



Urdd

An assessment of the economic value of Urdd Gobaith Cymru

Report for Urdd Gobaith Cymru
by Arad Research

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Summary

<p>National economic value of Urdd Gobaith Cymru</p>	<ul style="list-style-type: none"> • Urdd Gobaith Cymru produced an economic value of £25.5m in Wales in 2017/18, including: <ul style="list-style-type: none"> ○ A direct impact of £8.6m through spending on goods, services and staff in Wales. ○ An indirect impact of £8.1m through visitor spending in eisteddfodau, centres and sporting activities. ○ A stimulated impact (snowball) of £8.7m through spending triggered by the above (the above figures have been rounded off).
<p>Economic value of the Eisteddfod</p>	<ul style="list-style-type: none"> • The Urdd's local and national Eisteddfodau in 2018 produced an economic value of £11.5m in Wales and £5.5m in the local area (Brecon and Radnorshire).
<p>Economic value of centres</p>	<ul style="list-style-type: none"> • Urdd centres produced a total economic value of £6.9m in Wales through spending on goods, services and staff in addition to local spending by visitors. <ul style="list-style-type: none"> ○ Llangrannog – £3.1m. ○ Glan-llyn - £2.0m. ○ Cardiff – 1.8m. • On a local level, the centres produced an economic value of £4.2m in their areas, mainly due to local spending by 46,063 visitors. The following economic value was produced: <ul style="list-style-type: none"> ○ £1.8m in Ceredigion by the Llangrannog centres. ○ £1.3m in Gwynedd by the Glan-llyn centres. ○ £1.1m in Cardiff by the Cardiff centres.
<p>Economic value of sporting activities</p>	<ul style="list-style-type: none"> • Urdd sporting activities produced an economic value of £2.6m in Wales – through direct spending by the sports department and spending by 65,250 participants in clubs, competitions, family activities and events such as Gemau Cymru.
<p>Economic value of the maes department</p>	<ul style="list-style-type: none"> • The maes (community development and activity) department produced an economic value of 2.8m in Wales, through direct spending by the department and the local counties. The department contributes to the economic value of the sports, centres and eisteddfod departments by organising their local activity, including over 220 local eisteddfodau, over 300 sports competitions and regular trips to the centres for over 50,000 members.

Economic value of other departments	<ul style="list-style-type: none">• The other departments in the Urdd (magazines, communication and other central spending) produced an economic value of £1.7m in Wales.
Returns on investment	<ul style="list-style-type: none">• For every £1 of income the Urdd received, the organisation produced an economic value of £2.51 in Wales.

1. Introduction and background

Urdd Gobaith Cymru commissioned Arad research company to conduct an assessment of the organisation's economic value. The aim of the assessment was to find the national economic value of the Urdd, as well as the economic value of a number of their individual departments including the Eisteddfod, the sports department and the maes department (regions) and the Llangrannog, Glan-llyn and Cardiff centres. This report includes the findings from the assessment.

1.1 Urdd Gobaith Cymru

Urdd Gobaith Cymru was established in 1922 to give children and young people the opportunity to learn and socialise through the medium of Welsh. The organisation has 54,943 members between the ages of 8 and 25. The Urdd had a turnover of £10.2 million in 2017/18, employing 305 members of staff in locations across Wales. This report looks at the impact of the Urdd's spending on goods, services and staff salaries in Wales and at the economic value of individual departments in the organisation on a national and local level. Below is an overview of these departments.

1.1.1 The Urdd Eisteddfod

The Urdd Eisteddfod is an important part of the Urdd's activities and represents a large proportion of the organisation's income and spending. In 2016/17 over 48,000 Urdd members competed in local and county eisteddfodau and around 90,000 people visited the Eisteddfod in Bridgend. Section 3.2 of this report assesses the national economic value of the eisteddfodau and looks at the impact of the 2018 Brecon and Radnorshire Eisteddfod on the local area.

1.1.2 Urdd centres

The Urdd has three main centres in Wales – Llangrannog in Ceredigion, Glan-llyn in Gwynedd and the Cardiff centre. In 2017/18, a total of 46,063 visitors stayed in the centres.

- Cardiff - 11,020;
- Llangrannog - 21,599;
- Glan-llyn - 13,499.

The assessment looks at the impact of these visitors' spending in Gwynedd, Ceredigion and Cardiff, in addition to the centres' spending on goods, services and staff in their localities.

1.1.3 Urdd Sports Department

The Urdd Sports Department organises clubs, competitions, family sessions and other events throughout Wales. Data for the Urdd in 2017/18 shows that 65,250 participants took part in activities organised by the sports department, including:

- 8,000 in weekly sports clubs;

- 53,000 in Urdd sports competitions;
- 3,000 in family activities such as evening rounders, swimming for parents and children and rugby for the family;
- 1,250 competing in the *Gemau Cymru* event.

1.1.4 Maes department

The maes department includes staff in north Wales and south Wales and Urdd regional officers working throughout Wales. The officers organise and support a variety of grass roots Urdd activities – especially sporting activities and local eisteddfodau. Therefore, this department in the Urdd contributes greatly towards the impacts identified in this report.

1.2 This report

Section 2 presents the methodology for this assessment while the section-by-section findings are presented in section 3, including the national and local economic value and the returns on investment. Section 4 presents the study's findings in terms of the wider impacts of the Urdd.

2. Methodology

The analysis of the economic value of the Urdd is based on the following:

- **Direct impacts** – direct spending in relation to the core activities of Urdd departments and local regions on goods, services and staff salaries;
- **Indirect impacts** – income and spending generated through:
 - Urdd local and national eisteddfodau;
 - Urdd sporting activities, clubs and competitions;
 - Urdd centres.
- **Stimulated impacts** – contributions to income and spending through the supply chain as a result of Urdd core activities.

We have estimated the economic value based on the concept of the Keynesian Multiplier Effect. This effect takes into account that spending by the Urdd (or the organisation's individual departments) generates income for other businesses in the local or national economy. This income triggers further spending rounds by the receiver, with some of it being held back or spent outside of the local economy in each spending round. This process unfolds until the local income created decreases to a negligible level. The total economic value to the local economy is the sum of these spending rounds. The economic value figures derived from this reflect the biggest economic impact the Urdd's contributions to the economy are expected to create.

All of the findings are based on the 2017/18 financial year, apart from the Urdd Eisteddfod which has drawn on a combination of data from visitors to the 2018 Eisteddfod in the Brecon and Radnor region (a further explanation is provided in section 3.2). The study includes primary and secondary research, including:

- Income and central spending data by the Urdd and local regions;
- Survey of Urdd suppliers;
- Survey of Urdd staff;
- Survey of visitors to the 2018 Urdd Eisteddfod.

2.1 Data sources

Data was received for Urdd income and spending (including the local regions) based on the year 2017/18 and was used to identify the **direct** impact in Wales as well as the centres' local area. The data received by the Urdd enabled us to identify how much of the organisation's spending was on suppliers and staff, by region. This enabled us to identify the direct impact on Wales and the centres' local area. Visitor numbers data and central spending data for the 2017 Eisteddfod was used as proxy data (with some adjustments) for the 2018 Eisteddfod, as data for the latest festival was not available when the analysis was conducted.

For the **indirect** impact, data from the survey of visitors to the 2018 Urdd Eisteddfod was used, in addition to an estimate of their spending in Urdd centres, sporting activities and local eisteddfodau. Data was collected from 1,060 visitors to the 2018 Urdd Eisteddfod by means of survey (mix of online responses and responses collected face-to-face on the Eisteddfod field). The survey included a series of questions that enabled us to estimate the average visitor spend on the field and in the local area. These included:

- Where the visitor lived;
- Number of days spent on the field;
- Number of nights the visitors stayed locally, and the type of accommodation;
- Spending on local accommodation, goods and services;
- Spending on goods and services on the field.

For the **stimulated** impact, data from the Urdd staff survey was used to estimate what proportion of the income they receive from the Urdd is spent in Wales and their local area. Spending data was collected from 67 out of 238 of Urdd suppliers that are based in Wales – a response rate of 28%. Additionally, 73 out of 305 members of staff completed the Urdd questionnaire – a response rate of 24%.

3. Findings

The economic assessment's findings are presented below for the Urdd on a national level, the Eisteddfod and centres, and the sports department. The figures below have been rounded off, so they do not always correspond to the total that is stated.

3.1 Economic value of the Urdd to Wales

Total economic value of the Urdd to Wales – £25.5m

Urdd central spending data shows that the organisation has spent a total of £4.9m on goods and services in 2017-18, with 70% of this total (£3.4m) spent with suppliers based in Wales. In addition, data for the Urdd regions shows that they have spent an additional £0.6m on goods and services from Welsh suppliers. The Urdd spent £4.7m on staff salaries, who all live in Wales. This means that the total **direct** impact of the Urdd on the Welsh economy in 2017-18 was £8.6m.

Direct impact of the Urdd – £8.6m

Including:

Goods and services in Wales £4.0m

Salaries of staff living in Wales £4.7m

In terms of the **indirect** impact, data was collected from a survey for visitors to the 2018 Urdd Eisteddfod. Based on the analysis of this data, it is estimated that visitors spent £2.3m on local businesses, £2.0m on Welsh businesses on the field and £1.7m on accommodation in the local economy (see section 3.2 for further details on this analysis). It is also estimated that visitors to Urdd centres spent £1.2m during the year (see section 3.4) and attendees of local eisteddfodau spent £0.1m in their local economies (see section 3.2), whilst attendees of Urdd sporting activities spent £0.9m (see section 3.3).

Indirect impact of the Urdd – £8.1m

Including:

Spending of visitors to the Urdd Eisteddfod £5.9m

Spending of visitors to Urdd centres £1.2m

Spending of attendees of local eisteddfodau £0.1m

Spending of attendees of Urdd sporting activities £0.9m

In terms of the **stimulated** impact, data was collected from the Urdd staff survey to estimate what proportion of the income they receive from the Urdd is spent on goods and

services (average propensity to consume) and what proportion of that is spent in Wales (retention rate). The data shows that Urdd staff, on average, spend 51% of their income in Wales and that 81% of that spend is on goods and services in Wales. Data from the Urdd suppliers survey shows that the businesses spend 78% of their income in Wales and that 69% of that spend is on goods and services in Wales. Using the above rates, it is estimated that the above direct and indirect spending creates a stimulated impact of £8.7m.

Stimulated impact of the Urdd – £8.7m

Including:

Spending stimulated by spending on goods and services £7.2m

Spending stimulated by Urdd spending on salaries £1.5m

3.2 Economic value of the Urdd Eisteddfod

Economic value of the Urdd Eisteddfod in Wales – £11.5m

The 2018 Urdd Eisteddfod and local Urdd eisteddfodau were analysed in terms of their economic value to the Welsh economy, and the 2018 Urdd Eisteddfod was analysed in terms of its economic value to the Brecon and Radnor region. It is estimated that the Urdd's local and national Eisteddfodau in 2018 produced an economic value of **£11.5m in Wales** and **£5.5m in the Brecon and Radnor region**.

3.2.1 Economic value of the Urdd Eisteddfod in Wales

The Urdd Eisteddfod department spent a total of £0.9m on goods and services in Wales in 2017-18. Additionally, this department spent £0.3m on the salaries of staff living in Wales. This means that the total **direct** impact of the Eisteddfod on the Welsh economy was £1.3m (figures have been rounded off).

Direct impact of the Urdd Eisteddfod in Wales – £1.3m

Including:

Goods and services in Wales £0.9m

Salaries of Eisteddfod department staff living in Wales £0.3m

In terms of the **indirect** impact, data was collected from a survey for visitors to the 2018 Urdd Eisteddfod. The analysis of this data shows that on average, visitors (excluding local residents) spent approximately £26 per person daily on goods and services in the local area of the Eisteddfod including in local shops, restaurants, pubs, attractions and petrol stations. The analysis also shows that visitors spent approximately £33 per person daily on goods

and services on the field (£12 on food and drink, £13 on stands and £8 on activities) and it is estimated that approximately £22 of this amount was spent on businesses based in Wales.¹ Using the eisteddfod visitor numbers data, it is possible to estimate that visitors spent £2.3m with local businesses and £2.0m with Welsh businesses on the field.²

Visitors staying locally (excluding respondents who were living in the Eisteddfod area) were also asked how much they had spent on accommodation, for how many nights, and how many people were in their party. The analysis shows that 30% of visitors to the Eisteddfod stayed in private accommodation in the local area and that on average they had spent £60 per person per night on accommodation during the 2018 Urdd Eisteddfod.³ The data also shows that they stayed for 2.3 nights on average. Using this data, as well as the visitor numbers data, it is estimated that visitors to the Eisteddfod spent a total of £1.7m on accommodation in the local economy.

Indirect impact of the Urdd Eisteddfod in Wales – £6.0m

Including:

Spending of visitors to the Urdd Eisteddfod £5.9m

Spending of attendees of local eisteddfodau £0.1m

In terms of the **stimulated** impact, the same rates as the national analysis were used to estimate that the above direct and indirect impact triggers further spending rounds in the Welsh economy, corresponding to £4.2m.

Stimulated impact of the Urdd Eisteddfod in Wales – £4.2m

Including:

Spending stimulated by spending on goods and services £4.1m

Spending stimulated by the Urdd department spending on salaries
£0.1m

¹ The Urdd provided data for the catering businesses, stands and activities on the field, which enabled us to estimate what proportion of the visitor spending on the field was with Welsh businesses. Those businesses' payments to the Urdd for their locations on the field were deducted from the total as that was income for the Urdd.

² The visitor numbers data for the 2017 Eisteddfod (approximately 90,000) were used on the presumption that the numbers were similar in 2018.

³ Spending on accommodation among those who stayed on the Eisteddfod caravan site was excluded from this analysis as that is direct income to the Urdd. However, spending on other local goods and services among those that stayed on the Eisteddfod caravan site was included in the analysis.

3.2.2 Economic value of the Urdd Eisteddfod locally

It is estimated that the Urdd Eisteddfod spent £0.1m on goods and services in the Brecon and Radnor region in 2017-18.⁴ This figure was used as an estimate of the **direct** impact of the Eisteddfod locally.

The data in section 3.2.1 demonstrates the value of the Urdd Eisteddfod's **indirect** impact locally, which is a £2.3m spend on goods and services with local businesses and £1.7m on local accommodation. In addition, it is estimated that some of the visitor spending with businesses on the field (less than £0.1m) went to businesses from the local area. This corresponds to a total of £4.0m of **indirect** value to the Brecon and Radnor region.

Urdd suppliers were asked to estimate what percentage of their spend happened within their local authority. Using this average, it is estimated that the above direct and indirect spending creates a **stimulated** local spend of £1.4m.

3.3 Economic value of sporting activities

Economic value of the Urdd sports department to Wales – £2.6m

Urdd **sporting activities** produced an economic value of £2.6m in Wales – through direct spending by the sports department and spending by 65,250 participants in clubs, competitions, family activities and events such as Gemau Cymru.

The Urdd sports department spent a total of £0.2m on goods and services in Wales in 2017-18. Additionally, this department spent £0.6m on the salaries of staff living in Wales. This means that the total **direct** impact of the Urdd sports department on the Welsh economy was £0.8m.

Direct impact of the Urdd sports department – £0.8m

Including:

Goods and services in Wales £0.2m

Salaries of staff living in Wales £0.6m

In terms of the **indirect** impact, the Urdd's figures for the numbers that attend various activities were used, and these attendees' spend on goods and services whilst at these activities was estimated.⁵ This corresponds to an estimated £0.9m.

⁴ Estimate based on the department's spend in the 2017 Urdd Eisteddfod local area with some adjustments based on information from Urdd officials.

⁵ It was estimated that the following spending is triggered locally by children and families whilst attending events: 8,000 in weekly sports clubs – £2 per person per week (assuming they are held 40 weeks a year); 53,000 in Urdd sports competitions – £5 per person; 3,000 in family activities – £5 per person; 1,250 competitors in *Gemau Cymru* – £10 per person.

Indirect impact of the Urdd sports department – £0.9m

Including:

Spending of 65,250 attendees of sports clubs, competitions and other events £0.9m

In terms of the **stimulated** impact, the same rates as the national analysis were used to estimate that the above direct and indirect impact triggers further spending rounds in the Welsh economy, corresponding to £0.9m.

Stimulated impact of the Urdd sports department – £0.9m

Including:

Spending stimulated by spending on goods and services £0.7m
Spending stimulated by Urdd spending on salaries £0.2m

3.4 Economic value of centres

The analysis shows that Urdd centres have produced an economic value of £6.9m in Wales through a combination of direct spending on goods, services and staff in addition to local spending by 46,063 visitors. Below, the analysis is presented for the individual centres including the Llangrannog centre in Ceredigion, Glan-Ilyn in Gwynedd and the Cardiff centre in the capital.

3.4.1 Llangrannog

Economic value of the Llangrannog centres to Wales – £3.1m

The analysis shows that the total economic value of the **Llangrannog centre to Wales** in 2017-18 was **£3.1m**. Urdd spending data shows that the Llangrannog centre had a **direct** impact of £1.9m in Wales through a £0.7m spend on goods and services and £1.2m on staff salaries.

Direct impact of Llangrannog in Wales – £1.9m

Including:

Goods and services in Ceredigion £0.7m

Salaries of staff living in Ceredigion £1.2m

In terms of the **indirect** impact, it was estimated that 21,544 visitors to the centre spent, on average, £5 during their visit (mainly in the local shop). This corresponds to a total spend of around £0.1m. Additionally, it is estimated that spending on transport to the centre by schools, organisations and individuals (excluding spending by Urdd local regions which is calculated separately) is approximately £0.2k. Using this information, it was estimated that an **indirect** spend of £0.3m occurs in Wales.

Indirect impact of Llangrannog in Wales – £0.3m

Including:

Local visitor spending £0.1m

Spending on transport £0.2m

In terms of the **stimulated** impact, data from the supplier survey and the staff survey were used to estimate that the above direct and indirect impact triggers further spending rounds in the local economy, corresponding to £1.0m.

Stimulated impact of Llangrannog in Wales – £1.0m

Including:

Spending stimulated by spending on goods and services £0.6m

Spending stimulated by Urdd spending on salaries £0.4m

In terms of local impacts, the analysis shows that the total economic value of the **Llangrannog centre to Ceredigion** in 2017-18 was **£1.9m**. Urdd spending data shows that the Llangrannog centre had:

- a **direct** impact of £1.4m on the Ceredigion economy through a £0.3m spend on goods and services and £1.1m on staff salaries in the county.
- an **indirect** impact of £0.1m through the spending of 21,544 visitors locally and a proportion of the spending by visitors on transport.
- a **stimulated** impact of £0.4m.

In addition to the above, some Urdd central staff, south Wales staff and sports staff are based in the centre. By including these in the analysis, the value of the Llangrannog site to the Ceredigion economy rises to **£2.0m**.

3.4.2 Glan-Ilyn

Economic value of the Glan-Ilyn centre to Wales – £2.0m

The analysis shows that the total economic value of the **Glan-Ilyn centre to Wales** in 2017-18 was **£2.0m**. Urdd spending data shows that the Glan-Ilyn centre had a **direct** impact of £1.2m on the Welsh economy through a £0.4m spend on goods and services and £0.8m on staff salaries.

Direct impact of Glan-Ilyn in Wales – £1.2m

Including:

Goods and services in Wales £0.4m

Salaries of staff living in Wales £0.8m

In terms of the **indirect** impact, it was estimated that visitors to the centre spent, on average, £14.31 during their visit (through spending in shops and pubs in Bala or Llanuwchllyn and on transport). By using these data together with the annual visitor numbers (13,499), it was estimated that an **indirect** spend of less than £0.2m occurs locally.

Indirect impact of Glan-Ilyn in Wales – £0.2m

Including:

Visitor spending £0.2m

In terms of the **stimulated** impact, data from the supplier survey and the staff survey were used to estimate that the above direct and indirect impact triggers further spending rounds in the economy, corresponding to £0.7m.

Stimulated impact of Glan-Ilyn in Wales – £0.6m

Including:

Spending stimulated by spending on goods and services £0.3m

Spending stimulated by Urdd spending on salaries £0.3m

In terms of local impacts, the analysis shows that the total economic value of the **Glan-Ilyn centre to Gwynedd** in 2017-18 was **£1.3m**. Urdd spending data shows that the Glan-Ilyn centre had:

- a **direct** impact of £1.0m on the Gwynedd economy through a £0.2m spend on goods and services and £0.8m on staff salaries in the county.

- an **indirect** impact of less than £0.1m through the spending of 21,544 visitors locally and a proportion of the spending on transport.
- a **stimulated** impact of £0.2m.

In addition to the above, some of the staff from other Urdd departments (Eisteddfod, magazines, north Wales staff and central staff) are based in the centre. By including these in the analysis, the value of the centre to the Gwynedd economy rises to **£2.0m**.

3.4.3 Cardiff Centre

Economic value of the Cardiff centre to Wales – £1.8m

The analysis shows that the total economic value of the **Cardiff centre to the Welsh economy** in 2017-18 was **£1.8m**. Urdd spending data shows that the Cardiff centre had a **direct** impact of £0.5m on the Welsh economy through a £0.3m spend on goods and services and £0.2m on the salaries of staff living in Wales.

Direct impact of the Cardiff centre in Wales – £0.5m

Including:

Goods and services in Wales £0.3m

Salaries of staff living in Wales £0.2m

In terms of the **indirect** impact, it was estimated that visitors to the centre spent, on average, £61 during their visit (through spending on activities, in shops and on entertainment, as well as spending on transport). By using this estimate together with the annual visitor numbers (11,020), it was estimated that an **indirect** spend of £0.7m occurs locally.

Indirect impact of the Cardiff centre in Wales – £0.7m

Including:

Local visitor spending £0.7m

In terms of the **stimulated** impact, data from the supplier survey and the staff survey were used to estimate that the above direct and indirect impact triggers further spending rounds that correspond to £0.7m.

Stimulated impact of the Cardiff centre in Wales – £0.7m

Including:

Spending stimulated by spending on goods and services £0.6m

Spending stimulated by Urdd spending on salaries – less than £0.1m

In terms of local impacts, the analysis shows that the total economic value of the **Cardiff centre to the Cardiff** economy in 2017-18 was **£1.1m**. Urdd spending data shows that the Cardiff centre had:

- a **direct** impact of £0.3m on the Cardiff economy through a £0.2m spend on goods and services and £0.2m on staff salaries in the county.
- an **indirect** impact of £0.5m through the spending of visitors locally and a proportion of the spending by visitors on transport.
- a **stimulated** impact of £0.2m (figures have been rounded off therefore do not correspond to the total).

In addition to the above, many other Urdd staff (central staff and sports, magazines, regions and Eisteddfod staff) are based in the centre. By including these in the analysis, the value of the centre to the Cardiff economy rises to **£1.9m**.

3.5 Economic value of the maes department

Economic value of the maes department to Wales – £2.8m

The analysis shows that the total economic value of the **maes department to the Welsh economy** in 2017-18 was **£2.8m**. Urdd spending data shows that the maes department had a **direct** impact of £2.0m on the Welsh economy through a £0.8m spend on goods and services (£0.2m central spend and £0.6m by the local regions) and £1.2m on the salaries of staff living in Wales.

Direct impact of the maes department in Wales – £2.0m

Including:

Goods and services in Wales £0.8m

Salaries of staff living in Wales £1.2m

In terms of the **indirect** impact, the Urdd regional staff play a key role in organising and supporting community and sporting activities, as well as promoting and attending courses at the centres. However, sections 3.2 - 3.4 above encompass these indirect impacts by counting the value of attendees of sporting activities and local eisteddfodau. Therefore, we

have not counted those impacts again in this sub-section, but it is important to recognise the vital contribution of Urdd regional staff to those impacts.

In terms of the **stimulated** impact, data from the supplier survey and the staff survey were used to estimate that the above direct impact triggers further spending rounds that correspond to £0.9m.

Stimulated impact of the maes department in Wales – £0.9m

- Including:
- Spending stimulated by spending on goods and services £0.5m
- Spending stimulated by Urdd spending on salaries £0.4m

3.6 Economic value of other Urdd departments

The other departments in the Urdd (including magazines, communication and other central spending) produced an economic value corresponding to £1.7m in Wales. This included spending on goods, services and staff based in Wales.

3.7 Returns on investment

The Urdd had an income of £10.2m in 2017-18. By dividing the economic value of the Urdd in 2017-18 (£25.5m) by this income figure, it can be shown that the Urdd produced an economic value of £2.51 in Wales for every £1 of income the organisation received.

The below table shows how this rate corresponds to the value produced by the Urdd's individual income sources.

Table 1. Returns on investment 2017-18 by income source

Income source	Income 2017-18 £	Proportion of the national economic value of the Urdd derived from this source (based on £2.51 for every £1 of income) £
Llangrannog & Pentre Ifan	2,985,026	7,481,514
Glan-llyn	1,597,747	4,004,510
Cardiff	876,986	2,198,032
Investment income	69,275	173,627
2017 Eisteddfod (excluding grants)	1,322,092	3,313,623
Magazines	61,765	154,805
Membership	403,218	1,010,605
Donations & bequests	186,460	467,334
Miscellaneous	96,589	242,086
Grants (including sports and eisteddfodau)	2,205,930	5,528,828
Sports	353,928	887,067
Total Income	10,159,016	25,462,031

3.8 Future economic value of the Urdd

The above analysis is based on Urdd spending in 2017-18. It is important to note that the organisation's impact is likely to grow in future as a result of the Urdd's spending plans through significant capital projects in the Llangrannog and Glan-llyn centres, as well as a central project to develop new digital systems and infrastructure for the organisation.

The Urdd is planning a capital investment of approximately £4.0m in the Llangrannog centre over a four year period. The Urdd anticipates that approximately 85% of this expenditure (£3.4m) will happen in Wales, with most of it happening between 2018-19 and 2020-21.

In Glan-llyn, it is proposed to spend £2.2m between 2018-19 and 2020-21 and it is anticipated that approximately 80% of this, £1.8m, will be spent with Welsh suppliers.

In addition to the above, in 2018-19 and 2019-20 there will be a £0.4m spend on new digital systems and infrastructure, all with Welsh suppliers.

Through all of these projects, it is estimated that there will be a total extra spend of £5.6m in Wales over the following financial years (figures have been rounded off):

- 2018-19 – £1.5m
- 2019-20 – £3.5m

- 2020-21 – £0.7m

If the rest of the Urdd's spending remains constant between 2017-18 and 2020-21, we can use the above figures to develop scenarios for the future economic value of the Urdd.⁶

In those scenarios it is therefore estimated that the economic value of the Urdd to Wales in the coming years would be as follows:

- **2018-19 – £27.8m**
- **2019-20 – £31.0m**
- **2020-21 – £26.6m**

In addition to the above, this capital spending is likely to increase the Urdd's capacity to attract more visitors to the centres. This in turn can increase the economic impact of the centres through the indirect spending of those additional visitors. Therefore, this shows that the economic value of the Urdd is very likely to increase over the coming years.

⁶ In these scenarios, we anticipate that spending and spending rates in terms of suppliers, staff and visitors/attendees remains constant.

4. Wider impacts of the Urdd

The above sections describe the economic impacts that can be measured or estimated by using primary or secondary data together with some assumptions. However it is important to recognise that the Urdd's work leads to a number of other important impacts that have not been included above. An overview of these is provided below, identifying some areas that can be explored further in future.

4.1 Welsh Language Impact

The activities and services provided by the Urdd support a wide range of Welsh Government strategic priorities for promoting the Welsh language. It is not possible to place an economic value on these impacts, however the evidence shows that the organisation's activities have a clear social value. The Urdd's work is related to a number of the Cymraeg 2050 strategy areas of work, specifically:

- Promoting the use of the Welsh language amongst children and young people in a wide range of cultural, social and recreational contexts;
- Encouraging positive language practices amongst children and young people, fostering stronger connections between schools, youth organisations and community groups;
- Creating connections between organisations that promote the Welsh language;
- Providing opportunities for children and families to use the Welsh language outside the school;
- Developing the Welsh language skills of the youth workforce;
- Ensuring the availability of a wide range of Welsh-medium cultural and recreational activities.

4.2 Wider contribution

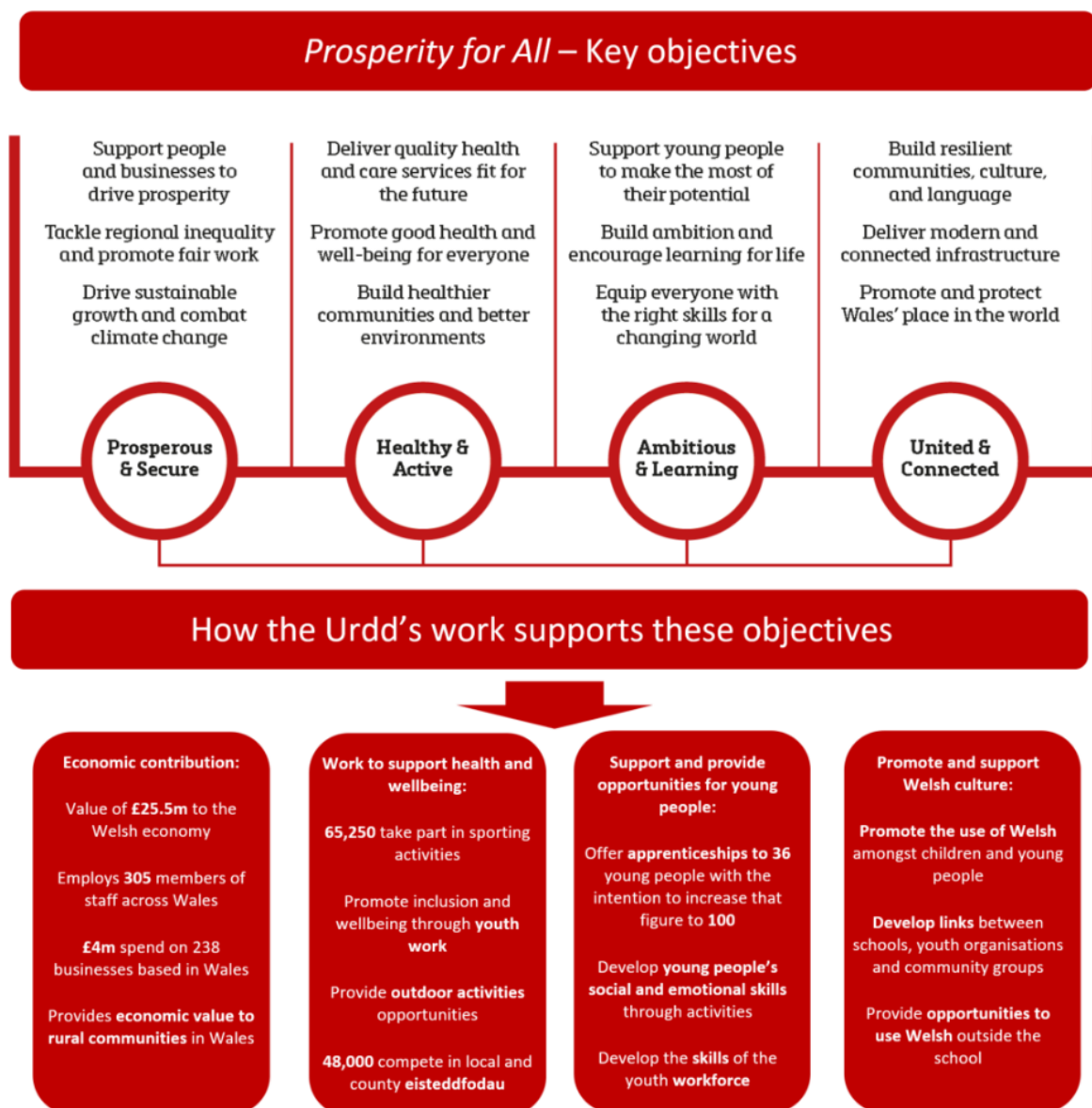
The Urdd's work also contributes to national policy priorities beyond Welsh language policy areas specifically. The Welsh Government's Programme for Government, *Taking Wales Forward*, and the national strategy that underpins the programme, *Prosperity for All*, refers to the need to:

- ensure prosperous communities;
- create a healthy and active Wales (referring specifically to promoting physical exercise amongst children and young people);

- encourage ambition and learning;
- create a united and connected nation.

The figure below shows how the Urdd's work supports these wider strategic objectives in a variety of ways.

Figure 1. The Urdd's contribution to the key objectives in the Welsh Government's *Prosperity for All* strategy



4.3 Apprenticeships

The Urdd contributes to the development of young people's skills and qualifications in Wales by offering opportunities and learning provision in the workplace. The Urdd employed 36 apprentices in 2017-18 and the organisation has set a target of offering 100 apprenticeships by 2022. That target is stated in *Strategaeth Prentisiaethau'r Urdd 2019-2022* (Urdd Apprenticeships Strategy 2019-2022), which sets the goal of establishing the organisation as the main Welsh-medium apprenticeship provider in Wales.

The Urdd offers an array of apprenticeships that accord with the organisation's current provision, including Sports, Outdoor Activities and Youth Work. The Urdd's intention is to increase the number of apprenticeships as well as offering wider vocational routes by working collaboratively with training providers and awarding bodies.

Therefore, the Urdd contributes to the Welsh Government's goal, outlined in *Aligning the Apprenticeship model to the needs of the Welsh economy* (Welsh Government, 2017), to create 100,000 apprenticeships between 2016 and 2022.⁷ That document also sets a priority to improve the Welsh-medium apprenticeships offer and *Strategaeth Prentisiaethau'r Urdd 2019-2022* states that the organisation contributes to that priority in a number of ways:

- by increasing the number of Welsh-medium apprenticeships available through the Urdd either directly or in association with other organisations;
- by training additional Welsh-medium tutors and assessors, and thus increasing the capacity of the Welsh-medium workforce in vocational areas in future;
- by developing new Welsh-medium vocational routes, and thus creating new routes that other organisations and providers can offer.

4.4 Indirect impacts through Urdd staff activity

The Urdd directors reported that many of their staff are very active in their communities, helping to deliver and lead a variety of local societies, activities and events. The directors referred to examples of their staff's contributions in their communities by leading young farmers clubs, choirs, sports and cultural clubs. As well as the impact on maintaining Welsh language and culture, it was suggested that delivering these activities create further indirect economic impacts. Despite these impacts being beyond the scope of this study, this could be an area for further research in future (e.g. through a staff survey enquiring about their contributions to such activities).

⁷ See *Aligning the Apprenticeship model to the needs of the Welsh economy* (Welsh Government, 2017) <https://beta.gov.wales/sites/default/files/publications/2018-03/aligning-the-apprenticeship-model-to-the-needs-of-the-welsh-economy.pdf>

4.5 Impact of Urdd youth work

The Urdd's youth work across Wales is an important part of the organisation's activity. Although calculating this work's value in terms of social benefit is not within the scope of this study, it is important to recognise that this work does have an economic value beyond what is quantified in the assessment in section 3 above.

Many studies have attempted to quantify the value of youth work and work that seeks to reduce the risk of young people not in education, employment or training. The table below summarises some of the main findings from these studies.

Table 2. Summary of studies that quantify the financial value of youth work and work that seeks to reduce the number of young people not in education, employment or training

Source	Summary of findings
The social and economic value of youth work in Scotland: initial assessment of youth work in Scotland Hall Aitken	Over 20 impact evaluation reports for youth work in Scotland were reviewed. The review found that the social return on investment ranged between 2:1 and 15:1. The study concluded that for every £1 invested in youth work, a return on investment corresponding to at least £3 is produced.
An assessment of the economic value of youth work Indecon International Economic Consultants	The outcomes in terms of the economic value of youth work presented in the report shows that public money for youth work services represents value for money. Indecon reports that for every €1 invested in youth work, €2.22 is saved in the long term.
Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training (on behalf of the Audit Commission) Coles et al (2010)	This report estimated that the cost of a young person not in education, employment or training to public funds in the UK amounted to £56,000 in 2009. This included benefits, health costs and judicial costs. Furthermore, it was estimated that the resource cost (including losses in terms of the individual's salary and productivity) was over £100,000.
The Cost of Exclusion: Counting the cost of youth disadvantage in the UK The Prince's Trust and the London School of Economics (2010)	This report looks at the costs to the economy as a result of youth unemployment and estimates: <ul style="list-style-type: none"> • Weekly costs of youth unemployment in Wales (18 - 24 years old) – £1.2 million • Weekly productivity losses in the economy due to youth unemployment in Wales – £7.2 million • Annual cost of youth crime (2009) – £63 million • Educational underachievement – Life-time cost for each young person in Wales without any qualifications – £1.9 billion

It could be argued therefore that the Urdd's youth work contributes to minimising the risk of exclusion, youth unemployment, youth crime and educational underachievement amongst young people in Wales. Although it is not possible to currently quantify those impacts, the secondary evidence above suggests it is likely that the Urdd contributes on some level at least to reducing some of the costs listed above, and this should also be considered when assessing the value of the Urdd to the Welsh economy.

The findings above show that the value of the Urdd is higher than quantified in section 3 when taking into consideration the social impacts and the economic benefit created as a result. Quantifying the value of these social impacts could be the focus of a further study of the organisation's value in future.