



# The Impact of Historic Visitor Attractions

October 2010





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## English Heritage and the National Trust

Final report

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## EXECUTIVE SUMMARY

### 1.1 Introduction

This report presents an assessment by GHK Consulting of the impacts of investments in five historic sites operated by English Heritage (EH) and the National Trust (NT). The five sites are Anglesey Abbey (NT), the Great Tower at Dover Castle (EH), Down House (EH), Kenilworth Castle and Elizabethan Gardens (EH) and Tyntesfield (NT)

The five case studies examine expenditures involved in each investment, and the effects of the investments on ongoing staffing, site expenditures, visitor numbers and expenditures, and the local business environment. The economic impacts of these effects on local and regional economies have been modelled.<sup>1</sup> The full methodology is set out in the body of the report and methodological annex.

### 1.2 Anglesey Abbey Reception Building, National Trust

#### 1.2.1 Background

A £4.13 million investment in a new reception building and landscaped car park was made at Anglesey Abbey, a former priory in East Cambridgeshire. The aim of the project was to cater for ongoing visitor growth and to update the facilities. The construction took place between October 2005 and December 2007. The investment was funded by the National Trust (78%), a grant from the East of England Regional Development Agency (17%) and a legacy to the property (5%).

#### 1.2.2 The Construction Phase

Most of the project budget was spent on purchased goods and services, while 4% was spent on direct employment of staff. The large majority (87%) of the budget went to businesses located outside the immediate local economy but within 50 miles of the site. 11% was spent in the local economy within 10 miles of the site, mainly with suppliers located in Cambridge.

It is estimated that construction related expenditures supported an additional 8 job years of work and Gross Value Added (GVA)<sup>2</sup> of £363,000 in the local economy, and 60 job years<sup>3</sup> of work and GVA of £2.5 million in the regional economy. The largest benefits were among regional suppliers of goods and services to the project.

#### 1.2.3 Impact of the Ongoing Operation of the Property

The operation of a new reception building has resulted in an increase in expenditure of £190,000 per year. It has allowed the property to open to visitors seven days a week from January 2010 and extend its offer of on-site catering and retail.

The investment has created 10 new Full Time Equivalent (FTE) jobs at the site during 2008 and 2009. Ten more jobs will be created in 2010 following the extension of opening times. New jobs roles include catering, visitor operations and gardening. Additionally, 6 new volunteers are working in the shop. The investment has resulted in improvements in staff retention and allowed the National Trust to invest in work-based training.

<sup>1</sup> The local area is defined as being within 10 miles of the site, while the region is defined as being within 50 miles. Throughout the report a distinction is made between "local" and "regional" suppliers; however the estimated regional impacts include local impacts in all cases.

<sup>2</sup> GVA measures the contribution to the economy of individual producers, industries or sectors, and is equivalent to their gross output less their purchased inputs. It comprises wages, salaries, profits and rents.

<sup>3</sup> Job years are used to measure temporary employment impacts where 1 person working full time for 1 year or 3 people for 4 months is equivalent to 1 job year

Anglesey Abbey has seen a considerable increase in visitor numbers; in 2009/10 there were 205,000 visitors, an increase of 32,950 compared to the likely number without the investment. The reception building has led to the site becoming a “destination” with locals using the facilities for refreshments or to meet their friends. It is estimated that the investment has attracted additional visitor spending of £215,000 to the local economy and £139,000<sup>4</sup> to the regional economy annually.

#### **1.2.4 Impacts on Local Business Environment and Community**

Anglesey Abbey sources goods and services from the local economy, in accordance with the National Trust’s ‘Going Local’ strategy. Local businesses, for example the suppliers of fruit and vegetables for the Abbey’s catering operation, have experienced increased business.

The management of the site maintains good links with the local community, including attending parish council meetings and informing local pub owners about busy periods and special events, helping them to plan accordingly and benefit fully.

#### **1.2.5 Ongoing Economic Impact**

Overall, the site is estimated to support 60 FTE jobs and GVA of £1.3 million in the local economy, and 72 FTE jobs and GVA of £1.6 million in the regional economy, on an ongoing basis. The additional net impact<sup>5</sup> that occurs elsewhere] of the investment is to support an estimated 16 FTE jobs and GVA of £320,000 at the local level, and 20 FTE jobs and GVA of £399,000 at the regional level. The largest effects result from additional staffing on site, and to a lesser extent from increased visitor spending.

These estimates relate to recorded increases in activity to date. A further significant increasing in staffing levels is anticipated in 2010, supporting additional direct employment amounting to 10 FTE jobs.

### **1.3 The Great Tower at Dover Castle, English Heritage**

#### **1.3.1 Background**

A £2.4 million investment to restore the Great Tower at Dover Castle to its 12<sup>th</sup> century state commenced in 2008 and was completed in 2009. The new medieval attraction provides an additional activity to visitors to Dover Castle; the World War II Secret Wartime Tunnels Experience being another reason to visit the site.

English Heritage contributed £0.4 million and DCMS’s Sea Change Fund for Dover contributed £2 million to the investment. It is part of the wider plan to refresh the local visitor offer and attract more expenditure to the local economy, including investments in the Secret Wartime Tunnels at the Castle in 2010 and the town’s railway station and seafront Esplanade.

<sup>4</sup> In this case additional expenditures are estimated to be greater at the local level than at the regional level, as they include only expenditures by visitors from outside the local area or region. A larger proportion of visitors come from outside the local area than from outside the region.

<sup>5</sup> The net impacts of investment in each site were assessed by considering the economic impacts of the site as a whole, and comparing these with the likely impacts under a counterfactual scenario in which no investment took place. The counterfactual was defined with reference to operational expenditures, staffing levels and visitor numbers prior to the investment. For visitor numbers, the counterfactual also took account of projected numbers in the absence of the investment, where available. A further factor is that exceptionally large numbers of visitors were recorded at historic sites in 2009, with EH visitor numbers up 11% compared to the five previous years. This increase is attributed to the boost in domestic tourism in summer 2009 caused by the recession. An adjustment was therefore made for this effect when comparing 2009 visitor numbers with recent figures; where visitor numbers increased in 2009, only increases in excess of 11% were attributed to the investment.

### **1.3.2 The Construction Phase**

The majority of the £2.4 million investment was spent on designing and manufacturing historically accurate bespoke objects, using traditional techniques wherever possible. More than 1000 artefacts were produced including furniture, paintings, tapestries, silverware, wall hangings, embroidered fabrics, maps and ironwork associated with medieval kitchens and warfare.

The specialised nature of the work meant that most of the goods and services (83% of total expenditure) had to be sourced from suppliers located more than 50 miles away from Dover Castle. Only 1% of the budget was spent with suppliers located less than 10 miles from the site, with 15% of expenditure benefiting suppliers in the wider regional economy (10 to 50 miles away).

The project occupied a large number of skilled craftspeople who were given the challenge of producing items utilising traditional 12<sup>th</sup> century techniques rather than modern skills. More than 148 carpenters, joiners, blacksmiths, potters, embroiders, cutlers and others produced objects for the Great Tower.

Construction related expenditures supported an additional 6 job years of work and £302,000 of GVA in the regional economy. The largest benefits were among regional suppliers of goods and services to the project.

### **1.3.3 Impact from the Ongoing Operation of the asset**

The investment has created new 7.5 FTE jobs at Dover Castle, in visitor operation roles and costumed actors. The Great Tower exhibition has resulted in greater job satisfaction for existing staff members as their roles require greater interaction with the public.

Annual operating costs are estimated to have increased by £544,000, or 42%, following the completion of the project, comprising staff costs of £258,000 and purchased goods and services of £286,000.

Since the investment, visitor numbers have increased by 8% while income to the Castle has increased by 36%, which includes increases in catering and retail income.

### **1.3.4 Impacts on Local Business Environment**

The Castle is located a significant distance from the town centre and other shops and facilities. As most visitors arrive by car or coach directly to the site, there has not been a large effect on business confidence. Improving public transport links between the town and the castle may help to address this in future.

### **1.3.5 Ongoing Economic Impact**

The site currently employs 55 FTE staff and visitor expenditures support an additional 47 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 117 FTE jobs and GVA of £3.1 million in the local economy, and 155 FTE jobs and GVA of £4.4 million in the regional economy, on an ongoing basis.

Investment in the site has increased staffing and operating expenditures, but there is no evidence of an increase in visitor numbers compared to wider trends. The additional net impact of the investment is to support an estimated 10 FTE jobs and GVA of £395,000 at the local level, and 15 FTE jobs and GVA of £596,000 at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

The ongoing impacts of the site are expected to increase, with visitor numbers projected to peak at 352,000 in 2012/13. This suggests a 14% increase in visitor numbers and impacts over current levels.

## **1.4 Down House, English Heritage**

### **1.4.1 Background**

Down House, the home of Charles Darwin, was purchased by English Heritage in 1996 and underwent a period of restoration. It is located in the village of Downe in the London Borough of Bromley. This first phase of investment between 1996 and 1998 aimed to open the house to showcase Darwin's home, life and work. The investment of £2.8 million (£3.8 million in 2009 prices) was funded by the Heritage Lottery Fund, the Wellcome Trust, English Heritage and Bovis. A second phase of investment of £0.9 million took place between 2006 and 2009. This project aimed to reconfigure and update the house and exhibitions, and enlarge the car park to cater for larger numbers of visitors. This investment was funded by English Heritage using ring-fenced funds.

### **1.4.2 The Construction Phase**

Expenditure on the first phase of investment involved purchasing the site and as well as goods and services for its refurbishment. The majority of expenditure went to regional suppliers (81%) with 2% to local suppliers. Expenditure on the second phase was exclusively on purchased goods and services, almost three quarters of which were with suppliers in the regional economy and 1% in the local economy.

It is estimated that construction related expenditures supported an additional 48 job years of work and GVA of £2.0 million in the regional economy. The largest benefits were among regional suppliers of goods and services in the two phases of investment.

### **1.4.3 Impact from the Ongoing Operation of the asset**

The first investment created an additional 9.5 FTE jobs: 10.5 FTE staff were employed in managerial, curatorial, custodial and gardening roles during the first year of operation in 1998/99 compared to just 1 site guard prior to the investment. The number of staff declined to 8 FTE in 2007/08 and has now increased to 8.5 FTE following the second phase of investment.

The second phase of investment led to an increase of annual expenditure at the site by £180,988. The large number of visitors in 2009/10 has led to an increase in revenue, from general admission, membership and retail income.

Down House received 32,000 visitors in its first year of operation in 1998/99, compared to 5,000 prior to the purchase by EH. Numbers declined prior to the second investment to 27,700 in 2007/08. The second investment coincided with the bicentenary celebration of Darwin's birth and increased media attention, factors which brought 71,256 visitors to the house in 2009/10.

### **1.4.4 Impacts on Local Business Environment**

The investment in Down House has attracted visitors to Downe and Bromley who would not visit for any other reason, including a substantial number of overseas visitors (15% of all visitors). Local businesses, such as the franchised tea shop on site and local cafes and pubs have experienced an increase in turnover and profit as a result of the popularity of the site. The net effects of the investments have been to increase visitor numbers by 66,000, bringing additional visitor expenditures of £490,000 to the local economy annually.

The large number of visitors to Down House and surrounding visitor attractions has put strain on the limited number of car parking places in the village. In an attempt to resolve the issue by encouraging visitors to use public transport a Sunday bus service has been introduced to the village.

#### **1.4.5 Ongoing Economic Impact**

Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 24 FTE jobs and GVA of £0.8 million in the local economy, and 32 FTE jobs and GVA of £1.1 million in the regional economy, on an ongoing basis.

The additional net impact of the investment is to support an estimated 22 FTE jobs and GVA of £735,000 at the local level, and 30 FTE jobs and GVA of £1.1 million at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

### **1.5 Kenilworth Castle and Elizabethan Gardens, English Heritage**

#### **1.5.1 Background**

Kenilworth Castle, in the historic town of Kenilworth in Warwickshire, received investment of £4.8 million between 2004 and 2009. The investment included recreating the Elizabethan Gardens to produce a major garden experience, opening new visitor facilities and a venue for education, community events and weddings. English Heritage provided the majority of the funding for the investment (88%), with the Wolfson Foundation providing 12%.

#### **1.5.2 The Construction Phase**

Expenditure during the construction phase went to 49 suppliers. The majority of expenditures (80%) were made with regional firms while 4% went to local firms located less than 10 miles away from the site. 16% went to national businesses, mainly due to the need for specialist skills which were not available closer to the site, Kenilworth being a small town in the Warwickshire countryside.

The castle remained open throughout the period of works and thus there was no reduction in staff numbers during this time. The construction works provided 12 full-time jobs at the main contractor; on job roles including project management, carpentry and stonemasonry. Additionally, 3 volunteers from the local community offered their time during the duration of the project to help with visitor operations and leading free tours of the garden to the local residents.

It is estimated that construction related expenditures supported an additional 59 job years of work and GVA of £2.5 million in the regional economy. The largest benefits were among regional suppliers of goods and services.

#### **1.5.3 Impact from the Ongoing Operation of the asset**

As a result of the investment, operating expenditure has increased by 37% while income to the site has increased by 177%. The restoration work has allowed the Castle to generate income from weddings for the first time. Catering sales from the Castle cafe have also increased significantly.

Kenilworth Castle employed 13 FTE staff in 2009/10 and has recruited 4 more staff for the year 2010/11. These new positions were created as a result of the increase in business due to the investment.

Following the investment, total visitor numbers have increased by 36%. The investment has succeeded in raising the profile of Kenilworth Castle as a visitor attraction and attracted a wider range of visitors. The Elizabethan Garden has received extensive press coverage which has attracted older visitors to the castle, in addition to the more usual family visitors.

It is estimated that annual visitor numbers have increased by 50,000 since the development. The net increase, after taking account of an 11% increase in visitor numbers at all EH properties in 2009, is estimated at 40,540. On this basis, the investment is

estimated to have attracted additional visitor spending of £309,000 to the local economy and £246,000 to the region annually.

#### **1.5.4 Impacts on Local Business Environment**

The increased hospitality offer, most notably wedding ceremonies, has had an impact on local restaurants and caterers through the opportunity to supply and serve food for wedding receptions. Local hotels and B&Bs have also benefited from wedding guests staying overnight at their establishments. There is an established relationship for cross marketing between the hotels and the castle, as the castle provides recommendations and the hotels offer discounts to the wedding parties. Furthermore, the increase in business of the castle cafe has resulted in an increase in orders from the cafe's suppliers such as local baker, butcher and ice cream maker and thus contributed positively to local businesses.

There is potential to improve connections between the town and the castle, such as public transport routes and signage, in order to maximise benefits of the investment to the local economy.

#### **1.5.5 Ongoing Economic Impact**

The site now employs 13 FTE staff and visitor expenditures support an additional 18 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 35 FTE jobs and GVA of £1.0 million in the local economy, and 47 FTE jobs and GVA of £1.4 million in the regional economy, on an ongoing basis.

The investment has led to increases in direct staffing, operational expenditures and visitor expenditures. The additional net impact of the investment is to support an estimated 10 FTE jobs and GVA of £350,000 at the local level, and 13 FTE jobs and GVA of £470,000 at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

### **1.6 Tyntesfield, National Trust**

#### **1.6.1 Background**

Tyntesfield, a Victorian house and gardens at Wraxall near Bristol, was purchased by the National Trust in 2002. Since then, there has been an ongoing programme of conservation and restoration involving overall expenditure of £16.6 million. A Heritage Lottery Fund grant has funded 69% of the investment combined with contributions from the English Heritage (10%) and the National Trust (21%). The property has been open to visitors throughout the conservation period as the project has been conceived as a "conservation in action" venture.

#### **1.6.2 The Construction Phase**

By early 2010 about a half of anticipated project expenditures had been made. The majority of expenditure has been on purchasing goods and services from external contractors; to date 22% of expenditure to date has gone to local suppliers, 44% to regional suppliers and 32% to national suppliers. Project expenditure has funded 8 project team job posts on site until March 2011, including a programme officer, interpretation officer and building surveyor.

The investment has resulted in significant training and learning outcomes, including in traditional building skills. Key contractors, such as the architect and building contractor, created apprenticeships for the work at Tyntesfield, as required in their contracts, offering apprentices the opportunity to learn about conservation of historic buildings. Building skills courses have also been offered and taken up by 15 trainees from the City of Bath stone conservation department. Tyntesfield has a close relationship with the University of the West of England, with many students on the building surveying course having visited and practised in Tyntesfield. 241 volunteers have been employed on site on various positions,

including young people involved with the Prince's Trust. The nearby secondary school has also used the Tyntesfield construction project as a learning opportunity for its students as well as its staff.

It is estimated that construction related expenditures to date have supported an additional 46 job years of work and GVA of £1.6 million in the local economy, and 105 job years of work and GVA of £3.9 million in the regional economy. There was a significant impact both through direct employment of the on-site project team, and through purchases of goods and services from local and regional suppliers.

It is forecast that the overall impact of the £15.4 million investment will be to support 75 job years of work and GVA of £2.6 million in the local economy, and 194 job years of work and GVA of £7.5 million in the regional economy.

### **1.6.3 *Impact from the Ongoing Operation of the asset***

As the restoration has not yet been completed it is not possible to identify the ultimate effect of investment on site operating expenditures. In 2009/10, total expenditures were £1.1 million. This is likely to increase after 2011 when the restaurant and other visitor services will be operational.

The property supports 29 posts (19 FTE jobs) at present; this is likely to decline slightly once the restoration works are complete. Operational staff include the Community, Learning and Volunteer team, a gardening team and house and conservation personnel.

### **1.6.4 *Impacts on Local Business Environment***

Tyntesfield has attracted just over 100,000 visitors a year since 2006, despite the ongoing construction work. Visitor numbers are expected to increase when the restoration is complete and facilities such as a restaurant will be open.

The Tyntesfield site is quite isolated from the surrounding area and thus has not had any significant impact on the immediate area. However, the site is part of Bristol City's wider tourism offer.

### **1.6.5 *Ongoing Economic Impact***

Because the project has yet to be completed, the net ongoing effects as a result of operational and visitor expenditures are yet to be fully understood. The site now employs 19 FTE staff and visitor expenditures support an additional 25 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 50 FTE jobs and GVA of £1.5 million in the local economy, and 66 FTE jobs and GVA of £2.0 million in the regional economy, on an ongoing basis. These are also the estimated net impacts of the investment, since the site had no significant impact on the local economy previously.

## **1.7 *Summary of Economic Impacts***

### ***Impacts of Project Expenditures***

The £23 million invested in the development of the five sites has provided one-off impacts on the local and regional economies, by supporting employment and incomes on site and among suppliers and contractors. Across the five sites these expenditures are estimated to have supported 57 job years of work and £2.0 million in GVA at the local level, and 278 job years of work and £11.2 million in GVA at the regional level. These estimated regional impacts include the local impacts.

Most of this impact is generated by the purchase of goods and services, especially construction related services, from contractors and suppliers. At Tyntesfield and Anglesey Abbey the project budgets also funded direct employment of National Trust staff on site.

The impacts of investment by site vary according to the overall levels of expenditure (with Tyntesfield the largest investment) and the degree to which the project budget funded work by local and regional suppliers, as opposed to national or overseas firms. The local and regional impacts of expenditures at Dover are relatively low because of the high degree of sourcing of specialist services from suppliers outside the region.

Overall there is a high level of leakage from local economies and a significant level of leakage at the regional level. The estimated impact on local GVA is less than 10% of the overall level of project expenditure, and the impact on regional GVA slightly less than 50% of the money invested.

The information collected from major contractors through the case studies suggest that historic investments provided an important source of business for the construction industry at the time when the industry was badly affected by the economic slowdown.

### ***Ongoing Economic Impacts of the Sites***

On an ongoing basis, site operating and visitor expenditures are estimated collectively to support 263 FTE jobs and GVA of £7.3 million annually at the local level, and 329 FTE jobs and GVA of £9.8 million at the regional level. The largest impact is estimated to occur at Dover Castle.

The investments have led to an increase in staffing and operating expenditures at each site, and an increase in visitor numbers and expenditures at four sites. Combining the estimated operating and visitor impacts, the overall net effect of the investments has been to support an additional 109 FTE jobs locally and 145 FTE jobs in the regions around the five sites, and GVA of £3.3 million locally and £4.6 million regionally. The largest net impact is at Tyntesfield, which has benefited from the largest investment, which has been followed by significant increases in employment, operating expenditures and visitor numbers.

### ***Community Benefits***

Most properties have developed links with local residents and community groups. Tyntesfield, for example, has used the ongoing construction work to provide learning and work experience opportunities to young people through the University of the West of England, the Prince's Trust and local schools around operating and restoring historic buildings. Anglesey Abbey has an ongoing volunteer scheme in place which includes offering volunteer placements to people with mental health problems as well as corporate, employer-supported volunteering opportunities.

## **1.8 Factors Determining Economic and Community Impacts**

The estimated local economic impacts of project expenditures are limited by the comparatively low levels of local sourcing of purchased goods and services during the investment phase. This was due to the need for some projects to source specialist services from national and international suppliers as well as procurement and competition rules.

The ongoing impact of historic site investments depends on the degree to which they impact on site operations, and associated staffing and purchase, and on visitor numbers and expenditures. Investments do not necessarily generate ongoing impacts, especially if they restore the fabric of a building without affecting its operations or interaction with visitors. However, the five case study sites have all involved significant changes in the operation of the sites concerned and the facilities provided for visitors. In each case employment has been created and expenditures on purchased goods and services have increased. The largest impacts have been through staffing, but purchases have also had an economic impact, particularly at National Trust sites where there is a greater emphasis on local sourcing.

The impacts of visitor expenditures depend on:

- The net change in visitor numbers as a result of the investment
- The breakdown of visitors between locals, day trippers and staying visitors. Local people do not bring additional expenditure to the area, while staying visitors spend more money than day-trippers;
- The degree to which the site motivates people to visit the area, rather than attracting passing trade;
- The opportunities to spend money locally, particularly off-site in the local economy, as part of the visit.

Analysis of these effects has been limited by available data and the need to employ assumptions and transfer estimates from other studies. Increases in visitor numbers and expenditures have occurred as a result of at least four of the five investments, all of which have significantly improved visitor facilities and experiences. The largest impacts have been observed at Tyntesfield and Down House, where the investment has brought a step change in the ability to attract and receive visitors. The investments have been followed by strong growth in visits to historic properties in general during the recent recession, but for almost all sites growth in visitor numbers has outstripped this general trend.

## 1.9 Impacts of Historic Site Investments

The investments at the five sites have involved combined expenditure of £23 million at 2009 prices. The primary objectives of the investments focused on their heritage benefits, and any economic impacts should be seen as a bonus.

The estimated temporary impacts of these project expenditures are that they have supported:

- One job year of work at the local level per £412,000 invested;
- One job year of work at the regional level per £84,000 invested;
- A one off increase in local GVA of £0.09 per £1 invested
- A one off increase in regional GVA of £0.48 per £1 invested.

The ongoing impacts of the investments have supported:

- One ongoing FTE job at the local level per £214,000 invested;
- One ongoing FTE job at the regional level per £162,000 invested;
- An annual increase in local GVA of £0.14 per £1 invested
- An annual increase in regional GVA of £0.20 per £1 invested.

In addition, the investments have created opportunities for volunteering across the five sites, which are not included in the totals above.

The estimated regional impacts include the local impacts. Impacts are higher at regional than local level, because of the greater sourcing of goods and services from the wider region as well as stronger regional multiplier effects. As a result, the estimated investment per job created is significantly higher at the local than at the regional level.

The project expenditures directly give rise to temporary economic impacts. However the ongoing effects from operating and visitor expenditures follow these investments but are not directly supported by them. They are dependent on the ongoing management of the sites and their ability to attract sufficient revenues to sustain ongoing activity. The investments themselves often provide the catalyst for increased ongoing activity, and as such are necessary but not sufficient to support the ongoing impacts estimated.

It should also be noted that the above estimates refer to the five sites studied, and should not necessarily be taken as a guide to the likely effects of future investments. The impacts of future investments will depend on the patterns of expenditure and sourcing of purchased goods and services, and the effect on ongoing operations and visitor numbers.

The above estimates are broadly comparable with previous estimates by GHK and Ecotec of the impacts of HLF funded investments. Though the cost per job is higher than estimates for RDA investments, the evidence suggests that historic site investments do generate significant benefits for local and regional economies, and can contribute to local regeneration and economic diversification. As such, they are likely to be of interest to development agencies as potential co-funders and project partners.

# 1 INTRODUCTION

## 1.1 This Report

English Heritage (EH) and the National Trust (NT) commissioned GHK Consulting Ltd (GHK) to examine the economic and social impacts of a selection of recent investments in historic properties.

Investment in historic properties can provide a variety of economic benefits, deriving from expenditure during the construction phase and ongoing expenditure following project completion. For example, project expenditures support incomes and employment among suppliers and contractors; there may be ongoing expenditures and employment in the operation of the asset; visitor expenditures may also bring money to the local economy; and projects that enhance the local heritage and built environment may help to increase the appeal of an area as a place to live and work, encouraging regeneration and attracting business and investment. There may also be social benefits for employees and local communities.

The research aimed to quantify the economic benefits for local and regional communities, both during and after the construction phase, for a selection of recent historic site investments. This final report presents the findings of the study.

## 1.2 The Case Studies

This study involved completion of 5 case studies examining recent investments, selected by EH and NT. These are:

- Anglesey Abbey – National Trust
- The Great Tower at Dover Castle – English Heritage
- Down House (2 phases) – English Heritage
- Kenilworth Castle and Elizabethan Gardens – English Heritage
- Tyntesfield – National Trust

**Table 1.1: Investment Value and Completion Date of case studies**

Project Name	Investment Value (£million, in prices at time of investment)	Date Completed
Anglesey Abbey	£4.0	Dec 2007
The Great Tower at Dover Castle	£2.4	Jul 2009
Down House (2 phases of investment)	£2.9	1998
	£0.9	Feb 2009
Kenilworth Castle and Elizabethan Gardens	£4.8	Aug 2009
Tyntesfield	£16.6	Mar 2012 (ongoing)

The value of investments studied ranged from £2.4 million for the Great Tower at Dover Castle to £16.6 million for ongoing investment in Tyntesfield (Table 1.1). Three of the projects were completed in 2009, although the first phase of investment in Down House was completed more than 10 years ago, and the work at Tyntesfield is due to be completed in 2012.

The objective of each case study is to examine:

- The impact of **project expenditure** during the construction phase on the local and regional economy;
- The impact on the local and regional economy of **ongoing expenditure** resulting from the operation of the funded assets;
- The effect of project and ongoing expenditures on **employment**, considering the number of jobs, the quality of employment, people benefiting, extent and quality of related training, sustainability of employment, and use of traditional skills;
- The impact of projects on **visitor numbers and expenditures**, and resulting economic impacts;
- The role of projects in enhancing the image of the local area as a **business location** and boosting business confidence.

### 1.3 Research and Economic Impact Methodology

Each case study involved:

- A review of data and information about each site, from files held by EH and NT, and other documents such as business plans and visitor surveys;
- A site visit;
- Follow-up interviews with contractors and local stakeholders;
- Modelling of economic impacts.

In each case, the impacts of project, operational and visitor expenditures on employment and Gross Value Added (GVA)<sup>6</sup> in local and regional economies<sup>7 8 9</sup> are estimated:

- The impacts of project expenditures during the construction phase of the project are temporary and are estimated in terms of job years<sup>10</sup> of employment and one-off impacts on GVA.
- The ongoing impacts of operating and visitor expenditures are recurring and are measured in terms of ongoing full time equivalent (FTE) jobs and effects on annual GVA. They are assessed by examining total ongoing impacts of the site and

<sup>6</sup> GVA measures the contribution to the economy of individual producers, industries or sectors, and is equivalent to their gross output less their purchased inputs. It comprises wages, salaries, profits and rents.

<sup>7</sup> For the purposes of this study the local economy is defined as a radius of 10 miles from the site and the “regional” economy a radius of 50 miles from the site. Throughout the report a distinction is made between “local” and “regional” suppliers; however the estimated regional impacts include local impacts in all cases.

<sup>8</sup> In accordance with established economic impact assessment methodology, impacts are considered at the local and regional level, as the investments provide an injection of expenditure into local and regional economies. It is unlikely that they generate significant net impacts on the national economy, though they do also benefit suppliers from outside the region.

<sup>9</sup> All estimates are in current (2009) prices. For Down House the first investment (1996-98) was adjusted for inflation.

<sup>10</sup> Job years are used to measure temporary employment impacts where 1 person working full time for 1 year or 3 people for 4 months is equivalent to 1 job year

comparing these with a counterfactual<sup>11</sup> in order to examine the net impact of the investment.

- Appropriate ratios and multipliers are used to assess the direct, indirect and induced effects<sup>12</sup> of project, operating and visitor expenditures.

The analysis seeks to assess the net impacts of the investments, taking account of additionality – the extent to which the measured impacts result in additional impacts on local and regional economies, taking account of deadweight effects, displacement and leakages (see Annex 1).

On site expenditures by visitors are also examined in the case studies, but are excluded from the economic analysis, in order to avoid double counting, since their role is to sustain employment and operational expenditures by the site.

The case studies also quantify any impacts on volunteering at the relevant sites. These are not included in the economic impact estimates, which include paid employment only, though they are clearly of value to both the sites and individuals involved.

Further details of the research methods and economic impact methodology are given in Annex 1.

## 1.4 Structure of this Report

The remainder of this report is structured as follows:

- Sections 2-6 present the five case studies, examining the impact of investments at each site
- Section 7 presents our general conclusions and recommendations on completion of the work.

There are two annexes:

- Annex 1 summarises the research methods and economic impact assessment methodology employed;
- Annex 2 provides a list of consultees.

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<sup>11</sup> The net impacts of investment in each historic site were assessed by considering the economic impacts of the site as a whole, and comparing these with the likely impacts under a counterfactual scenario in which no investment took place. The counterfactual was defined with reference to operational expenditures, staffing levels and visitor numbers prior to the investment. For visitor numbers, the counterfactual also took account of projected numbers in the absence of the investment, where available. A further factor is that exceptionally large numbers of visitors were recorded at historic sites in 2009, with EH visitor numbers up 11% compared to the five previous years. This increase is attributed to the boost in domestic tourism in summer 2009 caused by the recession. An adjustment was therefore made for this effect when comparing 2009 visitor numbers with recent figures; where visitor numbers increased in 2009, only increases in excess of 11% were attributed to the investment.

<sup>12</sup> Indirect effects are the result of supplier expenditures and induced effects the result of employee expenditures

## 2 ANGLESEY ABBEY

### 2.1 Project Details

Project Title: Anglesey Abbey Reception Building

Completion Date: December 2007

Investment Amount: £4.1 million

**Figure 2.1: Anglesey Abbey Visitor Centre**



### 2.2 Introduction and Background

Anglesey Abbey is located near the village of Lode, seven miles north east of Cambridge. It started life as a priory until it was dissolved by Henry VIII in 1536. After having a number of owners, it was entrusted into the care of the National Trust in 1966. The original visitor centre was built in 1976, and subsequently extended through a series of temporary structures to cope with rising visitor numbers. In 1999, a National Trust group was set up to review the property, and concluded that a new visitor centre was needed to cater for ongoing visitor growth and provide up to date facilities.

**Table 2.1: Funding Sources for the Anglesey Abbey Reception Building**

Funding source	Amount	Percentage
National Trust central funds	£3,240,000	78%
Property legacy	£200,000	5%
EEDA grant	£690,000	17%
<b>Total</b>	<b>£4,130,000</b>	<b>100%</b>

A design was approved by the Architectural Panel in 2002 before the work was put out to tender. The lowest tenderer won the contract and work began in October 2005. However, a

few months later, the company went into liquidation, and a new contractor had to be found. Although the change of contractor incurred an additional £350,000 in fees, the project was completed within the total budget of £4.13 million. The new reception building and the landscaped car park officially opened in December 2007 but due to the phased process of building, Anglesey Abbey was open throughout.

## 2.3 Overview of Local Economy

Anglesey Abbey is situated in the ward of Bottisham in East Cambridgeshire in an area of Green Belt. The East Cambridgeshire area has traditionally been reliant on agriculture. However, it is now experiencing a growth in the knowledge economy which is spreading north from Cambridge.

A large proportion of employment in Bottisham is in public services, and the tourism sector is relatively unimportant. Statistical indicators demonstrate that levels of deprivation are below average, unemployment is low and worklessness is not a significant problem locally.

The East Cambridge District Council Economic Strategy 2006 – 2011 highlights the need for employment growth in the district, which is experiencing rapid increases in housing and population, and a growth in out-commuting.

## 2.4 Project Expenditures

Most of the project expenditure was on purchases of goods and services from suppliers, with direct costs from the employment of staff amounting to less than 4% of the budget (Table 2.2).

**Table 2.2: Project Expenditures on Goods and Services by Location**

Expenditure	Amount	Percentage
Staff costs	£143,231	4%
Purchased goods and services	£3,881,769	96%
<b>Total</b>	<b>£4,025,000</b>	<b>100%</b>

The National Trust's records show that a substantial majority of the budget went to local and regional businesses. More than 90% of the budget was shared by seven companies, including the two main contractors, services consultant, architect, civil engineer, structural engineer and quantity surveyor. Three of these firms were based in Cambridge, less than ten miles away from Anglesey Abbey. Three, including the main contractor, were based in the region, and only one was located more than 50 miles from the site.

**Table 2.3: Project Expenditures on Goods and Services by Location**

Location of Supplier	Amount	Percentage
Local (<10 miles)	£419,704	11%
Regional (10-50 miles)	£ 3,365,081	87%
National (>50 miles)	£95,604	2%
Unknown	£1,380	0%
<b>Total</b>	<b>£3,881,769</b>	<b>100%</b>

## 2.5 On Site Employment and Training during the Project Stage

The expenditure under the project included funding for the direct employment of staff. The National Trust employed a Project Manager for the duration of the project. In addition, the main contractor used around ten people on the site throughout the project. The site management team included a site manager, site foreman, contract manager, contract surveyor and quantity surveyor. The remaining employment for the main contractor was made up of skilled labour (e.g. carpenter, joiner). On top of this, the main contractor employed approximately twenty sub-contractors throughout the project. It was estimated that they, in turn, employed approximately one hundred people although this was on a more sporadic basis with workers being used for specific parts of the project. The new reception centre is separated from the historic Anglesey Abbey by several hundred metres, and was therefore a new build project rather than requiring skills in the conservation of the existing structure. Site induction and health and safety training were provided but the project only employed people that were already qualified to do the required tasks. Volunteers were not used for the building project.

**Figure 2.2: Builders Working on the Anglesey Abbey Visitor Centre**

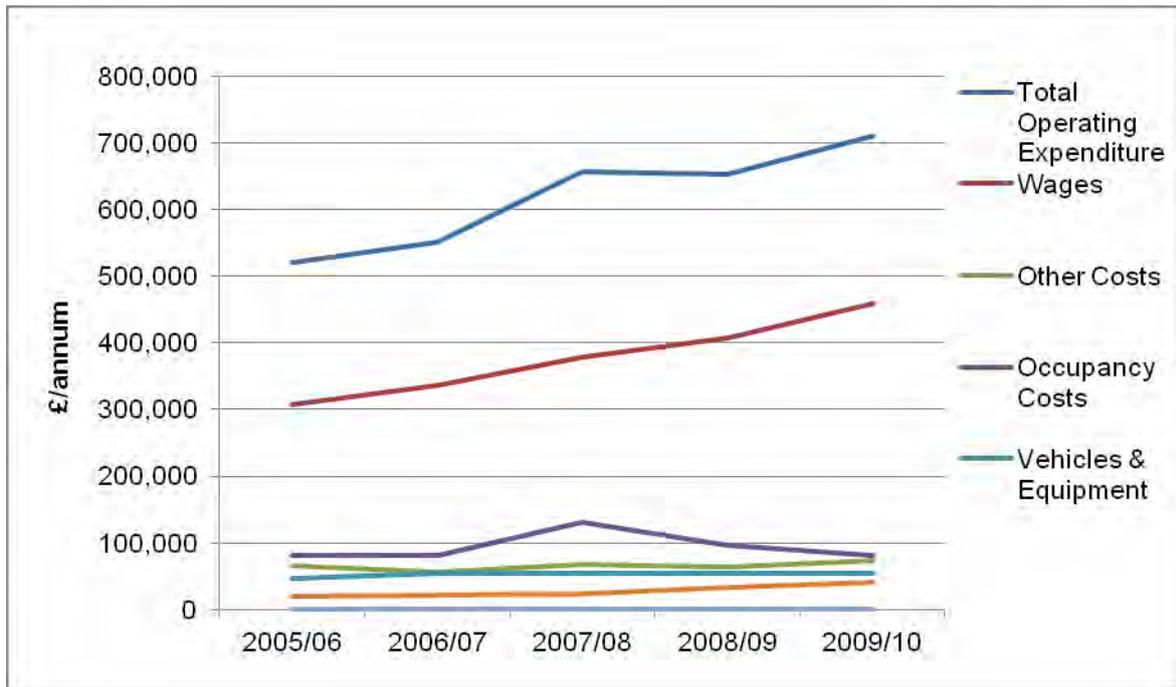


## 2.6 Annual Operating Expenditures

The building of the new reception at the Abbey has led to increased expenditure in a number of areas.

Figure 2.3 illustrates that there was an increase in overall expenditure of 25%, from £521,073 in 2005/06 (the year before building works began) to £652,958 in 2008/9 (the year in which the new facilities opened fully). Much of the increase in overall expenditure can be attributed to an increase in wage costs, which grew by 32% to £406,796 between 2005/06 and 2008/9. The figures for 2009/10 show that costs have continued to increase and that wages and other staff costs continue to make up the majority of Anglesey Abbey's annual outgoings. After adjusting for inflation over the period, expenditure has increased in real terms by 23% between 2005/06 and 2009/10.

**Figure 2.3: Changes in Expenditure 2005 – 2010**



**Table 2.4: Changes to Anglesey Abbey’s Expenditure 2005 – 2010**

	2005/06	2006/07	2007/08	2008/09	2009/10
Wages	£307,024	£337,123	£377,651	£406,796	£458,746
Other Costs	£65,043	£56,288	£67,952	£62,998	£73,299
Occupancy Costs	£82,142	£80,506	£131,445	£95,594	£81,959
Vehicles & Equipment	£46,784	£53,646	£53,869	£53,787	£54,997
Other Staff Costs	£19,200	£22,242	£24,533	£32,411	£40,958
Property Conservation	£880	£415	£628	£1,372	£697
<b>Total Operating Expenditure</b>	<b>£521,073</b>	<b>£550,220</b>	<b>£656,078</b>	<b>£652,958</b>	<b>£710,656</b>

## 2.7 Ongoing Employment and Training in Operation of Asset

Two inter-connected factors have affected the employment at Anglesey Abbey in recent years:

- The new reception building provides the opportunity for more catering and retail provision on the site, requiring more permanent staff. In addition more staff are required in reception roles;
- As a result of the new reception building, the Abbey has moved to seven day opening, requiring more staff.

Before 1998, Anglesey Abbey was a seasonal property employing around 15 full and part time staff. Since 2000, and catalysed by the new reception building project opening in 2007, this has been increased to 30 Full Time Equivalent (FTE) staff which will increase to 40 due to the site opening seven days per week<sup>13</sup>. Seven day opening began on 1 January

<sup>13</sup> Anglesey Abbey still retains the services of a number of temporary seasonal staff (such as students) who work there during the busy period.

2010 and all departments at Anglesey Abbey are in the early stages of recruiting the extra people required.

**Table 2.5: Staff Numbers at Anglesey Abbey**

	Number of Full Time Equivalent Jobs
Prior to Investment (2006/07)	11 FTE (estimate)
From 2007	30 FTE
2010 onwards	40 FTE

The new jobs created by the project are spread throughout the site. There are three new jobs in the kitchen (a third chef, a kitchen assistant and a full time kitchen porter). There is also a new role for a Front of House supervisor. The garden team has been increased by one person to cope with the greater attrition resulting from increased visitor numbers. One of the gardeners has formalised his role of working with community organisations and has been named Community Warden as well as continuing his duties in the gardens.

In the retail department, Anglesey Abbey has employed three new seasonal staff who work for two days per week each. There are also six new volunteers working in the shop whose combined hours amount to one FTE job. The management is in the process of recruiting two more seasonal staff as a result of the move to seven day opening. The structure of the retail team has also changed, with a new Assistant Manager post created. As a direct result of the building project, the retail manager at Anglesey Abbey has undergone training in the National Trust’s ‘Going Local’ strategy and attended a visual merchandising course.

The building work has resulted in an increase in staff retention because of a significant improvement in the working environment. This helps staff to develop in their job and allows the National Trust to invest in training. In the restaurant, all of the permanent staff have had the opportunity to improve their numeracy and literacy through the Train to Gain programme.

**Figure 2.4: Anglesey Abbey**



## 2.8 Visitor Expenditures and Tourism Impacts

**Figure 2.4: Anglesey Abbey’s performance against business plan with and without the investment**

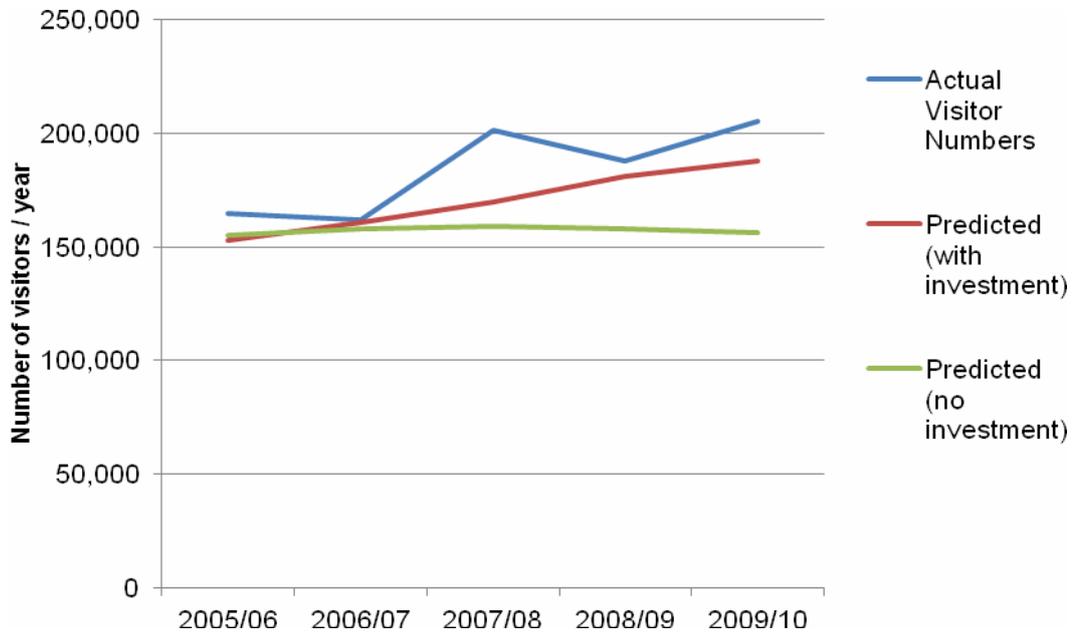


Figure 2.4 displays the impact of the reception building on Anglesey Abbey’s visitor numbers.

- The business plan predicted that without the investment in the new reception building, visitor numbers would peak in 2007/08 before slowly decreasing and levelling off at 155,000 per year.
- It was estimated that the building project would result in a gradual increase in visitor numbers, with an additional 31,500 visitors predicted in 2010.
- However, Anglesey Abbey visitor numbers are significantly higher than anticipated at an earlier date than expected. In 2009/10, there were approximately 205,000 visitors<sup>14</sup>, nearly 50,000 more than were predicted with no investment, and 20,000 more than estimated with the investment. The higher than expected numbers in 2009 are in line with those experienced at EH properties, which observed a 11% increase in visitor numbers in 2009 compared to the previous five years, perhaps explained by the recession leading to higher numbers of UK residents holidaying at home.
- There has also been an increase in the number of visitors who sign up for membership of the National Trust at Anglesey Abbey. In 2005/06, this figure was 1,011 (or 0.6% of visitors); in 2008/08 it rose to 1,338 (or 0.9% of visitors) and 1,481 in 2009/10 (0.7% of visitors). There are internal targets associated with recruiting visitors to become members of the National Trust. Interviewees suggested that the larger and more pleasant reception area has made it easier to recruit members.

<sup>14</sup>A discussion with the General Manager suggests this figure would have been considerably higher (215,000) but for the inclement weather in the 2009/10 winter (winter is an important season for Anglesey Abbey due to snowdrop plants in the gardens which are popular with visitors).

- The significant increase in visitor numbers is attributable to Anglesey Abbey now being open seven days per week. This also helps to reduce the wear and tear on the ground by spreading the visitors across seven days instead of five.

Visitors to Anglesey Abbey are primarily on day trips from home. In 2009, this figure was 79%, 12% were on a weekend or short break and 10% were on a holiday of more than 4 days. A slight majority of visitors (52%) travelled more than 24 miles to visit the site.

The opinion of visitors of the overall standard of facilities has increased over the period of the new build project. In 2005, 51% thought that the overall facilities were either very good or exceptional. This had increased to 93% by 2009; within this nearly one-third of visitors rated the facilities as exceptional as opposed to 5% in 2005. Anglesey Abbey's management believes that as a result, visitors spend more time in the reception, retail and restaurant areas and are more inclined to purchase goods from these locations. The statistics on the amount spent per visitor back up this assertion: in 2009, 33% spent £21 or more per visit whereas in 2005 this figure was 26%. This suggests that average expenditures have outstripped inflation, with prices rising by 10% over the period.

There is evidence that the reception building project has led to the site becoming a 'destination'. Rather than merely coming to Anglesey Abbey to see the house and gardens, people are beginning to use the facilities for refreshments or to meet up with friends. For example, parents of children at the local school meet there before picking their children up. In 2009/10 functions alone brought in approximately £44,000 to Anglesey Abbey. The improved and enlarged car parking facilities have increased the number of coaches that can come to the venue thereby increasing the number of group visits. This is particularly important at Anglesey Abbey given its location close to major roads such as the A14 and M11. People now visit the Abbey to break up a long journey. The project has created a whole new market for visitors with the introduction of conference facilities and the ability to cater for weddings and private parties of up to 160 guests. The Abbey is currently preparing for its first wedding season in Summer 2010, which includes informing local pubs and bed-and-breakfasts of upcoming events which may positively affect their business.

Figures from English Heritage properties suggest that overall visitor numbers were 11% higher in 2009 (at 5.3 million) than in the average for the previous five years (which experienced stable visitor numbers of 4.8 million). National Trust properties also observed higher than average visitor numbers in 2009. It is therefore reasonable to assume that, without the investment, visitor numbers to Anglesey Abbey would have been 11% higher than envisaged, at 172,050. Using this as the counterfactual, it is estimated that the 205,000 visitors recorded at Anglesey Abbey in 2009 represent an increase of 32,950 compared to the likely number in the absence of the investment.

Overall estimates of visitor numbers and expenditures off-site in the local economy are given in Table 2.6. On the assumption that average spending of £5.25 per non-local day-tripper and £20 per staying visitor can be attributed to the site<sup>15</sup>, it is estimated that the site attracts visitor spending of £1.3 million into the local economy annually. The majority of staying visitors but a small proportion of day visitors are estimated to come from outside the region – on this basis it is estimated that the site brings additional annual visitor expenditures of £865,000 to the region.

<sup>15</sup> In the absence of visitor survey evidence, visitor expenditures are estimated based on averages from previous surveys of HLF funded historic sites. Further details are given in the methodological annex.

**Table 2.6: Estimated Visitor Numbers and off-site Expenditures**

	Estimated Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					Local	Regional
Local daytrippers	61,500	30%	0%	£0.00	£0	£0
Non local daytrippers	103,730	51%	20%	£5.25	£544,583	£108,917
Staying visitors	39,770	19%	95%	£20.00	£795,400	£755,630
<b>Total</b>	<b>205,000</b>	<b>100%</b>			<b>£1,339,983</b>	<b>£864,547</b>

It is estimated that annual visitor numbers have increased by 32,950 as a result of the development (Table 2.7). Using similar assumptions, it is estimated that the investment has attracted additional visitor spending of £215,000 to the local economy and £139,000 to the regional economy annually.

**Table 2.7: Estimated Increase in Visitor Numbers and off-site Expenditures**

	Estimated Increase in Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					Local	Regional
Local daytrippers	9,885	30%	0%	£0.00	£0	£0
Non local daytrippers	16,673	51%	20%	£5.25	£87,532	£17,506
Staying visitors	6,392	19%	95%	£20.00	£127,846	£121,454
<b>Total</b>	<b>32,950</b>	<b>100%</b>			<b>£215,378</b>	<b>£138,960</b>

## 2.9 Impact on Local Business Environment

The project involved improvements to the car park which has improved the aesthetics of the immediate area around Anglesey Abbey. The “beautifully manicured landscape setting” was cited by the Royal Institute of British Architects in the Spirit of Ingenuity awards in 2009 which the project won (see Section 2.12)<sup>16</sup>.

<sup>16</sup>See:

<http://www.architecture.com/Files/RIBAProfessionalServices/Regions/East/RIBAEastSOIAwards2009Winners.pdf>

Anglesey Abbey is situated near the small village of Lode, with the slightly larger village of Bottisham just over one mile away. The local pubs are in regular contact with the General Manager of the site so that they know when the busy periods or special events are. They tend to have far higher levels of custom at such times.

The General Manager of Anglesey Abbey regularly attends Lode parish council meetings. Anglesey Abbey is one of the biggest employers in the East Cambridgeshire area. The Abbey adheres to the National Trust's 'Going Local' strategy which encourages National Trust properties to contribute as much as possible to their local communities by purchasing local goods and supporting community projects. At Anglesey Abbey, the catering department buys the majority of its food from local producers. The butcher is based in the local town of Ely (around 15 miles away); £13,000 was spent there in 2008-09 financial year. Groceries are purchased from a company around 15 miles away; last year nearly £25,000 was spent with this company. Furthermore, the ice cream, juice and baked goods are all bought from companies within five miles of Anglesey Abbey. Local contractors are used if any electrical or plumbing work is required.

Histon Produce is the fruit and vegetable suppliers for Anglesey Abbey. Their Managing Director has noticed a "marked increase in sales to Anglesey Abbey over the past five years." Their monthly sales are also closely related to the busiest time at Anglesey Abbey with March (for the snowdrops season) seeing the largest monthly sales.

## 2.10 Additionality

According to interviewees, the project has not had a significant effect on National Trust or other heritage sites in the local area. Other local heritage sites are successful in their own right. They also cater for slightly different markets. Cambridge city centre, for example, has a very large number of heritage sites, though these are based in an urban area. The nearby Wicken Fen is a nature reserve which attracts different visitors to Anglesey Abbey, according to National Trust's analysis.

## 2.11 Analysis of Economic Impact

Employing the economic impact assessment methodology set out in Annex 1, it is estimated that construction related expenditures supported an additional 8 job years of work and Gross Value Added (GVA) of £363,000 in the local economy, and 60 job years of work and GVA of £2.5 million in the wider regional economy<sup>17</sup>. The largest benefits were among regional suppliers of goods and services to the project.

**Table 2.8: Estimated Economic Impacts of Construction Expenditures**

	Employment (job years)		GVA (£k)	
	Local	Regional	Local	Regional
Staffing	3.0	3.0	143	143
Direct Suppliers	3.8	34.4	160	1439
Indirect and induced effects	1.4	22.5	61	949
Total	8.2	59.9	363	2531

The ongoing annual economic impacts of the site are estimated in Table 2.9. The site currently employs 30 FTE staff and is estimated to support an additional 22 FTE jobs in the local and regional economies through visitor expenditures. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated

<sup>17</sup> The estimated regional impacts include the local impact

multiplier effects, the site is estimated to support 60 FTE jobs and GVA of £1.3 million in the local economy, and 72 FTE jobs and GVA of £1.6 million in the regional economy, on an ongoing basis.

**Table 2.9: Estimated Ongoing Economic Impacts of Anglesey Abbey**

	Employment (FTE)		GVA (£k)	
	Local	Regional	Local	Regional
<b>After investment:</b>				
Staffing	30.0	30.0	500	500
Direct Suppliers	0.9	1.8	42	84
Indirect and induced	6.2	19.1	108	350
<i>Total operational impact</i>	<i>37.1</i>	<i>50.9</i>	<i>650</i>	<i>935</i>
Visitor spend	22.7	21.6	670	692
<b>Total ongoing impact</b>	<b>59.8</b>	<b>72.5</b>	<b>1320</b>	<b>1626</b>
<b>Counterfactual:</b>				
Staffing	19.6	19.6	326	326
Direct Suppliers	0.8	1.7	39	78
Indirect and induced	4.1	12.8	73	242
<i>Total operational impact</i>	<i>24.5</i>	<i>34.0</i>	<i>438</i>	<i>647</i>
Visitor spend	19.1	18.1	562	580
<b>Total ongoing impact</b>	<b>43.6</b>	<b>52.2</b>	<b>1001</b>	<b>1227</b>
<b>Net effect:</b>				
Staffing	10.4	10.4	173	173
Direct Suppliers	0.1	0.1	3	6
Indirect and induced	2.1	6.3	35	108
<i>Total operational impact</i>	<i>12.6</i>	<i>16.9</i>	<i>212</i>	<i>288</i>
Visitor spend	3.7	3.5	108	111
<b>Total net ongoing impact</b>	<b>16.2</b>	<b>20.3</b>	<b>320</b>	<b>399</b>

Investment in the site has increased staffing, operating expenditures and visitor numbers. The additional net impact of the investment is to support an estimated 16 FTE jobs and GVA of £320,000 at the local level, and 20 FTE jobs and GVA of £399,000 at the regional level. The largest effects result from additional staffing on site, and to a lesser extent from increased visitor spending.

These estimates relate to recorded increases in activity to date; a further significant increasing in staffing levels is anticipated in 2010, supporting additional direct employment amounting to 10 FTE jobs.

## 2.12 Environmental and Social Benefits

The project has won two awards: the Royal Institute of British Architects (RIBA) Spirit of Ingenuity award for sustainability and a Civic Trust award<sup>18</sup>, both in 2009. The building is more environmentally sustainable than the previous structure which was a number of temporary buildings.

Anglesey Abbey has a variety of long-term links with the local community. Permanent staff are outnumbered six to one by volunteers. There is now a Volunteer Manager who is herself a volunteer. The Abbey is also linked with the private sector and provides many opportunities for employer-supported volunteering. Companies including Goldman Sachs and local law firms have volunteering days in the Abbey gardens. Finally, there are links with Bottisham Sixth Form College and local schools.

Anglesey Abbey has recently begun to take part in a wider National Trust scheme to create 1,000 new allotments on their land. The Abbey's gardeners have created a number of plots in the local village which will be tended by the local community assisted by the Trust's gardeners. The project is part of the National Trust's wider goal of engaging with the communities that live around their properties.

### Charitable links

Recently, Anglesey Abbey has introduced a Community Warden position to further formalise its links with local charities. There is an emphasis on working with charities that work with people with depression or other mental health problems (for example, the local branches of Mind, Scope and the Richmond Fellowship and local charity Arts and Minds). These people often work in the gardens led by the Head Gardener and the Community Warden who both have extensive experience and deep links with the charitable sector through Cambridge Community Action Network. The gardens are seen as a good place for these volunteers to work as it allows them the opportunity to develop skills in a natural environment. There is also a link with an organisation for young people that have discipline problems in school. Again, the garden environment is seen as a good setting for working with these young people.

## 2.13 Conclusions

Despite significant setbacks during the building phase, the new visitor centre at Anglesey Abbey was completed within the budget. Anglesey Abbey is experiencing greater visitor numbers, visitor enjoyment levels and greater catering and retail revenue than before the build and the project has won awards for its contribution to the local area.

<sup>18</sup> Civic Trust awards focus on the contribution of a project to the local community and a local person is involved in the assessment process. See: <http://www.civictrustawards.org.uk/the-award/about-the-award> for more details.

There has been an increase in operating expenditure as a result of the project, which has been absorbed by the increase in turnover and provides ongoing benefits to the local economy through increased staffing and purchases. Profitability of the site has increased and is projected to grow further in future years.

The vast majority of the expenditure during the project went to regional companies, though only a small proportion benefited local firms. The National Trust's focus on using local providers means that the greater expenditure on goods and services deriving from the increased visitor numbers has benefited the local economy.

## 3 THE GREAT TOWER AT DOVER CASTLE

### 3.1 Project Details

Project Title: The Great Tower at Dover Castle

Completion Date: August 2009

Investment Amount: £2,382,845

**Figure 3.1: Dover Castle**



### 3.2 Introduction and Background

Dover Castle was built in the 12th century by Henry II. The Great Tower, or keep, was the centrepiece with its elaborate interior rooms and impressive concentric curtain walls. Since then the castle and its buildings has been frequently adapted for the requirements of warfare and there is still a garrison on site, as well as the Princess of Wales' Royal Regiment Museum. In addition to the castle buildings, the tunnels carved into the cliffs, which were used as a naval headquarters during the Second World War, are also a major attraction of the site.

In 2008/09, English Heritage, the owners and managers of the site, decided to make a large investment in Dover Castle to improve the visitor experience and commercial potential of the property, and to contribute to the regeneration of the area. The first phase involved a £2.4 million investment in restoring the Great Tower to its former glory through a historically accurate recreation of surroundings, furniture, objects and even the sounds of Henry II and his Angevin Court.

English Heritage contributed £0.4 million to the investment. The remaining £2 million was provided by the DCMS Sea Change fund, administered by Commission for Architecture and the Built Environment (CABE), aimed at regenerating coastal areas. In total, £8 million of Sea Change funding has been secured for Dover by a partnership of Dover District Council, Kent Country Council, the Harbour Board and the South East England Regional Development Agency (SEEDA).

**Table 3.1: Funding Sources for the Great Tower at Dover Castle**

Funding source	Amount	Percentage
English Heritage	£382,845	16%
Sea Change	£2,000,000	84%
<b>Total</b>	<b>£2,382,845</b>	<b>100%</b>

Preparation for the Great Tower project started in 2007, initially through historic research in archives and manuscripts by English Heritage's research team. The project officially started in August 2008 and the Tower was closed to visitors from November 2008. It was finally completed when the Great Tower at Dover Castle was launched on August 1st 2009.

### 3.3 Overview of Local Economy

The Great Tower at Dover is situated in Dover's Castle ward. The area has historically been dominated by the shipping industry. Over the last 15 years the sector has been in decline, while research and development activities have experienced growth in the area. Despite this decline, the local economy is still heavily concentrated on the port and related tourism activities. The transport and communications industry accounts for nearly 25% of all employment in Castle ward, whilst the distribution, hotels and restaurants sector makes up almost 20% of employment.

The Super Output Area in which the Great Tower is located is ranked by the 2007 index of Multiple Deprivation as among the 25% most deprived in England. Unemployment and worklessness are particular problems, with 8.7% claiming Jobseekers Allowance and 19.8% of these having claimed for more than 12 months.

The need to diversify the economy and improve the performance of the town centre in the retail and tourism sectors is highlighted by the 2008 Dover District Economic Review. The Sea Change programme aims to address these issues by providing funding for the investment in Dover Castle as well as for improving the sea front Esplanade. The programme has also funded a feasibility study into a cable car to connect the town and the Castle. It aims to improve the overall tourism and leisure offer which will in turn benefit the local economy and community.

### 3.4 Project Expenditures

The project involved expenditures of £2.38 million on goods and services purchased from suppliers and contractors.

The majority of investment in the restoration of the Great Tower was not spent on construction but on designing, commissioning and purchasing bespoke objects. English Heritage historians worked with designers and craftsmen to create historically accurate artefacts to be laid out in rooms as they would be at the time of Henry II. This involved a substantial amount of research, making reference to manuscripts, paintings and archaeology from the period, to understand how the King and his court lived in the castle, and the nature and appearance of their furniture and other objects. English Heritage staff then had to source appropriate suppliers for these objects and work with them to ensure the historic authenticity of the pieces produced. In total, more than 1000 artefacts were created for the Great Tower.

Because of the specialised nature of the artefacts required, most goods and services were sourced from suppliers more than 50 miles away (Table 3.2). The lead designer, for example, was based in Exeter while the main furniture contractor was in Rugby. Contracts for goods and services worth £50,000 or more are summarised in Table 3.3 below.

**Table 3.2: Project Expenditures on Goods and Services by Location**

Location of Supplier	Expenditure	Percentage
Local (<10 miles)	£13,145	1%
Regional (10 to 50 miles)	£359,257	15%
National (over 50 miles away)	£1,979,412	83%
Location of supplier unknown	£31,030	1%
<b>Total excluding VAT</b>	<b>£2,382,845</b>	<b>100%</b>

**Table 3.3: Major expenditure by goods and services supplied and distance to Dover Castle (fees of more than £50,000)**

Goods and Services supplied	Supplier distance from Dover Castle (miles)
Furniture design and production	143.6
Construction	19.8
Audiovisual installations	72.6
Project Management Architecture	104.2
Arthur's Hall Exhibition Design	148.1
Fine items design and production	216.2
Historic fabric weaving	420.6
Lead historic designer	214.4
Furniture decoration	103.5
Wall hangings painting	214.4
Embroidery and thread	74.5
Armoury and other metal items	126.1

The main building contractor undertook most of the restoration work on the shell and core of the keep, as well as an exhibition in Arthur's Hall which is outside the keep. However, this contractor went into administration in 2009 just as the project was coming to an end. The economic climate at the time meant that the construction industry was struggling and the contractor was unable to win sufficient work to remain operational after the end of the Dover Castle project.

Exeter-based furniture makers were awarded the largest contract to design and recreate more than 60 furniture items, including beds, the throne, chests, armouries, lecterns, tables and benches. In order to produce plausible medieval furniture, their craftsmen used

traditional techniques as far as possible; for example wedged and dowelled tenons were used in joints. The unique requirements of the Dover Castle investment required the company to tap its networks to find a large number of sub-consultants to deliver specialists with expertise in medieval ironwork, leather and painting.

A large number of other traditional skilled craftsmen were employed or subcontracted over the course of the project. More than 148 carpenters, joiners, blacksmiths were employed at the project. Armour, swords, shields, crossbows and items for the kitchen and the King's Chamber were produced by a cutler in his Oxfordshire foundry and workshop. The large copper pots used in the kitchens were a particular challenge as they required the cutler to learn new techniques for working with copper. The furniture restorers responsible for painting the furniture also had to adopt new techniques to produce paint pigments suitable for the period. Similarly, the embroiderers had to adapt their hand-embroidering techniques to the textiles, threads, dyes and stitching used in the 12<sup>th</sup> century. At least 20 blacksmiths from across the South East were requested to work on the 27 bespoke doors and other metal furnishings for the Great Tower. The investment provided employment opportunities to skilled craftsmen across the country such as potters in Yorkshire and the only remaining cooper not attached to a brewery in the country, based Merseyside. The investment was thus particularly successful in supporting specialist and traditional crafts and skills in England.

### 3.5 On Site Employment and Training during the Project Stage

Employment on site during the project stage was limited, the majority of the design and production of artefacts took place at the craftsmen's locations. Some final assembly took place on site. The main contractor is estimated to have had up to 10 workers on site over the course of the shell and core work, although not all were utilised at the same time and over the entire year.

During the period when the Tower was closed, visitor services staff were relocated to the Secret Wartime Tunnels attraction. Additional guided tours were operated at the Tunnels to compensate for the lack of access to the Tower.

### 3.6 Annual Operating Expenditures

Prior to the investment at the Great Tower, the annual operating expenditure at Dover Castle was £1.7 million. Plans for the development projected that following the investment, operating expenditure would rise to £2.3 million in 2009/10, as shown in Table 3.4.

**Table 3.4: Annual Operating Expenditure – Actual and Projected**

	2007/08 Actual	2008/09 Actual	2009/10 Projected
Operational Costs	£50,200	£50,200	£50,200
Sales & Promotion - On-going base level	£16,000	£16,000	£16,000
Additional Marketing Spend behind new development	-	-	£200,000
Payroll	£851,000	£851,000	£851,000
Payroll - Catering	£175,000	£175,000	£175,000
Payroll - Additional Great Tower Staff	-	-	£36,400
Costumed Characters	-	-	£250,000
Running Costs - catering	£5,000	£5,000	£5,000

Running Costs	£205,300	£205,300	£205,300
Other Expenditure	£10,500	£10,500	£10,500
Lifecycle Maintenance Reserve	-	-	£30,625
Cost of Sales - retail	£268,700	£273,087	£291,494
Cost of Sales - catering	£154,000	£154,000	£162,689
<b>Total</b>	<b>£1,735,700</b>	<b>£1,740,087</b>	<b>£2,284,208</b>

Since the opening of the display at the Great Tower in August 2009, expenditure at Dover Castle has increased by 42% (Table 3.5).

**Table 3.5: Expenditure 2009/10 and 2008/09 (five months Aug to Jan)**

Expenditure	2009/10 Five months (Aug 09 – Jan 10)	2008/09 Five months (Aug 08 – Jan 09)	% change
Operational Costs	£75,207	£28,818	161%
Sales & Promotions	£389,329	£222,389	75%
Payroll	£633,958	£525,554	21%
Running Costs	£176,020	£122,626	44%
Other Expenditure	£15,765	£6,639	137%
<b>Total</b>	<b>£1,290,279</b>	<b>£906,026</b>	<b>42%</b>

The annual increase in operating expenditures is estimated to be in the region of £544,000 between 2007/08 and 2009/10, comprising staff costs of £258,000 and purchased goods and services of £286,000.

More specifically, the expenditure above includes the following annual additional operating expenditures which can be attributed directly to the investment in the Great Tower at Dover Castle:

- £4000 for renting fields from a local farmer to use as overflow parking space;
- £35,000 for coach/minibus hire from a Dover-based company to provide a shuttle service between the overflow parking space and the Castle;
- £3000 - £4000 for firewood from a local supplier for the open fires inside the Tower;
- £260,000 for re-enactors by specialist for a specialist re-enactment” based in Surrey to develop a series of dramatic set pieces with audience participation and to provide 4 to 6 actors on site in the roles of King Henry II, Eleanor of Aquitaine or one of their contemporaries.

It is expected that there will also be an increase in maintenance costs. As the Great Tower is not yet completed a year of operation, these costs have not yet emerged as most repairs required at the moment are covered by warranties.

### 3.7 Ongoing Employment and Training in Operation of the Asset

The investment has created 7.5 FTE new jobs at Dover Castle: 3.5 FTE jobs at visitor operations and 4 FTE jobs for costumed actors. There are two open fires in the Great Tower which require 2 FTEs to attend to them (including lighting, refuelling and putting out). The

other 1.5 FTE positions fill the additional welcome and guiding roles created due to the investments; many new areas have been opened and new stories told by the artefacts and this has created demand for more attendants with knowledge of the castle. During the launch month (August 2009) 15 students from the local area were employed to welcome visitors at the visitor centre and assist with all aspects of visitor operations (this is included in the 3.5 FTE figure).

**Table 3.6 Number of Full Time Equivalent Jobs at Dover Castle**

	<b>Number of Full Time Equivalent Jobs</b>
2008/09 (Prior to Investment)	47.5 FTE
2010/11 (Following Investment)	55 FTE

In total, there are now 55 FTE staff employed at the castle over a year. This comprises approximately 25 full-time staff and up to 70 seasonal/part-time staff. Staff rotate between job roles – so they may work inside the Great Tower or at the Secret War Tunnels, the visitor centre or at one of the gift shops. All staff received training on the new attraction and the exhibition. English Heritage historians produced a handbook for staff which offers a breakdown of all artefacts on a room by room basis.

### 3.8 Visitor Expenditures and Tourism Impacts

Dover Castle receives visits from English Heritage members, school groups, families and single adults. It received 299,810 visitors in 2007/08 and 288,816 in 2008/09. A survey by BDRC of 147 visitors between 1st August and 6th September 2009 found that 63% were on a day trip from home whilst 36% were staying away from home. Almost a third (31%) travelled fewer than 10 miles to the site, 49% travelled between 10 and 50 miles while 20% made longer trips. Most visitors (58%) had visited before while 53% were English Heritage members and 8% had joined on the day. There has been a significant increase in the number of overseas visitors following the investment, although this may be partly attributed to the increase in businesses from cruise ship passengers taking excursions to Dover Castle when their ship calls at Dover port.

Income from visitors at Dover Castle has increased by 36% in the five months since opening, compared to the corresponding five months in 2008/09 (Table 3.7). The greatest increase has been in membership income which has risen by 71%. This is partly due to the rise in membership prices but also partly due to a modest increase in visitor numbers. Almost 11,000 new members joined at Dover in 2009, a 23% increase compared to 2008.

Dover Castle is set in large grounds with on-site parking and many attractions for the visitor. In addition to the Great Tower, the Secret Wartime Tunnels and the Royal Regiment Museum already mentioned, a visitor can explore Roman and Saxon ruins, the medieval tunnel structure and eat at the 19<sup>th</sup> century NAAFI restaurant. The 2009 BRDC survey shows that the majority of visitors (66%) spend between 2 and 4 hours at the Castle while 27% stayed for 4-6 hours.

In terms of visitor expenditure at the site, Table 3.7 shows that catering and retail sales for the 2009/10 increased by 36% and 24% respectively compared to the previous year. The new display at the Tower has allowed the Castle to expand its retail offer in the three gift shops it operates. One gift shop, located nearest the Tower, is now dedicated to the medieval period and a Great Tower at Dover Castle range of gifts has been produced. Retail sales for the 2009/10 increased by 24% compared to the previous year.

**Table 3.7 Income by Type, 2009/10 and 2008/09 (Five months, August to January)**

Income	2009/10 Five months (Aug 09 – Jan 10)	2008/09 Five months (Aug 08 – Jan 09)	% change
Admissions	£620,760	£449,344	38%
Retail	£313,015	£253,142	24%
Catering	£297,256	£219,190	36%
Memberships	£206,385	£121,011	71%
Facilities	£36,207	£30,692	18%
Hospitality	£1,706	£7,750	-78%
<b>Total</b>	<b>£1,475,329</b>	<b>£1,081,129</b>	<b>36%</b>

Based on these figures, annual visitor numbers and expenditures off-site in the local economy are estimated in Table 3.8. It is estimated that annual visitor numbers have increased to 308,599 since the development, with these dividing roughly equally between locals, non-local day-trippers and staying visitors. On the assumption that average spending of £5.25 per non-local day-tripper and £20 per staying visitor can be attributed to the site, it is estimated that the site attracts additional visitor spending of £2.8 million to the local economy annually. The majority of spending by staying visitors but a small proportion of spending by day visitors is estimated to come from outside the region – on this basis it is estimated that the site brings annual visitor expenditures of £2.2 million to the region.

**Table 3.8: Estimated Annual Visitor Numbers and off-site Expenditures**

	Estimated Annual Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					Local (<10 miles)	Regional (10 - 50 miles)
Local daytrippers	95,666	31%	0%	£0.00	£0	£0
Non local daytrippers	101,838	33%	20%	£5.25	£534,648	£106,930
Staying visitors	111,096	36%	95%	£20.00	£2,221,913	£2,110,817
<b>Total</b>	<b>308,599</b>	<b>100%</b>			<b>£2,756,561</b>	<b>£2,217,747</b>

It is estimated that annual visitor numbers have increased by 8% since the development. However, this growth is less than the 11% growth recorded in overall visits to English Heritage properties in 2009 compared to the five previous years. There is therefore no evidence that the investment has increased overall visitor numbers and expenditures relative to the counterfactual. However, as the Tower only opened in August 2009 the period under assessment is very short.

### 3.9 Impacts on the Local Business Environment

In line with our assessment that the investment has not significantly increased visitor expenditures, interviews with local businesses and residents suggest that there has not been a substantial effect on business confidence. The Castle is located a significant

distance from the town centre, on top of a mount. The remoteness of the Castle from other shops and facilities in its immediate vicinity means that no footfall effects have been identified. Visitors on the whole arrive to the Castle by car or coach, the climb to the top is rather steep and local public bus connections from the rail station and the port to the Castle are not well signposted.

Part of the wider Sea Change project involves investigating the feasibility of a cable car or other similar link to the castle from the town centre (or the rail station). Residents felt that this would allow the town to benefit more from Castle visitors: for example they could spend longer than a day in the town or visit the town before or after their visit to the Castle, spending money in local shops and restaurants. It was reported that this is not currently thought to happen to a large extent.

### 3.10 Additionality

Interviewees told us that the investment in the Great Tower at Dover Castle has not displaced visitors from other local sites. The nearest local visitor attraction is Dover Museum which primarily serves the local school trip market and receives some visitors from cruise passengers and independent travellers. Visits to Dover Museum have not been affected, positively or negatively, by the investment according to the Museum Curator.

Other visitor attractions in the area include the White Cliffs Nature Reserve (owned by Natural Trust) and Deal Castle (English Heritage). Both of these attractions are seen by the Castle staff as complementary to the Dover Castle offering and not competing for the same visitors. There is potential to maximise visitor numbers and spend at this cluster of attractions by signposting visitors to the other attractions and marketing as a complete package of visitor sites. This may also attract overnight visitors to the area and improve spend and benefits in the local economy.

The major visitor attraction in South East Kent is Canterbury Cathedral, a World Heritage Site, which attracts a much larger market of visitors and is not seen to be in competition with Dover. Further afield in Kent, Hever Castle and Leeds Castle, however, do offer a similar visitor experience and may be direct competitors to Dover.

### 3.11 Analysis of Economic Impact

Employing the economic impact assessment methodology set out in the annex, it is estimated that construction related expenditures supported an additional 6 job years of work and GVA of £302,000 in the regional economy, mostly among regional suppliers of goods and services to the project. The budget was used entirely to fund purchases of goods and services and did not fund direct employment on site.

**Table 3.9: Estimated Economic Impacts of Construction Expenditures**

	Employment (job years)		GVA (£k)	
	Local	Regional	Local	Regional
Staffing	0.0	0.0	0	0
Direct Suppliers	0.1	4.0	7	189
Indirect and induced effects	0.0	2.4	1	113
<b>Total</b>	<b>0.2</b>	<b>6.4</b>	<b>8</b>	<b>302</b>

**Table 3.10: Estimated Ongoing Economic Impacts**

	Employment (FTE)		GVA (£k)	
	Local	Regional	Local	Regional
<b>After investment:</b>				
Staffing	55.0	55.0	1312	1312
Direct Suppliers	3.4	6.9	162	324
Indirect and induced	11.7	37.1	295	982
<i>Total operational impact</i>	<i>70.1</i>	<i>99.0</i>	<i>1769</i>	<i>2618</i>
Visitor spend	46.7	55.4	1378	1774
<b>Total ongoing impact</b>	<b>116.9</b>	<b>154.5</b>	<b>3148</b>	<b>4392</b>
<b>Counterfactual:</b>				
Staffing	47.5	47.5	1026	1026
Direct Suppliers	2.5	5.1	119	238
Indirect and induced	10.0	31.5	229	758
<i>Total operational impact</i>	<i>60.0</i>	<i>84.1</i>	<i>1374</i>	<i>2022</i>
Visitor spend	46.7	55.4	1378	1774
<b>Total ongoing impact</b>	<b>106.8</b>	<b>139.5</b>	<b>2752</b>	<b>3797</b>
<b>Net effect:</b>				
Staffing	7.5	7.5	286	286
Direct Suppliers	0.9	1.8	43	86
Indirect and induced	1.7	5.6	66	223
<i>Total operational impact</i>	<i>10.1</i>	<i>14.9</i>	<i>395</i>	<i>596</i>
Visitor spend	0.0	0.0	0	0

<b>Total net ongoing impact</b>	<b>10.1</b>	<b>14.9</b>	<b>395</b>	<b>596</b>
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The ongoing annual economic impacts of the site are estimated in Table 3.10. The site currently employs 55 FTE staff and visitor expenditures support an additional 47 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 117 FTE jobs and GVA of £3.1 million in the local economy, and 155 FTE jobs and GVA of £4.4 million in the regional economy, on an ongoing basis.

Investment in the site has increased staffing and operating expenditures, but there is no evidence of an increase in visitor numbers compared to wider trends. The additional net impact of the investment is to support an estimated 10 FTE jobs and GVA of £395,000 at the local level, and 15 FTE jobs and GVA of £596,000 at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

The ongoing impacts of the site are expected to increase, with visitor numbers projected to peak at 352,000 in 2012/13. This suggests a 14% increase in visitor numbers and impacts over current levels.

### **3.12 Other Benefits**

In September 2009, the English Heritage historic research team organised an academic conference in London and Dover to present the results of their research which informed the restoration of the castle. The conference attracted more than 150 academics. A book detailing the research results is the process of being published.

### **3.13 Conclusions**

The direct impacts on the local and regional economies of the money invested in the redevelopment project were limited, as most of the purchased goods and services were sourced from national suppliers. The project required a large number of specialist objects manufactured using traditional skills such as ironmongery, cooperage, pottery, traditional joinery and embroidery. On an ongoing basis, the restored site supports new direct employment. The Castle is a significant visitor attraction, providing substantial benefits for the local and regional economy.

## 4 DOWN HOUSE

### 4.1 Project Details

Project Title: Down House

Completion Date: 1998 (1<sup>st</sup> investment), 2009 (2<sup>nd</sup> investment)

Investment Amount: 1996-98 - £2,870,000 (1st investment)<sup>19</sup>

2006-09 - £914,300 (2nd investment)

**Figure 4.1: Down House**



### 4.2 Introduction and Background

Down House was the home of Charles Darwin, who lived in the property with his family for 40 years. It was here that he researched and wrote his most famous work, 'On the Origin of Species...' The site is therefore of significant international importance. Prior to acquisition of the property by English Heritage in 1996, it was managed by the Royal College of Surgeons and the Natural History Museum (NHM). It was open to the public but existed as a low key visitor attraction, and needed significant repair and maintenance that could not be offered by the College and the NHM. Following the purchase, a complete restoration took place. This included restoring the top floor and the roof, creating the first floor exhibition and second floor offices as well updating visitor facilities such as: toilets, a car park and a tea room. The work also involved exhibiting and fitting, internal refurbishment of interiors and landscaping of the garden. The main objective of the initial phase of work was to showcase Charles Darwin's life and work.

A later phase of development between 2006 and 2009 involved enlargement of the car park, reconfiguration of the tea room, redecoration of the building's interior and provision of new graphics and display cases. The ante-room was converted to a staff room and the previous staff mess room was converted to a tea room with indoor and outdoor seating areas. There were also builders' works and alterations in association with the shop re-fit (Figure 4.1). An educational room was created and money was spent on a new audio tour and digitalisation projects. This phase of work took place as the property was considered to require refreshing. In addition, staff were keen to grow the business and the car park development meant that the House was able to accommodate more people, increasing

<sup>19</sup> Values in nominal terms i.e. not adjusted for inflation. The first investment is equivalent to £3,807,900 at 2009 prices.

capacity from 35 to 44 parking spaces. This redevelopment was timed to coincide with the celebration of Charles Darwin's bicentenary. The House and its neighbourhood at Downe have been proposed as a World Heritage Property. The Department for Culture, Media and Sport (DCMS) put forward 'Darwin's Landscape Laboratory' for World Heritage Property nomination in 2009.<sup>20</sup>

**Figure 4.2: Shop before and after second phase of investment**



Source: English Heritage Project Manager

The sources of funding for the two investments are set out in Tables 4.1 and 4.2. The first investment was substantially funded by the Heritage Lottery Fund and the Wellcome Trust, while the second was funded entirely by English Heritage.

**Table 4.1: Funding Sources for Down House (1<sup>st</sup> Investment 1996-1998)**

Partner	Amount Committed	%
English Heritage	£240,000	8%
The Wellcome Trust	£705,000	25%
Heritage Lottery Fund	£1,783,000	62%
Bovis	£150,000	5%
<b>Total</b>	<b>£2,878,000</b>	<b>100%</b>

**Table 4.2: Funding Sources for Down House (2nd Investment 2006-2009)**

Partner	Amount Committed	%
English Heritage (ring-fenced funds from sale of a neighbouring property)	£797,000	87%
Other EH funds	£117,300	13%

<sup>20</sup> <http://www.darwinslandscape.co.uk/>

<b>Total</b>	<b>£914,300</b>	<b>100%</b>
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The first investment is equivalent to £3,807,900 at 2009 prices. The overall investment is therefore equivalent to £4,722,200 at present day price levels.

### 4.3 Overview of Local Economy

Down House is located in the village of Downe, in Darwin ward of the London Borough of Bromley and is in the Green Belt. Statistical indicators demonstrate that the level of deprivation is below average, and unemployment is low. The village has a mix of households including retired people and those commuting into Central London and Bromley. The local economy is based on services, with employment spread across a range of service activities, including public administration, distribution and hotels and restaurant.

In 2009, Bromley Council and the Local Strategic Partnership agreed *Bromley 2020*, a 10 year strategy to improve the economic, social and environmental well-being and health of Bromley workers and residents. The strategy identifies the following outcomes: vibrant and thriving town centres, improving the skills base of residents and workers, improving employment opportunities for residents, sustaining and growing local businesses, and increased inward and local investment in the borough. Investment in Down House and the village in light of the application for World Heritage Status have contributed towards these outcomes.

### 4.4 Project Expenditures

During the first phase of investment, money was used for the initial site purchase, with the remainder spent on purchased goods and services, as indicated in Table 4.3.

**Table 4.3: Breakdown of Expenditure – 1<sup>st</sup> investment**

	<b>Expenditure</b>	<b>Expenditure (at 2009 prices)</b>
Purchased goods and services	£2,19,875	£2,884,272
Site Purchase	£705,000	£932,811
<b>Total</b>	<b>£2,884,875</b>	<b>£3,817,083</b>

Table 4.4 shows that the majority of money spent on purchased goods and services was spent at a regional level (81%). Only 2% of money was spent on suppliers within the local area.

**Table 4.4: Project Expenditures on Goods and Services by Location – 1<sup>st</sup> Investment**

<b>Location of Supplier</b>	<b>Expenditure</b>	<b>Expenditure (at 2009 prices)</b>	<b>Percentage</b>
Local (<10 miles)	£ 43,991	£58,206	2%
Regional (10 to 50 miles)	£ 1,756,153	£2,323,630	81%
National (over 50 miles away)	£ 224,532	£297,086	10%

Location of supplier unknown	£ 155,199	£205,349	7%
<b>Total excluding VAT</b>	<b>£ 2,179,875</b>	<b>£2,884,272</b>	<b>100%</b>

The second phase of investment comprised entirely of purchased goods and services. The main spending occurred on the car park alterations, tea room works, the shop re-fit, the re-presentation of first floor rooms and building works in association with interpretation.

**Table 4.5: Breakdown of Expenditure - 2<sup>nd</sup> investment**

Item	Expenditure
Purchased goods and services	£914,300
<b>Total</b>	<b>£914,300</b>

The majority of suppliers for this phase of development were located in the regional economy of London and the South East, but more than 10 miles from Down House. Some specialist items were sourced from abroad, such as exhibition display cases procured from a German supplier.

**Table 4.6: Project Expenditures on Goods and Services by Location – 2<sup>nd</sup> Investment**

Location of Supplier	Expenditure	Percentage
Local (<10 miles)	£ 6,507.60	1%
Regional (10 to 50 miles)	£ 667,109.66	74%
National (over 50 miles away)	£144,050.14	16%
International/ unknown location	£ 86,465.40	10%
<b>Total excluding VAT</b>	<b>£ 904,132.80</b>	<b>100%</b>

The main supplier, which produced the graphics, was based regionally and specialised in prop and model making, sculpture manufacturing and scenic construction. It was necessary for the company to be based nearby to facilitate frequent visits to the site. Approximately 20 staff were employed by the firm to work on the project. The supplier believes that undertaking work on Down House has allowed the company to win future work because of the reputation in the industry for the high quality work required by English Heritage.

*'English Heritage has a standard which not all contractors can attain. They also offer repeat work and allow for `team understanding` to be established, due to the projects having a good time frame. EH offers a solid reference to other potential clients when discussing previous works'. Supplier*

The main supplier sub-contacted work, for example on timber, paints, steel and lighting. Of the sub-contractors, 80% are estimated to be located within 50 miles, 18% from other areas in the UK and 2% were non-UK based suppliers.

#### 4.5 On Site Employment and Training

When the site was first purchased in 1996, the only staff member was a security guard who, following the investment, was employed as a custodian at the site. When the site opened in

April 1998, 11.5 FTE jobs were created. These consisted of a head gardener, two on-site managers, a part time curator and 6 full-time and 4 part-time custodians. Of the employees some were professionals from a curatorial or gardening background, others came from different backgrounds and had either managerial experience or customer services experience.

**Table 4.7 Number of Paid Full Time Equivalent Jobs at Down House**

	Number of Full Time Equivalent Jobs
1995/96 (prior to first phase of investment)	1.0
1998/99	11.5
2007/08	8.0
2009/10	8.5

Volunteers were also used in this initial phase of investment after site purchase. Approximately ten volunteers work inside the house and twenty volunteers work in the gardens, where their help was crucial in achieving the five year plan for the gardens.

Staff numbers gradually decreased up to the second phase of investment to 5 full-time and 6 part-time staff (8 FTEs). Following the investment, total employment has increased to 8.5 FTEs and positions now consist of a gardener (FT), a visitor operations manager (FT), two supervisors (FT) and four full-time and 3 part-time custodians. In general, employment at Down House is seasonal as most visitors are attracted during the summer months. The majority of employees live locally. On a few occasions, employees have relocated to the area. Most employees have received some level of ongoing training during their employment. For example, employees must learn how to look after the collections, including techniques for conservation, cleaning and maintenance of humidity, heat and lighting levels. Staff have also been trained to use new display cases and new media which has been important for individual knowledge and development.

During the second, more recent, phase of investment one additional post was created. This was a full time position to complete the digitalisation of Darwin's notebooks. The employee worked from 2007-2009 on this project at a salary of £25,000 and the post has now been continued to allow the employee to work at additional English Heritage sites.

## 4.6 Annual Operating Expenditures

The project has led to an increased number of visitors and increased the costs of operating the site. Ongoing expenditure has increased further in line with visitor numbers since the second phase of investment (Table 4.8). There has been increased spending on staffing, maintenance and repair works, basic amenities, and stock orders for the shop.

**Table 4.8: Breakdown of increased annual expenditure due to project – 2nd phase of investment only**

	Total on site spend		Net change
	Before project (£) 07/08	After project (£) 09/10	£
Wages and salaries	£189,294	£233,252	+ £43,958

Purchased goods and services	£270,226	£407,256	+ £137,030
<b>Total</b>	<b>£459,520</b>	<b>£640,508</b>	<b>+£180,988</b>

In terms of purchased goods and services, £99,000 of the net change of £137,000 comes from the cost of sales – as more goods have been sold, more costs have been incurred. Cleaning costs have risen as visitor numbers have increased as well as credit card charges which increased by £3,000 after the second investment phase. In addition a more general rise has been seen due to inflation. No data was available regarding the proportion of the additional spending on purchased goods and services benefits local suppliers, regional suppliers and suppliers outside the region.

Alongside increased expenditure, revenue has also increased. For example retail spend per head has increased as well as membership and general admissions (Table 4.9).

**Table 4.9: Earned income before and after 2<sup>nd</sup> phase of investment:**

	Yr2007/08	Yr2009/10
Admissions	£6,663	£238,247
Retail and Other Sales	£337,70	£215,864
Catering Sales	£1,857	£26,533
Membership	£19,149	£79,437
Facilities	£6,160	£4,891
Other Earned Income	£2,024	£56
Publication Sales	£12,018	£0
<b>Total Earned Income</b>	<b>£141,613</b>	<b>£565,029</b>

#### 4.7 Visitor Expenditures and Tourism Impacts

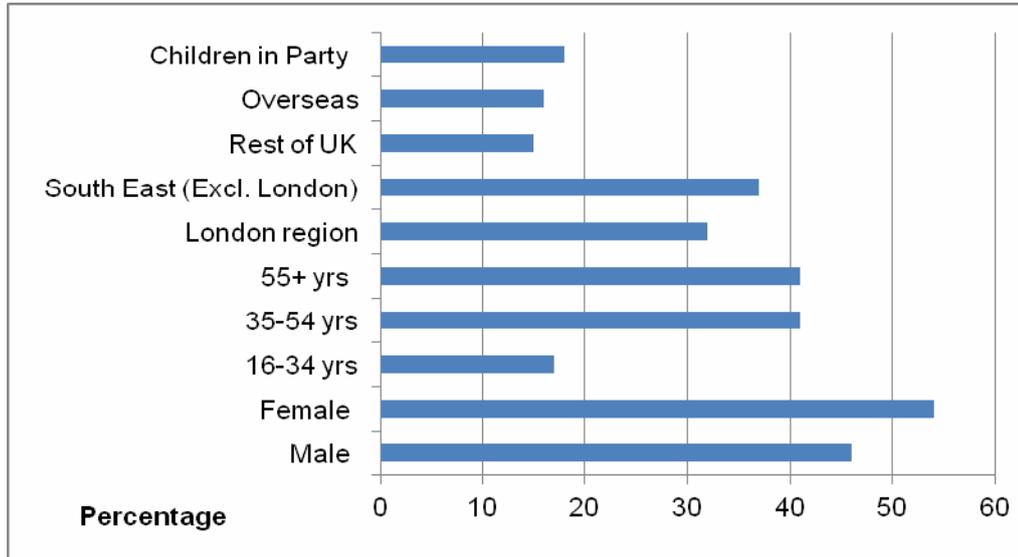
Annual visitor numbers were 32,000 when the site first opened, up from 5,000 prior to English Heritage's purchase of the site. Visitors then declined prior to the second development stage. Once the site reopened, there was a substantial increase in visitor numbers in 2009. This is in part due to the second phase of investment; as well as the effect of the bicentenary celebration of Darwin's birth and the series of TV programmes that were run by the BBC and national newspapers, which greatly increased the profile of the site.

**Table 4.10: Visitor numbers changing over time**

Date	Visitor numbers
1995/96 (before EH purchase the site)	5,000
1998/99 (when initially opened)	32,000
2007/08	27,674
2009/10	71,256

A high proportion of visitors are from London and the South East (Figure 4.3). However, the Darwin Exhibition and connection has also succeeded in attracting overseas visitors who would not be visiting Bromley for any other reason.

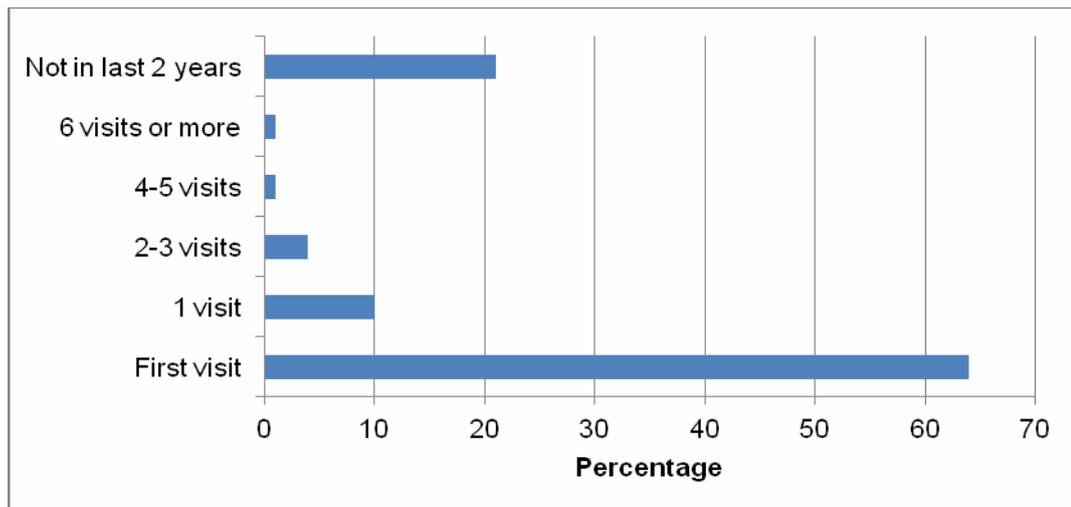
**Figure 4.3: Down House Visitor profiles and origins**



Source: Figures from BDRC: Down House Visitor research (208 visitors questioned)

Visitor research by BDRC indicates that it has been primarily the new exhibition itself that has driven visits, rather than simply the attraction of the Darwin Anniversary. However, the anniversary has played a strong supporting role in motivating visits. The exhibition has been particularly successful at attracting first time visitors, who made up 63% of all visitors during this period (Figure 4.4).

**Figure 4.4: Number of Visitors who had previously visited Down House in the last two years**



Source: Figures form BDRC: Down House Visitor research

The BDRC research also highlights that TV coverage was the most influential source of awareness, supported by coverage on the radio and in national newspapers. One third of visitors were English Heritage members and 92% of visitors travelled by car.

Based on the figures above, annual visitor numbers and expenditures off-site in the local economy are estimated in Table 4.11. On the assumption that average spending of £5.25 per non-local day-tripper and £20 per staying visitor can be attributed to the site, it is estimated that the site attracts additional visitor spending of £527,000 to the local economy annually. The majority of spending is by staying visitors but a small proportion of spending by day visitors is estimated to come from outside the region – on this basis it is estimated that the investment has brought additional annual visitor expenditures of £383,000 to the region.

**Table 4.11: Estimated Visitor Numbers and off-site Expenditures**

	Estimated Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total spend attributable	
					local	regional
Local daytrippers	22,802	32%	0%	£0.00	£0	£0
Non local daytrippers	29,928	42%	20%	£5.25	£157,119	£31,424
Staying visitors	18,527	26%	95%	£20.00	£370,531	£352,005
<b>Total</b>	<b>71,256</b>	<b>100%</b>			<b>£527,651</b>	<b>£383,429</b>

Expenditures were insignificant prior to the acquisition of the site by EH and subsequent investment in its development. The net effects of the investments have been to increase visitor numbers by 66,000, bringing additional visitor expenditures of £490,000 to the local economy annually (Table 4.12).

**Table 4.12: Estimated Increase in Visitor Numbers and off-site Expenditures**

	Estimated Increase in Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total spend attributable	
					local	regional
Local daytrippers	21,202	32%	0%	£0.00	£0	£0
Non local daytrippers	27,828	42%	20%	£5.25	£146,094	£29,219
Staying visitors	17,227	26%	95%	£20.00	£344,531	£327,305
<b>Total</b>	<b>66,256</b>	<b>100%</b>			<b>£490,626</b>	<b>£356,524</b>

## 4.8 Impacts on the Local Business Environment

General regeneration has taken place as the gardens around the house have been restored. A cafe in the village, 'Cake', opened 2 years ago as it saw a potential market in

the number of visitors to the village of Downe. The cafe experienced an increase in the amount of business generated by the recent investment and the celebration of Darwin's birth. The Owners of 'Cake' estimated that profits increased by 25% between the first and second years of opening. Without the investment at Down House they suggested that it is unlikely that profits would have been as high.

*Since the recent development the cafe has seen a definite increase in business, particularly in the last year which coincided with the bicentenary celebrations ....The atmosphere is now buzzing and there is plenty of business to share customers with the tea shop located in Down House - Manager, Cafe Cake*

**Figure 4.5: The exterior of Down House and Gardens after second phase of investment**



*Source: English Heritage Project Manager*

The tea room run as a franchise within Down House has benefited from the increase in visitor numbers. Following the investment (second phase) in 2009 the tea room was far busier than had been predicted. Turnover increased from £60,225 between April to October 2008 was (the house was closed from October onwards for renovation) to £195,551 in the period February to December 2009. More staff had to be recruited in response. The tea room employed four full-time staff members and up to seven or eight staff at the weekends. This level of staffing was maintained for about a year. The tea room now employs two members of staff on a full time basis and four to five members of staff on a part time basis, the same number as before the investment.

*We had to find and train quality staff extremely quickly. The location of Down House alongside the fact that it involves weekend work, that we could only guarantee one year's work and that the amount of staff we needed each day changed drastically depending on group bookings, weather and so on, made it difficult to recruit staff and we had to overcome this by transferring staff from other sites and offering higher rates of pay than at other sites. Manager, Tea Room Down House*

An interview with the owner of one of the two local pubs 'The George and Dragon' indicated that the economic benefit of additional visitors has been positive. The owner noted a definite increase in visitors last year but attributed this to the recent media attention.

*During the summer months approximately 20% of business at the pub can be attributed to visitors to Down House. ... In the last year or so there has been an increase in turnover when most pub owners saw a decrease – Owner, George and Dragon pub*

Consultees told us that the increase in visitors has had a definite impact on local village life in terms of parking and traffic. The attractions in the area such as Down House and the nearby animal petting farm have resulted in an increase in the number of cars passing through the village, leading to traffic issues. Although English Heritage has worked to resolve concerns, the increase in cars and the limited amount of parking remains an issue for many residents who believe it has led to a deterioration of the living environment. The management of the House is working with residents to offer a solution, however using a neighbouring field as an overflow car park has not been successful as it cannot be used during or after a wet period of weather. These issues mean that access from the site into the village is difficult and may have resulted a lost opportunity for the local economy to gain from the increasing numbers of visitors to the site.

The World Heritage Bid Manager of the London Borough of Bromley acknowledges that before the purchase of the site by English Heritage, Down House was a low key visitor attraction and not an economic driver in the local area. Following the investment, the House has a much higher profile and positive benefits had been seen for the village in economic terms. There has been renovation of the village hall and work on the village church and this in turn has attracted interest from people wanting to set up stalls selling local food produce which could prove to be a further economic benefit for the village. The area has attracted £1 million worth of work in the last 12 months, and a local authority contact attributed this mainly to the recent development of Down House and the popularity of the Down House site due to the recent media attention.

Local residents cited benefits to the local area from the grant to refurbish the Village Hall because of its Darwin links and the introduction of a Sunday bus service to the village to cater for weekend visitors. World Heritage Status was seen as an opportunity to protect the area and potentially encourage additional businesses to locate there.

#### **4.9 Additionality**

Interviewees suggested that if the second phase of development had not gone ahead there would have been less promotion by the media and it is likely the site would not have achieved such a high profile. It was also argued that there would have been fewer visitors and less revenue generated and it is likely that there would have been more negative feedback from visitors who found that facilities were outdated and in need of upgrade.

Furthermore, without any EH involvement the World Heritage Bid probably would not have been made. Investments in the site are believed to have increased the likelihood of a successful bid as well as elevating the standard of the offer to visitors.

#### **4.10 Analysis of Economic Impact**

Employing the economic impact assessment methodology set out in Annex 1, it is estimated that the combined construction related expenditures over the two investment projects supported an additional 48 job years of work and GVA of £2.0 million in the regional economy (at current prices). The largest benefits were among regional suppliers of goods and services in the two phases of investment. The budget did not fund direct employment on site. Most purchases were from regional suppliers and therefore effects of project spending on the immediate local economy were small.

The ongoing annual economic impacts of the site are estimated in Table 4.14. The site (including the cafe) currently employs 11 FTE staff and visitor expenditures support an additional 9 FTE jobs in the local economy. Taking account of ongoing employment at the

site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 24 FTE jobs and GVA of £0.8 million in the local economy, and 32 FTE jobs and GVA of £1.1 million in the regional economy, on an ongoing basis.

**Table 4.13: Estimated Economic Impacts of Combined Construction Expenditures**

	Employment (job years)		GVA (£k, current prices)	
	Local	Regional	Local	Regional
Staffing	0.0	0.0	0	0
Direct Suppliers	0.6	30.2	27	1261
Indirect and induced effects	0.1	18.1	5	756
<b>Total</b>	<b>0.8</b>	<b>48.3</b>	<b>32</b>	<b>2017</b>

Prior to the acquisition and investment in the site by English Heritage, levels of staffing, purchases and visitor expenditures were low. The additional net impact of the investment is to support an estimated 22 FTE jobs and GVA of £735,000 at the local level, and 30 FTE jobs and GVA of £1.1 million at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

The estimated operating impacts may have been inflated by the Darwin bicentenary celebrations, as well as a general increase in visits to historic properties in 2009, and may not be sustained in future years. However, if the World Heritage bid is successful, it is possible that this will increase impacts further in future. No projections are available for future operating expenditures or visitor numbers.

**Table 4.14: Estimated Ongoing Economic Impacts**

	Employment (FTE)		GVA (£k)	
	Local	Regional	Local	Regional
<b>After investment:</b>				
Staffing	11.0	11.0	364	364
Direct Suppliers	1.7	3.3	79	157
Indirect and induced	2.5	8.6	89	313
<i>Total operational impact</i>	<i>15.2</i>	<i>23.0</i>	<i>531</i>	<i>834</i>
Visitor spend	8.9	9.6	264	307
<b>Total ongoing impact</b>	<b>24.2</b>	<b>32.5</b>	<b>795</b>	<b>1141</b>
<b>Counterfactual:</b>				
Staffing	1.0	1.0	30	30
Direct Suppliers	0.1	0.2	5	10
Indirect and induced	0.2	0.7	7	24
<i>Total operational impact</i>	<i>1.3</i>	<i>1.9</i>	<i>42</i>	<i>64</i>
Visitor spend	0.6	0.7	19	22
<b>Total ongoing impact:</b>	<b>2.0</b>	<b>2.6</b>	<b>61</b>	<b>86</b>
<b>Net effect</b>				
Staffing	10.0	10.0	334	334
Direct Suppliers	1.6	3.1	74	147
Indirect and induced	2.3	7.9	82	289
<i>Total operational impact</i>	<i>13.9</i>	<i>21.0</i>	<i>489</i>	<i>770</i>
Visitor spend	8.3	8.9	245	285

<b>Total net ongoing impact</b>	<b>22.2</b>	<b>29.9</b>	<b>735</b>	<b>1056</b>
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#### 4.11 Environmental and Social Benefits

Links have been forged with local schools, including through the donation of plants and seeds, and increased numbers of educational visits. A room has been dedicated to educational use for school groups following the recent development. In addition ‘Discovery Visits’ also take place, where an external specialist comes to conduct various sessions on Darwin.

When the site was acquired the cricket pavilion in the grounds was in a state of disrepair. English Heritage has paid to restore the pavilion which is now used by the local cricket club.

Down House has also started running ‘2 for 1’ promotions if visitors travel via train, to reduce car travel, help the environment and at the same time mitigate the congestion problems in the village. In addition, the local authority was able to make the case to Transport for London for funding a Sunday bus. This service is now in place. This is essential as English Heritage promotes Down House as a London attraction.

The area has also been targeted for various agri-environment schemes, chosen particularly due to the bid for World Heritage Status. It is London’s only target area for the schemes, which could provide strong environmental benefits.

#### 4.12 Conclusions

Down House has experienced two phases of development, one at the time of purchase and a more recent phase of upgrading and restoring facilities. Most purchases in both phases of investment were from regional suppliers though effects of project spending on the immediate local economy were small.

Since the more recent investment phase, Down House has experienced greater visitor numbers and local businesses have seen benefits through increasing trade. There has also been an increase in operating expenditures and revenues as a result of the project. There is hope that this economic success will continue in the future.

The recent popularity may however be due to the Darwin bicentenary celebrations rather than a direct result of the recent investment and development; however a successful World Heritage Bid could lead to an elevated interest into the future.

Investment in the property since its acquisition has led to a significant ongoing impact on the local economy, with the largest effects resulting from additional staffing on site, both in the shop and the tea room, and from increased visitor spending.

## 5 KENILWORTH CASTLE AND ELIZABETHAN GARDEN

### 5.1 Project Details

Project Title: Kenilworth Castle and Elizabethan Garden

Completion Date: August 2009

Investment Amount: £4.8m

**Figure 5.1: Kenilworth Castle and Elizabethan Garden**



### 5.2 Introduction and Background

#### 5.2.1 *The site and its history*

Kenilworth Castle is located in the historic town of Kenilworth in Warwickshire on the B4103. It is situated about 5 miles from Warwick and is close to the M40 and M6 motorways.

The castle is one of English Heritage's flagship sites and is reputed to be the largest ruined castle in the country. The castle's history spans over five centuries. Its construction commenced in the 1120s and it later became a royal castle under Henry II <sup>21</sup>. In 1563, Robert Dudley took possession of the castle, investing large sums of money in making it ready to receive Queen Elizabeth, including by remodelling existing structures and creating formal gardens. In 1958, the castle freehold was given to the people of Kenilworth and it has been managed and maintained by EH since 1984.

Kenilworth Castle was identified in 2002 by EH as a site with great potential for investment 'both commercially and from conservation, education, community and outreach perspectives' <sup>22</sup>. It was considered that the visitor facilities and site presentation were holding the castle back from its full potential. To address these, a two-phase programme of investment in the property was put forward. The first phase, started in 2004 and completed in 2006, included conservation of Leicester's Gatehouse and new visitor facilities such as new ticket office and shop building. The second phase involved recreating the Elizabethan

21 "Kenilworth Castle Background" <http://www.english-heritage.org.uk/server/show/nav.16878>

22 English Heritage (2006) "Business Case for New Admissions Building, interpretation, Visitor Facilities and Garden re-presentation"

Gardens in a 'major garden experience', re-opening Leicester's Gatehouse to the public and providing a new venue for education groups, events, community use and weddings. The project was completed in Summer 2009.

The Wolfson Foundation contributed £200,000 towards the refurbishment of the Gatehouse to enable it to be opened to the public, and also funded an additional £200,000 towards the archaeological research required to recreate the Elizabethan Gardens. £200,000 was put forward by the English Heritage Development Fund towards the interpretation of the project generally, with an £80,000 Territory Transfer offered by the region towards car parking and access costs.

Table 5.1 indicates that the investment benefited from a variety of funding sources, with English Heritage the largest funder. The final investment figure for the project was £4.8m<sup>23</sup>. The split for this is shown in Table 5.2.

**Table 5.1 Sources of Funding, approved budget May 2007**

Funding Source	Amount (£m)	Percentage
English Heritage	2.60	74%
Wolfson Foundation - towards interpretation of Gatehouse	0.20	6%
English Heritage Development Fund - interpretation	0.20	6%
Wolfson Foundation - for Garden	0.20	6%
Central Revenue Transfer	0.21	6%
Territory Transfer- from region towards car park	0.08	2%
<b>Total</b>	<b>3.49</b>	<b>100%</b>

Source: Focus, Project Managers documentation, May 2007

**Table 5.2 Proposed project budget with anticipated expenditure**

	Forecast Spend (£)
Admissions Building	748,125
Stables Phase I Construction Works	206,269
Stables Interpretative Works	135,163
Stables Phase II	465,000
Gatehouse Construction Works	542,224
Gatehouse Additional Building Improvements	90,945
Gatehouse Interpretative Works	427,108
Interpretation	-
Elizabethan Garden	1,930,000
Car Park/ Access Improvements	240,000
<b>Total</b>	<b>4,784,834</b>

<sup>23</sup> Focus Project Management Files May 2007

Source: *English Heritage (2006) "Business Case" & Focus, Project Managers documentation (May 2007).*

### 5.3 Overview of the Local Economy

Kenilworth Castle is located in the Abbey ward of Warwick District. The local area is characterised by very low levels of deprivation. There is a strong concentration of employment in the distribution, hotels and restaurants sector, which accounts for over a third of employment in Abbey ward. Tourism is the second most important sector in Warwick district (after banking and finance), where it accounts for nearly a quarter of all employment, directly supporting more than 18,500 jobs. The 2004 South Warwickshire Economic Development strategy acknowledges that the area as a whole is prosperous but that not all communities and sectors experience the same level of success.

In recent years plans for regenerating the town centre have been put forward, around the four themes of shopping, tourism, infrastructure and leisure<sup>24</sup>. Kenilworth Castle is included in the plans as the tourism element aims to increase the number of visitors to the town, castle and surrounding areas, as well as making more of the town's history and raising the profile of local restaurants. This is to be supported by improving the town's leisure offer with activities for all age groups, including cafes, art and music festivals and expanding the number and variety of retail outlets to encourage both visitors and residents to shop in the town. One of the most significant developments is the plan for a new train station for Kenilworth (due to open in late 2012 at the earliest) which is hoped to reduce congestion in the Kenilworth area, along with improvements in public transport, parking management and road signage.

### 5.4 Project Expenditures

#### 5.4.1 Contractors and suppliers

49 main suppliers and contractors were used over the course of the project. This included businesses from across the UK. The original main contractor for the project was severely affected by the economic recession and went into administration during the course of the contract. A Birmingham-based firm was contracted as a replacement. The second contractor employed many of the original staff for the duration of the contract, including the company partner. Investment in Kenilworth Castle thus supported 21 jobs (15 FTE) during a particularly difficult time for employees in the construction sector.

#### *Lead Contractor for Elizabethan Garden*

The contract for the Elizabethan Garden was approximately £1.3m with work taking place over a period of 13-14 months. Their work followed months of work collecting archaeological evidence which was supplemented by descriptions written by Robert Langham following the Queen's visit to Kenilworth.

Over the period of the contract 12 people were employed full time on the project; this included 6 project managers and around 15 carpenters and stonemasons involved at different stages. These roles did not require additional training, but supported the use of traditional skills which were already held by the workers. All of the workers were regionally based and where possible suppliers were sourced from within the region.

Source: *Interview with former Team Leader.*

<sup>24</sup> Initial Elements of the Proposed Town Centre Action Plan  
<http://www.warwickdc.gov.uk/NR/rdonlyres/5746BAB5-A91B-4B95-A983-28A36D47D571/0/vision.pdf>

### 5.4.2 **Project expenditure**

All of the budget was spent on purchased goods and services, with key suppliers being the contractor for the Elizabethan Garden, accounting for 35% of the project budget, the architects based in London (10%) and the builders based in Ludlow (24%).

**Table 5.3 Breakdown of expenditure**

Item	£m
Purchased goods and services	3.81
<b>Total</b>	<b>3.81</b>

The majority of expenditures for the project were made regionally (between 10 and 50 miles from the Castle) as detailed in Table 5.4. Because of the need for specialist skills, only 4% of purchased goods and services were sourced from local suppliers (located within 10 miles of the site). The local suppliers held small contracts for historic research related to the garden and archaeological work.

**Table 5.4: Project expenditures on goods and services by location**

Location of Supplier	Expenditure	Percentage
Local (<10 miles)	£150,659	4%
Regional (10 to 50 miles)	£3,042,586	80%
National (over 50 miles away)	£592,903	16%
Location of supplier unknown	£27,077	1%
<b>Total excluding VAT</b>	<b>£3,813,225</b>	<b>100%</b>

Source: Invoices from Project Manager's files

Expenditure on the Elizabethan Garden amounted to £2.1 million, of which 76% comprised construction, archaeology and architectural landscape design. 24% of costs were related to 'professional fees' which related to project management and architecture services.

## 5.5 **On Site Employment and Training during the Project Stage**

To open the castle site on any day, at least 3 FTE staff are required. During the construction phase of the project the site did not close and, instead, construction works took place primarily off-season between 2005 and 2009 and during times when the site was closed including mornings and evenings.

The site's visitor activities took priority over the project works, with any disruption taking place before visitors had arrived or after they had left. Consequently the site was fully staffed during the project, the cost of which was funded by the usual site operating expenditure rather than as part of the project budget. Due to the seasonal nature of the attraction, which is primarily outdoors and susceptible to the weather, the number of staff varies. Over the course of the year, roles were a mix of full time and part time, and some were seasonal. Those who undertook full time seasonal roles in the summer months were guaranteed employment at the castle the following season (April until October). The number of hours worked by part time employees varies. Overall, in 2005/06, prior to the business case for investment, 9 FTE staff were employed on site.

During the construction phase, 3 volunteers gave time to the project primarily on the visitor operations side. As part of the desire to keep the site fully open, free garden tours were provided each Friday to keep the local residents engaged with the restoration process. One

volunteer was particularly enthusiastic and was taken on as a team member on a part time basis.

## 5.6 Annual Operating Expenditures

### 5.6.1 Operating expenditures

In 2005/06, when the business case for the investment was made by English Heritage, the site saw annual operating expenditures of £550,000 (Table 5.5). By 2009/10 operating expenditures had increased as a result of: increased staffing costs associated with the newly opened Gatehouse; the internal catering facility (which was previously outsourced); a larger more accessible shop; and increased running costs such as the heating of the stable building.

Whilst the project has led to an increase in operating expenditure, earned income has also increased. In fact, between 2005-06 and 2009-10, there was a 177% increase in income to the site but only a 37% increase in site expenditure.

**Table 5.5: Breakdown of operating expenditures at Kenilworth Castle**

	Before project (2005-06)		After project (2009-10)		Change 2005/06 to 2009/10
Wages and salaries	£142,157	25.7%	£299,164	39.5%	110%
Operational costs	£298,330	53.9%	£131,456	17.4%	-56%
Sales and promotions	£77,916	14.1%	£258,411	34.2%	232%
Running costs	£33,021	6.0%	£59,592	7.9%	80%
Other expenditures	£2,456	0.4%	£7,842	1.0%	219%
<b>Total</b>	<b>£553,881</b>	<b>100.0%</b>	<b>£756,465</b>	<b>100.0%</b>	<b>37%</b>

*Source: English Heritage data*

Following the opening of the Elizabethan Garden in 2009, the final project phase, operating expenditure had increased by 37%. The largest increase was in sales and promotions for the new in-house cafe and improved retail facility. There was also a significant increase in wages and salaries associated with new roles created at the site as a response to the investment and increased visitor numbers.

### 5.6.2 Site income

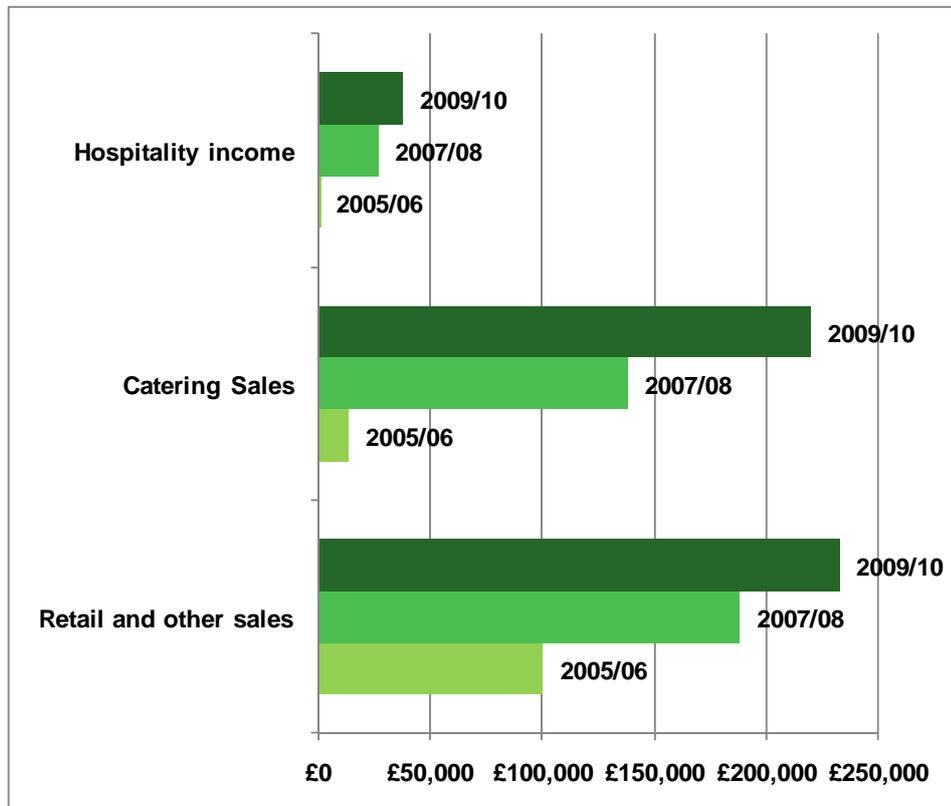
Table 5.6 illustrates the breakdown of site income before and after investment. The most significant increase has been income related to the increased hospitality offer of the castle, especially from weddings.

**Table 5.6: Breakdown of site income at Kenilworth Castle**

	Site income		% Change 2005/06 to 2009/10
	Before Project (2005-06) £	After Project (2009-10) £	
Admissions	£157,621	£325,233	106%
Retail and other sales	£100,285	£232,507	132%
Catering Sales	£13,413	£219,780	1539%
Membership	£33,488	£158,814	374%
Facilities	£17,189	£29,886	74%
Other earned income	£112	£36	-68%
Hospitality income	£84	£37,616	44772%
Publication sales	£40,166	£0	-100%
<b>Total Income</b>	<b>£362,358</b>	<b>£1,003,872</b>	<b>177%</b>

Source: English Heritage data

**Figure 5.2: Increases in hospitality, retail and catering income over time**



### 5.6.3 *Cafe expenditures*

There has been a substantial increase in the income from catering sales following the stables investment and the increase in visitors resulting from the project investment overall. Prior to the investment, the castle cafe was outsourced. The cafe opened in the 1990s and its success was impeded by the inability to control the temperature of the stable building and the size and number of covers that the area could produce (44 covers inside the building and an additional 24 outside, depending on the season<sup>25</sup>).

**Figure 5.3: The Stable block housing the rejuvenated cafe and exhibition space**



Following the refurbishment of the cafe, it has been run internally by EH staff. During the peak season 6 people are employed, with 2 staff employed in the winter months. A retail spend per head of £2.05 was realised in 2008/09.

EH policy is for suppliers to be based within 20 miles of a site catering facility<sup>26</sup>. Currently the cafe sources its bread and meat the local baker and butcher in Kenilworth town centre. Cakes and scones are made on site and ice cream, cider, juices, chutneys and dairy items are sourced locally (less than 10 miles from the castle).

### 5.6.4 *Hospitality*

Following the investment in the Gatehouse and garden, the castle has been able to increase its hospitality offer by accommodating weddings. These are arranged in partnership with local restaurants who are accredited catering suppliers for the functions and local hotels and B&Bs which are recommended to the wedding party and may offer discounts.

Two downstairs rooms of the Gatehouse can be hired on Fridays and Saturdays throughout the year at a cost of between £1,250 and £1,750 (exc. VAT). The rooms can hold a maximum of 50 people for ceremonies and receptions with a maximum of 20 people for more intimate dinners. To enable the castle to remain open, ceremonies can only take place from 4pm onwards to maximise the income gained from the site from paying visitors. Two EH staff are required to run each wedding event. These roles are filled by existing castle staff and, in addition, one security guard who is temporarily employed solely for events.

<sup>25</sup> English Heritage (2006) "Business Case for New Admissions Building, interpretation, Visitor Facilities and Garden re-presentation"

<sup>26</sup> Informal discussion with Catering Supervisor, Kenilworth Castle

The first wedding was held at the castle in 2006. Since then, 72 weddings have been held, generating an income in 2009/10 of £37,400. Hospitality income has increased substantially from 2005/06, overwhelmingly because of weddings which could not be accommodated without the investment. A further 46 weddings have so far been confirmed for the 2010/11 period, with an estimated income to the castle of £44,750. It is estimated that between £12,000 and £15,000 will be received each year through lawn hire for marquee weddings. Consequently, as it stands, approximately £57,000 per annum (2010 prices) will be made by the castle as a result of wedding hire.

## 5.7 Ongoing Employment and Training in Operation of Kenilworth Castle

In total 26 people (13 FTEs) were employed at the site in 2009/10. This includes:

- 5 full time supervisors (2 site supervisors, 1 retail supervisor, 1 catering supervisor and 1 garden supervisor)
- 8 full time summer seasonal workers ( April to October) who do not work during the winter, but are guaranteed a job in April the following season;
- 1 full time operations manager (who oversees 2 other EH sites in the area)
- 1 part time Hospitality Coordinator and 1 part time administrator
- 10 part time seasonal workers.

For the 2010/11 period, 4 new starters have been recruited.

Since the investment in 2007, the Castle cafe is no longer offered as a franchise but had been operated by some of the members of the Kenilworth Castle staff identified above. This has allowed existing staff to develop new skills in managing and operating the cafe. However, this capacity within the team was deemed insufficient to deal with the increase in business at the cafe so from 2010/11 a dedicated EH team of 2.5 FTEs will be allocated exclusively to the cafe. Some of the 4 new recruits will be in this team.

An additional 6 volunteers currently work at the site, undertaking roles including maintenance of gardens, room stewarding in the Gatehouse and conservation and cleaning. Volunteering varies from an afternoon (3 hours) to one day (8 hours) per week. All volunteers are residents of the local area.

## 5.8 Visitor Numbers and Tourism Impacts

Over the period of the investment there was a relatively stable number of visitors to the site, ranging from just over 95,000 in 2005/06 to just over 88,000 in 2008/09. By 2009/10, when all the phases of the investment were complete, the number of visitors had increased significantly to just more than 130,000, an increase of 36% from 2005/06 visitor levels.

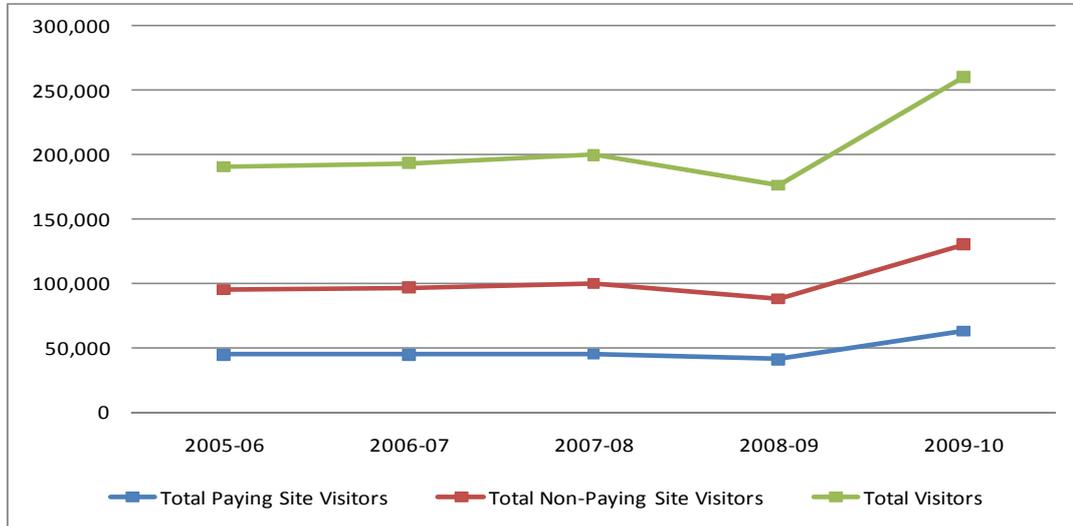
50% of paying site visitors are classified as adult admissions. The proportion of non-paying EH members has increased significantly over the project period, rising from 31% of admissions in 2005/06 to 73% of admissions in 2009/10. The level of school admissions has decreased slightly over time, although on average approximately 12,000 free school admissions are recorded each year.

It had been expected that the number of visitors would increase significantly following the completion of the Elizabethan Garden in May 2009 and the publicity surrounding it. In fact, the level of visitors significantly exceeded the target of 95,000 visitors for the year, which was met by the end of August, only four months into the year.

The most significant increases have been seen in group admissions, overseas pass admissions and member admissions. Targets for the site for the year 2009/10 were for 26,998 EH member visitors to visit the site, when in fact almost double the number of visits was realised (51,427 EH members). Furthermore, there were 1,985 group admissions to the site during the year, surpassing the target of just fewer than 800 groups. In 2003/04 a

retail spend of £1.20 per head was realised, rising to £1.37 in 2004/05. By 2008-09 this had risen to £2.11. This represents an increase in spending per head of 55% in real terms over this period.

**Figure 5.4 Number of visitors to Kenilworth Castle between 2005/06 (pre-Gatehouse opening) and 2009/10 (all phases complete)**



Source: English Heritage: Kenilworth visitor statistics

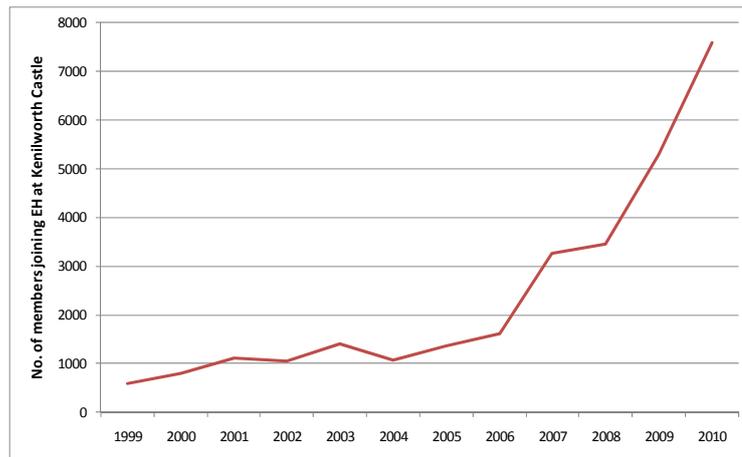
## 5.9 Visitor Profile

As part of the project, EH sought to raise the profile of Kenilworth Castle. The castle's visitor data shows that over the year 2009/10, there were over 66,000 paying visitors to the site and over 136,000 visitors in total, a significant increase on the 86,000 visitors realised in 2008/09.

The investment has also led to a change in the castle's visitor profile. Traditionally, castles are seen as places for families and children; however Kenilworth has seen an increase in the numbers of senior citizens and retired couples as well as a significant increase in group visits and those who traditionally go to historic sites to visit the gardens rather than the buildings themselves.

In addition to the increase in visitor numbers, the number of visitors choosing to join EH as a member at Kenilworth has increased, as illustrated in Figure 5.5. Whilst the number of visitors joining has slowly increased over time, the increase has become more pronounced from 2006 onwards, especially as a result of the recruitment of 2 dedicated staff members focusing on membership recruitment.

The 2009 BDRC Visitor Survey found that visitors are primarily from the UK (93%). More specifically 51% of visitors were from the West Midlands. The relatively localised nature of visitors is visible in that two-thirds of English visitors travelled less than 25 miles that day to get to the site. 4% of visitors to the site were from Europe and a further 4% from the rest of the world. Of these overseas visitors, all had travelled less than 25 miles to get to the castle and were therefore staying in the region.

**Figure 5.5 Visitors joining English Heritage as members at Kenilworth Castle**

Source: English Heritage, *Members by member count*.

Three in four visitors were on day trips from home, an increase from the 53% of visitors who visited the castle on a day trip in 2004<sup>27</sup>. The remaining 25% were staying away from home, primarily on trips of 4 days or longer (60%), although two in five were on shorter breaks of between one and three days. Over half of visitors (52%) had already been in the local area before they decided to visit the castle.

Over two in five of visitors surveyed were visiting the castle for the first time. This has decreased slightly since the 2004 survey where two-thirds of visitors were visiting the castle for the first time, perhaps due to an increase in repeat visits. Almost three in four visitors had paid for entry to at least one other heritage site in the last 12 months and almost a half of visitors were already EH members. Interviews with castle staff also emphasised the increasing number of member visitors to the site, who bring an increased secondary spend often because they have not paid for site entry.

Customer rating of value for money increased considerably from 8.02 in 2008 to 8.79 in 2009<sup>28</sup>.

### Visitor expenditure

An average of £2,000 is taken by the cafe on peak summer days. Whilst the cafe works with reduced staffing in the off peak, winter months, during one day in March, it took £1,000 illustrating the variability of the cafe income.

Key performance indicators for the castle show that a tea room spend per head of £1.50 was achieved in the first year of trade; increasing to £1.61 per head in 2009/10. The retail spend per head has decreased over time from £3.48 (2007/08) to £1.74 (2009/10). However this is likely to be as a result of the recession.

The number of visitors to the site has increased by 36% between 2007/08 and 2009/10. The impact of the increase on the wider tourism economy is difficult to gauge. Over the course of the project, the number of visitors has remained stable despite the construction works, due to the castle remaining open throughout and promotion of visits to the garden during the construction phase to show the recreation taking place and progress being made. The free visits, held each Friday, made a traditionally quiet day at the heritage site very busy, particularly the tea room, boosting castle revenues.

<sup>27</sup> Visitor profile in the EH Business Case for investment, visitors surveyed between June and September 2004

<sup>28</sup> Source: 2009 BDRS Survey for Kenilworth Castle, English Heritage. Both means refers to scores out of 1 to 10 where 1 being "very poor" and 10 being "very good".

Based on these figures, annual visitor numbers and expenditures off-site in the local economy are estimated in Table 5.7. It is estimated that annual visitor numbers have increased to 136,000 since the development, with half of these estimated to be day-trippers from outside the local area and the remainder dividing between locals and staying visitors. On the assumption that average spending of £5.25 per non-local day-tripper and £20 per staying visitor can be attributed to the site, it is estimated that the site attracts additional visitor spending of £1.0 million to the local economy annually. The majority of spending by staying visitors but a small proportion of spending by day visitors is estimated to come from outside the region – on this basis it is estimated that the site brings annual visitor expenditures of £0.8 million to the region.

**Table 5.7: Estimated Annual Visitor Numbers and off-site Expenditures**

	Estimated Annual Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					local	regional
Local daytrippers	34,000	25%	0%	£0.00	£0	£0
Non local daytrippers	68,000	50%	50%	£5.25	£357,000	£178,500
Staying visitors	34,000	25%	95%	£20.00	£680,000	£646,000
<b>Total</b>	<b>136,000</b>	<b>100%</b>			<b>£1,037,000</b>	<b>£824,500</b>

It is estimated that annual visitor numbers have increased by 50,000 since the development. The net increase, after taking account of an 11% increase in visitor numbers at all EH properties in 2009, is estimated at 40,540 (Table 5.8). On this basis the investment is estimated to have attracted additional visitor spending of £309,000 to the local economy and £246,000 to the region annually.

**Table 5.8: Estimated Increase in Visitor Numbers and off-site Expenditures**

	Estimated Increase in Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					Local	regional
Local daytrippers	10,135	25%	0%	£0.00	£0	£0
Non local daytrippers	20,270	50%	50%	£5.25	£106,418	£53,209
Staying visitors	10,135	25%	95%	£20.00	£202,700	£192,565
<b>Total</b>	<b>40,540</b>	<b>100%</b>			<b>£309,118</b>	<b>£245,774</b>

## **5.10 Impact on the Business Environment and Local Community**

### **5.10.1 *Impact on the local community***

The castle staff have worked to change local perceptions of the castle, which have historically been mixed. Staff have worked with the Kenilworth Town Centre Business Development Manager and presenting to local community groups. There has been increased use of the site for town events, including the annual Kenilworth Festival and the Two Castles race (from Kenilworth Castle to Warwick Castle). The site also opens to local people to for walks on Boxing Day, something which has become a local tradition.

At the time of the project, a staff member was a member of the board of businesses for Kenilworth, with the aim of keeping businesses involved in castle activity and helping them to be prepared for an influx of visitors into the town due to one-off events or festivals.

The increased hospitality offer, most notably wedding ceremonies, will also have an impact on local restaurants and caterers including Harringtons on the Hill and the Clarendon Arms, with the opportunity to supply and serve food for wedding receptions. Additionally, local hotels and B&Bs have benefited from wedding guests staying overnight at their establishments. There is an established relationship of cross marketing with the local hotels offering preferential rates for wedding guests.

Additionally, the Castle investment is likely to have benefited local suppliers to the Castle cafe, such as the local butcher, bakery, dairy and ice cream producer.

With regard to the wider business community, it is difficult to quantify the impact that an increase in visitor numbers to the castle has on local businesses. Whilst there has been an increase in footfall, it is impossible to directly attribute this to the Castle investment given other investment in the town, including a new supermarket.

### **Improving connections between Kenilworth and the castle**

The Castle is separated from the town by Castle Road and the medieval Abbey Fields and consequently visitors often leave the Castle without setting foot in the town centre itself. A park and ride service from the town centre car parks to the Castle is provided for major events which are normally held on Bank Holiday weekends because the car park is not large enough to cope with the increase in visitors. This does allow the opportunity for visitors to use shops and services in the town centre itself. There is opportunity for the Castle and town centre to work on connections between the two elements of the town's offer and ensure that increased visitor numbers to the Castle filter through to increased visitors to the town centre itself.

Linking the Castle and town has been a topic of discussion for several years. More recently, Warwickshire County Council has been working with the Town Centre Partnership on a map and signage to enhance the links that visitors make between the castle and town centre; the hope is that the map, co-funded by the County Council and EH, will be located in the castle car park and encourage visitors to walk through Abbey Fields/Castle Road to the town centre.

Further discussions have also taken place with suggestion that a 'red line' or trail of sandstone features be laid to link the Castle and town centre and prolong the amount of time that visitors spend in the local area. Other ideas have included providing free bicycles to visitors in the Castle car park which can be ridden into the town centre, where a featured bicycle rack in the town centre to promote the castle itself, mutually reinforcing the relationship between the two. Despite an abundance of ideas, the map is currently the only project underway to help connect the Castle to its town centre.

## **5.11 Additionality**

It is difficult to assess how the site would be faring had the investment not taken place. Interviews with stakeholders emphasised the importance of renewing a site's offer every 5 or so years to draw back visitors to a site through repeat visits. The Elizabethan Garden is the key means of ensuring that repeat visits materialise, given that the garden will take 5 years to mature and will change seasonally throughout the year, attracting garden enthusiasts, amongst others, who wish to see the garden at its different stages.

If the investment had not taken place, it is likely that visitor numbers would have plateaued and potentially decreased over time due to a lack of repeat visits. Furthermore, by working with other local attractions to highlight the historic connections between the town and its castle it is hoped that the profile of Kenilworth will be raised and more visitors attracted to the town more generally.

## **5.12 Analysis of economic impact**

Employing the economic impact assessment methodology set out in Annex 1, it is estimated that construction related expenditures supported an additional 59 job years of work and GVA of £2.5 million in the regional economy. The largest benefits were among regional suppliers of goods and services in the two phases of investment.

The ongoing annual economic impacts of the site are estimated in Table 5.10. The site now employs 13 FTE staff and visitor expenditures support an additional 18 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to

support 35 FTE jobs and GVA of £1.0 million in the local economy, and 47 FTE jobs and GVA of £1.4 million in the regional economy, on an ongoing basis.

**Table 5.9: Estimated Economic Impacts of Construction Expenditures**

	Employment (job years)		GVA (£k)	
	Local	Regional	Local	Regional
Staffing	0.0	0.0	0.0	0.0
Direct Suppliers	1.7	36.8	73	1,538
Indirect and Induced Effects	0.3	22.1	15	923
<b>Total</b>	<b>2.1</b>	<b>58.9</b>	<b>87</b>	<b>2,461</b>

The investment has led to increases in direct staffing, operational expenditures and visitor expenditures. The additional net impact of the investment is to support an estimated 10 FTE jobs and GVA of £350,000 at the local level, and 13 FTE jobs and GVA of £470,000 at the regional level. The largest effects result from additional staffing on site, and from increased visitor spending.

The best estimate is that the ongoing economic impacts of the site remain at 2009 levels over the next few years.

### 5.13 Conclusions

The investment in Kenilworth Castle has supported jobs and value added during the construction phase for the regional economy, where the majority of suppliers (80%) were located. The investment has resulted in benefits to the local economy from the creation of new posts and additional expenditure. The project has rejuvenated the site, with increased visitor numbers, a changed visitor profile and increased repeat visits and increased visitor spending. This has further benefited firms in the local economy, including suppliers to the cafe and caterers for weddings, which form part of the new hospitality offer.

**Table 5.10: Estimated Ongoing Economic Impacts**

	Employment (FTE)		GVA (£k)	
	Local	Regional	Local	Regional
<b>After investment:</b>				
Staffing	13.0	13.0	299	299
Direct Suppliers	1.6	3.2	76	152
Indirect and induced	2.9	9.7	75	271
<i>Total operational impact</i>	<i>17.5</i>	<i>26.0</i>	<i>450</i>	<i>723</i>
Visitor spend	17.6	20.6	519	660
<b>Total ongoing impact</b>	<b>35.1</b>	<b>46.6</b>	<b>969</b>	<b>1382</b>
<b>Counterfactual:</b>				
Staffing	9.0	9.0	142	142
Direct Suppliers	1.5	2.9	69	137
Indirect and induced	2.1	7.2	42	168
<i>Total operational impact</i>	<i>12.6</i>	<i>19.1</i>	<i>253</i>	<i>447</i>
Visitor spend	12.3	14.5	364	463
<b>Total ongoing impact</b>	<b>24.9</b>	<b>33.5</b>	<b>617</b>	<b>910</b>
<b>Net effect:</b>				
Staffing	4.0	4.0	157	157
Direct Suppliers	0.2	0.3	8	15
Indirect and induced	0.8	2.6	33	103
<i>Total operational impact</i>	<b>5.0</b>	<b>6.9</b>	<b>198</b>	<b>276</b>
Visitor spend	5.2	6.1	155	197
<b>Total net ongoing impact</b>	<b>10.2</b>	<b>13.1</b>	<b>352</b>	<b>472</b>

## 6 TYNTESFIELD

### 6.1 Project Details

Project Title: Tyntesfield - Capital Works Programme

Completion Date: March 2012

Investment Amount: £16,589,800

**Figure 6.1: East Front, Tyntesfield**



### 6.2 Introduction and Background

Tyntesfield is a Victorian house and gardens located at Wraxall, near Bristol. The house was purchased by the National Trust in 2002 following a public appeal by the Trust and a grant from the National Heritage Memorial Fund. The National Trust found the property in a very poor state of repair, however a substantial body of artefacts, art works, and fixtures and fittings were found in their original state.

**Table 6.1: Initial Planned Funding for the Tyntesfield Capital Works Programme (2006)<sup>29</sup>**

Funding source	Amount	Percentage
National Trust	£3,494,900	21 %
English Heritage	£1,600,000	10 %
Heritage Lottery Fund	£11,494,900	69 %
<b>Total</b>	<b>£16,589,800</b>	<b>100%</b>

<sup>29</sup> Based on the initial Business Plan. Includes contingency and inflation costs.

HLF funding, secured in 2006, represents around 69% of the total project funding (Table 6.1). Other significant amounts have been provided by English Heritage and the National Trust itself. Smaller amounts of funding have been secured from private sources. Funds for some elements of the planned Capital Works Programme are also still yet to be secured. The Fundraising Manager at Tyntesfield currently runs campaigns to help find the required amounts.

The restoration and conservation project has been ongoing since the National Trust purchase, and continues at the present time. Indeed, the project is not planned to complete until March 2012, although building work will finish by March 2011. Visitors have been able to access Tyntesfield throughout the works. This is central to the thinking behind the Tyntesfield project, which has been built around a '*conservation in action*' concept. The idea is that visitors are offered the unique opportunity to witness the restoration and conservation of the estate.

Table 6.2 outlines the different individual projects which comprise the Capital Works Programme. Many of these have received funding from both HLF and other sources. By March 2010, the Saw Mill and the Estate Cottages were the key completed projects. The mansion house was nearing completion, although work on the roof was still ongoing. The house itself also remained under cover on all sides. Some projects, such as the orangery, were yet to begin, and funding for this particular piece of work was still in the process of being raised.

**Table 6.2: Projects in the Capital Works Programme**

Project	Project Description	Budget
Mansion and Chapel	Roofing and external repairs to the mansion, provision of staff office and accommodation, visitor toilets, internal decorative and electrical repairs, new lift and stairs, boiler replacement, environmental control. Measured surveys, internal and electrical repairs	<b>HLF:</b> £4.613m <b>Non HLF:</b> £903k
Visitor Facilities	Visitor Reception Building including shop, plant sales, restaurant, public toilets, servicing and car parking	<b>HLF:</b> £3.827m <b>Non HLF:</b> 0
Saw Mill	Repair, conservation and conversion of existing buildings to provide seminar room, teaching space, craft workshop, staff office, kitchen and toilets	<b>HLF:</b> £780k <b>Non HLF:</b> 0
Stable Block	Repair, conservation and conversion of existing buildings to provide storage facilities for the collection, staff and student accommodation	<b>HLF:</b> £363k <b>Non HLF:</b> 0
Estate Cottages	Repair, conservation and conversion of Chaplain's House and Lodge, Home Farm House, Clevedon Lodge, Summer House Cottage, and 63 the Stable Yard to provide rentable holiday accommodation, and Gardener's House to provide student accommodation	<b>HLF:</b> £213k <b>Non HLF:</b> £312k
Walled Garden	Repair and conservation of Glass Houses, Potting Sheds, Pavilion and Cold Frames, and the provision of heating for the Glass House	<b>HLF:</b> £127k <b>Non HLF:</b> £150k
Sundry Buildings	Repair and restoration of Summer House	<b>HLF:</b> £61k <b>Non HLF:</b> £66k
Collection	Surveys of buildings and collections, reweaving carpets, inventory, storage and environmental control, conservation of	<b>HLF:</b> £166k

	the collection, paint analysis and floor protection	<b>Non HLF:</b> £420k
Garden and Landscape	Tree surveys, tree works, footpath restoration and topographical survey	<b>HLF:</b> £103k <b>Non HLF:</b> £71k
Public Benefit	Various projects to enable interpretation and learning, access, audience development and training	<b>HLF:</b> £384k <b>Non HLF:</b> 0
Home Farm	Repair and conservation of the forge, byres, dairy, chicken shed and workshops and the repair and conservation of the piggery to provide basecamp accommodation	<b>HLF:</b> 0 <b>Non HLF:</b> £794k
Orangery	Repair and conservation of the orangery	<b>HLF:</b> 0 <b>Non HLF:</b> £376k
External Works	Repair and conservation of the gazebos, aviary, garden seats, balustrade and garden gates. Return of garden ornaments, external security and the provision of a mains water supply	<b>HLF:</b> 0 <b>Non HLF:</b> £788k

### 6.3 Overview of Local Economy

Tyntesfield is located in the Wraxall and Long Ashton ward in North Somerset. In common with other areas in the South West, North Somerset has experienced a decline in the agricultural industry since 1990, and rural employment has been lost due to closures of village shops and post offices. Despite this, North Somerset has exceeded the national rate of employment growth and significant growth in employment in care services, business services, hotels, catering and retail is expected to occur in the period 2001 to 2016<sup>30</sup>. Over 40% of employees in Wraxall and Long Ashton ward are employed in banking and finance, many commuting away from the area. The ward is characterised by low levels of deprivation, unemployment and worklessness.

The Economic Development and Regeneration Strategy for North Somerset acknowledges that the district is undergoing a period of economic transition, and highlights the need for a greater focus on knowledge-based industry. This includes promoting North Somerset's tourism and visitor attractions. The strategy also highlights shortage of skills related to the tourism industry, particularly at intermediate level such as chefs and supervisory staff. National Trust's investment in Tyntesfield has contributed to the sub-region's tourism offer.

### 6.4 Project Expenditures

As Table 6.3 shows, the total budgeted expenditure in March 2010 was nearly £15.5 million. Nearly £1 million of this was for the wages and salaries of the project team and for the project office. The total budget including contingency was £17,092,508.

**Table 6.3: Breakdown of Current Budgeted Expenditure (as at March 2010)**<sup>31</sup>

Item	Amount
Wages and salaries	£934,000
Purchased goods and services	£14,512,100
<b>Total</b>	<b>£15,446,100</b>

Expenditure at March 2010 was nearly £7.5 million (Table 6.4). More than £6.7 million had been spent on purchases of goods and services, and £17,000 of this was for training project staff and volunteers. There have been a significant number of volunteers working

<sup>30</sup> The 10 Year Economic Development and Regeneration Strategy for North Somerset, North Somerset Council, 2007

<sup>31</sup> Excludes contingency allocations

on the project, who numbered 241 in 200932. However, information on the time spent by volunteers is not available.

**Table 6.4: Breakdown of Expenditure to Date (March 2010)**

Item	Amount
Wages and salaries	£717,342
Purchased goods and services	£6,743,647
<i>Of which training</i>	£17,393
<b>Total</b>	<b>£7,460,989</b>

Overall project expenditure is currently forecast to be marginally less than budgeted, at £17,091,459 (including a contingency). Expenditure has been lower than expected for some elements as contractor tenders were lower than was first anticipated. This is said to be due to the effects of the recession, causing contracting companies to be able to offer lower prices for the work.

Much of the expenditure on goods and services has gone to building contractors and consultants, more than 125 of which have been used to date. Many of these contracts involve relatively low values, although fifteen companies received fees in excess of £100,000. A set of specialist 'term consultants' has also been contracted over an extended period to provide consultancy services across the programme, comprising of a structural engineer, a health and safety officer, an ecologist, an approved inspector, an archaeologist, and a quantity surveyor. It is thought that maintaining a constant group of consultants will ensure that they will come to know the site well.

Table 6.5 shows expenditure on goods and services by distance of suppliers from the Tyntesfield site. It can be seen that 23% of purchases have been made from local suppliers, a further 44% from other firms in the region, with nearly a third of purchases made at national level.

**Table 6.5: Project Expenditures on Goods and Services by Location**

Location of Supplier	Expenditure	Percentage
Local (<10 miles)	£1,295,693	22.6%
Regional (10 to 50 miles)	£ 2,534,743	44.2%
National (over 50 miles away)	£ 1,838,414	32.0%
Location of supplier unknown	£71,279	1.2%
<b>Total excluding VAT</b>	<b>£5,740,129</b>	<b>100%</b>

Fees received by contractors on the Tyntesfield project have economic impacts by supporting wages, profits and other expenditures. As an example, an architect based in Bristol has so far spent £38,762 on wages and expects to have spent £51,813 on completion of the work. As an architectural consultant their spending on the purchases of goods and services is minimal, and there are no sub-contractors. Overall, the firm employed 3 staff on the project with a total of 291 jobs days so far. The number of job days will rise to at least 427 on completion. A partner in the firm reports that through the project the firm has gained knowledge about how to approach work on historic buildings - the

<sup>32</sup> It is not easy for project staff to separate-out volunteers on project work and volunteers on other operational work. Volunteer time is not recorded.

emphasis in Tyntesfield was on minimal adaption rather than on making significant changes to the existing structures.

## 6.5 On Site Employment and Training during the Project Stage

Project expenditure currently funds the employment of 8 positions on site. These were all new posts. The posts are as follows:

- Programme Officer
- Programme Assistant
- Assistant Visitor Services and Enterprise Manager (50% project funded)
- Historic Properties Co-ordinator
- Interpretation Officer
- Communications and Advocacy Officer
- Building Surveyor
- Assistant Building Surveyor

This project team works alongside an operational staff of 29 employees. In addition, there are also a number of visitor reception assistants, retail assistants, and catering assistants. Operational staff are not directly related to the project investment, although it is likely that if it were not for the investment then many of these operational posts would not exist.

The operational staff of 29 consists of a Community, Learning and Volunteer team (6 staff), a Visitor Services and Enterprise team (7 staff), a Gardening team (5 staff), and house and conservation personnel (8 staff). In the top management tier there is a General Manager/Project Director and a Programme Sponsor. Project team members include a Senior Building Surveyor (seconded from the National Trust Regional Building Surveyor Team), a Fundraising Manager, and a Project Conservator. Personnel in 2002 consisted of a Programme Officer, a Community, Learning and Volunteer Manager, a Historic Properties Co-ordinator, and an Administrator.

The investment in 2006 paid for the expansion of a project team. The Communications and Advocacy Officer was appointed in 2008 as part of attempts to attract new audiences. From April 2011 onwards there will be a core operational team of 9, with additional casual hospitality and retail staff.

The 8 person project team (funded through the investment) are full-time and are each on fixed term contracts due to finish in March 2011. Wages funded through project expenditure based on current posts are £220,054 per annum. As noted above, total expenditure on wages and salaries is currently budgeted at £934,000 over the lifetime of the project. Expenditure on wages and salaries to date is at £717,342.

The project investment has involved a significant amount of spending on training for staff employed directly through the project. Five of the team have undertaken Prince2 project management courses. The Building Surveyor and Assistant Building Surveyor have both undertaken dry stone walling courses and also National Trust building conservation courses. The Building Surveyor is also very shortly due to take a 3-day stone masonry course at West Dean College in Chichester. The Assistant Building Surveyor has taken a 'Specified Conservation Works' course at the same college. In total, £17,393 has been spent on training since 2006.

In addition to this direct provision of training to project staff, many of the key contractors have also taken a number of apprentices. It was a stipulation in the tendering process that companies would be required to take on apprentices as part of the contract. Many of these are in traditional crafts. The architectural term consultants employed a trainee architectural technician on the project, who has spent 160 job days on the project, as well as a Part 1

Architecture university student, who were both exposed to working on historic building conservation for the first time. An HLF bursary has also provided a building contractor with the opportunity to take a full-time trainee apprentice. Work on the Orangery and Aviary, which will emphasise heritage construction skills, will involve a large degree of training and apprentice activity. Indeed, 15 trainees from the City of Bath architectural stone conservation course will participate in the Orangery work, refining their skills with one day's work per week over a year. The contractual requirement for apprentices has thus provided the opportunity for young people to gain greater understanding of historic building works and traditional skills.

The entire Tyntesfield operation involves the work of many volunteers. Some contribute directly to the repair and restoration work which is part of the Capital Works Programme. Volunteer numbers earlier than 2009 have been difficult to establish. For 2009, the Community, Learning and Volunteer team have calculated that at least 241 volunteers worked on various projects. Amongst others, these were university students, school children, young people involved with the Prince's Trust, and those on employee volunteer schemes. Volunteer tasks in 2009 included working on Cold Frames (Garden and Landscape), measured surveys of the Sawmill, building furniture, moving masonry at Home Farm, and clearing out the Aviary. Competition for advertised volunteer jobs at the National Trust is said to be strong. They are generally open to competition similar to paid positions. However, volunteer contributions to the Capital Works Programme tend to be part of the Public Benefits project strand.

More than 90 of the 241 registered volunteers are undergraduate students from the University of the West of England (UWE). Building Surveying and Archaeology students have visited Tyntesfield to carry-out work, to watch work being carried out, and to undertake work placements (10 work placements have been carried out over the past 2 years).

#### **Tyntesfield and the University of the West of England**

Since 2008, Tyntesfield has developed a strong relationship with the Department of Property and Communities at the University of the West of England (UWE), and in particular the Building Surveying BSc course. The partnership was initiated by building surveyors at Tyntesfield who are former UWE students. Students have benefited from tours of the site, talks by specialists from the site (for example, from an ecologist on the relocation of bats and from an archaeologist), and talks by site contractors. They have also been able to undertake practical work both on a one-week field study visit and during other short visits. There have been around 6 one-off trips where students have worked on particular projects and gained insights from experts. During field trips students have learnt about key issues of historic buildings conservation. Furthermore, UWE encourages students to volunteer at Tyntesfield over the summer period. Six or more students have volunteered over the past 2 years. Adrian Birch at UWE describes the partnership as very fruitful and something that will grow into the future. Impacts can be seen in 12-15 UWE graduates going on to work for the National Trust. Also, students are said to have been exposed to historic building restoration and conservation work in a way that would not otherwise have been the case. During visits, students have watched the lead-work and tile-work involved in the re-roofing and have learnt about stonemasonry techniques. The partnership with Tyntesfield has contributed 'added value' for UWE, since without it the course would struggle to find suitable buildings to demonstrate practical skills to students.

Volunteering, training and educational activity must be seen in the context of Tyntesfield's Public Benefit programme. Public Benefit has a budget of £384,000 which is provided through HLF. A large number of schemes have been run since 2006. The programme covers four areas: Interpretation and Learning, Access, Audience Development and Training. As part of this there has been some delivery of training to the public. The Assistant Building Surveyor ran a course, for a fee, on the traditional skill of lime-mortar walling, which was

linked to the Summer House work. There were 6 one-week courses over a 6 week period and 4-5 people signed up for each course. There were subsidised spaces for young people. A specialist trainer will also teach both Tyntesfield staff and members of the public about the techniques involved in straw-bale building, as the reception of the visitor facility is due to be made from straw-bale.

**Figure 6.2: Volunteers at Tyntesfield**



Notable Public Benefit successes include work with the Prince's Trust and also the nearby Backwell Secondary School. In April 2009, 12 young people within the Prince's Trust disadvantaged person target group undertook the new 'Get into Heritage Construction' course. Participants gained skills in traditional construction through rebuilding brick cold frames and receiving training in lime-mortar walling from the Dorset Centre for Rural Skills. Importantly, all of them gained their Site Safety Certificates (SSCs) through the process, with help from contractor CS Williams, which provided health and safety training. A SSC is a pre-condition for working in construction and could well help participants to move into employment. Students undertaking a '14-19 diploma' at Backwell Secondary School have also been aided through Public Benefit expenditure.

#### **Backwell Secondary School**

A much-celebrated educational collaboration has developed between Tyntesfield and the nearby Backwell Secondary School. Staff in the Community, Learning and Volunteer team work with the school on media-related projects which are of mutual benefit for both parties. The school were keen to not take part in one-off schemes but rather to develop a long-term sustainable collaboration. Initially, £6,000 of HLF money was used to fund teacher Continuing Professional Development (CPD) for around 8 members of staff at the 'Visual and Performing Arts' school. Teachers were subsequently equipped to support Creative and Media Diploma students in making a piece filmed at Tyntesfield for use by learners in construction. This was followed by an introductory film about Tyntesfield, which would have been commissioned from a professional production company if not undertaken by Backwell School. Mark Curtis of Backwell Secondary School has suggested that students have much-enhanced abilities as a result of such 'real' projects, and that teachers have acquired CPD that they otherwise would not have had access to. The relationship continues to grow. The 'Mediate' student company continue to work to a range of creative briefs and have produced content for parts of the National Trust website. They are now working on the oral histories project.

## 6.6 Annual Operating Expenditures

As the project is ongoing it is not possible to identify the ultimate effect of the investment on site operating expenditures. The latest available financial information is given in Table 6.6. This expenditure is separate from the project expenditure. It follows from the acquisition of the site and its subsequent development, rather than being directly attributable to the Capital Works Programme which commenced in 2006.

**Table 6.6: Breakdown of Annual Operating Expenditure, 2009/2010**

	Amount
Wages and salaries	£512,226
Purchased goods and services	£608,110
<b>Total</b>	<b>£1,120,336</b>

It is likely that expenditure related to visitor services (catering and retail) will increase after the project or parts of the project are complete. The new visitor facilities will clearly entail a much larger operation than has previously been the case. In particular, the new facilities will comprise a new restaurant. This is planned to remain open in the evenings and will not require a site entry fee.

**Figure 6.3: Aerial View of Tyntesfield**



## 6.7 Ongoing employment and training in operation of property

The current wage bill is £512,000, supporting an operational staff of 29, in addition to the project team. This amounts to approximately 19 FTE jobs.

As the project is ongoing it is not possible to identify the ultimate effects on employment and training as a result of the investment. Expenditure on wages related to visitor services

are unlikely to significantly increase as the project or parts of the project are completed. Employee numbers overall will certainly decrease. The Tyntesfield operation post 2012 will involve a core team of nine employees, although casual staff will add to this. Between 2011/12 and 2015/16 the annual expenditure on wages for visitor services is forecast to be £160,540. This involves five permanent posts and also seasonal wage costs (£58,000 annually for seasonal wages). The permanent posts are for a Visitor Services Manager, a Visitor Reception Manager, a Visitor Services Officer, and two janitors.

## 6.8 Visitor Expenditures and Tourism Impacts

The Tyntesfield capital project is currently incomplete. The works are due to finish in 2011. By this time, the site will have a new visitor facility with improved retail and catering outlets. It will also benefit from a restaurant which will open in the evenings and will not require an admission fee. Adjacent to the visitor facilities and the restaurant there is a new car park which is very close to completion. This will allow many more vehicles to be accommodated on site. This is significant as over three quarters of visitors travel to the site by car and around 12% arrive as part of a coach party (2006 survey data). Also, the Sawmill education and learning centre is now operational and this will cater for larger school visits and other visitors. In addition to the Sawmill, the site also now benefits from a number of new rentable holiday cottages. This work was carried out as part of the Estate Cottages project. This will attract a number of extra visitors directly to the site, and these visitors will be likely to stay overnight.

As part of the 'conservation in action' concept, the site has been open to visitors throughout the works programme, although similarly to other National Trust sites the site has been closed on Wednesdays and during the winter months, re-opening again in mid-March. While the chance to witness a restoration project may have attracted some visitors, as the General Manager suggests, visitor numbers are likely to increase after the works are complete. Presently, the house and chapel are covered from all sides and scaffolding climbs each wall and over the roof. This may deter some potential visitors. Table 6.7 shows the current visitor numbers and the current visitor number forecasts, for the house and grounds combined. Visitors will also be able to enter the grounds only. Additional visitors accessing the ground only are forecast to be 48,500 in 2011/2012, rising to 53,500 in 2015/16. This would put total visitors at over 160,000 each year. The table shows that visitor numbers have steadily increased up to now, with a high in 2007 explained by a longer opening period. Forecasts suggest a peak in 2011/12 when the house and grounds are complete. This will tail off to a figure closer to the one in 2009.

**Table 6.7: House and Ground Visitor Numbers and Forecasts**

2005	2006	2007 (53 weeks)	2008	2009 (P12)	2010	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16
51,424	103,088	114,301	100,151	104,451	Unknown	117,500	111,000	106,500	105,000	102,500

The key visitor economy benefits are most likely to be felt in nearby cities rather than in the more immediate Tyntesfield vicinity. An interview with Destination Bristol suggests that, while Tyntesfield is in North Somerset, the main visitor hubs are Bath and in particular Bristol. Bristol is only around 15 minutes away by car. The scope for people to stay around Tyntesfield is limited. The Destination Bristol Corporate Plan 2010 incorporates Tyntesfield as part of the Bristol City tourism offer. Tyntesfield could add benefit to the Bristol visitor economy. Given the large growth in Bristol's visitor numbers and visitor economy overall, the Tyntesfield site may also feel direct benefits. According to Destination Bristol data, in 2008 there were 1.961 million staying visitors to Bristol spending a total of 6.338 million visitor nights, a substantial increase from 2003. Also, in 2008 the attraction visitor spend was put at £78m. There are other attractions on offer near to Tyntesfield, such as the

Durham Park National Trust site, Noah's Ark Zoo Farm, and the towns on the North Somerset coast. However, Tyntesfield is said to be a unique offer in a unique geographical location. Dialogue with partners in the US has suggested that this international market has a great deal of interest in Tyntesfield.

National Trust survey data for 2009 show that 88% of the visitors to Tyntesfield in that year were National Trust members. The previous 3 years followed a very similar pattern. The majority of visitors were on a day trip from home. This type of visitor made up 64% of the visitors in 2009, an increase from 58% in 2008, 57% in 2007 and 62% in 2006, although the figure was higher in 2005, at 67%. The remainder of visitors were mostly split between being on a holiday of more than 4 nights and being on weekend or short break. The survey reveals that a significant number of overnight visitors were staying with friends or relatives. The proportion of such visitors was at 10% in 2009, a reduction from a high of 14% in 2008.

In 2009, over a quarter of visitors travelled over 50 miles to come to Tyntesfield. Of these, 13% travelled 50-74 miles and 14% travelled more than 75 miles. Figures were largely similar for previous years. The highest proportion of visitors (28%) in 2009 travelled between 5 and 14 miles. Again this has changed little over time, although there is slight upward trend from 2005 in this case. 11% travelled from within 5 miles of the site. This 2009 figure is higher than 2008 but the same as for 2006 and 2007.

The amount spent per group is quite low with over a quarter of visitors (27%) spending between £6 and £10 while at the site (2009 data). One fifth spends between £3 and £5. Under a fifth (18%) of visitor groups spend less than £2. Over a half of visitors are over the age of 65. A further quarter are between the ages of 55 and 64. Just 17% are between 17 and 54. While some have suggested that the works programme at Tyntesfield may be unappealing to some visitors, a significant majority of adults (68%) said that their visit was 'very enjoyable' (2009). Over a quarter (26%) reported it to be 'enjoyable'. This means that a very small proportion of adult visitors thought their experience either just 'acceptable', 'not enjoyable', or 'disappointing'. Overall, for children the visit was less enjoyable, although it was a negative experience for just 3%.

Annual visitor numbers and expenditures off-site in the local economy are estimated in Table 6.8. It is estimated that annual visitor numbers have increased to 160,000 as a result of the development. On the assumption that average spending of £5.25 per non-local day-tripper and £20 per staying visitor can be attributed to the site, it is estimated that the site attracts additional visitor spending of £1.5 million to the local economy annually. The majority of spending by staying visitors but a small proportion of spending by day visitors is estimated to come from outside the region – on this basis it is estimated that the site brings annual visitor expenditures of £1.1 million to the region.

**Table 6.8: Estimated Annual Visitor Numbers and off-site Expenditures**

	Estimated Annual Visitor Numbers	Percent of total	% from outside region	Average attributable spend per visitor	Total attributable spend	
					Local	Regional
Local day-trippers	40,000	25%	0%	£0.00	£0	£0
Non local day-trippers	62,400	39%	20%	£5.25	£327,600	£65,520
Staying visitors	57,600	36%	95%	£20.00	£1,152,000	£1,094,400
<b>Total</b>	<b>160,000</b>	<b>100%</b>			<b>£1,479,600</b>	<b>£1,159,920</b>

The site received no visitors before its acquisition by the National Trust in 2002 and subsequent refurbishment work. The estimates in Table 6.8 therefore also represent the estimated net impact of the investment.

## 6.9 Impact on the Local Business Environment

Expenditure by visitors to Tyntesfield is unlikely to have any significant effects on businesses in the immediate vicinity, as the site is quite isolated from the surrounding area. The nearest town is Nailsea, which is a commuter town relatively unappealing to tourists. Staff at Tyntesfield were unable to discern any significant impacts on the local built or living environment. In the future, the site may offer enhanced open space opportunities for local people and may attract further visitors seeking an outdoor experience, as there are plans to enhance the outdoor offer of the site. There are plans to link to Sustrans cycle routes to Bristol, and to use the Leigh Woods as a springboard for countryside users to come to the site. There may also eventually be a bridle path around the site perimeter. Visitors will be able to access the grounds only, if they wish, and will be able to use the catering facilities without paying an entrance fee.

## 6.10 Additionality

The Tyntesfield capital investment has made the site what it is now. If the project had not proceeded it would have been difficult to open the site to visitors on any significant scale. The project staff would not have been employed and the operational staff numbers would have been less. Also, money would not have gone to the suppliers and contractors. Many of the educational/training projects under the public benefits strand would also not have been possible without the construction work occurring.

## 6.11 Analysis of Economic Impact

Employing the economic impact assessment methodology set out in Annex 1, it is estimated that construction related expenditures to date have supported an additional 46 job years of work and GVA of £1.6 million in the local economy, and 105 job years of work and GVA of £3.9 million in the regional economy.

There was a significant impact both through direct employment of the on-site project team, and through purchases of goods and services from local and regional suppliers.

**Table 6.9: Estimated Economic Impacts of Construction Expenditures, to date**

	Employment (job years)		GVA (£k)	
	Local	Regional	Local	Regional

Staffing	24.0	24	717	717
Direct Suppliers	14.0	41	586	1,732
Indirect and induced effects	7.6	39	261	1,469
<b>Total</b>	<b>45.6</b>	<b>105</b>	<b>1,564</b>	<b>3,918</b>

By early 2010 only around 50% of anticipated project expenditures had been made. By projecting budgeted expenditures on project staffing and purchases of goods and services, it is forecast that the overall impact of the £15.4 million investment will be to support 75 job years of work and GVA of £2.6 million in the local economy, and 194 job years of work and GVA of £7.5 million in the regional economy (Table 6.10).

**Table 6.10: Estimated Economic Impacts of Construction Expenditures, projected**

	Employment (job years)		GVA (£k)	
	Local	Regional	Local	Regional
Staffing	32.0	32	934	934
Direct Suppliers	30.2	89	1,260	3,726
Indirect and induced effects	12.4	73	439	2,796
<b>Total</b>	<b>74.6</b>	<b>194</b>	<b>2,633</b>	<b>7,456</b>

Because the project has yet to be completed, the net ongoing effects as a result of operational and visitor expenditures are yet to be fully understood. The programme of capital works since 2006 have had a relatively modest net impact on operating expenditures and visitor numbers, relative to pre-2006 levels. However, if the project as a whole is taken as beginning with the acquisition of the property in 2002, before which it had no significant economic impact, the overall impact of operating and visitor numbers can be attributed to the project.

The ongoing annual economic impacts of the site are estimated in Table 6.11. The site now employs 19 FTE staff and visitor expenditures support an additional 25 FTE jobs in the local economy. Taking account of ongoing employment at the site, site operating expenditures, visitor expenditures and associated multiplier effects, the site is estimated to support 50 FTE jobs and GVA of £1.5 million in the local economy, and 66 FTE jobs and GVA of £2.0 million in the regional economy, on an ongoing basis.

The site had no economic impacts prior to its acquisition and restoration by the National Trust, so the current estimated impacts are also the best estimate of the net impact of the project.

Employment on site is expected to decline slightly following the completion of the capital works programme. An increase in visitor numbers is forecast as the site is completed, peaking in 2011/12, before stabilising at current levels. Overall, therefore, the ongoing economic impact of the site is expected to decline slightly after 2012.

**Table 6.11: Estimated Ongoing Economic Impacts**

	Employment (FTE)		GVA (£k)	
	Local	Regional	Local	Regional
<b>After investment:</b>				
Staffing	19.0	19.0	512	512
Direct Suppliers	2.2	4.3	101	203
Indirect and induced	4.2	14.0	123	429
<i>Total operational impact</i>	<i>25.4</i>	<i>37.3</i>	<i>736</i>	<i>1144</i>
Visitor spend	25.1	29.0	740	928
<b>Total ongoing impact</b>	<b>50.5</b>	<b>66.3</b>	<b>1476</b>	<b>2072</b>
<b>Counterfactual:</b>				
Staffing	0.0	0.0	0	0
Direct Suppliers	0.0	0.0	0	0
Indirect and induced	0.0	0.0	0	0
<i>Total operational impact</i>	<i>0.0</i>	<i>0.0</i>	<i>0</i>	<i>0</i>
Visitor spend	0.0	0.0	0	0
<b>Total ongoing impact</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>
<b>Net effect of investment:</b>				
Staffing	19.0	19.0	512	512
Direct Suppliers	2.2	4.3	101	203
Indirect and induced	4.2	14.0	123	429
<i>Total operational impact</i>	<i>25.4</i>	<i>37.3</i>	<i>736</i>	<i>1144</i>
Visitor spend	25.1	29.0	740	928
<b>Total ongoing impact</b>	<b>50.5</b>	<b>66.3</b>	<b>1476</b>	<b>2072</b>

## **6.12 Environmental and Social Impacts**

There have been a number of environmental considerations in the works at Tyntesfield. Most significant is the installation of three biomass boilers to provide heating around the site. By providing a new source of renewable energy, this has reduced the carbon footprint of the site.

## **6.13 Conclusions**

National Trust investment in Tyntesfield has resulted in a significant impact on the local and regional economy from expenditure on the construction phase and the ongoing operation of the property. The effects of operating the site and visitor expenditure are estimated to support 50 FTE jobs locally and 66 FTE jobs at the regional level. Only fifty per cent of the anticipated project expenditures have been made to date, so project expenditures are continuing to benefit the local and regional economies. Additionally, the property has used the construction phase of the investment as an opportunity to build links with local and regional education institutions and provide opportunities for young people to develop skills around managing and restoring historic properties.

## 7 CONCLUSIONS

### 7.1 The Case Study Investments

The five case study investments involve total expenditure of £31.6m, £11m in English Heritage properties and £20.6m in National Trust properties. Across all five sites, EH and the NT contributed just 21% of the total funding with the remainder coming from other sources. Heritage Lottery Fund provided funding in Down House and Tyntesfield. Other major funders included the regional development agencies (Anglesey Abbey and Dover Castle) and the Wolfson Foundation (Kenilworth Castle).

Capital works at one site, Tyntesfield, are still ongoing. The investment at Down House was in two phases, the first in 1996-1998. Adjusting the latter figures for inflation, the economic analysis is based on completed expenditures of £23.4 million over the 5 sites, at 2009 prices.

The scale and time period associated with the investment varied considerably between the sites. However, all sites included physical improvements to the property and its interiors (including interpretation) which resulted in changes to the operation of the site as a visitor attraction.

### 7.2 Summary of Economic Impacts

#### *Impacts of Project Expenditures*

The £23 million invested in the development of the five sites has provided one-off impacts on the local and regional economies, by supporting employment and incomes on site and among suppliers and contractors. Across the five sites these expenditures are estimated to have supported 57 job years of work and £2.0 million in GVA at the local level, and 278 job years of work and £11.2 million in GVA at the regional level (Table 7.1). The estimated regional impacts include the local impact.

**Table 7.1: Estimated Economic Impacts of Project Expenditures**

	Employment (job years)		GVA £k	
	Local	Regional	Local	Regional
Anglesey Abbey	8.2	59.9	363	2,531
Dover Castle	0.2	6.4	8	302
Down House	0.8	48.3	32	2,017
Kenilworth	2.1	58.9	87	2,461
Tyntesfield	45.7	104.8	1,565	3,925
<b>Total</b>	<b>56.9</b>	<b>278.3</b>	<b>2,056</b>	<b>11,237</b>

Most of this impact is generated by the purchase of goods and services, especially construction related services, from contractors and suppliers. At Tyntesfield and Anglesey Abbey the project budgets also funded direct employment of National Trust staff on site.

The impacts of investment by site vary according to the overall levels of expenditure (with Tyntesfield the largest investment) and the degree to which the project budget funded work by local and regional suppliers, as opposed to national or overseas firms. The local and

regional impacts of expenditures at Dover are relatively low because of the high degree of sourcing of specialist services from suppliers outside the region.

Overall there is a high level of leakage from local economies and a significant level of leakage at the regional level, as money is spent on purchases from outside the area. The estimated impact on local GVA is less than 10% of the overall level of project expenditure, and the impact on regional GVA slightly less than 50% of the money invested.

The information collected from major contractors through the case studies suggest that historic investments provided an important source of business for the construction industry at the time when the industry was badly affected by the economic slowdown. Indeed in three out of five case studies, the main contractor went into administration during the project and appropriate replacements had to be found. The failure of the contractors was explained by lack of future work on the companies' order sheets. In Tyntesfield, tenders of lower than expected value were received as construction companies offered lower prices for their work.

### ***Ongoing Economic Impacts of the Sites***

On an ongoing basis, expenditures in the operation of the five sites are estimated to support 142 FTE jobs and £3.7 million of GVA locally and 193 FTE jobs and GVA of £5.4 million regionally (Table 7.2). This includes direct employment on site, ongoing purchases from local and regional suppliers, and associated multiplier effects.

**Table 7.2: Impact of Site Operating Expenditures on Local and Regional Economies**

	Employment (FTE)		GVA £k	
	Local	Regional	Local	Regional
Anglesey Abbey	37	51	650	935
Dover Castle	47	55	1,378	1,774
Down House	15	23	531	834
Kenilworth	18	26	450	723
Tyntesfield	25	37	736	1,144
<b>Total</b>	<b>142</b>	<b>193</b>	<b>3,747</b>	<b>5,410</b>

A large proportion of this impact results from employment on site, with the five sites together supporting 128 direct FTE jobs with associated GVA of £3.0 million annually (Table 7.3).

**Table 7.3: Direct Employment at the Five Sites**

	On Site Employment (FTE)	GVA (£K)
Anglesey Abbey	30	500
Dover Castle	55	1,312
Down House	11	364
Kenilworth	13	299
Tyntesfield	19	512
<b>Total</b>	<b>128</b>	<b>2,988</b>

The five sites are estimated to attract additional visitor expenditures of £7.1 million annually to their local economies and £5.5 million to their respective regions. Visitor expenditures are estimated to support 121 FTE jobs in local economies and 136 FTE jobs regionally. The largest impact is at Dover Castle, which attracts the highest numbers of visitors (Table 7.4).

**Table 7.4: Impact of Overall Site Visitor Expenditures on Local and Regional Economies**

	Expenditure £k		Employment		GVA £k	
	Local	Regional	Local	Regional	Local	Regional
Anglesey Abbey	1,340	865	23	22	670	692
Dover Castle	2,757	2,218	47	55	1,378	1,774
Down House	528	383	9	10	264	307
Kenilworth	1,037	825	18	21	519	660
Tyntesfield	1,480	1,160	25	29	740	928
<b>Total</b>	<b>7,141</b>	<b>5,450</b>	<b>121</b>	<b>136</b>	<b>3,570</b>	<b>4,360</b>

Three of the sites – Dover Castle, Down House and Kenilworth Castle – attract significant numbers of overseas visitors, though it is not known whether these sites play a role in attracting visitors to the UK (hence bringing additional expenditures to the national economy), or, as seems more likely, they provide an attraction for tourists who would be here anyway.

Combining estimates of site operating and visitor expenditures, the five sites are estimated collectively to support 263 FTE jobs and GVA of £7.3 million annually at the local level, and 329 FTE jobs and GVA of £9.8 million at the regional level (Table 7.5). The largest impact is estimated to occur at Dover Castle.

**Table 7.5: Estimated Overall Ongoing Impact of Sites on Local and Regional Economy (from site operating and visitor expenditures)**

	Employment (FTE)		GVA £k	
	Local	Regional	Local	Regional
Anglesey Abbey	60	72	1,320	1,626
Dover Castle	93	111	2,757	3,548
Down House	24	33	795	1,141
Kenilworth	35	47	969	1,382
Tyntesfield	50	66	1,476	2,072
<b>Total</b>	<b>263</b>	<b>329</b>	<b>7,317</b>	<b>9,770</b>

***Effects of Investment on Ongoing Impacts***

The estimates in Tables 7.2 to 7.5 relate to the ongoing economic impact of the whole site. Comparing these estimates with the counterfactual scenarios, which take account of operating expenditures and visitor numbers recorded immediately prior to the investment, as well as projected trends over the relevant time period, the net effects of investment in each site have been estimated (Tables 7.6 to 7.8).

The investments have led to an increase in staffing and operating expenditures at each site. Together changes in operations at the five sites are estimated to support an additional 67 FTE jobs locally and 97 FTE jobs regionally, and GVA of £2.0 million locally and £3.0 million regionally.

**Table 7.6: Net Impact of Historic Site Investments through changes in Operating Expenditures**

	Employment		GVA £k	
	Local	Regional	Local	Regional
Anglesey Abbey	13	17	212	288
Dover Castle	10	15	395	596
Down House	14	21	489	770
Kenilworth	5	7	198	276
Tyntesfield	25	37	736	1,144
<b>Total</b>	<b>67</b>	<b>97</b>	<b>2,031</b>	<b>3,073</b>

Visitor numbers have also increased at four of the five sites as a result of the investments. The investments are estimated to have attracted additional expenditures of £2.5 million to the local economies around the five sites, supporting an additional 42 FTE jobs and local GVA of £1.2 million (Table 7.6). The largest net effect is estimated to occur at Tyntesfield, where the investment has transformed a previously unvisited site to a significant attraction.

**Table 7.7: Estimated Net Effect of Investments on Visitor Spending and its Economic Impacts**

	Expenditure £k		Employment (FTE)		GVA £k	
	Local	Regional	Local	Regional	Local	Regional
Anglesey Abbey	215	139	4	3	108	111
Dover Castle	-	-	-	-	-	-
Down House	491	357	8	9	245	285
Kenilworth	309	246	5	6	155	197
Tyntesfield	1,480	1,160	25	29	740	928
<b>Total</b>	<b>2,495</b>	<b>1,901</b>	<b>42</b>	<b>48</b>	<b>1,247</b>	<b>1,521</b>

Combining the estimated operating and visitor impacts from Tables 7.6 and 7.7, the overall net effect of the investments on the ongoing economic impacts of the five sites are estimated in Table 7.8. It is estimated that the net effects of the investments have been to support an additional 109 FTE jobs locally and 145 FTE jobs in the regions around the five sites, and GVA of £3.3 million locally and £4.6 million regionally. The largest net impact is at Tyntesfield, which has benefited from the largest investment which has been followed by significant increases in employment, operating expenditures and visitor numbers.

**Table 7.8: Summary of Combined Net Ongoing Impact of Investments**

	Employment (FTE)		GVA £k	
	Local	Regional	Local	Regional
Anglesey Abbey	16	20	320	399
Dover Castle	10	15	395	596
Down House	22	30	735	1,056
Kenilworth	10	13	352	472
Tyntesfield	50	66	1,476	2,072
<b>Total</b>	<b>109</b>	<b>145</b>	<b>3,278</b>	<b>4,594</b>

**Expected Future Impacts**

The above estimates relate to current (2009/10) impacts of site operations and visitor expenditures. Likely future impacts are difficult to predict, and though some projections have been made for some sites, these are not all based on the latest evidence. The likely future impacts for the five sites can be summarised as follows:

- Anglesey Abbey – further increases in impacts are expected, as 10 new FTE staff are being recruited in 2010 to enable 7 day per week opening – and a further rise in visitor numbers is likely.
- Dover Castle - the ongoing impacts of the site are expected to increase, with visitor numbers projected to peak at 352,000 in 2012/13. This suggests a 14% increase in visitor numbers and impacts over current levels.
- Down House – visitor numbers may decline following the increase during the Darwin bicentenary as well as the effect of the recession on domestic tourism. However, an increase in future years is possible if the bid for World Heritage Site status is successful.
- Kenilworth Castle – no projections are available about visitor numbers or operating expenditures, and the best estimate is that ongoing impacts continue at 2009 levels;
- Tyntesfield – a slight decline in on-site employment is expected. Visitor expenditures are expected to increase temporarily following completion of work on the site, before stabilising at current levels.

### 7.3 Factors Determining Economic and Community Impacts

#### *Project Expenditures*

Historic site investments involve direct expenditures which fund heritage related work and through this generate economic impacts by supporting revenues and employment among contracted firms and individuals. The scale and distribution of these impacts depend on:

- The scale of the investment
- The degree of local and regional sourcing.

Projects which employ local staff and procure a large proportion of goods and services from local suppliers have a larger direct impact on the local economy. The degree to which goods and services can be procured locally is affected by procurement and competition rules, as well as by the nature of the goods and services themselves – mainstream construction work can often be provided by local firms but specialist goods and services often need to be sourced from further afield.

All investments allocated large contracts to suppliers through competitive tendering, which did not allow preference for local suppliers. The majority of construction expenditure identified in the case studies benefited non-local suppliers located in the wider regional economy (10 to 50 miles away from the site). Dover Castle is the exception to this as the majority (83%) of expenditure on goods and services for the construction phase went to suppliers more than 50 miles away from the site. This is because the refurbishment of the Great Tower at Dover involved the recreation of the tower's medieval interiors requiring the manufacture of thousands of objects which were sourced from workshops across England and limited work on site on the fabric of building.

#### *Site Operating Expenditures*

The net impacts of site operations depend on changes in:

- Staffing of the site;
- Expenditures on purchased goods and services, and the degree to which these are sourced locally and regionally.

These in turn depend on whether the investment affects the functioning of the site as a visitor attraction, rather than merely its physical fabric. This is particularly influenced by the number of visitors supported and facilities provided for them.

Investment in historic sites does not necessarily generate ongoing economic impacts. Previous work by GHK for HLF demonstrates that some significant historic site investments have not affected local and regional economies, where there has been no significant change in site operations or visitor numbers. For example, projects to restore churches may result in them continuing to operate in a similar manner to that before the investment. The largest impacts occur where investments create significant new assets and facilities, which require increases in staffing and operating expenditures.

The five case study sites have all involved significant changes in the operation of the sites concerned and the facilities provided for visitors. In each case employment has been created and expenditures on purchased goods and services have increased. The largest impacts have been through staffing, but purchases have also had an economic impact, particularly at National Trust sites where there is a greater emphasis on local sourcing.

### ***Visitor Expenditures***

The impacts of visitor expenditures depend on:

- The net change in visitor numbers as a result of the investment
- The breakdown of visitors between locals, day trippers and staying visitors. Local people do not bring additional expenditure to the area, while staying visitors spend more money than day-trippers;
- The degree to which the site motivates people to visit the area, rather than attracting passing trade;
- The opportunities to spend money locally, particularly off-site in the local economy, as part of the visit.

Analysis of these effects has been limited by available data. Ideally the analysis would benefit from dedicated visitor surveys which question visitors about their motivations and expenditures. In practice, for this study, the available evidence has been limited to data on visitor numbers and origins. Therefore it has been necessary to make assumptions about attributable expenditures for different types of visitor, transferring estimates from other studies.

Increases in visitor numbers and expenditures have occurred as a result of at least four of the five investments, all of which have significantly improved visitor facilities and experiences. The largest impacts have been observed at Tyntesfield and Down House, where the investment has brought a step change in the ability to attract and receive visitors. The investments have been followed by strong growth in visits to historic properties in general during the recent recession, but for all sites except Dover Castle growth in visitor numbers has outstripped this general trend. However, the investment at Dover has only been recently opened, so there was limited information to assess this.

### ***Site Location***

The geographical location of a property is a factor influencing the investment's effect on the local economy. Three of the sites (Dover, Kenilworth and Down House) are situated on the periphery of urbanised areas, while Tyntesfield and Anglesey Abbey are located near small villages. Dover was the only site located in an area of high relative deprivation, with the other four sites located in areas of relative affluence. Indeed, the English Heritage investment in Dover Castle is part of the wider series of investments in Dover town aimed at regenerating the locality. Other investments also have strategic fit with local development plans. Tyntesfield has been recognised by Destination Bristol as forming part of the Bristol

City tourism offer while the investment in Kenilworth Castle complements local plans to improve the profile of Kenilworth town as a tourism destination.

### ***Business Confidence***

The effects of investments on business confidence depend on the linkages between the sites and their local economies, as well as the number of visitors. The popularity of Down House as a visitor attraction has helped to improve the sustainability of catering businesses such as a cafe and pub in the village. Some properties have established good links with local businesses through sourcing products from the local area (such as in Anglesey Abbey) and directing visitors to specific caterers (for example, wedding catering in Kenilworth).

### ***Additionality***

The analysis attempts to assess the additional economic impacts that can be attributed to the investments themselves. This is done by examining both the gross economic impacts of the sites that have benefited from the investments, and the net effects of the investments on the impacts generated by these sites.

The figures take account of the likely trends in the absence of the investment, and, through the economic analysis, of leakages from the local and regional economy and of economic multiplier effects. The visitor expenditure estimates seek to estimate the extra expenditures in the local and regional economies that can be attributed to the sites themselves, rather than the overall expenditures of visitors.

The possible displacement of economic activity from other sites is more difficult to assess, but was explored through interviews with site managers and stakeholders. No evidence was found of significant displacement effects, and it was suggested by some interviewees that sites may actually complement rather than competing with others locally by providing clusters of historic attractions.

### ***Community Benefits***

Most properties have developed links with local residents and community groups. Tyntesfield, for example, has used the ongoing construction work to provide learning and work experience opportunities to young people through the University of West of England, the Prince's Trust and local schools around operating and restoring historic buildings. Anglesey Abbey has an ongoing volunteer scheme in place which includes offering volunteer placements to people with mental health problems as well as corporate, employer-supported volunteering opportunities. Kenilworth Castle has made efforts to engage with the local community, consulting them for their views about plans for the site. There has been increased use of the site for town events.

## **7.4 Impacts of Historic Site Investments**

The investments at the five sites have involved combined expenditure of £23 million at 2009 prices. The primary objectives of the investments focused on their heritage benefits, and any economic impacts should be seen as a bonus.

The estimated temporary impacts of these project expenditures are that they have supported:

- One job year of work at the local level per £412,000 invested;
- One job year of work at the regional level per £84,000 invested;
- A one off increase in local GVA of £0.09 per £1 invested

- A one off increase in regional GVA of £0.48 per £1 invested.

The ongoing impacts of the investments have supported:

- One ongoing FTE job at the local level per £214,000 invested;
- One ongoing FTE job at the regional level per £162,000 invested;
- An annual increase in local GVA of £0.14 per £1 invested
- An annual increase in regional GVA of £0.20 per £1 invested.

The above ratios are based on the total value of investments completed. The rates of return from the money committed by EH and NT themselves will clearly be significantly higher. The figures do not include opportunities created for volunteering.

The impacts are higher at regional than local level, because of the greater sourcing of goods and services from the wider region as well as stronger regional multiplier effects. As a result, the estimated investment per job created is significantly higher at the local than at the regional level.

It is important to note that while the project expenditures themselves give rise to temporary economic impacts, the ongoing effects from operating and visitor expenditures follow these investments but are not directly supported by them. They are dependent on the ongoing management of the sites and their ability to attract sufficient revenues to sustain ongoing activity. The investments themselves often provide the catalyst for increased ongoing activity, and as such are necessary but not sufficient to support the ongoing impacts estimated.

It should also be noted that the above estimates refer to the five sites studied, and should not necessarily be taken as a guide to the likely effects of future investments. The impacts of future investments will depend on the patterns of expenditure and sourcing of purchased goods and services, and the effect on ongoing operations and visitor numbers.

## 7.5 Comparison with Other Investments

### *HLF Projects*

The above estimates can be compared to those of other development projects. For example, studies of 90 HLF funded projects completed between 2004 and 2008 indicate that they have supported:

- One job year of work at the regional level per £75,000 of project expenditure;
- One ongoing FTE job at the regional level per £175,000 of project expenditure.

This indicates that the estimates of impact in this report are broadly comparable with previous estimates by GHK and Ecotec in work completed for HLF. This is perhaps unsurprising, as these are investments in historic sites, two of the five investments were co-funded by HLF, and since the HLF analysis has employed similar economic assessment methodology to the current study.

The five case study sites in this report demonstrate relatively weak impacts from investment expenditures, due to a relatively high incidence of extra-regional sourcing, and relatively strong impacts from ongoing operating and visitor expenditures, given the relatively strong importance of the sites as visitor attractions and the effects of investments on ongoing site operations at all sites.

### *RDA Investments*

The impacts of capital investments by the English Regional Development Agencies were quantified in the recent review by PWC, published in March 2009<sup>33</sup>. This was based on a review of evaluations compliant with the RDA Impact Evaluation Framework (IEF). The review estimated the net impact on regional GVA and employment of investments involving combined RDA expenditure of £5,189 million between 2002/3 and 2006/7.

The cost per net job created or safeguarded varied widely by different types of intervention (Table 7.8).

**Table 7.8: Cost per Job Created by RDA Interventions**

Category	Type of Intervention	Net Cost per Job
Business	Business development and competitiveness	£14,221
Place	Regeneration through physical infrastructure	£63,271
People	People and skills	£43,302
Other	Other	£41,775

Historic site investments would almost all fall into the “regeneration through physical infrastructure” category, which includes: bringing land back into use; public realm investments; image, events and tourism projects; cross-cutting regeneration initiatives and other regeneration initiatives.

These cost per job estimates are well below those of the five investments covered by this report. However, they are based on the resources committed by the RDAs only, rather than the total costs of the investments concerned. More importantly, it should be noted that, unlike development agencies, EH and NT do not seek to promote economic development as a core objective of their activities. Instead, economic development benefits are an added bonus from historic site investments. It is therefore unsurprising that the relationship between financial inputs and regional economic outcomes does not compare favourably overall with that from RDA investments.

Nonetheless, the evidence suggests that historic site investments do generate significant benefits for local and regional economies, and can contribute to local regeneration and economic diversification. As such, they are likely to be of interest to development agencies as potential co-funders and project partners. This helps to support the role of EEDA as a funding partner in the Anglesey Abbey investment.

<sup>33</sup> DBERR (2009) Impact of RDA spending – National report. <http://www.berr.gov.uk/files/file50735.pdf>

# ANNEX 1: METHODOLOGY USED TO ASSESS ECONOMIC IMPACTS

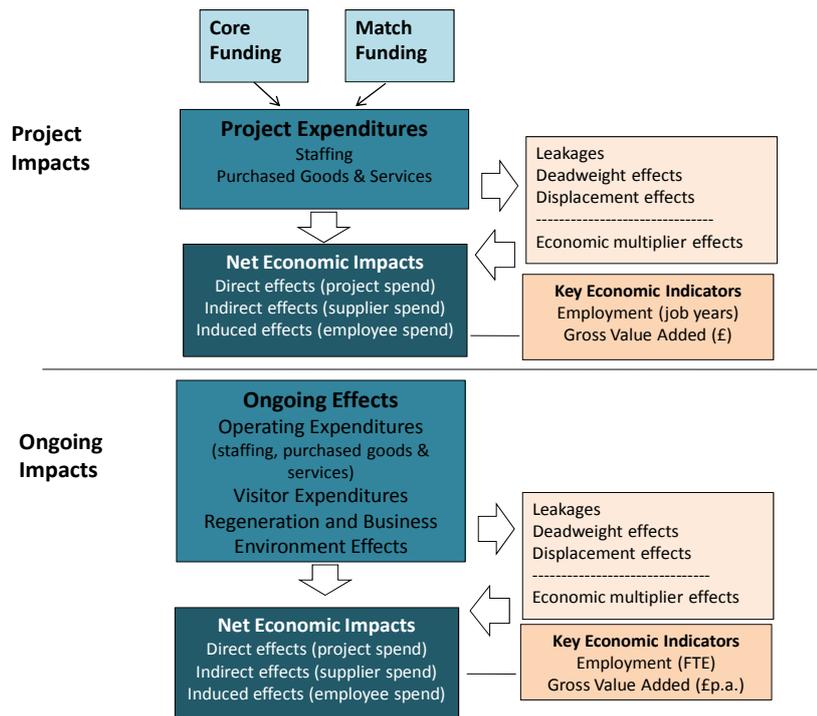
## 1 INTRODUCTION

### 1.1 Overview

Investments in historic sites can provide a variety of economic benefits. For example, project expenditures support incomes and employment in local economies; employment and expenditures in the ongoing management of assets may increase; visitor expenditures may also bring money to the local economy; and projects that enhance the built environment may help to increase the appeal of an area as a place to live and work, encouraging regeneration and attracting business and investment.

Figure 1 gives a simple illustration of the economic impacts resulting from investments in historic sites. Projects impact on local economies both as a result of direct expenditures during the development phase and from ongoing expenditures on site and in the local economy.

**Figure 1: Economic Impacts of Historic Site Investments**



### 1.2 Project Expenditures

Project expenditures fund direct employment of staff and provide revenues for contractors and suppliers of goods and services, supporting employment, wages and profits. There are indirect effects as suppliers to the project purchase goods and services from other firms, and induced effects as employees of the project and its suppliers spend their wages in the local economy. The net impact on the local economy depends on the overall multiplier effect, taking account of supply linkages and the extent to which money leaks into other

areas. It also depends on the extent to which the project gives rise to additional economic activity, taking account of deadweight, displacement and substitution effects. The impacts of project expenditures can be measured in terms of one-off impacts on employment (job years) and gross value added (wages, salaries, profits and rents).

The assessment of these impacts has been based on a model developed by GHK for HLF. Testing of supply chain and employee expenditure effects through previous case studies demonstrates that this is robust.

### 1.3 Ongoing Impacts

Projects have an ongoing economic impact through:

- Ongoing expenditures in the operation of the funded asset. These impact in a similar way to project expenditures but have an ongoing impact on employment (FTE) and annual GVA. A key issue is the extent to which any increase in operating expenditure is attributable to the investment itself, particularly since it requires ongoing revenue funding from other sources.
- Visitor expenditures. By funding new facilities and attractions, or sustaining existing ones, investments can increase or sustain the number of visitors and hence visitor expenditures in the local economy, enhancing local incomes and employment. Measurement of these effects requires an estimate of the effect of the project on visitor numbers, including an assessment of the role of the project in encouraging additional people to make day trips to or stay in the local area. Visitor expenditures must be estimated and appropriate multipliers identified and applied to assess the effect of these on local employment and GVA.
- Regeneration and business environment effects. As well as directly influencing local operating and visitor expenditures, larger investments may have wider impacts by improving the quality of the local built and natural environment, influencing business and residential investment and locational decisions. By increasing property investment and encouraging businesses to locate locally, projects may enhance local expenditures, GVA and employment.

These ongoing impacts are potentially more lasting and significant than the effects of direct project expenditures, but, because of the wider range of variables involved, tend to be more difficult to attribute directly to the investment project itself. In assessing net local impacts, care is therefore needed in assessing the extent to which increased economic activity is attributable to the project itself.

## 2 RESEARCH METHODS

Estimating the impacts of historic site investments requires estimation of:

1. Expenditures and employment during the construction work;
2. Expenditures and employment in the ongoing operation of the sites;
3. Expenditures by visitors to the sites;
4. The impacts of the above expenditures on local and regional GVA and employment.

This has been achieved by:

1. Collecting available evidence on expenditures, employment and visitor numbers, from English Heritage and National Trust files, and through interviews with site managers;
2. Estimation of expenditures where necessary, using appropriate assumptions to fill gaps. For example, where no visitor survey information was available, it was necessary to make assumptions about average expenditures per visitor;

### 3. Modelling the economic impacts of estimated expenditures.

This section sets out in further detail the research tasks completed. The economic model employed is described in Section 3.

#### **Task 1: Data Collection and Analysis**

The first research task involved a review of documentation provided by EH and NT. This included financial records relating to project expenditure, business plans, visitor surveys and data relating to ongoing expenditure and income at the sites. Electronic records were available for three case studies; in the case of Kenilworth Castle collection of data involved visits at English Heritage regional offices in Bristol and the project manager's offices in Nottingham, while for Down House paper files were made available for the early phase of investment.

The information obtained from project expenditure records was used to identify how much each supplier received for its role in the project and, where stated, the nature of the goods and services provided. Postcodes for each supplier were then identified and used to calculate how far away the supplier was located from the project according to its postcode.

Some simplification of this task was achieved by recording only invoices of more than £1,000 in the analysis. Similar work undertaken previously for the Heritage Lottery Fund indicates that these represent more than 90% of total expenditure for this type of investment, and therefore provide a robust basis for estimating the overall distribution of spending.

#### **Task 2: Local Economic Profiles**

GHK undertook a review of the characteristics of the local economy within which each project is located. This review drew on key statistics from the Census, Annual Business Inquiry, Indices of Multiple Deprivation, and any available local economic strategies and other information sources. The reviews highlight key socio-economic characteristics and identified economic priorities.

#### **Task 3: Preparation for Case Studies**

GHK developed a topic guide as a basis for the fieldwork. Key topics were provided to lead contacts at the project to help to inform them of the information being sought.

Each lead contact was contacted by telephone in order to:

- Introduce the study and its objectives;
- Scope out the likely impacts and key issues to be addressed by the case study;
- Establish whether there have been significant visitor impacts, and whether visitor survey information was available;;
- Identify colleagues, partners, suppliers and other stakeholders who might be able to assist by providing information or views about the impacts of the project, with a view to interviewing these contacts on the day of the visit or subsequently by telephone;
- Agree a date for a site visit.

#### **Task 4: The Site Visit and Follow Up**

The site visits were undertaken by Sophie Bragg, Steph Charalambous, Michael Lawrie, David Scott and Charlotte Slater.

- GHK spoke to the project manager or lead contact for each investment, and, where possible, to relevant colleagues, partners and stakeholders. Follow up interviews were conducted by telephone with other key stakeholders and leading suppliers, in order to add to the information obtained.

- As far as possible, GHK sought to collect qualitative information and quotations about the experience of project managers, colleagues, suppliers and stakeholders, to supplement and enrich the quantitative data and analysis. Where there was a major supplier or lead contractor, we also sought to contact them to establish the effect of expenditures on staffing and purchases, and the location of key subcontractors and secondary suppliers. However, the information that could be obtained from suppliers was limited because of difficulties in reaching the relevant individuals, the time elapsed since the work was completed, and a reluctance to give potentially commercially sensitive information.

**Task 5: Analysis of Economic and Employment Impacts**

GHK developed and applied a spreadsheet-based economic model to assess the impact of recorded project and visitor expenditures on local and regional employment and GVA. The details of this are set out in more detail in the Technical Annex.

**Task 6: Case Study Write-Ups**

The findings from the above tasks were used to prepare a case study of each investment. These follow a standard format, providing an introduction to the project; presenting data on construction, visitor and operating expenditures; discussing employment and training impacts; assessing the impact on local and regional economies; identifying future development issues and drawing general conclusions about economic impact.

**Comments on Data Availability and Research Methods**

The research relied on a combination of desk-based data and document reviews, face to face interviews and follow-up telephone interviews. Collecting financial information proved to be challenging as there is no standardised process of capturing this information at each organisation. In one case (Kenilworth Castle), financial information was spread in two different locations: the regional English Heritage Office and the project manager office. In effect, collection of project expenditure data mostly took place after the site visit.

The site visits proved extremely valuable in gathering qualitative information and leading to further contacts. They were particularly helpful in exploring employment, skills and training issues, identifying visitor and operating impacts, and examining financial sustainability issues. The visits also facilitated a more in depth, probing approach, which brought issues and impacts to light which are not apparent in the project expenditure data.

The telephone interviews helped to supplement the information collected from the desk review and site visits in some cases. These provided little additional data, but did help us to gain the broader perspective of stakeholders about the role of the project within the local economy. In three case studies the lead contractor in the construction phase went into administration before the end of the project and therefore could not be contacted.

### 3 ASSESSING THE ECONOMIC IMPACTS OF HISTORIC SITE INVESTMENTS

**3.1 Introduction**

As well as the level of spending itself, the scale of impacts of project and visitor expenditures on local and regional economies depend on a variety of factors, including:

- The proportion of project expenditures accounted for by purchases of goods and services and staff costs;
- The degree to which projects use local or regional suppliers rather than national suppliers;

- The structure of the local economy, and the tendency for local firms and employees to spend money on local goods and services rather than on imports from outside the area;
- The scale at which these effects are being assessed, given that larger economies can be expected to retain a greater proportion of spending for longer than can smaller ones.

Together these factors determine the *level of leakages* from the local economy that follow an injection of spending, and the degree to which money is re-spent within the economy. This in turn determines the strength of multipliers relating to the initial expenditure, which can be defined in terms of the overall employment and income that result.

The impact on the local economy of each £1 spent by a project, site or visitor varies according to the factors identified above, and is likely to be unique in each case. It depends on the characteristics of the project (and nature of the work involved), the types of goods and services purchased, sourcing policy of projects and suppliers, behaviour of employees and visitors, and the structure of the local economy.

Ideally, the impact of the project would be assessed by tracking expenditures by the project, employees, suppliers and visitors through the economy, to identify the impact on other local firms and the effects in supporting incomes and employment. However, this is a very data hungry exercise, which is impossible without a major study. The research has also found that it is very difficult to obtain information about past expenditures.

An alternative approach involves the application of standard multipliers that assess the direct, indirect and induced effects of expenditures on overall income and employment in the local economy. The difficulty of this is that multipliers are likely to be unique to individual locations and circumstances, and are rarely available off-the-shelf.

The approach adopted in the case studies used a combination of the above. As much information as possible was sought on the purchases made by each project, the location of suppliers, and their subsequent expenditure patterns. This enabled the effects of expenditures on employment and on supplier businesses to be assessed. For example, for each project, it was possible to examine direct employment and the revenues and locations of supplier businesses. A limited number of interviews with these suppliers sought to gather information about their employment and purchasing patterns for the project. This information was then combined with assumptions about relevant multipliers, to assess further indirect and induced effects. Therefore, rather than applying overall, generic multipliers to overall project expenditure data, the actual impacts of this expenditure were assessed to the extent possible, with multipliers then used in a more targeted way to estimate overall impacts.

For visitor expenditures, we have applied standard economic multipliers to assess the impacts of expenditure on employment and GVA.

### 3.2 Measures of Economic Impact

In measuring the economic impact of site investments, the study was concerned with the extent to which these support and create jobs and incomes in the local economy. The two key indicators of most interest are:

- **Employment** – the overall effect of the expenditure in supporting jobs in the project and supplier businesses. Typically this is expressed in terms of full time equivalent (FTE) jobs, for consistency.
- **Gross Value Added (GVA)** – the overall effect of the project on the value of goods and services produced in the economy. GVA measures the contribution to the economy of individual producers, industries or sectors, and is equivalent to their gross output less their purchased inputs.

Because GVA is net of purchased inputs, it can be aggregated across all firms and, unlike turnover or gross output, provides a measure of the overall output in the economy that is not affected by double counting.

The analysis therefore concentrates on employment and GVA as key indicators of economic impact, using estimates of expenditure and turnover only as a means to calculate these.

### 3.3 Assessing the Impact of Project and Operating Expenditures

#### 3.3.1 Relating Turnover, GVA and Employment

The effects of historic expenditures on employment and GVA in supplier firms can be assessed using standard ratios linking gross output, employment and GVA. Much of the expenditure on the investments themselves is on construction related services, so construction industry data are relevant in many cases.

The Government's National Accounts (the Blue Book) provide data on gross output and GVA for key sectors, including construction, and data for employment are available from the Office of National Statistics (ONS). Data for key sectors are given in Table 3.1.

**Table 3.1: Gross Output, GVA and Employment by Broad Sector, UK, 2007**

	Gross output (£m) <sup>34</sup>	GVA (£m) <sup>1</sup>	Employment (000)	Employment (000 FTE) <sup>2</sup>
Agriculture, hunting, forestry, fishing	22,786	9,302	454	386
Production industries and energy	573,445	208,200	3,374	2,868
Construction	208,252	80,148	2,228	1,894
Distribution, transport and communication	539,159	263,046	8,839	7,513
Financial and business services	651,112	397,851	6,603	5,613
Other service activities	517,878	287,186	9,937	8,446
<b>All industries</b>	<b>2,512,632</b>	<b>1,245,733</b>	<b>31,435</b>	<b>26,720</b>

Source: ONS (2008) UK National Accounts: The Blue Book 2009

Table 3.2 presents key ratios derived from the data in Table 3.1. Across the economy as a whole, the data suggest that each £1 of gross output involves gross value added of £0.50, with this figure varying from £0.36 in the production and energy industries to £0.61 in financial and business services. Gross output per FTE job is estimated at £94,000 across the economy as a whole, ranging from £59,000 in agriculture to almost £200,000 in the production and energy industries.

<sup>34</sup> From UK National Accounts, the Blue Book

<sup>35</sup> Based on assumed average of 1 job = 0.85 FTE for all sectors

**Table 3.2: Key Ratios for Output, GVA and Employment, 2007**

	<b>GVA per £1 output</b>	<b>Gross output per job</b>	<b>GVA per job</b>	<b>Gross output per FTE</b>	<b>GVA per FTE</b>
Agriculture, hunting, forestry, fishing	£0.41	£50,189	£20,489	£59,046	£24,105
Production industries and energy	£0.36	£169,960	£61,707	£199,953	£72,597
Construction	£0.38	£93,470	£35,973	£109,965	£42,321
Distribution, transport and communication	£0.49	£60,998	£29,760	£71,762	£35,011
Financial and business services	£0.61	£98,609	£60,253	£116,010	£70,886
Other service activities	£0.55	£52,116	£28,901	£61,313	£34,001
<b>All industries</b>	<b>£0.50</b>	<b>£79,931</b>	<b>£39,629</b>	<b>£94,037</b>	<b>£46,622</b>

These ratios can be used to assess the economic impacts of investments. For example, across all industries, we would expect the direct effect of expenditures to support £500 of GVA per £1000 increase in business turnover, and to support 1 FTE job per £94,000 increase in turnover. In the construction sector, expenditures can be expected to support GVA in direct supplier businesses of £380 per £1000 spent, and to support 1 FTE job per £110,000 increase in turnover.

The extent to which these impacts occur in the local and regional economies will depend on the location of the suppliers concerned. There will be further indirect and induced effects, depending on the extent to which money is retained in the local and regional economies.

### 3.3.2 *Multiplier Effects*

Input: Output tables provide regional multipliers for Scotland, Wales and South West England. These can be summarised as follows:

- Scotland. The Scottish Input: Output tables for 2004 provide input, output and employment multipliers<sup>36</sup>. These suggest Type I multipliers (covering direct and indirect effects) of 1.6 for construction and between 1.1 and 1.7 for other services, and Type II multipliers<sup>37</sup> (covering direct, indirect and induced effects) of 1.9 for construction and between 1.3 and 2.1 for other services.
- Wales. Type I output multipliers are estimated at 1.48 for construction and between 1.25 and 1.4 for other services; Type II output multipliers are estimated at 1.79 for construction and 1.45 to 1.62 for other services.

<sup>36</sup> These multipliers estimate the relationship between the direct effect on output, income or employment and the overall effect that results in the economy as a whole. Thus a multiplier of 1.2 suggests that a project that employs one person directly will result in an overall increase in employment of 1.2 (supporting an additional 0.2 jobs indirectly). A similar output multiplier would suggest that a £100 increase in direct output leads to an overall increase in output of £120.

<sup>37</sup> Type I multipliers measure the ratio of (direct + indirect): direct employment, income or output (i.e. incorporating the effects of supplier spending) while Type II multipliers measure the ratio of (direct+indirect+induced): direct effects (incorporating both supplier and employee expenditure effects).

- South West England. The SW Economy Model for 2001 suggests a regional construction multiplier of 1.6 (Type I) and 1.9 (Type II). For services and all industries, Type I multipliers are around 1.3 and Type II multipliers around 1.6. The latest version of the regional accounts has an online tool which allows the initial and total effects on GVA and employment of increases in different types of spending and demand in different sectors. This suggests Type II multipliers ranging from 1.4 to 2.0 at the regional level.

Standardised economic multipliers for the local and regional level are provided by the English Partnerships *Additionality Guide*. This referred to a *supply linkage multiplier* (Type I multiplier) and an *income multiplier* (induced multiplier), combining to give a composite (Type II) multiplier. Reviewing evidence from a range of studies, this concluded that appropriate composite multipliers for the majority of projects would be 1.1 at the neighbourhood level and 1.5 at the regional level. The review of previous studies found composite multipliers of 1.2-1.4 at the local level and 1.4-1.6 at the regional level.

### 3.3.3 **Assessing the Economic Impacts of Historic Site Investments**

The direct employment impact was assessed by counting the number of jobs and part jobs supported by the project and converting them into full time equivalents. The associated GVA is the expenditure on wages and salaries of the people employed.

The direct effects on employment and GVA among firms supplying the project were estimated by examining expenditures on construction goods and services by the project. Data from project records enable expenditures within the local and regional economies to be estimated, and the effects on the gross output of local firms assessed. The associated impacts on employment and GVA were estimated using standard ratios of £110,000 gross output per FTE job, and £0.38 GVA per £1 in gross output, derived from the review in Section 3.4.1 above. As far as possible, these assumptions were checked by means of interviews with suppliers. Though few of these interviews provided data, in general the information that could be obtained lent strong support to the assumptions employed.

In order to assess indirect and induced effects, this study has used a standard Type II multiplier of 1.2 at the local level and 1.6 at the regional level, based on the review in Section 3.4.2. This implies that, for each additional £1 of output supported by project expenditure, an additional £0.20 of output in the local economy and £0.60 of output in the regional economy is supported by supplier and employee expenditures. Similarly, for each extra person employed, an additional 0.2 jobs are created at the local level and 0.6 jobs at the regional level.

Because the investments themselves are time limited, their impacts are measured in terms of the number of job years of employment they support, and in terms of a one-off contribution to GVA.

## 3.4 **Assessing the Impact of Visitor Expenditures**

Many of the case study sites attract significant numbers of visitors. The investments can have a positive impact on the local economy by attracting visitors who spend money locally. The strength of this impact depends on:

- The number of visitors;
- The mix between day trippers and staying visitors, with the latter tending to spend larger sums, particularly on accommodation and meals;
- The opportunities for spending money in the vicinity of the site;
- The degree to which spending can be attributed to the site in question. If people visit the area especially to visit the site, then the money they spend can be attributed to the site itself. However, if they are in the area for other reasons and happen to visit the site while there, their expenditure cannot be attributed to the site;

- The structure of the local economy, which determines how much of the money is re-spent locally, benefiting other firms and individuals in the area.

Ideally, visitor expenditures are estimated through visitor surveys, which ask visitors, among other things:

- How far they had travelled to visit the site;
- Whether they were on a day trip or staying in the area;
- How many nights, if any, they were staying in the area;
- The size of their party;
- The importance of the site in encouraging them to visit the area;
- Whether they had purchased various items locally as part of their visit;
- How much they had spent on these different items.

The results can then be used to estimate expenditures in the local economy by non local day trippers and staying visitors.

However, visitor survey evidence from the case study sites was limited. Where visitor surveys had been undertaken, they gave some information about the origin of visitors and patterns of visits, but little evidence about visitor expenditures.

Therefore for most sites it was necessary to make assumptions about the likely levels of expenditure per visitor and to combine these with known visitor numbers to estimate visitor expenditures.

In assessing visitor impacts, we are concerned with the **additional** expenditures that sites attract to the local and regional economies. In estimating these expenditures, it is necessary to consider the degree to which the sites attract people who would not otherwise be in the area, and to estimate the expenditures by these visitors. Expenditures by locals or people who are visiting the area for other reasons, and happen to visit the site in question, need to be excluded. As a result the levels of expenditure attributable to a site may be significantly less than the overall daily expenditures by visitors.

HLF has commissioned a number of visitor surveys of historic sites in recent years. The survey evidence suggests that average expenditures that can be attributed to the site are as follows (Table 3.3).

**Table 3.3: Average Expenditures per Visitor Attributable to Historic Sites**

Type of visitor	Attributable spend per visitor (£)	Notes
Local	£0	Locals do not bring additional expenditure to the area
Day-tripper	£5.25	Average attributable spend from 11 heritage sites surveyed by HLF. Average spend varied across sites, ranging from £1.92 to £10.00. Actual trip expenditures are higher than this but only a proportion is attributable to the site, as some visitors visit more than one site in a day.
Staying visitor	£20.00	Average attributable spend from 11 heritage sites surveyed by HLF. Average spend varied across sites, ranging from £1.98 to £50.00. Actual trip expenditures are typically much higher than this but only a relatively

		small proportion is attributable to the site itself.
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The impacts of visitor expenditures on employment and GVA can be assessed by using standard multipliers. The two main economic models used to assess the local economic impacts of tourism spending in the UK are the Cambridge and STEAM models. Local authorities, regional tourist boards and RDAs periodically commission studies of the volume, value and impact of tourism at the local level using one of these two models.

Table 3.4 summarises the results of some recent studies based on these two models.

**Table 3.4: Local Studies of Economic Impact of Tourism**

Area	Year	Model	Visitor Spend (£m)	Jobs		Spend/Job		
				Actual	FTE	£ per FTE	inflator	at 2008 prices
Shropshire	2005	C	561	15691	11497	£48,795	1.09	£53,187
Oxford	2005	C	568	13643	9917	£57,275	1.09	£62,430
Tunbridge Wells	2006	C	184	3938	2879	£63,911	1.05	£67,107
Stoke on Trent	2003	C	135	3936	2871	£47,022	1.14	£53,605
Ipswich	2006	C	140	3361	2478	£56,497	1.05	£59,322
Ryedale	2006	C	121		2394	£50,543	1.05	£53,070
Carmarthenshire	2006	S	252		5355	£47,059	1.05	£49,412
Barnsley	2006	C	179	4327	3198	£55,941	1.05	£58,738
Doncaster	2007	C	279	6950	5060	£55,138	1.02	£56,241
Windsor & Maidenhead	2006	C	381	7990	5892	£64,664	1.05	£67,897
Greater Manchester	2007	S	5600		79411	£70,519	1.02	£71,930
South Tyneside	2006	S	219		4235	£51,712	1.05	£54,298

The figures indicate that average visitor expenditure of between £53,000 and £72,000 is required to support 1 FTE job at the local level at 2008 prices, with an arithmetic average of £59,000 per FTE.

Less evidence is available of the impacts of tourism expenditure at the regional level. However:

- The SW Regional accounts indicate that each £1m of tourism spending can be expected to increase employment by 25.1 FTE jobs and GVA by £0.79 million, taking account of direct, indirect and induced effects. This suggests that tourism spend of £40,000 is required to support 1 FTE job and that each £1 of spending increases regional GVA by £0.79.
- The Scottish Input Output Tables for 2004 indicate that each £1m of turnover in the Hotels/Pubs/Catering sector supports 36.3 FTE jobs and GVA of £1.0 million, taking account of direct, indirect and induced effects.

Based on the above, the following multipliers can be used to assess the impact of visitor spending, taking account of direct, indirect and induced effects:

- At the local level, expenditure of £59,000 is required to support 1 FTE job, while each £1 of expenditure enhances local GVA by £0.50;
- At the regional level, expenditure of £40,000 is required to support 1 FTE job, while each £1 of expenditure enhances local GVA by £0.80.

### 3.5 Assessing Ongoing Impacts of Site Investments

Expenditures in the operation of historic sites can also support ongoing impacts on local economies. Though the investments themselves involve one-off expenditures, they provide capital assets that may then facilitate a greater level of ongoing activity, with ongoing impacts on the local economy. In some of the case studies investments are followed by a step change in activity on site, resulting in an ongoing increase in employment and expenditures.

In these cases the investment is a necessary but not sufficient condition for the increased ongoing economic impacts achieved. It would be misleading to argue that increased ongoing employment and expenditure at each site is solely the result of the investment, since it depends crucially on the ongoing management of the facility. However, it may be the case that, without the investment, current levels of activity would not be achieved.

In each case, therefore, GHK examined the ongoing employment and expenditures associated with the case study sites, and identified any change that has followed from the investment. Where the investment is identified as having impacted on ongoing operations, it is treated as having facilitated or supported the resulting change in economic impacts.

Ongoing impacts are expressed in terms of full time equivalent (FTE) jobs and annual expenditures and GVA. From the review in section 3.3.1 above, the following ratios have been used to assess ongoing impacts:

- One FTE job is supported per £94,000 of site expenditure
- £0.50 of GVA is supported per £1 of site expenditure.

### 3.6 Assessing the Additionality of Impacts

A number of factors can influence the impact of expenditures on local economies. The most significant in this context are:

- **Deadweight** – the extent to which impacts would be observed even in the absence of the investment;
- **Displacement** – the extent to which the impacts of expenditures are offset by reductions in activity elsewhere in the economy, for example where an investment discourages investment in another similar project or draws visitors from another site;
- **Economic Leakage** – the extent to which expenditure leaks out of the local economy and therefore benefits other areas outside the study area.
- **Economic Multipliers** – the extent to which suppliers and employees re-spend money locally, thus supporting additional activity in the local economy.

As a result the net impact of the expenditure on the local economy is likely to differ from the gross effect. The study has therefore sought to distinguish between the gross and the net effects of project expenditures, and to quantify these as far as possible, drawing on guidelines provided by English Partnerships' Additionality Guide, the HM Treasury Green Book and the RDAs Impact Evaluation Framework.

The relationship between the gross outputs and net impacts of economic development activity has come under increasing scrutiny by the RDAs and other economic development interests, so is an important component of the study.

Economic leakages and multipliers form an integral part of the economic analysis. They are addressed by identifying the proportion of project expenditures that benefit local and regional firms, and estimating the impacts on local and regional economies by using appropriate multipliers. These multipliers aim to reflect the degree to which money circulates within, and leaks from, local and regional economies – with leakage being a key factor in determining the size of the multiplier.

The issue of deadweight was addressed through the project interviews, by questioning partners about the likely consequences of the project not being funded. Analysis of expenditures has examined the net effects of the investment, taking account of expenditures which would have been likely to occur even if it had not taken place. In each case a counterfactual scenario was defined and used to assess the net impacts of the investment (Section 3.7).

Displacement was also considered through targeted questioning of beneficiaries and stakeholders, in particular to examine whether the sites are in direct competition with others, such that investments may have drawn business from other sites.

For each case study, an analysis of the gross impacts of the project on local and regional employment and GVA is followed by a discussion of the likely net effects, taking account of issues of deadweight, displacement and substitution.

### **3.7 Defining the Counterfactual**

The net impacts of investment in each historic site were assessed by considering the economic impacts of the site as a whole, and comparing these with the likely impacts under a counterfactual scenario in which no investment took place.

The counterfactual was defined with reference to operational expenditures, staffing levels and visitor numbers prior to the investment. For visitor numbers, the counterfactual also took account of projected numbers in the absence of the investment, where available. A further factor is that exceptionally large numbers of visitors were recorded at historic sites in 2009, with EH visitor numbers up 11% compared to the five previous years. This increase is attributed to the boost in domestic tourism in summer 2009 caused by the recession. An adjustment was therefore made for this effect when comparing 2009 visitor numbers with recent figures.

### **3.8 Defining the Local and Regional Economies**

The size and structure of the local economy varies from one project to another, depending on its location. This can be expected to affect the economic impact of the project. In general, projects located within urban areas can be expected to be close to larger numbers of suppliers and workers and therefore have greater impacts on the economy of their immediate local area, whereas the impacts of projects in more rural areas can be expected to be more dispersed.

The English Partnerships *Additionality Guide* states that the 'local area' is often considered to be within the relevant travel to work area, or if this is not appropriate then a 10-15 mile radius of the site concerned, with the precise delineation to depend on the density of the settlement pattern in relation to the location of people and business activity.

For the purposes of this study, the local economy is defined as including an area within a 10 mile radius of the site of the project. It should be noted that this definition means that the local economy will vary significantly in size (overall employment, GVA and number of businesses) from one project to another.

The study also considered impacts on a wider "regional" economy. Because administrative regions also vary in size and structure, and since projects may be located on the borders of two or more regions, this definition is not based on standard administrative regions but includes all areas within a 50 mile radius of the site.

### **3.9 Assessing the Economic Impacts of Site Investments – A Worked Example**

The Anglesey Abbey investment involved total expenditures of £4,025,000. Of these, direct salaries amounted to £143,000 and purchased goods and services a further £3,882,000.

The salary costs supported 3 job years of work by one staff member working on the project over its 3 year duration. The salary costs provide a measure of the value of the work

completed by this individual and the income received, and hence the direct contribution to local GVA.

Out of the expenditure on purchased goods and services, a total of £420,000 was spent locally (within 10 miles of the site) and a further £3,366,000 in the wider “region” more than 10 miles but less than 50 miles from the site. This spending directly boosted the turnover of the suppliers to the project. The effect on employment and GVA among these suppliers is estimated using standard ratios of £110,000 gross output per full time equivalent job and £0.38 GVA per £1 of gross output (from the review in Annex 1). The latter reflects the fact that a proportion of suppliers’ gross output comprises the purchase of goods and services from other firms. In this case it is assumed that 62% of gross output is made up of purchased goods and services and 38% value added (wages, salaries and profits). Using these ratios we estimate that the expenditure by the project supported employment of 3.8 job years and GVA of £160,000 among suppliers situated in the local economy, while adding additional spending in the region gives an estimate of regional (including local) employment of 34.4 job years and GVA of £1,439,000.

Indirect and induced effects resulting from the impact of supplier and employee expenditures are estimated by applying multipliers to estimates of direct employment and GVA among the project and direct supplier businesses. An indirect and induced multiplier of 0.2 is used at the local level and 0.6 at the regional level (where a greater proportion of spending is retained in the local economy, see Annex 1). On this basis indirect and induced employment is estimated to total 1.4 job years locally [0.2 x (3.0+3.8)] and 22.5 job years [0.6 x (3.0+34.4)] in the region, while indirect and induced GVA is estimated at £61,000 locally [0.2 x (£143k+£160k)] and £949,000 [0.6 x (£143k+£1439k)] in the region.

On an ongoing basis, the investment has led to an increase in employment on site of 10.4 FTE jobs, with additional wages and salaries estimated at £173,000. Purchases of goods and services in the operation of the site have increased by £16,000; by estimating the breakdown of purchases from local, regional and national suppliers, and applying similar ratios to those used for project expenditures, it is estimated that they support 0.1 FTE jobs and annual GVA of £3,000 at the local level and 0.1 FTE jobs and GVA of £6,000 at the regional level. By applying multipliers to these direct effects, it is estimated that indirect and induced effects support 2.1 FTE jobs locally and 6.3 FTE jobs regionally, and GVA of £35,000 locally and £103,000 regionally.

The site attracts 205,000 visitors annually, 50,000 more than forecast in the absence of the investment. However, this is likely to be partly explained by exceptionally high numbers of visitors to historic sites during the 2009 recession; adjusting for this increase gives an estimated net increase of 32,950 as a result of the investment itself. Based on visitor survey evidence, we estimate that 30% of these annual visitors are locals, 51% are day-trippers from outside the local area and 19% are staying away from home. Locals are assumed not to bring any additional expenditure to the area. Based on evidence from other sites, it is estimated that each non local day visitor spends an average of £5.25 in the local area and each staying visitor spends an average of £20 in the local area as a direct result of visiting the site. These estimates take account of the degree to which the site attracts individual visitors to the area – the expenditures of visitors who were attracted to the area primarily for reasons other than to visit the site are excluded. By multiplying estimates of the increased annual visitor numbers by estimated spend per visitor that is attributable to the site, it is estimated that the site brings additional spending of £215,000 into the local economy (£87,000 by day trippers, £128,000 by staying visitors) and £139,000 into the regional economy (£18,000 by day-trippers and £121,000 by staying visitors).

Visitor impacts can be calculated assuming that £59,000 of visitor spending is required to support 1 FTE job at the local level and £40,000 is required to support 1 FTE job at the regional level. This suggests that the additional visitor spending supports additional visitor related employment of 3.7 FTE jobs at the local level and 3.5 FTE jobs at the regional level.

It is estimated that £1 of additional visitor spending supports additional GVA of £0.50 at local level and £0.80 at regional level; applying these to the estimated additional visitor expenditures gives an estimated increase in GVA of £108,000 locally and £111,000 regionally.

The total impact on local and regional employment and GVA is estimated by summing the above direct employment, direct supplier, indirect and induced effects.

### **3.10 Qualitative Effects**

The study was concerned not just with the overall quantity of employment, training and economic activity that result from historic site investments, but also with their quality. In many areas successful economic development and regeneration are dependent not just on the creation of new jobs, but especially on the development of new, higher quality employment opportunities. Key factors include the level of wages and salaries, skills levels, provision of training, opportunities for career development, level of social interaction, levels of staff turnover, and the degree to which jobs meet personal aspirations and provide fulfilment to those who fill them.

The case studies demonstrate that historic site investments can also play a key role by providing facilities that enhance the working lives of employees. GHK sought to interview individual members of staff as far as possible in the course of the site visits, to enable these qualitative aspects of employment to be assessed.

Also important are any impacts that the projects have on training and skills development. The study sought to quantify training expenditures, numbers and types of training places, and any resulting qualifications, as well as exploring more qualitative aspects of this training.

## ANNEX 2: LIST OF CONSULTEES

### **Anglesey Abbey**

Phillip Broadbent-Yale: Outdoor Programme Manager for the East of England;

Sarah Bowers: Regional Business Manager;

Roger Cayzer: Project Manager (retired);

Lee Fish: Senior Building Surveyor in East of England;

Jennifer Faulkner: External Affairs Manager;

Richard Wood: General Manager of Anglesey Abbey;

Viv Bateman: Retail Manager at Anglesey Abbey;

Paul Coleman: Catering Operations Manager East of England.

Ewen Hughes, Community Warden;

Elaine Stevenson, Financial Analyst;

Matt Welham, Contract Surveyor, Haymills.

Jennifer Faulkner, External Affairs Manager

Managing Director, Histon Produce

### **Dover Castle**

Steve Lang, Head of Visitors Operations, Dover Castle, English Heritage

Fraser Morris, Finance, Dover Castle, English Heritage

Denise Wild, Retail Manager, Dover Castle, English Heritage

Francesca Compton, Project Assistant, Estates Team, English Heritage

Staff at the Great Tower and gift shop

King Henry II and Eleanor of Aquitaine - actors in costume

Mike McFarnell, Friends of Dover Castle and local business owner

Colette Boland, Dover Forum (local resident)

John Iverson, Curator Dover Museum and Dover District Council unofficial tourism lead

### **Down House**

Minelle Rogers, Visitor Operations Manager Down House, EH

Louise Harrison, P&O Finance Manager, London (assumes responsibility for Down House), EH

Ann Towers, Project Manager during 2nd investment phase (2006-2009), EH

Claire Leggoe, Joint Manager of 'Cake' Cafe

Kevin French, Manager of Down House Tea Room

Jamie Newman, Owner of 'George and Dragon' pub

Alastair Hayes, Darwin's Landscape Laboratory, World Heritage Bid Manager, London Borough of Bromley

Derek Powell, Chairman Downe Resident's Association

Dave Witherspoon, Member of Downe Resident's Association

Russell Schofield, MDM Props Limited

### **Kenilworth Castle**

Beth Cavanagh, Head of Visitor Operations – East West Midlands, EH

Holly Woodward, Visitor Operations at Kenilworth Castle, EH

Lucy Morris, Hospitality Co-ordinator Kenilworth Castle, EH

Andrea Young, Catering Supervisor, Kenilworth Castle, EH

Simon Begbey, Finance and Performance Manager West, EH

Sean Rouse, Restaurant Manager, Harringtons on the Hill

Access to English Heritage invoices provided by Richard Williams

Access to Focus Project Management Files and invoices provided by Steven Fletcher

Keith Learoyd, Former Site Manager for Rok

Sally Carrick, Chair of Kenilworth Town Centre Partnership

Charles Smith, Vice Chair of Kenilworth Town Centre Partnership

### **Tyntesfield**

Rhona Borthwick, Programme Officer, NT

Katie Laidlaw, Skills Supervisor, NT

Kate Gunthorpe, Building Surveyor, NT

Kath Campbell Hards, Assistant Building Surveyor, NT

Anna Russell, General Manager and Project Director, NT

Mark Curtis, Backwell Secondary School; Lead Practitioner in Creative and Media

Adrian Birch, Senior Lecturer, Dept.of Property and Communities, University of the West of England

Robert Battersby, Partner, Architecton

Kathryn Davis, Commercial Services Manager, Destination Bristol

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