**The Economic Impact of Tourism Chichester 2009**

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**1. EXECUTIVE SUMMARY**

**1.1 Introduction**

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

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 Chichester (2009)**

|  |  |
| --- | --- |
| * 892,300 trips by staying visitors
* 3,156,500 staying visitor nights
* £177,564,000 spent by staying visitors
* 5,448,000 trips by tourism day visitors
* £176,770,000 spent by tourism day visitors
* £354,334,000 spent by all visitors

*Rounded to closest 1,000.* | * £9,871,000 other tourism related spend
* £451,500,000 turnover for local businesses
* 9,067 jobs (incl. other sectors) across District supported by total tourism activity
* 5,100 jobs are in tourism-related sectors, representing 10% of all employee jobs.

*Turnover includes multiplier impacts* |

**1.2 Volume of Tourism**

* Overall, an estimated 892,287 staying trips were spent in Chichester in 2009, of which around 816,631 were made by domestic visitors (92%) and 75,656 by overseas visitors (8%). Staying trips result in an estimated 3.15 million bednights in Chichester.
* In previous years, the overseas market represented around 12% of all overnight tourism trips. The reduction to 8% is in part a result of fewer overseas visitors – the region as a whole saw a drop of 6% in 2009 compared to 2008. It is also been affected by a significant increase in the volume of domestic camping and caravanning holidays taken by British holiday-makers in 2009 as a result of a boom in the staycation market. With a significant volume of camping and caravan parks across the District, Chichester has been a popular location for domestic holidays.
* Approximately 5.44 million tourism day trips were made to Chichester (lasting more than 3 hours and taken on an irregular basis) in 2009 generating a further £176.7 million expenditure.
* As the largest commercial accommodation sector in the District, it is estimated that around 43% of all staying or overnight trips taken to the District were accommodated in camping or caravan (static and touring) accommodation. The camping and caravan park sector also saw a growth in 2009 due to more British households choosing to holiday closer to home and opting for lower cost accommodation.
* Around a third (33.6%) all overnight trips involved staying in serviced accommodation (hotels, B&Bs and Guest-houses).
* Thirteen percent of all overnight trips were accommodated in the homes of friends and relatives. Around 5% of all overnight trips involved staying on boats/yachts[[1]](#footnote-1).
* Smaller volumes of overnight trips involved staying in second homes, in youth hostels, on campus and in private lodgings.
* There are important differences in the choice of accommodation between domestic visitors and overseas visitors. Serviced accommodation and the homes of friends and family were the two main accommodation sources for overseas visitors staying overnight in the District.
* Holidays were the most important purposes of trip for domestic visitors. It is estimated that 90.4% of all domestic overnight trips were holiday related; a further 5.7% were VFR trips and 3% were business related. Less than 1%of domestic overnight trips were for ‘other’ or mixed purposes.
* Purpose of trip was more mixed for overseas visitors; holidays were the most dominant purpose, but sizeable numbers of overseas visitors where visiting for business purposes or to see friends/relatives. Overseas visitors were also more likely to be combining a visit with a number of purposes, such as combining a business trip with a leisure holiday trip.

**1.3 Value of Tourism**

* Total expenditure by visitors to Chichester is estimated to have been in the region of £354,334,000 in 2009.
* Once adjustments are made to recognise that some of this expenditure will take place outside the District (e.g. it is estimated that around 40% of expenditure on travel such as the purchase of petrol, coach and train fares, will be made at source of origin or on-route), total direct visitor expenditure is reduced to £331,131,000.
* Additional tourism expenditure is however, generated by other sources, increasing the total amount of money spent in the District. It is estimated that expenditure on second homes and on goods and services purchased by friends and relatives visitors were staying with, or visiting, generated a further total £9,871,000 expenditure associated with overnights trips in 2009**.**

**1.4 Economic Impact and Employment Sustained**

* The £331.1 million trip expenditure and £9.8 million additional tourism related expenditure translated to **£451,500,000** worth of income for local businesses through direct, indirect and induced effects (multiplier impacts).
* This level of turnover sustains approximately 6,578 FTE jobs or 9,067 Actual jobs if all part-time and seasonal jobs are included across the District across a number of sectors.
* The Office of National Statistics employment figures drawn from the Annual Business Inquiry shows that an estimated 5,100 jobs (full-time and part-time) in Chichester are in tourism and tourism-related businesses, representing 10% of all employee jobs in the district.

**2. INTRODUCTION**

**2.1 Objectives of Study**

This report examines the value, volume and resultant economic impact of tourism to the District and City of Chichester. 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: Background**

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 exists 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 volume[[2]](#footnote-2)

**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
* 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’[[3]](#footnote-3) 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
* Annual Business Inquiry

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

**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.

**2.5.4 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**

**Table 1: All staying trips by accommodation**

|  |  |  |  |
| --- | --- | --- | --- |
|  | UK | Overseas | Total |
| Serviced | 266,874 | 32.7% | 33,115 | 43.8% | 299,989 | 33.6% |
| Self catering | 9,275 | 1.1% | 1,168 | 1.5% | 10,443 | 1.2% |
| Caravans & camping | 379,565 | 46.5% | 4,542 | 6.0% | 384,107 | 43.0% |
| Group/campus | 19,081 | 2.3% | 7,342 | 9.7% | 26,423 | 3.0% |
| Second homes | 9,318 | 1.1% | 1,274 | 1.7% | 10,592 | 1.2% |
| Boat moorings | 44,971 | 5.5% | 0 | 0.0% | 44,971 | 5.0% |
| Paying guests in private houses | 0 | 0.0% | 3,084 | 4.1% | 3,084 | 0.3% |
| Staying with friends and relatives | 87,547 | 10.7% | 25,131 | 33.2% | 112,678 | 12.6% |
| 2009 | 816,631 |  | 75,656 |  | 892,287 |  |

**Table 2: Total staying nights by accommodation**

|  |
| --- |
|  |
|  | UK | Overseas | Total |
| Serviced | 586,475 | 22.0% | 83,564 | 17.1% | 670,039 | 21.2% |
| Self catering | 40,868 | 1.5% | 21,976 | 4.5% | 62,844 | 2.0% |
| Caravans & camping | 1,442,346 | 54.1% | 76,103 | 15.6% | 1,518,449 | 48.1% |
| Group/campus | 54,718 | 2.1% | 44,738 | 9.1% | 99,456 | 3.2% |
| Second homes | 93,177 | 3.5% | 15,899 | 3.3% | 109,076 | 3.5% |
| Boat moorings | 177,978 | 6.7% | 0 | 0.0% | 177,978 | 5.6% |
| Paying guests in private houses | 0 | 0.0% | 18,415 | 3.8% | 18,415 | 0.6% |
| Staying with friends and relatives | 271,903 | 10.2% | 228,300 | 46.7% | 500,203 | 15.8% |
| 2009 | 2,667,466 |  | 488,994 |  | 3,156,460 |  |

**Table 3: Total staying trip spend by accommodation**

|  |  |  |  |
| --- | --- | --- | --- |
|  | UK | Overseas | Total |
| Serviced | £64,990,506 | 45.2% | £15,064,189 | 44.6% | £80,054,695 | 45.1% |
| Self catering | £2,378,526 | 1.7% | £1,417,904 | 4.2% | £3,796,430 | 2.1% |
| Caravans & camping | £52,269,604 | 36.3% | £4,096,813 | 12.1% | £56,366,417 | 31.7% |
| Group/campus | £2,574,096 | 1.8% | £1,560,770 | 4.6% | £4,134,866 | 2.3% |
| Second homes | £5,406,156 | 3.8% | £1,081,454 | 3.2% | £6,487,610 | 3.7% |
| Boat moorings | £6,015,718 | 4.2% | £0 | 0.0% | £6,015,718 | 3.4% |
| Paying guests in private houses | £0 | 0.0% | £1,082,910 | 3.2% | £1,082,910 | 0.6% |
| Staying with friends and relatives | £10,182,781 | 7.1% | £9,442,494 | 28.0% | £19,625,275 | 11.1% |
| 2009 | £143,817,386 |  | £33,746,534 |  | £177,563,920 |  |

**Table 4: Staying trips by purpose**

|  |  |  |  |
| --- | --- | --- | --- |
|  | UK | Overseas | Total |
| Holiday | 738,628 | 90.4% | 33,114 | 43.8% | 771,742 | 86.5% |
| Business | 24,662 | 3.0% | 11,512 | 15.2% | 36,174 | 4.1% |
| Visits to friends and relatives | 46,620 | 5.7% | 15,481 | 20.5% | 62,101 | 7.0% |
| Other | 6,721 | 0.8% | 14,701 | 19.4% | 21,422 | 2.4% |
| Study | 0 | 0.0% | 848 | 1.1% | 848 | 0.1% |
| 2009 | 816,631 |  | 75,656 |  | 892,287 |  |

**Table 5: Staying nights by purpose**

|  |  |  |  |
| --- | --- | --- | --- |
|  | UK | Overseas | Total |
| Holiday | 2,476,457 | 92.8% | 240,086 | 49.1% | 2,716,543 | 86.1% |
| Business | 52,611 | 2.0% | 91,307 | 18.7% | 143,918 | 4.6% |
| Visits to friends/ relatives | 118,820 | 4.5% | 91,671 | 18.7% | 210,491 | 6.7% |
| Other | 19,579 | 0.7% | 44,667 | 9.1% | 64,246 | 2.0% |
| Study | 0 | 0.0% | 21,264 | 4.3% | 21,264 | 0.7% |
| 2009 | 2,667,466 |  | 488,994 |  | 3,156,460 |  |

**Table 6: Staying spend by purpose**

|  |  |  |  |
| --- | --- | --- | --- |
|  | UK | Overseas | Total |
| Holiday | £130,242,142 | 90.6% | £15,903,337 | 47.1% | £146,145,479 | 82.3% |
| Business | £6,494,084 | 4.5% | £5,737,975 | 17.0% | £12,232,059 | 6.9% |
| Visits to friends/relatives | £5,821,667 | 4.0% | £7,289,564 | 21.6% | £13,111,231 | 7.4% |
| Other | £1,259,493 | 0.9% | £3,667,532 | 10.9% | £4,927,025 | 2.8% |
| Study | £0 | 0.0% | £1,148,125 | 3.4% | £1,148,125 | 0.6% |
| 2009 | £143,817,386 |  | £33,746,534 |  | £177,563,920 |  |

**Table 7: Tourism Day Visits**

|  |  |  |
| --- | --- | --- |
|  | Trips | Spend |
| Urban visits | 2,447,000 | £78,966,000 |
| Coastal visits | 1,701,000 | £55,428,000 |
| Countryside visits | 1,300,000 | £42,376,000 |
| 2009 | 5,448,000 | £176,770,000 |

**Table 8: Total trips and spend**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | Total trips |  | Total spend |  |
| Domestic overnight | 816,631 | 13% | £143,817,386 | 41% |
| Overseas overnight | 75,656 | 1% | £33,746,534 | 10% |
| Day trips | 5,448,000 | 86% | £176,770,000 | 50% |
| 2009 | 6,340,287 |   | £354,333,920 |   |

**Table 9: Breakdown of expenditure associated with trips**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Accomm. | Shopping | Food and drink | Attractions/entertain. | Travel | Total | % |
| UK Tourists | £46,626,000 | £24,484,000 | £32,586,000 | £15,097,000 | £25,025,000 | £143,818,000 | 41% |
| Overseas tourists | £10,509,000 | £9,282,000 | £7,263,000 | £3,483,000 | £3,210,000 | £33,747,000 | 10% |
| Total | £57,135,000 | £33,766,000 | £39,849,000 | £18,580,000 | £28,235,000 | £177,565,000 |  |
| % | 32% | 19% | 22% | 10% | 16% |  |  |
|  |  |  |  |  |  |  |  |
| Tourist day visitors | £0 | £43,645,000 | £79,307,000 | £24,045,000 | £29,772,000 | £176,769,000 | 50% |
| % | 0% | 25% | 45% | 14% | 17% |  |  |

**Table 10: Total Breakdown of expenditure associated with all trips**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Accomm. | Shopping | Food and drink | Attractions/entertain. | Travel | Total |
| Total | £57,135,000 | £77,411,000 | £119,156,000 | £42,625,000 | £58,007,000 | £354,334,000 |
| % | 16% | 22% | 34% | 12% | 16% |  |

**Table 11a: DIRECT business turnover derived from trip expenditure**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Staying tourists | Day visitors | Total |
| Accommodation | £57,932,000 | 35% | £1,586,000 | 1% | £59,518,000 | 18% |
| Retail | £33,428,000 | 20% | £43,209,000 | 26% | £76,637,000 | 23% |
| Catering | £38,653,000 | 23% | £76,928,000 | 47% | £115,581,000 | 35% |
| Attraction/entertain | £19,316,000 | 12% | £25,275,000 | 15% | £44,591,000 | 13% |
| Transport | £16,941,000 | 10% | £17,863,000 | 11% | £34,804,000 | 11% |
| Total | £166,270,000 |  | £164,861,000 |  | £331,131,000 |  |
|  |  |  |  |
| Other expenditure | £9,871,000 |  | £9,871,000 |
|  |  |  |  |
| Total with ‘other’. | £176,141,000 | £164,861,000 | £341,002,000 |

**TABLE 11b: Indirect business turnover arising from the purchase of supplies & serviced by businesses**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Staying tourists | Day visitors | Total |
| Businesses in receipt of trip spend | £33,037,000 | £30,088,000 | £63,125,000 |
| Indirect turnover from ‘other’ expenditure | £1,974,000 | £0 | £1,974,000 |
| Income induced spending | £16,769,000 | £17,267,000 | £34,036,000 |
| Total | £51,780,000 | £47,355,000 | £99,135,000 |

**Table 12: Total local business turnover supported by all tourism activity**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Staying tourists | Day visitors | Total |
| Direct | £176,141,000 | £164,861,000 | £341,002,000 |
| Supplier/ income induced | £63,143,000 | £47,355,000 | £110,498,000 |
| 2009 | £239,284,000 | £212,216,000 | £451,500,000 |

**Table 13a: TOTAL jobs supported by all tourism expenditure**

**and multiplier impacts**

|  |  |  |
| --- | --- | --- |
| Full time equivalent |  |  |
| Direct | 4,824 | 73% |
| Indirect | 1,156 | 18% |
| Induced | 598 | 9% |
| Total | 6,578 |  |
|  |  |  |
| Estimated actual |  |  |
| Direct | 7,067 | 78% |
| Indirect | 1,318 | 15% |
| Induced | 682 | 8% |
| Total | 9,067 |  |

**Table 13b: ONS estimate for employment based on ABI in**

**tourism-related sectors**

|  |  |  |
| --- | --- | --- |
|  | Chichester |  |
| Employee jobs by industry |  |  |
| Manufacturing | 5,000 | 9.7% |
| Construction | 2,200 | 4.3% |
| Services, of which | 42,000 | 81.7% |
| * Distribution, hotels & restaurants
 | 12,900 | 25% |
| * Transport & communications
 | 1,400 | 2.7% |
| * Finance, IT, other business activities
 | 9,100 | 17.7% |
| * Public admin, education & health
 | 15,400 | 30% |
| * Other services
 | 3,200 | 6.3% |
| **Tourism-related** | **5,100** | **10%** |

N**otes:**

Figures derived from Annual Business Inquiry

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

1. *It should be noted that for the standard Cambridge model, no data is available on the volume of overseas visitors who arrive by boat. The figures are therefore likely to under-estimate the total number of overseas visitors.* [↑](#footnote-ref-1)
2. *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.* [↑](#footnote-ref-2)
3. ‘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. [↑](#footnote-ref-3)