

visit CANTERBURY

**The Economic Impact of Tourism
on the City of Canterbury
2010**

CONTENTS

Glossary of terms	1
1. Summary of Results	3
2. Table of Results	
Table 1: Staying trips by accommodation type	5
Table 2: Staying nights by accommodation type	5
Table 3: Staying spend by accommodation type	5
Table 4: Tourism day trips & spend	6
Table 5: Sector breakdown of trip expenditure	6
Table 6: Breakdown of other trip related expenditure	6
Table 7: Businesses in receipt of visitor spend	6
Table 8: Total income for local businesses	7
Table 9: Local employment supported	7
Table 10: Total jobs in tourism-related sectors	7
3. Appendix: Summary methodology	8

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 Canterbury City Council. Undertaken by Tourism South East the overall aim of the research is to provide indicative estimates for the volume, value and resultant economic impact of tourism on the destination.

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 National and regional overview

- ◆ 2010 saw a drop in overnight trips to the South East reflecting wider national trends. According to the United Kingdom Tourism Survey, 16.4 million domestic overnight trips were spent in the South East in 2010, a 10% drop compared to 2009. Domestic trip expenditure dropped by 14% from approx. £2.6 billion to approx. £2.2 billion. At national level, domestic trip volume and spend both dropped by 6%.
- ◆ According to the International Passenger Survey the volume of visits made to the South East by overseas visitors which involved a stay of one night or more was approx. 4.2 million in 2010, only marginally lower than in 2009. Expenditure associated with these trips is estimated to have reached £1.7 billion, again, a marginal drop compared to 2009 (down by 0.1%). At national level, trips to the UK by foreign visitors dropped by 0.3% and foreign visitor spend dropped by 0.8%.
- ◆ The day trip market has been more resilient. At regional level, day trip volume and expenditure both increased by 2%.
- ◆ The regional pattern is reflected across all counties in the South East, although there are some differences at local, District level.

1.2 Volume and value of trips in Canterbury

- ◆ It is estimated that around 584,000 overnight tourism trips were made to Canterbury in 2010. Of these trips, domestic visitors accounted for 73% of the total (430,000 trips) and overseas visitors accounted for 27% of the total (154,000 trips). Compared to 2009, the volume of domestic overnight trips dropped by 8% reflecting regional and national trends. However, the volume of overnight trips made by overseas visitors increased by 2%.
- ◆ The home of a friend or relative was the most popular type of accommodation used by overnight domestic visitors during their trip to Canterbury (used by 37% of domestic staying visitors). A round a quarter (26%) of foreign visitors staying overnight also stayed in the home of a friend or relative.
- ◆ Of all commercial accommodation available to visitors, serviced accommodation (hotels, guest houses and B&Bs) was the most popular choice among visitors (used by 30% of domestic staying visitors and 36% of overseas staying visitors).

- ◆ Camping and caravan accommodation was also a popular choice among domestic visitors – used by 28% of domestic overnight visitors. Around a fifth of all foreign visitors stayed in University campus accommodation and youth hostels (19%).
- ◆ Overall the number of nights spent in Canterbury by domestic visitors dropped by 9% compared to 2009, whereas overseas visitors increased the nights spent by 1% compared to 2009.
- ◆ Despite a reduction in the volume of overnight domestic trips, trip expenditure only dropped by 2% from £64.5 million in 2009 to £63.3 million in 2010.
- ◆ Overseas visitor trip expenditure increased by a significant 11%. This reflects an increase in average expenditure per person per trip and also reflects important changes in currency exchanges in 2010.
- ◆ It is estimated that around 6.4 million tourism day trips were made to Canterbury in 2010, up 1% compared to 2009. In turn day trip expenditure increased by 2%, raising overall expenditure from £216 million in 2009 to £219.8 million in 2010.
- ◆ In total, around £347,539,000 was spent on trips to Canterbury in 2010 by overnight and day visitors, up 3% compared to 2009. Eighteen percent of this expenditure was made by domestic staying visitors; 19% by overseas staying visitors and 63% by day visitors.
- ◆ It is estimated that 13% of total trip expenditure went towards the cost of accommodation. Thirty-two per cent of total trip expenditure was spent in catering establishments and a further 33% was spent in the retail sector.
- ◆ Approximately 10% of total trip expenditure went on visits to attractions and other entertainment. Finally, the remaining 12% of total trip expenditure was spent in the transport sector. This includes petrol and parking charges. A significant proportion of travel expenditure on fuel occurs outside the destination either at the start of the trip or on-route. Adjustments are made to account for this in the total turnover figures.
- ◆ Further additional expenditure spent by visitors on second homes / boats 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 £11,878,000 of direct turnover for local businesses in 2010.

1.2 Economic impact of tourism on Canterbury

- ◆ Of the £347,539,000 estimated to have been spent by visitors on their trip and the £11.8 million additional trip-related expenditure, around £342,455,000 directly benefited local businesses from hotels and restaurants to cafes, shops and attractions in Canterbury, after adjustments. Adjustments have been made to recognise that some spending on travel will take place outside the destination. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination. Also some expenditure on retail and food and drink will fall within the attractions sector and accommodation sector.

- ◆ 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 £116,736,000 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 Canterbury in 2010 is estimated to have been around £459,191,000, up 2% compared to 2009.
- ◆ This income to the local economy is estimated to have supported around 6,653 Full-Time Equivalent Jobs and 8,189 Actual Jobs (separated by all seasonal and part-time employment). These jobs are sustained in a wide number of service sectors including retail, catering, travel and hospitality and thus beyond tourism businesses and account for 12% of the total labour force (including self-employed positions).
- ◆ Separate published figures from the Office of National Statistics drawn from the Annual Business Inquiry shows that an estimated 5,600 jobs in Canterbury are specifically in tourism and tourism-related businesses. According to the ABI data, tourism-related jobs represent 8.9% of all employee jobs in Canterbury (excludes self-employed positions).

2. Tables of Results

2.1 Overnight trips by accommodation

	UK	%	Overseas	%	Total	%
Serviced	127,000	30%	56,000	36%	183,000	31%
Non-serviced	119,000	28%	13,000	8%	132,000	23%
Group / campus	13,000	3%	30,000	19%	43,000	7%
Second homes	7,000	2%	1,000	1%	8,000	1%
Other/mixed ¹	6,000	1%	6,000	4%	12,000	2%
Paying guests	0	0%	7,000	5%	7,000	1%
SFR	158,000	37%	40,000	26%	198,000	34%
Total 2010	430,000		154,000		584,000	
Total 2009	469,000		151,000		620,000	
% change	-8%		2%		-6%	

	UK	%	Overseas	%	Total	%
Serviced	325,000	25%	304,000	27%	629,000	26%
Non-serviced	488,000	39%	74,000	7%	562,000	23%
Group / campus	59,000	5%	261,000	23%	320,000	13%
Second homes	36,000	3%	40,000	4%	76,000	3%
Other	16,000	1%	13,000	1%	29,000	1%
Paying guests	0	0%	69,000	6%	69,000	3%
Staying with SFR	348,000	27%	352,000	31%	700,000	29%
Total 2010	1,276,000		1,124,000		2,400,000	
Total 2009	1,409,000		1,115,000		2,524,000	
% change	-9%		1%		-5%	

	UK	%	Overseas	%	Total	%
Serviced	£31,947,000	50%	£29,908,000	46%	£61,855,000	48%
Non-serviced	16,719,000	26%	3,158,000	5%	19,877,000	15%
Group / campus	£2,481,000	4%	£10,410,000	16%	£12,891,000	10%
Second homes	£606,000	1%	£1,712,000	3%	£2,318,000	2%
Other	£738,000	1%	£355,000	1%	£1,093,000	1%
Paying guests	£0	0%	£2,906,000	5%	£2,906,000	2%
Staying with SFR	£10,813,000	17%	£15,952,000	25%	£26,765,000	21%
Total 2010	£63,303,000		£64,401,000		£127,704,000	
Total 2009	£64,513,000		£57,887,000		£122,400,000	
% change	-2%		11%		4%	

SFR = staying with friends/relatives

2.2 Tourism day trips

	Trips	Spend
Total 2010	6,416,000	£219,882,000
Total 2009	6,372,000	£215,991,000
% change	1%	2%

¹ Trips which involve staying in more than one type of accommodation over the duration of the trip. For overseas trips these also include nights spent in transit, in lorry cabs and other temporary accommodation.

2.3 Sector breakdown of visitor expenditure

	Domestic		Overseas		Day		Total	
Accommodation	£24,121,000	38%	£22,282,000	35%	£0	0%	£46,417,000	13%
Retail	£7,794,000	12%	£16,499,000	26%	£89,359,000	41%	£113,652,000	33%
Catering	£13,745,000	22%	£13,333,000	21%	£82,534,000	38%	£109,612,000	32%
Attractions	£6,395,000	10%	£6,345,000	10%	£22,715,000	10%	£35,455,000	10%
Travel	£11,248,000	18%	£5,942,000	9%	£25,213,000	11%	£42,403,000	12%
Total 2010	£63,303,000		£64,401,000		£219,822,000		£347,539,000	
Total 2009							£338,391,000	
% change							3%	

2.4 Other trip related expenditure

Second homes	£392,000
Friends and relatives	£11,486,000
Total 2010	£11,878,000

2.5 Business turnover derived from tourism and related expenditure

	Staying tourists		Day visitors		Total	
Accommodation	£46,958,000	39%	£1,651,000	1%	£48,609,000	£46,958,000
Retail	£24,050,000	20%	£88,465,000	42%	£112,515,000	£24,050,000
Catering	£26,265,000	22%	£80,058,000	38%	£106,323,000	£26,265,000
Attraction/entertainment	£13,254,000	11%	£24,434,000	12%	£37,688,000	£13,254,000
Transport	£10,314,000	9%	£15,128,000	7%	£25,442,000	£10,314,000
	£120,841,000		£209,736,000		£330,577,000	£120,841,000
Other non trip related expenditure	£11,878,000		£0		£11,878,000	£11,878,000
Total direct 2010	£132,719,000		£209,736,000		£342,455,000	£132,719,000
Total direct 2009					£336,358,000	
% change					2%	

Note: Some day visitor spend will take place in accommodation businesses such as a meal in a hotel restaurant

Direct	£342,455,000
Supplier and income induced	£116,736,000
Total 2010	£459,191,000
Total 2009	£451,228,000
% change	2%

2.6 Employment supported by tourism and related expenditure

	2009	2010	% change
FTE jobs	6,586	6,653	1%
Actual jobs	8,189	8,323	2%

	Total
Total employed	70,000
Tourism employment	8,323
Tourism proportion	12%

	Canterbury (employee jobs)	Canterbury % of all jobs	South East % of all jobs	UK % of all jobs
Total employee jobs	62,700	-	-	-
Full-time	39,100	62.4%	69%	68.8%
Part-time	23,600	37.6%	31%	31.2%
Employee jobs by industry				
Manufacturing	2,500	3.9%	8.1%	10.2%
Construction	2,500	3.9%	4.5%	4.8%
Services: of which	55,700	88.8%	85.7%	83.5%
<i>Distribution, hotels & restaurants</i>	17,500	27.9%	24.6%	23.4%
<i>Transport & communications</i>	2,300	3.7%	5.9%	5.8%
<i>Finance, IT, other business activities</i>	7,100	11.4%	24%	22%
<i>Public admin, education & health</i>	25,300	40.3%	25.6%	27%
<i>Other services</i>	3,500	5.6%	5.6%	5.3%
Tourism-related[†]	5,600	8.9%	8.2%	8.2%

Notes: Table 11 figures derived from Annual Business Inquiry

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.