Tamworth Tourism Economic Impact Assessment 2010

DRAFT FINAL REPORT
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INTRODUCTION

The Economic Impact Assessment of tourism in Tamworth has been undertaken using a model developed by Geoff Broom Associates in partnership with the Regional Tourist Boards and has been compiled and written by The Research Solution, an independent market research agency.

The assessment focuses upon the estimates of the overall volume of visits undertaken to the Borough in 2010, expenditure in the local economy and the number of jobs that are dependent upon tourism.

The Economic Impact Assessment considers localised data such as the average accommodation occupancy levels and visitor numbers to the Borough's tourism attractions. Therefore, the assessment includes the most current localised information available (primarily 2010). The national survey data that forms the Cambridge Economic Impact Assessment Model's key driver template is based on 2010 results.

This much more sophisticated version of the Cambridge Model features of a number of enhancements. These include:

- ◊ inclusion of impact of second homes, marinas/ boat moorings and paying guests in private homes e.g. language school host families
- ◊ analysis of impact of other types of 'non-trip expenditure' associated with tourism e.g. spending by local residents hosting friends and relative stays, expenditure on second homes and boats
- ◊ more detailed economic impact analysis
- ◊ use of more detailed data on local occupancies, wage rates etc to inform local data outputs

The Cambridge model is an estimate of trips / nights / spend by visitors to a specified area. Throughout the report there are some references to 'visitors'. This is purely for descriptive purposes, outlining the type of visitors who make trips to the area. Visitors are in essence making trips to the area, but of course these visitors can make more than one trip to any area throughout the course of the year. It is important to remember that estimated volume (trips and nights) to a specified destination **IS NOT** an estimate of visitor numbers but an indication of the number of trips made and the number of nights spent in that area.

FACTORS AFFECTING TOURISM

Volume and Value of Tourism Staying Visits

The continuing economic recession became evident during 2010. Overall, the number of domestic overnight trips taken in the UK in 2010 was 5% lower than in 2009, while total spending decreased by 5% in nominal terms. As a whole, domestic overnight trips in the West Midlands region decreased by 7% in 2010 with spend down 11% on 2009.

Staycation

In 2009, the economic downturn and weaker pound together drove an increase in domestic tourism, resulting in an uplift of 18% in the number of holiday trip taking in England – the so-called “staycation”. This trend looks set to continue as the weak pound makes the option of holidaying abroad or buying a home overseas seem less attractive.

A combination of social and economic factors have led to the likelihood of more UK holidaymakers choosing to stay in the UK rather than travel abroad. The factors are:

- Economic uncertainty in the UK, leading to job insecurity and a smaller budget for a holiday
- The weaker pound against the Euro, making traditionally popular holiday destinations on the Mediterranean more expensive to visit.
- Rising airport taxes and duty on fuel when flying
- Strikes, social unrest and economic uncertainty in countries such as Greece.

The UK Tourism Survey (now GBTS) is sponsored by the tourist boards of England, Scotland, Wales and Northern Ireland and surveys the domestic tourism habits of a large section of individuals who have taken an overnight trip in the UK. The 2010 results are out with some interesting findings:

Holiday nights (millions

2007 – 203.9

2008 – 193.1

2009 – 222.5

2010 – 202.8

So although overnight stays were down nearly 10% on 2009, the longer term picture would suggest that 2009 was a bumper year.

According to research undertaken by Visit England, there are 2 groups who changed their behaviour in 2009 to generate the uplift in domestic holidays.

One group 'Switchers' accounted for 13 per cent of respondents and included a high proportion of families. Switchers took at least one holiday in England that directly replaced a holiday they would have taken abroad.

The second group, 'Extras' accounted for 15 per cent of respondents and tended to be younger and were more likely to be single. This group was less affected by the credit crunch and their economic situation and was more motivated by a desire to explore the UK and go somewhere new. This group took more domestic holidays than they had done previously – in most cases, without giving up holidays abroad.

Together, these groups drove the uplift in domestic holidays in 2009 and 2010.

Among both groups, it was clear that the media had played a pivotal role. The term "staycation" was frequently mentioned, and respondents cited news stories about increases in domestic travel. A macro trend towards the local has also helped drive behaviour – for example, TV programmes such as "Coast" and media emphasis on "local produce" have helped foster a latent pride in the country and what it has to offer.

International Passenger Survey (IPS) data

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. The number of interviews conducted in 2010 was 251 thousand. This large sample size allows reliable estimates to be produced for various groups of passengers despite the low proportion of travellers interviewed. IPS provides headline figures, based on the county or unitary authority, for the volume and value of overseas trips to the UK.

How accurate is the Regional data?

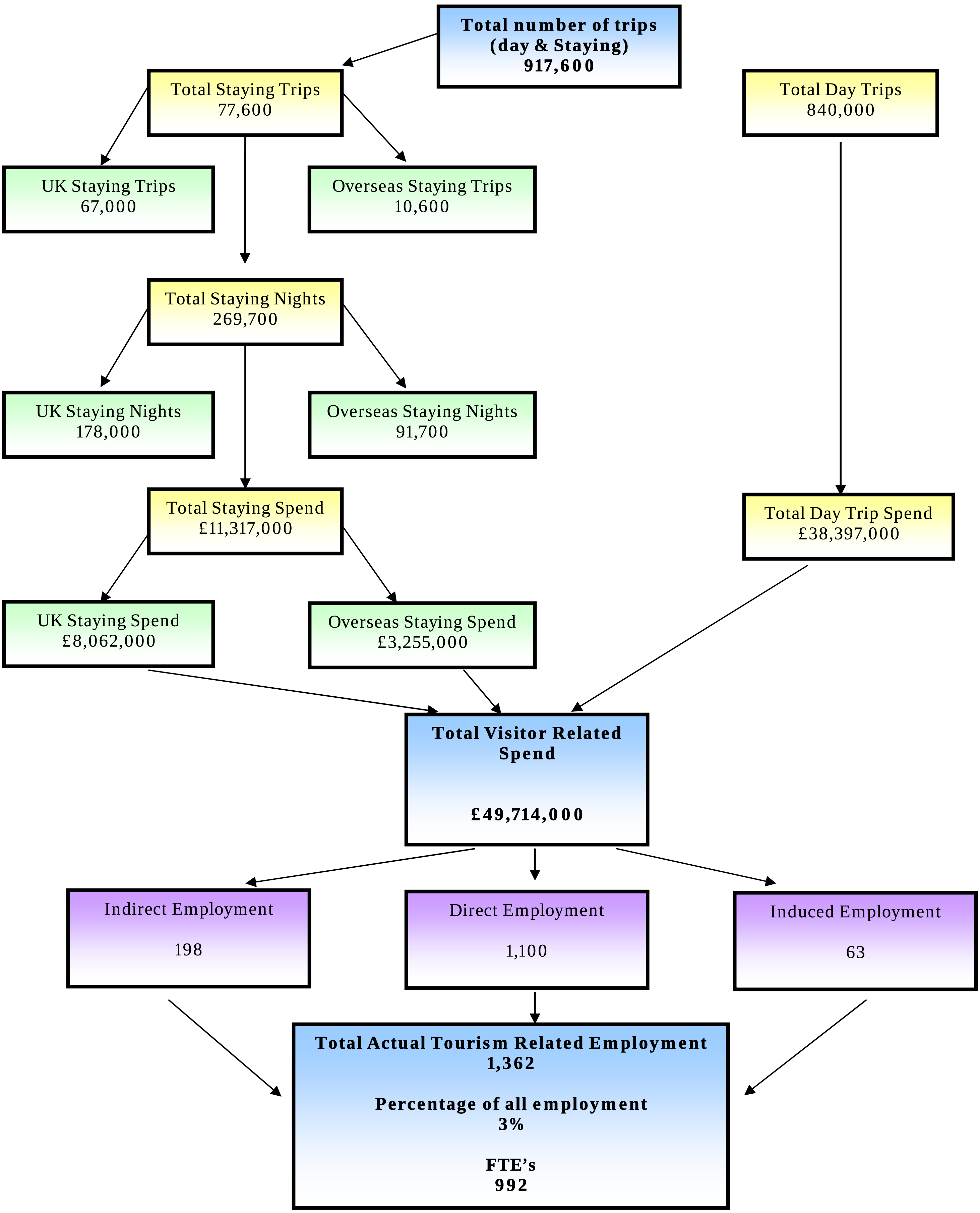
The regional data has to be interpreted with lots of caution, as the IPS has never been designed to be able to produce highly accurate results at regional level. Whilst the survey gives good precision at the national level, regional breakdowns of the data will almost inevitably lead to less reliable results. For example although the sample size for Merseyside was 322 in 2004 the margin of error for visits to this area is 40.9%. We have to bear in mind that although the IPS matches accurately the overall volume of overseas visitors coming to the UK, the IPS does not give a precise picture of where these overseas visitors stayed during their stay in the UK. This is because some interviews are not done in a few regional airports. For example until 2005 no interviews were carried at Prestwick and Liverpool airports, which may have resulted into less accurate estimates for Scotland and Northern England.

The International Passenger Survey (IPS) data is a key driver for the Cambridge model and as outlined above, needs to be used with caution when looking at regional level data. Applying a 3 year rolling average to this data helps to smooth out short term market fluctuations and highlight longer-term trends.

Monthly Impacts of Tourism – UK and Worldwide

	UK	World
January	Snowfall in second week of January disrupted some air and rail services. Further snow caused travel disruptions at the end of the month. Temperatures well below average. UK consumer confidence at highest level since late 2007.	£% drop in passengers using UK airports.
February	Further flight disruptions due to snow.	
March	Above average temperatures and below average rainfall.	
April	Exceptionally below average rainfall and above average temperatures and sunshine. Easter Sunday April 4th PKF show rise in occupancy compared with April 2009	Icelandic volcanic ash cloud caused extreme worldwide flight disruption, with all flights to and from UK airports suspended between 15th & 20th April.
May	Ash cloud caused further flight disruptions to UK airports on May 15th & 16th. Average temperatures and sunshine, with below average rainfall. General Election leading to coalition government.	
June	Temperatures above average and rainfall below average. Long spell of warm, sunny weather.	
July	Exceptionally above average rainfall and below average sunshine. Bank of England warned of lower growth and higher inflation than previously forecast.	
August	Rainfall above average and sunshine below average. UK consumer confidence showed slight improvement.	
September	Weather average.	Inbound air passenger numbers to UK up 3% on September 2009
October	Sunniest October on record in Wales.	Oil prices reached 6-month high.
November	Snow caused widespread travel disruption at end of month.	Oil prices continued to rise.
December	Heavy snow caused continued disruption.	

Economic Impact of Tourism – Tamworth 2010 Headline Figures



VOLUME OF TOURISM

Introduction

The key drivers for the Model are the known accommodation stock available and the occupancy levels achieved.

The accommodation database has been compiled in conjunction with the client, utilising local knowledge in order to produce a comprehensive count of actual known stock available in Tamworth. The following stock includes all known accommodation including National Accommodation Scheme as well as eligible and non-eligible establishments.

Accommodation Stock in Tamworth	
◊ Hotel / guesthouse/inns	554 bedspaces
◊ Bed & Breakfast/Farms	223 bedspaces
◊ Self Catering	1 unit
◊ Second homes	29 units

NB - Second homes data is based on the 2001 Census: Language schools data based on 'English in Britain' and the Yellow Pages.

1.0 Overnight Visits to Tamworth

Application of occupancy levels to known stock provides estimates of the number of visits or trips to the Borough, a trip being any length of time stay away from home. The Occupancy Survey of serviced accommodation together with Regional data provides the UK/Overseas split. The table below presents the number of overnight trips (not length of stay) made to commercial serviced and non-serviced accommodation in Tamworth.

Table 1: Overnight Trips by Commercial Accommodation

	UK	%	OVERSEAS	%	TOTAL	%
Serviced accommodation	15,000	**83%**	1,600	**40%**	16,600	**75%**
Second Homes	0	**0%**	100	**3%**	100	**1%**
Other	3,000	**17%**	2,300	**58%**	5,300	**24%**
Total	**18,000**	**100%**	**4,100**	**100%**	**22,100**	**100%**

NB – 'other' includes overnight trips in, boats, religious missions, transit accommodation etc

NB – tables may not add up exactly due to the rounding of the figures in the model

In addition to visitors who use the commercial forms of accommodation presented above, there are a proportion who stay overnight with friends or relatives in the Borough (VFR). Estimates of overnight visits to friends/relatives are based upon the regional average of trips generated per head of resident population, which is around 1.4 trips per head of population.

The population of Tamworth is estimated to be approximately 76,003 (ONS population estimate census data 2010). The table below indicates the proportion of commercial trips compared to VFR trips generated by the local population. Around 72% of all overnight trips stay with friends and family, which is significantly above the regional average of 41%.

Table 2: All Types of Overnight Trip		
Commercial	22,100	28%
VFR	55,500	72%
Total	**77,600**	**100%**

2.0 Purpose of Overnight Visits to Tamworth

The table and chart below indicate the breakdown of all 77,600 trips made to the area by purpose of visit.

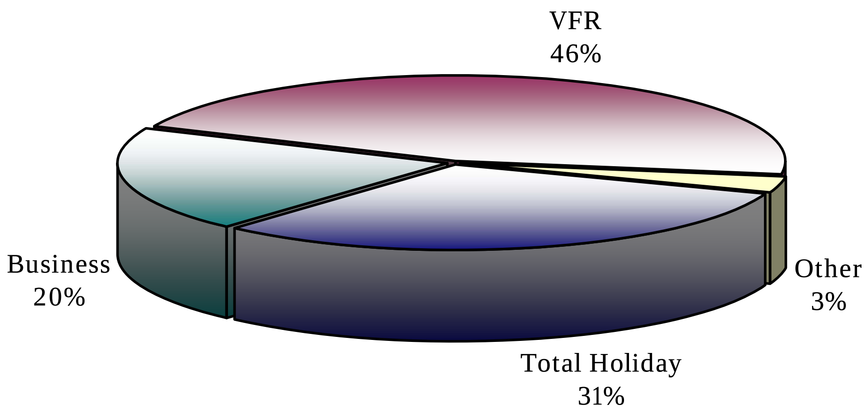
Table 3: Purpose of Overnight Visits to Tamworth

	Domestic	%	Overseas	%	Total	%
Total holiday	22,000	33%	1,700	16%	23,700	31%
Business	12,000	18%	3,300	31%	15,300	20%
VFR	31,000	46%	5,000	47%	36,00	46%
Other	2,000	3%	700	7%	2,700	3%
Total	**67,000**	**100%**	**10,600**	**100%**	**77,600**	**100%**

NB - tables may not add up exactly due to the rounding of the figures in the model

Over the full year, overseas visits account for around 14% of all overnight trips to the Borough, slight above the percentage witnessed in 2009 when 13% of overnight trips were from overseas. For the overnight visitor market as a whole, those visiting friends or relatives accounts for 46% of all trips and those visiting for holiday purposes represents 31% of visits.

Figure 1: Purpose of Overnight Visits



There is a variation between the purpose of trip and accommodation used in the case of VFR. Of the 77,600 trips made to the Borough, 36,000 (46%) were for the primary purpose of visiting friends/relatives. In terms of the potential accommodation used, the figure is higher at 55,500 showing that far more may stay with friends/relatives but identify an alternative prime motivation i.e. 'holiday', 'other' or 'business' for the trip.

3.0 Bednights Generated by Purpose of Visit

Research into the Borough's visitor markets has shown that different sorts of visitors stay for different lengths of time and that their levels of expenditure vary according to the length and purpose of visit. The figures below are currently based upon regional and Borough averages by the various sectors.

In 2010 the total number of nights spent in Tamworth amounted to 269,700 dominated by those visiting friends or relatives (53%) and visits for holiday purposes (27%).

Table 4: Bednights Generated by Purpose of Visit

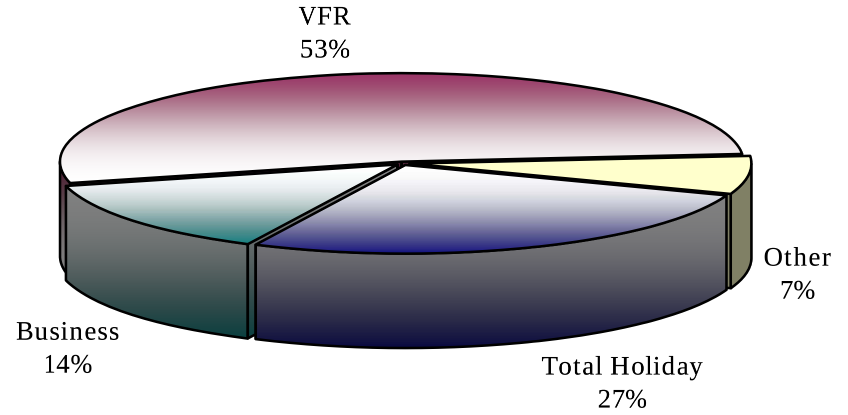
	Domestic	%	Overseas	%	Total	%
Total holiday	61,000	34%	12,600	14%	73,600	27%
Business	24,000	13%	12,900	14%	36,900	14%
VFR	83,000	47%	58,600	64%	141,600	53%
Other	11,000	6%	7,600	8%	18,600	7%
Total	**178,000**	**100%**	**91,700**	**100%**	**269,700**	**100%**

NB - table may not add up exactly due to the rounding up/down of figures
NB - 'other' includes study

Around 34% of all visitor nights spent in Tamworth are from overseas visits, compared with 41% in 2009 and 21% in 2008. The 'VFR' and 'other' category (which includes study) have witnessed a significant increase in overseas visitors during 2009. Due to the small sample size, these results should be treated with caution.

The chart below indicates the percentages of all bednights generated by purpose in Tamworth during 2010.

Figure 2: Bednights Generated



4.0 Day and Overnight Visits to Tamworth

Segmenting the visitor market according to the type of trip being made to an area is very important. The two most obvious markets are:

Overnight - Visitors who stay overnight in Tamworth.
Day Visit - Visitors who start their trip from home and return there on the same day.

In the case of a destination such as Tamworth, it is not surprising to find that all day visitors are UK residents. The overnight market contains a domestic and overseas element.

An estimate of the number of day visits is made by using the ratio of resident to non-resident visitors to all attractions, numbers of visits to attractions, local population; the distance from other population centres and other sources of day visitor behaviour based upon the 2006 United Kingdom Day Visits Survey.

The basis for day visiting is for irregular day visits, which last for three hours or more and are taken on an irregular basis, not for example, regular weekly shopping trips. There is no distance factor involved, thus 'irregular day visitors' include infrequent theatre or attraction visits, lasting over three hours, including local residents. These proportions are translated into total numbers of visits in table 5 below.

Table 5: Total Number of Trips to Tamworth

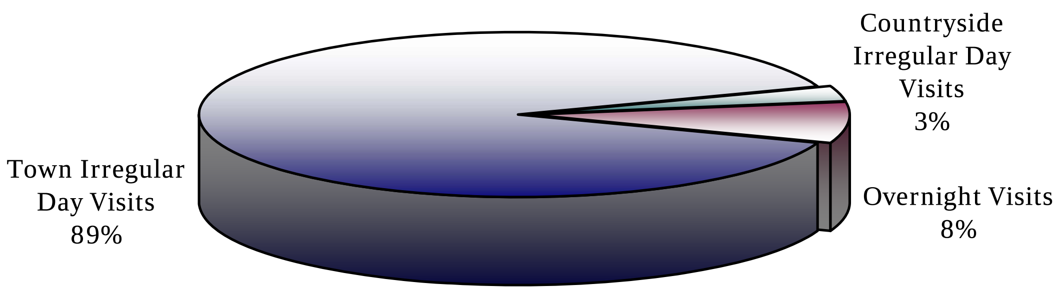
	Domestic	**Overseas**	**Total**	**%**
Overnight Visits	67,000	10,600	77,600	8%
Town Irregular Day Visits	814,000	N/A	814,000	89%
Countryside Irregular Day Visits	26,000	N/A	26,000	3%
Total	**907,000**	**10,600**	**917,600**	**100%**

Irregular day trips are defined as those lasting 3 hours or more but taken on an irregular basis without distance travelled as a defining factor.

Approximately 1.0 million trips were undertaken in Tamworth, comprising around 0.9 million day visits and 0.1 million overnight visits.

The chart below indicates the total breakdown of visits.

Figure 3: Visitor Distribution



5.0 Visitor Flows in Tamworth

Taking the days spent by day visitors together with the expenditure from those overnight trips provides an overall figure for visitor flows. The 0.1 million staying trips in the area equate to approximately 0.3 million nights spent in Tamworth itself.

The breakdown of the visitor market by trips and days spent in Tamworth is shown below.

Table 6: Visitors – Trips & Days

	Trips made to Tamworth	Days Spent in Tamworth
Day Visitors	**840,000**	**840,000**
Overnight Visitors	**77,600**	**269,700**
TOTAL	**917,600**	**1,109,700**

6.0 VALUE OF TOURISM

6.1 Introduction

Having established the volume of visitor days to Tamworth, it is possible to then estimate the total value of tourism expenditure. The per head expenditure data is generated by national tourism data (UKTS/IPS) disaggregated down to regional level. The regional data for 2010 has been applied to the different types of visitor days spent in the Borough. The total expenditure generated by visitor trips in 2010 is estimated to be **£50 million**.

6.2 Spend per Head

The expenditure total for each party of visitors is divided by, the number of people concerned in order to provide an average spend per head. The average spend per head per trip is shown in table 7 below, showing the variations by purpose of visit and UK/Overseas, from the regional sources of information.

Table 7: Spend per Head per Trip

	Domestic	Overseas
All Holidays	£129.18	£296.47
Business	£171.68	£303.33
VFR	£73.90	£287.80
Other	£434.50	£444.29
Irregular Day Town Visits	£46.20	-
Irregular Day Countryside Visits	£30.31	-

NB - 'other' includes holiday and business trips where the interviewee has not specified the dominant factor for the trip.

The above table displays the spend per head per trip. However, when looking at spend per head per night, the figures are more reflective of the proportion of spend by visitors. The expenditure total for each party of visitors is divided by the number of nights concerned in order to provide an average spend per head per night. The average spend per head per night is presented in the table below, showing the variations by purpose of visit and UK/Overseas, from the Regional sources of information.

Table 7a: Spend per Head per Night

	Domestic	Overseas
All Holidays	£46.59	£40.00
Business	£85.83	£77.60
VFR	£27.60	£24.56
Other	£79.00	£40.92

7.0 Overnight Visitor Spend

Applying the above rates per capita spend to the overnight sectors produces a substantial impact for the leisure/holiday and business markets.

Table 8: Overnight Visitor Spend

	Domestic	Overseas	Total	%
Holiday	£2,842,000	£504,000	£3,346,000	30%
Business	£2,060,000	£1,001,000	£3,061,000	27%
VFR	£2,291,000	£1,439,000	£3,730,000	33%
Other	£869,000	£311,000	£1,180,000	10%
Total	**£8,062,000**	**£3,255,000**	**£11,317,000**	**100%**

NB -table above may not add up exactly due to the rounding up/down of figures

The largest area of spend is 33% spent by those visiting friends or relatives, followed by 30% spent by those visitors on holiday.

8.0 Day Visitor Spend

For irregular day visits the figures are broken down using regional irregular spend figures.

Table 9: Irregular Day Visitor Spending			
Irregular town day trips	814,000	@ £46.20 per trip	£37,609,000
Irregular countryside day trips	26,000	@ £30.31 per trip	£788,000
TOTAL	**840,000 trips**		**£38,397,000**

NB - aggregation of sectoral spending by day visitors may mean that rounding has occurred.

9.0 Total Expenditure by Market Sector

Total expenditure by the main markets is shown below.

Table 10: Overnight and Day Visitor Expenditure		
Overnight	£11,317,000	23%
Day Visitor	£38,397,000	77%
TOTAL	**£49,714,000**	**100%**

NB - figure includes all transport/travel associated with trip but excludes revenue expenditure which is not directly related to the trip, i.e. maintenance of second home or spend on boats etc.

Table 10a: Total Spend - Regional Comparisons	
Tamworth	**£49,714,000**
Staffordshire	**£985,538,000**

The table above shows how Tamworth borough compares to Staffordshire as a whole. Tamworth generates approximately 5% of the county tourism spend.

10.0 Expenditure associated with Trips: Total Expenditure Associated with Trips

The total expenditure associated with tourism trips to the area is £49,714,000. Most spend by staying visitors occurs in the accommodation and food and drink sectors, whilst day trippers spend most on food and drink and shopping.

Table 11: Total Expenditure Associated with Trips

	Accomm	Shopping	Food & Drink	Attractions/ entertain-ment	Travel	Total
UK tourists	£2,366	£1,215	£1,981	£855	£1,645	£8,062
Overseas Tourists	£954	£874	£728	£367	£332	£3,255
Total Staying Visitors	**£3,320**	**£2,089**	**£2,709**	**£1,222**	**£1,977**	**£11,317**
%	***29%***	***18%***	***24%***	***11%***	***17%***	
Total Day Visitors	**£0**	**£16,693**	**£14,324**	**£3,761**	**£3,619**	**£38,397**
%	***0%***	***43%***	***37%***	***10%***	***9%***	
Total	**£3,320**	**£18,782**	**£17,033**	**£4,983**	**£5,596**	**£49,714**
%	***7%***	***38%***	***34%***	***10%***	***11%***	

10.1 Other expenditure associated with tourism activity

Apart from expenditure associated with the individual trips, some forms of activity also involve ongoing expenditure on the accommodation or result in additional spending by non-visitors e.g. friends and relatives with whom the tourist is staying. This expenditure amounted to £5,389,000.

Table 11a: Other expenditure associated with tourism activity – Estimated spend

Second homes	Boats	Static vans	VFR	Total
£0	£0	£0	£5,389,000	£5,389,000

Spend on second homes is assumed to be an average of £750 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,000 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 £1,500. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £100 per visit has been assumed based on VB research for social and personal visits*

10.2 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. The visitor spend (including day and overnight visits) has been allocated across the main sectors of the local tourism economy based upon regional proportions. This includes accommodation, retail, catering, entertainment and transport.

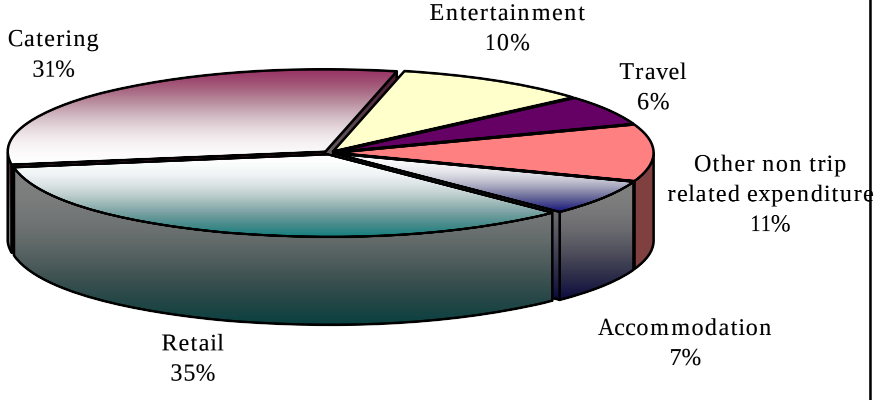
Table 12: Effect of Expenditure on Business

	Staying visitors	Day Visitors	Total
Accommodation	£5,269,000	£439,000	£5,708,000
Retail	£3,028,000	£25,019,000	£28,047,000
Catering	£3,958,000	£21,304,000	£25,262,000
Entertainment	£1,879,000	£6,291,000	£8,170,000
Transport	£1,806,000	£3,356,000	£5,162,000
Other non trip related expenditure	£6,738,000	£0	£6,738,000
Total	**£22,678,000**	**£56,409,000**	**£79,087,000**

NB - figures may not add up exactly due to rounding

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 50% of travel spend will take place at the origin of the trip rather than at the destination

Figure 4: Distribution of Visitor Spending



The major receiving sectors of all tourism spend are retail £19 million (35%) and catering £17 million (31%).

11.0 Supplier and Income Induced Turnover

Visitor expenditure adds to the turnover in tourism related businesses in direct receipt of tourism spending. Thus spending on accommodation will mainly benefit hotels, guest house, caravan and camp sites and other commercial establishments. However, some spending on shopping takes place in attractions, while a proportion of eating and drinking takes place in hotels and pubs which fall within the accommodation sector and at attractions. Some loss of spending also occurs in relation to travel in that a proportion of the visitor spending occurs at the origin of the trip or en-route rather than at the destination, as for instance the purchase of train or bus tickets.

Tourism related businesses in turn spend money on the purchase of supplies and services. Insofar as these supply businesses are within the Borough, then additional business turnover is created.

The total business turnover generated in Tamworth is estimated to be £67,325,000 or, turnover of over £67 million, **including** any additional business income arising from induced effects arising from employee spending.

Table 12a: Total Local Business turnover Supported by Tourism Activity – Value of Tourism

	Staying Tourists	Day Visitors	Total
Direct	£15,915	£36,950	£52,865
Supplier and income induced	£6,354	£8,106	£14,460
Total	**£22,269**	**£45,056**	**£67,325**

12 EMPLOYMENT

12.0 Introduction

The £50 million spent by visitors to the Borough directly results in increased turnover in those establishments benefiting from visitor patronage, and therefore supports jobs and incomes in those establishments. Some spending will take place outside the City, notably a proportion of travel spending which will occur at the origin of the trip rather than the destinations. The Model is able to provide an estimate of the jobs that result **directly** from that visitor expenditure and to estimate the indirect and induced multiplier effects on local employment. Induced and multiplier jobs are based on local impacts within Tamworth.

It is estimated that from the tourism expenditure in Tamworth of £50 million, a total of 1,362 jobs are supported by tourism spend, although these jobs are not all provided to residents of the local authority. The following section sets out the different types of jobs, sources of information and methodology used to establish tourism employment.

12.2 Data Sources

The estimates of volume and value of tourism to Tamworth have been based upon research undertaken at the local level, together with regional data from national surveys.

- The breakdown of visitor spending in the local economy by the five main industry sectors is derived from regional analysis.
- The 2001 New Earnings Survey provides information on wage levels by industry sector.
- The Consultants 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 undertaken by Geoff Broom Associates, PA Cambridge Economic Consultants and other researchers in the UK.

12.3 Types of Job

The Model identifies different types of jobs supported by tourism expenditure in each business sector.
Full time job equivalents are established for the following:

- Direct
- Indirect
- Induced

Having established the full time equivalents the Model then takes account of the part time and seasonal employment to provide a total figure for **actual jobs**.

12.4 Direct Full Time Job Equivalents

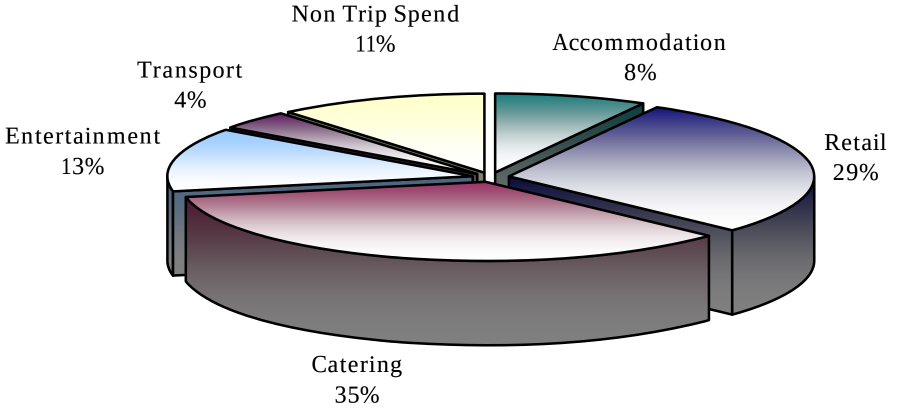
A large proportion of the tourism expenditure (£50 million) will have a direct local effect on businesses and jobs. Money spent will be absorbed by wages for staff and drawings for the proprietors. The proportion varies by industry sector i.e. wages are likely to be a smaller proportion of costs in retailing compared to accommodation or catering. The Model uses information from the Business database to ascribe an average proportion of turnover taken by wage and drawing costs for each of the industry sectors.

By applying these proportions to the 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 wage costs by industry sector, adjusted to take account of regional differences, can be calculated. After allowing for additional costs such as NI and pension costs, an average employment cost per full time 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.

Table 13: Direct Full-time Job Equivalents by Sector

SECTOR	FTEs	%
Accommodation	63	8%
Retail	220	29%
Catering	266	35%
Entertainment	100	13%
Transport	29	4%
Arising from non trip spend	86	11%
Total Direct FTEs	**762**	**100%**

Figure 5: Full Time Equivalent Jobs



The table below details the full time equivalent jobs broken down by day and staying visitors.

Table 14: Direct FTE Jobs by Sector

	Staying visitors	Day Visitors	Total
Accommodation	58	5	63
Retailing	24	195	220
Catering	42	223	266
Attractions/Entertainment	24	76	100
Transport	10	19	29
Arising From Non Trip Spend	86	0	86
TOTAL FTE JOBS	**244**	**518**	**762**

12.5 Actual/Indirect Job Equivalents

In addition to the jobs directly supported by visitor spending there are local incomes and jobs created in local suppliers of goods and services to the businesses receiving the visitors' spending. The number of additional jobs created in the area in this way will depend on the proportion of such goods and services that are bought in Tamworth Borough opposed to elsewhere in the region or beyond. The additional jobs resulting from the purchase of goods and services are termed **indirect** or linkage jobs.

Using the Business Database the average proportion of business turnover spent on local purchases by sector has been estimated. By applying that proportion to the business turnover arising from visitor spending, an estimate of the local spending on goods and services can be made. Indirect or linkage jobs cover a wide range of sectors i.e. retailers, manufacturers, service providers, banks etc. Examples include a guesthouse purchasing its food supplies from the local grocery store or an attraction employing the services of local accountants or solicitors.

In addition to the direct and indirect linkage jobs are those generated by the income multiplier effects. Income multiplier or induced jobs are those resulting from the expenditure of wages earned in the direct and linkage jobs in Tamworth Borough. Income multiplier jobs will be spread across the local economy, including retailing, catering and transport as well as public service jobs such as education, health and local government. For example, because a hotel receptionist receives a direct salary from tourism spend, he or she can then 're-circulate' this money into the local economy by spending on purchases from local shops, or services from local trades people.

Adjustments to the Model have been made to take account of local characteristics. Linkage spending is known to vary by type of location and sector i.e. linkages are likely to be weakest in rural areas and strongest in cities. The Model is set up in order that varying averages for the proportion of spend on local linkages can be applied.

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 workers are taken into account. One Full-Time Equivalent post may actually support three people, or three jobs - in the form of one person working for 50% of the time and two other people working for 25% of the FTE.

Table 15: Estimated Actual Jobs by Sector			
	Staying visitors	Day Visitors	Total
Accommodation	86	7	93
Retailing	37	293	330
Catering	63	335	398
Attractions/Entertainment	33	107	141
Transport	14	26	41
Arising From Non Trip Spend	98	0	98
ESTIMATED ACTUAL JOBS	**331**	**769**	**1,100**

A total of approximately 1,100 actual direct tourism jobs are supported by the existence of the £50 million tourism spend in the Borough. This spend supports a further 261 indirect and induced non-tourism jobs (see below); therefore, making approximately 1,362 jobs supported by the tourism spend in the Borough.

The Full-Time job equivalents created directly by the tourism expenditure are converted to actual jobs using information from business surveys in the sectors receiving visitor spending (accommodation, transport, etc). The conversion factor varies but is around 1.5 across the sectors, with rather lower ratios with indirect and induced jobs. Thus each FTE job actually has a knock-on effect with the creation of part-time and seasonal jobs.

Total employment related to tourism spending (estimated actual)

TABLE 16	Staying tourists	Day visitors	Total
Direct	331	769	1,100
Indirect	71	127	198
Induced	44	201	63
Totals	**446**	**915**	**1,362**

Total employment related to tourism spending (FTE's)

TABLE 17	Staying tourists	Day visitors	Total
Direct	244	518	762
Indirect	63	111	174
Induced	38	17	56
Totals	**345**	**647**	**992**

13 CONCLUSIONS

Review

The key volume and value results for Tamworth are derived from the various sources as described throughout the report. These include regional and county breakdowns from national level data (United Kingdom Tourism Survey and International Passenger Survey) as well as jobs and income information such as the New Earnings Survey.

At a local level, the occupancy survey provides accurate local occupancy levels and known accommodation stock.

The key results of the Tamworth Economic Impact Assessment for 2010 are:

1.0 million trips were undertaken in Tamworth Borough **– 0.9 million** day trips, and approximately **0.1 million** overnight visits.

The overnight trips account for a total of **0.3 million nights** in the area.

During their visit to Tamworth, tourists spent approximately **£50 million**. On average, about **£4 million** is spent in the local economy each month.

Overnight visits generated approximately **£11.3 million** in the area, compared with **£38.3 million** from irregular **day trips**.

The 1.0 million trips that occur in Tamworth account for an approximate spend of £50 million on tourism in the Area supporting in the region of **1,,362 jobs**, both for local residents from those living nearby. Approximately **1,100 direct tourism related jobs** are supported with an **additional 261 non-tourism jobs** dependent upon multiplier spend from tourism.

APPENDICIES

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. Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

Rounding

All figures used in this report have been rounded. In some tables there may therefore be a slight discrepancy between totals and sub totals.

Data sources

The main national surveys used as data sources in stage one include:

- Great Britain Tourism Survey (GBTS, formally 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
- The New Earnings Survey (which provides information on wage levels by industry sector and region);

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 and sub-regional bodies;
- 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

Staying Visitors

The UKTS data 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 data provides information on the total number of trips by overseas visitors to the region. The primary purpose of the IPS data is to measure trends and spending at UK level. It is often used to understand inbound tourism at a regional level too, but users of the data should be advised that sample sizes are often low and this data is weighted upwards to reflect passenger flows through airports etc. which can exaggerate the effect of the small sample sizes. Additionally, the variability in nights data further exaggerates this effect – a visitor can stay for 3 nights or for 300 nights, so clearly when this data is weighted upwards by a three or four digit weight then this can cause large skews in the data. Therefore, results should be treated with due caution.

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.

Volume & Value of Tourism Day Visits by main destination

The latest England Day Visitor survey (2005) shows that there were an estimated 0.87 billion tourism trips from home in England. This is a 5% decrease on 2002/03. Approximately 77% of these trips were made to inland towns or cities (71% in 2002/03). 16% were to the countryside (22% in 2002/03) and 7% to the seaside / coast (7% in 2002/03). The total value of expenditure on Tourism Visits according to the same report was approximately £37.4 billion. This was up 21% in real terms from the 2002/03 figure of £30.8 billion. The average expenditure on regional tourism visits to an inland town/city (£46.20) is estimated to be higher than the expenditure on coastal / seaside trips (£26.15) and on countryside trips (£29.77).

Impact of tourism expenditure

This model also 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 area.

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 (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.

Number of Actual Jobs

The model generates estimates of full time equivalent jobs based on visitor spending. However, the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending. In general, the conversion factor varies around 1.5 in those sectors.

The indirect and induced jobs arise across a much wider range of employment sectors. Therefore, the average 1.16 for all sectors based on Census of Employment data has been used to convert full time equivalent jobs in this sector to actual jobs.

The employment estimates generated by the model include both self employed and employed 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.

Types of Visitor

The two main types of visitor that the Tourism Economic Impact Assessment is based around are:

a) **Day Visitors:** The "day out" market - visitors who start their journey from home outside of the Borough and return there on the same day. It includes independents and groups.

b) **Overnight Visitors:** Those visitors who spend one or more nights in Tamworth. This sector of the market includes those staying with friends and family as well as those using commercial accommodation.

Specific sectors of the whole visitor market include segments other than those on holiday for pleasure. These include:

* **Visiting Friends & Relatives** - VFR movements include friends and family making visits from anywhere in the country to anywhere within Tamworth. This type of visitor can either be a day, touring or overnight visitor.
* **Educational tourism** - includes language schools, field courses and short courses in vacations at academic institutions. These mainly occur outside of normal college term time, where more residential accommodation is available.
* **Business visits** - generally a higher spending segment, for a specific purpose, primarily for business/ conference/ exhibition purposes, rather than 'pleasure' led.