Commissioned by:

Visit Herts

VISIT HERTS

Economic Impact of Tourism

Dacorum - 2017 Results

December 2018

Produced by:

Destination Research
www.destinationresearch.co.uk

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Introduction

INTRODUCTION

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2017 and provides comparative data against the previously published data for Hertfordshire (2015).

Destination Research was commissioned by Visit Herts to produce 2017 results based on the latest data from national tourism surveys and regionally/locally based data. The results are derived using the Cambridge Economic Impact Model.

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. See Appendix I for further details.

Domestic tourism

National Performance

In 2017, British residents took 100.6 million overnight trips in England, totalling 299 million nights away from home, with an expenditure of £19.05 billion. £189.31 was spent per trip, and with an average trip length of 2.97 nights, the average spend per night was £63.62. The number of domestic trips was 2% up on 2015, and the amount spent was also up by 2%.

Regional performance

The East of England region experienced a 5% increase in overnight trips between 2015 and 2017. Bednights were up 1% on 2015 and expenditure was up by 4%. The region received more visitors in 2017 than in 2015 and visitors spent slightly more per night than in 2015. The average spend per night was up from £54.51 per night in 2015 to £56.15 in 2017.

Domestic visits to Hertfordshire

The domestic tourism results for Hertfordshire used in this model combine a mixture of supply and demand data. We do this because extracting county level data from national surveys can sometimes lead to inaccurate results due to low sample sizes. By combining the supply and demand results we estimate that trips to Hertfordshire were up by 1%, nights per trip were unchanged since 2015 and expenditure increased by 1%.

Visits from overseas

As with domestic tourism, the Cambridge Model uses three year averages to estimate changes in overseas tourism to reduce some of the more extreme fluctuations which can be attributed to small sample sizes and high margins or error. At national level, the number of visits in 2017 grew by 10%, reaching 33 million. The number of visitor nights spent in the UK increased by 7% between 2015 and 2017 to reach 245.7 million, with the average number of nights per visit standing at 7.4.

Overseas trips to the East of England region were 11% up on 2015 to reach 2.3 million overnight trips. The total number of nights was up by 3% to reach 16.3 million in 2017. Spend was down by 7% compared to 2015 reaching £876 million.

Hertfordshire also experienced growth between 2015 and 2017. Trips were up 5%, nights per trip were also up (1%). However, expenditure was down by 4%.

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 2017 was around 35,628.

Tourism Day Visits

National Performance

During 2017, GB residents took a total of 1.5 billion tourism day trips to destinations in England. Around £51 billion was spent during these trips. At national level, the volume of day trips was down by 1% and the expenditure levels were unchanged between 2015 and 2017.

The volume and value of tourism day visits in the East of England increased by 12% between 2015 and 2017, from 118 million to 133 million. Expenditure levels were up by 9% to £3.9 billion in 2017.

According to the GB Day Visitor Survey day trips in Hertfordshire were up by almost 30% between 2015 and 2017, with a 1% decrease in value for the same period. However, data from the Visits to Visitor Attractions Survey shows that the admissions to attractions was up by 3% between 2015 and 2017 and revenues were also up by 7%.

Based on these results the model assumes that the volume of day trips was up 11% between 2015 and 2017 and expenditure up by 5%.

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.

Economic Impact of Tourism – Headline Figures   Dacorum - 2017 Results

Total number of trips (day & staying)
3,440,900

Total staying trips
270,900

Total day trips
3,170,000

Total staying nights
1,332,100

Includes maintenance spending on second homes, boats, static vans and household spending linked to VFR.

Total staying spend
£67,747,000

Associated spend
£19,594,000

Total day trip spend
£117,107,000

Total visitor spend
£194,821,000

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.

Includes purchase of supplies and services (indirect) and spending of wages by employees whose jobs are supported by visitor spending (induced).

Indirect / induced spend
£73,976,000

Total Tourism Value
£268,797,000

Full time equivalent jobs
3,423

Total actual tourism related employment
4,505

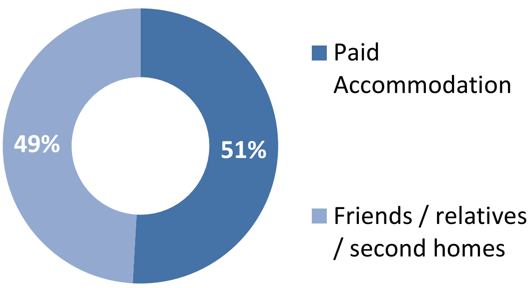
Percentage of all employment
6%

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

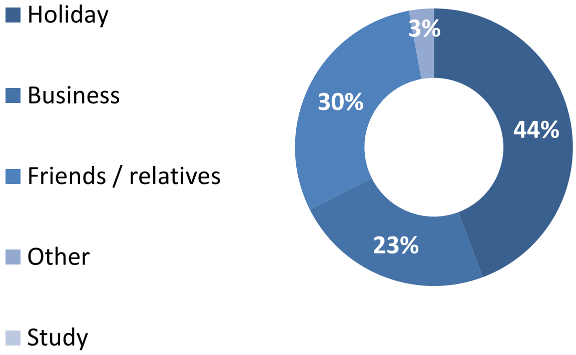
Day Trips	**2015**	**2017**	**Annual variation**
Day trips Volume	2,807,000	3,170,000	13%
Day trips Value	£109,578,000	£117,107,000	7%
Overnight trips			
Number of trips	262,700	270,900	3%
Number of nights	1,321,300	1,332,100	1%
Trip value	£68,644,000	£67,747,000	-1%
Total Value	£255,593,500	£268,797,000	5%
Actual Jobs	4,274	4,505	5%

Dacorum		**2015**		**2017**	**Variation**
Average length stay (nights x trip)		5.03		4.92	-2%
Spend x overnight trip	£	261.30	£	250.08	-4%
Spend x night	£	51.95	£	50.86	-2%
Spend x day trip	£	39.04	£	36.94	-5%

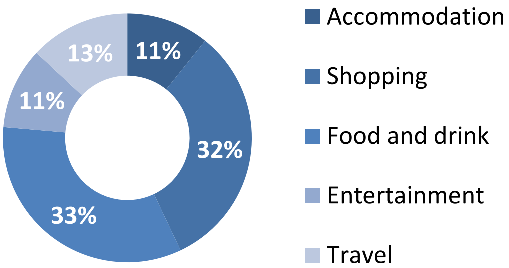
Trips by type of accommodation



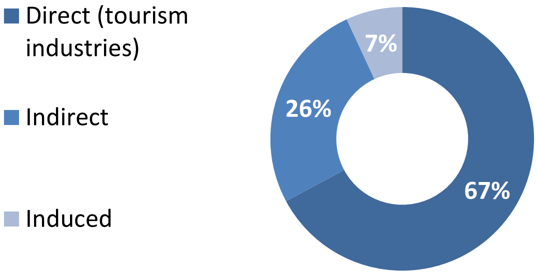
Trips by Purpose



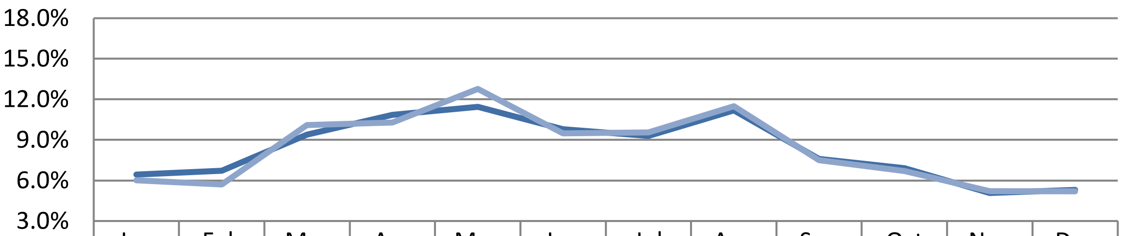
Breakdown of expenditure



Type of employment

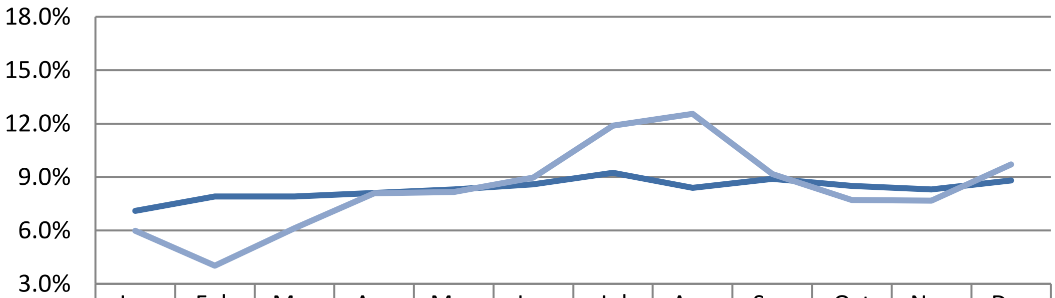


Seasonality - Day visitors (County level)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Day trips	6.4%	6.7%	9.4%	10.9%	11.4%	9.8%	9.3%	11.2%	7.6%	6.9%	5.1%	5.3%
Day spend	6.0%	5.7%	10.1%	10.3%	12.8%	9.5%	9.5%	11.5%	7.5%	6.7%	5.2%	5.2%

Seasonality - Overnight visitors (County level)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overnight trips	7.1%	7.9%	7.9%	8.1%	8.3%	8.6%	9.2%	8.4%	8.9%	8.5%	8.3%	8.8%
Overnight spend	6.0%	4.0%	6.1%	8.1%	8.2%	9.0%	11.9%	12.5%	9.2%	7.7%	7.7%	9.7%

Volume of Tourism

Staying visits in the county context

Staying trips in the county context 2017

District	Domestic trips ('000)	Overseas trips ('000)
North Herts	144	49
Stevenage	114	38
East Herts	187	63
Broxbourne	102	33
Welwyn Hatfield	151	52
St Albans	195	72
Dacorum	205	66
Three Rivers	70	27
Watford	149	51
Hertsmere	117	40
Hertfordshire	1,433	492

Staying nights in the county context 2017

District	Domestic nights ('000)	Overseas nights ('000)
North Herts	693	325
Stevenage	528	213
East Herts	873	496
Broxbourne	498	245
Welwyn Hatfield	712	687
St Albans	849	462
Dacorum	910	422
Three Rivers	402	205
Watford	615	283
Hertsmere	551	262
Hertfordshire	6,631	3,601

Expenditure in the county context 2017

District	Domestic spend (millions)	Overseas spend (millions)
North Herts	£28	£16
Stevenage	£26	£11
East Herts	£36	£29
Broxbourne	£18	£11
Welwyn Hatfield	£31	£36
St Albans	£40	£25
Dacorum	£44	£24
Three Rivers	£13	£8
Watford	£32	£16
Hertsmere	£23	£14
Hertfordshire	£293	£192

Staying Visitors - Accommodation Type Dacorum - 2017 Results

Trips by Accommodation

	UK		Overseas		Total	
Serviced	81,000	40%	25,000	38%	106,000	39%
Self catering	2,000	1%	800	1%	2,800	1%
Camping	3,000	2%	400	1%	3,400	1%
Static caravans	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	1,000	0%	500	1%	1,500	1%
Boat moorings	8,000	4%	0	0%	8,000	3%
Other	9,000	4%	8,700	13%	17,700	7%
Friends & relatives	101,000	49%	30,500	46%	131,500	49%
Total 2017	**205,000**		**65,900**		**270,900**	
Comparison 2015	**205,000**		**57,700**		**262,700**	
Difference	**0%**		**14%**		**3%**	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	207,000	23%	65,900	16%	272,900	20%
Self catering	12,000	1%	48,600	11%	60,600	5%
Camping	19,000	2%	2,500	1%	21,500	2%
Static caravans	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	3,000	0%	8,500	2%	11,500	1%
Boat moorings	30,000	3%	0	0%	30,000	2%
Other	60,000	7%	11,000	3%	71,000	5%
Friends & relatives	579,000	64%	285,600	67%	864,600	65%
Total 2017	**910,000**		**422,100**		**1,332,100**	
Comparison 2015	**903,000**		**418,300**		**1,321,300**	
Difference	**1%**		**1%**		**1%**	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£20,407,000	46%	£7,727,000	33%	£28,134,000	42%
Self catering	£597,000	1%	£4,048,000	17%	£4,645,000	7%
Camping	£385,000	1%	£76,000	0%	£461,000	1%
Static caravans	£0	0%	£0	0%	£0	0%
Group/campus	£0	0%	£0	0%	£0	0%
Paying guest	£0	0%	£0	0%	£0	0%
Second homes	£172,000	0%	£712,000	3%	£884,000	1%
Boat moorings	£1,024,000	2%	£0	0%	£1,024,000	1%
Other	£4,018,000	9%	£314,000	1%	£4,332,000	6%
Friends & relatives	£17,461,000	41%	£10,806,000	46%	£28,267,000	42%
Total 2017	**£44,064,000**		**£23,683,000**		**£67,747,000**	
Comparison 2015	**£43,219,000**		**£25,425,000**		**£68,644,000**	
Difference	**2%**		**-7%**		**-1%**	

Serviced accommodation includes hotels, guesthouses, inns, B&Bs 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   Dacorum - 2017 Results

Trips by Purpose

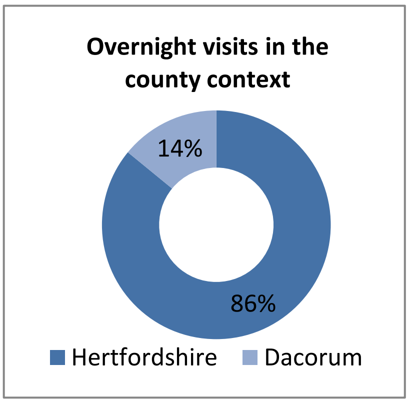
		UK		Overseas		Total	
Holiday		105,000	51%	15,000	23%	120,000	44%
Business		47,000	23%	16,100	24%	63,100	23%
Friends & relatives		47,000	23%	33,000	50%	80,000	30%
Other		6,000	3%	1,800	3%	7,800	3%
Study		0	0%	0	0%	0	0%
Total	**2017**	**205,000**		**65,900**		**270,900**	
Comparison	**2015**	**205,000**		**57,700**		**262,700**	
Difference		**0%**		**14%**		**3%**	

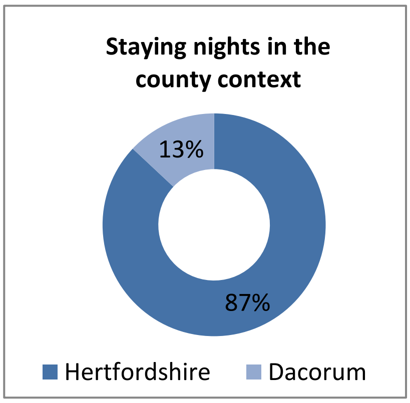
Nights by Purpose

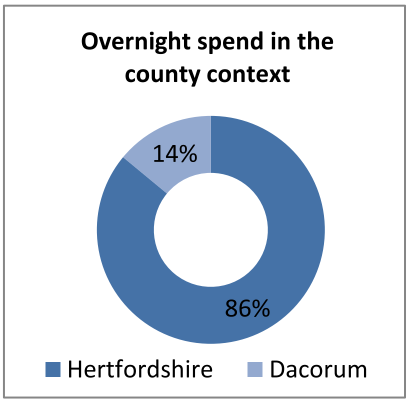
		UK		Overseas		Total	
Holiday		482,000	53%	77,200	18%	559,200	42%
Business		142,000	16%	67,800	16%	209,800	16%
Friends & relatives		273,000	30%	247,200	59%	520,200	39%
Other		13,000	1%	29,900	7%	42,900	3%
Study		0	0%	0	0%	0	0%
Total	**2017**	**910,000**		**422,100**		**1,332,100**	
Comparison	**2015**	**903,000**		**418,300**		**1,321,300**	
Difference		**1%**		**1%**		**1%**	

Spend by Purpose

		UK		Overseas		Total	
Holiday		£15,660,000	36%	£5,003,000	21%	£20,663,000	31%
Business		£13,004,000	29%	£7,790,000	33%	£20,794,000	31%
Friends & relatives		£14,526,000	33%	£9,612,000	41%	£24,138,000	35%
Other		£874,000	2%	£1,278,000	5%	£2,152,000	3%
Study		£0	0%	£0	0%	£0	0%
Total	**2017**	**£44,064,000**		**£23,683,000**		**£67,747,000**	
Comparison	**2015**	**£43,219,000**		**£25,425,000**		**£68,644,000**	
Difference		**2%**		**-7%**		**-1%**	







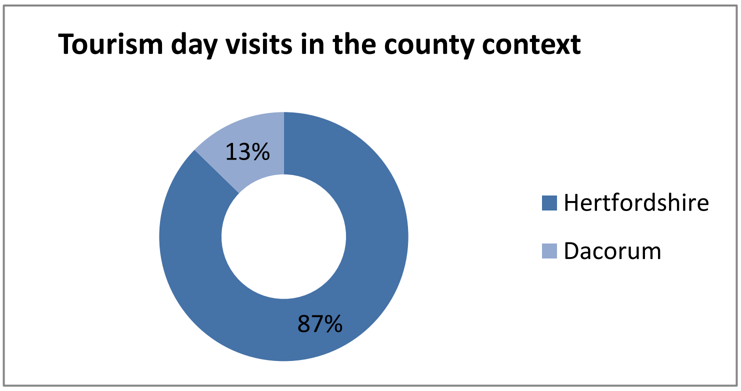
Day Visitors

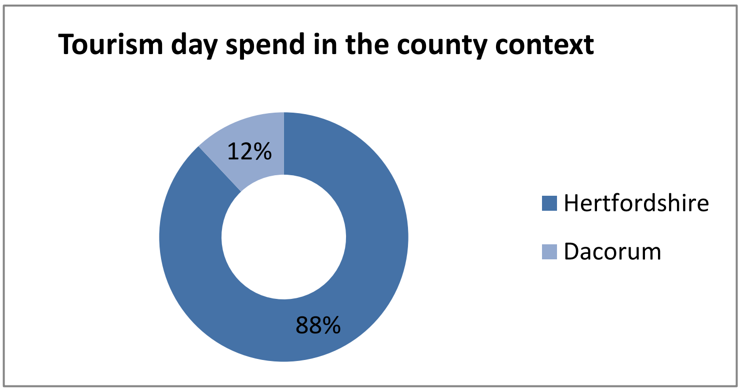
Total Volume and Value of Day Trips

		Trips	Spend
Urban visits		2,714,000	£102,536,000
Countryside visits		456,000	£14,571,000
Total	**2017**	**3,170,000**	**£117,107,000**
Comparison	2015	2,807,000	£109,578,000
Difference		13%	7%

Day Visitors in the county context

District	Day Visits (millions)	Day visit Spend (millions)
North Herts	2.7	£99.0
Stevenage	1.7	£59.9
East Herts	4.0	£148.0
Broxbourne	1.2	£43.1
Welwyn Hatfield	1.7	£65.2
St Albans	1.8	£66.1
Dacorum	3.2	£117.1
Three Rivers	3.2	£120.4
Watford	1.8	£65.6
Hertsmere	1.3	£46.2



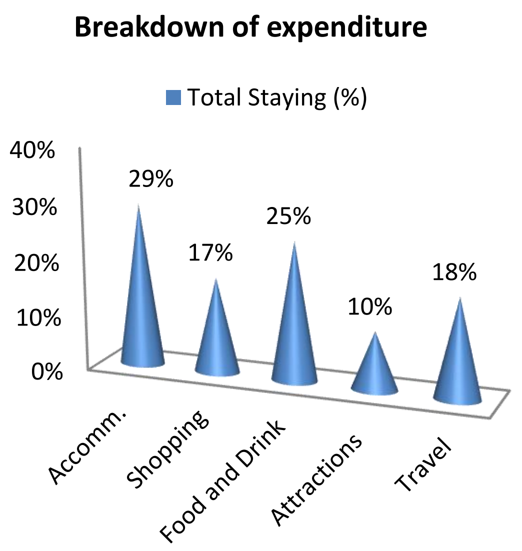


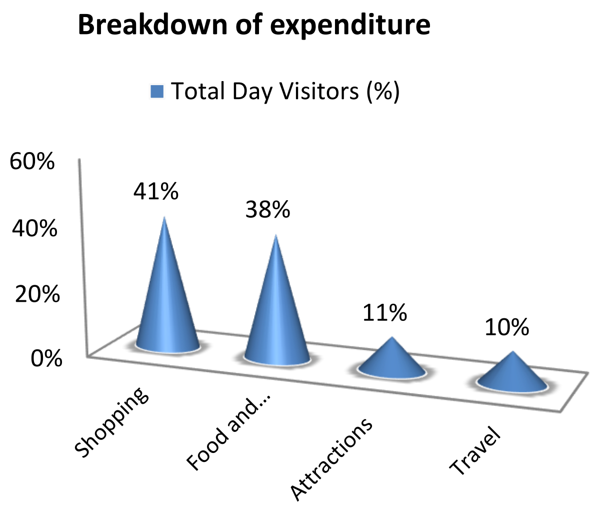
Value of Tourism

Expenditure Associated with Trips Dacorum - 2017 Results

Direct Expenditure Associated with Trips

	Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists	£12,634,000	£5,490,000	£11,615,000	£4,609,000	£9,717,000	£44,065,000
Overseas tourists	£7,225,000	£6,198,000	£5,339,000	£2,483,000	£2,438,000	£23,683,000
Total Staying	£19,859,000	£11,688,000	£16,954,000	£7,092,000	£12,155,000	£67,748,000
Total Staying (%)	29%	17%	25%	10%	18%	100%
Total Day Visitors	£0	£47,870,000	£44,830,000	£12,489,000	£11,918,000	£117,107,000
Total Day Visitors (%)	0%	41%	38%	11%	10%	100%
Total 2017	**£19,859,000**	**£59,558,000**	**£61,784,000**	**£19,581,000**	**£24,073,000**	**£184,855,000**
%	**11%**	**32%**	**33%**	**11%**	**13%**	**100%**
Comparison 2015	**£19,640,000**	**£57,147,000**	**£59,137,000**	**£18,964,000**	**£23,333,000**	**£178,221,000**
Difference	**1%**	**4%**	**4%**	**3%**	**3%**	**4%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£189,000	£495,000	£0	£18,910,000	£19,594,000

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   Dacorum - 2017 Results

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 Visitors	Day Visitors	Total
Accommodation	£20,197,000	£897,000	£21,094,000
Retail	£11,571,000	£47,392,000	£58,963,000
Catering	£16,446,000	£43,486,000	£59,932,000
Attractions	£7,378,000	£13,416,000	£20,794,000
Transport	£7,293,000	£7,151,000	£14,444,000
Non-trip spend	£19,594,000	£0	£19,594,000
Total Direct 2017	**£82,479,000**	**£112,342,000**	**£194,821,000**
Comparison 2015	**£81,538,000**	**£105,124,000**	**£186,661,500**
Difference	**1%**	**7%**	**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 Visitors	Day Visitors	Total
Indirect spend	£21,694,000	£32,569,000	£54,263,000
Non trip spending	£4,115,000	£0	£4,115,000
Income induced	£11,017,000	£4,581,000	£15,598,000
Total 2017	**£36,826,000**	**£37,150,000**	**£73,976,000**
Comparison 2015	**£35,589,000**	**£33,343,000**	**£68,932,000**
Difference	**3%**	**11%**	**7%**

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 Visitors	Day Visitors	Total
Direct	£82,479,000	£112,342,000	£194,821,000
Indirect	£36,826,000	£37,150,000	£73,976,000
Total Value 2017	**£119,305,000**	**£149,492,000**	**£268,797,000**
Comparison 2015	**£117,126,500**	**£138,467,000**	**£255,593,500**
Difference	**2%**	**8%**	**5%**

Employment

Employment Dacorum - 2017 Results

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 Visitors		Day Visitor		Total	
Accommodation	265	26%	12	1%	277	13%
Retailing	71	7%	292	27%	364	17%
Catering	210	20%	554	51%	764	36%
Entertainment	110	11%	200	18%	310	15%
Transport	34	3%	33	3%	67	3%
Non-trip spend	344	33%	0	0%	344	16%
Total FTE 2017	**1,034**		**1,092**		**2,126**	
Comparison 2015	**1,010**		**1,021**		**2,031**	
Difference	**2%**		**7%**		**5%**	

Estimated actual jobs						
	Staying Visitors		Day Visitor		Total	
Accommodation	393	28%	17	1%	410	14%
Retailing	107	8%	438	27%	546	18%
Catering	314	22%	831	51%	1,146	38%
Entertainment	155	11%	282	17%	437	14%
Transport	48	3%	47	3%	94	3%
Non-trip spend	392	28%	0	0%	392	13%
Total Actual 2017	**1,409**		**1,616**		**3,025**	
Comparison 2015	**1,384**		**1,512**		**2,895**	
Difference	**2%**		**7%**		**4%**	

Indirect & Induced Employment

Full time equivalent (FTE)			
	Staying Visitors	Day Visitors	Total
Indirect jobs	453	571	1,024
Induced jobs	193	80	274
Total FTE 2017	**646**	**652**	**1,298**
Comparison 2015	**624**	**585**	**1,209**
Difference	**3%**	**11%**	**7%**

Estimated actual jobs			
	Staying Visitors	Day Visitors	Total
Indirect jobs	516	651	1,168
Induced jobs	220	92	312
Total Actual 2017	**737**	**743**	**1,480**
Comparison 2015	**712**	**667**	**1,379**
Difference	**3%**	**11%**	**7%**

Total Tourism Jobs

Dacorum - 2017 Results

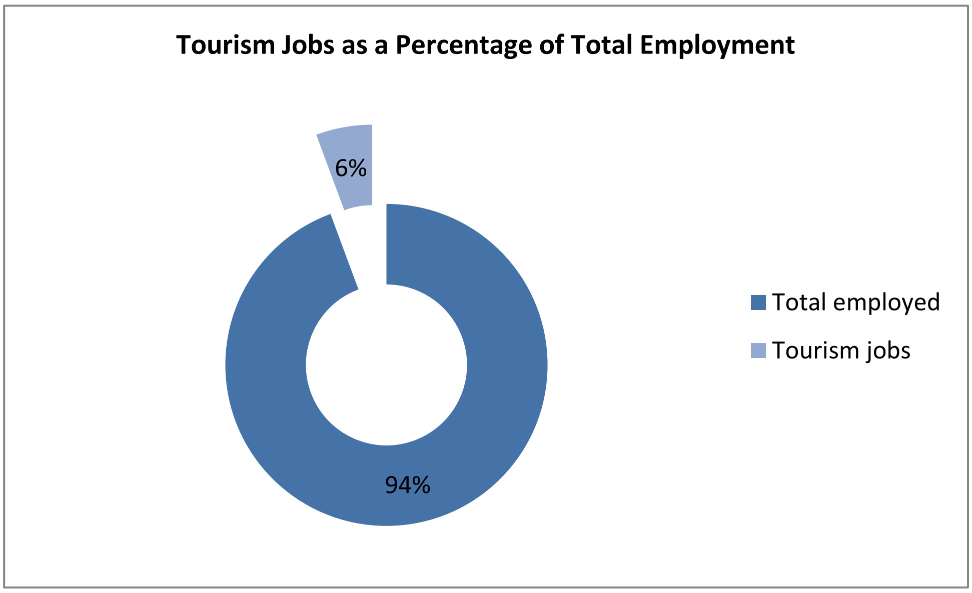
Actual jobs are estimated from surveys of relevant businesses at locations in England and take account of part time and seasonal working.

Full time equivalent (FTE)							
		Staying Visitors		Day Visitor		Total	
Direct		1,034	62%	1,092	63%	2,126	62%
Indirect		453	27%	571	33%	1,024	30%
Induced		193	12%	80	5%	274	8%
Total FTE	**2017**	**1,680**		**1,743**		**3,423**	
Comparison	**2015**	**1,634**		**1,606**		**3,240**	
Difference		**3%**		**9%**		**6%**	

Estimated actual jobs							
		Staying Visitors		Day Visitor		Total	
Direct		1,409	66%	1,616	69%	3,025	67%
Indirect		516	24%	651	28%	1,168	26%
Induced		220	10%	92	4%	312	7%
Total Actual	**2017**	**2,146**		**2,359**		**4,505**	
Comparison	**2015**	**2,095**		**2,179**		**4,274**	
Difference		**2%**		**8%**		**5%**	

Tourism Jobs as a Percentage of Total Employment

		Staying Visitors	Day visitors	Total
Total employed		82,700	82,700	82,700
Tourism jobs		2,146	2,359	4,505
Proportion all jobs		**3%**	**3%**	**6%**
Comparison	**2015**	**2,095**	**2,179**	**4,274**
Difference		**2%**	**8%**	**5%**



Economic Impact of Tourism – Headline Figures Dacorum - 2017 Results

The key 2017 results of the Economic Impact Assessment are:

3.4 million trips were undertaken in the area
3.2 million day trips
0.3 million overnight visits

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

£195 million spent by visitors during their visit to the area
£16 million spent on average in the local economy each month.

£68 million generated by overnight visits
£117 million generated from day trips.

£269 million spent in the local area as result of tourism, taking into account multiplier effects.

4,505 jobs supported, both for local residents from those living nearby.
3,025 tourism jobs directly supported
1,480 non-tourism related jobs supported linked to multiplier spend from tourism.

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

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 vary. 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. Therefore, in some tables there may 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- 2017 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, attractions, 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.

Local level data for Hertfordshire EIA Reports 2017

The Cambridge Model allows for the use of local visitor related data. Local data from visitor survey and other sources is not always sufficiently detailed or available regularly enough to make the results consistent. We rely on partners to collect additional locally source data to feed into the model. We have also used data from the Visit Herts Business Barometer.

Produced by:

Registered in England No. 9096970
VAT Registration No. GB 192 3576 85

45 Colchester Road
Manningtree
CO11 2BA

Sergi Jarques
Director
Tel: 01206 392528
info@destinationresearch.co.uk
www.destinationresearch.co.uk