Pan Wales Rural Tourism
Final Evaluation Report

Pan Wales Rural Tourism: Final Evaluation Report

Authors: Nia Bryer and Heledd Bebb, OB3 Research

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

For further information please contact:

Siân Hughes

Social Research and Information Division

Knowledge and Analytical Services

Welsh Government

Cathays Park

Cardiff

Contents

List of tables and figures

Glossary

Acronym/Key word	Definition
B&B	Bed and Breakfast
CCT	Cross-Cutting Themes
COVID-19	Coronavirus Disease 2019
EAFRD	European Agricultural Fund for Rural Development
EU	European Union
EoI	Expression of Interest
FTE	Full Time Equivalent
GB	Great Britain
GVA	Gross Value Added
IPS	International Passenger Survey
IQ	Introductory Questionnaire
MSBF	Micro Small Business Fund
PfG	Programme for Government
PR	Public Relations
RC-RDP	Rural Communities - Rural Development Programme
RDP	Rural Development Programme
RTEF	Regional Tourism Engagement Fund
SuDS	Sustainable Drainage System
TAIS	Tourism Amenity Investment Support
TISS	Tourism Investment Support Scheme
ToC	Theory of Change
TPIF	Tourism Product Innovation Fund
UK	United Kingdom
VfM	Value for Money
WCP	Wales Coastal Path
WEFO	Welsh European Funding office
WFG	Well-being of Future Generations
WTIF	Wales Tourism Investment Fund

1. Introduction

1.1 OB3 Research was commissioned by the Welsh Government to undertake an evaluation of the Pan Wales Rural Tourism Scheme.

1.2 The aim of the evaluation was to review four tourism schemes delivered under the Rural Communities - Rural Development Programme (RC-RDP) 2014-2020 and provide an independent assessment of both scheme implementation and delivery, including the outcomes and impact of the schemes. The findings of this work will be used to inform future tourism support and the RDP programme-wide ex post evaluation study.

1.3 It was expected that the evaluation:

- consider the alignment of the projects with the RDP and Welsh Government strategic policy objectives

- review the effectiveness of scheme management – including the claims process, monitoring systems, communications, and the availability of support post award

- consider the delivery and implementation of the schemes

- assess the extent to which supported projects were able to achieve the objectives set out in their plans

- review outcomes and impact, where possible, of the schemes

- assess the responsiveness of the various schemes to the perceived needs of the tourism industry, including how support was offered to different sizes of businesses, and larger or smaller scale projects

- assess value for money (VfM) where possible

- provide recommendations and lessons learnt for similar grants in Wales.

1.4 The evaluation was undertaken between September 2022 and July 2023. It involved the preparation of a Theory of Change (ToC) report (unpublished, November 2022) and this final evaluation report.

1.5   The methodology adopted for this final evaluation report involved desk-based research and fieldwork with funded projects and users, Welsh Government officials, and other stakeholders.

1.6   This report is presented in 11 chapters as follows:

- chapter one: introduction to the report

- chapter two: provides an overview of the Pan Wales Rural Tourism schemes, their administration and achievements

- chapter three: sets out the study methodology

- chapters four to six: consider the findings of the fieldwork in relation to the purpose of the fund (chapter four); scheme management (chapter five) and scheme delivery and implementation (chapter six)

- chapter seven to nine: consider the findings of the fieldwork in relation to the difference made (chapter seven), value for money achieved, where possible (chapter eight), and cross-cutting themes and objectives achievements (chapter nine)

- chapter 10: set out the findings of the fieldwork about future funding needs

- chapter 11: sets out our conclusions and recommendations.

1.7   The following information is set out at Annexes A to F:

- Annex A: sets out the Theory of Change model for Pan Wales Rural Tourism

- Annex B: provides detail of the sampling framework used to inform the selection of projects within the fieldwork

- Annex C: outlines the research instruments used for the fieldwork, including discussion guides and a survey tool

- Annex D: considers the fit of Pan Wales Rural Tourism schemes within the policy and strategic context and the views of stakeholders about this

- Annex E: considers tourism sector data for Wales on visitor trends and feedback

- Annex F: provides a list of resources which are referred to within the report.

2.   The Pan Wales Rural Tourism schemes

2.1   This chapter sets out an overview of the four Pan Wales Rural Tourism schemes, their administration, and their achievements.

Introduction

2.2   The Pan Wales Rural Tourism schemes have been delivered under the Rural Communities-Rural Development Programme (RC-RDP) 2014-20 which aims to 'promote competitiveness and create sustainable growth and jobs for the people who live and work in rural Wales'[1].

2.3   The schemes were expected to contribute to Priority 6 of the RDP which focuses on promoting social inclusion, poverty reduction and economic development in rural areas. All four schemes aligned against Focus Area 6B[2] of the RDP. The RTEF and TPIF schemes, and the marketing campaigns also aligned to Focus Area 6A[3].

2.4   The four schemes were also mapped against three RDP sub measures, namely:

- MSBF was expected to contribute to sub measure 6.4 'support for investments in creation and development of non-agricultural activities' by supporting new and existing small and micro enterprises with grant funding

- TAIS was expected to contribute to sub measure 7.5 'support for investments for public use in recreational infrastructure, tourist information and small-scale tourism infrastructure' by providing 'small-scale investment to improve the signposting of touristic sites, to construct and modernise tourism information centres, to provide visitor information and guidance'[4]

- RTEF and TPIF were expected to contribute to sub measure 16.3 'co-operation amongst small operators in organising joint work

---

[1] Rural Development Programme document 2014 to 2020 | GOV.WALES p.154
[2] Focus Area 6B: fostering local development in rural areas
[3] Focus Area 6A: facilitating diversification, creation and development of small enterprises and job creation
[4] Rural Development Programme document 2014 to 2020 | GOV.WALES p.371

processes and sharing facilities and resources, and for developing/marketing tourism'[5] by providing 'financial grants to support co-operation activities highlighting innovative approaches between at least two entities' and 'revenue grant scheme to encourage development of new practices and processes in rural small businesses, including shared activity and facilities, with a view to business efficiency, and to develop local tourism opportunities'[6]

2.5   The schemes were only able to support projects located in specific eligible wards across Wales, as defined by the Rural Communities - Rural Development Programme.

The Micro Small Business Fund (MSBF)

2.6   The Micro Small Business Fund (MSBF) was designed as a capital fund to support the development of 'distinctive stand out' and 'ambitious' projects which would excel in terms of quality, grade, visitor experience, service, innovation and added value[7].

2.7   The purpose of the fund was 'to develop quality sustainable tourism products' which created jobs and stimulated growth in new and existing markets[8]. It was expected that the fund would prioritise investments which filled a gap in the market, across:

- high quality, innovative, reputation changing tourism products

- luxury hotels

- all weather, all year, attractions

- flagship attractions

- innovative activity experiences

- distinctively Welsh visitor focused food experiences

- top end and innovative glamping and camping experiences

---

[5] The European Agricultural Fund for Rural Development: Rural Development Programme Wales, p.1264
[6] Ibid, p.1265
[7] MSBF EAFRD Guidance Note
[8] Ibid, p.1

- spa and high-quality leisure facilities

- innovative cultural or heritage related projects

- distinctive and high-quality inns, B&B's, guest accommodation products

- unusual places to stay.

2.8   The MSBF was made available to private sector businesses and social enterprises with fewer than 50 FTE employees and a turnover of less than €10 million. It provided between £25,000 and £500,000 for targeted capital investment projects, although financial support could not exceed 40 per cent of eligible capital costs. The fund could be used to support the purchase of tangible assets (such as land, buildings, machinery, and equipment) and intangible assets (such as computer software, licences, and technical fees).

2.9   The fund was administered as a rolling application basis, and applications could be made at any point in time from 2017/18 to 2020/21 financial years. Applications were considered in two stages:

- applicants were initially required to complete and submit a MSBF Expression of Interest (EoI) form[9] which were checked by Welsh Government officials to ensure that projects met the eligibility and priority criteria. These included checks to ensure that applicants were eligible organisations and were state aid compliant and where this was the case, applicants were then invited to submit a full application

- full applications were appraised by a Welsh Government case officer and reviewed by an investment panel. Applications for up to £100,000 were reviewed by a specific MSBF panel and those scoring over 60 per cent were recommended for Ministerial consideration. Applications over £100,000 were considered by the

---

[9] The term Introductory Questionnaire (IQ) was also used by the Welsh Government to describe this initial form, and both terms were used interchangeably across the funding schemes. For the most part, this report will refer to EoIs.

Sectors and Business Panel, and voted upon, before being submitted for Ministerial consideration.

2.10   Application appraisal also took into consideration the following set of indicators:

- number of jobs created and safeguarded (it was expected that up to £10,000 funding would be allocated per FTE[10] job created or safeguarded)

- number of employees supported who were young people aged 15 to 25, women, and Welsh speakers

- total intervention and match funding

- number of holdings / beneficiaries receiving support for investment in non-agricultural activities in rural areas

- number of operations supported

- projects meeting fund priorities and reinforcing the Wales brand.

Tourism Amenity Investment Support (TAIS)

2.11   The Tourism Amenity Investment Support (TAIS) was available to public, third sector and not for profit organisations to support the development of small-scale tourism infrastructure. The fund intended to 'develop accessible small scale tourism infrastructure at the destination level'[11] and set out to support 'creative proposals' that would 'make a difference and add value to the visitor experience, whether as a strategic perception changing product, or as part of a cluster of projects that help to build a destination and drive economic growth'.

2.12   The wider priorities of TAIS were set out as being to:

- drive a product-led approach and support high quality, reputation changing products

- develop destinations that people want to visit and recommend to others by providing opportunities to deliver memorable visitor

---

[10] Full time defied as at least 30 hours per week and part-time defined as at least 15 hours per week
[11] EAFRD Tourism Amenity Investment Support (TAIS) 2017-2020 Guidance Note

experiences, improve the reputation of Wales as a destination that provides a range of distinctive experiences, encourage more opportunities to deliver a distinctive sense of place, and improve the reputation of Wales as a sustainable tourism destination.

2.13 It was expected that TAIS would help address deprivation and promote social inclusion in rural areas. It was also expected that funded projects would reinforce the Wales brand.

2.14 The fund was expected to support capital projects such as[12]:

- environmental improvements such as hard and soft landscaping or pedestrianisation schemes

- improved signposting and interpretation, including white on brown tourism signage on trunk roads

- car and coach parking and improved toilet facilities at key destinations

- improved access to water for activities and water quality projects

- traffic and visitor management schemes such as park and ride facilities

- event infrastructure

- walks and cycle trails

- building projects related to 'Years of' themes[13]

2.15 Eligible organisations included local authorities, other public bodies such as National Parks, as well as third sector organisations and local action groups such as social enterprises and community interest companies. Capital funding of between £25,000 and £128,000 was made available, with total eligible project expenditure capped at £160,000. Applicants needed to demonstrate match funding at 20 per cent.

2.16 The fund was administered in two rounds. The first round was launched in May 2017 and closed in June 2017. The second round was launched in

---

[12] These examples changed slightly within the guidance notes for rounds one and two
[13] See paragraph 2.47 of this report for further details about Visit Wales 'Years of' thematic campaigns

April 2018 and closed in May 2018. Successful projects were expected to be completed by December 2020.

2.17 The funding application process involved two stages:

- applicants were required to complete a TAIS Expression of Interest (EoI) form in the first instance

- highest scoring EoIs were then invited to submit a full application. These EoIs had to achieve a minimum score (of 120 out of 200) and consideration was also given to the funding available when deciding how many could proceed to the application stage. Applications were reviewed by a case officer and then assessed and scored by an independent moderation panel, before being recommended for Ministerial consideration and decision.

The Tourism Product Innovation Fund (TPIF)

2.18 The Tourism Product Innovation Fund (TPIF) was a revenue scheme intended to encourage joint working between tourism partners in order to develop and improve the product offer to visitors which would benefit both the tourism sector and local communities as well as help grow the tourism economy in a sustainable way. Funding was only available to collaborative proposals.

2.19 TPIF was intended to help achieve the 10 per cent growth target set out in the Welsh Government's Tourism Strategy Partnership for Growth by supporting activity which would:

- encourage closer joint working between tourism consortia, partnerships, and trade groups to develop and improve the product offer to visitors

- help partners to work together in a co-ordinated way

- enable the private sector to maximise the benefits from aligning with thematic 'Years of' campaigns and The Wales Way[14].

---

[14] See paragraph 2.48 for further details about the Wales Way

2.20   It was expected that TPIF would contribute towards the Rural Communities - Rural Development Programme (RC-RDP) priorities to reduce poverty and promote social inclusion in rural areas, as well as facilitate the diversification, creation and development of small enterprises and foster local development in rural areas.

2.21   It was also expected that funded projects would be aligned with Wales brand objectives and values and maximise opportunities to align with the 'Years of' marketing approach adopted by Visit Wales. In the case of the 2019/2020 funding window, it was expected that proposals added value to the previous annual theme of Year of the Sea (2018), as well as the upcoming Year of Discovery (2019) and other future themes.

2.22   The fund was open to tourism industry sectoral partnerships and groups as well as individual organisations (from the private, third or public sector) who were working in partnership with, or on behalf of private sectoral partnerships and groups. Revenue grant funding of between £30,000 and £150,000 over a two-year period was made available, and funded projects were required to contribute a minimum of 10 per cent match funding.

2.23   Two rounds of TPIF were administered. The first EoI round for 2018/19 opened in October 2017 and funded projects were expected to be completed by March 2019. The second EoI round opened in October 2018 and closed in November 2018, and successful EoI applicants were required to submit full applications by 1 February 2019. Successful projects funded via round two commenced in April 2019 and all costs were expected to be claimed by December 2020.

2.24   The second call for funding was 'more prescriptive' than the first 'with a focus on projects which proposed innovative marketing, engaging content, product packaging and 'bookability'[15] suggesting perhaps that the guidance set out for the first funding round had been too vague. The other main change that took place was the removal of funding to support business-to-business events by the second round of TPIF: the first round allowed TPIF funding to be used to support 'four regional/destination bids' to attract major

---

[15] EAFRD Tourism Product Innovation Fund 2019-2020 Guidance Note

business conferences and events to Wales but that these proposals must 'become self-sustainable beyond this initial funding period'.[16]

2.25　It was expected that activities funded during the second round would include[17]:

- soft product development e.g., physical, and digital interpretation, small scale events, new product development

- marketing e.g., content creation, PR, itinerary development, product packaging, visitor information

- staff costs, up to 20 per cent of total project costs (other than for third sector organisations).

2.26　Both rounds of TPIF were administered via a two-stage process, involving an initial EoI stage to ensure that all eligibility criteria were met and a full second stage application. Assessed applications were submitted to Welsh Government Ministers for consideration and approval.

The Regional Tourism Engagement Fund (RTEF)

2.27　The Regional Tourism Engagement Fund (RTEF) provided revenue funding to promote and develop distinctive and high-quality visitor destinations through the delivery of destination management plans. It was a condition of funding that applications had to be endorsed by Destination Management Partnerships, where possible.

2.28　The purpose of the RTEF was to work with partners at the destination level to help deliver the 10 per cent growth target set out in the Welsh Government's tourism strategy, A Partnership for Growth. In addition, it was expected that the fund would:

- support destinations across Wales to promote and develop distinctive, high quality visitor destinations through the delivery of destination management plans

---

[16] EAFRD Tourism Product Innovation Fund 2018-2019 Guidance Note, p.7
[17] Slightly different examples were set out within the first funding Guidance Note.

- enable destinations to maximise the benefits of aligning with the 'Years of' themes and The Wales Way

- reflect all or any of the three key themes for promoting tourism to Wales of adventure, culture, and landscape.

2.29 As was the case with TPIF, it was expected that RTEF would also contribute towards the Rural Communities Rural Development Programme (RC-RDP) priorities to reduce poverty and promote social inclusion in rural areas, as well as facilitate the diversification, creation and development of small enterprises and foster local development in rural areas.

2.30 It was also expected that funded projects would be aligned with Wales brand objectives and values and maximise opportunities to align with the 'Years of' marketing approach adopted by Visit Wales. Similarly, it was expected that funded activities would be aligned with The Wales Way which provided a focal point for international marketing.

2.31 The fund was open to any organisation who was leading on collaborative proposals on behalf of partnerships delivering priorities set out within Destination Management Plans. Revenue grant funding of between £30,000 and £150,000 over a two-year period was made available, and funded projects were required to contribute a minimum of 10 per cent match funding.

2.32 Each funding round consisted of two stages. The first involved the submission of an EoI form to check eligibility had been met and successful applicants were invited to submit a full application.

2.33 Two rounds of RTEF were administered. The first round was opened in October 2017 and closed in November 2018. Successful EoI applications were invited to submit full applications by February 2018 and projects were expected to deliver from April 2018 onwards. The second round opened in October 2018 and closed in November 2018. Successful EoI applications were invited to submit full applications by February 2019 and projects were expected to be delivered between April 2019 and December 2020.

2.34 As was the case with TPIF, the 2019-2020 Guidance was amended slightly to ensure that funding during the second round would be provided in a 'more prescriptive' manner 'with a focus on projects which propose innovative marketing, engaging content, product packaging and bookability'.[18] The other main change that took place was the removal of funding to support business-to-business events by the second round: in the first round RTEF funding could be used to support 'four regional/destination bids' to attract major business conferences and events to Wales but that these proposals must 'become self-sustainable beyond this initial funding period'.[19]

2.35 It was expected that activities funded during the second round would include[20]:

- soft product development e.g., physical, and digital interpretation, small scale events, visitor management initiatives

- marketing e.g., content creation, PR, itinerary development, product packaging, visitor information, travel trade and business events

- destination Business Development e.g., business support networks, non-accredited skills training

- staff costs, up to 20 per cent of total project costs (other than for third sector organisations).

Summary

2.36 Table 2.1 sets out a summary of the four Pan Wales Rural Tourism Schemes by grant value and application administration processes.

---

[18] EAFRD Regional Tourism Engagement Fund 2019-2020 Guidance Note, p.4
[19] EAFRD Regional Tourism Engagement Fund 2018-2019 Guidance Note, p.7
[20] Slightly different examples were set out within the first funding guidance note.

Table 2.1: Summary of the four Pan Wales Rural Tourism schemes

	Type	Grant value	Match funding required	Administration
MSBF	Capital	£25,000-500,000	60%	Rolling basis over the financial years between 2017/18 to 2020/21
TAIS	Capital	£25,000-128,000	20%	Two rounds: EoIs by June 2017 and May 2018
RTEF	Revenue	£30,000-150,000	10%	Two rounds: EoIs by Nov 2017 and Nov 2018
TPIF	Revenue	£30,000-150,000	10%	Two rounds: EoIs by Nov 2017 and Nov 2018

Grant administration

2.37   The Welsh Government administration of the four grant schemes was broadly similar and are summarised in this section. Any differences between scheme administration are highlighted.

Appraisal Desk Instruction

2.38   For each scheme, detailed appraisal desk instructions were developed for Welsh Government officers involved in the appraisal of EoIs and full applications.

Funding and claims

2.39   Successful projects received an award of funding offer letter from the Welsh Government, which constituted a formal commitment. It was also the case that the Welsh Government issued 'at risk' letters to projects prior to receipt of a formal funding offer letter, allowing projects to proceed with their plans at their own risk.

2.40   In terms of claims processes and monitoring a payment profile was set out in offer letters for the two capital schemes. Projects could request additional claim periods if required. Payments were made in arrears, although third sector grant recipients could request advance payments if required.

Progress reports and evidence were expected to be submitted with each claim.

2.41 For revenue schemes, funded projects were expected to submit quarterly claims and payment was awarded on the basis of evidenced defrayed expenditure.

Monitoring

2.42 For the two capital schemes MSBF and TAIS, delivery and achievement against agreed outputs are expected to be recorded and monitored, as a condition of offer, for five years following completion of the project.

2.43 For revenue schemes, delivery and achievement against agreed outputs were expected to be recorded for up to six months following completion of the project.

Procurement

2.44 Funded projects were expected to adopt specific competitive tendering requirements. For capital funded projects, these included one written quote for goods or services up to £5,000; at least two written quotes for goods or services between £5,000 and £25,000 and at least three written quotes for goods and services over £25,000 and under £200,000. For revenue funded projects, these included one written quote for goods or services up to £5,000; three written quotes for goods or services between £5,000 and £25,000; and a full and open competition for any goods, services or works over £25,000.

Welsh language funding requirements

2.45 Capital scheme funding offer letters set out what projects were expected to adopt in terms of meeting Welsh language requirements. In addition to meeting legislative requirements, it was also expected that projects (unless targeting audiences located outside of Wales only) put in place:

- bilingual signage and interpretative materials

- bilingual marketing (print and website)

- bilingual social media

- bilingual job advertisements

- a Welsh language action plan and policy.

2.46   Revenue funded projects were expected to create opportunities for people to use the Welsh language (unless targeting audiences located outside of Wales only), by putting in place:

- bilingual educational, interactive, and interpretative materials

- bilingual signage, announcements, and invitations to small scale events

- bilingual marketing material

- bilingual websites, and tailored Welsh language websites which are aimed at 'in Wales' audiences

- bilingual social media.

Visit Wales Thematic Years

2.47   It was intended that projects funded via Pan Wales Rural Tourism would be aligned with and support the efforts of Visit Wales to promote Wales using annual 'Year of' themes. The thematic years approach was intended to develop a more defined brand for tourism in Wales and by doing so, increase visitor volume and value. The annual themes adopted were:

- Adventure in 2016 which celebrated Wales as an active, vibrant place to visit

- Legends in 2017 which showcased Wales' culture, heritage and landscapes and created new Welsh legends to include modern-day personalities, products and events

- The Sea in 2018 which celebrated Wales' coastline and coastal events, activities and attractions

- Discovery in 2019 which showcased what makes Wales unique, and adopted a multi-layered promotional approach to the three previous annual themes of adventure, legends and the sea

- Outdoors in 2020, which focused on encouraging visits to different parts of Wales and promoted outdoor experiences and unique landscapes.

2.48 In addition to the annual thematic years, funded Pan Wales Rural Tourism projects were also expected to be aligned with Visit Wales national routes which formed part of 'The Wales Way' campaign. These three national routes were the Coastal Way, the Cambrian Way and the North Wales Way which promoted various experiences along each possible journey.

What has been funded?

2.49 Table 2.2 shows that a total of 140 projects were funded across the four grant schemes between 2017/18 and 2020/21. In total £13.1 million grant funding was awarded to these projects. Individual grant offers ranged from £14,000 to £409,000, with the average grant offer value amounting to £93,522. The total value of the funded projects' costs amounted to £28 million, thereby a contribution of £15 million was made in match funding[21].

2.50 As of 1 November 2022, £12.29 million had been claimed by funded projects, leaving just over £70,000 to be claimed by a small number of live projects.

2.51 The MSBF has funded the largest number of projects (at 50) and accounts for over a third of all projects funded across the schemes. The TPIF has funded the smallest number of projects, at 22, and also accounts for the smallest proportion of grant awarded.

---

[21] The data supplied by the Welsh Government shows that no match funding was provided for 21 of the projects funded during the second round of RTEF and TPIF.

Table 2.2: Details of funded Pan-Wales Rural Tourism schemes 2017/18 to 2020/21

	Number of funded projects	Total value of grant offer awarded	Total project cost[22]	Average grant offer value
MSBF	50	£4,844,659	£19,726,011	£96,893
TAIS	43	£4,104,340	£5,130,425	£95,450
RTEF	25	£2,343,772	n/a[23]	£93,751
TPIF	22	£1,800,365	n/a[24]	£81,835
Total	140	£13,093,136	n/a	£93,522

2.52 In terms of grant funding administration, there have been:

- annual funding rounds for MSBF (13 funded in 2017/18; 16 in 2018/19; 11 in 2019/20 and 10 in 2021/22)

- two rounds of funding for TAIS (23 projects funded in 2017/18 and 20 funded in 2018/19)

- two rounds of funding for TPIF (10 projects funded for a one-year period in 2018/19 and 12 projects funded in 2019 for a two-year period to 2021)

- two rounds of funding for RTEF (11 projects funded for a one-year period in 2018/19 and 14 funded in 2019 for a two-year period to 2021).

2.53 In terms of geographical coverage, Table 2.3 shows that the total number of projects funded in each region has been distributed approximately evenly, other than across north Wales which received over a third of all funded projects. The high number of TAIS projects supported across north Wales accounts for much of this, given that over two-fifths of all TAIS projects were located across the north Wales region.

---

[22] To include grant recipient match funding
[23] RTEF total project costs are only available for projects funded during the second round. During that round, grant offer to the value of £1,376,470 was used to support £1,573,860 total project costs.
[24] TPIF total project costs are only available for projects funded during the second round. During that round, grant offer to the value of £1,286,169 was used to support £1,503,047 total project costs.

Table 2.3: Regional split of funded Pan-Wales Rural Tourism schemes 2017/18 to 2020/21 by number of projects

	North	Mid	South West	South East	Total
MSBF	16	13	10	11	50
TAIS	18	9	12	4	43
RTEF	8	3	5	9	25
TPIF	7	6	4	5	22
Total	49	31	31	29	140

Source: Welsh Government (November 2022)

2.54   Table 2.4 reinforces the geographical distribution of funded projects and shows that north Wales accounted for just over a third of all grant funding offered across the four schemes. The table also shows that the value of MSBF projects funded across the south west (at £703,410) was lower than other regions despite 10 such projects being supported via this scheme in the region.

Table 2.4: Regional split of funded Pan-Wales Rural Tourism schemes 2017/18 to 2020/21 by value of grant funding

	North	Mid	South West	South East	Total
MSBF	£1,618,550	£1,190,252	£703,410	£1,334,447	£4,844,659
TAIS	£1,655,547	£877,415	£1,215,407	£355,970	£4,104,340
RTEF	£927,670	£328,752	£434,420	£652,930	£2,343,772
TPIF	£554,900	£528,283	£317,887	£399,295	£1,800,365
Total	£4,756,667	£2,924,702	£2,671,124	£2,671,123	£13,093,136

Source: Welsh Government (November 2022)

2.55   In addition to the £13.1 million project level grant funding, a further £5.6 million of the Pan Wales Rural Tourism scheme, via the RTEF and TPIF elements, was made available to fund four Visit Wales 'Year of' campaigns. Annual expenditure on these activities is set out at Table 2.5. Overall, the scheme expenditure accounted for 37 per cent of Visit Wales' total spend

on these annual campaigns and this proportion has been used to determine some of the outputs generated by the scheme (set out at Table 5.8 below).

Table 2.5: Pan Wales Rural Tourism spend on Visit Wales 'Year of' campaign

	RTEF/TPIF annual expenditure	**RTEF/TPIF expenditure as % of overall spend[25]**
Year of Legends 2017	£1,615,758	52%
Year of Sea 2018	£1,855,289	44%
Year of Discovery 2019	£866,564	23%
Year of Outdoors 2020	£1,389,402	32%
Total	£5,727,012	37%

Source: Welsh Government (May 2023)

Targets and achievements

2.56 The final achievements for the four Pan Wales Rural Tourism schemes, against their revised targets, are set out at Tables 2.6 to 2.8. Achievements for RTEF and TPIF are reported on a combined basis (Table 2.8) and include the targets which were achieved via Visit Wales' thematic 'Years Of' campaign.

---

[25] These proportions have been calculated using the total amount of RTEF/TPIF funds claimed for each 'Year Of' campaign as a proportion of the total expenditure in each financial year for the 'Year Of' campaign. Whilst it would have been preferable to use the total amount spent on each 'Year Of' campaign to calculate these proportions, this was not possible due to time and resource constraints.

Table 2.6: MSBF final funded targets[26] and achievements

RDP Wales indicator	Target	Output	% achieved
No. of holdings / beneficiaries supported	50	48	96%
No. of actions/operations supported	50	48	96%
No. of jobs created	437	246	56%
Jobs safeguarded	75	92.5	123%
Employees supported, young people	25	36.25	145%
Employees supported, women	109	121	111%
Employees supported, Welsh speakers	57	48.5	85%

Source: Welsh Government (May 2023)

2.57 Table 2.6 shows that the MSBF scheme exceeded three of its seven funded targets, one of which was the number of jobs safeguarded. The scheme was close to achieving a further three of its funded targets. Just over half of the 'jobs created' target was achieved by MSBF.

Table 2.7: TAIS funded targets[27] and achievements

RDP Wales indicator	Target	Output	% achieved
No. of actions/operations supported	50	90	180%
No. of new or improved products, processes or services launched	45	23	51%
People accessing services	14,516	196,747	1,355%
Population benefitting from improved services/infrastructures (IT or others)	0	0	n/a
Initiatives developing the natural and/or historic environment	45	21	47%

Source: Welsh Government (November 2022)

---

[26] The MSBF targets were re-evaluated on three occasions in 2018, 2020 and again in 2021. Table 2.6 sets out the final re-evaluated targets.
[27] The TAIS targets were re-evaluated on two occasions in 2020 and 2021. Table 2.7 sets out the final re-evaluated targets.

2.58   As shown at Table 2.7, TAIS had five targets to achieve, although no
        targets were set and no achievements reported for one of these (population
        benefiting from improved services or infrastructure). The scheme exceeded
        two of its targets (number of operations supported and people accessing
        services) and achieved around half of its remaining two targets.

Table 2.8: RTEF and TPIF funded targets[28] and achievements

RDP Wales indicator	Target	Output	% achieved
No. of co-operations/operations supported	40	457	1,143%
No. of stakeholders engaged	200	6,048	3,024%
No. of projects developed to market the rural tourism product	60	286	477%
Marketing awareness (%)	30%	29%	97%
Additional visitor spend	£306m	£365m	119%
Jobs supported	35,000	2,782	8%

Source: Welsh Government (November 2022)

2.59   The RTEF and TPIF schemes have performed exceptionally well against
        five of their targets: having exceeded four and close to achieving a fifth
        (marketing awareness). The scale of over-achievement against two targets
        (number of co-operations/operations supported and stakeholder engaged)
        would suggest that they were set at far too low a level for the schemes.
        Performance against the remaining sixth target of jobs supported was much
        weaker and it is worth considering the factors accounting for this.

2.60   The marketing awareness target (set at 30 per cent) was expected to be
        achieved and reported via data captured by Visit Wales Marketing
        Evaluation Surveys. It was agreed that the proportion of survey
        respondents who spontaneously mentioned Wales as a holiday destination
        would be reported as the output for this target. The best measurement for
        evidencing this was a survey question which asked: 'thinking about holiday
        and short-break destinations in the UK, which destinations, regions or

---

[28] The RTEF and TPIF targets were re-evaluated in 2021. Table 2.8 sets out the final re-evaluated
targets.

countries, if any come to mind?' Quarterly survey data for this question asked over the course of 2017 to 2019 has been considered[29], and the average proportion of 29 per cent who mentioned Wales has been reported at Table 2.8[30].

2.61   The Welsh Government uses an industry standard calculation[31] to calculate the additional visitor spend generated from Visit Wales marketing activities and applied this methodology to calculate the additional visitor spend associated with RTEF and TPIF marketing expenditure, which was reported as £365 million in total, an average of £121.6 million per annum across the three years of delivery.

2.62   The 'jobs supported target' (set at 35,000 following the re-evaluation exercise) was inappropriately calculated using the number of unique visits to the visitwales.com website and resulted in an unrealistically high target. In light of this, the Welsh Government took the decision to base its 'jobs supported' output on an industry standard calculation whereby additional visitor spend of £43,700 is required to support one tourism job[32].

2.63   The last three outputs reported at Table 2.8 are indicative achievements which draw upon robust industry standard calculations. Whilst appropriate for assessing the marketing effectiveness of Visit Wales campaigns, the approach does have its limitations for measuring the direct impact of RTEF and TPIF expenditure. Despite this, the approach does offer a pragmatic account of the impact of the marketing campaign activities:

- £5.7 million marketing expenditure on the 'Years Of' campaign via RTIF and TPIF resulted in an additional £365 million[33] visitor spend across Wales

---

[29] Proportions varied from a low of 27 per cent to a high of 31 per cent.
[30] For the 2020 survey onwards, this survey question was changed and has since asked 'How well, if at all, do you know each of these parts of the UK and Ireland' with survey respondents asked to indicate whether they know Wales either very well, fairly well, a little or not at all. Given the change in the question asked, we have not considered the 2020 survey data within Table 5.8. For reference, 36 per cent of those surveyed stated that they knew Wales either very or fairly well.
[31] Visit Wales draws upon its own research to calculate the additional visitor spend generated from its marketing activities. See Tourism_Jobs_and_Growth_2013.pdf (visitbritain.org)
[32] Based on research conducted by Deloitte and Oxford Economics for Visit Wales in 2013
[33] These figures take into account the fact that no visitor spend would have been generated during 2020 due to the impact of the COVID-19 pandemic in travel restrictions, as Visit Wales marketing activity was withdrawn.

- the additional £365 million visitor spend resulted in 2,782 jobs being supported on average per year (at a cost of £43,700 each)[34]

- the marketing expenditure has helped to maintain a 29 per cent awareness of Wales as a potential destination amongst UK residents.

---

[34] The jobs supported output has been calculated using the average jobs supported over the three year period between 2017 and 2019, as it would not be appropriate to use the aggregated annual jobs created over this period on the basis that some of these jobs would be the same job

3.   Methodology

3.1   This chapter sets out the method adopted for undertaking the evaluation, provides a profile of contributors and sets out some key methodological considerations.

Method

3.2   The evaluation activities undertaken between September 2022 and July 2023 involved:

- an inception stage, which included an inception meeting with Welsh Government officials and the preparation of a refined methodological approach and project plan

- desk-based research, which involved an analysis of relevant policy and strategic documents including Welsh Government publications, as well as a review of scheme documentation. It also involved the consideration of tourism and visitor data

- preparing a discussion guide and interviewing eight Welsh Government officials to gain their views on the purpose and design of the schemes as well as the intended outcomes and impacts expected; and facilitating a Theory of Change (ToC) workshop with 11 Welsh Government officials, to test the veracity of a draft ToC model. A ToC model for Pan Wales Rural Tourism is set out at Annex A of this report

- preparing a bilingual web survey for funded projects and qualitative discussion guides for interviewing funded projects, their users and visitors, and other key stakeholders, supported by relevant Privacy Notices

- distributing the web survey to grant funded recipients and receiving 61 responses. The first email invitation was issued at the end of January and all non-respondents received up to three further email messages and a phone call, reminding and encouraging them to participate in the survey

- developing a sampling framework and selecting a sample of 30 representative funded projects to be approached as part of the qualitative fieldwork. Further detail about the sampling approach is set out at Annex B

- undertaking fieldwork with 24 funded projects. In four cases, feedback was also gathered from a total of 35 users or visitors

- interviewing three other key stakeholders and receiving a written submission from a fourth organisation

- synthesising the findings of the desk research, fieldwork and survey data and preparing this final evaluation report.

Profile of survey respondents

3.3   A database of all 140 funded projects who had received grant funding was used for distributing the bilingual web survey. Of the 140 contacts, 10 had received more than one grant: in six cases the named contact had received two grants and in four cases the named contact had received three grants. This reduced the potential sample to 126. The sample was further reduced (to 120) to take into account those cases where contacts were known to have left the organisation, where email addresses did not work or where organisations were no longer trading.

3.4   The survey was distributed to a total of 120 contacts and initial responses were checked for any issues. A total of 61 responses were received. This represents a high response rate of 51 per cent of those who received the survey invitation. The 61 survey responses provided feedback for a total of 67 funded projects. This represents 48 per cent of the 140 funded projects.

3.5   Table 3.1 sets out information on the status of those contacted to complete the survey.

Table 3.1: Status of those contacted to complete the web survey

Status	Profile
Completed survey	61
Responsible for more than one project	12
Business / organisation no longer trading	2
Named contact(s) no longer available at organisation	3
Refusal	2
Too busy / Illness prevents contribution	2
Phone number no longer in use	10
Email delivered and message left (directly with named recipient, on answerphone or with colleague)	14
Status not known (including those with undeliverable email, no phone number or where there was no answer to phone call)	34
Total	140

3.6   Most survey respondents (89 per cent or 54 respondents) completed the survey in English whilst seven (11 per cent) completed it in Welsh.

3.7   The profile of those who completed the survey was as follows:

- 37 per cent (23 respondents) received MSBF, 31 per cent (19 respondents) received TAIS, 18 per cent (11 respondents) received RTEF and 15 per cent (nine respondents) received TPIF funding

- 89 per cent (54 respondents) had been awarded one grant, seven per cent (four respondents) had received two grants, and five per cent (three respondents) had received three grants

- survey respondents were fairly well dispersed geographically – 33 per cent (20 respondents) were based in north, 31 per cent (19 respondents) in south west, 20 per cent (12 respondents) in mid and 16 per cent (10 respondents) in south east Wales.

Profile of interviewed projects

3.8   A total of 24 projects contributed towards the qualitative interviews from the sample of 30 selected projects. It was not possible to interview six of these because:

- one was no longer trading (MSBF)

- one was too busy to contribute (MSBF)

- all contacts at two organisations had since moved on (RTEF and TAIS)

- one organisation did not respond to emails or phone calls (MSBF)

- one organisation did agree to contribute but was not available for the arranged slot (MSBF).

3.9   Of the 24 projects interviewed, nine had received MSBF funding, eight had received TAIS funding, five had received RTEF funding and three had received TPIF funding. A detailed profile of the funded projects who were sampled for this evaluation is set out at Annex B.

3.10   Ten of the 24 interviews involved a visit to the funded project. The remaining interviews were conducted via a video call. During four of the site visits, it was possible to gather feedback from a total of 35 users or visitors in an opportunistic manner. Short, informal interviews were held with users of one MSBF project (a café), and three TAIS projects which had either invested in walking and biking trails or improved car park facilities. In another MSBF hotel project, the business asked three visitors to answer a few written questions, and these were supplied to the evaluation team.

3.11   In total, 17 of the 24 interviewed projects had also completed the survey, whilst the remaining seven had not. This evaluation therefore draws upon data from over half of all funded projects (74 of the 140 funded projects).

Profile of regional and local stakeholders

3.12   The evaluation team approached eight stakeholder organisations[35] to gather their views on the scheme. Of these, three interviews were undertaken, and a written submission was received from a fourth tourism membership organisation. No response was received from the remaining four organisations.

---

[35] These stakeholder organisations were identified via a desk-based exercise to include tourism trade associations and membership organisations as well as requesting details for a sample of local authority tourism officers/representatives via the WLGA.

Methodological considerations

3.13   A mixed method approach was adopted for the evaluation, to include both a (predominantly) quantitative web survey and qualitative fieldwork with funded projects, in order to address the research questions set by the Welsh Government. The web survey was intended to gather high level data and issued to all funded projects, while a sample of funded projects selected for qualitative fieldwork allowed the evaluation to capture in-depth experiences of the schemes and the difference made as a result of interventions. Whilst the survey data represents just under half of all funded projects, some caution should be taken when interpreting this data, as well as the qualitative data gathered, as the sample sizes are small and the inferences which can be made are limited.

3.14   Limited feedback was gathered from other local and regional stakeholder organisations. Some of the organisations expected to contribute as stakeholders had received grant funding, and therefore contributed to the evaluation as a direct grant funding beneficiary. Interviewed stakeholder organisations had limited knowledge of the projects funded via the scheme and these interviews focused instead on the sector's future funding needs.

3.15   A decision was undertaken that a survey of unsuccessful grant applicants would not be possible as part of this evaluation. This decision was taken as the numbers turned down at the full application stage for some of the schemes were low, response rates for web surveys of unsuccessful grant applicants tend to be low, recollection of the application process would be very low given that the first tranche of funding applications were submitted in 2017, and contact data for some lead applicants were likely to be outdated.

3.16   A decision was also made that a value for money assessment would only be undertaken for the MSBF on the basis that this assessment could explore the cost of reported outputs such as jobs created and safeguarded, as well as the impact of the investment upon business performance such as contribution to any changes in business turnover and employment levels. The outputs reported for the other three schemes did not lend

themselves to a VfM calculation in the same way as for MSBF, where the scheme's outputs were better suited to such an analysis.

4.   Purpose of the fund

4.1   This chapter considers the views of Welsh Government officials on the design and implementation of Pan Wales Rural Tourism, gathered via scoping interviews conducted during October 2022. It also considers the views of interviewed projects about what they understood to be the aims and objectives of the scheme.

What Pan Wales Rural Tourism set out to achieve

4.2   Welsh Government officials reinforced the fact that a key aim of Pan Wales Rural Tourism was to improve the quality of tourism provision and extend the tourism offer across rural Wales by investing capital funding via MSBF and TAIS into the sector. Investing in capital infrastructure and products, it was argued, would help provide a better experience for visitors to Wales which in turn should generate greater footfall, and lead to the creation of more and better-quality jobs across the sector.

4.3   The provision of revenue investment to the sector was considered important in helping to better promote the tourism offer to new markets, which in turn would attract greater numbers of visitors to rural parts of Wales. It was also about enabling a product led approach for the first time. TPIF was flagged as a scheme which aimed to support private sector organisations to develop innovative tourism products. Several contributors highlighted the importance of the RTEF revenue scheme as a funding mechanism which aimed to stimulate greater collaborative marketing approaches across public sector organisations.

4.4   Several Welsh Government officials highlighted the importance of adopting a strategic and place-based approach as part of Pan Wales Rural Tourism, as was investing funding according to sound destination management principles and activities which were aligned with Visit Wales priorities. Welsh Government officials stated that the schemes were designed in a way which could support a more co-ordinated investment approach than had been adopted historically. Contributors observed that whilst there might have been some element of competition and duplication between what previous funding schemes offered, this was not the case for Pan Wales

Rural Tourism, which was thought to have been designed in a more strategic manner to fill funding gaps. In part, this was helped by the fact the schemes had been co-designed with key partners from the sector, including local authorities and the private sector. It was expected that using revenue funding in a more focused way would help the sector reach specific markets in specific locations.

Key assumptions underpinning Pan Wales Rural Tourism

4.5   The key assumptions made during the design of Pan Wales Rural Tourism, in terms of how the schemes were expected to bring about change included that:

- there was a market gap in terms of capital and revenue funding, and that public sector intervention was required to stimulate developments and improvements across the tourism sector in rural parts of Wales and that such improvements would help to grow the tourism sector

- a more strategic approach to investing in the sector compared to previous funding initiatives was adopted which would result in reduced displacement compared to previous grant schemes

- financial resources available to the sector could be maximised if the Welsh Government secured RDP funding to match fund levels of domestic funding, thereby achieving greater outputs and outcomes

- there would be sufficient interest from public, private and third sector organisations to apply for funding via a competitive funding scheme and that applicants could meet the match funding requirements of the schemes. The level of match funding required of applicants across the four schemes varied, and was therefore expected to influence levels of demand

- the competitive nature of the fund would result in the best quality projects, aligned to Welsh Government priorities, being supported

- some funded projects might not be as successful as others, but Welsh Government officials believed that it was important to fund

innovative pilot activities with the acceptance that some of these might fail.

Strategic fit with policy and strategy

4.6 Welsh Government officials believed that Pan Wales Rural Tourism was well aligned with Welsh Government and EU strategic priorities, as the schemes were developed to help achieve the growth ambitions of the long-term strategy Partnership for Growth. Welsh Government officials also stressed that the schemes were expected to be aligned with the ambitions and themes of Visit Wales 'Years of' campaigns, and that these had been built into funding guidance and assessment processes.

4.7 The schemes were also thought to build effectively upon the successes and lessons learned from previous initiatives such as the EU funded Environment for Growth programme (funded via the 2013-17 RDP programme) and the Tourism Investment Support Scheme (TISS).

4.8 Stakeholders emphasised that there were no other similar investment schemes in place to those funded via Pan Wales Rural Tourism. Pan Wales Rural Tourism was expected to fill an investment gap for small scale private sector capital developments as alternative schemes such as the Tourism Attractor Destination programme and TISS were both focused on large scale developments. In the same manner, Welsh Government officials argued that capital and revenue funding for the public and private sector was not available via any other funding means.

4.9 Welsh Government officials noted that the need for grant funding to support the development and growth of the sector was well-evidenced, particularly via recent tourism and visitor research. For instance, feedback from visitors on the quality, availability, and accessibility of basic infrastructure such as toilets and car parks at tourism sites consistently scored lower than other aspects of provision which justified the need for the TAIS capital scheme. It was also the case that public sector organisations lacked resources to invest in these facilities themselves.

4.10 Welsh Government officials also believed that RDP priorities were a good fit for the Pan Wales Rural Tourism schemes and enabled the Welsh

Government to effectively 'double its funding pot' for the sector. Despite this, the geographical limitations of the programme, in that only wards in rural areas could benefit from investment, were thought to pose challenges for revenue funded projects. Marketing projects were highlighted by Welsh Government officials as examples where the geographical constraints of the funding had made it difficult to promote larger geographical areas to potential new markets.

Funded projects' understanding of the scheme aims and objectives

4.11 Interviewed projects recalled similar aims and objectives for the scheme, and these varied slightly from one scheme to another. MSBF funded projects understood the purpose of the scheme to be about improving the quality of the tourism offer across rural Wales, be that through expansion or refurbishment. Several of these projects provided accommodation and understood that the MSBF focused on supporting the development of high-quality accommodation and facilities. Examples were provided of the fund being used to improve, extend or upgrade accommodation facilities and common areas such as lounges or spa facilities. In one case, a business amended its plans to develop 4* accommodation instead of 3* when Welsh Government feedback clarified that 3* developments would not be supported. There was also a common recognition that the scheme was about supporting projects where there was currently an unmet demand in the area.

4.12 TAIS funded projects understood that the scheme was about improving the quality of tourism facilities within rural areas, including improving standard amenities and facilities which tourists would expect, in order to enhance their experience of tourism destinations. Interviewed projects emphasised that the fund was there to make car park improvements, upgrade toilet facilities, introduce car charging points, make sites more accessible, and upgrade or introduce bus shelters. Others highlighted the purpose of the fund as being a grant to support the development and expansion of bike and walking trails, as well as improve visitor signage and information as these investments would help to create a sense of arrival at a destination.

In one case, the fund was considered a means of resolving a local issue relating to antisocial parking and road blocking.

4.13 RTEF and TPIF projects understood the schemes to be funds which would help organisations to undertake new engagement tourism work, develop promotional resources, as well as to develop new tourism products, with the objective of attracting more visitors to rural Wales particularly during shoulder and off-peak seasons. The fund was welcomed by public sector authorities in particular, given the lack of resources in place across local authorities to conduct this type of work. TPIF projects thought the fund was important to develop products which share and celebrate Welsh culture with tourists. One such project had made creative use of the TPIF fund by investing in over-sized wooden chairs across a two mile walk from Harlech castle, through the town and to the beach to reflect the story of Harlech legends such as Meirion. Others had used the fund to support specific events, such as a community-focused carnival.

Concluding thoughts

4.14 The feedback gathered over the course of the fieldwork suggests that there was strong alignment between what Welsh Government officials expected of the schemes and what funded projects understood of them and proposed to deliver. There was also a common view that the schemes were intended to address a market gap which was not being addressed via any other means.

5.   Scheme management

5.1   This chapter considers how the scheme was managed, including how
applicants came to hear about it, and funded projects' views about
application and monitoring processes.

Hearing about the scheme

5.2   Survey respondents had mostly come to hear about the Pan Wales Rural
Tourism scheme via direct communication from the Welsh Government,
although many had also undertaken their own research and found the
Welsh Government website as a source of information, as shown at Figure
5.1.

Figure 5.1: Method of hearing about Pan Wales Rural Tourism scheme
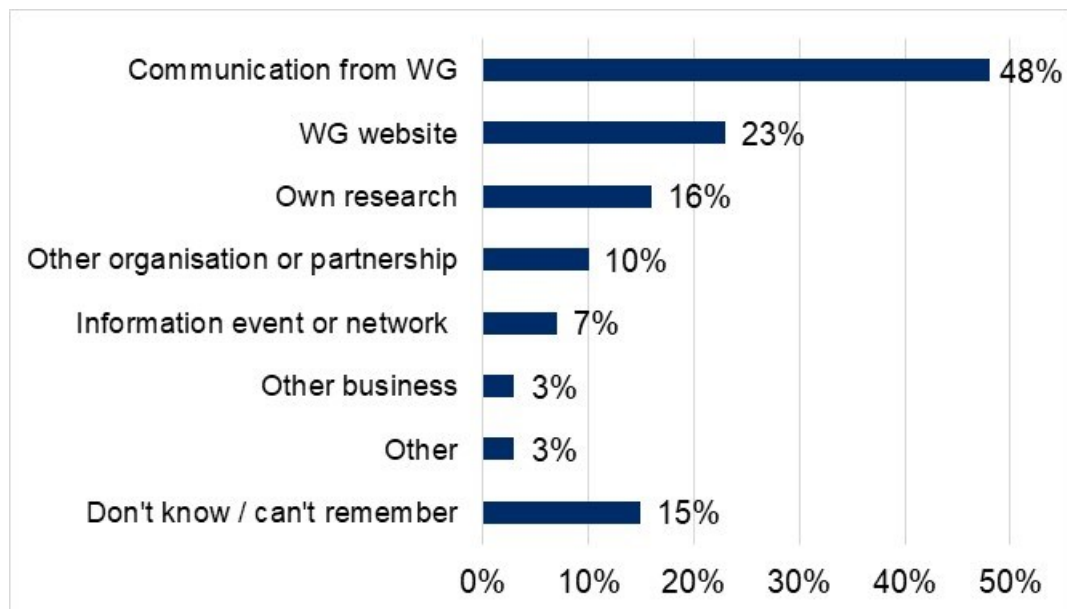
Source: OB3 web survey (61 responses). Respondents could select more than one option.

5.3   Interviewed projects mentioned that they had heard of the scheme through
a wide range of methods. Visit Wales regional managers had been a key
source of information about the funding, as were generic e-newsletters
issued by Visit Wales and local authorities. Local tourism networking
meetings had also played an important role, and two interviewed projects
had heard of it through the Farming Connect business support provider,
Landsker. Several interviewees noted that individuals from within their
organisations were tasked with fundraising and preparing funding

applications so would have been on the lookout for this type of grant funding.

Application process

<u>Welsh Government views on application processes</u>

5.4 The main observations offered by Welsh Government officials on the take up and demand for the four grant schemes were:

- the take up of the MSBF was slower than expected. Welsh Government officials suggested that potential applicants were dissuaded from applying due to perceiving RDP funding conditions as onerous; the application of different intervention rates across different areas of Wales resulting in differences in levels of interest; and the requirement for funded projects to be completed within a tight timescale of up to one year

- demand for TAIS was very high and Welsh Government officials argued that a greater number of high-quality projects could have been supported had more funding been available

- demand for RTEF and TPIF revenue schemes was 'healthy' and both schemes were 'oversubscribed'. Welsh Government officials suggested that the quality of applications was more variable across these two schemes, and because selection criteria considered factors such as strategic need and value for money, a few lower quality projects were supported.

5.5 In terms of application processes, Welsh Government officials observed that:

- every effort was made to adopt and adhere to best practice grant application processes as set out by the Grants Centre of Excellence[36]

- the two-stage application process was straightforward and not considered burdensome for applicants

---

[36] grant-scheme-standards.pdf (gov.wales)

- the application processes adhered to the timescales set out within funding guidance and were considered to have been deployed relatively smoothly

- administering the application processes proved demanding for Visit Wales, and existing staff resources had to be committed to servicing application panels. Visit Wales appointed an additional new member of staff to support the application process, and this post was funded via domestic funding.

<u>Funded project views on application processes</u>

5.6   Recollection of the application process amongst survey respondents and interviewed projects was somewhat vague, not least because of the time lapsed but also because contributors had not always been directly involved in the process. A fifth of those surveyed (20 per cent or 12 of 61) either could not recall the application process or had not been involved with it whilst four project interviewees had not been involved with it. 71 per cent of survey respondents (43) had found the Expression of Interest (EoI) easy whilst 43 per cent (26) had found the full application form easy, as shown at Figure 5.2. Nearly all interviewed projects considered the two-stage application process to be appropriate and thought it beneficial that they were only required to complete a short EoI in the first instance. Private sector businesses supported via the MSBF were slightly more likely to suggest that the application process had been onerous, particularly those who had applied for relatively small amounts of funding. Of the 23 surveyed MSBF respondents, 43 per cent (10) had found the full application difficult.

Figure 5.2: Ease of completing EoI and application form
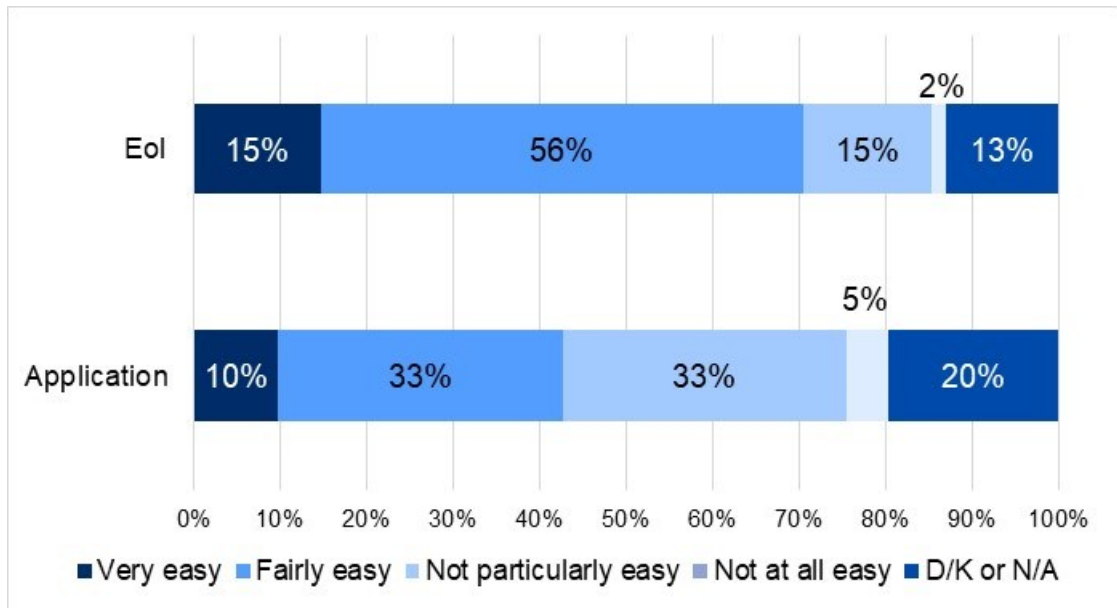
Source: OB3 web survey (61 responses)

5.7   Most survey respondents regarded the funding application guidance provided by the Welsh Government to have been either very (28 per cent or 17) or fairly (57 per cent or 35) helpful, as shown at Figure 5.3.

Figure 5.3: Views on funding application guidance
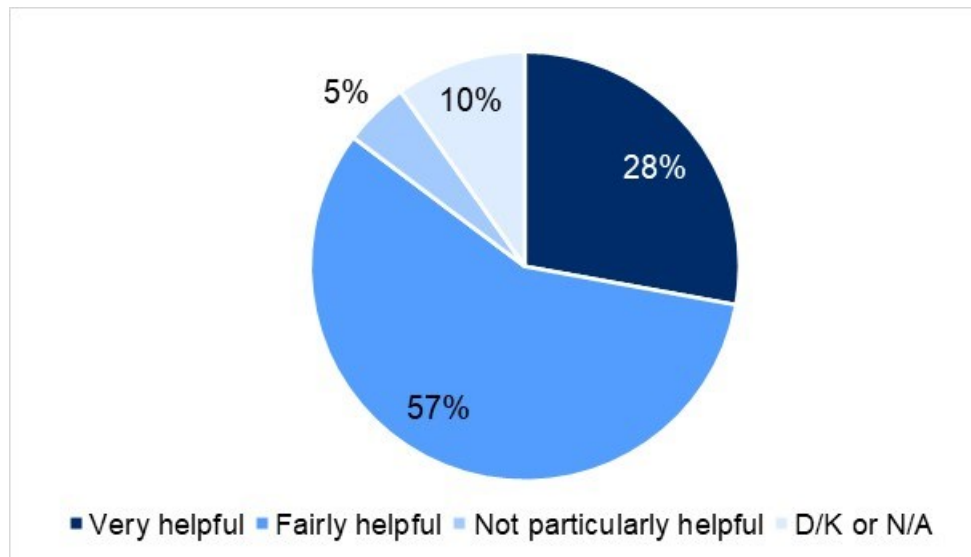
Source: OB3 web survey (61 responses)

5.8   The feedback provided by survey respondents and interviewed projects about the role and support of Welsh Government officials was overwhelmingly positive. Several interviewed projects mentioned that they

42

had a close and constructive relationship with a named Visit Wales officer, who had acted as a 'critical friend' to them, both during the application process as well as during delivery. All but one of the survey respondents regarded the advice or feedback provided by Welsh Government officials during the application process to have been either very (51 per cent or 31) or fairly (34 per cent or 21) helpful, as shown at Figure 5.4. One survey respondent did not regard the advice as particularly helpful. The remaining respondents either did not seek advice, could not remember, or did not answer the question.

Figure 5.4: Views on Welsh Government advice
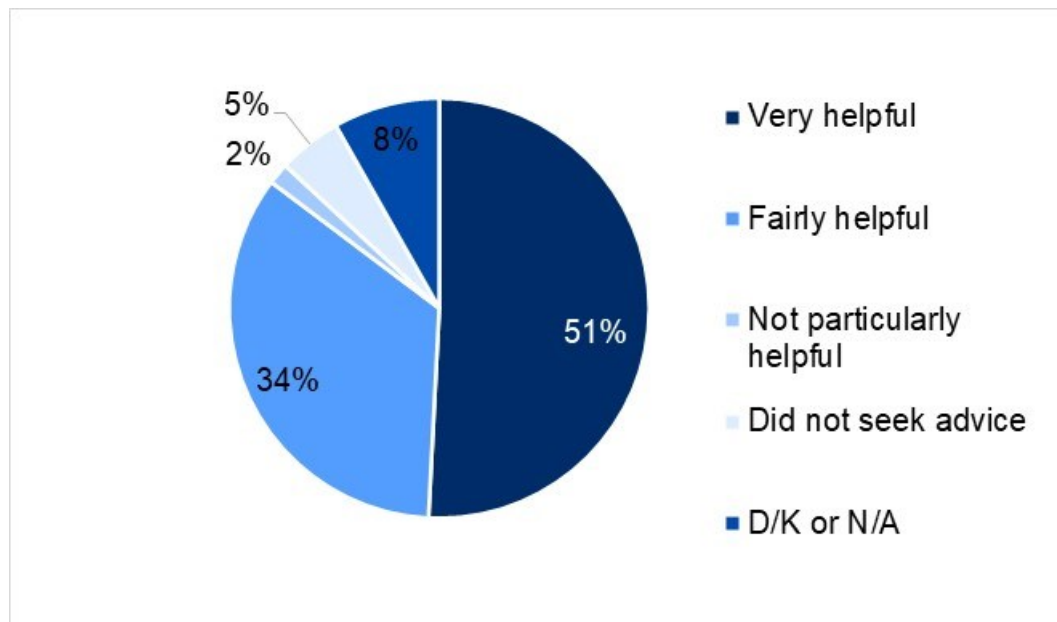
Source: OB3 web survey (61 responses)

5.9   Interviewed projects were broadly content with the level of match funding required of them as a condition of the grant funding, regardless of the scheme which they had applied for (and the different level of match funding required). The only exceptions to this were two third sector organisations, funded via MSBF and TPIF, who had found it difficult to source the match funding required.

5.10   Overall, funded projects were happy with the time taken by the Welsh Government to assess their EoI and full application, and it was evident that the timescales adopted had not infringed on the delivery of projects to any great extent. As shown at Figure 5.5, two-thirds of survey respondents (66

per cent or 40) thought that the time taken by the Welsh Government to assess their EoI and full application had been acceptable whilst a fifth (18 per cent or 11) believed that this had taken too long. The remaining proportion (16 per cent or nine) either did not know or did not answer the question. TPIF funded projects were more likely to state that the time taken had been too long, with 44 per cent (four of nine) TPIF survey respondents taking this view. Only two of the 24 interviewed projects thought that the approval process had taken too long.

Figure 5.5: Views on time taken to assess EoI and full application
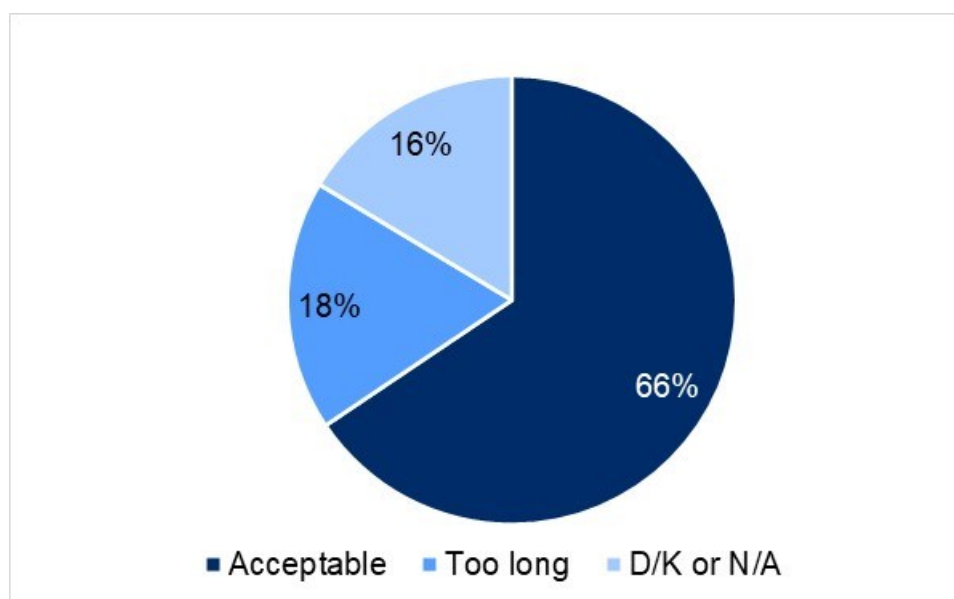
Source: OB3 web survey (61 responses)

5.11 Analysis of project interviews and 32 survey responses outlined the following as strengths of the application process:

- being able to discuss the process with Visit Wales officers, who were readily available, and provided 'supportive and useful' advice.

- helpful, clear and detailed guidance which made the application 'easy to follow'

- a simple application form which was 'straight forward', 'very clear' and contained 'sensible questions' which made it easy to complete. One respondent observed it had been 'much simpler and quicker than other funding sources'

- whilst a few respondents observed that the application had been 'thorough' and 'required a lot of detail', they had seen value to this as it had been 'useful later on in the process' and had been 'useful as a tool for serious analysis of the business.' One interviewed project observed that the process had encouraged them to think more about their proposed outputs and facilitate meaningful discussions with project partners.

5.12   In all, 25 survey respondents and 11 interviewed projects offered suggestions for improving the application process. These were as follows, and were typically suggested by no more than two to three projects each:

- simplifying or reducing the burden upon applicants to secure 'quotes and prices prior to submission'. This proved particularly difficult for applicants during the pandemic period, when any financial forecasting became a fruitless task due to rising costs and difficulties securing contractors

- allowing more time between the EoI and full application stage to allow applicants to gather information, including providing 'advance notice of the information required'

- adopting faster decision-making processes. Respondents thought that the approval processes needed 'to be speeded up' and that there had been 'long delays on some occasions in hearing the outcome of decisions.' This had a bearing upon the delivery timescales available for some projects e.g., 'the time from EoI and full application to approval was too long meaning the spend on RTEF was condensed which causes issues when trying to appoint or second staff to deliver projects'

- providing more advice and support to applicants such as advice on state aid issues and help to source suppliers and contractors, possibly via a national framework of approved suppliers who could be used

- improving the formatting of the EoI and application form which were considered 'very difficult to navigate and to cut and paste. A straightforward Word document would be much easier to use'

- incorporating a site visit from Visit Wales officers into the application process, to ensure they gained a detailed understanding of the proposed project.

Grant administration

5.13 Two Visit Wales finance officers were responsible for issuing grant offers and processing all grant claims received. It was observed by Welsh Government officials that all items of expenditure claimed for had to be checked in order to satisfy RDP funding requirements, and this proved time consuming relative to the value of the grant expenditure from the perspective of both Welsh Government resources and funded projects.

5.14 Responsibility for grant management and monitoring was split across the Visit Wales team. Regional Visit Wales teams took responsibility for monitoring revenue projects funded via TPIF and RTEF whilst responsibility for the two capital funds was retained by a central team within Visit Wales.

5.15 In terms of grant administration, Welsh Government officials drew attention to the following issues and lessons learned in terms of grant administration:

- funded projects were required to spend and claim their grant within a one-year period, at least initially across all schemes until a longer delivery period was introduced. The tight timescales proved challenging for many of the capital funded projects such as those supported via the MSBF, as these types of projects needed to factor in time for development and to secure planning approvals, and source contractors, and supplies to deliver their projects. Welsh Government officials suggested that many capital projects struggled to spend their funding allocation within the one-year period. This issue was taken into account across latter funding rounds, as RTEF and TPIF projects were afforded up to two years to deliver their activities

- some funded projects did not have any baseline data such as information on the number of annual visitors received at the outset and had to introduce new processes to capture such data in order to meet grant reporting conditions

- Welsh Government officials thought that the evidence required of funded projects to support their financial claims has been perceived by the sector as being fairly onerous. Funded projects were required to provide paper-based documentation to support their claims, and this proved challenging for many who relied on electronic book-keeping records

- despite the final claim having been submitted to WEFO, Welsh Government officials were mindful that achievements have been under-reported since Welsh Government officers had not yet undertaken their mid-term monitoring visits to all funded projects. It was suggested that funded projects had under-reported their achievements against their targets and that these are likely to be boosted following the monitoring visits.

<u>Funded projects views about grant administration</u>

5.16 Survey respondents were asked about their experience of grant administration, and these are set out at Figure 5.6. It shows that a large majority of survey respondents found these elements of the grant administration to be either very or fairly straightforward. Dealing with Welsh Government staff was the most straightforward element of the grant administration process, whilst preparing financial claims and adhering to procurement requirements were the least straightforward elements.

Figure 5.6: Views about grant administration
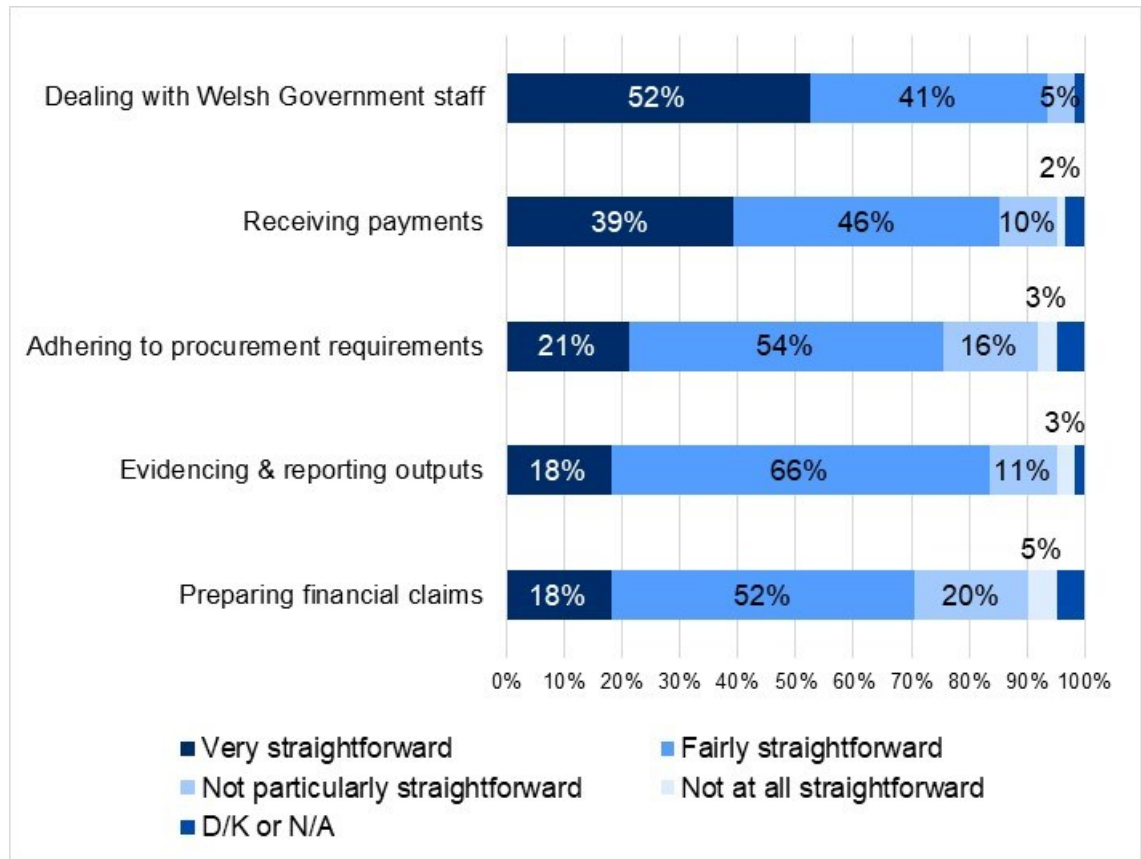
Source: OB3 web survey (61 responses)

Dealing with Welsh Government staff

5.17   Survey respondents and interviewed projects reported that a key strength of the grant administration process was dealing with Welsh Government officers. It was noted that:

- it was advantageous to be able to deal with a single, dedicated Welsh Government officer from start to finish e.g., 'helpful to have a dedicated officer who was looking after our project from start to finish' and 'it was great to have one point of contact throughout the process'

- they had a positive working relationship with Welsh Government officials, and were able to maintain these over the pandemic period e.g., 'a very good relationship … that built up trust between us and made me feel very at ease with the process' and' it was in the middle

of COVID as well, so extra difficulty on both sides, but still handled extremely well and professionally'

- Welsh Government officers were well-informed, helpful, and supportive of projects e.g., 'always ready to offer advice and expertise when required' and 'I got the overall impression, the officials were very much on my side, which can often not be the case'

- Welsh Government officers responded in a timely manner to project queries and helped to resolve any issues around procurement or timescales as they arose.

Adhering to procurement requirements

5.18 In terms of adhering to the scheme's procurement guidelines, public and third sector organisations, particularly local authorities, were content with doing so, as these were already in place within their organisations.

5.19 Private sector businesses found it more challenging to adhere to the requirements. Their main issue related to the need to obtain three quotes for every aspect of the project. One survey respondent noted that their 'business already has a preferred supplier or a supplier that is familiar with the business' and sourcing quotes from other suppliers did not make much sense. A few MSBF interviewed projects also did not regard Sell2Wales as a suitable procurement portal for sourcing contractors for 'small-scale building' work. Despite this feedback, other projects suggested that the Welsh Government had been flexible when such issues had arisen in their case e.g., if opportunities had been advertised on Sell2Wales and only one contractor had tendered for the work.

5.20 Some specific issues were raised by interviewed projects:

- one MSBF project had used the same contractor to carry out work for them on two different occasions, but because the combined costs were greater than the £5,000 threshold (at which three quotes were required) the spend was deemed ineligible by the Welsh Government. The proprietor noted that 'it was completely stressful.

It's difficult to get a plumber – getting three quotes is impossible…
It's not worth the hassle for the money … so many tick boxes.' In this
project the Welsh Government did claim back a small amount of
funding as the business had not secured prior approval for some
spend

- two interviewed TPIF projects had found it difficult to secure the
  three necessary quotes. One reported that 'getting three quotes was
  a nightmare', in this case because they were looking to purchase
  quite a niche product and only one contractor who tendered for the
  work was considered suitable. The other mentioned that as they
  work in a highly specialised area, very few suppliers globally were
  producing what they needed.

<u>Preparing financial claims</u>

5.21 In terms of preparing a claim, the main issue raised by projects related to
the amount of evidence which they had to submit as part of their financial
claim, which was considered onerous by some projects. Interviewed
projects regularly spoke of the need to submit numerous documents with
every claim, including copies of invoices, operating bank statements, and
tender documentation relating to every transaction. One such interviewee
noted that their claim included 20 different attached documents, and this
was considered 'fairly onerous' despite their expenditure having been spent
across few but large amounts.

5.22 This involved more work than expected for some grant recipients,
particularly those who had project managed all activities centrally rather
than using a third-party contract manager and had to deal with numerous
contractors directly. One such MSBF grant recipient observed: 'You needed
several pieces of evidence for every invoice. Third party management is
simpler, and we did look at this, but the fees were a third of the funding, so
simpler, but it would cost more'.

5.23 There was some call to simplify the claim form and reduce the amount of
evidence required to support it. One survey respondent also requested that
the Welsh Government issue a remittance notice to grant recipients when a

payment is made, as they had found difficult to 'determine what the payment is for' when in receipt of other Welsh Government funds as well.

Receiving payments

5.24 Broadly, projects were satisfied with the timeliness of receiving payments following the submission of their claim and any negative experiences related to the fact that organisations faced cash-flow challenges, as grant funding was only available in arrears when the project was completed.

5.25 Several MSBF project interviewees noted that they had to draw upon Directors loans and bank loans to fund the project and suggested that upfront funding would have helped their circumstances. One third sector organisation in receipt of TPIF had received external match funding upfront, and in the absence of this would have found it challenging to deliver the project.

5.26 There was some suggestion that the timescales for spending the funding over a 12-month period had been 'a bit tight', although two interviewed projects (1 RTEF, 1 TAIS) noted that they were awarded delivery extensions by the Welsh Government, in one case because of the impact of the COVID-19 pandemic.

Reporting and evidencing outputs

5.27 Interviewed projects broadly thought that the monitoring and reporting requirements associated with the scheme had been proportionate and 'light'. Much of the information required had been included in their business plans, so could be easily drawn upon. MSBF projects were more likely to find the reporting requirements onerous, as they had less experience in preparing these types of reports.

5.28 Ten of the interviewed projects recalled preparing a final report for the Welsh Government and had found this relatively straightforward, often using photographic evidence to show what they had achieved. None of the interviewed projects recalled receiving a visit from a Welsh Government officer post project delivery, be that after six months for revenue projects or five years for capital projects.

5.29   Whilst evidencing outputs was not thought to have been particularly difficult, there was some desire to have greater clarity about the outputs required of projects from the outset. One RTEF project would have welcomed having a broader outcomes framework in place to better inform their choice of outputs and outcomes.

6. Delivery and implementation

6.1 This chapter considers the delivery and implementation of funded projects and the extent to which projects achieved their objectives. It first sets out Welsh Government officials views on the delivery and achievements of funded projects before considering project survey and interview findings.

Welsh Government views on delivery

6.2 Welsh Government officials believed that some of the capital funded projects have been particularly effective in supporting the creation of destination projects across Wales, such as a large bike park development. It was argued that the funding has been used to support some high quality projects which have not displaced existing private sector provision in areas or types of accommodation which were already well served with quality provision. By way of example, one contributor mentioned that the MSBF was used to support a treehouse accommodation project which was known to have very high occupancy rates, as opposed to fund more traditional high quality self-catering accommodation.

6.3 There was some suggestion that the success of revenue funded projects has been more 'mixed' with 'some winners and some losers' having been supported by TPIF and RTEF. One Welsh Government official added that 'there were ones which failed' across TPIF and RTEF. Broadly, it was suggested that TPIF had supported more innovative product development projects across the private sector whereas RTEF had supported 'less ambitious and less sustainable' projects across the local authority sector, although there were some examples of stronger RTEF projects cited by contributors.

6.4 Welsh Government officials believed that measuring the impact of revenue projects was more challenging than capital projects. It was also the case that some believed that the outcomes achieved across RTEF projects are weaker than TPIF, in that project outcomes are more akin to inputs and activities delivered (e.g., number of website visits), rather than indicators which shed light on the difference made.

6.5 Another issue raised by Welsh Government officials related to the lack of engagement and use of resources produced by RTEF projects across Visit Wales' national visitor campaign. It was observed that there had been limited scope to use RTEF resources at a national level due to issues such as poor quality of materials produced, and it was suggested that greater oversight and advice from the Visit Wales marketing team into the development of RTEF resources and materials could have helped overcome such issues.

Project delivery

6.6 The fieldwork found that grant recipients had used the funding in the way in which it was intended to be used although some projects which were delivered over the COVID-19 pandemic period had to be modified. These changes are discussed later in this chapter.

6.7 Most survey respondents (89 per cent or 54) had completed their funded project whilst six (10 per cent) had not. One respondent did not reply to this question.

6.8 Two-thirds of survey respondents had achieved (or anticipated achieving) their project aims and objectives in full whilst just under a third had partially achieved (or expected to partially achieve) their aims and objectives, as set out in Figure 6.1.

Figure 6.1 Whether funded projects achieved (or are expected to achieve) their aims and objectives
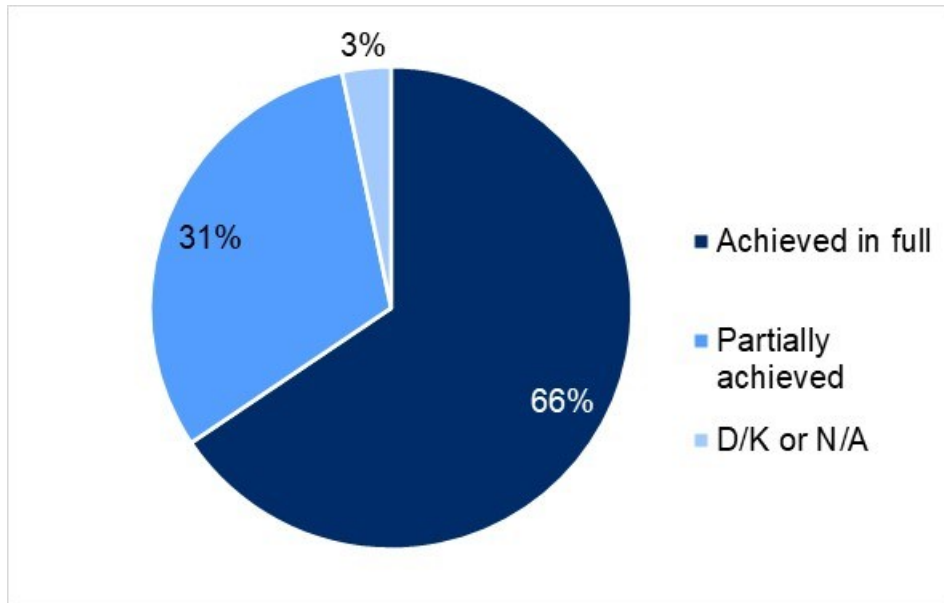
Source: OB3 web survey (61 responses: of these 54 had completed their project, six had not and one did not reply)

6.9   Over two-thirds of survey funded projects had either met (51 per cent or 31) or exceeded (18 per cent or 11) (or expected to meet or exceed) their targets, whilst 28 per cent (17) had met (or expected to meet) some of their targets. Interviews with projects revealed that in most cases where projects had not been able to achieve their targets, it was due to an element of their plans having not come to fruition e.g., three interviewed MSBF projects reported that they had not funded elements such as a health and spa facility, a therapy room, and a bespoke play area within their premises.

Figure 6.2: Whether funded projects achieved (or are expected to achieve) their targets
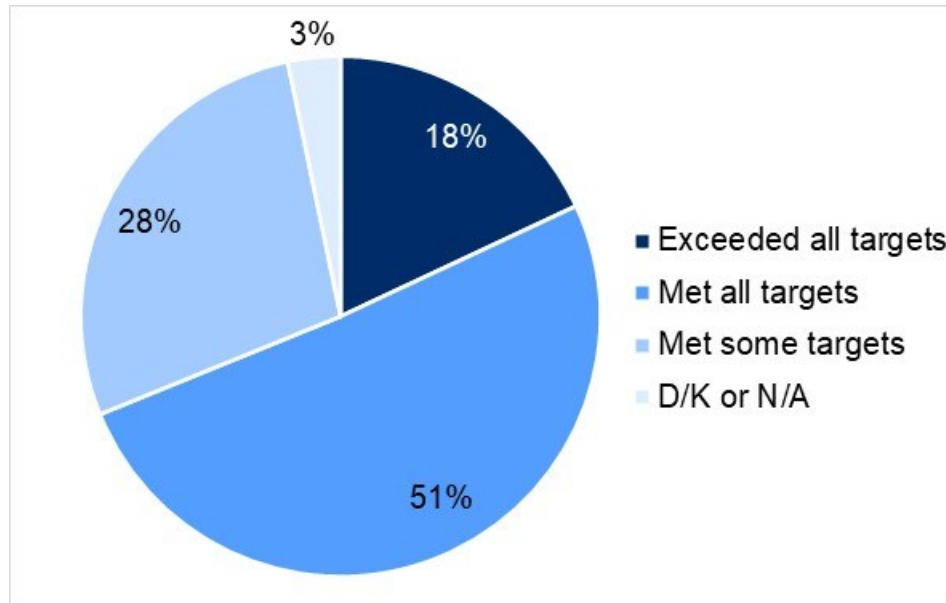
Source: OB3 web survey (61 responses: of these 54 had completed their project, six had not and one did not reply)

6.10 Drawing on both survey data and interviews with funded projects, the main factors accounting for a project's strong performance against funded targets included:

- careful and detailed up-front planning including setting clear objectives, outputs, and achievable deliverables within the timescales e.g., 'realistic outputs set'

- strong collaboration with partner organisations involved in the delivery of the project

- a skilled and experienced team with strong management capabilities, and appropriate use of external expertise e.g., 'we had a consultant who had experience in the delivery of this type of project' and 'one member of staff had to work as a project manager on a full-time basis on the projects because they were so time consuming, but this helped us deliver a strong and successful project'

- careful procurement, which ensured use of high-quality and reliable contractors e.g., 'it was always planned to be 5* and is'; 'we had an

56

architect that we knew well' and 'they [the contractors] consulted with us every step of the way, they modified things on our requests'

- flexibility and understanding on the part of the funder to accommodate issues such as the impact of the pandemic and setbacks relating to capital projects, as Welsh Government officials understood local issues

- flexibility to adapt projects during the pandemic period.

6.11 The findings from the survey responses and interviews with funded projects suggest that key elements of strong delivery of funded projects include:

- partnership working and engagement, including at a local, regional, and pan-Wales level e.g., 'excellent partnership working ... excellent blueprint for future partnership projects.' These were mostly cited by public and third sector organisations

- engagement from businesses and local residents who could appreciate the potential benefits of the project

- flexibility from the Welsh Government to allow the project to adapt in order to achieve a different but valuable outcome e.g., adapting to online provision to accommodate the impact of the pandemic

- strong delivery team and excellent project management, including previous experiences of dealing with grant funding processes

- high quality end products delivered within budgets e.g., 'overall finish of the building was better than we envisaged' and 'the building had been completed very satisfactorily and to the required high standard and within budget'.

Impact of the COVID-19 pandemic

6.12 The main reason projects had not met their funded targets was the COVID-19 pandemic, which was identified by 13 of 17 survey respondents. This was also cited as the main delivery challenge by projects operational in 2020. The pandemic had made sourcing contractors and supplies more difficult; and created delays due to building work being halted and site visits

postponed. In one case, a delay in the tendering process as a result of the pandemic left a much shorter timeframe to implement the project. In this case, a decision was made not to proceed with part of the plan, to install a bus shelter on the car park site, but instead to install an outdoor display system offering live-time transport and parking information.

6.13   Several projects also noted that they had been required to redefine their project as a result of the pandemic. One such RTEF project had to refocus its efforts on the UK rather than the international market and adopt a digital marketing campaign as staff could not attend planned cycling events outside of Wales to promote the opportunities. In this case, original partners who had planned on being involved withdrew in light of changes which had to be made to the project. Another MSBF project had to sequence its activities in a different order to that planned, due to delays in sourcing supplies. One local authority led project also reported project staff resources being redeployed to work on the pandemic response for a duration of time.

6.14   The experience of one TAIS project helps to illustrate the difficulties experienced during the pandemic:

An example of a TAIS project which reported that their main delivery challenge was the COVID-19 pandemic involved capital work which had been planned for early 2020. Whilst the contracted works provider was able to proceed during the period of restrictions the project management contractor had taken the decision not to allow its engineers on site to supervise the building work. This meant that the lead organisation had to sign off capital works which resulted in some snagging issues. These have since been resolved. The pandemic also led to delays in implementing another element of the project and alternative plans were made to construct a visitor welcome hut at the site at a quicker pace than originally planned.

6.15   Several survey respondents and interviewed projects noted that the pandemic had affected levels of demand for their services and products, both during periods of restrictions and then immediately following the lifting

of these. In one case, an MSBF project which had refurbished a B&B facility which offered a communal self-service breakfast service found it to be an unattractive option for guests when the restrictions were relaxed. Others reported nervousness about employing more staff and creating jobs immediately following the pandemic.

6.16   The pandemic had an interesting impact on one MSBF funded project:

> One project had used MSBF funding to refurbish new premises which included catering and retail provision. In this case, the operation had to close during the pandemic and staff were placed on furlough. Demand from trade customers also dropped, as other delis, cafes and restaurants ceased trading. The business observed that online sales of its product was increasing, and the operation invested accordingly in their brand, website, and online sales capacity. When pandemic restrictions were eventually lifted, online sales had increased to such a level that the business had to dedicate more resources and space at its premises to produce and package its products. A decision was made to downgrade their restaurant to a coffee shop and use some of this space for office work, to further promote and grow online trade.

6.17   The other factors identified by both survey respondents and interviewed projects as having affected their delivery and achievement of targets included:

- increased costs. Some of the capital related projects which had been operational between 2020 and 2022 reported that costs had increased by between 20 and 50 per cent since submitting their application. For instance, one TAIS project reported that their building materials costs had increased by around 50 per cent. Some could absorb these increases to fully achieve their plans e.g., one TAIS project was able to meet increased project costs (of circa £10,000) from internal resources. Others however had to amend their plans. For instance, one MSBF project reported that as costs had increased by 20 per cent their plans to develop a leisure and

spa facility at the hotel were shelved. This meant that the hotel could not improve its grading from a 3* to 4* facility

- staffing issues within the hospitality sector. Several private sector operations observed that recruiting staff had proven difficult during 2021 and 2022 as staff who were made unemployed during the pandemic did not return to the sector

- issues relating to partnership working and difficulties securing engagement from key organisations be they local authorities or hospitality businesses e.g., 'communication with the hospitality sector who are busy, and it took a number of calls and emails to secure a response'

- delivering the project within tight timescales e.g., 'ensuring capital spend with a delivery timescale from award to completion of just one financial year'

- managing business cashflow and the upfront funding of the project, e.g., 'for a small business [this] was a continual challenge as the funding comes after the expenditure'. It was particularly challenging for some businesses during the pandemic period as income also reduced during this timeframe

- project taking up more staff time than anticipated. One such project reported that they had underestimated the staffing resource required to manage and deliver the project, but nonetheless these costs were met by the lead organisation

- other issues such as poor weather conditions and building snagging issues.

Contribution towards key policies

6.18 Interviewed projects were confident that their funded project had made a positive contribution towards or had been well aligned with their organisation's overall strategic plan.

6.19 There was also a strong view that projects had made a positive contribution towards local and regional Destination Management Plans, although the

evidence for this was stronger in some cases than others. Some funded projects were greater in scale and ambition than others, and therefore had the potential to become destinations in themselves which could attract a wider or different cohort of tourists to an area. For instance, one MSBF funded hotel believed that the investment made would help develop a destination hotel for the valleys region which in turn would help achieve the regional destination management plan of securing more visitors to the region. Interviewed projects put forward arguments that they were contributing to local and regional Destination Management Plans by implementing interventions which would improve visitor perceptions of an area, increase visitor numbers, provide better experiences, contribute to longer visits, extend the visitor season and increase visitor spending. For instance, one RTEF interviewed project argued that their activities had contributed to both regional and local destination management plans by helping to change the perception of a Valleys based local authority amongst potential tourists. Another RTEF project believed that they were contributing to an objective set out within their local destination management plan to encourage visitors away from honeypot destinations to less frequented destinations. A third RTEF project observed that their activities were contributing towards their local Destination Management Plan objectives of developing the cycling offer within the county.

6.20   Interviewed projects took the view that they contributed positively towards Visit Wales's priorities to grow the tourism sector in a sustainable way, and drew upon both anecdotal evidence as well as monitoring data[37] that they had since been able to increase the number of visitors and users who frequented the facility or destination. There was also widespread evidence[38] that funded projects had improved the quality of provision across rural Wales. The evidence provided on the sustainability of this growth was perhaps less clear and did vary from one case to another.

---

[37] Such as booking and sales data as well as occupancy data.
[38] From our visits to funded sites as well as photographic evidence made available via end of project reports and project websites.

6.21   In terms of contribution towards Visit Wales' thematic 'Years of' marketing approaches, interviewed projects frequently cited that they were well aligned with the annual themes of Discovery (2019) and Outdoors (2020). Many of these projects were focused on outdoor and discovery activities such as cycling and walking routes. Alignment with the other thematic years was less evident and only mentioned by one project each e.g., one TPIF project observed that they had a clear alignment with the theme of Legends (2017) and another TPIF project reported clear synergies with the theme of the Sea (2018).

6.22   In terms of the Well-being of Future Generations Act, interviewed projects thought that, in comparison to other well-being goals, they had made the greatest contribution towards the well-being goal of a 'healthier Wales'. Six interviewed projects had focused on improving cycling and walking paths which would encourage greater levels of outdoor exercises amongst local residents. Five projects also thought that they had made a positive contribution towards a more 'prosperous Wales' as they had created employment opportunities for local people and a smaller number of projects emphasised their contribution towards creating a 'vibrant culture and thriving Welsh language'.

6.23   Some projects were building on previous approaches and have been developed further since. An example is set out below:

> The 870 miles of Wales Coastal Path (WCP) was officially opened in 2012, after EU funding was secured to complete the remaining 15km length to provide complete coverage of the Welsh coast. Between 2012 and 2017, a small amount of annual funding was made available by Natural Resources Wales to maintain the WCP coastal activity but there was a view that this level of investment was inadequate. There was a need for a pan-Wales marketing effort to support the efforts of local authorities on the ground as the WCP was identified as a priority in each of the 14 Destination Management Plans which it runs through. The project intended to reinvigorate the WCP brand, deliver a mass marketing campaign and raise the profile of the WCP as a year around attraction. It was well aligned with the objectives of the WFG Act, in that it intended to

increase use amongst local residents (as well as visitors) thereby contributing towards its 'healthier Wales' and a more 'prosperous Wales' goals. It also had the potential to contribute positively towards Visit Wales strategy and Visit Wales thematic campaigns.

7. Difference made

7.1 This section considers the survey and qualitative interview findings on the difference made by the grant funding and considers each of the four funding grant schemes in turn.

MSBF

7.2 This section draws upon evidence gathered from a total of 26 businesses. 18 had only completed the survey, five completed the survey and contributed to an interview, and three only contributed to an interview. Of the eight who were interviewed, five were accommodation establishments, two were catering and one was a cultural venue.

<u>Visitor experience</u>

7.3 Of the 23 survey respondents who received an MSBF grant, three-quarters thought it had made either a major (57 per cent or 13 of 23) or some (22 per cent or 5 of 23) difference to their ability to offer a wide range of facilities to visitors. Interviews with project representatives revealed that the grant funding had been critical to allow them to diversify their offer, open new premises, and introduce new facilities such as luxury glamping pods, disabled access, charging points, and creative spaces. Interviewed projects also stressed the importance of the grant funding in allowing them to extend their capacity so that they could accommodate larger groups of visitors. Not all grant recipients had extended their facilities to the extent that they had planned: one hotel had not been able to introduce new leisure and space facilities due to the increased costs of the planned project.

7.4 Over four-fifths of MSBF survey respondents thought that the grant had made either a major (70 per cent or 16 of 23) or some (17 per cent or 4 of 23) difference to the quality of their visitor facilities. Interviewed projects reinforced this finding and emphasised that they had used the funding to develop high quality facilities, be that accommodation, catering, or more communal spaces. Some providers observed that investment in higher quality facilities had helped to attract higher spending customers whilst others reported that they were now able to attract a wider profile of staying guests, including walkers, cyclists, mountain bikers and dog owners.

7.5 Four-fifths of MSBF survey respondents thought that the grant had made either a major (79 per cent or 16 of 23) or some (13 per cent or 3 of 23) difference to visitor experiences. Interviewed accommodation providers explained that the investment had helped them to introduce better or expand their existing high-quality accommodation and offer a better environment across their premises. Non accommodation providers reported that the funding had enabled them to develop and sustain high quality environments which attracted local as well as visitors from further afield. One establishment had recently been included in the Lonely Planet Global coffee places guide, which suggested that they offered a distinct and high-quality environment.

Feedback from visitors and users

Interviewed users of one MSBF café project were regular users who frequented the setting on at least a weekly basis and observed how pleased they had been that an unused building had been converted into a high-quality setting. They chose to use this café because of welcoming and friendly staff, and users of the café observed that 'staff really talk to you here'. The style of the place also appealed to users, and it was considered stylish, warm, welcoming, and of high quality. It was also perceived as offering a facility which compared favourably to other local cafes. The quality of provision was also singled out for comment, including quality home-made food and refreshments.

Users of a MSBF hotel project had used the facility for different purposes, including conference and leisure purposes. One was a regular guest whilst the other two were first time visitors. The factors for choosing the setting therefore varied and included work purposes, the hotel's location, and recommendations from others. The quality of the service and accommodation was viewed as being of a high standard, and the regular user reported that the improvements made represented a 'vast improvement' which had made the hotel 'more contemporary'. All three users would recommend the setting to others and would return to use the hotel again.

<u>Visitor demand</u>

7.6   Since delivering the project, over four-fifths of survey respondents who had received MSBF grant funding thought that annual demand, use or occupancy rates at their business had either increased a lot (43 per cent or 10 of 23) or increased a little (39 per cent or 9 of 23). The remaining 17 per cent (four) either did not know, thought it too early to say or did not respond to this question.

7.7   Project interviews revealed that it was very difficult for them to disentangle the effects of the pandemic on levels of demand. For instance, some accommodation providers had experienced a surge in demand during 2021 and early 2022, due to the increase in staycations, but since then had experienced the negative impact of increased living costs upon bookings. A cultural venue reported to have been very negatively impacted by the pandemic and had since been focused on survival, given that audience confidence and attendance remains low and increased operating costs of late have made trading conditions challenging. In this case, due to external factors, user demand is lower than before the MSBF project was implemented.

7.8   Interviewed projects who had experienced an increase in user demand provided evidence for this growth. One business reported that accommodation occupancy had increased by about 10 per cent since delivering the project, and that their room rate had also increased. Another reported accommodation occupancy of around 60 per cent across the year whilst a third project reported that the funding had allowed them to increase their accommodation capacity, although their occupancy has always been close to 100 per cent given the niche experience offered. Another accommodation provider which had opened for the first time following receipt of the grant funding reported annual visitors of circa 95,000 at their premises, either to stay or to eat, surpassing their target. One catering establishment reported that visitor numbers had reached 40,000 during its first year of trading, although a change in the business model since meant that they were able to accommodate fewer visitors now.

7.9 A slightly lower proportion of surveyed MSBF projects, three-quarters, thought that demand, use or occupancy rates at their business during off-peak and shoulder seasons had increased, with 22 per cent (five of 23) taking the view that it had increased a lot and 52 per cent (12 of 23) stating it had increased a little. Only one stated that there had been no change and the remaining five either did not know, thought it too early to say or did not respond to this question. Overall, interviewed projects who provided accommodation believed that their occupancy rates during off-peak and shoulder seasons had improved since completing their project. One reported 'good occupancy' levels over the winter period, another thought that they were 'busier than in the past' during off and shoulder seasons and a third now regarded themselves as an all-year round destination which attracted corporate, as well as leisure, guests. Another had lower occupancy during winter mid-week periods and was planning to address this via its marketing efforts for the next season.

7.10 Of those surveyed MSBF businesses who had observed an increase in demand (19 in total), all took the view that the grant funding had either made a major (10) or some (nine) contribution towards these increases. This view was reinforced by interviewed projects who argued that in cases where the funding had helped them to expand their capacity, there was a clear attribution to the grant funding e.g., in one case the grant funding had helped to increase the hotel's capacity by 26 additional guest rooms. Three of the interviewed businesses were new ventures and the funding was thought to have been instrumental in establishing these new facilities.

Grading and awards

7.11 Data supplied by the Welsh Government on the grading status of the 50 supported MSBF accommodation businesses pre and post funding shows that the number of businesses which had secured a grading for the first time, or had secured a better grading, increased over time:

- 58 per cent (29 businesses) were not graded at the time of their application compared with only 22 per cent (11 businesses) which were not graded by May 2022. Three of those not previously

> graded at the time of application were awaiting the outcome of
> their grading application
>
> - 15 businesses went from having no grading to securing either a 4*
>   or 5* grade or a quality assured site and a further 3 businesses
>   secured a better grade (i.e., from a 3* to a 4* or a 4* to a 5*)
>
> - by May 2022, eight businesses were in receipt of a Visit Wales 5*
>   Award, compared to three at the time of application

7.12 Two interviewed accommodation providers had either not achieved their intended grading or had not experienced a change in their grading due to the fact that they had not introduced the necessarily facilities (such as leisure facilities and a lift) to qualify for these hospitality grades.

7.13 Surveyed businesses were also asked about any other awards or accreditations which they had secured since delivering the project. Some 11 responses were provided and these included awards such as:

- 5* Awards across hospitality booking and review sites such as TripAdvisor, Booking.com and Expedia

- customer satisfaction awards and Certificates of Excellence through hospitality booking sites such as Booking.com

- being named in published guides such as the Times Top UK Hotels and the Good Beer Guide

- social and environmental awards such as one business achieving B Corp status and being the first speciality coffee business in the UK to do so

- competitive awards achieved such as the Rural Business Awards Wales, Mid Wales Glamping provider and Touring Park Booking Operator's New Business Award.

Employment and jobs

7.14 In terms of employment, information supplied by 20 surveyed businesses would suggest that at least 73 FTE jobs had been safeguarded[39][40] across these hospitality establishments. Only one business took the view that the grant funding had not supported any such jobs, and in eight cases it was reported that at least six FTE jobs had been safeguarded. Six interviewed businesses reported that 79 FTE jobs had been safeguarded across their establishments, with the number per setting varying from a low of 2.5 FTE to over 50 FTE. Whilst there may be bias in the sample of businesses completing the survey (i.e., successful ones may be more likely to complete the survey) and some danger that businesses have over inflated their response (i.e., counted non-eligible safeguarded jobs) the fact that such a high number of jobs safeguarded were reported via the survey sample suggests that scheme monitoring data (at 92.5 jobs safeguarded across 50 businesses) has under-reported overall achievements.

7.15 Similarly, information supplied by 19 surveyed businesses would suggest that at least 55 FTE jobs have been created as a direct result of the grant funding[41]. Three businesses reported that no jobs had been created and in six cases, it was reported that at least six FTE jobs had been created. The average number of FTE jobs created by surveyed businesses (at just under 3 per business) is slightly lower than that reported by scheme monitoring data (at just under 5 per supported business) although the survey did not

---

[39] A safeguarded job is a permanent one which would have been at risk over the following 12-month period. A seasonal job may be scored if it was expected to recur indefinitely. An FTE is the count of the number of full-time equivalent jobs rather than post holders

[40] Survey businesses were asked to indicate via a closed question how many full-time equivalent jobs had been safeguarded. Two indicated that up to and including 1 FTE job had been safeguarded; 5 indicated that up to and including 2 FTE jobs had been safeguarded, 3 indicated that up to and including 3 FTE jobs had been safeguarded; one indicated that up to and including 4 FTE jobs had been safeguarded and 8 indicated that over 5 FTE had been safeguarded. One business indicated that no jobs had been safeguarded. The figure of 73 FTE jobs has been calculated as the minimum jobs safeguarded, on the basis that the eight businesses reporting over 5 FTE jobs each could have been higher than the 6 FTE used for the calculation.

[41] Surveyed businesses were asked to indicate via a closed question how many full-time equivalent jobs had been created. Three indicated that no FTE jobs had been created; three indicated that up to and including 1 FTE job had been created; three indicated that up to and including 2 FTE jobs had been created; two indicated that up to and including 3 FTE jobs had been created; two indicated that up to and including 5 FTE jobs had been created and six businesses indicated that they had created 'over 5 FTE' jobs. The calculation of 55 FTE jobs is the minimum created. The number of jobs created by the last cohort could have been much higher.

allow those creating more than six FTE jobs to report on the precise number of jobs created, which could have been significantly higher. This was reinforced by interviewed businesses. Seven interviewed businesses reported that over 100 FTE jobs had been created across their establishments, with the number per setting varying from a low of 2 FTE to over 30 FTE.

7.16 Data supplied by 11 survey respondents suggests that a wide range of jobs had been created with varied renumeration:

- in three cases, the jobs created included those at managerial level (e.g., accommodation manager, marketing manager, department manager) with salaries varying from between £26,000 to £50,000 per annum

- in five cases, the jobs created were skilled positions and included roles such as administrators, chefs and ground workers. The salaries cited by survey respondents for these posts varied from between £18,000 to £25,000

- in eight cases, the jobs created were entry level, basic wage positions and included roles such as housekeeping, reception, night porter, cleaners, kitchen staff, and front of house.

7.17 Interviews with MSBF projects revealed that some were in a stronger position as a result of their projects being able to offer posts as all-year round positions, and there was some evidence that the quality and salary of the jobs created were better than was previously the case. For instance, one business reported that they were now paying more than the living wage for some entry level jobs, another reported paying slightly above the minimum wage for these positions whilst a third reported paying 21 per cent more than the minimum wage to staff. One business reported a very positive position in terms of the nature of employment now offered at their operation, in that they were employing more professional and skilled staff in higher paid jobs than was the case immediately after completing their funded project. It was reported that they were able to attract staff from a much wider geographical area and retain them in post for longer. Whilst this

had not formed part of their initial business plan, the investment made within their new trading facility meant that they had the brand and space to diversify into new and more profitable activities.

Business turnover

7.18 Of the 23 survey respondents who had received MSBF, 70 per cent (16) reported that their annual business turnover had increased since delivering the project. A further 13 per cent (three) reported that it had stayed the same and the remaining few either did not know or did not reply. An analysis of changes in business turnover across the 16 businesses who reported an increase show that their combined increase in annual turnover was £6.755 million, an average increase of £422,250. All 16 survey respondents believed that the grant funding had either made a major (five) or some (11) contribution towards this turnover increase.

7.19 The total grant offer value across these 16 businesses amounted to £1.91 million, whilst the overall grant offer made available to the 23 surveyed MSBF grant recipients was £2.4 million.

Table 7.1: Changes in annual business turnover for MSBF grant funded businesses who reported an increase (2017/18 to 2020/21)

£	Value of grant offer	Annual turnover prior	Annual Turnover after	Increase in annual turnover	% increase
A	100,000	Not trading	300,000	300,000	n/a
B	35,000	Not trading	400,000	400,000	n/a
C	20,000	Not trading	60,000	59,900	n/a
D	14,000	18,000	70,000	52,000	289%
E	25,000	37,000	61,000	24,000	65%
F	25,000	60,000	120,000	60,000	100%
G	45,000	65,000	90,000	25,000	38%
H	264,660	200,000	1,000,000	800,000	400%
I	60,000	210,000	467,000	257,000	122%
J	50,000	550,000	700,000	150,000	27%
K	314,000	600,000	2,400,000	1,800,000	300%
L	80,000	700,000	2,000,000	1,300,000	186%
M	33,750	756,333	784,429	28,096	4%
N	380,000	1,200,000	1,600,000	400,000	33%
O	55,000	1,500,000	1,600,000	100,000	7%
P	409,000	1,700,000	2,700,000	1,000,000	59%
Total	**1,910,410**	**7,596,433**	**14,352,429**	**6,755,996**	**89%**

Source: OB3 web survey (16 MSBF respondents who reported an increase in annual business turnover)

7.20   Of the 23 MSBF surveyed respondents, all but one (who did not respond) thought that the grant funding had helped their business strengthen its financial sustainability for the future either to a large extent (seven) or some extent (15). This was reinforced by interviewed businesses who broadly thought that their profitability had improved to different extents, although rising energy and food costs of late had affected this in many cases. One business reported that their profit margin had improved dramatically whilst another reported that their increased capacity meant they could now manage bookings inhouse, thereby reducing their expenditure on booking agency commissions and improving long-term sustainability. The experience of the interviewed cultural venue was slightly more precarious in

that their current turnover, and therefore financial sustainability, had dropped by around £2 million as a result of the pandemic.

TAIS

7.21 This section draws upon evidence gathered from a total of 24 grant funded projects. Of these, 16 completed only the survey, three completed the survey and participated in an interview, and five participated in an interview only.

<u>Visitor experiences</u>

7.22 Of the 19 survey respondents who had received a TAIS grant:

- all but one thought it had made either a significant (84 per cent or 16 of 19) or some (11 per cent or two of 19) difference to improving visitor amenity facilities, whilst the remaining one did not know

- similarly, all but one thought it had made either a significant (84 per cent or 16 of 19) or some (11 per cent or two of 19) difference to improving visitor experiences, whilst the remaining one did not know

- a slightly lower proportion thought it had made a significant difference (68 per cent or 13 of 19) to improving visitor accessibility, albeit that 26 per cent (five of 19) considered it had made some difference. The remaining one did not know.

7.23 The evidence provided by interviewed projects suggests that very little data has been captured and reported by TAIS projects about any changes to visitor experiences following the implementation of projects although they were confident that a positive change had taken place, based on anecdotal feedback and personal observations. The main ways in which interviewed projects thought their TAIS funded project had improved facilities and experiences for visitors included:

- improved signage and information via interpretative displays and outdoor display systems

- improved walking trail and cycling tracks and trails, which included better signage on routes thereby making it easier for visitors to navigate

- improved public access such as the provision of a shelter and centre for visitors at one site with better flooring and CCTV and fire detection systems

- improved toilet and car parking facilities

- improved accessibility by providing disabled car parking spaces and improving access to walking paths.

7.24 A couple of interviewed projects had been able to introduce distinctive products and services as a result of their TAIS project, and these included:

- one social enterprise had been able to introduce additional cycling trails, which meant they could now offer a wider range of cycling trails to accommodate different levels of experiences. In this case the enterprise had also been able to establish a young person's bike club and have some 17 regular users using the trails twice a week

- one light railway business had been able to introduce shorter train journey experiences after using the grant to invest in a train track loop system, which meant it was able to meet existing demand for quicker and cheaper visitor experiences.

Feedback from visitors and users

Two of the TAIS projects had invested in walking and biking trails. At one of these sites, interviewed users represented local visitors as well as visitors from further afield and included several frequent users as well as first time visitors. Reasons for visiting one setting varied and included close to home opportunities for walking, the appeal of flat accessible routes, use of the café, use of bike trails, and sightseeing in a spectacular setting. Feedback about the quality of the site used was very positive. At one setting observations were made that the estate was well maintained and offered incredible scenery. Some users recalled seeing TAIS funded interpretation panels and found them

interesting and clear. Flat and accessible walking trails were appreciated by users. The length of the bike trail developed was perceived as being too short and there was a call for this to be extended, if possible, although it was accepted that the confines of the landscape might prevent further extension.

At the other walking and biking trail TAIS project, the main reason for visiting was for mountain biking, and interviewed users were primarily local people. The availability of walking and biking trails was the main attraction, and most used it regularly. Users liked the fact that it was a large site with high quality bike tracks they could use all-year round and that there was a café on site. Others also observed that it was an appropriate site for pushchairs, despite the inclines, and users appreciated the opportunity to be in nature. Regular users reported that the setting had been upgraded in recent years and identified new elements such as a new footbridge and a new family biking trail, which they welcomed. They also observed that there was now better signage in place to differentiate between walking and cycling paths, which made them safer to use.

Interviewed users at a third TAIS project were asked about the investment made into improved parking facilities at a popular tourist destination. The availability of parking spaces along a busy road was thought to have improved as a result of the project, but users pointed out that much more parking was needed given the popularity of the local attraction. Users welcomed the central location of the spaces provided and appreciated that they were free to use and had no time restrictions. A local business manager observed that they had seen improved parking behaviours since the project had been completed as the site had previously been 'chaos' and 'dangerous.' The restaurant with rooms had also benefited from the investment made in that both local people and overnight staying guests could now find a convenient parking space to use the facility.

7.25 Survey respondents were confident that demand or use of the facility / destination had increased since delivering the project. Whilst 26 per cent(five of 19) either did not know or thought it too early to say, 53 per cent (10 of 19) thought demand or use had increased a lot and the remaining few (21 per cent or four) thought it had increased a little. Survey respondents also thought that the grant funding had made an important contribution towards these increases, with 71 per cent (10 of the 14) taking the view had it had made a major contribution and the remaining 29 per cent (four of the 14) reporting that it had made some contribution.

7.26 Two interviewed projects provided evidence of the increased use of the facilities or destinations supported by TAIS. One of these was a local authority led walking and cycling trail project which reported an annual increase in use of these trails from 200,000 to 330,000. Data provided by the other project is set out below:

> One TAIS project which made substantial improvements to a coastal car park has resulted in improved amenity facilities and experiences for visitors. There are now more car parking spaces available (as the bays have been marked, 125 in all, so cars are better parked). Road improvements have helped to improve the flow of traffic in and out of the site. There are two pay and display machines at the site, so it's easier for people to pay regardless of where they are parked. It was previously a very dusty environment in the summer, but the tarmacked area with reinforced grass provides a far better experience for visitors.
>
> Data captured by the grant recipient organisation shows that there has been a positive increase in the number of vehicles using the site, from a baseline of just over 11,000 during 2017 to over 22,000 in 2021 and over 19,000 during 2022. Income from the car park has also increased since the project has been completed, from £19,000 during 2017 to over £31,000 per year during 2021 and 2022.
>
> It is unlikely that the TAIS project itself accounts for any of these increases and as such they cannot be attributed to the funding made

available, as they are due to other factors including the post-pandemic surge in staycation, a growing interest in outdoor activities, and the reopening of a quality café on site. However, the data is helpful in demonstrating that TAIS funding has been used to improve facilities at a site which has experienced greater use over time.

7.27 Two other interviewed projects reported that visitor numbers had increased but did not provide metric data. One of these had observed an increase in the numbers using their car park whilst the other had observed an increase in the visitors using their trails and paths, but perhaps not to the extent expected, due to the impact of the pandemic.

7.28 In two cases, projects were grappling with managing high visitor numbers and therefore had never anticipated that their TAIS project would lead to any visitor increases, but rather to better management of existing visitors. In one case, the TAIS project helped to manage antisocial car parking behaviours at a popular walking site by funding additional car parking spaces. In the other, the onset of the pandemic and difficulties recruiting and retaining staff meant that the business took the decision to deliberately reduce the number of users on their site from 75 to 50 per day.

7.29 Two interviewed projects had plans in place to record visitor numbers. For instance, one was planning to record usage through mobile phone data whist another had recently started to capture visitor numbers (and experiences) through DigiTicket software.

One social enterprise had received TAIS funding to develop a new bike trail network which would allow them to offer easier bike routes for less experienced riders. Their traditional market was experienced mountain bike enthusiasts who could afford to purchase specialist equipment, travel to the area and local accommodation costs. The TAIS project has enabled them to extend their market, to include families and local young people. The project was completed prior to the pandemic, and demand for the facility rose dramatically once restrictions were lifted. The organisation found it challenging to meet this increased demand due to

> staffing issues and so a limit was placed on the number of daily users who could book the bike trails. Demand has continued to be strong, and their online booking system suggests that days are being sold out frequently, and users are required to book ahead to secure a space. Whilst the project has enabled the business to broaden their season, difficult weather conditions make it impossible to operate all year round.

TPIF and RTEF

7.30   This section considers the experience of 23 projects: 10 TPIF and 13 RTEF projects. A total of 20 survey responses were received (nine TPIF and 11 RTEF) and eight interviews were undertaken, three with TPIF and five with RTEF projects. Two of the three TPIF interviewed projects had also completed the survey and three of the five RTEF interviewed projects had completed the survey.

7.31   Of the 20 survey respondents who had received funding via either TPIF or RTEF all but one thought that their project had strengthened collaborative working across the tourism sector in their area either to a large (20 per cent or four) or to some (75 per cent or 15) extent. The remaining one did not think it had made much difference. Feedback from those interviewed suggested that all five RTEF projects had helped to strengthen collaborative working. Examples were cited by interviewed RTEF projects where relationships between various local authorities as well as between local authority and businesses who had participated within projects had been strengthened. One RTEF project also argued that their project had helped to strengthen partnership working across a wider network of organisations including local authorities, businesses, national parks, and a government sponsored body. Interviewed TPIF projects had not been as effective in establishing and maintaining collaborative partnerships and two of these observed that collaborative working had not been a core aspect of their approach. The third had delivered workshops for various tourism partners but these were not sustained after the funding period.

7.32   All but one of the RTEF and TPIF surveyed respondents thought that they were either very (30 per cent or six) or fairly (65 per cent or 13) likely to collaborate again with the same partners involved in the project. The remaining one did not think this would be particularly likely. Interviewed RTEF projects provided evidence that collaborations and partnership working were being sustained after the funding period, although this was not the case for interviewed TPIF projects where collaborative working had not been such a prominent feature of their approach.

7.33   Across half of the surveyed projects (50 per cent or 10), extensive use was currently being made of promotional and marketing resources developed by the funded project whilst some use was being made in a further seven cases. No particular use was being made of such resources by three projects.

7.34   All five interviewed RTEF projects continued to use the marketing resources developed as part of their project. In one case, high quality photographic resources were still being used by the local authority and other partners to promote the tourism offer, in another, digital marketing resources were still being used and in a third the funded website was still in existence and was being updated and used extensively. Three interviewed RTEF projects noted that their resources had been used by Visit Wales, either as part of their photographic library, within their website, or during events such as trade shows.

7.35   One RTEF project reported that they had enhanced the promotional resources since completing their project:

Marketing resources developed as part of one RTEF project have been enhanced significantly since the project funding came to an end. The website has been enhanced and is updated regularly, the toolkit developed for businesses is updated annually and a user app has been re-developed to better meet the needs of current users. Resources produced by the project are being used extensively by other partners, including local tourism partnerships and local authorities. Resources,

such as photographic and recorded materials, are also being used by Visit Wales during international marketing events.

In this case, the project manager has been retained by the key partners, and further funding secured from the Welsh Government to sustain the project. The project remit has been expanded to cover other similar areas across Wales.

7.36 One interviewed TPIF project continued to use the marketing resources produced whilst in a second, the lead organisation replicated similar annual events to that funded via TPIF given its success. In the third TPIF project only very few elements of the promotional resources developed were being sustained and used. In this case a prepared video was still available online, but other resources such as website content, a Facebook page and a Google map, as well as an Awards package have since been discontinued, largely due to the lead partner ceasing to trade and being incorporated into local authority provision.

7.37 When looking at the difference made by TPIF and RTEF projects, feedback from the 20 survey respondents suggests that projects have made a major difference in around half of cases whilst they have made some difference in the remaining half. There is no obvious difference in the data when considering the TPIF and RTEF cohorts separately:

- all but two TPIF and RTEF survey respondents thought that their project had made either a major (45 per cent or nine) or some (45 per cent or nine) difference to their ability to offer new and innovative tourism products to the market. One thought it had made no particular difference and one did not know

- all but one TPIF and RTEF survey respondents thought that their project had made either a major (60 per cent or 12) or some (35 per cent or seven) difference to their ability to develop and expand the promotional content used to attract potential visitors. The remaining one thought it had made no particular difference

- all but one TPIF and RTEF survey respondents thought that their project had made either a major (45 per cent or nine) or some (50 per cent or 10) difference to their ability to promote services or products to a wider, larger market. The remaining one thought it had made no particular difference.

7.38 Feedback from interviewed projects suggested that their activities had made more of a difference to the way tourism products and services were being promoted, than to the development of new and innovative tourism products, although the development of an annual festival by one TPIF project is an exception. TPIF and RTEF interviewed projects both observed that their projects had allowed them to create promotional content which could be used for between five and ten years, to attend trade shows to market to new and larger audiences, to develop websites, and to adopt new promotional methods such as through influencers and Airbnb.

7.39 Surveyed TPIF and RTEF respondents suggested that there had been an increase in the demand or use of their services, products, or destination since delivering the project, but overall, this increase had been relatively modest. Of the 20 who responded, 30 per cent (six) thought that demand had increased a lot, 50 per cent (10) thought it had increased a little and 10 per cent (two) thought that there had been no difference. The remaining 10 per cent (two) either did not know or thought it too early to say. Of the 16 who reported some increase in demand for services, products, or destinations, 38 per cent (six) thought that the grant funding had made a major contribution towards the increase whilst 50 per cent (eight) thought it had made some contribution. The remaining 13 per cent (two) either did not know or thought it had not made much contribution.

7.40 Feedback from interviewed projects supported this positive change in levels of demand for services and products, but overall very little data was available to evidence anecdotal increases. The three interviewed TPIF projects found it difficult to identify the type of data which could be used to demonstrate the impact of their activities. In one case the funded event had been a one-off activity, in another the project had not continued, and in the

third the impact upon partner provider businesses had not been monitored over time.

7.41   The nature and type of evidence provided by RTEF interviewed projects of changes in demand over time varied, making it impossible to aggregate these at scheme level. However, where data was cited, it showed a positive trend in terms of demand and use. One project for instance reported increased participation in annual half-marathons introduced as part of their RTEF project. Another project which had focused on packaging and promoting opportunities for cruise ships to visit Wales reported a doubling of cruise ships visits to one Welsh port since the project had been implemented although recognised that other factors, such as commercial decisions taken by hosting ports and cruise liners, also accounted for some of this increase. Another reported that their RTEF promotional work resulted in 25,000 visits to partner websites which was estimated to have generated an income of just under £1 million for them

7.42   Another RTEF project reported that there had been over a 30 per cent increase in both the number of organic searches for their product and the number of website hits secured since implementing the project. Over the same timeframe, the number of social media followers doubled and at the time of our fieldwork stood at over 100,000. Monitoring and survey data provided by this project also showed a marked increase in the number of users and their levels of satisfaction.

8. Value for money

8.1 This chapter considers the fieldwork findings in terms of what would have happened in the absence of grant funding and whether value for money was secured. It draws upon project survey and interview findings.

8.2 The survey findings suggest that had grant recipients not received the funding, very few projects would have progressed at all. Two-thirds of those surveyed (66 per cent or 40 of 61) thought that their project would not have progressed at all (as shown in Figure 8.1). The remaining third thought that either aspects of the project would have gone ahead or the project (either partly or in full) would have been delayed.

Figure 8.1: Likely outcome for projects in the absence of grant funding
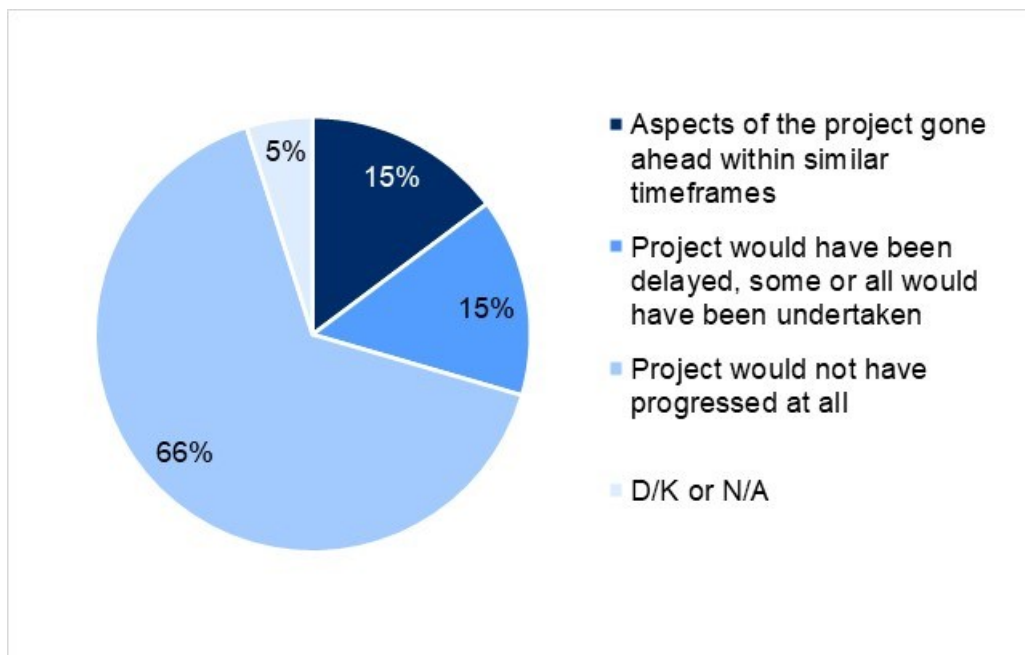
Source: OB3 web survey (61 responses)

8.3 Given the high overlap between survey respondents and interviewed projects it was not surprising that many of those interviewed also reported that their project would not have progressed at all in the absence of the grant funding. Large capital projects, such as large-scale hotel refurbishments funded via MSBF, were the least likely to have progressed at all in the absence of grant funding. In one of these cases it was

suggested that the hotel building would otherwise have been demolished, so great were the costs involved in its refurbishment. Smaller scale MSBF projects might have progressed, but often on a smaller scale, with less quality, and delivered over a much longer time period.

8.4   Revenue projects supported via TPIF or RTEF tended to report that some elements of their projects, such as events, would have been delivered in the absence of the grant funding but they would have had less impact due to reduced marketing budgets. Only one revenue reported that it would not have progressed at all, and in this case the project was very much developed in response to the funding opportunity.

8.5   When asked how they would have funded the project in the absence of grant support, the main sources cited were as follows, with private sector business more likely to cite the first two and public and third sector organisations more likely to cite the latter two:

- business or personal loans, including bank loans

- future business profit from organic growth, including reinvestment of future profits and personal resources

- other external grant funding e.g., 'we would have continued to seek relevant external funding'; 'we probably would have found other funding, but it would have taken longer' and 'I'd like to think we would have found other funding, but possibly not, it's difficult to say'.

- internal funds e.g., 'on the RTEF project, the marketing campaign was going to happen anyway, but was greatly enhanced by the grant' and 'the project was part of a larger project, and had we not received the TAIS grant, it would have been difficult if not impossible to include any tourism provision within the new building'.

8.6   Broadly, funding was used in the way intended although as set out in Chapter 6, changes had to be made to those projects affected by the pandemic and increased costs thereafter. As discussed earlier, there was a tendency for capital projects to have gone over budget due to increasing and unanticipated building costs.

8.7   There was not much evidence to suggest that projects could have made cost savings and interviewed projects generally thought they had achieved good value for money. Interviewed projects stressed that they procured carefully, and resources used had been essential to completing projects. Interviewees stressed that their decisions on appointing contractors and purchasing supplies took quality and longevity into consideration i.e., whilst some materials could have been sourced cheaper, they would have to be replaced sooner. One revenue project thought that small cost savings could have been made had they been able to purchase, rather than hire, equipment for promotional fayres.

8.8   One TAIS project thought that the project had provided exceptional value for money, as other similar projects delivered by the lead organisation have been more expensive. In this case, the involvement of a local authority to oversee the procurement of the capital work meant that they were able to secure better value for money from contracted providers.

MSBF Value for Money

8.9   A value for money assessment for the MSBF is set out in this section. It is possible to explore the cost of reported outputs such as jobs created and safeguarded, as well as the impact of the investment upon business performance such as contribution to any changes in business turnover, profit, and employment levels.

8.10   The total spend on the MSBF scheme is calculated as just over £4.5 million. This includes direct grant expenditure to supported businesses as well as costs incurred by the Welsh Government to administer the scheme. The Welsh Government administrative costs set out at Table 8.1 are based on an apportionment of the overall Technical Assistance costs incurred by RPW to administer applications and process claims[42].

---

[42] The Welsh Government calculated that the administrative costs for RPW to administer MSBF equated to 0.7% of the £8.4 million awarded to RPW as an Intermediate Body. MSBF was classified as a high complex scheme and was therefore given the highest level of weighting in terms of cost apportionment. The weighting score which could be allocated to any one scheme ranged from 1 (for the most straight forward funding schemes) to 3 (for highly complex schemes such as MSBF).

Table 8.1: MSBF expenditure

	MSBF Spend
Grant funding spent	£4,500,000
Scheme administration costs	£58,800
Total MSBF expenditure	£4,558,800

Source: Welsh Government (May 2023)

8.11   Using the output data set out at Table 2.6 of this report and scheme expenditure, it is possible to calculate the cost per job created and safeguarded across the MSBF scheme, as set out at Table 8.2. Given that £10,000 funding was allocated per FTE job created or safeguarded across MSBF, the cost per output achieved at £13,468 was higher.

Table 8.2: MSBF cost per job created and safeguarded

	Achieved	Cost per output
Number of jobs created	246	£18,532
Number of jobs safeguarded	92.5	£49,284
Total number of jobs created **or** safeguarded	338.5	£13,468

Source: Welsh Government (May 2023)

8.12   The survey evidence set out at Table 7.1 of this report on business turnover change would suggest that the direct grant investment of £2.4 million (across 23 MSBF businesses) resulted in a positive turnover growth of £6.755 million. Extrapolating this data for the overall grant investment of £4.5 million would suggest that MSBF has resulted in a positive turnover growth of nearly twice this i.e., circa £12.667 million.

8.13   In calculating the VfM achieved by MSBF, it would be worth considering whether supported businesses have accessed any other grant funding to offer a more rounded view of the scheme's additionality. Our assessment of the VfM achieved is limited to the data collected directly from beneficiaries and does not take into account the fact that some beneficiaries may have accessed funding from other RDP schemes. The benefits therefore could

be conflated benefits as they are the result of more than one funding stream. The degree to which this occurred, and the potential impacts will be considered in the Ex Post Evaluation of the RDP 2014-2020.

9. Cross-cutting themes and objectives

9.1 This chapter considers the contribution made by funded projects towards the three cross cutting objectives of the RDP (namely Innovation, Environment, and Climate change adaptation and mitigation) and the Welsh Government's cross cutting themes of Equal Opportunities and Gender Mainstreaming; Sustainable Development; and Tackling Poverty. It also considers the contribution made towards the Welsh language strategy Cymraeg 2050.

Cross cutting themes and objectives

9.2 As shown at Figure 9.1, survey respondents thought that their projects had made the greatest contribution to the cross-cutting themes and objectives of innovation, equality of opportunity, sustainable development, and the Welsh language. Overall, survey respondents thought that their projects had made less of a contribution towards addressing climate change and tackling poverty and social exclusion in rural areas.

Figure 9.1: Contribution made by projects to cross cutting themes and objectives
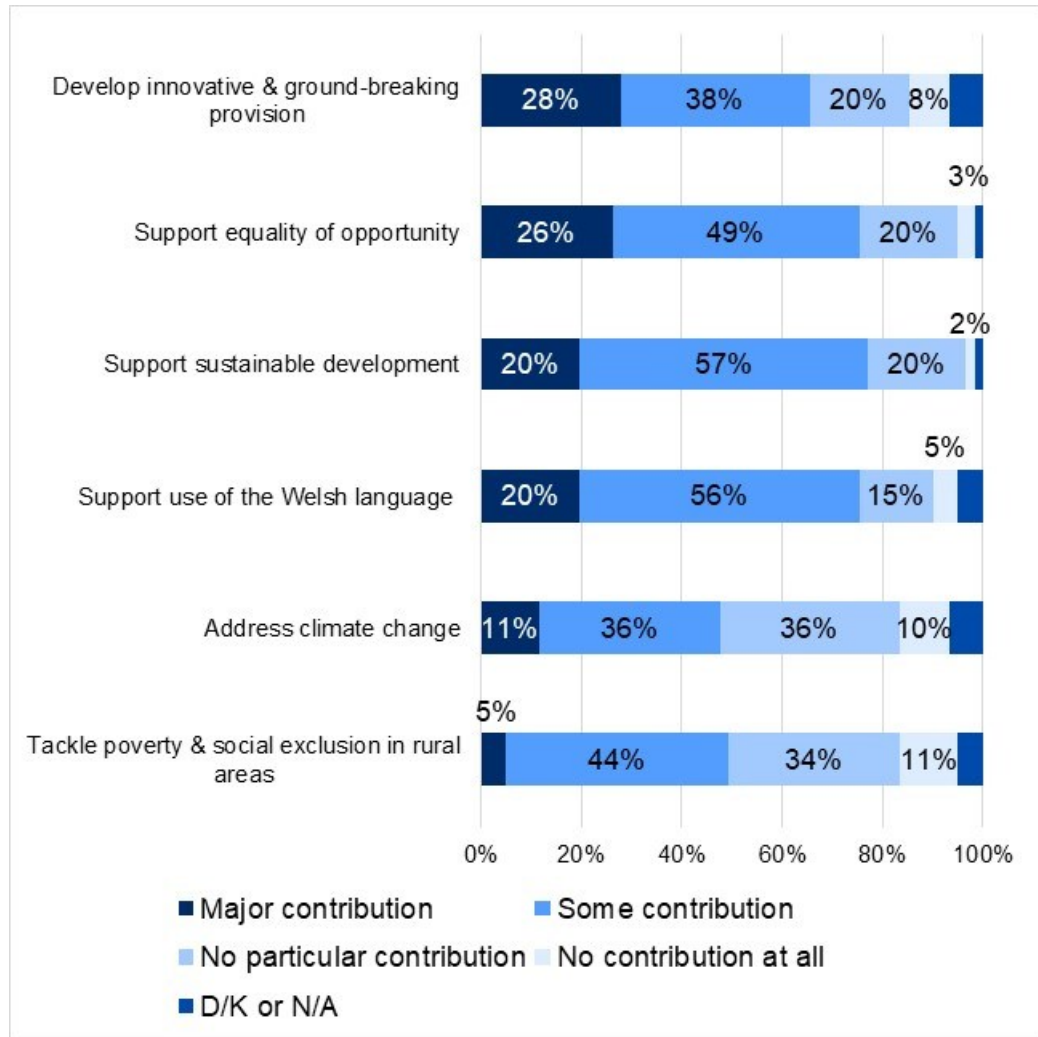
Source: OB3 web survey (61 responses)

9.3   We consider each of these cross-cutting themes and objectives in turn and set out examples of how projects contributed towards them:

Innovative and ground-breaking provision

9.4   Examples of innovative projects, or elements thereof, captured over the course of the fieldwork included:

- innovative accommodation facilities such as off-grid shepherds huts and treehouses

- innovative visitor experiences such as new events and festivals, and new attractions

- innovative use of new technology such as digital information panels, solar panels, and EV chargers

- innovative information such as some signposting information panels were designed from the outset to be different. One example was an information panel on the science behind the dark sky project at one TAIS project

- innovative use of the arts and culture within project activities.

Climate change adaptation and mitigation

9.5 Capital building and refurbishment projects frequently mentioned that they had installed building insulation, installed appropriate high standard double glazing to minimise heat loss, adopted sustainable air-conditioning to reduce heat wastage, introduced individual heating control systems, adopted key card slots in each room to manage electricity use and reduce electricity wastage, introduced corridor lighting operated by sensors, introduced light timers and screen dimmers, adopted LED lighting solutions, and installed EV chargers.

9.6 Other less common solutions introduced by projects to help address and mitigate climate change, and mentioned by only one or two settings, included:

- one TAIS project had followed Sustainable Drainage System (SuDS) principles[43] and another TAIS project had taken water drainage issues into consideration in order to prevent flooding

- two businesses highlighted their effective recycling practices and their efforts to reuse recycled materials as part of their building work

- one project had installed over 600 water refill stations to try and minimise the impact of single-use plastic bottles on the environment and climate

- one RTEF project was working with Transport for Wales to encourage users to arrive on public transport as well as with the

---

[43] A sustainable drainage approach for storing and using rainwater in a way which releases and transports it slowly so as to better manage surface water.

Coastal Modelling Centre to look at erosion, and work through a Citizens Science approach to track changes to the coastal landscape

- one RTEF project was collaborating with the Brompton e-bike scheme to place bike facilities in three stations across the county to promote cycling and reduce the impact on climate.

Equal Opportunities and Gender Mainstreaming

9.7   Interviewed projects frequently referred to their equal opportunities and diversity employment policies and several also mentioned that their contracted providers had to demonstrate the adoption of these policies as part of procurement processes. It was commonly reported that projects employed both men and women, and many of the MSBF projects were important employers of young people, particularly for seasonal job opportunities.

9.8   Other examples of how projects had achieved the equal opportunities cross cutting theme included:

- TAIS projects had commonly invested in improving disabled toilet facilities, created disabled parking bays, and improved access and surfaces for those with reduced mobility. One such project noted:

  'this was a fantastic project which made a huge difference to the destination and made [name of site] accessible to people with severe disabilities'

- one MSBF project had invested in all-terrain buggies suitable for less mobile guests to use the nearby beach

- one RTEF project had promoted accessible parts of the coastal path to those with mobility issues and worked with a disabled influencer to demonstrate their accessibility. In this case, disabled contractors also tested the path with a view to offering ideas for improvements. They have also since launched a digital challenge to complete the coastal path for those who cannot travel or undertake it on foot

- in a similar manner, another RTEF project used female influencers to promote women's cycling in the county

- in terms of working with ethnic communities, fewer examples were provided by projects, but these included one project which had worked with a Muslim hikers group to encourage members of this community to use the facilities, one third sector organisation who had recently recruited ethnic minority representatives to its Board, and one TPIF project which had focused its event on an ethnically diverse community.

Sustainable Development

9.9 Examples of how projects had adopted more sustainable ways of working are set out below, although it is worth noting that many of the examples listed under 'climate change' above could also be relevant here:

- use of greener energy sources including solar panels and green electricity suppliers

- development of off-grid accommodation, such as the off-grid shepherds huts supplied with sustainable water, drainage, and electricity.

- adoption of recycling practices and use of recycled materials e.g., one MSBF business uses compostable coffee bags and coffee cups and one TAIS project had used recycled plastic railway sleepers in its construction work

- more sustainable use of natural resources e.g., one TAIS project stressed the importance of using and protecting local resources such as soil and stone during the construction of walking trails

- one TAIS project was encouraging users of its bike trails to contribute towards their tree planting project to off-set the environmental impact of their travel and had raised £5,000 to date from this.

9.10 Projects argued that they could have made greater efforts to adopt more sustainable construction and operating options, but it was argued that the

costs of doing so inhibited some from achieving this. One such MSBF project argued that their project could have been much more sustainable had they been able to afford the costs associated with installing renewable energy supply at the setting.

Tackling poverty and social exclusion in rural areas

9.11 Numerous examples of how projects were tackling poverty and social exclusion were captured over the course of the fieldwork, despite this having been ranked as fairly low by survey respondents. There was a strong argument that the employment created and supported by projects provided all-year round jobs for local people, and private sector businesses stressed that they offered either above the minimum wage or were living wage employers.

9.12 A few interviewed businesses observed that they were in deprived communities, and they had helped 'to create higher quality sustainable employment' in areas of considerable deprivation. Several projects also observed that they used local contractors, both for capital works but also for ongoing services and supplies e.g., one MSBF business sold hampers of local produce to staying guests.

9.13 Three of the interviewed MSBF businesses were actively involved in supporting young people through apprenticeship or other training opportunities. One had employed an engineering apprentice during the project, and another was currently in discussion with a local college about the possibility of developing a hospitality career pathway for employees and new recruits. The third had planned to develop a training academy at their new site, but these plans were placed on the back burner due to the pandemic.

9.14 Other projects reported on their work to alleviate social exclusion amongst users and visitors. These included:

- four of the TAIS funded projects had invested in free to use facilities such as bike and walking trails. In one of these cases the project had created starter mountain cycling trails for inexperienced beginners,

who were more likely to live in the local area, and had also established a young people's biking club

- three projects had held free or subsidised events to make them more affordable for local people whilst another TAIS project reported that they offered a car park concession to local people. One of these projects (an MSBF project) had made their building available free of charge to local artists to use during the pandemic period

- three projects highlighted their role in helping to alleviate social isolation and promote well-being amongst their users. For instance, one TAIS project which had a café facility reported that the facility was important for members of the local community to use and interact with others. Another TAIS project reported that they collaborated with social prescribing projects[44] by providing a base for local people to volunteer.

The Welsh language

9.15   It was expected that the Pan Wales Rural Tourism scheme would comply with the Welsh language standards and contributed to the ambitions of the Welsh language strategy Cymraeg 2050.

9.16   The fieldwork found widespread use of the Welsh language across project promotional and marketing activities, including bilingual signage and interpretation resources, as well as promotional websites and leaflets. Public sector led projects, and most third sector led projects, reported that every aspect of their project was bilingual, including websites and resources such as toolkits for businesses. Those operating in areas with higher proportions of Welsh speakers within the community tended to make the most use of the Welsh language within their marketing. MSBF private sector businesses were the least likely to have bilingual websites, or websites with elements of Welsh language contained within them. Projects

---

[44] Social prescribing is when health practitioners such as GPs or nurses refer patients to local, community non-clinical interventions such as gardening, arts activities, or sporting activities or to improve mental health and physical wellbeing.

believed that visitors responded positively to the use of the Welsh language at their settings.

9.17　In terms of using the Welsh language and supporting the socioeconomic infrastructure of Welsh speaking communities, many examples were identified during the interviews including:

- employment of Welsh speakers e.g., in one large scale MSBF funded project it was reported that 90 per cent of staff were Welsh speakers

- staff were encouraged to use Welsh first, and in one case make use of Welsh speaking identity badges. In some settings the Welsh language was being used frequently by staff and visitors would experience this as part of their stay or visit

- use of Welsh language terms and names, such as adopting Welsh language room names, walking trails, and cycling route names; bilingual menus or incidental use of Welsh terms in menus; and use of local historical and cultural names and terms (e.g., the Mabinogion) to create a sense of place. Projects reported that visitors were curious about the use of Welsh names.

- providing explanations to visitors about the meaning of Welsh terms. For instance, interpretation resources developed by one project provided explanations in English of Welsh names and terms, and feedback gathered from visitors by us suggested that they found this interesting.

10. Future funding needs

10.1   This chapter considers the views of Welsh Government officials, survey respondents, interviewed projects and other stakeholders who contributed to the evaluation about the future funding needs of the tourism sector across rural Wales.

Application of lessons learnt to the Brilliant Basics scheme

10.2   Many of the lessons learned from the delivery of Pan Wales Rural Tourism have already been taken on board and used to inform the design of a successor scheme, Brilliant Basics, which has been modelled on the success of TAIS. Four local authorities who were interviewed had secured funding via this scheme and were supportive of its availability and design. There was broad support for the higher rates of funding available via the scheme and a longer delivery timescale of two years, which were thought to be better suited to capital projects which often required planning approval. There was also support for the renaming of the fund, where the use of an acronym had been dropped in favour of a title which better reflected the nature of projects funded. Local authorities were also supportive of the decision made to exclude private sector projects from Brilliant Basics as this ensured funding was used to support strategic infrastructure developments. However, this view was not supported across the board and one third sector survey respondent observed that:

‘I wish that TAIS was still available as the replacement Brilliant Basics is only open to Local Authorities and National Parks which makes it hard for third sector organisations to access the funding.’

10.3   Three main issues were raised by local authorities in relation to the Brilliant Basic scheme. Securing match funding from local authority budgets was considered a continued challenge for local authorities, although the availability of external funding did mean that capital tourism projects were prioritised over non tourism sites. One local authority representative observed that at the time of our fieldwork, their tourism officer had no tourism budget at their disposal. Local authorities also struggle to meet the ongoing maintenance costs of projects which would be eligible for Brilliant

Basics, and this has bearing on the proposals submitted for support. Finally, whilst supportive of the two-year funding model, there was a desire to see the scheme being administered annually on a rolling basis so that 'shovel ready' projects did not have to wait up to two years for support.

Private sector

10.4 Whilst the introduction of the Wales Tourism Investment Fund may result in a reduced need for private sector grant investment support, the absence of a successor scheme to the MSBF was thought to be a key gap in the Visit Wales offer for the sector, particularly in terms of small-scale capital grant funding. There was a call for a better balance between loan and grant funding for the sector in the future.

10.5 Private sector businesses were mostly focused on consolidating their operations at the time of fieldwork, focusing on repaying debts incurred from their investments and from difficult trading conditions over the last few years. Feedback from a sector umbrella body suggested that their members are currently experiencing lower visitor numbers than pre-COVID, and cash flow positions are being negatively impacted by rising operating costs. Businesses are postponing any investment plans to ensure that they can adequately cover increased operating costs. A call was made for specific support from the Welsh Government to help address these immediate issues.

10.6 There was a broad acceptance that any future private sector successor scheme to the MSBF should focus on supporting three priorities, namely:

- regenerative tourism, to ensure that tourism projects support and give back to local communities. Aligned to this it was suggested that a greater focus be given to the requirements of the Welsh Government Economic Contract

- environmental sustainability and addressing climate change, to encourage and support businesses to become net zero carbon as quickly as possible, with funding to support energy saving schemes such as installation of hydro and solar power

- improving accessibility of private sector businesses.

10.7 There was also a call upon any future capital fund for the private sector, particularly where relatively small investments were requested, to adopt broader funding criteria than employment created or safeguarded, which was perceived to be the priority for MSBF. It was suggested that more sustainable funding criteria should be adopted to consider a project's impact on the community, the environment and upon the Welsh language as opposed to focusing on employment numbers only which was considered a rather 'blunt tool' of measurement.

Revenue projects

10.8 The main point raised in relation to the availability of revenue grant funding to support any future RTEF and TPIF type projects related to concerns about the termination of EU funding opportunities. One interviewed local authority reported that they had secured Levelling Up funding for a tourism related project and several local authorities referred to Shared Prosperity Funded projects which were in the pipeline. Other than these examples, local authorities, in particular, stressed that they lacked funding to invest in tourism marketing and promotional activities.

11. Conclusions and issues for consideration

11.1 This chapter sets out our conclusions and issues for consideration. In doing so we return to consider the objectives of the evaluation.

Objective 1: Alignment of projects with RDP and Welsh Government strategic policy objectives

11.2 There has been a long-standing supportive policy context for Pan Wales Rural Tourism and the Welsh Government's commitment to supporting tourism was further reinforced in light of the major impact which COVID-19 had upon the sector. There has been a consistent and ongoing tourism strategy in place to strengthen the brand, grow the sector, improve quality, and enhance visitor satisfaction. It was logical for the Welsh Government to provide capital investment to help develop quality tourism products and revenue funding to help the sector better promote itself, to achieve its policy ambitions for the sector.

11.3 Pan Wales Rural Tourism has supported the delivery of Welsh Government policies for the tourism sector. The capital investment schemes have invested in projects which have enhanced the tourism product, attracted more visitors, improved visitor satisfaction, and grown the sector. The revenue investment has been used to encourage greater collaboration, promote the tourism offer, attract more visitors, and thereby grow the sector. Funded projects have been well aligned with Visit Wales' priorities to grow the sector and improve the quality of provision. There has also been strong alignment with Visit Wales' most recent annual marketing themes of 'Year of Discovery' and 'Year of Outdoors', but perhaps fewer funded projects have supported earlier themes of 'Year of Legends' and 'Year of the Sea'.

11.4 Tourism data for Wales over the last ten years or so (as set out in Annex E of this report) is of limited value to assess the impact of Pan Wales Rural Tourism, not least because the data is only available at a pan-Wales level, and not for rural areas only. It is also the case that the impact of the investments made at the pan-Wales level will be limited in light of wider

impacts of major external factors such as the COVID-19 pandemic and current cost of living crisis.

11.5   Up until 2019, there was a consistent increase in the number of overnight visitors and overnight visitor spend between 2011 and 2019. Overseas visitor numbers and expenditure also increased over this time but peaked during 2016-2017. In contrast however, the data shows a decrease in tourism day visits between 2011 and 2019 and a decrease in tourism day visitor spend since 2017 which perhaps is reflective of the fact that Welsh Government policy has been focused on supporting and developing the overnight visitor market during this time, as this market has the potential to make a greater contribution to the sector's growth compared to day visitors. Consideration is given below (under Objective 5) about how individual Pan Wales Rural Tourism schemes and projects have impacted upon visitor numbers and expenditure, although it is important to note that these conclusions draw upon a mix of project monitoring data as well as projects' perception of change.

11.6   The data also suggests that all types of visitors are broadly satisfied with Wales as a place to visit although it is notable that satisfaction rates have remained broadly unchanged over the 2010s. Visitor satisfaction levels are better for attractions and accommodation provision than they are for eating out. All types of visitors consistently report the need for improved access for disabled people, cleaner and more public toilets, better digital connectivity, better shopping, improved tourist signposting as well as better quality and availability of public transport. This feedback supported the need for capital investment schemes such as MSBF and TAIS across Wales, to further improve visitor satisfaction particularly in terms of basic infrastructural provision. The evidence gathered via this evaluation, albeit drawing upon perceptions and anecdotal accounts in many cases, also suggests that the improvements made by funded projects have helped to address visitor requirements in terms of improved accessibility, improved signposting, and improved basic facilities such as public toilets.

Objective 2: The effectiveness of scheme management including the claims process, monitoring systems, communications, and the availability of support post award

11.7   The feedback gathered over the course of the evaluation suggests that the schemes have been managed appropriately and effectively by the Welsh Government. Grant application processes have been rigorous and well managed which point to the funding have been allocated in an equitable and transparent manner. The adoption of a two-stage process, involving an initial EoI followed by a full application, has been appropriate. Feedback from grant holders also suggests that application guidance has been fit for purpose. The time taken to assess applications overall appears to have been reasonable and acceptable to the sector. Feedback from private businesses suggests that there is scope to simplify application processes for those accessing smaller amounts of funding and make the requirements less onerous for grant holders.

11.8   A key strength of the grant management processes has been the role played by Visit Wales officers who have supported applicants and grant holders, and this is to be commended. The evaluation has shown that grant holders value having a dedicated contact officer who is approachable and well informed, and this approach should continue in any future funding mechanism.

11.9   Post award, grant administration processes have been broadly appropriate, and it is evident that lessons learnt have been applied over the course of delivery. Scheme managers took on board the feedback from grant holders that a one-year delivery period was too tight and extended this to a two-year period.

11.10   Preparing financial claims has been the most onerous element of the scheme administration for grant holders, and private sector businesses have found it the most challenging to adhere to the schemes' procurement requirements. There is a compelling case for simplifying any future financial claims processes associated with such grant funding, particularly when smaller amounts of funding are awarded.

11.11 The requirements placed upon funded projects to report and evidence outputs has been welcomed by grant holders and deemed reasonable and proportionate. Evidence gathered via our own fieldwork for the outputs achieved, notably by businesses supported via MSBF, and the fact that follow up monitoring visits have not been undertaken suggests that scheme level outputs have been under-reported. Future funding schemes would benefit from ensuring that follow up monitoring visits to supported projects are undertaken to capture all outputs achieved.

Objective 3: The delivery and implementation of the schemes

11.12 A total of 140 projects received £13 million grant funding across the four grant schemes between 2017/18 and 2020/21 and a further £5.7 million was spent on four Visit Wales 'Year of' campaigns between 2017 and 2020 as part of Pan Wales Rural Tourism. Project level funding was used effectively to lever in £15 million in match funding which ensured that Welsh Government and RDP funding was maximised. Projects were supported across a wide geographical distribution, and it was logical that north Wales accounted for a higher proportion of projects and funding compared to other regions due to the high number of local authorities which accessed TAIS funding and the importance of tourism across this region.

11.13 In terms of overall performance, the outputs achieved against the targets set for each funding scheme suggests a very mixed picture, with cases of significant over-achievement and under-achievement alike. Several targets were revised downwards on more than one occasion over the course of delivery suggesting that they were set at too ambitious a level. The achievement of these revised targets, particularly those in terms of jobs created by MSBF, was also negatively impacted by external factors such as the pandemic. In other cases, targets were set at too low a level and the significant over-achievement of these targets, such as stakeholders engaged (in the case of RTEF and TPIF) and people accessing services (in the case of TAIS), highlights the difficulties faced by Welsh Government officials to set realistic targets for the schemes. On this basis, it is very difficult to offer a view on how well the scheme performed against its funded targets, as the targets set do not appear to be realistic ones.

11.14 The outputs reported for those targets associated with the marketing activities deployed by Visit Wales have been calculated using appropriate standard industry methods and serve to provide a pragmatic account of the impact of the 'Years Of' marketing campaign activities. The approach is limited however in that it does not account for the impact of other factors, such as broader economic conditions, upon the outputs achieved. The data suggests that the campaign has helped to maintain awareness of Wales as a potential destination amongst UK residents thereby influencing visitor spend which in turn has supported the visitor economy and employment.

11.15 The evaluation also raises questions about the appropriateness of the targets selected, and it may be worth considering adopting targets which are more closely aligned with the direct outcomes of funded activities in any future fund. For instance, revenue projects such as those funded via RTEF and TPIF might be expected to report on the reach of promotional activities, the number of participants attending events or visitor bookings secured whilst capital projects such as those supported via TAIS might be expected to report on improvement to quality standards, increased visitor capacity and improved visitor experiences.

11.16 It appears that some outputs achieved have been under-reported across the schemes, particularly in relation to jobs created and safeguarded, due to the lack of post-funding monitoring visits to projects by Welsh Government officials to capture this data. At the time of undertaking our fieldwork, it would have been realistic to expect that more revenue projects would have received their six-monthly follow-up visit from the Welsh Government. We would also stress the importance of undertaking the five-year follow up visit to capital projects and recommend that the Welsh Government consider how this task could be resourced.

Objective 4: Extent to which supported projects were able to achieve the objectives set out in their plans

11.17 Funded projects were found to have performed well against their original aims and objectives and the main enablers to strong performance included detailed up-front planning, effective collaborative working, skilled and

experienced delivery teams, and careful procurements. Flexibility on the part of the funder and grant recipient was also a vital component of successful implementation.

11.18 COVID-19 accounted for many of the delivery challenges experienced by grant holders from 2020 onwards and accounted for much of the under-performance against funded targets. Other delivery challenges experienced by grant holders included increased costs, staffing issues, and partnership working.

11.19 In terms of cross-cutting themes there is widespread evidence that funded projects contributed positively towards innovation, equality of opportunity, sustainable development, addressing climate change and the Welsh language. There is less evidence that funded projects contributed towards tackling poverty and social exclusion in rural areas.

Objective 5: The outcomes and impact of the schemes

11.20 The funding has been used appropriately by MSBF grant holders to extend and improve the quality of facilities for visitors. Where feedback has been secured, users and clients reinforce this. The availability of grant funding has been instrumental in supporting businesses to develop high quality facilities and in the absence of the support, many developments would have been less ambitious in their scale and quality. There is convincing evidence that large-scale capital projects would not have progressed at all in the absence of grant funding. The criteria adopted to award MSBF funding has therefore been effective and has ensured that funded developments were well aligned with policy objectives and have contributed positively to boosting local and regional destinations.

11.21 Supported MSBF businesses have operated within a very turbulent environment over the last few years. Changes in visitor demand for MSBF funded projects, whilst positive, cannot be disentangled from the wider effects of external factors such as the pandemic and current increased living costs. Where demand has increased, businesses believe that project funding positively contributed towards the change. More modest changes in visitor demand during off-peak and shoulder seasons were reported by

MSBF businesses, suggesting that the investment had less of an impact on addressing this policy objective.

11.22   TAIS funding has been used effectively to implement basic infrastructural improvements across popular tourism areas which contributors expect will result in better visitor experiences across key destination sites. There is compelling evidence that in the absence of this fund, such improvements would not have taken place. There is some evidence available which suggests that there has been increased use of the facilities and destinations supported by TAIS, but the breadth of evidence is limited. This evaluation has not been able to capture direct evidence to support the perceived and anecdotal positive changes observed by funded projects about visitor experiences and this needs to be considered by the Welsh Government when making any future funding available i.e., that projects need to better consider what methods they might use to record visitor numbers and visitor experiences.

11.23   RTEF projects have helped to strengthen collaborative working across the tourism sector, and support local and regional destination management plans. These collaborative and partnership arrangements between RTEF partners are being sustained post funding but there was less evidence of this being the case across TPIF projects. A more mixed picture emerged in terms of whether promotional and marketing resources were being used post funding by RTEF and TPIF projects, with less evidence of TPIF projects doing so.

11.24   In terms of the difference made by RTEF and TPIF projects, a mixed picture emerged and a key message from the fieldwork is that there was very little data available to evidence anecdotal increases and to support funded projects' perceptions of change to levels of demand for services and products. For any similar future funding schemes, it would be beneficial for the Welsh Government to provide greater guidance to fund holders on the monitoring indicators which it might expect to be used for reporting on changes to demand for services and products.

Objective 6: Assess the responsiveness of the various schemes to the perceived needs of the tourism industry

11.25   The four funding schemes have been well received by the tourism sector across Wales and a key strength has been the co-ordinated approach to investment and the deliberate attempt to fill funding gaps. The schemes have focused on improving the quality of tourism facilities within rural areas, thereby contributing towards Welsh Government policies and ambitions for the sector. Projects set out to attract more visitors to rural Wales and put in place products to do so, although the pandemic curtailed the impact which latter funded projects could secure.

Objective 7: Assess value for money

11.26   When measuring the VfM of jobs created and safeguarded across MSBF, the cost per output achieved was higher than anticipated (£13,468 compared to £10,000 per job created or safeguarded across MSBF). Cost per output may well have been lower had the pandemic not impacted negatively upon business performance.

11.27   There is compelling evidence that MSBF has supported business turnover growth. Evidence from surveyed businesses suggests that an overall grant investment of £4.5 million has generated a turnover growth of circa £12.7 million per annum across supported businesses. Feedback from businesses suggests that grant funding has helped to strengthen their financial sustainability.

11.28   The VfM achieved from the most recent funded projects may also have been higher had projects not faced increased costs following the pandemic period.

Objective 8: Provide recommendations and lessons learnt for similar grants in Wales

11.29   Many of the lessons learned have already been adopted within a successor scheme, Brilliant Basics, which has been modelled on the success of TAIS.

11.30   Feedback from the sector suggests that a key gap in investment support is small-scale capital grant funding for the private and third sector. Should this

be introduced, then there is a strong case for ensuring it is used to support three key priorities: regenerative tourism developments which support local communities; environmental sustainability and supporting businesses to become net zero; and improving accessibility within private sector providers. There is also a strong argument for ensuring that small-scale grants require more light touch application and procurement requirements of grant-holders.

Summary of recommendations

1. We recommend that the Welsh Government explores the need for a small-scale capital grant funding for the private and third sector as a successor fund to MSBF

2. The criteria adopted to award funding via the MSBF should be retained on the basis that it is well aligned with Welsh Government policy objectives

3. Should a successor scheme to the MSBF be introduced, it should be used to support the three key priorities of regenerative tourism, environmental sustainability and improving accessibility

4. The Welsh Government should explore whether there is a need for continued revenue funding to support collaborative tourism marketing activities as a successor fund to RTEF and TPIF

5. Should a successor revenue fund be introduced, the criteria adopted to award funding should be reviewed to ensure that it supports (i) meaningful collaborative activities which contribute towards regional and local destination management plans and (ii) resources which can be sustained and utilised post funding. A future revenue fund should not be geographically restricted to rural areas

6. Future funding schemes should continue to adopt a two-stage application process, using an initial Expression of Interest to check eligibility and a full application for those considered eligible to progress further

7. Application and grant administration processes, to include financial claims processes, for those wishing to access small amounts of funding should be simplified

8. Future funding schemes should retain the role of a dedicated contact officer to support grant applicants and grant holders

9. Future funding schemes should be designed in a flexible enough way to respond to the needs of grant holders, particularly in terms of the delivery period available for projects

10. Future funding schemes should adopt more realistic and directly achievable targets. Greater time and consideration need to be allocated upfront when developing targets to ensure that they better reflect the direct outcomes of funded activities and can be monitored and reported upon

11. Greater consideration should be given to the approach adopted for monitoring and reporting of any targets set for future funding schemes. The Welsh Government should provide detailed guidance to fund holders on monitoring indicators and data collection methods which they expect them to adopt, to better record the impact of funded projects in terms of changes to visitor numbers and experiences

12. The Welsh Government should ensure that follow up monitoring visits to supported projects are undertaken to capture all outputs achieved within any future funding schemes.

Annex A: A Theory of Change model for Pan Wales Rural Tourism

Figure A.1 sets out a Theory of Change (ToC) model for Pan Wales Rural Tourism. It draws heavily upon a draft model prepared by Welsh Government officials in that the outputs set out are the same (and based upon agreed WEFO funding indicators). The initial and long-term outcomes are however broader than those set out within the draft ToC model and are comprehensive of the aims and objectives of all elements of the Pan Wales Rural Tourism scheme. Much of the data to evidence the achievement of long-term outcomes will come from macro level data such as visitor data and visitor survey findings (such as those set out at Chapter 4).

Figure A.1 Pan Wales Rural Tourism Theory of Change model
(see following page)

Rationale	Inputs	Activities	Outputs		Initial Outcomes	Long term outcomes

Rationale

Policy ambition to grow tourism sector (Taking Wales Forward, Prosperity for All, Partnership for Growth)

Legislative drivers focus on sustainable growth (Wellbeing of Future Generations (Wales) Act 2015, Welsh language standards & Cymraeg 2050)

Funding drivers (availability of RDP) to maximise support for rural areas

Need to address visitor feedback for basic infrastructural improvements

Need to stimulate alignment with Visit Wales marketing approach e.g. 'Years of' campaigns

Need for, and market gap across, both capital and revenue grant funding which adopts a more co-ordinated, place based investment approach, aligned with Destination Management Plans

Inputs

£13m RDP and WG revenue and capital funding

£15m applicant match funding

Lessons from previous grant funding schemes and co-design input from sector

Visit Wales team input into design, assessment, claims and monitoring

Adoption of clear funding criteria and two-stage application process

Independent assessment panels

Funding for projects over a 1-2 year period

Activities

Micro Small Business Fund (MSBF) (Capital Fund)

Tourism Amenity Investment Support (TAIS) (Capital Fund)

Tourism Product Innovation Fund (TPIF) and Regional Tourism Engagement Fund (RTEF) (Revenue Funds)

Outputs

50 operations supported
- New or improved products, process or services launched
- People accessing services
- Population benefiting from improved services / infrastructure
- Initiatives developing the natural &/or historic environment
- Jobs created
- Jobs safeguarded
- No of employed young people, women and Welsh speakers supported

43 operations supported
- No of new or improved products, processes or services
- People accessing services
- Population benefiting from improved services/infrastructure
- No of initiatives developing the natural &/or historic environment

47 operations supported
- No of stakeholders engaged
- No of projects developed to market the rural tourism product
- No of jobs supported (Marketing)
- Proportional change in marketing awareness

Initial Outcomes

Improved quality of visitor facilities at supported operations

Improved visitor experiences at supported operations

Increased visitor demand / occupancy across supported operations

Supported operations offering a wider range of visitor facilities which are used all year round

More profitable and sustainable operations

Improved visitor amenity facilities at supported destinations

Improved visitor experiences at supported destinations

Improved visitor accessibility at supported destinations

Increased visitor demand / use across supported destinations

Greater collaborative and partnership working being sustained across the tourism sector

Funded activities embedded within Destination Management Plans and Visit Wales priorities

Increased marketing reach across supported operations

New, innovative, exemplar & improved tourism products across supported operations

Increased content engagement across supported operations

Increased number of visitors to supported operations

Long term outcomes

Extended all year round, high quality tourism offer

Improved awareness of Wales as a visitor destination

Improved visitor satisfaction

Increased visitor numbers

Increased repeat visits

Increased visitor spend

More people employed in better quality, better paid and less seasonal jobs in tourism

Reduced poverty and greater social inclusion

...across rural Wales

Annex B: Sampling framework of funded projects

We selected a cross-section of 30 funded projects to contribute to the qualitative fieldwork, taking into consideration the following criteria[45]:

Type of scheme:

	MSBF	TAIS	RTEF	TPIF	Total
Total no. of projects in database	50	43	25	22	140
% of projects in database	36%	31%	18%	16%	100%
Proposed no. of projects in sample	*11*	*9*	*6*	*4*	*30*
% of projects in sample	*37%*	*30%*	*20%*	*13%*	*100%*

Region:

	North	Mid	South West	South East	Total
Total no. of projects in database	49	31	31	29	140
% of projects in database	35%	22%	22%	21%	100%
Proposed no. of projects in sample[46]	*11*	*6*	*7*	*6*	*30*
% of projects in sample	*37%*	*20%*	*23%*	*20%*	*100%*

Period of funding: 10 Round 1, nine Round 2 and at least two projects from each year across MSBF were selected:

	Round 1	Round 2	MSBF 1	MSBF 2	MSBF 3	MSBF 4	Total

---

[45] Due to rounding, percentage totals do not tally to 100%
[46] We originally proposed to select an equal number of projects per region but in light of the higher number of projects in north Wales, the proposed sample was representative of all funded projects.

Total no. of projects in database	44	46	13	16	11	10	140
% of projects in database	31%	33%	9%	11%	8%	7%	100%
Proposed sample	*10*	*9*	*2*	*4*	*2*	*3*	*30*
% of projects in sample	*33%*	*30%*	*7%*	*13%*	*7%*	*10%*	*100%*

Grant offer value: a cross-section of small, medium, and large-scale projects were included in the sample:

	Small (<£50k)	Medium (£50k-£100k)	Large (>£100k)	Total
Total no. of projects in database	37	48	55	140
% of projects in database	26%	34%	37%	100%
Proposed sample	*7*	*12*	*11*	*30*
% of projects in sample	*23%*	*40%*	*37%*	*100%*

Lead partner: a cross-section of private, public and third sector organisations were included in the sample:

	Private	Public	Third	Total
Total no. of projects in database[47]	56	48	36	140
% of projects in database	40%	34%	26%	100%
Proposed sample	*11*	*10*	*9*	*30*
% of projects in sample	*37%*	*33%*	*30%*	*100%*

---

[47] Coded by OB3 Research

12.1 In addition, given the geographical concentration of funded projects we selected a sample of projects to contribute to the qualitative fieldwork via a cluster approach. An analysis of all 140 funded projects by postcode areas identified the five main cluster areas as being:

- Powys LD3 (7 projects)

- Gwynedd LL53 (6 projects)

- Gwynedd LL55 (6 projects)

- Ceredigion SA23 (5 projects)

- Pembrokeshire SA70 (4 projects)

This is illustrated on a visual basis in the map at Figure B.1.

Figure B.1: Geographical spread of Pan Wales Rural Tourism funded projects
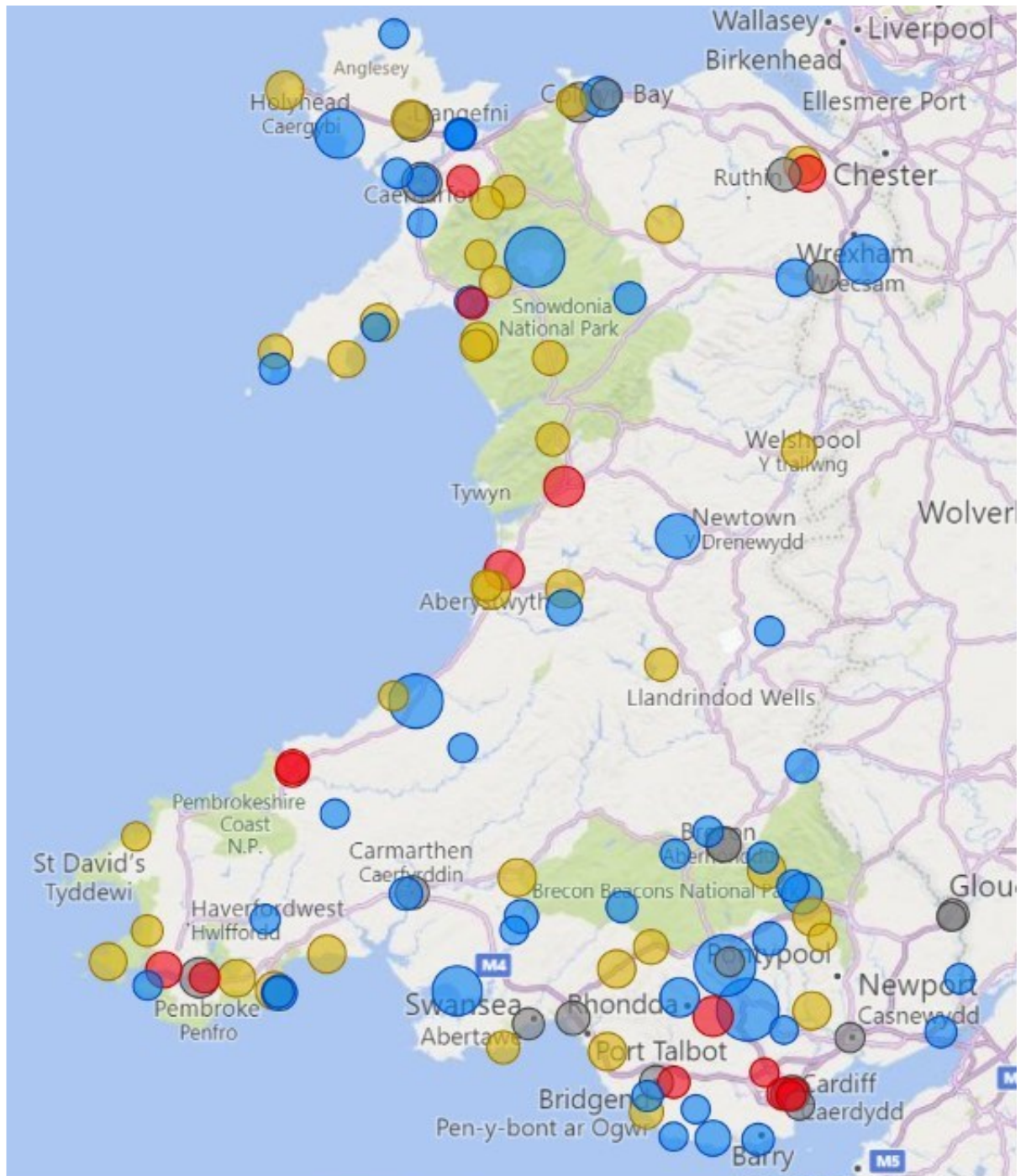
Key: Size of dot represents the value of the grant offer by type of funding scheme. All project locations determined by postcode, where available.

🔵	MSBF	🟡	TAIS
⚫	RTEF	🔴	TPIF

An analysis at a local authority area reinforced these postcode areas, although also identified Anglesey as a local authority area which received

funding for nine projects. Our proposed sample was therefore concentrated on these local authority and postcode areas, where feasible.

	Total in database	Proposed sample
Anglesey	9	2
Blaenau Gwent	1	
Bridgend	1	
Caerphilly	2	1
Cardiff	5	1
Carmarthenshire	7	2
Ceredigion	10	2
Conwy	5	
Flintshire	1	
Gwynedd	25	8
Merthyr Tydfil	1	1
Monmouthshire	5	
Neath Port Talbot	4	1
Pembrokeshire	14	3
Powys	16	4
Rhondda Cynon Taf	3	2
Swansea	4	
Torfaen	1	
Vale of Glamorgan	6	1
Wrexham	4	
Pan Wales	10	1
Other (inc. regional)	6	1
Total	140	30

Annex C: Research instruments

Scoping interviews with Welsh Government officials

Background

1. In what way have you been involved with the Rural Tourism scheme? What is your role?

What the Rural Tourism scheme set out to achieve

2. What issues was the Rural Tourism scheme trying to address? Why was the scheme needed? (*As appropriate*), probe re: individual funds:
   a. Micro Small Business Fund (MSBF)
   b. Tourism Amenity Investment Scheme (TAIS)
   c. Regional Tourism Engagement Fund (RTEF)
   d. Tourism Product Innovation Fund (TPIF) and
   e. the Wales-wide marketing campaigns 'Years of…'

3. What do you understand to be the aims and objectives of the Rural Tourism scheme?
   a. How, if at all, have its objectives changed over time? Why is this?
   b. To what extent have the Rural Tourism priorities been appropriate?

4. What should the 'success' of the Rural Tourism scheme look like? What difference did you expect it to make?
   a. What outcomes would you expect to see being achieved?

5. What are the main assumptions which underpin the grant scheme? That is, how is it expected that the Rural Tourism scheme would bring about change?

6. What external factors have impacted upon the achievement of successful outcomes for the Rural Tourism scheme?

Strategic Fit

7. In what way did you expect the Rural Tourism scheme to contribute to Welsh Government strategic priorities? Which priorities did you expect it to make the greatest contribution?
   a. How does it align with the joint action principles of the Partnership for Growth Strategy?[48]

---

[48] To develop or enhance tourism products identified as priorities in the strategy; To be in line with VW Thematic 'Years of' and Wales brand; To be fewer, bigger and better; To meet the needs of one or more VW target marking segments and to demonstrate impact in the marketplace over a longer period of time.

  b. How does the scheme contribute to the Well-being of Future Generations Act?[49]

8. In what way were funded Rural Tourism scheme projects expected to contribute to:
  a. The 3 Welsh Government Cross Cutting Themes[50]
  b. The EC's CCTs[51]
  c. Welsh Government's Welsh language commitments

Application process

9. What was the application process in place for the various funds operating within the scheme? What steps were taken to:
  a. oversee the EoI and full application process
  b. assess applications
  c. award grant

10. What role did policy leads take in decision-making processes? How effective was this?

11. What worked well / not so well around the application process?

  a. To what extent was the application process equitable i.e. were any groups/applicants more or less likely to be successful with their applications, and if so, why?

Grant administration

12. What governance and management arrangements are in place for the Rural Tourism scheme?

13. What are the administrative processes in place for operating the Rural Tourism scheme? What steps were taken to:
  a. monitor grant use?
  b. report grant achievements?

---

[49] Jobs created and safeguarded will provide employment locally and improve Wales's competitive advantage in the tourism sector; the scheme will encourage projects to address resource efficiency and climate change; investments will contribute to regeneration of disadvantaged communities through employment opportunities and tackling poverty; the investments will contribute to sustainability of Welsh-speaking communities through enhanced economic opportunities in these areas; employment opportunities will be available to people of all backgrounds and circumstances.
[50] Equal opportunities, gender mainstreaming and Welsh language; Sustainable Development; Tackling Poverty and Social Exclusion
[51] Innovation, Environmental Sustainability, Climate Change

14. What project and programme level monitoring information is available for us to access e.g., copies of successful EoIs and full business plans?

Programme delivery

15. What are your views on the nature of projects funded through the Rural Tourism scheme?

16. To what extent will funded projects allow the programme to achieve its aims and objectives?

17. What external barriers and challenges were there that might impact projects' ability to achieving their targets and objectives?

18. What were the enablers for projects for the achievement of targets and objectives?

Value for Money

19. What evidence might be available to us to undertake a value for money (VfM) review of the schemes?
    a. Which of the schemes might best lend themselves to a VfM review[52]? Why?
    b. What data is available to us around scheme(s) inputs and around scheme outputs and outcomes?
    c. What data might be available to us/could we collect to test what would have happened in the absence of the scheme e.g., the position of unsuccessful applicants?

Lessons learned

20. What are the key lessons you would highlight from your involvement with the Rural Tourism scheme?

---

[52] Explore MSBF and TAIS evidence and outcomes with Lawrence Manley; and TPIF and RTEF evidence and outcomes with Andrew Forfar and Jane Donald

Topic guide for funded projects

Background

1. Tell me about:
   a. Your role
   b. Your business/organisation
   c. Your involvement with the Pan Wales Rural Tourism Scheme(s): the Micro Small Business Fund (MSBF); the Tourism Amenity Investment Support (TAIS); the Tourism Product Innovation Fund (TPIF) or the Regional Tourism Engagement Fund (RTEF)

Understanding and getting involved

2. What do you understand to be the aims and objectives of the scheme which has funded your project?

3. How did you hear about the scheme?

4. Why did you apply for funding?
   a. What were you hoping to achieve?
   b. What issues did you expect to address?
   c. What other sources of funding, if any, had you explored?

Scheme administration

5. What are your views on the scheme application process? Ask about:
   a. Clarity of the guidance e.g., what could and could not be funded
   b. Level of match funding required[53]
   c. Appropriateness of the two-stage EoI/IQ and application stages
   d. Ease of completing the EoI/IQ and application forms
   e. Timeliness of decision making
   f. Usefulness of any support provided by the WG
   g. What are the strengths of the process?
   h. How could the process be improved?

6. What are your views on the scheme monitoring and management by Welsh Government? Ask about:
   a. Communication with Welsh Government officials
   b. Reporting requirements, including the need to provide baseline data
   c. [*for the two capital funds MSBF and TAIS*] Evidencing outputs achieved, including for five years following completion of the project

---

[53] MSBF was 60% match funding; TAIS was 20% match funding, and TPIF/RTEF was 10% match funding

      d. [*for the two revenue funds TPIF and RTEF*] Evidencing outputs achieved, including for six months following completion of the project

      e. What are the strengths?

      f. How could the monitoring and management be improved?

7. What are your views about the scheme spend and claims processes? Ask about:
    a. Procurement requirements
    b. Preparing and submitting claims, including evidencing spend
    c. Receiving payment
    d. Timescales for spending the grant
    e. What are the strengths?
    f. How could the processes be improved?

Delivery of the funded project

8. Tell me about the activities which have been delivered/undertaken by the project.
    a. Was the funding used as intended?
    b. [*As relevant*] What partner organisations were involved?

9. What factors enabled the successful delivery of the project?

10. What challenges or external factors, if any, were encountered? Ask about:
    a. the impact of Covid-19
    b. the impact of Brexit
    c. economic conditions, such as recruitment and retention of staff

11. How has the funded project contributed towards:
    a. your organisation's overall strategic plan?
    b. local/regional Destination Management Plans?
    c. Visit Wales' priorities such as to grow the tourism sector in a sustainable way and improve quality in Wales?
    d. Visit Wales' thematic 'Years of' marketing approaches[54]?
    e. the ambitions of the WFG Act?

12. How well did the project perform against its funded targets?

---

[54] Adventure in 2016, Legends in 2017, the Sea in 2018, Discovery 2019 and Outdoors in 2020

a. [*MSBF*] How many jobs were created as a result of the project? How many of these were full time and part time jobs? [Please note how many FTE[55] jobs were created]
b. [*MSBF*] How many jobs which were at risk were safeguarded[56] as a result for the project? How many of these were full time and part time jobs?
c. What accounts for any strong or weak performance?

Difference made

[please refer to the appropriate section below for the schemes being discussed]

MSBF
13. What difference has the funded project made to:
    a. your ability to offer a wider range of facilities?
    b. the quality of visitor facilities at your business?
    c. improving visitor experiences at your business?

14. Since completing the funded project, how has:
    a. the level of demand or occupancy rates at your business changed? *Ask for data/evidence such as annual changes in demand/occupancy rate*
    b. the level of demand or occupancy rates across the year changed i.e., how has demand during off-peak and shoulder seasons changed?

15. What other changes, if any, have you observed across the business since completing the funded project? Ask about:
    a. the length of stay by visitors
    b. the profile or characteristics of visitors

16. What accounts for any change of these changes such as in demand, occupancy rates or profile of visitors??

---

[55] A full-time job is defined as 30 hours or more a week. Any job which is not fulltime should be calculated as FTE basis. The hours per week will need to be divided by 30 to give an FTE (e.g. 18 hours per week would be 0.6 FTE).

[56] Jobs safeguarded is defined as a job which is known to be at risk over the next 12 months. Jobs should be scored as FTE and permanent (a seasonal job may be scored provided the job is expected to recur indefinitely; the proportion of the year worked should also be recorded). The job itself should be counted rather than the number of people who may occupy the job. A full-time job is defined as 30 hours or more a week. Any job which is not fulltime should be calculated as FTE basis. The hours per week will need to be divided by 30 to give an FTE (e.g. 18 hours per week would be 0.6 FTE).

a. To what extent did the funded project contribute towards any of these changes such as demand, occupancy rates or visitor profile?

17. Since completing the funded project, has there been any change in the hospitality grading of your establishment?
    a. What is your current tourism grading and from which provider?
    b. What was your previous tourism grading and from which provider?
    c. To what extent did the funded project contribute towards any changes in grading?

18. Since completing the funded project, how has business performance changed?
    a. How has the number of employees (FTE) changed over the last five years?
    b. How has the quality of jobs in terms of salary and seasonality changed over the last five years?
    c. How has job security changed over the last five years?
    d. How has turnover changed over the last five years?
    e. How has profitability changed over the last five years?
    f. How has the business financial sustainability changed over the last five years?

19. What accounts for any change in business performance over the last few years?
    a. To what extent has the funded project contributed towards these changes in business performance?

TAIS

20. What difference has the funded project made to:
    a. improving visitor amenity facilities at the supported destination?
    b. improving visitor experiences at the supported destination?
    c. improving visitor accessibility at the supported destination?

21. What evidence do you have for any of these improvements?

    a. Have you gathered feedback from visitors since the project was completed, and if so, could we see this data? *Ask for any monitoring data or visitor satisfaction reports*

22. Since completing the funded project, how has:

a. the level of demand or use of the facility/service amongst visitors changed? What evidence do you have of any increase in demand or use of the facility/service?

23. What accounts for any change in demand or use of the facility/service?
    a. To what extent did the funded project contribute towards any changes in demand or use?

TPIF/RTEF

24. Has the funded project helped to strengthen and extend collaborative and partnership working across the tourism sector (such as between tourism consortia, tourism partnerships and trade groups)?
    a. If so, in what way?
    b. Are there any plans in place to sustain these collaborative and partnership working post funding? If so, what are these plans?

25. Are the promotional and marketing activities introduced via the funded project being sustained?
    a. If so in what way are the activities still ongoing?
    b. How are these activities now funded?
    c. Have the activities become embedded into Destination Management Plans?
    d. Have any resources produced been used more broadly by others, such as by Visit Wales?

26. What difference has the funded project made to:
    a. your ability to offer new and innovative tourism products to the market?
    b. your ability to expand and increase promotional content to engage potential visitors?
    c. your ability to market your services or products to a wider, larger market?

27. What evidence do you have for any of these changes? *Ask for data such as changes in marketing reach over time or response rates to promotional campaigns*

28. Since completing the funded project, how has:
    a. the level of demand or use of your services/products amongst visitors changed? What evidence do you have of any increase in demand or use?

29. What accounts for any change in demand or use of the facility/service?

  a. To what extent did the funded project contribute towards any changes in demand or use?

VfM

30. In the absence of receiving the funding, what would have happened?
  a. Would the project have been delivered in its entirety or on a smaller scale?
  b. Would the project (or elements of it) have been delivered over the same or longer time period?
  c. How would you have funded the project (or elements of it) in the absence of grant funding?

31. Was the funding used in the way intended, as set out within the original application?
  a. If not, why not?
  b. Were any cost savings made in delivering the project? If so, what were these?
  c. Could any cost savings have been made in delivering the project? If so, what were these?
  d. Were all the resources used essential to the completion of the project?
  e. Could the same outcomes have been achieved in other, cheaper ways?

Cross cutting themes

[With the following questions, researchers should try and draw out 1-2 good practice examples, highlight any barriers to their delivery and what support could have been made available to help overcome these barriers]

32. How has your project contributed to the Welsh Government's cross cutting themes (CCTs) and the Rural Development Programme's cross cutting objectives:
  a. How has your project achieved Equality of Opportunity *(Prompt: for example, young people (16-24), gender or ethnic minority make-up of employees)?*
  b. How has your project ensured Sustainable Development[57]?
  c. How has your project helped tackle poverty and social exclusion?
  d. *[If not already covered at Q11 above]* What innovation did your project demonstrate or deliver?

---

[57] Sustainable development is an organising principle for meeting human development goals while also sustaining the ability of natural systems to provide the natural resources and ecosystem services on which the economy and society depend

e. What adaptations did your project make (if at all) to minimise your project's impact on the climate? (*Probe for considerations adopted during construction or behaviour changes e.g., reducing waste or water use*; *use of renewable energy, use of recycled products etc*)
f. What examples do you have of these?

33. In what way has your project contributed to the Welsh Government's Welsh language strategy, Cymraeg 2050?
    a. In what way has the project used the Welsh language in its marketing and other resources?
    b. What opportunities has the project provided for people to use the Welsh language?
    c. In what way has the project provided enhanced economic opportunities in Welsh speaking areas?
    d. What response, if at all, have you observed to the use of the Welsh language within your project? Do you have any examples of positive responses?

Lessons learned

34. What are the current funding priorities or needs (if any) for your sector/ organisation/business?
    a. What specific capital or revenue funding priorities/needs do you currently have?
    b. How likely are you to source funding for these priorities?
    c. [for TAIS projects] Are you aware of the Brilliant Basics scheme and if so, what, if any, experience do you have of this scheme e.g., applied or in receipt of funding?

35. What changes or improvements would you suggest making to any successor of the Pan Wales Rural Tourism schemes to enable the tourism sector to respond more effectively in the future to the challenges and priorities it faces?
    a. [For interviewees who stress the need for further funding ask] What changes, if any should be made to how any future funding schemes operate e.g. their criteria or application process

Topic guide for funded projects' users and visitors

Note for researchers: use these prompts as appropriate and tailor according to the nature of the project funded.

1. Profile of visiting group (size, composition, from where are they visiting, day or overnight visitor, length/duration of visit, domestic or overseas visitor)

2. Reason for visiting / using the facility or setting

3. Factors which influence reason for visiting / choosing this destination or setting over other options i.e., why choose this particular place?

4. Frequency of visiting / using the facility or setting e.g., first time user, occasional user, regular user

5. Views on the quality of service or product accessed / used, and quality of experience

6. What they like about the facility or setting

7. What they don't like about the facility or setting

8. Views on how the facility or setting compares with other similar destinations, settings, or services

9. [*As appropriate*] Views on accessibility of destination / setting

10. [*For users and visitors who frequented destination/setting before funded project took place*] Views on:
    a. how the destination / setting has changed or improved
    b. how experiences compare to those pre-funding
    c. whether satisfaction has changed
    d. whether frequency of their visiting has changed

11. Overall levels of satisfaction and likelihood of returning to destination / setting

Topic guide for local and regional stakeholders

Background

1. In what way have you been involved with the Pan Wales Rural Tourism schemes?
   a. Which of the four schemes (*MSBF, TAIS, TPIF and RTEF*)[58] are you familiar with?
   b. Which funded projects are you familiar with? *[prompt with projects which have been funded within their local or regional area]*

Aims and Objectives

2. What do you understand to be the aims and objectives of the Pan Wales Rural Tourism schemes?
   a. What issues were the schemes trying to address?
   b. Why were they needed at the local/regional level within which you work?
   c. How well did the schemes and your local/regional priorities align?

Delivery of the funded project

3. What are your views on the achievements of the funded projects with which you are familiar?

4. What factors enabled the successful delivery of projects?

5. What challenges or external factors, if any, were encountered by projects? Ask about:
   a. the impact of Covid-19
   b. the impact of Brexit
   c. economic conditions, such as recruitment and retention of staff

6. In what way have funded projects been
   a. ambitious,
   b. innovative and
   c. of excellent quality?

7. How have funded projects contributed towards:
   a. your organisation or partnership's overall strategic plan?
   b. local/regional Destination Management Plans?

---

[58] Micro Small Business Fund (MSBF); the Tourism Amenity Investment Support (TAIS); the Tourism Product Innovation Fund (TPIF) or the Regional Tourism Engagement Fund (RTEF)

c. Visit Wales' priorities such as to grow the tourism sector in a sustainable way and improve quality in Wales?

d. Visit Wales' thematic 'Years of' marketing approaches[59]?

e. the ambitions of the WFG Act?

Difference made

Note to interviewer: Ask as appropriate, depending on their knowledge of schemes

8. What difference have MSBF funded projects made in your local area/region, and what evidence do you have to support this, in terms of:
   a. extending the visitor facilities available which can be used all year round a
   b. improving the quality of visitor facilities?
   c. improving visitor experiences?
   d. increasing visitor demand / occupancy across supported destinations?

9. What difference have TAIS funded projects made in your local area/region, and what evidence do you have to support this, in terms of:
   a. improving visitor amenity facilities?
   b. improving visitor accessibility?
   c. improving visitor experiences?
   d. increasing visitor demand/use across supported destinations?

10. What difference have TPIF and RTEF funded projects made in your local area/region, and what evidence do you have to support this, in terms of:
    a. strengthening and extending collaborative and partnership working across the tourism sector (such as between tourism consortia, tourism partnerships and trade groups)
    b. developing and introducing new and innovative tourism products to the market?
    c. expanding and increasing promotional content to engage potential visitors
    d. marketing to a wider, larger market?

11. Overall, what difference do you think that the schemes have made to the tourism sector across rural Wales, and what evidence do you have to support this, in terms of:
    a. extending an all year-round, high-quality tourism offer
    b. improving awareness of Wales as a visitor destination
    c. improving the quality and pay of jobs within the tourism sector
    d. reducing poverty and securing greater social inclusion

---

[59] Adventure in 2016, Legends in 2017, the Sea in 2018, Discovery 2019 and Outdoors in 2020

VfM

12. In what way could resources have been better used to achieve better or more outcomes?
    a. Could the same outcomes have been achieved in other, cheaper ways?

13. Has the funding been allocated fairly?
    a. Did the schemes cover all who should be able to access?
    b. Did the design of the schemes favour or disadvantage any groups or types of applicants? If so, which ones and why?

14. In the absence of receiving the funding, what would have happened?
    a. To what extent would funded projects (or elements of them) have been delivered anyway?

Cross cutting themes

15. Are you aware of any funded projects which demonstrate good practice in terms of contributing towards the Welsh Government's cross cutting themes (CCTs) and the Rural development Plan's cross cutting objectives? Ask about examples of projects which have:
    a. achieved Equality of Opportunity *(Prompt: for example, gender or ethnic minority make-up of employees)?*
    b. ensured Sustainable Development[60]?
    c. helped tackle poverty and social exclusion?
    b. *[If not already covered at Q11 above]* delivered innovative approaches?
    c. made adaptions to minimise their impact on the climate? (*Probe for considerations adopted during construction or behaviour changes e.g., reducing waste or water use*, *use of renewable energy, use of recycled products etc*)

16. Are you aware of any funded projects which demonstrate good practice in terms of contributing towards the Welsh Government's Welsh language strategy, Cymraeg 2050 and used the Welsh language effectively in its marketing/resources or provided opportunities for people to use the Welsh language?

---

[60] Sustainable development is an organising principle for meeting human development goals while also sustaining the ability of natural systems to provide the natural resources and ecosystem services on which the economy and society depend

17. What are the current funding priorities or needs (if any) for the tourism sector in Wales?

    d. What specific capital or revenue funding priorities/needs does the sector currently have?

18. What changes or improvements would you suggest for any successor of the Pan Wales Rural Tourism schemes to enable the tourism sector to respond more effectively to the challenges and priorities it faces?

Bilingual survey tool

OB3 Research is conducting an evaluation of the Pan Wales Rural Tourism Schemes for the Welsh Government. Four grant funding schemes are within scope of the study: Micro Small Business Fund (MSBF); Tourism Amenity Investment Scheme (TAIS); Regional Tourism Engagement Fund (RTEF) and the Tourism Product Innovation Fund (TPIF).

As a grant recipient we kindly ask that you answer some questions about your experience of the scheme(s) and the benefits which may have come about as a result of your funded project. The survey should take no more than 10 minutes to complete.

Further information about the evaluation, including a Privacy Notice is available here Privacy Notice for Pan Wales Rural Tourism Funded Projects

For information on accessibility, please see our Survey Accessibility Statement.

Applying for the grant

2.1 How did you hear about the Pan Wales Rural Tourism scheme?

- ❑ Communication from the Welsh Government
- ❑ Welsh Government website
- ❑ Information event or network
- ❑ Other business
- ❑ Other organisation or partnership
- ❑ Own research
- ❑ Other
- ❑ Don't know / Can't remember

[If Q2.1=4,5,7] **Please specify:**

_____

_____

2.2 How easy were the following to complete:

	Very easy	Fairly easy	Not particularly easy	Not at all easy	Don't know / Can't remember	Not applicable
The initial expression of interest						
The full application						

2.3 How helpful did you find the funding application guidance?

- ❑ Very helpful
- ❑ Fairly helpful
- ❑ Not particularly helpful
- ❑ Not at all helpful
- ❑ Don't know / Can't remember

2.4 How helpful was any advice or feedback provided by Welsh Government officials during the application stage?

- ❑ Very helpful
- ❑ Fairly helpful
- ❑ Not particularly helpful
- ❑ Not at all helpful
- ❑ Did not seek advice
- ❑ Don't know / Can't remember

2.5 Was the time taken by the Welsh Government to assess your expression of interest and full application?

- ❑ Acceptable
- ❑ Too long
- ❑ Don't know

2.6 What, if anything, would you identify as the strengths of the application process?

_____
_____
_____
_____

2.7 In what way, if at all, could the application process have been improved or made easier?

_____
_____
_____
_____

Grant administration

3.1 What was your experience of the following administration elements of the grant?

	Very straightforward	Fairly straightforward	Not particularly straightforward	Not at all straightforward	Don't know / Can't remember
Adhering to procurement requirements					
Preparing financial claims					
Receiving payments					
Evidencing and reporting project outputs					

3.2 What, if anything, would you identify as the strengths of the grant administration process:

_____
_____
_____

3.3 How, if at all, could the grant administration process have been improved?

_____
_____
_____
_____

Project delivery

4.1 Has your funded project been completed?

Yes
No

4.2 [If Q4.1 = 1] Did your funded project achieve its aims and objectives?

- ❑ Achieved in full
- ❑ Partially achieved
- ❑ Did not achieve
- ❑ Don't know/Can't remember

4.3 [If Q4.1 = 1] How did your funded project perform against its funded targets?

- ❑ Exceeded all targets
- ❑ Met all targets
- ❑ Met some targets
- ❑ Did not meet any targets
- ❑ Don't know/Can't remember

4.4 [If Q4.3 = (1,2)] What accounts for the project's strong performance against its funded targets?

_____
_____
_____
_____

4.5 [If Q4.2 = (3,4)] Why did the project not meet all of its funded targets?

_____
_____
_____
_____

4.6 [If Q4.1 = 1] What went well in the delivery of your funded project?

_____
_____
_____
_____

4.7 [If Q4.1 = 1] What delivery challenges, if at all, did your funded project face?

_____
_____
_____
_____

4.8 [If Q4.1 = 2] Do you expect your funded project to achieve its aims and objectives?

- ❑ Yes in full
- ❑ Yes partially
- ❑ No
- ❑ Don't know

4.9 [If Q4.1 = 2] How do you expect your funded project to perform against its funded targets?

- ❑ Exceed all targets
- ❑ Meet all targets
- ❑ Meet some targets
- ❑ Will not meet any targets
- ❑ Don't know

4.10 [If Q4.10 = (1,2)] What accounts for the project's strong performance against its funded targets?

_____
_____
_____
_____

4.11 [If Q4.10 = (3,4)] Why will the project not meet all of its funded targets?

_____
_____
_____
_____

4.12 [If Q4.1 = 2] What has gone well in the delivery of your funded project?

_____

_____

_____

_____

4.6 [If Q4.1 = 2] What delivery challenges, if at all, has your funded project faced?

_____

_____

_____

_____

5.1 What difference has the funded project made to your business in terms of:

	Major difference	Some difference	No particular difference	No difference at all	Don't know
Ability to offer a wider range of facilities to visitors					
Quality of visitor facilities					
Visitor experiences					

5.2 Since delivering the project, has overall annual demand, use or occupancy rates at your business:

- ❑ Increased a lot
- ❑ Increased a little
- ❑ There has been no difference
- ❑ Decreased a little
- ❑ Decreased a lot
- ❑ Don't know / Too early to say / Not relevant

5.3 Since delivering the project, has demand, use or occupancy rates at your business during off-peak and shoulder seasons:
[We recognise that the pandemic has a negative impact on business during this time, so please consider your typical use prior to 2020]
- ❑ Increased a lot
- ❑ Increased a little
- ❑ There has been no difference
- ❑ Decreased a little
- ❑ Decreased a lot
- ❑ Don't know / Too early to say / Not relevant

5.4 [If Q5.2= (1,2) OR Q5.3 = (1,2)] What contribution did the grant funding make to these increases?

- ❑ Major contribution
- ❑ Some contribution
- ❑ No particular contribution
- ❑ No contribution at all
- ❑ Don't know

5.5 Since delivering the project, has there been any change in the hospitality grading of your business?

❑ Yes
❑ No
❑ Don't know / Not relevant

5.6 [If Q5.5=1] How has the grading of your business changed and what is the name of the awarding body?

_____
_____
_____
_____
_____

5.7 Since delivering the project, has your business received any other awards or accreditations?

_____
_____
_____
_____

5.8 Since delivering the project how, if at all, has the total number of employees at your business changed?

[When answering this question please tell us if the number of Full Time Equivalent (FTE) positions at the business has changed]

❑ Increased
❑ Stayed the same
❑ Decreased
❑ Don't know

5.9 As a direct result of the grant funded project, how many full-time equivalent jobs have been safeguarded?

[A safeguarded job is a permanent one which would have been at risk over the following 12 month period. A seasonal job may be scored if it was expected to recur indefinitely. Please count the number of full time equivalent jobs rather than post holders]

❑ None
❑ Up to and including 1 FTE
❑ Up to and including 2 FTE
❑ Up to and including 3 FTE
❑ Up to and including 4 FTE
❑ Up to and including 5 FTE
❑ Over 5 FTE

❑ Don't know

5.10 As a direct result of the grant funded project, how many FTE jobs have been created?

❑ None
❑ Up to and including 1 FTE
❑ Up to and including 2 FTE
❑ Up to and including 3 FTE
❑ Up to and including 4 FTE
❑ Up to and including 5 FTE
❑ Over 5 FTE
❑ Don't know

5.11 [If Q5.9= created a job] What is the nature of these new jobs created, in terms of role; terms of employment; and salary?

_____

_____

5.12 How, if at all, has your annual business turnover changed since delivering the project?

[We recognise that the pandemic may have had a negative impact on business turnover during this time, so please consider your typical turnover prior to 2020]

❑ Increased
❑ Stayed the same
❑ Decreased
❑ Don't know

5.13 [IF Q5.12= 1] What was the annual business turnover:

[Please provide approximate turnover]

Prior to delivering the project   _____

After delivering the project   _____

5.14 [IF Q5.12= 1] What contribution, if any, did the grant funding make to this increase in turnover?
❑ Major contribution
❑ Some contribution
❑ No particular contribution
❑ No contribution at all
❑ Don't know

5.15 To what extent has the grant funding helped your business to strengthen its financial sustainability for the future?

- ❑ To a large extent
- ❑ To some extent
- ❑ To no particular extent
- ❑ To no extent at all
- ❑ Don't know

6.1 What difference has the funded project made to the facility/supported destination in terms of:

	Major difference	Some difference	No particular difference	No difference at all	Don't know
Improving visitor amenity facilities					
Improving visitor experiences					
Improving visitor accessibility					

6.2 [If Q6.1b= (1,2)] How do you know that there has been an improvement?

Are you able to provide evidence of this e.g., satisfaction survey data?

_____
_____
_____

6.3 Since delivering the project has demand or use of the facility/supported destination:

- ❑ Increased a lot
- ❑ Increased a little
- ❑ There has been no difference
- ❑ Decreased a little
- ❑ Decreased a lot
- ❑ Don't know / Too early to say / Not relevant

6.4 [If Q6.3= (1,2)] What contribution did the grant funding make to these increases?

- ❑ Major contribution
- ❑ Some contribution
- ❑ No particular contribution
- ❑ No contribution at all
- ❑ Don't know

7.1 To what extent has the funded project strengthened collaborative working across the tourism sector in your area?

- ❑ To a large extent
- ❑ To some extent
- ❑ To no particular extent
- ❑ To no extent at all
- ❑ Don't know

7.2 In the future how likely are you to collaborate again with the same partners involved in the project?

- ❑ Very likely
- ❑ Fairly likely
- ❑ Not particularly likely
- ❑ Not at all likely
- ❑ Don't know

7.3 How much use is currently being made of any promotional or marketing resources developed by the funded project?

- ❑ Extensive use
- ❑ Some use
- ❑ No particular use
- ❑ No use at all
- ❑ Don't know

7.4 What difference has the funded project made to your ability to:

	Major difference	Some difference	No particular difference	No difference at all	Don't know
Offer new and innovative tourism products to the market					
Develop and expand the promotional content used to attract potential visitors					
Promote your services or products to a wider, larger market?					

7.5 [Q7.4c=1,2] How do you know that there has been a change?

Are you able to provide evidence of this e.g., data on marketing campaign response

_____
_____
_____
_____

7.6 Since delivering the project has demand or use of your services, products or destination:

- ❑ Increased a lot
- ❑ Increased a little
- ❑ There has been no difference
- ❑ Decreased a little
- ❑ Decreased a lot
- ❑ Don't know / Too early to say / Not relevant

7.7 [If Q7.6 = (1,2)] What contribution did the grant funding make to these increases?

- ❑ Major contribution
- ❑ Some contribution
- ❑ No particular contribution
- ❑ No contribution at all
- ❑ Don't know

Other final questions

8.1 To what extent has the project funded activities that:

	Major contribution	Some contribution	No particular contribution	No contribution at all	Don't know
Promote and support equality of opportunity					
Promote and support sustainable development					
Help to tackle poverty and social exclusion in rural areas					
Are innovative and ground-breaking					
Will help safeguard the environment					
Will help address climate change					
Support the use of the Welsh language					

8.2a Had you not received the grant funding, what would have happened?

[Please select the description which best matches what you think might have happened]

- ❑ The whole project would have gone ahead anyway within similar timeframes
- ❑ Aspects of the project would have gone ahead anyway within similar timeframes
- ❑ The project would have been delayed, but some or all of it would be undertaken in the future
- ❑ The project would not have progressed at all
- ❑ Don't know

8.2b [If Q8.2=1,2,3] How would you have funded these activities without grant funding?

Annex D: Policy review

This Annex considers overarching Welsh Government policy, strategy and legislation which is of relevance to the Pan Wales Rural Tourism scheme.

Overarching Welsh Government policy, strategy, and legislation

Well-being of Future Generations (Wales) Act

The Well-being of Future Generations (Wales) Act (2015) requires the public sector 'to improve the economic, social, environmental and cultural well-being of Wales in accordance with the sustainable development principle' and ensure 'that the needs of the present are met without compromising the ability of future generations to meet their own needs'[61].

The Act set out seven well-being goals and five ways of working that all public bodies must strive to adhere to. The seven well-being goals are:

- a globally responsible Wales

- a prosperous Wales

- a resilient Wales

- a healthier Wales

- a more equal Wales

- a Wales of cohesive communities

- a Wales of vibrant culture and thriving Welsh language.

The five ways of working are:

- long term needs

- preventative approaches

- integration between public bodies

- collaboration and the sharing of resources, and the

- involvement of people.

---

[61] [Welsh Government Well-being of Future Generations (Wales) Act 2015 The Essentials (p3; p7)](#)

It was expected that the Pan Wales Rural Tourism scheme would contribute towards these goals by investing in sustainable tourism products and destinations thereby creating a more prosperous and resilient Wales; investing in environmental improvements thereby creating a more globally responsible Wales; and supporting sustainable employment in rural areas which would help reduce poverty and promote social inclusion, thereby creating a more equal Wales. It was also expected that the scheme would stimulate collaboration between key tourism organisations by investing in partnership-based projects.

Taking Wales Forward

The Welsh Government's programme for government (PfG) for 2016-21, Taking Wales Forward, committed to supporting 'the development of our successful tourism businesses'[62] under its objective of developing a prosperous and secure nation.

Prosperity for All

The Welsh Government's economic action plan, Prosperity for All, published in 2017 further identified tourism as one of four key foundation sectors in Wales and committed to working across government to support the sector to 'develop enabling plans to capitalise on opportunities for growth and innovation.'[63] The Welsh Government committed to working 'directly with individual businesses and the sector on issues as diverse as marketing, skills, facilities, delivering major events and product quality.'[64] The action plan further recognised the connection and interrelationship between a strong retail offer and tourism.

Under its ambition to promote and protect Wales' place in the world, the Welsh Government committed to building upon a successful Wales brand to enhance the profile, reputation, and influence of Wales. Prosperity for All set out a commitment to promote Wales through tourism campaigns aimed

[62] Welsh Government (2016) Taking Wales Forward 2016-21, p.5
[63] Welsh Government (2017) Prosperity for All – Economic Action Plan – Executive Summary, p.3
[64] Welsh Government (2017) Prosperity for All – Economic Action Plan p.13

at the UK and international markets and build Wales' profile through the global events industry.

International Strategy for Wales

In January 2020, the Welsh Government published its international strategy[65] setting out three core ambitions over the five-year period to 2025:

- to raise Wales' profile on the international stage

- to grow the economy by increasing exports and attracting inward investment

- to establish Wales as a globally responsible nation.

The strategy set out to raise Wales' 'reputation and profile internationally' by drawing upon strengths such as 'our natural beauty and our unique language, culture and heritage.'[66] Under its ambition to establish Wales as a globally responsible nation, the Welsh Government committed to:

- marketing Wales as a world-class tourism destination and delivering brand-defining campaigns, programme, and projects to help Wales stand out on the world stage

- strengthening Wales' reputation as a 'world leader' for sustainable tourism and adventure tourism

- building stronger relationships with key countries who are important partners for tourism

- promoting Wales as a destination for domestic and international visitors, including opportunities around food tourism.

Economic Resilience and Reconstruction Mission

In February 2021, the Welsh Government published its Economic Resilience and Reconstruction Mission which set out plans to strengthen the resilience of the Foundational Economy (including tourism) post-COVID-19 pandemic. It recognised the unprecedented impact of the

---

[65] Welsh Government (2020) International Strategy
[66] Ibid, p.7

pandemic upon the tourism industry in Wales and promised to work with the sector to develop a Recovery Plan which would build 'resilience, sustainability and profitability for the long-term.'[67]

Welsh Government tourism policy and strategy

<u>The Welsh Government Strategy for Tourism 2013-2020 Partnership for Growth</u>

The Welsh Government's Strategy for Tourism 2013-20, Partnership for Growth set out a clear ambition to grow tourism earnings in real terms across Wales by 10 per cent or more by 2020 (equating to a 29 per cent increase in cash terms). The strategy also set out to increase the numbers employed within the tourism sector from 88,300 to 97,130 full time equivalent (FTE) and to increase the sector's contribution to Gross Value Added (GVA) from 4.4 per cent to 4.8 percent. To achieve this, it recognised the need to change emphasis with a product-led approach 'selling' the distinctive destinations in Wales's coastal and rural environment.[68]

The strategy set out a vision that 'Wales will provide the warmest of welcomes, outstanding quality, excellent value for money and memorable, authentic experiences to every visitor.' It also outlined an overarching goal to grow tourism in a sustainable way and ensure that it made 'an increasing contribution to the economic, social, and environmental well-being of Wales.'[69]

The strategy identified five focus areas to achieve this ambition, namely:

- promoting the brand by driving a product-led approach and targeting existing and new markets using a distinctive brand for Wales

- developing the product by stimulating investment in high quality products and events and adopting strategic prioritisation of government investment

---

[67] Welsh Government (2020) Our Economic Resilience and Reconstruction Mission, p.20
[68] Welsh Government (2013), Partnership for Growth p.11
[69] Ibid, p.8

- developing people to improve customer satisfaction and change perceptions of tourism as a quality career choice

- securing profitable performance across the industry by using the latest technology and adopting tools such as yield management

- building places by developing destinations people want to visit and promoting improved transport links.

The strategy placed a strong emphasis on partnership working, with focussed tourism product investment on strategic areas of growth to enhance the quality and range of products and improve visitor experiences to heritage attractions, museums, and cultural venues[70]. The strategy also acknowledged the need to focus on place building: to improve the visitor appeal of tourism destinations throughout Wales by implementing an effective partnership approach to destination management to achieve a high standard of tourism infrastructure.

Two Partnership for Growth frameworks for action were published in 2013 and 2015, providing more detail on specific deliverables within the strategy. Whilst no specific reference to any of the Pan Wales Rural Tourism schemes was made in the first framework action plan published in 2013, a broad emphasis was placed on the need to identify additional funding sources to support capital investment within the sector in order to stimulate the development of 'heritage hotels', 'innovative, unusual, and distinctive products' and 'more all year-round visitor attractions and cultural/heritage experiences.'[71]

The second framework for action published in 2015 also placed a focus on increasing the overall level of funding available to stimulate investment across the tourism sector, to 'improve the quality of the visitor experience', particularly in terms of accommodation. The investment being made as part of the Tourism Investment Support Scheme (TISS) at the time was highlighted as a major achievement. The framework for action also reported

---

[70] Ibid, p.24
[71] Tourism strategy (Partnership for growth): plans and progress | GOV.WALES Action Plan Years 1 to 3, p.10

that 'ongoing discussion with partners and Welsh European Funding Office (WEFO)' were underway to develop a tourism infrastructure project.

The strategy was updated following an interim review of priorities in 2016, and the 2018 progress report[72] noted that:

- as part of the product development priority, between 2013 and 2018, over £12.5 million (including European Union funding) had been invested across 229 projects, ranging from flagship attractions to support for tourism infrastructure, marketing, and destination management

- as part of the place building priority, Tourism Amenity Investment Support (TAIS) was launched in 2016 and was expected to be 'targeted at destination development'. The review also reported that between 2016 and 2018, 29 Regional Tourism Engagement Fund (RTEF) projects were funded. Importantly, the review also noted that:

  'all Welsh Government grant funding for [RTEF] tourism projects must now be linked to Destination Management Plans which identify local priorities, developed by public and private stakeholders.'

In support of the 2018 review, four regional investment update brochures were produced by the Welsh Government setting out information on the projects funded via the four Pan Wales Rural Tourism schemes[73]. In each case, information was provided on the regional allocations.

Welcome to Wales: Priorities for the visitor economy 2020-2025

This action plan, which was published in February 2020 sets out a vision for the visitor economy in Wales and clarifies the priorities for Visit Wales over the five-year period to 2025.[74] Despite the plan having been prepared prior

---

[72] Welsh Government (2018) Partnership for Growth: Interim review of 2016 priorities available at Tourism strategy (Partnership for growth): plans and progress | GOV.WALES
[73] Roadshow_Investment_Brochure_North_E.pdf (gov.wales)
Roadshow_Investment_Brochure_Mid_E.pdf (gov.wales)
Roadshow_Investment_Brochure_South_West_E.pdf (gov.wales)
Roadshow_Investment_Brochure_South_East_E.pdf (gov.wales)
[74] Welcome to Wales: priorities for the visitor economy 2020 to 2025 | GOV.WALES

to the pandemic and national lockdowns which had a major impact upon the sector, it nonetheless sets out long-term ambitions for tourism in Wales.

The plan reports upon the growth of the tourism sector up until 2020 and highlights the transformation of tourism that has taken place in that time. It highlights for instance that domestic overnight visitors to Wales grew by 1 per cent during 2019 and that more than nine per cent of the workforce in Wales was employed by the sector in 2020.

Its sets out a vision for Wales as being a place of:

- innovative adventures, from the best mountain biking in Britain to the first inland surf lagoon in the world

- world and Welsh heritage, providing fresh opportunities to encounter the past

- outstanding natural landscapes, teeming with wildlife and opportunities to lead an active lifestyle

- a thriving cultural scene that is full of vitality at galleries, theatres, and festivals

- accommodation that is also an experience, offering sweeping country views or an escape in the canopy of trees

- locally sourced food and drink at pop-up events and excellent restaurants

- destinations with a sense of place, where rich pasts combine with a contemporary edge

- a calendar packed with enriching local and global events – music, literature, lifestyle.

It also recognises however that tourism growth must be sustainable and support, rather than threaten, the strengths that Wales has to offer.

The action plan sets out four key priorities for Visit Wales over the five-year period:

- developing great products and places through industry-led capital investment and integrated place-making: an identified key gap is high-quality accommodation in many parts of Wales and the action plan confirms that the Welsh Government will 'continue to deliver support to micro and small tourism businesses'[75] through the MSBF to address this. Another ambition is to adopt a strategic approach to place-development across Wales by 'channelling public efforts and finances towards a small number of destinations'[76]

- providing outstanding visitor experiences including via high standards of accommodation, accessible facilities, and good customer service: the action plan acknowledges the need to get 'the basics right'. Reference is made to the £7 million investment awarded to develop and promote destination and product experiences across Wales through the RTEF and the TPIF. However, the action plan recognises that 'whilst these projects have had impact, we believe a different approach is now required. In future, rather than invite bids, we will proactively identify the projects and activity required to deliver on our ambitions and procure these projects directly'.[77] Under this priority, the Welsh Government also commits to invest in basic tourism infrastructure 'and so [we] will build on the projects we have supported through the Tourism Amenity Investment Scheme (TAIS) by launching a significant new round of funding. Brilliant Basics will support public, third sector and not for profit organisations to deliver basic small-scale tourism infrastructure improvements' which will support the wider tourism offer in destinations by improving visitor experience.

- developing a stronger and innovative Cymru Wales brand to promote a positive, inclusive, and welcoming view of Wales within the UK and internationally, under the banner of defining themes and which will fully embrace digital developments and opportunities

---

[75] p.17
[76] p.18
[77] p.20

- securing an effective and engaged sector which harnesses data and influences government and public-sector programmes and priorities.

<u>Welsh Government Let's shape the future. A shared plan for recovery</u>

In its Let's shape the future shared plan for recovery published in 2021, the Welsh Government outlined how it intended to work with partners to reconstruct the visitor economy across Wales and bridge the ambitions of Welcome to Wales for the future. It recognised that 'investing in tourism communities and building integrated place-making programmes'[78] would be essential. The plan assumed that tourism in coastal and rural areas across Wales would be likely to bounce back following the impact of the pandemic but accepted that joined up destination management would be required as the sector opened up to visitors again 'to reduce the negative impact…on local communities and infrastructure.'[79]

To stimulate demand, pan-Wales Rural Tourism projects were considered relevant and would help to address 'the three key challenges of seasonality, spend, and spread.'[80] Building upon the work of destination management partners and boosting product innovation and investment was also a continued priority 'to help the sector 'survive and thrive.'[81]

Developments since the pan-Wales Rural Tourism schemes

Following the closure of the Pan Wales Rural Tourism schemes, the Welsh Government introduced two new funding schemes to support the tourism sector:

- Wales Tourism Investment Fund (WTIF)

- Brilliant Basics

<u>Wales Tourism Investment Fund (WTIF)</u>

---

[78] Welsh Government (2021), Let's shape the future, p.6 <u>Reconstructing the visitor economy (let's shape the future) | GOV.WALES</u>
[79] Ibid., p.17
[80] Ibid., p.21
[81] Ibid., p.24

The WTIF is a £50 million fund developed in partnership with the Development Bank of Wales and introduced in April 2019 to finance capital investment in tourism projects to grow the sector in Wales. The purpose of the fund is to:

- provide continued access to finance for tourism projects in Wales

- support the transition of the tourism sector from grant reliance to commercial loan serviceability

- allow public funding to be mobilised in an area that can create significant impact on the economy

- support potentially substantial strategic investments as required.

The fund provides capital investment of between £100,000 and £5 million to upgrade existing or create new high-quality assets within the tourism sector. The funding is available as repayable and non-repayable, with the norm expected to be 80 per cent loan and 20 per cent grant funding. Applicants are expected to follow a two-stage application process, securing a successful Expression of Interest outcome before they can proceed to a full application.

Brilliant Basics

Brilliant Basics is a Wales wide fund which was launched in February 2020 but subsequently postponed until 2022, due to the pandemic. The fund supported public, third sector and not for profit organisations during the first round, and local authorities and national parks during the second round, to:

- deliver basic small scale tourism infrastructure improvements, and

- ensure that all visitors to Wales have a positive and memorable experience throughout their stay.

It builds on the previous Tourism Amenity Investment Support scheme (TAIS) but unlike TAIS, which was restricted to rural wards across Wales, is available to all areas in Wales. Funding of up to £10 million for a five-year period between 2020 to 2025 has been made available to projects that will:

- develop quality visitor experiences with a Welsh sense of place

- enable a wide range of visitors to access and enjoy new well-being opportunities

- improve access to facilities and project an inclusive view of Wales

- invest in facilities that enhance Wales' adventure offering

- contribute to key Welsh Government tourism initiatives including the Year of Outdoors campaign 2020 – 2021 and The Wales Way

- encourage clean, green destinations, for example through sustainable infrastructure improvements

- proactively promote a sense of place, culture, and language

- provide year-round facilities across all parts of Wales

- invest in world-class experiences and events facilities (although funding for small-scale infrastructure projects such as toilets and car parks were removed for the second round).

Annex E: Tourism sector data

This section considers tourism sector data for Wales over an eleven-year period between 2011 and 2022, including changes in visit numbers, visitor spend and levels of satisfaction.

It first considers the data on overnight tourism and day visitor trips to Wales, drawing upon data between 2011 and 2019 from the Great Britain Tourism Survey and the Great Britain Day Visits Survey. These surveys were not administered during 2020 due to the COVID-19 pandemic.[82]

Domestic overnight visits

The key messages from the Great Britain (GB) Tourism Survey up to 2019[83] include:

- there was an increase in the volume of overnight tourism trips taken in Wales by GB residents in 2019, with 10.7 million trips taken compared with 10.0 million in 2018, an increase of 6.8 per cent. The data shows an annual average increase of 1.4 per cent in the number of overnight trips to Wales over the eight-year period between 2011 and 2019. The volume of overnight trips reached a peak in 2019, and the lowest point was in 2017 at 9.0 million trips

- the overall spend also increased in 2019 with expenditure of £2.0 billion, an increase of 8.1 per cent from 2018 when expenditure was £1.85 billion. Between 2011 and 2019 the spend increased by 2.6 per cent per annum on average

- compared to England and Scotland, spend in Wales (averaging £187 per trip and £57 per night in 2019) is lower due to a higher proportion of lower priced self-catering accommodation used during trips

- longer holiday trips (4+ nights) are more common in Wales than in England and Scotland whilst business trips (at 7 per cent) account for a

---

[82] Since 2021, these surveys have been re-introduced as a new, combined online survey. Data from 2021 onwards should not be compared data from 2019 and earlier because of differences in survey methodology.
[83] Great Britain Tourism Survey: 2019 | GOV.WALES

lower proportion of overnight visits to Wales than to England and Scotland.

Domestic day visits

The latest Great Britain Day Visits Survey (2019)[84] shows that:

- there was a decrease of 9 per cent in the volume of tourism day visits[85] taken in Wales during 2019, from 96 million in 2018 to 87 million by 2019. Between 2011 and 2019, the volume of tourism day visits decreased gradually on an annual basis from a high of 117 million in 2011, other than between 2013 and 2014 and then again between 2015 and 2016 when slight increases were observed

- overall spending for tourism day visits in 2019 was £3.4 billion, which represents a drop of 14 per cent from a £4.0 billion expenditure in 2018. Annual expenditure for tourism day visits fluctuated between 2011 and 2019, peaking at £4.4 billion in 2012

- the average expenditure on tourism day visits across Wales in 2019 stood at £39 and was slightly lower than the GB average (at £41).

Overseas visitors

The International Passenger Survey (IPS) provides an insight into the volume and value of overnight stays in Wales by international visitors[86]. The data shows that:

- in 2019, Wales received 1.02 million visits from international visitors. Whilst the number of visits made has increased over time since 2012, it peaked in 2017 at 1.11 million

- in 2019, international visit spend stood at £515 million. Expenditure has increased over time since 2011, peaking in 2016 at £507 million before dropping and increasing again by 2019

---

[84] Great Britain Day Visits Survey: 2019 | GOV.WALES
[85] A tourism day visit is defined as leisure day visits which last three hours or more and involves a leisure activity which is not undertaken regularly and takes place at a destination which is different to the place where an individual lives
[86] Inbound trends by UK nation, region & county | VisitBritain

- the total number of nights spent by international visitors in Wales stood at 7.2 million in 2019. Levels have fluctuated since 2011 between 5.9 and 7.6 million per annum.

The Wales Visitor Survey sheds light on visitor satisfaction amongst UK staying, UK day and overseas visitors to Wales. The latest three-yearly survey was conducted in 2019[87] and found that:

- around eight in ten of UK staying visitors and UK day visitors, and three quarters of overseas visitors to Wales, were very satisfied with Wales overall as a place to visit. Satisfaction scores amongst UK staying and UK day visitors have remained relatively unchanged since 2013 although satisfaction rates amongst overseas visitors have fluctuated over time. The main areas of dissatisfaction relate to accessibility for disabled people, the cleanliness and availability of public toilets, digital connectivity, shopping, standard of tourist signposting and the quality and availability of public transport

- satisfaction about attractions visited was found to be very high, with three quarters of all types of visitors giving a score of 9 or 10 for their overall enjoyment of the attractions visited. The service received at the attractions visited was also rated particularly highly by all types of visitors although slightly lower scores were given for the standard of facilities, their value for money and the range of attractions available. Average satisfaction ratings of attractions visited were slightly higher in 2019 than in 2016 amongst UK staying and UK day visitors, but no change was observed amongst overseas visitors

- satisfaction with eating out was lower than for attractions amongst all types of visitors. Satisfaction rates have increased slightly amongst UK staying visitors since 2016 whilst they have fallen amongst overseas visitors and stayed relatively consistent for UK day visitors

---

[87] Wales Visitor Survey

- two thirds of UK staying visitors and six in ten overseas visitors were very satisfied with their accommodation, with satisfaction levels higher for self-catering accommodation than for hotels amongst both cohorts. Overall, average satisfaction scores for accommodation amongst UK staying visitors have improved over time whilst scores have remained consistent for overseas visitors.

Tourism market demand

Visit Wales conducts annual research amongst its priority markets. Surveys conducted in June 2022 cover the UK and Ireland[88]. Findings are also available from 2020 which cover the UK, Ireland, and Germany.

The main findings of the 2022 survey covering the UK are:

- 'traditional seaside resorts', 'scenic coastline and harbours' and 'cities and large towns' are the destination types the UK holiday market were most likely to take as a UK short break/holiday during the forthcoming 12 months. 'Historic and heritage towns' and 'scenic countryside and villages' are the next most popular destination types

- finance plays an important role in trip choice, followed by ease of travel to and getting around the destination

- the importance of high-quality accommodation has increased significantly since 2020, and the research suggests this could be due to changes in accommodation expectations following the pandemic

- around three in five of the UK holiday market had taken a short break or holiday in Wales previously and intend to do so again in the future.

Concluding thoughts

There has been a consistent increase in the number of overnight visitors and overnight visitor spend between 2011 and 2019. Overseas visitor numbers and expenditure also increased over this time but peaked during 2016-2017. In contrast however, the data shows a decrease in tourism day

---

[88] Tourism market demand reports: June 2022 | GOV.WALES

visits between 2011 and 2019 and a decrease in tourism day visitor spend since 2017 which is perhaps reflective of the fact that Welsh Government policy had been focused on supporting and developing the overnight visitor market during this time, as this market has the potential to make a greater contribution to the sector's growth compared to day visitors.

The data also suggests that all types of visitors are broadly satisfied with Wales as a place to visit although it is notable that satisfaction rates have remained broadly unchanged over the 2010s. Visitor satisfaction levels are better for attractions and accommodation provision than they are for eating out. All types of visitors consistently report the need for improved access for disabled people, cleaner and more public toilets, better digital connectivity, better shopping, improved tourist signposting as well as better quality and availability of public transport. This feedback supports the need for capital investment schemes such as MSBF and TAIS across Wales, to further improve visitor satisfaction particularly in terms of basic infrastructural provision.

Annex F: List of resources

Tourism sector data

Great Britain Day Visits Survey: 2019 | GOV.WALES

Inbound trends by UK nation, region & county | VisitBritain

Tourism market demand reports: June 2022 | GOV.WALES

Wales Visitor Survey | GOV.WALES

Policy and programme documents

Roadshow_Investment_Brochure_North_E.pdf (gov.wales)

Roadshow_Investment_Brochure_Mid_E.pdf (gov.wales)

Roadshow_Investment_Brochure_South_West_E.pdf (gov.wales)

Roadshow_Investment_Brochure_South_East_E.pdf (gov.wales)

Rural Development Programme document 2014 to 2020 | GOV.WALES

United Kingdom - Rural Development Programme (Regional) - Wales (gov.wales)

Welsh Government Strategy for Tourism 2013 - 2020 Framework Action Plan Years 1 - 3

Welsh Government Strategy for Tourism 2013 - 2020 Partnership for Growth

Welsh Government (2015) Well-being of Future Generations (Wales) Act

Welsh Government (2016) Taking Wales Forward 2016-21

Welsh Government (2017) Prosperity for All – Economic Action Plan

Welsh Government (2018) Partnership for Growth: Interim review of 2016 priorities

Welsh Government (2020) International Strategy

Welsh Government (2020) Our Economic Resilience and Reconstruction Mission

Welsh Government (2020) Welcome to Wales: Priorities for the visitor economy 2020 - 2025

Welsh Government (2021) Let's shape the future