EAST OF ENGLAND TOURIST BOARD

Economic Impact of Tourism

Rochford- 2004

Contents

Introduction

This report, commissioned by Rochford District Council, examines the volume and value of tourism to Rochford and the impact of that expenditure on the local economy in 2004.

The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by the East of England Tourist Board.

The model utilises information from national tourism surveys and regionally based data held by the Tourist Board. 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. The first section of the report provides estimates of the volume of staying and day visit tourism to Rochford. Section 2 is concerned with the value, including expenditure by the tourists, resultant supplier and income expenditure and the employment supported by tourism. Pie charts have been provided alongside the key tables of data so that information can be absorbed quickly and easily. Where necessary further explanation has been provided.

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

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.

Headline Figures

Staying Visitors

Total number of staying visitors is estimated as 135,600

UK	Overseas	Total
117,000	18,600	135,600

Staying visitor spend is estimated as £13,425,000

UK	Overseas	Total
£9,865,000	£3,560,000	£13,425,000

Day Visitors

Total number of day visits estimated as 1,859,000 with associated spend of £48,703,000

Trips	Spend
1,859,000	£48,703,000

Total Direct Spend:

Staying and day visitor spend combined totals £62,127,000

£62,127,000

Other Expenditure Associated with Tourism:

Other expenditure resulting directly from tourism includes:

Second homes	Boats	Static vans	Friends and relatives	Total
£50,000	£760,000	£0	£5,898,000	£6,708,000

Business Turnover Supported by Tourism

Direct, indirect and induced business turnover totals £76,384,000

Staying Tourists	Day Visitors	Total
£23,875,000	£52,509,000	£76,384,000

Total Employment Related to Tourism Spending

It is estimated that 1,270 FTE jobs and 1,779 actual jobs will be supported by tourism spend

	Staying tourists	Day visitors	Total
Full time equivalent	408	863	1,270
Estimated actual	537	1,241	1,779

Volume

Staying Visitors

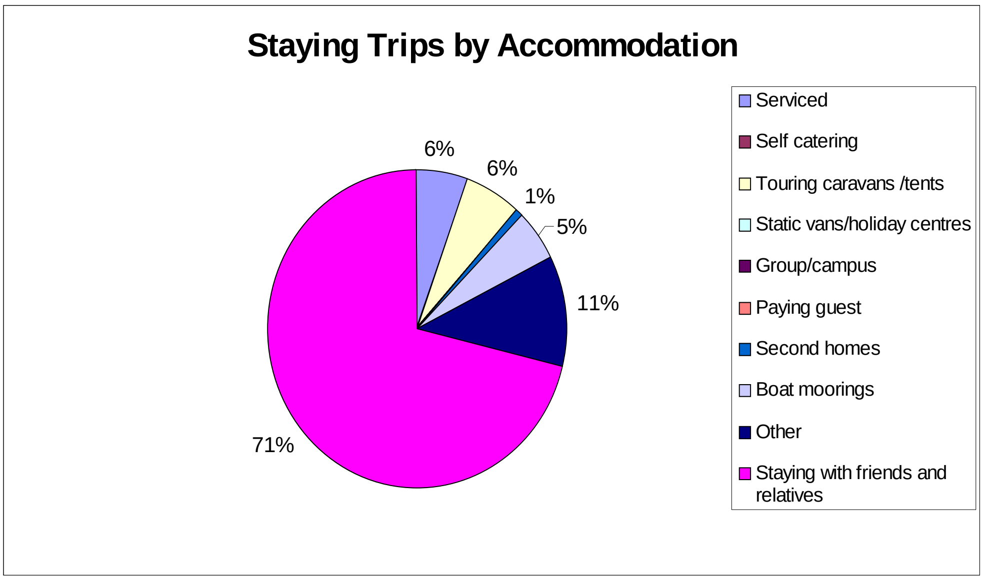
Accommodation Type

Trips by Accommodation

Friends and relatives was the most important accommodation type for both UK and overseas guests. serviced accommodation and boast moorings were also important.

	UK		Overseas		Total	
Serviced	6,000	5%	1,500	8%	7,500	6%
Self catering	0	0%	0	0%	0	0%
Touring caravans /tents	8,000	7%	400	2%	8,400	6%
Static vans/holiday centres	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	1,000	1%	100	1%	1,100	1%
Boat moorings	7,000	6%	0	0%	7,000	5%
Other	10,000	9%	5,200	28%	15,200	11%
Staying with friends and relatives	85,000	73%	11,400	61%	96,400	71%
Total	117,000		18,600		135,600	

The graph below shows that 71% of all staying visitors were put up in the homes of friends or relatives. 6% stayed in serviced accommodation and 5% on a boat.



Nights by Accommodation

When comparing nights by accommodation to trips by accommodation we can see that those staying with friends and relatives (3.3 nights) stayed a greater number of nights than those using serviced accommodation (2.3 nights) or boats (2 nights).

	UK		Overseas		Total	
Serviced	12,000	4%	5,300	5%	17,300	4%
Self catering	1,000	0%	100	0%	1,100	0%
Touring caravans /tents	26,000	8%	1,100	1%	27,100	6%
Static vans/holiday centres	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	5,000	2%	2,100	2%	7,100	2%
Boat moorings	14,000	4%	0	0%	14,000	3%
Other	36,000	11%	7,700	7%	43,700	10%
Staying with friends and relatives	230,000	71%	88,400	84%	318,400	75%
Total	**322,000**		**104,700**		**426,700**	

Spend by Accommodation Type

As you would expect, despite the fact that most people stayed with friends or relatives, a relativelly greater level of spend occurred on trips involving serviced accommodation.

	UK		Overseas		Total	
Serviced	£1,079,000	11%	£471,000	13%	£1,550,000	12%
Self catering	£17,000	0%	£9,000	0%	£26,000	0%
Touring caravans /tents	£444,000	5%	£40,000	1%	£484,000	4%
Static vans/holiday centres	£0	0%	£0	0%	£0	0%
Group/campus	£0	0%	£0	0%	£0	0%
Paying guest	£0	0%	£0	0%	£0	0%
Second homes	£92,000	1%	£122,000	3%	£214,000	2%
Boat moorings	£851,000	9%	£0	0%	£851,000	6%
Other	£1,070,000	11%	£199,000	6%	£1,269,000	9%
Staying with friends and relatives	£6,312,000	64%	£2,718,000	76%	£9,030,000	67%
Total	**£9,865,000**		**£3,560,000**		**£13,425,000**	

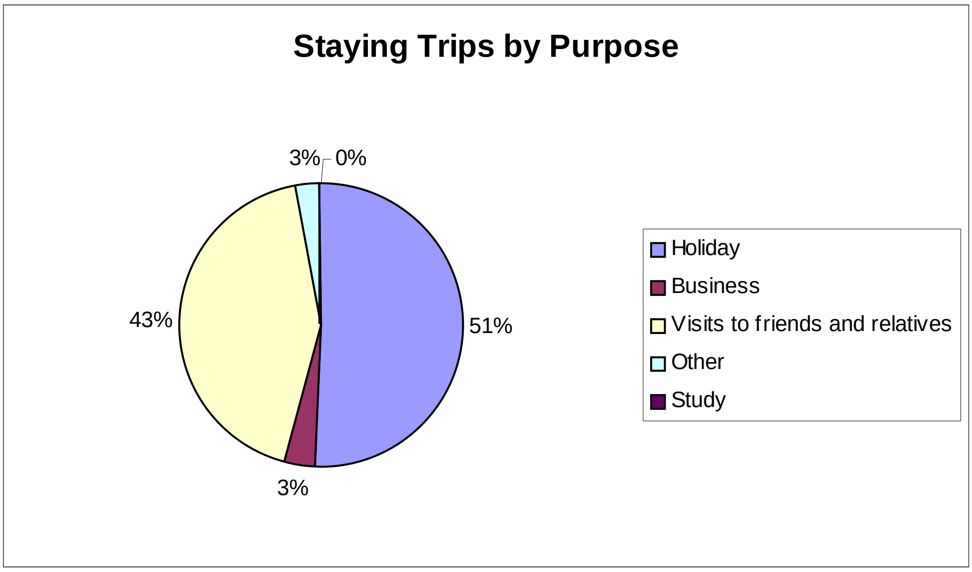
Purpose

Trips by Purpose

51% of staying visitors were on holiday, 43% were on visits to friends and relatives and 3% were on business trips. In relative terms overseas guests are more likely to be visiting friend and family than UK residents, whereas these are almost three times as likely to visit on a holiday trip than overseas guests.

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	65,000	56%	3,700	20%	68,700	51%
Business	3,000	3%	1,200	6%	4,200	3%
Visits to friends and relatives	48,000	41%	10,800	58%	58,800	43%
Other	1,000	1%	2,900	16%	3,900	3%
Study	0	0%	0	0%	0	0%
Total	**117,000**		**18,600**		**135,600**	



Nights by Purpose

Visits to friends and relatives take a similar number of nights per trip (3.19 nights) than holidays (3.17 nights) or business trips (3.16 nights).

	UK		Overseas		Total	
Holiday	200,000	62%	17,700	17%	217,700	51%
Business	8,000	2%	5,300	5%	13,300	3%
Visits to friends and relatives	113,000	35%	74,600	71%	187,600	44%
Other	1,000	0%	7,100	7%	8,100	2%
Study	0	0%	0	0%	0	0%
Total	**322,000**		**104,700**		**426,700**	

Spend by Purpose

Most spend occurred on holidays and VFR. Holiday spend was far more important in terms of UK guests than those from overseas.

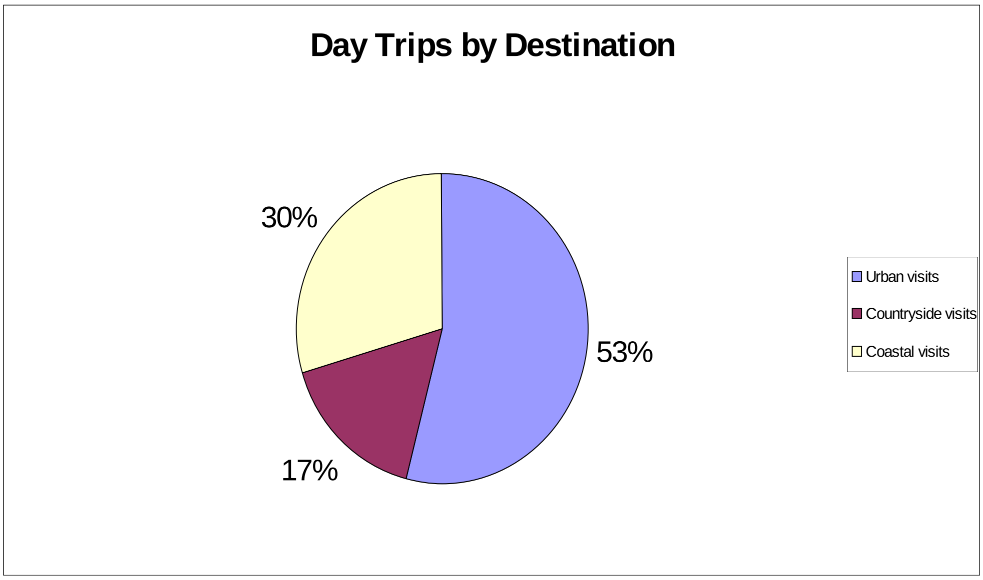
	UK		Overseas		Total	
Holiday	£4,727,000	48%	£678,000	19%	£5,405,000	40%
Business	£1,544,000	16%	£408,000	11%	£1,952,000	15%
Visits to friends and relatives	£3,465,000	35%	£2,214,000	62%	£5,679,000	42%
Other	£130,000	1%	£260,000	7%	£390,000	3%
Study	£0	0%	£0	0%	£0	0%
Total	£9,865,000		£3,560,000		£13,425,000	

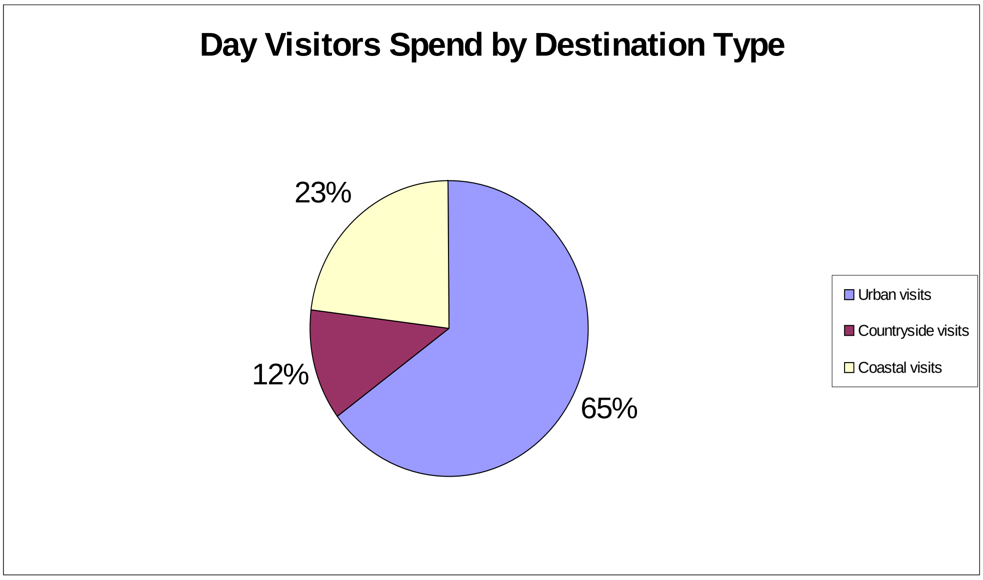
Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

A greater number of trips were made to urban areas than rural or coastal. The largest percentage of expenditure occurred in urban areas.

	Trips	Spend
Urban visits	1,002,000	£31,549,000
Countryside visits	307,000	£5,941,000
Coastal visits	550,000	£11,213,000
Total	**1,859,000**	**£48,703,000**





Value

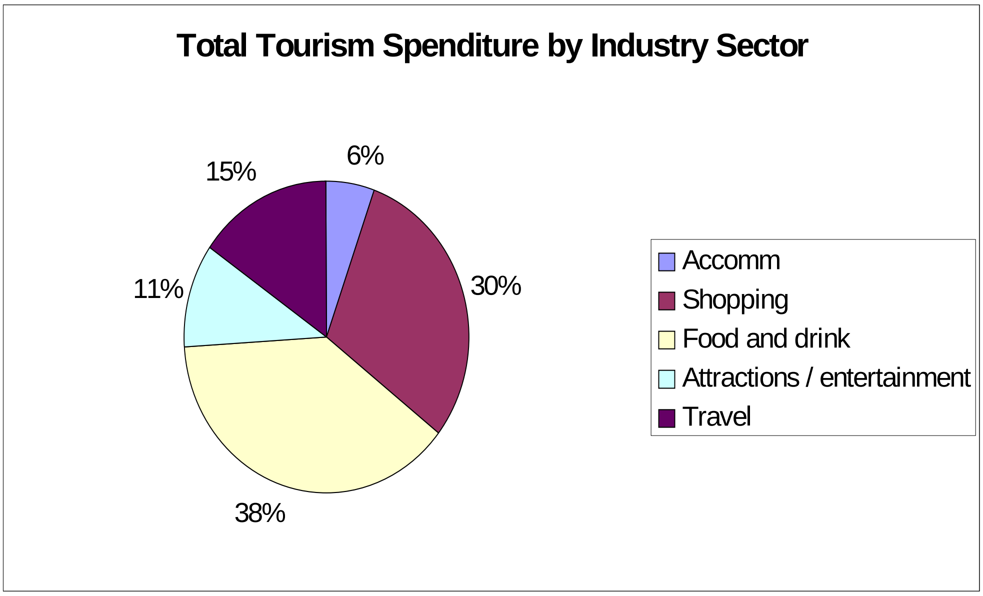
Expenditure

Expenditure Associated With Trips: Total Expenditure Associated with Trips

The total expenditure associated with tourism trips to the area (i.e. the value of tourism) is £62,127,000. Of this, £13,424,000 is related to staying visits and £48,703,000 to day visits. Most spend by staying visitors occurs in the accommodation and food and drink sectors, whilst day trippers spend most on shopping and food and drink.

	Accomm	Shopping	Food and drink	Attractions / entertainment	Travel	Total
UK Tourists	£2,646,000	£1,334,000	£2,642,000	£1,142,000	£2,101,000	£9,865,000
Overseas tourists	£855,000	£1,069,000	£842,000	£416,000	£377,000	£3,559,000
Total Staying Visitors	**£3,501,000**	**£2,403,000**	**£3,484,000**	**£1,558,000**	**£2,478,000**	**£13,424,000**
%	**26%**	**18%**	**26%**	**12%**	**18%**	
Total Day Visitors	**£0**	**£16,134,000**	**£20,297,000**	**£5,295,000**	**£6,977,000**	**£48,703,000**
%	**0%**	**33%**	**42%**	**11%**	**14%**	
Total	**£3,501,000**	**£18,537,000**	**£23,781,000**	**£6,853,000**	**£9,455,000**	**£62,127,000**
%	**6%**	**30%**	**38%**	**11%**	**15%**	

The graph below shows how important the food and drink and shopping sectors are in terms of expenditure by tourists.



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.

Direct Turnover Derived From Trip Expenditure

The impact of staying visitor spend is relatively greater than day visitor spend in turnover terms.

	Staying Tourists	Day Visitors	Total
Accommodation	£3,571,000	£406,000	£3,977,000
Retail	£2,379,000	£15,972,000	£18,351,000
Catering	£3,380,000	£19,688,000	£23,068,000
Attraction/entertainment	£1,617,000	£5,660,000	£7,277,000
Transport	£1,487,000	£4,186,000	£5,673,000
Other non trip related expenditure	£6,708,000	£0	£6,708,000
Total direct	£19,142,000	£45,912,000	£65,054,000

Supplier and Income Induced Turnover

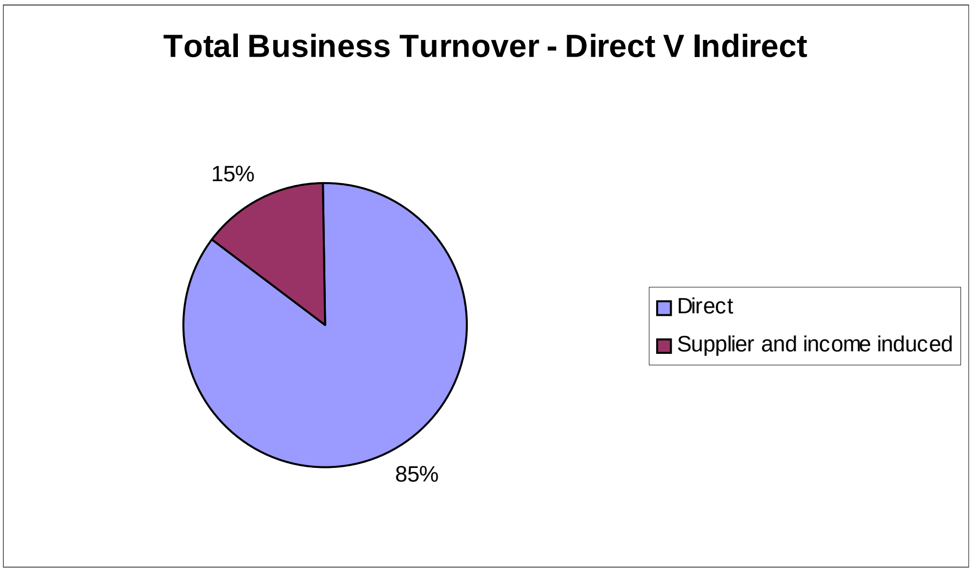
Staying visitors create relatively more supplier and income induced expenditure as multipliers take effect.

	Staying Tourists	Day Visitors	Total
Businesses in receipt of trip spend	£2,227,000	£6,095,000	£8,322,000
Non trip spending	£1,341,000	£0	£1,341,000
Income induced spending	£1,165,000	£502,000	£1,667,000
Total Indirect	**£4,733,000**	**£6,597,000**	**£11,330,000**

Total Local Business Turnover Supported by Tourism Activity

When direct, supplier and income induced expenditure are added together, business turnover in the local economy totals £76,384,000. Day visitors generated 68.7% of this.

	Staying Tourists	Day Visitors	Total
Direct	£19,142,000	£45,912,000	£65,054,000
Supplier and income induced	£4,733,000	£6,597,000	£11,330,000
Total	**£23,875,000**	**£52,509,000**	**£76,384,000**



Employment

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. As such, estimates of both full time equivalent and actual jobs have been provided.

Direct employment

The model estimates that 1,082 full time equivalent jobs are directly supported by tourism. Of these, 329 are related to staying visits and 753 to day visits. When part time and seasonal working is taken into account it is estimated that 1,564 jobs are supported, 448 by staying tourists and 1,116 by day visitors. In terms of actual jobs, the catering sector is the greatest beneficiary, with 700 jobs supported.

Full time equivalent						
	Staying Tourist		Day Visitor		Total	
Accommodation	74	23%	8	1%	83	8%
Retailing	30	9%	202	27%	233	22%
Catering	68	21%	398	53%	466	43%
Attractions/entertainment	28	8%	97	13%	125	12%
Transport	17	5%	47	6%	63	6%
Arising from non trip spend	112	34%	0	0%	112	10%
Total Direct	**329**		**753**		**1,082**	
Estimated actual jobs						
	Staying Tourist		Day Visitor		Total	
Accommodation	110	25%	12	1%	122	8%
Retailing	45	10%	304	27%	349	22%
Catering	102	23%	597	53%	700	45%
Attractions/entertainment	39	9%	137	12%	176	11%
Transport	23	5%	66	6%	89	6%
Arising from non trip spend	127	28%	0	0%	127	8%
Total Direct	**448**		**1,116**		**1,564**	

Indirect & Induced Employment

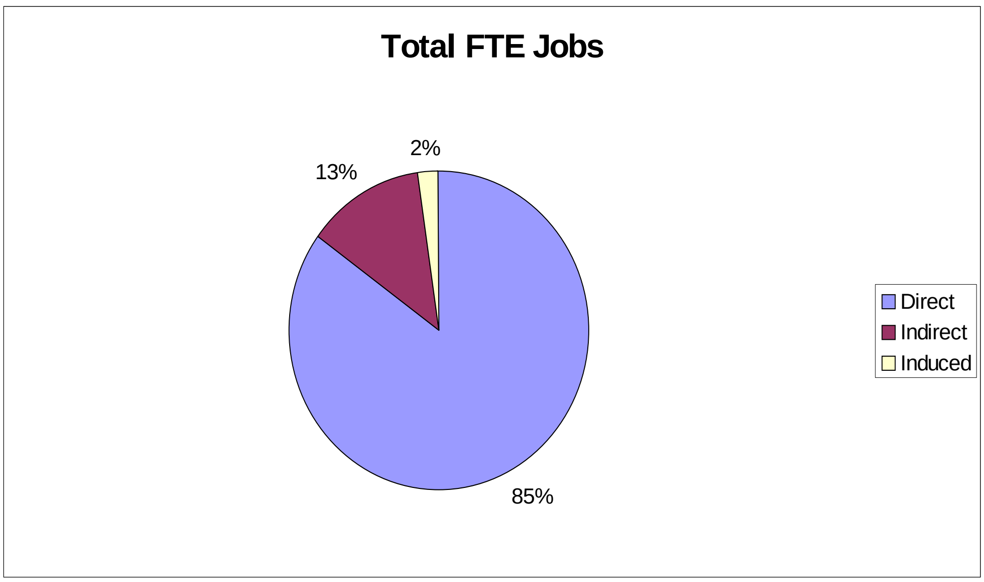
It is estimated that 189 FTE jobs are supported by indirect and induced expenditure, equating to 215 actual jobs.

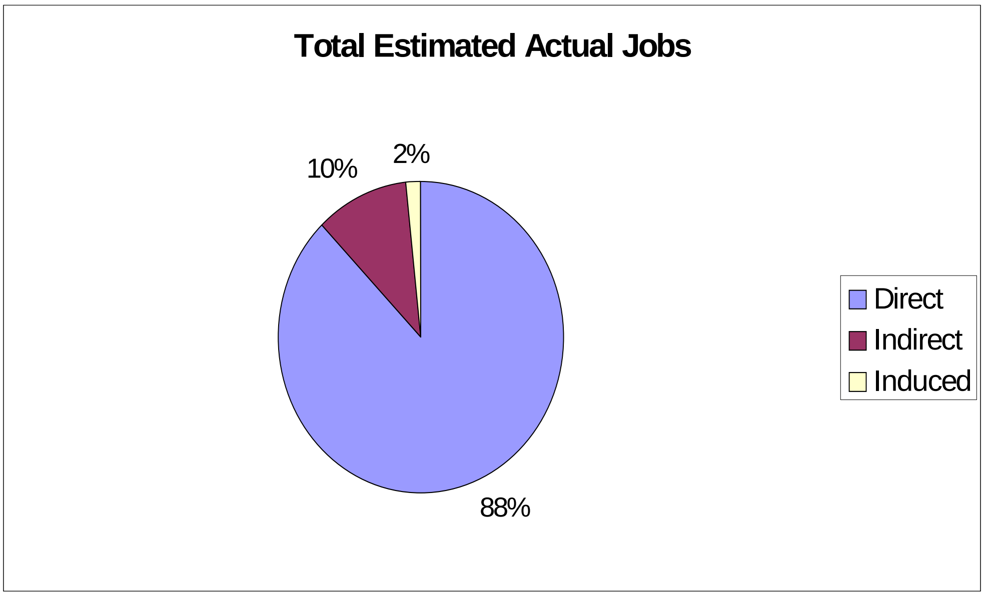
Full time equivalent			
	Staying Tourists	Day Visitors	Total
Indirect jobs in supply businesses	59	102	161
Income induced jobs	19	8	28
Total Indirect/Induced	**79**	**110**	**189**
Estimated actual			
	Staying Tourists	Day Visitors	Total
Indirect jobs in supply businesses	68	116	184
Income induced jobs	22	10	32
Total Indirect/Induced	**90**	**125**	**215**

Total Jobs

In total, it is estimated that 1,270 FTE jobs are supported, equating to 1,779 actual jobs. 537 actual jobs are supported by staying visitors and 1,241 by day trips.

Full time equivalent						
	Staying Tourist		Day Visitor		Total	
Direct	329	81%	753	87%	1,082	85%
Indirect	59	15%	102	12%	161	13%
Induced	19	5%	8	1%	28	2%
Total	408		863		1,270	
Estimated actual jobs						
	Staying Tourist		Day Visitor		Total	
Direct	448	83%	1,116	90%	1,564	88%
Indirect	68	13%	116	9%	184	10%
Induced	22	4%	10	1%	32	2%
Total	**537**		**1,241**		**1,779**	





Tourism Jobs as a Percentage of Total Employment in Rochford

Total employment in the Rochford area comprises 37,000 jobs. As such, using the estimates from the model we can see that tourism supports 4.8% of jobs (1.5% supported by staying visits, 3.4% by day trips).

	Staying tourists	Day visitors	Total
Total employed (LFS)	37,000	37,000	37,000
Tourism employment	537	1,241	1,779
Tourism proportion	1.5%	3.4%	4.8%

Local Income

Local income will arise in the form of wages and drawings from businesses in receipt of tourism spending and those providing supplies and services.

Total local income in Rochford was around £18,818,000 in 2004.

	Staying Tourists	**Day Visitors**	**Total**
Direct jobs	£5,062,000	£10,472,000	£15,534,000
Indirect jobs	£1,034,000	£1,767,000	£2,801,000
Induced jobs	£338,000	£145,000	£483,000
Total	**£6,434,000**	**£12,384,000**	**£18,818,000**

Appendix

Glossary & Explanation of Model

STAYING TRIPS BY ACCOMMODATION TYPE

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 recorded on the regional Board's known stock information base, the regional average number of trips per bedspace or unit of accommodation can be derived. The UKTS also shows the proportion of trips to the region where tourists stay with friends and relatives. In this way, the average number of such trips per resident in the region can also be calculated.

The IPS provides information on the total number of trips by overseas visitors to the region and, from 1995 onwards, the type of accommodation used. Using this data, an average number of overseas trips by type of accommodation (and per resident for trips staying with friends and relatives) can be calculated.

The average trip figures generated for different types of accommodation (e.g. hotels, B&Bs, holiday cottages, touring caravans and tents, holiday camps and other forms of accommodation) and for trips staying with friends and relatives, can be used to generate an estimate of the number of trips to the local area. Assuming that the use of different types of accommodation is similar across the region, in applying the average trip figures to the estimated stock of accommodation in a particular local area and to the resident population, an estimate of trips by type of accommodation in that area can be derived.

Types of accommodation used by staying visitors
Accommodation types are defined within this report in the following categories:

- ***Serviced accommodation***: this category includes hotels, motels, inns
- ***Paying guest***: includes bed & breakfasts and farmhouse accommodation
- ***Self-catering***: this includes self-catering chalets, houses, flats and cottages
- ***Touring caravan and camping***
- ***Static caravan/Holiday villages and centres***: this includes both static caravans that are available for rent and those that are privately owned but used for holiday purposes. Holiday villages and centres includes for example Butlins and Center Parcs
- ***Campus/Group and youth accommodation:*** for example, university halls rented to tourists during holiday periods, Youth Hostels and YMCA accommodation
- ***Boat Moorings***: includes marinas and hire boats
- ***Second Homes***
- '***Other' accommodation***: this category covers all other forms of accommodation not included in the above categories

STAYING TRIPS BY PURPOSE OF VISIT

The UKTS and IPS surveys also provide a breakdown of the purpose of trips to the region, differentiating between holiday, business, visits to friends and relatives and 'other' trips.

It is assumed that the volume of business tourism will broadly match economic activity in the area. Overall activity can be measured in terms of the Gross Domestic Product (GDP) produced in the area which, again, broadly relates to resident population. Therefore, the model distributes trips by resident population within counties within the region. The model distributes business trips based on the number of businesses within a district.

Tourists on trips to visit friends and relatives overwhelmingly stay with those friends and relatives or in accommodation close to where they live. Therefore, resident population is used as basis for estimating the volume of such trips.

Study trips generally relate to language courses. An estimate of the proportion of overseas trips (by the volume of trips, nights and spend) associated with language schools has been made based on the average figures recorded over the last three years for each region by the IPS. These trips are distributed by the model within the region, based on the relative distribution of language schools as recorded by the English in Britain web-site.

'Other' trips are made for many purposes including health treatment. It is difficult to identify a single driver to distribute the 'other' types of trip. However, the number of such trips as a proportion of the total is relatively small and is likely to reflect, at least in part, the population distribution within the region. Therefore, the remaining 'other' trips have also been distributed according to the resident population.

Holiday trips will make up the remaining trips to the locality after business, visits to friends and relatives and 'other' trips have been accounted for.

The UKTS and IPS also provide data on the expenditure by trip purpose at regional level. From this an average spend per trip by type can be calculated. By applying this average spend figure per trip to the number of such trips estimated to take place locally, an estimate of total tourism spending in the local area can be made. The UKTS and IPS also provide information on the number of nights by purpose of trip at regional level, allowing a similar calculation to be made in respect of the local number of nights.

Using the approach set out above; the model generates estimates of the number of trips by purpose to the local area and the associated number of nights and expenditure.

Purpose of visit by staying tourists

- **Holiday tourism:** a self-defined purpose of trip that does not necessarily imply a commercially organised or accommodated holiday. Many holidays are privately arranged visits. Short holidays are of 1 to 3 nights in duration and long holidays are defined as 4 or more nights.
- **Visiting friends and relatives (VFR):** these are trips that are not defined by visitors as holidays. However, they may involve staying in commercial accommodation.
- **Business and work related tourism.**
- **Study.**
- **Other:** this category covers trips which cannot be conveniently allocated into any of the classifications above and covers a wide variety of purposes such as social, sporting and personal or family business matters.

DAY VISITORS

Information on day trips at the regional level is available from the 1998 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 seeks to estimate all such trips for each area but also 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. The Government and Tourist Boards have adopted the latter definition, although prior to 1998 the non-local definition was used.

The Day Visits survey distinguishes between day visits to the town or city, to the seaside and coast and to the countryside. Different drivers are used to distribute these trips within the East of England. However, a proportion of these trips will be to attractions within the region. The latter are therefore distributed on the basis of the attractions survey information collected by the Visit Britain, which include figures on visitor numbers. A high proportion of both town and the countryside trips involve travel of less than 5 miles and represent local resident trips. The number of such trips per head is estimated from the Day Visits survey and used to define local trips within the model. The remaining trips are then distributed as follows:

- Trips to towns and cities are dominated by leisure trips undertaken for sport and entertainment, shopping and similar activities. The model therefore uses the relative importance of employment in retailing and entertainment services as a measure of the likely attractiveness of individual areas within the region for day-trippers and therefore the likely distribution of such trips. Larger centres are likely to be disproportionately more attractive because of the wider range of activities available. To take account of this factor, a power function is used to weight the distribution towards the larger centres.

- Trips to the seaside and coast can be divided equally between outdoor activities related to the coastline (e.g. walking, countryside hobbies and sports) and activities related to the seaside resorts (e.g. shopping, sea bathing and the beach). Half the trips are therefore distributed on the basis of the overall length of the coastline within the locality and half on the basis of the proportion of employment in retail and entertainment in coastal districts within the region.

- The amount and quality of the countryside within the area will influence non-local countryside trips. The model includes an index that is built up from the total area of countryside within the area with additional weighting given to countryside designated as National Park and/or Area of Outstanding Natural Beauty.

The 1998 Day Visits in Great Britain survey also collected information on the expenditure characteristics of different types of trip, allowing an average spend per type of trip to be calculated. The model therefore includes both an estimate of the volume of day trips by type and an estimate of the expenditure associated with those trips.

IMPACT OF TOURISM EXPENDITURE

This section examines the impact of the tourism expenditure in terms of:

- Expenditure by different business sectors including accommodation, retail, catering, attractions/entertainment and transport sectors

- Spending by these business sectors and the number of full time job equivalents (FTEs) supported by tourism expenditure in these sectors

- An estimate of the actual jobs (both direct and indirect) supported by tourism expenditure in the district or county

Data sources

Apart from the estimates of expenditure by visitor type from the model (or available local visitor survey information), the following sources are used:

- The UKTS, IPS and 1998 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 by five sectors. Visitor expenditure in each sector represents additional turnover for businesses in those sectors. However, evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover. In particular, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. The turnover for each business sector is adjusted to take account of these marginal changes. 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.

Expenditure by business sector

Information on the breakdown of visitor spending by type of visitor is available from the three main tourism and day visitor surveys. For the purpose of the model, the expenditure breakdown is divided between five sectors:

- ***Accommodation***

- ***Catering***: this includes spending on eating and drinking in restaurants, cafes and pubs
- ***Retail***: this includes shopping for gifts, clothes and other goods
- ***Attractions/entertainment***: this includes entry to attractions, entertainment and hire of goods and services
- ***Transport***: this includes expenditure on transport and travel costs including public transport, purchase of fuel and parking

1.1 NUMBER OF FULL TIME JOB EQUIVALENTS

Estimates of direct equivalent full time employment

Having identified the value of turnover generated by visitor spending in each business sector, 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. The proportion will vary by business sector. For example, wages are likely to be a smaller proportion of costs in retailing compared with accommodation or catering. The model uses data from the business information base to ascribe an average proportion of turnover taken by wage and drawing costs for each business sector.

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 in each sector.

The use of visitor expenditure to generate job numbers underestimates the number of jobs arising in the attractions/entertainment sector. The underestimate arises because local authorities and voluntary bodies do not always seek to recoup the full operating costs of individual attractions or facilities from entrance charges. Therefore, an additional percentage of direct employment is added to the attractions sector estimates to reflect this underestimate.

Estimates of indirect equivalent full time employment

Additional indirect employment arises from expenditure by businesses in direct receipt of visitor expenditure on the purchase of goods and services. However, only part of this expenditure will go to local businesses since a varying proportion of such expenditure will go to sources elsewhere in the region or even further afield. Using data from the business information base, the average proportion of business turnover spent on local purchases by sector has been estimated. By applying that proportion to the additional business turnover arising from visitor spending, an estimate of the local spending on goods and services can be made.

This linkage spending will benefit a wide range of sectors ranging from producers including farmers and manufacturers, distributors and service providers, such as, lawyers, bankers and window cleaners. The average turnover required to support a full time job will vary widely by sector. The model assumes a figure of £50,000 turnover to support an additional linkage job. By applying this figure to the turnover re-spent on local goods and services, an estimate of the number of indirect jobs arising in the local area can be estimated.

Estimates of induced equivalent full time employment

In addition to the direct jobs and indirect linkage jobs supported in the local area by visitor spending, multiplier effects, i.e. additional employment supported by the expenditure of wages earned in the direct and linkage jobs in the local area, will generate additional employment. Such multiplier jobs will again be spread across a wide range of sectors including retailing, catering, transport and public service jobs (such as education, health and local government).

The degree of multiplier effect will depend on the nature of the local economy since the number of higher level services tends to be concentrated in larger urban centres. The model uses average local multiplier ratios based on national studies ranging from 1:1.05 in rural locations to 1:1.15 or more in city locations. The multiplier ratio is applied to the total of direct and linkage jobs estimated in the local area. It should be noted that additional multiplier effects will arise outside the local area in the wider region because of expenditure in the local area.

Adjustments to take account of location characteristics

Apart from the differences in multiplier ratios, the type of location also results in other variations in economic impact. Therefore, the model has been adjusted to take account of these variations in the following aspects:

- In rural areas and resorts, the proportion of small accommodation establishments run by owner managers is particularly high. Often, rather than draw wages in money, the proprietors will take benefit in other ways, e.g. meals, accommodation or transport. As a result, the real employment costs in money terms fall below the average costs based on the New Earnings Survey. An adjustment has been made to take account of this factor in rural and resort areas

- A similar situation, although to a less pronounced effect, arises in the catering sector and therefore a similar adjustment has been made in resort and rural areas

- Linkage spending also varies by type of location and by sector. The model therefore applies varying averages for the proportion of spending on local linkages depending on the type of location. Thus, linkages are weakest in rural areas and strongest in cities

NUMBER OF ACTUAL JOBS

Conversion of full time equivalent to 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.

In certain cases further local data taken from the United Kingdom Occupancy Survey and the Visits to Visitor Attractions Survey may be used to calibrate the data.

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