TOURISM
SOUTH EAST

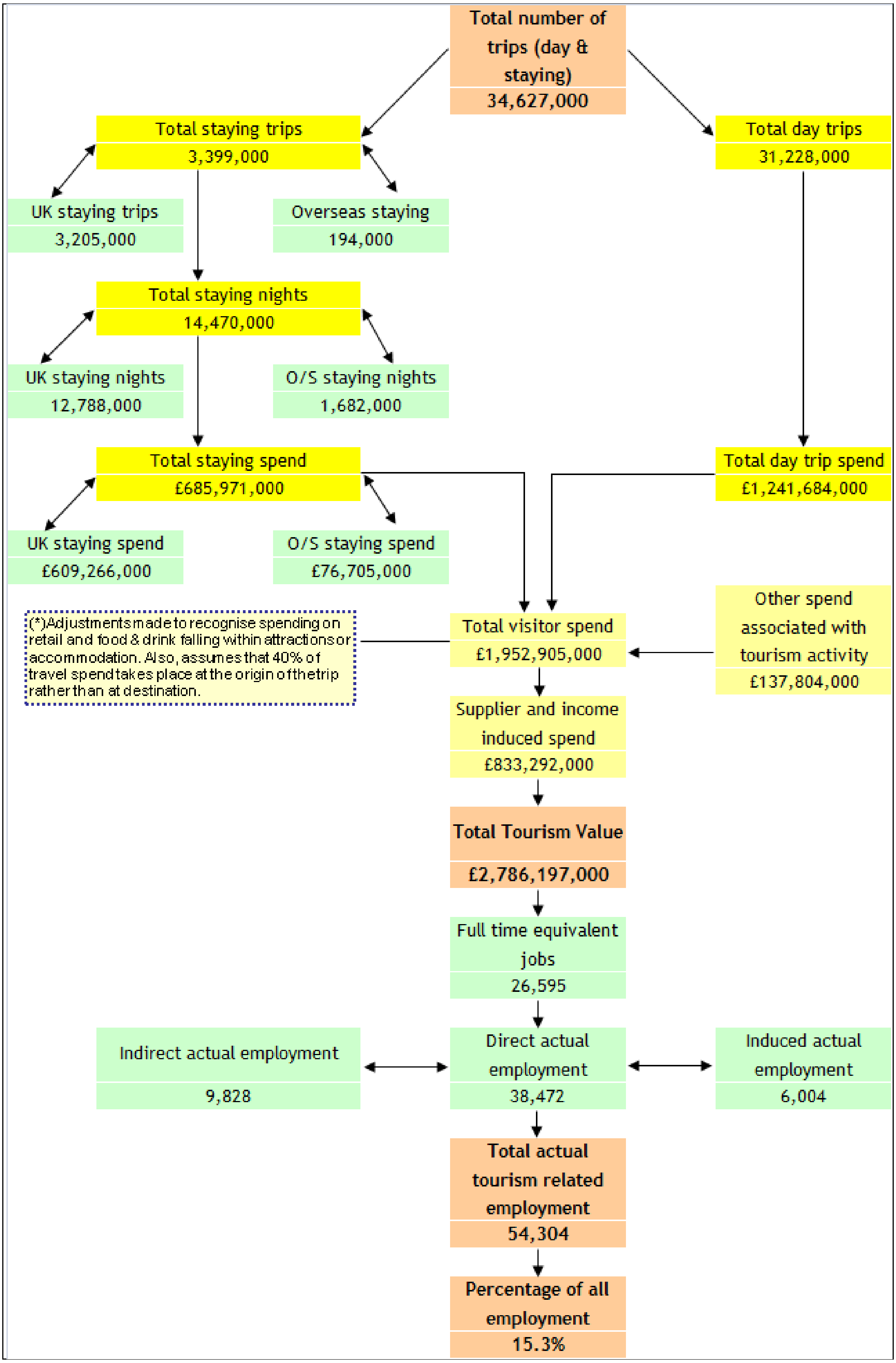
Economic Impact of Tourism

Norfolk County – 2011 Results

Produced by:

TSE RESEARCH
40 Chamberlayne Road,
Eastleigh,
Hampshire,
SO50 5JH
sjarques@tourismse.com
http://www.tourismsoutheast.com

Economic Impact of Tourism - Norfolk 2011 - Headline Figures



Contextual analysis

In 2011, British residents took 104 million overnight trips in England, totalling 307 million nights away from home, with expenditure of £17.9 billion. £172 was spent per trip, and with an average trip length of 2.9 nights, the average spend per night was £58.

The number of domestic trips taken increased in 2011 by 9%, accompanied by a 13% uplift in spending (in nominal terms). Both volume and value of trips in 2011 were at their highest levels since the start of the current survey in 2006.

The number of holiday trips taken increased by 6% compared to 2010, The was also a 15% uplift in business travel volumes between 2010 and 2011, which came after four successive years of decline. Visiting Friends and Relatives (VFR) travel too saw an uplift in 2011, with the 39 million trips taken representing a 10% growth in volume,

As a whole, 2011 UK overnight trips in the East region increased by 17%, bednights were up +12.66% and expenditure was up +15.23%. The ongoing economic downturn has resulted in visitor making slightly shorter trips, with the average length of stay (the number of night per trip) down -3.82% from 3.14 nights per trip in 2010 to 3.02 in 2011. Similarly, the average spend per night was down by -0.58% on 2010 to £45.98 per night.

In 2009, the economic downturn and weaker pound together drove an increase in domestic tourism, resulting in an uplift of 18% in the number of holiday trip taking in England – the so-called "staycation". 2011 saw 5% more domestic holidays in England than in 2010, with no change in the number of holidays taken abroad (GB Tourism Survey). 2011 holiday volumes are still below 2009 peak, but remain well above pre-recession levels.

A combination of social and economic factors have led to the likelihood of more UK holidaymakers choosing to stay in the UK rather than travel abroad, although during 2011 the level of 'switching' continued, but fewer now taking extra holiday in England. The factors are:

- Economic uncertainty leading to job insecurity and a smaller budget for a holiday
- The weaker pound against the Euro, making traditionally popular holiday destinations on the Mediterranean more expensive to visit
- Rising airport taxes and duty on fuel when flying
- Strikes, social unrest and economic uncertainty in countries such as Greece and Spain.

A recent survey from Visit England identified 2 groups who changed their behaviour since 2009 to generate the ongoing uplift in domestic holidays.

One group 'Switchers' accounted for 13 per cent of respondents and included a high proportion of families. Switchers took at least one holiday in England that directly replaced a holiday they would have taken abroad.

The second group, 'Extras' accounted for 15 per cent of respondents and tended to be younger and were more likely to be single. Less affected by the credit crunch and their economic situation and was more motivated by a desire to explore the UK and go somewhere new. This group took more domestic holidays than they had done previously – in most cases, without giving up holidays abroad.

The importance of financial constraints for 'switching' has increased since 2010 to become the main reason for replacing a holiday normally taken abroad with one in England. In addition, positive aspects of England are very strong additional reasons for 'switching'. Conversely, Fears over security/ holiday disruption now far less likely to be a reason for 'switching' compared to 2010.

Most affected and concerned are 35-54 year old C2DE families, and the older 55+ years unemployed. Least affected/ concerned are younger, 18-34 year olds without children, and older 55+ ABs, whose income may be protected

2011	UK	World
January	Sharp deterioration in the consumer spending index likely to have been dented by the rise in VAT and rising prices for petrol.	-Tunisia's uprising marks the start of the Arab revolution. -Floods in south-eastern Brazil
February	A mostly mild, unsettled month with plenty of cloud, bands of rain or showers	Arab spring – Uprising in Egypt Ireland government bailed out
March	March was very dry with a large anticyclone giving a period of fine spring weather in the second half, when daytime temperatures were well above average. Unemployment passed 2.5 million. Chancellor George Osborne revised down the UK's forecasts for growth in his annual Budget statement.	Japanese earthquake and Tsunami
April	The Royal Wedding of Prince William to Katherine Middleton took place Exceptionally below average rainfall and above average temperatures and sunshine. Nationwide – TNS-RI Confidence Index registers one of its largest ever increases in May.	
May	Showers or periods of rain mainly affected areas towards the north and west, whereas the south-east stayed largely dry.	Osama Bin laden killed by US forces
June	The month began on a fine, warm note but the weather gradually became more unsettled, with showers and some longer spells of rain. Confidence dips to 51 points in June following a substantial increase the previous months.	
July	Exceptionally above average rainfall and below average sunshine. Consumer confidence levels slips to 49 points in July and now stands at a near identical level to January 2011. Consumers expect to see the value of their home fall by 0.4% over the next six months	
August	Riots took place across many cities and towns across England	
September	Rainfall amounts normal, with most of the East recording less than half the normal amount. Confidence fell for fourth month in a row in September. The main index just four points above the all time low seen in February 2011	
October	The month began with a southerly airstream resulting in some exceptionally high temperatures, with rainfall levels close to normal levels for the time of the year. Confidence fell for the fifth month in a row in October to a new low of 36 points.	Libyan leader Colonel Gaddafi killed.
November	The main confidence index rose by four points to 40 in November after five consecutive monthly declines	Silvio Berlusconi leaves Italian government.
December	Labour market conditions affected by unemployment rate rising to its highest level for fifteen years. Consumer confidence index at low ebb. The main confidence index fell by two points to 38	News about the intensifying Eurozone crisis colouring people's view of the current economic situation and their expectations for the future.

Introduction about Cambridge Model

This report examines the volume and value of tourism and the impact of that expenditure on the local economy in 2011.

The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by TSE Research.

The model utilises information from national tourism surveys and regionally based data held by TSE. 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) providing information on tourism activity by UK residents;
- International Passenger Survey (IPS) providing information on overseas visitors to the United Kingdom;
- 2011 Day Visits in Great Britain 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 Regional Tourist Boards;
- Tourist Board surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions within their area;
- Registrar General's 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 and coast including, national designations and length of the coastline

Staying Visitors

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

Day Visitors

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

Impact of tourism expenditure

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

The GBTS, IPS and Day Visits to Great Britain survey data on the breakdown of visitor spending; The 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 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 (the Visit Britain publication, Employment Generated by Tourism in Britain was also used) After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

Number of Actual Jobs

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

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

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

Volume of Tourism

Staying Visitors

Accommodation Type

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.

Trips by Accommodation

Service accommodation was the most important type of paid accommodation due to the popularity with UK guests (in real terms). Stays with friends and relatives were also important alternatives, particularly for overseas guests (in percentage terms).

	UK		Overseas		Total	
Serviced	903,000	28%	51,000	26%	954,000	28%
Self catering	250,000	8%	8,000	4%	258,000	8%
Touring caravans /tents	302,000	9%	6,000	3%	308,000	9%
Static vans/holiday centres	634,000	20%	2,000	1%	636,000	19%
Group/campus	49,000	2%	6,000	3%	55,000	2%
Paying guest	0	0%	4,000	2%	4,000	0%
Second homes	68,000	2%	3,000	2%	71,000	2%
Boat moorings	68,000	2%	0	0%	68,000	2%
Other	58,000	2%	12,000	6%	70,000	2%
Staying with friends and relatives	873,000	27%	104,000	54%	977,000	29%
Total	3,205,000		194,000		3,399,000	

Nights by Accommodation

When comparing nights by accommodation to trips by accommodation we can see that those staying with friends and relatives stayed for a higher number of nights per trip when compared to visitors staying in serviced accommodation.

	UK		Overseas		Total	
Serviced	2,384,000	19%	239,000	14%	2,623,000	18%
Self catering	924,000	7%	256,000	15%	1,180,000	8%
Touring caravans /tents	1,205,000	9%	52,000	3%	1,257,000	9%
Static vans/holiday centres	2,778,000	22%	7,000	0%	2,785,000	19%
Group/campus	795,000	6%	111,000	7%	906,000	6%
Paying guest	0	0%	39,000	2%	39,000	0%
Second homes	277,000	2%	27,000	2%	304,000	2%
Boat moorings	306,000	2%	0	0%	306,000	2%
Other	1,061,000	8%	47,000	3%	1,108,000	8%
Staying with friends and relatives	3,058,000	24%	904,000	54%	3,962,000	27%
Total	12,788,000		1,682,000		14,470,000	

Spend by Accommodation Type

As you would expect, expenditure in serviced accommodation was proportionately higher than expenditure occurred with friends and relatives.

	UK		Overseas		Total	
Serviced	£209,390,000	34%	£18,414,000	24%	£227,804,000	33%
Self catering	£63,137,000	10%	£13,563,000	18%	£76,700,000	11%
Touring caravans /tents	£55,700,000	9%	£1,697,000	2%	£57,397,000	8%
Static vans/holiday centres	£127,803,000	21%	£319,000	0%	£128,122,000	19%
Group/campus	£7,602,000	1%	£4,798,000	6%	£12,400,000	2%
Paying guest	£0	0%	£2,160,000	3%	£2,160,000	0%
Second homes	£9,856,000	2%	£1,727,000	2%	£11,583,000	2%
Boat moorings	£16,730,000	3%	£0	0%	£16,730,000	2%
Other	£43,103,000	7%	£2,336,000	3%	£45,439,000	7%
Staying with friends and relatives	£75,945,000	12%	£31,690,000	41%	£107,635,000	16%
Total	£609,266,000		£76,705,000		£685,971,000	

Purpose

Trips by Purpose

75% of staying visitors were on holiday, 16% were on visits to friends and relatives and a further 7% on business trips. Overseas guests are fairly evenly split between holiday, business and VFR visits, whereas most UK visitors are on a holiday trip. It should be considered that whilst some people may be staying with friends and relatives, the actual purpose of their trip may be a holiday.

	UK		Overseas		Total	
Holiday	2,499,000	78%	54,000	28%	2,553,000	75%
Business	215,000	7%	39,000	20%	254,000	7%
Visits to friends and relatives	468,000	15%	87,000	45%	555,000	16%
Other	24,000	1%	10,000	5%	34,000	1%
Study	0	0%	4,000	2%	4,000	0%
Total	3,205,000		194,000		3,399,000	

Nights by Purpose

Holiday trips have a lower average number of nights per trip (3.8 nights) than visits to friends and relatives (6.0 nights). Visitors on a business trip spent an average of 4.2 nights per visit in the area.

	UK		Overseas		Total	
Holiday	9,350,000	73%	387,000	23%	9,737,000	67%
Business	764,000	6%	303,000	18%	1,067,000	7%
Visits to friends and relatives	2,547,000	20%	791,000	47%	3,338,000	23%
Other	127,000	1%	101,000	6%	228,000	2%
Study	0	0%	101,000	6%	101,000	1%
Total	12,788,000		1,682,000		14,470,000	

Spend by Purpose

Most spend occurred on holidays, but holiday spend was far more important for UK guests than those from overseas.

	UK		Overseas		Total	
Holiday	£518,309,000	85%	£18,409,000	24%	£536,718,000	78%
Business	£36,383,000	6%	£15,341,000	20%	£51,724,000	8%
Visits to friends and relatives	£48,510,000	8%	£33,750,000	44%	£82,260,000	12%
Other	£6,064,000	1%	£6,136,000	8%	£12,200,000	2%
Study	£0	0%	£3,068,000	4%	£3,068,000	0%
Total	£609,266,000		£76,705,000		£685,971,000	

Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

A greater number of trips were made to urban areas than rural areas, with an even greater proportion of spend taking place in the urban areas.

	Trips	Spend
Urban visits	17,114,000	£778,726,000
Countryside visits	9,313,000	£317,113,000
Coastal visits	4,801,000	£145,845,000
Total	31,228,000	£1,241,684,000

Value of Tourism

Expenditure

Expenditure Associated With Trips: Total Expenditure Associated with Trips

The total expenditure associated with tourism trips to the area is £1,927,656,000. Most spend by staying visitors occurs in the accommodation and food and drink sectors, whilst day trippers spend most on food and drink and shopping.

	Accomm	Shopping	Food and drink	Attractions / entertainment	Travel	Total
UK Tourists	£185,192,000	£85,556,000	£157,003,000	£72,352,000	£109,163,000	£609,266,000
Overseas tourists	£21,361,000	£21,674,000	£17,188,000	£8,766,000	£7,717,000	£76,706,000
Total Staying Visitors	£206,553,000	£107,230,000	£174,191,000	£81,118,000	£116,880,000	£685,972,000
%	30%	16%	25%	12%	17%	
Total Day Visitors	£0	£417,450,000	£512,243,000	£147,490,000	£164,501,000	£1,241,684,000
%	0%	34%	41%	12%	13%	
Total	£206,553,000	£524,680,000	£686,434,000	£228,608,000	£281,381,000	£1,927,656,000
%	11%	27%	36%	12%	15%	

Other expenditure associated with tourism activity

Apart from expenditure associated with the individual trips, some forms of activity also involve ongoing expenditure on the accommodation or result in additional spending by non-visitors e.g. friends and relatives with whom the tourist is staying.

Other expenditure associated with tourism activity - Estimated spend				
Second homes	Boats	Static vans	friends / relatives	Total
£11,064,000	£1,866,000	£13,884,000	£110,990,000	£137,804,000

Spend on second homes is assumed to be an average of £1,000 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 £150 per visit has been assumed based on Visit England’s research for social and personal visits.

Direct Turnover Derived From Trip Expenditure

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

The total direct turnover derived from trip expenditure is £1,952,905,000. The impact of day visitor spend is relatively greater than stay visitor spend in turnover terms.

	Staying Tourists	Day Visitors	Total
Accommodation	£210,036,000	£10,245,000	£220,281,000
Retail	£106,157,000	£413,275,000	£519,432,000
Catering	£168,965,000	£496,876,000	£665,841,000
Attraction/entertainment	£83,932,000	£156,787,000	£240,719,000
Transport	£70,128,000	£98,700,000	£168,828,000
Other non trip related spend	£137,804,000	£0	£137,804,000
Total direct	£777,022,000	£1,175,883,000	£1,952,905,000

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 create relatively more supplier and income induced expenditure as multipliers take effect.

	Staying Tourists	Day Visitors	Total
Business receipt of trip spend	£204,569,000	£285,152,000	£489,721,000
Non trip spending	£27,561,000	£0	£27,561,000
Income induced spending	£229,727,000	£86,283,000	£316,010,000
Total Indirect	**£461,857,000**	**£371,435,000**	**£833,292,000**

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

When direct, supplier and income-induced expenditure are added together, business turnover in the local economy (i.e. total tourism value) totals **£2,786,197,000.**

	Staying Tourists	Day Visitors	Total
Direct	£777,022,000	£1,175,883,000	£1,952,905,000
Supplier and income induced	£461,857,000	£371,435,000	£833,292,000
Total	£1,238,879,000	£1,547,318,000	**£2,786,197,000**

Employment

Employment

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

Direct employment

The model estimates that 26,595 full time equivalent jobs are directly supported by tourism. Of these, 11,446 are related to staying visits and 15,149 to day visits. When part time and seasonal working is taken into account it is estimated that 38,472 jobs are supported, 16,084 by staying tourists and 22,388 by day visitors.

Full time equivalent (FTE)						
	Staying Tourist		Day Visitor		Total	
Accommodation	3,511	31%	171	1%	3,682	14%
Retailing	920	8%	3,580	24%	4,500	17%
Catering	2,623	23%	7,713	51%	10,336	39%
Attractions/entertainment	1,593	14%	2,975	20%	4,567	17%
Transport	504	4%	709	5%	1,213	5%
Arising from non trip spend	2,297	20%	0	0%	2,297	9%
Total Direct	11,446		15,149		26,595	
Estimated actual jobs						
	Staying Tourist		Day Visitor		Total	
Accommodation	5,196	32%	253	1%	5,449	14%
Retailing	1,379	9%	5,370	24%	6,750	18%
Catering	3,934	24%	11,570	52%	15,504	40%
Attractions/entertainment	2,246	14%	4,195	19%	6,440	17%
Transport	710	4%	1,000	4%	1,710	4%
Arising from non trip spend	2,618	16%	0	0%	2,618	7%
Total Direct	16,084		22,388		38,472	

Indirect & Induced Employment

It is estimated that 13,888 FTE jobs are supported by indirect and induced expenditure, equating to 15,833 actual jobs.

Full time equivalent			
	Staying Tourists	Day Visitors	Total
Indirect jobs in supply businesses	3,869	4,753	8,621
Income induced jobs	3,829	1,438	5,267
Total Indirect/Induced	**7,698**	**6,191**	**13,888**
Estimated actual			
	Staying Tourists	Day Visitors	Total
Indirect jobs in supply businesses	4,410	5,418	9,828
Income induced jobs	4,365	1,639	6,004
Total Indirect/Induced	**8,775**	**7,057**	**15,833**

Total Jobs

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

In total, it is estimated that 40,483 FTE jobs are supported, equating to 54,304 actual jobs. 24,859 actual jobs are supported by staying visitors and 29,445 by day trips.

Full time equivalent						
	Staying Tourist		**Day Visitor**		**Total**	
Direct	11,446	60%	15,149	71%	26,595	66%
Indirect	3,869	20%	4,753	22%	8,621	21%
Induced	3,829	20%	1,438	7%	5,267	13%
Total	**19,144**		**21,339**		**40,483**	
Estimated actual jobs						
	Staying Tourist		**Day Visitor**		**Total**	
Direct	16,084	65%	22,388	76%	38,472	71%
Indirect	4,410	18%	5,418	18%	9,828	18%
Induced	4,365	18%	1,639	6%	6,004	11%
Total	**24,859**		**29,445**		**54,304**	

Tourism Jobs as a Percentage of Total Employment

Total employment in the area comprises 355,000 jobs. As such, using the estimates from the model we can see that tourism supports 15.3% of jobs (7% supported by staying visits, 8.3% by day trips).

	Staying tourists	**Day visitors**	**Total**
Total employed (LFS)	355,000	355,000	355,000
Tourism employment	24,859	29,445	54,304
Tourism proportion	7.0%	8.3%	15.3%

Tourism South East

Research Department

40 Chamberlayne Road,

Eastleigh,

Hampshire,

SO50 5JH

sjarques@tourismse.com

http://www.tourismsoutheast.com/