
The Economic Impact of Tourism New Forest 2008

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TOURISM
SOUTH EAST

CONTENTS

Glossary of terms	1
1. Summary of Results	4
2. Table of Results	
Tables 1a to 1c: Staying trips by accommodation type	7
Tables 2a to 2c: Staying nights by accommodation type	8
Tables 3a to 3c: Staying spend by accommodation type	9
Tables 4a to 4c: Staying trips by purpose of visit	10
Tables 5a to 5c: Staying nights by purpose of visit	10
Tables 6a to 6c: Staying spend by purpose of visit	11
Tables 7a to 7c: Tourism day visits	12
Tables 8a to 8c: Breakdown of expenditure associated with trips	13
Tables 9a to 11c: Direct, indirect and total business turnover	14
Tables 12a to 12c: Total employment related to tourism spending	16
Table 13: Changes in volume and value of domestic staying trips	17
Table 14: Changes in volume and value of overseas trips	17
Table 15: Changes in volume and value of day trips	17
Table 16: Changes in overall volume and value of trips	17
3. Appendix: Methodology	18

Glossary of terms

Staying trips

Staying trips comprise a visit which involves a stay away from home of at least one night. The study measures trips, rather than visitors as one visitor may make multiple trips to an area in a given period.

Tourism day trips

Day trips are defined as a visit to and from home for leisure purposes, undertaken on an irregular basis and lasting a minimum of three hours. The report excludes trips undertaken for business or study purposes, as these are not covered by the Leisure Day Visits Survey methodology. The definition of day trips adopted by this study is that used by the Department of Culture, Media and Sport.

VFR Trips

VFR trips are defined as a visit where the main purpose is visiting friends and relatives. Whilst many trips to visit friends and relatives will be accommodated in the homes of these friends/ relatives, some will make use of other forms of accommodation. It should be also noted that other forms of trip, for instance for holiday or business purposes may stay with friends and relatives rather than in commercial accommodation.

'Other' Expenditure

Apart from the spending associated with the individual trips, additional spending by non-visitors, e.g. friends and relatives with whom the visitor is visiting and/or staying with will also take place. Moreover, owners of second homes/boats will spend some money on maintenance, repair.

Economic multiplier

Multipliers are used to estimate the economic impact of visitor expenditure. Visitor expenditure produce three effects. Direct effects are changes in the business sector directly receiving visitor expenditure. For instance, visitors staying in a hotel will directly increase revenue and the number of jobs in the hotel sector. Indirect effects are the changes in supplier businesses. For example, these indirect effects would be hotels purchasing more linen from local suppliers as a result of increased business. Induced effects are changes in local economic activity resulting from household spending. For instance, employees of the hotel and linen supplier spend their wages in the local area, resulting in more sales, income and jobs in the area.

Full Time Equivalent Jobs (FTE)

For the purposes of the Model, a FTE is defined by the average annual salary plus employment costs in the sector concerned.

Direct jobs

Jobs directly generated in those local businesses in which visitors spend money, i.e. hotels, catering establishments.

Indirect jobs

Jobs created locally due to the purchases of goods and services by businesses benefiting from visitor expenditure, i.e. jobs with local suppliers.

Induced jobs

Jobs created throughout the local economy because employees employed due to visitor expenditure spend their wages locally on goods and services such as food, clothing and housing.

Actual Jobs

Many jobs are seasonal or part-time in their nature in the tourism sector, so an adjustment is made to calculate the actual number of jobs from the number of FTEs. The adjustment made is based on the findings of surveys of tourism related businesses, and national employment surveys.

United Kingdom Tourism Survey (UKTS)

The United Kingdom Tourism Survey is undertaken by BRMB for VisitBritain and is based on 1,000 telephone interviews per week (50,000 annually). It provides basic headline data on the volume and value of domestic tourism at a national, regional and county level.

International Passenger Survey (IPS)

The International Passenger Survey 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. Around 210,000 interviews are undertaken each year. IPS provides headline figures, based on the county or unitary authority, for the volume and value of overseas trips to the UK.

United Kingdom Day Visits Survey (UKDVS)

The leisure day visits survey was last conducted in 2002/3 and covered approximately 5,000 respondent interviews. Unlike the IPS and UKTS, this survey is not undertaken on an ongoing basis and thus adjustments are made in the model to account for annual increments in the value and volume based on trends observed in 2002/3.

United Kingdom Occupancy Survey (UKOS)

As part of the EU Directive on Tourism Statistics adopted in 1995, the UK must report regularly on a specified range of statistics to Eurostat, the official statistical office of the European Union. Included in these statistics are monthly occupancy rates for UK serviced accommodation. The responsibility for providing this data lies with the four National Tourist Boards, and across England the survey is undertaken by the Regional Tourist Boards. A sample of establishments are recruited to the survey and asked to complete a data form each month, giving details of their nightly occupancy. The data form is processed and analysed to produce monthly occupancy rates for the whole of the area and for specific categories of type, size, location etc.

New Earnings Survey (NES)

The New Earnings Survey provides information on wage levels by industry sector and occupation. The main strength of the NES is its large sample size. It is based on a 1% sample of employees who are members of PAYE. The coverage of full-time adult employees is virtually complete, and consequently the survey is representative of hours worked for full-time employees on adult rates of pay (although the survey is currently not weighted). The coverage of part-time employees is not comprehensive, as some part-time workers will have earnings below the income tax threshold. The NES is the best source for estimating full time earnings and the 2001 edition has been used.

Labour Force Survey (LFS)

The LFS is a household panel survey, continuous since 1992, with results produced each quarter. It has a sample of approximately 60,000 households. The LFS is the government's largest continuous household survey and participation in the survey is voluntary. LFS data is weighted to enable the population estimates to be produced. The weighting also attempts to compensate for differential non-response among different subgroups in the population. LFS is designed to provide information on the UK labour market that can be used to develop, manage and evaluate labour market policies.

Tourism Economic Impact Estimates

This report contains the findings of a study commissioned by Hampshire County Council and Hampshire District and Unitary Authorities. Undertaken by Tourism South East the overall aim of the research was to provide indicative estimates for the volume, value and resultant economic impact of tourism in each of the destinations in Hampshire. This summary report provides results for New Forest District. The results presented in this report should be read in conjunction with the county-wide report which provides more commentary on the impact of the economic downturn on tourism in the South East.

The research involved the application of the Cambridge Tourism Economic Impact Model or 'Cambridge Model'; a computer-based model developed by Geoff Broom Associates and the Regional Tourist Boards of England.

1. Summary of results

1.1 Key headline figures for New Forest for 2008

- ◆ 871,000 trips involved an overnight stay
- ◆ 3,347,000 nights were spent in the District by staying visitors
- ◆ £162,379,000 was spent by staying visitors on their trip
- ◆ 7,175,000 trip involved day trips
- ◆ £277,755,000 spent by day visitors on their trip
- ◆ In total £440,133,000 was spent by all visitors on their trip
- ◆ In addition, expenditure by friends and relatives on visitors, and visitors spend on second homes (i.e. maintenance) generated a further £13,778,000.
- ◆ With the addition of other expenditure and once adjustments are made, tourism activity generated £396,520,000 expenditure.
- ◆ With the addition of multiplier impacts, tourism was worth around £460.9 million in 2008
- ◆ This income supported 7,241 FTE jobs and 10,177 Actual jobs
- ◆ ONS job figures show that an estimated 8,100 jobs in the District are in tourism-related sectors.

1.2 Volume and value of trips

- ◆ It is estimated that around 871,000 overnight tourism staying trips were made to New Forest in 2008. Of these trips, domestic visitors made 92% of trips (801,800) and overseas visitors made 8% of trips (69,300). Compared to 2006, domestic overnight trips have dropped by 2.6% and inbound overnight trips have dropped by 1%.
- ◆ Of all commercial accommodation available to visitors, around 40% of all staying visitors used touring and static caravan or camping accommodation. Around a quarter of all overnight trips involved staying in serviced accommodation (hotels, guest houses and B&Bs).
- ◆ Significant proportions of both domestic and overseas visitors were accommodated in the homes of friends and family during their trip to New Forest (24% and 33% respectively).
- ◆ Overall the number of nights spent in the District by domestic visitors is up despite a reduction in the actual number of trips. This reflects an increase in more camping/caravanning trips compared to 2006, which tend to have longer average durations than those trips which involve staying in a hotel or B&B.

- ◆ In total, it is estimated that around £162,379,000 was spent by staying visitors on their trip to New Forest in 2008, up 5.4 compared to 2006. Average spend per head per trip is up for both domestic and overseas visitors, despite a drop in volume. As far as inbound trip expenditure is concerned, expenditure also reflects changes in currency rates.
- ◆ It is estimated that around 7.17 million tourism day trips were made to New Forest in 2008, up 2.9%, generating a further £277,755,000 trip expenditure, up 2.4% compared to 2006.
- ◆ In total, around £440,133,000 was spent on trips to New Forest in 2008 by staying and day visitors, up 3.3% compared to 2006. Thirty-one percent of this expenditure was made by domestic staying visitors; 6% by overseas staying visitors and 63% by day visitors.
- ◆ It is estimated that 11% of total trip expenditure went towards the cost of accommodation. Over a third of total trip expenditure (35%) was spent in catering establishments and 23% was spent in the retail sector. Approximately 11% of total trip expenditure went on visits to attractions and other entertainment. Finally, the remaining 20% of total trip expenditure was spent in the transport sector.
- ◆ Further additional expenditure spent by visitors on second homes and by friends and relatives, who visitors are staying with or visiting, needs also to be accounted for as this represents a significant additional source of income for local businesses. It is estimated that this 'additional' expenditure generated a further £10,509,000 of direct turnover for local businesses in 2008.

1.3 Economic impact

- ◆ Of the £440,133,000 estimated to have been spent by visitors on their trip and the £13.7 million additional trip-related expenditure, around £392,370,000 directly benefited local businesses from hotels and restaurants to cafes, shops and attractions in New Forest. Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. Furthermore, it is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.
- ◆ In addition to the business turnover generated in those businesses directly receiving visitor income, successive rounds of expenditure, that is spending by these businesses on local supplies and spending by employers in the local area, is estimated to have generated a further £64,426,000 to the local economy.
- ◆ Drawing together direct business turnover, supplier and income induced expenditure, and the additional expenditure spent on second homes and by friends and relatives, the total value of tourism activity in New Forest in 2008 is estimated to have been around £460,946,000 in 2008, up 4.6% when compared to 2006.
- ◆ This income to the local economy is estimated to have supported around 7,241 Full-Time Equivalent Jobs and 10,177 Actual Jobs (with the addition of seasonal and part-time employment). The Office of National Statistics employment figures drawn from the Annual Business Inquiry shows that an estimated 8,100 jobs in New Forest are in tourism and tourism-related businesses, a figure which is lower to that generated by the Cambridge Model. According to the ABI data, tourism-related jobs represent 12.3% of all employee jobs in the District.

2. Tables of Results

2.1 Overnight trips by accommodation

	UK	%	Overseas	%	Total	%
Serviced	208,000	26%	17,400	25%	225,400	26%
Self catering	43,800	5%	6,200	9%	50,000	6%
Touring caravans /tents	176,800	22%	9,200	13%	186,000	21%
Static caravans	150,600	19%	8,100	12%	158,700	18%
Group/ campus	800	0%	300	0%	1,100	0%
Second homes	9,100	1%	2,100	3%	11,200	1%
Boat moorings	12,300	2%	0	0%	12,300	1%
Other	9,100	1%	2,800	4%	11,900	1%
Paying guests	0	0%	0	0%	0	0%
Staying with SFR	191,300	24%	23,200	33%	214,500	25%
Total 2008	801,800	100%	69,300	100%	871,100	100%
Total 2006	823000		70000		893000	
% change	-2.6%		-1.0%		-2.5%	

	UK	%	Overseas	%	Total	%
Serviced	416,000	15%	63,000	11%	479,000	14%
Self catering	197,000	7%	163,000	28%	360,000	11%
Touring caravans /tents	816,000	29%	41,000	7%	857,000	26%
Static caravans	730,000	26%	50,000	9%	780,000	23%
Group/ campus	2,000	0%	3,000	1%	5,000	0%
Second homes	45,000	2%	33,000	6%	78,000	2%
Boat moorings	29,000	1%	0	0%	29,000	1%
Other	16,000	1%	12,000	2%	28,000	1%
Paying guests	0	0%	0	0%	0	0%
Staying with SFR	515,000	19%	214,000	37%	729,000	22%
Total 2008	2,768,000	100%	579,000	100%	3,347,000	100%
Total 2006	2519000		662000		3181000	
% change	9.9%		-12.5%		5.2%	

	UK	%	Overseas	%	Total	%
Serviced	£39,961,000	30%	£5,667,000	21%	£45,628,000	28%
Self catering	£11,140,000	8%	£8,173,000	30%	£19,313,000	12%
Touring caravans /tents	£25,147,000	19%	£787,000	3%	£25,934,000	16%
Static caravans	£38,120,000	28%	£2,396,000	9%	£40,516,000	25%
Group/ campus	£36,000	0%	£153,000	1%	£189,000	0%
Second homes	£2,275,000	2%	£1,728,000	6%	£4,003,000	2%
Boat moorings	£1,146,000	1%	£0	0%	£1,146,000	1%
Other	£308,000	0%	£310,000	1%	£618,000	0%
Paying guests	£0	0%	£0	0%	£0	0%
Staying with SFR	£16,960,000	13%	£8,072,000	30%	£25,032,000	15%
Total 2008	£135,093,000	100%	£27,286,000	100%	£162,379,000	100%
Total 2006	£127,109,000		£26,887,000		£153,996,000	
% change	6.3%		1.5%		5.4%	

SVF = staying with friends/relatives

2.2 Tourism day trips

	Trips	Spend
Total 2008	7,175,000	£277,755,000
Total 2006	6,975,000	£271,231,000
% change	2.9%	2.4%

2.3 Sector breakdown of visitor expenditure

	Accommodation	Shopping	Food and drink	Attractions/en tertainment	Travel	Total	%
UK Tourists	£41,011,000	£25,271,000	£29,783,000	£13,532,000	£25,495,000	£135,092,000	31%
Overseas tourists	£7,388,000	£7,956,000	£6,030,000	£3,234,000	£2,678,000	£27,286,000	6%
Total	£48,399,000	£33,227,000	£35,813,000	£16,766,000	£28,173,000	£162,378,000	
%	30%	20%	22%	10%	17%		
Tourist day visitors	£0	£69,772,000	£117,062,000	£31,464,000	£59,457,000	£277,755,000	63%
%	0%	25%	42%	11%	21%		
Total 2008	£48,399,000	£102,999,000	£152,875,000	£48,230,000	£87,630,000	£440,133,000	
%	11%	23%	35%	11%	20%		
Total 2006						£425,227,000	
% change							3.5%

2.4 Other trip related expenditure

Second homes	£879,000
Boats	£2,390,000
Friends and relatives	£10,509,000
Total trip expenditure added to additional expenditure	£13,778,000

2.5 Business turnover derived from tourism and related expenditure

	Staying tourists	Day visitors	Total
Accommodation	£49,116,000 33%	1%	£49,116,000 14%
Retail	£32,895,000 22%	£69,075,000 31%	£101,970,000 27%
Catering	£34,739,000 23%	£113,550,000 42%	£148,289,000 35%
Attraction/entertainment	£17,456,000 11%	£33,333,000 13%	£50,789,000 12%
Transport	£16,904,000 11%	£15,674,000 13%	£32,578,000 12%
Total direct turnover	£151,110,000 100%	£231,632,000 100%	£382,742,000 100%
Other non trip related expenditure	£13,778,000	£0	£13,778,000
Total direct	£164,888,000	£231,632,000	£396,520,000

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

Table 8: Income for local business generated by trip expenditure	
Direct	£396,520,000
Supplier and income induced	£64,426,000
Total 2008	£460,946,000
Total 2006	£440,804,000
% change	4.6%

2.6 Employment supported by tourism and related expenditure

Table 9: Local employment supported by the visitor economy	
FTE jobs	7,241
Actual jobs	10,177

Table 9: Proportion of tourism supported jobs District				
	New Forest	New Forest	South East	Great Britain
	(employee jobs)	(%)	(%)	(%)
Total employee jobs	65,800	-	-	-
Full-time	44,100	67.1	69.2	69
Part-time	21,600	32.9	30.8	31
<i>Employee jobs by industry</i>				
Manufacturing	6,800	10.4	8.5	10.6
Construction	5,600	8.5	4.6	4.9
Services	51,400	78.1	85.3	83
Distribution, hotels & restaurants	17,700	26.9	24.7	23.3
Transport & communications	2,700	4.2	6	5.9
Finance, IT, other business activities	11,300	17.2	23.8	21.6
Public admin, education & health	15,800	24	25.5	26.9
Other services	3,900	5.9	5.4	5.2
Tourism-related	8,100	12.3	8	8.2

Notes: Tourism consists of industries that are also part of the services industry see definition below
 % is a proportion of total employee jobs
 Employee jobs excludes self-employed, government-supported trainees and HM Force

Tourism-related includes the following sectors:

- SIC 551 Hotels
- SIC 552 Camping sites etc
- SIC 553 Restaurants
- SIC 554 Bars
- SIC 633 Activities of travel agencies etc
- SIC 925 Library, archives, museums etc
- SIC 926 Sporting activities
- SIC 927 Other recreational activities

3. Methodology

The Cambridge Model

The Cambridge Model is essentially a computer-based spreadsheet model that produces estimates from existing national and local information (e.g. accommodation stocks, inbound trips) of the level of tourism activity within a given local area. The volume of visits are translated into economic terms by estimating the amount of spending by visitors based on their average spend per trip. In turn, the impact of that spending can be translated to estimate the effects in terms of business turnover and jobs.

The standard measures generated in this Model are: the total amount spent by visitors, the amount of income for local residents and businesses created by this spending, and the number of jobs supported by visitor spending.

As the Model utilises a standard methodology capable of application throughout the UK, it offers the potential for direct comparisons with similar destinations throughout the country.

The basic process of estimation used can be divided into three parts:

- visitor trips and visitor spending at a regional/county level derived from national survey sources (county/City)
- local supply data on accommodation, attractions and other factors specific to the City.
- the use of multipliers derived from business surveys in England to estimate full time equivalent and actual jobs generated by visitor spending in the area.

In its standard form, the Cambridge Model uses a range of local data including details of accommodation stock, local occupancy rates, population, employment, local wage rates and visits to attractions. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:

- United Kingdom Tourism Survey (UKTS)
- International Passenger Survey (IPS)
- United Kingdom Day Visits Survey (UKDVS)
- Visits to Attractions Survey
- New Earnings Survey
- Census of Employment
- Census of Population
- Labour Force Survey

The sophistication of the economic impact estimates will depend on the availability of detailed reliable local information to supplement national and regional data sources. Where such data is available from local surveys, then local variations can be explicitly included.