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Evaluation of the Tourism Attractor Destinations: Interim Report

Executive Summary

- 1.1. Arad Research was commissioned by the Welsh Government in August 2018 to carry out an evaluation of the Tourism Attractor Destinations (TAD) operation. TAD is funded by the Wales European Funding Organisation (WEFO) and forms part of the 2014-2020 West Wales and the Valleys ERDF Programme.
- 1.2. The 2014-2020 ERDF Programme is focused on supporting investments that contribute to the creation of sustainable jobs and economic growth. The TAD operation represents a £62m investment to support the ERDF objectives under Priority 4.4: to increase employment through investments in prioritised or regional infrastructure supporting a regional or urban economic strategy.
- 1.3. TAD's objective is to deliver economically significant investment in key tourism assets that will attract further business investment and business growth to deliver key outcomes in terms of employment and regeneration.
- 1.4. Thirteen projects are currently funded through TAD, led by a range of partners.¹ TAD projects were identified and selected through a regional prioritisation exercise, involving regional economic boards and key delivery partners, who subsequently became joint beneficiaries. At the time of preparing this interim report, three projects have completed in full and one has partially completed and has reported on outputs.

¹ A list of projects is set out in Table 2.2 of the main report and Annex 2 provides a one-page summary of each project's progress and status

- 1.5. The TAD operation includes total project costs of £62.2m, of which £27.7m is ERDF programme funding with a further £9.7m awarded in targeted match funding (TMF). By May 2019, claims of £9.9m had been made in respect of ERDF funding and £7.7m of TMF. In addition to ERDF and TMF, TAD projects have secured funding from a range of other sources, totalling over £24m.
- 1.6. The interim report aims to provide an assessment of progress to date in delivering the operation, the data available to enable an assessment of the TAD operation against its strategic objectives and any learning points for the current and future tourism-related projects or programmes.
- 1.7. The findings presented in this interim report are based on desk research, interviews with strategic stakeholders and visits to joint beneficiaries to speak with project representatives, other staff and, in some cases, partner beneficiaries and external organisations.

Interim Conclusions and Recommendations

- 1.8. Based on the experiences of completed projects, there are indications that significant investment in a small number of destinations will enhance the tourism product, attract new visitors and serve as a catalyst for other tourism-related and economic activity.
- 1.9. The TAD operation is making good progress to date given the challenging conditions that joint beneficiaries have faced over the past two years, particularly in relation to finalising plans, securing match funding, and procuring services to progress elements of their projects. However, the delays in delivery, along with incomplete baseline data, present challenges in assessing and quantifying outcomes at this interim stage of the evaluation.

The TAD operation has a clear rationale, which complements Welsh Government policies to support the sector.

- 1.10. There is support among stakeholders and joint beneficiaries for the operation's rationale and its aspiration to develop high-profile destinations and attractions across Wales. The significant investment in a small number of destinations will enhance the tourism product, attract new visitors and also serve as a catalyst for other tourism-related and economic activity in their local areas and regions. There is continued support for such an investment lever to support delivery of world-class products which respond to consumer needs and market opportunities.

The TAD operation is well aligned with the aims of the West Wales and the Valleys ERDF Programme and with wider Welsh Government policies and priorities.

- 1.11. There is early evidence of TAD's contribution in terms of accommodating and creating employment, albeit only a partial picture at this stage. Tourism is a priority sector of the foundational economy in Wales and TAD will help raise the profile of the sector and enhance the visitor offer. Individual project business plans set out how they will contribute to the sustainable development goals set out in the Well-Being of Future Generations (Wales) Act 2015. Ongoing work during the evaluation will consider how these contributions are recorded and measured.

Recommendation: Consider how to apply TAD model as a continued investment lever to accelerate growth and develop world-class, quality, authentic visitor experiences within the developing Visit Wales national tourism strategy.

Visit Wales has provided effective management of the TAD operation to date.

- 1.12. The operational management of TAD has been effective. Close working partnerships with joint beneficiaries has been a feature of the operation. The role of Visit Wales has been an important component of operation delivery both in terms of its working relationship with WEFO and also its pastoral role in working with joint beneficiaries by supporting the finalisation of business plans, guiding them through some of the administrative processes and providing ongoing advice and support. There is a general feeling that the TAD network group could be more dynamic in terms of facilitating knowledge exchange and good practice amongst partners. Effective systems and processes have been developed and improved, building on past ERDF Programmes.

Recommendation: Ensure that sufficient capacity is retained within the Visit Wales team to manage and support TAD projects as they move towards operational phases.

Recommendation: Consider whether greater use could be made of the knowledge across the TAD network to promote knowledge transfer. Explore whether projects that are further advanced or operational could provide one-to-one advice or mentoring to projects facing challenges or issues that others may have also encountered and overcome. Although this may already be happening informally, it could be promoted more actively during network meetings.

There is a need for a more robust and more standardised approach to data collection in respect of non-WEFO operational indicators.

- 1.13. The TAD operation selected a limited number of core WEFO performance indicators and an additional target for increased visitor numbers to TAD sites. TAD projects will undoubtedly give rise to a wider range of additional positive outcomes, including perceptions of sites, social and community benefits, direct and indirect economic effects. The lack of systematic approaches to capturing these effects may result in projects providing narrative but without evaluative data – at project level – to support these important other outcomes. Current monitoring data will make it difficult to assess whether TAD operation will achieve this.

Recommendation: Consider the development of a wider impact framework that supports joint beneficiaries in capturing effects of visitor perceptions in addition to wider community and economic benefits that arise from TAD funding.

Recommendation: Within this framework, a secondary recommendation that all TAD sites collect data using the Wales Visitor Survey questionnaire so that data on visitor experiences and perceptions is collected in a consistent format and fed into the evaluation.

There is scope to improve linkages with other local and regional activities and programmes.

- 1.14. The ERDF Operational Programme emphasises the need for funded operations to support an integrated approach and to contribute to wider issues of low skills and economic activity. In the case of Specific Objective 4.4, this will be measured against the claimant count rate in travel-to-work areas. There is a question about whether projects – as they mature – could do more to explore and strengthen links with local skills and regeneration programmes.

Recommendation: Joint beneficiaries and partner beneficiaries should consider how, as their projects complete and become operational, partnerships and links could be made with local regeneration activities and programmes. This is particularly applicable to those projects with a focus on employment and skills.

The TAD operation has systems in place to ensure that the cross-cutting themes are embedded as part of the intervention, however at an individual project level cross-cutting themes and the Welsh language could be promoted and publicised more actively.

- 1.15. Our initial project review has revealed a mixed picture in terms of the extent to which CCTs have been embedded in the design, delivery and monitoring of project activity. The integration of cross cutting themes is evident in project design and implementation supported by a monitoring and reporting framework. While the TAD operation identifies a

set of proposed monitoring indicators, some joint beneficiaries reported a lack of clarity about the quantitative targets for CCTs and their importance to the overall programme. The review has also identified areas of good practice by joint beneficiaries but there is a need to ensure that these areas are promoted and publicised for application by other partners.

Recommendation: Visit Wales and joint beneficiaries should consider whether there is scope for more active engagement with under-represented groups or harder-to-reach communities through the work of their projects.

Stakeholders report that there is relatively little awareness of the TAD operation beyond those who have been directly involved in its delivery.

- 1.16. Plans to support the marketing of TAD projects have only recently been set out. As part of this there is a need to ensure a coordinated and coherent approach to marketing individual sites and their value through having been part of a collective and Wales-wide operation to promote high-quality destinations.

Recommendation: Visit Wales should ensure that TAD projects are promoted prominently as part of national campaigns and initiatives, with particularly opportunities presented through the Year of the Outdoors 2020/21 and the Wales Way routes.

Recommendation: Joint beneficiaries should be encouraged to explore joint marketing opportunities where this is feasible. Proposed visitor itineraries incorporating different TAD sites could be explored, taking a themed approach or focused on geographic proximity.

There have been substantial changes to some project specifications, plans and financial profiles since original joint beneficiary business plans were approved.

- 1.17. These revisions and amendments to relevant targets have been recorded in monitoring reports and in communication between joint beneficiaries, Visit Wales and WEFO. There is a need to ensure that the evaluation takes into account these revised plans and targets so that the operation is assessed against final agreed plans (and targets).

Through its funding arrangements the operation is less attractive to private sector or third sector organisations than it is to larger public sector organisations.

- 1.18. A number of joint beneficiaries reported serious concerns relating to cashflow, particularly during early stages of development and prior to projects receiving final approval. A consequence is that the operation is heavily weighted towards projects led and delivered by public sector organisations. Should there be a desire in future to diversify the profile of

organisations supported through similar funding programmes, it may be advantageous to make available some initial development funding to cover expenditure during initial planning phases.

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Available at: <https://gov.wales/evaluation-tourism-attractor-destinations-interim-report-announcement>

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

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