

COOL Activity 1.2

Economic Impact Research



The Economic Impact of the Norfolk Visitor Economy 2012

Norfolk

Produced on behalf of the COOL programme partners
by
The South West Research Company Ltd.



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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 the county of Norfolk in 2012. The report also provides comparative data for Cool Project.

The figures were derived using the Cambridge Economic Impact Model undertaken by Tourism South East (TSE) and the report compiled by The South West Research Company (TSWRC). The model utilises information from national tourism surveys and regionally/locally based data. It distributes regional activity as measured in those surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level.

For a full overview of the Cambridge Model and the terms used in this report please see Appendix 1 which accompanies this report.

For an overview of 2012, including key facts about the economy, weather and key events please see Appendix 2 of this report.

Background and methodology - The Cambridge Model

The Cambridge Model is a computer-based model developed to calculate estimates of the volume, value and economic impact of tourism on a County or District basis. It draws on the combined experience of PA Cambridge Economic Consultants Ltd, Geoff Broom Associates and utilises a standard methodology capable of application throughout the UK. It therefore offers the potential for direct comparisons with similar destinations throughout the country. The model has been widely used in both the South West and across areas of England for a number of years.

The Model in its basic form relies on using information from a range of sources. The methodology and accuracy of these sources varies and therefore the estimates can only be regarded as indicative of the scale and importance of visitor activity in the local area. Thus the Model cannot take account of any leakage of expenditure in and out of the local area from tourists taking day trips in or out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas there will be an underestimate in relation to overseas day visits from holiday accommodation in London to locations receiving significant numbers from that source. As with all models the outputs need to be viewed in the context of local information and knowledge. Because of the data sources and modelling process there will be a potentially large margin of error associated with individual figures, with small numbers being particularly prone to such errors. Therefore the outputs should be taken as indicative rather than definitive.

Seasonality estimates.

Regular requests are received for seasonality estimates so this has been added to reports at a county level. The estimates contained within the report have been calculated as shown below;

- UK Staying trips nights and spend – Regional and county level data for trips, nights and spend by the month of trip derived from UKTS have been applied to the annual figures for each area to produce seasonality estimates. Because of the smaller samples at a county level 3 year averages have been applied.
- Overseas Staying trips nights and spend – Regional data for trips, nights and spend by the month of trip derived from IPS have been applied to the annual figures for each area to produce seasonality estimates.
- Day visits and spend – Regional data for the month of trip and spend derived from GBDVS have been applied to the annual figures for each area to produce seasonality estimates.

Executive Summary

Key points for 2012

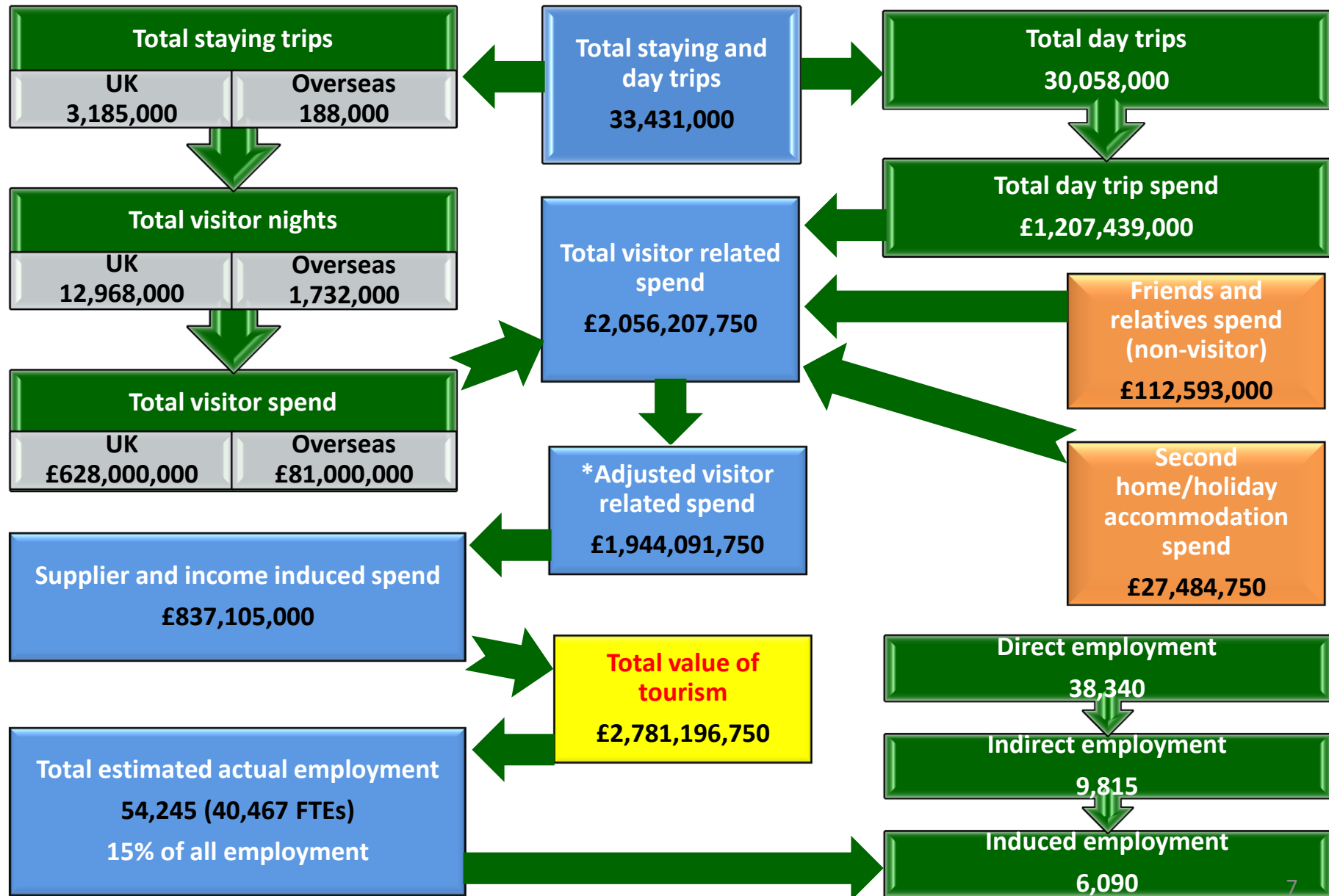
- Norfolk attracted approximately 33.4m day and staying trips with a total visitor related spend of £2.1 billion.
- When supplier and income induced expenditure generated as result of visitor spend are also considered the total value of tourism in Norfolk was an estimated £2.8 billion, supporting an estimated 54,200 tourism related jobs within the county.
- The county received approximately 3.4m staying trips accounting for 14.7m visitor nights and £709m visitor spend with domestic visitors accounting for the large majority of staying trips.
- Serviced accommodation accounted for 28% of all staying visitor trips with a further 29% staying with friends or relatives.
- Taking a holiday was the main purpose of the majority of trips to the county (75%).
- Norfolk received approximately 30.1m day visits generating £1.2 billion in day visitor expenditure. Urban visits generated the majority of day visit trips (55%) and expenditure (62%).
- Of the approximate £1.9 billion direct visitor expenditure in the county 11% was spent in the accommodation sector, 27% on shopping, 35% on food & drink, 12% on attractions and entertainment and 15% on travel and transport within the local area.
- The distribution of direct FTE employment amongst businesses in receipt of visitor expenditure shows the largest proportion of FTE's arising in the Catering sector (10,205 jobs – 38% of all FTE's).



Norfolk county data 2012



Norfolk - Key facts at a glance



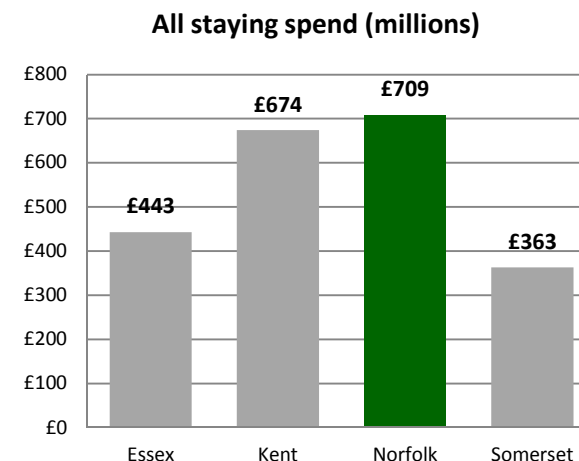
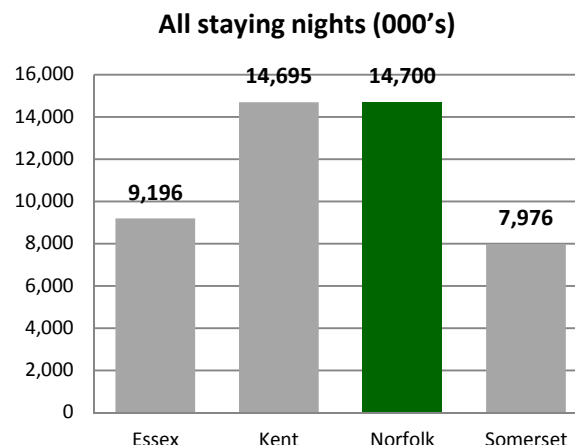
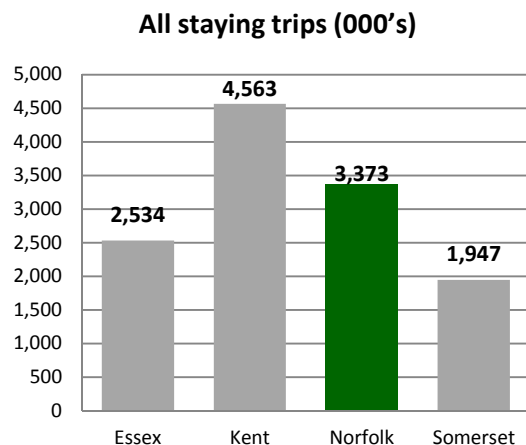
* It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

Norfolk – Staying visits

Information on staying visits within the county of Norfolk is derived from the Great Britain Tourism Survey (GBTS) for domestic visitors and from the International Passenger Survey (IPS) for Overseas visitors. The methodology of both surveys has been stable since 2006 allowing for direct comparison between years and the analysis of trend data. Data at a county level is taken from the national surveys for trips, nights and spend but is modelled below this level.

Three year average data for Norfolk county (2010 to 2012) has been used to produce the modelled staying visitor outputs contained within this report.

Norfolk - Staying visits in the COOL Project context



COOL Project Area	Domestic trips (000's)	Overseas trips (000's)	Domestic nights (000's)	Overseas nights (000's)	Domestic spend (millions)	Overseas spend (millions)
Essex	2,002	532	5,821	3,375	£263	£179
Kent	3,647	916	9,216	5,479	£394	£280
Norfolk	3,185	188	12,968	1,732	£628	£81
Somerset	1,798	149	6,865	1,111	£299	£64

In 2012 Norfolk attracted approximately 3.4 million staying visitor trips equating to 14.7 million visitor nights and contributing £709 million to the county economy. Within the Cool Project context Norfolk was the second largest county, behind Essex, in terms of the number of staying visitor trips but was the largest participating county (in this project) in terms of staying visitor nights and value due to having a higher average number of nights per trip than Essex (Norfolk 4.56 nights per trip – Essex 3.22 nights per trip). Staying visitor activity accounted for 37% of all direct visitor expenditure in Norfolk.

Norfolk - Staying visits by accommodation type

Domestic tourists	Trips	Nights	Spend
Serviced	898,000	2,417,000	£214,967,000
Self catering	247,000	953,000	£66,512,000
Touring caravans /tents	300,000	1,227,000	£58,958,000
Static vans/holiday centres	630,000	2,820,000	£131,179,000
Group/campus	48,000	798,000	£8,043,000
Paying guest in private homes	0	0	£0
Second homes	68,000	281,000	£10,091,000
Boat moorings	68,000	308,000	£16,994,000
Other	58,000	1,063,000	£43,162,000
Staying with friends and relatives	868,000	3,101,000	£78,088,000
Total	3,185,000	12,968,000	£627,992,000

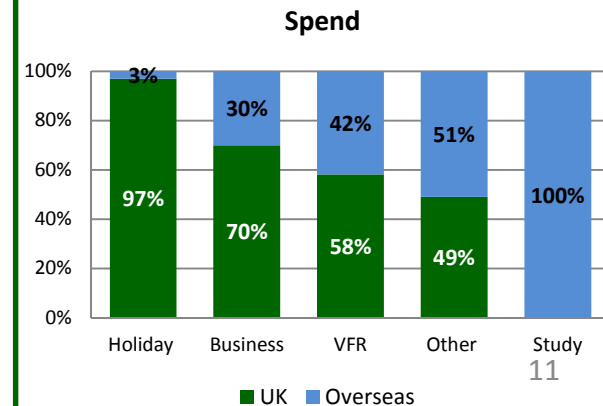
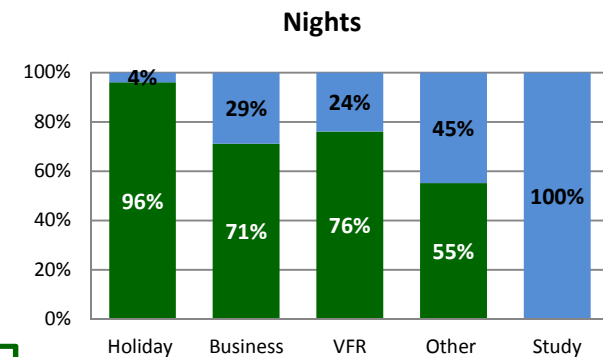
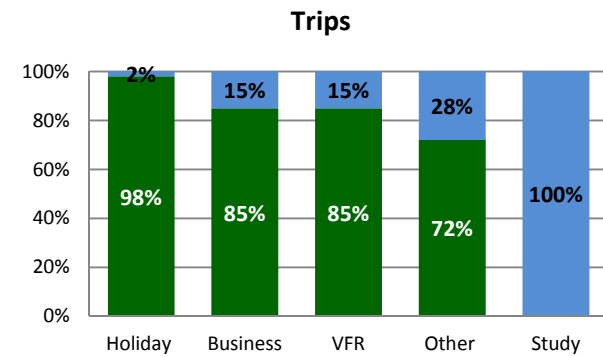
Overseas tourists	Trips	Nights	Spend
Serviced	49,000	250,000	£19,637,000
Self catering	8,000	260,000	£13,828,000
Touring caravans /tents	6,000	53,000	£1,720,000
Static vans/holiday centres	2,000	7,000	£352,000
Group/campus	5,000	116,000	£5,193,000
Paying guest in private homes	3,000	41,000	£2,276,000
Second homes	3,000	27,000	£1,747,000
Boat moorings	0	0	£0
Other	11,000	48,000	£2,418,000
Staying with friends and relatives	101,000	932,000	£33,528,000
Total	188,000	1,732,000	£80,699,000

Serviced accommodation accounted for 28% of all staying trips, 18% of staying nights and 33% of staying spend to the county overall. However, the largest proportion of visitors stayed with friends and relatives which accounted for 29% of all staying trips, 27% of staying nights although only 16% of staying spend.

Norfolk - Staying visits by purpose

Domestic tourists	Trips	Nights	Spend
Holiday	2,483,000	9,481,000	£534,240,000
Business	213,000	775,000	£37,501,000
Visits to friends and relatives	465,000	2,583,000	£50,001,000
Other	23,000	129,000	£6,250,000
Study	0	0	£0
Total	3,185,000	12,968,000	£627,992,000

Overseas tourists	Trips	Nights	Spend
Holiday	53,000	398,000	£19,368,000
Business	38,000	312,000	£16,140,000
Visits to friends and relatives	85,000	814,000	£35,507,000
Other	9,000	104,000	£6,456,000
Study	4,000	104,000	£3,228,000
Total	188,000	1,732,000	£80,699,000



When staying visits are analysed by the main purpose of trip holiday visits were the key driver for the majority of trips to Norfolk.

Overall proportions of volume and value by purpose:

Holiday – 75% of all trips, 67% of all nights and 78% of all spend.

Business – 7% of all trips, 7% of all nights and 8% of all spend.

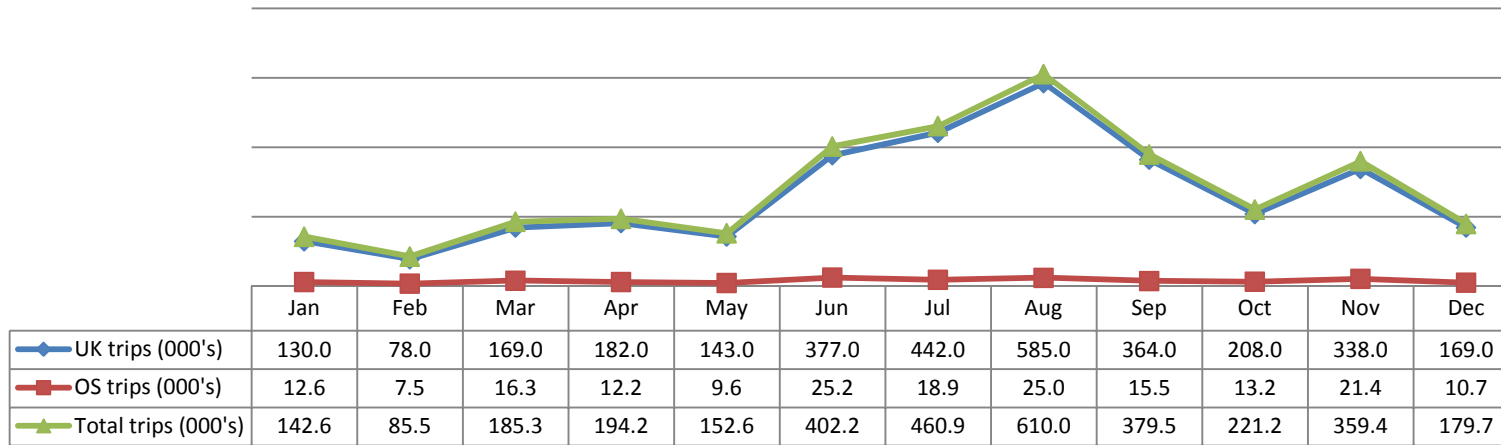
VFR – 16% of all trips, 23% of all nights and 12% of all spend.

Other – 1% of all trips, 2% of all nights with trips and 2% of all spend.

Study – Less than 1% of all trips, 1% of nights and less than 1% of all spend.

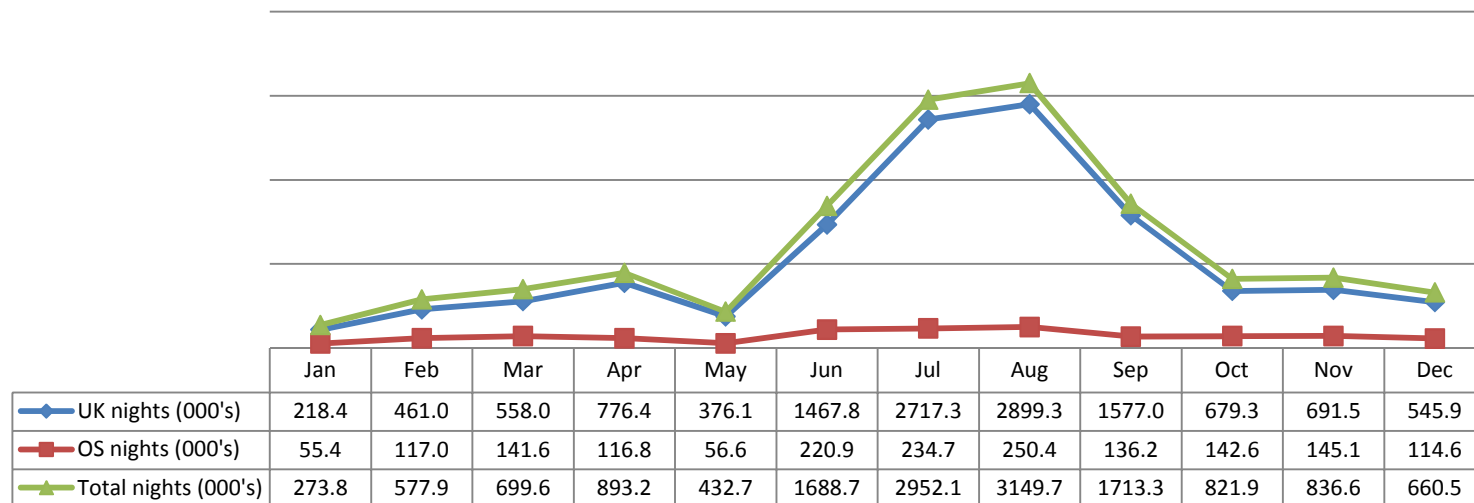
Norfolk- Estimated seasonality of staying visits

Seasonality - trips



June through to September were the key months for Norfolk in terms of volumes of staying visitor trips with August being the highest.

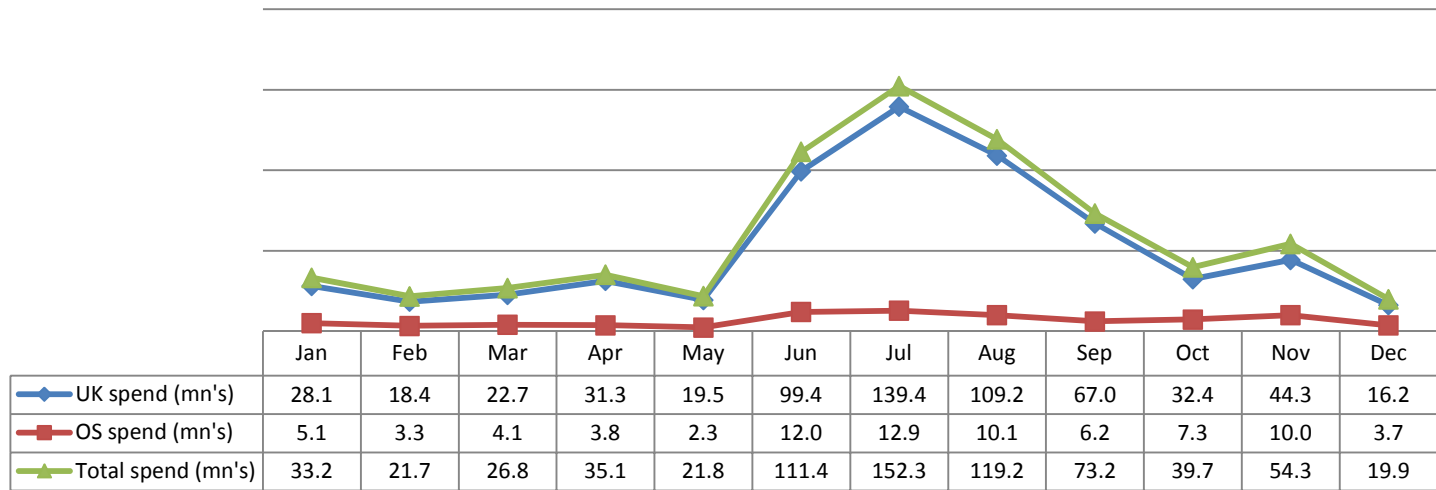
Seasonality - nights



June through to September were the key months for Norfolk in terms of volumes of staying visitor nights with August again being the highest.

Norfolk - Estimated seasonality of staying visits

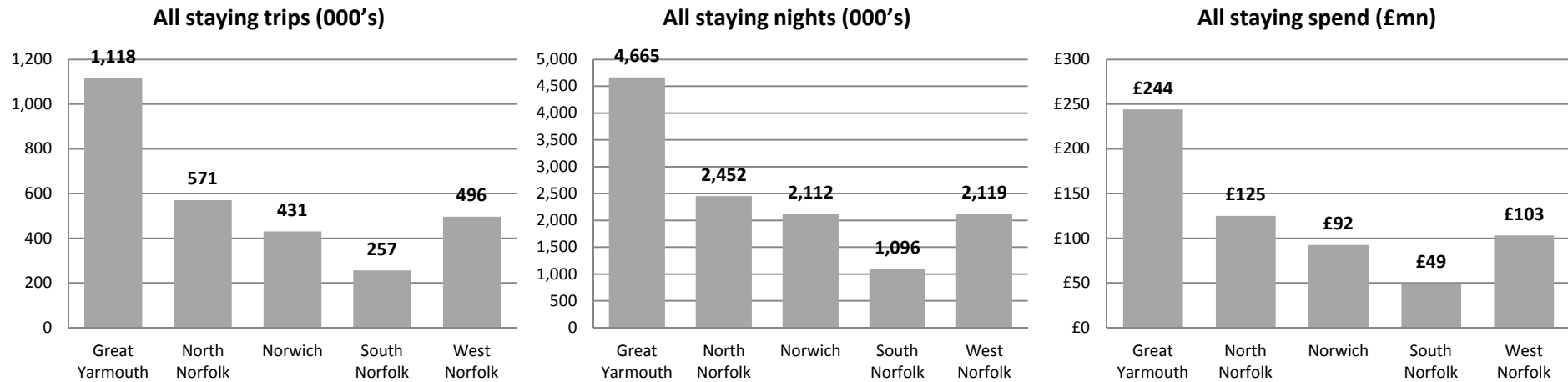
Seasonality - spend



June through to September were the key months for Norfolk in terms of volumes of staying visitor spend although July is estimated to have the highest level of spend.

All staying visitor seasonality estimates suggest that whilst staying visitor activity takes place across the year the main season is limited to four months (June to September) and volumes of visitors decrease sharply away from this. Holidays are the main driver of visits to the county and the seasonality estimates suggests there is scope to boost visitor levels in the shoulder seasons.

Norfolk - Staying visits in the district context



Area	Domestic trips (000's)	Overseas trips (000's)	Domestic nights (000's)	Overseas nights (000's)	Domestic spend (millions)	Overseas spend (millions)
Great Yarmouth	1,072	46	4,327	338	£225	£19
North Norfolk	547	24	2,172	280	£112	£13
Norwich	395	36	1,784	328	£76	£16
South Norfolk	238	19	931	165	£43	£7
West Norfolk	471	25	1,857	262	£92	£11

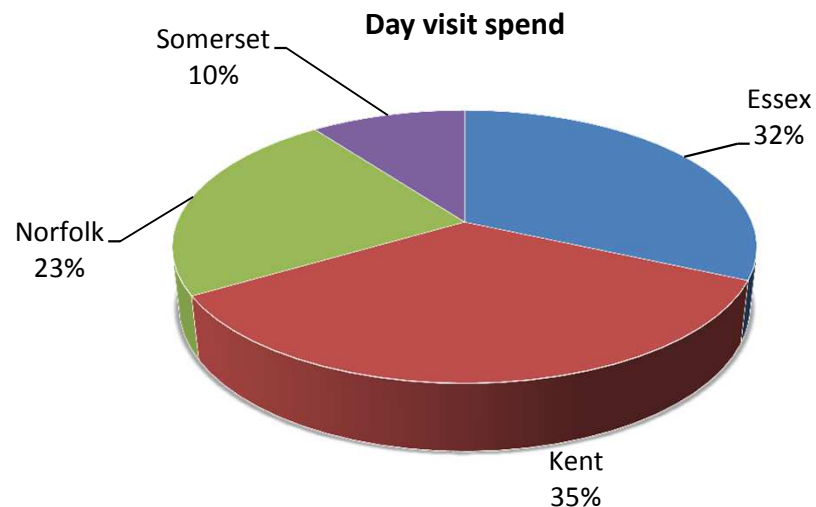
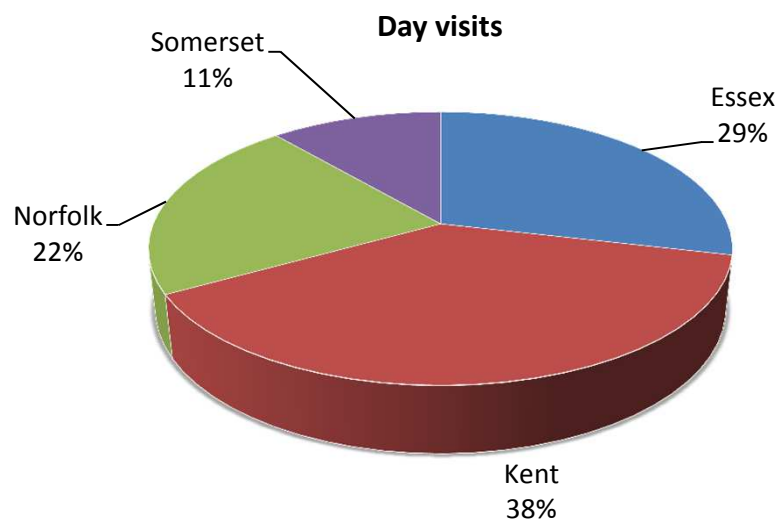
Of the Norfolk district areas participating in this project Great Yarmouth was the largest in the county in terms of staying visitor trips, nights and spend. The district accounted for approximately a third of all staying visitor trips, nights and spend during 2012 to Norfolk.

Norfolk – Day visits

Information on day visits within this report has been derived from the 2012 Great Britain Day Visit Survey (GBDVS). The survey, which was first undertaken in 2011, provides a much needed update on day visit activity in Great Britain and generally speaking estimated greater frequencies of trip taking than the previous day visit survey (England Leisure Visits Survey 2005). As a result of the new methodology in 2011 comparisons with previous day visit estimates are not possible.

The GBDVS distinguishes between day visits to a town or city; to the seaside and coast; and to the countryside. Different drivers are used within the model to distribute these trips. Local 'drivers' such as attraction footfall, quality and size of countryside and coastline are factored into the model for this purpose.

Norfolk - Day visits in the COOL Project context

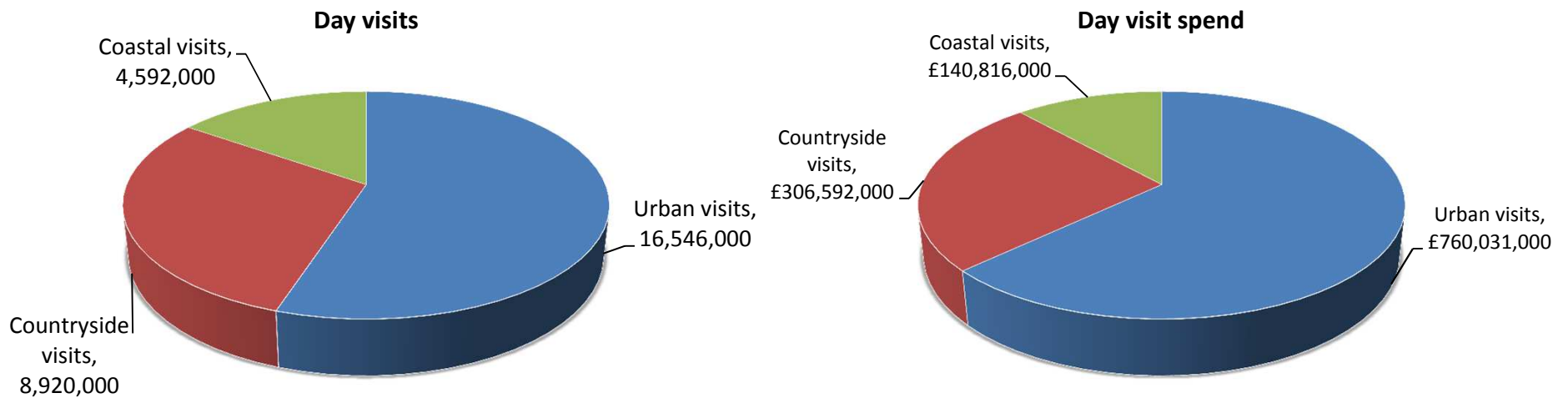


Area	Day visits (millions)	Day visit spend (millions)
Essex	39.4	£1,642.1
Kent	52.7	£1,800.8
Norfolk	30.1	£1,207.4
Somerset	15.5	£526.4

Within the context of the combined day visits total for Cool Project counties Norfolk received 22% of all day visits and 23% of all day visit spend equating to 30.1 million trips and in excess of £1.2 billion spend. Norfolk is the third largest participating county in terms of the volume and value of day visits. Kent received the largest volume of day visits, a key driver for which is likely to be the large retail offer in the county.

Norfolk - Day visits by location

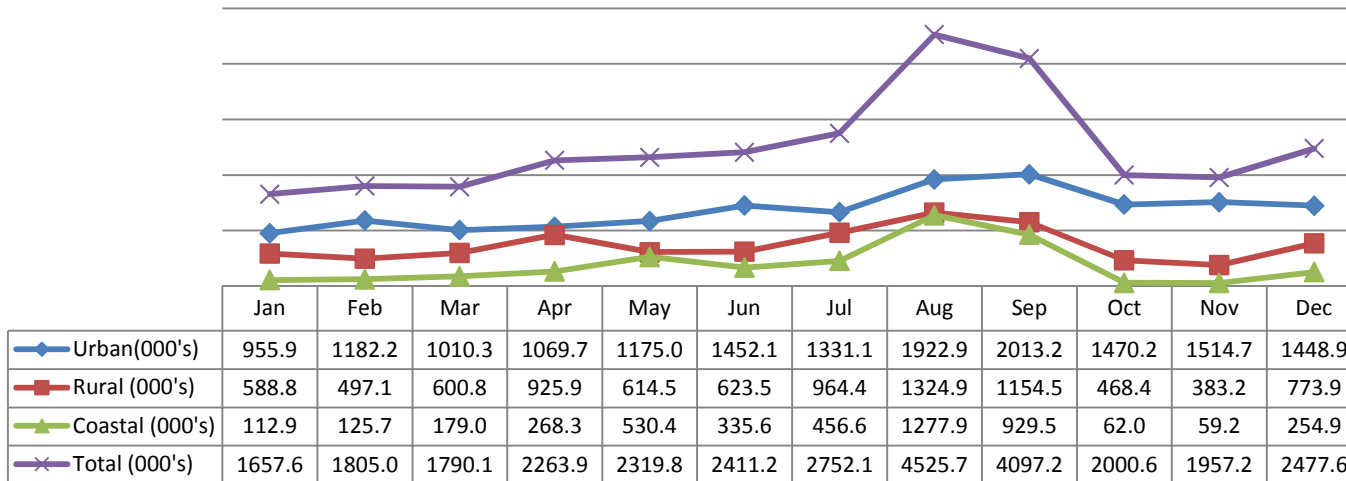
Total day visits	Total day visit spend
30,058,000	£1,207,439,000



The majority of day visits in Norfolk were to urban locations (55%) accounting for approximately 62% of day visit expenditure. Countryside visits accounted for 30% of visits and 25% of expenditure whilst coastal visits accounted for 15% of visits and 12% of expenditure. Day visitor activity accounted for 63% of all direct visitor spend in Norfolk.

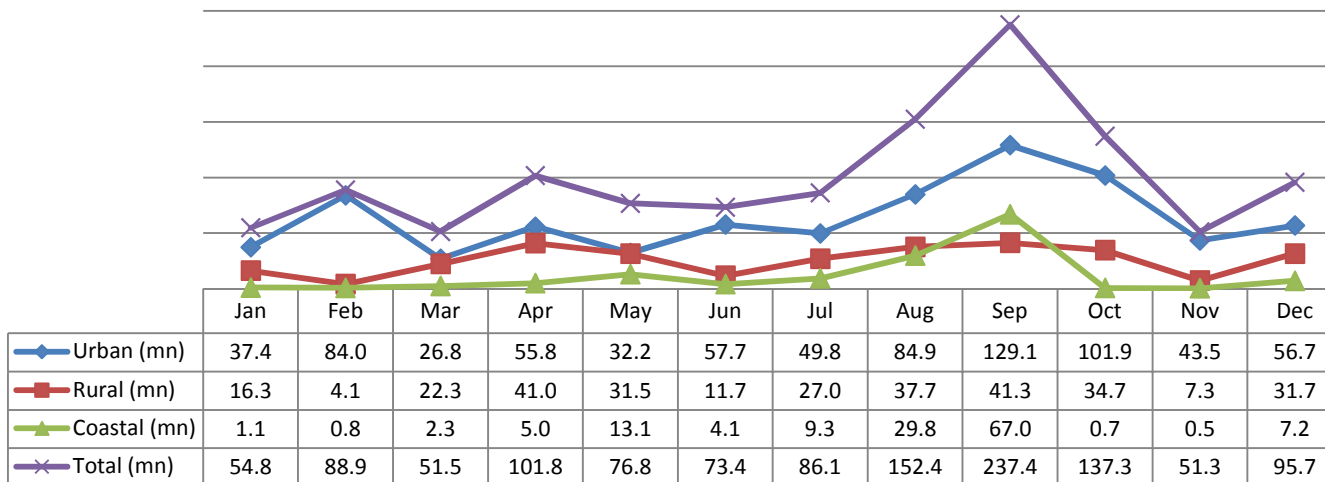
Norfolk - Estimated seasonality of day visits

Seasonality - day visits (000's)



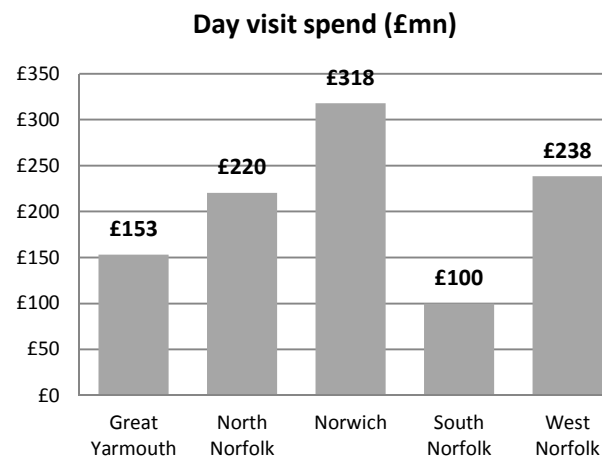
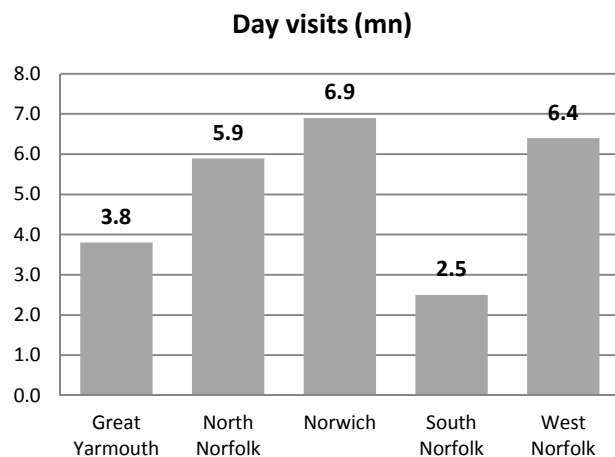
Day visits are far more evenly distributed across the year than staying visits. The largest volumes occurred during August and September.

Seasonality - day visit spend (millions)



It is estimated that the largest volumes of day visit expenditure occurred in August and September.

Norfolk - Day visits in the district context



Norwich and West Norfolk attracted the largest volumes of day visits and day visitor spend amongst those districts in Norfolk participating in this project. The two districts combined accounted for 44% of all day visits in the county and 46% of all day visit expenditure.

Area	Day visits (mn)	Day visit spend (£mn)
Great Yarmouth	3.8	£153.1
North Norfolk	5.9	£220.2
Norwich	6.9	£317.8
South Norfolk	2.5	£99.8
West Norfolk	6.4	£238.4

Norfolk - Direct visitor expenditure by category

Information on the breakdown of visitor spending is available from the three main tourism and day visitor surveys by type of visitor. The Model divides the expenditure between five sectors:

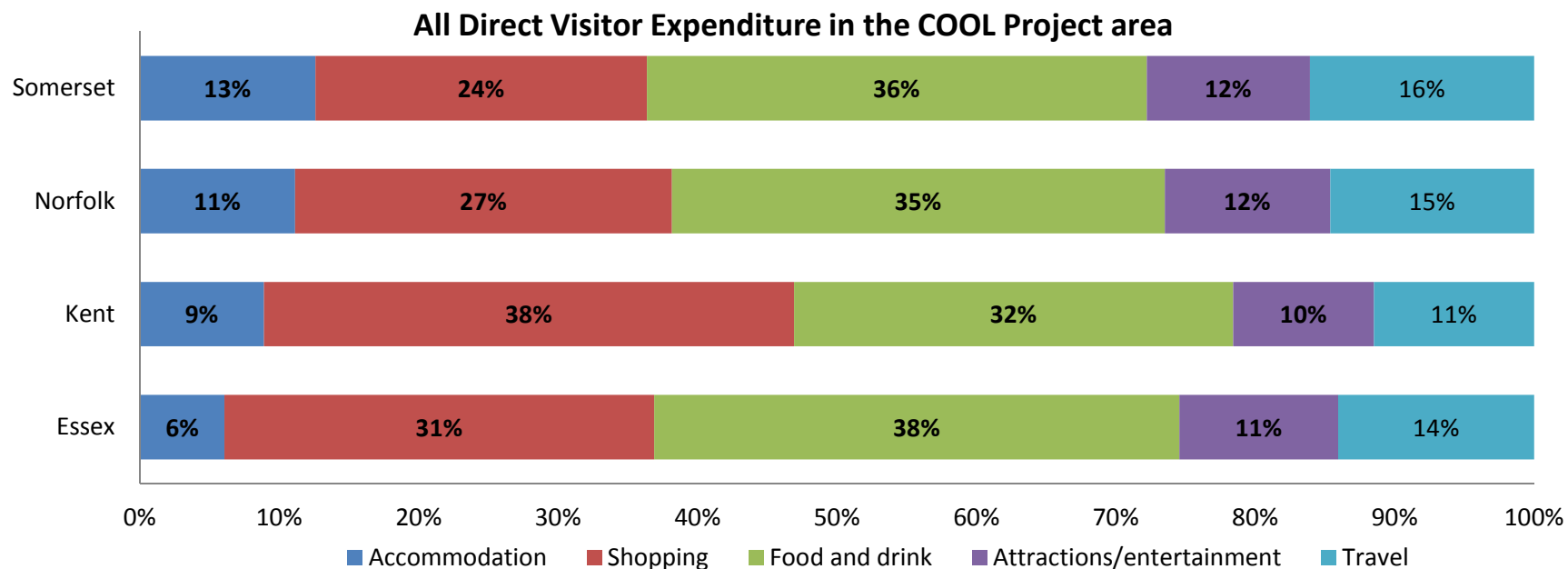
- Accommodation
- Shopping for gifts, clothes and other goods
- Eating and drinking in restaurants, cafes and inns
- Entry to attractions, entertainment and hire of goods and services
- Transport and travel costs including public transport, purchase of fuel and parking

The following pages look at the breakdown of this expenditure within Norfolk and business turnover arising from this expenditure.

By applying the expenditure breakdown to the estimates of visitor spending the Model generates estimates of total spending by the five business sectors. Visitor expenditure in each sector represents additional turnover for businesses in those sectors. However, evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover. In particular, some expenditure on food and drink actually takes place in inns and hotels that fall into the accommodation sector and at attractions. The turnover for each business sector has therefore been adjusted to take account of these marginal changes. More significantly, expenditure on travel costs associated with individual trips is as likely to take place at the origin of the trip as it is at the actual destination. It is therefore assumed that only 60% of total travel expenditure accrues to the destination area.

Norfolk – Direct visitor expenditure by category in the COOL project context

Norfolk County	Accommodation	Shopping	Food & drink	Attractions/entertainment	Travel	TOTAL
Spend	£213,357,000	£517,710,000	£677,711,000	£227,062,000	£280,290,000	£1,916,130,000
%	11%	27%	35%	12%	15%	100%



Norfolk attracted a total direct visitor expenditure of approximately £1.9 billion in 2012. Food and drink (35%) and shopping (27%) received the largest proportions of direct visitor expenditure in Norfolk in 2012. The proportions of spend per sector in Norfolk were broadly similar to Somerset and Essex. Kent attracted a far greater proportion of shopping expenditure (38%) than Norfolk which is again an indication of the retail offering in the county. The breakdown of expenditure in each of the sectors by visitor type is shown on the following page.

Norfolk – Direct visitor expenditure by category



Accommodation

- UK staying visitors £190,884,000
- Overseas staying visitors £22,473,000



Shopping

- UK staying visitors £88,186,000
- Overseas staying visitors £22,802,000
- Day visitors £406,722,000



Food & drink

- UK staying visitors £161,828,000
- Overseas staying visitors £18,083,000
- Day visitors £497,800,000



Attractions/entertainment

- UK staying visitors £74,576,000
- Overseas staying visitors £9,222,000
- Day visitors £143,264,000



Travel

- UK staying visitors £112,519,000
- Overseas staying visitors £8,118,000
- Day visitors £159,653,000

Norfolk – Other visitor related expenditure by category



Second Homes

£11,341,000



Boats

£1,912,650



Static vans

£14,231,100



Visiting friends and relatives (non-visitor spend)

£112,593,000

Additional visitor related expenditure arises from ;

- Spend on second homes estimates cover rates, maintenance, and replacement of furniture and fittings.
- Spend on boats estimates cover 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.
- Additional spending is incurred by friends and relatives as a result of people coming to stay with them.

This generated a further £140 million in Norfolk giving a total visitor related spend of approximately £2.1 billion.

Norfolk – Business turnover

Turnover derived from trip expenditure	Staying visitor related	Day visitor related	Total
Accommodation	£216,955,000	£9,956,000	£226,911,000
Retailing	£109,878,000	£402,655,000	£512,533,000
Catering	£174,514,000	£482,866,000	£657,380,000
Attractions/entertainment	£86,707,000	£152,309,000	£239,016,000
Transport	£72,382,000	£95,792,000	£168,174,000
Arising from non trip spend	£140,077,750	£0	£140,077,750
Total Direct	£800,513,750	£1,143,578,000	£1,944,091,750

Total business turnover supported by tourism activity	Staying visitor related	Day visitor related	Total
Direct	£800,513,750	£1,143,578,000	£1,944,091,750
Supplier and income induced	£475,994,000	£361,111,000	£837,105,000
Total	£1,276,507,750	£1,504,689,000	£2,781,196,750

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.

Direct visitor related expenditure in Norfolk in 2012 provided in excess of £1.9 billion pounds business turnover in the county (after reductions to travel and transport spend).

The largest proportions of this fell within the Catering and Retail sectors with the majority of their business turnover supported by both day and staying visitors to the district.

When the purchase of services locally and spending of wages by employees whose jobs are supported by tourism spending is calculated (supplier and income induced turnover) the total estimated business turnover in Norfolk arising as a result of visitor activity is an approximate £2.8 billion pounds.

Norfolk – Tourism related employment

Having identified the value of turnover generated by visitor spending in each business sector it is possible to estimate the employment associated with that spending.

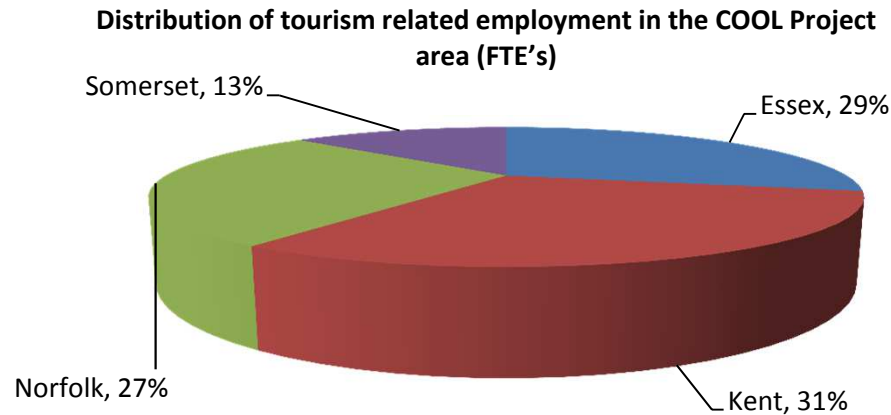
The use of visitor expenditure to generate job numbers underestimates the number of jobs arising in the attractions/entertainment sector. The underestimate arises because local authorities and voluntary bodies do not always seek to recoup the full operating costs of individual attractions or facilities from entrance charges. Therefore an additional percentage of direct employment is added to the attractions sector estimates to take account of this factor.

This section of the report looks at employment on three levels;

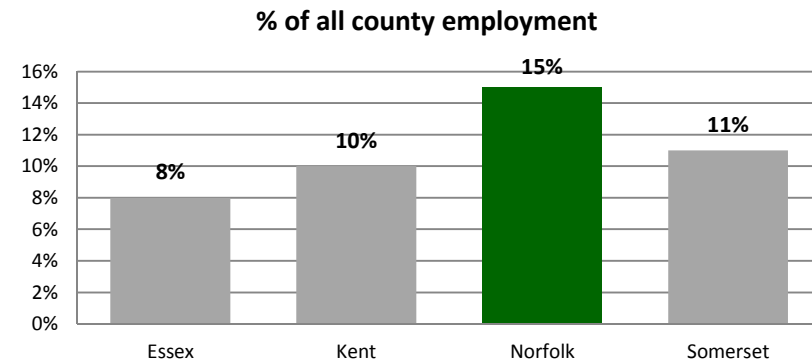
- **Direct Jobs** - Direct jobs are those in businesses in receipt of visitor spending. For example, jobs supported by visitor spending at a hotel would be direct jobs.
- **Indirect Jobs** - Indirect employment arises as a result of expenditure by businesses in direct receipt of visitor expenditure on the purchase of goods and services for their businesses. For example, some of the employment at a business supplying food and drink may be supported through the supplies that the business sells to hotels (or any other business in direct receipt of visitor expenditure).
- **Induced Jobs** - Induced jobs are those that are supported by the spending of wages by employees in direct and indirect jobs. Such spending will be spread across a wide range of service sectors.

Estimates are shown for actual jobs and full time equivalent jobs (FTE's).

Norfolk – Tourism related employment in the COOL Project context



Area	Number of FTE's
Essex	42,189
Kent	45,313
Norfolk	40,467
Somerset	19,386



Norfolk (27%) had the third largest proportion of tourism related employment (FTE's) in the context of the total tourism employment amongst participating Cool Project counties. This equated to 40,467 tourism related FTE's in Norfolk and 15% of all employment in the county.

Norfolk – Tourism related employment

Estimated actual employment



Full time equivalent employment (FTE's)



Direct employment in businesses in receipt of visitor expenditure (FTE's)	Staying visitor related	Day visitor related	Total
Accommodation	3,626	166	3,793
Retailing	952	3,488	4,440
Catering	2,709	7,496	10,205
Attractions/entertainment	1,645	2,890	4,535
Transport	520	688	1,208
Arising from non trip spend	2,335	0	2,335
Total Direct	11,787	14,729	26,516

There were an estimated 54,245 actual tourism related jobs within Norfolk during 2012. 71% of the estimated actual employment was supported by direct visitor expenditure.

A further 18% of estimated actual employment was categorised as indirect and supported by the spending of businesses in receipt of direct visitor expenditure to purchase local supplies and services. 11% of estimated actual jobs were categorised as induced which are supported by the spending of employees whose jobs are supported by tourism expenditure.

The distribution of direct FTE employment amongst businesses in receipt of visitor expenditure shows the largest proportion of FTE's arising in the Catering sector (10,205 jobs – 38% of all FTE's). Attractions (17%) and Retailing (17%) are the next largest sectors in terms of the numbers of FTE employment from direct visitor expenditure.