A Guidance Pack from the **Department for Culture, Media and Sport**

GUIDANCE TOURISM

Measuring the Local Impact of Tourism

ENGLISH TOURIST BOARD

Scottish TOURIST BOARD

BWRDD CROESO CYMRU
WALES TOURIST BOARD

Northern Ireland Tourist Board

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Janet Anderson MP

FOREWORD BY JANET ANDERSON MP

The Government recognises that local authorities play a central role in the promotion, development and management of tourism and we want all local authorities to have in place a strategy for their tourism and leisure activities. Good strategies need to be built and evaluated on relevant and reliable statistics, collected cost-effectively. Although I have only recently taken up post I am already well aware of the difficulties in measuring the volume and value of tourism in the local authority areas, despite the advances that have been made by the providers of products and services to support this important work. I am therefore delighted to be able to introduce this guidance pack and to encourage everyone with an interest or a potential interest to read and follow its advice.

I am also pleased to thank all of those who have been involved in its preparation. A welcome start was made on this by the British Resorts Association, who commissioned Professor Victor Middleton to report on this subject. The Department and the national tourist boards have sought to build on that foundation and on the work they commissioned from Professor Robert Gilchrist and Dr Judy White of the University of North London. Much practical advice has been freely given by leading members of the industry and of local authorities, and by other researchers. I am particularly grateful to Geoff Broom and to David James for their considerable efforts in ensuring that this guidance pack provides sound and pertinent advice, addressed both to those just starting to consider local area tourism as well as to those rather more immersed in the topic.

The publication of this guidance is not the end of the matter. I encourage everyone concerned to continue to develop and exchange good practice, to support tourism at the local level and to contribute to the further growth of tourism and hospitality across the UK as a whole.

Janet Anderson MP

September 1998

Contents

This guidance is aimed specifically at officers in local authorities, development agencies, tourist boards and others who need to estimate the economic impact of tourism in their local area. We hope that the guidance will also be useful to providers of local area information and others with an interest in this important topic.

The pack contains:

- An introduction to the main issues in measuring the local impact of tourism. *This is aimed at new or potential users of local area tourism statistics, or those who need an overview of the management issues.*

- A practical guide to measuring the local impact of tourism. *This is aimed primarily at those with a more technical interest in delivering local area tourism statistics. It includes key variables and categories for tourism statistics.*

NB There is intentionally some duplication between these two documents, so that each can stand alone as a guidance note.

- A briefing note on the European Union Directive on tourism statistics. *The Directive puts a responsibility on the Government to provide certain tourism statistics, mainly at the national or regional level. The Directive also provides a potential framework for the development of tourism statistics at the local level.*

- Contact details and suggestions for further reading.

This document is aimed primarily at those with a more technical interest in delivering local area tourism statistics. It includes key variables and categories for tourism statistics.

Details of publications and sources referred to are given in the separate note of useful addresses and suggestions for further reading.

1. Introduction

1.1   There is considerable and growing interest in the impact of tourism on local areas. Much of this interest has arisen from the role of tourism in economic regeneration but also from environmental and community concerns. We have a relative wealth of tourism statistics from national surveys, but these are not designed to give very local information. Indeed, it would be very costly to redesign and to run these national surveys to give reliable data for local areas.

1.2   The need for local area information is not unique to tourism. The options available to provide local tourism data mirror what is done in other subject areas in order to build a local information system. Such systems call on a range of sources and experiences during their development and operation. They may involve building a 'model' of the subject of interest in the local economy, to produce estimates out of the statistical information that is available. Some data to feed the model may be derived locally, from surveys or other sources, including local administrative records. We might want to concentrate on collecting local data and undertaking local visitor surveys, rather than building a model, as the way of compiling the information needed for a local tourism action programme.

1.3   The aim of this guidance note is to encourage good practice in the production and use of information covering the key aspects of any local tourism economy, so that tourism policy and operations can be run on data that are reliable and robust enough for the task in hand. This guidance is not a detailed consumer guide to the various systems that are available commercially, nor is it prescriptive on the approach to follow.

1.4   It is not appropriate for the Department for Culture, Media and Sport (DCMS), any other government department or the national tourist boards to recommend one approach over another because the choice must be determined by local needs. Our role is to ensure good practice in the choice and subsequent delivery of local data. This includes striving for the use of standard variables and definitions for the main tourism concepts.

1.5   The following sections seek to explore and identify:

- the reasons why local tourism information might be necessary
- the scope of information available
- the role and types of model which may be useful
- factors which need to be taken into account in the use of models
- good practice requirements in the proper use of models.

Tourism at the local level

1.6   Tourism activity at local level can bring benefits in terms of employment in tourism establishments and their suppliers, and support for local facilities such as shops, leisure facilities, pubs and catering outlets, transport services and cultural and social activities. Conversely, it can also result in adverse impacts on the local environment through development pressures, litter and pollution, erosion and disturbance to wildlife, as well as contributing to congestion and intrusion in local communities. In practice the level of benefit and costs will vary with the type of environment, the level of tourism activity, and the ability of the local community to absorb the additional number of visitors attracted to the locality.

1.7   If tourism activity is to be sustainable in the longer term, it should respect the balance between the needs of the visitor, the place and the host community. In particular, local authorities and other bodies with responsibility for tourism development should adopt policies which:

- minimise the impact of tourism development on the global environment by avoiding pollution and the depletion of natural resources, and by encouraging forms of tourism enterprise, operations and transport which are environmentally benign
- sustain the local environment by recognising the limits to the capacity of different locations to receive more visitors, avoiding congestion, erosion and disturbance to wildlife through better visitor management, and by encouraging forms of tourism which sustain the character and diversity of the area
- sustain the host community by increasing the opportunity for the local area to benefit economically from tourism, and by minimising nuisance and conflict from tourism in local communities, and involving local people in the planning and management of tourism in their areas
- sustain the visitor by recognising the visitor's right to enjoy and experience the area, and by providing visitors with a welcoming, meaningful and satisfying experience, and helping to increase their appreciation and understanding of the area.

1.8   Where tourism is identified as a significant activity within their areas, or as a sector with potential to develop additional benefits for the community, local authorities and other interested bodies will therefore wish to agree and implement policies which meet these principles.

The need for local area statistics

1.9   If the policies and activities of the local authority or other interested body are to be soundly based, they should take into account the existing levels and type of visitor activity. In some cases, the initial interest in developing policy may arise from a perceived problem, such as overuse of a popular informal recreation area. In others it will be an apparent opportunity, such as the availability of a particular site or facility. Yet, unless there is a clear understanding of the nature of the problem or the opportunity, and the wider context within which it is set, then action based on limited or inaccurate information will at best be ineffective and may be harmful and costly.

1.10   Research is an integral part of the process of developing policy, taking action and evaluating the outcome. Good policies need good statistics. In some cases there are specific issues requiring the collection of particular statistical information. Even in these cases, there are invariably benefits to be gained in looking at a more complete local picture, to assess the significance of the issue in its local context.

2. The availability of local information

2.1   The best source of information on the pattern of tourism activity in the local area will come from a well conducted local visitor study. Such a study will usually involve tourist surveys to collect data on the character and proportions of different types of visitor to the area and the calculation of the volume of tourism throughout the year. Such studies require substantial investment of resources, and therefore local authorities and others will normally wish to assess what information is already available before considering the need for a study.

2.2   Information on the levels and characteristics of tourism activity is available from a range of information sources at national and local level.

National data sources

2.3   There are a number of national surveys undertaken by Government and its agencies which provide information at national, regional and county levels (and equivalent). These include:

- the United Kingdom Tourism Survey (UKTS) which collects data on tourism trips involving a stay away from home by United Kingdom residents

- the International Passenger Survey (IPS) which gathers information on overseas visitors to the United Kingdom

- the UK Day Visitors Survey (DVS) which collects information on leisure day visits taken by residents of Great Britain

- national and regional occupancy surveys which seek to measure the occupancy levels of tourism accommodation, particularly in the hotel, guest house and B&B sectors

- the reports on 'Sightseeing in the UK' and on 'Visits to Attractions' which bring together information on the numbers of visitors to different types of attraction in Great Britain

- various analyses undertaken by the British Tourist Authority and the national tourist boards on an occasional basis examining elements of tourist activity not normally studied in the annual or regular surveys, such as tourism associated with conferences and exhibitions

- the Annual Employment Survey together with other surveys such as the Labour Force Survey and New Earnings Survey can provide information on employment and earnings in tourism related sectors such as hotels, catering and entertainment. Much of this information can be accessed through NOMIS at the University of Durham.

2.4   Much of the tourist information is disseminated by the national and local tourist boards in summary form including outline data for counties (Area Tourist Board areas in Scotland; Tourism Company areas in Wales) and sub regions within their areas. However, the national survey data is not normally available below county or equivalent level, because of the limitations on accuracy arising from the size of the sample and/or the methodology used in each survey

Regional and local data

2.5   In addition to the national surveys, local tourist boards also collect information on key tourism elements. 'Local' here means the Regional Tourist Boards in England, the Tourism Companies in Wales and the Area Tourist Boards in Scotland (but note that not all ATBs handle information collection). The information collected includes:

- the known stock of accommodation within their areas, which can be accessed on a local authority or other local area base. These data may be of variable depth, with generally fuller and more up-to-date details for stock in classification or grading schemes, compared with other known stock. In addition there are some establishments that operate on a casual basis and which are not normally recorded on board lists.

- the local authority may also have a list of accommodation establishments within their area which may be more comprehensive than that of the board. The comprehensiveness and accuracy of these lists will vary depending on the amount of effort and interest taken by the local authority in maintaining them.

- information on the number of visitors to attractions and details of events are collected by the boards and often by local authorities. However, visitor numbers will include local users as well as tourists and visitors attracted from outside the area.

- the number of visits to Tourist Information Centres is available from TIC operators, although a proportion of such visits will be by local residents

- data on car parking use may also be available to the local authority particularly where it is the main operator of such facilities within the area. Again the profile of users will vary from site to site, and often over time.

- information on traffic flows may also be available from the Highway Authority which can help to inform the seasonal variation in leisure and tourism activity.

2.6   None of these indicators can by themselves provide a view of tourism activity, but collectively they can help to begin to build a picture of tourism activity in any particular area.

Local surveys

2.7   Local visitor surveys can provide valuable information on the visitor profile to an area. In particular, they can distinguish between tourists staying in the area and day visits from home or holiday accommodation outside the area. They can also collect a wide spectrum of information, including accommodation used, activities undertaken, group and personal characteristics and spending patterns. In conjunction with methodology to measure changes in volume over the year, they can provide an accurate description of the volume and value of tourism within the local area.

2.8   However, local surveys are expensive to undertake, and many local authorities can normally only afford such surveys on an occasional basis. Furthermore such surveys can pose considerable technical problems particularly in ensuring that a representative sample of visitors is included in the survey, and in grossing up overall estimates of visitor numbers. Thus, even the best conducted surveys may not necessarily provide an accurate or comprehensive description of tourism activity in the area studied.

2.9   If the local authority (ATB in Scotland) is unable to carry out a detailed local visitor study, then a modelling approach may help to overcome the information gap.

3. Filling the gap – the model approach

Developing a model solution

3.1   National tourism surveys are generally based on a sample of a size which is effective at county or equivalent level. However, national sources are invariably not appropriate for the delivery of local area information below counties. It is generally too expensive to run a national survey that will also give robust data for local areas.

3.2   One solution to this problem is to use or develop some kind of a model, by which local area information can be estimated and be robust enough for the purposes required. Models can come in various guises from exemplars to mathematical or statistical approaches.

Exemplar approach

3.3   A model solution could take the form of an exemplar, that is, a generic, off-the-shelf solution which is then applied locally. For example, this could be a package of instructions of how to collect good tourism data using surveys of visitor numbers, traffic flows, arrivals in accommodation establishments and other key elements of information. While such an approach may give a blueprint, it is clear that considerable effort needs to be mounted locally, and costs incurred, in order to obtain local data of adequate quality.

Mathematical models

3.4   A rather different kind of model applies mathematical formulae to the information that we do have available in order to determine some local information. For example, we might say that there should be a mathematical relationship between the home population in an area and the number of in-bound tourists who come to visit friends and relatives (VFR) in the area. Both VFR and population numbers are available for a region so we could apply the same relationship to the known population in a local area. However, this of course assumes that the relationship applies equally across all areas within the region and we may feel that this is not the case, for example because of demographic differences or differences in the attractiveness of particular areas as tourism destinations.

Statistical models

3.5 A third class of models are called statistical models because they acknowledge that the relationships are not exact but are subject to error. In the example above, the relationship between population size and the number of inbound VFR trips might then depend on the region and on other factors, some of which we should be able to identify explicitly and others that can only be taken account of as an error term in the equation.

3.6 One of the main features of any statistical model is that there is uncertainty about the information that it produces. We need to be aware that there is such uncertainty and use methods to reduce it to within acceptable and defined limits.

The range of information required

3.7 Information on tourism activity may be required for a range of purposes, eg to assess the economic impact and contribution that tourism makes to the local economy, the environmental impacts of tourism activity or the benefits and disadvantages for local communities. However a starting point for considering these specific elements has to be an assessment of the volume and value of tourism activity in the area.

Volume and value

3.8 The volume of tourism in any particular area will depend on the capacity of the area represented by the stock of facilities and infrastructure available to the tourist, and the level of use made by visitors (as opposed to local resident use) of that stock. It will be helpful therefore to consider the supply of tourism facilities available at a given point together with the use made of the facilities (tourism demand). See tables 1 and 2 opposite.

3.9 On the supply side, it may be helpful to classify the area by type, in order to make comparisons with areas of a similar type. On the demand side, it may be helpful to define main catchment areas for inbound tourism and to classify these areas. One suitable classification is the Office for National Statistics classification of local and health authorities of Great Britain, in which families, groups and clusters of areas are presented (details of publication given in the notes for further reading included in this pack).

3.10 We have mentioned day visits as part of tourism but they are one of the most difficult aspects of tourism to define and to measure. We recommend that the definition that best captures the 'outside usual environment' concept underlying all of tourism is that day visits are:

- visits taken for leisure or business purposes, and
- lasting for three or more hours away from home, and
- not undertaken on a regular basis.

3.11 Tourism leisure day visits defined in this way are a minority of all the leisure day trips that people take. Data from the 1996 UK Day Visits Survey show that tourism trips are 20% of the total reported leisure day trips, with many 'day trips' either lasting less than three hours, or taken regularly, or both.

3.12 Day visitors to an area are defined on a different basis from this in the context of the Standard Spending Assessment. For SSA purposes, length and regularity of visit are not measured directly: it is those day visits into an area made by people from outside that are counted as contributing to the enhanced population. This confirms that you must determine why you need statistical information on day visitors before collecting the data.

Table 1

| Supply side items	Key variables
Stock of tourism accommodation	Number of establishments on reference dates (eg open peak/low seasons) Capacity (number of bed places or units) See Appendix 1 for definitions of categories
Visitor attractions	Number open on reference dates See Appendix 2
Tourist services	Number of tourism information centres, information points, accommodation booking agencies, travel agencies and tour operators
Resident population	At reference dates; may be used to estimate the number of inbound visits to friends and relatives in the area

Table 2

Demand side items	Key variables
Inbound trips to the area by people resident outside the area	By month of departure from area, length of stay, purpose of visit, home location, main mode of transport used to reach area, transport used within area, main type of accommodation used while in area See appendix 3 for breakdowns
Domestic trips within the area by people resident within the area	By month of end of trip, length of stay away from home, purpose of visit, transport used within area, main type of accommodation used while away from home See appendix 3 for breakdowns
Arrivals at tourism accommodation	By month, type of accommodation; separately for overseas, other inbound and domestic arrivals
Nights spent at tourism accommodation	By type of accommodation; separately for overseas, other inbound and domestic arrivals
Occupancy rates	Separately for hotels (and similar establishments) and for other collective accommodation establishments
Tourism spending	In total in the area, and for main components (accommodation, travel, catering, admission charges, other), separately for package trips and for all other trips
Inbound tourists (people not trips)	Profiles such as sex, age, life cycle, socio economic group See appendix 4 for breakdowns
Domestic tourists (people not trips)	Profiles such as sex, age, life cycle, socio economic group See appendix 4 for breakdowns

Economic

3.13   Indicators of the economic effects of tourism activity in the local area are likely to include estimates of local income, jobs and business linkages.

3.14   The direct measurement of tourism activity, especially of tourism expenditure, presents only a partial picture of the economic impact of the tourism activity in an area.

- The gross *direct* economic impact of tourism is the total value of tourism spending in the area. This covers the 'front-line' effects, looking at tourism spending in hotels, restaurants, shops, taxis, ie any business that receives visitor expenditure directly. The net direct impact however needs to take into account the value of goods and services that are imported into the area in order to supply the tourist with goods and services.

- *indirect* effects arise from the generation of economic activity by subsequent rounds of expenditure (eg as hotels purchase food and drinks from local suppliers and use the services of local laundries, builders, banks, utility companies etc) Not all these effects will arise in the local area since some such expenditure will go to suppliers elsewhere in the region or nationally.

- *induced* effects arise from the spending of income accruing to local residents from wages and profits during the direct and indirect rounds

- *leakages* of expenditure out of the local economy: such as savings and taxation, as well as the costs of imports of goods and services from outside the area already mentioned above

- *opportunity costs:* to take into account the cost of using scarce resources for tourism as opposed to alternative uses, as for example spending on the provision of tourist information centres, car parking and other facilities used by visitors. (and when tourism substitutes one form of expenditure and economic activity for another, this is known as the displacement effect).

- *investment activity* arising from capital investment in new facilities for visitors by private or public sectors (which also involve some consideration of opportunity costs.)

3.15   These are complex issues. There is guidance from HM Treasury on economic impact assessments (details of guidance in the context of regeneration projects are given in the notes for further reading, along with some guidance material on this found in other topic areas). Employment effects are similarly difficult to measure precisely, but one simple approach is to track employment in 'tourism related industries' (see appendix 5).

Environmental

3.16   Increasingly, local authorities and other interested bodies are concerned with measuring the impact on the environment of visitor activities. These impacts can be both beneficial and harmful, and can include:

- support from visitors for the conservation and presentation of 'heritage' features from historic castles to landscape or nature conservation sites where visitors are charged for entry or other services such as car parking.

- damage to sites or footpath networks arising from over use or badly managed use. Such damage is often limited in extent and seriousness but nevertheless should be addressed where it occurs.

- pollution arising from car usage by visitors, litter and pressure on local sewage disposal works.

3.17   The measurement of activity by area and by mode of transport can therefore be an essential element in monitoring impact and the effects of policy and management decisions.
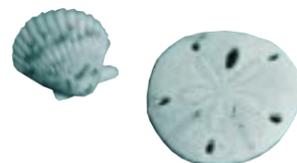
Community

3.18   As with economic and environmental impacts, the effects of tourism activity on local communities can bring benefits and disadvantages. These include:

- local employment both directly and indirectly

- increased range of local facilities and services which would not otherwise exist (see for example the recent studies by the Rural Development Commission on the effect of tourism in rural areas. Details are given in the further reading document)

- increased congestion and intrusion arising from visitors, mainly impacting during particular times of the year.

3.19   The effects of tourism activity will vary depending on the relative scale of visitor activity vis a vis the normal level of activity generated by local residents and other economic activities. The impact is also likely to vary substantially by season of the year. Monitoring community effects may require additional surveys of residents to ascertain changing perceptions of tourism activity and impacts over time, which can be related to changes in the actual level and pattern of tourism activity.

Assessing model outputs

3.20   It is important to note that any model even one built up entirely from locally collected data as in an exemplar approach is unlikely to provide a completely accurate picture of tourism activity in the area. Given the dynamic nature of tourism activity with constantly changing numbers of people moving in and out of the area, even major well conceived and implemented surveys will only provide an approximation of activity at the time of the survey. In practice, only areas where accurate counts of movement across the boundaries are available – such as islands which can only be reached by a limited number of ferry services – are likely to be able of claim a high level of accuracy in measuring tourism activity.

3.21   Therefore in considering the output of any model, it is important to identify possible sources of error and assess their potential significance in affecting the likely accuracy of the model estimates. An initial issue is the degree to which the working of the model reflects the real life, i.e. do the linkages in the model reflect actual linkages in activity. For instance, a model might assume that seasonal variation in car parking volumes or visits to Tourist Information Centres are solely the result of variations in tourism activity, whereas they may also reflect variations in local use of the same facility which has a different seasonal pattern. Models may accurately reflect the number of tourists staying in the area and the volume of day visitors into the area, but may not take account of visits outside the area by holiday makers staying in the locality. Often these failures to fully mirror actual activity may not be significant in overall terms, but it is important to be aware of what the model is describing and equally what it is not!

3.22   All models depend on information from national and/or local surveys. A number of factors need to be considered in assessing the robustness of the information generated from such surveys. These include:

- The accuracy of the universe being included in the survey. Surveys seeking data from a resident population or passengers entering a country by air and sea can generally be relatively confident that they have an accurate count of people. Other survey universes may not be so easy to identify. Thus the total amount of accommodation available in an area is often difficult to identify given that some establishments such as informal camp sites or casual B&B accommodation may move in and out of the market.

- The degree to which the response to any survey is representative of the universe. Any survey may be subject to bias. That is, it may be that the way in which the estimate was produced will ensure that it is bound to be some distance away from the true (but unknown) value. A classic example of bias was the early use of surveys conducted over the telephone, which led to results biased in favour of the more affluent sections of society. Another example is the relative frequency with which different types of tourist are likely to be caught in on-street surveys, with business tourists and people visiting friends and relatives normally substantially under-represented compared to holidaymakers. Bias can not usually be measured, but we need to look out for the possibility that it is present, for example by examining any non-response patterns in surveys

- Another aspect of accuracy is the precision of the estimate. One way of thinking of this is to realise that repeating a statistical survey on a different sample of people, drawn from the same population, will invariably give a numerically different result. There are ways of measuring this inherent variability in statistical data, usually reported in terms of the standard error of the estimate. (This is why small differences in opinion poll results are sometimes described as having no statistical significance).

- The accuracy of the information supplied by survey respondents can also sometimes be a cause of uncertainty. In some cases this can arise as a result of imperfections of memory, such as those arising as a result of the length of time since the event on which information is being sought took place. In other cases, there may be reluctance to give an accurate response because of fears of confidentiality, or because information is not recorded accurately.

3.23   Thus there are potential sources of error in any model. In some cases it is possible to give an indication of the possible range through such techniques as the standard error of an estimate, whereas in other cases such measurements are not applicable. An awareness of the possible sources and an assessment of their significance is however essential in making judgements on the robustness and suitability of model outputs as a basis for policy development.

Current Development

3.24   A number of models have been developed to use local and/or nationally available information to generate estimates of activity in local areas. In particular two approaches have been relatively widely used to date, the STEAM and Cambridge models.* Both of which may be described as statistical models rather than mathematical models. Both have acknowledged weaknesses, but provide estimates which would not otherwise be available. It is known that a number of other models are in the process of development but are not yet widely available in the public domain.

*Contact details are in the useful addresses insert.

4. The Way Forward

4.1   This final section of the guidance note sets out some good practice in the development and use of local area tourism information systems. Getting the user requirement right will enable you to identify the data that you will need. We urge that the following good practice is followed, so that your requirements for local tourism data can be met effectively and efficiently. Only then can you be sure that your tourism policy and operations are being run and evaluated using data that are relevant, reliable and robust enough for the task in hand.

Transparency

4.2   All local area information systems should be as transparent as possible, while respecting commercially confidential material and intellectual property rights. This can be achieved in a number of ways through, for example, writing up and presenting local area analyses, scrutiny by other users, the

tourism community, the government agencies etc. DCMS and the national tourist boards will continue to liaise with the local area tourism model providers, similarly to promote as open a culture as possible.

4.3   All data sources should be made explicit and routinely listed in reports. Any use of subjective judgement should be made explicit and any sensitivity analysis for such judgement should be reported.

Identifying the gaps

4.4   Where gaps in basic data are identified, attempts should be made to collect information to overcome the problem. For instance, existing information on accommodation establishments will often be incomplete or out of date. It may be possible to use other data sources such as the rate valuation record of commercial premises and the register of caravan site licences to cross check particular aspects to identify or fill gaps in the record. The degree of effort to overcome deficiencies in basic information will need to take account of the significance of the gap in terms of the model outputs against the resources needed to collect the information.

Comparability

4.5   It is desirable that estimates for one local area should allow some comparison with other areas, and for the same area over time. Such comparison will be greatly assisted by the adoption of standard terms and definitions. (Further guidance on such definitions is set out in the appendices). Information on the implementation of any local surveys which yielded data used in the modelling process should also be recorded to allow replication of the survey at a later date to allow comparisons over time.

Reliability

4.6   All estimates should be accompanied by statements of associated standard errors wherever possible. The basis for the calculation of these errors should be explicit. Any use of subjective judgement in the calculation of such error should be made clear together with any sensitivity analysis for any such judgement of error should be reported.

4.7   Estimates should be based upon data collected according to good survey practice and avoiding unwelcome design effects, such as those introduced by clustering the survey at too few collection points. The data sources, sampling frames and sample sizes of all surveys used should be explicit. We strongly encourage the depositing of surveys with The Data Archive or with other appropriate organisations, so that they are available for re-analysis by others. A related point is that there are standardised questions for use in tourism surveys. These bring efficiency savings in the design of subsequent surveys as well as adding to comparability. There are also some standardised questions for use generally in social surveys. These are primarily intended to ensure that questions about basic demographic and household characteristics are harmonised with and between the major official surveys (further details of the tourism and the demographic questions are in the notes for further reading).

4.8   Survey and model estimates should be constructed to aim for the narrowest confidence intervals consistent with the requirements of the exercise and the resources available. Ideally, standard errors should not exceed 10% for any measure (which means that a difference of up to 20% from the true value would not be statistically significant). It should be noted however that where statistical models use a range of data sources, some of which contain an unknown element of bias as well as some uncertainty about the accuracy of survey data, the measurement of standard error may prove difficult and the outcome possibly misleading. In such circumstances, transparency in the construction and operation of the model becomes even more important.

Local authority boundaries

4.9   Local areas should normally be defined according to local authority boundaries. One benefit of this is to ensure compatibility with those national tourism estimates that are required under the European Union Directive on Tourism Statistics to be supplied using areas defined by the 'NUTS' geography. (This aspect of good practice will be most beneficial when the current list of NUTS areas has been updated by the Office for National Statistics, including local authority boundary changes. Further details are given in the briefing note on the EU Directive included in this pack. The revised list of NUTS areas will be issued in due course).

4.10   It should also be recognised that outputs for non-standard areas will occasionally be needed for monitoring or supporting European Union or national programmes which do not use local authority boundaries.

Alignment with national totals

4.11   As both a matter of principle and a pragmatic step, we recommend that local area estimates should be compatible with the published regional and national totals in the national statistical sources. We understand that estimates from the main local area tourism models can be aligned with published regional and national totals and we suggest that this provides a mechanism by which local area estimates can be seen and compared on the correct scale. National and regional totals from national surveys are themselves estimates which are subject to confidence limits. Estimates from a complete set of good quality local surveys covering a region might be more precise, as well as giving a richer local data set. However, they are still subject to confidence limits and better precision may not always be obtained. If local surveys depend on untested assumptions then alignment with national totals would remove one element of uncertainty, although it would not be reasonable to expect it to be done in the case of purely local exercises that are conducted to examine very local economic effects and for which benchmarking is not appropriate.

Making the good practice work

4.12   As a result of our study and discussions we are clear on the need for and the value of good practice along the lines outlined above. We are equally clear that this good practice is demanding and that present practice may fall short, in particular over the treatment of the error and uncertainty inherent in models. We are therefore committed to continuing our dialogue with the providers and with users of local area information systems in order to raise standards and to reap the benefits for tourism policy and operations.

If you have any comments on any aspect of this practical guidance then please get in touch with the Department for Culture, Media and Sport or one of the national tourist boards. Their addresses are given in the contacts list included in this pack.

Appendix 1: Accommodation categories for statistical purposes

This listing is based on the list used in the EU Directive on tourism statistics and may therefore provide a framework for the comparison of data when a breakdown by type of accommodation is required *(eg of stock, arrivals, visitor nights, occupancy rates)*.

1.	**Hotels and similar establishments:**
1.1	Hotel/motel
1.2	Guest house
1.3	Farmhouse or other private house offering at least bed & breakfast
2.	**Tourist campsites:**
2.1	Camping site *(exclusively or predominantly tents)*
2.2	Site for touring caravans
3.	**'Holiday dwellings'** *(European phrase)* **meaning:**
3.1	Holiday camp *(self catering/service)*
3.2	Holiday village
3.3	Site with static caravans *(owned by operator)*
4.	**Other collective accommodation**
4.1	Youth hostel
4.2	University/school offering tourism accommodation
4.3	Marina
4.4	Establishment reserved for specified types of visitor *(workers, students etc)*
4.5	Specialised health care or religious/spiritual establishment
5.	**Private accommodation:**
5.1	Rented self-catering accommodation
5.2	Secondary residence *(houses, caravans, pitches and moorings)*
5.3	Homes of friends or relatives
5.4	Other types of accommodation

Note that private accommodation is not usually measured on the supply side. Tourism arrivals and occupancy rates will invariably only be available at most for hotels, campsites and holiday dwellings. Bedspaces are taken as four to a camping pitch.

Appendix 2. Categories for visitor attractions

The national tourist boards use the following breakdown:

Historic houses and monuments
Cathedrals and churches
Gardens
Museums & galleries
Wildlife attractions
Country parks
Farms
Leisure parks (and piers)
Steam railways
Visitor centres
Workplace attractions
Venues for special events
Miscellaneous attractions

Appendix 3. Categories to describe aspects of tourism trips

Length of stay: The EU Directive requires some data by
Same day trips *(actually in order to exclude from scope of Directive)*
1–3 nights *(The national tourist boards' UK Tourism Survey shows each duration separately)*
4–7 nights *(ditto)*
8–14 nights *(UKTS gives 8–10, 11–13, 14)*
15–28 nights   )
29–91 nights   )UKTS gives 15–17 and 18 or more
92–365 nights   )

Main mode of transport used: The EU Directive requires some data by
air
sea
railway
bus, coach (regular and tourist)
private and hired vehicles
other land transport
(UKTS gives further breakdown of a number of these categories)

Appendix 4. Tourist profiles

Age breakdowns in EU Directive are
0–14 years *(optional to include in Directive data)*
15–24 years
25–44 years *(UKTS uses 25–34 and 35–44)*
45–64 years *(UKTS uses 45–54 and 55–64)*
65 years and over

Socio economic group breakdown used in UKTS are those of the Institute of Practitioners in Advertising:
AB *(Professional and managerial)*
C1 *(Clerical and supervisory)*
C2 *(Skilled manual)*
DE *(Unskilled, state pensioners etc)*

Life cycle breakdown used in UKTS is:
15–34 single with no children under 15
15–34 married with no children under 15
15–34 single or married with children under 15
35–54 married or single with no children under 15
35–54 married or single with children under 15
55+

Appendix 5. The tourism related industries

The Office for National Statistics (ONS) publishes quarterly statistics covering employment in the following industries. These are used to provide the official estimates for employment in the tourism related industries *(eg see table 1.14, page S22, Labour Market Trends, November 1997):*

Standard Industrial Classification (1992) Class
55.1 Hotels
55.2 Camping sites and other provision of short stay accommodation
55.3 Restaurants
55.4 Bars, public houses and nightclubs
63.3 Travel agencies and tour operators
92.5 Library, archives, museums and other cultural activities
92.6 Sporting activities
92.7 Other recreational activities

(Note that some of these categories are combined in the ONS tables but the data may be available from NOMIS)

A briefing note by the Department for Culture, Media and Sport

Introduction

In November 1995, the Council of the European Union adopted a directive 'On the collection of statistical information in the field of tourism' (Council Directive 95/57/EC published on pages L 291/32 – L 291/39 of the Official Journal of the European Communities, 6 December 1995). This note outlines the aim of the Directive, how it will operate across the EU and how it is being implemented within the UK.

The Directive places a requirement on national governments of the member states of the EU to provide a regular set of specific tourism statistics. These statistics are mainly at national or regional levels. There are no direct obligations on local authorities or on tourism businesses as a result of the way in which the Directive is being implemented in the UK. However, local authorities and, especially, hotels and other tourism accommodation establishments will be the primary source for some of the data needed to compile UK tourism statistics and we are grateful for the continuing support of all our voluntary data suppliers.

What is the aim of the Directive?

The Directive sets up a system of reliable statistics on tourism to be maintained by the Statistical Office of the European Communities (the office is called Eurostat) in Luxembourg. The statistics in this system will be harmonised statistics; that is there is a specific list of items to be covered, each with an agreed definition, that each Member State will supply. The system will therefore give a set of reliable and comparable statistics for each Member State and hence for the EU as a whole. Other countries are participating on a voluntary basis, extending coverage across the wider European area.

The preamble to the Directive gives a number of reasons for setting up such a system, including to improve knowledge of the volume and characteristics of tourism and tourists within the EU, to support the development of tourism policies and to meet the needs of users in the private as well as the public sector. Tourism is recognised as 'a tool of development and socioeconomic integration', for which better statistical information is required, notably at regional level.

What statistical information is included?

There are three main kinds of topics required under the Directive (and specified in an annex to the Directive, reproduced here):

A   the capacity of collective tourism accommodation (hotels, campsites etc), for which data is required annually and down to around county level or equivalent (ie NUTS level III, in the Nomenclature of Units for Territorial Statistics, see following Section. A new version of the UK NUTS is due to be used from 1999, details of which are also given later).

B   guest flows at these collective accommodation establishments, showing arrivals and nights spent in different broad types of accommodation. Most information is again required annually, with data down to NUTS level II (which are larger counties or groups of counties under the present formulation of the UK NUTS). Some information, on arrivals, nights spent and occupancy rates, is required monthly for the country as a whole.

C   tourism demand among residents of the country, showing for example the number of trips for which the main purpose is holiday, recreation or leisure involving at least one night spent away from home. Annual information is required on longer holiday, recreation or leisure trips (breaks of four nights or more) and quarterly data on 1+ night trips. Quarterly data are also required on 1+ night business trips. This part of the Directive covers the volume and characteristics of trips and the number and profile of people taking trips. Tourist spending is also required. Generally this part of the Directive also requires separate figures for domestic tourism (ie tourism within the UK by UK residents) and outbound tourism (tourism trips outside the UK made by UK residents).

How will the Directive operate across the EU?

Each Member State is responsible for collecting, compiling, processing and transmitting its harmonised information to Eurostat, within deadlines set in the Directive (eg provisional monthly and quarterly data within three months of the end of the period to which it refers) and within quality standards approved by Eurostat. Eurostat will collate and disseminate the full set of harmonised information, within deadlines that have been set to be the same as those for Member States (under a general rule that is part of the 1997 Council Regulation on Community Statistics).

The way in which the EU level information is to be disseminated is being agreed with Member States, in order to maximise use of the information at both the national and EU levels. As with other EU statistical activities, this Directive is being managed by a committee of representatives from the Commission and all Member States.

The first annual data required under the Directive are for 1996 and the first quarterly and monthly data are required from January 1997 onwards. The Directive allows for a transition period of 3–5 years before full compliance is required, although it does look as if the first results will generally be available for 1996 and 1997 onwards.

## How is the Directive being implemented in the UK?

The UK already has good national surveys and sources of tourism statistics (eg the UK Tourism Survey and the International Passenger Survey). These have been fine-tuned to provide the additional information required under the Directive. A UK Occupancy Survey has been developed, building on occupancy surveys conducted by regional and national tourist boards. Information on the stock of tourism accommodation will be based on the records maintained by the tourist boards.

The Department for Culture, Media and Sport (DCMS), which has policy lead on tourism, is coordinating the UK implementation and will be responsible for transmitting the information to Eurostat, and for publishing it within the UK. Concordats or memoranda of understanding are being prepared between DCMS and the national tourist boards, and between DCMS and the Office for National Statistics, in order to ensure the continued flow of reliable data with the required deadlines. We are of course grateful to our partners in those organisations for their efforts in providing the information needed for the UK to comply with the Directive.

NUTS

Some of the statistical data required under the Directive are specified in terms of NUTS areas. This 'Nomenclature of Units for Territorial Statistics' is the European Commission's classification of sub-national areas for statistical purposes, and is managed by Eurostat. In June 1998, the Office for

National Statistics announced that it had reached agreement with Eurostat on a new NUTS structure for the UK, which takes account of Government Office regions as well as the creation of the unitary local authorities. A table appended summarises the current and new structure of NUTS in the UK. There is a target date of April 1999 for using the new structure when submitting data to Eurostat. The present NUTS will continue to be used until then. This applies across all UK official statistics. DCMS is in discussion with tourism data providers, so that we can shift to using the new NUTS for the tourism statistics directive.
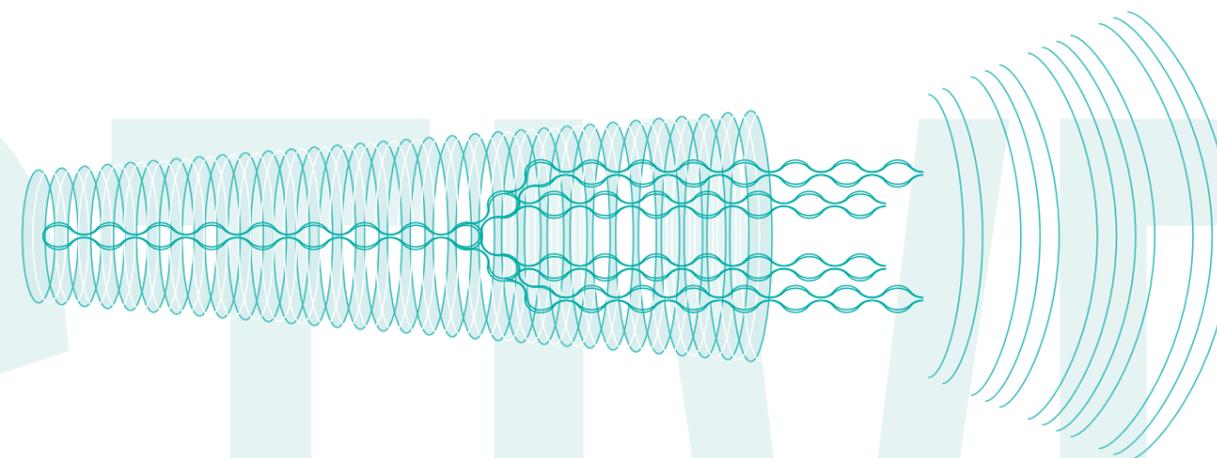
Developments to the tourism statistics directive

The European Commission is required under the Directive to report to the European Parliament and other EU bodies on the experience acquired in the work carried out under the Directive after data have been collected over a period of three years, that is in the year 2000. At that stage we will also consider whether the scope of the Directive needs to be adjusted to meet user needs more effectively. One possible such development might be to explore needs for more local data across the EU than will be generated by the present Directive and the revised NUTS. However, such a development would only be considered after a thorough examination of user needs and taking into account the costs and benefits of extending the Directive along these lines.

- **For further information on this Directive please contact:**
  Paul Allin
  Chief Statistician
  Department for Culture, Media and Sport
  Room 601 HH, 2–4 Cockspur Street
  London SW1Y 5DH
  tel: 0171 211 2843
  fax: 0171 211 2807
  email: PaulAllin@compuserve.com

- **For further information on NUTS please contact:**
  Public Inquiries
  Office for National Statistics
  1 Drummond Gate
  London SW1V 2QQ

Level: England		Scotland (*) & Wales	Northern Ireland	Number of areas	Existing structure
		NEW STRUCTURE — Type of area			
1	Government Office Regions	Countries	Country	12	Standard Statistical Regions
2	Counties (some grouped)	Groups of unitary authorities	Country	37	Groups of counties
3	Upper tier authorities (counties)	Groups of unitary authorities	Groups of districts	133	Counties
4	Lower tier authorities (districts)	Individual unitary authorities	Individual districts	443	Districts
5	Wards	Wards	Wards	About 11,000	Wards

(*) In Scotland, Levels 2, 3 and 4 areas are combinations of unitary authorities, LECs or parts thereof.

Source: Office for National Statistics, News Release ONS (98) 199, 29 June 1998.

ANNEX

STATISTICAL INFORMATION IN THE FIELD OF TOURISM

NB: For the information requested under B.1.3, C.1.1.2 and C.1.1.4, the world geographical breakdown is listed at the end of this Annex.

A. Capacity of collective tourist accommodation: local units on national territory

A.1. Information to be transmitted on an annual basis

Number	Accommodation breakdown	Variables	Geographical breakdown (1)
A.1.1.	Hotels and similar establishments	Number of establishments Number of bedrooms Number of bedplaces	National and regional NUTS III
A.1.2.	Other collective accommodation establishments: – tourist camp-sites – holiday dwellings – other collective accommodation	Number of establishments Number of bedplaces(2)	National and regional NUTS III

(1) Data on bedrooms and bedplaces at NUTS III level may include estimates; estimates must be clearly identified as such.

(2) For camp-sites, where a Member State has no standard of its own, one camping pitch may be regarded as equivalent to four bedplaces.

B. Occupancy in collective accommodation establishments: domestic and inbound tourism

B.1. Information to be transmitted on an annual basis

Number	Accommodation breakdown	Variables	Geographical breakdown (1)
B.1.1.	Hotels and similar establishments	Arrivals of residents Nights spent by residents Arrivals of non-residents Nights spent by non-residents	National and regional NUTS II
B.1.2.	Other collective accommodation establishments: – tourist camp-sites – holiday dwellings – other collective accommodation	Arrivals of residents Nights spent by residents Arrivals of non-residents Nights spent by non-residents	National and regional NUTS II
B.1.3.	Hotels and similar establishments Other collective accommodation establishments	By country of residence: (breakdown by calendar month): – Arrivals of non-residents – Nights spent by non-residents	National

B.2. Information to be transmitted on a monthly basis

Number	Accommodation breakdown	Variables	Geographical breakdown (1)
B.2.1.	Hotels and similar establishments Other collective accommodation establishments	Arrivals of residents Nights spent by residents Arrivals of non-residents Nights spent by non-residents	National
B.2.2.	Hotels and similar establishments	Use of bedplaces: – gross – net	National

C. Tourism demand: domestic and outbound tourism (excluding day trips)

C.1. Information to be transmitted nationally

| Number	Variables	Breakdown	Annual data — Breaks of four nights or more (1)	Quarterly data — Holidays (2)	Quarterly data — Business trips (3)
C.1.1.	Data on volume of tourism				
C.1.1.1.	Number of tourists (persons engaged in tourism)	Total – domestic – outbound – domestic and outbound			
C.1.1.2.	Number of tourism trips	Total – domestic – outbound: world geographical break-down (national level)		AD	AD
C.1.1.3.	Number of tourism trips (by month of departure)	during each calendar month: – total – domestic – outbound			
C.1.1.4.	Number of tourism nights	Total – domestic – outbound: world geographical break-down (national level)		AD	AD
C.1.2.	Data on characteristics of trips				
C.1.2.1.	Length of stay	Nights – from 1 to 3 – 4 or more consecutive nights – from 4 to 7 – from 8 to 14 – from 15 to 28 – from 29 to 91 – from 92 to 365	NR NR	NR NR NR NR NR	NR NR NR NR NR
C.1.2.2.	Organization of stays	Direct reservation with transport/accommodation operator Use of travel agent, tour operator: – including package travel		NR NR NR	NR NR NR
C.1.2.3.	Principal mode of transport used	Air Sea Land: – railway – bus, coach (regular, tourist) – private and hired vehicles – other		NR NR NR NR NR NR	NR NR NR NR NR NR
C.1.2.4.	Main types of accommo-dation used for tourism: – domestic – outbound	Hotels and similar establishments Other collective accommo-dation establishments: – tourist camp-sites – holiday dwellings – other collective accommo-dation Specialized establishments Private tourist accommo-dation: – rented accommodation – secondary residence – other types of private accommodation		 NR NR NR NR NR NR	 NR NR NR NR NR NR
C.1.3.	Data on the tourist profile				
C.1.3.1.	Number of tourists	By sex: – male – female			
C.1.3.2.	Number of tourists	By age: – 0–14 years (optional) – 15–24 years – 25–44 years – 45–64 years – 65 years and over		NR NR NR NR NR	NR NR NR NR NR
C.1.4.	Data on tourist spending				
C.1.4.1.	Spending (national currency) for tourist trips: – domestic – tourist trips	Total including: – journeys, holidays and package travel		NR	NR

(1) This column covers long trips (i.e. four or more consecutive nights spent away from the usual place of residence the main reasons for which are *holidays*, *recreation* or *leisure*).

(2) This column covers information on all tourist holidays (i.e. trips of at least one or more consecutive nights spent away from the usual place of residence the main reasons for which are *holidays*, *recreation* or *leisure*).

(3) This column covers information on business tourism (i.e. trips of at least one or more consecutive nights spent away from the usual place of residence the main reasons for which are *business and professional*).

NB: The initials AD mean that these data should be transmitted ANNUALLY and not quarterly.
Information not requested for the various areas of tourism is indicated by the initials NR.
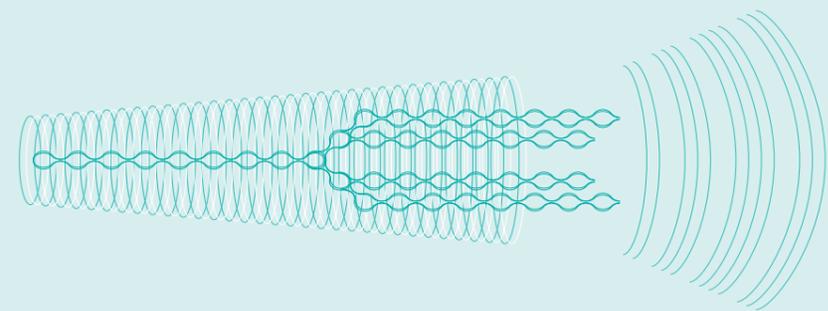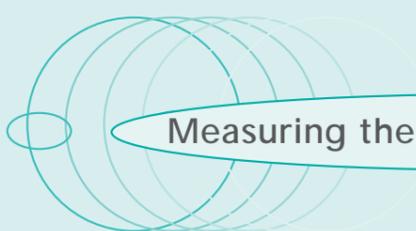
An Introduction to the Main Issues

This is aimed at new or potential users of local area tourism statistics, or those who need an overview of the management issues. Details of publications and sources referred to are given in the separate note of useful addresses and suggestions for further reading.

1. Management summary

1.1 There is considerable and growing interest in the impact of tourism in local economies. Victor Middleton's report for the British Resorts Association (BRA) identified many different types of activity for which local authorities need better management information about tourism at the local level. These range from the allocation of resources through planning, investment and marketing activities. We have a wealth of tourism statistics from national surveys, but these are not designed to give very local information. It would be very costly to redesign and to run these national surveys to give reliable data for local areas.

1.2 The need for local area information is not unique to tourism. The options available to provide local tourism data mirror what is done in other subject areas in order to build a local information system. Such systems call on a range of sources and experiences during their development and operation. They may involve building or applying a 'model' of the subject of interest in the local economy, to produce estimates out of the statistical information that is available. Some data to feed the model may be derived locally, from surveys or other sources, including local administrative records. An alternative approach to the application of a model is to concentrate effort on collecting the local data, as the way of compiling the information needed to underpin a local tourism action programme.

1.3 The aim of this guidance is to encourage good practice in the production and use of information covering the key aspects of any local tourism economy, so that tourism policy and operations can be run on data that are reliable and robust enough for the task in hand. This guidance is not a detailed consumer guide to the various commercially available systems, nor is it prescriptive on the approach to follow. The BRA report contains a summary of the main approaches and each provider is always willing to give further information about their product. Contact details are shown in the Useful Addresses section of this pack.

1.4 It is not appropriate for the Department for Culture, Media and Sport (DCMS), any other government department or the national tourist boards to recommend one approach over another because the choice must be determined to meet local needs. Our role is to foster good practice in the choice and subsequent delivery of local data. This includes striving for the use of standard variables and definitions for the main tourism concepts.

1.5 Good practice in the selection, development and use of local tourism information systems involves a number of stages:

i. First of all, establish your needs for local data. What are you trying to do, and why? How will information feed into your tourism policy development, marketing and operations?

ii. What staff and financial resources do you have to gather the necessary data, to extract the relevant information, and to undertake, manage and report on all aspects of the work that will need to be done?

iii. Always take stock of the information that is already available and which may be relevant to your latest needs. It may be particularly useful to contact your local tourist board for any relevant information.

iv. Look carefully at the different kinds of solutions that are on offer to help you build a local tourism information system. There are products known as local area 'models' (although one is actually called a monitor not a model). We need to be careful in understanding what is meant by a model. In this context, a model produces estimates of local tourism volume and value on the basis of available data and of assumptions about the relationship between that data and tourism activity. A model is essentially a set of equations expressing relationships, but these are not necessarily exact mathematical relationships such as those that apply in physical laws. It is important to be aware of the variability inherent in local area models and to try to determine the

limits of uncertainty. The aim should be to produce data that are fit and relevant for the purpose to which you are putting them.

v. A local tourism information system needs to be based on sound and agreed definitions with a clear statement of those aspects of tourism that are included and those that are excluded. In this guide, 'tourism' is not restricted to trips involving at least one night away from home. Day visits are an important part of tourism but pose their own set of questions when considered as part of the local tourism information system. Visits to friends and relatives also need to be considered, as do business and work-related trips.

vi. We recommend some key variables and standard definitions that should be used regardless of the type of local information system in use *(see the practical guide included in the pack).*

vii. We recommend a number of specific aspects to good practice in the use of local area tourism statistics *(see the practical guide included in the pack).*

2. Start by stating your requirements

2.1 The first step to measuring the local impact of tourism should be to draw up a 'user requirement'. This will establish your needs for local data and state the overall aim and specific objectives for the work. It makes sound business sense only to require information to meet these needs and which is accessible, verifiable, reliable, testable, and comparable with other information produced for the service industries and for tourism elsewhere. The BRA identified six key criteria, which we endorse as issues to be addressed in drawing up any user requirement:

- *Reliability:* how accurate do you want the information to be for the purpose to which it will be put? There are two main aspects to reliability – precision and bias – which you will need to consider with any supplier of tourism data;

- *Timeliness:* how soon you want the information to be available following actual events?

- *Participation:* how will you involve those who will provide as well as those who will use the information?

- *Cost:* what is affordable, including the internal staff and other resources you will need to support this work?

- *Comparability:* is part of your requirement to make comparisons with other local areas, or with the regional or national total?

- *Frequency:* is the information required continuously, meaning, say, every year or every month? It may be as important to assess change over time as it is to estimate the level of tourism during a given period.

2.2 In setting out a user requirement, and in looking at the suitability of sources of data, you should also bear in mind that tourism visits are often defined in terms of the main purpose of visit. Main purpose is conventionally grouped as follows and you should state which, or all, types of visit you are covering:

- Leisure, recreation and holidays: including sight-seeing, shopping, attending sporting and cultural events, going to the beach, etc.

- Visiting friends and relatives (VFR).

- Business and professional reasons: installing equipment; sales visits; attending meetings, conferences, trade fairs; professional sports activities; paid study, education and research, such as university sabbatical leave; language, professional or other special courses in connection with the visitor's business or profession.

- All other reasons: include visits for health treatment, attending religious events or retreats, pilgrimages, miscellaneous trips.

2.3   In light of your user requirement you will need to consider what staff and financial resources you have to undertake, manage and report on all aspects of the work that will need to be done. To be effective, this work needs to be closely integrated with tourism policy and operations. The necessary data will have to be collated from existing sources and perhaps collected in new surveys (for example of accommodation occupancy). All of this will give you some results, from which you will need to extract relevant information to draw conclusions. These, in turn, need to be fed into your action programme. The final stage in the cycle is to evaluate the programme and to draw up a revised action plan, as appropriate.

3. What information do you have to hand?

3.1   We strongly encourage you always to take stock of the information that is already available and which may be relevant to your latest needs, before setting out to gather new data. The national tourist boards and the Office for National Statistics may already be able to provide some of the information you are seeking, because some data from the main tourism surveys – the UK Tourism Survey (UKTS), the UK Day Visits Survey (UKDVS) and the International Passenger Survey (IPS) – are available down to county or equivalent level.

3.2   It is worth checking what local surveys have been conducted in tourism and related subjects, such as travel patterns and transport usage. Information about tourism facilities, including accommodation, may be available from local administrative sources. The national tourist boards publish a list of tourist attractions, including visitor numbers. Contact details are given in the accompanying sheet in the guidance pack.

3.3   We give some more details, in section 9 of this note, of what might be to hand in your local area.

4. Why do more? Addressing the tourism myth

Before we look in more detail at local area tourism statistics, does the following sound familiar to you?

"Tourism data is not considered credible"

The myth exists at least in some quarters that tourism is a frivolous activity without any real economic benefits. Historically, different estimates of tourism activity and its impact on the economy have given widely different figures. While much worthwhile work has been done, a lack of consistency and standards in measuring tourism has helped to contribute to the impression that many tourism estimates are suspect.

Individual tourist destinations have had little hard information to counter potential investors' views that tourism is, at best, a ninety day phenomenon and, more likely, that tourism only lasts for sixty days each year.

This lack of availability and reliability of tourism statistics has not encouraged some industry or political leaders at local levels to give the industry the serious attention it deserves.

"What is tourism anyway?"

There is no such thing as 'the tourism industry'. It does not have a discrete form and no single concept of the industry has been developed and accepted by all industry participants.

Within the tourism industries – transportation, accommodation, entertainment, retail, catering, and other activities – each has developed its own definitions, classifications and methodologies for data collection. The result is that there is little commonly understood or commonly usable communication of tourism statistics. Most attempts at defining tourism have revolved around the definition of the user – the so-called 'tourist'. Each industry again describes the tourist user differently as guest, customer, passenger, visitor, client, and so on. This, too, has not helped in presenting a clear and coherent picture. Furthermore, in each of these industries tourism represents only part of the use of available capacity.

Because of this, the value and volume of tourism demand is often underestimated, which can limit the full analysis of demand potential and consequent development.
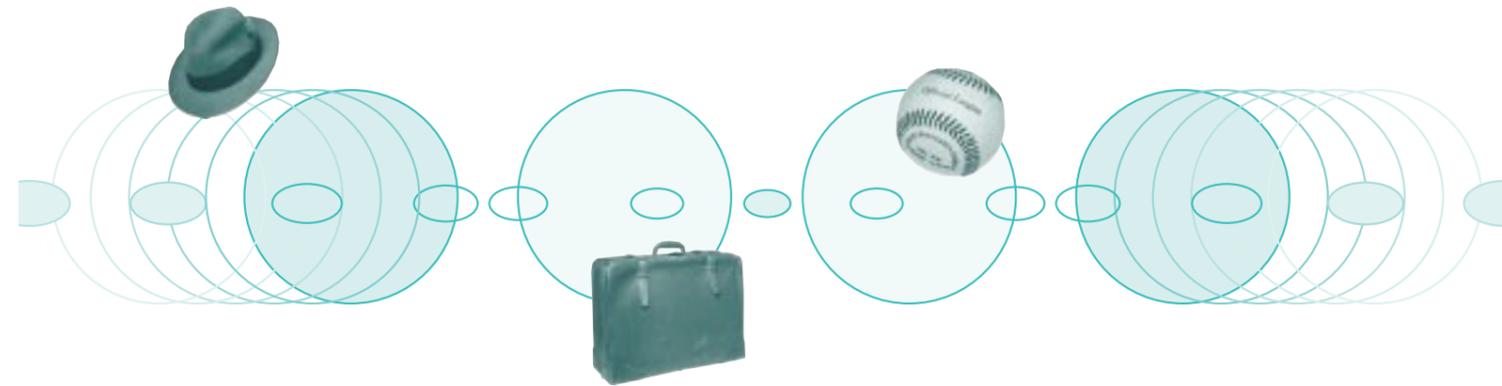
5. Defining tourism

The internationally agreed definitions of tourism go beyond the concept of tourists as being the same as holidaymakers, and say that:

- Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes. *(United Nations and World Tourism Organisation recommendations on tourism statistics.)*

The international definitions distinguish Tourists, who stay at least one night, and Visitors, who do not. For the purposes of measuring the local value of tourism, however, it is both appropriate and the common practice to include within 'tourism' both staying and day visitors. In this guide therefore the term encompasses both types of visitor.

However, across all levels issues exist concerning acceptable and practical definitions of a number of elements even within this apparently clear definition of tourism. These are discussed further in the practical guide included in this pack.

Day visits are one of the most difficult aspects of tourism to define and to measure. We recommend that the definition that best captures the 'outside usual environment' concept underlying all of tourism is that day visits are:

- visits taken for leisure or business purposes

- lasting for three or more hours away from home

- and not undertaken on a regular basis
  (but note that day visits are defined on a different basis from this in the context of the Standard Spending Assessment. It is then the number of visits into an area, made by people living outside it, that is estimated).

6. The case for better tourism data

6.1   The case for better tourism data obviously relates to the needs for such data. Four major categories of user needs exist:

- Advocacy and public awareness

- Planning and marketing

- Investment, operations and management

- Human resource development, including education and training

6.2   Data are required at the national or 'macro' level to establish the economic and social impact of tourism, and to develop and evaluate tourism policy and investment decisions, as well as for strategic planning and tax policy of central government. Such national data disaggregated to the local or 'micro' level may be suspect because of the variability that is introduced, for example because the national data may derive from sample surveys which were not designed to be accurate at the local level. On the other hand, information collected locally to meet local needs can also be suspect if, for example, there turn out to be biases in the way in which the data were collected.

Tourism is essentially a local or 'micro' phenomenon. The strength of attractions at the local level combine to build a tourism destination where the whole is greater than the sum of the parts. But this synergy then introduces further difficulties. Information that stems from individual attractions or from specific consumer surveys can lead to a serious underestimate of the overall value, volume and impact of tourism.

7. Better local area tourism statistics: a key point summary

7.1   Why tourism research?

- Why tourism research?
- Advocacy and public awareness
- Planning and marketing
- Investment, operations and management
- Human resource development, including education and training

7.2 Today's situation in many local areas

- Today's situation in many local areas
- Lots of surveys are carried out
- Much information is gathered
- Lots of national statistics are used
- Gives a good feel for the state of tourism
- Nothing concrete and solid

7.3 Local area statistics

- **D**ata
- **R**ich
- **I**nformation
- **P**oor
- **S**yndrome

7.4 Data must become information

Data		Information
Counters		*Revenue generated locally from tourism*
Attendances	A MODEL	*Tourist days and numbers*
Surveys		*Extra traffic generated by tourists*
Statistics		*Employment supported by tourism*

7.5 Information must be

- Credible
- Comparable over time and ideally between areas
- Compatible (internally)
- Timely
- Measurable, with known margin of error
- Accurate enough to be fit for purpose
- Actionable
- Affordable: there is invariably a trade-off between accuracy, timeliness and cost. Standard definitions and standard concepts are desirable though not always achievable.

7.6 Credibility

Local area statistics can be used to support
- Grant applications to EU, Lottery and Government
- Local tourism budgets
- External investment projects
- Planning applications
- Local Plan formulation
- Police and Fire Brigade budget submissions

7.7 Modelling tourism?

- Why?
- Who wants to know?
- What do they want to know?
- We already know all there is to know

7.8 What must a model do?

- Measure tourism and its impact on an area
- Make comparisons from one time period to another
- Make comparisons from one place to another
- Be credible at national and international level
  (Comparability with other sectors desirable, but difficult)

7.9 What should a model do?

- Monitor trends
- Reflect the nature of local tourism in all its aspects
- Identify local peaks/troughs
- Help decision making and forecasting
- Evolve with local tourism industry

8. Some key variables

8.1   In this section we include a list of key variables that will be needed to assess the level of tourism activity during a given period (and which can then be rolled forward to look at changes over time). Some standard definitions and classifications are given in the companion document, the practical guide, in order to build comparability with national statistics and with those for other EU Member States now being compiled under the Tourism Statistics Directive.

8.2   Information on tourism activity may be required for a range of purposes, eg to assess the economic impact and contribution that tourism makes to the local economy, the environmental impacts of tourism activity or the benefits and disadvantages for local communities. However a starting point for considering these specific elements has to be an assessment of the volume and value of tourism activity in the area.

Volume and value

8.3   The volume of tourism in any particular area will depend on the capacity of the area, represented by the stock of facilities and infrastructure available to the tourist, and by the level of use made by visitors *(as opposed to local residents)* of that stock. It will be helpful therefore to consider the supply

of tourism facilities available at a given point together with the use made of the facilities *(tourism demand)*. See tables 1 and 2 overleaf.

8.4   Also on the supply side, it may be helpful to classify the area by type, in order to make comparisons with areas of a similar type. One such classification is the ONS classification of local and health authorities of Great Britain, in which families, groups and clusters of areas are presented (details are in the suggestions for further reading, included in the pack). It may also be helpful to define and classify the main catchment areas for inbound tourism.
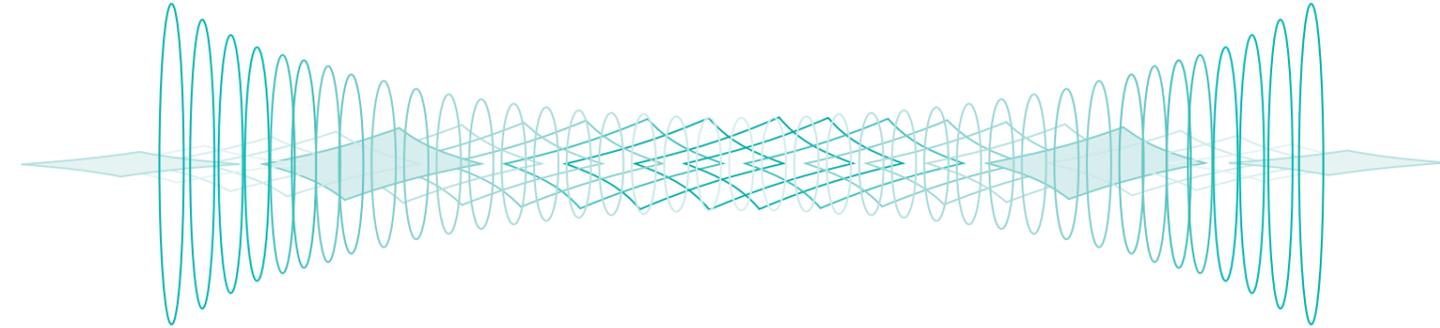
Economic effects

8.5   Indicators of the economic effects of tourism activity in the local area are likely to include estimates of local income, jobs and business linkages. The direct measurement of tourism activity, especially of tourism expenditure, presents only a partial picture of the economic impact of the tourism activity in an area:

- The gross *direct* economic impact of tourism is the total value of tourism spending in the area. This covers the 'front-line' effects, looking at tourism spending in hotels, restaurants, shops, taxis, ie any business that receives visitor expenditure directly. The net direct impact however needs to take into account the value of goods and services that are imported into the area in order to supply the tourist with goods and services.

- *indirect* effects arise from the generation of economic activity by subsequent rounds of expenditure *(eg as hotels purchase food and drinks from local suppliers and use the services of local laundries, builders, banks, utility companies etc)*. Not all these effects will arise in the local area since some such expenditure will go to suppliers elsewhere in the region or nationally.

- *induced* effects arise from the spending of income accruing to local residents from wages and profits during the direct and indirect rounds

- *leakages* of expenditure out of the local economy: such as savings and taxation, as well as the costs of imports of goods and services from outside the area already mentioned above

- *opportunity costs:* to take into account the cost of using scarce resources for tourism as opposed to alternative uses, as for example spending on the provision of tourist information centres, car parking and other facilities used by visitors. When tourism substitutes one form of expenditure and economic activity for another, this is known as the displacement effect.

- *investment activity* arising from capital investment in new facilities for visitors by private or public sectors (which also involve some consideration of opportunity cost).

8.6   These are complex issues. There is guidance from HM Treasury on economic impact assessments (details of guidance in the context of regeneration projects are given in notes for further reading). Employment effects are similarly difficult to measure precisely, but one simple approach is to track employment in 'tourism related industries' (see the practical guide).

Table 1

Supply side items	Key variables *(see practical guide for definitions and classifications)*
Stock of tourism accommodation	Number of establishments on reference dates *(eg open peak/low seasons)* Capacity *(number of bed places or units)*
Visitor attractions	Number open on reference dates
Tourist services	Number of tourism information centres, information points, accommodation booking agencies, travel agencies and tour operators
Resident population	At reference dates; may be used to estimate the number of inbound visits to friends and relatives in the area

Table 2

Demand side items	Key variables *(see practical guide for definitions and classifications)*
Inbound trips	By month of departure from area, length of stay, purpose of visit, home location, main mode of transport used to reach area, transport used within area, main type of accommodation used while in area
Domestic trips	By month of end of trip, length of stay away from home, purpose of visit, home location, transport used within area, main type of accommodation used while away from home
Arrivals at tourism accommodation	By month, type of accommodation: separately for overseas, other inbound and domestic arrivals
Nights spent at tourism accommodation	By type of accommodation; separately for overseas, other inbound and domestic arrivals
Occupancy rates	Separately for hotels *(and similar establishments)* and for other collective accommodation establishments
Tourism spending	In total in the area, and for main components *(accommodation, travel, catering, admission charges, other)*, separately for package trips and for all other trips
Inbound tourists *(people not trips)*	Profiles such as sex, age, life cycle stage, socio economic group
Domestic tourists *(people not trips)*	Profiles such as sex, age, life cycle stage, socio economic group

9. Check list of data that may be available locally

9.1 Stock of tourist accommodation

- National or regional tourist board listings of all known establishments: these listings are usually in the form of computer print-outs showing the name and address of each establishment and its number of rooms and beds. There are separate reports for self-catering and camping establishments and for group accommodation such as youth hostels and university residences. The computer data are usually incomplete and require to be checked against tourist guides, Yellow Pages in some cases, and personal knowledge gleaned from industry contacts and TICs.

- Establishments should be categorised according to size and type so as to identify business use, special characteristics such as coach parties or patronage by golfers, or rating classification.

- Establishments should also be analysed by months of opening so that the seasonal pattern of bed stock availability is clear.

Key point: No comprehensive list of accommodation is universally available; therefore you need to consult all sources to ensure that your local list of accommodation is as comprehensive as possible. This should be done at least annually.

9.2 Occupancy rates

- Occupancy rates should be obtained from the regional or national boards that run the occupancy surveys. These should be discussed with the supplier. Rates are not necessarily available down to local areas. You need to check that the available rates are appropriate for your area. They will not be accurate if your accommodation mix is markedly different from across the area for which the rates were derived.

- Appropriate occupancy rates can be applied to the bed stock each month to establish the tourist nights (done separately for each category of accommodation).

9.3 VFR (Visiting friends and relatives)

- The size of the local population needs to be established and its ethnic and other characteristics considered.

- National surveys, such as UKTS, can be used as a guide to the pattern of VFR, but the attractiveness of the your area as a leisure destination must be taken into account when setting the incidence of VFR visiting at the local level.

9.4 Day visiting

- Extensive listings can be accessed of all known tourist attractions and events, including sporting events and festivals. Listings are relatively easy to source. It is more difficult to find data on attendance. The national tourist boards undertake annual visitor attractions surveys but these generally do not cover one-off events or festivals.

- Traffic count data can be obtained from highway authorities and other organisations, such as the National Parks, which can contribute to the overall day visitor analysis.

- Local visitor surveys should be obtained and comparison made with similar surveys elsewhere but the special features of each area must be considered. Local visitor surveys can provide information on profile characteristics. However, it is relatively costly and difficult to gather data on total volume and value. In effect you need to set up a statistical cordon around an area and survey a representative sample of people crossing the cordon.

- In practice, as many sources of information as possible should be sought (eg trends in enquiries at TICs) to build up a local picture.

Key point: Day visits are difficult to define and to measure. Estimates of day visiting can be made, using sources such as those outlined above. Wherever possible, figures for your area should be compared and corroborated by comparison with the results for similar areas. Day visitor numbers should be monitored monthly.

9.5 Staying visitors: tourist nights and tourist numbers

- You need to bear in mind that the number of tourists staying during a given period is not the same as the number of bed nights that are counted or estimated: length of stay is relevant in order to identify the number of different tourists.

- Average length of stay is provided from some occupancy surveys. Comparisons can be usefully made with national surveys for benchmarking.

9.6 Rates of daily expenditure by tourists

- Capturing the average spend per day (for day visitors) or per night (staying visitors) through tourist surveys is complex. There is some information available from the national surveys on the composition and level of spending, which can be adjusted using local information. Note that national survey data on spending may include spending on travel to and from a destination area. The average spend per night will not necessarily be the same as the average spend within a local area per night.

- Alternatively, local estimates can be built up by applying local prices to the known volume of visitor traffic. For example, hotel tariff information can be obtained from tourist guides and checked by telephone research so as to establish levels of discounting from rack rates. *(In some cases it is vital to consider the use of different tariffs for weekdays and for weekends).* This can then be applied to the tourist numbers staying in hotel accommodation.

- Visitors staying overnight in your area may spend time outwith the area and so this should be taken into account. Similarly, you may have inflows of day visitors, who stay overnight elsewhere, to add into the consideration.

9.7 Traffic implications

- Mode of transport used within the area, as well as to travel to and from the area, must be considered. These may vary according to the type of tourist. National survey results might give some indicators, if local surveys are not available.

- One specific variable needed is the average party size per car, coach etc, if the only counts available are of vehicles or of visitor numbers. Special surveys can be conducted to establish the distribution of numbers of people per vehicle.

9.8 Employment

- Some sub-regional estimates of numbers employed in tourism-related industries are available from NOMIS (National Online Manpower Information System) at the University of Durham. Some data are available quarterly from NOMIS, which allows the marked seasonal patterns in tourism employment to be taken into account.
- There may be local business surveys which give average numbers of core staff per type and size of establishment. Employment can be estimated by applying these averages to the local stock data.

- In the main local area tourism models, adjustments are made to adjust the core staff in accordance with occupancy percentages above certain thresholds. This takes account of the times when temporary or part-time staff will be required.

- Employment resulting from tourist expenditure upon food and drink, recreation and leisure, shopping and transport, is more the stuff of 'multipliers' than direct estimation *(discussed further in the practical guide in the pack).*

Some useful addresses and suggestions for further reading

1. Some useful addresses

1.1 The two main suppliers of local area tourism models are:

Geoff Broom Associates – The Cambridge Local Area Tourism Model
contact – Geoff Broom
Geoff Broom Associates
Youldens Haberton Ford, Totnes, Devon, TQ9 7TR
Tel: 01803 868 628
Fax: 01803 868 240

Global Tourism Solutions (UK) Ltd – The Scarborough Tourism Economic Activity Monitor (STEAM)
contact – David J James
Managing Director
Global Tourism Solutions (UK) Ltd
2 Barleycroft, Filey Road, Scarborough, North Yorks YO11 3AR
tel: 01723 506 310
fax: 07070 605530
email: gtsuk@link-connect.co.uk

**1.2 Advice on local area tourism models is also available from:**

Barrie Foster & Associates
The Old Coach House, Mathry, Haverfordwest, Pembrokeshire SA62 5HB
Tel/fax: 01348 831 081

Centre for Leisure and Tourism Studies (CELTS), University of North London
277–281 Holloway Road, London N7 8HN
tel: 0171 753 5065
fax: 0171 753 5051

Centre for Urban and Regional Development Studies (CURDS),
University of Newcastle, Claremont Bridge, Newcastle Upon Tyne NE1 7RU
tel: 0191 222 8014
fax: 0191 232 9259

Institute for Employment Research – The Local Economy Forecasting Model
University of Warwick, Coventry CV4 7AL
tel: 01203 523 523
fax: 01203 524 241

School of Management Studies, University of Surrey
Guildford, Surrey GU2 5XH
tel: 01483 259 656
fax: 01483 259 387
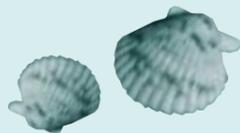
School of Service Industries, Bournemouth University
Talbot Campus, Fern Barrow, Poole, Dorset BH12 5BB
tel: 01202 595 158
fax: 01202 595 228

Department of Hospitality and Tourism Management, Napier University of Edinburgh
Craighouse Road, Edinburgh EH10 5LG
tel: 0131 455 6234
fax: 0131 455 6190

This is not an exhaustive list and you may find it helpful to contact local universities and colleges if they are not listed above. They may provide advice on the local economy generally, if not on tourism specifically.

1.3 Contacts on local area tourism statistics at the Department for Culture, Media and Sport and at the national tourist boards are as follows:

Paul Allin
Chief Statistician
Department for Culture, Media and Sport
Room 601 HH, 2–4 Cockspur Street
London SW1Y 5DH
tel: 0171 211 2843
fax: 0171 211 2807
email: paulallin@compuserve.com

Brian Hay
Head of Research
Scottish Tourist Board
23 Ravelston Terrace
Edinburgh EH4 3EU
tel: 0131 332 2433
fax: 0131 343 2023
email: brian.hay@stb.gov.uk

Stewart Rigby
Head of Market Research
English Tourist Board
Thames Tower, Black's Road
London W6 9EL
tel: 0181 563 3052
fax: 0181 563 3058
email: srigby@etb.org.uk

Steve Webb
Director of Research & Corporate Planning
Wales Tourist Board
Brunel House, 2 Fitzalan Road
Cardiff CF2 1UY
tel: 01222 475 224
fax: 01222 475 323
email: stevew@tourism.wales.gov.uk

Pamela Wilson
Research Manager
Northern Ireland Tourist Board
St Annes' Court, 59 North Street
Belfast BT1 1NB
tel: 01232 895 517
fax: 01232 240 960

1.4 **NOMIS** is the Office for National Statistics' on-line labour market database, containing information on employment, unemployment, Jobcentre vacancies, population etc. It is run under contract by the University of Durham. For further information contact:

ONS – 0171 533 6114/6086   Durham – 0191 374 2468

1.5 **The Data Archive** is located at the University of Essex. It is the largest national resource of computer readable copies of social science and humanities data in the UK. For further information on depositing surveys or for obtaining survey data, please contact:

The Data Archive
University of Essex
Wivenhoe Park
Colchester
Essex CO4 3SQ

Tel: 01206 872001
Fax: 01206 872003
Email@ archive@essex.ac.uk
URL: http://dawww.essex.ac.uk

2. Suggestions for further reading

2.1 **The material in this guidance drew from a number of sources including:**

"Measuring the Local Impact of Tourism" a report for the British Resorts Association by Victor T C Middleton, March 1996, ISBN: 0 9528123 04 (£45)

"Modelling Local Area Tourism Statistics: a report to the Department for Culture, Media and Sport and the UK National Tourist Boards" by Robert Gilchrist and Judy White, University of North London Research Report, 1998

"Local tourism information: guidelines for market research" a report for Scottish Enterprise by System Three Scotland, May 1994

"Recommendations on Tourism Statistics" United Nations and World Tourism Organisation, UN Statistical Papers, Series M No. 83, New York, 1994, ISBN: 92-1-161362-0

"Community methodology on tourism statistics" Eurostat, European Commission, Office for Official Publications of the European Communities, Luxembourg, 1998, ISBN: 92-828-1921-38 (ECU 26)

"Tourism principles and practice" Chris Cooper, John Fletcher, David Gilbert and Stephen Wanhill, Longman Group, 1993, ISBN: 0-582-28694-8 (£19.99)

"Survey research practice" Gerald Hoinville, Roger Jowell and associates, Heinemann Educational Books, 1982, ISBN 0 435 82418 X (£4.95)

"Harmonised Concepts and Questions for Government Social Surveys", Government Statistical Service, Office for National Statistics, London, 1996, ISBN 1 85774 233 8 (£10)

"Harmonised Concepts and Questions for Government Social Surveys – update December 1997", Government Statistical Service, Office for National Statistics, London, 1998, ISBN 1 85774 262 1 (free)

"Standardised Questions for Tourism Surveys", Scottish Tourist Board, Edinburgh, 1997, ISBN 0 85419 524 6 (£15)

2.2   Further discussion of economic impact assessments and of policy evaluation can be found in:

"A framework for the evaluation of regeneration projects and programmes", Housing and Urban Policy team, HM Treasury, London, January 1995

"The economic impact of recreation and tourism in the English countryside", Report of joint Rural Development Commission/Countryside Commission study by Geoff Broom Associates and Cambridge Policy Consultants, Published by Rural Development Commission, Salisbury, 1997

"Measuring the impact of festivals: guidelines for conducting an economic impact study", Prepared by the National Centre for Culture and Recreation Statistics, Australian Bureau of Statistics, Published by the Statistics Working Group of the Cultural Ministers Council, April 1997, ISBN 0 642 27105 4

"An Evaluation of Garden Festivals", Report by PA Cambridge Economic Consultants and Gillespies for Department of the Environment, Inner Cities Research Programme, HMSO, London, 1990, ISBN 011 752279 1

"Use or ornament? The Social Impact of Participation in the Arts", François Matarasso, Comedia, Stroud, 1997, ISBN 1 873667 574

"How the Arts Measure Up: Australian research into social impact", Deidre Williams, Comedia, Stroud, 1997, ISBN 1 873667 426

2.3   Reference volumes mentioned in the text include:

"Visits to Tourist Attractions 1997", prepared by Max Hanna for BTA/ETB Research Services, London, May 1998 (£19.50)

"The ONS classification of local and health authorities of Great Britain" by Merryl Wallace and Chris Denham, London: HMSO, 1996, ISBN 0 11 6916540 (£34.95)

"European Classification of UK Geographic Areas: New regional structure for the United Kingdom", Office for National Statistics, News Release ONS (98) 199, 29 June 1998. Office for National Statistics, 1 Drummond Gate, London SW1V 2QQ (telephone public inquiries: 0171 533 6363)