

HowTheLightGetsIn Festival
APPLICATION FOR GRANT OF PREMISES LICENCE
HEREFORDSHIRE COUNCIL

ATTACHMENT TO THE STATEMENT OF MANDY HOUGHTON

MH 2 – Economic Impact Assessment

Economic Impact Assessment

In this appendix we assess HowTheLightGetsIn Festival's impact using a standard means of analysis called an economic impact assessment. This involves quantifying economic impact across three channels:

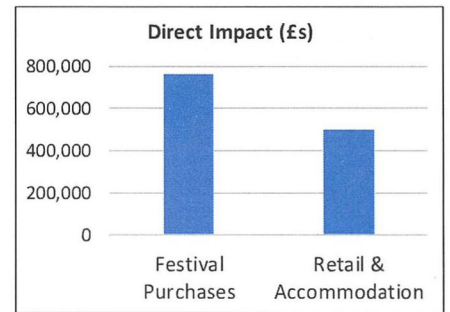
Direct impact — economic activity and employment supported directly by the HowTheLightGetsIn Festival itself.

Indirect impact — benefit HowTheLightGetsIn Festival brings to local suppliers and their employment of others.

Induced impact — wider economic benefits that arise from spending by individuals as a result of the Direct and Indirect economic impacts of HowTheLightGetsIn Festival (for example, in local retail & leisure establishments).

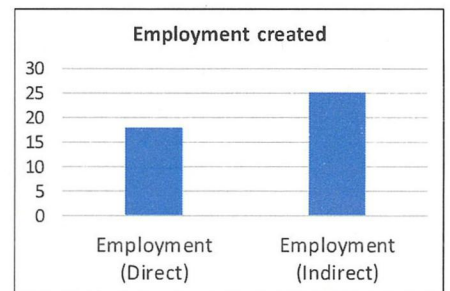
DIRECT IMPACT

- HowTheLightGetsIn directly employs a core team of 18 and a freelance team during the festival of 220 (the majority of whom live in the local area).
- Festival purchases on site infrastructure, equipment and other site costs, in combination with personnel costs represent expenditure per annum of £760,000 on goods, services, and salaries.
- In addition, there are goods & services purchased from at least 30 businesses and 50 accommodation providers in the immediate area as a result of expenditure by the festival team and festival goers. Generating income for suppliers of more than £500,000 each year.
- Overall there is £1,260,000 of Direct Impact per annum, 70% of which, £882,000, is spent locally.



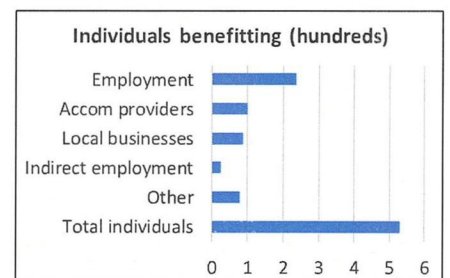
INDIRECT IMPACT

- We estimate that across all local businesses and accommodation providers we contribute to the employment of a further 25 people.
- In combination with direct employment, more than 40 jobs and livelihoods at risk if the festival was not to continue, as well as the loss of income to a freelance team at the festival of 220 per year.
- Supply of £1,260,000 of goods & services from Direct Impact leads to Indirect Impact where those suppliers in turn make required purchases from businesses and individuals, estimated at £400,000.



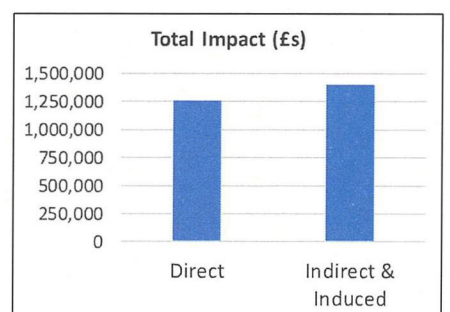
INDUCED IMPACT

As a result of the Direct and Indirect impacts, there are more than 500 people significantly impacted financially by the festival. Each of these increases their expenditure as a result, and the impact of their resulting spending on the local economy during any one year is estimated to be in excess of £1m as well as contributing further to local employment.



TOTAL IMPACT

In combination the economic impact of the festival, the majority of which applies directly to Hay-on-Wye and the local area, is £2.66m annually as well as the direct and indirect employment of 43 people, with hundreds affected through employment in the period of the festival itself.



Economic Impact Assessment - workings summary						
Impact type	Area	Total	Local	Elsewhere	Check	Comments
DIRECT	Festival purchases on site infrastructure, equipment and other site costs, in combination with personnel costs	760,000	380,000	380,000	0	<p>Each festival requires a large amount and wide ranging set of infrastructure, equipment and other site costs. Infrastructure, for example, includes event tents, audio/visual tech, power & lighting, trackway, accommodation yurts, toilets and showers, fencing, entrance stairs. Equipment, for example, includes radios, furniture, decor, wristbands, etc. Other site costs, for example, includes field rental costs, marketing, performer fees, IT/wifi costs, site build and take down teams, etc.</p> <p>Then, on the personnel side, there is a large number of people across several teams involved in putting the festival on, as well as all of the individuals involved in building of the events, marketing and delivery planning in the many months preparation leading up to the festival.</p> <p>Having done around 10 years of HTLGI festivals in Hay we have records of our spending in all of these areas together with our budget for 2023. We also have a good grasp of how much of this spending is with local parties. Note, for example, a significant proportion of Globe Team (all of which are of course local to Hay) time is also spent on the preparation and delivery of the</p>
	Goods & services purchased from at least 30 businesses and 50 accommodation providers in the immediate area as a result of expenditure by the festival team and festival goers	500,000	500,000	0	0	<p>The 500k is a rounded down conservative figure which includes:</p> <p>a) our expenditure on accommodation and local travel at each festival (informed by our actual spending in previous years and the budget for this year) for everyone taking part in the build, delivery and take down of the festival (this itself is c100k) plus what festival goers spend on accommodation and local travel. Together this would easily get to beyond 150k.</p> <p>b) conservative assumption of what festival goers spend at the many local shops during the stay in Hay for HowTheLightGetsIn - we based it on 2500 festival goers each with total local expenditure of £150 for the festival period (so 375k in total).</p> <p>Note - (a) and (b) come to 525k but we rounded this down to 500k.</p>
	% Split		70%	30%		
INDIRECT	Supply of £1,260,000 of goods & services from Direct Impact leads to Indirect Impact where those suppliers in turn make required purchases from businesses and individuals, estimated at £400,000	400,000	209,524	190,476	0	<p>Providing all the items included under Direct Impact in many cases requires those businesses and individuals to purchase items from other businesses and individuals. For example many suppliers of infrastructure/equipment/other items noted above will have team costs that come specifically from team members (typically local freelancers) brought in for provision of their services at HTLGI. This would be the case for the freelancers employed by providers of tech, tents, and IT/wifi, as well as several other areas. Similarly there will be purchases of underlying of kit/materials by these suppliers of the Direct impact items and much of this will be with local building and hardware stores.</p> <p>We conservatively estimate that of the 1.26m of Direct Impact items around 1/3 of it is taken up by these sorts of "input" expenditures made by the suppliers themselves.</p> <p>To get a split of how much of the Indirect impact is local vs elsewhere we conservatively assumed that just the local element of the Direct impact would involve any indirect spending with local business and individuals, and in that case 75% of that spending would be local.</p>
	% Split		52%	48%		
INDUCED	As a result of the Direct and Indirect impacts, there are more than 500 people significantly impacted financially by the festival. Each of these increases their expenditure as a result, and the impact of their resulting spending on the local economy during any one year is estimated to be in excess of £1m as well as contributing further to local employment.	1,000,000	750,000	250,000	0	<p>The 1.66m of Direct and Indirect impact items result in additional income for many individuals, both the business owners themselves and the individuals that work for them (and we estimate this to be in excess of 500 people). We conservatively estimate that 60% of the 1.66m this is spent by these individuals implying the Induced impact of the 1.66m is 1m.</p>
	% Split		75%	25%		
	TOTAL	2,660,000	1,839,524	820,476		