
The Economic Impact of Tourism Adur 2008

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**TOURISM
SOUTH EAST**

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1. SUMMARY OF RESULTS

1.1 Introduction

- This report contains the findings of a study commissioned by West Sussex County Council and undertaken by Tourism South East. The overall aim of the research was to provide indicative estimates for the volume, value and resultant economic impact of tourism in each of the Districts in West Sussex. This summary report provides results for Adur. The results presented in this report should be read in conjunction with the county-wide report which provides more commentary on the impact of the economic downturn on tourism in the South East.
- 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.

Key Headline Figures for Adur (2008)

- | | |
|---|---|
| - 85,953 trips by staying visitors | - £38,472,898 spent by all visitors |
| - 343,708 staying visitor nights | - £3,877,000 other tourism related spend |
| - £11,946,577 spent by staying visitors | - £53,273,000 turnover for local businesses |
| - 834,538 trips by tourism day visitors | - 741 actual jobs related to tourism spending |
| - £26,525,881 spent by tourism day visitors | - 1,000 tourism-related jobs based on ABI estimates |

1.2 Volume of Tourism

- Overall, an estimated 85,953 staying trips were spent in the District in 2008, of which around 69,839 were made by domestic visitors (81%) and 16,114 by overseas visitors (19%). Compared to 2007, domestic overnight trips dropped by 9% and inbound overnight trips dropped by 2%.
- Staying trips result in an estimated 343,708 bednights in the District, a reduction of 14% in bednight volume compared to 2007, reflecting both the overall drop in trips as well as a general shortening of trips. Domestic visitors accounted for 64% of these nights and overseas visitors accounted for 36%.
- Approximately 834,538 tourism day trips were made to the District (lasting more than 3 hours and taken on an irregular basis) in 2008 generating an additional £26,525,881 visitor trip expenditure. Compared to 2007, the volume of day trips increased slightly, up by 1.8%, though overall expenditure remained similar as the average spend per head dropped slightly from £32.59 per day to £31.78 per day.
- The vast majority of overnight visitors stayed in the homes of friends and family (79.8%).
- The number of commercial accommodation businesses in Adur is comparatively small compared to other Districts in West Sussex. For this reason, it is estimated that overall only 5% of all overnight trips were accommodated in the District's serviced accommodation sector.
- Around 4% of overnight trips involved staying in non-serviced accommodation such as self-catering accommodation and caravan/camping accommodation.

- Around 0.9% of all overnight trips involved staying in second homes or boats, with another 2.1% staying in lodgings. Around 5.5% involved staying in more than one type of accommodation over the duration of the trip.
- As with 2007, holidays and visiting friends and family (VFR) were the most important purposes of trips. Overall, 50.8% of all overnight trips were holiday related and 44% were VFR trips.

1.3 Value of Tourism

- Total expenditure by visitors to Adur is estimated to have been in the region of £38,472,898 in 2008.
- Expenditure on second homes and on goods and services purchased by friends and relatives visitors were staying with, or visiting, generated a further total £4,457,000 expenditure associated with overnights trips in 2008.

1.4 Economic Impact and Employment Sustained

- The £38.47 million trip expenditure and £4.45 million additional tourism related expenditure translated to **£53,273,000** worth of income for local businesses through direct, indirect and induced effects, overall down by 1.6% compared to 2007.
- Overall the model estimates that tourism activity in the District supports **518 FTE jobs** or **741 actual jobs** in Adur.
- The Office of National Statistics employment figures drawn from the Annual Business Inquiry shows that an estimated 1,000 jobs in Adur are in tourism and tourism-related businesses.

2. INTRODUCTION

2.1 Objectives of Study

This report examines the value, volume and resultant economic impact of tourism to the District of Adur. The study was undertaken by Tourism South East on behalf of West Sussex County Council using a widely recognised, industry specific methodology, known as the Cambridge Model. To date, this approach has been widely applied across England and the South East region to produce an indicative outline of the scale of tourism activity on a local area basis.

2.2 Background

Tourism is not an industry in the conventional sense of the word – i.e. the tourism product is not created out of a conventional production process and the methods used to measure tourism are not conventional ones. Essentially, the tourism industry serves our needs while we are away from our 'usual environment' by providing products and services, and represents an important part of many local economies.

Measuring the impact of visitor volumes at a local level has been an important issue for destination and countryside managers for years. Yet, the scale, diversity and nature of tourism makes quantification a challenge – for example:

- A plethora of businesses across many different sectors comprise the 'tourism product' e.g. accommodation businesses, visitor attractions, transport providers, retailers, restaurants, pubs, tea rooms etc.
- There are many different types of tourist – day visitors, staying visitors, visitors on holiday, visitors on business, plus visitors visiting friends and relatives, on language study etc. All these different markets behaviour in a different way with respect to trip frequency, spend per head, duration of stay etc.
- The nature of tourism itself creates problems as it is impossible to accurately monitor and record every visitor entering or leaving a geographical area.

It must, therefore, be stressed that calculating the value, volume and impact of tourism can never be a precise science. Theoretically, the best approach is implementing cordon surveys – but these are seldom affordable in practice and still engender a number of technical problems. Thus, the method chosen is always governed by issues of affordability, practically, data availability or attainability, data quality/ representativeness and comparability (both in a spatial and temporal sense).

It is for this reason, that the Cambridge Model – a computer based, industry specific model developed to calculate estimates of volume, value and economic impact of tourism on a county of District basis – has been used extensively.

2.3 The Cambridge Model

For almost ten years, regional tourist boards across England have been working with Geoff Broom Associates in developing the Cambridge Model approach to estimate the value and volume of tourism to local authority areas.

The model was developed to provide an affordable method of calculating the value of tourism to local economies through using a range of readily available local data on an area's tourism product to disaggregate a range of regional/ county tourism statistics. The method is popular with local authorities as it is affordable and can readily use available local statistics to generate a view of the volume, value and economic impact of visitor activity in the area. Nevertheless, where additional local data exist e.g. high quality occupancy data, information on profile of visitor structure and associated spend etc – this enables the replacement of regional data in the first stages of the model. Business surveys can also be commissioned to generate local calibration of the economic stage of the model.

Indeed, although the Cambridge Model approach has been frequently labelled as being 'top-down', it is entirely possible to drive the model entirely by locally collected data, and thus introduce 'bottom-up elements'. Furthermore, the model utilises a standard methodology capable of application across the UK, and thus offers the potential for direct comparisons with similar destinations throughout the country.

2.4 Cambridge Model Version II

Since the inception of the original Cambridge Model approach, a number of changes have occurred to the model's methodology and the context of operation. Most importantly, autumn 2003 saw the launch of Cambridge Model Version II. This revised approach was developed from work undertaken for the South West Regional Development Agency and includes a number of enhancements. These include:

- greater use of local data within the standardised model e.g. occupancy data, information on local wage rates
- enhanced outputs, notably visitor nights by accommodation type, spend by accommodation type, impact of non-trip related spend
- more sophisticated economic impact analysis section
- adoption of a rolling average methodology for staying visitor value and volume¹

2.5 Methodological Overview

2.5.1 Key Outputs

The model has two stages:

Stage 1: Calculates the volume and value of day and staying visitors to the study area.

Stage 2: Estimates the economic impact of this visitor spending in the local economy.

The Cambridge Model is therefore able to generate indicative estimates for the following:

- The volume of staying trips taken in the District by overseas and domestic visitors

¹ This approach offers the additional benefits of producing estimates using more county specific information and is based on three years worth of data for staying visitors – whilst providing additional outputs – notably expenditure and visitor nights by accommodation type.

- The volume of visitor nights spend in the District by overseas and domestic visitors
- The number of leisure day visits taken from home to and within the District
- Visitor expenditure associated with these trips to the District, and its distribution across key sectors of the local tourism economy
- The value of additional business turnover generated by tourism activity within the District
- The level of direct, indirect and induced employment sustained by visitor expenditure within the District

For staying trips the model also offers a breakdown according to the type of accommodation used and the main purpose of visit, i.e. holiday, visiting friends and relatives, business, language school visit and 'other'² purposes.

2.5.2 Data Sources

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:

- United Kingdom Tourism Survey (UKTS)
- International Passenger Survey (IPS)
- United Kingdom Day Visits Survey (UKDVS)
- New Earnings Survey
- Census of Employment
- Census of Population 2001 (estimates of resident population as rebased on 2001 Census data)
- Labour Force Survey

As highlighted above, the Model allows estimates generated using the above existing data sources to be refined further using locally available survey data – to the extent that it is possible to drive the Model entirely by locally collected data. Locally collected data used in this study include:

- Audit of accommodation stock
- Average room and bed occupancy from local survey
- Number of visits to attractions from local survey
- Retail footfall from large retail outlets

2.5.3 Limitations of Model

The Model relies on a range of data sources, which in turn are based on different methodologies and are estimated to different levels of accuracy. The estimates generated by the Model can therefore only be regarded as indicative of the scale and importance of visitor activity in the local area. The Model cannot, for example, take account of any additions to, or leakage of, expenditure arising from visitors taking day trips into or out of the area in which they are staying. It is likely, however, that these broadly balance each other in many areas.

² 'Other' visitors typically include visitors coming to an area for reasons such as education and training, social or sporting events, or even business matters relating to personal or family duties.

2.5.4 Accuracy of the model

As with all models, the outputs need to be viewed in the context of local information and knowledge. Because of the nature of tourism and the modelling process, this model (as with other approaches) can only produce indicative estimates and not absolute values.

The Cambridge Model approach has been independently validated (R Vaughan, Bournemouth University) and was judged robust and the margins of error acceptable and in line with other modelling techniques. Tourism South East, also implement a number of measures to ensure that outputs are indicative as possible, through working with the local authority to audit accommodation to ensure that data inputs on accommodation capacity are as accurate as possible, and ensuring a high degree of transparency in the process (methodology employed, data used, assumptions made)

As a result, there should be confidence that the estimates produced are as reliable as is practically possible within the constraints of the information available.

Please note that the Cambridge Model rounds numbers to the nearest 1,000. Trips, nights and expenditure considerably lower than 1,000 will not appear on the tables.

3. TABLES OF RESULTS

	UK		Overseas		Total	
Serviced	1,974	2.8%	2,445	15.2%	4,419	5.1%
Self catering	2,609	3.7%	291	1.8%	2,900	3.4%
Caravans & camping	552	0.8%	21	0.1%	573	0.7%
Group/campus	0	0.0%	0	0.0%	0	0.0%
Second homes	792	1.1%	0	0.0%	792	0.9%
Boat moorings	2,086	3.0%	0	0.0%	2,086	2.4%
Other	3,779	5.4%	964	6.0%	4,743	5.5%
Paying guests in private houses	0	0.0%	1,824	11.3%	1,824	2.1%
Staying with friends and relatives	58,046	83.1%	10,569	65.6%	68,615	79.8%
2008	69,839		16,114		85,953	
2007	77,115		16,456		93,571	
% Change	-9%		-2%		-8%	

	UK		Overseas		Total	
Serviced	7,573	3.5%	6,664	5.3%	14,237	4.1%
Self catering	13,503	6.2%	2,921	2.3%	16,424	4.8%
Caravans & camping	2,341	1.1%	423	0.3%	2,764	0.8%
Group/campus	0	0.0%	0	0.0%	0	0.0%
Second homes	2,935	1.3%	0	0.0%	2,935	0.9%
Boat moorings	3,440	1.6%	0	0.0%	3,440	1.0%
Other	12,908	5.9%	1,677	1.3%	14,585	4.2%
Paying guests in private houses	0	0.0%	8,985	7.2%	8,985	2.6%
Staying with friends and relatives	175,720	80.5%	104,618	83.5%	280,338	81.6%
2008	218,420		125,288		343,708	
2007	265,525		136,185		401,710	
% Change	-18%		-8%		-14%	

	UK		Overseas		Total	
Serviced	£860,488	12.0%	£1,593,006	33.3%	£2,453,494	20.5%
Self catering	£655,414	9.1%	£234,805	4.9%	£890,219	7.5%
Caravans & camping	£81,516	1.1%	£17,558	0.4%	£99,074	0.8%
Group/campus	£0	0.0%	£0	0.0%	£0	0.0%
Second homes	£45,989	0.6%	£0	0.0%	£45,989	0.4%
Boat moorings	£106,830	1.5%	£0	0.0%	£106,830	0.9%
Other	£299,238	4.2%	£220,395	4.6%	£519,633	4.3%
Paying guests in private houses	£0	0.0%	£721,940	15.1%	£721,940	6.0%
Staying with friends and relatives	£5,115,315	71.4%	£1,994,083	41.7%	£7,109,398	59.5%
2008	£7,164,790		£4,781,787		£11,946,577	
2007	£7,302,445		£4,651,650		£12,254,095	
% Change	-2%		3%		-3%	

	UK		Overseas		Total	
Holiday	39,584	56.7%	4,089	25.4%	43,673	39,584
Business	60	0.1%	0	0.0%	60	60
Visits to friends and relatives	27,558	39.5%	10,225	63.5%	37,783	27,558
Other	2,637	3.8%	1,535	9.5%	4,172	2,637
Study	0	0.0%	607	3.8%	607	0
2008	69,839	100.0%	16,114		85,953	69,839
2007	77,115		16,456		93,571	
% Change	-9%		-2%		-8%	

	UK		Overseas		Total	
Holiday	138,928	63.6%	26,173	20.9%	165,101	48.0%
Business	143	0.1%	0	0.0%	143	0.0%
Visits to friends/ relatives	70,835	32.4%	83,069	66.3%	153,904	44.8%
Other	8,514	3.9%	9,648	7.7%	18,162	5.3%
Study	0	0.0%	20,236	16.2%	20,236	5.9%
2008	218,420	100.0%	139,126		343,708	
2007	265,525		136,185		401,710	
% Change	-18%		-8%		-14%	

	UK		Overseas		Total	
Holiday	£4,307,824	60.1%	£1,481,825	31.0%	£5,789,649	48.5%
Business	£4,897	0.1%	£0	0.0%	£4,897	0.0%
Visits to friends/relatives	£2,529,844	35.3%	£2,266,309	47.4%	£4,796,153	40.1%
Other	£322,224	4.5%	£366,565	7.7%	£688,789	5.8%
Study	£0	0.0%	£785,315	16.4%	£785,315	6.6%
2008	£7,164,790		£4,781,787		£11,946,577	
2007	£7,302,445		£4,651,650		£12,254,095	
% Change	-2%		3%		-3%	

	Trips	Spend
2008	834,538	£26,525,881
2007	820,037	£26,725,000
% Change	1.8%	-0.7%

	Accomm	Shopping	Food and drink	Attractions/entertain.	Travel	Total	
UK Tourists	£1,803,898	£1,279,000	£1,762,000	£807,000	£1,514,000	£7,165,898	19%
Overseas tourists	£842,000	£1,643,000	£965,000	£906,000	£426,000	£4,782,000	12%
Total	£2,645,898	£2,922,000	£2,727,000	£1,713,000	£1,940,000	£11,947,898	
%	22%	24%	23%	14%	16%		
Tourist day visitors	£0	£7,041,000	£11,830,000	£2,876,000	£4,778,000	£26,525,000	69%
%	0%	27%	45%	11%	18%		

	Accomm.	Shopping	Food and drink	Attractions/entertain.	Travel	Total
Total	£2,645,898	£9,963,000	£14,557,000	£4,589,000	£6,718,000	£38,472,898
%	7%	26%	38%	12%	17%	

	Staying tourists		Day visitors		Total	
Accommodation	£2,701,000	24%	£237,000	1%	£2,938,000	8%
Retail	£2,892,000	26%	£6,971,000	28%	£9,863,000	28%
Catering	£2,645,000	24%	£11,475,000	47%	£14,120,000	39%
Attraction/entertain	£1,769,000	16%	£3,065,000	12%	£4,834,000	14%
Transport	£1,164,000	10%	£2,867,000	12%	£4,031,000	11%
Total	£11,171,000		£24,615,000		£35,786,000	
Other expenditure ³	£4,457,000		£0		£4,457,000	
Total with 'other'	£15,628,000		£24,615,000		£40,243,000	

	Staying tourists	Day visitors	Total
Businesses in receipt of trip spend	£2,904,000	£5,084,000	£7,988,000
Indirect turnover from 'other' expenditure	£892,000	£0	£892,000
Income induced spending	£1,725,000	£2,425,000	£4,150,000
Total	£5,521,000	£7,509,000	£13,030,000

	Staying tourists	Day visitors	Total
Direct	£15,628,000	£24,615,000	£40,243,000
Supplier/ income induced	£5,521,000	£7,509,000	£13,030,000
2008	£21,149,000	£32,124,000	£53,273,000
2007	£21,584,000	£32,383,000	£54,127,000
% Change	-2.0%	-0.8%	-1.6%

	FTE	Actual
2008	518	741
2007	587	793
% Change		

	Adur	%
Total employee jobs	18,900	-
Full-time	13,200	69.9
Part-time	5,700	30.1
Employee jobs by industry		
Manufacturing	2,600	13.9
Construction	1,300	7.1
Services, of which	14,800	78.7
- Distribution, hotels & restaurants	4,900	26
- Transport & communications	600	3.1
- Finance, IT, other business activities	3,800	20.4
- Public admin, education & health	4,800	25.5
- Other services	700	3.7
Tourism-related†	1,000	5.5

Notes: Tourism consists of industries that are also part of the services industry see definition below
 % is a proportion of total employee jobs
 Employee jobs excludes self-employed, government-supported trainees and HM Force

Tourism-related includes the following sectors:

- SIC 551 Hotels
- SIC 552 Camping sites etc
- SIC 553 Restaurants
- SIC 554 Bars
- SIC 633 Activities of travel agencies etc
- SIC 925 Library, archives, museums etc
- SIC 926 Sporting activities
- SIC 927 Other recreational activities