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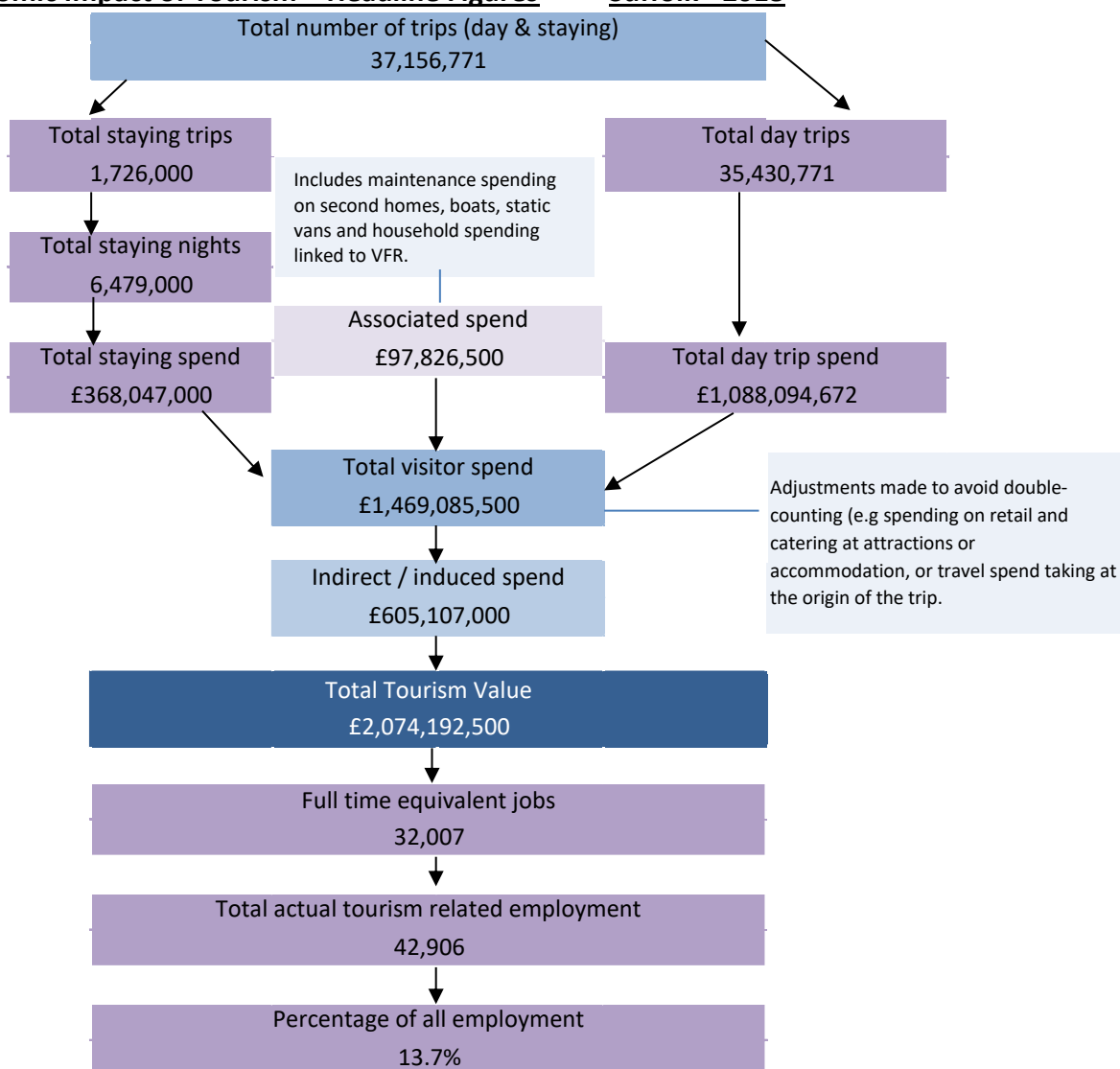


Economic Impact of Tourism

Suffolk - 2018

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Economic Impact of Tourism – Headline Figures Suffolk - 2018

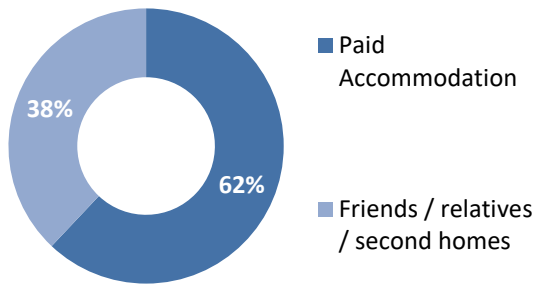


Economic Impact of Tourism – Year on year comparisons

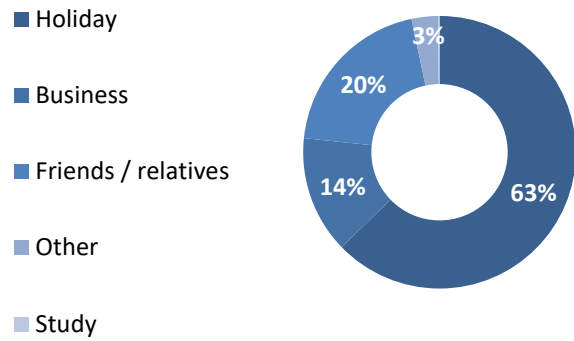
<u>Day Trips</u>	2017	2018	Annual variation
Day trips Volume	33,530,771	35,430,771	6%
Day trips Value	£1,039,401,987	£1,088,094,672	5%
<u>Overnight trips</u>			
Number of trip	1,818,000	1,726,000	-5%
Number of nights	6,532,000	6,479,000	-1%
Trip value	£385,192,000	£368,047,000	-4%
Total Value	£2,032,768,500	£2,074,192,500	2%
Actual Jobs	42,118	42,906	2%

	2017	2018	Variation
Average length stay (nights x trip)	3.59	3.75	4.5%
Spend x overnight trip	£ 211.88	£ 213.24	0.6%
Spend x night	£ 58.97	£ 56.81	-3.7%
Spend x day trip	£ 31.00	£ 30.71	-0.9%

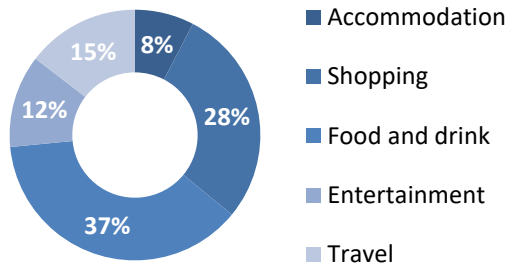
Type of Accommodation



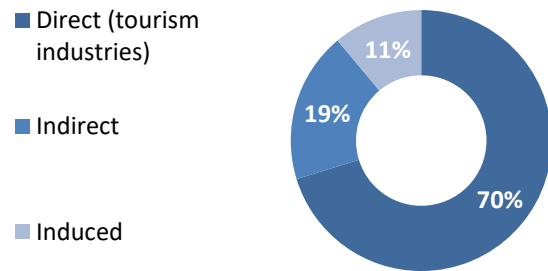
Trips by Purpose



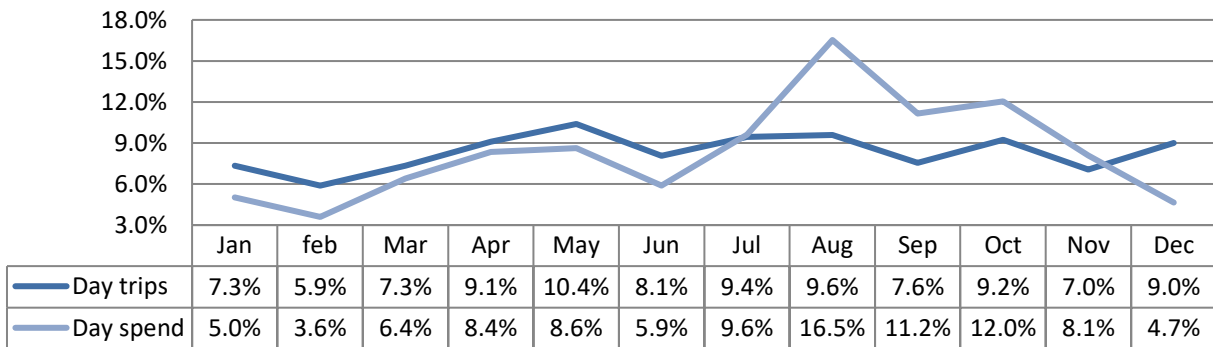
Breakdown of expenditure



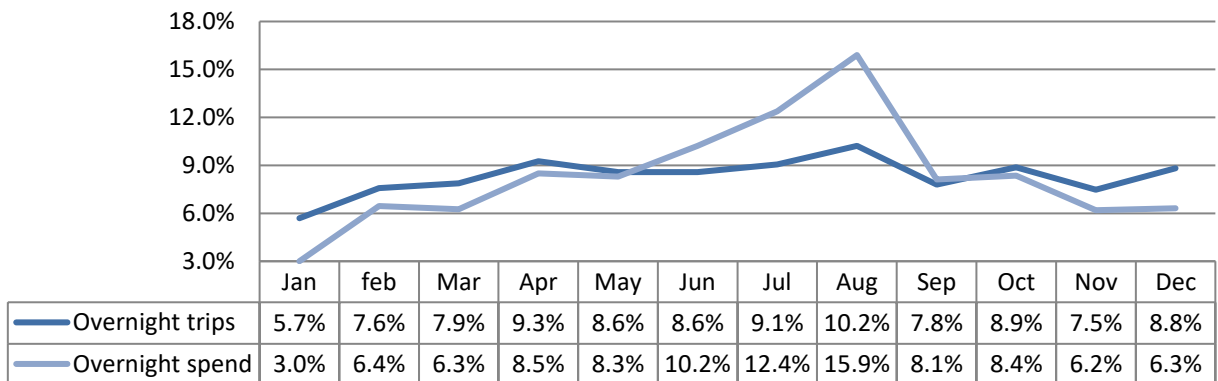
Type of employment



Seasonality - Day visitors (East of England)



Seasonality - Overnight visitors (East of England)



Contextual analysis

INTRODUCTION

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2018 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.

Domestic tourism

National Performance

In 2018, British residents took 97.4 million overnight trips in England, totalling 296 million nights away from home and expenditure of £19 billion, with an average trip length of 3 nights. The number of domestic trips to England was 3% lower than in 2017. Holiday Trips in England in 2018 decreased by 4% compared to 2017, with 45.2 million trips recorded.

Regional performance

The East of England region experienced a 12% drop in overnight trips during 2018. Bednights were down by 14% on 2017 and expenditure was also down by 8%. However, these results are on the back of a positive 2017 when the region experienced a 3% increase in overnight trips on the previous year. Bednights were up by 13% on 2016 and expenditure was also up by 13%.

The average spend per night in 2018 was £55.97 (up from £52.5 in 2017) and the spend per trip was £179.51 (up from £172.58 in 2017). The region received less visitors in 2018 than in the previous year. But importantly, their length of stay was unchanged from 2017 and spent more money during their visit, compared average expenditure levels in 2017.

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 sub-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. As such, county and district level results relating to 2018 are an average of 2016, 2017 and 2018.

Visits from overseas

National Performance

The number of visits in 2018 fell 3% (from the 2017 record) to 37.9 million, after several years of growth since 2010. The value of spending also decreased by 7% (compared to 2017) to £22.90 billion. Average spend per visit was £604 in 2018, down from £625 per visit in 2017. The number of visitor nights spent in the UK fell by 7% in 2018 to 266 million, with the average number of nights per visit declining to 7.0 (from 7.3 in 2017).

Regional performance

The number of Overseas trips to the East of England in 2018 was down 9% at 2.2 million overnight trips (2.4 million in 2017). The total number of nights was down by 14% to 13.9 million. Spend was down by 13.6% to £704 million in 2018 (£815.2 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 sub-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, UK residents took a total of 1,703 million Tourism Day Visits (down from 1,793 in 2017). Around £63.8 billion was spent during these trips, about 2.2% up on 2017.

The largest proportion of visits were taken to destinations in England (1,431 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 £53.04 billion (83% of the total for GB).

Regional performance

During 2018, the volume tourism day visits in the East of England increased by 3.5% to 137.4 million. Spend was also up by 31% to £5.04 billion).

Volume of Tourism

Staying Visitors - Accommodation Type

Trips by Accommodation

	UK		Overseas		Total	
Serviced	461,000	31%	56,000	25%	517,000	30%
Self catering	48,000	3%	8,000	4%	56,000	3%
Camping	66,000	4%	4,000	2%	70,000	4%
Static caravans	156,000	10%	1,000	0%	157,000	9%
Group/campus	10,000	1%	14,000	6%	24,000	1%
Paying guest	0	0%	2,000	1%	2,000	0%
Second homes	31,000	2%	6,000	3%	37,000	2%
Boat moorings	41,000	3%	0	0%	41,000	2%
Other	188,000	13%	17,000	8%	205,000	12%
Friends & relatives	499,000	33%	116,000	52%	615,000	36%
Total 2018	1,501,000		225,000		1,726,000	
Comparison 2017	1,591,000		227,000		1,818,000	
Difference	-6%		-1%		-5%	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	911,000	18%	357,000	25%	1,268,000	20%
Self catering	296,000	6%	51,000	4%	347,000	5%
Camping	372,000	7%	23,000	2%	395,000	6%
Static caravans	562,000	11%	5,000	0%	567,000	9%
Group/campus	300,000	6%	67,000	5%	367,000	6%
Paying guest	0	0%	24,000	2%	24,000	0%
Second homes	178,000	4%	42,000	3%	220,000	3%
Boat moorings	149,000	3%	0	0%	149,000	2%
Other	560,000	11%	79,000	6%	639,000	10%
Friends & relatives	1,731,000	34%	772,000	54%	2,503,000	39%
Total 2018	5,059,000		1,420,000		6,479,000	
Comparison 2017	5,002,000		1,530,000		6,532,000	
Difference	1%		-7%		-1%	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£118,531,000	39%	£15,764,000	24%	£134,295,000	36%
Self catering	£15,256,000	5%	£3,236,000	5%	£18,492,000	5%
Camping	£12,376,000	4%	£562,000	1%	£12,938,000	4%
Static caravans	£37,326,000	12%	£209,000	0%	£37,535,000	10%
Group/campus	£1,600,000	1%	£9,169,000	14%	£10,769,000	3%
Paying guest	£0	0%	£1,113,000	2%	£1,113,000	0%
Second homes	£2,720,000	1%	£1,511,000	2%	£4,231,000	1%
Boat moorings	£6,294,000	2%	£0	0%	£6,294,000	2%
Other	£73,003,000	24%	£800,000	1%	£73,803,000	20%
Friends & relatives	£35,781,000	12%	£32,794,000	50%	£68,575,000	19%
Total 2018	£302,889,000		£65,158,000		£368,047,000	
Comparison 2017	£319,725,000		£65,467,000		£385,192,000	
Difference	-5%		0%		-4%	

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	1,033,000	69%	50,000	22%	1,083,000	63%
Business	188,000	13%	52,000	23%	240,000	14%
Friends & relatives	234,000	16%	112,000	50%	346,000	20%
Other	45,000	3%	9,000	4%	54,000	3%
Study	0	0%	3,000	1%	3,000	0%
Total	2018	1,501,000	225,000		1,726,000	
Comparison	2017	1,591,000	227,000		1,818,000	
Difference		-6%	-1%		-5%	

Nights by Purpose

	UK		Overseas		Total	
Holiday	4,000,000	79%	304,000	21%	4,304,000	66%
Business	354,000	7%	152,000	11%	506,000	8%
Friends & relatives	615,000	12%	839,000	59%	1,454,000	22%
Other	91,000	2%	92,000	6%	183,000	3%
Study	0	0%	33,000	2%	33,000	1%
Total	2018	5,059,000	1,420,000		6,479,000	
Comparison	2017	5,002,000	1,530,000		6,532,000	
Difference		1%	-7%		-1%	

Spend by Purpose

	UK		Overseas		Total	
Holiday	£219,278,000	72%	£15,334,000	24%	£234,612,000	64%
Business	£46,994,000	16%	£11,503,000	18%	£58,497,000	16%
Friends & relatives	£32,240,000	11%	£32,367,000	50%	£64,607,000	18%
Other	£4,377,000	1%	£5,174,000	8%	£9,551,000	3%
Study	£0	0%	£780,000	1%	£780,000	0%
Total	2018	£302,889,000	£65,158,000		£368,047,000	
Comparison	2017	£319,725,000	£65,467,000		£385,192,000	
Difference		-5%	0%		-4%	

Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

	Trips		Spend	
Urban visits	19,325,000		£633,681,000	
Countryside visits	11,338,000		£319,891,000	
Coastal visits	4,767,771		£134,522,672	
Total	2018	35,430,771	£1,088,094,672	
Comparison	2017	33,530,771	£1,039,401,987	
Difference		6%	5%	

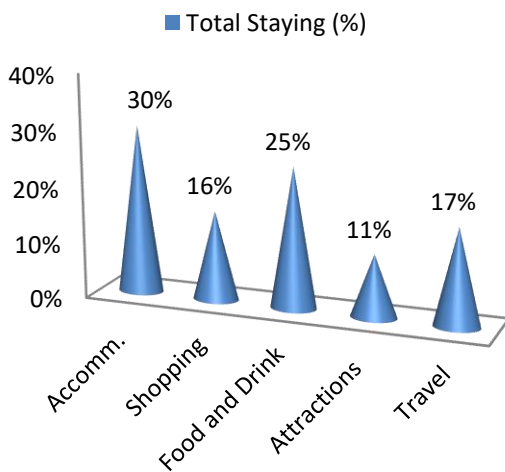
Value of Tourism

Expenditure Associated with Trips:

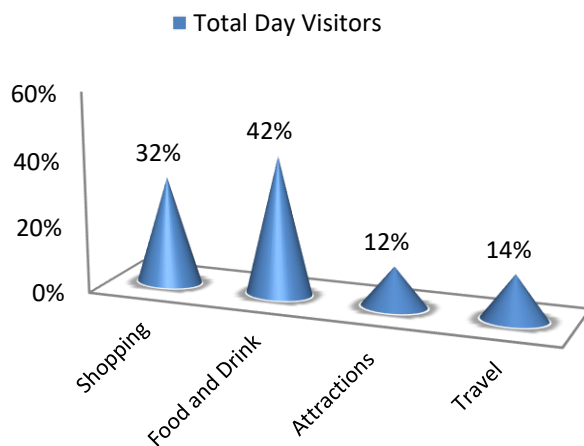
Direct Expenditure Associated with Trips

	Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists	£93,785,000	£40,410,000	£77,745,000	£33,846,000	£57,103,000	£302,889,000
Overseas tourists	£17,463,000	£18,699,000	£14,932,000	£7,365,000	£6,699,000	£65,158,000
Total Staying	£111,248,000	£59,109,000	£92,677,000	£41,211,000	£63,802,000	£368,047,000
Total Staying (%)	30%	16%	25%	11%	17%	100%
Total Day Visitors	£0	£353,039,000	£453,821,000	£132,832,000	£148,402,000	#####
Total Day Visitors	0%	32%	42%	12%	14%	100%
Total 2018	£111,248,000	£412,148,000	£546,498,000	£174,043,000	£212,204,000	£1,456,141,000
%	8%	28%	38%	12%	15%	100%
Comparison 2017	£117,609,000	£396,936,000	£530,749,000	£170,222,000	£209,079,000	£1,424,595,000
Difference	-5%	4%	3%	2%	1%	2%

Breakdown of expenditure



Breakdown of expenditure



Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	Boats	Static vans	Friends & relatives	Total
£12,118,000	£7,038,850	£14,508,650	£64,161,000	£97,826,500

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 based on national research for social

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		£113,101,000	£9,076,000	£122,177,000
Retail		£58,517,000	£349,509,000	£408,026,000
Catering		£89,897,000	£440,207,000	£530,104,000
Attractions		£42,729,000	£140,901,000	£183,630,000
Transport		£38,281,000	£89,041,000	£127,322,000
Non-trip spend		£97,826,500	£0	£97,826,500
Total Direct	2018	£440,351,500	£1,028,734,000	£1,469,085,500
Comparison	2017	£455,175,500	£982,495,000	£1,437,670,500
Difference		-3%	5%	2%

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		£109,389,000	£250,714,000	£360,103,000
Non trip spending		£19,565,000	£0	£19,565,000
Income induced		£75,275,000	£150,164,000	£225,439,000
Total	2018	£204,229,000	£400,878,000	£605,107,000
Comparison	2017	£212,031,000	£383,067,000	£595,098,000
Difference		-4%	5%	2%

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		£440,351,500	£1,028,734,000	£1,469,085,500
Indirect		£204,229,000	£400,878,000	£605,107,000
Total Value	2018	£644,580,500	£1,429,612,000	£2,074,192,500
Comparison	2017	£667,206,500	£1,365,562,000	£2,032,768,500
Difference		-3%	5%	2%

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	2,016	29%	162	1%	2,178	10%
Retailing	504	7%	3,009	22%	3,513	17%
Catering	1,550	22%	7,592	55%	9,142	44%
Entertainment	776	11%	2,557	18%	3,333	16%
Transport	248	4%	576	4%	824	4%
Non-trip spend	1,812	26%	0	0%	1,812	9%
Total FTE	2018	6,905	13,896		20,801	
Comparison	2017	7,129	13,279		20,408	
Difference		-3%	5%		2%	
Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Accommodation	2,984	31%	239	1%	3,223	11%
Retailing	756	8%	4,513	22%	5,269	17%
Catering	2,325	24%	11,387	55%	13,713	46%
Entertainment	1,093	11%	3,606	18%	4,699	16%
Transport	349	4%	813	4%	1,162	4%
Non-trip spend	2,065	22%	0	0%	2,065	7%
Total Actual	2018	9,573	20,559		30,132	
Comparison	2017	9,910	19,645		29,555	
Difference		-3%	5%		2%	

Indirect & Induced Employment

Full time equivalent (FTE)			
	Staying Visitor	Day Visitors	Total
Indirect jobs	2,388	4,643	7,031
Induced jobs	1,394	2,781	4,175
Total FTE	2018	3,782	11,206
Comparison	2017	3,926	11,020
Difference		-4%	2%

Estimated actual jobs			
	Staying Visitor	Day Visitors	Total
Indirect jobs	2,722	5,293	8,015
Induced jobs	1,589	3,170	4,759
Total Actual	2018	4,311	12,774
Comparison	2017	4,476	12,563
Difference		-4%	2%

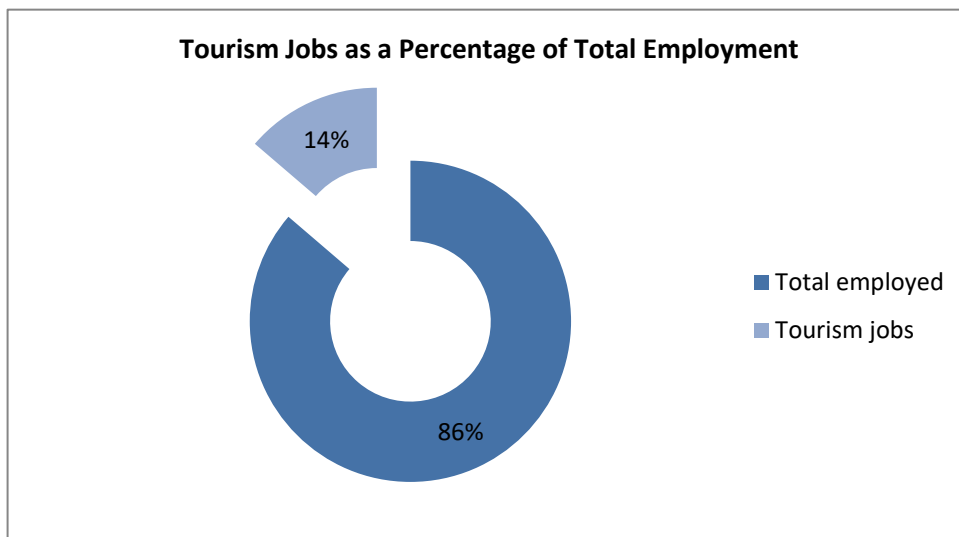
Total Jobs

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	6,905	65%	13,896	65%	20,801	65%
Indirect	2,388	22%	4,643	22%	7,031	22%
Induced	1,394	13%	2,781	13%	4,175	13%
Total FTE	2018	10,687		21,320		32,007
Comparison	2017	11,055		20,373		31,428
Difference		-3%		5%		2%
Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Direct	9,573	69%	20,559	71%	30,132	70%
Indirect	2,722	20%	5,293	18%	8,015	19%
Induced	1,589	11%	3,170	11%	4,759	11%
Total Actual	2018	13,885		29,022		42,906
Comparison	2017	14,386		27,732		42,118
Difference		-3%		5%		2%

Tourism Jobs as a Percentage of Total Employment

	Staying Visitor	Day visitors	Total
Total employed	312,700	312,700	312,700
Tourism jobs	13,885	29,022	42,906
Proportion all jobs	4%	9%	14%
Comparison	2017	14,386	27,732
Difference	-3%	5%	2%



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 vary. 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. Therefore, in some tables there may 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- 2018 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 (principally accommodation, food and drink, retail, attractions, transport). In general, the conversion factor between full time equivalent jobs and actual jobs 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.

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