
The Economic Impact of Tourism on Calderdale 2014

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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.

1. Summary of results

1.1 National and regional results

Trips by domestic overnight visitors						
	Yorkshire and The Humber			England		
	2013	2014	% change	2013	2014	% change
Trips	10,004,000	9,465,000	-5%	101,800,000	93,000,000	-9%
Nights	27,463,000	26,486,000	-4%	294,830,000	273,000,000	-8%
Spend	£1,792,000,000	£1,735,000,000	-3%	£18,700,000,000	£18,085,000,000	-3%
Trips by overseas overnight visitors						
	Yorkshire and The Humber			England		
	2013	2014	% change	2013	2014	% change
Trips	1,213,000	1,367,000	13%	28,602,000	29,824,000	4%
Nights	10,389,000	11,209,000	8%	216,975,000	232,846,000	7%
Spend	£581,000,000	£571,000,000	-2%	£18,397,000,000	£19,081,000,000	4%
Trips by day visitors						
	Yorkshire and The Humber			England		
	2013	2014	% change	2013	2014	% change
Trips	134,000,000	131,000,000	-2%	1,370,000,000	1,345,000,000	-2%
Spend	£4,225,000,000	£4,147,000,000	-2%	£45,101,000,000	£46,024,000,000	2%
Total trips						
	Yorkshire and The Humber			England		
	2013	2014	% change	2013	2014	% change
Trips	145,217,000	141,832,000	-2%	1,499,942,000	1,467,824,000	-2%
Spend	£6,598,000,000	£6,453,000,000	-2%	£82,125,550,000	£83,190,000,000	1%

- ◆ Results from GBTS reveal that 93 million domestic overnight trips were taken in England in 2014, a decrease of 9% compared with 2013. The value of domestic overnight trips fell by 3%, from £18.7 billion in 2013 to £18 billion in 2014.
- ◆ Across Yorkshire and the Humber, the volume of domestic overnight trips fell by 5% (from 10 million to 9.5 million), and reflecting the national trend, trip spend was also down by 3% compared to 2013 (from £1.79 billion to £1.73 billion).
- ◆ According to results from IPS, overseas visitors made a total of 29.8 million overnight trips in England, an increase of 4% compared with 2013. Trip expenditure also increased by 4% at the national level.
- ◆ Overseas visitor trip volume was also up for the region; total overnight trips taken by visitors from overseas to Yorkshire and the Humber increased by 13% (from 1.2 million to almost 1.4 million).

However, in sharp contrast, the overall expenditure associated with trips by overseas visitors actually dropped by 2% according to the national survey. This is due to a higher volume of overseas visitors staying with friends and relatives and thus not incurring any costs on accommodation.

- ◆ Figures published in the Great Britain Day Visits Survey (2014) indicate that there were 1.3 billion Tourism Day Visits undertaken in England during 2014 (down 2% compared to 2013). Despite a small drop in volume, spend per head was up, leaving to an increase in day trip expenditure of 2%.
- ◆ At regional level, there were 131 million tourism day trips which was down by 2% on 2013. Unlike the national picture, day trip spend at regional level was also down by 2%.

1.2 Volume and value of trips – Calderdale results

- ◆ Despite the national and regional picture showing a drop in the volume and value of domestic overnight trips, the picture at destination level across Yorkshire was more variable. In Calderdale, the year saw a small drop of 1% in domestic overnight trip volume but an increase of 6% in trip spend (spend grew as a result of visitors spending more per head).
- ◆ Reflecting national trends, the number of trips made by visitors from overseas to Calderdale was up by 5% and their trip spend was up by 4% compared to 2013.
- ◆ In total, it is estimated that around £61.2 million was spent by all overnight visitors on their trip to Calderdale in 2014, up by 4% compared to 2013.
- ◆ It is estimated that around 5.6 million tourism day trips were made to Calderdale in 2014, a fall of 4% compared to 2013. Day trip expenditure generated £145.5 million in 2014, a small growth of 1%.
- ◆ In total, around £206.7 million was spent on trips to Calderdale in 2014 by overnight and day visitors. Twenty percent of this expenditure was made by domestic staying visitor; 7% by overseas staying visitors and 71% by day visitors.
- ◆ Further additional expenditure spent by visitors on second homes / boats and by friends and relatives, who visitors are staying with or visiting (either during overnight or day trips), needs also to be accounted for as this represents a significant additional source of income for local businesses. It is estimated that this 'additional' expenditure generated a further £16.5 million of direct turnover for local businesses in 2014.
- ◆ Of the £206.7 million estimated to have been spent by visitors on their trip, around £196.4 million **directly** benefited local businesses from hotels and restaurants to cafes, shops and attractions in Calderdale. Adjustments have been made to recognise that some spending on travel will take place outside the destination. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination. Also some expenditure on retail and food and drink will fall within the attractions sector and accommodation sector.
- ◆ In addition to the business turnover generated in those businesses directly receiving visitor income, successive rounds of expenditure, that is spending by these businesses on local supplies and

spending by employers in the local area (multiplier spend), is estimated to have generated a further £63 million to the local economy.

- ◆ Drawing together direct business turnover, supplier and income induced expenditure, and the additional expenditure spent on second homes and by friends and relatives, the **total value of tourism activity in Calderdale in 2014 is estimated to have been around £276 million, up by 2% compared to 2013.**

- ◆ This income to the local economy is estimated to have supported around **4,031 Full-Time Equivalent Jobs**. Many of these jobs are part-time or seasonal in nature and translate into an estimated 5,552 Actual Jobs, up by 2% compared to 2013.

- ◆ 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 are 102,000 employee jobs across Calderdale. Based on our estimates, total tourism related expenditure supported 5% of these jobs in 2014.

2. Tables of Results

2.1 Overnight trips by accommodation

	UK	%	Overseas	%	Total	%
Serviced	147,000	49%	22,400	47%	169,400	49%
Non-serviced	10,000	3%	4,500	9%	14,500	4%
Group/campus	4,000	1%	700	1%	4,700	1%
Second homes	6,000	2%	1,200	3%	7,200	2%
Boat moorings	3,000	1%	0	0%	3,000	1%
Other	10,000	3%	2,700	6%	12,700	4%
Paying guests in private houses	0	0%	100	0%	100	0%
Staying with friends and relatives	118,000	40%	16,200	34%	134,200	39%
Total 2014	298,000		47,900		345,900	
Total 2013	302,000		45,700		347,700	
% change	-1%		5%		-1%	

	UK	%	Overseas	%	Total	%
Serviced	249,000	37%	72,000	17%	321,000	29%
Non-serviced	53,000	8%	66,000	16%	119,000	11%
Group/campus	10,000	1%	16,000	4%	26,000	2%
Second homes	20,000	3%	96,000	23%	116,000	10%
Boat moorings	12,000	2%	0	0%	12,000	1%
Other	41,000	6%	4,000	1%	45,000	4%
Paying guests in private houses	0	0%	1,000	0%	1,000	0%
Staying with friends and relatives	296,000	43%	170,000	40%	466,000	42%
Total 2014	682,000		424,000		1,106,000	
Total 2013	685,000		413,000		1,098,000	
% change	0%		3%		1%	

	UK	%	Overseas	%	Total	%
Serviced	£28,446,000	66%	£8,784,000	48%	£37,230,000	61%
Non-serviced	£1,663,000	4%	£3,133,000	17%	£4,796,000	8%
Group/campus	£273,000	1%	£666,000	4%	£939,000	2%
Second homes	£409,000	1%	£613,000	3%	£1,022,000	2%
Boat moorings	£603,000	1%	£0	0%	£603,000	1%
Other	£2,067,000	5%	£40,000	0%	£2,107,000	3%
Paying guests in private houses	£0	0%	£150,000	1%	£150,000	0%
Staying with friends and relatives	£9,441,000	22%	£4,875,000	27%	£14,316,000	23%
Total 2014	£42,903,000		£18,261,000		£61,164,000	
Total 2013	£40,620,000		£17,544,000		£58,164,000	
% change	6%		4%		5%	

2.2 Tourism day trips

	Trips	Spend
Total 2014	5,640,000	£145,562,000
Total 2013	5,899,000	£144,787,000
% change	-4%	1%

2.3 Sector breakdown of visitor expenditure

	Domestic		Overseas		Day		Total	
Accommodation	£13,555,000	32%	£5,336,000	29%	£0	0%	£18,891,000	9%
Retail	£5,485,000	13%	£5,156,000	28%	£62,780,000	43%	£73,421,000	36%
Catering	£10,218,000	24%	£3,981,000	22%	£54,491,000	37%	£68,690,000	33%
Attractions	£3,645,000	8%	£2,022,000	11%	£14,424,000	10%	£20,091,000	10%
Travel	£10,001,000	23%	£1,766,000	10%	£13,866,000	10%	£25,633,000	12%
Total 2014	£42,904,000		£18,261,000		£145,561,000		£206,726,000	
Total 2013							£202,953,000	
% change							2%	

2.4 Other trip related expenditure

Second homes	£164,000
Boats	£120,000
Friends and relatives	£16,283,000
Total 2014	£16,567,000

2.5 Business turnover derived from tourism and related expenditure

	Staying tourists		Day visitors		Total	
Accommodation	£19,175,000	34%	£1,090,000	1%	£20,265,000	10%
Retail	£10,534,000	19%	£62,153,000	44%	£72,687,000	37%
Catering	£13,773,000	24%	£52,857,000	38%	£66,630,000	34%
Attraction/entertainment	£5,915,000	10%	£15,597,000	11%	£21,512,000	11%
Transport	£7,060,000	13%	£8,320,000	6%	£15,380,000	8%
Total ⁽¹⁾	£56,457,000		£140,017,000		£196,474,000	
Other non trip related expenditure ⁽²⁾	£16,567,000		£0		£16,567,000	
Total direct 2014	£73,024,000		£140,017,000		£213,041,000	
Total direct 2013	£70,209,000		£139,271,000		£209,480,000	
% change	4%		1%		2%	

⁽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	£213,041,000
Supplier and income induced	£62,989,000
Total 2014	£276,030,000
Total 2013	£271,115,000
% change	2%

2.6 Employment supported by tourism and related expenditure

	2014	2013	% change
Total FTE Jobs	4,031	3,957	2%
Total Actual Jobs	5,522	5,421	2%

	Total
Total employed ⁽³⁾	102,000
Tourism employment	5,522
Tourism proportion	5%

⁽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.

3. 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 is 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.

Estimates are based on a 3 year rolling average, thus smoothing out irregular fluctuations and avoiding any distortion arising from regional variations, giving us a more long term picture of the value of tourism and we would caution against year-on-year comparisons. 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 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.

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 area.
- 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, local wage rates and visits to attractions. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:

- Great Britain Tourism Survey (GBTS)
- International Passenger Survey (IPS)
- Great Britain Day Visits Survey (GBDVS)
- Visits to Attractions Survey
- Annual Survey of Hours and Earnings (ASHE)
- Census of Employment
- Census of Population
- Labour Force Survey

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.

4. Glossary of terms

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.

Tourism day trips

A day trip is classified as a "tourism day visit" if it involves participation in one of fifteen leisure activities (full details of the definition used are included in the annual survey report); have lasted at least three hours (including travel); it's not an activity which is undertaken "very regularly"; and is to a destination outside the respondent's place of residence (or place of work if this was the start point of the trip). The exceptions to this are trips to special public events, live sporting events and visitor attractions.

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.

'Other' 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.

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.

Direct jobs

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

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.

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.

Great Britain Tourism Survey (BGTS)

The Great Britain Tourism Survey is undertaken by TNS. The key characteristics of the survey include a 100,000 face-to-face interviews per annum, conducted in-home, and a weekly sample size of around 2,000 adults aged 16 years or over - representative of the GB population in relation to various demographic characteristics including gender, age group, socio-economic group, and geographical location. Respondents are asked about any overnight trips taken in the last four weeks. It provides basic headline data on the volume and value of domestic tourism at a national, regional and county level.

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 overseas trips to the UK.

Great Britain Day Visits Survey (GBDVS)

The 2013 Great Britain Day Visits Survey aims to measure the volume, value and profile of Tourism Day Visits taken by GB residents to destinations in England, Scotland, Wales and Northern Ireland. Fieldwork is undertaken on a weekly basis, using an online methodology, and an annual sample of over 38,000 interviews.

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 Research Solution on behalf of Visit England. A sample of establishments are recruited to the online survey and asked to complete a data form each month, giving details of their nightly occupancy. The data submitted is analysed to produce monthly occupancy rates for the whole of the area and for specific categories of type, size, location etc.

Annual Survey of Hours and Earnings (ASHE)

The Annual Survey of Hours and Earnings (ASHE) provides information about the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations. ASHE is based on a one per cent sample of employee jobs taken from HM Revenue & Customs (HMRC) PAYE records. The ASHE tables contain UK data on earnings for employees by sex and full-time/part-time workers. The earnings information presented relates to gross pay before tax, National Insurance or other deductions.

Labour Force Survey (LFS)

The LFS is a household panel survey designed to provide information on the UK labour market, 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.