THE
HEPWORTH
WAKEFIELD

ECONOMIC IMPACT ASSESSMENT

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COVER PHOTO:
Barbara Hepworth, Pierced Hemisphere, 1937. White marble.
The Hepworth Wakefield (Wakefield Permanent Art Collection) ©Bowness.
Photo: Norman Taylor

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BACKGROUND

The Hepworth Wakefield (THW) provides a permanent public legacy for Barbara Hepworth in her home city, with exhibitions that respond to and reflect the unique qualities of the Wakefield Permanent Art Collection. Home of the municipal art collection, Wakefield’s iconic and acclaimed Sir David Chipperfield designed building provides some of the finest spaces in the world in which to experience art. The building is a testament to the ambition of Wakefield. The relationship between the architecture, the works of art on display and the strong sense of place is a special part of the experience of our programme of work.

**Mission** - Our mission is to create art experiences that inspire, captivate, surprise and enhance everyone’s lives.

**Vision** - We work to be recognised as one of the world’s leading art galleries, creating unforgettable art experiences for all, while inspiring positive change locally.
The Hepworth’s Core Values are:

- **Embrace innovation** - From the way we work with colleagues and partners, to how we present our collections and exhibitions in an ever-changing world, we’re always exploring new ways to innovate. Art doesn’t stand still. Nor do we.

- **Be bold** - Our staff, developing site, architecture and programming are all proof of our ambition. We embrace innovation to create positive impacts in everything we do as we engage people in creative experiences.

- **Be open** - Being open means we are inclusive, and that we collaborate freely and fairly, and are generous with our time and knowledge. We are welcoming and make the experiences we offer accessible to everyone. THW is committed to equality, diversity and inclusion.

- **Quality always matters** - We strive consistently to achieve the highest possible quality. Everyone has a role to play in ensuring that excellence runs through every aspect of our work.
ECONOMIC IMPACT OF THE HEPWORTH WAKEFIELD

THW has successfully built a significant local, national and international reputation as one of the UK’s leading public art galleries. This was recognised when we won the accolade of Art Fund Museum of the Year in 2017, raising the profile of Wakefield as a city internationally recognised for its cultural offer.

• We provide 41 volunteer opportunities for local people
• We attract between 220,000 and 250,000 visitors a year to the district, spending on average £36.60 on each visit
• Many visitors are first attracted to visit Wakefield by coming to THW and they then go on to experience more of the city and district
• For local residents, we provide free school holiday activities and free resources for children in the galleries; helping local families budget, particularly during school holidays
• Our education and learning activities have helped local young people progress to employment and independent living, which provides a major saving for the public purse

For every £1 of annual revenue funding we receive from Wakefield Council, we bring £9.43 of benefit to Wakefield’s economy

Our economic impact on Wakefield is £13m a year

We spend over £2.23 million in the local community annually, building community health and helping SMEs grow and survive

We provide 64 jobs, over half of which are held by local residents, providing secure employment and skills development

Economic Impact Assessment Hepworth Wakefield ©Counterculture LLP Strictly Confidential
Sculpture and exploring the process of creativity are central to our public offer, as is the influence of the Yorkshire landscape on modern art. Our programme – comprising collection displays, temporary exhibitions and our learning work with local communities, families and schools – ensures that we enable our visitors to engage with the best in modern and contemporary art from all over the world. Our work is both critically acclaimed and accessible, and we work to be Art Fund Museum of the Year every year. We provide an engaging set of experiences and dialogues for a wide, diverse audience, so that the past and present inform one another in a compelling way.

The outreach and educational programmes we offer have significant impact on the lives of participants and contribute to savings to budgeting for homelessness. Opportunities offered by our programmes support participants in creating fulfilling lives. Preventing homelessness for just one person provides a saving of £20,000 to the public purse annually (Crisis 2019).1

“THW’s creative and mentoring residency was profoundly life-altering for me. A year on I now live alone, pay rent and have been in a full-time job for over nine months. This wouldn’t have been possible without the support of The Hepworth.”

A participant in THW’s Art Social programme

We have significantly increased the importance and reach of Wakefield’s art collection, adding £42 million worth of works of art to it since we opened in 2011. All these works have come via philanthropic gifts from individuals, trusts and foundations. We have cultivated these relationships, which has resulted in Wakefield’s growing art collection becoming one of the most important in the UK. The collection will continue to provide a lasting legacy and is a testament to the ambition of the city and district taking inspiration from local heroes Barbara Hepworth and Henry Moore.

In 2012 we developed The Calder, which was a large flexible space in Rutland Mills opposite the gallery. Our intention was to ensure investors and developers could clearly see the regeneration benefit for the entirety of the dilapidated mill building complex onto which we face. We ran a very commercially successful and popular series of art, craft, and Christmas fairs in The Calder, as well as using it for hire events and weddings. This helped us to persuade the property developer, Paul Kempe, to discuss the prospect of restoring and redeveloping Rutland Mills with Wakefield Council, after we introduced them to one another five years ago. This led to the redevelopment of Rutland Mills and Tileyard North being our new inspiring neighbours. The new jobs and economic benefit to the district will be very significant to the future development of the creative economy in Wakefield.

The financial year 2019/20 saw collaboration with the Henry Moore Institute, Leeds Art Gallery and Yorkshire Sculpture Park, to produce the Yorkshire Sculpture International, the largest festival dedicated to sculpture in the UK. This reinforces West Yorkshire’s creative brand as the home of British sculpture. Over one million people engaged with sculpture during the 100-day festival across Leeds and Wakefield, which included exhibitions at all of the four organisations, an extensive community engagement programme, and major commissions of outdoor sculpture in both cities.

One of the great achievements of this year has been the further development of The Hepworth Wakefield garden, designed by Tom Stuart-Smith. Construction began in January 2019 and by August that year the site had been transformed into the early stages of the Garden. Although it will take another two years to mature and represent Tom’s full vision, the Garden has already had many positive impacts on the health and wellbeing of the local communities surrounding the gallery and on the biodiversity of the flora and fauna of our unique site.

At the beginning of 2020 we introduced charging for our major temporary exhibitions for everyone outside of the Wakefield district in an effort to generate more of our own income following a reduction in annual funding from Wakefield Council. Before we were forced to close due to the Covid-19 pandemic, we were above target on ticket sales and associated Gift Aid, and were selling more memberships than ever.
This study has been commissioned by the Board and Senior Management Team at THW to assess and report on the overall economic impact of the Gallery on the Wakefield Council area.

• It demonstrates a clear top-level economic impact analysis of the economic benefit of THW on the Wakefield Council area including visitor spend.
• It quantifies the impact of direct gallery expenditure on goods and services, and employment expenditure.
• It provides clear data, methodology and workings.
• It provides visual and narrative tools for advocacy, communications and fundraising, illustrating the significant economic benefits THW brings to Wakefield.

The study also acknowledges other economic impacts that are more difficult to quantify, including the social and regeneration impact on the local creative economy. As identified in the HM Treasury Green Book for Appraisal and Evaluation (2011):

“Wider social and environmental costs and benefits for which there is no market price also need to be brought into any assessment. They will often be more difficult to assess but are often important and should not be ignored simply because they cannot easily be costed.”

Whilst these factors are not quantified economically in this report, these points serve to demonstrate that the estimated financial impact to the local area in this work is conservative.

The appraisal of social value – also known as public value – is based on the principles and ideas of welfare economics and it concerns overall social welfare efficiency, not simply economic market efficiency. This means that social or public value includes all significant costs and benefits that affect the welfare and wellbeing of the population, not just market outcomes. Therefore, environmental, cultural, health, social care, justice, and security effects are included.
WHAT IS AN ECONOMIC IMPACT ASSESSMENT?

Economic impact analysis provides a quantitative method to estimate the economic benefits that a project development brings to the economies and surrounding communities. Typically, economic impact studies use financial and economic source data to generate estimates of output, Gross Domestic Product (GDP), or Gross Value Added (GVA) associated with changes in the level of economic activity resulting from the project or industry being analysed.

There has been careful consideration of the proposed methodology of estimating the financial impact. A ‘one size fits all’ methodology does not always show the true impact. Therefore, the methodology used to assess the impact to the local economy relevant to the operations at THW examines the following categories separately:

- Direct spend on operations: the impact of the expenditure on operations
- Direct spend on employment: the additional impact of the expenditure on employment direct to THW
- Visitor impact: the extent and impact of visitor spend as a direct result of the visit to THW (e.g. transport, hospitality, hotels).

To assess the economic impact of THW, two main sources of data have been used. Firstly, the detailed audited financial actuals of THW and secondly, figures of estimated audience spend whilst visiting the gallery.

In accordance with HM Treasury recommended best practice, the results have been reviewed for ‘additionality’ to ensure that only genuinely ‘new’ activities and ultimately economic impact have been included in the assessment.

In addition to the key considerations above, less easily quantifiable contributions have been included:

- Learning and Knowledge Value: the reach of the learning and outreach programme, developed and run by THW engaging over 16,700 participants from the Wakefield district in a typical year. The programme helps to raise the aspirations and achievement of the local population and is of significant benefit to the city and surrounding towns;
- Collection Value: THW holds, preserves and displays the municipal art collection on behalf of Wakefield Council and the people of Wakefield
- Regeneration Impact
- Media activity and positive promotion of Wakefield through coverage of THW.


Photo: George Baggaley
1. EXECUTIVE SUMMARY AND CONCLUSION

In summary, the economic impact of THW in 2019/20 (the last financial year before significant impact of Covid-19 lockdown becomes evident) as an indicative year has been assessed as:

Table:
Summary of Economic Impact of THW for the 2019/20 Financial Year

<table>
<thead>
<tr>
<th>Item</th>
<th>£ Economic Impact 2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct spend on operations (Section 2 below)</td>
<td>2,237,659</td>
</tr>
<tr>
<td>Direct spend on employment (Section 3 below)</td>
<td>1,668,507</td>
</tr>
<tr>
<td>Visitor impact (Section 4 below)</td>
<td>9,065,357</td>
</tr>
<tr>
<td>Total Economic Impact 2019/20</td>
<td>12,971,523</td>
</tr>
</tbody>
</table>

Other Quantifiable Impacts

<table>
<thead>
<tr>
<th>Item</th>
<th>£ Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Media Coverage in 2019/20</td>
<td>14,000,000</td>
</tr>
<tr>
<td>Increase in value of the Collection 2012-21</td>
<td>42,000,000</td>
</tr>
</tbody>
</table>

The actual expenditure for 2019/20 and Covid-adjusted visitor numbers are typical for THW. On this basis, as a rule of thumb, the full local economic impact of the gallery since its first year of trading in 2011/12 is (£12,971,523 x 9) £116,743,707.

THW has received £12,376,417 in Service Concession investment from Wakefield Council since its opening in 2011, this represents a return on investment on a revenue basis for Wakefield district of £9.43 for every £1 of Wakefield Council expenditure on THW.

This calculation excludes the costs and benefits of the capital expenditure in building THW and Wakefield Council’s costs in meeting its freeholder obligations for the building since its completion.

THW recognises the significant investment Wakefield Council has made and continues to make in the Hepworth Wakefield Building, including initial capital costs, annual maintenance and capital renewal.

This study analyses the economic impact of THW on the Wakefield Council area. There are a number of other areas where THW adds value to the Wakefield Council area.
Since opening in 2011, THW’s support of artists and creative learning has remained firmly at the heart of its mission. In 2013, THW won the Clore Learning Award, when it was described by judges as ‘educational, aspirational and inspirational to the core’. Since then, THW has built a learning and outreach programme that, in 2019/20, employed 21 local artists and engaged 41,800 participants, more than 40% of which were from the Wakefield district.

Our programme has a particular focus on supporting children, young people, and families in areas of the highest socio-economic deprivation across the Wakefield district. Art Social, our longrunning programme for young people not in education, employment, or training, or at risk of offending, works with Wakefield Council and youth agencies across Wakefield to transform the lives of the most vulnerable young people in our district. Meanwhile, through flagship school projects, such as School Prints and Burberry Inspire, we have demonstrated the transformative impact of sustained work over several years, campaigning for important social issues such as a creative education for all, and during 2020/21, diversifying the curriculum.

To support Wakefield’s recovery and future prosperity during 2021/22, THW Learning will deliver Creative Futures, a holistic programme combining the most successful strands of the museum’s work over the last ten years to offer skills-based opportunities and clear pathways for young people into creative careers. Embedding mental health and wellbeing into its flexible structure, the programme will draw on long-standing relationships with Wakefield Council, Wakefield’s Local Cultural Education Partnership (LCEP) and a range of cultural organisations, creative industries and youth agencies across the district to secure maximum impact.

“I’m proud to be a part of this year’s project, which supports the teaching of black histories in the local curriculum. School is where I was first introduced to art, and education is key to developing a wider understanding around issues of representation.”

Yinka Shonibare CBE, School Prints 2021 artist

“It is vital that our young people can feel that they are important to us and begin to understand that we are all committed to investing in every way we can to help them expand and extend their potential.”

Lubaina Himid CBE, School Prints 2021 artist
THW preserves, researches, restores, exhibits and grows Wakefield’s collection of works of art on behalf of the people of Wakefield district.

Wakefield’s art collection consists of more than 5,000 works, at the core of which is a significant group of sculptures by Barbara Hepworth and Henry Moore. From its foundation in 1923, the former Wakefield Art Gallery adopted an ambitious collecting policy with a core aim of nurturing an understanding of contemporary art in relation to everyday life.

Works were acquired by the leading artists of the time, who have become synonymous with shaping modern British art. These works include Hepworth’s *Mother and Child* (1934) and Moore’s *Reclining Figure* (1936) from an important period in the history of British art, during which many artists such as Paul Nash, Victor Pasmore and John Piper began to experiment with abstraction. Other leading British artists represented in the collection include Eileen Agar, David Bomberg, Roger Fry, Harold Gilman, Ben Nicholson, Patrick Heron, Lucie Rie, and William Scott.

**COLLECTION VALUE**

In THW’s first full year of operation in 2012/13, the value of the collection was £29m. As a result of THW’s success in making new acquisitions, in April 2021 the value had risen to over £71m. The addition of £42m of cultural assets of for the benefit of Wakefield Council’s residents in perpetuity since 2012/13 has been possible due to the curatorial, research, conservation, and educational reputation of THW, inspiring confidence in artists, artists’ estates and funders to entrust unique works to its care. Most of the acquisitions have been funded through grants or philanthropy, with the THW development team playing the primary role in attracting such donations and funding, further raising the reputation of Wakefield district as a place that nurtures art and creativity.

In addition to the £42m appreciation in the asset valuation of the collection, the revenue economic impact over the long-term will be manifested in the attraction of more visitors to THW to see world-class art and to the Wakefield district. As Wakefield’s collection grows so does its national and international reputation for excellence.
THW has had a major positive impact on the physical environment around its building and will continue to do so through the new garden and the regeneration of Rutland Mills. Other than via the attraction of visitors, the economic benefits of physical regeneration are not quantified in this report.

Culture-led regeneration has proved incredibly successful across the UK, from events hosted by Hull as City of Culture to the impact of individual galleries and museums such as THW, MOSTYN (Llandudno), and Turner Contemporary in Margate. Most recently, Coventry have adopted a regeneration strategy, inspired by Wakefield’s investment in THW.

The Hepworth attracts significant local, regional, national and international media coverage, which consistently raises the positive, ambitious, and creative profile of the city and district. The industry standard advertising equivalent value for this in 2019/20 was over £14m (2018/19: £20m).
2. DIRECT SPEND IMPACT

2.1 Direct Spend on Operations

The data for the assessment of the impact of the gallery’s direct spend is drawn from the 2019/2020 Annual Report and Financial Statements. The final months of the financial year were impacted by the slowdown in visitors due to the Covid-19 pandemic.

The methodology of the calculation of direct spend generated as a result of the gallery is as follows.

2.1.1 Assessment of Expenditure

NB: Employment costs have been removed from the operational spend as these are considered separately in Section 3 below.

THW activities generate income to suppliers across three major categories:

• Premises costs: for example, utilities, maintenance of the gallery, and general security
• Programme costs: comprising construction/preparation for exhibitions, shipping costs of artwork and insurance
• Marketing: comprising external marketing, communications and brand promotion, and hospitality at marketing and events

It should be noted that in accordance with HM Treasury recommended best practice 5, the results have been reviewed for ‘additionality’ to ensure that only genuinely ‘new’ activities and ultimately economic impact have been included in the assessment.

2.1.2 Leakage:

In order to consider leakage, an assessment has been carried out as to the locality of the supply chain to evaluate the gallery impact on community wealth-building through local procurement. For example, hospitality budget will be exhausted wholly in the local area, whereas insurance costs are likely to be consumed by companies from outside the local economy.

Our analysis shows that approximately 50% of THW’s spend on goods and services is attributable to suppliers in the Wakefield Council area, with the remainder being spent nationally – this is consistent with a standard measure used for regional galleries including, for example, at Nottingham Contemporary, a comparator public art gallery.

2.1.3 Displacement and substitution:

Analysis of the items in the expenditure has been carried out. For the purposes of THW, it has been considered that all items are generated as a direct result of the current activities, and are not taking activity from other organisations. Therefore, the displacement and substitution factor is zero.

2.1.4 Deadweight:

It has been considered that all items included in the expenditure are as a direct result of THW operations, and would not have occurred otherwise.

2.2 Apply Multipliers

In order to assess the true impact of the THW’s spend to the Wakefield Council area’s economy, multipliers are used. These are coefficients which provide an estimate of the subsequent rounds of impacts on the economy resulting from the direct spend.

It was decided to use a public source for the multipliers. The United Kingdom Input-Output Analytical Tables are produced by the Office for National Statistics (ONS).

Supply and use tables for 1997 to 2018 are consistent with the UK National Accounts in Blue Book 2020.

The 2010 United Kingdom Input-Output Analytical Tables (IOATs) are a National Accounts product of the Office for National Statistics. These tables are consistent with the 2013 editions of United Kingdom National Accounts: The Blue Book (ONS, 2013a) and United Kingdom Balance of Payments: The Pink Book (ONS, 2013b).

The 2010 IOATs are derived from the 2010 annual Supply and Use Tables (SUTs). The SUTs provide a picture of the flows of products and services in the economy for a single year and are used to set the level of annual current price Gross Domestic Product (GDP). They show the composition of uses and resources across institutional sectors and the inter-dependence of industries in order to reconcile the production, income and expenditure approaches to the measurement of GDP.
The IOATs show separately the consumption of domestically produced and imported goods and services, providing a theoretical framework for further analysis of the structure of the economy, its composition and the effect of changes in final demand on the economy. These tables form an essential tool for economic modelling.

The choice of source for the multiplier tables limits the economic impact assessment to the restrictions of the multiplier analysis conducted by the ONS. Specifically, ‘Type I multipliers cover direct and indirect effects only, and therefore underestimate the effect on the economy. Type II multipliers cover induced effects as well, under the implicit assumption that final consumers do not change their final consumption patterns in response to changes in income. Because this assumption is very unrealistic and because of the lack of consistent employment numbers, only Type I multipliers have been calculated for this publication.’ For this reason it is likely that this economic impact assessment is a conservative estimate.

Output multipliers were identified from the 2016 Current Price Input Output (published 2020) Analytical Tables and applied to each subcategory within the operational budget.

### Table: Multipliers Used (Output Costs)

<table>
<thead>
<tr>
<th>Input/Output group ref.</th>
<th>Input/Output group description</th>
<th>GVA Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>Computer, electronic and optical products</td>
<td>1.5001624</td>
</tr>
<tr>
<td>24</td>
<td>Electricity, gas, steam and air-conditioning</td>
<td>2.6970460</td>
</tr>
<tr>
<td>49</td>
<td>Advertising and market research services</td>
<td>1.4918635</td>
</tr>
<tr>
<td>46</td>
<td>Legal and accounting services; services of head offices; management consulting services</td>
<td>1.4653156</td>
</tr>
<tr>
<td>59</td>
<td>Creative, arts and entertainment services; library, archive, museum and other cultural services; gambling and betting services</td>
<td>1.6513665</td>
</tr>
</tbody>
</table>

2.2.1 These multipliers have been applied to the 2019/20 spend.
The table below lists the budget categories and relevant multipliers that have produced the Direct Spend Economic impact figures.

**Table: Detailed Direct Spend and Impact: THW Operations 2019/20**

<table>
<thead>
<tr>
<th>Spend Description</th>
<th>£ Audited direct spend per annum</th>
<th>ONS Multiplier (see table above)</th>
<th>£ GDP impact 19/20</th>
<th>Local impact based on local spend of 50%</th>
<th>ONS Multiplier Code</th>
<th>Gross Value Added (GVA) Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Costs</td>
<td>1,236,883</td>
<td>1.6513665</td>
<td>2,042,547</td>
<td>1,021,273</td>
<td>59</td>
<td>Creative, arts and entertainment services; library, archive, museum and other cultural services; gambling and betting services</td>
</tr>
<tr>
<td>Overhead Costs</td>
<td>655,286</td>
<td>2.6970460</td>
<td>1,767,336</td>
<td>883,668</td>
<td>24</td>
<td>Electricity, gas, steam and air-conditioning</td>
</tr>
<tr>
<td>Depreciation Costs</td>
<td>86,142</td>
<td>1.5001624</td>
<td>129,226</td>
<td>64,613</td>
<td>17</td>
<td>Computer, electronic and optical products</td>
</tr>
<tr>
<td>Marketing Costs</td>
<td>264,204</td>
<td>1.4918635</td>
<td>394,156</td>
<td>197,078</td>
<td>49</td>
<td>Advertising and market research services</td>
</tr>
<tr>
<td>Governance Costs</td>
<td>96,945</td>
<td>1.4653156</td>
<td>142,055</td>
<td>71,027</td>
<td>46</td>
<td>Legal and accounting services; services of head offices; management consulting services</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,339,460</strong></td>
<td><strong>4,475,320</strong></td>
<td><strong>2,237,659</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. EMPLOYMENT SPEND IMPACT

3.1 Employment cost multipliers were identified from the 2016 Current Price Input Output: Analytical Tables and applied to each subcategory within the operational budget. The table below lists the multiplier selected as most appropriate to the industry.

Figure 6: Multipliers Used (Employment costs)

<table>
<thead>
<tr>
<th>Input/Output group</th>
<th>Input/Output group description</th>
<th>Employment Cost Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>59</td>
<td>Creative, arts and entertainment services; library, archive, museum and other cultural services; gambling and betting services</td>
<td>1.842248793</td>
</tr>
</tbody>
</table>

To assess the impact to the local economy, an assessment was carried out to identify the staff that live in the local area. By using this assumption, it follows that 55% of employment impact is felt locally.

THW Employees and Volunteers

Volunteering in the arts and culture sector provides volunteers with an opportunity to gain experience and benefit from training sessions. This improves their productivity, employability, and future earnings potential to the local economy. For the purposes of this exercise the economic impact of volunteers has not been calculated, but it is worthy of note as this is a growing area of THW’s work.

The table below illustrates the local impact when applying ONS multipliers to the Employment Spend of THW.

Table: Employment Impact 2019/2020

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>£ Audited employment spend 19/20</td>
<td>1,646,710</td>
</tr>
<tr>
<td>Local staff (% living in Wakefield)</td>
<td>55</td>
</tr>
<tr>
<td>Multiplier</td>
<td>1.842248793</td>
</tr>
<tr>
<td>£ Employment impact Total</td>
<td>3,033,650</td>
</tr>
<tr>
<td>£ Local Employment Impact 19/20</td>
<td>1,668,507</td>
</tr>
</tbody>
</table>

64 FTE
55% From Wakefield district

88 VOLUNTEERS
47% From Wakefield district
4. VISITOR SPEND IMPACT

4.1 The third element giving rise to economic impact is visitor spend. Visitors spend on food and drink, accommodation, transport, and other goods and services in both the locality and in the wider surroundings. The gallery is situated very near Wakefield City Centre where many cafes and restaurants are located. In addition, there are approximately 10 hotels within a 5-mile radius of the Gallery ranging from national budget chains to independently owned hotels and B&Bs.

4.2 Events such as Yorkshire Sculpture International have had a significant impact with a contribution of £8.3 million to the Yorkshire economy. The National Geographic (UK) identified West Yorkshire as the seventh coolest place in the world to visit in 2019, with THW mentioned in relation to Yorkshire Sculpture International and the opening of The Hepworth Wakefield Garden.

4.3 In order to make an assessment of the economic impact of this spend, there are a number of stages to complete.

4.4 It should be noted that although the forced closure of the gallery was from 20 March 2020 due to the Covid-19 lockdown, the negative effect of uncertainty and safety around the virus would also have had a mitigating effect much earlier, probably from early February. Analysis of previous years demonstrates a trend of consistently achieving target visitor numbers and we therefore have predicated the calculations on the target number.

Table: THW Visitor Numbers 2017-20

<table>
<thead>
<tr>
<th>Year</th>
<th>Achieved</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/2020</td>
<td>227,900</td>
<td></td>
</tr>
<tr>
<td>2018/2019</td>
<td>222,874</td>
<td></td>
</tr>
<tr>
<td>2017/2018</td>
<td>220,000</td>
<td></td>
</tr>
</tbody>
</table>

11 https://www.nationalgeographic.co.uk/travel/2018/12/cool-list-2019
Assessment of the average spend per visitor

4.5 This calculation estimates visitor spend outside and inside THW based on visitor numbers multiplied by the estimated expenditure in Wakefield per visitor. There are range of values that can applied to the visitor spend figure which are explored below.

4.6 THW projected visitor numbers for 2019-20 (207,890 based on the actual visitor numbers, adjusted to 247,665 to take into account the impact of Covid-19).

4.7 There are other local statistics available from which a reasonable extrapolation of approximate tourist spend in Wakefield district, outside of THW’s walls, can be calculated.

4.8 We have based our assessment on data detailed within The Economic Impact of Tourism on Wakefield 2019 which was prepared by the Research Unit at Tourism South East and commissioned by Wakefield Council. The study applied the Cambridge Tourism Economic Impact Model. This calculated that day visitors spent on average £24.40 per visit. An overnight visitor spends on average £67.98. The spend is made up of accommodation, food and drink, recreation, shopping and transport costs. Based on visitor figures these figures would apply to 45% (visitors from outside the Wakefield district not staying overnight in paid-for accommodation) and 28% (visitors staying in paid-for overnight accommodation) of THW visitors respectively.

4.9 It is also recognised that day visitors to art galleries tend to have a more affluent average socio-economic profile and spend than local visitors, which is reflected in the spend per head.

### Table: Visitor Spend 2019/20

<table>
<thead>
<tr>
<th>Type of visitor</th>
<th>Proportion of visitors</th>
<th>No. of visitors 2019/20</th>
<th>Average £ spend per head</th>
<th>£ Total spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying overnight</td>
<td>28%</td>
<td>69,346</td>
<td>6798</td>
<td>4,714,155</td>
</tr>
<tr>
<td>Outside Wakefield (not paying overnight)</td>
<td>45%</td>
<td>111,449</td>
<td>30.03</td>
<td>3,346,821</td>
</tr>
<tr>
<td>Wakefield (WF1 - WF20)</td>
<td>27%</td>
<td>66,870</td>
<td>15.02</td>
<td>1,004,381</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>247,665</td>
<td></td>
<td>£9,065,357</td>
</tr>
</tbody>
</table>

4.10 It should be acknowledged that the spend of visitors with a Wakefield postcode is likely to be considerably lower for a number of reasons. Local visitors may be less likely to spend significant amounts of money on dining, have lower transport costs and may not be combining a visit with other commercial activity. For all these reasons, using the £15.02 figure for these visitors is a conservative estimate which has been used in this study for this group of visitors (representing 27% of visitors).

4.11 Allocating these three expenditure levels to the relevant percentage of visitors reveals an estimated total visitor spend impact of £9,065,357.

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*THW internal KPI Plan*