Pembrokeshire County Council

Henry VII Heritage Centre Feasibility Study

Final Report

March 2018

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Executive Summary

Purpose

Pembrokeshire County Council, in partnership with Pembroke Town Council and with financial support from the Pembrokeshire LEADER programme, appointed AMION Consulting to undertake this feasibility study for the development of a Henry VII Centre for Pembroke, Pembrokeshire. The study explores the case for a proposed Henry VII Centre, looking at location options and providing a financial model for the Centre in the preferred location.

The main tasks of the brief are to:

- identify and quantify the potential of the Henry VII Centre proposal, both known factors and those as yet unrealised;
- define location need, deliverability and viability factors to detail the scope of operational relationships for the Henry VII 'product';
- investigate the potential for benefit realisation against the seven national well-being goals within the Well-being of Future Generations Act;
- apply a model to capture, measure and attribute the value and impact of a Henry VII Centre to Pembroke and wider Pembrokeshire; and
- set out the development context, define actions and put in place a route map to successfully deliver the proposal.

Market demand assessment

The assessment of market demand shows that, whilst many of the trends at national level augur well for a new Henry VII Heritage Centre, the proposed location in Pembroke offers significant challenges. The catchment market for day visits is extremely small (just 680,000 people living within 90 minutes) and this is heavily dominated by older households. A comparison can be made with the recently opened Richard III visitor centre in Leicester which has 10M people within its local 90 minute catchment area.

The existing tourist market, whilst sizeable, is also less conducive for a heritage centre than for urban tourist locations. As research into Pembrokeshire's tourists (and those to similar destinations) indicates that people visit the area primarily for the outdoor environment provided by the stunning coastline and countryside. The fact that many tourists to the area are regular repeat visitors also presents challenges and finding ways of encouraging tourists to come back could add to operational and renewal costs. Education, coach group and special interest group markets will be important for the future Centre but are either relatively small or operate within tight time or cost constraints

Market supply assessment

An analysis of the supply context also indicates that the proposed centre will face a number of challenges. Although visitor numbers to heritage centres and visitor centres across the UK vary quite significantly, it is mainly only the centres which offer free admission that attract high visitor numbers. Of those that charge admission, very few are achieving 50,000 visits and most are achieving fewer than this. Similarly, very few museums and attractions which are dedicated to famous people, with the exception of properties owned by the National Trust, are attracting more than 50,000 visitors. The Richard III visitor centre in Leicester is a good example. After the initial interest generated by the find, the centre has fallen short of its visitor number targets and expects to stabilise at 50,000 visits despite being located in a densely populated area.

Pembrokeshire has a competitive visitor attraction environment with around 100 existing attractions. Although many of these attractions are small, there are a number of substantial heritage properties which have very high intrinsic value, particularly the castles. It will always be difficult for a 'manmade' attraction like a heritage centre to compete with built heritage of this type. Despite the high calibre of many of the local attractions, the majority are only achieving between 25,000 and 45,000 visits.

However, it is important to note that, as most attractions in the Pembrokeshire area have an entry charge, the Heritage Centre will not need to compete with free museums and venues as is the case elsewhere. It is also very important to note that there are also relatively few attractions which offer a full indoor, wet weather experience.

Branding

A key factor which needs to be considered when assessing the feasibility of the proposed centre is the level of appeal of Henry VII. It was not within the scope of the study to undertake extensive primary research to test this and specific, existing research does not exist. An analysis of Google Trends, however, looking at three search terms 'Henry VII', 'Henry VIII' and 'Tudor Dynasty', showed that worldwide and UK interest is significantly greater for Henry VIII than the other two terms. Interest in Henry VII (or Henry Tudor as the analysis picks up both search terms) is greatest in the UK, with UK interest in turn greatest in Wales. The analysis clearly indicates that use of the Tudor brand is likely to have greater impact than Henry VII alone and, therefore, defining the centre as relating to 'Henry Tudor' is likely to have greatest appeal.

Visitor forecast and space requirement

The report includes an assessment of the likely number of visits to the proposed centre. Forecasting visitor numbers requires an analysis of both quantitative factors (size and nature of available market; performance of competitors and comparators and price etc) and qualitative factors (quality of experience; management and marketing). At the feasibility stage, this can only be done at headline level. Based on a range of fourteen assessment criteria, particularly the size and profile of the available market and the evidence from other heritage centres and local attractions, a small Henry VII Heritage Centre in a less than optimum location could attract around 15,000 visitors. A larger centre located in a key visitor area in the town, in close proximity to the Castle, could attract around 45,000 visits at the upper end of the range. Joint marketing initiatives with the Castle would provide direct access to a potential market of 100,000 visitors annually with an interest in heritage.

The total footprint required for a heritage centre attracting these numbers is between $358m^2$ and $494m^2$.

Site options appraisal

A short list of six locations was considered for the Heritage Centre: the Haven Church; the South Quay development; the former Co-Op building; the Eastgate School building; the Pembroke Library and TIC building; and the Elms Family Placement Centre.

The sites were scored using a range of criteria which included capital cost, suitability and appropriateness of space, footfall potential, non-visitor income generation potential, operating costs and regeneration benefits. Project and operational risks such as planning, funding and delivery risks were also assessed. The South Quay site emerged as the preferred option, both in terms of its location and proximity to the Castle, but also in terms of the wider regenerative benefits that the development of the site would bring to the town.

Concept

The County does not hold a Henry VII or Tudor collection and it is not intended that the Heritage Centre will be a museum, although it could potentially display some objects. The experience will, therefore, be delivered through a range of different media including: hi-tech and lo-tech interactives; audio media; multi-media; live entertainment; replicas; dressing up and activities.

The fit-out budget which has been allocated for the attraction is £2,200 per m^2 which will allow for a dramatic, engaging and high quality experience.

Financial assessment and governance

The headline capital costs for the required building works have been calculated at £3.5m with a further £200,000 for fit out costs. This does not include any acquisition costs.

Total income for the Heritage Centre, based on 45,000 visits, would be £240,000 which would include £225,000 of visitor related income and further £15,000 from café lease and functions and events. Total costs would be £237,000 which would include staff costs of £97,000. This is on the basis that the centre would be managed with core paid staff co-ordinating a proficient community volunteer base to run the centre.

On this basis, the operation would cover its running costs from Year 3 although additional ongoing fundraising would be required for renewal and for future major building works.

It has been assumed that the operation would be run by a charitable trust which would be exempt from business rates.

Conclusions and delivery implications

The proposed Henry Tudor Heritage Centre clearly delivers against a number of strategic objectives at national, regional and local level, providing opportunities for development of a distinctive Welsh brand and bringing a new, high quality and much needed additional all-weather attraction.

Despite the strong strategic fit, raising the capital funding required to deliver the project presents a significant challenge. The funding needed to restore the South Quay building is significant and the level of outputs which will be delivered directly by the attraction (such as jobs created) will not be enough to secure an adequate level of grant funding. The breakeven business model will also not support commercial borrowing.

A more deliverable option, therefore, could be to consider the Heritage Centre as part of a community hub which could be located within South Quay. The hub could bring together a mix of uses which could benefit from the central location, such as the relocation of the library and TIC, the location of healthcare facilities and the development of new community spaces. This mix of uses may be able to attract funding from a mix of sources which could allow the scheme to be delivered and act as the catalyst for the regeneration of Pembroke.

A development brief should be prepared for the South Quay site which investigates the potential mix of uses including the relocation of the library and TIC alongside other community and commercial uses.

Once the mix of uses has been determined, Pembrokeshire County Council should identify the funding gap and potential funding sources including the Heritage Lottery Fund, Welsh Government and EU Structural funds (to 2020) and own funding sources.

1 Introduction

Pembroke County Council has appointed AMION consulting to undertake a feasibility study for the development of a Henry VII Centre for Pembroke, Pembrokeshire. The prime objective of the study is to produce an evidenced based report which can assist decision making and planning the development programme for the delivery of such a centre.

This document is set out according to the following structure:

- Summary Findings
- Section 1: Introduction (this section), which sets out the study background and scope
- Section 2: Macro trends
- Section 3: Demand context
- Section 4: Supply context
- Section 5: Branding
- Section 6: Headline Visitor Forecast
- Section 7: Space Requirements
- Section 8: Site Options appraisal
- Section 9: Preferred Option: South Quay Development
- Section 10: Visitor Projections
- Section 11: Henry Tudor Heritage Centre Concept
- Section 12: Financial Appraisal
- Section 13: Strategic Context
- Section 14: Governance (Delivery Vehicle Options)
- Section 15: Delivery Framework

1.1 Background to the Study

Pembrokeshire is a county well known for its outstanding natural coastline and glorious beaches. The County also has an incredible depth and range of cultural history, but evidence suggests that this aspect is not so well recognised by residents, visitors and investors to the county.

Pembroke Town Council and Pembrokeshire County Council have already undertaken a number of interventions to raise the heritage profile of Pembroke and gain recognition as the Tudor Town. Examples include the Pembroke Murals, the setup of Pembroke Museum at the Council Hall, a HLF-funded digital Town Trail and the erection of a statue of Henry VII at Mill Bridge.

There is now an ambition to take this a step further by developing a Henry Tudor themed visitor attraction which will sit alongside and complement the appeal of Pembroke Castle (where Henry

VII was born), extend visitor time in Pembroke and bring additional tourism spend and related employment to the area.

1.2 Study scope

The Feasibility Study will:

- identify and quantify 'demand' for the Henry VII Centre proposition (at local, national and international level);
- define location need, deliverability and viability factors to detail the scope of operational relationships for the Henry VII 'product' (and high-level overview of the component elements of the scheme);
- explore the scope for physical and fully interactive digital interpretation;
- apply a model to capture, measure and attribute the value and impact of a Henry VII Centre to Pembroke and wider Pembrokeshire;
- develop a verifiable and robust financial model for the new visitor centre; and
- set out the development context (including the potential for benefit realisation against the well-being goals within the Well-being of Future Generations Act), define actions and put in place a route map to successfully deliver the proposal (including identification of funding streams, scope for multi-agency funding and recommendations for delivery vehicle options and management framework).

This is a study is centered on Henry VII but will capitalise on Pembroke being the source of the Tudor dynasty. As such, the new heritage centre may be referred to as the Henry Tudor Centre. Until further thought can be given to branding, we will (in this report at least) refer to the new visitor attraction as the Henry VII Heritage Centre (as per the Brief).

2 Macro trends

This section presents an analysis of 'macro' trends and drivers that are affecting museums, heritage centres and other visitor attractions in the UK.

2.1 Population and social change

Changes in the composition of society are already having a significant impact on the way in which consumers spend their leisure time and money. The implications of these changes will continue to impact on the leisure sector well into the future and as such will have an influence on this project.

An ageing UK population – in the medium term the number of people over 65 is increasing. This generation is a powerful economic force, with sufficient time and disposable income to enjoy short breaks and regular holidays – albeit spending power can be threatened by declining values in pension plans and savings.

Growth in younger generations – Although historically the birth rate in the UK is low, over the last 15-20 years (partly due to migration) there has been a sustained rise in the number of births, creating a mini baby boom. This market also has very different requirements and expectations from visitor attractions, with a greater importance placed on distinctive design, a relaxed atmosphere and a high level of technology and connectivity. This group lives for the moment, seeks fun and excitement and is used to making their own travel arrangement online.

A 'squeezed' middle generation – Overall the population of the UK will grow over the next decade, but much of that growth will be concentrated amongst rising numbers of over-50s (ageing society) and a sustained rise in the birth rate (mini baby boom). Meanwhile, the 35-49 age group is going to reduce in size, leading to a 'squeezed middle' generation. This group will be time poor (with many having to care for young children and ageing parents) which may intensify their desire for treats and shorts breaks as they look to relieve stress.

Vertical family – Family composition is also changing, with grandparents more involved in childcare. This has implications with potentially more intergenerational family trips and a need for appropriate products to cater for this.

Changing ethnic profile – Similarly, the UK population is becoming increasingly ethnically diverse. After decades of slow growth, the proportion of people born outside the UK increased from 8.9% to 13.4% between 2001 and 2011. This represents a market of increasing importance but one that remains poorly understood by the tourism and leisure sector. Individual attractions need to consider the needs and wants of more ethnically diverse audiences.

2.2 Economic trends

Brexit and the continuing "Staycation" – The economic downturn following the financial crisis of 2007/2008 led to a change in holiday behaviour and attitudes, with leisure becoming ever more important even as finances were stretched. The increase in domestic trip taking and parallel decline in overseas travel was initially driven by cost, but many other factors have contributed to the continuation of the trend – including a preference for multiple short breaks over the year, risk aversion, last minute planning, as well as new domestic visitor attractions, events and festivals that have captured the market's imagination. Just as the economy started to recover and there appeared to be rising demand for overseas trips, economic uncertainty caused by the Brexit vote, and subsequent fall in the value of the pound, has refuelled demand for UK breaks, with particularly strong growth in low-cost UK city breaks.

Weaker pound makes the UK a more affordable destination – According to the World Travel and Tourism Council (WTTC), direct Travel & Tourism GDP growth in the UK is expected to hold up well in 2017, as weaker domestic spending growth is offset by stronger international leisure spending with a weaker pound making the UK a more affordable destination. However, in the 2018-2020 period, after the UK is expected to have left the EU, the boost from a weaker sterling will wear off and general economic growth is expected to contract. The long-term prospects for the UK tourism industry will be dependent on the UK securing a deal with the EU that will protect the ability of UK and EU residents to easily travel.

2.3 Consumer trends

Leisure spending has grown at a faster pace than total consumer expenditure – Despite the economic uncertainty experienced by many consumers – and the resulting emphasis on bargain hunting and value – consumers continue to prioritise leisure above most other areas of spending. Household spending data from the Office for National Statistics indicates that while households cut back on spending overall during the downturn, spending on recreation and culture increased. Falls in oil and commodity prices over the last two years have brought UK inflation down to near record lows, resulting in greater discretionary spending. The leisure sector has benefited from improving consumer confidence and spending shifting from needs to wants.

Experiential travel – Tourism is becoming increasingly experiential - tourists are looking for 'immersion' in a culture, unique experiences, authenticity, exploration, adventure and personal fulfilment from their holiday experience. The 'what' is more important than the 'where'. From a marketing perspective customising and personalising are key – different market segments want different experiences.

Cultural capital – There is a growing trend among consumers for ethical concerns. These are now broader than more established environmental concerns, with an emphasis on consumers learning new skills and acquiring 'cultural capital' to distinguish themselves. It is likely that this trend will remain impactful over the next decade and will have implications for the tourism and leisure sectors (both for new types of tourism and a boost to existing drivers).

2.4 Technology trends

Continued innovation –Technological change will continue to drive innovation in the tourism and leisure sector in the medium to long term. This is likely to impact all parts of the sector and affect all elements of the businesses, from product development to communication with consumers. In the future, businesses will need to be proactive in seeking new technologies and applying them in innovative ways to drive efficiency, develop insight on their customers and distinguish their products and services. The tech factor is changing traditional behaviour. New technology offers opportunities to engage people at a deeper level, throughout the whole 'visitor journey'.

Social media – Different market groups and people in different life-stages will have differing attitudes to, and use of, digital and social media. The largest (and growing) group are 'info-seekers' who are actively using digital media to seek and find information. Conventional wisdom holds that museums are places for quiet reflection and to be alone with one's thoughts and world masterpieces; but that doesn't translate to Millennials. The key to reaching Millennials is enabling them to share their impressions. Discussing an exhibit with friends is as simple as an Instagram post or a Facebook event.

Going online before getting in line – The direction of travel in information provision is 'mobile first' for all stages of the customer journey – particularly in terms of in-destination information. Rating experiences, making information simple, and developing customised unique experiences are also key trends in customer demands – For marketers, there is need to convey the potential experiences quickly and visually. Wireless access and information in the right format will be key. Bookings will be more 'last minute', with attraction websites as the 'go to' planning tools and Facebook as the 'go to' social media outlet. Travel review sites and apps are rising in popularity, with the latter still predominantly used by younger audiences.

2.5 Visitor attractions trends

Continued growth in visitor numbers – People are looking to escape the political and economic uncertainty that dominates the news at the moment. This means that they will be looking for forms of escapism close to home. In the short- and medium-term, visitor attraction numbers are expected to be boosted by a fall in the pound making overseas trips more expensive for UK consumer, whilst simultaneously making the UK a more attractive destination for foreign visitors. The number of visits to visitor attractions in the UK grew by an estimated 3.4% in 2016. A Mintel publication from December 2016 on the state of the UK visitor attractions sector predicts that this upward trajectory will continue, with visits rising by 15% by 2021.

Focus on quality – Visitor attractions in the UK have generally performed well through a period of economic downturn. Those that have performed the best are those that have invested in the quality of their experiences to match the discerning tastes of the 21st century leisure consumer. In a highly competitive market, operators are also realising that the 'natural' assets provided by the built heritage or the legacy of museums/heritage centres is insufficient in itself to guarantee success. The 'build it and they will come' formula that worked quite well during the heritage 'boom' of the 1980s is being replaced by a realisation that the needs of visitors are paramount in any heritage attraction that wants to keep on attracting visitors.

Young and wealthy have greatest appetite – Visits remain skewed towards more affluent consumers as well as younger consumers. Some 75% of 16-34s visited an attraction in 2016; however, this drops to 66% and 58% for 45-54s and over-55s respectively, suggesting that more could be done to encourager older consumers. Similarly, more could be done to encourage those lower socio-economic groups. 88% of ABs visited an attraction in 2016, compared to just 47% and 44% of those in socio-economic groups D and E, respectively.

Repeatability – Nearly two-thirds of all attraction visitation occurs from repeat visitors. Theme parks and zoos tend to see the largest number of repeat customers while sightseeing tours, heritage attractions and museums see lower repeat business. The "Been there, done that" factor is high for repeat visitors. To turn one-timers into repeat visitors, attractions need to refresh their offer with new content, new information, and added activities. Another way to encourage repeat visitation is through annual or seasonal passes. Current usage of memberships to visitor attractions is heavily skewed towards older more affluent consumers and could be better adapted to younger adults and those with children.

From 'concrete' to 'event-driven' culture – Britain is developing an event-driven culture where high-profile, time-limited and heavily marketed blockbuster exhibitions and must-see attractions play an increasingly important role, and digital media contributes to a sense of 'fear of missing out' as a key driver of visitor behaviour. As attractions seek new revenue streams and ways to engage with visitors, there is growing potential for 'after-hours' themed events, adult learning opportunities as well as family 'edutainment' and the incorporation of a festival vibe into permanent attractions.

3 Demand context

3.1 Introduction

For the purposes of analysing the potential market demand, we have defined three core visitor markets for the Henry VII Heritage Centre:

- **Tourists** – including both overseas and domestic staying visitors in Pembrokeshire

  There are a number of sources of data which can be used to estimate the volume, value and economic impact of the visitor economy Pembrokeshire.

  Some sources of data are better than others and, in some cases, the sources can sometimes present conflicting numbers. This paper examines the various sources of data to enable a clear assessment of the visitor economy. Unfortunately, all the tourism data is only available at regional (i.e. Pembrokeshire) rather than local (i.e. Pembroke) level.

- **Day Visitors** – UK residents travelling from their homes on the day of their visit. Residents are considered at varying 'distances' from Pembroke starting with those living within a 30-minute drive-time, then expanding to those living within a 30- to 60- minute drive time, and finally those living within a 90-minute radius, which is the maximum distance most visitors are considered to want to travel for a visitor attraction of this ilk.

- **Groups** – including schools, coach tours and special interest visitors.

In the following sections these markets are explored to understand their scale, segmentation and key characteristics – and used to test the visitor potential and market penetration of the Henry VII Heritage Centre.

3.2 Domestic tourists (GB residents)

3.2.1 GBTS

The Great Britain Tourism Survey is jointly commissioned by the various agencies responsible for tourism at the national level in each home nation (Visit Britain, Visit Scotland and the Welsh Government). The survey has been running annually since 1989. It aims to estimate the volume and value of tourism trips made by residents of Great Britain within Great Britain – it excludes Northern Ireland.

It is not concerned with inbound visitors to Britain as this is dealt with in the International Passenger Survey (see section 2.3 below). Effectively, adding the number of overseas tourists from the International Passenger Survey to the number of domestic tourists from the Great Britain Tourism Survey gives a good estimate of the total number of tourists staying in a particular destination.

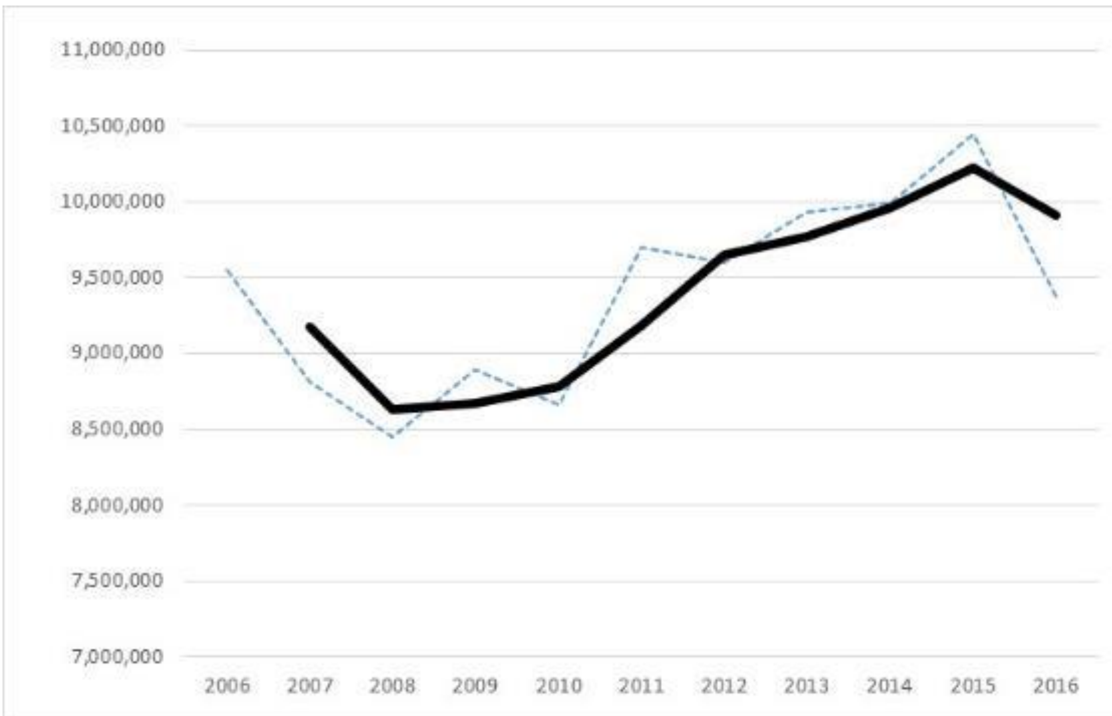
The methodology uses a sample of 100,000 face to face interviews with people in their homes. 2,000 people are asked weekly about overnight trips they have taken in England, Scotland and Wales within the last four weeks (it is a rolling programme of research).

3.2.2 *Domestic tourism – Wales*

It is estimated that 9.38m GB residents made a tourism trip to Wales in 2016 which is a decline of around 9% on 2015 when Welsh domestic overnight tourism reached a 10-year peak, driven predominantly by domestic business trips to Wales.

The chart which follows shows that while the number of domestic tourists to Wales fell between 2006 and 2008 and between 2015 and 2016, it has been on a growth trajectory since 2008. The Brexit vote and the subsequent fall in in value of the pound have since given the domestic tourism sector a boost with record numbers of domestic tourists anticipated for 2017.

Figure 1: Total number of domestic tourists to Wales 2006 - 2016



Source: Great Britain Tourism Survey, Welsh Government

Of the 9.4m domestic tourists staying in Wales in 2016:

61% were in Wales for a holiday (5.69m);

28% were in Wales to visit friends or relatives (VFR) (2.67m);

8% were in Wales for business or work (0.71m); and

3% were in Wales for other purposes (sport, health, religion etc.).

The 9.38m domestic tourists spent a total of £1.83 billion in Wales in 2016.

The average spend per trip was £195 per trip and the average length of stay was 3.5 nights (£56 per night).

The table below shows the average length of stay and the average spend per trip for each type of tourist.

	Total number of domestic tourists	*Average length of stay*	*Average spend per trip*	*Average spend per night*
Holiday	5,690,000	3.99	£220	£55.19
Business	710,000	2.72	£175	£64.38
VFR	2,670,000	2.6	£133	£51.32
Other (study/work)	310,000			

Domestic holiday (i.e. leisure) tourists spent an average of 4 nights in Wales and £55.19 per night. Those staying on business stayed between 2 and 3 nights and spent £64.38 per night whilst those visiting friends and relatives (who could be visiting for leisure or other reasons) also stayed between 2 and 3 nights but spent £51.32 per night.

The vast majority of domestic tourists to Wales live in England (84%), with only 14% living in Wales and 3% in Scotland / Northern Ireland; these proportions remain relatively unchanged since 2013.

Most domestic tourists come to Wales as a couple (38%), while three in ten visit with children (mostly young children). A further 7% visit as a family group without children, while 12% come with friends.

Levels of repeat visiting are high, with 69% of GB staying visitors having visited Wales (or the area where they were interviewed, in the case of Welsh visitors) more than once in the last three years. The average number of visits in the last three years is 4.5.

3.2.3 Domestic tourism – Pembrokeshire

Since the full data for the 2016 Great Britain Tourism Survey is not yet available, this section is informed by the 2015 survey.

It is estimated that GB residents took 1.12m tourism trips to Pembrokeshire which involved an overnight stay of at least one night. This represents c. 10% of all domestic tourism trips to Wales and makes Pembrokeshire the third most visited destination by GB overnight visitors after Gwynedd (1.68m) and Cardiff (1.27m).

The average length of stay in Pembrokeshire was 4.6 nights, compared to the Wales average of 3.5 nights. In terms of the total number of nights Pembrokeshire (5.14m nights) ranked second after Gwynedd (6.60m nights), reflecting the area’s appeal as a holiday rather than short-break destination.

Of the 1.12m domestic tourists staying in Pembrokeshire in 2015:

- 79% were on holiday (890,000);
- 17% visited friends or relatives (VFR) (190,000);
- 4% were in the area for business or work (50,000); and

- These tourists spent £241m in Pembrokeshire in 2015 which is the equivalent of £215 per trip or £46 per night.

	Total	*Holiday*	*VFR*	*Business*
Trips	1,120,000	890,000	190,000	50,000
Av. LoS (nights)	4.6	4.8	4.2	2.0
Av. Spend/Trip	£215	£227	£147	£160
Av. Spend/Night	£46	£48	£35	£80

The 2016 Wales Tourism Survey carried out among UK staying visitors shows that Pembrokeshire scores just above the Wales average in terms of visitors' satisfaction with the range of attractions (8.5 vs 8.4 average).

3.2.4 STEAM

Another model for measuring the volume and value of tourism is the Scarborough Tourism Economic Activity Model (STEAM). It measures the impact of both staying visitors and day visitors but does not distinguish between overseas and domestic visitors nor does it distinguish between business and leisure visitors. Local authorities in Wales have commissioned STEAM reports annually for many years now. It is used widely throughout the UK at a local authority level.

The model takes a 'bottom up' approach. It is not a survey with a sample of people. It is instead, a supply side model which uses the number of hotels and bedrooms as its basis and as such it is only robust when the 'inputs' are robust i.e. actual hotel occupancy data, regularly updated hotel bed stock figures and actual hotel rates. The data produced by STEAM is notoriously unreliable with very wide margins of error allowed.

STEAM data does not distinguish between domestic and overseas tourists. The latest STEAM report for Pembrokeshire (2015) estimates a total of 2.3 million staying visitors. Compared to the 1.12 million domestic tourists reported by the GBTS, this would suggest that over 50% of visitors to Pembrokeshire would be overseas tourists. As can be seen in section 2.3 below this is a huge overestimation compared to the c. 126,000 international visitors to Pembrokeshire reported by the IPS.

In order to provide an economic impact assessment for the new Henry VII Heritage Centre, it will be crucial to use accurate and reliable input data. Considering the significant discrepancy between the two data sets and the unlikeliness that over 50% of visitors to Pembrokeshire would be overseas tourists, we would recommend using the GBTS and IPS data as a basis rather than the STEAM data.

3.3 Tourists from overseas

3.3.1 Overview

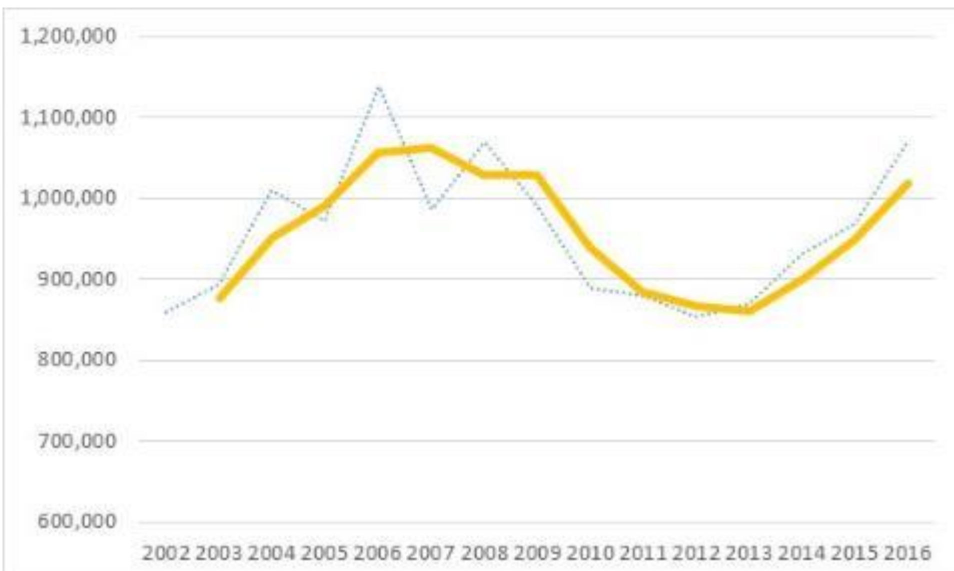
The number of overseas tourists staying in Wales and Pembrokeshire can be estimated using the International Passenger Survey which is an official UK Government statistic. The survey is commissioned by the Office for National Statistics and is used by government departments and tourist boards. It has been running continuously since 1961 and is widely considered to be a reliable source.

The survey is presented in an annual publication called Travel Trends and provides reliable estimates of overseas tourism to the UK. The survey is conducted using interviews with passengers at principal air, sea and tunnel routes. It is a major survey with a sample of approximately 250,000 people. Further data analysis is undertaken by Visit Britain and by the Welsh Government. Both of these secondary sources have been used as well as the primary source.

3.3.2 Tourists from overseas – Wales

Of the 37.6m tourists to the UK in 2016, just over 1m of these stayed in Wales. The number of international tourists to Wales grew by 25% between 2002 and 2008 and then fell by 20% between 2008 and 2012 before recovering all ground lost between 2012 and 2015 (+25%).

Figure 2: Number of tourist visits to Wales from overseas 2002 – 2016



Source: International Passenger Survey, Office for National Statistics

Of the 1.07m overseas tourists staying in Wales in 2015:

- 472,000 (44%) were in Wales for a holiday;
- 353,000 (33%) were in Wales to visit friends and relatives;
- 188,000 (17%) were in Wales for business, study or work; and
- 61,000 (6%) were in Wales for miscellaneous reasons such as sport, health, religion.

The top five source markets for overseas tourists to Wales in 2016 were: Ireland, Germany, France, USA and Australia. These five markets account for half of all international tourists staying in Wales.

The average spend per trip was £413 and the average length of stay was 6.67 nights. These figures include leisure and business tourists. The figures also include those staying in paid accommodation as well as those staying with friends and relatives.

The table below shows the average length of stay and the average spend per trip for each type of tourist.

	Total number of international tourists	*Average length of stay*	*Average spend per trip*	*Average spend per night*	*Staying Apr - Sep*	*Staying Oct - Mar*
Holiday	472,252	4.95	£375	£75.76	83%	17%
Business	187,921	4.13	£211	£51.09	39%	61%
Visiting friends and relatives	353,308	7.82	£297	£37.98	62%	38%
Other (study/work)	60,908					

3.3.3 *Tourists from overseas - Pembrokeshire*

Of the 1.07m international tourists to Wales in 2016, it is estimated that c. 10% (125,746) stayed in Pembrokeshire, spending nearly £33m in the year.

On average, these international tourists stayed for 4.6 nights and spent £259 per trip. This figure varies according to the purpose of trip however (see table below).

Nearly 70% of the international tourists are staying in Pembrokeshire for holiday purposes. These tourists spend between 4 and 5 nights in the area and spend an average of £57 per night. This market is highly seasonal with 92% staying between the months of April and September.

Only a small proportion of the international tourists to Pembrokeshire are staying for business (6%). Those that are in the region for business also stay between 4 and 5 nights but spend, on average, a little more per night (£72).

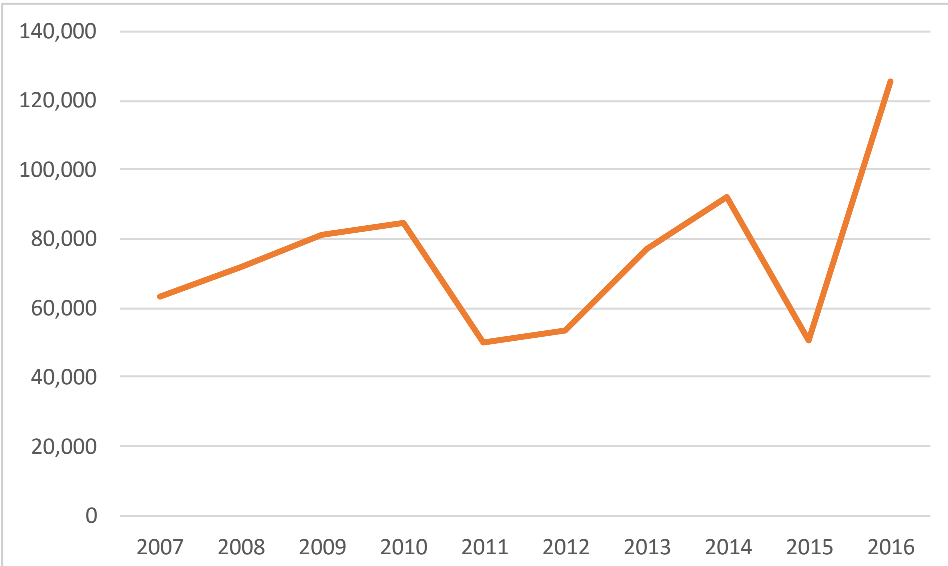
17% of international tourists are staying in Pembrokeshire for the purpose of visiting friends and relatives (VFR). This market has a longer length of stay (average 7 nights) and lower average spend (£19 per night), due to savings on accommodation.

	Total number of international tourists	*Nights*	*Av. LoS (nights)*	*Av. Spend per trip*	*Av. Spend per night*	*Staying Apr-Sept*	*Staying Oct-Mar*
Holiday	87,753	383,192	4.4	£277	£63	92%	8%
Business	7,639	31,621	4.1	£297	£72	80%	20%
VFR	21,206	148,366	7.0	£136	£19	80%	20%
Other	9,147	10,573	1.2				100%
Total	125,746	573,751	4.6	£259	£57	83%	17%

In 2016, Pembrokeshire was the second most visited area in Wales by international tourists, after Cardiff (358,163 visitors).

The total number of international tourists to Pembrokeshire has fluctuated somewhat over the last ten years. Following decreasing numbers of international visitors to Pembrokeshire in 2011 and 2012 (in line with a drop in international visits to Wales and linked closely to economic conditions in key European markets), numbers were on the rise again in 2013 and 2014. A strong pound and poor summer weather resulted in another dip in 2015, but was followed by record-breaking visitor numbers in 2016, led by holiday visits, which almost quadrupled compared to 2015. Based on early figures, 2017 looks set to be another year of growth for inbound tourism.

Figure 3: Number of tourist visits to Pembrokeshire from overseas 2007 – 2016



Source: International Passenger Survey, Office for National Statistics

The 2016 edition of the Wales Visitor Survey does not include any data specifically for Pembrokeshire, but the following does report the following for South West Wales:

- 60% of international visitors to South West Wales live in Europe (compared to 48% average for Wales)
- 92% of international visitors to South West Wales are from socio-economic groups ABC1 (compared to 85% average for Wales)
- 23% of international visitors was aged 16-34 years old; 46% was 35-54 years old and 31% fell into the 55+ category (this is in line with the average for Wales)
- International visitors to South West Wales (74%) are more likely to be on their main holiday, compared to North Wales where a higher than average proportion of visitors were on short breaks
- Enjoying the countryside was listed as the main reason (61%) for visiting South West Wales by international tourists. Visiting places and attractions ranked second with 39% but was a significantly less important reason for visiting compared to other areas in Wales or the average across the country (48%). Outdoor activities (30%) was also ranked comparatively higher than average (21%).

3.4 Day visitors

3.4.1 GBDVS / STEAM

Since 2011 there has been a national survey in operation which provides relatively reliable estimates of day visitors for destinations[1]. The survey is commissioned jointly by Visit England, Visit Scotland and the Welsh Government. It aims to measure the volume, value and profile of day visits taken by GB residents to destinations in England, Scotland and Wales.

The survey is conducted online and is undertaken weekly. Over the course of a year, it interviews 35,000 adults and has demographic quotas to ensure that it is a representative sample. In presenting the data it uses three year rolling averages.

The Great Britain Day Visitor Survey estimates that there were 23m tourism day visits to South West Wales in 2016 (recovering to 2012 levels after a gradual fall in day visitors over the last few years, reaching a low of 16m in 2015). The survey estimates that these visitors spent a total of £733m (up from £604m in 2015), which is equivalent to £32 per daytrip.

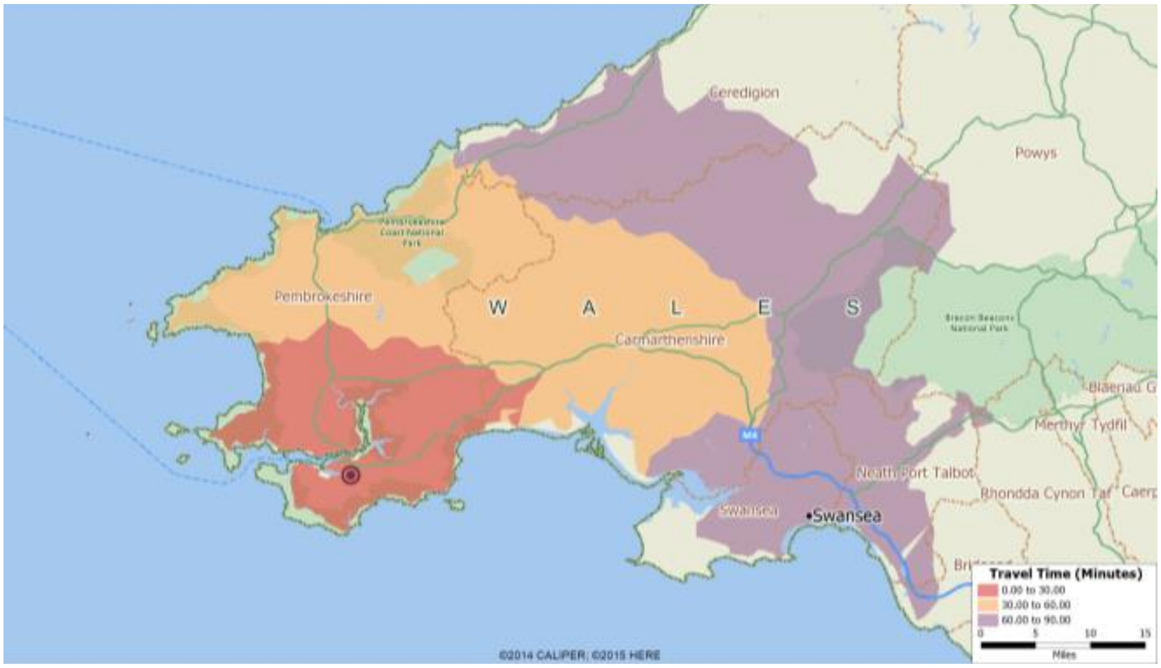
The survey also estimates that an average of 5.01m tourism day trips per year were taken to the Pembrokeshire local authority area in the period 2014-2016 with annual expenditure estimated to be £155m (£31 per trip). In the same period there were an average of 2.10 million day visits which lasted at least 3 hours (including the time spent travelling to the destination). Usually, the number of tourism day visits is lower than the number of 3hour+ leisure day visits. The STEAM data on the other hand estimates the number of day visitors to Pembrokeshire at 1.98m. Even though the STEAM data is for 2015 compared to 2016 GBDVS data, the discrepancy between the two models is very substantial. In this instance, we feel that rather than opting for either data set as a basis for the economic impact assessment, a more prudent method would be to use an assessment of the resident population living within a 90-min drive time from Pembroke with an additional calculation to allow for trips made by tourists staying elsewhere in Wales.

3.4.2 90-min drive time population

The map below shows the 90-minute drive time catchment from Pembroke and demonstrates how this reaches only just beyond the borders of South West Wales.

[1] The survey assesses Leisure Day Visits (any leisure-based activity undertaken out of the home anywhere in the UK) and also a subset of this, Tourism Day Visits (TDV). TDV are visits that last for 3 hours or more and unlike LDV which can be any leisure activity, undertaken anywhere, the survey applies a number of criteria to separate out trips that can be defined as a tourist activity. TDV are defined as follows: Activities – involving participation in one or more of specific activities; Duration – lasting at least 3 hours, including time spent travelling to the destination; Regularity – the participant indicates that the visit (i.e. same activity in same place) is not undertaken 'very regularly'; Place – the destination of the visit is different from the place (i.e. city, town, village or London borough) where the participant lives. If the visit is taken from a workplace, the destination is in a different place from the workplace. This rule is not applied when the visit has involved watching live sporting events, going to visitor attractions or going to special public events.

Figure 4: Pembroke Castle 90-minute drive time catchment



The table overleaf shows the population and the number of households within each 30-minute drive time cohorts. The total population living within 90 minutes of Pembroke Castle is just shy of 680,000 living in just over 293,000 households. Within the 30-minute and 60-minute catchment areas the resident population is even smaller.

	0-30mins	*30-60mins*	*60-90mins*	*cumulative 0-90mins*
Population	86,252	102,119	490,670	679,041
Households	37,402	43,783	212,183	293,367
Children	18,096	19,924	98,317	136,337
Age 18 - 64	49,860	59,648	300,092	409,601
Age 65+	18,295	22,546	92,261	133,103

Below we have compared Pembroke's 90-minute drive time catchment population to that of some other comparable attractions. The analysis demonstrates how small the Pembroke catchment area is for day visits compared to Leicester (Richard III Visitor Centre), Sutton Cheney (Bosworth Battlefield Heritage Centre) and Stratford-upon-Avon (Shakespeare's Birthplace).

All three comparators have a 30-minute drive time population equivalent to the size of Pembroke's 90-minute catchment and a tenfold+ 90-minute drive time population.

Richard III Visitor Centre - Leicester

	0-30mins	*30-60mins*	*60-90mins*	*cumulative 0-90mins*
Population	844,644	3,936,871	6,292,432	11,073,947
Households	332,924	1,629,850	2,581,900	4,544,673
Children	183,235	869,649	1,385,969	2,438,852
Age 18 - 64	532,579	2,441,974	3,869,848	6,844,401
Age 65+	128,831	625,249	1,036,615	1,790,694

Bosworth Battlefield Heritage Centre - Sutton Cheney

	0-30mins	*30-60mins*	*60-90mins*	*cumulative 0-90mins*
Population	850,877	5,352,016	4,760,439	10,963,331
Households	350,996	2,169,086	1,993,916	4,513,998
Children	183,150	1,202,578	1,015,620	2,401,348
Age 18 - 64	532,314	3,305,209	2,934,382	6,771,904
Age 65+	135,413	844,229	810,437	1,790,078

Shakespeare's Birthplace - Stratford-upon-Avon

	0-30mins	*30-60mins*	*60-90mins*	*cumulative 0-90mins*
Population	675,871	4,457,758	5,668,915	10,802,544
Households	281,616	1,806,722	2,321,650	4,409,987
Children	136,877	1,010,112	1,237,199	2,384,188
Age 18 - 64	421,498	2,729,131	3,522,186	6,672,815
Age 65+	117,497	718,515	909,529	1,745,541

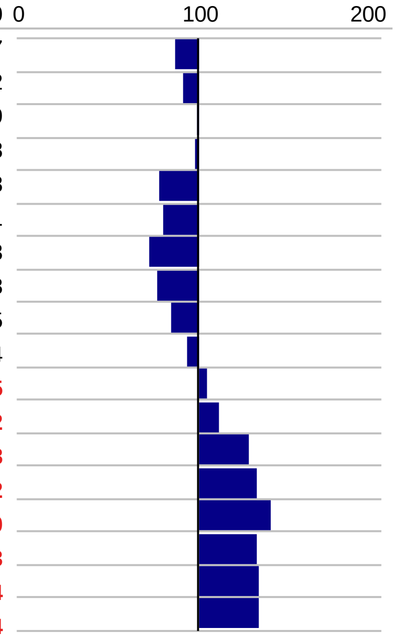
Pembrokeshire has a significant bias towards those aged over 65 compared to the GB average profile (see Figure 5 on next page), which fits well with a typical visitor profile for heritage attractions.

Although a third of Pembrokeshire's residents are aged between 20 and 50, Pembrokeshire has fewer families than the average national population.

The Welsh Government/ONS population forecast for Pembrokeshire shows continued ageing and a decrease in overall population figures over the next 20 years.

Figure 5: Pembrokeshire resident population - age profile

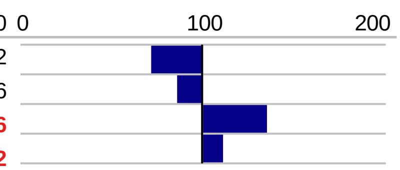
		Index av=100
Aged	0 - 4	87
	5 - 9	92
	10 - 14	99
	15 - 19	98
	20 - 24	78
	25 - 29	81
	30 - 34	73
	35 - 39	78
	40 - 44	85
	45 - 49	94
	50 - 54	105
	55 - 59	112
	60 - 64	128
	65 - 69	132
	70 - 74	140
	75 - 79	133
	80 - 84	134
	85+	134



Pembrokeshire has an over penetration into people from C2DE social grades (see Figure 6) and a large proportion of the population is self-employed. The AB grades, representing managers and professionals, is considerably underrepresented compared to the GB average. The average household income for Pembrokeshire was £23,192 in 2016.

Figure 6: Pembrokeshire resident population - social grade

	Index av=100
AB. Higher/intermediate managerial/admin/professional	72
C1. Supervisory, clerical, junior managerial/admin/professional	86
C2. Skilled manual w orkers	136
DE. Semi-skilled, unskilled manual w orkers & On state benefit, unemployed, low est grade w orkers	112



Education levels in Pembrokeshire are lower than the national average. 30.2% of residents are qualified to NVQ4 level[2] and above (compared to 35.1% Wales average and 38.2% GB average). 11.7% of the population has no qualifications (compared to 9.6% Wales average and 8.0% GB average).

Mosaic (a segmentation product of the research company, Experian) categorises about 60% of the Pembrokeshire population as being in one of only five of the 65 different Mosaic types. Not only are these the predominant groups, they are also significantly over-represented compared to the GB average (see Figure 7 on next page). These five categories are characterized by being older and generally having a low household income.

[2] For example, HND, Degree and Higher Degree level qualifications or equivalent

Figure 7: Pembrokeshire resident population – MOSAIC profile

			Index av=100	0 100 200	% of total	description
C12	Country living	Scattered Homesteads	1,400		20%	Older households appreciating rural calm in stand-alone houses within agricultural landscapes
C13		Village Retirement	502		10%	Retirees enjoying pleasant village locations with amenities to service their social and practical needs
D15	Rural Reality	Local Focus	634		13%	Rural families in affordable village homes who are reliant on the local economy for jobs
D16		Outlying Seniors	519		10%	Pensioners living in inexpensive housing in out of the way locations
D17		Far-Flung Outposts	395		2%	Inter-dependent households living in the most remote communities with long travel times to larger towns
E19	Senior Security	Bungalow Haven	203		5%	Peace-seeking seniors appreciating the calm of bungalow estates designed for the elderly

3.5 Groups

The Group Visitor market for the Henry VII Heritage Centre is made of three distinct market segments:

- Coach excursions – typically on a domestic holiday tour or short break
- Education groups - typically local and regional school day visits
- Special interest groups (e.g. Tudor enthusiasts) – some may visit as part of a group, others may be independent visitors

3.5.1 Coach market

Coach tourists coming to Pembroke are a sub-set of the tourism market we reviewed above. However, as their characteristics and way of interacting with visitor attractions are very distinct, we have included a separate analysis of this market.

The coach market is divided into two subsectors: Coach Tours, developed, sold and operated by coach companies; and Group Travel trips, planned and organized by a group (such as the Women's Institute, or a scout group for example), for which a coach and driver are hired.

According to Mintel, the coach tour market has suffered in recent years, falling by 13% in volume terms and 5% in value term between 2008 and 2013 due to more challenging economic conditions. Domestic coach holidays have fared better than coach trips abroad and currently represent some 70% of all coach holiday trips. However, long-term prospects appear to be good, due to the demographic boost of an ageing population. As with many other tourism sectors, growth is likely to be highest at the premium and budget ends of the market.

In the five years ending December 2013, 13% of UK adults had taken some form of coach holiday. Coach holiday penetration among the over-65s is twice the population average – 27% of this age group have been on a coach trip in the past five years, compared to 10% of under-65s. Socioeconomically, the profile of coach holidaymakers is broad, but over half of those who have been in the past five years are in the mid-market groups C1/C2.

A survey carried out in July 2017 by QA Research into the coach tour market found that the following types of trips are currently popular with coach tour operators (those highlighted in bold print are particularly relevant for the Henry VII Heritage Centre):

Festivals and special events (e.g. Christmas markets)

- Themed trips
- Cultural trips (history and heritage)
- Celebrity and TV/film connections
- Food and drink experiences

The survey found that attractions have an opportunity to influence how themes are developed if they are proactive with the operators, develop and sustain a regular presence in the travel trade and can clearly articulate what the offer is and why it is relevant for the target market.

Pembrokeshire hotels (particularly those owned by coach tour operator Shearings) attract some coach business, but according to anecdotal evidence the number of coach tourist is dwindling. Many use Tenby rather than Pembroke as a base. Pembroke Castle is a popular destination for coach tourists. There is a coach/bus stop outside the Castle Terrace properties making it accessible and attractive for this market segment. The challenge lies in convincing operators to include the new heritage attraction within their packages and to encourage these visitors to stay within the town for longer in order to stimulate greater economic benefit.

Historically the Group Travel market has been a sizeable and sometimes lucrative segment of the visitor market for some venue operators. It is, however, a declining market and many attractions have seen the percentage of their visits which come in groups falling. Many senior travel groups formed in the 1970s as generational efforts to keep senior citizens active. With many of these travellers now less able to make trips, and with the 'Baby Boomer' generation less interested in this type of activity as it gets older, there has been a marked decline in the number of trips made by older groups. Changes in legislation have also impacted on this market. The increased focus on health and safety and rising costs linked to seat belt laws, combined with growing fuel prices, have contributed to a steady decline in the number of trips taken by 'uniform groups' (scouts, guides, youth groups etc.) over the last decade. There is still growth, however, in the group travel market among affinity organisations, smaller groups and niche travel groups which is likely to be linked to the wider trend towards cultural capital referenced above.

3.5.2 *Educational market*

Educational visits are an integral part of school life and an important source of visitors to cultural attractions and museums. School trips, particularly at primary level, are more likely to be taken locally and to destinations that are easily accessible, which has meant a redistribution of school trips away from rural locations. Penetration of the schools' market thus tends to follow a curve: relatively high amongst schools based in the immediate local area and decreasing with distance.

There are 70 schools and nearly 17,500 pupils in Pembrokeshire. Of these, some 5,300 and 3,500 fall into Key Stage 2 and 3 respectively: the periods during which school pupils traditionally study the Tudors, although it is no longer a statutory subject.

Early Years Nursery & Reception (under 5)	*Key Stage 1 Yr1-Yr2 (5-7)*	*Key Stage 2 Yr3-Yr6 (7-11)*	*Key Stage 3 Yr7-Yr9 (11-14)*	*Key Stage 4 Yr10-Yr11 (14-16)*	*Key Stage 5 Yr12-Yr13 (16-18)*	*Total number of pupils*
2,727	2,670	5,298	3,499	2,242	1,020	17,456

Source: StatsWales, Welsh Government

The Tudors tend to be studied as a subject during the Autumn term. A new curriculum for Wales (with more emphasis on applying subject knowledge and digital skills) is currently being developed and will be used throughout Wales by 2022. The study of history will be included within the 'Humanities' strand of the new curriculum, but so far few details are available as to what subjects will be covered when and how.

Heritage-related educational visits are also of importance in light of the Well-being of Future Generations Act (2015), especially the goal to create 'A Wales of vibrant culture and thriving Welsh language'.

Schools are a lucrative target group as this market segment is a self-regenerating market with a new influx of pupils across the key stages every year. In addition, attractions can encourage repeat visitation by creating a modular offer that entices school groups to return several times per year and build on previous visits.

The needs of schools vary, mainly depending on the age, educational level of the pupil and the time of year. At the end of the school year, informal visits are often required whilst during the main term times, when the focus is on specific curriculum-linked learning, taught sessions and workshops may be needed.

Relevant key findings from a national survey of over 1,000 primary and secondary teachers include:

- 'out of school' trips are widely regarded as extremely valuable educational activities - 84% of respondents wishing they could do more trips;
- museums are the most popular places to visit for a school trip (49% of all teachers surveyed had taken a school trip to a museum in the last 12 months);
- half of all organisers only undertake trips directly linked to the curriculum; and
- admission cost is cited as one of the top barriers to conducting more trips. 67% of respondents said the cost of admission and workshops, as well as the time taken to organise a trip were the most significant barriers.

3.5.3 Special interest market

In addition to coach and school group visitors, the new heritage centre will also appeal to the special interest market, both visitors with a broader heritage interest and true Tudor enthusiasts.

3.5.4 *Heritage attractions visitor profile*

The heritage market tends to be more of a 'short break' market than other forms of cultural holidays. The vast majority of visitors to heritage attractions are travelling independently with their partner or with their family instead of travelling as part of a coach group party.

The role of the travel trade in *directly* selling heritage products is relatively small. Although a large percentage of coach tours are made to heritage destinations, coach operators will usually drop visitors off in the town or city and leave it up to individuals to purchase tickets to any heritage attractions that they want to visit.

Most heritage visitors are not directly stimulated to travel by a specific heritage site, but travel to gather new experiences and learn new things.

Visitors to heritage sites tend to be older than visitors to other visitor attractions. Heritage visitors also tend to be better educated than the population as a whole. High education levels are often linked to higher status occupations and higher income.

Despite the efforts of museums and heritage attractions to reach a broader audience, the average heritage visitor remains relatively wealthy and well educated – a solidly middle-class public. A 2016 study by the Association of Independent Museums (which includes heritage centres) showed that free admission is not by itself enough to attract more diverse visitors.

The fact that the heritage audience has not expanded to other social groups creates a growing problem for attraction managers, because the supply of heritage and cultural attractions across the UK is rising faster than the growth in visits. Many attractions are therefore suffering a decline in visitor numbers, in spite of the supposed growth in the popularity of heritage. This places an even greater emphasis on identifying and meeting the needs of the visitor. Many heritage visitors are looking for a mix of education and entertainment. The major challenge for heritage attractions is to find a balance between the heritage experience provided being seen as being relatively 'serious', and an appropriate way of learning while having fun or relaxation.

The implication is therefore that heritage attractions should adopt more innovative modes of interpretation. Pure unadulterated heritage or culture is no longer sufficient – heritage needs to be interpreted effectively to the visitor in order to provide the vital link between local heritage and visitor needs.

3.5.5 *Tudor enthusiasts*

This may include serious history lovers such as history experts and members of the Henry Tudor Society, the Tudor Society or other historical societies.

It may also include more 'mainstream' visitors who have been captured by the rising popularity of the Tudors as the result of a number of books, films and television series about the Tudors in recent years (see section 5).

From a visitor point of view however Pembroke remains an unlikely starting point for a tour of Tudor sites. This is evidenced by a review of itineraries offered by specialist tour operators. There are a number of specialist tour operators offering Tudor themed tours. Very few of these include any of the Welsh Tudor sites in their itineraries. The majority of these tours focus on sites in

England, and particularly around London and the South East (for a more detailed review see the Supply Context section of this report). This will be due, in the main, to the practicalities of travel. A Tudor tour within the South East will be accessible to a large number of people and will be able to take in a number of interesting sites with limited travel time between. A trip to Pembroke, for example, would require a much longer travel time. It is also likely that Henry Tudor and his connections are seen as less appealing than the more colourful characters of the Tudor family. Itineraries which focus on these characters are likely to be easier to sell for both of these reasons.

3.6 Summary of all demand data

Bringing all of the data together suggests that (based on the IPS and GBTS data) Pembrokeshire has approximately 1.25m tourists staying overnight in the area annually. These tourists spend approximately £273m and generate 5.7m bednights. In addition, there were 5.01m day trips to the region with associated expenditure of £155m.

	Pembrokeshire local authority area
Domestic tourists	1,120,853
Overseas tourists	125,746
Total staying visitors	**1,246,599**
Day visits	5,014,879
Total visits	**6,261,477**
Holiday tourists	977,753
Business tourists	57,639
VFR tourists	211,206
Total staying visitors	**1,246,599**
Day visits	5,014,879
Total visits	**6,261,477**
Domestic tourism expenditure	£241,000,000
Overseas tourism expenditure	£32,526,905
Total staying visitor expenditure	**£273,526,905**
Day visitor expenditure	£155,148,230
Total tourism expenditure	**£428,675,135**

In addition to tourists and day visitors, Pembrokeshire also has a promising (but unquantifiable) coach tourism market and an educational market of 70 schools and 17,456 pupils that can be tapped into.

Special interest groups such as Tudor societies and history groups are also important.

Depending on the site that will be selected for the new centre, the available space and suitability of space, there may also be demand for hires for weddings and other functions. If applicable, an assessment of this market will be included in the market appraisal section of the full Feasibility Study. For the time being, this has been omitted from this report which focuses on core visitor markets motivated by the heritage visitor experience.

4 Supply Context

4.1 What is a visitor centre?

Before getting into the more detailed competitor and comparator analyses for the new Henry VII Heritage Centre, it is important to settle upon a definition for a visitor centre.

The terms visitor centre, heritage centre and museum are used interchangeably.

- to be an accredited museum an organisation must have a collection although the name is given to attractions without collections (e.g. Eureka, the National Children's Museum). Nearly all museums require revenue funding;
- Visitor Centres – usually exist to raise funds, directly or indirectly. They may hold some artefacts, but their prime function is to inform people about the present situation, background history or future plans. Visitor centres usually rely on models, words, pictures and maps etc.; and
- Heritage Centres – mainly promote an aspect of history. Many incorporate artefacts but mainly rely on other forms of interpretation. If the centre is not registered as a museum, it infers a lesser duty of care to any objects used in its displays. Most heritage centres do not exist to raise funds but generate income to sustain themselves. A heritage centre is less likely to make a profit than a visitor centre, because of its extra commitment to historical research, and the probability that it will be caring for some artefacts.

It is unlikely that any Henry VII centre would be a museum because there is no collection. However, it could be a heritage centre or visitor centre (depending on whether it is co-located with other services) and it could display some objects.

In both visitor and heritage centres the public will expect well-informed staff, a retail area, toilet facilities, and possibly refreshments.

4.2 Competitor analysis

4.2.1 Wales

The table on the next page shows the number of visits to museums in Wales that provide their visitor numbers to the annual survey by Visit Wales.

We can glean from it that those museums attracting the largest numbers of visitors are all part of National Museums Wales. These all receive state funding and offer free admission.

A second tier (in terms of visitor numbers) tends to be run by local authorities and also offers free admission.

The third tier consist of smaller, predominantly volunteer-run museums, which charge a small admission fee.

Museum	***Institution***	***2015 Visits***	***Charge***
St Fagans National History Museum	National Museums Wales	531,231	Free
National Museum Cardiff	National Museums Wales	472,544	Free
National Waterfront Museum	National Museums Wales	257,617	Free
Swansea Museum	Local Authority	153,536	Free
Big Pit National Coal Museum	National Museums Wales	147,085	Free
National Site Museum	National Museums Wales	140,828	Free
Firing Line (Museum of Welsh Soldier)	Local Authority (co-located with Cardiff Castle)	74,170	incl with Cardiff Castle entry
National Roman Legion Museum	National Museums Wales	70,695	Free
Cyfarthfa Castle Museum	Local Authority	55,057	£2.00
National Wool Museum	National Museums Wales	33,663	Free
Wrexham County Borough Museum	Local Authority	32,104	Free
Newport Museum and Art Gallery	Local Authority	28,562	Free
Pontypridd Museum	Local Authority	21,873	Free
Narrow Gauge Railway Museum	Trust	17,884	Free
Tenby Museum & Art Gallery	Local Authority	17,082	£4.95
Regimental Museum of Royal Welsh	Trust	11,943	£5.00
1940's Swansea Bay Museum	Private	9,789	£5.95
Blaina Heritage Museum	Local Authority	5,689	Free
Porthcawl Museum	Historical Society/Trust	5,217	£1.00
Powysland Museum	Local Authority	5,040	£1.00
Porthmadog Maritime Museum	Trust	4,664	£2.00
Radnorshire Museum	Local Authority	4,445	£1.00
Monmouth Castle & Regimental Museum	Trust	4,432	Free
Haverfordwest Town Museum	Local Authority	4,082	£2.00
Old Bell Museum	Trust	2,672	£1.00
Menai Heritage	Trust	1,690	£3.00
Llanidloes Museum	Local Authority	1,567	Free
Brecknock Museum & Art Gallery	Local Authority	1,203	£1.00

4.2.2 Pembrokeshire

Pembrokeshire has circa 100 visitor attractions, although few are man-made and very few include all-weather facilities. Most attractions are small, with fewer than 10,000 visitors per year and – as highlighted in the Destination Management Plan for Pembrokeshire – insufficient profile to generate business in their own right from outside the region.

The main attraction of Pembrokeshire is its natural beauty, with many visitors coming to enjoy the beaches or a walk on the Pembrokeshire Coastal Path. According to Visit Wales statistics, Pembrokeshire Coast National Park attracted 900,000 overnight visits and generated £198 million in visitor spend. Pembrokeshire Coast National Park Authority reports that the Coastal Path attracts a total of 1 million user days per year and represents one of the county's most important economic assets.

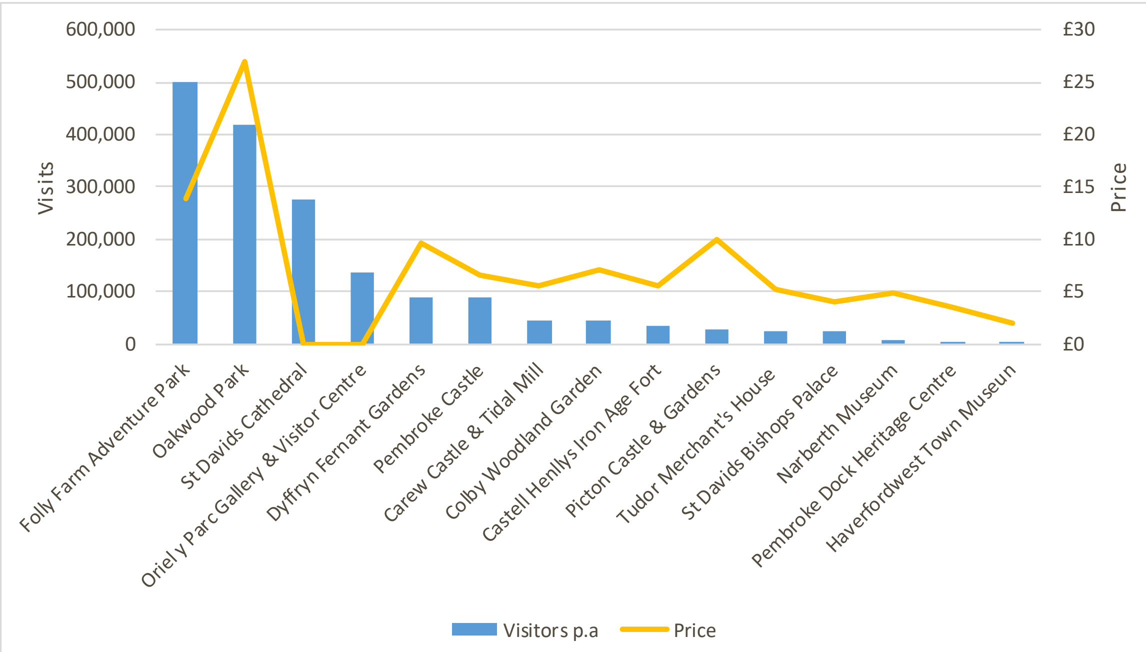
As the table below shows, there is a wide range of visitor attractions in Pembrokeshire, some of which are operated on a commercial basis. This is indicative of the presence of a large number of tourists.

Attraction	*Category*	*Owner*	*Visitors p.a*	*Price*
Folly Farm Adventure Park	Themepark	Private	500,000	£13.95
Oakwood Park	Themepark	Private	420,000	£27.00
St Davids Cathedral	Historic Property	Church	275,700	Free
Oriel y Parc Gallery & Visitor Centre	MAG	PCNPC	135,152	Free
Dyffryn Fernant Gardens	Gardens	NT	90,500	£9.60
Pembroke Castle	Castle/Fort	Trust	90,000	£6.60
Carew Castle & Tidal Mill	Historic Property	PCNPA	45,000	£5.50
Colby Woodland Garden	Country Park	NT	43,089	£7.00
Castell Henllys Iron Age Fort	Castle/Fort	PCNPA	33,000	£5.50
Picton Castle & Gardens	Historic Property	Trust	26,000	£10.00
Tudor Merchant's House	Historic Property	NT	24,658	£5.25
St Davids Bishops Palace	Historic Property	Cadw	24,308	£4.00
Tenby Museum and Art Gallery	MAG	LA	17,082	Free
Narberth Museum	MAG	LA	6,000	£4.95
Pembroke Dock Heritage Centre	MAG	Private	4,900	£3.50
Haverfordwest Town Museun	MAG	LA	4,082	£2.00
Lamphey Bishop's Palace	Historic Property	Cadw	2,856	Free
Pembrokeshire Candle Centre & Museum	Industrial	Private	2,500	Free
Manor House Wildlife Park	Wildlife	Private	n/a	£13.95
Dinosaur Park, Tenby	Themepark	Private	n/a	£12.00
Manorbier Castle	Castle/Fort	Trust	n/a	£5.50
Hilton Court Gardens	Gardens	Private	n/a	£3.75
Stackpole Walled Garden	Gardens	NT/Mencap	n/a	Free
Scolton Manor	Historic Property	LA	n/a	£3.50
Average			96,935	£7.98

Although the list of attractions in the table above is by no means exhaustive, it provides a good indication that visitor numbers to Pembrokeshire attractions range from a few thousand to half a million. The average number of visits to both paid and free attractions is c. 97,000. The adult admission charge for those attractions that charge for admission is £8. The average dwell time for all attractions is 1.5 hours. Dwell times at theme parks and zoos are highest (3 hours). Pembrokeshire heritage attractions that charge for admission receive between 4,000 and 90,000 visits per year, with an average of 35,600 visits. The average adult admission charge among this sample is £5.43.

Broadly speaking, higher visitor numbers correspond to a higher adult ticket price and greater dwell time which in addition to marketing budget are ultimately influenced by the number of things to do at the attraction, the quality of the experience and the appeal of the offer to a broader market.

Figure 12: Visits and admission prices at competitor attractions in Pembrokeshire

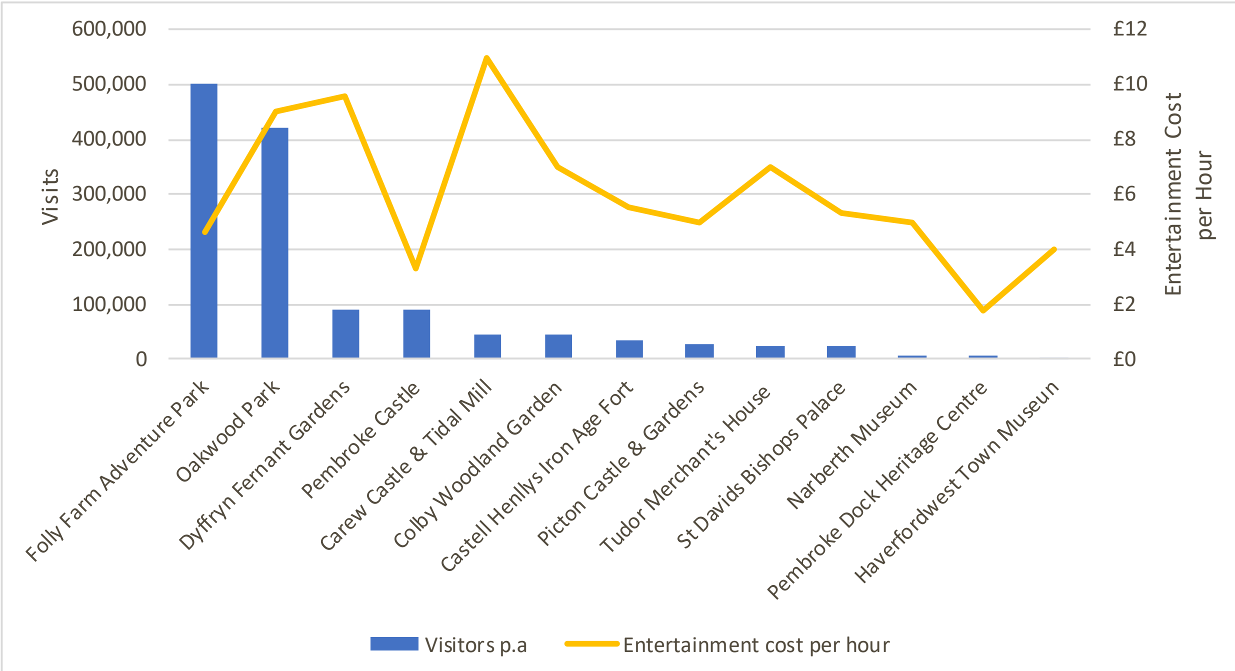


The average price per hour of a visit (i.e. the estimated average dwell time divided by the adult admission price) can provide a useful indication of the value of an experience, in other words the 'entertainment cost per hour'.

Dwell times are typically longer for attractions that charge admission than those that are free entry. However, free entry museums tend to have higher rates of repeat visits. This can be rebalanced for paid for attractions by allowing repeat visitor to convert purchased tickets into an annual pass, giving 12 months' complimentary admission.

Figure 13 on the next page illustrates the relationship between the number of visits to the sample of charging Pembrokeshire attractions and dwell time, expressed as entertainment cost per hour. Based on an average dwell time across the sample of 1 hour and 21 minutes, the average entertainment cost is £6.44 per hour.

Figure 13: Visits and entertainment cost per hour at Pembrokeshire attractions



Carew Castle has a particularly high entertainment cost per hour. Like at Pembroke Castle, dwell times at Carew Castle are significantly longer if visitors time their arrival so they can enjoy one of the daily free guided visits. Pembroke Castle provides good value for money and a relatively low entertainment cost per hour, based on a low ticket price and expert guides increasing dwell times. Pembroke Dock Heritage Centre has the lowest entertainment cost per hour, but this is based on a small number of visitors

In addition to the visitor numbers reported to Visit Wales and sourced from individual websites, TripAdvisor can be used as another indicator of the popularity of Pembrokeshire visitor attractions.

Pembroke Castle is ranked 2nd (with a score of 4.5 out of 5 based on 1,836 reviews), after Folly Farm (with a score of 5 out of 5 based on 4,030 reviews). Closer scrutiny of the reviews highlights that visitors particularly value to 90-minutes long guided tours, the knowledge and storytelling skills of the guides and the views from the top of the keep. Due to the lively and entertaining interpretation of the castle and its history, most visitors value the £6.60 entrance fee to the castle as good value for money for an average visit duration of 90 minute to 2 hours. Visitors who arrived outside of the timeslots for free guided tours tend to leave less positive reviews. Without an audio guide on offer and with limited physical interpretation other than a short DVD about the castle's history, they felt underwhelmed. This underlines the importance of innovative interpretation as well as knowledgeable staff to bring history to life. On average, their dwell times were considerably shorter (45 minutes) and consequently the attraction was considered to provide less value for money. Other complaints included the castle café closing as early as 4:15pm.

The Destination Management Plan for Pembrokeshire recognises the fragile market for new major attractions. It recommends that instead of the development of more, small attractions which will be competing with each other for a finite market, priority should be given to strengthening the profile and appeal of existing attractions and, especially, encouraging longer out-of-season opening and the provision of better all- weather facilities. However, it also notes that, should the opportunity arise to establish a unique, high quality icon attraction this should be encouraged, subject to careful assessment of its long-term viability. Particular encouragement should be given to the development of iconic architecture, art and sculpture that can raise the profile of an area year-round but require little operational costs.

4.3 Comparators

Visitor centres, heritage centres and museums are generally not financially self-sufficient. Many receive revenue support from national government or local authorities.

In England, there are only six self-sufficient visitor centres attracting over 200,000 visitors:

- Roman Baths – 1 million
- Jorvik – 400,000
- Beaulieu National Motor Museum – 380,000
- Manchester United Museum – 320,000
- Eureka – 275,000
- Black Country Living History Museum – 240,000

In Wales, Portmeirion appears to be the only truly self-sufficient visitor centre attracting over 50,000 visitors (193,000).

4.3.1 Heritage Centres

Most heritage sites in Wales are under the management of Cadw, the government agency responsible for managing over 125 historic sites in Wales and promoting the conservation of Wales' historic environment. However, the visitor or heritage centre element of the experience tends to be integrated within the heritage attraction (i.e. aiding with the interpretation of the historical property/heritage site, rather than functioning as a standalone centre). For example, Cadw is currently in the process of building a new visitor centre at Harlech Castle.

The table overleaf shows that heritage centres in England and Wales (for which visitor numbers are reported to Visit England and Visit Wales) tend to receive no more than 50,000 visitors per year.

Heritage Centres			
Attraction	**Location**	**2016 Visits**	**Adult Charge**
Carnforth Station Heritage Centre	Lancashire	50,000	Free
Amberley Museum and Heritage Centre	West Sussex	42,000*	£10.00 or over
Lulworth Heritage Centre	Dorset	27,398*	£5.00 to £7.49
Ledbury Hieritage Centre	Herefordshire	24,707*	Free
Lytham Heritage Centre	Lancashire	14,558	Free
de Havilland Aircraft Heritage Centre	Hertfordshire	13,273	£7.50 to £9.99
Fleur de Lis Heritage Centre	Kent	9,290*	£5.00 to £7.49
Durham Museum and Heritage Centre	County Durham	7,260	Under £3.00
Knutsford Heritage Centre	Cheshire	7,530	Free
Almony Heritage Centre	Worcestershire	3,253	£5.00 to £7.49
Horwich Heritage Centre	Greater Manchester	3,000	Free
The Almonry Museum and Heritage Centre	Worcestershire	3,253	£5.00 to £7.49
Scarborough Maritime heritage Centre	North Yorkshire	7,700	Free
Calne Heritage Centre	Wiltshire	2,742*	Free
Foulness Heritage Centre	Essex	2,100	Free
Pewsey Heritage Centre	Wiltshire	871	Under £3.00
Menai Heritage	Menai Bridge	1,690*	Free
Shardlow Heritage Centre	Derbyshire	1,473	Under £3.00
Ditton Heritage Centre	Kent	300	Under £3.00
The Old Smithy and Heritage Centre	Lincolnshire	165	Under £3.00

* 2015 prices - no figures for 2016 available

4.3.2 Visitor Centres

A number of new visitor centres have been built in Wales in recent years. For example, at Caerphilly Castle, a new building was placed in the grounds of scheduled ancient monument. A similar solution was suggested for Pembroke Castle, but upon closer inspection there is insufficient space within the grounds of Pembroke Castle to add a new visitor centre.

The table overleaf shows that visitor centres in England and Wales (for which visitor numbers are reported) tend to receive up to 236,000 visitors per year, which the top charging visitor centre (Jodrell Bank Discovery Centre) receiving 143,000 visitors per year.

Oriel y Parc at St David's (which does not charge for general admission) is the most frequented visitor centre in Wales (based on published statistics), attracting some 135,000 visitors per year.

Visitor Centres

Attraction	Location	2016 Visits	Adult Charge
National Memorial Aboretum	Staffordshire	236,120	Free
Cwncarn Forest Visitor Centre	Caerphilly	193,802*	Free
Grizedale Forest Visitor Centre	Cumbria	180,254	Free
Whinlatter Forest and Visitor Centre	Cumbria	219,050	Free
Jodrell Bank Discovery Centre	Cheshire	143,409	£5.00 to £7.49
Oriel y Parc Visitor Centre	St Davids	135,152*	Free
Sutton Bank National Park Centre	N Yorkshire	123,655	Free
Bwlch Nant Yr Arian Forest Visitor Centre	Ponterwyd	106,426*	Free
The Moors National Park Centre	N Yorkshire	103,091	Free
Yorkshire Dales National Park Authority	N Yorkshire	117,123	Free
Garwnant Visitor Centre	Merthyr Tydfil	85,725*	Free
Sharpe's Pottery Museum	Derbyshire	78,045*	Free
Princetown Visitor Centre	Devon	79,147	Free
Standedge Tunnel and Visitor Centre	W Yorkshire	51,768*	£3.01 to £4.99
The Jane Austen Centre	Somerset	46,685*	£7.50 to £9.99
The Workhouse	Nottinghamshire	45,702*	£7.50 to £9.99
Geever Tin Mine	Cornwall	42,015	£10.00 or over
Saltaire Visitor Information Centre	W Yorkshire	38,000*	Free
World of James Herriot	N Yorkshire	29,200*	£7.50 to £9.99
Green's Windmill	Nottinghamshire	24,700	Free
Wheal Martyn China Clay Country Park	Cornwall	21,000	Charge - DK
East Durham Heritage and Lifeboat Centre	County Durham	34,000	Free
Llyn Brenig Visitor Centre	Conwy	33,936*	Free
Wadworth Visitor Centre	Wiltshire	19,500	£10.00 or over
Dapdune Wharf	Surrey	20,149	£3.01 to £4.99
Ramsgate Visitor Information Centre	Kent	13,977	Free
High Beach Forest Centre	Essex	21,116	Free
Halifax Visitor Centre and Art Gallery	W Yorkshire	15,148*	Free
The Vulcan Experience	S Yorkshire	14,356*	£10.00 or over
Porth y Swnt	Aberdaron	13,767*	£2.00
New Mills Heritage and Information Centre	Derbyshire	12,130*	Free
Dulverton Guildhall Heritage and Arts	Somerset	11,956	Free
Myddfai Community Hall and Visitor Centre	Llandovery	11,306*	Free
How Stean Gorge	N Yorkshire	10,535*	£5.00 to £7.49
East Durham Heritage and Lifeboat Centre	County Durham	34,000	Free
Willsbridge Mill	Gloucestershire	10,000*	Free
Westbury Visitor Centre	Wiltshire	8,240*	Free
Byd Mary Jones	Bala	6,466*	£4
The Rum Story	Cumbria	5,498*	£5.00 to £7.49
Crickepit Mill	Devon	5,000*	Free

* 2015 prices - no figures for 2016 available

Famous People Visitor Centres

The table below gives an overview of visitor numbers to visitor centres in England dedicated to famous people. It ranges from just 2,500 annual visitors to Shakespeare's Birthplace which welcomes nearly 400,000 visitors per year. Many of the centres which attract higher visitor centre are National Trust properties. Examples of visitor centres dedicated to famous Welsh people could not be included as there was no such reference within the Visit Wales statistics.

Compators of Famous People Visitor Centres

Attraction	Author/Writer/Poet	Visitor numbers - 2016	Full adult admission price
Shakespeare's Birthplace	William Shakespeare	393,941	£18.50
Burns Birthplace	Robert Burns	235,668	£9.00
Knole	Vita Sackville-West	149,048	£12.50
Anne Hathaway's Cottage	William Shakespeare	148,084	£10.25
Batemans	Rudyard Kipling	125,434	£11.50
Hill Top	Beatrix Potter	114,010	£11.50
Newstead Abbey	Lord Byron	110,778	£8.00
Greenway	Agatha Christie	101,664	£12.10
Roald Dahl Museum and Story Centre	Roald Dahl	80,000	£6.60
Bronte Parsonage Museum	The Brontes	69,452	£8.50
Down House	Charles Darwin	55,845	£13.00
The Jane Austen Centre	Jane Austen	46,685	£11.00
The Charles Dickens Museum	Charles Dickens	46,312	£9.00
Beatrix Potter Gallery	Beatrix Potter	41,359	£7.00
Dove Cottage	William Wordsworth	41,320	£8.95
Abbotsford	Walter Scott	40,000	£9.60
Jane Austen's House Museum	Jane Austen	39,984	£8.00
Keats House	John Keats	32,997	£6.50
Hardy's Cottage	Thomas Hardy	30,233	£7.00
World of James Herriot	James Herriott	29,200	£8.50
Wordsworth House	William Wordsworth	25,512	£8.40
Doctor Johnson's House	Samuel Johnson	24,939	£6.00
Erasmus Darwin House	Erasmus Darwin	22,000	Free
Charleston Farmhouse	The Bloomsbury Group	20,617	£14.00
Monk's House	Virginia Woolf	20,467	£6.40
Samuel Johnson Birthplace	Samuel Johnson	17,007	Free
Strawberry Hill	Horace Walpole	16,000	£12.50
Dylan Thomas Boathouse	Dylan Thomas	15,000	£4.20
Clouds Hill	T. E. Lawrence	15,000	£7.00
D.H. Lawrence Birthplace	D. H. Lawrence	14,717	£6.90
Coleridge Cottage	Samuel Taylor Coleridge	13,514	£6.85
Shaw's Corner	George Bernard Shaw	13,344	£7.75
Cherryburn	Thomas Bewick	9,662	£5.85
Chawton House	Jane Austen	6,517	£8.00
Beckford's Tower and Museum	William Beckford	2,513	£5.00

4.3.3 Case study - Richard III Visitor Centre, Leicester



The Richard III Visitor Centre opened in July 2014, following the discovery of the bones of King Richard during an excavation of a carpark in the city centre of Leicester in September 2012. The Visitor Centre was developed to enable local, regional, national, and international visitors to find out more about the excavation's discoveries and the associated multi-faceted story about Richard III. The Visitor Centre was positioned as a tourist attraction which would complement existing heritage provision, and act as a catalyst to city centre development.

The Richard III Visitor Centre was realised in a former school building adjacent to the archaeological site and grave area. The two-storey building, which was acquired by the Council, was refurbished and extended at a cost of £4 million to form the King Richard III Visitor Centre. The capital budget costs were entirely funded by Leicester City Council from underspends in corporate revenue contingency budgets, reductions to the corporate insurance fund and monies already earmarked within the city's capital programme regeneration provisions.

Part of the early success of the Richard III Visitor Centre was due to the timeline of events occurring in the build-up to the opening of the new visitor centre. Until February 2013 the public was held in suspense whether the human remains were indeed King Richard III's. Once confirmed the media interest in 'the king in the carpark' grew exponentially. Leicester City Council launched a temporary outdoor exhibition screening empty shop fronts to tell the story of Richard III as well as an indoor exhibition at the Guildhall about the search for the king. Blue badge guides started to offer walking tours of King Richard III's Leicester and tour operators launched Richard III short break packages. In addition to national media coverage, a Richard III travelling exhibition visiting city libraries spiked further interest. By December 2013 (within 10 months since opening), as many as 150,000 visitors had come to see the temporary exhibition at the Guildhall.

It is important to note, however, that all of this interest prior to the opening of the Richard III Visitor Centre was driven by the discovery of Richard III's body in a carpark, rather than the story about Richard III himself. It was such an unlikely yet powerful story that it created an unprecedented scale of media coverage, far greater than the usual media coverage around the opening of a new heritage visitor attraction.

Once the novelty of the discovery of Richard III's body had worn off (and media coverage had slowed down / stopped), visitor numbers fell. Whereas the temporary exhibition in the Guildhall attracted as many as 150,000 visitors within 10 months, the new Visitor Centre fell short of its Year 1 predictions, welcoming only 81,600 visitors, against a target of 100,000. At the end of the second year of operation the visitor number did not improve. Despite enhancing elements of the experience such as adding subtitles to the audio-visual elements of the exhibition as well as developing a programme of talks and tours for groups, visitor numbers fell to just 70,000 for the year. This drop was however in line with the visitor number forecast, which had anticipated numbers dropping to 62,500 in year. The 2017 visitor numbers have not yet been published, but the business plan anticipated a levelling to 50,000 visitors per year from year 3 onwards.

The Visitor Centre is an independent trust (operated as a company limited by guarantee). It does not receive any revenue funding from the Council, which does however lease the premises to the Trust at a peppercorn rent. The Visitor Centre is expected to be self-sustaining and charges for admission (£8.95 for adults and £4.75 for children aged 5-15 years). With demand from the general visitor market dropping off, the education market has become more important, but only generated £20k per year out of a total admissions income of £437k (which had fallen from £583k in Year 1).

Despite its city centre setting and significant resident catchment area of more than 11 million people within a 90-minutre drive time, the Visitor Centre generated less than £30k from private hire and functions (i.e. less than 5% of total income).

The Richard III Visitor Centre made a modest profit of £16.7k in its second year of operation. This is also in line with annual revenue income and expenditure projected in the business plan, which showed a surplus in Years 1 and 2 (due to the anticipated higher visitor numbers on opening). Whilst the centre was deemed to be financially viable in the short term, the medium to longer term position was harder to predict as it will be driven by key variables such as visitor numbers and opening hours. With visitor numbers due to stabilise around 50,000 per year from Year 3 onwards, and the lion share (65%) of total income generated from admission income, financial self-sufficiency is less certain in the longer term, especially with the centre relying on a quality visitor experience and staffing cost unlikely to reduce unless opening times were to be reduced (which would likely result in a further reduction of visitor numbers).

Akin to the ambitions for the Henry VII Heritage Centre, the marketing strategy for the Richard III Visitor Centre included the development of a multi-centre itinerary linking a number of destinations with a connection to King Richard III. Leicestershire Promotions did indeed develop a five-night, six-day tour that includes visits to William Shakespeare's Stratford-upon-Avon, Warwick Castle, Bosworth Battlefield, Leicester Cathedral, King Richard III Visitor Centre in Leicester, York Minster, Yorkshire Museum and the Richard III Experience, as well as Blue Badge guided walking tours of Coventry and Leicester, and a medieval banquet.

Focus Consultants carried out an assessment of the economic benefits to Leicester as a result of the Discovery of King Richard III. The key findings are listed in the table overleaf. This economic impact assessment concerns the <u>discovery</u> of Richard III rather than the impact of the <u>visitor centre</u> itself. Moreover, the assessment was carried out in May 2015 when the hype around the discovery of King Richard III was still high and the visitor centre had only been opened for a few months. The economic impact should continue to be monitored over future years to understand the longer-term impacts of both the discovery and the visitor centre on Leicester.

Economic Benefits to Leicester as a result of the Discovery of King Richard III	
Outcomes	**Additional Economic Impact**
Actual Increase in Visitors 2012-2013	2.6%
Assumed Increase in Visitors 2012-2014	5.0%
Additional Visitors Attracted to Leicester overall	830,083
Additional Visitors Attracted to Leicester as a result of Richard III	622,562
Additional Visitor Spend in the Leicester as a result of Richard III	£54,625,048
Additional FTE Jobs Created in Leicester as a result of Richard III	1,012
Impact on Gross Value Added (GVA) in Leicester as a result of Richard III	£79,082,740
Value of Richard III Volunteering to Leicester as a result of Richard III	£118,566

Source: Focus Consultants, The Economic Impact of Richard III on the Tourism and Visitor Economy in the period from Discovery to the Re-interment (September 2012 to March 2015)

The Visitor Centre has since been credited with playing a major role in re-invigorating Leicestershire's tourism industry, which has grown year-on-year since the centre opened and is now worth around £1.7 billion to the county. However, Leicester City Football Club winning the Premier League title in 2016 can equally be credited for this success.

5 Branding

The reign of Henry Tudor has often been overshadowed as it was a tenure flanked by the controversial Richard III and notorious Henry VIII, two kings who tend to dominate the attentions of historians and fiction authors and who more readily seize the interest and imagination of visitors.

Google Trends analysis of internet search behaviour on the 3 search terms 'Henry VII', 'Henry VIII' and 'Tudor Dynasty' underlines that both worldwide and UK interest is greatest in Henry VIII. Interest in Henry VII (or Henry Tudor as the analysis picks up both search terms) is greatest in the UK, with UK interest in turn greatest in Wales (see Figures 8, 9, 10 and 11). UK interest peaks every September/October, coinciding with when the Tudors features as a subject in the history curriculum.

Figure 8: Worldwide interest in Henry VII, Henry VIII and Tudor dynasty 2004-present

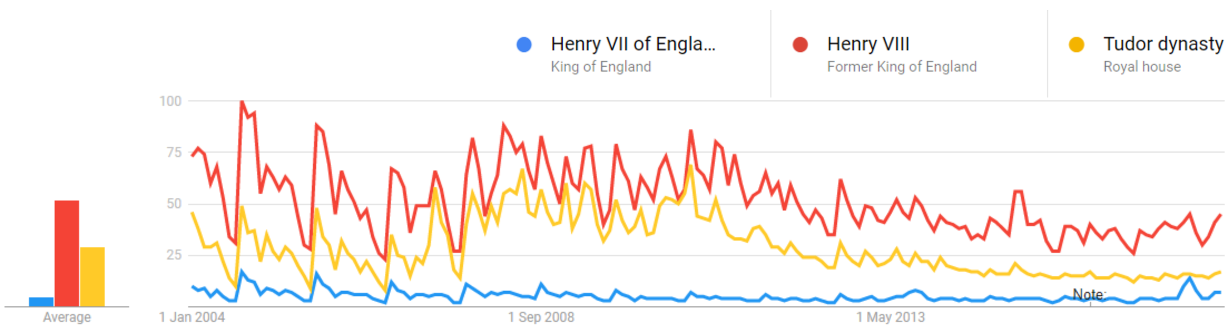


Figure 9: UK interest in Henry VII, Henry VIII and Tudor dynasty 2004-present

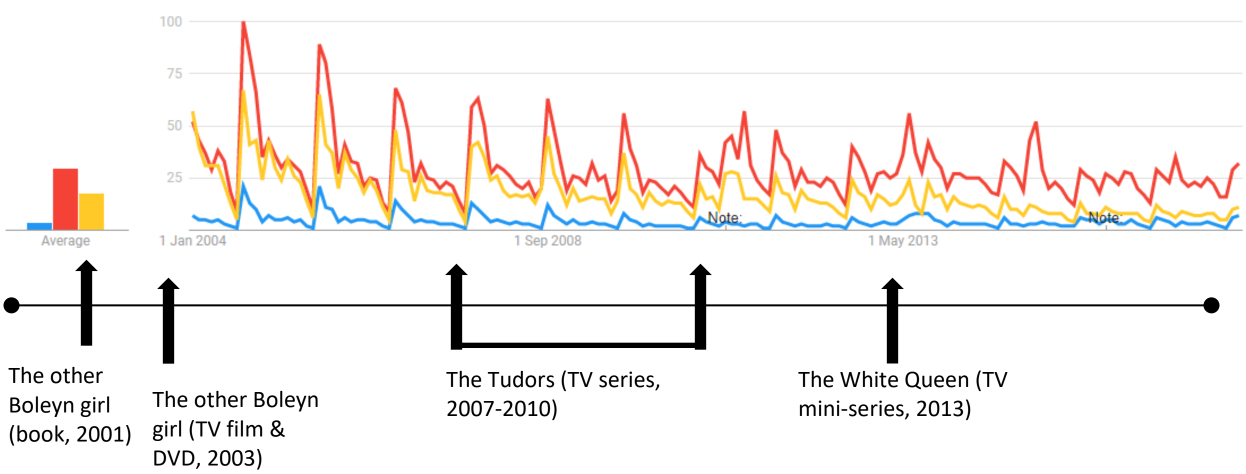


Figure 10: Interest in Henry VII, Henry VIII and Tudor Dynasty by region

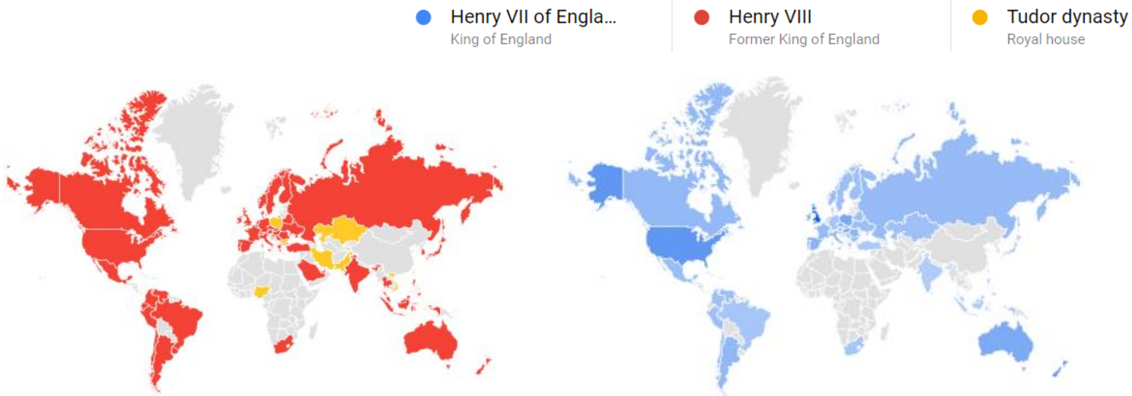
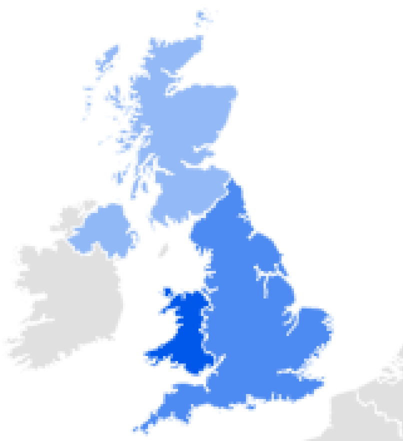


Figure 11: Interest in Henry VII by UK region



There is an ambition for the Henry VII Heritage Centre to be a national centre, to go beyond the bounds of Pembroke and Pembrokeshire. There is a vision for Pembroke to be the epicenter of a Tudor heritage experience, stimulating interest in other Tudor sites, encouraging tourists to visit them not only in Pembrokeshire but throughout Wales.

The data above shows that there is indeed a great amount of interest in the Tudors and that interest is international. It also shows that the Tudors are the inspiration for a burgeoning industry which encompasses all forms of entertainment from books to television and films.

As the birthplace of Henry Tudor, Pembroke may be the epicenter for the Tudor story from a chronological point of view. Naming the Centre the National Henry Tudor Visitor Centre could add a greater status to the new visitor attraction.

Focusing on the Tudor brand, and Henry Tudor, rather than a narrow focus on Henry VII would result is greater levels of interest both within the UK and international market.

6 Headline visitor forecast

6.1 Approach to forecasting

Forecasting visitor numbers for visitor attractions is not a straight-forward scientific or mathematical process. Whilst it does, in part, rely on quantitative data such as the size and demographics of a population or the visitor numbers of similar venues, it also relies on judgement, instinct and experience (as all other types of business forecasting does).

Successful visitor forecasting blends the quantitative analysis of markets, audiences, competitors and comparators with a sensible review of the more qualitative factors such as quality of the experience and the programme.

The approach to forecasting the number of visitors for the proposed Henry VII Heritage Centre will incorporate the following steps:

- market demand analysis (size and profile of potential visitor markets and a review of relevant trends in tourism, culture, leisure and entertainment); Described in detail in Section 3 above and summarized below;
- competitor analysis; Described in detail in Section 4 above and summarised below;
- case studies; Described in detail in section 4 above and summarized below;
- qualitative review of other factors which could influence the visitor forecast (seasonality; price; weather; marketing; management; etc.); Initial thoughts discussed below;
- penetration rate analysis. This will follow at the next stage; and
- although some of the key factors are known at this stage, the choice of location, which will be assessed at the next stage, is likely to have an important impact on visitor numbers.

At this stage, therefore, it is only possible to indicate a **likely visitor number range** that can be used to define the site requirements. The forecast will be refined at the next stage.

6.2 Market demand summary

Many of the trends at national level augur well for a new Henry VII Heritage Centre. Visitor attractions have continued to perform strongly throughout the recession and notwithstanding the uncertainties which surround the impact of Brexit, the prospects for the short to medium term look promising. The increasing emphasis on personal growth and cultural capital also fits well with the concept of a heritage centre, offering people a chance to learn and develop within a social setting which can appeal to multi-generational families.

But whilst these wider market factors are positive, the proposed location in Pembroke offers some significant challenges. The catchment market for day visits is extremely small and is heavily dominated by older households.

The tourist market, whilst sizeable, is also less conducive for a heritage centre than an urban tourist market. As research into Pembrokeshire's tourists (and those to similar destinations) shows, people visit the area *primarily* for the stunning countryside. They will of course undertake other activities in the area, particularly when the weather is poor, but these will generally be chosen as secondary activities. The fact that so many tourists to the area are regular repeat visitors also presents challenges and finding ways of encouraging tourists to come back could add to operational and renewal costs.

6.3 Market supply summary

Although visitor numbers to heritage centres and visitor centres across the UK vary quite significantly, it is mainly only the centres which offer free admission that are able to claim high visitor numbers. Of those that charge admission, very few are achieving 50,000 visits and most are achieving fewer than this. Similarly, very few of the museums and attractions which are dedicated to famous people, with the exception of properties owned by the National Trust and Shakespeare's birthplace, are attracting more than 50,000 visitors. The Richard III visitor centre also expects to stabilise at 50,000 visits. This suggests that there is an upper limit of around 50,000 for most heritage and visitor centres, irrespective of the location or the subject matter covered.

Pembrokeshire is also a competitive environment for visitor attractions and although many of these attractions are small, there are a number of substantial heritage properties which have very high intrinsic value, particularly the castles. It will always be difficult for a 'manmade' attraction like a heritage centre to compete with built heritage of this type.

It would of course be difficult to find anywhere in the UK that doesn't already have a large number of existing attractions and Pembrokeshire is certainly no more competitive than most other places.

It is also important to note that most attractions in the Pembrokeshire area have an entry charge, so the heritage centre will not need to compete with lots of free museums and venues, unlike in many major cities across the UK.

6.4 Summary of other relevant factors

6.4.1 Quality of concept and visitor experience

Without doubt, quality and uniqueness of the experience is the hardest factor to assess at this stage in the process. It is also the factor which will have the biggest medium and long-term impact on the sustainability of the centre. No matter how strong the theme or market context, a badly delivered experience will always be doomed to failure!

At this stage we can only make an assessment about the potential appeal of the theme. In Section 3.5.3 above we have seen that the Henry VII brand is looked for less than that of Henry VIII or the Tudors, but that the Tudor brand has widespread recognition and continues to remain high profile in the media and literature. It is safe to assume therefore that a heritage centre which is badged as 'Henry Tudor' is likely to have resonance with a broad domestic and to potentially international audience.

Clearly, if the study progresses, an adequate budget and strong interpretive consultants will be required to deliver an experience which is compelling, relevant and engaging.

6.4.2 *Location, visibility and access*

Given the challenges presented by the size and scale of the available market, finding a good location for the Heritage Centre will be critical. The castle is the natural focus for visitors to the town and a location which can capitalise on this and add another high-quality experience will attract higher visitor numbers than one which is situated elsewhere in the town or in a more remote location. A number of locations are currently being assessed including two which are in immediate proximity to the castle. Capital costs for acquisition and renovation are likely to be a key limiting factor however in choice of location.

6.4.3 *Proposed management and staffing*

Determining the optimum governance structure will form part of the final stage of this study. Neither the County nor the Town Council believe that it would be appropriate (or desirable) for them to operate the centre, so some form of independent nonprofit distributing organisation will be required. (We have excluded the option of private ownership or management since it is already clear that there will insufficient profit generated from the operation to interest private operators). This could take the form of a charitable company or a community interest company. Irrespective of the legal form, the concept will stand a much greater chance of viability if it can benefit from the support of volunteers.

Pembroke already has a good track record through its volunteer run museum. The passion and interest shown by individuals involved in the feasibility study also suggests that there is a knowledgeable and valuable volunteer base that could be accessed in the future.

It is also likely that the centre can benefit from some joint working arrangements with the Castle and the County's museum service both of which have indicated that they can see value in the project.

6.4.4 *Marketing*

The Heritage Centre will need to ensure that it has excellent visibility throughout the County, particularly in tourist 'hot spot' areas. Pembroke Castle is one of the county's biggest tourism draws and the relevance of the Henry VII story to the Castle is significant.

Joint marketing initiatives, particularly with the Castle will be particularly important. This will give the Heritage Centre access to a potential market of nearly 100,000 people with an interest in heritage tourism.

6.4.5 *Refreshment and renewal*

Given that the Pembroke visitor market is characterised by regular visitors, many of whom will come to the destination several times within a year, it will be particularly important that the centre is designed to enable regular refreshment and renewal.

An activity and events programme will also be important to ensure that there is a perception of 'something new to do' on a regular basis. Furthermore, the importance of remaining fresh and appealing to the small resident market and education market will also be critical.

6.4.6 *Weather and seasonality of demand*

The Pembroke market is highly seasonal and all attractions in this area have very low visitor numbers in the winter. Many have seasonal opening hours.

The Heritage Centre will have to be designed with a flexible cost base to allow for reduced opening hours and staffing levels outside of the main season.

Offering a strong curriculum linked education programme will help to attract visitors throughout the winter, although these will need to be delivered at a competitive price.

6.4.7 *Pricing, duration of visit and opening hours*

Pricing and value for money are complex issues. Traditionally, the relationship between ticket price and length of visit was seen as key – and clearly there is some correlation between these two factors. Visitors will pay more for theme parks for example, where they will typically spend the best part of a day, than for an experience which only lasts an hour. Attractions like the London Eye however, which is premium priced (between £21 and £25 for an adult) and lasts just 30 minutes, prove that it isn't the only factor. People will pay more for a short visit that is seen to be particularly iconic or desirable than they will for a longer but less 'sexy' experience.

The competitor pricing table shows that although there is quite a wide range of entrance prices for local attractions, most charge less than £10 for an adult admission and the Castle is just £6.60. Similarly, most heritage and visitor centres across the UK charge less than £10 and many are around £7.

The Heritage Centre will clearly need to be priced competitively and will need to offer value for money, particularly sitting alongside the Castle almost irrespective of dwell time.

6.4.8 *Quality of ancillary offers*

Many visitor centres, museums and heritage attractions provide cafes and although these can generate income, it is very hard to run a profitable catering offer that is largely dependent on visitors. In assessing the location for the new centre, the opportunity to attract passing footfall into a café would be a positive factor, although the relatively challenging market in the town would suggest that this option will need careful assessment in its own right.

The Heritage Centre will need to have a shop selling souvenirs and unique gifts although this is unlikely to be an attractor in its own right.

6.4.9 *Scope and quality of education and outreach programme*

The schools market is very competitive and most of the museums and heritage attractions across Wales offer strong curriculum linked packages. The quality of the schools programme, however, will remain important to the Heritage Centre's core purpose and should include well designed, competitively priced taught sessions and support materials.

6.4.10 Community and stakeholder support

Both the Councils and the community strongly support the concept of the Heritage Centre and see the value of associating the town more strongly with Henry Tudor, building on the developments to date.

Furthermore, the project could provide opportunities to deliver wider regeneration benefits, potentially acting as a catalyst for the regeneration of South Quay.

6.5 Initial visitor number hypothesis

Based on all of the factors outlined above, particularly the size and profile of the available market and the evidence from other heritage centres and local attractions, a small Henry VII Heritage Centre in a less than optimum location could attract around 15,000 visitors.

A larger centre located in a key visitor area in the town, in close proximity to the Castle, could attract around 45,000 visits at the upper end of the range.

The initial assessment of the potential visitor number range is between 15,000 and 45,000 visits annually.

7 Space requirements

7.1 Background

Determining the space that is required for a new visitor attraction is not necessarily straightforward. Most visitor attractions are designed to fill an existing building or available site, rather than being designed to an optimum specification.

Clearly factors such as the anticipated number of visitors, the anticipated dwell time and the nature of the experience will have a significant impact on space requirements. An attraction with rides or a museum displaying large objects will need more exhibition or display space than an interpretation centre where the experience revolves more around interactives and display panels.

For any attraction there is a tradeoff between size and costs. A bigger attraction can potentially deliver greater impact but will cost more to develop, operate and (critically) refresh. But if the available market is relatively small, an attraction that is too big is both unsustainable and potentially unappealing. When space planning for a new attraction, these an assessment of these factors is needed.

If an attraction is to be co-located alongside other services, this will also affect the space required, particularly when it comes to facilities such as reception, visitor toilets, circulation spaces and staff spaces and facilities.

At the feasibility stage, is not possible to be too prescriptive about what the experience will include but it is important to assess the minimum space that will be required so that this can inform the assessment of the available sites.

7.2 Requirements for the Henry VII Centre

7.2.1 Exhibition space requirements

Exhibition space refers to the space given over to the core visitor experience and excludes any temporary exhibition space or spaces used for visitor services or staff facilities.

Although the proposed centre may include some objects (if suitable collections are identified), these are likely to represent a small percentage of the overall experience. The main attraction is likely to comprise a mix of interactives and displays which will include digital and manual exhibits, interpretation displays, models and facsimiles.

In this regard, the space requirement is likely to be similar to that of science centres rather than museums or visitor centres that rely mainly on interpretation panels.

The exhibition space occupied by science centres in the UK varies significantly, as does the annual number of visits. The smallest UK science centre has an exhibition footprint or around 70m^2 and is attracting around 20,000 visits annually. The largest in terms of exhibition footprint occupies 8,000m^2 and attracts around 200,000 visitors annually.

As the table below shows, if the ratio of exhibition space to annual visits to exhibition floorspace is calculated, the range is between 0.01 and 0.04. This means that for each visitor there is between 1 m^2 and 4 m^2 of exhibition space.

	W5	Eureka	Glasgow Science Centre	National Space Centre	Techniquest	Intech	Thinktank	Cambridge Science Centre	Average
Annual visitors	205,000	245,000	315,000	220,000	169,619	116,740	205,000	23,000	**227,452**
Gross floorspace (m2)	12,653	4,400	8,000	7,500	2,000	3,500	11,000	100	**7,275**
Exhibition floorspace (m2)	3,950	2,700	3,500	5,000	1,400	2,500	8,000	70	**3,913**
Temporary Exhibition Space (m2)	577	0	240	0	0	0	724	N/A	**514**
Classroom & IT (number)	4	1	0	4	1	1	3	N/A	**2**
Theatre (# of seats)	200	90	130	-	100	-	180	N/A	**141**
Laboratories (#)	1	0	1	1	1	0	1	0	**1**
Other Teaching Space	No	No	No	100 m2	No	Workshop	100 m2	No	
Other	No	No	IMAX	168-seat planetarium	30-seat planetarium	176-seat planetarium	75-seat planetarium	Currently relocating	
Corporate (dedicated meeting rooms)	3	No	1	No	No	No	380 m2	No	
Exhibition space : annual visitors	0.02	0.01	0.01	0.02	0.01	0.02	0.04	0.03	**0.02**
Exhibition space as % of gross space	36%	61%	47%	67%	70%	71%	79%	70%	**61%**

This is a wide range. A study undertaken for the Northern Ireland Department for Education in 2012 determined that within this range, a ratio of 0.02 (or 2m^2 per visitor) was optimum and that many of the science centres built around the Millennium were too big and were thus unstainable.

On this basis, based on an annual visitor number of say 45,000, the exhibition space would need to be around 90m^2. Technically of course, if the visitor forecast is lower than this, the requirement for exhibition space would be smaller. In reality, there is a minimum space that is required to deliver an attraction that has sufficient impact to be appealing. Based on experience from elsewhere, the minimum exhibition space that is needed to create and experience that people will be prepared to pay for is around this size. We recommend therefore that this is used as a minimum requirement for exhibition space.

The footprint does not need to be a single space, although a building which includes a number of smaller spaces is likely to be more challenging to design than one which has one or two bigger open spaces.

The amount of the total footprint occupied by the exhibition space varied depending on the other facilities offered. Many of the science centres in the study include laboratories and lecture theatres that are not relevant in this case. The section which follows outlines how the space requirement for the other elements of the building can be determined.

7.2.2 Visitor facilities and services space requirements

In addition to the exhibition space, the centre will need a number of facilities and services for visitors and staff. These include:

- arrival desks/ sales points;
- shop space, which may be incorporated into the arrival/ sales area;
- visitor toilets;

- storage space;
- plant space (for boilers, control room etc.);
- desks for staff and volunteers (including some hot desks for visitor facing staff);
- staff changing/ locker facilities;
- staff rest rooms (for eating and breaks); and
- depending on location and other factors, there may also be a requirement for a café, a classroom or classrooms and venue hire facilities.

When calculating the space required for visitor facilities, it is useful to use an assessment of 'peak in ground' visitor numbers – that is the number of visitors that are likely to be in the building at the busiest time on the busiest day. Although it is not good practice to design for this maximum number (since this would create a lot of space that is unused for much of the time), a percentage of this figure can be used as a basis for planning.

Determining the 'peak in ground' figure will depend on a range of factors such as seasonality (the spread of visitors over a year), dwell time and patterns of arrival. Location is a key factor in this.

For an attraction like the proposed Henry VII centre, which will be located in a seasonal destination and will have a dwell time for most visitors of no more than three hours, we suggest using the following calculation to ascertain how much space is required for visitor facilities.

On the busiest days (which will include much of August), the attraction will draw 1% of its annual visits. People are likely to arrive throughout the day, with the busiest times likely to be between 11am and 2pm.

For planning purposes, work on a space requirement for 70% of the peak daily figure.

On this basis, working on a visitor number of say 45,000, the visitor facilities would be designed to accommodate 315 people.

7.2.3 Schedule of spaces

The following shows the indicative space requirements for a visitor number range of between 15,000 visits and 45,000 visits annually.

			Min	Max	Notes
		annual visitor numbers	*15,000*	*45,000*	
		occupancy at peak times	*100*	*300*	
			(m2)	*(m2)*	
Entrance Lobby			30	60	
Ticket Information & Sales desk			10	20	
Coats and bags			5	10	
Visitor Toilets		used BS for Bars and Restaurants	25	40	incl accessible WC
Classroom		30 students	50	50	
Exhibition Areas		minimum viable	90	90	
Staff Changing & Lockers		4 to 10	10	20	
Staff Rest Room		4 to 10	15	25	
Staff Wcs		5 to 10	6	10	
Office		2 to 5	15	40	assume open plan, incl 2 hot desks
Café			tba	tba	depends on location
Storage		33% of exhibition	30	30	
Sub total			**286**	**395**	
Plant	15%		43	59	
Circulation	10%	assuming circulation incl in Exhibtions & Entrance	29	40	
Grand Total			**358**	**494**	

7.2.4 *Suitability of available properties*

The above schedule of spaces is useful as a starting point in assessing the suitability of the properties which are available.

In reality, depending on the layout out of spaces and how the centre is to be operated, the actual requirements will vary. If the centre is to be co-located with other services for example, this will have a significant impact on space requirements.

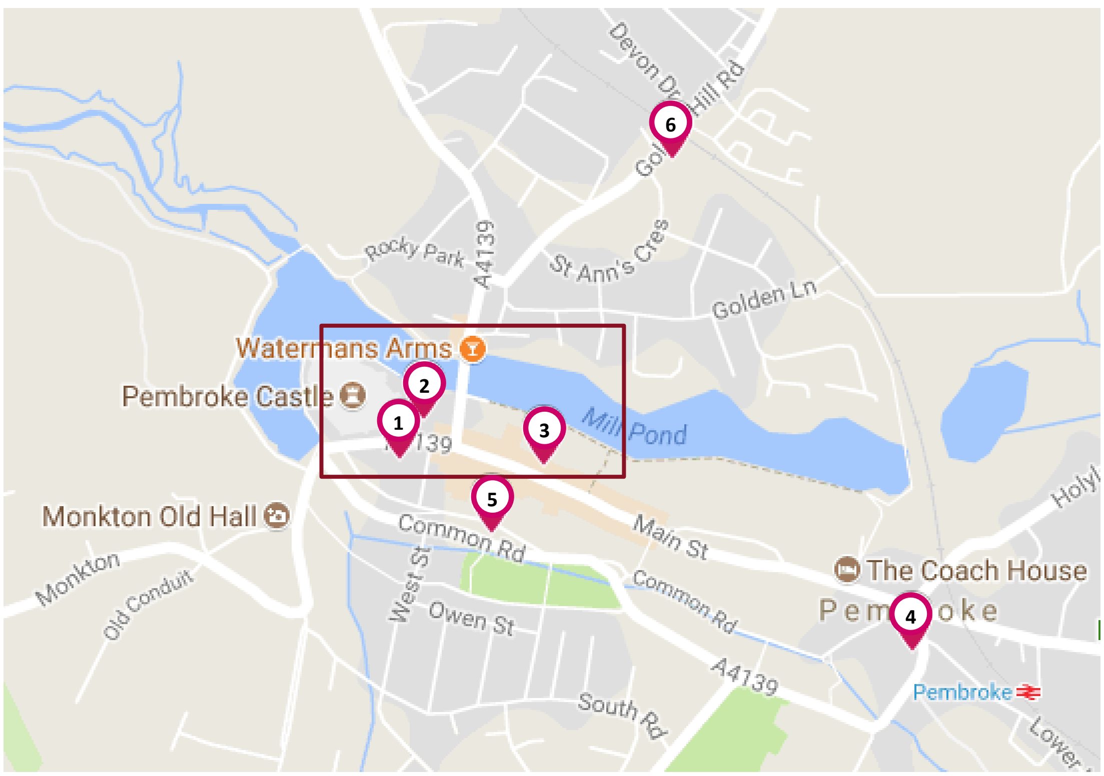
This will be assessed in the next Section of this report.

8 Site options appraisal

8.1 Longlisted sites

Following discussion with the Council, a long list of six locations was considered for the Heritage Centre:

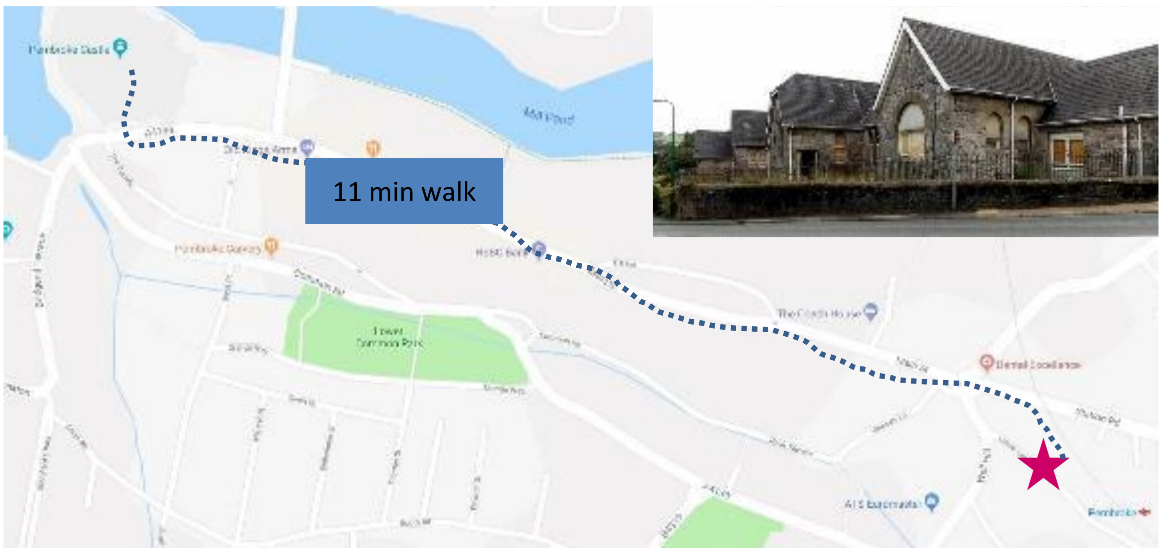
1) the Haven Church;
2) the South Quay development;
3) the former Co-Op building;
4) the Eastgate School building;
5) the Pembroke Library and TIC building; and
6) the Elms Family Placement Centre.



After site visits and an initial assessment, three sites were deemed unsuitable for the Henry VII Heritage Centre.

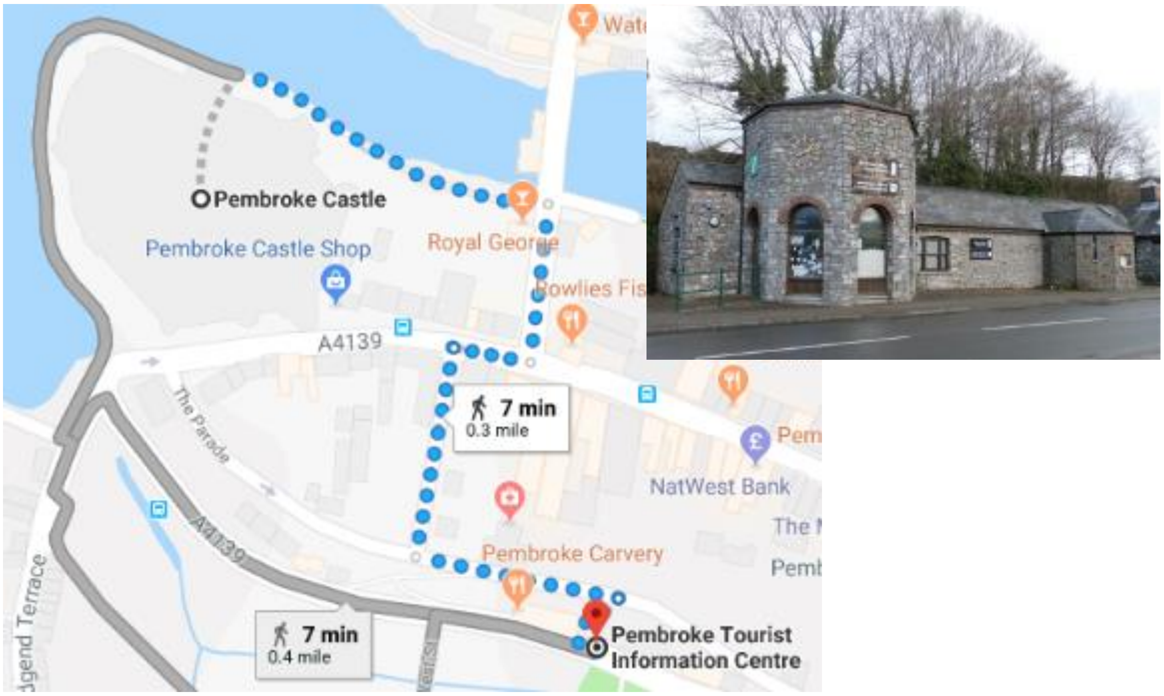
Former Eastgate School building:

- **Location**: too far from Pembroke Castle to enable the desired synergies. The site is at the eastern end of the High Street, without visual connection with the Castle, some 965 meters or 11 minutes' walk to the Castle entrance;
- **Access**: the site is near a major roundabout and convergence of 4 major roads; dangerous turnoff from the roundabout to the site's car park, which – with the forecasted 45,000 visitors per year – may cause concern to the Highways Authority; and
- **Size**: at approximately 2,150 sq.m the site is significantly larger than needed for a Heritage Centre alone.



Pembroke Library and TIC building:

- **Location**: no visual connection to the Castle; on the wrong side of the town;
- **Size**: too small to accommodate the Heritage Centre in addition to the library and TIC; and
- **Current use**: no clarity yet about the future provision and location of library and TIC in Pembroke.



Elms Family Placement Centre:

- **Location**: too far from Pembroke Castle and the High Street. The site is a 10-minutes' walk away from Pembroke Castle, on the wrong side of Mill Pond in a residential area; and
- **Heritage value**: the modern detached building has been declared surplus to the Council's requirements and is expected to be marketed soon but has no architectural or heritage merit.

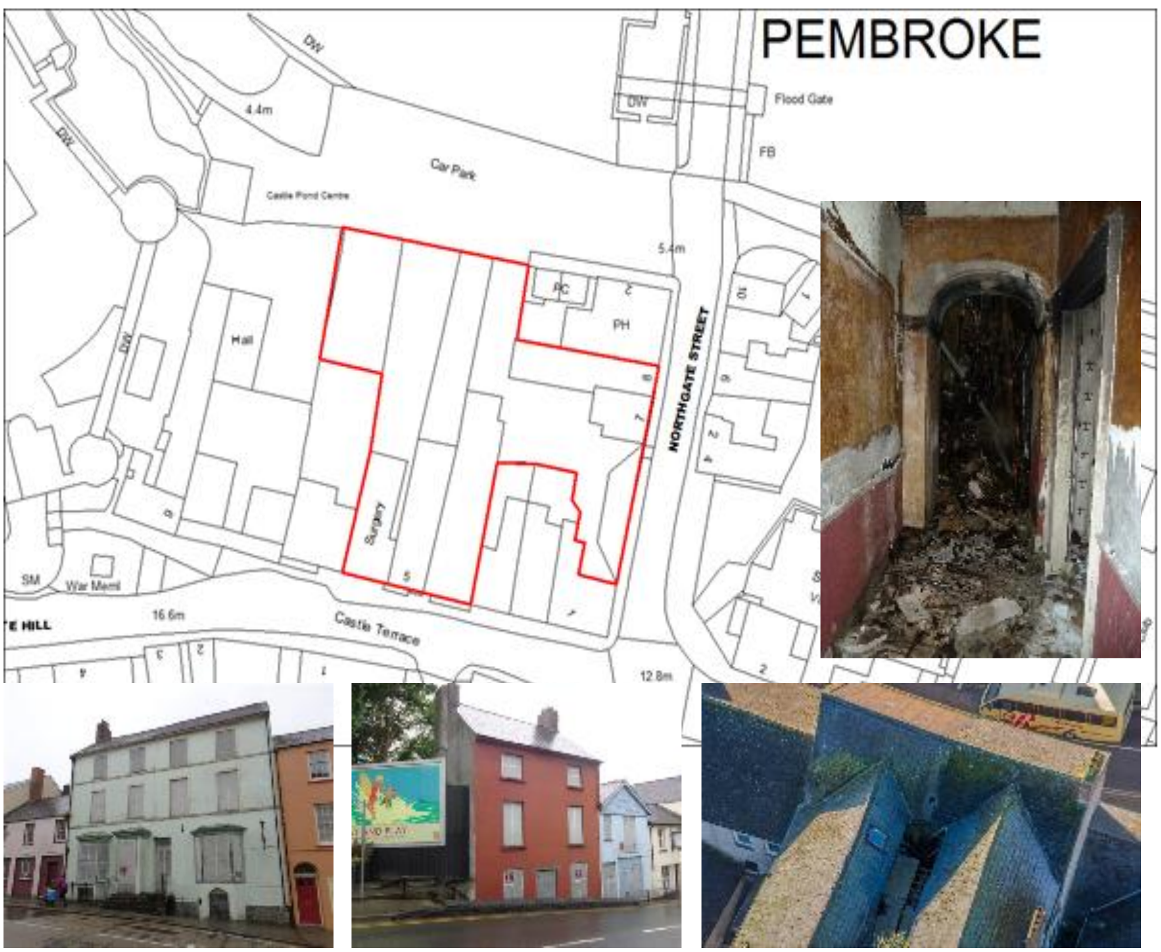
8.2 Shortlisted sites

That left the following three sites on the shortlist for the detailed Options Appraisal:

- the South Quay development;
- the Haven Church;
- the former Co-Op building;

8.2.1 Site Option #1: South Quay

The South Quay site includes a number of properties acquired by Pembrokeshire County Council for regeneration purposes: numbers 4, 5 and 6 Castle Terrace as well as numbers 7 and 8 on Northgate Street. All of the buildings are in a Conservation Area any in a very poor condition. Some of the buildings are listed (4 Castle Terrace and 8 Northgate Street). The site almost adjoins Pembroke Castle (1-minute walk) and is very prominently visible on three sides when entering the town.



8.2.2 Haven Church and 1 Westgate Hill

Haven Church and 1 Westgate Hill form part of a group of commercial and residential properties diagonally opposite Pembroke Castle, that are currently on the market. The complex consists of: the modern Haven Church (formerly used as a small dance hall) and attached one bedroom flat (marked up with the red contour in the floor plan below) and 1 Westgate Hill (Grade II listed properties marked up with the green contour in the floor plan below).

1 Westgate Hill | 3 and 4 Cromwell Cottages | The Haven Church | Rear Car Park

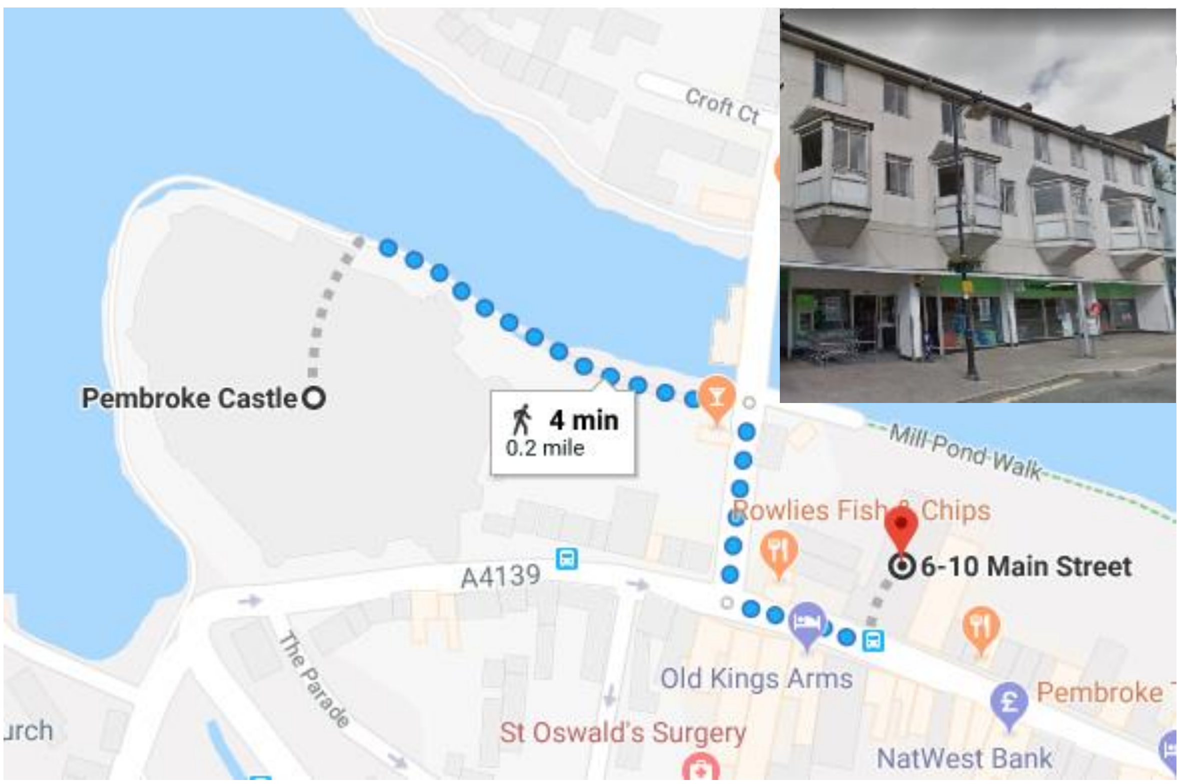
The asking price for 1 Westgate Hill (which has private parking to the rear and was most recently in use as offices, café, bedrooms and double storey hall) is £450,000 (part freehold, part leasehold). The asking price for the Haven Church and flat is £150,000 (free hold) but can only be acquired in combination with 1 Westgate Hill. The property as a whole is on the market for £575,000.

It is a large prominent site, with a total building area of approximately 3,525 sqm. The buildings are of significant importance to the overall street scene and in good state of repair. If the site were to be used for the Henry VII Heritage Centre, only 1 Westgate Hill would be required, excluding numbers 3 and 4 Cromwell Cottages to the rear (only the area marked up with the blue line in the drawing overleaf).

8.2.3 Former Co-Operative Food Store

At the time of visiting the former Co-Op food store building on 6/10 Main Street was not formally on the market yet. The building had been vacated by Co-Op just a few weeks before, due to a relocation to a new outlet further down Main Street, on the site of the former Texaco petrol filling station, close to East End Square.

The old premises on 6/10 Main Street are relatively close to Pembroke Castle (c. 4-minutes' walk) but lack any heritage value and present a number of challenges, including a rights of access to the upper floors of a residential property and poor condition of the enclosing fabric (thus requiring significant capital cost).



8.3 Scoring

Our options appraisal methodology described below is informed by a series of guiding principles, developing from our experience spanning over 15 years working on similar projects. The methodology is predicated on the idea that the options appraisal is intended to be an aid, not a substitute for decision-making.

It seeks to make decisions transparent and defensible, but not to deny the inevitable trade-offs between value, risk and ambition.

Put simply, the options appraisal methodology seeks to answer the question "*What solution will realise the vision at best value and minimum risk*?"

During a workshop with the client team the shortlisted sites were scored using a range of criteria, which included:

- capital cost;
- suitability and appropriateness of space;
- footfall potential;
- non-visitor income generation potential;
- operating costs; and
- regeneration benefits.

Project and operational risks such as planning, funding and delivery risks were also assessed.

The full scorings for the three site options are presented in the table on the next page.

The approach to weighting and scoring involved assigning weights to criteria (with 5 representing the highest and 1 the lowest weighting), and then scoring options in terms of how well they perform against those weighted criteria (with 5 representing the highest and 1 the lowest score). The weighted scores were then summed, and these sums used to rank the options.

Considering funding constraints, financial considerations such as capital cost of acquisition and conversion were given the highest weighting.

Revenue implications, such as the sites' ability to maximize visitor footfall potential and generate income from non-visitor related sources too, were also given a high weighting as these criteria are integral to the Heritage Centre's viability and success.

As this project is closely aligned to the regeneration ambitions for Pembroke and Pembrokeshire, regeneration impact was also given a high weighting.

While the Haven Church and 1 Westgate Hill scored particularly well based on criteria such as its building condition, accessibility, adaptability of space and ability to maximize footfall, the significant acquisition cost and zero regeneration impact are a considerable disadvantage of this site. Moreover, the property is far larger than required for the Heritage Centre. Acquisition of the full property with the intention to rent out or sell off other parts not required for the Heritage Centre, would be a very risky approach. Although the site has been on the market for a little while, we are aware of other interest. Given the good state of repair and the adaptability of the buildings, other uses such a residential or holiday accommodation developed by the private sector, may be more favorable and provide a higher return than a Heritage Centre.

CRITERIA	WEIGHTING	SITE OPTIONS South Quay	 Former Co-op	 Haven Church & 1 Westgate Hill
BUILDING				
i. Building condition	1	1	2	5
ii. Relevant heritage value	1	3	1	2
iii. Accessibility	1	3	2	5
iv. Capital cost: acquisition	5	4	2	1
v. Capital cost: conversion	5	2	2	4
FIT FOR PURPOSE				
i. Size (m2)	1	3	5	2
ii. Appropriateness and adaptability of space	4	3	4	4
iii. Suitability of space for facilities and services	1	3	4	3
REVENUE IMPLICATIONS				
i. Ability to maximize visitor footfall potential	5	5	3	4
ii. Ability to generate income from non-visitor related sources	5	2	1	3
iii. Ability to minimise operating cost	4	1	2	1
IMPACT				
i. Regeneration impact	4	5	0	0
ii. Image impact	1	2	1	1
iii. Wider policy match	1	1	1	1
TOTAL SCORE		117	80	99
RANK		1	3	2

The former Co-op building scored low on numerous criteria, including heritage value, building condition, capital cost and regeneration impact. The size of the building is somewhat more favorable than the other two sites (which both leave one with the dilemma what to do with the rest of the site not required for the Heritage Centre), but overall the former Co-op building scored the lowest. We also understand that the property may not be marketed after all and be sold as part of a portfolio of former Co-o p buildings throughout Wales instead. Initial price indications were in the region of £350,000 to £400,000 as freehold or £40,000 to £45,000 rental per year (ground floor only). While slightly lower than the Haven Church and 1 Westgate Hill site, such capital cost of acquisition are still substantial, particularly when factoring in the required cost of conversion too.

8.4 Risk Assessment

The second part of the Options Appraisal is based on the perceived risk of each option. The key risks to be assessed were defined and then appraised the *probability* (i.e. how exposed each option is to future uncertainty) and, if it were to arise, its *impact* on project performance. The combination of these factors provided the following risk ratings and rankings for each option.

RISK ASSESSMENT MATRIX		SITE OPTIONS		
		South Quay	Former Co-op	Haven Church & 1 Westgate Hill
PLANNING	Probablity	5	4	5
	Impact	1	1	1
	Sub-total	*5*	*4*	*5*
FUNDING	Probablity	3	2	1
	Impact	5	5	5
	Sub-total	*15*	*10*	*5*
DELIVERY	Probablity	3	5	4
	Impact	1	1	1
	Sub-total	*3*	*5*	*4*
POLITICAL	Probablity	5	3	4
	Impact	1	1	1
	Sub-total	*5*	*3*	*4*
TOTAL SCORE		28	22	18
RANK		1	2	3

For probability a score of 5 is highest (or best) and 1 is lowest (or worst). For impact a score of 1 means low impact and 5 means high impact.

As is apparent from the table above, the impact of not securing funding for the Heritage Centre would be severe across all 3 sites (hence scored a 5 for impact). But given the wider regeneration and policy match of creating the Heritage Centre at South Quay, this option scores most favorable, with the highest probability. Securing funding for the other two sites, which have already attracted wider private sector attention for conversion for other uses and have less or no heritage value, would be much harder (hence lower probability scores). For the above reasons, securing political support for South Quay is also estimated to have a higher probability than for the other two sites. The South Quay site emerged as the preferred option, both in terms of how well it scored against the weighted criteria and the risk it carried.

The table below summarises the weighted scores and ranks the options.

SUMMARY	CRITERIA	RISK	TOTAL	RANK
1. South Quays	122	28	150	1
2. Former Co-op	80	22	102	3
3. Haven Church & 1 Westgate Hill	99	18	117	2

9 Preferred Option: South Quay Development

In this section we take a closer look at South Quay Development and how the Heritage Centre could be established on this site.

9.1 History

The existing pair of Georgian Houses at 4 & 5 Castle Terrace will make a suitable location for the proposed Henry Tudor Heritage Centre.

They are a handed pair of single fronted three storey Georgian town houses with basements and rear gardens.

No 4 was, for many years, the Castle Hotel and is listed Grade 2. Described in the Statutory Register "as 2 long vaulted rooms with vaulted passage. 18th century building above, with "Adam-style" plaster cornice."

No 5 is similar but not listed. It was, for many years, used as the Pembroke Ex-Servicemen's Club.

Image and location of 4 and 5 Castle Terrace

9.2 South Quay development site

The site is very prominent within the town centre, visible when entering the town past the Castle from the west, over the Mill Pond along Northgate Street from the north, through the town along Main Street from the east and from The Parade along Long Entry to the south.

The overall visibility of the South Quay Development site and the range of buildings upon it make a significant contribution to the townscape of Pembroke.

The site, which is within the Pembroke Conservation Area, also comprises several other buildings. They all make up the site for the proposed South Quay Development. The site is subject of a Planning application, PCC (REF: 13/0775/PA), for which consent has been granted for alterations and conversion of all the existing buildings into 16 Residential Units and 5 Retail Units. The other buildings on the site are not being considered as part of the Heritage Centre and can continue to be developed separately.

There is a 10meter change of level over the site, from Castle Terrace to South Quay, which offers opportunities for good access and reuse of lower floor and gardens as public spaces.

There is stepped access from Castle Terrace and stepped access from South Quay, which needs to be resolved to provide accessible entrances.

There is no on-site car parking but public car parking is located immediately behind the site on South Quay and in front on Long Entry and The Parade.

Public carpark on South Quay

9.3 No 4, 5 and 6 Castle Terrace – existing buildings

Numbers 4 and 5 comprise of four floors:

- Lower ground: opening on to sloping garden and overlooking the Mill Pond.
- Upper ground: opening off Castle Terrace.
- First floor.
- Second floor.

There are dilapidated outbuildings at lower ground, not original and not retained as part of these proposals.

For health and safety reasons (due to the severely dilapidated state of the buildings) we could not get full access. In the absence of detailed maps, we estimate that each floor of both buildings were probably three rooms deep with central staircases, resulting in a total of 24 rooms and corridors linking the front and back rooms.

The approximate net internal floor areas of the two buildings (i.e. useable floor area) is as follows:

Estimated Areas			M2
Nos 4 & 5 Castle Terrace		Garden	400
		Lower Ground (garden level)	217.5
		Upper Ground (street level)	217.5
		First Floor	217.5
		Second Floor	217.5
		Internal Floor Area	870

The historic character of these 18th Century buildings derives from what is claimed to be medieval stone foundations and vaults, these are still evident in the lower ground floor of No 4 as noted in the 'Listing'.

Sadly, both buildings, having been left to decay, are in a very poor state of repair. The roofs having partially collapsed allowing water penetration with consequential internal rot and decay; with the collapse of an internal staircase and ceilings.

Left: rear view of 4 and 5 Castle Terrace ***Right: vaulted room, 4 Castle Terrace***

Left: entrance ***Centre: vaulted corridor*** ***Right: Gardens at rear***

Number 6 Castle Terrace is a two-storey building with a basement and rear garden, adjacent to the Castle. The building was last used as a doctor's surgery and is in a better state of repair than numbers 4 and 5. The building does not have any listings. At this stage, this building has not been included within the outline plans for the Heritage Centre but could be considered at the next stage.

9.4 The proposals

9.4.1 Introduction

As a result of Health and Safety precautions the initial proposals are based on very limited understanding of the existing buildings. They have been viewed only from the outside, with limited access to the lower ground floor of number 4 (the 2 long vaulted rooms) and the survey plans (not printed to scale) prepared previously by others.

From the limited assessment that has been possible it appears that the combined buildings Nos 4&5 will accommodate the schedule of spaces suggested for 45,000 visitors annually together with a café.

The principal spaces of this Heritage Centre are:

- reception ticket office and sales area;
- visitor lavatories and cloakroom;
- exhibition area created by interlinking spaces;
- classroom(s);
- staff room;
- offices; and
- stores and workroom.

Additionally, café facilities can be included, operated as part of the Heritage Centre or separately by a commercial undertaking.

	Pembroke, Henry Tudor Visitor Centre			M2	M2	Notes
		Occupancy	*annual visitor numbers*	*15,000*	*45,000*	
			occupancy at peak times	*100*	*300*	
1	Entrance lobby			30	60	
2	Ticket Infortmation and Sales desk			10	20	
3	Coats and bags			5	10	
4	Visitor Toilets		used BS for Bars and Restaurants	25	40	incl Accessible WC
5	Class Room		30 students	50	50	
6	Exhibition Areas		minimum viable	90	90	
7	Staff Changing and Lockers		4 to 10	10	20	
8	Staff Rest Room		4 to 10	15	25	
9	Staff Wcs		5 to 10	6	10	
10	Office		2 to 5	15	40	Assume open plan, incl 2 hot desks
	Café			tba	tba	depends on location
	Kitchen			tba	tba	
11	Storage		33% of exhibition	30	30	
	Sub total			**286**	**395**	
12	Plant	say 15%		42.9	59.25	
13	Circulation	say 10%	Assuming circ incl in Exhib & Ent	28.6	39.5	
	Grand Total			**357.5**	**493.75**	
	Café			*50*	*80*	shown on Graphic sched of Accom
	Kitchen			*40*	*50*	
				447.5	*623.75*	

The building can be designed in a number of ways to meet the requirements of a Heritage Centre but initial ideas suggest the following configuration.

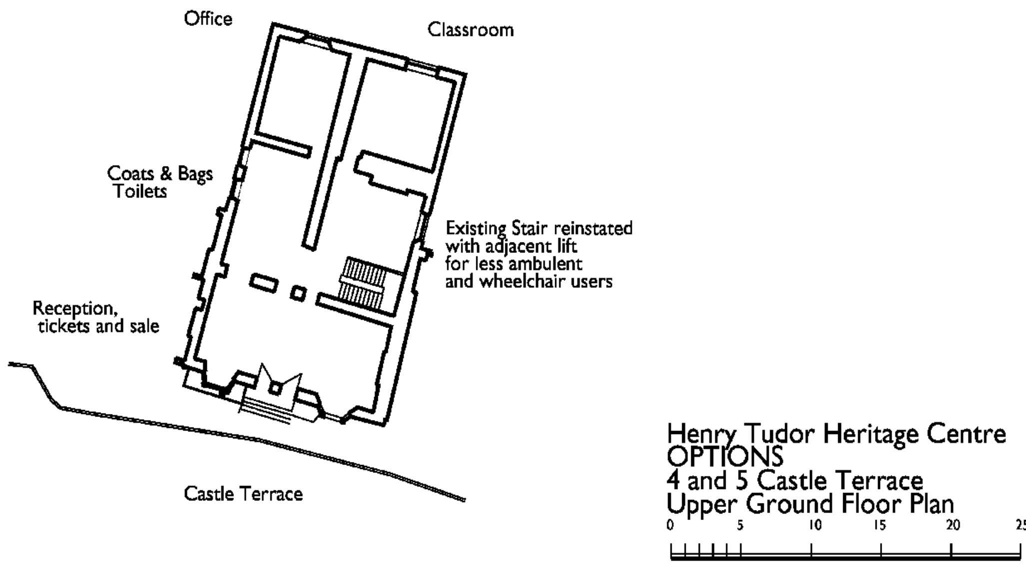
Visitors, on foot, coming from, or on their way to, the Castle are most likely to enter the Heritage Centre from Castle Terrace. Those who have parked or been dropped off on South Quay could enter via the rear gardens and the Café.

These proposals are contingent on being able to obtain listed building consent for internal alterations to No 4. The most significant being the party wall between the two properties needing to be breached allowing the visitors to pass between the two houses at each floor level.

Given the very poor condition and significant previous alterations there is unlikely to be much original fabric beyond the brick and stone structure that can be salvaged and reused. However, there should be sufficient evidence to be able to conserve and repair the original exterior appearance and recreate key internal features.

The proposed planning of the Heritage Centre aims to match the desired uses with the architectural attributes of the existing spaces; minimising the structural alterations and maximizing the inherent benefits of the existing fabric.

9.4.2 Upper Ground Floor



The twin front doors, on Castle Terrace will be the primary entrance and exit, with a wheel chair ramp created over the light well of No 5.

This primary entrance leads into the reception rooms providing a Ticket and Information Desk in No 5 and a Gift Shop in No 4. The party wall between numbers 4 and 5 is opened up to allow movement to flow between the two spaces. Many of the original architectural features; doors and windows, mouldings, ceilings and fireplaces of principal rooms of the two houses can be conserved, repaired or recreated giving the character and atmosphere of important 18th century towns houses.

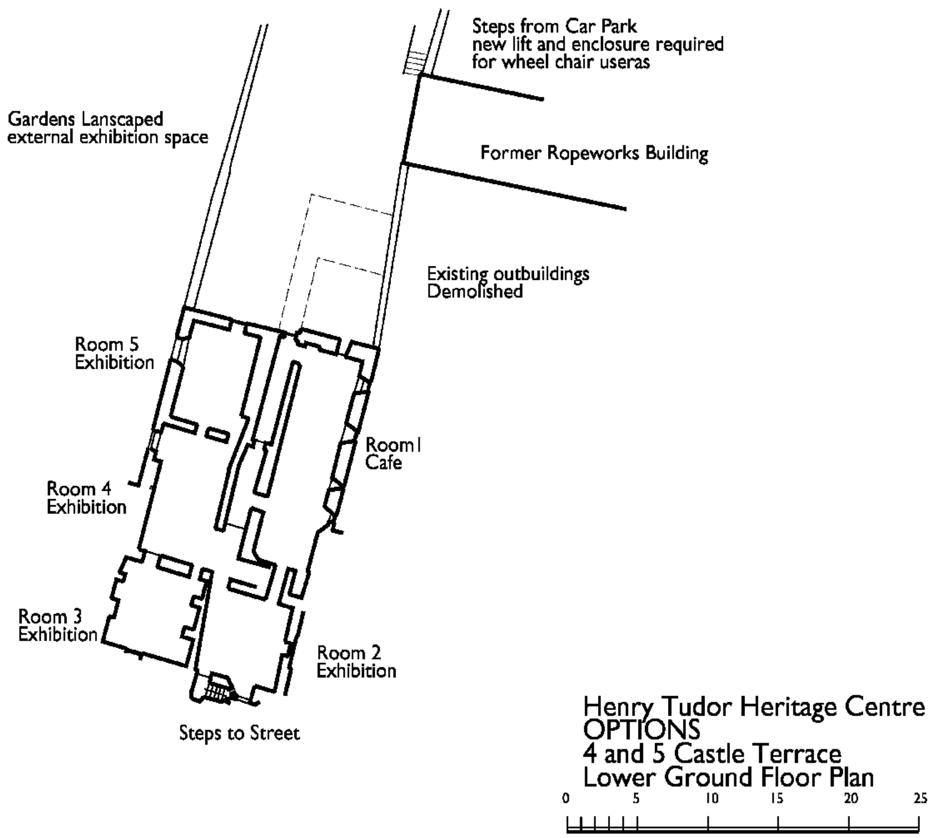
Immediately behind these rooms and in the middle of the houses a rebuilt staircase links all floors. This is in the 'listed' No 4 where there is possible evidence of the original staircase.

In No 5 the existing stairwell can be used for a passenger lift serving all the floors with the lift overrun hidden in the attic space.

The remaining space in the middle rooms would be used to construct the visitors' lavatories and a cloakroom.

The two rooms to the rear of this floor will make good classrooms and/or meetings rooms overlooking the gardens and the Mill Pond.

9.4.3 Lower Ground Floor



The lower ground floor will be reached by the new staircase and passenger lift. They open into the principal exhibition spaces. The subterranean feel, the predominance of early stonework will create a suitable ambiance for multimedia, interactive displays that interpret the story of Henry Tudor. Amounting to about 90m^2, the exhibition areas occupy four interconnected rooms.

The stone vaulted double room space under 4 Castle Terrace makes it ideal for a characterful café. It opens directly onto the sloping gardens overlooking the Mill Pond with a separate access from the South Quay car park.

This entrance is an existing narrow stone stairway to which an external lift will need to be constructed to give wheelchair access from the car park.

The gardens will be landscaped to provide additional good weather space for eating, drinking and children's play area and incorporate larger external displays and explanations of Henry Tudor's time.

9.4.4 First and second floors

The upper floors aren't strictly speaking necessary for the proposed Heritage Centre with 45,000 visitors per year but if it is to include a cafe bar in the Lower Ground Floor the extra space would be desirable for ancillary accommodation; staff rooms, workrooms, offices and stores. The two, front, first floor rooms, looking out onto Castle Terrace, despite having been subdivided, are likely to have had ornate decoration and can be made accessible as public rooms. Either for additional special exhibitions or study rooms or, they could with enhanced environmental and security conditions, be used to exhibit more valuable artefacts.

Alternatively, these spaces can be used to generate income as meetings and events spaces.

9.4.5 Capital cost

At this stage, only a top-level cost estimate could be prepared. A more detailed capital cost estimate can be developed once the design gets shaped up further at the next stage.

The total build cost of the works is estimated at £3.01 million (equivalent to £2,691 per sq.m). These cost per square meter estimates are informed by actual cost per square meter for similar developments, including Penrhlw Priory (full refurbishment works for a listed building in St Davids) and the Guild Hall in Llantrisant.

The total project cost is estimated at **£3.47 million** (including c. £450k of fees etc.)

These costs are based on the drawings as provided and subject to more detailed surveys to confirm exact floor areas. They are also based on the assumption that the existing building structure is repairable. As noted below in Section 11.3, this quote includes a fit-out budget but does not incorporate specialist display cases or exhibition design, for which another **£200k** should be reserved.

The full capital cost estimate report can be found in Appendix 1.

9.4.6 Conclusion

The above description is just one way in which these two buildings can be remodeled. Detail investigations, surveys, historic research needs to be carried out and consultations held with stakeholders such as the PCC Design & Conservation Officers and CADW.

This is an opportunity to:

- develop a site close to Pembroke Castle as a Heritage Centre dedicated to Henry Tudor;
- repair and conserve two prominent buildings in the town centre; and
- initiate surrounding developments and reinforce of the town’s economy.

10 Visitor Projections

10.1 Forecast for the Henry Tudor Centre at South Quay

Based on the detailed market assessment, competitor analysis and the qualitative assessment in the sections above, and the approach outlined in Section 5, AMION estimates that the Henry Tudor Heritage Centre, located in South Quay, will attract 45,000 visits annually in a stabilised year.

A key factor in the selection of South Quay as the preferred site is its location alongside the Castle, in an area with high levels of visitor footfall. If marketed jointly with the Castle, the Heritage Centre should attract the upper end of the visitor forecast range: 45,000 visits annually. This equates to around half of the annual level of visits which the Castle is welcoming.

The forecast is based on a stabilised year, after any 'start up anomalies' have settled down. In visitor attractions, the pattern over the first few years tends to follow one of two trends: high number of visits in the first year followed by decline in the second and third year, levelling out in Year 4; or growth over the first few years with stabilisation by Year 3. The second scenario is more common for smaller attractions like the Henry Tudor Heritage Centre that are unable to fund a big, high profile launch marketing budget.

For the Heritage Centre therefore, we have assumed that visitor numbers will be 80% of the stabilised forecast in the first year (i.e. 36,000 visits), rising to 90% in Year 2, (i.e. 40,500). Numbers will stabilise at 45,000 in Year 3.

10.2 Penetration rate analysis

Penetration rate analysis is a useful way of confirming that a visitor projection is realistic and can actually be supported by the local catchment (resident and visitor). It tests the projection for each market segment against the total available market of that type.

With the exception of the schools' market, a penetration rate of 4% or more is generally considered to be high and would only be achieved under particular circumstances.

The penetration analysis below shows that the forecast for the Henry Tudor Heritage Centre can be supported by the available market.

	%	Visits	*Population*	*Penetration*
Total	**100%**	**45,000**		
Independent visits	80%	36,000		
Group visits	20%	9,000		
Independent visits	100%	**36,000**		
Residents	30%	10,800		
Day visitors	10%	3,600		
Staying tourists	60%	21,600		
Residents	100%	**10,800**		
30 minute drive time area	30%	3,240	86,252	3.8%
30-60 minute drive time area	30%	3,240	102,119	3.2%
60-90 minute drive time area	40%	4,320	490,670	0.9%
Day visitors				
Independent day visitors to Pembrokeshire	100%	**3,600**	5,014,879	0.1%
Tourists	100%	**21,600**		
International	5%	1,080	125,746	0.9%
Domestic	95%	20,520	1,120,853	1.8%
All group visits	100%	**9,000**		
Education groups	60%	5,400	17,456	31%
Other groups	40%	3,600	n/k	

11 Henry Tudor Heritage Centre concept

11.1 Introduction

As explored elsewhere in this report, this feasibility study has been developed on the basis that the attraction will be a Heritage Centre rather than a museum.

Pembrokeshire County Council and the partners involved in the development of this study do not have a collection relating to Henry Tudor. Whilst clearly there are many objects connected to the monarch, the dynasty and the period sitting in collections around the world, it is not intended that the Heritage Centre will acquire objects or that it will become a museum. The cost and practical implications of doing so would be prohibitive.

It is not within the scope of this study to delve into design issues but rather to provide an overview of what the Heritage Centre experience could offer and how it could attract the number of visitors which have been assumed in the forecast and financial model.

11.2 What is a heritage centre?

As the name suggests, heritage centres exist to interpret history and, at some level, have a commitment to providing accurate historical research.

Since, unlike museums, they do not rely on objects to do this, they typically use a mix of different media to explore historical subjects. Technology often forms a key part of the offer and is now used widely and creatively to deliver content and provide exciting experiences.

The basis of any heritage centre is interpretation – a revelation based on information. Some of the core principles of effective interpretation include:

interpretation should be provocative, rather than instructional;

it should reveal new insights;

it should explore themes in the round, rather than presenting an opinion;

interpretation aimed at children shouldn't be a diluted version of adult content, but rather designed specifically to engage young minds;

it should orientate, entertain, persuade and explain;

it should be enjoyable, relevant, meaningful and personal.

Content is designed thematically and a core part of the creative process is determining which themes will work best to engage, excite and inform.

As for any visitor attraction, a good heritage centre will offer visitors a varied and carefully paced experience which will combine a number of 'wows' or 'hero exhibits' with other more cerebral or low-key displays and interactives. It recognises the fact that different people have different preferences – some like to read and absorb content in some depth, others like to listen, view or touch. The interpretive media used will engage visitors using all of these methods, ensuring that people of all ages and tastes will enjoy, interact and learn.

The Henry Tudor story provides an exceptionally rich basis from which a highly engaging heritage centre can be developed.

It will also be important that the interpretation used offers Welsh and English language options given the appeal of the Henry Tudor theme to Welsh people of all ages. This will also ensure that the Heritage Centre is valuable to Welsh schools.

11.3 Interpretive media

In addition to the capital cost for the Heritage Centre listed in the Appendix, an allowance of £200,000 should be made for exhibition fit out. Based on an exhibition area of approximately 90m^2, this would allow for a cost of over £2,200 per square meter.

As an example of the type of experience this would afford, Heritage Lottery Fund guidance recommends that £1,000m^2 should be allowed for a good quality, but fairly low-key experience whilst £2,500m^2 would be required for a top end experience. The budget therefore will allow for an exciting and innovative fit out for the Henry Tudor Heritage Centre.

The following table summarises the mix of media which could form part of the experience:

Media	*How it could be used*
Hi-tech interactives	Latest technology such as augmented reality and virtual reality would be used create a small number of wow experiences and to enhance the 'best' stories. The technology used would offer experiences that are not available in the home. They would become the focal point of the visit and the aspect which will be talked out and recounted on social media. (See below). The layout of the attraction will be designed to lead visitors through a journey, peaking at these hero experiences.
Lo-tech interactives	Mechanical interactives which provide hands on exploration, such as lifting flaps, pulling drawers, pushing buttons will enhance learning and encourage visitors of all ages to have fun together. They will play a key role in the interpretation aimed at younger children.
Audio media	Acoustic wands or audio devices are suitable for telling stories and sharing information which require some level of concentration and work best with the spoken word. They provide a break from more 'full on' sensory experiences and can allow visitors to select the depth of interpretation that they wish to explore. Quieter spaces will be provided where visitors who chose to do so can select from a range of audio experiences.
Multi-media	Computer based technology is widely available at home today and therefore offers limited novelty. It remains valuable, however, for conveying a wide range of information in different ways. As with audio media, it enables visitors to be selective about what they want to explore and to what level. Multi-media technology is also the most cost-effective way of providing information in different languages.
Live interpretation	Guided tours, demonstrations, theatrical performances and events are enduringly popular with all types of visitors. A programme of live performances can provide visitors with a schedule for their visit, helping them to plan their trip around the

Media	How it could be used
	timings of shows. Although using professional performers can be expensive, volunteers and local amateur dramatic societies are often more than happy to offer such services, particularly at weekends and during school holidays.
Replicas	While the Heritage Centre is unlikely to have a Henry Tudor collection as such, it may be possible to tell the story in part through replicas (for example, replica armour, crown etc.). Additional statues such as the one on Mill Bridge could feature too, either inside the exhibition space or within the gardens.
Graphic panels	Simple indoor and outdoor panels provide a clear narrative for a visit and help visitors to orientate themselves within the experience. Tactile panels help visitors with visual impairment but can also create a sense of fun to a story.
Dressing up	Providing visitors with period costumes to dress up in is another tried and tested way of creating memorable experiences as well as offering perfect 'selfie' moments. The Tudor theme is perfect for this medium.
Activities	Visitors can be offered an opportunity to engage with volunteers (or staff) in activities such as arts and crafts, acting or playing games from the period. As with live interpretation, these can be scheduled at pre-advertised times to allow visitors to plan their day.

11.4 'Hero' exhibits

'Hero' exhibits are the high point of any attraction visit. They offer a novel and highly engaging experience which ensure that the attraction is talked about, photographed, shared on social media and remembered.

Today, most hero exhibits rely heavily on new technology to create an immersive and entertaining experience. Technology based exhibits are particularly well suited to heritage interpretation since they provide a mechanism with which to play with time!

Needless to say, hero exhibits soak up a disproportionate percentage of any fit-out budget and require more ongoing maintenance than the tried and tested forms of interpretation. If they break down (which they can do since they often utilise relatively new technology) it can lead to significant visitor disappointment. If used well however, they make the difference between an attraction which is unremarkable and one which makes it onto people's 'must visit' list.

As well as being somewhat fragile, new technology can also be faddish and experiences which are seen as cutting edge in 2018 will probably be old hat by the time the Henry Tudor Heritage Centre is built.

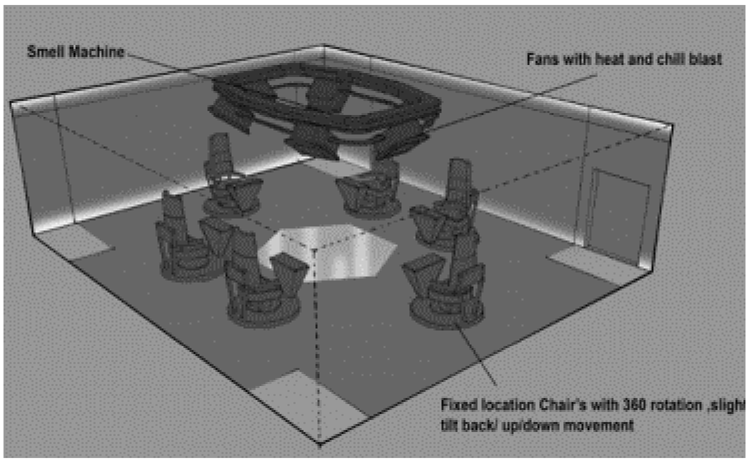
The following, therefore, should be seen as an indication of what is 'hot' today, rather than what will necessarily form the basis of the Heritage Centre when it is built.

11.4.1 Augmented reality

Augmented reality technology is an exciting innovation for heritage interpretation. It can be used to recreate any period in history and let people explore it as if they were really there, interacting with characters and objects from the time. Augmented reality allows visitors to supplement the ‘real world’ with computer generated sensory input such as sound, video, graphics or GPS data.

The technology can be delivered through hand held devices such as mobile phone or iPad or can utilise three dimensional environments which immerse visitors in an augmented world.

The Henry Tudor story provides numerous themes which are ideal for this type of experience. Off the peg technology can be readily adapted to incorporate tailor-made themes such as period battle games.



Virtual reality environment with custom chair on motion bases where visitors can interact with one another and share unique experiences

One of the ways that these experiences can be delivered is through *pay to play* games which enable small groups of visitors to play together in group gaming sessions, rather than engaging in the sort of solo experiences which are now freely available in people’s homes.

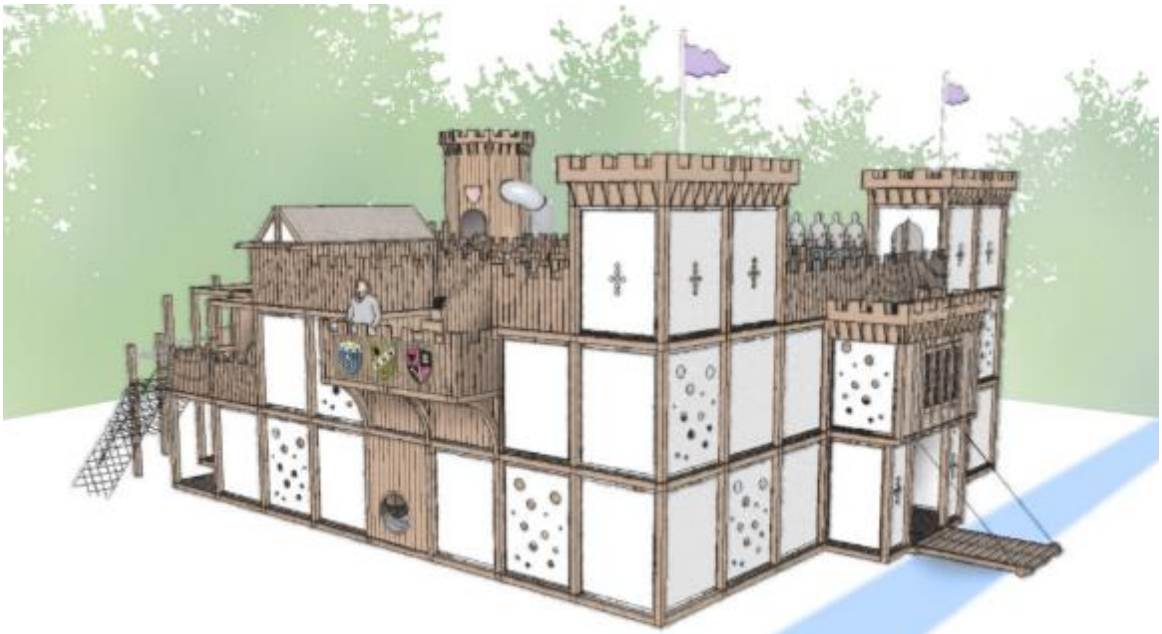
Pay to play games add interest for many visitors, particularly families and teenagers. They also generate small amounts of additional income which can help to offset maintenance costs. Most commercial attractions include some form of Pay to Play gaming which are charged for within the pay barrier.


Examples of multi-player virtual reality pay to play

Augmented reality app brings Shakespeare's England to life for 21st Century visitors

11.4.2 The Power of play

Themed play is an equally powerful way of creating 'wow experiences' but which is not reliant on technology. Themed play areas can be designed into big or small spaces and can act as a major draw for family visitors.



Hever Castle is launching Tudor Towers. Aimed at children 7-14 it will feature three slides and two poles and lots of interactive elements

11.5 Case Study: Richard III Visitor Centre

Although the body of Richard III was found in Leicester, the Richard III Visitor Centre essentially faced much of the same challenge as the Henry Tudor Heritage Centre in that it had no collection.

The interpretation planners and exhibition designers found a way around this by creating an interpretive experience and innovative exhibition (called '*Dynasty, Death and Discovery*') which uses a mix of archive images from picture libraries, digital media, traditional displays and a 3D replica of his skeletal remains as the 'hero exhibit'.

At the start of the visitor journey, the visitor is plunged into a large-scale AV set in an arched great hall on the ground floor, where characters from Richard's early life introduce the story through a series of theatrical 'acts'. The room is dominated by the royal throne and projected manuscript scroll unroll on the floor, providing a timeline of events.

Visitors are then led through a dark paneled hallway through to a medieval world with illustrations inspired by medieval art, gold leaf panel and stained glass. A sword 'swingometer' sways between Richard and Henry Tudor.

Visitors are then immersed into the heart of the historical battle with two films projected onto a 6-metre wide screen in the gallery space. The brutality of the Battle of Bosworth, the sheer force of the armies and the crushing atmosphere of battle can be felt in the space.

The projections make the action literally 'jump' from the first screen to the second, with horses' hooves flying over the audience to The Last Charge, which depicts Richard's final moments.

There is also a Victorian theatre style touchscreen game encouraging visitors to assess pieces of evidence and decide if Richard murdered the Princes in the Tower.

Visitors are then led up to the first floor, which is bright and 'modern', in contrast to the dark, medieval ground floor. This section includes a timeline of the actors who have portrayed Richard in Shakespeare's damning play, information about the characters and techniques involved in the archaeological dig for Richard's remains and the science behind the identification. There are many hi-tech exhibits, such as an MRI type scanner with a 3D printout of Richard's skeleton.

On returning to the ground floor, visitors are led through the café and out to see Richard's original grave. The grave site is a serene space of stone and gold. Under a glass floor, the grave and the original tiled floor are illuminated, and a gobo light silhouettes the skeleton's position.

In summer 2017 (three years after the visitor centre first opened), a new exhibition was added to the experience. The new exhibition, which is titled '*Murder Mystery Mayhem – The Wars of the Roses at King Richard III Visitor Centre*', was inspired by Game of Thrones. The exhibition features a giant family tree (on panel displays) and a house of cards (featuring key players in the battles).

Murder Mystery and Mayhem exhibition at Richard III Visitor Centre, including the giant house of cards featuring key players in the battles between the Houses of York and Lancaster.

12 Financial appraisal

12.1 Introduction

This section summarises the forecast income and expenditure for the proposed Henry Tudor Heritage Centre.

The attraction will generate income from ticket sales, retail, venue hire, events and from a café lease.

A small staff team, comprising a Centre Manager and hourly paid staff, will be supported by volunteers who will act as visitor hosts and assist with admissions and delivery of functions and events. Other running costs include utilities, maintenance, insurance, cleaning, audit and marketing.

It has been assumed that there will be no premises hire or lease costs since this has been a key criterion for the location selection.

It has also been assumed that the operation will be run by a charitable company which will be exempt from business rates and Corporation Tax.

12.2 Admissions income

12.2.1 Ticket income

Admissions income is based on 45,000 visits in a stabilised year, at a headline price of £6.50 for an adult single admission (at today's prices). The following table shows the ticket prices for different visitor categories and the anticipated visitor mix:

Category	*Ticket price*	*% of visits*	*Discount allowance*
Adult standard	£6.50	27.0%	15%
Child standard	£5.50	35.0%	15%
Group adult	£5.50	15.0%	15%
Group child	£4.50	11.0%	15%
School	£2.00	12.0%	0%
Total		***100.0%***	

We have assumed that there will be no discounts for senior citizens or families since the price is already very competitive. This mirrors the pricing structure at the Castle. We have, however, assumed a discount allowance of 15% on standard and group tickets sold to allow for promotional offers.

The following shows the visitor profile in the stabilised year.

Annual visits	***45,000***
	Yr 3
Standard adult	12,150
Standard child	15,750
Group adult	4,950
Group child	5,400
Schools	6,750

Some key assumptions relating to the admissions income forecasts:

the attraction will be open for 360 days a year; and

the organisation will be culturally exempt from VAT and will, therefore, not be required to repay VAT on admissions income;

The following shows that the anticipated ticket income for the attraction in a stabilised year (i.e. Year 3) will be **£165,000**. Note, the adult ticket price is assumed to be £.6.50 based on today's prices.

Visits	*Stabilised*
Standard adult	£55,941
Standard child	£61,359
Group adult	£19,284
Group child	£17,213
School admission price	£11,250
Total income	**£165,047**

12.2.2 Gift Aid

Charitable attractions are eligible to reclaim Gift Aid on admissions, worth 25p for every £1 spent by visitors who are UK tax payers and who are willing to sign a declaration.

There are two ways of doing this: attractions can either ask visitors to pay an optional 10% 'donation' above the standard entry price and reclaim Gift Aid on any ticket income, which includes an optional 10% donation; or the attraction can offer all admission tickets as annual passes, in which case they can reclaim Gift Aid on all admissions tickets purchased by UK tax payers.

For attractions which have inherently low levels of repeat visits, the annual pass route is a significantly better option. In the case of Pembroke, where a large percentage of visits will come from domestic visitors who live out of the area, the annual pass option is clearly advantageous.

The following table shows the Gift Aid take up that has been assumed, allowing for a percentage of visitors from overseas or who are not tax payers. (Note: group visitors would be given a single admission ticket and therefore income would not be eligible for Gift Aid reclaim).

Category	Ticket price	% of visits	Gift aid
Adult standard	£6.50	27.0%	80%
Child standard	£5.50	35.0%	80%
Group adult	£5.50	15.0%	0%
Group child	£4.50	11.0%	0%
School	£2.00	12.0%	0%
Total		***100.0%***	

The total income from Gift Aid in a stabilised year will be just over £28,000.

Gift aid	*Stabilised*
Standard adult	£13,426
Standard child	£14,726
Group adult	£0
Group child	£0
School admission	£0
Total income	**£28,152**

12.3 Retail Income

The Heritage Centre will operate a small shop which will be co-located alongside the admissions desk to allow staff to fulfil both ticket sale and retail sale functions, minimising costs.

Based on benchmarks from similar attractions we have assumed:

- a retail spend per head of 73p;
- cost of goods at 50% of turnover; and
- wastage at 3% to allow for shrinkage and spoiled goods.

Visits	*Stabilised*
Income	£32,773
Cost of goods	£16,386
Wastage	£983
Contribution	***£15,403***
Spend per head	£0.73
Cost of goods	50%
Wastage	3%

On this basis, the shop will bring in an income of nearly £33,000 and will make a net contribution of nearly £15,500.

12.4 Venue hire

Although the South Quay site does not have extensive dedicated spaces to hire out for functions and private events, the exhibition space can be designed flexibly to allow spaces to be hired out for functions, parties and meetings.

Key assumptions:

- there will be 10 hires each year for which clients will pay an average room hire fee of £500;
- catering will be provided by the café franchisee and will be included in the lease arrangement (see below); and
- temporary staff will be required for set up and hosting of events. Cost of staff has been assumed at 20% of turnover.

	Stabilised
Venue hire	
Number of hires	10
Income per hire	£500
Total income	£5,000
Staff costs @ 20%	£1,000
Contribution	***£4,000***

Venue hire will deliver an annual income of £5,000 and a contribution of £4,000.

12.5 Events

The Heritage Centre team will run a small number of events throughout the year, primarily during the key spring and summer months.

Key assumptions:

- the attraction will run six events each year, attracting an average of 20 visitors, paying £5 per ticket in addition to their entry ticket;
- events will be delivered by the core team, supported by hourly paid staff and volunteers as required. Additional staff costs, at 20% of turnover, have been allowed for; and
- a further 5% of turnover has been allowed for consumables.

	Stabilised
Events	
Number of events	6
Ticket price	£5.00
Number of visitors	20
Income per event	£100
Total income	*£600*
Staff costs @ 20%	£120
Other costs @ 5%	£30
Contribution	***£450***

Events will deliver an income of £600 and a contribution of £450.

12.6 Café

The plans for the South Quay site includes a café area with space for 30 covers inside and around 30 covers outside.

Although the café could be operated in house, given that the Heritage Centre will be run by a small trust, it is prudent to assume that the café will be leased to a third-party operator.

The café will be attractively located in the town centre and will offer views over the river. The garden café area will also offer views out to the Castle.

The following shows that the café operator could expect to turnover around £90,000 annually and deliver a based on the following assumptions:

- the café is open 360 days per year including 260 week days and 100 weekend days.
- it will achieve an average of 1.5 turns per inside cover on weekdays and 2.2 turns per inside cover on weekend days. For prudence, no additional income has been assumed from the use of the outside covers;
- average spend per cover will be £5.00;
- cost of goods will be 20%;
- cost of labour will be 35%; and
- other costs will include utilities at 5%; insurance and rates at 4%; equipment and other costs at 5%.

Café	
Income	
Weekday income	£58,500
Weekend income	£33,000
Total income	£91,500
Costs	
Cost of goods	£18,300
Hourly paid staff costs	£32,025
Utilities	£4,575
Insurance & rates	£3,660
Equipment & other	£4,575
Café costs	£63,135
Café contribution	**£28,365**
Lease	£9,150

It has been assumed that the café operator will pay a lease of £9,000, equating to around 10% of turnover.

12.7 Total income

The Heritage Centre will have a total annual income in a stabilised year of just over £240,000.

	Stabilised
Income	
Admission	£165,047
Gift aid	£28,152
Retail	£32,773
Venue hire	£5,000
Events	£600
Café lease	£9,000
Total income	**£240,571**

12.8 Costs

Costs will include staff costs for a small team as well as building operation and maintenance costs.

12.8.1 Staff costs

The Heritage Centre will operate with a small core team of staff supported by volunteers.

The Heritage Centre will be managed by a Centre Manager who will oversee all aspects of the operation including day to day management and financial control.

The Manager will be supported by flexible hourly paid staff who will operate the admissions tills and shop and will be responsible for visitor safety.

Volunteers will provide additional support and will act as visitor hosts.

Total staff costs will be just over £95,000:

- the Centre Manager will be paid a salary of £25,000 (at today's prices) with on costs of 12%; and
- an allowance of 17.5 staff hours has been made for each day for 360 days, at £9.50 per hour. This is an annualized average which can be reduced during winter opening hours and increased during peak times. On costs of 12% have also been assumed.

Staffing	***Stabilised***
Centre Manager	£25,000
On costs	£3,000
Hourly wages	£59,850
On costs	£7,182
Total cost	***£95,032***

The management and delivery of the attractions operation as a whole will require one full time Project Manager, supported by Supervisors and hourly paid staff in both Chester and the pop ups.

It has been assumed that the Project Manager will be recruited in 2018 to set up the Chester attraction, establish the locations for the pop ups and supervise the daily operations. The Project Manager will be paid £28,000 plus 12% on costs in 2018, rising by 2% annually thereafter. A travel budget of £5,000 has also been allowed giving a total central staff cost **of £37,829** in 2020 (allowing for inflation at 2%).

12.8.2 *Running costs*

Other costs for running the attraction include marketing, utilities, maintenance, insurance, cleaning and banking costs. They have been benchmarked against comparable heritage centres.

It has been assumed that the operating trust will be responsible for the interior of the building although exterior maintenance will form part of the wider maintenance for the South Quay area.

Running costs will amount to nearly £124,000 in a stabilised year.

Running costs	*Stabilised*
Training & recruitment	£1,000
Volunteer costs	£2,000
Cleaning	£8,000
Postage/Stationery/Office	£1,500
Telephone	£2,000
Website	£3,000
Marketing	£10,000
IT	£3,000
Utilities	£28,000
Insurance	£8,000
Routine maintenance & security	£10,000
Equipment	£3,000
Accountancy, legal & consult & audit	£10,000
Subscriptions	£1,000
Refreshments/Entertaining/ travel	£1,000
Bank charges	£15,000
Retail Cost of Goods	£16,386
Retail EPOS	£1,000
Total other costs	**£123,886**

12.9 Summary income and expenditure

When all income and expenditure has been forecast, the Henry Tudor Heritage Centre would achieve a breakeven position in a stabilised year, with a surplus of around £3,000.

	Stabilised
Income	
Admission	£165,047
Gift aid	£28,152
Retail	£32,773
Venue hire	£5,000
Events	£600
Café lease	£9,000
Total income	**£240,571**
Expenditure	
Running costs	£123,886
Staff costs	£95,032
Retail costs	£17,369
Venue hire costs	£1,000
Event costs	£150
Total expenditure	**£237,438**
Surplus/deficit	**£3,134**

12.10 Sensitivities

12.10.1 Income sensitivities

In all attractions which are dependent on visitor numbers, there will be annual variations against forecasts – this is to be expected. Attractions need to understand the implications of any variation and make contingency plans which allow them to adjust their operation swiftly when required. For this reason, it is important that as many costs as possible are truly variable (i.e. can be cut when required) as opposed to fixed.

If the Heritage Centre achieves 90% of its anticipated visits in a stabilised year (i.e. 40,500 visits), but all other non-visitor related income remained as predicted (i.e. café lease and income from hires and events), the attraction would have an annual deficit of just over £16,000.

On the same basis, if it achieved 80% of forecast visits (36,000 visits), the deficit would be £35,000. At 50% of forecast (22,500 visits) the deficit would be £92,000.

12.10.2 Cost sensitivities

An assessment of the cost base suggests that a large percentage of the trust's operating costs are fixed and, therefore, cannot be flexed to take account of a shortfall in income.

Around £13,500, or 11% of the running costs are variable and could be removed if required.

In addition, the trust could move to a volunteer run operation if required, removing £67,000 of hourly paid staff costs.

Total savings of c£80,000 would be possible if required, which would allow the attraction to breakeven at 27,000 visits or 60% of forecast.

Running costs	*Stabilised*	*Variable*
Training & recruitment	£1,000	
Volunteer costs	£2,000	
Cleaning	£8,000	
Postage/Stationery/Office	£1,500	
Telephone	£2,000	
Website	£3,000	£2,000
Marketing	£10,000	£5,000
IT	£3,000	
Utilities	£28,000	
Insurance	£8,000	
Routine maintenance & security	£10,000	£5,000
Equipment	£3,000	£1,500
Accountancy, legal & consult & audit	£10,000	
Subscriptions	£1,000	
Refreshments/Entertaining/ travel	£1,000	
Bank charges	£15,000	
Retail Cost of Goods	£16,386	
Retail EPOS	£1,000	
Total other costs	**£123,886**	**£13,500**

12.11 10 Year P&L Statement

A 10-year profit and loss statement shows the income and costs over a 10 year period, based on today's prices at Year 1. It assumes that, whilst costs will rise with inflation, income, in most cases, will increase in steps as prices are raised. Evidence from other attractions in Pembrokeshire indicates that the market is price sensitive and, therefore, cautious assumptions have been made about price increases. The model includes the following assumptions:

- the attraction will achieve 80% of its stabilised visitor numbers in Year 1 and 90% in Year 2;
- the headline ticket price will increase by 50p every three years with other ticket categories increasing proportionately;
- retail income will increase by 2% annually with inflation;
- venue hire rates will increase by £50 every three years;
- tickets for events will increase by £1 very three years; and
- costs will increase at 2% annually.

The attraction will make an operating loss in the first two years, breaking even in Year 3. The attraction will operate at a cumulative deficit until Year 6.

	Yr 1	Yr 2	Yr3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Income										
Admission	£132,038	£148,542	£165,047	£181,406	£181,406	£181,406	£197,766	£197,766	£197,766	£214,125
Gift aid	£22,522	£25,337	£28,152	£30,524	£30,524	£30,524	£32,895	£32,895	£32,895	£35,267
Retail	£25,200	£28,917	£32,773	£33,428	£34,097	£34,779	£35,474	£36,184	£36,907	£37,645
Venue hire	£5,000	£5,000	£5,000	£5,500	£5,500	£5,500	£6,000	£6,000	£6,000	£6,500
Events	£600	£600	£600	£720	£720	£720	£840	£840	£840	£960
Café lease	£9,000	£9,000	£9,000	£9,900	£9,900	£9,900	£10,890	£10,890	£10,890	£11,979
Total income	**£194,359**	**£217,396**	**£240,571**	**£261,478**	**£262,146**	**£262,828**	**£283,865**	**£284,574**	**£285,298**	**£306,476**
Expenditure										
Running costs	£118,980	£121,409	£123,886	£126,364	£128,891	£131,469	£134,099	£136,780	£139,516	£142,306
Staff costs	£91,269	£93,131	£95,032	£96,933	£98,871	£100,849	£102,866	£104,923	£107,021	£109,162
Retail costs	£13,356	£15,326	£17,369	£17,717	£18,071	£18,433	£18,801	£19,177	£19,561	£19,952
Venue hire costs	£1,000	£1,000	£1,000	£1,100	£1,100	£1,100	£1,200	£1,200	£1,200	£1,300
Event costs	£150	£150	£150	£180	£180	£180	£210	£210	£210	£240
Total expenditure	**£224,755**	**£231,016**	**£237,438**	**£242,294**	**£247,114**	**£252,030**	**£257,175**	**£262,291**	**£267,508**	**£272,960**
Surplus/deficit	**-£30,396**	**-£13,620**	**£3,134**	**£19,184**	**£15,033**	**£10,798**	**£26,689**	**£22,283**	**£17,789**	**£33,516**
Cumulative	*-£30,396*	*-£44,016*	*-£40,882*	*-£21,698*	*-£6,665*	*£4,132*	*£30,822*	*£53,105*	*£70,895*	*£104,410*

13 Strategic context

It is important – particularly for a project that will rely to at least some extent on external funding in order to raise the required capital to see it developed – that the project is firmly anchored in a clear Vision, an agreed set of objectives and a strong underlying rationale for investment.

Accordingly, we spent time with the client and local stakeholders to gain a clear picture of the strategic context for the project. In particular, we were keen to identify options that did not narrowly seek to 'develop the site', or 're-use the buildings', but would rather use the project as an opportunity to advance a wider set of area needs.

To that end, we have reviewed some of the key regional (i.e. Pembrokeshire) and national (i.e. Welsh) strategic documents with a view to understanding the project's potential to advance key objectives and its synergies with relevant regional and national strategies and policies.

The case must be made to outside organisations and potential funders how investing in the new Henry VII Heritage Centre as a project for regeneration, can help to strengthen Welsh culture and identity, increase sustainable tourism opportunities and create an important community hub for Pembroke, while rescuing a set of important historic buildings at the heart of Pembroke as a catalysator for private sector investment and development.

13.1 Regional development strategies

Strategy	Relevant Objectives	Henry VII Heritage Centre Project Fit
Well-being Plan for Pembrokeshire (September 2017 Draft)	• **Who we are**: We want to help our people, communities and organisations so that we can support ourselves and each other. This will be achieved through the following work streams: – **Living & working**: The PSB needs to make Pembrokeshire an attractive place for businesses to invest, employers to thrive and with communities where people want to live. This means the PSB needs to find ways to support the development of appropriate housing suitable for all ages, and access to vibrant cultural activities. – **Resourceful communities**: The PSB will get behind sustainable projects that encourage and stimulate volunteering and active citizenship. This may be in the form of financial	• The Henry VII Centre will contribute to the PSB's 'Living and Working' objectives by directly creating vibrant cultural activities in Pembrokeshire and acting as a catalysator for additional investment, attracting new businesses and employers and prevent the drain of talented young people from the County. • The Henry VII heritage centre will provide enriching volunteering opportunities. As a community hub it will stimulate active citizenship, foster a sense of citizen pride and support both individual and community well-being.

Strategy	Relevant Objectives	Henry VII Heritage Centre Project Fit
	incentives, provision of facilities and resource, or access to skills and knowledge. • **Where we live**: We want to protect and enhance our natural assets whilst optimising economic prospects, accessibility and health for all. This will be achieved through the following work streams: – **Tackling rurality**: To prevent and mitigate rural inequality by rolling out innovative and responsive integrated service provision in rural areas (this may be community hubs, mobile provision or co-located services). – **Protecting our environment**: To support individuals, communities, organisations and businesses to embrace sustainable practices and new technologies.	• This project provides the opportunity to not only add a vibrant new cultural centre, but also to create exactly the sort of community hub and co-location of services the PSB is envisioning to tackle rural inequalities and improve well-being in Pembrokeshire. • The building will utilise best in class energy practices.
Pembrokeshire Destination Management Plan (2013-2018)	• **Objective 3: Creating a year-round high-quality experience**: – Improving the quality of experience is crucial in getting visitors to return. Central to this is the availability of high quality tourism enterprises and facilities open all year and attractions that can generate business in their own right from outside the region (4.3.5). • **Objective 4: Developing and sustaining infrastructure, environmental and cultural resources**: – Work with local groups to improve their communities (4.4.2) – Develop a more coordinated approach to managing facilities and services used by visitors (4.4.6)	• Pembrokeshire currently has few wet-weather facilities or attractions that are open all year. The Henry VII Centre would be a valuable addition to Pembrokeshire's attraction offer and go some way in closing this gap in provision. • The community hub would offer residents and visitors a quality experience in terms of welcome, information and interpretation. • A building will provide a physical opportunity to co-locate services as well

Strategy	Relevant Objectives	Henry VII Heritage Centre Project Fit
		as an opportunity for a more collaborative working arrangement between various public and third sector stakeholders in Pembrokeshire.
Pembrokeshire Local Development Plan (up to 2021)	• The historic town of Pembroke will benefit from developments that further strengthen the conservation of its impressive built and natural heritage. It is an important tourist destination, as well as a town centre with a significant retail and service offer. Proposals to increase the quality of leisure-based facilities are encouraged.	• The project fulfils two important criteria highlighted within the LDP: it will strengthen the conservation of Castle Terrace (an important part of Pembroke's built heritage) and create a new and quality cultural attraction.

In October 2017, Welsh Government launched a new £100 million programme of Targeted Regeneration Investment. Local authorities, along with partner organisations, will be able to apply for the capital investment for projects that promote economic regeneration and serve the aims of wider sustainable development with activities focused at individuals and areas most in need. Regeneration is defined as "an integrated set of activities that seek to reverse economic, social, environmental and physical decline to achieve lasting improvement, in areas where market forces will not do this alone without some support from government". Regeneration projects should not be seen in isolation. Opportunities for targeted investment need to be set in the context of wider programmes to build more resilient communities. The new regeneration programme will be able to invest in projects from April 2018 onwards for the period 2018-2021. A notional allocation of £27 million is available for South West Wales (across 4 Local Authorities). The maximum intervention rate per project is 70%. The Project Development Fund will open for applications in February 2018, with projects being submitted for consideration from March 2018.

Although a masterplan for the regeneration of Pembroke has not yet been formally issued, draft plans state that "Pembroke Town Centre requires a holistic vision looking at its retail and commercial function, its transport and parking systems, its cultural importance, landscape setting and historic built heritage, its public realm and its role as a workplace."

Pembrokeshire County Council and the Pembroke Town Regeneration Team recently appointed consultants BE Group and BDP to produce a Regeneration Framework for Pembroke Town Centre. The report includes recommendations for Castle Terrace and South Quay including the Henry Tudor Heritage Centre alongside other uses:

"There is also opportunity for a new high profile restaurant to be developed alongside the Castle and Quayside, although the potential impact on the town's historical character and listed buildings must be considered at all stages. The site is also a potential location of the Henry VII Centre, and this and other public sector functions could be combined as part of a wider commercial and development. The site needs a comprehensive redevelopment with residential or commercial uses and therefore a development brief is needed for the site".

13.2 Well-being of Future Generations (Wales) Act 2015

Goal	Description	Henry VII Heritage Centre Project Fit
A prosperous Wales	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	• The project will provide a direct stimulus to the local economy. It will attract 45,000 visitors per year, of which nearly half are anticipated to stay overnight in the area and thus generate valuable additional tourism spend at Pembrokeshire retail, dining and accommodation establishments. • The new heritage centre and community hub will directly create a number of new jobs, but it is envisaged that the core team of staff will remain small, supported by volunteers. The centre will however be a catalyst for more activity in the town centre. As a wet-weather facility, it can also help other businesses to trade year-round and employ more permanent staff.
A resilient Wales	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	• The building will utilise best in class energy practices.
A healthier Wales	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	• The new community hub that combines the library, TIC and heritage centre will provide mental stimulus, while the inclusion of some healthcare facilities would benefit physical well-being. • There is also an option to develop thematic Tudor trails (liking to the existing Pembroke Town Trail as well as linking to other Tudor sites) which will provide for physical exercise.
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including	• The building would be fully accessible for people with disabilities.

Goal	Description	Henry VII Heritage Centre Project Fit
	their socio-economic background and circumstances).	• The new heritage centre and community hub would have an equal opportunities policy for employment. • The project would actively contribute towards reaching a more equal Wales by improving access to health, education, employment and services.
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities.	• The project will bring together local community groups and provide valuable opportunities for volunteering. • The new community hub will be a focal point for meetings and activities, helping to combat loneliness, and improving access to services.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.	• The exhibition would be bi-lingual, promoting an important part of Welsh culture (i.e. the birth and rise of the House of Tudor resulting in a Welsh King residing over the English throne). • The heritage centre will link to the National Curriculum and work with local and regional schools to instil in them a pride of their Welsh history.
A globally responsible Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	• The presence of the new Henry VII centre will be an important asset for the promotion of Pembrokeshire and Wales. People and businesses are attracted to locations that offer engaging activities. The Tudor Dynasty has both national and international appeal.

14 Governance (Delivery Vehicle Options)

14.1 Governance issues

In order to attract funding, the new attraction will need to be a legal entity.

Pembrokeshire County Council could potentially be the Accountable Body for development purposes but other options could be considered within the ongoing asset management review currently underway. Further consideration needs to be given to the ongoing management and ownership of any assets.

Most heritage attractions, museums and visitor centres are charitable companies or non-profit distributing organisations (NPDOs). This allows them to benefit from certain financial advantages, such as business rates relief and enables them to bid for most types of grants. It also allows them to raise income to support the work of the charity through ticket sales, gift aid, retail and catering. The organisation could, therefore, become a registered charity.

There are, however, a number of potential ways in which the new Henry Tudor Heritage Centre could be set up.

14.2 Council ownership and operation

The first option is for the Heritage Centre to be owned and operated by Pembrokeshire County Council, as part the Cultural Services Department's Archive and Museums service. The current Council Service could take on the management of the new attraction meaning that it could benefit from certain shared services.

Managing the attraction 'in-house' within the Council would allow the Heritage Centre to benefit from the council's existing HR, Marketing, IT, Procurement and Finance functions. It could also benefit from the experience and knowledge of personnel within the Museums Service.

It is recognised however that Councils are not well placed to operate services of this kind, particularly when a lean, low cost operation is required. Taking on the operation of the Heritage Centre would be likely to add cost to the Council and would almost certainly bring an additional level of risk.

Although this option theoretically offers a number of advantages, the Council has indicated that it does not have the resources to take on any additional liabilities and does believe that it is appropriate for the Council to take on such a commitment at a time when local authorities are having to make savings. It is therefore unlikely that this is a viable option.

14.3 Operated by an independent trust or non-profit organisation

An independent charitable trust or community enterprise company could be established to develop and ultimately operate the new attraction. Being free of local authority control could potentially open up a number of revenue streams and commercial opportunities. The VAT implications would also be more favourable if the museum were operated by a charitable trust.

Whilst recently introduced legislation has created a number of new corporate structures aimed at simplifying company and charitable compliance for the third sector, the form which continues to be most favoured in the cultural sector (mostly because it is the form most proven by case law experience) is that of a company limited by guarantee with charitable status. This form provides exemption from Corporation Tax and provides tax relief in the treatment of Gift Aid.

14.4 Operated by a third party

It could be that the council enters into a service agreement with a third party, perhaps an organisation that is already operating venues or cultural facilities either in Pembrokeshire or further afield.

It is extremely unlikely however, given the limited market opportunity, that a commercial operator could be found to run the facility without a revenue guarantee from the Council or another source. Few suitable operators exist, and, in our experience, they would not be interested in an operation of this scale.

More realistically, an existing not-for-profit operator of a museum or community facility might be interested although they would almost certainly also expect an operating fee to do so. As the financial modelling indicates, the Heritage Centre is very unlikely to generate sufficient surplus to pay for this and without a commitment from the Council, it seems unlikely that this option is viable.

14.5 Summary and governance recommendations

Given the breakeven financial picture outlined above, and the Council's clear position with regards to the operation of the Heritage Centre, the only viable option is for the Heritage Centre to be operated by a non-profit distributing organisation which is set up for the purpose. Establishing a charitable company for this purpose would be the most efficient vehicle to do this.

Since the Heritage Centre is unlikely to have a collection, there is no requirement to think about ownership although a decision will need to be taken about ownership of the building which the attraction sits within, and which body has responsibility for the maintenance of the building.

As the financial model indicates, the operating trust will generate insufficient surplus to maintain the building beyond the basic day-to-day running. The issue of ownership and building maintenance will therefore need to be considered as part of the investigation of the future of South Quay as a whole.

The financial model assumes that the Heritage Centre will be operated by a charitable company and, as such, there is no allowance for business rates, VAT or corporation tax included.

15 Delivery Framework

15.1 Delivery implications

The recommendation from this report is that the centre is branded the Henry Tudor Centre and that it is established as a charitable company, managed by a small team of professional staff supported by volunteers.

The only recommended location option is within the South Quay site. The selected location will allow it form part of a strong heritage cluster alongside the Castle, enabling Pembroke to be repositioned as compelling visitor destination.

It is clear however, that despite meeting the strategic objectives outlined above, securing the capital funding required to deliver the Heritage Centre in South Quay represents a significant challenge.

With a breakeven business model, it is not possible to consider commercial borrowing to fund the scheme.

In the current climate it will also be difficult to raise the level of funding required from grants and public sources. Although there are potentially a number of sources which could support elements of the development, the capital required to bring South Quay back into use, given the years of under investment in the fabric of the buildings and its very poor state, is significant. The cost of addressing the extreme market failure of the site is simply too great for the level of outputs which can be directly attributed to the scheme.

It is also unlikely that most funders, such as the Heritage Lottery Fund, would be prepared to support the scheme whilst the rest of South Quay, a critical heritage townscape in Pembroke, is partially derelict and there are is no masterplan for redevelopment.

It is also apparent, however, that the Henry Tudor Heritage Centre, if it can be delivered on the South Quay site, would play a key role in the regeneration of the town and could ultimately become the catalyst for a significant regeneration of Pembroke town centre.

15.2 Part of a South Quay community hub

A more deliverable option therefore appears to be to consider whether the Henry Tudor Heritage Centre could be developed as part of a wider community hub which could be developed across all of the vacant buildings within the South Quay site.

The wider uses could consist of the relocation and creation of services which would also benefit from the central location which South Quay offers. This could include relocation of the library and tourist information centre, location of some healthcare facilities, relocation of the museum, and creation of new community spaces.

The community hub concept could present a stronger base from which to secure funding support from external sources and could deliver against the objective of joined up working which is fundamental to the Well-being of Future Generations (Wales) Act.

One option would be to adopt a funding matrix approach which could collectively justify and cover the costs for the restoration of the buildings. This could embrace PCC's management responsibility for the buildings and possible Welsh Government support. Commercial opportunities could also be assessed as part of the matrix, such as whether there is space or demand to create residential or retail uses which could bring commercial income into the scheme.

Development of this concept is beyond the scope of this brief and would require the development of a joint venture mechanism such as a Development Trust. Such a joint venture approach would offer a new way forward for Pembroke, harnessing public and community resources to deliver a meaningful and sustainable asset for Pembroke.

15.3 Delivery route

Given the findings outlined above, it is proposed, therefore, that the Henry Tudor Heritage Centre should be considered as part of the redevelopment of South Quay. A four-stage proposed delivery route is set out as follows:

Step 1. Develop a **feasibility study** to ascertain the viability and nature of a Henry Tudor Heritage Centre.

This has been completed (this report). The study recommends that the centre can operate as an independent charitable company, run by small management team supported by volunteers. On this basis, the centre could operate on a breakeven basis form year 3. The recommended size for the attraction is 500m^2.

Step 2. Identify the **preferred location**

This has been completed (this report). The feasibility study has identified South Quay as the strongly preferred option. The site is owned by Pembrokeshire County Council.

The capital costs required to restore the building and develop the Heritage Centre within it is c£3.5m. The outputs from the Heritage Centre will not be sufficient however to justify the capital costs required to bring the buildings back into use. The Heritage Centre should therefore be considered as part of the wider redevelopment of this key site.

Step 3: Produce a **development brief** for South Quay

A development brief should be agreed for the South Quay site as a whole. It should set out the objectives of restoring the key site in Pembroke Town Centre and acting as a catalyst for the town.

It should investigate the potential mix of options which could include the library, TIC and other business start-up uses alongside the Henry Tudor Heritage Centre.

As part of the study it should identify the commercial development opportunities which could form part of the mix of uses.

Step 4: Pembrokeshire County Council **next steps**

Pembrokeshire County Council should review the financial implications for the scheme and identify the gap funding required.

PCC should then identify suitable gap funding sources for the proposed mix of uses which could include: Heritage Lottery Fund; Welsh Government including EU funding up to 2020; own funding.

PCC should work with Pembroke Town Council to establish a development trust for the delivery of the regeneration of South Quay.

Figure 15.1: Delivery Route Summary

Feasibility study for Henry Tudor Heritage Centre

- Study recommends that the centre can operate as an independent charitable company, run by small management team supported by volunteers
- On this basis, the centre could operate on a breakeven basis form Year 3.
- The recommended size for the attraction is 500m²

Location options

- The feasibility study has identified South Quay as the strongly preferred option. The site is owned by PCC
- The capital costs required to restore the building and develop the Heritage Centre within it is c£3.5m. The outputs from the Heritage Centre will not be sufficient to justify the capital costs required to bring the buildings back into use.

Development brief for South Quay

- A development brief should be agreed for the South Quay site as a whole. It should set out the objectives of restoring the key site in Pembroke Town Centre and acting as a catalyst for the town.
- It should investigate the potential mix of options which could include the library, TIC and other business start up uses alongside the Hentry Tudor Heritage Centre
- As part of the study it should identify the commercial development opportunities which could form part of the mix of uses.

PCC next steps

- Pembrokeshire County Council should review the financial implications for the scheme and idenify the gap funding required
- PCC should identify suitable gap funding sources which could include: Heritage Lottery Fund; Welsh Government including EU funding up to 2020; own funding
- PCC should work with Pembroke Town Council to establish a development trust for the delivery of the regeneration of South Quay

Appendices

Appendix 1 – Cost Consultants report

Henry Tudor Heritage Centre
Pembroke

Feasibility Estimate

DATE: 15/12/2017

CONTENTS

FAITHFUL GOULD

Henry Tudor Heritage Centre
Pembroke

Summary of cost estimate

Total Cost of Works	**£2,812,110.95**
Total Cost of Abnormals	**£202,500.00**
Total Build Cost	**£3,014,610.95**
Other Project Costs (fees etc)	**£452,191.64**
TOTAL PROJECT COST	**£3,466,802.60**

Notes & Assumptions

1 Costs are based on the drawings as provided and assumed final layouts
2 There is no design information to base costs on at this stage
3 Costs are based at 3Q 2018
4 Assumed that works will be carried out undisrupted in a single phase
5 Costs are based on BCIS and in house cost data
6 Assumed that no major service diversions required
7 Assumed that project will be procured using traditional procurement
8 The existing building structure is repairable
9 We have allowed for the removal of trees from the site
10 We have assumed the extent of garden works
11 We have allowed for café facilities and an external café area
12 We have not allowed for achieving any level of BREEAM
13 The extent of works in relation to listed features has been assumed
14 The floor area of the works is approximate and subject to final surveys
15 Professional fees has been assumed at 15%
16 £30,000.00 has been included for removal of asbestos
17 No allowance has been made for removal of contaminated materials
18 VAT is excluded from this estimate
19 No allowance has been made for security measures
20 No allowance has been made for audio visual equipment or alike
21 The extent of FF&E has been assumed. Specialist display cases have not been incorporated.
22 Finishes have been assumed. Specialist lime/hemp plastering and alike is excluded.
23 10% contingency/ Risk allowance included

The following abnormals have been identified:

1 Waterproof basement
2 Incoming services
3 Allowance specialist details/ features
4 Foul drainage connection
5 Remove existing trees
6 CCTV
7 Catering facility

Henry Tudor Heritage Centre
Pembroke

Information Used

1 **General Information**
- a M.W Surveys - Land Survey of by South Quay - 1800808
- b Survey Plans - Levels 1 to 6
- c Sales agent information

2 **Amion Consulting**
- a Henry VII Heritage Centre Feasibility Study

3 **Greer Pritchard**
- a Henry Tudor Heritage Centre OPTIONS - 4 and 5 Castle Terrace Lower Ground Floor Plan
- b Henry Tudor Heritage Centre OPTIONS - 4 and 5 Castle Terrace Upper Ground Floor Plan
- c Henry Tudor Heritage Centre OPTIONS - 4 and 5 Castle Terrace Floor Plans
- d As Barry Pritchard E-mail 3rd December 2017
- e As telephone conversation with Barry Pritchard 6th December 2017
- f Site photographs
- g Sales agent info

Calculation Methodology

In order to arrive at benchmark costs for the estimating of new build we use historic data and apply indices for inflation and location. The data included within the example base projects represents a sample of projects used to produce the data prior to the adjustments being undertaken and is for information only.

Henry Tudor Heritage Centre
Pembroke

Base Document

Total build cost of the works	**£3,014,610.95**	**£2,691.62 per m²**

Examples of base projects from which cost data derived

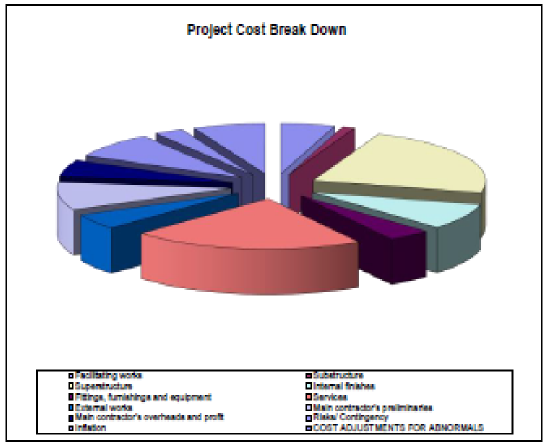
	Twr yr Felin Hotel	Guild Hall	Penrhiw Priory
Cost Data	Listed building in St Davids, stabilisation and full refurbishment works	Listed building in Llantrisant, full refurbishment works	Listed building in St Davids, full refurbishment works
Cost/m2	3,369.76	3,723.67	2,480.38
Element	Cost £	Cost £	Cost £
TOTAL	2,941,999.69	620,400.00	1,641,588.45

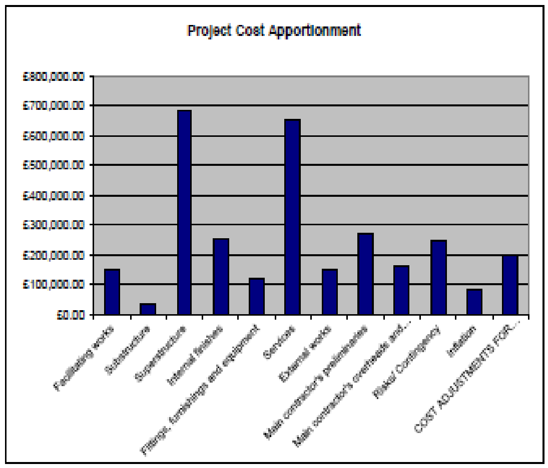
Cost Model for 4 and 5 Castle Terrace refurbishment

GFA 1,120

Cost/m2 £2,691.62

Element	Cost £	Cost/m2 £	Apportionment %
TOTAL PROJECT COST	£3,014,610.95	£2,691.62	100.00%
Facilitating works	£150,972.00	£134.80	5.01%
Facilitating works	150,972.00	134.80	5.01%
Substructure	£35,000.00	£31.25	1.16%
Substructure	35,000.00	31.25	1.16%
Superstructure	£685,794.00	£612.32	22.75%
Frame		0.00	0.00%
Upper floors	135,000.00	120.54	4.48%
Roof	85,000.00	75.89	2.82%
Stairs and ramps	39,000.00	34.82	1.29%
External walls	180,050.00	160.76	5.97%
Windows and external doors	36,300.00	32.41	1.20%
Internal walls and partitions	141,544.00	126.38	4.70%
Internal doors	68,900.00	61.52	2.29%
Internal finishes	£251,367.20	£224.44	8.34%
Wall finishes	91,027.20	81.27	3.02%
Floor finishes	89,210.00	79.65	2.96%
Ceiling finishes	71,130.00	63.51	2.36%
Fittings, furnishings and equipment	£123,000.00	£109.82	4.08%
Fittings, furnishings and equipment	123,000.00	109.82	4.08%
Services	£652,132.32	£582.26	21.63%
Sanitary installations	44,000.00	39.29	1.46%
Mechanical services	137,379.20	122.66	4.56%
Electrical installations	394,699.20	352.41	13.09%
Ventilation	15,000.00	13.39	0.50%
Lift and conveyor installations	30,000.00	26.79	1.00%
Builder's work in connection with services	31,053.92	27.73	1.03%
External works	£149,825.00	£133.77	4.97%
Site preparation works	20,500.00	18.30	0.68%
Roads, paths, pavings and surfacings	24,000.00	21.43	0.80%
Soft landscaping, planting and irrigation systems	11,200.00	10.00	0.37%
Fencing, railings and walls	35,625.00	31.81	1.18%
External fixtures	15,000.00	13.39	0.50%
External drainage	26,000.00	23.21	0.86%
External services	17,500.00	15.63	0.58%
Main contractor's preliminaries	£270,070.86	£241.13	8.96%
Main contractor's preliminaries	270,070.86	241.13	8.96%
Main contractor's overheads and profit	£163,842.99	£146.29	5.43%
Main contractor's overheads and profit	163,842.99	146.29	5.43%
Risks/ Contingency	£248,200.44	£221.61	8.23%
Risks/ Contingency	248,200.44	221.61	8.23%
Inflation	£81,906.14	£73.13	2.72%
Inflation	81,906.14	73.13	2.72%
COST ADJUSTMENTS FOR ABNORMALS	£202,500.00	£180.80	6.72%
Waterproof basement	£35,000.00	£31.25	1.16%
Incoming services	£45,000.00	£40.18	1.49%
Allowance specialist details/ features	£37,500.00	£33.48	1.24%
Foul drainage connection	£15,000.00	£13.39	0.50%
Remove existing trees	£20,000.00	£0.00	0.66%
CCTV	£15,000.00	£13.39	0.50%
Catering facility	£35,000.00	£31.25	1.16%





Appendix 2 – Detailed Financial Projections

10-year income assumptions

Achieved ticket	*Yr 1*	*Yr 2*	*Yr3*	*Yr 4*	*Yr 5*	*Yr 6*	*Yr 7*	*Yr 8*	*Yr 9*	*Yr 10*
Standard adult	£5.53	£5.53	£5.53	£5.95	£5.95	£5.95	£6.38	£6.38	£6.38	£6.80
Standard child	£4.68	£4.68	£4.68	£5.10	£5.10	£5.10	£5.53	£5.53	£5.53	£5.95
Group adult	£4.68	£4.68	£4.68	£5.10	£5.10	£5.10	£5.53	£5.53	£5.53	£5.95
Group child	£3.83	£3.83	£3.83	£4.25	£4.25	£4.25	£4.68	£4.68	£4.68	£5.10
Schools	£2.00	£2.00	£2.00	£2.50	£2.50	£2.50	£3.00	£3.00	£3.00	£3.50

Visits	*36,000*	*40,500*	*45,000*	*45,000*	*45,000*	*45,000*	*45,000*	*45,000*	*45,000*	*45,000*
Standard adult	£44,753	£50,347	£55,941	£60,244	£60,244	£60,244	£64,547	£64,547	£64,547	£68,850
Standard child	£49,088	£55,223	£61,359	£66,938	£66,938	£66,938	£72,516	£72,516	£72,516	£78,094
Group adult	£15,428	£17,356	£19,284	£21,038	£21,038	£21,038	£22,791	£22,791	£22,791	£24,544
Group child	£13,770	£15,491	£17,213	£19,125	£19,125	£19,125	£21,038	£21,038	£21,038	£22,950
School admission	£9,000	£10,125	£11,250	£14,063	£14,063	£14,063	£16,875	£16,875	£16,875	£19,688
Total income	**£132,038**	**£148,542**	**£165,047**	**£181,406**	**£181,406**	**£181,406**	**£197,766**	**£197,766**	**£197,766**	**£214,125**

Gift aid	*Yr 1*	*Yr 2*	*Yr3*	*Yr 4*	*Yr 5*	*Yr 6*	*Yr 7*	*Yr 8*	*Yr 9*	*Yr 10*
Standard adult	**£10,741**	**£12,083**	**£13,426**	**£14,459**	**£14,459**	**£14,459**	**£15,491**	**£15,491**	**£15,491**	**£16,524**
Standard child	**£11,781**	**£13,254**	**£14,726**	**£16,065**	**£16,065**	**£16,065**	**£17,404**	**£17,404**	**£17,404**	**£18,743**
Group adult	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**
Group child	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**
School admission	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**
Total income	**£22,522**	**£25,337**	**£28,152**	**£30,524**	**£30,524**	**£30,524**	**£32,895**	**£32,895**	**£32,895**	**£35,267**

10-year staff cost assumptions

Staffing	***Yr 1***	***Yr 2***	***Yr3***	***Yr 4***	***Yr 5***	***Yr 6***	***Yr 7***	***Yr 8***	***Yr 9***	***Yr 10***
Centre Manager	£24,010	£24,500	£25,000	£25,500	£26,010	£26,530	£27,061	£27,602	£28,154	£28,717
On costs	£2,881	£2,940	£3,000	£3,060	£3,121	£3,184	£3,247	£3,312	£3,378	£3,446
Hourly wages	£57,480	£58,653	£59,850	£61,047	£62,268	£63,513	£64,784	£66,079	£67,401	£68,749
On costs	£6,898	£7,038	£7,182	£7,326	£7,472	£7,622	£7,774	£7,930	£8,088	£8,250
Total cost	***£91,269***	***£93,131***	***£95,032***	***£96,933***	***£98,871***	***£100,849***	***£102,866***	***£104,923***	***£107,021***	***£109,162***

10-year running cost assumptions

Running costs	***Yr 1***	***Yr 2***	***Yr3***	***Yr 4***	***Yr 5***	***Yr 6***	***Yr 7***	***Yr 8***	***Yr 9***	***Yr 10***
Training & recruitment	£960	£980	£1,000	£1,020	£1,040	£1,061	£1,082	£1,104	£1,126	£1,149
Volunteer costs	£1,921	£1,960	£2,000	£2,040	£2,081	£2,122	£2,165	£2,208	£2,252	£2,297
Cleaning	£7,683	£7,840	£8,000	£8,160	£8,323	£8,490	£8,659	£8,833	£9,009	£9,189
Postage/Stationery/Office	£1,441	£1,470	£1,500	£1,530	£1,561	£1,592	£1,624	£1,656	£1,689	£1,723
Telephone	£1,921	£1,960	£2,000	£2,040	£2,081	£2,122	£2,165	£2,208	£2,252	£2,297
Website	£2,881	£2,940	£3,000	£3,060	£3,121	£3,184	£3,247	£3,312	£3,378	£3,446
Marketing	£9,604	£9,800	£10,000	£10,200	£10,404	£10,612	£10,824	£11,041	£11,262	£11,487
IT	£2,881	£2,940	£3,000	£3,060	£3,121	£3,184	£3,247	£3,312	£3,378	£3,446
Utilities	£26,891	£27,440	£28,000	£28,560	£29,131	£29,714	£30,308	£30,914	£31,533	£32,163
Insurance	£7,683	£7,840	£8,000	£8,160	£8,323	£8,490	£8,659	£8,833	£9,009	£9,189
Routine maintenance & security	£9,604	£9,800	£10,000	£10,200	£10,404	£10,612	£10,824	£11,041	£11,262	£11,487
Equipment	£2,881	£2,940	£3,000	£3,060	£3,121	£3,184	£3,247	£3,312	£3,378	£3,446
Accountancy, legal & consult & audit	£9,604	£9,800	£10,000	£10,200	£10,404	£10,612	£10,824	£11,041	£11,262	£11,487
Subscriptions	£960	£980	£1,000	£1,020	£1,040	£1,061	£1,082	£1,104	£1,126	£1,149
Refreshments/Entertaining/ travel	£960	£980	£1,000	£1,020	£1,040	£1,061	£1,082	£1,104	£1,126	£1,149
Bank charges	£14,406	£14,700	£15,000	£15,300	£15,606	£15,918	£16,236	£16,561	£16,892	£17,230
Retail Cost of Goods	£15,737	£16,059	£16,386	£16,714	£17,048	£17,389	£17,737	£18,092	£18,454	£18,823
Retail EPOS	£960	£980	£1,000	£1,020	£1,040	£1,061	£1,082	£1,104	£1,126	£1,149
Total other costs	**£118,980**	**£121,409**	**£123,886**	**£126,364**	**£128,891**	**£131,469**	**£134,099**	**£136,780**	**£139,516**	**£142,306**