

counterculture



**RHS Wisley:
Economic Impact Study
2015/16 - 2024/25**

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1. Executive Summary

This Economic Impact Study was commissioned by the Royal Horticultural Society (RHS) in May 2017 to establish the impact of £72.4 million capital investment at RHS Wisley on the local, regional and wider economy.

A total of £72.4m will be invested in capital improvements at RHS Garden Wisley across three Key Investment Projects (KIPs) between 2015 and 2021:

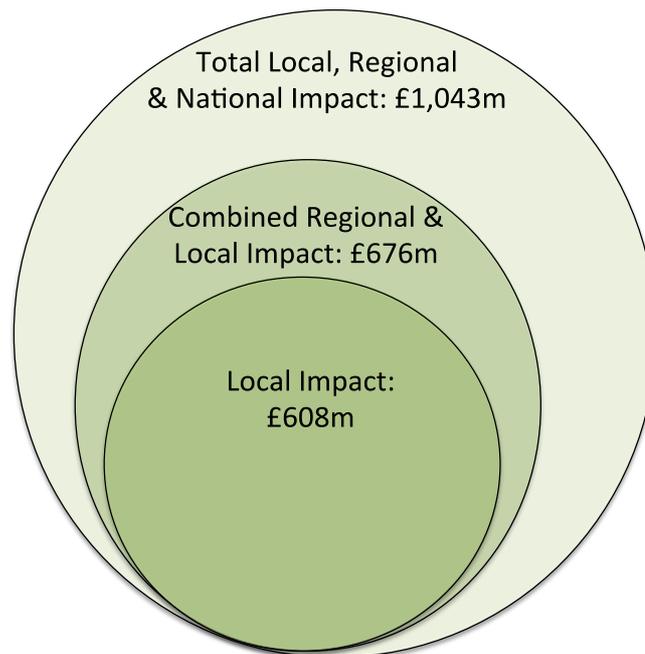
- the new National Centre for Horticultural Science & Learning ;
- the Front of House area (including the Historic Laboratory) and
- Wisley Village.

This study assesses the expected impact of the first two of these projects in terms of volume and value of spend on the local regional and national economic geographies across a number of sectors.

The business case for the developments at Wisley projects an additional 356,000 visitors will visit Wisley in 2024/25 compared to 2016/17. The developments will result in £9.73m additional operational expenditure at Wisley in 2024/25 compared to 2016/17 (excluding salary costs) and will support an additional 59 FTE jobs directly, with a further 81 FTE jobs supported in the wider economy (indirect and induced Impact). In addition, the direct spend through construction through contractors and suppliers, will support approximately 200 construction related jobs throughout the build process.

The study demonstrates that over a billion pounds will be generated over the 10 years of this Economic Impact Study (2015/16- 2024/25) through three geographic areas (local, regional and national) will be as follows:

Total amount generated for the economy (projected, 2015/16-2024/25)



Methodology

This study uses the New Economic Foundation's LM3 (Local Multiplier 3) methodology to calculate the impact of **annual expenditure on staff and goods and services** at RHS Wisley.

LM3 has been applied in the UK public sector at local government levels, and been used to demonstrate the local economic impact of over £13 billion of public, private, and not for profit spending.

For this study, the LM3 methodology is augmented by estimating the impact of visitors spending locally outside RHS Wisley, based on published average daily spends for day trip visitors and staying tourists. This draws on the approaches such as the **STEAM and Cambridge Models**, which are widely used by local authorities and tourism bodies to calculate the Economic Impact of tourism in specific areas

Headline Results

The tables below illustrate how the £1,043m of impact is built up across 10 year operational impact, the impact of the construction spend, and external non-RHS spend by visitors to Wisley, across, local, regional and national geographies:

Economic Area	10 year impact of operational expenditure (projected, 15/16 to 24/25)	Impact of £72.4m Capital Project Expenditure	External (non-RHS) spend by primary reason visitors to RHS Wisley (15/16 -24/25)	Total annual amount generated for the economy (15/16 -24/25)
Local Economy (30 min peak Drive Time)	£302m	£83m	£223m	£608m
Regional Economy (60 min peak Drive Time, including Local area above)	£353m	£99m	£223m	£676m
National Economy (UK, including Local and Regional areas above)	£611m	£209m	£223m	£1,043m

Breaking these headline figures down it is possible to see the initial spend by the RHS and its visitors over this period, the impact of this spend across the three geographical areas and the element of this impact that is directly attributable to the capital investment:

	Local Impact	Regional (includes Local) Impact	National (Includes Local & Regional) Impact
Impact of Wisley operational, capital and visitor spending (assuming capital projects delivered)	£608m	£676m	£1,043m
Impact organisational, capital and visitor spending directly resulting from capital investment at RHS Wisley	£153m	£175m	£349m

As part of the economic impact of RHS Wisley’s organisational and visitor spend, a number of jobs will be supported. These jobs include those directly employed at Wisley and those employed by RHS suppliers, contractors and others in the wider economy. In summary the jobs supported over the ten-year period (2015/16 – 2024/25) are estimated to be as follows:

	Employment type	Local FTE jobs supported	Regional FTE jobs supported	National FTE jobs supported	Total FTE jobs supported (Direct and Indirect)
A	Existing operational jobs at Wisley	280	358	412	412
B	Non-RHS jobs supported (Indirect and Induced)¹	384	491	564	564
C	New operational jobs at Wisley	41	52	59.7	59.7
D	Non-RHS jobs supported (Indirect and Induced)²	55	70	81	81
E	Construction contract capital project jobs supported³	19	39	202	204
	Total (A+B+C+D+E)	779	1,010	1,319	1,321
	Total additional resulting from capital projects (C+D+E)	115	161	343	345

The study details the proposed developments at Wisley over the coming years in Section 2 followed by an overview of the methodology used for calculating future economic impact.

Section 4 defines the Local and Regional areas used. The subsequent three sections analyse the employment impact, organisational spend impact and visitor spend impact of the Wisley investment. The study concludes with an outline of the combined impact of Wisley in Section 8.

¹ See Section 5 for calculation for Indirect and induced employment.

² See Section 5 for calculation for Indirect and induced employment.

³ Artelia cost consultants estimate 204 jobs will be supported in the first phase of the construction projects, for which contracts have already been let. This expenditure (£22.6m amounts to less than third of the RHS’s overall planned capital expenditure, therefore it is reasonable to assume that this figure can be trebled to estimate the employment impact of the full £72.4m capital expenditure.)

2. RHS Wisley: Planned developments, 2015/16 – 2024/25

In 2014 the Royal Horticultural Society (RHS) published its 10-year Strategic Investment Programme (SIP) vision to: *“Enrich everyone’s life through plants, and make the UK a greener and more beautiful place”*

In pursuit of its vision the RHS set out to make a £160m SIP investment (including £40m of external fundraising) in the future of horticulture by 2024. This will be investment in facilities to develop skills, horticulture and horticultural science, inspire passion in people and share knowledge to promote the environmental, health and social benefits of growing plants. £72.4m of this budget is earmarked for Wisley across three Key Investment Projects (KIPs): the new National Centre for Horticultural Science & Learning, Front of House area (including retail, catering, ticketing and the Historic Laboratory) and Wisley Village.

This economic impact study assesses the expected impact of the first two of these Key Investment Projects (KIPs). The new National Centre for Horticultural Science & Learning will be the first dedicated UK scientific centre of excellence in horticultural taxonomy, plant health and garden science. The Front of House area will see a radical improvement to visitor facilities including expanded catering; integrated retail for plants, books and gifts on a flat, more centrally located site; and new admissions and membership facilities, in order to better serve an increasing number of visitors. The Historic Laboratory Building will be opened to visitors, enabling the RHS to share its nationally important collections, many for the first time.

Front of House Visitor Welcome Area and Historic Core

The new Front of House, planned to open in April 2019, will anticipate and enable the expected increase in visitors that the Hilltop Centre and its ongoing programme of improved events, marketing and groups business will attract, includes:

- Retail Shop (increased floor area of 33% from 420m² to 560m²);
- Adjacent Plant Centre and new area for specialist nurseries (increased floor area of 15% from 6,025 m² to 6,950m²);
- Combined back of house and storage facilities to serve both the above (increased floor area of 60% from 300m² to 500m²);
- Ticketing and membership facilities (increased floor area of 42% from 31m² to 44m²);
- Café including Back of House adjacent to the plant centre (increased floor area of 215% from 49m² to 155m²);
- New restaurant (new floor area of 405 m² including back of house, kitchens, external space);
- Refurbishment of the Laboratory building for offices and with public access for the very first time, with improvements to its surrounding Landscape to create an exciting project that will now appeal to heritage funders, including a new 228 sq. m Gallery area, and re-presentation of the Wilkes Gate and Garden House entrance area;
- A new landscape at Front of House to enhance the existing approach for a dramatic arrivals sequence, including a new cherry tree avenue;
- Improved car parking with better horticulture, circulation and orientation towards the new entrance;
- Opportunity for a new area of garden on the existing plant centre site.

The New National Centre for Horticultural Science & Learning

This building and its surrounding landscape is set to open in September 2020, will include:

- Science Laboratory Suite (increased floor area of 52% from 250m² to 496 m²)
- Science Herbarium Suite (increased floor area of 47% from 156m² to 335 m²)
- Seed Store and Preparation Area (same as current accommodation of 75 m²)
- Science Library and Garden Library (increased floor area of 83% from 285m² to 343 m²)
- Education space (new floor area of 257 m² plus storage in bund)
- Events Space (new floor area of 400 m² + 85 m² storage)
- Public Engagement: Atrium / interpretation space (new floor area of 273 m²)
- Roof terrace
- Office Space (increased floor area of 58% from 350m to 603m but tbc subject to confirmation of workstation numbers) and WCs
- Café (to include 75 seats + 150 external seats); Kitchen (new floor area of 99 m²) and Servery (new floor area of 42m² tbc)
- Three newly designed gardens including a Health & Wellbeing Garden, a Wildlife/ Biodiversity Garden and a Kitchen Garden
- Landscape and garden infrastructure including horticulture.

A detailed business case has been undertaken for the Wisley projects, which projects the likely changes in operating income and expenditure across the SIP (Strategic Investment Projects) period.

3. Economic Impact: Methodology and Assumptions

3.1 Methodology

We have used the New Economic Foundation's LM3 (Local Multiplier 3) methodology to calculate the impact of **annual expenditure on staff and goods and services** at Wisley

The LM3 methodology measures the multiplier effect of turnover into a local economy over three 'rounds' of spending. The tool takes into account:

Round 1 - An organisation's turnover or cost base including supplier procurement and employee wages and other forms of cost.

Round 2 - Where and with whom the company spends that money.

Round 3 - Where and how suppliers and employees re-spend their incomes.

The multiplier is then calculated for every unit of currency spent within a defined local / regional area selected by the user as follows.

$$\text{Multiplier} = \frac{\text{Initial Spend} + \text{2nd tier spend} + \text{3rd tier spend}}{\text{Initial Spend}}$$

The economic impact is therefore the initial spend x the multiplier.

For example, an **LM3** score of **1.50** would indicate that every **£1** earned/turned over by an organisation generates **£1.50** for the local economy, or alternatively put, *an additional £0.50* for its local area, beyond its own initial spend.⁴

LM3 has been applied in the UK public sector at local government levels, and been used to demonstrate the local economic impact of over £13 billion of public, private, and not for profit spending.

We have augmented the LM3 model by also estimating the impact of visitors spending locally outside RHS Wisley, based on published average daily spends for day trip visitors and staying tourists. This draws on the approaches such as the **STEAM and Cambridge Models**, which are widely used by local authorities and tourism bodies is to calculate the Economic Impact of tourism in specific areas. These methods combine supply side data to estimate visit numbers and visitor surveys to offer a range of detail on visitor behavior and spend.

The local, regional and national economic impact of the **capital spend on the construction project is also included in this study.**

⁴ <https://www.lm3online.com/>

3.2 Basis of Assumptions

Calculating the Economic impact of a proposed project requires a number of assumptions to be made.

There are a number of future variables, nevertheless in the case of Wisley there is considerable data on current employees, suppliers and visitor spend, as well as robust projections based on in-depth organisational business planning undertaken over the past 18 months.

The following table illustrates the future variables and the basis of the assumptions made in order to project economic impact. Specific assumptions are explained in the relevant subsequent sections of this study.

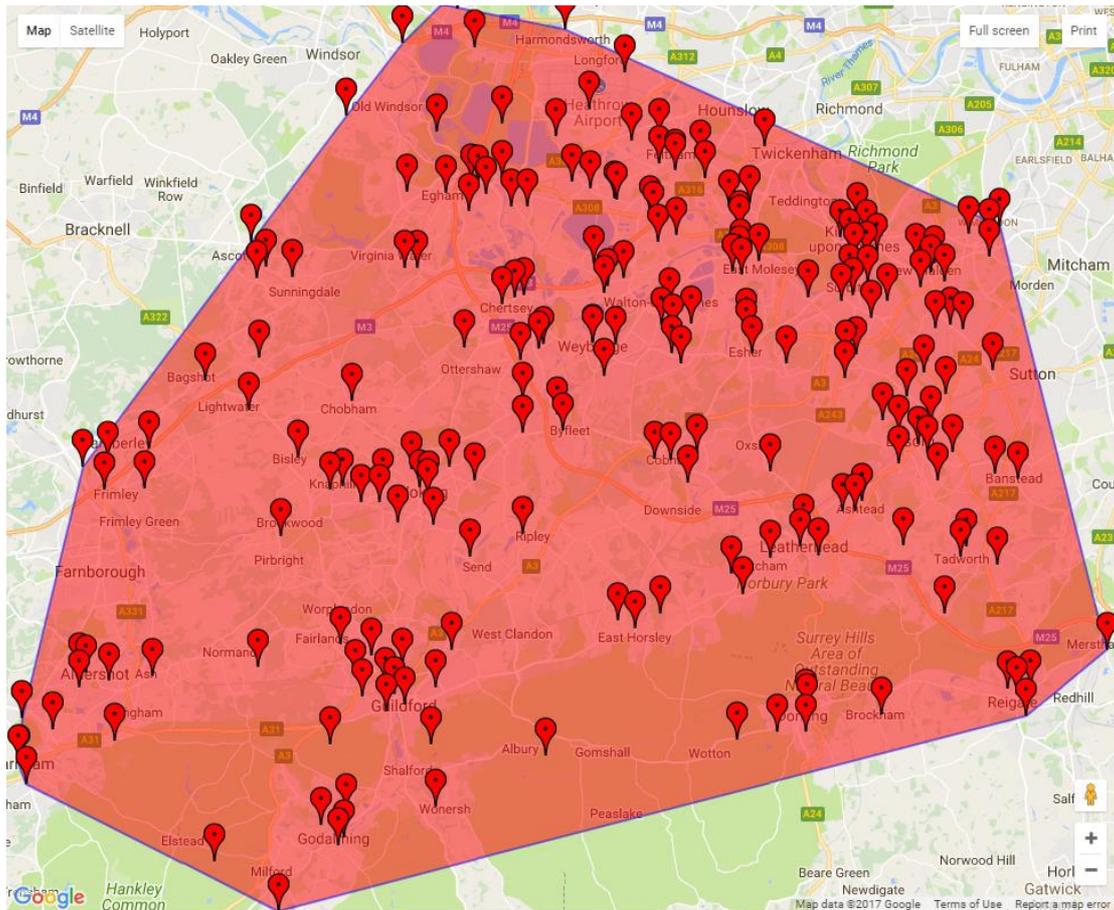
Variable	Basis of assumption
Future expenditure of the business at Wisley	The RHS Wisley business case (revised 2017) projects future expenditure based on detailed modelling of future staffing, visitor levels and visitor spend on catering and retail.
Number of visitors	RHS Wisley business case (revised 2017)
Amount visitors to RHS Wisley spend at the Garden	Figures to 2016/17 are based on actuals at Wisley (total annual spend on admissions, new membership, retail and catering divided by the number of visitors in that year); Figures from 2017/18 onwards based on projected expenditure and projected visitor numbers in the RHS Wisley business case (revised 2017)
Amount visitors to RHS Wisley spend outside the Garden	Average daily spend of day-trippers and overnight stayers provided by <i>Tourism South East</i> . (External spend calculated from UKTS average breakdown of this spend, less the % allocated to leisure, retail and ½ of catering; leaving 66% of average Staying Visitor spend as 'external' and 44% of average Day Visitor as 'external'.
% of future visitors are local, day trippers or overnight stayers	What we know about the geographic origin and circumstances of current visitors based on our visitor surveys.
% of visitors for whom Wisley is the primary reason for their visit to the area on the day	What we know about current visitors based on our visitor surveys.
% of new staff that live locally / regionally	Based on what we know about where current members of staff at Wisley live through postcode analysis cross-referenced with our drive time definitions.
% of secondary expenditure that is made by staff locally, regionally and nationally	Analysis of ONS average household expenditure for the South East with estimates made by category of expenditure as to % spend locally/regionally / nationally (see Appendix 1)
% of suppliers and future suppliers that are local / regional / national	Based on what we know about where current suppliers to Wisley are based through postcode analysis cross referenced with our drive time definitions.

4. Defining the local and regional area

The following definitions have been used to determine RHS Wisley's Local, Regional and National Impact:

Local Area

Defined as postcodes within a 30-minute peak drive time from RHS Wisley, including the following flagged postcode areas:



In summary this area reaches Camberly and Farnham to the East, Harmondsworth and Old Windsor to the north, Sutton and Wimbledon to the West and Reigate and Godalming to the South.

It encompasses Woking, Guildford, Kingston-upon-Thames and surrounding areas of South West London.

Regional Area

Defined as postcodes within a 60-minute peak drive time from Wisley, including the following flagged postcode areas:



This area reaches south, down the A3 as far as Havant and down the M3 to beyond Basingstoke, north around the M25 to parts of south Hertfordshire. It encompasses much of West, North and South London and reaches Sevenoaks and Tonbridge in Kent to the West.

The regional area includes the local area. Consequently regional impact figures include the local impact figure within them.

National Area

Defined as all UK postcodes.

International impact has been excluded from this study as the proportion of international visitors is small and a very small percentage of supplier spend at the garden is with non-UK suppliers.

5. Employment Impact

5.1 Direct Employment

RHS Wisley is a significant employer in the local area, employing an average 412 FTE posts at any one time in 2017-18 (including staff employed by Company of Cooks, RHS Wisley's on-site catering partner).

The detailed business case undertaken as part of the planning of RHS Wisley's capital schemes included projected future staffing levels. Taking into account additional catering staff that will be required for the expanded catering offer at RHS Wisley (most of whom will be employed by Company of Cooks rather than the RHS directly), it is projected that, by 2023-24, an additional 59.7 direct jobs will be created.

	2017 Actual	2024/25 Projected	Additional Projected
FTE Jobs (including catering)	412	471.7	59.7

The financial impact on a local/regional/national level of this employment spend is considered in section 6 below.

In addition, the construction projects at RHS Wisley will support approximately 200 construction jobs during the build period.⁵

5.2 Indirect Employment

In 2013 the Centre for Economics and Business Research, commissioned by Arts Council England⁶, concluded that, for every one FTE job supported by the arts and culture industry, an additional 1.37 FTE jobs are supported in the wider economy through indirect and induced multiplier impacts.

Given that the 'culture industry' includes visitor attractions in the broadest sense, it is right to consider an RHS garden as part of this sector for economic impact analysis purposes.

	2017 FTE at Wisley Actual	2024/25 FTE at Wisley Projected	New FTE at Wisley By 2024/25 Projected
FTE Jobs (including catering)	412	471.7	59.7
Additional FTE Jobs supported in the wider economy (indirect and induced Impact)	564	645	81

⁵ Artelia cost consultants estimate 204 jobs will be supported in the first phase of the construction projects, for which contracts have already been let. This expenditure (£22.6m) amounts to less than third of the RHS's overall planned capital expenditure, therefore it is reasonable to assume that these jobs will continue to be supported for the duration of the RHS's full £72.4m capital expenditure.

⁶ "The contribution of the arts and culture to the national economy: An analysis of the macroeconomic contribution of the arts and culture and of some of their indirect contributions through spillover effects felt in the wider economy", Centre for Economics and Business Research Ltd, 2013, p46 (http://www.artscouncil.org.uk/sites/default/files/download-file/The_contribution_of_the_arts_and_culture_to_the_national_economy.pdf)

5.3 Local and Regional Employment

Not all of these indirect/induced jobs would be created locally or regionally. We estimate 68% of the additional employees will live in a 30 minute drive-time (extrapolated from what we know about where current RHS staff live) and that a further 19% will live in the 30-60 minute drive-time:

	Employment	Local FTE jobs supported (68% of total)	Regional FTE jobs supported (87% of total)	National FTE jobs supported (100% of total)	Total FTE jobs supported (Direct and Indirect)
A	Existing operational jobs at Wisley	280	358	412	412
B	Non-RHS jobs supported (Indirect and Induced) by existing RHS jobs.	384	491	564	564
C	New operational jobs at Wisley	41	52	59.7	59.7
D	Non-RHS jobs supported (Indirect and Induced) by new RHS jobs.	55	70	81	81
	Total (A+B+C+D)	760	971	1117	1117
	Total additional resulting from Wisley capital projects (C+D)	96	122	141	141

5.4. Construction and related employment supported through the Wisley Capital Projects

Artelia cost consultants estimate 204 jobs will be supported in the first phase of the construction projects, for which contracts have already been let. This expenditure (£22.6m) amounts to less than third of the RHS's overall planned capital expenditure. Therefore it is anticipated that these jobs will be supported for the duration of the full £72.4m capital expenditure planned for RHS Wisley.

Economic Area	Number of FTE jobs supported in Phase 1 of capital works (£22.6m)	% of total	Notes
Local jobs supported	19	9%	
Regional Jobs supported	39	19%	Includes local jobs above
National jobs supported	202	99%	Includes local and regional jobs above
International jobs supported	2	1%	
Total	204	100%	

5.5 Volunteers

In addition to investment in employment, the RHS capital projects will result in opportunities for an extra 200 volunteers at RHS Wisley, including more diverse volunteering opportunities. Although these volunteer roles are not captured in the Economic Impact Study they add significant local and regional value in terms of opportunity, skills development, social cohesion and quality of life.

5.6 Employment Summary

As part of the economic impact of RHS Wisley’s organisational and visitor spend, a number of jobs will be supported. These jobs include those directly employed at Wisley and those employed by RHS suppliers and contractors and those employed in the wider economy.

In summary the number of jobs supported over the 10 years of the Economic Impact Study (2015/16 - 2024/25), is estimated to be as follows:

	Employment type	Local FTE jobs supported	Regional FTE jobs supported	National FTE jobs supported	Total FTE jobs supported (Direct and Indirect)
A	Existing operational jobs at Wisley	280	358	412	412
B	Non-RHS jobs supported (Indirect and Induced) ⁷	384	491	564	564
C	New operational jobs at Wisley	41	52	59.7	59.7
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E	Construction contract capital project jobs supported ⁹	19	39	202	204
	Total (A+B+C+D+E)	779	1,010	1,319	1,321
	Total additional resulting from capital projects (C+D+E)	115	161	343	345

⁷ See Section 5 for calculation for Indirect and induced employment.

⁸ See Section 5 for calculation for Indirect and induced employment.

⁹ Artelia cost consultants estimate 204 jobs will be supported in the first phase of the construction projects, for which contracts have already been let. This expenditure (£22.6m) amounts to less than third of the RHS’s overall planned capital expenditure. Therefore it is anticipated that these jobs will be supported for the duration of the full £72.4m capital expenditure planned for RHS Wisley.

6. Organisational spend impact

The impact of the income generated at RHS Wisley now and in the future depends how income generated at Wisley is spent by the RHS and its suppliers.

Income at Wisley is taken to be the same as the total amount expended on all suppliers, staff and volunteers required to operate the garden. The RHS generates some of this income directly at Wisley (such as admissions, retail, catering) however the garden also spends income generated elsewhere by the RHS (such as from membership, fundraising and endowments).

Expenditure at RHS Wisley falls into two broad categories:

- 1) Spending on employment (including staff employed via the catering partner)**
- 2) Spending on operational goods and services (excluding Capital Projects)**

The LM3 methodology measures the multiplier effect of turnover into a local economy over three 'rounds' of spending on both these expenditure categories. The tool takes into account:

- **Round 1** - An organisation's turnover or cost base including supplier spend and employee wages.
- **Round 2** - Where and with whom the company spends that money. In the case of this study this means the % of staff and suppliers that are based locally, regionally or nationally (using the areas defined in section 3 above)
- **Round 3** - Where and how suppliers and employees re-spend their incomes. In this case this equates to the % of secondary spend by employees and suppliers that takes place locally, regionally and nationally.

6.1 Spending on employment (including staff employed via the catering partner)

Round 1 (turnover)

The detailed business case undertaken as part of the planning of RHS Wisley's capital projects included projected future expenditure on staff.

In addition, the projected increase in the size of the catering business suggests a proportional increase in staff employed at Wisley, albeit by a third party catering provider (Company of Cooks).

As outlined in Section 5 above it is projected that, by 2024-25, an additional 59 direct jobs will be created. The additional gross direct expenditure (excluding employer's NI and pension on-costs) associated with these posts by the RHS and its catering partner is detailed in the following table.

The 30% that employees pay on average to HMRC for income tax and employees NI has been deducted to give the Round 1 turnover figure.

Round 2 (spending locally/regionally/nationally)

Analysis of the primary residential addresses of current RHS employees at Wisley tells us the proportions of this spending that takes place locally, regionally and nationally.

68% of RHS staff at Wisley live locally (within a 30min drive-time), whilst 87% live regionally (within a 60 minute drive time).

It is assumed that there will be a similar split between locally/regionally/nationally-based Company of Cooks employees (the RHS does not hold the residential addresses of these staff).

It is also assumed that there will be a similar split between locally/regionally/nationally-based employees in the future.

Round 3 (secondary spending by staff)

A detailed survey of actual secondary spending by RHS staff was outside the scope of this study.

In order to estimate the secondary spend by RHS and Company of Cooks staff locally, regionally and nationally, detailed ONS data for average weekly household expenditure in the South East of England across 2014-16 was used. For each of the expenditure lines the likely local/regional/national/international split was estimated. For example it was assumed that the majority of expenditure on food and drink (excluding eating out) is made locally and regionally, whilst expenditure on such things as mobile phones, insurance and mortgage repayments is national as it is essentially removed from the local economy.

This analysis suggested that, after tax and NI are paid, staff were likely to make 31% of their expenditure locally, 54% regionally and 96% nationally.

These results was applied to all staff spending in order to arrive at a reasonable assumption for the local/regional/national/international split of secondary spending by RHS and Company of Cooks employees.

Projected employment expenditure (by RHS and Company of Cooks) 2015/16 – 2024/25, including on-costs

RHS Wisley Salaries Expenditure

Infation\$	0	0	0	3%	3%	3%	3%	3%	3%	3%
Compounded	1.00	1.00	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23

Business Case Year	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	EIS Period Total
Financial Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Existing Salaries Organisational Expenditure to 2024/25											
Current'staff	11,708,310	12,059,559	12,421,346	12,793,986	13,177,806	13,573,140	13,980,334	14,399,744	14,831,737	15,276,689	£134,222,650
Current'catering'staff	1,429,532	1,477,705	1,573,452	1,606,693	1,645,822	1,675,277	1,718,640	1,754,915	1,793,063	1,819,637	£16,494,736
Total\$	13,137,842	13,537,264	13,994,797	14,400,679	14,823,627	15,248,417	15,698,974	16,154,659	16,624,799	17,096,326	£150,717,386
ADDITIONAL Salaries Expenditure resulting from Capital Projects to 2024/25											
New'RHS'staff	0	22,570	23,247	15,382	323,984	548,241	874,722	902,383	930,875	1,138,859	£4,780,263
New'catering'staff	0	0	0	0	596,056	644,838	874,810	1,013,395	1,121,984	1,178,380	£5,429,462
Total project's total head	0	22,570	23,247	15,382	920,040	1,193,079	1,749,531	1,915,778	2,052,859	2,317,239	£10,209,725
Projected Total Salaries Expenditure to 2024/25											
Current'+future'staff	11,708,310	12,082,129	12,444,593	12,809,368	13,501,789	14,121,381	14,855,056	15,302,128	15,762,611	16,415,548	£139,002,913
Future'catring'staff	1,429,532	1,477,705	1,573,452	1,606,693	2,241,878	2,320,116	2,593,450	2,768,310	2,915,046	2,998,017	£21,924,198
Total\$	13,137,842	13,559,834	14,018,044	14,416,061	15,743,667	16,441,497	17,448,505	18,070,437	18,677,658	19,413,565	£160,927,111

6.2 Spending on operational goods and services (excluding Capital Projects)

Round 1 (turnover)

The detailed business case undertaken as part of the planning of RHS Wisley's capital projects included projected future expenditure on goods and services.

There will be increased expenditure across a range of business areas including:

- Premises costs, including horticulture
- Catering supplies for sale, equipment and consumables
- Retail goods for sale and retail consumables
- Costs relating to learning and interpretation
- Marketing

Round 2 (spending locally/regionally/nationally)

Analysis of the addresses of current RHS suppliers to Wisley was undertaken in order to determine the geographic split of expenditure by the RHS and Company of Cooks.

Because of the complexity and national nature of the RHS supply chain, it is impossible to analyse all suppliers to Wisley. For example some suppliers supply to multiple RHS sites, and others centrally and this data is not all broken down to a Garden-specific level.

For the purposes of this study the suppliers in five major budget areas, which represent Wisley-only expenditure, were analysed. This gives a reasonable indicator of the proportions of Wisley's operational expenditure taking place locally, regionally and nationally. 2% of suppliers analysed were local and 7% were regional. It is assumed that there will be a similar split between locally/regionally/nationally-based suppliers in the future.

Round 3 (secondary spending by suppliers)

A detailed survey of actual secondary spending by all RHS suppliers was outside the scope of this study.

Nevertheless, in order to estimate the secondary spend by RHS suppliers locally, regionally and nationally, the largest local/regional supplier by value in each of the five major Wisley-only budget areas were asked to provide an estimate of the local/regional/national/ split in their own business expenditure (including on staff). *It is assumed that local and regional suppliers spend the same proportion locally and regionally on their staff and suppliers as the RHS (27% and 47% respectively).* As the RHS's supply chain has a noticeable 'national' rather than 'local/regional' character this is a prudent assumption.

This assumption has been applied to all Wisley suppliers in order to arrive at a reasonable projection for the local/regional/national/ split of secondary spending by RHS suppliers.

RHS projected operational expenditure on goods and services (2015/16 - 2024/25), including inflation

RHS Wisley Operational Expenditure (excluding staff salaries)

Inflation		0	0	0	2%	2%	2%	2%	2%	2%	2%	
Compounded		1.00	1.00	1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	
Business Case Year	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11		15/16 to 24/25
Financial Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		EIS Period
'No Project' Operational Expenditure by 2024/25												
Marketing	452,000	463,000	463,000	472,260	481,705	491,339	501,166	511,189	521,413	531,841		4,888,915
Interpretation	0	0	0	0	0	0	0	0	0	0		0
Evaluation	0	0	0	0	0	0	0	0	0	0		0
Learning and Courses at Wisley	114,834	114,834	114,834	117,131	119,473	121,863	124,300	126,786	129,322	131,908		1,215,285
Premises costs	1,558,677	1,608,274	1,659,785	1,721,848	1,766,038	1,830,527	1,890,652	1,953,154	2,018,141	2,085,724		18,092,819
Retail Cost of Sales and Overheads	4,022,720	3,957,366	3,810,444	3,886,653	3,964,386	4,043,674	4,124,547	4,207,038	4,291,179	4,377,003		40,685,011
Catering Cost of Sales and Overheads	1,906,043	1,970,274	2,097,935	2,139,894	2,182,692	2,226,346	2,270,873	2,316,290	2,362,616	2,409,868		21,882,831
Irrecoverable VAT Excluded												0
												0
Subtotal 'No Project' expenditure (excluding staff)	8,054,274	8,113,747	8,145,998	8,337,786	8,514,295	8,713,749	8,911,538	9,114,458	9,322,671	9,536,344		86,764,861
												EIS Period Total
'Project Go-ahead' Operational Expenditure by 2024/25												
Marketing	452,000	463,000	463,000	471,600	493,156	521,464	583,499	619,802	654,910	693,758		5,416,190
Interpretation	0	0	0	0	0	106,121	108,243	110,408	112,616	114,869		552,257
Evaluation	0	0	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974		171,659
Learning and Courses at Wisley	114,834	117,131	119,473	121,863	124,300	122,805	122,261	123,806	123,642	124,171		1,757,085
Premises costs	1,558,677	1,608,274	1,659,785	1,721,848	1,641,574	2,266,449	2,317,288	2,393,307	2,472,349	2,554,551		20,194,101
Retail Cost of Sales and Overheads	4,022,720	3,957,366	3,810,444	4,030,837	6,289,022	7,571,806	8,281,889	8,737,559	9,170,767	9,625,454		65,497,864
Catering Cost of Sales and Overheads	1,906,043	1,970,274	2,097,935	2,185,102	3,109,933	3,282,834	3,742,978	4,075,250	4,377,088	4,591,705		31,339,142
Irrecoverable VAT Excluded												0
Subtotal Project Go-ahead expenditure (excluding staff)	8,054,274	8,116,044	8,170,638	8,551,650	11,678,793	13,992,702	15,282,807	16,190,214	17,046,696	17,844,481		124,928,298
												EIS Period Total
ADDITIONAL Operational Expenditure by 2024/25 resulting from RHS Wisley Capital Projects												
Marketing	0	0	0	-660	11,451	30,125	82,333	108,613	133,497	161,917		527,275
Interpretation	0	0	0	0	0	106,121	108,243	110,408	112,616	114,869		552,257
Evaluation	0	0	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974		171,659
Learning and Courses at Wisley	0	2,297	4,639	4,732	4,827	100,942	102,961	105,020	107,120	109,263		541,800
Premises costs	0	0	0	0	-124,464	435,921	426,636	440,153	454,209	468,827		2,101,282
Retail Cost of Sales and Overheads	0	0	0	144,184	2,324,636	3,528,132	4,157,342	4,530,521	4,879,588	5,248,451		24,812,853
Catering Cost of Sales and Overheads	0	0	0	45,208	927,241	1,056,488	1,472,105	1,758,960	2,014,472	2,181,837		9,456,311
Irrecoverable VAT Excluded	0	0	0	0	0	0	0	0	0	0		0
Subtotal Scenario 1 ADDITIONAL expenditure (excluding staff) resulting from capital projects	0	2,297	24,639	213,864	3,164,498	5,278,953	6,371,269	7,075,756	7,724,025	8,308,137		38,163,437

6.3. Economic Impact of employment and operational spend

The data gathered and outlined in sections 6.1. and 6.2 above provide the basis for the LM3 calculation for RHS Wisley.

The tables on the following pages illustrate the calculations used to arrive at the multipliers for current (2017) and future (2024/25) economic impact.

Summary

In summary the multiplier and impact for the three levels of impact is as follows:

Area		Total Projected 10-year expenditure on goods, services and staff (excluding VAT, NI and pensions) at RHS Wisley 15/16 – 24/25	Multiplier	impact of every £ spent by RHS Wisley;	10-year Amount generated for the economy (Excluding External Visitor Spend and Capital Expenditure)
Local	No Project, 2015/16 - 2024/25	£173m	1.46	£0.46	£252m
	Projects go-ahead 2015/16 - 2024/25	£217m	1.39	£0.39	£303m
	Additional resulting from capital projects	£44m	1.14	£0.14	£50m
Regional	No Project, 2015/16 - 2024/25	£173m	1.72	£0.72	£298m
	Projects go-ahead 2015/16 - 2024/25	£217m	1.63	£0.63	£354m
	Additional resulting from capital projects	£44m	1.27	£0.27	£56m
National	No Project, 2015/16 - 2024/25	£173m	2.83	£1.83	£491m
	Projects go-ahead 2015/16 - 2024/25	£217m	2.82	£1.82	£612m
	Additional resulting from capital projects	£44m	2.74	£1.74	£121m

Operational and Employment Spend: Local Economic Impact (30-minute peak drive time)

LOCAL IMPACT (WITHIN A 30-MINUTE PEAK DRIVE TIME)		1st tier / Initial	2nd tier	3rd tier	
NO CAPITAL PROJECTS SCENARIO: LOCAL IMPACT OF ORGANISATIONAL SPEND 2015/16 - 2024/25	Turnover / Expenditure (£)	Less employees tax and NI @ average of 35% on salaries	Spending in Local Area (i.e. local staff/ Suppliers)	Secondary spending in Local Area by Staff / Suppliers	3rd tier
Salaries	150,717,386	86,477,188	68% £58,804,488	31% £18,229,391	
Operational expenditure excluding salaries (excluding VAT)	86,764,861	86,764,861	2% £1,735,297.2	28% £487,326	
Total		173,242,049	£60,539,785	£18,716,717	

Multiplier Projected 10-year local impact of operational spending at RHS Wisley 2015/16-2024/25 (no project)

1.46	£252,498,552
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CAPITAL PROJECTS GO-AHEAD: TOTAL PROJECTED LOCAL IMPACT OF ORGANISATIONAL SPEND AT RHS WISLEY 2015/16 - 2024/25		1st tier / Initial	2nd tier	3rd tier
Salaries	160,927,111	92,335,228	68% £62,787,955	31% £19,464,266
Operational expenditure excluding salaries (excluding VAT)	124,928,298	124,928,298	2% £2,498,566	28% £701,676
Total		217,263,526	£65,286,521	£20,165,942

Multiplier Projected 10-year local impact of operational expenditure at Wisley 2015/16-2024/25

1.39	£302,715,988
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CAPITAL PROJECTS-RELATED LOCAL IMPACT OF RHS ORGANISATIONAL SPEND AT WISLEY 2015/16 - 2024/25		1st tier / Initial	2nd tier	3rd tier
Salaries	10,209,725	5,858,039	68% £3,983,467	31% £1,234,875
Operational expenditure excluding salaries (excluding VAT)	38,163,437	38,163,437	2% £763,269	28% £214,350
Total		44,021,477	£4,746,735	£1,449,224

Multiplier Projected ADDITIONAL 10-year local impact resulting from Wisley capital projects

1.14	£50,217,437
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Assumptions

- Assumes 68% employees live in local area (30 min peak DT), based on residency patterns of current RHS Wisley staff
- Assumes these employees spend 31% of their income locally (see see specific assumptions based on ONS data average weekly household spend in SE)
- Assumes 2% of suppliers are in the local area (30 min peak DT) based on analysis of RHS expenditure relating to Wisley
- Assumes that secondary companies spend 27% locally (including staff costs, same proportion as Wisley taking into account staff and suppliers)

28.1%

$$\text{Multiplier} = \frac{\text{Initial Spend} + \text{2nd tier spend} + \text{3rd tier spend}}{\text{Initial Spend}}$$

$$\text{Impact} = \text{Initial Spend} \times \text{Multiplier} = \text{Initial spend} + \text{2nd tier spend} + \text{3rd tier spend}$$

Operational and Employment Spend: Regional Economic Impact (60-minute peak drive time)

REGIONAL IMPACT (WITHIN A 60-MIN PEAK DRIVE TIME)	1st tier / Initial	2nd tier	3rd tier			
		Spending in Regional Area (i.e. Less employees tax and NI @ average of 30% on salaries	Regional staff/ Suppliers)	2nd tier	Secondary spending in Regional Area by Staff / Suppliers	3rd tier
NO CAPITAL PROJECTS SCENARIO: REGIONAL IMPACT OF ORGANISATIONAL SPEND 2015/16 - 2024/25						
Salaries excluding NI and Pensions	150,717,386	86,477,188	87%	£75,235,154	54%	£40,626,983
Operational expenditure excluding salaries (excluding VAT)	86,764,861	86,764,861	7%	6,073,540	47%	£2,882,404
Total		173,242,049		81,308,694		43,509,388

Multiplier Projected 10-year regional impact of operational spending at RHS Wisley 2015/16-2024/25 (no project)

1.72	£298,060,131
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CAPITAL PROJECTS GO-AHEAD: TOTAL PROJECTED REGIONAL IMPACT OF ORGANISATIONAL SPEND AT RHS WISLEY 2015/16 - 2024/25						
Salaries excluding NI and Pensions	160,927,111	92,335,228	87%	£80,331,648	54%	£43,379,090
Operational expenditure excluding salaries (excluding VAT)	124,928,298	124,928,298	7%	£8,744,981	47%	£4,150,227
Total		217,263,526		£89,076,629		£47,529,317

Multiplier Projected 10-year regional impact of operational expenditure at Wisley 2015/16-2024/25

1.63	£353,869,472
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CAPITAL PROJECTS-RELATED REGIONAL IMPACT OF RHS ORGANISATIONAL SPEND AT WISLEY 2015/16 - 2024/25						
Salaries excluding NI and Pensions	10,209,725	5,858,039	87%	£5,096,494	54%	£2,752,107
Operational expenditure excluding salaries (excluding VAT)	38,163,437	38,163,437	7%	£2,671,441	47%	£1,267,823
Total		44,021,477		£7,767,935		£4,019,930

Multiplier Projected ADDITIONAL 10-year regional impact resulting from Wisley capital projects

1.27	£55,809,341
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Assumptions

- Assumes 87% new employees live in regional area (60 min peak DT), based on residency patterns of current RHS Wisley staff
- Assumes these employees spend 54% of their income regionally (see specific assumptions based on ONS data average weekly household spend in SE)
- Assumes 7% of suppliers are in the regional area (60 min peak DT) based on analysis of RHS expenditure relating to Wisley
- Assumes that secondary companies spend 47% regionally (including staff costs, same proportion as Wisley taking into account staff and suppliers)

47.5%

$$\text{Multiplier} = \frac{\text{Initial Spend} + \text{2nd tier spend} + \text{3rd tier spend}}{\text{Initial Spend}}$$

$$\text{Impact} = \text{Initial Spend} \times \text{Multiplier} = \text{Initial spend} + \text{2nd tier spend} + \text{3rd tier spend}$$

Operational and Employment Spend: National Economic Impact (all UK)

NATIONAL IMPACT (ALL UK)	1st tier / Initial	2nd tier	3rd tier
		Spending in Regional Area (i.e. Less employees tax and NI @ average of 30% on salaries	Secondary spending Nationally by Staff / Suppliers
NO CAPITAL PROJECTS SCENARIO: NATIONAL IMPACT OF ORGANISATIONAL SPEND 2015/16 - 2024/25	Expenditure (£)	Regional staff/ Suppliers	2nd tier 3rd tier
Salaries excluding NI and Pensions	150,717,386	86,477,188	100% £86,477,188
Operational expenditure excluding salaries (excluding VAT)	86,764,861	86,764,861	90% £78,088,374.6
Total		173,242,049	£164,565,563

Multiplier Projected 10-year national impact of operational spending at RHS Wisley 2015/16-2024/25 (no project)

2.83	£491,105,250
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CAPITAL PROJECTS GO-AHEAD: TOTAL PROJECTED NATIONAL IMPACT OF ORGANISATIONAL SPEND AT RHS WISLEY 2015/16 - 2024/25	1st tier / Initial	2nd tier	3rd tier
Salaries excluding NI and Pensions	160,927,111	92,335,228	100% £92,335,228
Operational expenditure excluding salaries (excluding VAT)	124,928,298	124,928,298	90% £112,435,468
Total		217,263,526	£204,770,696

Multiplier Projected 10-year national impact of operational expenditure at Wisley 2015/16-2024/25

2.82	£611,867,962
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CAPITAL PROJECTS-RELATED NATIONAL IMPACT OF RHS ORGANISATIONAL SPEND AT WISLEY 2015/16 - 2024/25	1st tier / Initial	2nd tier	3rd tier
Salaries excluding NI and Pensions	10,209,725	5,858,039	100% £5,858,039
Operational expenditure excluding salaries (excluding VAT)	38,163,437	38,163,437	90% £34,347,094
Total		44,021,477	£40,205,133

Multiplier Projected ADDITIONAL 10-year national impact resulting from Wisley capital projects

2.74	£120,762,712
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Assumptions

- Assumes 100% employees live in UK
- Assumes these employees spend 96% of their income nationally (see specific assumptions based on ONS data average weekly household spend in SE)
- Assumes 90% of suppliers are in the UK
- Assumes that secondary companies spend 90% in UK

$$\text{Multiplier} = \frac{\text{Initial Spend} + 2\text{nd tier spend} + 3\text{rd tier spend}}{\text{Initial Spend}}$$

$$\text{Impact} = \text{Initial Spend} \times \text{Multiplier} = \text{Initial spend} + 2\text{nd tier spend} + 3\text{rd tier spend}$$

7. Visitor spend impact

In addition to the impact of the RHS's organisational spend on local or regional staff and suppliers, and the secondary impact of that expenditure when it is re-spent by those staff and suppliers, the impact of spending by visitors to RHS Wisley also contributes to its local and regional impact.

Visitors to Wisley spend money at RHS Wisley but also spend money in the wider economy as part of their trip.

The impact of this spending can be derived from the following calculation:

A) Number of visitors in each of three categories (day-visitors, domestic overnight staying visitors, overseas overnight staying visitors).

MULTIPLIED BY

B) Percentage of each category of visitor whose primary purpose to the area is to visit RHS Wisley.

MULTIPLIED BY

C) Average daily spend of visitors in each category as calculated by Tourism South East.

MINUS

D) Elements of that average spend likely to be made at RHS Wisley

=

E) The economic impact on the local area beyond the garden of visitors to RHS Wisley

Data sources

The numbers used in each stage of this calculation and their sources are as follows:

A) Visitor types at RHS Wisley per annum

Visitors to RHS Wisley in 2016 are broken down as follows:

- 88 % Day trippers (journey that day began and ended at home)
- 9.0 % Domestic overnight stayers (UK visitors who have stayed overnight as part of their trip), almost 5% within this 9.0% are 'en route' (see B below)
- 3.0% Overseas overnight stayers (Non-UK visitors who have stayed overnight as part of their trip).

Visitor surveys at Wisley ask each respondent which group they belong to. In 2016 there were c.1,000 surveys undertaken and the % split of respondents is then applied to the Wisley visitor numbers.

B) The percentage of each category of visitor whose primary purpose to the area is to visit RHS Wisley.

As a day out / half day out attraction, with an average visit time in 2016/17 of 3 hours 7mins (ALVA Quarterly Insight survey, 2016/17), it is fair to assume that for the vast majority of visitors, their visit to Wisley was the primary purpose of their trip to the area.

Whilst the ALVA Quarterly Insight survey conducted at Wisley does not ask this question it does reveal that 4.8% of visitors are 'en route'. If we allow for a further 5.2% of visitors (from the day tripper and overseas visitor categories) who were 'just passing', this means we can assume 90% of visitors were 'primary reason' visitors.

This discounts the non-Wisley spending of the other 10% of visitors, as it would be wrong to 'claim' their non-Wisley spending for Wisley's impact because they might have visited the area anyway.

C) The average daily spend of RHS Wisley visitors in each category as calculated by Tourism South East.

Tourism South East is a not-for-profit partnership organisation providing services and expertise to support the performance and growth of tourism businesses and destinations in the South East region (excluding London).

It publishes region specific average daily expenditure for overnight visitors (most recent data 2015) and, until recently, published county-specific average daily expenditure for day drip visitors to study (most recent data 2014).

The average daily spends used in the calculations regarding visitor impact beyond are as follows:

Day Trippers: Average spend per tourism day trip in Surrey in 2014: **£34.75.**

(Based on data the *Great Britain Day Visits Survey*.)

Domestic overnight stayers: Average spend per person per 24 hours by overseas overnight visitors: **£56.48¹⁰**

(Based on data from The Great Britain Tourism Survey (GBTS), a national consumer survey measuring the volume and value of tourism trips taken by British (previously known as the United Kingdom Tourism Survey or UKTS). VisitEngland, VisitScotland, Visit Wales and the Northern Ireland Tourist Board jointly sponsor the Survey. The survey covers trips away from home lasting one night or more taken by British residents for the purpose of holidays, trips to friends and relatives, business and conferences or any other purpose.)

¹⁰ <http://www.tourismsoutheast.com/services-and-support/research/tourism-volume-and-expenditure.html>

Overseas overnight visitors: Average spend per person per 24 hours by overseas overnight visitors: **£59.79¹¹**

(Based on data from The International Passenger Survey (IPS), which involves a face-to-face interview with a random sample of foreign nationals. Over a quarter of a million face-to-face interviews are carried out each year with passengers entering and leaving the UK through the main airports, seaports and the Channel Tunnel.)

Compounded inflation at 2% a year has been used to project the future value of all these amounts in 2024/25.

D) Spending by visitors onsite at RHS Wisley

Some of the spending detailed above in Section C) will take place at RHS Wisley. The UK Tourism Survey provides an average % breakdown of daily spending by different types of visitors (day visitors and overnight visitors). By subtracting the types of expenditure likely to be made at Wisley, we are left with a % of the above spend that can be assumed to take place in the wider economy:

Type of spending	% of type made by the average day visitor*	% of average day visitor spend counted as external spend at RHS Wisley	% of type made by the average overnight visitor*	% of average overnight visitor spend counted as external spend at RHS Wisley
Transport	19%	19%	13%	13%
Accommodation	0%	0%	42%	42%
Eating and Drinking	40%	20%	20%	10%
Leisure / entrance fees	13%	0%	8%	0%
Retail	23%	0%	16%	0%
Other	5%	5%	1%	1%
Total	100	44%	100%	66%

44% of average day visitor spend and 66% of average overnight visitor spend is assumed to be 'external' spend in the wider economy beyond RHS Wisley.

E) Economic Impact

The table on the following page illustrates the calculations made to arrive at the average daily spend in the wider economy made by visitors to Wisley over the 10-year Economic Impact Study period (2015/16– 2024/25). In summary, the total estimated spend external spend by visitors and the proportion of that spending directly attributable to the Capital Projects is as follows:

	Visitors	External spend per visit (inc. inflation)	Total external spend (inc. inflation)
No Capital Projects	11.69m	£17.37	£203m
Capital Projects Go Ahead	12.79m	£17.45	£223m
Directly Attributable to Capital Projects	1.10m	£18.36	£20.2m

¹¹ <http://www.tourismsoutheast.com/services-and-support/research/tourism-volume-and-expenditure.html>

Calculating visitor spend in the wider economy beyond RHS Wisley

Business Case Year	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	
Financial Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	£ Period Total
Inflation on external 2014/15 figures	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	
Compounded	1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22	
Inflation on RHS figures	0	0	0	2%	2%	2%	2%	2%	2%	2%	
Compounded	1.00	1.00	1.00	1.02	1.04	1.06	1.08	1.10	1.13	1.15	
Visitors											
No project	1,096,379	1,137,696	1,164,875	1,184,694	1,184,694	1,184,694	1,184,694	1,184,694	1,184,694	1,184,694	11,691,808
Project go-ahead, Scenario 1	1,096,379	1,137,696	1,164,875	1,184,694	1,213,127	1,272,316	1,364,347	1,411,190	1,452,114	1,494,226	12,790,964
Additional visits in Scenario 1	0	0	0	0	28,433	87,622	179,653	226,496	267,420	309,532	1,099,156
Visitor spend											
Spend per visit (no project)											
Total visitor spend at RHS Wisley	13,902,567	14,062,014	14,294,418	15,025,262	16,832,962	17,434,103	18,056,603	18,701,225	19,353,371	20,028,632	£167,691,157
On site spend per visitor	£12.68	£12.36	£12.27	£12.68	£14.21	£14.72	£15.24	£15.79	£16.34	£16.91	
Spend per visit (with project)											
Total visitor spend per day (Day Visitor)	£35.43	£36.14	£36.87	£37.60	£38.36	£39.12	£39.91	£40.70	£41.52	£42.35	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£15.59	£15.90	£16.22	£16.55	£16.88	£17.21	£17.56	£17.91	£18.27	£18.63	10,288,791
Day Visitors (% of all visits)	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	9,671,463
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	
External spend by Primary Reason Day Visitors	£14,140,146	£14,966,477	£15,630,498	£16,214,363	£16,538,650	£16,869,423	£17,206,812	£17,550,948	£17,901,967	£18,260,006	£165,279,291
Average per head											
Total visitor spend per day (Domestic staying)	£57.61	£58.76	£59.94	£61.14	£62.36	£63.61	£64.88	£66.18	£67.50	£68.85	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£38.02	£38.78	£39.56	£40.35	£41.16	£41.98	£42.82	£43.68	£44.55	£45.44	1,052,263
Domestic overnight (% of all visits)	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	557,699
Of which are Primary reason visitors (%)	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	
External spend by Primary Reason Day trippers	£1,988,465	£2,104,668	£2,198,046	£2,280,152	£2,325,755	£2,372,271	£2,419,716	£2,468,110	£2,517,473	£2,567,822	£23,242,478
Average per head											
Total visitor spend per day (Overseas staying)	£60.99	£62.21	£63.45	£64.72	£66.01	£67.33	£68.68	£70.05	£71.45	£72.88	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£40.25	£41.06	£41.88	£42.71	£43.57	£44.44	£45.33	£46.24	£47.16	£48.10	350,754
Domestic overnight (% of all visits)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	329,709
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	
External spend by Primary Reason Day trippers	£1,244,464	£1,317,189	£1,375,629	£1,427,015	£1,455,555	£1,484,666	£1,514,360	£1,544,647	£1,575,540	£1,607,050	£14,546,115
Average per head											
Total external spend by RHS visitors (no project)	£17,373,075	£18,388,334	£19,204,173	£19,921,530	£20,319,961	£20,726,360	£21,140,887	£21,563,705	£21,994,979	£22,434,879	£203,067,884
Average spend per visitor 2015/16 - 2024/25 (No Capital Projects)											
Capital Projects Go-Ahead: Spend per visit											
Total visitor spend at RHS Wisley	13,902,567	14,062,014	14,294,418	15,133,434	22,037,018	24,785,008	27,434,818	29,231,164	30,889,437	32,420,935	£224,190,813
On site spend per visitor	£12.68	£12.36	£12.27	£12.77	£18.17	£19.48	£20.11	£20.71	£21.27	£21.70	
Spend per visit (with project)											
Total visitor spend per day (Day Visitor)	£35.43	£36.14	£36.87	£37.60	£38.36	£39.12	£39.91	£40.70	£41.52	£42.35	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£15.59	£15.90	£16.22	£16.55	£16.88	£17.21	£17.56	£17.91	£18.27	£18.63	11,256,048
Day Visitors (% of all visits)	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	10,580,686
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	£181,700,624
External spend by Primary Reason Day Visitors	£14,140,146	£14,966,477	£15,630,498	£16,214,363	£16,935,577	£18,117,121	£19,816,144	£20,906,428	£21,942,969	£23,030,901	
Average per head											
Total visitor spend per day (Domestic staying)	£57.61	£58.76	£59.94	£61.14	£62.36	£63.61	£64.88	£66.18	£67.50	£68.85	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£38.02	£38.78	£39.56	£40.35	£41.16	£41.98	£42.82	£43.68	£44.55	£45.44	1,151,187
Domestic overnight (% of all visits)	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	610,129
Of which are Primary reason visitors (%)	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	
External spend by Primary Reason Domestic Overnight	£1,988,465	£2,104,668	£2,198,046	£2,280,152	£2,381,573	£2,547,729	£2,786,655	£2,939,976	£3,085,740	£3,238,731	£25,551,736
Average per head											
Total visitor spend per day (Overseas staying)	£60.99	£62.21	£63.45	£64.72	£66.01	£67.33	£68.68	£70.05	£71.45	£72.88	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£40.25	£41.06	£41.88	£42.71	£43.57	£44.44	£45.33	£46.24	£47.16	£48.10	383,729
Domestic overnight (% of all visits)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	360,705
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	£15,991,345
External spend by Primary Reason Overseas Overnight	£1,244,464	£1,317,189	£1,375,629	£1,427,015	£1,490,488	£1,594,475	£1,744,005	£1,839,960	£1,931,185	£2,026,934	
Average per head											
Total external spend by RHS visitors	£17,373,075	£18,388,334	£19,204,173	£19,921,530	£20,807,638	£22,259,324	£24,346,804	£25,686,365	£26,959,895	£28,296,566	£223,243,705
Average spend per visitor 2015/16 - 2024/25 (Capital Projects Go-Ahead)											
Additional external spend											
	£0	£0	£0	£0	£487,678	£1,532,964	£3,205,916	£4,122,660	£4,964,916	£5,861,688	£20,175,821
Additional visitors	0	0	0	0	28,433	87,622	179,653	226,496	267,420	309,532	1,099,156
On site spend per visitor (Project go-ahead, Scenario 1)	£12.68	£12.36	£12.27	£12.77	£18.17	£19.48	£20.11	£20.71	£21.27	£21.70	
Spend per visit (with project)											
Total visitor spend per day (Day Visitor)	£35.43	£36.14	£36.87	£37.60	£38.36	£39.12	£39.91	£40.70	£41.52	£42.35	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£15.59	£15.90	£16.22	£16.55	£16.88	£17.21	£17.56	£17.91	£18.27	£18.63	967,257
Day Visitors (% of all visits)	88%	88%	88%	88%	88%	88%	88%	88%	88%	88%	909,222
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	£16,421,334
External spend by Primary Reason Day Visitors	£0	£0	£0	£0	£396,926	£1,247,697	£2,609,332	£3,355,480	£4,041,002	£4,770,895	
Average per head											
Total visitor spend per day (Domestic staying)	£57.61	£58.76	£59.94	£61.14	£62.36	£63.61	£64.88	£66.18	£67.50	£68.85	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£38.02	£38.78	£39.56	£40.35	£41.16	£41.98	£42.82	£43.68	£44.55	£45.44	98,924
Domestic overnight (% of all visits)	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	52,430
Of which are Primary reason visitors (%)	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%	£2,309,258
External spend by Primary Reason Day trippers	£0	£0	£0	£0	£55,818	£175,458	£366,939	£471,866	£568,268	£670,909	
Average per head											
Total visitor spend per day (Overseas staying)	£60.99	£62.21	£63.45	£64.72	£66.01	£67.33	£68.68	£70.05	£71.45	£72.88	
External spend (Total spend less % allocated to Leisure, retail and proportion of catering)	£40.25	£41.06	£41.88	£42.71	£43.57	£44.44	£45.33	£46.24	£47.16	£48.10	32,975
Domestic overnight (% of all visits)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	30,996
Of which are Primary reason visitors (%)	94%	94%	94%	94%	94%	94%	94%	94%	94%	94%	£1,445,230
External spend by Primary Reason Day trippers	£0	£0	£0	£0	£34,933	£109,809	£229,646	£295,313	£355,646	£419,883	
Average per head											
Total external spend by additional visitors to RHS Wisley, 2014-2024	£0	£0	£0	£0	£487,678	£1,532,964	£3,205,916	£4,122,660	£4,964,916	£5,861,688	£20,175,821
Average spend of additional visitors as a result of capital projects											
											£18.36

8. Construction-related capital project spend impact

The impact of the capital investment at RHS Wisley forms an important part of the Garden's overall economic impact during the SIP (Strategic Investment Programme) period. The local and regional impact is contingent on how depends on how this money is spent by the RHS's contractors and how money is spent by their supply chain, locally, regionally and nationally.

Capital expenditure at Wisley is taken to be the total amount expended on all suppliers to realise the current capital projects: a total of £72.4m investment.

Capital project expenditure falls into the following categories:

- 1) Main building contracts
- 2) Enabling works and ancillary works
- 3) Fees and surveys
- 4) Contingency
- 5) Fixtures, Fittings and Equipment

The RHS has actual contractor spend information for the first of the three capital projects, which equates to the first £22.6m of the £72.4m.

Artelia UK Ltd, the Quantity Surveyors and Project Managers delivering the project have analysed the location of the contractor and subcontractors with whom this budget is being spent. Artelia have proposed a local/regional/national % split for each of the different types of spend.

In order to arrive at a local/regional/national impact of this expenditure, the same LM3 methodology used to calculate the impact of the RHS's operational spend has been used.

In summary, based on Artelia's analysis, the expenditure on capital projects assumes the following proportions of expenditure in each geographic area:

Area	% of Capex made in area	Amount of Capex spent in each area
Local	11%	£8.07m
Regional (including local)	25%	£18.26m
National (including local and regional))	99%	£71.78m
International	1%	£0.6m

The table on the following page details the Economic Impact calculation for this spend. In summary the impact in the local, regional and national areas is as follows:

Area	Total Projected Capex on Wisley Capital Projects 15/16 – 24/25	Multiplier	impact of every £ spent by RHS	Amount generated for the economy from initial Capex by RHS
Local	£72.4m	1.14	£0.14	£83m
Regional	£72.4m	1.37	£0.37	£99m
National	£72.4m	2.88	£1.88	£209m

RHS CAPITAL PROJECT EXPENDITURE IMPACT

Expenditure		Expenditure +vat (Exvat)	1st tier / Initial	Spending in area	2nd tier	Secondary + spending in area	3rd tier	Multiplier	Local Impact of Wisley Capital Expenditure
Capital Expenditure: Local	Front of House actuals	22,632,000	£22,632,000	11%	£2,523,387	28%	£708,646	1.14	£82,739,309
	Total capital projected	72,400,000	£72,400,000	11%	£8,072,342	28%	£2,266,967		
Capital Expenditure: Regional	Front of House actuals	22,632,000	£22,632,000	25%	£5,708,479	47%	£2,709,152	1.37	£99,328,090
	Total capital projected	72,400,000	£72,400,000	25%	£18,261,484	47%	£8,666,606		
Capital Expenditure: National Impact	Front of House actuals	22,632,000	£22,632,000	99%	£22,440,401	90%	£20,196,361	2.88	£208,795,440
	Total capital projected	72,400,000	£72,400,000	99%	£71,787,074	90%	£64,608,366		

Assumptions

2nd tier expenditure based on information supplied by Artelia cost managers (actual contractor/subcontractor for main contract and QS estimates for other fees)
 3rd tier expenditure based on same assumption as used for Wisley operational suppliers (i.e. local/regional/national % based on RHS Wisley's own expenditure profile)

9. Conclusion: The combined economic impact of RHS Wisley

The total economic impact of the garden over the 10-year Study Period (2015/16 – 2024/25) is calculated by combining the operational, employment and capital project spend impact of RHS Wisley with that of induced visitor spend by primary reason visitors beyond the Wisley site.

The table below shows the total combined impact on the local, regional and national economy respectively:

Economic Area	10 year impact of operational expenditure (projected, 15/16 to 24/25)	Impact of £72.4m Capital Project Expenditure	External (non-RHS) spend by primary reason visitors to RHS Wisley (15/16 -24/25)	Total annual amount generated for the economy (15/16 -24/25)
Local Economy (30 min peak Drive Time)	£302m	£83m	£223m	£608m
Regional Economy (60 min peak Drive Time, including Local area above)	£353m	£99m	£223m	£676m
National Economy (UK, including Local and Regional areas above)	£611m	£209m	£223m	£1,043m

Considering what impact RHS Wisley would have if no capital project investment is made, the table below shows the proportion of this impact that would be considered **additional direct impact as a result of the proposed capital projects**:

	Local Impact	Regional (includes Local) Impact	National (Includes Local & Regional) Impact
Impact of Wisley operational, capital and visitor spending (assuming capital projects delivered)	£608m	£676m	£1,043m
Impact organisational, capital and visitor spending directly resulting from capital investment at RHS Wisley	£153m	£175m	£349m

This research demonstrates the significance of RHS Wisley – creating over £1bn of economic impact over a 10-year period – not only to the local and regional visitor economy, but also to the economy as a whole.

Appendix I

Assumptions on location of secondary spend by staff based on ONS average weekly household spend data for South East England

Detailed household expenditure by countries and regions
UK, financial year ending 2014 to financial year ending 2016

	United Kingdom	England	South East			
	K02000001	E92000001	E12000008			
Average weighted number of households (thousands)	26,870	22,470	3,610			
Total number of households in sample (over 3 years)	15,230	12,790	2,080			
Total number of persons in sample (over 3 years)	35,950	30,350	4,970			
Total number of adults in sample (over 3 years)	27,860	23,490	3,860			
Weighted average number of persons per household	2.4	2.4	2.4			
Commodity or service				Local ²	Regional ²	National
1 Food and non-alcoholic drinks	58.20	58.60	64.20	60%	40%	0%
2 Alcoholic drink, tobacco and narcotics	11.90	11.50	12.50	45%	45%	10%
3 Clothing and footwear	23.40	23.20	25.60	20%	40%	40%
4 Housing (net)², fuel and power	73.40	76.20	79.50	29%	39%	32%
2 Excluding mortgage interest payments, council tax and Northern Ireland rates.						
3 The figure included in total expenditure is net rent as opposed to gross rent.						
5 Household goods and services	34.80	35.30	38.70	49%	42%	9%
6 Health	7.00	7.40	9.40	50%	45%	5%
7 Transport	72.60	73.20	91.90	57%	29%	14%
8 Communication	15.40	15.50	16.90	7%	3%	91%
9 Recreation and culture	67.70	68.90	82.10	22%	23%	22%
10 Education	8.00	8.50	7.50	33%	33%	33%
11 Restaurants and hotels	43.10	43.80	49.10	40%	40%	20%
12 Miscellaneous goods and services	39.70	40.60	48.00	38%	11%	51%
13 Other expenditure items	72.10	74.70	86.20	13%	0%	81%
Total expenditure	527.20	537.60	611.80			
14 Other items recorded						
14.1 Life assurance, contributions to pension funds	21.50	21.80	28.00	0%	0%	100%
14.2 Other insurance inc. friendly societies	1.50	1.60	2.20	0%	0%	100%
14.3 Income tax, payments less refunds	90.20	93.70	120.40	EXCLUDED	EXCLUDED	EXCLUDED
14.4 National insurance contributions	28.90	29.60	34.90	EXCLUDED	EXCLUDED	EXCLUDED
14.5 Purchase or alteration of dwellings, mortgages	56.10	58.80	71.00	5%	0%	95%
14.6 Savings and investments	5.80	6.10	8.10	0%	0%	100%
14.7 Pay off loan to clear other debt	2.20	2.30	2.80	0%	0%	100%
14.8 Windfall receipts from gambling etc ⁴	1.50	1.50	1.20	EXCLUDED	EXCLUDED	EXCLUDED
TOTAL			723.90	31%	23%	42%