



destination**research**
delivering results : measuring what matters

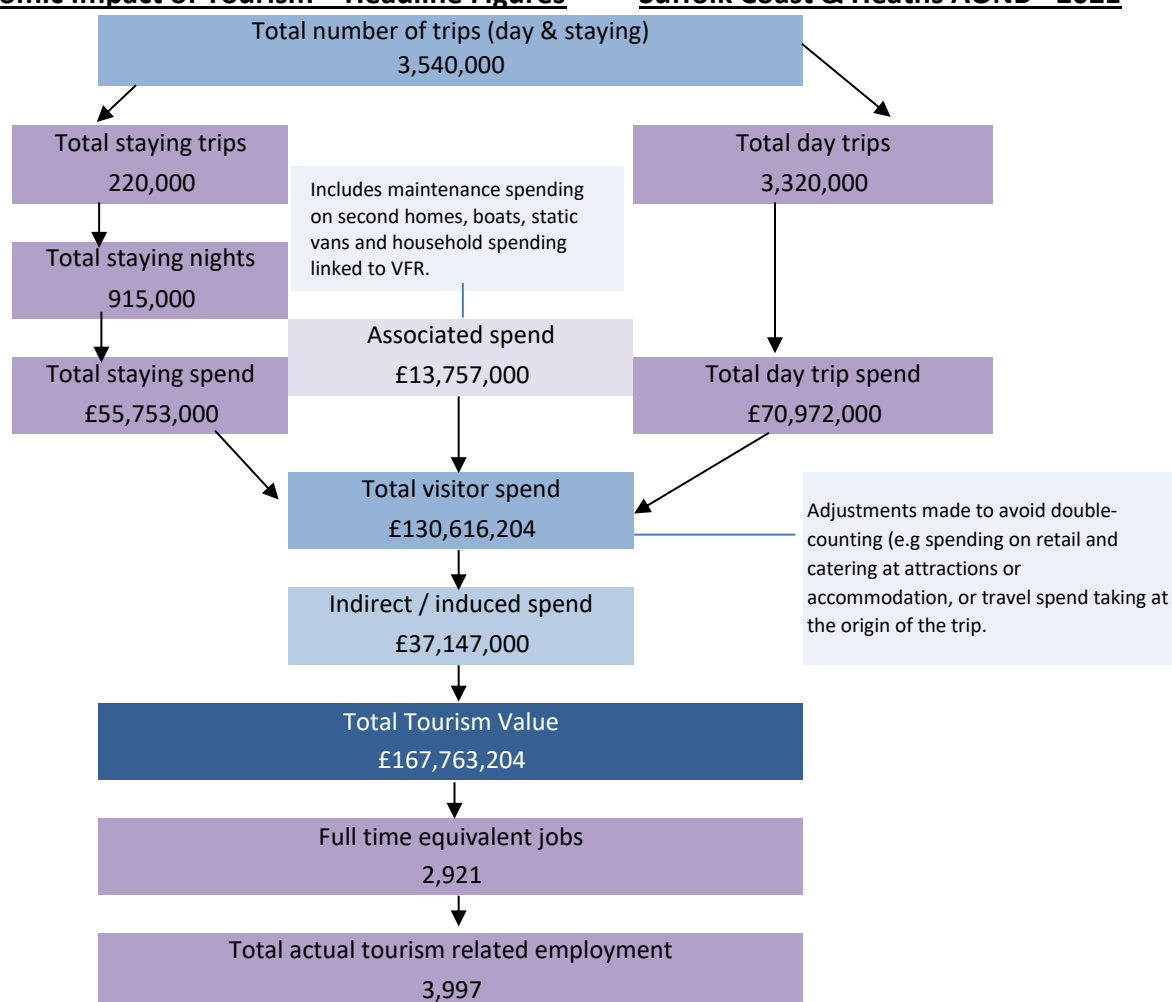


Economic Impact of Tourism
Suffolk Coast & Heaths AONB - 2021

Contents	Page
<u>Summary Results</u>	<u>3</u>
<u>Contextual analysis</u>	<u>5</u>
<u>Volume of Tourism</u>	<u>8</u>
Staying Visitors - Accommodation Type	9
Trips by Accommodation	9
Nights by Accommodation	9
Spend by Accommodation Type	9
Staying Visitors - Purpose of Trip	10
Trips by Purpose	10
Nights by Purpose	10
Spend by Purpose	10
Day Visitors	10
Trips and Spend by Urban, Rural and Coastal Area	10
<u>Value of Tourism</u>	<u>11</u>
Expenditure Associated With Trips	12
Direct Expenditure Associated with Trips	12
Other expenditure associated with tourism activity	12
Direct Turnover Derived From Trip Expenditure	13
Supplier and Income Induced Turnover	13
Total Local Business Turnover Supported by Tourism Activity	13
<u>Employment</u>	<u>13</u>
Direct	14
Full time equivalent	14
Estimated actual jobs	14
Indirect & Induced Employment	14
Full time equivalent	14
Estimated actual jobs	14
Total Jobs	15
Full time equivalent	15
Estimated actual jobs	15
Tourism Jobs as a Percentage of Total Employment	15
<u>Appendix I - Cambridge Model - Methodology</u>	<u>17</u>

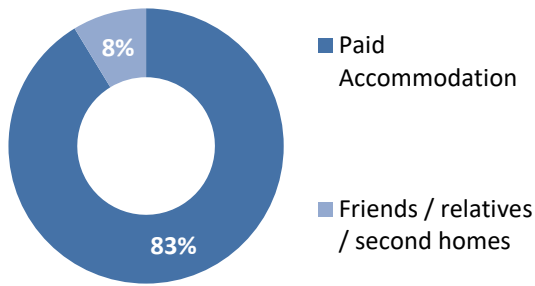
Economic Impact of Tourism – Headline Figures

Suffolk Coast & Heaths AONB - 2021

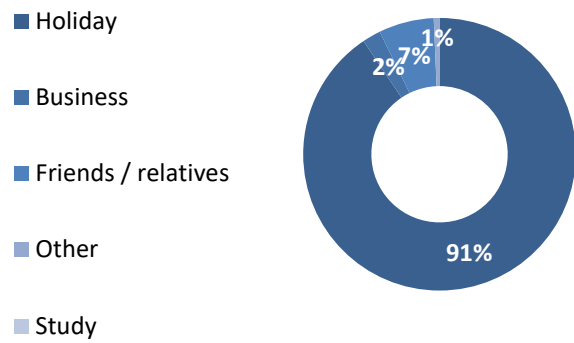


Economic Impact of Tourism – Year on year comparisons				Year-on-year comparison	Pre-pandemic levels
	2021	2020	2019	2021 v 2020	2021 v 2019
Day Trips					
Day trips Volume	3,320,000	2,142,000	4,347,000	55%	-24%
Day trips Value	£70,972,000	£45,810,000	£95,357,000	55%	-26%
Overnight trips					
Number of overnight trips	220,000	154,000	322,800	43%	-32%
Number of nights	915,000	673,000	1,366,000	36%	-33%
Overnight trip value	£55,753,000	£38,403,000	£82,327,000	45%	-32%
Total Value	£167,763,204	£119,770,477	£228,351,595	40%	-27%
Actual Jobs	3,997	3,807	5,056	5%	-21%
	2021	2020	2019	2021 v 2020	2021 v 2019
Average length stay (nights x trip)	4.16	4.37	4.23	-4.9%	-1.8%
Spend x overnight trip	£253.31	£249.38	£255.04	1.6%	-0.7%
Spend x night	£60.93	£57.06	£60.27	6.8%	1.1%
Spend x day trip	£21.38	£21.39	£21.94	0.0%	-2.5%

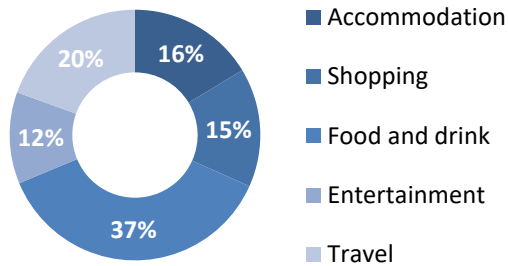
Type of Accommodation



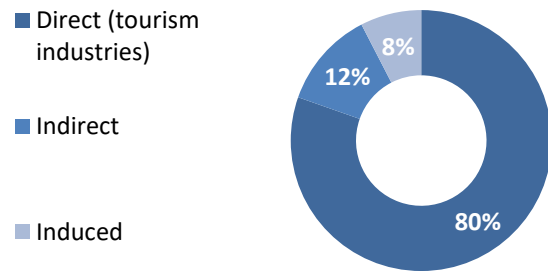
Trips by Purpose



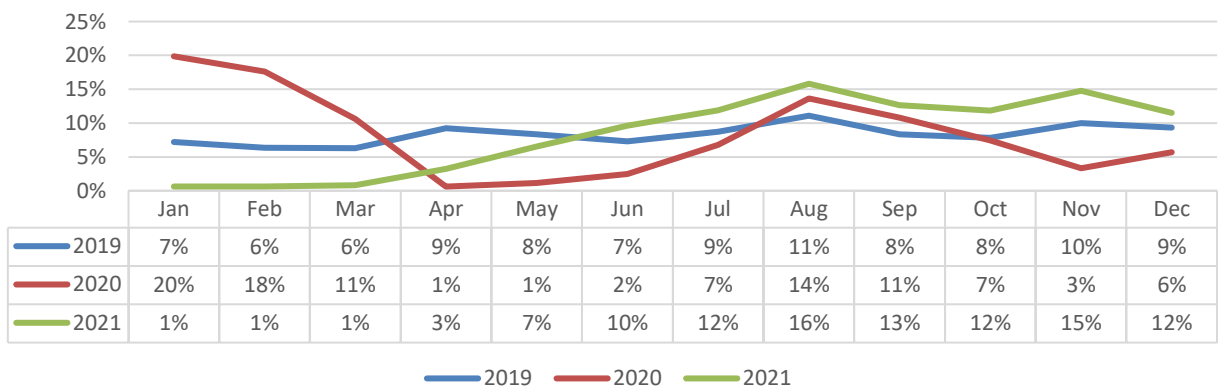
Breakdown of expenditure



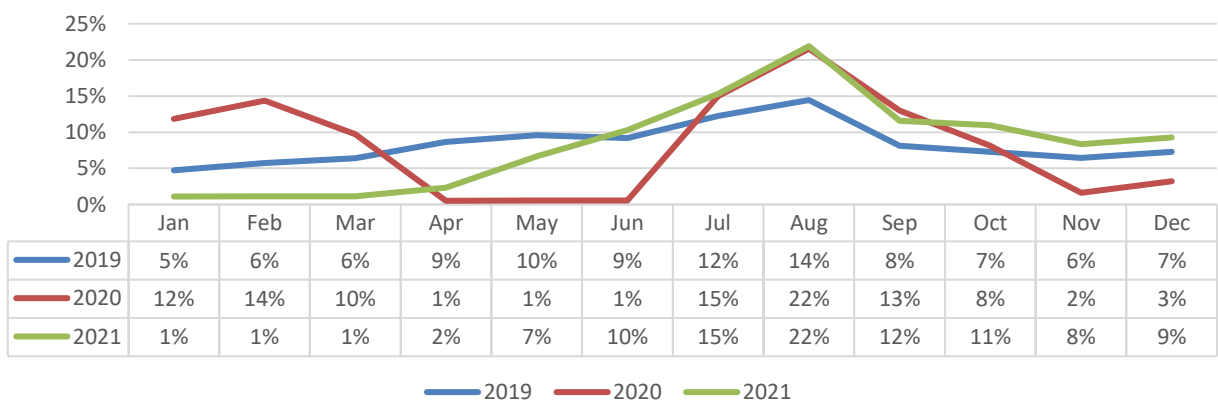
Type of employment



Seasonality - Day trip expenditure



Seasonality - Overnight expenditure



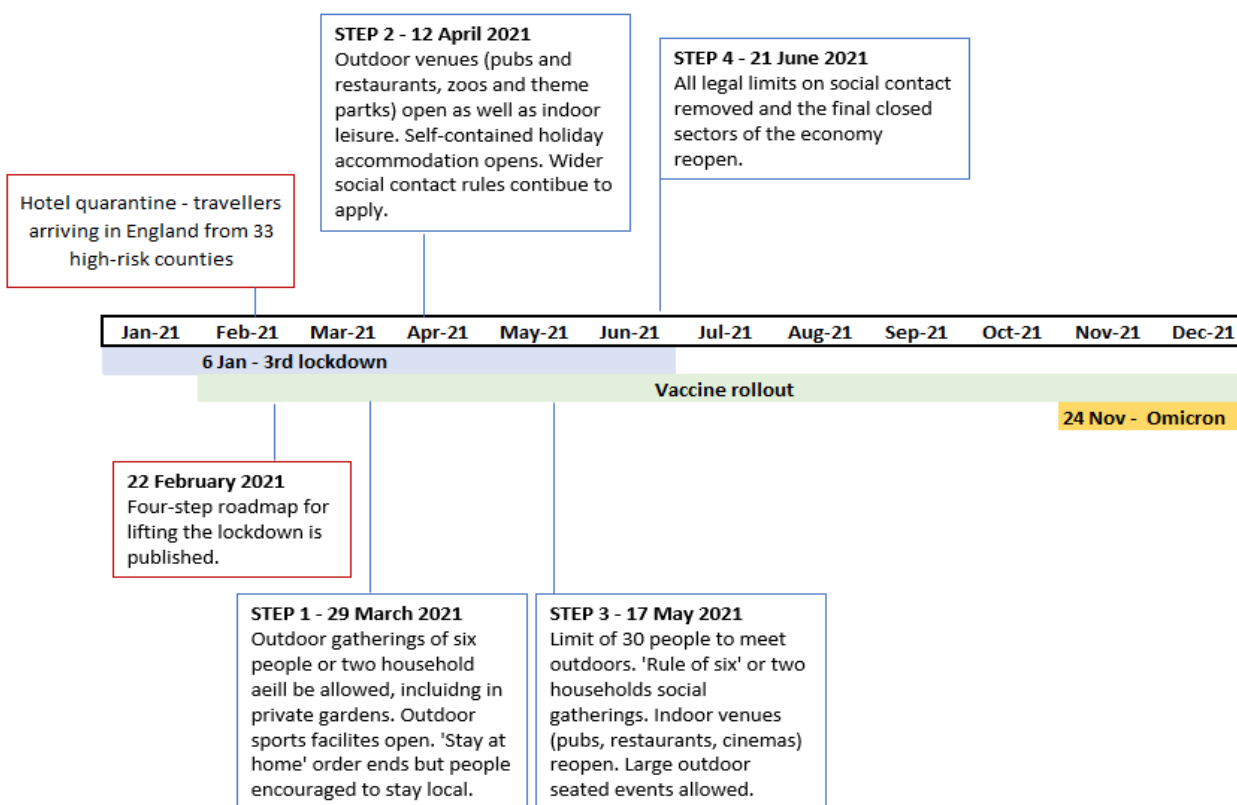
Introduction

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2021 and provides comparative data against the previously published data for 2020 as well as providing headline comparisons against 2019 in order to monitor the ongoing impact of the pandemic.

In its basic form, the model distributes regional activity as measured in national surveys to local areas using ‘drivers’ such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level. Whenever possible, results have been enhanced by building in additional local-level data gathered by the districts.

Summary of national lockdown laws during 2021

Our analysis assumes an initial lock down starting in January, followed by a four-step roadmap for a gradual lifting of movement and travel restrictions



Cambridge Model 2021 results – Key methodology changes

The Cambridge Model examines the volume and value of tourism and the impact of that expenditure on the local economy. The model utilises information from national tourism surveys among other sources of information. The main national surveys used as data sources in stage one include:

- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day visits in the annual Great Britain Day Visits Survey using information on visits lasting more than 3 hours and taken on an irregular basis.

The above reports are not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we usually apply a 3-year rolling average to this data to highlight longer-term trends, whilst helping smooth out short-term market fluctuations and reducing the impact of any methodological changes affecting the survey. For example, published results relating to 2019 were, in fact, an average of 2017, 2018 and 2019 results.

The ongoing Covid-19 pandemic has caused global disruption to the visitor economy with activity re-starting at a slow pace. There is a consensus that tourism recovery will be segmented and gradual. In order to reflect the impact of the pandemic, the 2021 results incorporate the following methodological changes:

- Results for the three key surveys (GBTS, IPS and GBDVS) were suspended in March 2020 because of the coronavirus (Covid-19) pandemic.
- Fieldwork for the GBTS and GBDVS resumed in April 2021 and national-level 2021 data (April – December) will be published during the last quarter of 2022.
- During 2021, the IPS survey restarted at the majority of ports but did not operate at Dover until Q3 and there were no interviews on the Eurotunnel through the entirety of 2021 due to COVID-19 restrictions. Therefore, the published data does not represent the total inbound market for 2021 and is not directly comparable with historical UK total data.
- Therefore, the full 2021 results presented in this report are based on a range of administrative sources, consumer travel insights published by national agencies and modelling work, using the published 2019 Cambridge Model data as a starting point.
- Domestic tourism estimates produced by VisitBritain for each of the four journey purposes for domestic overnight tourism (holidays, business, visiting friends and relatives and miscellaneous journeys), 17 categories of spending for leisure day trips.
- Whenever available, we have included locally sourced data supplied by destinations in our calculations, including (but not limited to) local business performance (e.g. accommodation occupancy), car parking data, annual footfall and visits to visitor attractions.

SEASONALITY: The figures assume a step change in mid-May as restrictions eased, followed by a continued recovery in the summer and autumn. Towards the end of the year there was a dip from late November, intensifying in December, due to the Omicron variant.

TRIPS AND WEIGHTING FACTORS: Our model uses a set of weighting factors to reflect the fact that different journey purposes and trip types recovered at different rates, and there were different patterns of recovery by type of destination. Holidays and trips to friends and family performed above 2019 and 2020 levels whereas business -related visits continued to fall.

Furthermore, urban and coastal resort areas attracted proportionately higher levels of expenditure from day trippers due to the shopping opportunities, whereas countryside, villages and rural coastal areas experienced a proportionately stronger overnight visitor market, due to the availability of self-catering accommodation and the wider offer of socially distanced holidays.

EMPLOYMENT: As coronavirus restrictions come to an end, industries in the UK are experiencing the effects of the pandemic in different ways. Employment has fallen in the accommodation and food sectors. Data from the Office for National Statistics (ONS) shows that in October to December 2021, employment in the accommodation and food sector was still 11% below pre-pandemic levels.

2021 National forecast

As was the case with the 2020 results, the model will make use of the latest forecast from VisitBritain, relating to 2021. This assumes an estimated £16.0bn in domestic overnight tourism spending (64% growth on 2020 and 65% of the 2019 level) and £41.0bn in leisure day trip spending (69% growth on 2020 and 61% of the 2019 level).

Inbound tourism for the full year 2021 is estimated at 6.4 million visits, 42% down on 2020 and 16% of the 2019 level (or 84% down on 2019). Expenditure by inbound visitors reached £5.6bn, 10% down on 2020 and 20% of the 2019 level (or 80% down on 2019).

Volume of Tourism

Staying Visitors - Accommodation Type

Trips by Accommodation

	UK		Overseas		Total	
Serviced	62,600	30%	2,900	24%	65,500	30%
Self catering	28,800	14%	3,200	27%	32,000	15%
Camping	31,300	15%	1,400	12%	32,700	15%
Static caravans	46,900	23%	100	1%	47,000	21%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	18,300	9%	2,900	24%	21,200	10%
Boat moorings	0	0%	0	0%	0	0%
Other	4,100	2%	300	3%	4,400	2%
Friends & relatives	16,100	8%	1,200	10%	17,300	8%
Total	2021	208,100	12,000		220,100	
Comparison	2020	145,000	9,000		154,000	
Difference		44%	33%		43%	

Nights by Accommodation

	UK		Overseas		Total	
Serviced	134,000	16%	18,000	19%	152,000	17%
Self catering	209,000	26%	31,000	32%	240,000	26%
Camping	160,000	20%	7,000	7%	167,000	18%
Static caravans	153,000	19%	1,000	1%	154,000	17%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	99,000	12%	29,000	30%	128,000	14%
Boat moorings	0	0%	0	0%	0	0%
Other	10,000	1%	1,000	1%	11,000	1%
Friends & relatives	54,000	7%	9,000	9%	63,000	7%
Total	2021	819,000	96,000		915,000	
Comparison	2020	597,000	76,000		673,000	
Difference		37%	26%		36%	

Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£17,014,000	33%	£819,000	18%	£17,833,000	32%
Self catering	£12,578,000	25%	£2,001,000	45%	£14,579,000	26%
Camping	£5,169,000	10%	£178,000	4%	£5,347,000	10%
Static caravans	£8,031,000	16%	£15,000	0%	£8,046,000	14%
Group/campus	£0	0%	£0	0%	£0	0%
Paying guest	£0	0%	£0	0%	£0	0%
Second homes	£4,958,000	10%	£937,000	21%	£5,895,000	11%
Boat moorings	£0	0%	£0	0%	£0	0%
Other	£1,669,000	3%	£21,000	0%	£1,690,000	3%
Friends & relatives	£1,896,000	4%	£467,000	11%	£2,363,000	4%
Total	2021	£51,315,000	£4,438,000		£55,753,000	
Comparison	2020	£34,852,000	£3,552,000		£38,404,000	
Difference		47%	25%		45%	

Serviced accommodation includes hotels, guesthouses, inns, B&B and serviced farmhouse accommodation. Paying guest refers to overseas visitors staying in private houses, primarily 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	189,700	91%	9,600	81%	199,300	91%
Business	4,600	2%	200	2%	4,800	2%
Friends & relatives	12,500	6%	1,900	16%	14,400	7%
Other	1,300	1%	200	2%	1,500	1%
Study	0	0%	0	0%	0	0%
Total	2021	208,100	11,900		220,000	
Comparison	2020	145,000	9,000		154,000	
Difference		44%	32%		43%	

Nights by Purpose

	UK		Overseas		Total	
Holiday	769,000	94%	71,000	74%	840,000	92%
Business	11,000	1%	1,000	1%	12,000	1%
Friends & relatives	36,000	4%	21,000	22%	57,000	6%
Other	3,000	0%	3,000	3%	6,000	1%
Study	0	0%	0	0%	0	0%
Total	2021	819,000	96,000		915,000	
Comparison	2020	597,000	76,000		673,000	
Difference		37%	26%		36%	

Spend by Purpose

	UK		Overseas		Total	
Holiday	£47,705,000	93%	£3,560,000	80%	£51,265,000	92%
Business	£1,655,000	3%	£65,000	1%	£1,720,000	3%
Friends & relatives	£1,769,000	3%	£659,000	15%	£2,428,000	4%
Other	£186,000	0%	£154,000	3%	£340,000	1%
Study	£0	0%	£0	0%	£0	0%
Total	2021	£51,315,000	£4,438,000		£55,753,000	
Comparison	2020	£34,851,000	£3,552,000		£38,403,000	
Difference		47%	25%		45%	

Day Visitors

Trips and Spend by Urban, Rural and Coastal Area

	Trips		Spend	
Urban visits	261,000		£7,752,000	
Countryside visits	1,438,000		£20,247,000	
Coastal visits	1,621,000		£42,973,000	
Total	2021	3,320,000	£70,972,000	
Comparison	2020	2,142,000	£45,810,000	
Difference		55%	55%	

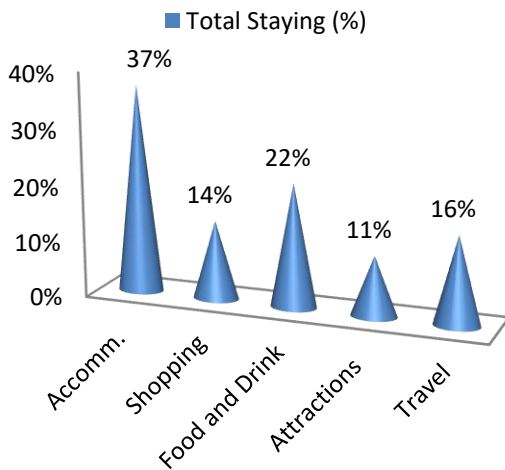
Value of Tourism

Expenditure Associated with Trips:

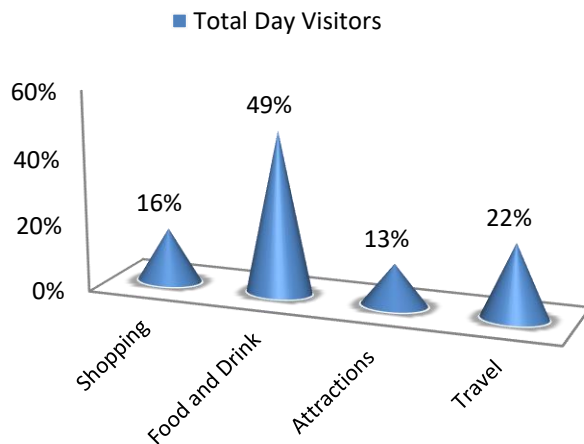
Direct Expenditure Associated with Trips

		Accomm.	Shopping	Food and Drink	Attractions	Travel	Total
UK Tourists		£19,335,000	£6,611,000	£11,297,000	£5,659,000	£8,413,000	£51,315,000
Overseas tourists		£1,384,000	£1,261,000	£1,005,000	£354,000	£433,000	£4,437,000
Total Staying		£20,719,000	£7,872,000	£12,302,000	£6,013,000	£8,846,000	£55,752,000
Total Staying (%)		37%	14%	22%	11%	16%	100%
Total Day Visitors		£0	£11,576,000	£34,621,000	£8,952,000	£15,825,000	£70,974,000
Total Day Visitors		0%	16%	49%	13%	22%	100%
Total	2021	£20,719,000	£19,448,000	£46,923,000	£14,965,000	£24,671,000	£126,726,000
%		16%	15%	37%	12%	19%	100%
Comparison	2020	£14,318,000	£13,205,000	£30,697,000	£9,892,000	£16,107,000	£84,219,000
Difference		45%	47%	53%	51%	53%	50%

Breakdown of expenditure



Breakdown of expenditure



Other expenditure associated with tourism activity

Other expenditure associated with tourism activity - Estimated spend				
Second homes	Boats	Static vans	Friends & relatives	Total
£3,909,000	£0	£7,180,000	£2,668,000	£13,757,000

Spend on second homes is assumed to be an average of £2,100 on rates, maintenance, and replacement of furniture and fittings. Spend on boats assumed to be an average of £2,100 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 £2,100. Additional spending is incurred by friends and relatives as a result of people coming to stay with them. A cost of £185 per visit has been assumed based on national research for social

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.

		Staying Visitor	Day Visitors	Total
Accommodation		£20,965,000	£692,000	£21,657,000
Retail		£7,793,678	£11,459,862	£19,253,540
Catering		£11,934,000	£33,582,195	£45,516,195
Attractions		£6,215,000	£9,414,270	£15,629,270
Transport		£5,308,000	£9,495,199	£14,803,199
Non-trip spend		£13,757,000	£0	£13,757,000
Total Direct	2021	£65,972,678	£64,643,526	£130,616,204
Comparison	2020	£48,560,560	£41,780,917	£90,341,477
Difference		36%	55%	45%

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

		Staying Visitor	Day Visitors	Total
Indirect spend		£10,441,000	£9,617,000	£20,058,000
Non trip spending		£2,751,000	£0	£2,751,000
Income induced		£7,662,000	£6,676,000	£14,338,000
Total	2021	£20,854,000	£16,293,000	£37,147,000
Comparison	2020	£17,078,000	£12,351,000	£29,429,000
Difference		22%	32%	26%

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

		Staying Visitor	Day Visitors	Total
Direct		£65,972,678	£64,643,526	£130,616,204
Indirect		£20,854,000	£16,293,000	£37,147,000
Total Value	2021	£86,826,678	£80,936,526	£167,763,204
Comparison	2020	£65,638,560	£54,131,917	£119,770,477
Difference		32%	50%	40%

Employment

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

Direct employment

Full time equivalent (FTE)						
	Staying Visitor		Day Visitor		Total	
Accommodation	438	37%	14	1%	452	20%
Retailing	97	8%	142	13%	239	11%
Catering	234	20%	659	62%	893	40%
Entertainment	101	9%	153	14%	254	11%
Transport	50	4%	90	8%	140	6%
Non-trip spend	255	22%	0	0%	255	11%
Total FTE	2021	1,175		1,058		2,233
Comparison	2020	1,184		1,025		2,209
Difference		-1%		3%		1%
Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Accommodation	648	39%	21	1%	669	21%
Retailing	145	9%	214	14%	359	11%
Catering	351	21%	988	63%	1,340	42%
Entertainment	142	9%	215	14%	358	11%
Transport	71	4%	126	8%	197	6%
Non-trip spend	290	18%	0	0%	290	9%
Total Actual	2021	1,648		1,565		3,213
Comparison	2020	1,669		1,516		3,185
Difference		-1%		3%		1%

Indirect & Induced Employment

Full time equivalent (FTE)			
	Staying Visitor	Day Visitors	Total
Indirect jobs	244	178	422
Induced jobs	142	124	266
Total FTE	2021	386	688
Comparison	2020	316	545
Difference		22%	26%

Estimated actual jobs			
	Staying Visitor	Day Visitors	Total
Indirect jobs	279	203	482
Induced jobs	162	141	303
Total Actual	2021	440	784
Comparison	2020	361	621
Difference		22%	26%

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)						
	Staying Visitor		Day Visitor		Total	
Direct	1,175	75%	1,058	78%	2,233	76%
Indirect	244	16%	178	13%	422	14%
Induced	142	9%	124	9%	266	9%
Total FTE	2021	1,561		1,360		2,921
Comparison	2020	1,500		1,254		2,754
Difference		4%		8%		6%
Estimated actual jobs						
	Staying Visitor		Day Visitor		Total	
Direct	1,648	79%	1,565	82%	3,213	80%
Indirect	279	13%	203	11%	482	12%
Induced	162	8%	141	7%	303	8%
Total Actual	2021	2,088		1,909		3,997
Comparison	2020	2,030		1,777		3,807
Difference		3%		7%		5%

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.

The model utilises information from national tourism surveys and regionally based data held by Destination Research. 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.

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.

Data sources

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

- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day Visits in the annual Great Britain Day Visitor Survey using information on visits lasting more than 3 hours and taken on an irregular basis

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 held by Destination Research;
- VisitEngland's surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions ;
- Latest estimates of resident population as based on the 2011 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).

Staying Visitors

The GBTS 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 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 the regional level is available from the Day Visits in Great Britain survey. The 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 the actual jobs (both direct and indirect) supported by tourism expenditure in the district.

The GBTS, IPS and Day Visits to Great Britain survey data on the 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; 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 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.

Produced by:



Registered in England No. 9096970
VAT Registration No. GB 192 3576 85

45 Colchester Road
Manningtree
CO11 2BA

Sergi Jarques
Director
Tel: 01206 392528
info@destinationresearch.co.uk
www.destinationresearch.co.uk