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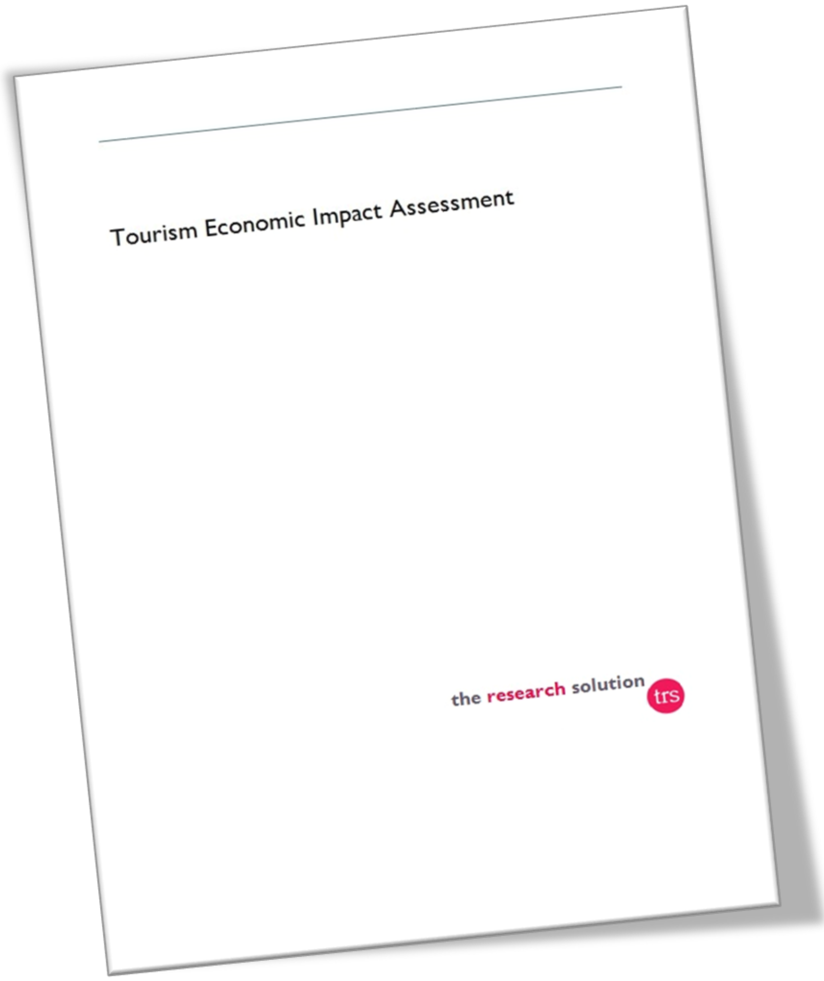
Tourism Economic Impact Assessment

the research solution

Produced by:

The Research Solution
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Economic Impact of Tourism
Malvern Hills District - 2021

Economic Impact of Tourism – Headline Figures   Malvern Hills District

Total number of trips (day & staying)
3,128,000

Total staying trips
300,000

Total day trips
2,828,000

Total staying nights
1,162,000

Includes maintenance spending on second homes, boats and static vans and additional household spending.

Total staying spend
£64,892,000

Associated spend
£11,743,440

Total day trip spend
£68,348,000

Total visitor spend
£130,967,440

Adjustments made to avoid double-counting (e.g spending on retail and catering at attractions or accommodation, or travel spend taking at the origin of the trip.

Indirect / induced spend
£25,479,000

Total Tourism Value
£156,446,440

Full time equivalent jobs
2,594

Total actual tourism related employment
3,571

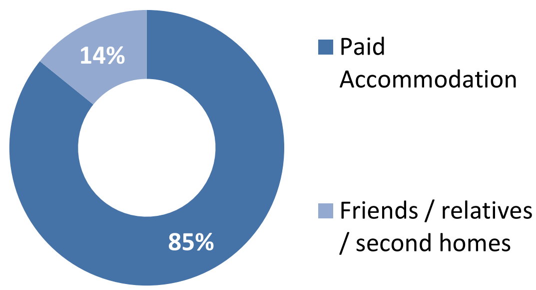
Percentage of all employment
9.7%

Economic Impact of Tourism – Year on year comparisons

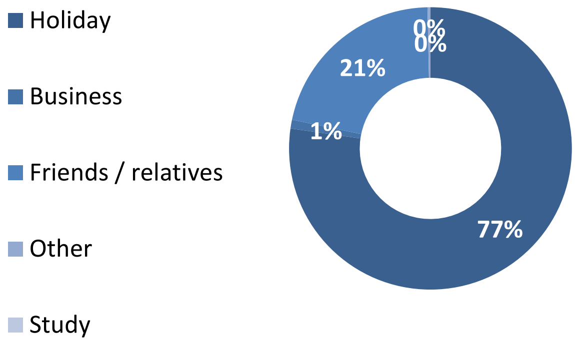
				Year-on-year comparison	Pre-pandemic levels
Day Trips	**2021**	**2020**	**2019**	**2021 v 2020**	**2021 v 2019**
Day trips Volume	2,828,000	2,074,000	3,772,000	36%	-25%
Day trips Value	£68,348,000	£48,097,000	£92,051,000	42%	-26%
Overnight trips					
Number of trips	300,000	95,000	205,000	216%	46%
Number of nights	1,162,000	279,000	654,000	316%	78%
Trip value	£64,892,000	£13,377,000	£32,040,000	385%	103%
Total Value	£156,446,440	£72,325,260	£144,970,100	**116%**	**8%**
Actual Jobs	3,571	2,255	2,917	**58%**	**22%**

	2021	**2020**	**2019**	**2021 v 2020**	**2021 v 2019**
Average length stay (nights x trip)	3.87	2.94	3.19	32%	21%
Spend x overnight trip	£ 216.31	£ 140.81	£ 156.29	54%	38%
Spend x night	£ 55.85	£ 47.95	£ 48.99	16%	14%
Spend x day trip	£ 24.17	£ 23.19	£ 24.40	4%	-1%

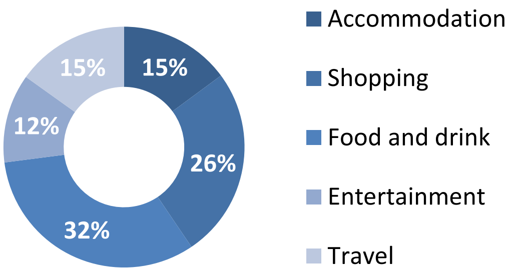
Type of Accommodation



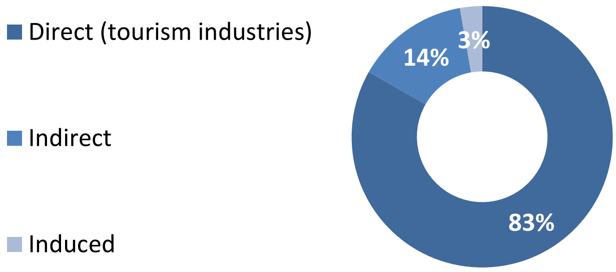
Trips by Purpose

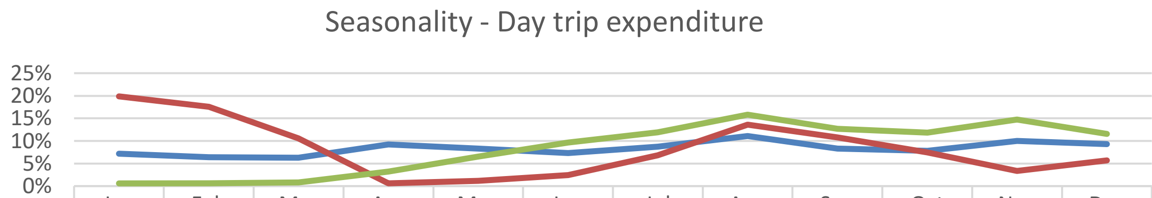


Breakdown of expenditure



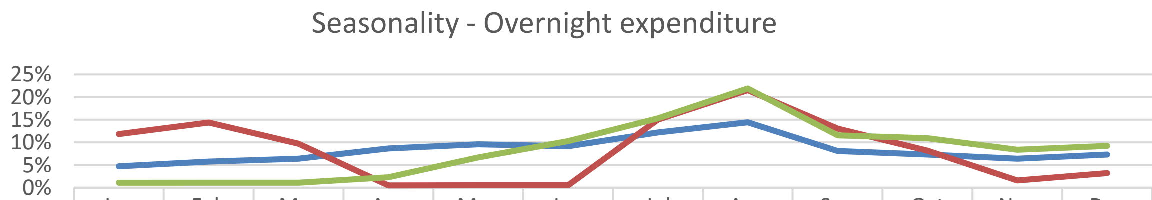
Type of employment





	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	7%	6%	6%	9%	8%	7%	9%	11%	8%	8%	10%	9%
2020	20%	18%	11%	1%	1%	2%	7%	14%	11%	7%	3%	6%
2021	1%	1%	1%	3%	7%	10%	12%	16%	13%	12%	15%	12%

2019 2020 2021



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	5%	6%	6%	9%	10%	9%	12%	14%	8%	7%	6%	7%
2020	12%	14%	10%	1%	1%	1%	15%	22%	13%	8%	2%	3%
2021	1%	1%	1%	2%	7%	10%	15%	22%	12%	11%	8%	9%

2019 2020 2021

Contents	Page

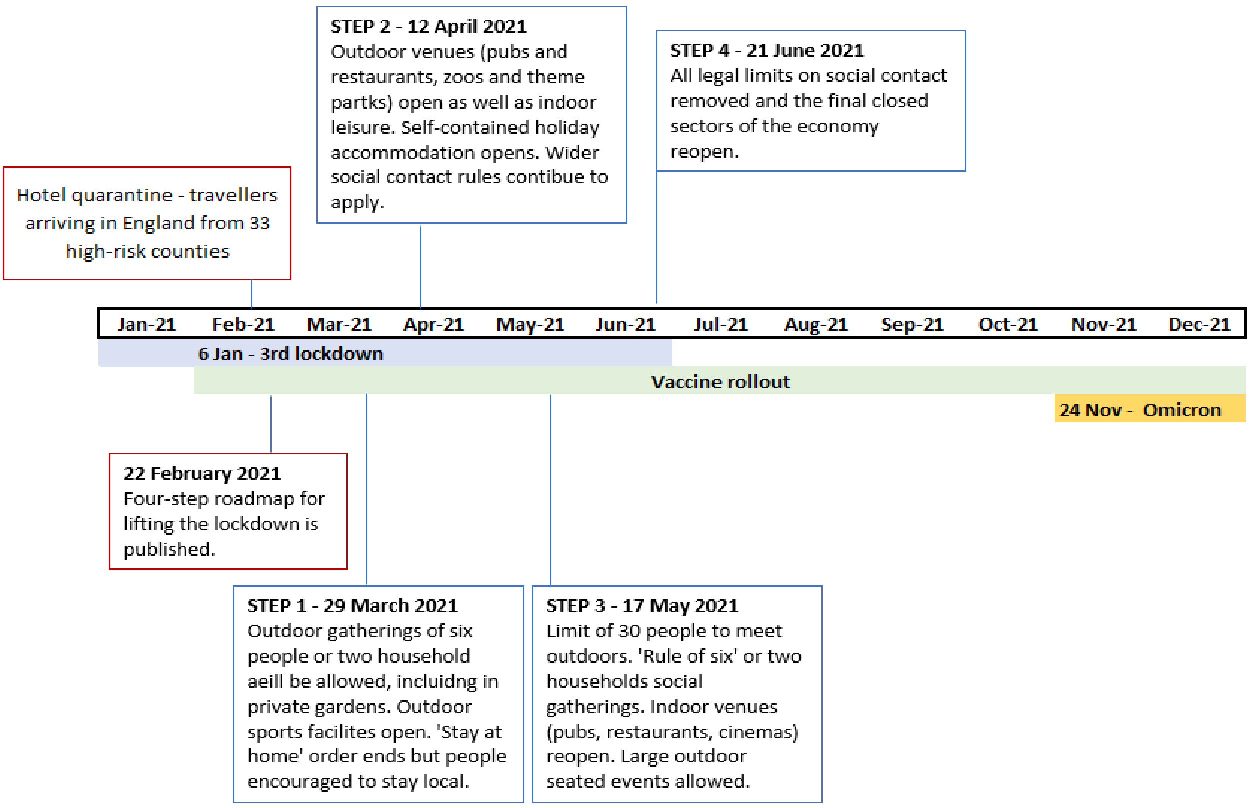
Introduction

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2021 and provides comparative data against the previously published data for 2020 as well as providing headline comparisons against 2019 in order to monitor the ongoing impact of the pandemic.

In its basic form, the model distributes regional activity as measured in national surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level. Whenever possible, results have been enhanced by building in additional local-level data gathered by the districts.

Summary of national lockdown laws during 2021

Our analysis assumes an initial lock down starting in January, followed by a four-step roadmap for a gradual lifting of movement and travel restrictions.



Cambridge Model 2021 results – Key methodology changes

The Cambridge Model examines the volume and value of tourism and the impact of that expenditure on the local economy. The model utilises information from national tourism surveys among other sources of information. The main national surveys used as data sources in stage one include:

- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day visits in the annual Great Britain Day Visits Survey using information on visits lasting more than 3 hours and taken on an irregular basis.

The above reports are not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we usually apply a 3-year rolling average to this data to highlight longer-term trends, whilst helping smooth out short-term market fluctuations and reducing the impact of any methodological changes affecting the survey. For example, published results relating to 2019 were, in fact, an average of 2017, 2018 and 2019 results.

The ongoing Covid-19 pandemic has caused global disruption to the visitor economy with activity re-starting at a slow pace. There is a consensus that tourism recovery will be segmented and gradual. In order to reflect the impact of the pandemic, the 2021 results incorporate the following methodological changes:

- Results for the three key surveys (GBTS, IPS and GBDVS) were suspended in March 2020 because of the coronavirus (Covid-19) pandemic.
- Fieldwork for the GBTS and GBDVS resumed in April 2021 and national-level 2021 data (April – December) will be published during the last quarter of 2022.
- During 2021, the IPS survey restarted at the majority of ports but did not operate at Dover until Q3 and there were no interviews on the Eurotunnel through the entirety of 2021 due to COVID-19 restrictions. Therefore, the published data does not represent the total inbound market for 2021 and is not directly comparable with historical UK total data.
- Therefore, the full 2021 results presented in this report are based on a range of administrative sources, consumer travel insights published by national agencies and modelling work, using the published 2019 Cambridge Model data as a starting point.
- Domestic tourism estimates produced by VisitBritain for each of the four journey purposes for domestic overnight tourism (holidays, business, visiting friends and relatives and miscellaneous journeys), 17 categories of spending for leisure day trips.
- Whenever available, we have included locally sourced data supplied by destinations in our calculations, including (but not limited to) local business performance (e.g. accommodation occupancy), car parking data, annual footfall and visits to visitor attractions.

SEASONALITY: The figures assume a step change in mid-May as restrictions eased, followed by a continued recovery in the summer and autumn. Towards the end of the year there was a dip from late November, intensifying in December, due to the Omicron variant.

TRIPS AND WEIGHTING FACTORS: Our model uses a set of weighting factors to reflect the fact that different journey purposes and trip types recovered at different rates, and there were different patterns of recovery by type of destination. Holidays and trips to friends and family performed above 2019 and 2020 levels whereas business -related visits continued to fall.

Furthermore, urban and coastal resort areas attracted proportionately higher levels of expenditure from day trippers due to the shopping opportunities, whereas countryside, villages and rural coastal areas experienced a proportionately stronger overnight visitor market, due to the availability of self-catering accommodation and the wider offer of socially distanced holidays.

EMPLOYMENT: As coronavirus restrictions come to an end, industries in the UK are experiencing the effects of the pandemic in different ways. Employment has fallen in the accommodation and food sectors. Data from the Office for National Statistics (ONS) shows that in October to December 2021, employment in the accommodation and food sector was still 11% below pre-pandemic levels.

2021 National forecast

As was the case with the 2020 results, the model will make use of the latest forecast from VisitBritain, relating to 2021. This assumes an estimated £16.0bn in domestic overnight tourism spending (64% growth on 2020 and 65% of the 2019 level) and £41.0bn in leisure day trip spending (69% growth on 2020 and 61% of the 2019 level).

Inbound tourism for the full year 2021 is estimated at 6.4 million visits, 42% down of 2020 and 16% of the 2019 level (or 84% down on 2019). Expenditure by inbound visitors reached £5.6bn , 10% down on 2020 and 20% of the 2019 level (or 80% down on 2019).

Volume of Tourism

Staying Visitors - Accommodation Type

Trips by Accommodation

	UK		Overseas		Total	
Serviced	44,000	15%	0	0%	44,000	15%
Self-catering	191,000	66%	6,000	60%	197,000	66%
Camping	8,000	3%	0	0%	8,000	3%
Static caravans	3,000	1%	0	0%	3,000	1%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	1,000	0%	0	0%	1,000	0%
Boat moorings	0	0%	0	0%	0	0%
Other	2,000	1%	0	0%	2,000	1%
Friends & relatives	40,000	14%	2,000	20%	42,000	14%
Total 2021	**290,000**		**10,000**		**300,000**	
Comparison 2020	**90,000**		**5,000**		**95,000**	
Difference	**222.2%**		**100.0%**		**215.8%**	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	73,000	7%	1,000	1%	74,000	6%
Self-catering	800,000	79%	120,000	83%	920,000	79%
Camping	27,000	3%	0	0%	27,000	2%
Static caravans	9,000	1%	0	0%	9,000	1%
Group/campus	0	0%	1,000	1%	1,000	0%
Paying guest	0	0%	1,000	1%	1,000	0%
Second homes	0	0%	3,000	2%	3,000	0%
Boat moorings	0	0%	0	0%	0	0%
Other	8,000	1%	0	0%	8,000	1%
Friends & relatives	102,000	10%	17,000	12%	119,000	10%
Total 2021	**1,018,000**		**144,000**		**1,162,000**	
Comparison 2020	**242,000**		**37,000**		**279,000**	
Difference	**320.7%**		**289.2%**		**316.5%**	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£8,060,000	14%	£152,000	3%	£8,212,000	13%
Self-catering	£46,356,000	79%	£4,998,000	82%	£51,354,000	79%
Camping	£750,000	1%	£5,000	0%	£755,000	1%
Static caravans	£410,000	1%	£0	0%	£410,000	1%
Group/campus	£0	0%	£29,000	0%	£29,000	0%
Paying guest	£0	0%	£99,000	2%	£99,000	0%
Second homes	£0	0%	£110,000	2%	£110,000	0%
Boat moorings	£0	0%	£0	0%	£0	0%
Other	£505,000	1%	£28,000	0%	£533,000	1%
Friends & relatives	£2,751,000	5%	£639,000	11%	£3,390,000	5%
Total 2021	**£58,831,000**		**£6,061,000**		**£64,892,000**	
Comparison 2020	**£11,822,000**		**£1,555,000**		**£13,377,000**	
Difference	**397.6%**		**289.8%**		**385.1%**	

Serviced accommodation includes hotels, guesthouses, inns, B&B and serviced farmhouse accommodation. Paying guest refers to overseas visitors staying in private houses, primarily language school students. Other trips include nights spent in transit, in lorry cabs and other temporary accommodation.

Staying Visitors - Purpose of Trip

Trips by Purpose

		UK		Overseas		Total	
Holiday		225,000	78%	6,000	60%	231,000	77%
Business		3,000	1%	0	0%	3,000	1%
Friends & relatives		61,000	21%	3,000	30%	64,000	21%
Other		1,000	0%	0	0%	1,000	0%
Study		0	0%	0	0%	0	0%
Total	**2021**	**290,000**		**10,000**		**300,000**	
Comparison	**2020**	**90,000**		**5,000**		**95,000**	
Difference		**222.2%**		**100.0%**		**215.8%**	

Nights by Purpose

		UK		Overseas		Total	
Holiday		805,000	79%	74,000	51%	879,000	76%
Business		8,000	1%	1,000	1%	9,000	1%
Friends & relatives		204,000	20%	65,000	45%	269,000	23%
Other		1,000	0%	3,000	2%	4,000	0%
Study		0	0%	1,000	1%	1,000	0%
Total	**2021**	**1,018,000**		**144,000**		**1,162,000**	
Comparison	**2020**	**242,000**		**37,000**		**279,000**	
Difference		**320.7%**		**289.2%**		**316.5%**	

Spend by Purpose

		UK		Overseas		Total	
Holiday		£50,430,000	86%	£3,861,000	64%	£54,291,000	84%
Business		£885,000	2%	£50,000	1%	£935,000	1%
Friends & relatives		£6,731,000	11%	£2,016,000	33%	£8,747,000	13%
Other		£785,000	1%	£75,000	1%	£860,000	1%
Study		£0	0%	£60,000	1%	£60,000	0%
Total	**2021**	**£58,831,000**		**£6,061,000**		**£64,892,000**	
Comparison	**2020**	**£11,822,000**		**£1,555,000**		**£13,377,000**	
Difference		**397.6%**		**289.8%**		**385.1%**	

Day Visitors

Trips and Spend by Urban and Rural Area

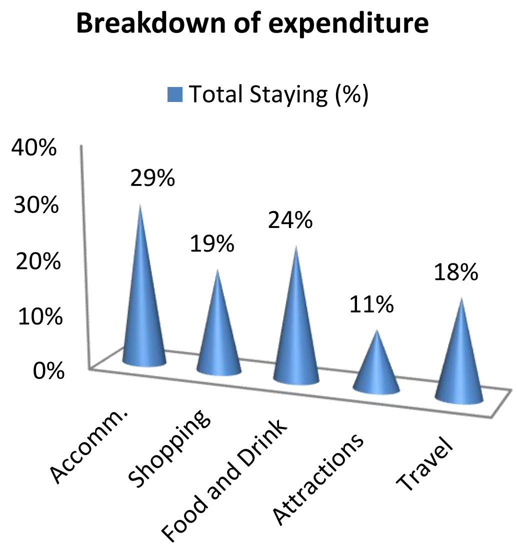
		Trips	Spend
Urban visits		1,282,000	37,596,000
Countryside visits		1,546,000	30,752,000
Total	**2021**	**2,828,000**	**68,348,000**
Comparison	**2020**	**2,074,000**	**48,097,000**
Difference		**36.4%**	**42.1%**

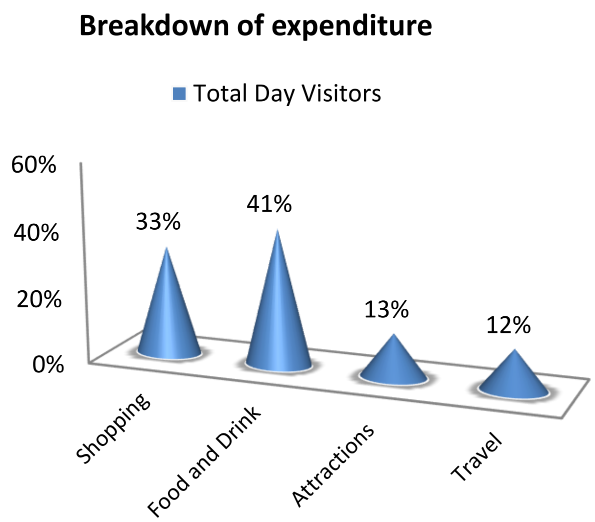
Value of Tourism

Expenditure Associated with Trips:

Direct Expenditure Associated with Trips

		Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists		£17,181,000	£10,275,000	£14,160,000	£6,369,000	£10,846,000	£58,831,000
Overseas tourists		£1,700,000	£1,785,000	£1,419,000	£540,000	£617,000	£6,061,000
Total Staying		£18,881,000	£12,060,000	£15,579,000	£6,909,000	£11,463,000	£64,892,000
Total Staying (%)		29%	19%	24%	11%	18%	100%
Total Day Visitors		£0	£20,498,000	£25,555,000	£8,237,000	£7,710,000	£62,000,000
Total Day Visitors		0%	33%	41%	13%	12%	100%
Total	**2021**	**£18,881,000**	**£32,558,000**	**£41,134,000**	**£15,146,000**	**£19,173,000**	**£126,892,000**
%		**15%**	**26%**	**32%**	**12%**	**15%**	**100%**
Comparison	**2020**	**£3,576,000**	**£16,939,000**	**£21,286,000**	**£7,317,000**	**£7,888,000**	**£57,006,000**
Difference		**428.0%**	**92.2%**	**93.2%**	**107.0%**	**143.1%**	**122.6%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£129,000	£0	£75,440	£11,539,000	£11,743,440

Spend on second homes is assumed to be an average of £2,000 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,000 on berthing charges, servicing and maintenance and upgrading of equipment. Static van spend arises in the case of vans purchased by the owner and used as a second home. Expenditure is incurred in site fees, utility charges and other spending and is estimated at £2,000. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £175 per visit has been assumed based on national research for social and personal visits.

Direct Turnover Derived from Trip Expenditure

Business turnover arises as a result of tourist spending, from the purchase of supplies and services locally by businesses in receipt of visitor spending and as a result of the spending of wages in businesses by employees whose jobs are directly or indirectly supported by tourism spending.

		Staying Visitor	Day Visitors	Total
Accommodation		£19,193,000	£511,000	£19,704,000
Retail		£11,939,000	£20,293,000	£32,232,000
Catering		£15,112,000	£24,789,000	£39,901,000
Attractions		£7,185,000	£8,698,000	£15,883,000
Transport		£6,878,000	£4,626,000	£11,504,000
Non-trip spend		£11,743,440	£0	£11,743,440
Total Direct	**2021**	**£72,050,440**	**£58,917,000**	**£130,967,440**
Comparison	**2020**	**£19,918,260**	**£41,461,000**	**£61,379,260**
Difference		**261.7%**	**42.1%**	**113.4%**

Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

Supplier and Income Induced Turnover

		Staying Visitor	Day Visitors	Total
Indirect spend		£10,986,000	£7,981,000	£18,967,000
Non trip spending		£2,349,000	£0	£2,349,000
Income induced		£3,630,000	£533,000	£4,163,000
Total	**2021**	**£16,965,000**	**£8,514,000**	**£25,479,000**
Comparison	**2020**	**£4,923,000**	**£6,023,000**	**£10,946,000**
Difference		**244.6%**	**41.4%**	**132.8%**

Income induced spending arises from expenditure by employees whose jobs are supported by tourism spend.

Total Local Business Turnover Supported by Tourism Activity – Value of Tourism

		Staying Visitor	Day Visitors	Total
Direct		£72,050,440	£58,917,000	£130,967,440
Indirect		£16,965,000	£8,514,000	£25,479,000
Total Value	**2021**	**£89,015,440**	**£67,431,000**	**£156,446,440**
Comparison	**2020**	**£24,841,260**	**£47,484,000**	**£72,325,260**
Difference		**258.3%**	**42.0%**	**116.3%**

Employment

Employment

The model generates estimates of full-time equivalent jobs based on visitor spending. The total number of 'actual' jobs will be higher when part time and seasonal working is taken into account. Conversion of full time equivalent jobs into actual jobs relies on information from business surveys in the sectors receiving visitor spending.

Direct employment

Full-time equivalent (FTE)							
		Staying Visitor		Day Visitor		Total	
Accommodation		399	33%	11	1%	410	20%
Retailing		102	8%	174	20%	276	13%
Catering		281	23%	461	54%	743	36%
Entertainment		137	11%	166	19%	302	15%
Transport		58	5%	39	5%	97	5%
Non-trip spend		242	20%	0	0%	242	12%
Total FTE	**2021**	**1,219**		**850**		**2,070**	
Comparison	**2020**	**473**		**898**		**1,371**	
Difference		**157.7%**		**-5.3%**		**51.0%**	
Estimated actual jobs							
		Staying Visitor		**Day Visitor**		**Total**	
Accommodation		591	34%	16	1%	607	20%
Retailing		153	9%	260	21%	414	14%
Catering		422	25%	692	55%	1,114	37%
Entertainment		193	11%	233	19%	426	14%
Transport		82	5%	55	4%	137	5%
Non-trip spend		275	16%	0	0%	275	9%
Total Actual	**2021**	**1,717**		**1,257**		**2,974**	
Comparison	**2020**	**639**		**1,327**		**1,966**	
Difference		**168.7%**		**-5.3%**		**51.3%**	

Indirect & Induced Employment

Full-time equivalent (FTE)				
		Staying Visitor	Day Visitors	Total
Indirect jobs		274	164	439
Induced jobs		75	11	86
Total FTE	**2021**	**349**	**175**	**524**
Comparison	**2020**	**114**	**139**	**253**
Difference		**206.3%**	**25.7%**	**106.9%**

Estimated actual jobs				
		Staying Visitor	Day Visitors	Total
Indirect jobs		313	187	500
Induced jobs		85	13	98
Total Actual	**2021**	**398**	**200**	**598**
Comparison	**2020**	**130**	**159**	**289**
Difference		**206.3%**	**25.7%**	**106.9%**

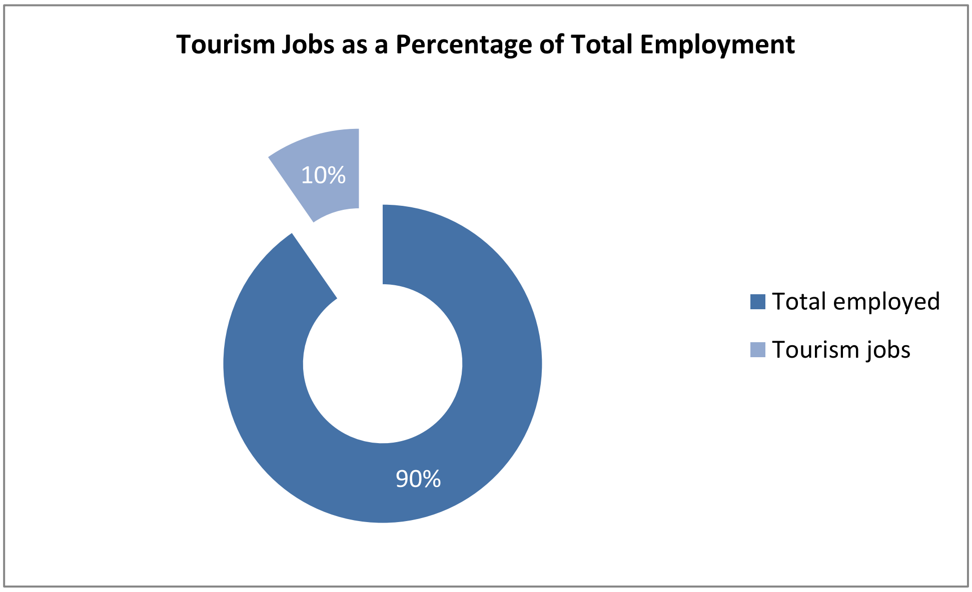
Total Jobs

Actual jobs are estimated from surveys of relevant businesses at locations in England and take account of part time and seasonal working.

Full-time equivalent (FTE)							
		Staying Visitor		Day Visitor		Total	
Direct		1,219	78%	850	83%	2,070	80%
Indirect		274	17%	164	16%	439	17%
Induced		75	5%	11	1%	86	3%
Total FTE	**2021**	**1,569**		**1,026**		**2,594**	
Comparison	**2020**	**587**		**1,037**		**1,624**	
Difference		**167.2%**		**-1.1%**		**59.7%**	
Estimated actual jobs							
		Staying Visitor		**Day Visitor**		**Total**	
Direct		1,717	81%	1,257	86%	2,974	83%
Indirect		313	15%	187	13%	500	14%
Induced		85	4%	13	1%	98	3%
Total Actual	**2021**	**2,115**		**1,457**		**3,571**	
Comparison	**2020**	**769**		**1,486**		**2,255**	
Difference		**175.0%**		**-2.0%**		**58.4%**	

Tourism Jobs as a Percentage of Total Employment

		Staying Visitor	Day visitors	Total
Total employed		37,000	37,000	37,000
Tourism jobs		2,115	1,457	3,571
Proportion all jobs		**6%**	**4%**	**10%**
Comparison	**2020**	**769**	**1,486**	**2,255**
Difference		**175.0%**	**-2.0%**	**58.4%**



Economic Impact of Tourism – Headline Figures **Malvern Hills District**

The key volume and value results included in this report are derived from the various sources as described throughout the report. These include regional and county breakdowns from national level data (Great Britain Tourism Survey and International Passenger Survey) as well as jobs and income information such as the Annual Survey of Hours & Earnings.

At a local level, the occupancy survey provides accurate local occupancy levels and known accommodation stock.

The key 2021 results of the Economic Impact Assessment are:

3.1 million trips were undertaken in the area
2.8 million day trips
0.3 million overnight visits

1.2 million nights in the area as a result of overnight trips

£127 million spent by tourists during their visit to the area
£11 million spent on average in the local economy each month.

£65 million generated by overnight visits
£68 million generated from irregular day trips.

£156 million spent in the local area as result of tourism, taking into account multiplier effects.

3,571 jobs supported, both for local residents from those living nearby.
2,974 tourism jobs directly supported
598 non-tourism related jobs supported linked to multiplier spend from tourism.

Appendix I - Introduction about Cambridge Model

This report examines the volume and value of tourism and the impact of that expenditure on the local economy. The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by The Research Solution.

The model utilises information from national tourism surveys and regionally based data held by The Research Solution. It distributes regional activity as measured in those surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level.

Limitations of the Model

The methodology and accuracy of the above sources varies. The results of the model should therefore be regarded as estimates which are indicative of the scale and importance of visitor activity in the local area. It is important to note that in the national tourism surveys the sample sizes for each area changes year on year. This is as a result of the random probability nature of the methodology. As such, the results of the Cambridge Model are best viewed as a snapshot in time and we would caution against year-on-year comparisons.

It should be noted that the model cannot take into account any leakage of expenditure from tourists taking day trips out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas, in locations receiving significant numbers of day visitors from London, there is likely to be an underestimate in relation to the number of overseas day visitors staying in holiday accommodation in London.

Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

Rounding
All figures used in this report have been rounded. In some tables there may therefore be a slight discrepancy between totals and sub totals.

Data sources
The main national surveys used as data sources in stage one includes:
- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day Visits in the annual Great Britain Day Visitor Survey using information on visits lasting more than 3 hours and taken on an irregular basis.

These surveys provide information down to a regional level. In order to disaggregate data to a local level the following information sources are used:

- Records of known local accommodation stock held by The Research Solution;
- VisitEngland's surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions;
- Registrar General's estimates of resident population as based on the 2011 Census of Population;
- Selected data from the 2011 Census of Employment.

Staying Visitors

The GBTS provides information on the total number of trips to the region and the relative proportions using different types of accommodation. By matching these figures to the supply of such accommodation, the regional average number of trips per bedspace or unit of accommodation can be derived. The IPS provides information on the total number of trips by overseas visitors to the region.

Day Visitors

Information on day trips at the regional level is available from the Day Visits in Great Britain survey. The survey includes all leisure-related trips from home. It should be noted that a large proportion are local trips made by people resident in the locality. The model uses information from the survey to estimate the number of longer day trips (defined as those lasting at least 3 hours and involving travel of more than 20 miles) and irregular trips lasting more than 3 hours.

Impact of tourism expenditure

This section examines the impact of the tourism expenditure in terms of the direct, indirect and induced expenditure as well as an estimate of the actual jobs (both direct and indirect) supported by tourism expenditure in the district.

The GBTS, IPS and Day Visits to Great Britain survey data on the breakdown of visitor spending. The impact of this initial round of expenditure will be subsequently increased by multiplier effects. These arise from the purchase of supplies and services by the businesses in receipt of visitor expenditure (indirect impacts), and by the income-induced effects arising from the spending of wages by employees in the first round of business and in subsequent expenditure in supplier business (induced impacts).

The New Earnings Survey which provides information on wage levels by industry sector and region; An internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies carried out by Geoff Broom Associates, PA Cambridge Economic Consultants and others. By applying the breakdown to the estimates of visitor spending, the model generates estimates of total direct spending.

Evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover – for example, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place at the origin of the trip as the destination. Therefore, the model assumes that only 40% of travel expenditure accrues to the destination area.

Number of full-time job equivalents

Having identified the value of turnover generated by visitor spending, it is possible to estimate the employment associated with that spending. Wages for staff and drawings for the proprietors will absorb a proportion of that turnover. By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated.

The New Earnings Survey provides data from which the average costs by business sector, adjusted to take account of regional differences, can be calculated. After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full-time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

Number of Actual Jobs

The model generates estimates of full-time equivalent jobs based on visitor spending. However, the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full-time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending. In general, the conversion factor varies around 1.5 in those sectors.

The indirect and induced jobs arise across a much wider range of employment sectors. Therefore, the average 1.16 for all sectors based on Census of Employment data has been used to convert full-time equivalent jobs in this sector to actual jobs.

The employment estimates generated by the model include both self-employed and employed people supported by visitor expenditure. The model also includes an estimate of the additional jobs arising in the attractions sector, which are not related to visitor expenditure. However, the numbers do not include other tourism-related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences, maintenance sections and jobs arising from capital investment in tourism facilities.

Trips, Nights and Spend (Definitions)

'Trips' are classified as trips or journeys away from home involving an overnight stay, taken by adults aged 16 and over and accompanying children aged up to 15. Each adult or child present on the trip counts as a trip, for example, a family of 2 adults and 2 children taking a trip away would count as 4 trips.

'Nights' are the number of nights away taken by adults and accompanying children on these trips. Each night away spent by an adult or a child present on the trip counts as a night. Thus, a family of 2 adults and 2 children taking a 3-night trip away from home would count as 12 nights.

'Spend' is the expenditure relating to these trips. It includes costs paid in advance of the trip, costs paid during the trip itself and also any bills relating to the trip received after returning home. It covers costs paid by adults on the trip for themselves and on behalf of others on the trip, including children. It also includes costs paid on behalf of the person taking the trip, such as an employer paying the cost of a business trip.

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