87	£50.32	£65.22	£77.01	£33.31	£71.14	£89.20	£67.64
<u>Directly attributable to site</u>									
Gross Value Added	£2,659,500	£1,545,100	£170,000	£3,177,500	£609,300	£181,800	£1,151,400	£639,000	£962,689
Employment FTEs	142	82	9.5	178	33	10	63	34	52
GVA to create each job	18,729	18,843	17,895	17,851	18,464	18,180	18,276	18,794	18,553
Visits to create job	1,182	1,353	1,806	990	1,230	1,346	1,180	955	1,185
On-site GVA per visitor	£15.84	£13.93	£9.91	£18.03	£15.02	£13.51	£15.49	£19.69	£15.65
GVA per visitor} total trip: on-site	4.99	3.22	5.08	3.62	5.13	2.47	4.59	4.53	4.32
GVA to create job} total trip: on-site	1.19	1.18	1.24	1.25	1.21	1.23	1.22	1.18	1.20

Note 1: Despite relatively small sample sizes, economic impact estimates were made for Harlech (2013/14), Dinefwr (2013) and Great Orme Mines (2013/14) where it was deemed that the spending data was of high enough quality. Data for Parys Mountain was combined with Copper Kingdom (Centre) to estimate for the latter.

3.5 ECONOMIC IMPACT OF HTP SITE INITIATIVES THAT DID NOT CARRY OUT A SURVEY

Table 3.5 shows the estimated economic impacts directly attributable to visitor spending at sites where visitor surveys were not undertaken. Here, average spend per visitor and economic impact details were taken from the overall HTP surveyed sites average (except in the case of Great Orme Country Park where other E4G site surveys were used as a proxy). These figures were applied to the non-surveyed site annual visitor number to generate economic impacts.

The estimated total visitor spending impact of HTP initiatives that did not carry out a survey was £5,239,400 of value added per year; supporting around 283 FTE jobs.

Table 3.5 Estimated Economic Impact of non-surveyed HTP E4G initiative sites

HTP Project	Site	Annual Visitor Number	GVA £s	FTE
Strata Florida Abbey		4,846	76,000	4.1
Calch (Limestone Heritage)	Black Mountain Quarries	10,938	171,600	9.2
Castles & Princes	Carmarthen	18,626	292,200	15.7
Chapel Bay Fort		180	2,800	0.2
Hafod Copperworks		7,128	111,800	6.0
Our Heritage	Great Orme Country Park	192,765	680,600	37.3
Our Heritage	Llandudno Museum	3,233	50,700	2.7
Our Heritage	Llechwedd Slate Caverns	49,511	776,600	41.9
Our Heritage	Quarry Hospital/ Park Padarn	90,535	1,420,100	76.5
Pontcysyllte Aqueduct	Llantysilio Green Car Park/ Horseshoe Falls	41,638	653,000	35.2
Princes of Gwynedd	Conwy Tourist Information Centre Hub	15,818	n/a	n/a
Princes of Gwynedd	Dolbadarn	40,574	636,400	34.3
Princes of Gwynedd	Dolwyddelan	4,586	71,900	3.9
Romans in Carmarthenshire	Dolaucothi Roman Gold Mines	18,882	295,700	15.9
TOTAL		499,260	5,239,400	282.9

NOTE 1: For Conwy Tourist Information Centre Hub the impact was deemed to be largely directed at the quality of visit rather than spend levels

No visitor volume data were received from the initiatives based at: Swansea Castle (Castles & Princes project); Ceredigion Churches; Holyhead, Parys Mountain, and Hubs (Mona Antiqua); or Carmarthen Fort, Carmarthen Museum, Waun Ddu and Yr Pigwn Ddu (all Romans in Carmarthenshire).

3.6 SUMMARY OF THE ECONOMIC IMPACT OF VISITOR SPENDING AT HTP INITIATIVES

Adding together the economic impacts directly attributable to visitor spending associated with site initiatives (surveyed and non-surveyed, outlined in sections 3.4 and 3.5 above) it is estimated that in total they could be connected with on-site impacts of £19,363,000 of GVA per year and with this supporting employment of 1,045 full-time equivalents (Table 3.6).

Table 3.6 Summary of On-Site Attributable Economic Impacts of HTP SITE Initiatives

	Gross Value Added (£) per year	Full-Time Equivalent Employment (FTEs)
Surveyed sites	14,123,600	762
Non-surveyed sites	5,239,400	283
	19,363,000	1,045

4. THE ECONOMIC IMPACT OF HERITAGE TOURISM PROJECT CAPITAL SPENDING

4.1 BACKGROUND

As well as impacts in terms of leveraging tourism spending it is important to recognise that the Environment for Growth programme has also involved considerable amounts of capital spending, in large measure, on construction type activity. It is noted that selected project activity has taken place in more needy parts of the regional economy, such that employment and incomes supported in construction could have important local effects.

It is stressed that what follows is an estimate of the employment associated with the capital spending of the HTP E4G project from inception to end. The estimates in Table 4.1 are reported as a range based on different regional sourcing assumptions. There is also here no attempt to differentiate different types of construction activity i.e. the spending is assumed to be connected to an average construction type activity in Wales. The framework of the Welsh Input-Output tables was used to estimate the indirect effects associated with the spending.

4.2 ESTIMATED ECONOMIC IMPACT

Table 4.1 reveals that the total estimated construction spend associated with the HTP E4G project was an estimated £15.9m. Taking the mid-range estimate of 80% local sourcing, we estimate that once the multiplier effects of this construction spending are taken into account that some £11.4m of value added is supported in Wales and around 270 jobs¹. Put another way if the construction activity bridged a period of three years, the E4G spending would have supported around 90 construction jobs and jobs in the construction supply chain over this three year period, and around £3.8m of value added per annum. However, the table also reveals that if local sourcing of the construction industry inputs averaged just 60% then a total of around £8.6m of value would have been supported and around 200 person years of employment. Care should be taken in interpreting these figures as they are not necessarily new jobs, but may be supporting already existing employment.

Table 4.1 Estimated Value Added and Employment Supported by HTP E4G Capital Spending to project completion

Project and Local sourcing assumption	Value Added (£m)	Approx Employment (FTE person years)*
100%	14.3	335
80%	11.4	270
60%	8.6	200

NOTE 1: Heritage Tourism Project whole project capital spend to completion estimated at £15.9m.

NOTE 2: The employment estimate numbers have been rounded to the nearest 5.

¹ This is 12 months of employment