
The Economic Impact of Tourism on Calderdale 2016

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TOURISM
SOUTH EAST

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Tourism Economic Impact Estimates

This report contains the findings of a study commissioned by Calderdale Council and undertaken by Tourism South East. The overall aim of the research is to provide indicative estimates of the volume, value and resultant economic impact of tourism on the destination.

The research involved the application of the Cambridge Tourism Economic Impact Model or 'Cambridge Model'; a computer-based model developed by Geoff Broom Associates and the Regional Tourist Boards of England.

The methodology used to collect data for both domestic day visits and overnight stays in 2016 has changed from the methodology used in previous years. This means that data cannot be directly compared between 2016 and previous years for both number of visits and spend. Comparisons have been shown throughout this report to provide some broad comparisons, however caution should be used when interpreting any direct year-on-year comparisons. Direct comparisons can be made in future years using 2016 data as baseline measures.

1. Summary of results

1.1 National and regional results

Trips by domestic overnight visitors							
	Yorkshire and The Humber			England			
	2016	2015	% change	2016	2015	% change	
Trips	9,290,000	11,320,000	-18%	99,300,000	102,730,000	-3%	
Nights	27,110,000,000	30,880,000,000	-12%	288,000,000	299,570,000	-4%	
Spend	£1,616m	£1,922m	-16%	£18,500m	£19,571m	-6%	
Trips by overseas overnight visitors							
	Yorkshire and The Humber			England			
	2016	2015	% change	2016	2015	% change	
Trips	1,360,000	1,290,000	5%	32,970,000	31,820,000	4%	
Nights	11,480,000	10,355,000	11%	245,700,000	241,427,000	2%	
Spend	£516m	£566m	-9%	£19,690m	£19,427m	1%	
Trips by day visitors							
	Yorkshire and The Humber			England			
	2016	2015	% change	2016	2015	% change	
Trips	149,000,000	138,000,000	8%	1,557,000,000	1,493,000,000	4%	
Spend	£4,370m	£4,256m	3%	£53,534m	£53,385m	0%	
Total trips							
	Yorkshire and The Humber			England			
	2015	2015	% change	2016	2015	% change	
Trips	159,650,000	150,610,000	6%	1,689,270,000	1,627,550,000	4%	
Spend	£ 6,502m	£6,744m	-4%	91,724,000,000	92,383,000,000	-1%	

- Results from GBTS reveal that 99.3 million domestic overnight trips were taken in England in 2016, a decrease by 3% compared with 2015. The value of domestic overnight trips decreased by 6%, from £19.6 billion to £18.5 billion in 2016.

- The volume and value of domestic overnight trips in Yorkshire and the Humber fell by 18% from 2015 to 2016 and expenditure fell by 16%.
- According to results from IPS, overseas visitors made a total of 32.97 million overnight trips in England in 2016, an increase of 4% compared with 2015. Trip expenditure increased by 1% at the national level.
- Overseas visitor trip volume increased by 5% in Yorkshire and the Humber in 2016 and nights increased by 11%, however overall spend fell by 9% in 2016.
- Figures published in the Great Britain Day Visits Survey (2016) indicate that there were 1.56 billion Tourism Day Visits undertaken in England during 2016, up 4% compared to 2015. Day trip expenditure remained at similar levels to 2015.
- Yorkshire and the Humber region outperformed the national average for day trips, with an 8% increase in visitor numbers and a 3% increase in spend.

1.2 Volume and value of trips – Calderdale results

- Recent trends for Calderdale show an overall increase in year-on-year tourism spending, driven by an increase in day trips and visits by those from overseas.
- Overall, an estimated 333,000 staying trips were spent in the District in 2016. It is estimated that 281,000 trips were made by domestic visitors and 52,000 were made by overseas visitors. Staying trips resulted in an estimated 1 million visitor nights spent in the District, 665,000 by domestic visitors and 369,000 by those visiting from overseas. Overall trip expenditure reached £65 million in 2016.
- Approximately 6.3 million tourism day trips were made to the District (lasting more than 3 hours and taken on an irregular basis) in 2016 generating an additional £188 million in trip expenditure.
- Total expenditure by visitors (overnight and day) to Calderdale is estimated to have been in the region of £253 million in 2016, up by 9% compared to 2015.
- Once adjustments are made to recognise that some of this expenditure will take place outside the District (e.g. it is estimated that around 40% of expenditure on travel such as the purchase of petrol, coach and train fares, will be made at source of origin or on-route), total direct visitor expenditure is reduced to £241 million.
- Additional tourism expenditure is however, generated by other sources, increasing the total amount of money spent in Calderdale. It is estimated that expenditure on second homes and on goods and services purchased by friends and relatives visitors were staying with, or visiting, generated a further total £14.7 million expenditure associated with overnights trips in 2016.
- This brings direct expenditure generated by tourism in Calderdale in 2016 to £255 million, an increase of 11% on 2015. With multiplier effects, the direct turnover is increased to over £328 million in total turnover as a result of a further £73 million being generated through indirect and induced effects.
- This tourism-related expenditure is estimated to have supported 4,633 FTE jobs in Calderdale. Once part-time and seasonal employment is added, the total number of jobs supported increased to 6,371 Actual jobs, up 7% from 2015.

- These jobs are spread across a wide range of service sectors from catering and retail to public service jobs such as in local government, and not just tourism. According to the Office of National Statistics, there were 102,700 employee jobs across the District. Based on our estimates, total tourism related expenditure supported 6% of these jobs in the District in 2016.

2. Methodology

The Cambridge Model

The Cambridge Model is essentially a computer-based spreadsheet model that produces estimates from existing national and local information (e.g. accommodation stocks, inbound trips) of the level of tourism activity within a given local area. The volume of visits are translated into economic terms by estimating the amount of spending by visitors based on their average spend per trip. In turn, the impact of that spending can be translated to estimate the effects in terms of business turnover and jobs.

The standard measures generated in this Model are: the total amount spent by visitors, the amount of income for local residents and businesses created by this spending, and the number of jobs supported by visitor spending.

As the Model utilises a standard methodology capable of application throughout the UK, it offers the potential for direct comparisons with similar destinations throughout the country.

The basic process of estimation used can be divided into three parts:

- visitor trips and visitor spending at a regional/county level derived from national survey sources (county/City).
- local supply data on accommodation, attractions and other factors specific to the destination.
- the use of multipliers derived from business surveys in England to estimate full time equivalent and actual jobs generated by visitor spending in the area.

In its standard form, the Cambridge Model uses a range of local data including details of accommodation stock, local occupancy rates, population, employment and local wage rates. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:

- Great Britain Tourism Survey
- International Passenger Survey
- Great Britain Day Visits Survey
- Census of Employment
- Census of Population
- Annual Survey of Hours and Earnings

The sophistication of the economic impact estimates will depend on the availability of detailed reliable local information to supplement national and regional data sources. Where such data is available from local surveys, then local variations can be explicitly included.

3. Tables of Results

	UK	%	Overseas	%	Total	%
Serviced	148,000	53%	26,800	51%	174,800	52%
Non-serviced	11,000	4%	5,200	10%	16,200	5%
Group/campus	3,000	1%	1,100	2%	4,100	1%
Second homes	6,000	2%	800	2%	6,800	2%
Boat moorings	3,000	1%	0	0%	3,000	1%
Other	4,000	1%	1,400	3%	5,400	2%
Paying guests in private houses	0	0%	100	0%	100	0%
Staying with friends and relatives	106,000	38%	16,700	32%	122,700	37%
Total 2016	281,000		52,100		333,100	
Total 2015	309,000		47,800		356,800	
% change	-9%		9%		-7%	

	UK	%	Overseas	%	Total	%
Serviced	255,000	38%	74,000	20%	329,000	32%
Non-serviced	70,000	11%	67,000	18%	137,000	13%
Group/campus	10,000	2%	16,000	4%	26,000	3%
Second homes	16,000	2%	21,000	6%	37,000	4%
Boat moorings	13,000	2%	0	0%	13,000	1%
Other	28,000	4%	2,000	1%	30,000	3%
Paying guests in private houses	0	0%	1,000	0%	1,000	0%
Staying with friends and relatives	274,000	41%	189,000	51%	463,000	45%
Total 2016	665,000		369,000		1,034,000	
Total 2015	702,000		415,000		1,117,000	
% change	-5%		-11%		-7%	

	UK	%	Overseas	%	Total	%
Serviced	£31,040,000	70%	£10,284,000	49%	£41,324,000	64%
Non-serviced	£1,411,000	3%	£4,359,000	21%	£5,770,000	9%
Group/campus	£275,000	1%	£599,000	3%	£874,000	1%
Second homes	£457,000	1%	£210,000	1%	£667,000	1%
Boat moorings	£590,000	1%	£0	0%	£590,000	1%
Other	£1,462,000	3%	£14,000	0%	£1,476,000	2%
Paying guests in private houses	£0	0%	£200,000	1%	£200,000	0%
Staying with friends and relatives	£8,934,000	20%	£5,203,000	25%	£14,137,000	22%
Total 2016	£44,170,000		£20,869,000		£65,039,000	
Total 2015	£43,683,000		£18,786,000		£62,469,000	
% change	1%		11%		4%	

	Trips	Spend
Total 2016	6,298,000	£187,699,000
Total 2015	5,567,000	£162,424,000
% change	13%	16%

	Domestic		Overseas		Day		Total	
Accommodation	£14,554,000	33%	£6,266,000	30%	£0	0%	£20,820,000	8%
Retail	£5,370,000	12%	£5,790,000	28%	£80,972,000	43%	£92,132,000	36%
Catering	£10,208,000	23%	£4,592,000	22%	£70,258,000	37%	£85,058,000	34%
Attractions	£3,548,000	8%	£2,181,000	10%	£18,593,000	10%	£24,322,000	10%
Travel	£10,490,000	24%	£2,040,000	10%	£17,875,000	10%	£30,405,000	12%
Total 2016	£44,170,000		£20,869,000		£187,698,000		£252,737,000	
Total 2015							£230,835,000	
% change								9%

	Staying tourists		Day visitors		Total	
Accommodation	£21,116,000	35%	£1,405,000	1%	£22,521,000	9%
Retail	£11,049,000	18%	£80,162,000	44%	£91,211,000	38%
Catering	£14,356,000	24%	£68,151,000	38%	£82,507,000	34%
Attraction/entertainment	£5,989,000	10%	£20,106,000	11%	£26,095,000	11%
Transport	£7,518,000	13%	£10,725,000	6%	£18,243,000	8%
Total ⁽¹⁾	£60,028,000		£180,549,000		£240,577,000	
Other non trip related expenditure ⁽²⁾					£14,701,000	
Total direct 2016					£255,278,000	
Total direct 2015					£230,835,000	
% change						11%

⁽¹⁾ Adjustments have been made to visitor expenditure by sector to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. A small proportion of day trip spend will also fall into 'Accommodation' where day visitors have eaten in restaurants/bars of hotels. Furthermore, it is assumed that 40% of travel expenditure occurs outside the destination

⁽²⁾ Apart from the spending associated with the individual trips, additional spending by non-visitors, e.g. friends and relatives with whom the visitor is staying with will also take place. Moreover, owners of second homes/boats will spend some money on maintenance, repair. Data is only available for additional expenditure made related to overnight trips.

Direct	£255,278,000
Supplier and income induced	£72,776,000
Total 2016	£328,054,000
Total 2015	£276,030,000
% change	19%

	2016	2015	% change
Total FTE Jobs	4,633	4,348	7%
Total Actual Jobs	6,371	5,965	7%

	Total
Total employed ⁽³⁾	102,700
Tourism employment	6,371
Tourism proportion	6%

⁽³⁾ Total labour force is based on all employees incl. part-time (excludes government-supported trainees and HM Force and self-employment). The information comes from the Business Register and Employment Survey (BRES) an employer survey conducted by ONS in December of each year.

Glossary of terms

Actual Jobs

Many jobs are seasonal or part-time in their nature in the tourism sector, so an adjustment is made to calculate the actual number of jobs from the number of FTEs. The adjustment made is based on the findings of surveys of tourism related businesses, and national employment surveys.

Annual Business Inquiry (ABI)

This is the main government survey of companies in the UK. It is conducted in two parts: one dealing with employment, the other with financial information.

Annual Survey of Hours and Earnings

The AHSE Survey provides information on wage levels by industry sector and occupation. The main strength of the AHSE is its large sample size. It is based on a 1% sample of employees who are members of PAYE. The coverage of full-time adult employees is virtually complete, and consequently the survey is representative of hours worked for full-time employees on adult rates of pay (although the survey is currently not weighted). The coverage of part-time employees is not comprehensive, as some part-time workers will have earnings below the income tax threshold. The AHSE is the best source for estimating full time earnings.

Direct jobs

Jobs directly generated in those local businesses in which visitors spend money, i.e. hotels, catering establishments.

Economic multiplier

Multipliers are used to estimate the economic impact of visitor expenditure. Visitor expenditure produces three effects. Direct effects are changes in the business sector directly receiving visitor expenditure. For instance, visitors staying in a hotel will directly increase revenue and the number of jobs in the hotel sector. Indirect effects are the changes in supplier businesses. For example, these indirect effects would be hotels purchasing more linen from local suppliers as a result of increased business. Induced effects are changes in local economic activity resulting from household spending. For instance, employees of the hotel and linen supplier spend their wages in the local area, resulting in more sales, income and jobs in the area.

Full Time Equivalent Jobs (FTE)

For the purposes of the Model, a FTE is defined by the average annual salary plus employment costs in the sector concerned.

Indirect jobs

Jobs created locally due to the purchases of goods and services by businesses benefiting from visitor expenditure, i.e. jobs with local suppliers.

Induced jobs

Jobs created throughout the local economy because employees employed due to visitor expenditure spend their wages locally on goods and services such as food, clothing and housing.

International Passenger Survey (IPS)

The International Passenger Survey is conducted by Office for National Statistics and is based on face-to-face interviews with a sample of passengers travelling via the principal airports, sea routes and the Channel Tunnel, together with visitors crossing the land border into Northern Ireland. Around 210,000 interviews are undertaken each year. IPS provides headline figures, based on the county or unitary authority, for the volume and value of inbound trips to the UK.

Labour Force Survey (LFS)

The LFS is a household panel survey, continuous since 1992, with results produced each quarter. It has a sample of approximately 60,000 households. The LFS is the government's largest continuous household survey and participation in the survey is voluntary. LFS data is weighted to enable the population estimates to be produced. The weighting also attempts to compensate for differential non-response among different subgroups in the population. LFS is designed to provide information on the UK labour market that can be used to develop, manage and evaluate labour market.

'Other-trip' Expenditure

Apart from the spending associated with the individual trips, additional spending by non-visitors, e.g. friends and relatives with whom the visitor is visiting and/or staying with will also take place. Moreover, owners of second homes/boats will spend some money on maintenance, repair.

Great Britain Tourism Survey (GBTS)

The Great Britain Tourism Survey is undertaken for VisitBritain and is based on 1,000,000 telephone interviews per each year. It provides basic headline data on the volume and value of domestic tourism at a national, regional and county level.

Staying trips

Staying trips comprise a visit which involves a stay away from home of at least one night. The study measures trips, rather than visitors as one visitor may make multiple trips to an area in a given period.

Great Britain Day Visits Survey (GBDVS)

Great Britain Day Visits Survey is undertaken for VisitBritain and is based on an annual sample of c. 35,000 adults in Great Britain. It measures a range of aspects of day-visits made to all areas of Great Britain.

Tourism day trips

Day trips are defined as a visit to and from home for leisure purposes, undertaken on an irregular basis and lasting a minimum of three hours. The report excludes trips undertaken for business or study purposes, as these are not covered by the Leisure Day Visits Survey methodology. The definition of day trips adopted by this study is that used by the Department of Culture, Media and Sport.

United Kingdom Occupancy Survey (UKOS)

As part of the EU Directive on Tourism Statistics adopted in 1995, the UK must report regularly on a specified range of statistics to Eurostat, the official statistical office of the European Union. Included in these statistics are monthly occupancy rates for UK serviced accommodation. The responsibility for providing this data lies with the four National Tourist Boards, and across England the survey is undertaken by the Regional Tourist Boards. A sample of establishments is recruited to the survey and asked to complete a data form each month, giving details of their nightly occupancy. The data form is processed and analysed to produce monthly occupancy rates for the whole of the area and for specific categories of type, size, location etc.

VFR Trips

VFR trips are defined as a visit where the main purpose is visiting friends and relatives. Whilst many trips to visit friends and relatives will be accommodated in the homes of these friends/ relatives, some will make use of other forms of accommodation. It should be also noted that other forms of trip, for instance for holiday or business purposes may stay with friends and relatives rather than in commercial accommodation.