Economic Impact of Tourism

North Norfolk - 2017

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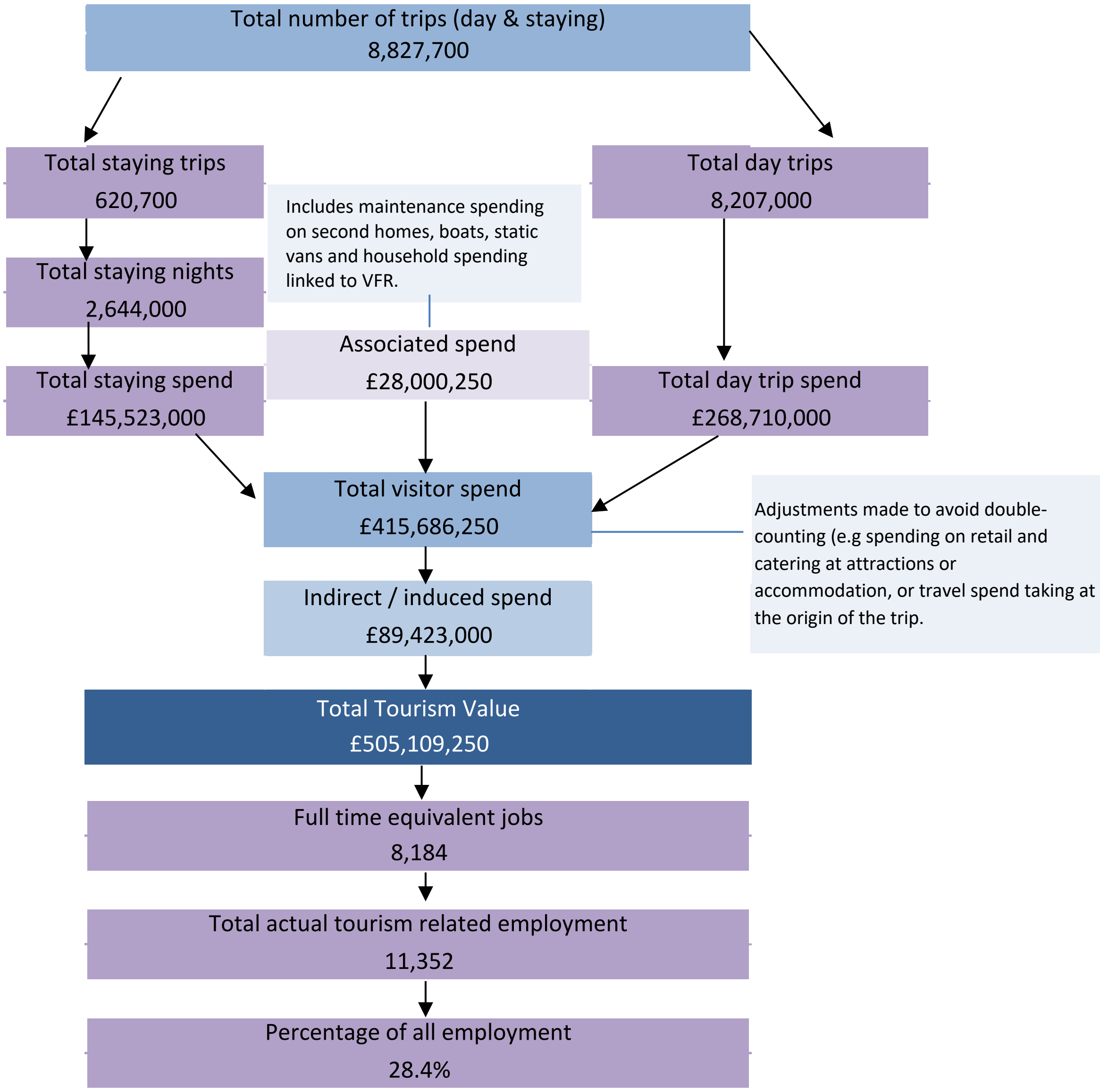
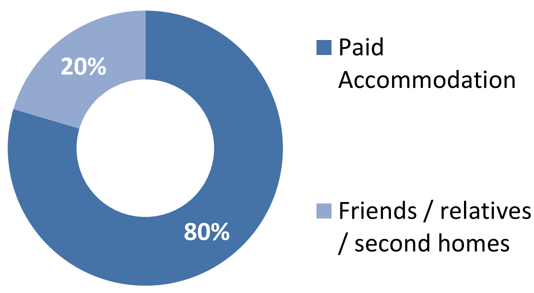


Economic Impact of Tourism – Year on year comparisons

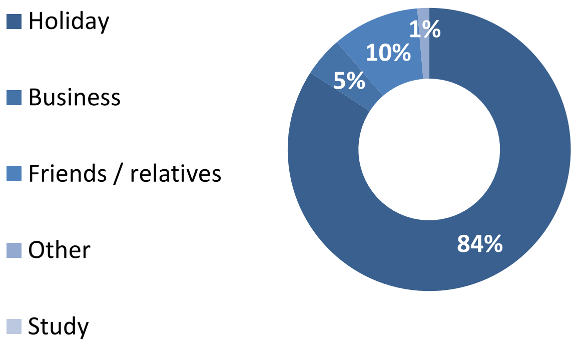
Day Trips	**2016**	**2017**	**Annual variation**
Day trips Volume	7,755,000	8,207,000	5.8%
Day trips Value	£261,055,000	£268,710,000	2.9%
Overnight trips			
Number of trip	553,500	620,700	12.1%
Number of nights	2,415,000	2,644,000	9.5%
Trip value	£141,018,000	£145,523,000	3.2%
Total Value	£490,357,250	£505,109,250	3.0%
Actual Jobs	11,020	11,352	3.0%

	2016	**2017**	**Variation**
Average length stay (nights x trip)	4.36	4.26	-2.3%
Spend x overnight trip	£ 254.55	£ 234.34	-7.9%
Spend x night	£ 58.39	£ 55.04	-5.7%
Spend x day trip	£ 33.66	£ 32.74	-2.7%

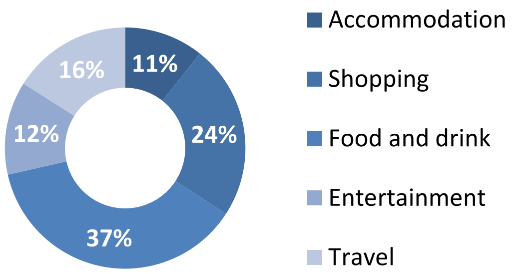
Type of Accommodation



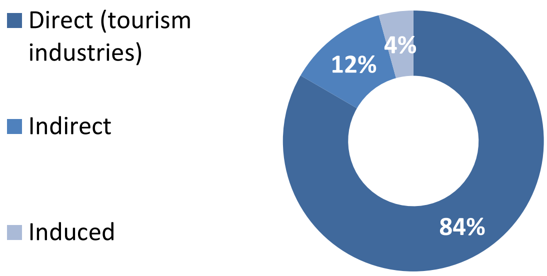
Trips by Purpose



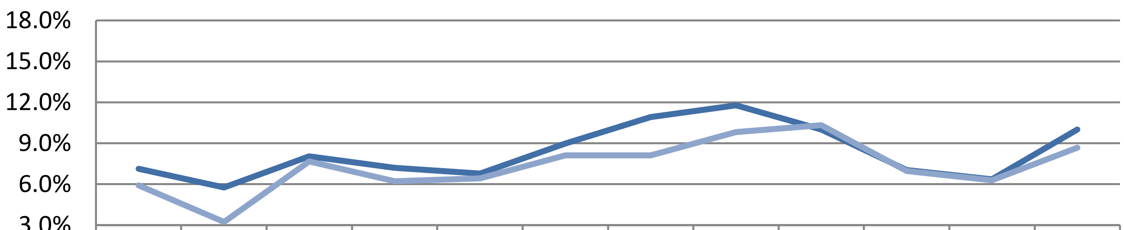
Breakdown of expenditure



Type of employment

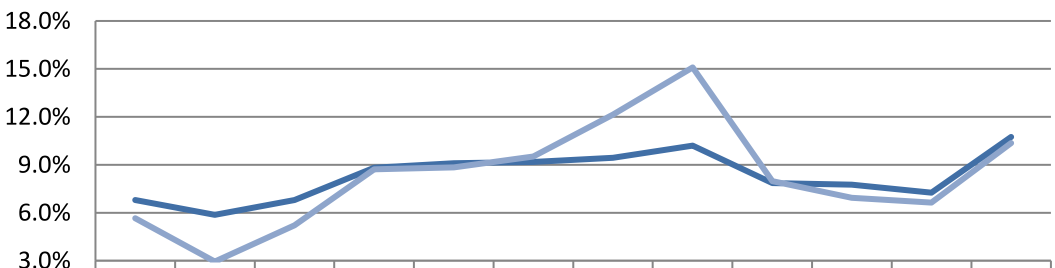


Seasonality - Day visitors



	Jan	feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Day trips	7.1%	5.8%	8.1%	7.2%	6.8%	9.0%	10.9%	11.8%	10.0%	7.0%	6.4%	10.0%
Day spend	5.9%	3.2%	7.7%	6.2%	6.4%	8.1%	8.1%	9.8%	10.3%	7.0%	6.3%	8.7%

Seasonality - Overnight visitors



	Jan	feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overnight trips	6.8%	5.9%	6.8%	8.8%	9.1%	9.2%	9.4%	10.2%	7.8%	7.8%	7.3%	10.7%
Overnight spend	5.6%	2.9%	5.2%	8.7%	8.8%	9.5%	12.1%	15.1%	8.0%	6.9%	6.6%	10.4%

Contextual analysis

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 previously published data. The results are derived using the Cambridge Economic Impact Model under licence by Destination Research Ltd based on the latest data from national tourism surveys and regionally/locally based data.

CONTEXTUAL ANALYSIS

The three key surveys used to measure volume and expenditure from tourism trips are the GB Tourism Survey (for domestic overnight trips), the International Passenger Survey (IPS) for visits from overseas, and the BG Day Visitor Survey (GBDVS), which measures tourism day visits.

<u>Domestic tourism</u>

National Performance

In 2017, British residents took 104.2 million overnight trips in England, totalling 299 million nights away from home. The number of domestic trips was 5% higher than in 2016, and nights were up by 4% compared to the 2016. Holiday Trips in England in 2017 increased by 9% compared to 2016, with 48.9 million trips recorded.

Regional performance

The East of England region experienced a 3% increase in overnight trips during 2017. Bednights were up by 13% on 2016 and expenditure was also up by 13%. This resulted in an increase in the average length of trips (the number of night per trip) from 3 nights per trip in 2016 to 3.3 in 2017.

The average spend per night was unchanged at £52.5 and the spend per trip was up from £159.53 in 2016 to £175.54 in 2017. The region received more visitors in 2017 than in the previous year. But importantly, they stayed for longer, which resulted in an average greater expenditure levels per trip.

The GB Tourism Survey data is a key driver for the Cambridge model. However, it is not specifically designed to produce highly accurate results at regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to help smooth out short term market fluctuations and highlight longer-term trends.

Visits from overseas

National Performance

The number of visits in 2017 grew 4% to a record 39.2 million, after several years of growth since 2010. The number of visitor nights spent in the UK increased by 3% in 2017 to 286 million, with the average number of nights per visit declined slightly from 7.4 in 2016 to 7.3 in 2017. The value of spending increased by 9% to £24.5 billion. Average spend per visit was £7625 in 2017, up from £599 per visit in 2016.

Regional performance

The number of Overseas trips to the East of England in 2017 was unchanged at 2.4 million overnight trips. The total number of nights was down by 2% to 16.1 million. Spend was down by 4.5% to £815 million in 2017.

The International Passenger Survey (IPS) data is a key driver for the Cambridge model. However, as with the GBTS, it is not specifically designed to produce highly accurate results at regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to help smooth out short term market fluctuations and highlight longer-term trends.

Tourism Day Visits

National Performance

During 2017, GB residents took a total of 1,793 million Tourism Day Visits to destinations in England, Scotland or Wales, 2% down on 2016. Around £62.4 billion was spent during these trips, about 2.4% down on 2016.

The largest proportion of visits were taken to destinations in England (1,505 million visits or 84% of the total). The distribution of expenditure during visits broadly reflects this pattern, with a total value of day trips to England totalling £50.9 billion (81.5% of the total for GB).

Regional performance

During 2016, the volume tourism day visits in the East of England decreased by 5% to 133 million. However, spend was up by 10% to £3.85 billion).

Volume of Tourism

Staying Visitors - Accommodation Type

Trips by Accommodation

	UK		Overseas		Total	
Serviced	94,000	16%	1,800	6%	95,800	15%
Self catering	112,000	19%	4,100	14%	116,100	19%
Camping	71,000	12%	1,500	5%	72,500	12%
Static caravans	119,000	20%	600	2%	119,600	19%
Group/campus	34,000	6%	4,500	16%	38,500	6%
Paying guest	0	0%	0	0%	0	0%
Second homes	37,000	6%	1,500	5%	38,500	6%
Boat moorings	17,000	3%	0	0%	17,000	3%
Other	17,000	3%	1,300	4%	18,300	3%
Friends & relatives	92,000	16%	13,500	47%	105,500	17%
Total 2017	**592,000**		**29,000**		**621,000**	
Comparison 2016	**525,000**		**29,000**		**554,000**	
Difference	**13%**		**0%**		**12%**	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	258,000	11%	8,000	3%	266,000	10%
Self catering	386,000	16%	84,000	28%	470,000	18%
Camping	340,000	14%	7,000	2%	347,000	13%
Static caravans	614,000	26%	2,000	1%	616,000	23%
Group/campus	84,000	4%	84,000	28%	168,000	6%
Paying guest	0	0%	0	0%	0	0%
Second homes	140,000	6%	8,000	3%	148,000	6%
Boat moorings	87,000	4%	0	0%	87,000	3%
Other	109,000	5%	3,000	1%	112,000	4%
Friends & relatives	332,000	14%	100,000	34%	432,000	16%
Total 2017	**2,348,000**		**296,000**		**2,644,000**	
Comparison 2016	**2,100,000**		**315,000**		**2,415,000**	
Difference	**12%**		**-6%**		**9%**	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£25,350,000	20%	£710,000	4%	£26,060,000	18%
Self catering	£25,581,000	20%	£5,590,000	33%	£31,171,000	21%
Camping	£19,358,000	15%	£336,000	2%	£19,694,000	14%
Static caravans	£27,416,000	21%	£196,000	1%	£27,612,000	19%
Group/campus	£5,914,000	5%	£4,732,000	28%	£10,646,000	7%
Paying guest	£0	0%	£0	0%	£0	0%
Second homes	£4,081,000	3%	£821,000	5%	£4,902,000	3%
Boat moorings	£6,101,000	5%	£0	0%	£6,101,000	4%
Other	£6,022,000	5%	£183,000	1%	£6,205,000	4%
Friends & relatives	£8,538,000	7%	£4,592,000	27%	£13,130,000	9%
Total 2017	**£128,362,000**		**£17,161,000**		**£145,523,000**	
Comparison 2016	**£123,066,000**		**£17,952,000**		**£141,018,000**	
Difference	**4%**		**-4%**		**3%**	

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.

Staying Visitors - Purpose of Trip

Trips by Purpose

		UK		Overseas		Total	
Holiday		509,000	86%	13,200	46%	522,200	84%
Business		27,000	5%	1,400	5%	28,400	5%
Friends & relatives		49,000	8%	12,700	44%	61,700	10%
Other		7,000	1%	1,400	5%	8,400	1%
Study		0	0%	0	0%	0	0%
Total	**2017**	**592,000**		**28,700**		**620,700**	
Comparison	**2016**	**525,000**		**28,500**		**553,500**	
Difference		**13%**		**1%**		**12%**	

Nights by Purpose

		UK		Overseas		Total	
Holiday		2,039,000	87%	115,000	39%	2,154,000	81%
Business		77,000	3%	11,000	4%	88,000	3%
Friends & relatives		216,000	9%	157,000	53%	373,000	14%
Other		16,000	1%	13,000	4%	29,000	1%
Study		0	0%	0	0%	0	0%
Total	**2017**	**2,348,000**		**296,000**		**2,644,000**	
Comparison	**2016**	**2,100,000**		**315,000**		**2,415,000**	
Difference		**12%**		**-6%**		**9%**	

Spend by Purpose

		UK		Overseas		Total	
Holiday		£117,351,000	91%	£8,108,000	47%	£125,459,000	86%
Business		£4,749,000	4%	£841,000	5%	£5,590,000	4%
Friends & relatives		£5,049,000	4%	£7,342,000	43%	£12,391,000	9%
Other		£1,214,000	1%	£870,000	5%	£2,084,000	1%
Study		£0	0%	£0	0%	£0	0%
Total	**2017**	**£128,362,000**		**£17,161,000**		**£145,523,000**	
Comparison	**2016**	**£123,066,000**		**£17,952,000**		**£141,018,000**	
Difference		**4%**		**-4%**		**3%**	

Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

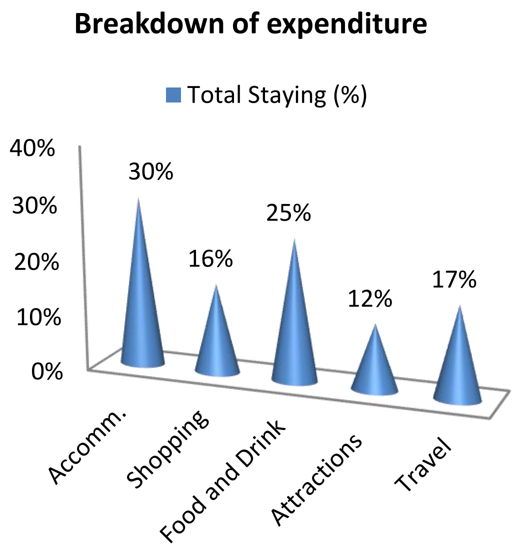
		Trips	Spend
Urban visits		2,979,000	£112,692,000
Countryside visits		3,201,000	£99,707,000
Coastal visits		2,027,000	£56,311,000
Total	**2017**	**8,207,000**	**£268,710,000**
Comparison	**2016**	**7,755,000**	**£261,055,000**
Difference		**6%**	**3%**

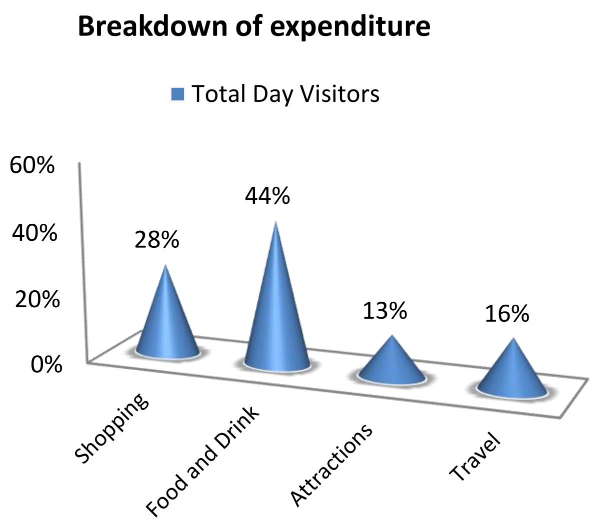
Value of Tourism

Expenditure Associated with Trips:

Direct Expenditure Associated with Trips

		Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists		£39,582,000	£18,204,000	£32,909,000	£15,383,000	£22,284,000	£128,362,000
Overseas tourists		£4,584,000	£5,085,000	£4,011,000	£1,718,000	£1,762,000	£17,160,000
Total Staying		£44,166,000	£23,289,000	£36,920,000	£17,101,000	£24,046,000	£145,522,000
Total Staying (%)		30%	16%	25%	12%	17%	100%
Total Day Visitors		£0	£74,176,000	£117,444,000	£34,768,000	£42,322,000	£268,710,000
Total Day Visitors		0%	28%	44%	13%	16%	100%
Total	**2017**	**£44,166,000**	**£97,465,000**	**£154,364,000**	**£51,869,000**	**£66,368,000**	**£414,232,000**
%		**11%**	**24%**	**37%**	**13%**	**16%**	**100%**
Comparison	**2016**	**£42,765,000**	**£94,627,000**	**£149,908,000**	**£50,322,000**	**£64,451,000**	**£402,073,000**
Difference		**3%**	**3%**	**3%**	**3%**	**3%**	**3%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£10,047,000	£767,125	£4,195,125	£12,991,000	£28,000,250

Spend on second homes is assumed to be an average of £2,100 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,100 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 £2,100. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £185 per visit has been assumed

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.

		Staying Visitor	Day Visitors	Total
Accommodation		£44,904,000	£2,349,000	£47,253,000
Retail		£23,057,000	£73,434,000	£96,491,000
Catering		£35,813,000	£113,921,000	£149,734,000
Attractions		£17,703,000	£36,684,000	£54,387,000
Transport		£14,428,000	£25,393,000	£39,821,000
Non-trip spend		£28,000,250	£0	£28,000,250
Total Direct	**2017**	**£163,905,250**	**£251,781,000**	**£415,686,250**
Comparison	**2016**	**£158,985,250**	**£244,584,000**	**£403,569,250**
Difference		**3%**	**3%**	**3%**

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 Visitor	Day Visitors	Total
Indirect spend		£25,688,000	£35,132,000	£60,820,000
Non trip spending		£5,600,000	£0	£5,600,000
Income induced		£18,030,000	£4,973,000	£23,003,000
Total	**2017**	**£49,318,000**	**£40,105,000**	**£89,423,000**
Comparison	**2016**	**£47,808,000**	**£38,980,000**	**£86,788,000**
Difference		**3%**	**3%**	**3%**

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 Visitor	Day Visitors	Total
Direct		£163,905,250	£251,781,000	£415,686,250
Indirect		£49,318,000	£40,105,000	£89,423,000
Total Value	**2017**	**£213,223,250**	**£291,886,000**	**£505,109,250**
Comparison	**2016**	**£206,793,250**	**£283,564,000**	**£490,357,250**
Difference		**3%**	**3%**	**3%**

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

Direct employment

Full time equivalent (FTE)							
		Staying Visitor		Day Visitor		Total	
Accommodation		904	33%	47	1%	952	15%
Retailing		232	8%	738	20%	969	15%
Catering		656	24%	2,087	55%	2,744	42%
Entertainment		340	12%	704	19%	1,044	16%
Transport		109	4%	192	5%	301	5%
Non-trip spend		519	19%	0	0%	519	8%
Total FTE	**2017**	**2,759**		**3,768**		**6,528**	
Comparison	**2016**	**2,676**		**3,661**		**6,337**	
Difference		**3%**		**3%**		**3%**	

Estimated actual jobs							
		Staying Visitor		Day Visitor		Total	
Accommodation		1,339	34%	70	1%	1,409	15%
Retailing		347	9%	1,106	20%	1,454	15%
Catering		984	25%	3,131	56%	4,115	43%
Entertainment		479	12%	993	18%	1,472	16%
Transport		154	4%	270	5%	424	4%
Non-trip spend		591	15%	0	0%	591	6%
Total Actual	**2017**	**3,894**		**5,571**		**9,465**	
Comparison	**2016**	**3,775**		**5,413**		**9,188**	
Difference		**3%**		**3%**		**3%**	

Indirect & Induced Employment

Full time equivalent (FTE)				
		Staying Visitor	Day Visitors	Total
Indirect jobs		579	651	1,230
Induced jobs		334	92	426
Total FTE	**2017**	**913**	**743**	**1,656**
Comparison	**2016**	**885**	**722**	**1,607**
Difference		**3%**	**3%**	**3%**

Estimated actual jobs				
		Staying Visitor	Day Visitors	Total
Indirect jobs		661	742	1,402
Induced jobs		381	105	486
Total Actual	**2017**	**1,041**	**847**	**1,888**
Comparison	**2016**	**1,009**	**823**	**1,832**
Difference		**3%**	**3%**	**3%**

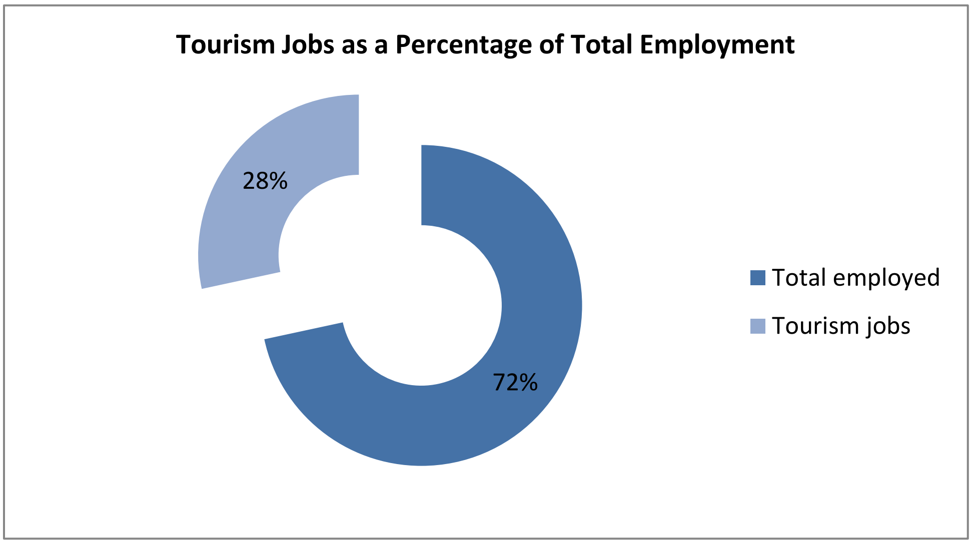
Total Jobs

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 Visitor		**Day Visitor**		**Total**	
Direct		2,759	75%	3,768	84%	6,528	80%
Indirect		579	16%	651	14%	1,230	15%
Induced		334	9%	92	2%	426	5%
Total FTE	**2017**	**3,673**		**4,511**		**8,184**	
Comparison	**2016**	**3,561**		**4,383**		**7,944**	
Difference		**3%**		**3%**		**3%**	
Estimated actual jobs							
		Staying Visitor		**Day Visitor**		**Total**	
Direct		3,894	79%	5,571	87%	9,465	83%
Indirect		661	13%	742	12%	1,402	12%
Induced		381	8%	105	2%	486	4%
Total Actual	**2017**	**4,935**		**6,417**		**11,352**	
Comparison	**2016**	**4,784**		**6,236**		**11,020**	
Difference		**3%**		**3%**		**3%**	

Tourism Jobs as a Percentage of Total Employment

		Staying Visitor	**Day visitors**	**Total**
Total employed		40,000	40,000	40,000
Tourism jobs		4,935	6,417	11,352
Proportion all jobs		**12%**	**16%**	**28%**
Comparison	**2016**	**4,784**	**6,236**	**11,020**
Difference		**3%**	**3%**	**3%**



Economic Impact of Tourism – Headline Figures   North Norfolk - 2017

The key 2017 results of the Economic Impact Assessment are:

8.8 million trips were undertaken in the area
8.2 million day trips
0.6 million overnight visits

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

£414 million spent by tourists during their visit to the area
£35 million spent on average in the local economy each month.

£146 million generated by overnight visits
£269 million generated from irregular day trips.

£505 million spent in the local area as result of tourism, taking into account multiplier effects.

11,352 jobs supported, both for local residents from those living nearby.
9,465 tourism jobs directly supported
1,888 non-tourism related jobs supported linked to multiplier spend from tourism.

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 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) - 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- 2014 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. 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. 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

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