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Economic Impact of Tourism

Hertfordshire - 2015 Results

December 2016

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Introduction

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 Destination Research.

In Hertfordshire, county level reports were not carried out on a regular basis and as such, we recommend that the research reports based on 2015 data are used as the benchmark for future, more regular county wide reporting. This will allow for more robust comparisons and evaluations.

Contextual Analysis

Domestic tourism

In 2015, British residents took 102.7 million overnight trips in England, totalling 300 million nights away from home, with an expenditure of £19.6 billion. £191 was spent per trip, and with an average trip length of 2.92 nights, the average spend per night was £65.

The East of England region experienced an increase of 8% in overnight trips during 2015. Bednights were down 5% on 2014 and expenditure was up by 2%. This resulted in a decrease in the average length of trips (the number of night per trip) from 3.3 nights per trip in 2014 to 2.9 in 2015. The average spend per night was up from £53.4 per night in 2014 to £57.7 in 2015. The region received more visitors in 2015 than in the previous year. However, those who did visit stayed for shorter periods of time, meaning that overall trip expenditure per trip was down from £178.7 in 2014 to £167.5 in 2015.

However, please note that the Cambridge Model uses three year rolling averages to reduce some of the more extreme fluctuations which are due to small sample sizes and high margins or error.

Visits from overseas

The number of visits to the UK in 2015 grew 5% to a record 36.1 million, after several years of growth since 2010. Average spend per visit was £611 in 2015, down from the peak of £650 per visit in 2013 and reflecting the relative strength of sterling in 2015. The number of visitor nights spent in the UK increased by 3% in 2015 to 273 million, with the average number of nights per visit standing at 7.6.

Overseas trips to the East of England region were 4% up on 2014 to reach 2.2 million overnight trips. The total number of nights was down by 1% to reach 16.7 million in 2015. Spend was also down by less than 1% to £960 million in 2015.

The International Passenger Survey (IPS) is conducted by Office for National Statistics and is based on face- to-face interviews with a sample of passengers travelling via the principal airports, sea routes and the Channel Tunnel, together with visitors crossing the land border into Northern Ireland. The number of interviews conducted in England in 2015 was around 35,000. This large sample size allows reliable estimates to be produced for various groups of passengers despite the low proportion of travellers interviewed. The IPS provides headline figures, based on the county or unitary authority, for the volume and value of overseas trips to the UK. The sample for East of England was 2,450 interviews.

Day visits

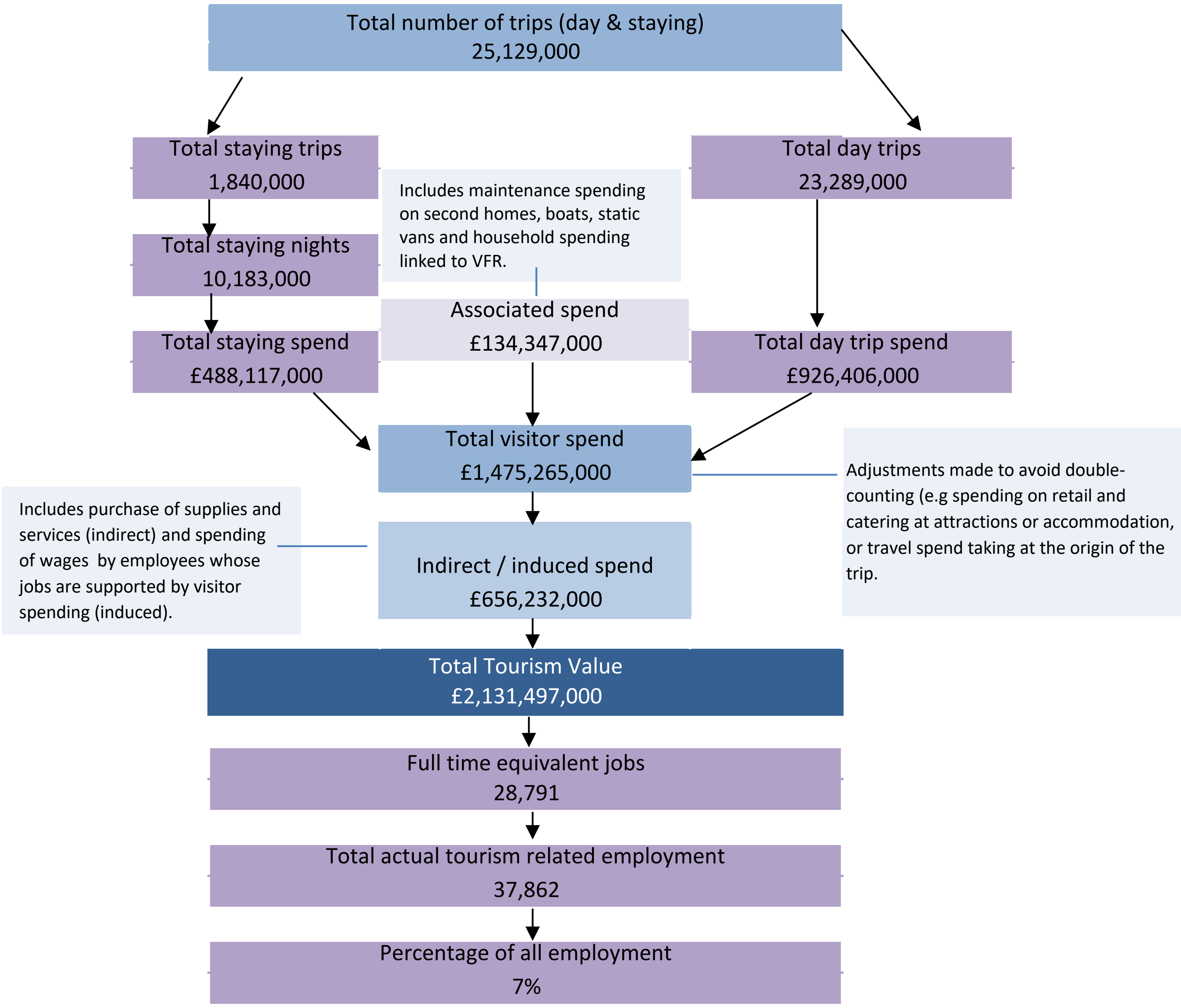
During 2015, GB residents took a total of 1,298 million Tourism Day Visits to destinations across England, down from 1,345 in 2014. The value of these trips increased by +3% to £46.4 billion. The volume and value of Tourism Day Visits in the East of England decreased between 2014 and 2015 from 130 million to 118 million with a 6% decrease in expenditure.

How accurate is the data?

The Cambridge Model makes use of data from national surveys (GBTS, IPS, GBDVS). The regional data extracted from these national surveys must be interpreted with a degree of caution, as it has never been designed to be able to produce highly accurate results at regional level or be disaggregated to County level.

As with all models the outputs included in this report should be taken as indicative rather than definitive. Because of the data sources and modelling process involved in the production of the results, there will be a potentially large margin of error associated with individual figures, with small numbers being particularly prone to such errors. We have applied a 3-year rolling average to th7e survey data to help smooth out short term market fluctuations and highlight longer-term trends. We also combine the demand data with supply-side results (occupancy levels, visits to visitor attractions). Whenever possible we use locally sourced data to further improve the accuracy of the results.

Economic Impact of Tourism – Headline Figures   Hertfordshire - 2015 Results



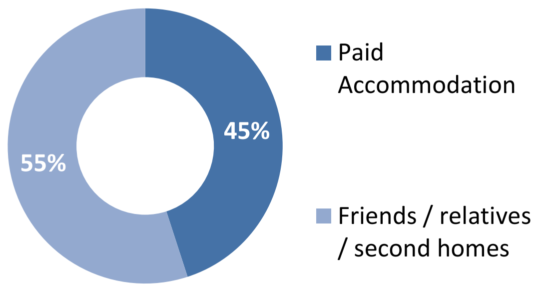
Economic Impact of Tourism – Year on year comparisons **Hertfordshire**

Day Trips	**2014**	**2015**	**Annual variation**
Day trips Volume	21,894,000	23,289,000	6.4%
Day trips Value	£803,167,000	£926,406,000	15.3%
Overnight trips			
Number of trip	1,759,000	1,840,000	4.6%
Number of nights	9,891,000	10,183,000	3.0%
Trip value	£474,135,000	£488,117,000	2.9%
Total Value	£1,941,862,000	£2,131,497,000	9.8%
Actual Jobs	34,385	37,862	10.1%

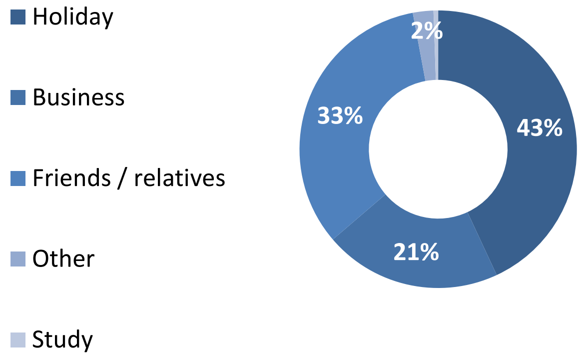
Hertfordshire	**2014**	**2015**	**Variation**
Average length stay (nights x trip)	5.62	5.53	-1.6%
Spend x overnight trip	£ 269.55	£ 265.28	-1.6%
Spend x night	£ 47.94	£ 47.93	0.0%
Spend x day trip	£ 36.68	£ 39.78	8.4%

<u>**Economic Impact of Tourism – Headline Figures**</u> <u>**Hertfordshire - 2015 Results**</u>

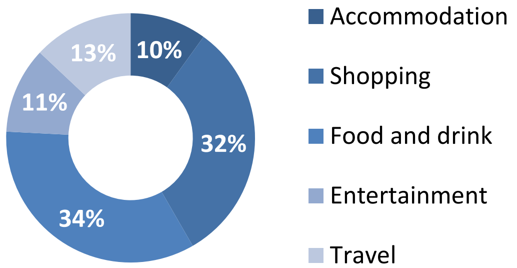
Trips by type of accommodation



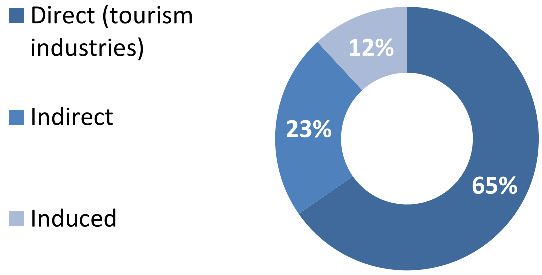
Trips by Purpose



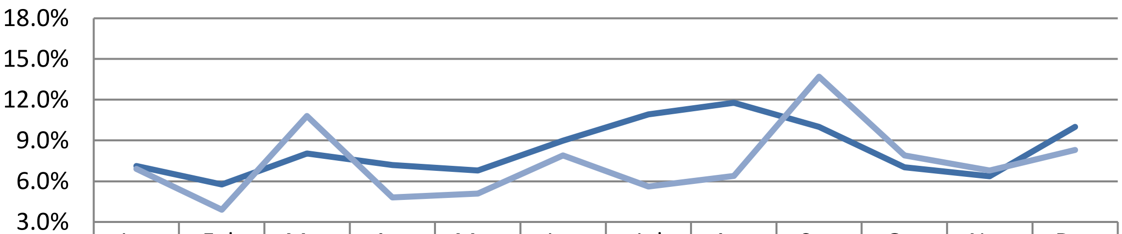
Breakdown of expenditure



Type of employment

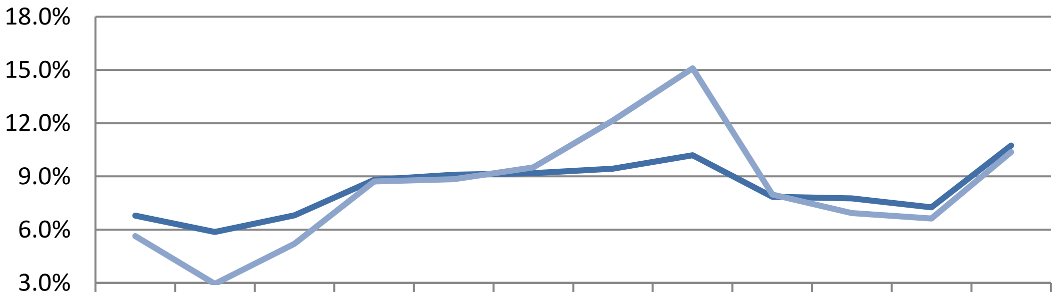


Seasonality - Day visitors (County level)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Day trips	7.1%	5.8%	8.1%	7.2%	6.8%	9.0%	10.9%	11.8%	10.0%	7.0%	6.4%	10.0%
Day spend	6.9%	3.9%	10.8%	4.8%	5.1%	7.9%	5.6%	6.4%	13.7%	7.9%	6.8%	8.3%

Seasonality - Overnight visitors (County level)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overnight trips	6.8%	5.9%	6.8%	8.8%	9.1%	9.2%	9.4%	10.2%	7.8%	7.8%	7.3%	10.7%
Overnight spend	5.6%	2.9%	5.2%	8.7%	8.8%	9.5%	12.1%	15.1%	8.0%	6.9%	6.6%	10.4%

Volume of Tourism

Staying trips in the county context 2015

District	Domestic trips ('000)	Overseas trips ('000)
North Herts	142	44
Stevenage	113	33
East Herts	180	56
Broxbourne	102	30
Welwyn Hatfield	143	43
St Albans	193	61
Dacorum	205	58
Three Rivers	70	24
Watford	147	44
Hertsmere	116	35

Staying nights in the county context 2015

District	Domestic nights ('000)	Overseas nights ('000)
North Herts	688	329
Stevenage	485	204
East Herts	864	507
Broxbourne	527	246
Welwyn Hatfield	681	679
St Albans	825	450
Dacorum	903	418
Three Rivers	408	205
Watford	585	272
Hertsmere	540	265

Expenditure in the county context 2015

District	Domestic spend (millions)	Overseas spend (millions)
North Herts	£27	£17
Stevenage	£23	£13
East Herts	£35	£30
Broxbourne	£19	£12
Welwyn Hatfield	£30	£37
St Albans	£39	£26
Dacorum	£43	£25
Three Rivers	£12	£8
Watford	£30	£18
Hertsmere	£23	£14

Trips by Accommodation

	UK		Overseas		Total	
Serviced	501,000	35%	127,000	30%	628,000	34%
Self catering	7,000	0%	6,000	1%	13,000	1%
Camping	15,000	1%	3,000	1%	18,000	1%
Static caravans	0	0%	0	0%	0	0%
Group/campus	21,000	1%	4,000	1%	25,000	1%
Paying guest	0	0%	7,000	2%	7,000	0%
Second homes	7,000	0%	6,000	1%	13,000	1%
Boat moorings	18,000	1%	0	0%	18,000	1%
Other	88,000	6%	33,000	8%	121,000	7%
Friends & relatives	756,000	54%	240,000	56%	996,000	54%
Total 2015	**1,413,000**		**427,000**		**1,840,000**	
Comparison 2014	**1,361,000**		**398,000**		**1,759,000**	
Difference	**4%**		**7%**		**5%**	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	1,157,000	18%	344,000	10%	1,501,000	15%
Self catering	37,000	1%	430,000	12%	467,000	5%
Camping	147,000	2%	23,000	1%	170,000	2%
Static caravans	0	0%	0	0%	0	0%
Group/campus	83,000	1%	274,000	8%	357,000	4%
Paying guest	0	0%	92,000	3%	92,000	1%
Second homes	26,000	0%	203,000	6%	229,000	2%
Boat moorings	70,000	1%	0	0%	70,000	1%
Other	494,000	7%	43,000	1%	537,000	5%
Friends & relatives	4,593,000	70%	2,165,000	61%	6,758,000	66%
Total 2015	**6,608,000**		**3,575,000**		**10,183,000**	
Comparison 2014	**6,657,000**		**3,234,000**		**9,891,000**	
Difference	**-1%**		**11%**		**3%**	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£129,866,000	45%	£60,164,000	30%	£190,030,000	39%
Self catering	£1,650,000	1%	£34,649,000	17%	£36,299,000	7%
Camping	£2,537,000	1%	£612,000	0%	£3,149,000	1%
Static caravans	£0	0%	£0	0%	£0	0%
Group/campus	£6,089,000	2%	£11,064,000	6%	£17,153,000	4%
Paying guest	£0	0%	£2,803,000	1%	£2,803,000	1%
Second homes	£1,812,000	1%	£3,315,000	2%	£5,127,000	1%
Boat moorings	£2,043,000	1%	£0	0%	£2,043,000	0%
Other	£20,266,000	7%	£6,360,000	3%	£26,626,000	5%
Friends & relatives	£125,248,000	43%	£79,639,000	40%	£204,887,000	42%
Total 2015	**£289,511,000**		**£198,606,000**		**£488,117,000**	
Comparison 2014	**£294,783,000**		**£179,352,000**		**£474,135,000**	
Difference	**-2%**		**11%**		**3%**	

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 includes nights spent in transit, in lorry cabs and other temporary accommodation.

Staying Visitors - Purpose of Trip

Hertfordshire - 2015 Results

Trips by Purpose

		UK		Overseas		Total	
Holiday		685,000	48%	107,000	25%	792,000	43%
Business		298,000	21%	82,000	19%	380,000	21%
Friends & relatives		401,000	28%	212,000	50%	613,000	33%
Other		28,000	2%	16,000	4%	44,000	2%
Study		0	0%	10,000	2%	10,000	1%
Total	**2015**	**1,413,000**		**427,000**		**1,840,000**	
Comparison	**2014**	**1,361,000**		**398,000**		**1,759,000**	
Difference		**4%**		**7%**		**5%**	

Nights by Purpose

		UK		Overseas		Total	
Holiday		3,409,000	52%	702,000	20%	4,111,000	40%
Business		800,000	12%	316,000	9%	1,116,000	11%
Friends & relatives		2,266,000	34%	1,980,000	55%	4,246,000	42%
Other		133,000	2%	334,000	9%	467,000	5%
Study		0	0%	243,000	7%	243,000	2%
Total	**2015**	**6,608,000**		**3,575,000**		**10,183,000**	
Comparison	**2014**	**6,657,000**		**3,234,000**		**9,891,000**	
Difference		**-1%**		**11%**		**3%**	

Spend by Purpose

		UK		Overseas		Total	
Holiday		£102,116,000	35%	£42,759,000	22%	£144,875,000	30%
Business		£92,256,000	32%	£45,499,000	23%	£137,755,000	28%
Friends & relatives		£89,373,000	31%	£86,308,000	43%	£175,681,000	36%
Other		£5,766,000	2%	£12,705,000	6%	£18,471,000	4%
Study		£0	0%	£11,334,000	6%	£11,334,000	2%
Total	**2015**	**£289,511,000**		**£198,606,000**		**£488,117,000**	
Comparison	**2014**	**£294,783,000**		**£179,352,000**		**£474,135,000**	
Difference		**-2%**		**11%**		**3%**	

Total Volume and Value of Day Trips

		Trips	Spend
Urban visits		**17,583,000**	**£727,027,000**
Countryside visits		**5,706,000**	**£199,379,000**
Coastal visits		**0**	**£0**
Total	**2015**	**23,289,000**	**£926,406,000**
Comparison	2014	21,894,000	£803,167,000
Difference		6%	15%

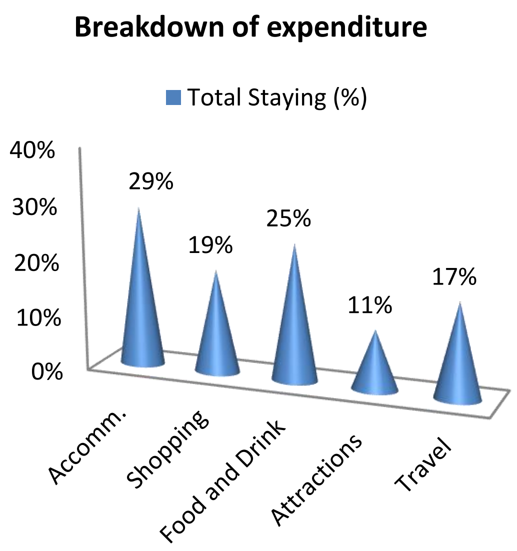
Day Visitors in the county context

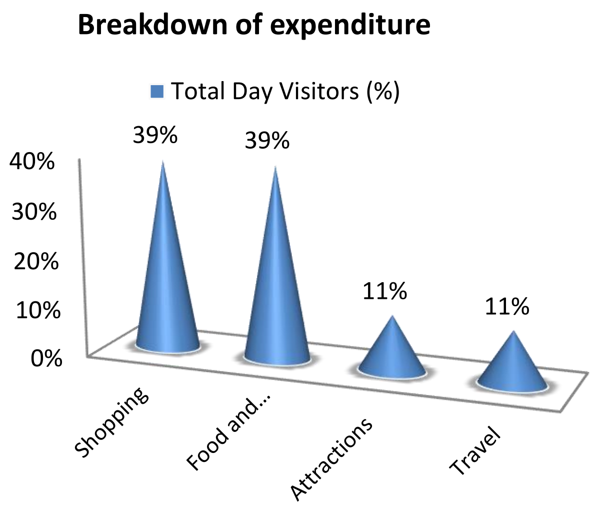
District	Day Visits (millions)	Day visit Spend (millions)
North Herts	2.3	£91.4
Stevenage	1.5	£56.8
East Herts	3.6	£138.6
Broxbourne	1.0	£39.6
Welwyn Hatfield	1.5	£59.9
St Albans	1.6	£61.8
Dacorum	2.8	£109.6
Three Rivers	2.8	£112.2
Watford	1.5	£58.6
Hertsmere	1.1	£42.5

Value of Tourism

Direct Expenditure Associated with Trips

		Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists		£84,775,000	£35,510,000	£75,882,000	£29,653,000	£63,692,000	£289,512,000
Overseas tourists		£56,188,000	£55,377,000	£44,298,000	£22,776,000	£19,967,000	£198,606,000
Total Staying		£140,963,000	£90,887,000	£120,180,000	£52,429,000	£83,659,000	£488,118,000
Total Staying (%)		29%	19%	25%	11%	17%	100%
Total Day Visitors		£0	£357,674,000	£362,536,000	£105,843,000	£100,354,000	£926,407,000
Total Day Visitors (%)		0%	39%	39%	11%	11%	100%
Total	**2015**	**£140,963,000**	**£448,561,000**	**£482,716,000**	**£158,272,000**	**£184,013,000**	**£1,414,525,000**
%		**10%**	**32%**	**34%**	**11%**	**13%**	**100%**
Comparison	**2014**	**£139,686,000**	**£391,776,000**	**£432,456,000**	**£143,230,000**	**£170,152,000**	**£1,277,300,000**
Difference		**1%**	**14%**	**12%**	**11%**	**8%**	**11%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£1,779,000	£756,000	£0	£131,812,000	£134,347,000

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

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		£143,366,000	£7,251,000	£150,617,000
Retail		£89,978,000	£354,097,000	£444,075,000
Catering		£116,575,000	£351,659,000	£468,234,000
Attractions		£54,540,000	£113,045,000	£167,585,000
Transport		£50,195,000	£60,212,000	£110,407,000
Non-trip spend		£134,347,000	£0	£134,347,000
Total Direct	**2015**	**£589,001,000**	**£886,264,000**	**£1,475,265,000**
Comparison	**2014**	**£568,883,000**	**£767,902,000**	**£1,336,785,000**
Difference		**4%**	**15%**	**10%**

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		£151,123,000	£246,502,000	£397,625,000
Non trip spending		£33,587,000	£0	£33,587,000
Income induced		£156,857,000	£68,163,000	£225,020,000
Total	**2015**	**£341,567,000**	**£314,665,000**	**£656,232,000**
Comparison	**2014**	**£332,222,000**	**£272,855,000**	**£605,077,000**
Difference		**3%**	**15%**	**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		£589,001,000	£886,264,000	£1,475,265,000
Indirect		£341,567,000	£314,665,000	£656,232,000
Total Value	**2015**	**£930,568,000**	**£1,200,929,000**	**£2,131,497,000**
Comparison	**2014**	**£901,105,000**	**£1,040,757,000**	**£1,941,862,000**
Difference		**3%**	**15%**	**10%**

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		2,059	27%	104	1%	2,163	13%
Retailing		647	8%	2,545	27%	3,192	18%
Catering		1,582	20%	4,773	50%	6,355	37%
Entertainment		851	11%	1,764	19%	2,615	15%
Transport		271	3%	325	3%	597	3%
Non-trip spend		2,357	30%	0	0%	2,357	14%
Total FTE	**2015**	**7,767**		**9,512**		**17,279**	
Comparison	2014	7,463		8,262		15,726	
Difference		4%		15%		10%	

Estimated actual jobs							
		Staying Visitor		Day Visitor		Total	
Accommodation		3,047	29%	154	1%	3,201	13%
Retailing		970	9%	3,817	27%	4,787	19%
Catering		2,373	22%	7,160	51%	9,533	39%
Entertainment		1,200	11%	2,487	18%	3,687	15%
Transport		382	4%	459	3%	841	3%
Non-trip spend		2,687	25%	0	0%	2,687	11%
Total Actual	**2015**	**10,660**		**14,077**		**24,737**	
Comparison	2014	10,266		12,226		22,492	
Difference		4%		15%		10%	

Indirect & Induced Employment

Full time equivalent (FTE)				
		Staying Visitor	Day Visitors	Total
Indirect jobs		3,241	4,325	7,565
Induced jobs		2,752	1,196	3,948
Total FTE	**2015**	**5,992**	**5,520**	**11,513**
Comparison	2014	5,728	4,704	10,432
Difference		5%	17%	10%

Estimated actual jobs				
		Staying Visitor	Day Visitors	Total
Indirect jobs		3,694	4,930	8,624
Induced jobs		3,137	1,363	4,500
Total Actual	**2015**	**6,831**	**6,293**	**13,125**
Comparison	2014	6,530	5,363	11,893
Difference		5%	17%	10%

Total Tourism Jobs — Hertfordshire - 2015 Results

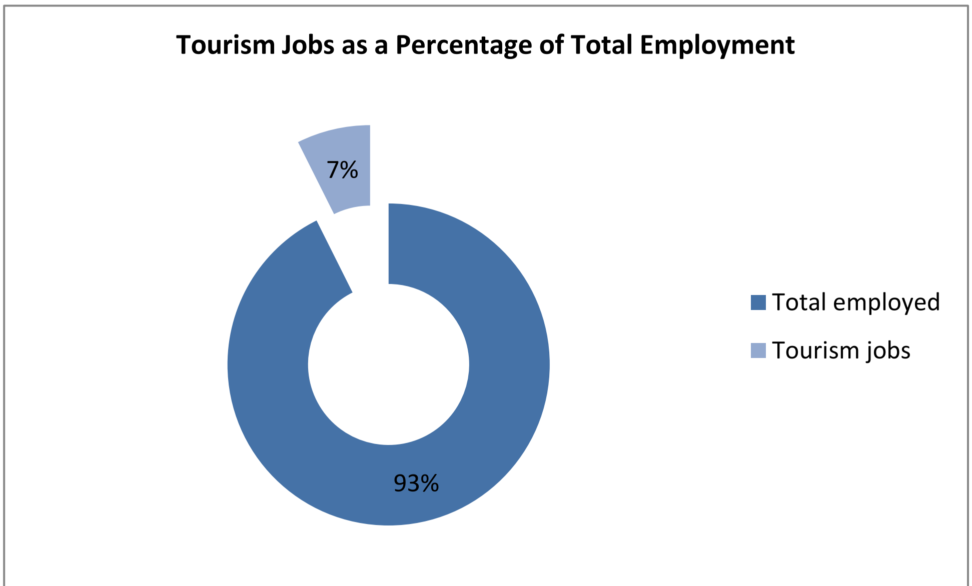
Actual jobs are estimated from surveys of relevant businesses at locations in England and take account of part time and seasonal working.

Full time equivalent (FTE)							
		Staying Visitor		Day Visitor		Total	
Direct		7,767	56%	9,512	63%	17,279	60%
Indirect		3,241	24%	4,325	29%	7,565	26%
Induced		2,752	20%	1,196	8%	3,948	14%
Total FTE	**2015**	**13,759**		**15,032**		**28,791**	
Comparison	2014	13,191		12,967		26,158	
Difference		4%		16%		10%	

Estimated actual jobs							
		Staying Visitor		Day Visitor		Total	
Direct		10,660	61%	14,077	69%	24,737	65%
Indirect		3,694	21%	4,930	24%	8,624	23%
Induced		3,137	18%	1,363	7%	4,500	12%
Total Actual	**2015**	**17,491**		**20,371**		**37,862**	
Comparison	2014	16,795		17,589		34,385	
Difference		4%		16%		10%	

Tourism Jobs as a Percentage of Total Employment

		Staying Visitor	Day visitors	Total
Total employed		513,000	513,000	513,000
Tourism jobs		17,491	20,371	37,862
Proportion all jobs		**3%**	**4%**	**7%**
Comparison	2014	16,795	17,589	34,385
Difference		4%	16%	10%



Economic Impact of Tourism – Headline Figures **Hertfordshire - 2015 Results**

The key 2015 results of the Economic Impact Assessment are:

25.1 million trips were undertaken in the area
23.3 million day trips
1.8 million overnight visits

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

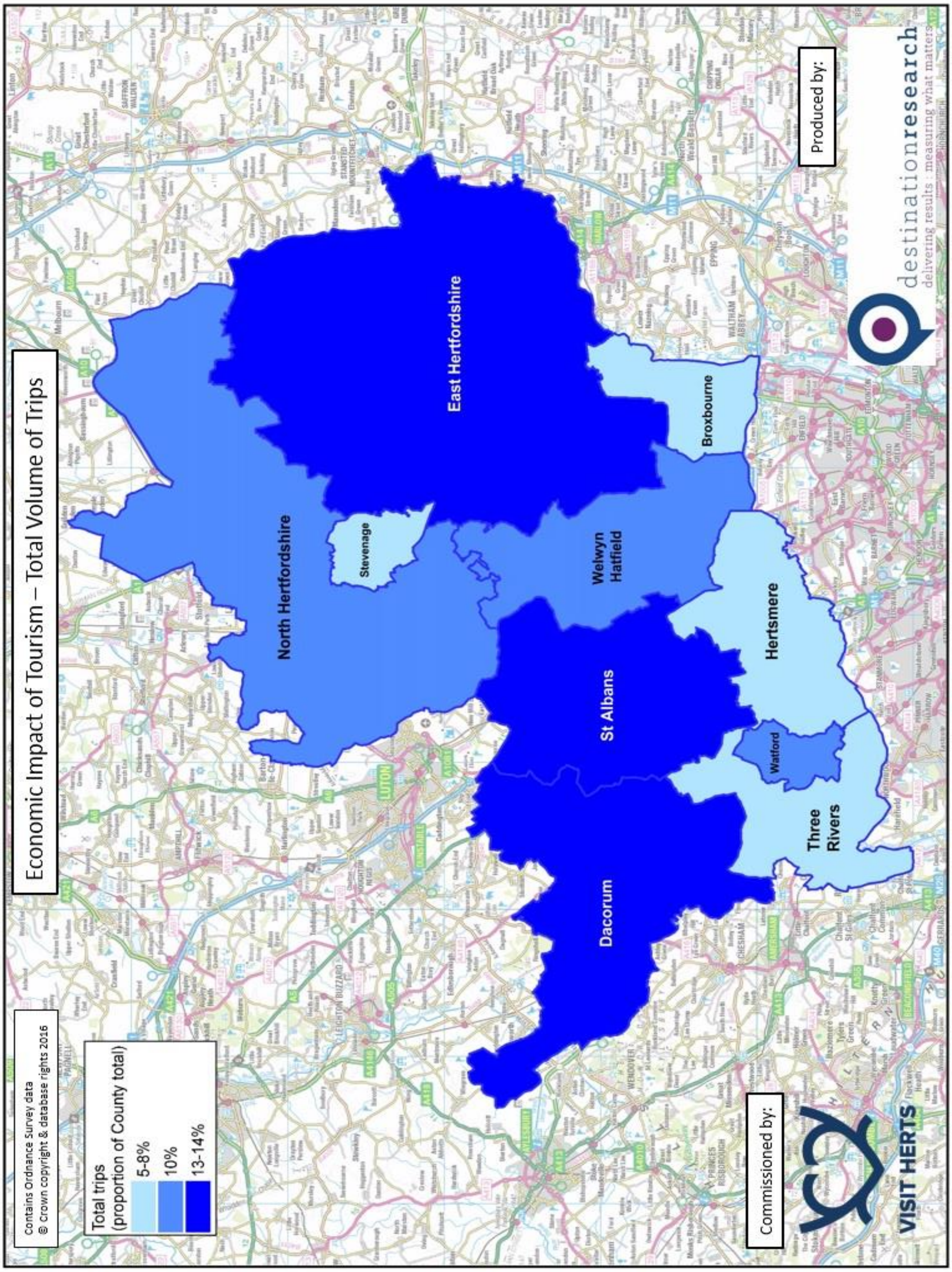
£2.1 billion - Total value of tourism
£1.5 billion spent by tourists during their visit to the area
£123 million spent on average in the local economy each month.

£488 million generated by overnight visits
£926 million generated from day trips.

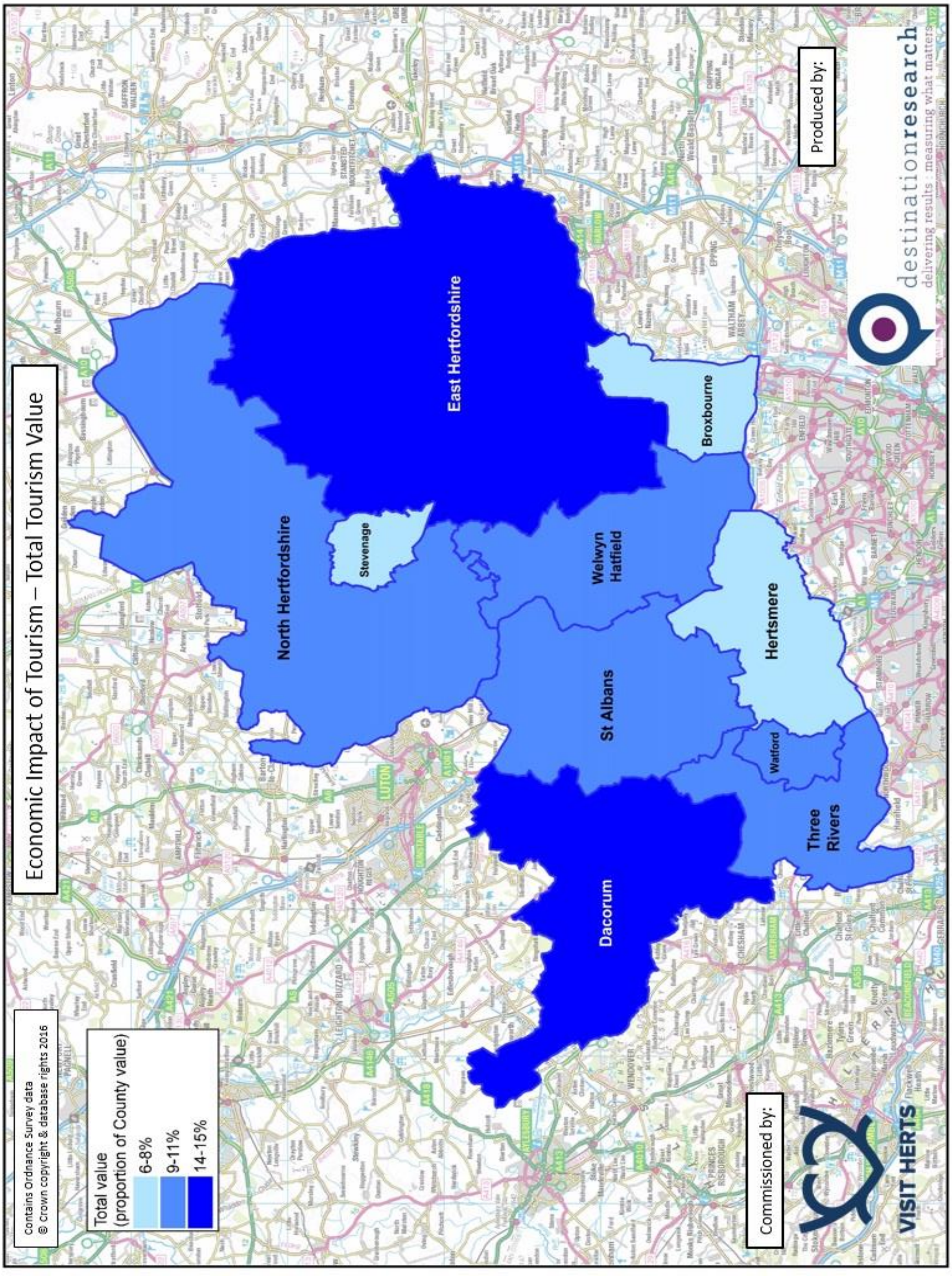
37,862 jobs supported, both for local residents from those living nearby.
24,737 tourism jobs directly supported
13,125 non-tourism related jobs supported linked to multiplier spend from tourism.

Note: Thee figues have been rounded. For a full set of results, please refer to the main report.

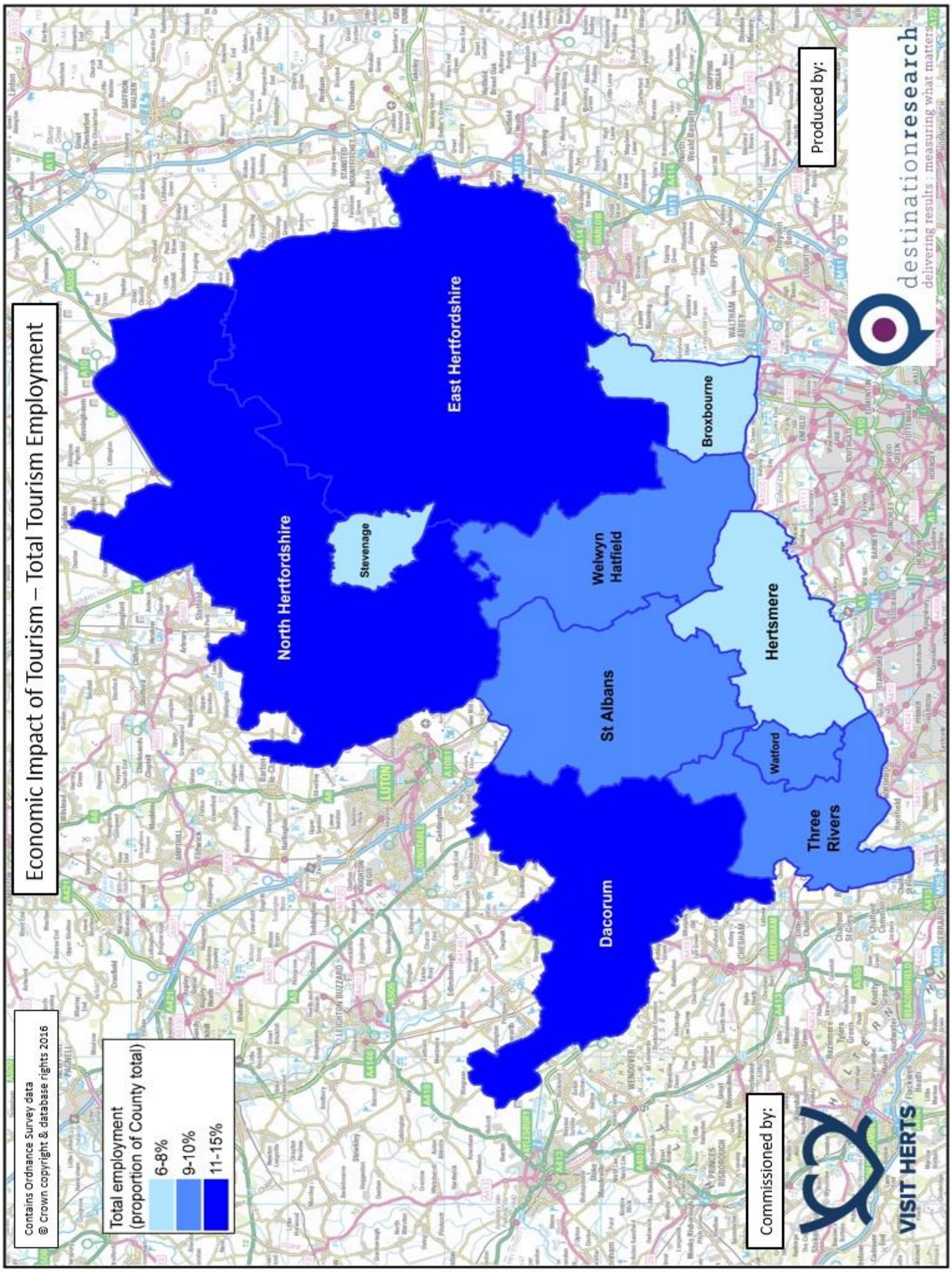
Thematic maps - Total Volume of Trips



Thematic maps - Total Tourism Value



Thematic maps - Total Tourism Employment



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 Destination Research.

The model utilises information from national tourism surveys and regionally based data held by Destination Research. 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 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 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 Destination Research;
- VisitEngland's surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions ;
- Mid- 2014 estimates of resident population as based on the 2011 Census of Population;
- Selected data from the 2011 Census of Employment;
- Selected data on the countryside including national designations.

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. The model uses three year rolling averages to reduce extreme highs and lows which are due to small sample sizes, rather than being a reflection on drastic changes in demand year-on-year.

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 (principally accommodation, food and drink, retail, attrcations, transport). In general, the conversion factor between full time equivalent jobs and actual jobs 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.

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