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Economic Impact of Tourism
Brighton and Hove - 2024

Produced by:

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Economic impact of tourism – Headline figures   Brighton and Hove - 2024

Total number of trips (day & staying)
12,176,000

Total staying trips
1,668,000

UK staying trips
1,267,000

Overseas staying trips
401,000

Total day trips
10,508,000

Total staying nights
5,553,000

UK staying nights
3,385,000

Overseas staying nights
2,168,000

Total staying spend
£601,611,000

UK staying spend
£368,454,000

Overseas staying spend
£233,157,000

Total day trip spend
£377,693,000

Total trip spend
£979,304,000

Indirect / induced spend
£414,055,000

Total tourism value
£1,393,359,000

Full time equivalent (FTE) jobs
19,397

FTE employment figures includes direct, indirect and income-induced jobs.

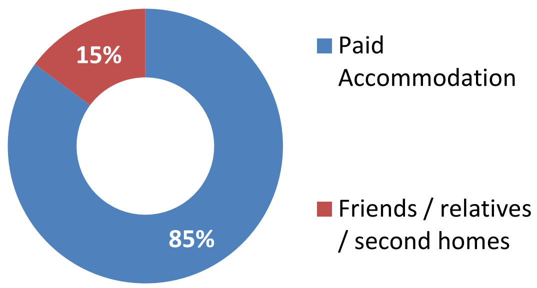
Total actual tourism related employment
25,677

Percentage of all employment
18%

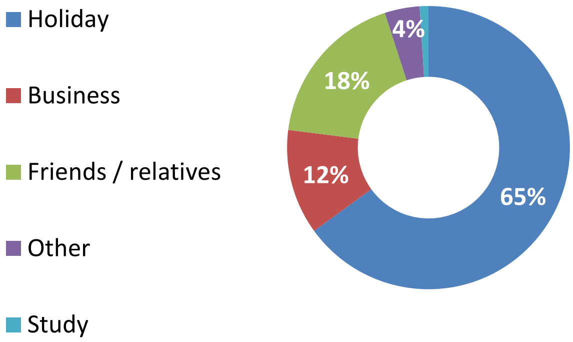
Economic impact of tourism – Year on year comparisons

Day Trips	**2023**	**2024**	**Annual variation**
Day trips volume	10,187,000	10,508,000	3%
Day trips value	£371,568,000	£377,693,000	2%
Overnight trips			
Number of trips	1,620,000	1,668,000	3%
Number of nights	5,570,000	5,553,000	0%
Trip value	£530,870,000	£601,611,000	13%
Total value	**£1,279,960,000**	**£1,393,359,000**	**9%**
Actual jobs	23,742	25,677	8%

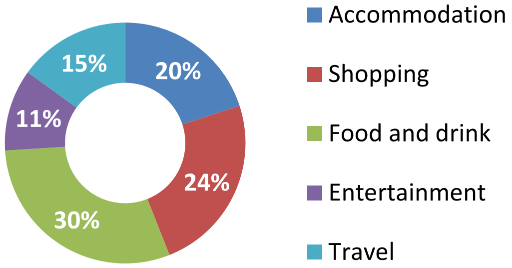
Type of accommodation



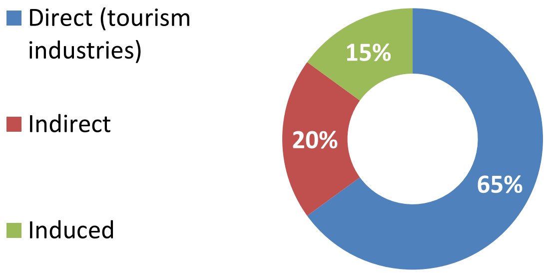
Trips by purpose

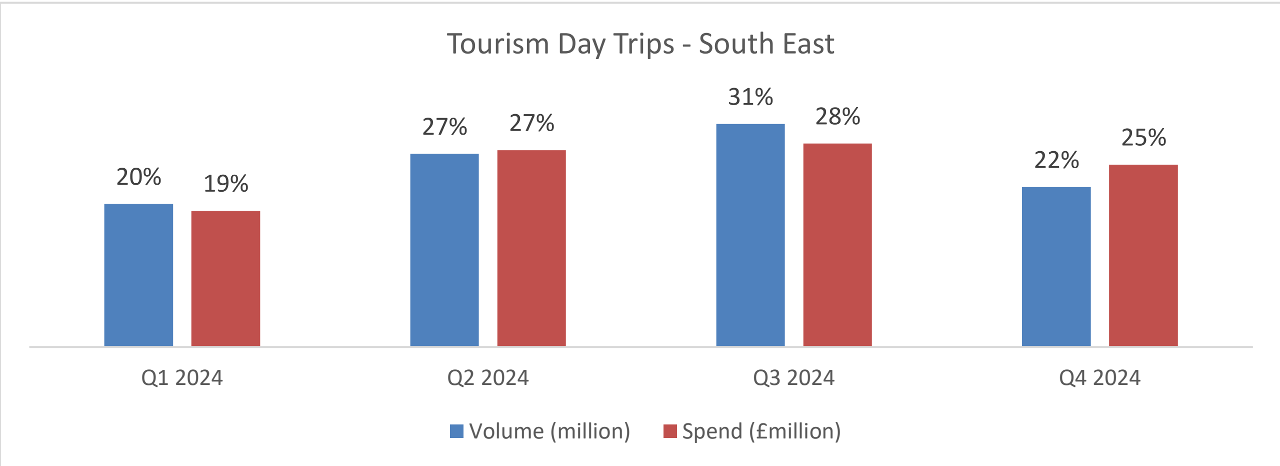


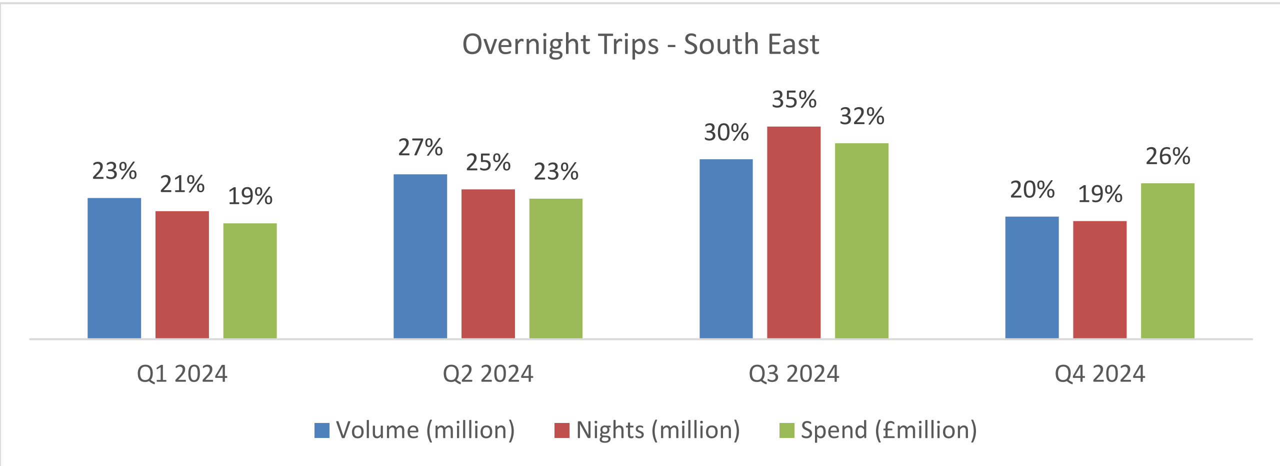
Breakdown of expenditure



Type of employment







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Introduction

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2024 and provides comparative data against the previously published data. The results are derived using the Cambridge Economic Impact Model under licence by Destination Research Ltd based on the latest data from national tourism surveys and regionally/locally based data.

The Cambridge Model is a tool that is constantly changing and adapting. In recent years, both domestic and international tourism surveys used in the model have seen major updates in their methods and data collection techniques, leading to notable changes in their findings. In addition, the results have been further influenced by changes in travel behaviour due to factors like COVID-19, the cost-of-living crisis and rising energy costs. It is difficult to establish whether changes in reported travel and spending are simply a reflection of new travel patterns or are they mainly a result of the updated methodologies.

For this reason, we have implemented a hybrid data approach that involves a two-stage evaluation process. The first stage uses the Cambridge Model to break down regional tourism data into sub-regional areas using a top-down approach. This is then combined with bottom-up initiatives that include data from third-party sources and business performance data collected at the destination level by us and our partners. We have also employed time series analysis on previously published data, using concepts derived from State Space Models (SSM). The projected figures generated through this analysis, as presented in the Cambridge Model reports, aim to serve as a proxy for the potential outcomes that might have occurred in the absence of methodological changes.

This evolving methodology has been pivotal in our ability to produce a dynamic and reliable picture of tourism trends throughout the pandemic year, the cost-of-living crisis, and periods of fluctuations in inflation. It also ensures that our results are as timely, accurate, consistent, and comparable as they can be. Some examples of additional data sources introduced in the last five years are:

- Attractions data - ALVA (Association of Leading Visitor Attractions)
- VisitEngland Domestic Sentiment Tracker
- Short-term rental stock and occupancy - Lighthouse / AirDNA
- Local serviced accommodation data
- Tourism business counts - Inter Departmental Business Register (IDBR)
- UK inflation data - Consumer Prices Index (CPI, CPIH), Retail Prices Index (RPI)
- UK economy forecasts - Office for Budget Responsibility: Economic and fiscal outlook
- Footfall data (town centres, large retail outlets and car parks).

Contextual analysis - Recent issues affecting tourism

Inflation

The UK's annual Consumer Price Index (CPI) inflation rate for 2023 averaged 7.3%. This follows a peak of 9.1% in 2022. The average inflation rate for 2024 was around 2.9%.

Energy prices

Global prices for gas, electricity, and oil began rising in summer 2021 as economies reopened following pandemic-related lockdowns. This underlying increase was amplified by reduced fuel supplies from some producers and growing tensions between Russia and Ukraine.

The first major impact on domestic customers in Great Britain came in April 2022, when the energy price cap rose by 54%. The Government's Energy Price Guarantee then set a maximum unit price for consumers. However, the average annual bill for typical gas and electricity use remains significantly higher than in winter 2021/22.

Cost-of-Living

While the sentiment related to the cost-of-living crisis improved throughout 2024, vs 2022, there were still 70 to 80% of consumers who either believed that worst was still to come (30% to 35%) or that things will stay the same (40% to 45%). However, sentiment shifted throughout the year, with the last three months of 2024 being the most negative.

Value of the pound

Over the past five years or so, the pound has been relatively weak, especially against the dollar, and to a lesser extent against the euro. A weaker pound means that it is generally cheaper for overseas residents to visit the UK, which makes the UK relatively more attractive. It also makes staying in the UK relatively more attractive to UK tourists compared to travelling abroad.

Staffing issues

Staff vacancies have been affected by employment costs associated with changes to minimum wage and employment National Insurance contributions.

Electronic travel authorisation (ETA) and EU visitor passport requirements.

The UK's roll out of the £10 electronic travel authorisation (ETA) began in October 2023, first for all non-visa nationals and then required for visitors from European countries too. It has been assumed that ETAs will have a very low impact for long-haul markets, as it is a very small proportion of total trip spend and a low impact for Europe, as the proportion of trip spend would be larger.

Tax-free shopping

While the UK was part of the EU, it had a tax-free shopping scheme allowing non-EU visitors to claim back VAT on goods purchased in the UK and taken home. This scheme ended in Great Britain after the Brexit transition on 31 December 2020. The end of the scheme led to higher tax revenues, even though foreign tourist spending has declined and is expected to keep falling.

Domestic and overseas trips: 2024 results

Domestic overnights visits

There were 105.6 million domestic overnight trips in Great Britain in 2024. Domestic spend on overnight trips reached 32.9 billion, and the average spend per trip in Great Britain rose from £266 in 2023, to £312 in 2024.

- Domestic overnight trips volume decreased by 10% vs 2023 and by 14% vs 2022.
- Spend on overnight trips in England in 2024 was 5% above 2023 and 3% above 2022.
- Large towns and cities continued to be the most popular destinations in England in 2024 and further increased in popularity in 2024, from 44% share in 2022, 45% in 2023 to 46% in 2024.
- The number of trips with a stay in a 'caravan / camping / glamping' reduced vs 2023 and 2022.
- In 2024, regions with the largest share of overnight trips in England were South West (17%), London (17%), North West (16%) and South East (16%).

Domestic day visits

There were 1.03 billion domestic tourism day visits in Britain in 2024. Spend on day visits in Great Britain reached £54.8bn, and the average spend per day visit in Great Britain rose from £44 in 2023, to £53 in 2024.

- The domestic tourism day visits volume decreased in 2024 by 12% vs 2023 after an 8% year-on-year increase in 2023.
- Spend on tourism day visits in England in 2024 rose by 6% in 2024 to £48.4 billion, following a 15% year-on-year increase in 2023.
- Visits to the seaside increased in 2024, especially during the first quarter of the year.
- In 2024, London was still the most popular day visit destination in England (21% of visits and 25% of spend), followed by the South East and North West.

Visits to visitor attractions

Overall, attractions in England reported an 1.4% annual increase in visits from 2023 to 2024, with a 7% increase in 2024 adult admission fees (higher than the rate of inflation) and an 8% increase in gross revenue.

Overseas visits

VisitBritain's estimate for the full year 2024 is 41.2 million inbound visits to the UK with £31.5 billion spent. This would represent growth of 9% in visits on 2023, and would be 1% up on 2019. Spend would be 1% up on 2023 (though 1% down in real terms) and 11% up in nominal terms on 2019.

- Visits to Friends or Relatives (VFR) lead the recovery, with trips and spend surpassing pre-COVID levels.
- Holiday visits have almost reached pre-COVID levels and are growing, although spend is down in real terms.
- Business visits are lagging well behind (both short and long haul) though up on 2023
- The fast recovery of VFR trips has pushed down average spend per visit.

Volume of tourism

Brighton and Hove - 2024

Staying visitors - Accommodation type

Trips by accommodation

	UK		Overseas		Total	
Serviced	937,000	74%	237,000	59%	1,174,000	70%
Self catering	114,000	9%	25,000	6%	139,000	8%
Camping	7,000	1%	3,000	1%	10,000	1%
Static caravans	0	0%	0	0%	0	0%
Group/campus	28,000	2%	13,000	3%	41,000	2%
Paying guest	0	0%	46,000	12%	46,000	3%
Second homes	0	0%	2,000	0%	2,000	0%
Boat moorings	15,000	1%	0	0%	15,000	1%
Other	3,000	0%	2,000	1%	5,000	1%
Friends & relatives	163,000	13%	73,000	18%	236,000	14%
Total 2024	**1,267,000**		**401,000**		**1,668,000**	
Comparison 2023	**1,281,000**		**339,000**		**1,620,000**	
Difference	**-1%**		**18%**		**3%**	

Nights by accommodation

	UK		Overseas		Total	
Serviced	1,880,000	55%	875,000	40%	2,755,000	50%
Self catering	633,000	19%	206,000	10%	839,000	15%
Camping	25,000	1%	14,000	1%	39,000	1%
Static caravans	0	0%	0	0%	0	0%
Group/campus	170,000	5%	117,000	5%	287,000	5%
Paying guest	0	0%	293,000	13%	293,000	5%
Second homes	4,000	0%	12,000	1%	16,000	0%
Boat moorings	52,000	2%	0	0%	52,000	1%
Other	10,000	0%	3,000	0%	13,000	0%
Friends & relatives	611,000	18%	648,000	30%	1,259,000	23%
Total 2024	**3,385,000**		**2,168,000**		**5,553,000**	
Comparison 2023	**3,380,000**		**2,190,000**		**5,570,000**	
Difference	**0%**		**-1%**		**0%**	

Spend by accommodation type

	UK		Overseas		Total	
Serviced	£283,917,000	77%	£153,744,000	66%	£437,661,000	73%
Self catering	£45,323,000	12%	£12,230,000	5%	£57,553,000	10%
Camping	£1,135,000	1%	£777,000	1%	£1,912,000	0%
Static caravans	£0	0%	£0	0%	£0	0%
Group/campus	£3,774,000	1%	£10,290,000	4%	£14,064,000	2%
Paying guest	£0	0%	£24,397,000	10%	£24,397,000	4%
Second homes	£340,000	0%	£2,028,000	1%	£2,368,000	0%
Boat moorings	£4,705,000	1%	£0	0%	£4,705,000	1%
Other	£537,000	0%	£205,000	0%	£742,000	0%
Friends & relatives	£28,723,000	8%	£29,486,000	13%	£58,209,000	10%
Total 2024	**£368,454,000**		**£233,157,000**		**£601,611,000**	
Comparison 2023	**£358,020,000**		**£172,850,000**		**£530,870,000**	
Difference	**3%**		**35%**		**13%**	

Serviced accommodation includes hotels, guesthouses, inns, B&B and farms. Paying guest refers to overseas visitors staying in private houses (e.g. language school students). Other trips includes nights spent in transit, in lorry cabs and other temporary accommodation.

Staying visitors - Purpose of trip

Trips by purpose

		UK		Overseas		Total	
Holiday		837,000	66%	249,000	62%	1,086,000	65%
Business		177,000	14%	28,000	7%	205,000	12%
Friends & relatives		215,000	17%	76,000	19%	291,000	18%
Other		38,000	3%	24,000	6%	62,000	4%
Study		0	0%	24,000	6%	24,000	1%
Total	**2024**	**1,267,000**		**401,000**		**1,668,000**	
Comparison	**2023**	**1,281,000**		**339,000**		**1,620,000**	
Difference		**-1%**		**18%**		**3%**	

Nights by purpose

		UK		Overseas		Total	
Holiday		2,369,000	70%	1,106,000	51%	3,475,000	63%
Business		271,000	8%	108,000	5%	379,000	7%
Friends & relatives		542,000	16%	542,000	25%	1,084,000	19%
Other		203,000	6%	43,000	2%	246,000	4%
Study		0	0%	369,000	17%	369,000	7%
Total	**2024**	**3,385,000**		**2,168,000**		**5,553,000**	
Comparison	**2023**	**3,380,000**		**2,190,000**		**5,570,000**	
Difference		**0%**		**-1%**		**0%**	

Spend by purpose

		UK		Overseas		Total	
Holiday		£257,917,000	70%	£132,898,000	57%	£390,815,000	65%
Business		£47,899,000	13%	£18,653,000	8%	£66,552,000	11%
Friends & relatives		£51,584,000	14%	£34,974,000	15%	£86,558,000	14%
Other		£11,054,000	3%	£6,995,000	3%	£18,049,000	3%
Study		£0	0%	£39,637,000	17%	£39,637,000	7%
Total	**2024**	**£368,454,000**		**£233,157,000**		**£601,611,000**	
Comparison	**2023**	**£358,020,000**		**£172,850,000**		**£530,870,000**	
Difference		**3%**		**35%**		**13%**	

Day visitors

Total volume and value of day trips

		Trips	Spend
Urban visits		4,870,000	£194,184,000
Countryside visits		1,647,000	£51,853,000
Coastal visits		3,991,000	£131,656,000
Total	**2024**	**10,508,000**	**£377,693,000**
Comparison	**2023**	**10,187,000**	**£371,568,000**
Difference		**3%**	**2%**

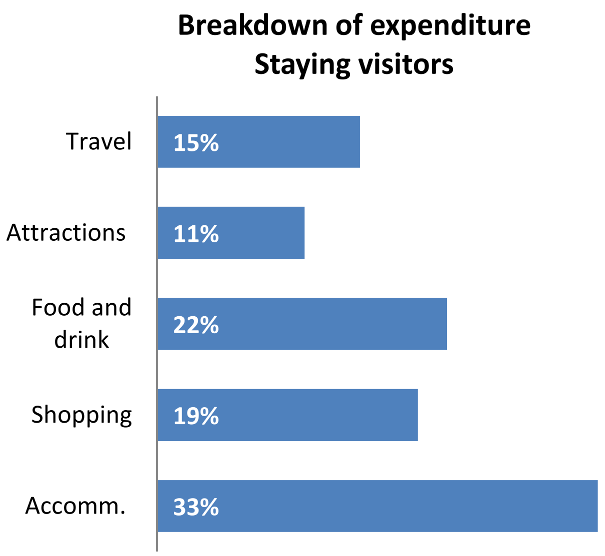
Value of tourism

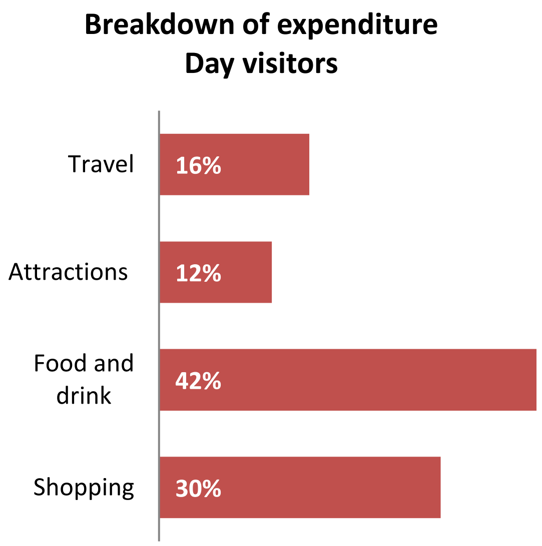
Brighton and Hove - 2024

Expenditure associated with trips:

Direct expenditure associated with trips

	Accomm.	Shopping	Food and drink	Attractions	Travel	Total
UK visitors	£125,274,400	£51,583,600	£81,059,900	£40,529,900	£70,006,200	£368,454,000
Overseas visitors	£72,278,700	£65,284,000	£48,963,000	£25,647,200	£20,984,100	£233,157,000
Total staying	£197,553,100	£116,867,600	£130,022,900	£66,177,100	£90,990,300	£601,611,000
Total staying (%)	32%	20%	22%	11%	15%	100%
Total day visitors	£0	£113,307,900	£158,631,100	£45,323,200	£60,430,800	£377,693,000
Total day visitors (%)	0%	30%	42%	12%	16%	100%
Total 2024	**£197,553,100**	**£230,175,500**	**£288,654,000**	**£111,500,300**	**£151,421,100**	**£979,304,000**
%	**20%**	**24%**	**30%**	**11%**	**15%**	**100%**
Comparison 2023	**£209,721,000**	**£191,165,000**	**£264,241,000**	**£90,966,000**	**£146,345,000**	**£902,439,000**
Difference	**-6%**	**20%**	**9%**	**23%**	**3%**	**9%**





Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	**Boats**	**Static vans**	**Friends & relatives**	**Total**
£1,600,000	£2,700,000	£0	£40,941,000	£45,241,000

Spend on second homes is assumed to be an average of £2,200 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,500 on berthing charges, servicing and maintenance and upgrading of equipment. Static van spend arises in the case of vans purchased by the owner and used as a second home. Expenditure is incurred in site fees, utility charges and other spending and is estimated at £2,500. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £225 per visit has been assumed based on national research for social and personal visits.

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.

		Overnight trips	Day trips	Total trips
Accommodation		£197,277,000	£3,166,000	£200,443,000
Retail		£117,030,000	£112,005,000	£229,035,000
Catering		£127,293,000	£153,529,000	£280,822,000
Attractions		£68,636,000	£48,171,000	£116,807,000
Transport		£54,825,000	£36,494,000	£91,319,000
Non-trip spend		£45,241,000	£0	£45,241,000
Total Direct	**2024**	**£610,302,000**	**£353,365,000**	**£963,667,000**
Comparison	**2023**	**£528,537,000**	**£347,634,000**	**£876,171,000**
Difference		**15%**	**2%**	**10%**

Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

Supplier and income induced turnover

		Overnight trips	Day trips	Total trips
Indirect spend		£167,059,000	£71,797,000	£238,856,000
Non trip spending		£9,048,000	£0	£9,048,000
Income induced		£122,552,000	£59,236,000	£181,788,000
Total	**2024**	**£298,659,000**	**£131,033,000**	**£429,692,000**
Comparison	**2023**	**£274,881,000**	**£128,908,000**	**£403,789,000**
Difference		**9%**	**2%**	**6%**

Income induced spending arises from expenditure by employees whose jobs are supported by tourism spend.

Total local business turnover supported by tourism activity – Value of tourism

		Overnight trips	Day trips	Total trips
Direct		£610,302,000	£353,365,000	£963,667,000
Indirect		£298,659,000	£131,033,000	£429,692,000
Total Value	**2024**	**£908,961,000**	**£484,398,000**	**£1,393,359,000**
Comparison	**2023**	**£803,418,000**	**£476,542,000**	**£1,279,960,000**
Difference		**13%**	**2%**	**9%**

Employment

Brighton and Hove - 2024

Employment

The model generates estimates of full time equivalent jobs based on visitor spending. The total number of 'actual' jobs will be higher when part time and seasonal working is taken into account. Conversion of full time equivalent jobs into actual jobs relies on information from business surveys in the sectors receiving visitor spending.

Direct employment

Full time equivalent (FTE)						
		Overnight trips	Day trips	Total trips	
Accommodation		2,764	44	2,808	25%
Retailing		960	918	1,878	16%
Catering		1,686	2,033	3,719	33%
Entertainment		927	651	1,578	14%
Transport		372	247	619	5%
Non-trip spend		838	0	838	7%
Total FTE	**2024**	7,547	**3,893**	**11,440**	
Comparison	**2023**	**6,611**	**3,831**	**10,442**	
Difference		**14%**	**2%**	**10%**	

Estimated actual jobs					
		Overnight trips	Day trips	Total trips	
Accommodation		4,091	66	4,157	25%
Retailing		1,440	1,378	2,818	17%
Catering		2,528	3,050	5,578	34%
Entertainment		1,307	917	2,224	13%
Transport		524	349	873	5%
Non-trip spend		955	0	955	6%
Total Actual	**2024**	**10,845**	**5,760**	**16,605**	
Comparison	**2023**	**9,551**	**5,666**	**15,217**	
Difference		**14%**	**2%**	**9%**	

Indirect & induced employment

Full time equivalent (FTE)				
		Overnight trips	Day trips	Total trips
Indirect jobs		3,261	1,330	4,591
Induced jobs		2,269	1,097	3,366
Total FTE	**2024**	**5,530**	**2,427**	**7,957**
Comparison	**2023**	**5,090**	**2,387**	**7,478**
Difference		**9%**	**2%**	**6%**

Estimated actual jobs				
		Overnight trips	Day trips	Total trips
Indirect jobs		3,718	1,516	5,234
Induced jobs		2,587	1,251	3,838
Total Actual	**2024**	**6,305**	**2,767**	**9,072**
Comparison	**2023**	**5,803**	**2,721**	**8,524**
Difference		**9%**	**2%**	**6%**

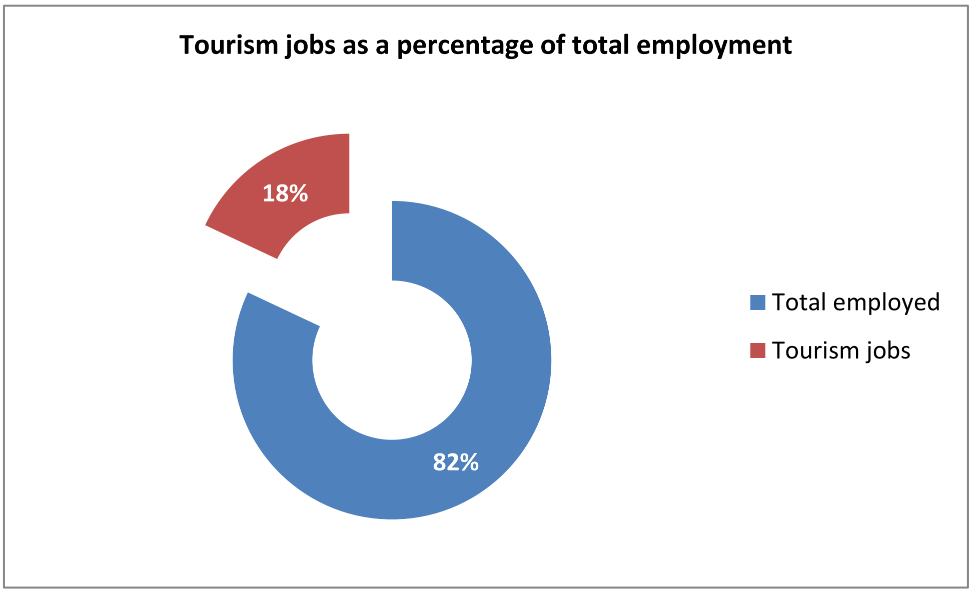
Total jobs

Actual jobs are estimated from surveys of relevant businesses at locations in England and take account of part time and seasonal working.

Full time equivalent (FTE)							
		Overnight trips		**Day trips**		**Total trips**	
Direct		7,547	58%	3,893	62%	11,440	59%
Indirect		3,261	25%	1,330	21%	4,591	22%
Induced		2,269	17%	1,097	17%	3,366	17%
Total FTE	**2024**	**13,077**		**6,320**		**19,397**	
Comparison	**2023**	**11,701**		**6,218**		**17,919**	
Difference		**12%**		**2%**		**8%**	
Estimated actual jobs							
		Overnight trips		**Day trips**		**Total trips**	
Direct		10,845	63%	5,760	67%	16,605	65%
Indirect		3,718	22%	1,516	18%	5,234	20%
Induced		2,587	15%	1,251	15%	3,838	15%
Total Actual	**2024**	**2,014**		**8,527**		**25,677**	
Comparison	**2023**	**15,354**		**8,387**		**23,742**	
Difference		**-87%**		**2%**		**8%**	

Tourism jobs as a percentage of total employment

		Overnight trips	Day trips	Total trips
Total employed		73,700	143,500	143,500
Tourism jobs		2,014	8,527	25,677
Proportion all jobs		**2.7%**	**6.0%**	**18.0%**
Comparison	**2023**	**15,354**	**8,387**	**23,742**
Difference		**-87%**	**2%**	**8%**



Economic impact of tourism – Headline figures   Brighton and Hove - 2024

The key 2024 results of the economic impact assessment are:

12.2	**million trips** were undertaken in the area.
10.5	**million** day trips.
1.7	**million** staying trips.
5.6	**million** nights in the area as a result of staying trips.
£979	**million** spent by tourists during their trip to the area.
£82	**million** spent on average in the local economy each month.
£602	**million** generated by staying trips.
£378	**million** generated from irregular day trips.
£1,393	**million** spent in the local area as result of tourism, taking into account multiplier effects.
25,678	**jobs supported,** both for local residents and for those living nearby.
16,605	**tourism jobs** directly supported.
9,072	**non-tourism related jobs** supported linked to multiplier spend from tourism.

Appendix I - Introduction about Cambridge Model

This report examines the volume and value of tourism and the impact of that expenditure on the local economy. The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by Destination Research.

Data sources

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

- Domestic tourism statistics: An online survey collecting data on both domestic overnight trips as well as domestic day trips.
- International Passenger Survey (IPS) information on overseas visitors to the UK.

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
- VisitEngland's surveys of Visits to Attractions, which provides data on the number of visitors to individual tourist attractions
- Attractions data supplied by ALVA (Association of Leading Visitor Attractions)
- Short-term rental stock and occupancy - Lighthouse / AirDNA
- Hotel market data and benchmarking – STR
- Latest estimates of resident population as based on the Census of Population
- Selected data from ONS employment-related surveys
- Selected data on the countryside and coast including national designations and length of the coastline (where relevant).

The model also includes contextual and sector-specific data from third-party sources and destination-level business performance data captured by or on behalf of our destination partners. Data sources include:

- Tourism business counts - Inter Departmental Business Register (IDBR)
- UK inflation data - Consumer Prices Index (CPI, CPIH), Retail Prices Index (RPI)
- UK economy forecasts - Office for Budget Responsibility: Economic and fiscal outlook
- Footfall data (town centres, large retail outlets and car parks).

Limitations of the Model

It should be noted that the model cannot take into account any leakage of expenditure from tourists taking day trips out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas, in locations receiving significant numbers of day visitors from London, there is likely to be an underestimate in relation to the number of overseas day visitors staying in holiday accommodation in London. Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

Rounding

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

Staying Visitors

Data on domestic overnight visits is based on a new combined online survey that replaced the separate Great Britain Tourism Survey and Great Britain Day Visits Survey. It 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 International Passenger Survey (IPS) provides information on the total number of trips by overseas visitors to the region. The model uses three year rolling averages to reduce extreme highs and lows which are due to small sample sizes, rather than being a reflection on drastic changes in demand year-on-year.

Day Visitors

Information on day trips at a regional level is available from a new combined online survey that replaced the separate Great Britain Tourism Survey and Great Britain Day Visits Survey. The new survey includes all leisure-related trips from home. It should be noted that a large proportion are local trips made by people resident in the locality. The model uses information from the survey to estimate the number of longer day trips (defined as those lasting at least 3 hours and involving travel of more than 20 miles) and irregular trips lasting more than 3 hours.

Impact of tourism expenditure

This section examines the impact of the tourism expenditure in terms of the direct, indirect and induced expenditure as well as an estimate of actual jobs (both direct and indirect) supported by tourism expenditure in the district.

The above-mentioned surveys offer a breakdown of visitor spending. The impact of this initial round of expenditure will be subsequently increased by multiplier effects. These arise from the purchase of supplies and services by the businesses in receipt of visitor expenditure (indirect impacts), and by the income induced-effects arising from the spending of wages by employees in the first round of business and in subsequent expenditure in supplier business (induced impacts).

The New Earnings Survey which provides information on wage levels by industry sector and region is an internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies carried out by Geoff Broom Associates, PA Cambridge Economic Consultants and others. By applying the breakdown to the estimates of visitor spending, the model generates estimates of total direct spending.

Evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover – for example, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place at the origin of the trip as the destination. Therefore the model assumes that only 40% of travel expenditure accrues to the destination area.

Number of full time job equivalents

Having identified the value of turnover generated by visitor spending, it is possible to estimate the employment associated with that spending. Wages for staff and drawings for the proprietors will absorb a proportion of that turnover. By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average costs by business sector, adjusted to take account of regional differences, can be calculated.

After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

Number of Actual Jobs

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

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

The employment estimates generated by the model include both self-employed and employed people supported by visitor expenditure. The model also includes an estimate of the additional jobs arising in the attractions sector, which are not related to visitor expenditure. However, the numbers do not include other tourism-related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences, maintenance sections and jobs arising from capital investment in tourism facilities.

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