

COOL Activity 1.2

Economic Impact Research



The Economic Impact of the Norfolk Visitor Economy 2013

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 2013. 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 2013, 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 GBTS 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 2013

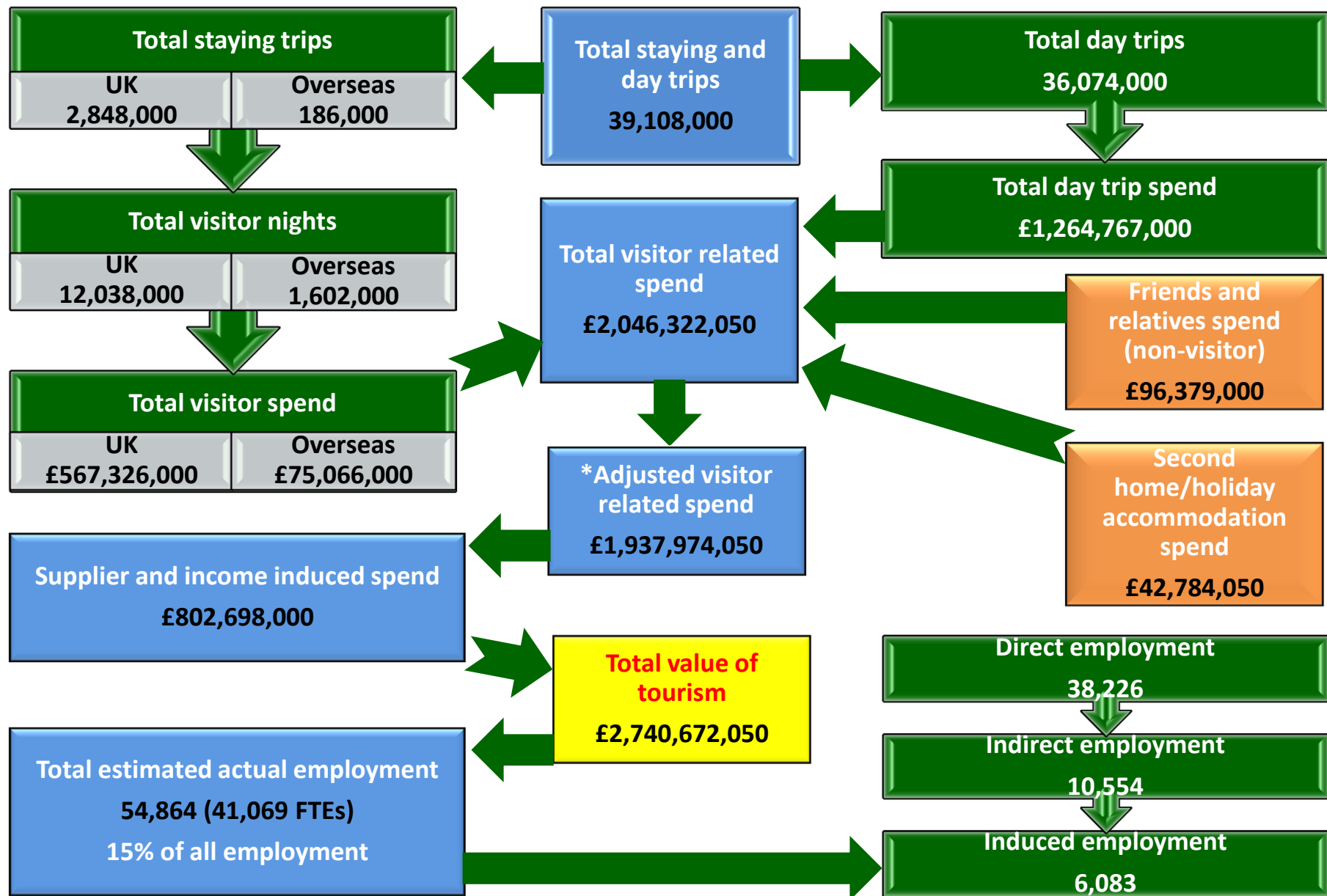
- Norfolk attracted approximately 39.1m day and staying trips with a total visitor related spend of £2.1 billion.
- When supplier and income induced expenditure generated as result of visitor spend are also considered the total value of tourism in Norfolk was an estimated £2.74 billion, supporting an estimated 54,900 tourism related jobs within the county.
- Broadly speaking, the total value of tourism and supported employment in the county in 2013 remained at a similar level to 2012
- The county received approximately 3m staying trips accounting for 13.6m visitor nights and £642m visitor spend with domestic visitors accounting for the large majority of staying trips.
- Serviced accommodation accounted for 27% 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 (74%) with a further 15% visiting friends or relatives.
- Norfolk received approximately 36.1m day visits generating £1.3 billion in day visitor expenditure. Urban visits generated the majority of day visit trips (60%) and expenditure (67%).
- Of the approximate £1.9 billion direct visitor expenditure in the county 10% was spent in the accommodation sector, 28% on shopping, 36% on food & drink, 12% on attractions and entertainment and 14% 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 (10,213 jobs – 39% of all FTE's).



Norfolk county data 2013



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 – 2013 v 2012 comparisons

Visitors	2013	2012	% Change
Staying visitors			
UK Trips	2,848,000	3,185,000	-11%
UK Nights	12,038,000	12,968,000	-7%
UK Spend	£567,326,000	£627,992,000	-10%
Overseas Trips	186,000	188,000	-1%
Overseas Nights	1,602,000	1,732,000	-8%
Overseas Spend	£75,066,000	£80,699,000	-7%
Day visitors			
Day Visits	36,074,000	30,058,000	20%
Day Visit Spend	£1,264,767,000	£1,207,439,000	5%

Visit characteristics	2013	2012	% Change
UK Average length of stay	4.23	4.07	4%
UK Spend per trip	£199.20	£197.17	1%
UK Spend per night	£47.13	£48.43	-3%
Overseas Average length of stay	8.61	9.21	-7%
Overseas Spend per trip	£403.58	£429.25	-6%
Overseas Spend per night	£46.86	£46.59	1%
Day visit spend per visit	£35.06	£40.17	-13%

In 2013 Norfolk witnessed decreases across all measures for staying visitors to the county compared to 2012. However, the volume and value of day visits to the county increased.

The average length of stay for UK staying visitors increased by 4% to 4.23 nights per trip although the overseas length of stay saw a decrease (-7%).

Spend per trip increased marginally for UK staying visitors (+1%) with overseas spend per trip decreasing by 6%. In contrast, spend per night decreased by 3% for UK staying visitors although increased slightly for overseas visitors (+1%) compared to 2012.

Day visit spend per visit decreased by 13% compared to 2012.

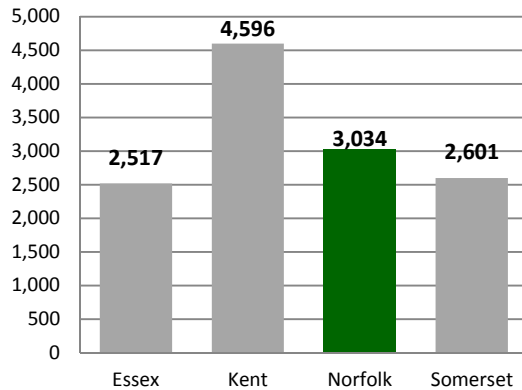
Norfolk – Staying visits

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.

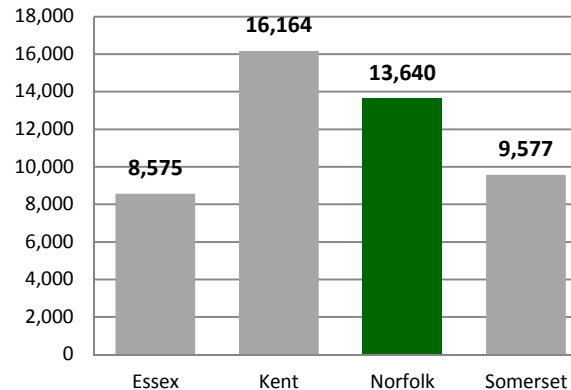
Three year average data for Norfolk county (2011 to 2013) has been used to produce the modelled staying visitor outputs contained within this report.

Norfolk - Staying visits in the COOL Project context

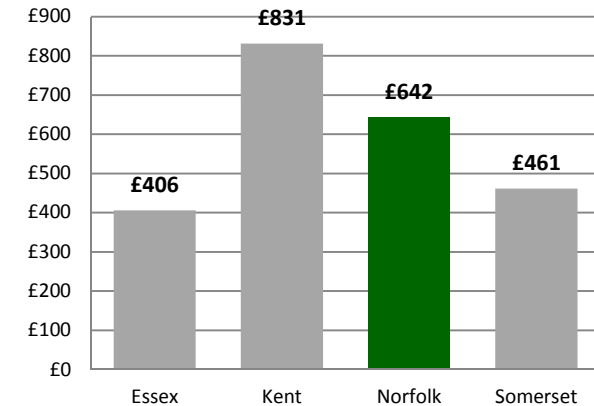
All staying trips (000's)



All staying nights (000's)



All staying spend (millions)



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	2,050	467	5,502	3,073	£242	£164
Kent	3,619	977	10,563	5,601	£532	£300
Norfolk	2,848	186	12,038	1,602	£567	£75
Somerset	2,389	212	8,072	1,505	£386	£75

In 2013 Norfolk attracted approximately 3 million staying visitor trips equating to 13.6 million visitor nights and contributing £642 million to the county economy. Within the Cool Project context Norfolk was the second largest county, behind Kent, in terms of the number of staying visitor trips, nights and spend. Staying visitor activity accounted for 34% of all direct visitor expenditure in Norfolk (37% in 2012).

Norfolk - Staying visits by accommodation type

Domestic tourists	Trips	Nights	Spend
Serviced	759,000	1,984,000	£170,103,000
Self catering	217,000	775,000	£47,410,000
Touring caravans /tents	266,000	1,323,000	£58,040,000
Static vans/holiday centres	501,000	2,373,000	£94,847,000
Group/campus	41,000	779,000	£6,558,000
Paying guest in private homes	0	0	£0
Second homes	62,000	290,000	£10,061,000
Boat moorings	72,000	313,000	£26,422,000
Other	140,000	1,655,000	£86,880,000
Staying with friends and relatives	789,000	2,545,000	£67,004,000
Total	2,848,000	12,038,000	£567,326,000

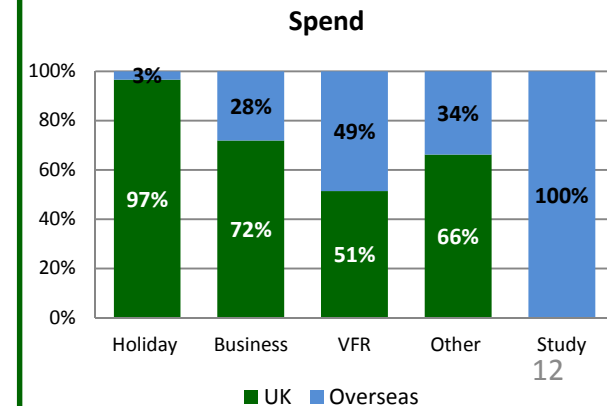
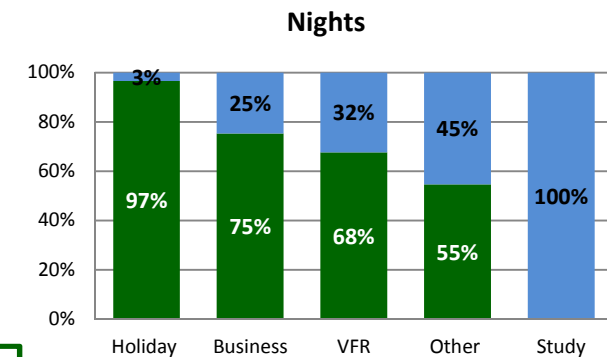
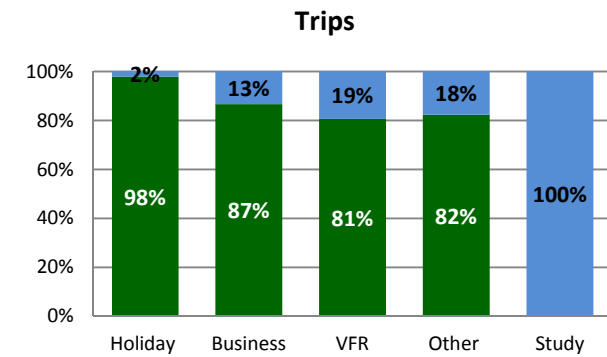
Overseas tourists	Trips	Nights	Spend
Serviced	46,000	236,000	£17,638,000
Self catering	10,000	251,000	£12,612,000
Touring caravans /tents	6,000	33,000	£1,231,000
Static vans/holiday centres	3,000	9,000	£751,000
Group/campus	6,000	128,000	£5,867,000
Paying guest in private homes	5,000	46,000	£2,535,000
Second homes	3,000	21,000	£1,515,000
Boat moorings	0	0	£0
Other	8,000	28,000	£1,415,000
Staying with friends and relatives	99,000	849,000	£31,501,000
Total	186,000	1,602,000	£75,066,000

Serviced accommodation accounted for 27% of all staying trips, 16% of staying nights and 29% of staying spend to the county overall. However, 29% of visitors stayed with friends and relatives which also accounted for a greater proportion of staying nights (25%) although only 15% of staying spend. Static vans/holiday centres accounted for a further 17% of both staying trips and nights and 15% of staying spend.

Norfolk - Staying visits by purpose

Domestic tourists	Trips	Nights	Spend
Holiday	2,197,000	9,450,000	£484,476,000
Business	221,000	665,000	£36,632,000
Visits to friends and relatives	379,000	1,789,000	£37,260,000
Other	51,000	134,000	£8,959,000
Study	0	0	£0
Total	2,848,000	12,038,000	£567,326,000

Overseas tourists	Trips	Nights	Spend
Holiday	47,000	331,000	£16,985,000
Business	34,000	219,000	£14,278,000
Visits to friends and relatives	91,000	857,000	£35,168,000
Other	11,000	111,000	£4,563,000
Study	3,000	84,000	£4,071,000
Total	186,000	1,602,000	£75,066,000



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 – 74% of all trips, 72% of all nights and 78% of all spend.

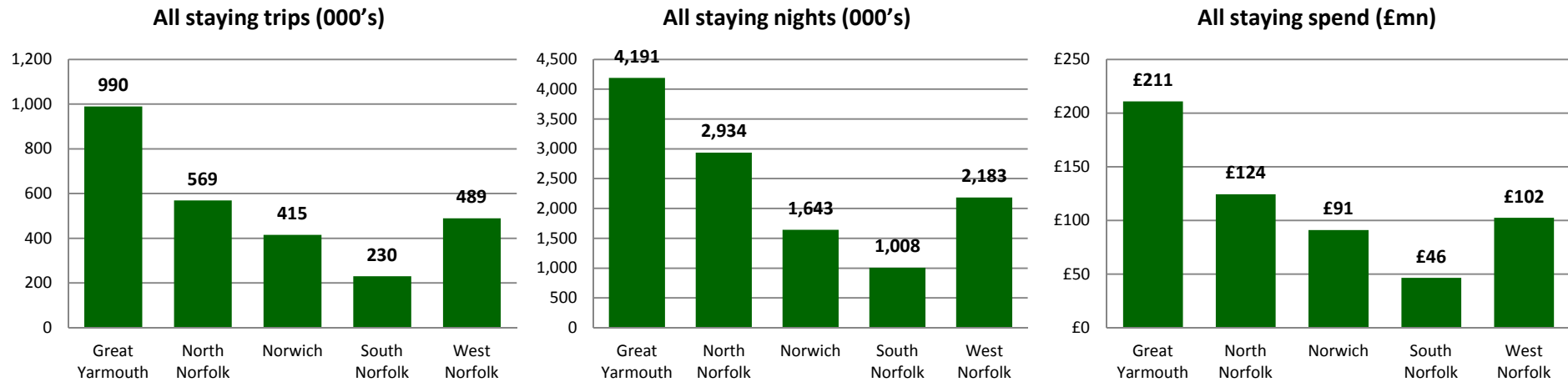
Business – 8% of all trips, 6% of all nights and 8% of all spend.

VFR – 15% of all trips, 19% of all nights and 11% of all spend.

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

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

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	941	49	3,841	350	£191	£20
North Norfolk	543	26	2,617	317	£110	£15
Norwich	382	33	1,391	252	£78	£13
South Norfolk	212	18	864	144	£41	£6
West Norfolk	463	26	1,928	255	£91	£11

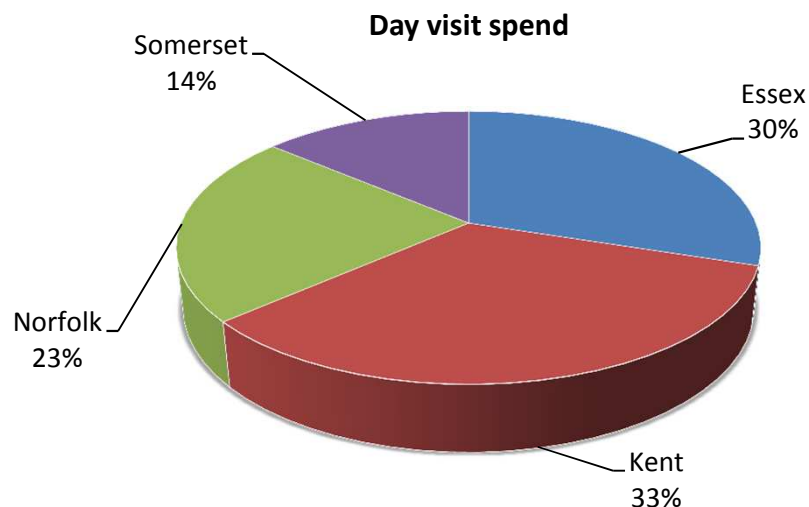
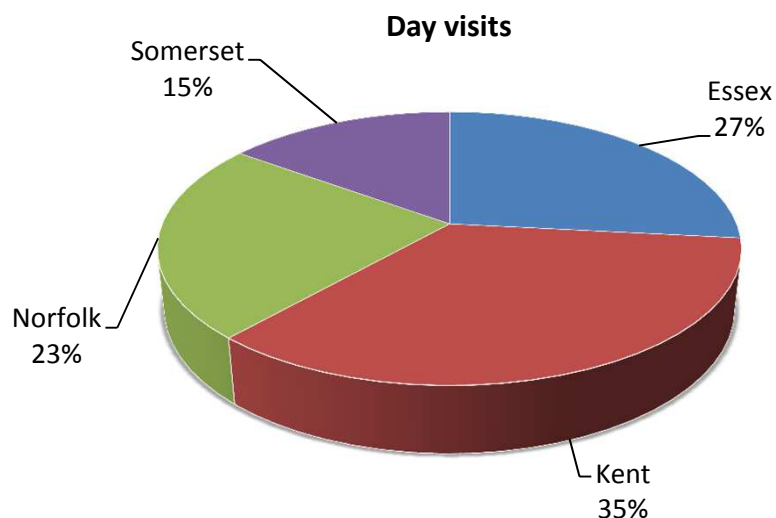
Of the Norfolk district areas participating in this project Great Yarmouth was the largest in the county in terms of staying visitor trips, nights and spend. The district accounted for approximately a third of all staying visitor trips, nights and spend during 2013 to Norfolk.

Norfolk – Day visits

Information on day visits within this report has been derived from the 2013 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

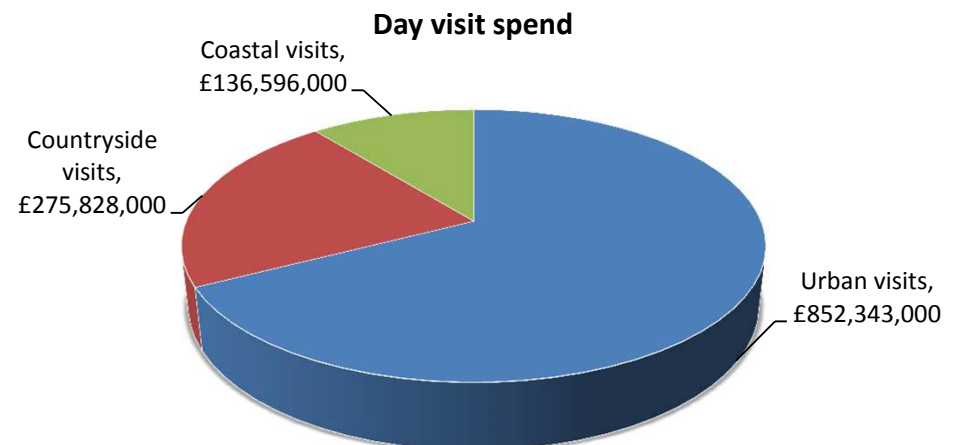
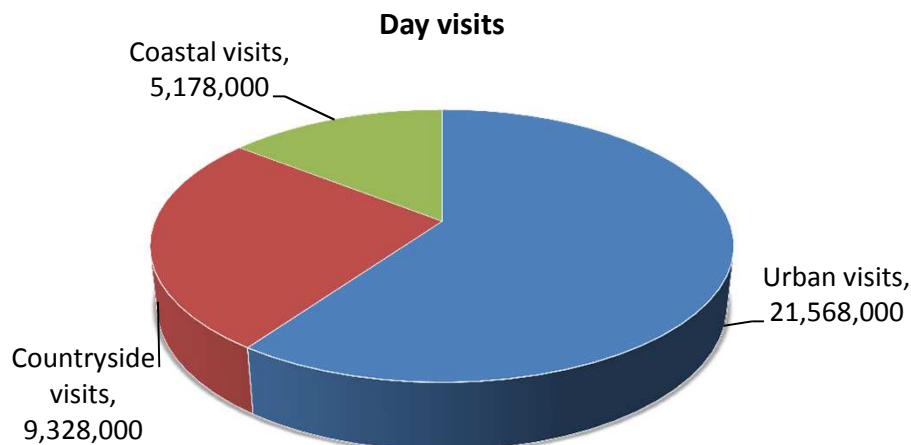


Area	Day visits (millions)	Day visit spend (millions)
Essex	41.0	£1,667.9
Kent	53.7	£1,870.6
Norfolk	36.1	£1,264.8
Somerset	23.0	£766.9

Within the context of the combined day visits total for Cool Project counties Norfolk received 23% of all day visits and 23% of all day visit spend equating to 36.1 million trips and in approximately £1.3 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.

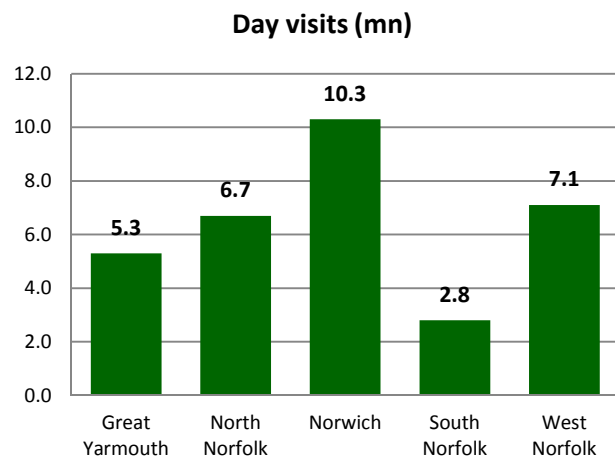
Norfolk - Day visits by location

Total day visits	Total day visit spend
36,074,000	£1,264,767,000



The majority of day visits in Norfolk were to urban locations (60%) accounting for approximately 67% of day visit expenditure. Countryside visits accounted for 26% of visits and 22% of expenditure whilst coastal visits accounted for 14% of visits and 11% of expenditure. Day visitor activity accounted for 66% of all direct visitor spend in Norfolk (63% in 2012)..

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 48% of all day visits in the county and 51% of all day visit expenditure.

Area	Day visits (mn)	Day visit spend (£mn)
Great Yarmouth	5.3	£182.9
North Norfolk	6.7	£230.3
Norwich	10.3	£405.3
South Norfolk	2.8	£107.6
West Norfolk	7.1	£241.4

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

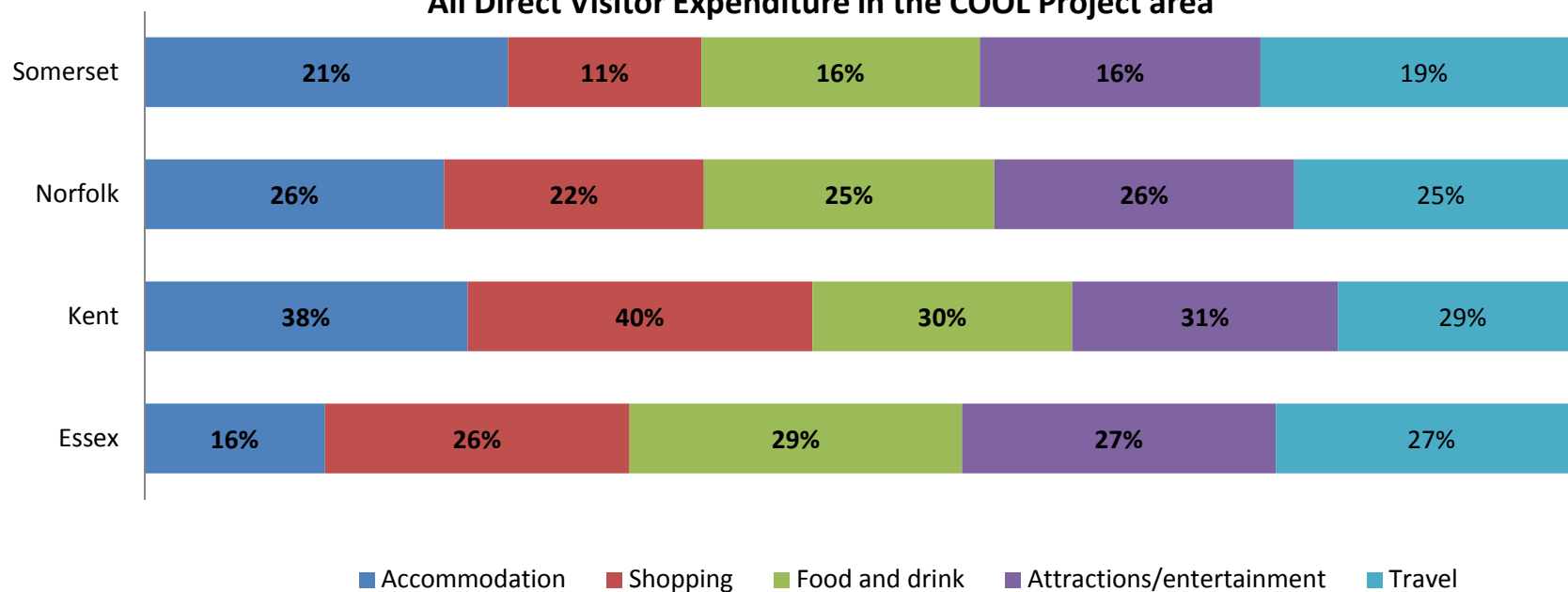
The following pages look at the breakdown of this expenditure within Norfolk and business turnover arising from this expenditure.

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	£194,502,000	£541,796,000	£678,235,000	£221,758,000	£270,866,000	£1,907,157,000
%	10%	28%	36%	12%	14%	

All Direct Visitor Expenditure in the COOL Project area



Norfolk attracted a total direct visitor expenditure of approximately £1.9 billion in 2013. Food and drink (36%) and shopping (28%) received the largest proportions of direct visitor expenditure in Norfolk in 2013. In terms of the Cool Project area Norfolk contributed approximately a quarter of the total value for the project partners combined in each of the sectors. The breakdown of expenditure in each of the sectors by visitor type for Norfolk is shown on the following page.

Norfolk – Direct visitor expenditure by category



Accommodation

- UK staying visitors £174,026,000
- Overseas staying visitors £20,476,000



Shopping

- UK staying visitors £79,342,000
- Overseas staying visitors £21,397,000
- Day visitors £441,057,000



Food & drink

- UK staying visitors £145,727,000
- Overseas staying visitors £16,946,000
- Day visitors £515,562,000



Attractions/entertainment

- UK staying visitors £66,958,000
- Overseas staying visitors £8,640,000
- Day visitors £146,160,000



Travel

- UK staying visitors £101,272,000
- Overseas staying visitors £7,607,000
- Day visitors £161,987,000

Norfolk – Other visitor related expenditure by category



Second Homes

£21,972,000



Boats

£2,734,200



Static vans

£18,077,850



Visiting friends and relatives (non-visitor spend)

£96,379,000

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 £139 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	£197,756,000	£10,311,000	£208,067,000
Retailing	£99,732,000	£436,646,000	£536,378,000
Catering	£157,792,000	£500,095,000	£657,887,000
Attractions/entertainment	£78,233,000	£155,727,000	£233,960,000
Transport	£65,327,000	£97,192,000	£162,519,000
Arising from non trip spend	£139,163,050	£0	£139,163,050
Total Direct	£738,003,050	£1,199,971,000	£1,937,974,050

Total business turnover supported by tourism activity	Staying visitor related	Day visitor related	Total
Direct	£738,003,050	£1,199,971,000	£1,937,974,050
Supplier and income induced	£427,316,000	£375,382,000	£802,698,000
Total	£1,165,319,050	£1,575,353,000	£2,740,672,050

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 2013 provided in excess of £1.9 billion pounds business turnover in the county (after reductions to travel and transport spend).

The largest volumes of this fell within the Catering and Retail sectors with the largest proportions of their business turnover supported by day visitors to the county.

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 £2.7 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.

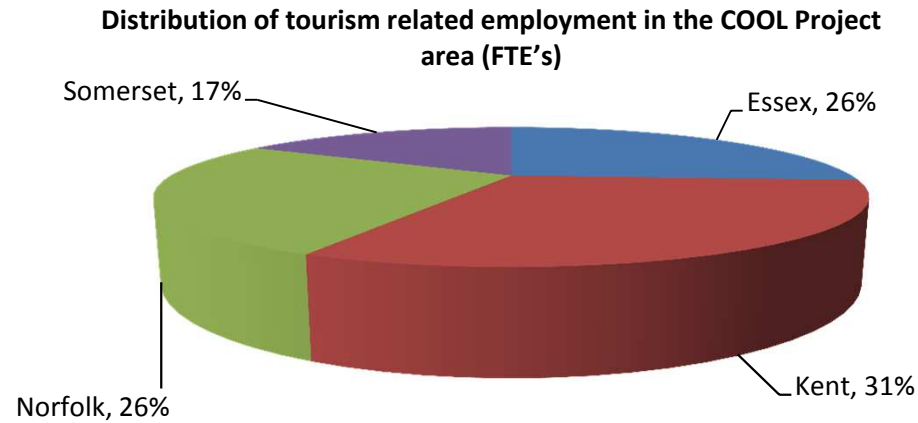
The use of visitor expenditure to generate job numbers underestimates the number of jobs arising in the attractions/entertainment sector. The underestimate arises because local authorities and voluntary bodies do not always seek to recoup the full operating costs of individual attractions or facilities 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;

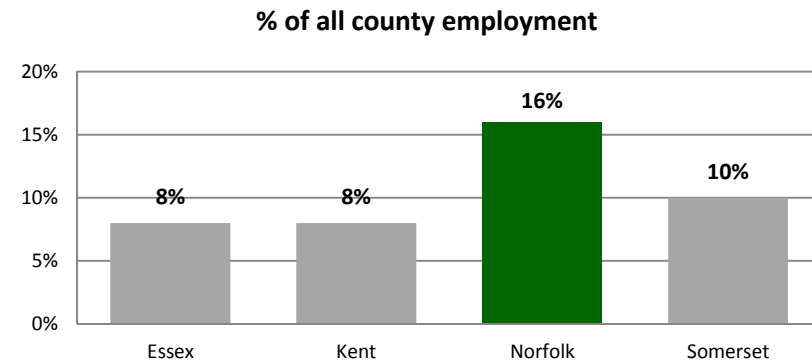
- **Direct Jobs** - Direct jobs are those in businesses in receipt of visitor spending. For example, jobs supported by visitor spending at a hotel would be direct jobs.
- **Indirect Jobs** - Indirect employment arises as a result of expenditure by businesses in direct receipt of visitor expenditure on 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	40,924
Kent	48,832
Norfolk	41,069
Somerset	26,156



Norfolk (26%) had the same proportion of tourism related employment (FTE's) as Essex in the context of the total tourism employment amongst participating Cool Project counties. This equated to 41,069 tourism related FTE's in Norfolk and 16% 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	3,305	172	3,478
Retailing	864	3,783	4,647
Catering	2,450	7,763	10,213
Attractions/entertainment	1,484	2,955	4,439
Transport	469	698	1,167
Arising from non trip spend	2,530	0	2,530
Total Direct	11,103	15,371	26,474

There were an estimated 54,864 actual tourism related jobs within Norfolk during 2013 (41,069 FTE's). 70% of the estimated actual employment was supported by direct visitor expenditure.

A further 19% 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 (10,213 jobs – 39% of all FTE's). Retailing (18%) and Attractions (17%) are the next largest sectors in terms of the numbers of FTE employment from direct visitor expenditure.