Economic Impact of Tourism

Norfolk - 2009

Produced by:
East of England Tourism
Dettingen House
Dettingen Way,
Bury St Edmunds
Suffolk
IP33 3TU

Tel. 01284 727480

Contextual analysis

Regional Economic Trends

The UK economy officially went into recession when the Office of National Statistics announced that the preliminary estimate for GDP showed negative growth in the last two quarters of 2008. By April increasing numbers of businesses reported an apparent bottoming-out of the recession, with survival being their priority in 2009 and hopes of an upturn in 2010.

By June 2009 the East of England's economy was starting to come out of recession. Output and orders increased for the fourth consecutive month, there was a considerable improvement in business confidence. The UK economy came out of recession in the last quarter of 2009 with GDP growth of 0.1%. Business confidence in the region increased by then, with a clear majority of businesses believing recovery was underway and indications that business orders were recovering by the end of the year.

Regional Weather

There was significant snowfall in February 2009 across the UK. This contributed to higher than average rainfall in February, although January and March were more typical. The average temperature in quarter 4 was below average in January, close to average in February and above average in March. Sunshine was generally above average.

The east coast of England experienced warmer temperatures than England as a whole in May. There was lower than average rainfall, with parts of the region experiencing 40% of average rainfall in April and 75% of average rainfall in May. Sunshine was generally above average, especially in April where parts of the region experienced 130% of the average sunshine for that time of year.

Eastern areas experienced above average temperatures in August. July was a wet month across the UK, although eastern areas were driest. In August and September parts of the region were drier than the UK as a whole, with half the average rainfall in August and a third in September. Sunshine was close to normal in July, though in August and September eastern areas had above average sunshine.

October was fairly dry but November and December saw above average rainfall in many eastern areas of Britain. Sunshine was somewhat below normal in October and November, but Eastern areas were brightest in November. In December sunshine was well above normal.

Tourism Performance

Volume & value of trips to the East of England - In 2009 a total of 12.73 million overnight trips (domestic and overseas) were made to the East of England (+11.7% up on 2008) making ours the fastest growing region in terms of volume of trips for the whole of England.

The increase in overnight trips has been driven by strong growth in "pure holiday" trips during the year with good summer weather and staycation driving the growth, particularly from trip from within the region and the London area. In 2009 business trips were down slightly compared with 2008. The first part of the year was particularly negative, although in the last few months of 2009 business trips have started to stabilise and show some growth.

As a result of the growth in domestic holiday trips during 2009, the self-catering sector and the number of visits to friends and family experienced a significant increase in trips, while growth in serviced accommodation was comparatively small, perhaps reflecting the decline in business travel at the beginning of the year.

Serviced Accommodation Occupancy 2009 - The overall occupancy levels in 2009 in the East of England was 51% which represents as 3% drop from the 2008 results. As in previous years, the weekday room occupancy was higher than the weekend room occupancy. On average, 28% of guests in the region were on a business trip. This represented a 4% decline on business occupancy in the previous year. In 2009 UK guests comprised an average of 94% of guests (from 90% in 2008), and overseas visitors 6%. UK guests stayed an average of 1.9 nights, while overseas guest stayed for slightly longer, 2.2 nights on average.

Visitor volumes to regional attractions in 2009 - In order to provide an indication on how the attractions sector is performing throughout the year, East of England Tourism conducts a quarterly visitor attractions monitor. The survey provides information on visitor numbers to independent attractions, as well as English Heritage and National Trust properties. We also receive updates from Visit England regarding their annual Visits to Visitor Attraction Survey.

The results for 2009 indicate that overall there was a 6 % increase in volume of visitors, a 7.7% increase in entry charges and a 10% increase in revenue terms for attractions in the region. These results may be partly due to the growth in overnight staying visits to the East of England region in 2009 as indicated above.

Introduction about Cambridge Model

This report examines the volume and value of tourism and the impact of that expenditure on the local economy in 2009.

The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by the East of England Tourism (EET).

The model utilises information from national tourism surveys and regionally based data held by EET. 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:

- United Kingdom Tourism Survey (UKTS) providing information on tourism activity by UK residents;
- International Passenger Survey (IPS) providing information on overseas visitors to the United Kingdom;
- 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 2001 Census of Population;
- Selected data from the 1998 Census of Employment;

- Selected data on the countryside and coast including, national designations and length of the coastline

Staying Visitors

The UKTS 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 UKTS, 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.

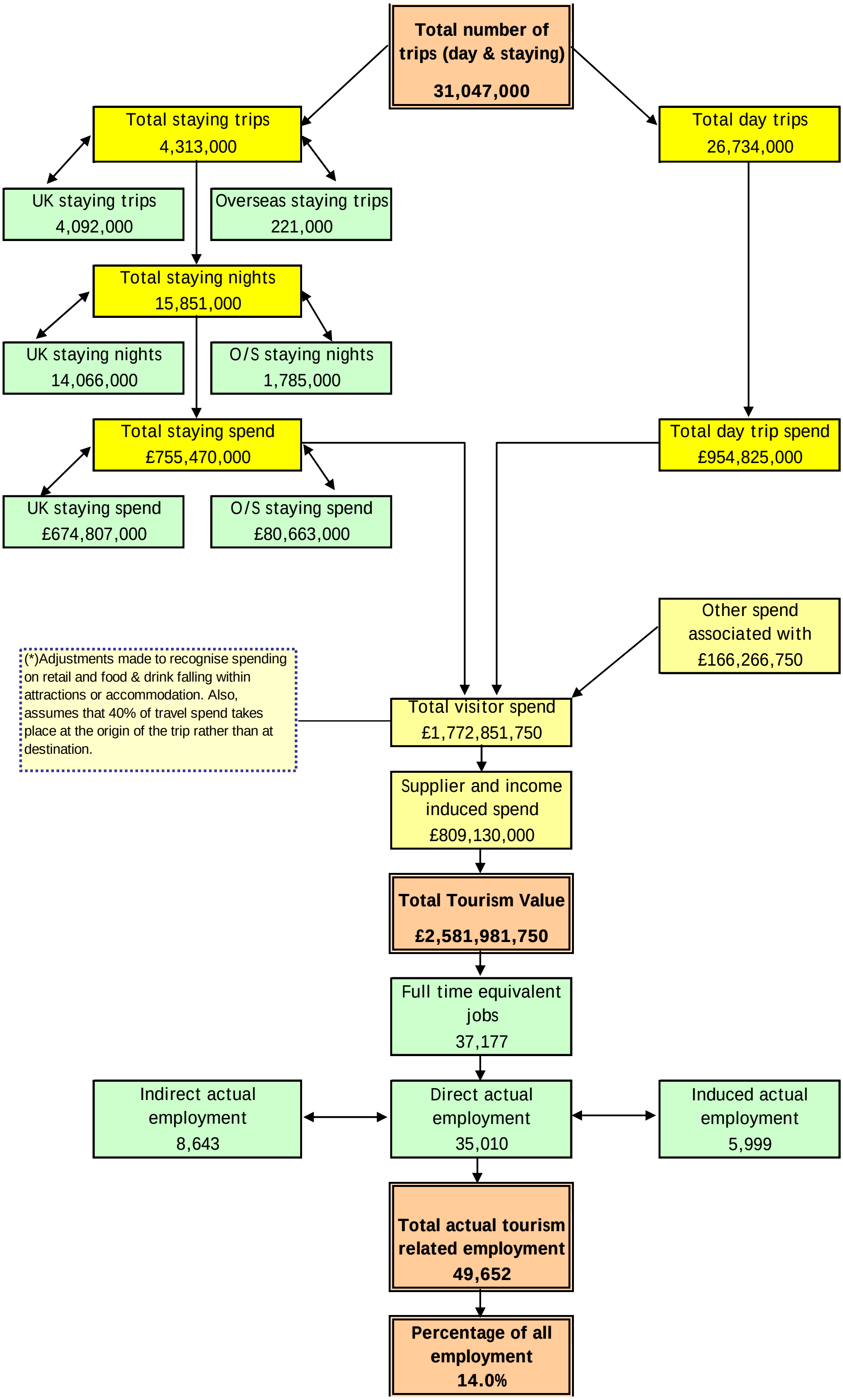
Number of Actual Jobs

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.

Economic Impact of Tourism - Norfolk 2009 - Headline Figures



Customer Insight Department
East of England Tourism
Dettingen House
Dettingen Way
Bury St Edmunds
Suffolk
IP33 3TE

Tel: 01284 727 470
Fax: 01284 706 657
email: customerinsight@eet.org.uk

www.eet.org.uk

This report was commissioned by Norfolk County Council and was undertaken by East of England Tourism.

© Copyright 2009