

FOREWORD

By Lord Steel of Aikwood

FBHVC Vice President



Scotland, economic activity and classic cars are all subjects that are close to my heart, so it is hardly surprising that my ears pricked up when I heard early in 2013 that the Federation of British Historic Vehicle Clubs was extending its research programme by including a study of the 4th European Healey Meeting that would be taking place in the Highlands at the end of May, based on the Crieff Hydro Hotel – a venue I have known for many years with particular affection. This report is the result.

Part of the fascination for me is that this is new territory for FBHVC: previous studies have been broad-based, assessing either the generality of historic vehicle activity in the United Kingdom or the specific local benefits of major events that attract large numbers of the public. In comparison, this study is very narrow in its focus: there is just one make of car involved and public involvement was insignificant.

The result, however, adds greatly to the valuable body of knowledge about the British historic vehicle movement that FBHVC and their associates at the University of Brighton have been building up in recent years. As a politician, I know only too well how important it is to have firm data on which to build an argument – these studies provide just that.



INTRODUCTION

THE CARS

Donald Healey served an apprenticeship in the nascent aero industry, then served in the Royal Flying Corps in the first World War before being invalided out and running his own motor repair business in his native Cornwall before heading to the Midlands to work first for Riley then Triumph. He was a notably successful rally driver, notching up significant successes in Alpine Trials and becoming the first British driver to win the Monte Carlo Rally. He moved to Humber during the early years of the second World



War where he worked on armoured cars. By 1945, he and like-minded colleagues had started work in their spare time on designs for a sporting car. They produced their first prototype in time to announce it to press early in 1946. In December that year, *The Motor* road tested an example from the first batch of production saloons and recorded some stunning times, enabling the very recently established Donald Healey Motor Company Limited to lay claim to being manufacturers of the fastest saloon car in the world. The company used proprietary engines and gearboxes, mainly from Riley, but also from Alvis and Nash in America. Two Healeys were on the front of the grid for the very first

race at Goodwood in 1948. Although the basic chassis remained much the same, body work was evolving all the time and nine different models were offered by the company in the first six years of production. These ranged from full saloons to the stark, very sporting, two-seat Healey Silverstone. Despite their success, fewer than 1,200 cars were sold before the company ceased production in 1954.

Meanwhile, a new design had caused something of a sensation when it was exhibited as a last minute addition to the Healey stand at the 1952 Motor Show at Olympia - the Healey 100 was met with instant acclaim. The design went on to win the Grand Premier Award at the Miami World Fair, and was voted International Show Car of the Year at the New York motor show. The prototype used an Austin engine and gearbox (the Riley unit was being taken out of production) and a modest production of 25 units a week had been planned, but the order book had soon swollen to over 3,000, way beyond the capacity of a small company.



The Austin Motor Company had already agreed to supply engines and gearboxes, and Sir Leonard Lord, the Austin Chairman, had been thoroughly impressed by the car's reception so it was not long before a deal was reached and the Austin-Healey marque had been born. The first Austin-Healey 100/4 cars, as they were known, were delivered in 1953, and by the time the model was superseded by the later 6-cylinder 100/6 three years later, nearly 15,000 had been sold. A very large proportion was exported, with the US market being by far the strongest.

The 100/6 gave way to the better known 3000 in 1959, a year after a very small, and basic, model, the Austin-Healey Sprite, had been introduced. The smaller car used mechanical components shared with Austin's more humble offerings, such as the A35 saloon. The 3000 model remained in production (with various changes) until 1968, during which time more

than 51,000 6-cylinder cars had been made, while the final version of the Sprite remained on the market until 1971, during which period over 125,000 were made. Three prototype Austin-Healey 4000 cars (effectively 3000s widened and fitted with the Rolls-Royce 4-litre engine used in the Princess car of the period) were made in 1968.



A Jensen-Healey was introduced in 1972 and was offered for sale for four years. The car was built by Jensen (who had made bodywork for Austin-Healey) and powered by a Lotus engine. Some 10,500 examples were made.

In addition to being stylish road cars, Healeys and Austin-Healeys enjoyed considerable success in motor competitions at all levels and also achieved several class speed records. They are much sought after by historic vehicle enthusiasts and can often be seen giving a good account of themselves in competitive historic vehicle events all over the globe.

THE CLUBS

Clubs or societies enabling like-minded people to come together for mutual benefit or pleasure have existed for millennia. In Britain, the first clubs catering for motoring enthusiasts were formed in late Victorian times. Special interest clubs catering for a single make of motor vehicle began to appear in the 1920s (the Jowett Car Club celebrated its 90th birthday in 2013). Given its large enthusiast following, it is hardly surprising that clubs for Healeys and Austin-Healeys should have sprung up all over the world. The oldest is probably the Healey Drivers Club, founded in 1955. The Austin-Healey Club, the lead organisers of the event being studied, was formed in 1960. Both cater for Healeys and Austin-Healeys. In Britain, there is also the Association of Healey Owners (established in 1969) and the Midget and Sprite Club (1983), but there are clubs in many other countries including Argentina, Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Luxembourg, New Zealand, Norway, South Africa, Sweden, The Netherlands and USA. The largest of all is the Austin-Healey Club of America whose roots go back to 1958 and which now has no less than 47 regions.

THE EVENT

Although always taking place in the same continent, the European Healey Meetings are open to Healey and Austin-Healey owners from all round the globe. The organisation is led by the Austin-Healey Club (or Clubs) of the host country, but with significant input from Clubs in neighbouring countries. The first European meeting took place in Luxembourg in 1999, the second at St.Moritz, Switzerland in 2004 and the third at Halmstad, Sweden in 2008. All have attracted several hundred crews.

The event that is the subject of this study was the fourth such meeting and took place in Scotland at the end of May 2013. The meeting was organised by the Austin-Healey Club, was over two years in the planning and had major input from the Austin-Healey Clubs in Belgium, Sweden, Switzerland and the Netherlands. It took place over seven, often wet, days, although the first and last were purely for checking in and out. Activities on the other five days included a concours d'elegance, two scenic road runs, which included a non-competitive



run up the old "Rest and be Thankful" hillclimb course, auto-tests and a track day at Knock Hill with the alternative of coach trips for sight-seeing in Edinburgh. There were also organised visits to tourist attractions, and – of course – a considerable amount of socialising. The costs of the event were funded almost entirely from entry fee revenue, but



sponsorship for the event was provided by a number of companies associated



with the Austin-Healey marque both in the UK and from Europe. The event was planned on a break-even basis and although the accounts had not been finalised at the time of writing, it is understood the final result will be within 1% of being cost-neutral.

THE VENUE

The origins of the Crieff Hydro go back to the Victorian era when it was fashionable for the wealthy to "take the waters" at spas such as Bath, Harrogate, Royal Leamington Spa, Malvern, Wetherby and so on. The Crieff Hydro, or Strathearn Hydropathic Establishment as it was then known, was the first such spa in Scotland and began taking customers in 1868. The company, which is now run by fifth generation descendants of the founder, lays claim to being the oldest trading company in Scotland.



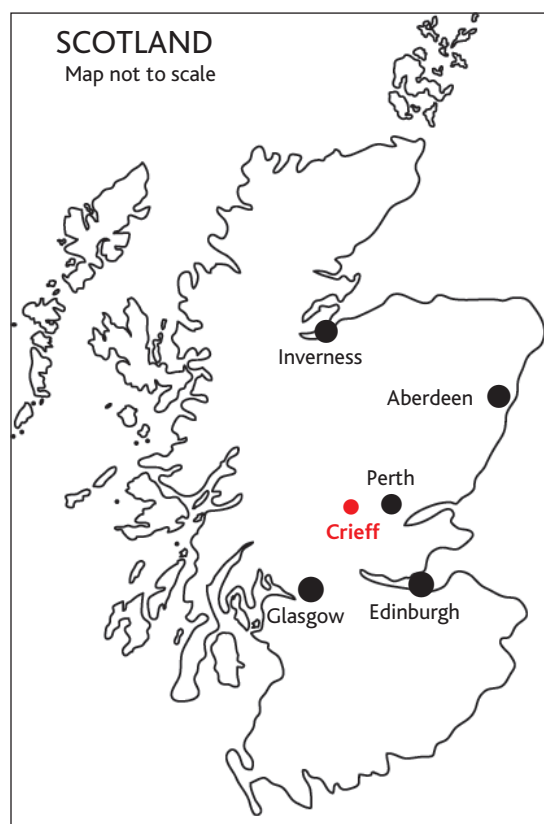
The Crieff Hydro has 200 rooms, some 50 self-catering establishments, sits in a 900 acre estate and employs 500 people. The same company also owns another hotel in Crieff, and those attending the event occupied all rooms in both as well as some rooms in a third hotel.



THE STUDY AREAS

There are three elements to this study: the first relates to the economic benefit for the immediate area around the town of Crieff itself; the second to the impact this event had on tourism in Scotland and the third to the benefit for the remainder of the UK.

Crieff, with a population of some 7,500, is the main town of the Strathearn district of Perth & Kinross. The district has a land area of 434 sq. km. and an estimated overall population of 12,000 giving a population density of less than 28 per sq. km. Strathearn lies more-or-less in the centre of the Scottish mainland where the Highlands meet the Lowlands. Historically, Crieff was a centre where Highland farmers would bring their cattle for sale to traders supplying the markets in the main population centres in southern Scotland and northern England. The settlement was all but destroyed in the early eighteenth century during the Jacobite rising and was rebuilt to become a successful and prosperous weaving town. Tourism developed in the Victorian era when Crieff became an attractive and convenient destination for residents of Edinburgh and Glasgow. Today, the main 'industries' are tourism, and agriculture. The main employers in the region are the Crieff Hydro and two schools.



Scotland (including the islands) has a land area of 78,400 sq. km. and a population of 5.3 million giving an average population density of 67.5 per sq. km.

The United Kingdom (including Scotland) covers 243,600 sq. km. and has a population of 63 million with an average population density of over 255 per sq. km.

[Rounded population and land area statistics derived from 2011 UK National Census and other government sources.]

METHODOLOGY

Two avenues of enquiry were followed:

- The event organisers were asked about the income and expenditure for the event and the numbers of people involved in various activities.
- Participants were asked about their expenditure in the UK from leaving home (or landing in UK) before the event to returning (or embarking for their home country) afterwards.

Personal questionnaires were issued for each participating crew, 100 (representing 195 people) were returned. This equates to 40% of crews and 39% of participants

E-mail enquiries were sent to 18 respondents to resolve anomalous or contradictory responses. All but two replied. The results were analysed and extrapolated to provide the figures contained in this report. The information on expenditure provided by the event organisers is accurate and required no extrapolation.

In addition to enquiring about expenditure, the questionnaires requested background information about frequency of attending various types of event, age bracket, location of normal residence, historic vehicle ownership and other heritage-related interests.

RESEARCH FINDINGS

In brief

495 people travelling in 249 cars spent over £950,000 in the UK as a result of this single week-long event. Three quarters of this amount came in to the country from overseas. The overall benefit for Crieff was over £275,000.

About the people

Participants came from 14 different countries with 140 crews from mainland Europe (Eur), 77 from various parts of the UK and 32 from the rest of the world (RoW), as detailed in the table below.

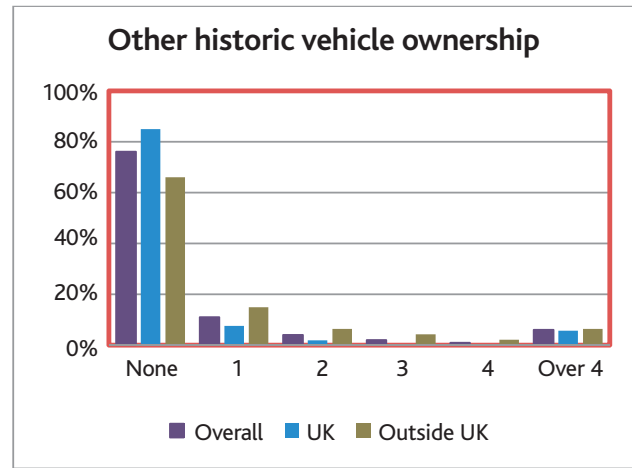
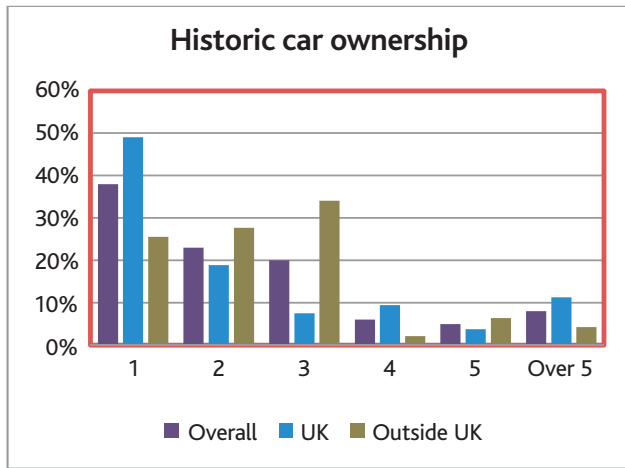
| | UK | Eur | RoW |
|-----------------|----|-----|-----|
| United Kingdom | 77 | | |
| Sweden | | 30 | |
| Switzerland | | 28 | |
| The Netherlands | | 27 | |
| Australia | | | 20 |
| Norway | | 17 | |
| Belgium | | 13 | |
| Denmark | | 12 | |
| Germany | | 11 | |
| USA | | | 9 |
| New Zealand | | | 2 |
| Poland | | 1 | |
| Spain | | 1 | |
| Japan | | | 1 |
| | 77 | 140 | 32 |

Included in the meeting were: one very early Healey; 218 'big Healeys' (of which 31 were early 4-cylinder examples); 16 Sprites; one Austin-Healey 4000; and one Jensen Healey as well several unspecified models of Austin-Healeys and a small number of 'guest' makes including a 1950s TR Triumph and an HMC (a recently manufactured 'evocation' of the Austin-Healey 3000). There were at least three Austin-Healey cars being used by non-UK participants that had been hired for the event and a similar number of cars were being driven by friends of their owners, but the majority of participating vehicles were owner-driven.

The gender balance of the overall group was almost even with 48% of participants being female. In contrast, 98% of the nominated drivers were male. Just over half, 52%, of participants were aged between 55 and 64, 34% were older. Hardly any were under 45. There were no apparent differences in these respects between UK, Eur and RoW respondents.

Patterns of historic vehicle ownership, event attendance and other heritage interests

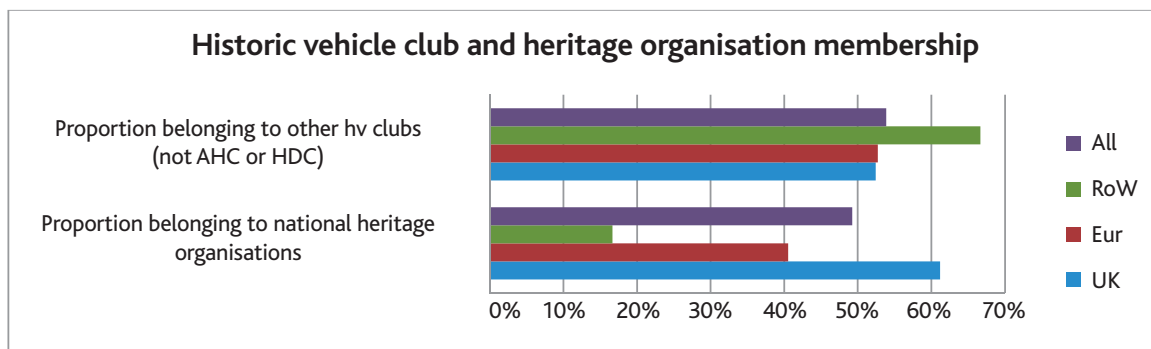
FBHVC defines historic vehicles as being those over 30 years old. Production of the last car to bear the Healey name, the Jensen-Healey, ceased nearly 40 years ago. All respondents owned at least one historic car, even if they were using a hired car for the event. 61% owned more than one historic car, with an average of four each. 24% owned historic vehicle of other types (e.g. motor-cycles) with an average of eight historic vehicles (altogether) each. There were slight differences in ownership patterns between European and UK participants with averages, respectively, of 1.8 and 1.7 vehicles per person, while those from outside Europe owned an average of 4.5 vehicles each.



80% of respondents were members of the Austin-Healey Club, the lead organisers, and 34% were members of the Healey Drivers Club. All UK based driver-respondents were members of one or the other, with 45% of this group belonging to both. In addition to their membership of these two clubs, 54% were also members of other clubs (worldwide) catering for historic vehicles at an average rate of 1.8 further clubs per person. Included within that group are the 40% who belong to other UK based historic vehicle clubs at an average rate of 1.5 clubs per person.

75% of drivers and 50% of co-drivers had taken part in previous international historic vehicle events in the last five years, undertaking an average of 4.6 events per person. 85% make a regular habit of entering Austin-Healey-centred events each year, attending an average of 5 each. 65% also enter more general historic vehicle events at an average of 3.1 a person. 80% of respondents said they expected to enter an average of 7.5 international historic vehicle events before 2018.

Membership of heritage organisations, such as the National Trust, provides a measure of general interest in heritage preservation. 25% of the international respondents were members of heritage organisations in their home countries, at an average of 1.5 per person, and 14% were also members of heritage organisations in other countries at an average of 1.1 per person. The UK group had a higher proportion, 60%, who claimed membership of a national heritage group, but they belonged to fewer of them at an average of 1.3 per person and no UK respondents belonged to any heritage organisations based in other countries.



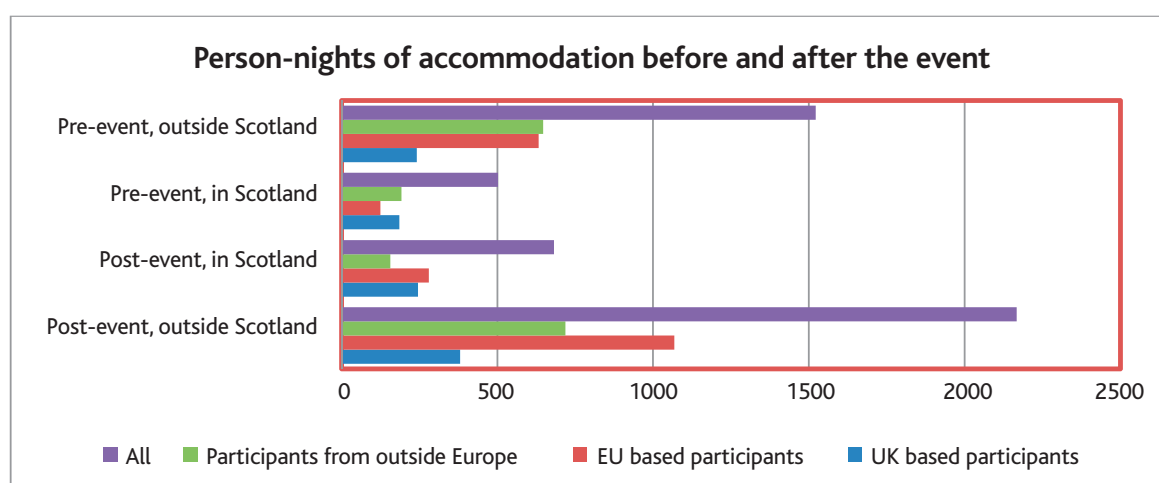
Travelling to and from the event

Visitors from mainland Europe arrived by ferry before driving from the port of entry to the event. Visitors from further afield flew in, having either sent their cars in advance by sea freight (no respondents had used air freight for this purpose) or arranged to hire/borrow cars. At least three participants used trailers to transport their cars to the event. At least two European co-drivers flew to the UK. All respondents returned the way they had come.

Since Crieff is one of the more remote parts of the UK, virtually all participants would have had a journey of over 200 miles to reach the event, and those either landing at an English Channel port, or one of the larger international hub airports, would have had more than twice that distance to travel. Consequently, over 80% of participants took more than a day on the UK element of their journeys to and from the event, with 30% stretching the journey to enjoy additional holiday.

This resulted in over 1,500 person nights in hotel or bed and breakfast accommodation in England (of which 650 were more than strictly necessary to accomplish the journey in comfort) and 500 nights in Scotland **before** arriving in Crieff, and 680 person nights in Scotland followed by over 2,000 person nights elsewhere in the UK **after** Crieff. The event itself accounted for a further 3,000 person-nights in Crieff. Virtually all the extra nights were for tourism or convenience purposes, with only a small number for other reasons, such as business or visiting family/friends.

Participants from outside the UK spent longer en-route to the event than their UK counterparts, with those from outside Europe spending significantly longer still than those from mainland Europe. This trend is fully understandable given the very substantial cost the non-European participants would have faced just to get themselves and their cars to the event.



An added incentive for some overseas participants to arrive early in the UK was the Healey Drivers Club International Meet at Perranporth in Cornwall which took place earlier in May. Perranporth was Donald Healey's home town and the 2013 meet was a three day event marking the 25th anniversary of his death. 184 people took part of whom 54, or 27 crews, subsequently went on to Crieff. Of those, 13 crews were from outside UK, with nine from outside Europe.

After the event, a group of eight cars, including one from The Netherlands, went on to tour the Isle of Skye, Lewis, Harris, the Uists and Barra. At least two other respondent crews each spent a further ten days in Scotland touring the western highlands and (different) islands.

Spending

The questionnaires asked about what individual participants spent. Consequently, all figures provided were gross and included VAT. The table opposite indicates where the funds originated, gives a generalised value for the VAT element and breaks down the net amount to show value for Crieff, elsewhere in Scotland and finally other parts of the UK.

At an average of £1,225 per crew, the registration fee for the event provided participants with six nights' bed and breakfast accommodation, a group dinner on four nights with a gala dinner on the final evening as well as lunch vouchers for two days, entertainment (including a pipe band and an evening with Rod Stewart) as well as the opportunity to participate in the tours and the activities of the event itself, which included being hosted for lunch on a day of visits to Arthur Carter's remarkable collection of Austin-Healeys and to the Scottish clothing specialist, House of Bruar. 80% of the registration fee

income went to the Crieff Hydro Hotel for the various services the hotel provided with the remainder and any sponsorship income being used to cover the costs of planning and administration incurred over the previous two years as well as the cost of other items such as the hire of the Knockhill circuit and printing the programme.

The study found that the overall expenditure by those participating in the event was over £950,000 (gross). The table below sets out the broad picture.

| Spending by category, source and location | | | | | | | | |
|----------------------------------------------------------------------------------------|-------------------------------------------|----------------|----------------|------------------------------------|----------------|----------------------------------------------|-----------------------|-----------------|
| <i>(Figures are rounded to nearest £100. Numbers in brackets refer to notes below)</i> | | | | | | | | |
| Category | Source where the funds originated (gross) | | Gross total £ | Separation of VAT element (note 1) | | Where recipients of the net value were based | | |
| | UK £ | Outside UK £ | | VAT element £ | Net value £ | In Crieff £ | In rest of Scotland £ | In rest of UK £ |
| Accommodation (2) | 52,600 | 133,800 | 186,400 | 31,100 | 155,300 | 9,200 | 52,300 | 93,800 |
| Refreshments (3) | 27,200 | 109,200 | 136,400 | 22,700 | 113,700 | 27,100 | 31,500 | 55,100 |
| Fuel, repairs, tolls | 36,500 | 123,500 | 160,000 | 26,700 | 133,300 | 19,600 | 33,600 | 80,100 |
| Visitor attractions | 3,500 | 15,200 | 18,700 | 3,100 | 15,600 | 1,700 | 5,100 | 8,800 |
| Retail shopping | 13,900 | 64,800 | 78,700 | 13,200 | 65,500 | 7,700 | 18,800 | 39,000 |
| Automobilia/regalia (4) | 1,300 | 4,400 | 5,700 | 900 | 4,800 | | | 4,800 |
| From registration fees | 94,500 | 211,000 | 305,500 | 51,000 | 254,500 | 210,600 | 19,900 | 24,000 |
| Other items (5) | 21,200 | 39,800 | 61,000 | 6,600 | 54,400 | | | 54,400 |
| Totals (6) | 250,700 | 701,700 | 952,400 | 155,300 | 797,100 | 275,900 | 161,200 | 360,000 |
| Proportion | 26% | 74% | | | | 35% | 20% | 45% |

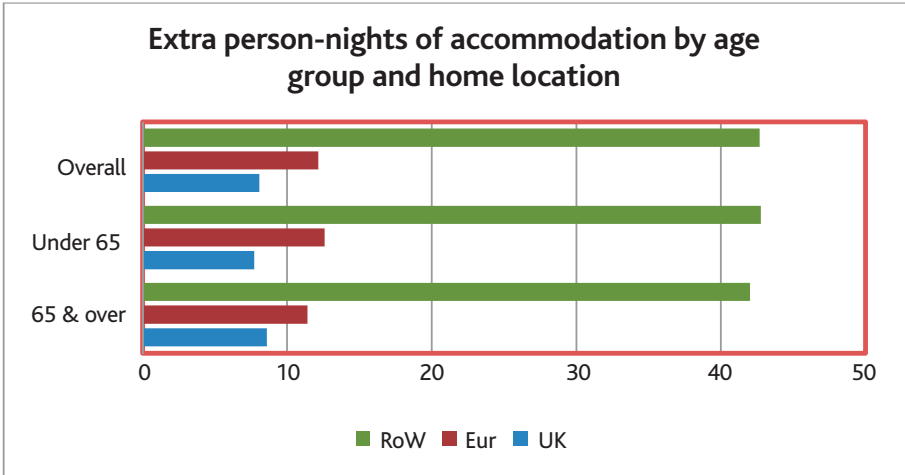
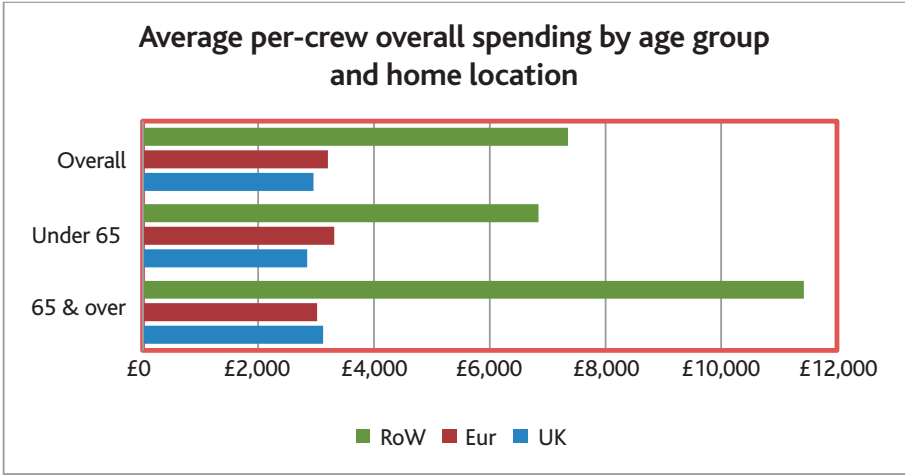
1. VAT would have applied to most items the participants and organisers paid for - exceptions would be groceries, children's clothing, books/printing, payment processing charges and insurance. Allowance in the table above has been made for spending on insurance, processing charges and printing.
2. The accommodation figure for Crieff represents the amounts spent on extra accommodation in Crieff purchased by participants extending their stay either or both sides of the event. The value of accommodation purchased through registration fees is included within the "From fees" line.
3. Refreshments represent spending on drinks and meals purchased over and above any meals included within accommodation charges.
4. Although the transactions for most of the automobilia/regalia purchased by participants took place at Crieff, the benefit was received by those based in England.
5. Other items in rest of the UK include spending by overseas visitors on Austin-Healey hire, other car hire and UK road insurance which is a significant extra cost for those bringing cars in to the country from outside Europe. It also includes spending by the organisers on overheads and sundries. It has been assumed that the primary beneficiaries of all such spending were based south of the border.
6. These totals represent spending in the UK by organisers and participants. This comprises registration fees and sponsorship income as re-distributed by the organising club together with additional participant spending on other goods and services in UK before, during and after the event. It does not include amounts for goods or services that overseas participants may have paid for in advance.

Items **not** included in the table above are: spending by event sponsors and support staff; spending by groups of members from the Dutch and French Austin-Healey Clubs (estimated by separate main event participants at about a further 20 Austin-Healeys) who had been unable to register for the event itself, but who nonetheless travelled to the Crieff area and spent the week in other local accommodation to enable them to join in 'open' activities; and spending within the Scottish tourist industry by spectator enthusiasts travelling to attend one or more of the activities.

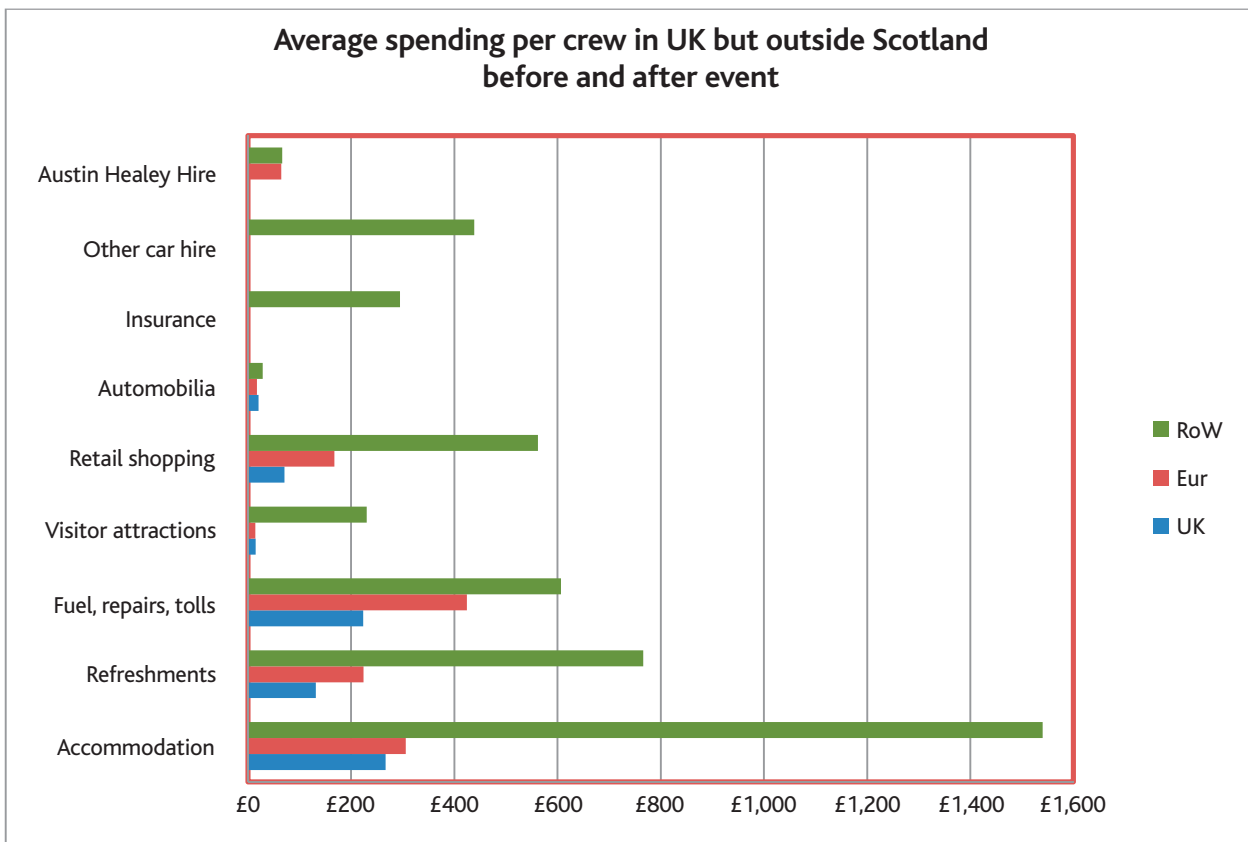
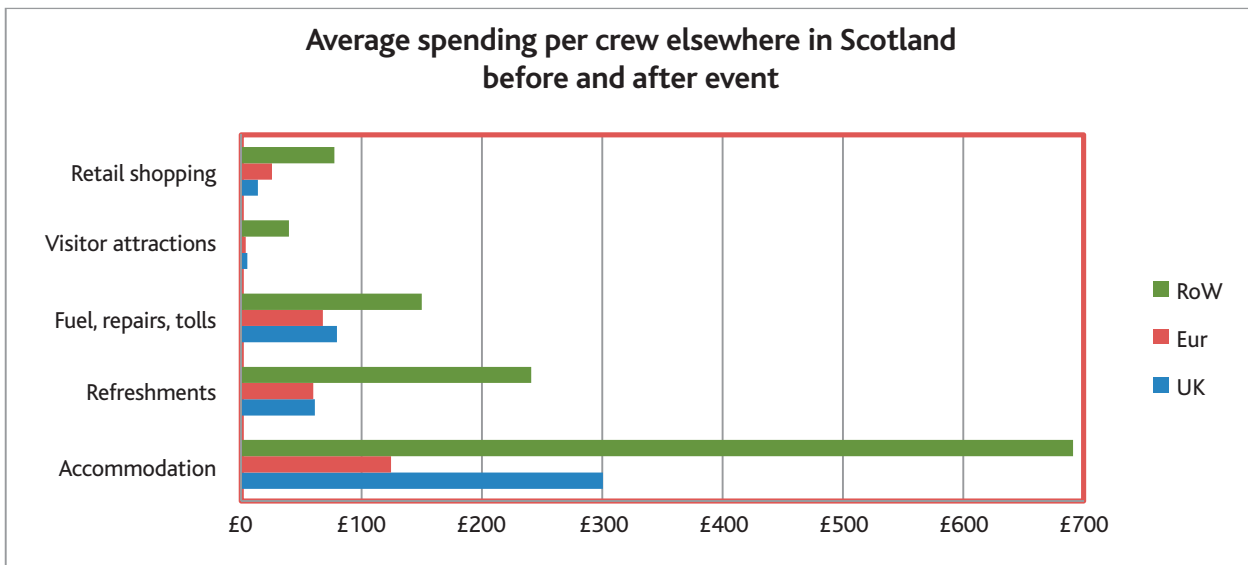
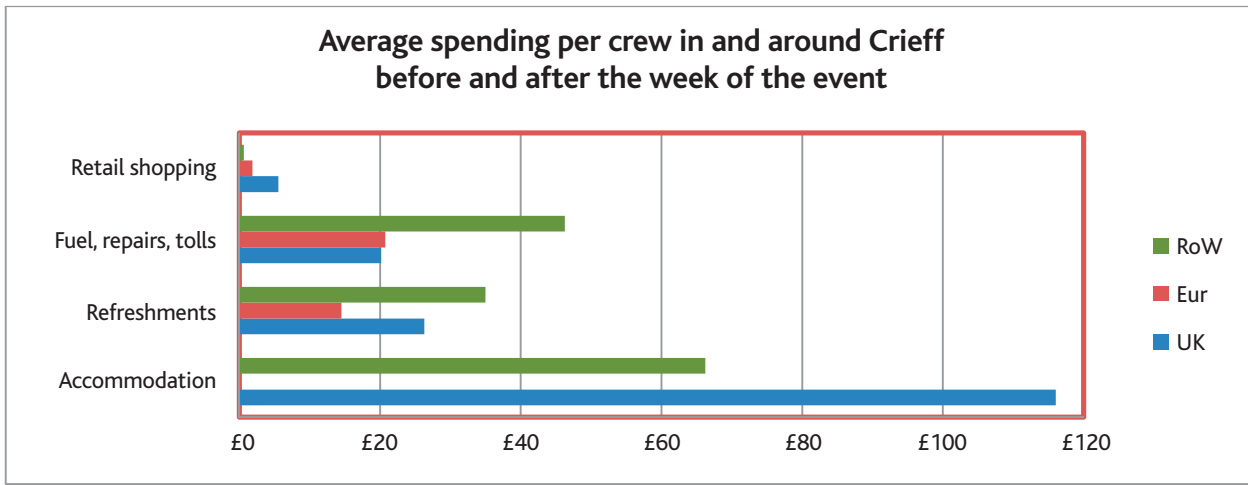
The event will also have given rise to other spending within the £4 billion UK specialist trade that serves the historic vehicle movement as participants prepared their cars to take part during the months leading up to the event. No attempt has been made to assess the value of this spending.

A portion of spending by visitors to any community is subsequently re-circulated within the local economy, thus enhancing the financial benefit such visitors bring to the area being studied. A multiplier, determined by separate local research, is used to reflect these secondary indirect and induced effects. The 1992 "Scottish Tourism Multiplier Study" established a multiplier of 1.46 at local level and 1.73 at Scottish national level. Analysis of Scottish Government Input Output data published in 2009 for the following categories: accommodation and food services (industry groups 64-65) and arts, entertainment and recreation (group 100) indicates that a local multiplier of around 1.4 is still appropriate. The application of a 1.46 multiplier to the spending in Crieff would raise the effective benefit for the local community from £275,900 to over £400,000 and a 1.73 multiplier would raise the overall benefit for Scotland from £437,100 to over £750,000.

There were variations in spending patterns between UK residents and others, with those from outside Europe spending over twice as much as their European counterparts who in turn spent slightly more than their UK fellow participants. There were also differences between age groups, as illustrated in the first chart below. The second chart shows the different pattern of additional nights of accommodation broken down in a similar way. Figures are indicative only.



The amounts spent during the week of the event, both in Crieff and elsewhere, were broadly similar, although those coming furthest spent most in all categories, especially retail shopping. As might be predicted from the charts above, the differences between the groups are most apparent in tourist activities undertaken before and after the event, as shown in the charts opposite.



SUMMARY OF FINDINGS

The 4th European Healey Meeting –

- Caused spending in UK of over £950,000
- Brought over £700,000 into UK from elsewhere
- Created trade worth over £275,000 (net) to the small Scottish community of Crieff
- Encouraged tourism and other trade elsewhere in Scotland worth over £160,000 (net)
- Encouraged tourism and other trade in England and Wales worth some £360,000 (net)
- Contributed at least £150,000 to the Exchequer in VAT revenue
- Generated over 7,600 person-nights of accommodation in hotels and guest houses

CONCLUSIONS

This report provides a snap shot of a small part of the overall British historic vehicle scene, and shows how historic vehicle activity brings with it significant indirect benefits for tourism that are beyond the boundaries of the event itself and which would not normally be noticed as having any linkage with the historic vehicle movement.

Earlier in 2013, we reported on two major events, each involving tens of thousands of people, and each generating a substantial benefit for their local populations, supporting local employment. We estimated that the Beaulieu International Autojumble brings nearly £3 million for the local economy of the New Forest and that the Goodwood Festival of Speed generates some £12 million for the immediate area. The gross numbers from those two events make the £275,000 benefit for the Crieff area pale into insignificance, but that story changes somewhat when you give consideration to the numbers of people involved. Those participating in this meeting each contributed over £45 per 1,000 of local population. The equivalent event figures for Goodwood and Beaulieu are £2.60 and 68p, which gives a rather different perspective.

It was not just Crieff that benefited from the 4th European Healey Meeting. Elsewhere in Scotland received tourism and other expenditure worth over £160,000 (net), making an overall Scottish spend total of over £435,000 (net), while England and Wales benefited to the tune of over £350,000 (net). In total this contributed at least £150,000 to the Exchequer in VAT revenue. **These figures do not include a tourism multiplier and are thus necessarily very conservative.**

The benefits to UK plc were further enhanced by the international nature of the event. With 172 crews coming from outside the UK, the event brought over £700,000 (gross) into the UK economy. The 4th European Healey Meeting emphasises that heritage vehicle events can contribute to the UK's rich and vibrant visitor economy.

Perhaps one thing which this study has highlighted beyond previous studies is the value of what might be called the "historic pound". It may not be as valuable overall as the "grey pound", but it is still clearly of significant value.

