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Evaluation of the Coastal and Sustainable Tourism Projects

Executive Summary

1. Introduction

- 1.1 This is the final evaluation for two of the Environment for Growth (E4G) projects – Sustainable Tourism and Coastal Tourism (including the Green Sea programme) – which were developed and managed by Visit Wales. E4G projects received funds from the European Regional Development Fund (ERDF) programmes for Wales 2007-2013. The goals of the projects were to improve the attractiveness of natural and manmade facilities, develop “Centres of Excellence” and spin-out activities; develop marinas, cycle and walking trails; improve access to the coast and countryside; and develop potential for sustainable recreation and economic activity.
- 1.2 The E4G programme as a whole consisted of six project packages: Valleys Regional Park; Heritage Tourism; Communities and Nature; Wales Coastal Path; Sustainable Tourism; and Coastal Tourism. Short summaries of the Coastal Tourism and Sustainable Tourism projects are provided below:
 - The Coastal Tourism project received a total of £18.9 million of which £8.7 million was from the ERDF. The programme consisted of three initial Centres of Excellence: Watersports Swansea Bay, Aberdaron National Trust, and Pembrokeshire. A fourth, Saundersfoot Marine Harbour, was added later. The project also included the investment of the Green Sea Programme in both North and South Wales.
 - The Sustainable Tourism project also received a total of £18.9 million of which £8.2 million was from the ERDF. The programme consisted of four Centres of Excellence: South Wales Cycling (Cognition), One Historic Garden, North Wales Cycling Centre of Excellence, and the Eryri Centre of Excellence (One Big Adventure).
- 1.3 Across these eight Centres of Excellence and the Green Programme, there were up to 50 different investment activities spread across multiple sites throughout the two ERDF programme areas. The ERDF funding was spread

widely with relatively modest sums reaching some particular places and activities.

- 1.4 The investments in Sustainable and Coastal Tourism projects reflect the strategic priorities that were set in The Tourism Strategy for Wales “Achieving Our Potential” which set out aims to meet customer needs, work innovatively, manage destinations responsibly, and maximise business profitability, alongside broad policy goals to support social justice, equalities, and sustainability. This set a wide ranging policy context about what these tourism related investments should achieve.
- 1.5 The projects were developed during what has been a challenging time for the tourism economy in Wales. For the period covered by this report, overnight visits from within Great Britain increased, while international visits decreased. The economic environment also remained challenging with constraints for tourism enterprises in securing private sector or public sector investment.

2. Purpose And Approach to the Evaluation

- 2.1 The scope for evaluation of the Sustainable and Coastal Tourism projects is ambitious. Visit Wales commissioned Regeneris Consulting and The Tourism Company to answer six essential questions and meet eight specific objectives:
 - Questions on how project activity reflected commitments set out in the business plans; perceived outcomes of the project for beneficiaries; how project outcomes compared to if investment had not been made; potential long term impacts and implications of withdrawal of funding; project delivery and good practice; and lessons learned.
 - Objectives to provide an independent understanding of how projects performed; review delivery and partner project management; assess achievement against cross cutting aims; review progress against social impacts; review match-funding and support; review monitoring and evaluation; consider the legacy of the projects; and consider marketing.
- 2.2 In order to answer these questions, we drew on a range of evaluation strands including:
 - Reviewing project business plans, monitoring returns and annual reports for the project as a whole and the Centres of Excellence
 - Consultations with project managers, the Centre for Excellence managers, and responsible officers and relevant partners and stakeholders for many of the 50+ investment activities that were funded
 - Examination of the baseline, monitoring and evaluation evidence held for the investment activities
 - Specific commissioned research for the two projects such as that undertaken by Cardiff Business School estimating visitor and construction expenditure related economic impacts.

2.3 Within the scope of such an ambitious evaluation, the extent to which all these questions and objectives can be addressed is dependent on the availability and quality of data, the trail of documentary evidence, and perspectives and views of officials and beneficiaries. A number of challenges arose during the course of the evaluation which constrained the evaluators ability to gather the evidence that was required:

- Although Visit Wales set targets and then gathered and reported monitoring data on a sensible basis for the Centres of Excellence in order to address their contractual requirements to WEFO, the evaluators were unable to easily access comprehensive disaggregated analysis of these outputs and results across the investment activities – this is important in terms of judging the effectiveness of particular activities in generating outputs, results and value for money.
- Whilst guidance was provided by WEFO and Visit Wales on the measurement of output and results indicators, this has not always been applied consistently by the Centres of Excellence or the delivery bodies for the visitor related result indicator in particular. There has been occasional confusion about whether this is measuring visits or visitors and whether it is gross or additional visits.
- Given the time limited project funding for the Centres of Excellence and the timing of the evaluation towards the end of the project's lifespan, a number of the Centre of Excellence managers and staff responsible for the implementing the investments were no longer in post at the time of the evaluation. This has made it difficult to gather the project perspective in some instances.
- The economic impact research commissioned by Visit Wales (and other E4G partners) from Cardiff University has provided a helpful source of evidence of the visitor and construction related impacts for the Centres of Excellence, underpinned by extensive visitor survey work. However, the researchers struggled to obtain robust baseline data (and in some instances post investment visitor data) and hence an inherent weakness of the research is that it does not distinguish between gross and net additional impacts. This is highlighted further in the lessons section below for the new ERDF programme.

3. Key Findings

3.1 The overall ERDF expenditure target was met at a little under £17 million, although the composition changed slightly (£8.2 million for Sustainable Tourism and £8.7 million for Coastal Tourism compared to the original allocation of £8.5 million for both). Total expenditure was £37.7 million, with substantial contributions from local authorities, other public sector agencies and £4.1m funding from the private sector and charitable trusts (such as the National Trust).

- 3.2 This funding has enabled the delivery of a wide range of visitor infrastructure and facilities tailored to a range of target markets across Wales. At the level of the Centres of Excellence, a reasonably clear message has emerged that the original business plans were implemented largely as intended. Given the extent of capital activities being implemented as part of the Centres of Excellence, it is inevitable that some further planning and development activities occurred following the approval of the project funding. This did lead to some delays with the implementation of some initiatives, especially where original plans needed to be amended to reflect development, planning or costs constraints. This is in part due to the absence of a mobilisation and planning period at the start of the funding period for Centres of Excellence and their initiatives, although this has been addressed in the design of the new ERDF programmes.
- 3.3 However, the Centres of Excellence were flexible around changes in funding and partners – when changes were made or initiatives substituted, there were understandable and justifiable reasons for this. Those that appear well-conceived at the start were less likely to need to make changes in composition or funding than those projects which were comparatively diffuse and difficult to coordinate.
- 3.4 A number of the Centres of Excellence are judged by the evaluators to be particularly well conceived, developed and delivered, including Cognation, Aberdaron and Saundersfoot Marine Harbour. These were all underpinned by strong strategies, carefully targeted investments to enhance the existing or to provide new visiting infrastructure and offer, and often more straight forward delivery arrangements.

Outputs

- 3.5 Overall, most of the projected outputs targeted were achieved and in some instances exceeded:
- The headline output metric on “initiatives developing the natural and/or historic environment” was exceeded (35 compared to a target of 20), although the increase largely reflects a lack of clarity in the definition of the indicator about what counts as an “initiative” rather than a major change in the composition of the investment programmes.
 - The final outturn for “managed access to the countryside” (measured in kilometres) was slightly less than the original target (460 km compared 400 km achieved), mainly associated with cycling trails.
 - The final outturn for “enterprises assisted” was similar to the initial projection in 2011 (44 for the Sustainable Tourism project compared to an initial target of 49 and 18 compared to 15 for the Coastal Tourism project). Whilst our consultations have indicated that there are differences in how this indicator has been interpreted by the Centres of Excellence and delivery staff (and we have not always had access to the enterprises being claimed), our research

provides reasonable evidence that the projects have provided opportunities for new and existing enterprises to commence trading locally.

Table 1. Summary of Outputs by Centre of Excellence

	Total (£m)	Initiatives	km	Enterprises Assisted	Jobs
Overall	37.7	44	430.9	>70	130
Sustainable Tourism	18.9				
Eryri	4.6	4	27	6	29
North Wales Cycling	1.8	1	270	11	2
South Wales Cycling - Cognation	4.4	1	72	25	14
One Historic Garden	4.6	7	34	11	14
Remainder (e.g. central marketing)	3.5				
Coastal Tourism	18.8				
Swansea Bay Watersports	4.2	4	10	6	33
National Trust – Aberdaron	3.4	1	1	3	7.5
Pembrokeshire Coastal	4.0	8	1	n/a	24
Saundersfoot Trust	0.9	n/a	0.4	n/a	5
Of which Green Sea:					0
The Green Sea Programme South	1.9	14	13	9	1
The Green Sea Programme North	0.9	6	2.5	0	
<i>Remainder (e.g. central marketing)</i>	3.5				

Outcomes, Impacts and Added Value

- 3.6 The evidence on outcomes is also generally positive but less clear cut in terms of the robustness of the underpinning evidence:
- The target for the number of “gross jobs created” was significantly underachieved (i.e. these are direct jobs associated with the enhanced facilities rather than associated with the indirect visitor expenditure). The target for the Sustainable Tourism project was met (a target of 59), whilst the revised target for the Coastal Tourism project (reduced from 240 to 53) was exceeded (71).
 - The number of ‘visits’ reported suggest that both projects exceeded the targets set in 2011. The Sustainable Tourism reported over 1.6 million visitors compared to the target of 0.76 million and the Coastal Tourism reported 1.15 million compared to a target of 250,000.
- 3.7 As noted earlier, our analysis identified a number of concerns about the recorded ‘visits’. There is some inconsistency across the investment activities about whether the measured outcome is ‘total visits’ or ‘additional visits’, some confusion over whether the measured outcome is ‘visits’ or ‘visitors’ and inconsistencies in the baseline information recorded by initiatives. This confusion sits alongside significant limitations on how visits/visitors have been counted or estimated. Whilst the reported visitor numbers need to be treated with a degree of caution, it is reasonable to assume that the much lower original targets have been exceeded.
- 3.8 Similarly, there is little evidence on the experience of visitors and whether investment in improved facilities resulted in higher satisfaction or more positive perceptions. Information about visitor perceptions was not recorded in a systematic way.
- 3.9 It has not been possible to estimate the economic impacts associated with the visitor activity as part of this evaluation. However, the Cardiff University study concluded that:
- The economic impacts take place largely away from the visitor sites themselves, often with limited on-site spending opportunities and hence less potential for impact.
 - Nevertheless, at the time of the study (2015), the impact of visitor spending associated with the Sustainable Tourism project generated around £4.9 million of gross GVA per year and around 230 gross full time equivalent jobs (approximately £21,300 per job). For the Coastal Tourism project the impact of visitor spending was £8.8 million of gross GVA per year and around 399 full-time equivalents (approximately £20,000 per job). It is important to note that these are gross rather than net additional impacts due to the absence of clear pre-investment baseline data and some of this economic impact will already be counted in the gross jobs reported in the previous section.

- The projects also involved estimated construction expenditure of £28 million across the two projects, supporting one off economic impact of around £20 million of GVA and 480 years of employment.
- 3.10 The consultations provide clear evidence that the investments have had value in enhancing the reputation of particular attractions and areas, especially where the investments were carefully targeted at existing assets, investing in new facilities or spatially concentrated. It is where there were more concentrated investments (such as Cognation and the new investment in Bike Park Wales, Aberdaron or Saundersfoot Marine) that a clearer story about additional outcomes can be demonstrated. In other instances, the investments will have helped in providing opportunities to compete in the tourism market place, although it is difficult to demonstrate this where the investment was modest, fragmented and incremental.
- 3.11 The evaluation also explored the issue of deadweight or, in other words, what would have happened in the absence of ERDF funding. The consultations confirmed that in the absence of the ERDF funding from the two projects the majority of the investments would not have occurred or would have been delayed while alternative funding was sourced. The funding has therefore been critical in enabling much of these activities to proceed.

Project Development and Delivery

- 3.12 The evaluation has pointed to different experiences with development and implementation of the plans and investments across the Centres of Excellence. The overarching strategic concepts of the Centres of Excellence appear to have offered an initial vision that helped shape early ideas and choices. But the large number of centres and investment activities that were subsequently supported with relatively modest sums indicates that resources and efforts were in some instances spread widely and therefore thinly.
- 3.13 As a result, much of the early strategic focus diminished in some instances. The different centres developed largely independently with little binding them together. Meanwhile, match-funding was almost wholly dependent on public sector financing from local authorities or government agencies. The leveraging of private sector funding was limited and confined to only a few investment activities.
- 3.14 A strong message from the evaluation is that in the case of many of the investments, there was insufficient pre-planning. This could have helped to avoid some of the issues which arose during delivery, for example around practical issues such as planning permissions, site constraints and costs. Changes made to delivery plans were often time consuming and added pressure to the delivery of projects. Whilst in practice there may be limitations on the ability for delivery partners to undertake more detailed planning and development of projects prior to submitting business plans and agreeing funding agreements, an initial post funding agreement development or mobilisation period could have helped to avoid these challenges and delays (this has been adopted in the new programmes).

- 3.15 There are positive perceptions of overall project management for both the Coastal and Sustainable Tourism projects, including relationships with Visit Wales and other partners which worked well. The commitment of local authorities to the delivery of investments, often working with local partners and communities, was seen as a key aspect of successful project delivery. This also included cross sector working with the third and private sectors both at an overall project level and specific Centres of Excellence.
- 3.16 The administrative requirements of European funding were a potential barrier although the engagement of Visit Wales and local authorities helped to address this. However, some of the associated activity, including marketing support and the environmental training, would have benefited from much more advanced planning and better integration.
- 3.17 The delivery of the programme through European funding mechanisms may also have been a barrier to integration of the Centres of Excellence with other activities being undertaken by local authorities or by Visit Wales. There is a sense that the project did not link in with other parts of local authorities or wider tourism plans, as operations were often channelled through officials responsible for European funds rather than those responsible for wider economic development or tourism.

Marketing

- 3.18 Visit Wales undertook a successful national marketing campaign themed around adventure and outdoor activity, closely linked to the sustainable and coastal tourism themes pursued by the Centres of Excellence. This has been the focus of a separate evaluation commissioned by Visit Wales.
- 3.19 In terms of the marketing of the local initiatives, the main concern of most managers of each of Centres of Excellence was to deliver a set of projects, on time and within budget. The reviews of the Centres of Excellence suggest insufficient attention was paid in some instances to complementary local marketing support and activities required when bringing a new product to the market place. This was especially true where those responsible for delivery were based within a European Funding team.
- 3.20 There was considerable variation in the extent to which marketing formed a significant or prominent part of the original bid and subsequent allocation of funding; for example marketing was a significant share of funds for One Historic Garden but negligible for Aberdaron, and some were designed to form a cluster with a common branding, such as Cognation and One Historic Garden. Only One Historic Garden appears to have directed significant resources to employing an external marketing team to deliver a campaign.
- 3.21 There was also variation in the extent to which different Centres of Excellence were suitable for standalone marketing campaigns and co-ordination in joint marketing was lacking. The diversity of projects, for example in Snowdonia's One Big Adventure, with their different target audiences presents a marketing challenge. In some cases, dedicated standalone websites were established

but it is not clear how traffic was driven to these websites. Commercial or semi-commercial partners (e.g. Saundersfoot Harbour and National Trust) have an ongoing commitment to marketing their facilities. This is different to the situation in which local authorities have found themselves, especially at a time of reducing budgets.

Cross cutting Themes and Social Impacts

- 3.22 The ERDF funded activities over 2007-2013 were expected to incorporate the cross-cutting themes of environmental sustainability and equal opportunities as themes for a more balanced, sustainable and innovative economy. Each of the business plans for centres under the project umbrella of 'Sustainable', 'Coastal' and 'Green Sea' projects had ambitions around environmental goals; and each set ambitions around equality – in particular with physical access for people with disabilities and leisure and educational opportunities for people in low income groups as a theme across the projects. Visit Wales was proactive in providing support to the Centres of Excellence to plan for and achieve these cross cutting themes, including various themed workshops run by the Carbon Trust and WRAP. The consultations largely brought out positive qualitative perceptions that the projects had set out to achieve these goals and made progress. There are examples of good practice such as Aberglasni Gardens (see the reviews of the Centres of Excellence).
- 3.23 However, there are understandable challenges in monitoring progress and value in these kind of environmental and social goals – these are not financial or physical outcomes. There was limited guidance from WEFO at a programme level and, whilst bearing this in mind, there is little indication of a systematic and consistent approach to doing so being applied within or across all the different centres. No clear set of indicators has been used and these have not been reported alongside the core ERDF performance indicators. Although the need for a social impact assessment framework is noted in the Mid Term Evaluation report, it does not appear to have been adopted as a formal method of monitoring and reporting impacts.

4. Legacy Impacts

- 4.1 The investments made through the Centres of Excellence were intended to be financially self-sustaining in the longer term wherever possible. The extent to which the different centres and investment activities will continue beyond the end of ERDF funding is mixed. The range of capital investments in harbours and marinas, paths and bike trails, buildings and facilities provides a clear physical infrastructural legacy and enhances the offer to visitors and residents. What is less clear is how the on-going costs of maintaining or running the facilities will be met, either through mainstreaming into public sector budgets or self-supporting through income generation.
- 4.2 Many of the centres anticipated the longer term funding required and made investments with goals of becoming self-sustaining in raising their own revenues, for example through ticketing (such as Bike Park Wales) and car

parking fees, or through shops and café facilities. This picture naturally differs across centres with those that are privately-led (or Trust-led) more commercially focused compared to those that are public sector led and providing local public amenities. Some projects (such as parts of Swansea Watersports) began as public sector initiatives and have moved towards a more commercial footing. Some other delivery partners were more optimistic about activities becoming self-sustaining and generating revenues from visitors without further public assistance.

- 4.3 However, the evaluation identified significant concerns amongst some public sector led projects about the availability of future resources from within the public sector to maintain, market and reinvest in these facilities. These concerns have clearly been heightened by the cuts in public sector budgets.
- 4.4 In short, the legacy impacts and the sustained effect on targeted sectors, products and businesses is not yet clear and this will need to be assessed in the years ahead.

5. Recommendations and Lessons

- 5.1 The evaluation points to a number of lessons which will help to guide the development of future tourism centres of excellence or specific tourism infrastructure and facilities investments:
 - At the level of the Centres of Excellence. There are clear benefits in tourism development and economic impact in terms of achieving a greater concentration of resources rather than spreading resources more thinly across large numbers of tourism priorities, spatially and thematically. This lesson is relevant to Visit Wales and delivery bodies involved in designing centres of excellence.
 - The importance of delivery bodies undertaking more thorough early development for the proposed investment activities within the Centres of Excellence, which will help to avoid or at least better manage the delivery risks. As there may be a limit on how much development delivery bodies are willing or able to undertake prior to grant approval, this can be overcome by building in a mobilisation and development phase into delivery schedules. This lesson is relevant to WEFO in particular, but should also be borne in mind by Visit Wales and delivery bodies involved in designing centres of excellence.
 - The provision of support and guidance from Visit Wales to the Centres of Excellence and delivery partners to develop appropriate marketing activities and to ensure integration with the overarching national marketing campaigns as well as local efforts. Where appropriate, this can be achieved by Visit Wales providing guidance and support to the Centres of Excellence and the delivery partners, to enable them to develop their own strategies and to integrate this with the national marketing campaigns.
 - The development by the Centres of Excellence and their delivery partners of a clear monitoring and evaluation framework built upon a clear theory of

change to enable data collection before, during and at the final stages of an investment; the inclusion of CCT targets at the investment levels; providing clarity about the baseline against which change is measured, ensuring monitoring requirements understood by all management and delivery partners. Whilst all of these will ultimately be the responsibility of the Centres of Excellence and their delivery partners, Visit Wales needs to provide the guidance to enable them to do this effectively and in a coordinated manner.

- It is particularly important that this framework establishes the approach to and underpinning data requirements for assessing overall counterfactual impact of the investments (i.e. what could be expected to be incurred in the absence of the ERDF backed investments). Whilst this will always be challenging for smaller and spatially dispersed investments, it is more achievable for larger, spatially focused and more impactful investments. Visit Wales should take a lead in investigating and developing the feasibility of these approaches and providing guidance to delivery partners as appropriate.
- In the case of projects like the Centres of Excellence, which have multiple layers of management and delivery, providing clear guidance on the responsibilities of partners at all levels for accurate monitoring, reporting and record keeping. The approach has clearly worked well for ensuring that data can be aggregated for the purposes of overall reporting to WEFO, however it also needs to provide the scope for disaggregation to individual investments for evaluation purposes (and make clear to Centre of Excellence managers that the data needs to be made available to evaluators on this basis).
- Earlier engagement with delivery partners on how to promote the cross-cutting principles of sustainability, equality and social impact into their projects. This also applies to planning for the long-term sustainability and legacy of the investments themselves, providing clarity on how new visitor infrastructure and facilities will be maintained, reinvested in and marketed.
- Ensure that all delivery partners are clear about the basis on which they are monitoring visits and visitors, how these relate to their original targets and whether they are on a gross or net additional basis. It is clear that there has been confusion amongst some partners and changes in the measures used over time and in different reports.

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Full Research Report: Regeneris Consulting and the Tourism Company 2017. Evaluation of the Coastal and Sustainable Tourism Projects. Cardiff: Welsh Government, GSR report number 1/2018.

Available at: <http://gov.wales/statistics-and-research/evaluation-coastal-sustainable-tourism-projects/?lang=en>

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

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