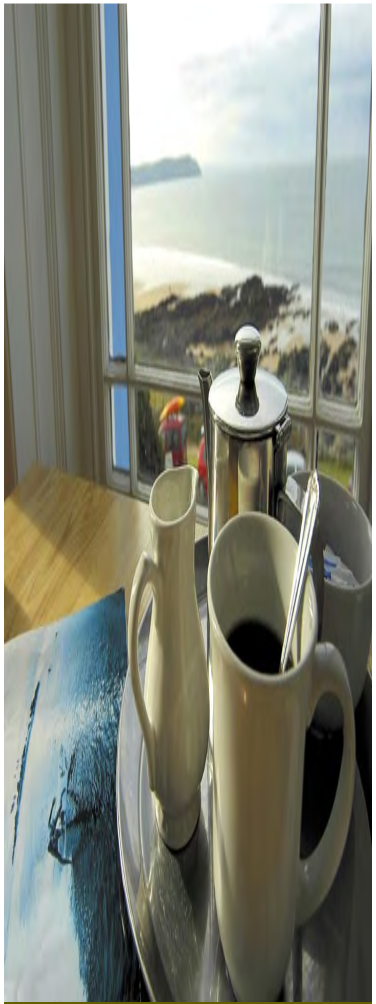
THE VALUE OF TOURISM TO THE SOUTH WEST ECONOMY IN 2005

South West England

PREFACE



Preface

The requirement for this research originates from the result of a comprehensive audit of available data to local authority partners carried out by the South West Regional Research Group (RRG). The RRG identified the lack of comparative and robust data available at the regional, sub-regional and local level as a barrier to evidence-based strategic planning and decision-making. The first ‘Value of Tourism’ report was published in 2003 (2001 data) and was the initial step in providing the required levels of data. It was subsequently agreed that the project should be repeated every two years to track changes and build up trend data. The second report was published in 2005 (2003 data).

As was the case with the 2005 report, this, the third ‘Value of Tourism’ report, has been funded by county and district tourism departments across the South West with the exception of one county, Gloucestershire, and fifteen districts who did not wish to participate. Subsequently no individual figures for Gloucestershire or the other districts who did not wish to participate have been published.

THE VALUE OF TOURISM TO THE SOUTH WEST ECONOMY IN 2005

Executive Summary of key outputs

THE VALUE OF TOURISM 2005 – SOUTH WEST HEADLINE FIGURES

Total number of trips (Day & staying visits)	114,219,000
Total visitor related spend	£8.9 billion
Total employment (FTE's)	196,000
Total employment (Estimated actual)	264,000
Proportion of total regional employment	11%

THE VALUE OF TOURISM 2005 – ALL STAYING VISITORS

	Trips (millions)	Nights (millions)	Spend (millions)
South West Region	23.4	100.8	£4,710
Cornwall	4.4	25.27	£1,094
Devon	6.6	31.51	£1,365
Dorset	4.02	16.35	£858
Former Avon	2.9	10.33	£525
Gloucestershire	1.83	6.96	£351
Somerset	2.77	10.99	£460
Wiltshire	1.53	6.4	£260

THE VALUE OF TOURISM 2005 – DAY VISITORS

	Trips (millions)	Spend (millions)
South West Region	90.83	£3,727
Cornwall	9.33	£382
Devon	18.92	£784
Dorset	13.72	£551
Former Avon	18.78	£819
Gloucestershire	10.53	£417
Somerset	9.28	£373
Wiltshire	10.27	£400

THE VALUE OF TOURISM 2005 – BREAKDOWN OF VISITOR EXPENDITURE

	Spend (millions)	%
Accommodation	£1,679	20%
Shopping	£2,096	25%
Food & Drink	£2,537	30%
Attractions/ Entertainment	£920	11%
Travel & Transport	£1,206	14%

INTRODUCTION

South West England

Introduction

THE SOUTH WEST IN CONTEXT

With more than three quarters of the South West[1] region's land area used for agriculture, two National Parks, fourteen Areas of Outstanding National Beauty and more than 60% of the UK's Heritage Coast, the South West's landscape, its coastline, rural countryside and unique culture, undoubtedly plays a vital role in its special character and attractiveness to visitors and residents alike.

Population

The region has an estimated population of approximately 5 million (2005), living at the lowest density of all English regions but with significant variation across the region from the more peripheral parts of the far South West to the urban conurbations of Bristol, Bournemouth/Poole and Plymouth. Amongst English Regions, population growth is expected to be fastest in the South West, South East and East of England.

The South West also has the oldest age structure of all English regions with the age profile set to become increasingly elderly. The proportion of residents of retirement age is forecast to increase from 21% in 2002 to 45% in 2021. The number of residents aged 60 and over increased by 17% between 1981 and 2004 at twice the national rate. These changes have important implications for the allocation of public resource, particularly within the fields of health and welfare. The changing consumer habits of this age group as well as levels of disposable income will also influence tourism. While little is known about the incomes of older people in the region, personal incomes amongst residents' aged 65 and over are slightly lower in the South West than for England as a whole.

[1] Throughout this document 'South West' refers to the area covered by Cornwall and the Isles of Scilly, Devon (inc. Torbay), Somerset, Former Avon (Bristol, Bath, North Somerset and South Gloucestershire, know as the West of England), Wiltshire, Dorset and Gloucestershire.

Introduction

Economic Structure

The value of tourism in the South West is, of course, a subset of the overall South West economy, and the South West economy is as diverse as its environment and cultural legacy. Within the economy there are considerable disparities in employment, income and productivity and in broad terms, the former Avon area (Bristol, Bath and North East Somerset, South Gloucestershire and North Somerset – also known as the West of England) has a more robust and dynamic economy than the more peripheral counties of Cornwall and the Isles of Scilly, and Devon. For example, while the South West has a high rate of employment compared to UK and European standards, the highest rates of employment are in the east and the lowest in the west. However, the distribution of areas within the South West that rank within the most deprived 10% in England (of which there are 98) shows a different spread of access to economic wealth and opportunities. Bristol has 41 of the 98 and Plymouth 19, Swindon 7, Weston-Super-Mare 6, Bournemouth 4 and Gloucester also 4. Collectively, these most deprived areas contain about 2.7% of the region's population.

Productivity

The South West's contribution to the English economy, in terms of productivity as measured by Gross Value Added, GVA, was £78.7 billion in 2004. This represents 7.8% of the UK total.

Significant intra-regional disparities are observed, where low levels in the more peripheral parts of the South West are the main factor underlying the relatively low productivity in the South West as a whole. That the SW has the lowest *labour* productivity levels of all the English regions is of special significance to tourism, which currently remains one of the South West Regional Development Agency's eight key sectors for its relative lack of productivity but continued significance to the South West economy and therefore potential to generate economic growth.

Introduction

Labour Market

Retaining an increasingly skilled workforce within the sector (and more generally) will be crucial to improve the region's contribution to the UK economy and for the South West to effectively compete with leading UK and EU regions. Equally important, will be improvements in the levels of adult literacy and numeracy, where 14% of adults in the SW are currently estimated to lack basic literacy skills (in line with the national average) and 49% lack basic numeracy, a higher proportion than is typical elsewhere.

Despite shortages in basic skills, levels of employment continue to be high and the region's labour markets offer good opportunities for rewarding employment to residents. With a total resident labour force of just over 2.5 million, the South West has the shortest average working hours among the English regions at around 34 hours per week. Average earnings again vary significantly across the region, where in some unitary authority and county council areas (particularly Torbay, Cornwall & the Isles of Scilly, Devon and Plymouth) average earnings are well below regional and national averages.

Affordable Housing

Given the increasing average property prices in very recent years (outstripping increases in most other regions outside London and the South East), the above situation with respect to earnings may have special significance. Indeed, the Joseph Rowntree Foundation has identified that, with the exception of London, access to affordable housing was more difficult in the South West than in any of the other English Regions. That the SW has the highest number and percentage of second homes of all English Regions is also important and remains a concern for tourism in balancing the needs of resident communities and visitors.

Introduction

Travel

Travel is an equally important issue with respect to tourism given that it is an inherent and yet currently unsustainable aspect of the sector, all the while travel remains associated with carbon emissions that reduce air quality and contribute to climate change. Over 25% of journeys made by South West residents are for holiday or leisure purposes, and whereas levels of walking and cycling are the highest in the country, use of public transport is relatively low with rates of car ownership high. This despite the excellent rails links in parts of the region, including a Paddington-Plymouth service with a journey time of less than three hours.

The continuing rise in car ownership is creating pressure and congestion on the region's transport network and, as such, the increase in visitors is also putting pressure on the main transport routes, especially to the south west and south east of the region. The busiest sections of the South West road network, particularly during peak season, are the M4 and M5 motorways.

The largest airport in the region is Bristol Airport, handling over 4.6 million passengers in 2004. Passenger numbers have grown significantly in recent years, with a new terminal opened in March 2000 and the launch of the Bristol – New York flight route at the end of May 2005 . Bournemouth remains the region's principal airport for freight, handling over 5.5 thousand tonnes of freight in 1997. Smaller regional airports are also important to the South West including those at Exeter, Plymouth and Newquay.

There are also a number of major ports within the South West. Portbury and Avonmouth are Bristol's two main ports, concentrating on the import and export of cars, forest products and bulk cargo, such as animal feeds. Plymouth and Poole ports primarily deal with ro-ro traffic and provide important linkages to France, Spain and the Channel Islands. Fowey, Par, Teignmouth and Falmouth are also important regional ports for freight transport.

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Energy, Waste and Climate Change

The impact of travel on the region’s environment and its contribution to climate change is of course, of considerable and increasing cause for concern, as reflected in the raised priority of sustainable tourism regionally, nationally and locally and that the main environmental focus for the transport sector has been to reduce carbon emissions.

Current predictions for the South West predict that by the 2050s, the region will become 1.0 to 2.5 degrees warmer, winters will be 5 to 15% wetter with more frequent deep winter depressions increasing the risk of flooding. Consequences for tourism may pose both opportunities and threats with the longer more reliable summers and warmer winters likely to help extend the tourist season but rising sea levels and flooding potentially threatening some of the region’s beaches and coastal and riverside amenities. The region’s heritage could also be threatened by both increased volume of visitors and the direct impacts of climate change.

Within a shorter time frame, the South West Regional Assembly predicts that most of the region’s landfill sites will be filled in average of eight years. The generation and disposal of waste hence remains a key issue for the region, as does the development of renewable energy schemes, to which Local Authorities are responding with increased opportunities and ease of household recycling and the drive to develop renewable energy schemes. Tourism obviously has an important role to play here with the increased waste and demand for energy associated with temporary increases in the South West population as visitors holiday in the region.

Introduction

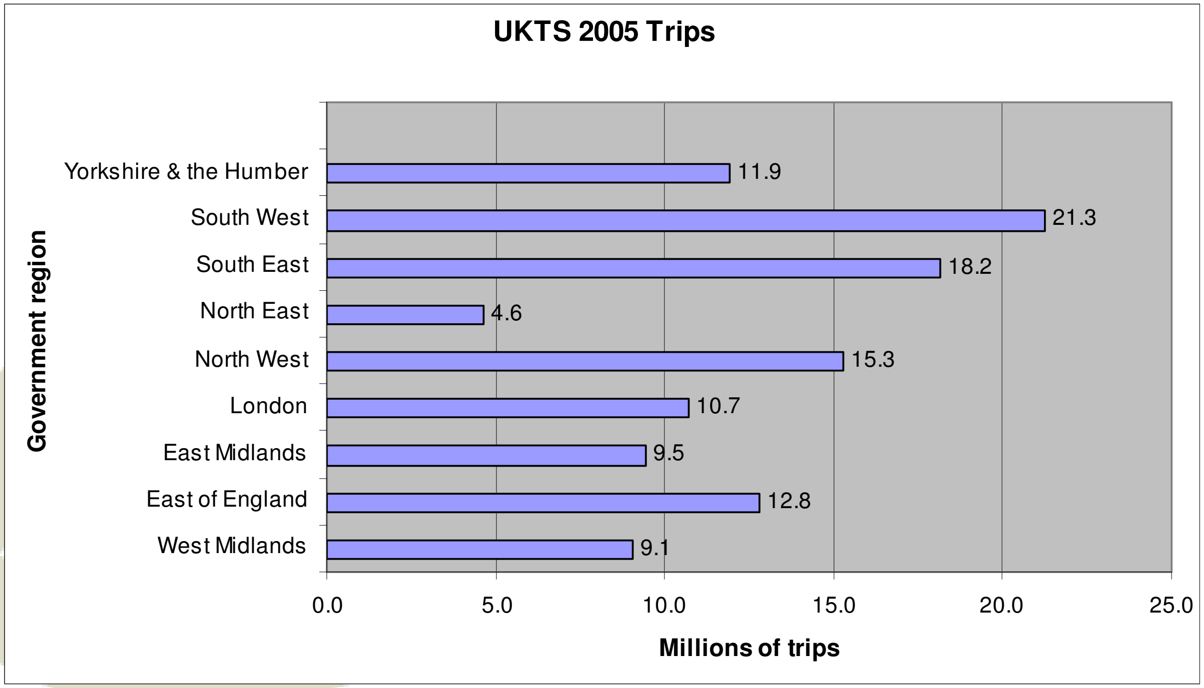
Summary

Given the significance of all of the above issues, it should be stressed that the economic contribution of tourism needs to be evaluated alongside the social, cultural and environmental impacts alike and although the focus of this report is on the considerable economic contribution of tourism, the inherent linkages in tourism between heritage, the environment and culture, give special relevance to interpreting and applying information on the economic contribution of tourism within its broader context with temporary increases in the South West population as visitors holiday in the region.

Introduction

THE SOUTH WEST PRODUCT

There is one undeniable fact about the South West in relation to the United Kingdom's tourism industry. It is Britain's foremost holiday destination. For example, according to the UK Tourism Survey, UKTS, UK residents alone made 21.25 million trips to the South West in 2005, surpassing all other English regions (and Scotland and Wales) by some margin.



Indeed, a large part of the commercial landscape of the region is concerned with, and devoted to, satisfying the needs of visitors as consumers. From rural B&Bs, inns and country hotels marketing local produce, to the expansion in 'adventure sports' activities' such as surfing, spending by visitors supports jobs, local businesses and local infrastructure.

Introduction

A few key facts are:

• The South West is the UK's premier holiday destination, with UK residents alone making 21.25 million trips in 2005.

• In 2005, the South West had three entries in the UK top twenty major paid attractions list, namely Eden Project, Stonehenge and Roman Baths. The South West also had at least two entries in the top ten UK attractions for each of nine different attraction category types.

• Approximately half of the regions attractions (48%) are museums/art galleries, historic houses/ castles or other historic sites.

• At the end of 2005, there were approximately 146,653 serviced accommodation bedspaces, 19,004 self catering units and 77,963 touring caravan/camping and static pitches.

Introduction

The Countryside

All parts of the region benefit from attractive inland rural areas and, arguably, the region is better endowed in this respect than other regions of England. The relationship between the landscape, public access, agriculture and tourism is important across the region and was vividly demonstrated by the Foot and Mouth Disease (FMD) crisis in 2001. Compared with AONBs, National Parks and the rural coast, the South West countryside tends to rely on villages, towns and more specific individual visitor attractions and activities. There are many significant visitor attractions such as historic houses, gardens, farm-based attractions and some theme parks. Inland water, such as the Cotswold Water Park and the reservoirs of Devon and Cornwall, also provide a focus of recreational activity. Some areas have generated visitor interest through the designation and promotion of walking and cycling trails, such as in South Somerset and parts of Wiltshire.

Protected Landscapes

The South West is well off for protected landscapes, having two National Parks and 14 Areas of Outstanding National Beauty (AONBs), which together make up 37% of the region's land area. Such protected countryside can be found in every county and highlights include the Cotswolds (the largest individual AONB in England) the fine, protected countryside from East Devon to West Wiltshire, encompassing most of rural Dorset, and the National Parks of Dartmoor and Exmoor. The appeal of protected areas is clear. Consumer studies consistently underline the importance of fine countryside as a primary motivation for visitors as demonstrated in the recent South West Tourism study of Consumer Satisfaction (2004) in which unspoilt countryside was ranked by visitors as one of the greatest strengths of the region and was particularly important as a motivation to visit.

Introduction

Seaside Resorts

South West resorts vary from quiet and refined (Sidmouth) to more lively (Newquay) and, in general, resorts offer an intensive, lively and busy experience geared to fun, entertainment and activities. Resorts have particular appeal for family holidays and older people with coach holidays remain an important source of business within some older markets. Having said this, younger, more active visitors may show greater interest in resorts than most destinations in the region because of the appeal of nightlife, entertainment and activities, such as surfing. Indeed, day visits are an important market for resorts, with some resorts and coastal areas attracting huge numbers during the summer months.

Rural Coast

The region has the highest ratio of coastline to land area in the UK, the highest number of coastal and marine Special Areas of Conservation (49) and Special Protection Areas (59), and has approximately 11,300 known and unknown wreck sites recorded on the National Monuments Register Maritime Record. Coastal scenery and fishing villages provide the quintessential images of Cornwall and to some extent Devon and, by reflection, the South West. There are spectacular cliff top stretches, safe sandy bays and wide beaches regularly punctuated by small coastal villages. The South West Coast Path is a world-class attraction and amenity that includes the recently designated UNESCO World Heritage Site of the East Devon and Dorset, 'Jurassic' coast. The coast is likely to provide long lasting appeal for visitors, and its conservation and nurture is an essential prerequisite to the success of tourism in the region.

Introduction

Towns and Cities

The South West has relatively few large towns and cities compared with other regions, but a plentiful supply of attractive small towns (including the smaller cathedral cities such as Wells, Salisbury and Truro). Of course, the inherent attractiveness and distinctiveness of towns and cities varies from place to place and varies with their cultural and historic legacy, but in general, there has been significant growth in the appeal of cities and larger towns for short breaks both internationally and within the UK. In part, this has been built around vibrant nightlife, cultural and arts facilities and events programmes and restaurants. A number of cities, however, have developed and are developing significant attractions that help to generate the appeal. Smaller towns are often attractive places for visitors to spend time, providing a mixture of heritage, culture and specialist shopping in areas such as Wells or Dorchester. Indeed, market towns are seen as generators of economic growth in rural areas, and as such have been the focus of support for sustainable development initiatives by the Countryside Agency and Regional Development Agencies.

Attractions

The historic landscape of the South West is second to none and the attraction sector of the South West's tourism industry is strongly heritage led. Whilst 48% of attractions in the South West are museums/art galleries, historic houses/castles or other historic sites the region also has a diverse range of other types of attractions. Indeed, in 2005, the South West had three entries in the UK top twenty major paid attractions list, namely Eden Project, Stonehenge and the Roman Baths. The South West also had at least two entries in the top ten UK attractions for each of nine different attraction category types.

Introduction

There is a particularly high concentration of museums and heritage attractions in the north of the region, notably in Bristol and Bath. Garden attractions are a strong feature in Devon and Cornwall. Together these two counties contain 39% of all garden based visitor attractions in the South West region including high profile attractions such as the Eden Project, The Lost Gardens of Heligan, Trebah Garden Trust and Tregrehan. Devon has the largest number of attractions in the South West region and is also well off in terms of the distribution of types of attraction, accounting for around 30% of the region's farm attractions, steam/heritage railways, natural heritage attractions, historic houses/castles, workplaces and wildlife attractions/zoos. Cornwall has the highest concentration of historic/archaeological sites, accounting for 32% of the total number in the South West region. Cornwall also contains the highest number of leisure/theme parks, accounting for a third of the region's total.

Accommodation

The starting point for quantifying the volume of accommodation in the South West is to examine the TRIPS database for the South West region. TRIPS is the most comprehensive source of information on tourism accommodation and has been used within this report to assess the available stock of accommodation by district, county and region. However, it provides no more than a partial picture, sometimes over and under estimating enterprise numbers and capacity across counties and by types of accommodation and location. Indeed, taking the region as a whole, it is estimated that TRIPS may underestimate serviced accommodation by between 5% and 10% (though it will overestimate it in some places) and may underestimate non-serviced accommodation by up to 20%.

Introduction

Retail and food and drink establishments

The retail and tourism sectors are mutually interdependent. Retail outlets service the needs of visitors and tourists and day visitors from home can provide the majority of the market for many shops, especially in more popular tourist destinations. Food and drink is also an integral part of the tourist experience and is often closely interwoven with the shopping trip experience. A report published in 2001 for MAFF (now DEFRA) found that between 61-69% of holiday makers and visitors felt that food in general made a positive contribution to their holiday, while 39% said that it contributed 'a lot'. Between 32% and 66% of tourists purchase or eat local foods during their visit. The most popular venues for eating out are: pubs (64%), tearooms (43%), café and snack bars (32%), and fish and chip shops (31%). The importance of these activities is confirmed by national statistics on visitor spending. In 2005, 18% of domestic visitor spending was on eating out and 10% on shopping.

Introduction

MEASURING TOURISM

Within the next few chapters, we have sought to paint as comprehensive a picture as possible of the economic position of tourism in the region in 2005, analysing data on volume and value relating to every county and district in the region with the exception of Gloucestershire county and a number of other districts throughout the region*.

Uniquely, it draws together evidence from a number of sources but presents it as a coherent whole. Clearly, the scale and diversity of the 'tourism product' makes quantification a challenge, but one of the principal aims of this document is to identify the direct and indirect contribution of the tourism industry to the South West economy covering all spending associated with domestic, overseas and day trips in the region.

* This survey was made possible due to the financial contributions from local authorities across the region. Estimates of the value of tourism have been omitted in the report where a given county or local authority decided, for whatever reason, against making a financial contribution for their own area's data to be produced. These areas included: Gloucestershire county, The Isles of Scilly, Kerrier and Restormel, East Devon, Mid Devon and Plymouth, West Somerset and Kennet and West Wiltshire districts.

Therefore estimates of the value of tourism for Gloucestershire county and for the districts listed above have *not* been included in this report. However, the overall South West estimates *do* include the Gloucestershire data and a combined summary of the value of tourism has been produced where two or more districts did not participate in any given county.

Introduction

Definition of Tourism

This report is the second of two to describe the value of tourism to the regional and sub-regional economies of the South West. The first report recognised that, in order to estimate the value of tourism, we need to consider ‘what is tourism’ and does a ‘tourism industry’ exist? There continues to be no easy answer to these questions and indeed, different definitions are developed, applied and used for different purposes. For this report the definition used is consistent with that put forward by the United Nations and World Tourism Organisation in their Recommendations of Tourism Statistics (1994) i.e.

“The set of activities of a person travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

Essentially this is a demand-side definition. In other words, tourism is defined according to the activity of the consumer, the tourist.

It should also be noted that tourism is not an industry in the conventional sense of the word. The tourism product is not simply created out of a conventional production process. Rather, the tourism industry serves our needs while we are away from our ‘usual environment’ by providing a wide range of products and services. Hence, tourism-related businesses are situated in and provide employment across a wide range of occupations and industrial sectors. It is through this process that tourism provides income for local households, businesses and suppliers and has an impact on the regional, sub-regional and district economies.

Introduction

Modelling Tourism

In order to capture the importance of these wide varieties of activities, this report uses a specifically designed mathematical model (the Cambridge Model) to estimate the volume and value of tourism and associated employment impacts. Both direct and indirect impacts are captured. For example, where spending by tourists employs people in accommodation establishment, attractions, shops and food outlets etc, these **direct impacts** on the local economy are recognised by the model. Tourism also contributes indirectly to the local economy in two important ways. First, the businesses benefiting directly from visitor spending make purchases from local suppliers (**indirect**), and second household incomes resulting from direct and indirect employment will stimulate further demand for local goods (**induced**). Both types of estimate are recognised and supplied by the Cambridge model.

This report then summarises the Cambridge Model data to provide an estimate of the contribution of tourism to the South West economy in 2005. Building on and using a methodology that is consistent with the report on the economic value of tourism in 2003 and 2001, certain key statistics are generated at the regional, sub-regional (county) and district level.

As in 2003 & 2001, the data provides better integration between the big picture and detail on the ground. This ensures local businesses and tourism bodies can obtain clear intelligence about the performance of their area in comparison with others, whereas regional practitioners benefit from a broader understanding of what lies behind averages and headline figures.

Introduction

Tourism and Culture

Tourism is an essential economic component of the 'cultural sector' and is one of six broad sectors within the remit of the Department of Culture Media and Sport, DCMS. The sectors are 'archives, libraries and museums', 'arts and creative industries', 'entertainment (gambling and betting)', 'heritage', 'sport', and 'tourism'. Collectively, these sectors, not least tourism, face a similar set of challenges, notably that there are no shared definitions, systems and methodologies for measurement. In addition, conventional techniques for measurement are difficult to apply due to the complex and fluid nature of these sectors.

In this context, the DCMS sought to develop an agreed set of guidance for measuring and defining the cultural sector. In late 2002, this culminated in publication of the Regional Cultural Data Framework (RCDF) which now forms the core of the DCMS Evidence Toolkit, DET [1]. In large part, the methodology behind this report takes its lead from the RCDF the aim of which was 'not to impose a 'one size fits all' model' for the collection and development of regional statistics but, rather, to establish good practice for producing core data.[2] In this respect, the current analysis follows recommendations with regard to core data sets and mathematical modelling, and seeks to widen the analysis to include tourism activities that might also be integrated into other cultural sector domains (such as visits to museums).

[1] DCMS Evidence Toolkit – DET – Technical Report. Available at http://www.culture.gov.uk/global/research/statistics_frameworks_and_guidance/default.htm

[2] A User's Guide, p.1.

Introduction

Using Standard Industrial Classifications

The robust sources used in this analysis and outlined in the next section form part of the standardised framework recommended by RCDF and later, the DET. However, in a departure from the published guidance, this report does not include use of the Standard Industrial Classifications (SIC) or Standard Occupation Classifications (SOC). There are a number of key reasons for this omission:

• Whereas tourism and the cultural sector is defined by consumption and intended use i.e. using demand-side indicators, SIC are defined by output and product i.e. tourism supply e.g. the activities of 'tour agents, tour booking and operators', and 'operation and maintenance of tourist infrastructure (including accommodation, theme parks and visitor attractions)'.

• Despite a number of revisions since initial publication, the SIC codes still obscure and hide cultural activities. Tracking cultural activities using SIC is hence very difficult as much activity is buried within generalised categories which cannot be further distinguished and which may include mainly 'non-cultural' activities.

• Even where data is available on the numbers of businesses serving tourism in each of the SIC categories identified as relating to tourism, the accuracy of the data is compromised through exclusion of data on self-employment and limited data on Small and Medium-Sized Enterprises. This point was highlighted in the 2001 Economic Value of Tourism Report where preliminary analysis using data from National Statistics' Interdepartmental Business Register and the SIC codes recommended by RCDF suggested that there were just over 4,000 tourism businesses in the South West that could be defined as involved in tourism. However, at the time, South West Tourism alone had 4,300 members.

Introduction

Despite these issues, previous reports have grappled with them and are available making for illuminating comparison to the figures published in the current report and in the 2003 and 2001 Economic Value data reports. Most recently, the State of the Key Sectors [1] published core data on Gross Value Added (a key measure of productivity) of tourism and leisure, employment and earnings, numbers of business sites, investment and trade activity, occupation and age and qualifications and skills. While most estimates are considerably lower than equivalent figures in the current report, an element of the discrepancy is accounted for by the different methodologies employed. In addition, the definition of Tourism and Leisure used in the State of the Key Sectors is necessarily narrower than that used in the current report. Notwithstanding these discrepancies, together, both reports yield a fuller perspective on the role and value of tourism to the South West regional and sub-regional economies.

[1] State of the Key Sectors, SWRDA, 2004. Available at www.southwestrda.org.uk - 'what we do', then click on 'introduction'

Introduction

Tourism Satellite Accounts

Internationally, Tourism Satellite Accounts (TSAs) are the endorsed methodology for measuring tourism. TSAs use both demand-side and supply-side data for the economic measurement of tourism and have been trialled and adopted in a number of countries. Within the UK, DCMS led and has recently published results of a *TSA First Steps Project* for England [1], which sought, as far as possible, to bring together all available economic data for tourism and recommend subsequent steps in development. Findings are to a great extent in line with significant work already completed by other parts of the UK and highlighting difficult challenges at the regional level in TSA work. At sub-regional level, due to the lack of sufficient available data, a TSA is not feasible.

In parallel to the *First Steps Project*, DCMS conducted a National Statistics Review of Tourism Statistics (2004) since which an implementation plan has been jointly developed in order to prioritise the 66 recommendations put forward to improve the quality and timeliness of tourism data. However, while the Review called for substantial additional expenditure (£8 million per annum) all indications are that only a substantially smaller sum might be made available[2]. This may allow for 'low cost wins' to progress toward the production of future TSAs, however the absence of TSAs for English regions may well persist for a good number of years. In this context, the Cambridge Model remains as robust an alternative as available and is in line with the most up to date guidance from DCMS.

[1] UK Tourism Satellite Account, First Steps Project. At http://www.culture.gov.uk/global/research/statistics_outputs/uk_tsa_fsp.htm

[2] Review of Tourism Statistics and Implementation Plan. Available at http://www.culture.gov.uk/global/publications/archive_2004/Review_Tourism_Statistics.htm

Introduction

THE CAMBRIDGE MODEL - OUTLINE

As the National Statistics Review of Tourism Statistics concluded, no data sources are infallible, particularly for tourism. Surveys are subject to statistical error; Standard Industrial Classifications were not created for nebulous concepts such as tourism; piloted regional accounts do not provide sufficient detail; mathematical models are estimates. That said, the strength of the approach outlined below is that it is consistent with and makes use of the most robust national surveys available, uses the most comprehensive databases available of tourism businesses in the South West and is based on a regional mathematical model that allows consistent comparison across local authority areas.

Essentially, the model uses a number of primary data sources (listed overleaf) which measure both demand of tourism (consumer/tourist behaviours) and the supply of tourism products in the region. These data are available to different geographies. For example, the UKTS is published for counties whereas the accommodation stock data is usually maintained and can be generated at a local level for individual districts.

At the beginning of the process, South West Tourism, Districts and County Councils scrutinise the primary data through a process of collaboration, whereby a final set of data is agreed that is considered to be the best representation of that location, at the geographic levels available. The flow chart at the end of this section illustrates the process that has been undertaken, including collaboration with district authorities on estimates of known accommodation stock.

Introduction

Primary Data Sources used by the Cambridge Model

- United Kingdom Tourist Survey (UKTS) 2005
- International Passenger Survey (IPS) 2005
- United Kingdom Day Visits Survey (UKDVS) 2005
- South West Tourism TRIPS (accommodation capacity) database
- UK Occupancy Survey data 2005
- Local data on language schools, second homes and boat moorings
- Visits to Attractions data (2005 where available)
- Annual Survey of Hours and Earnings (ASHE) 2005
- Local employment totals from Labour Force Survey

The agreed sets of primary data are then brought together and modelled to produce outputs i.e. estimates of the value of tourism at three geographic levels: regional (South West); sub-regional (county); and district. The estimates produced are outlined in more detail below and include trips, nights and spend by day and staying visitors, generation of employment, business turnover and Gross Value Added, GVA.

Introduction

Key Statistics for the Region, Sub-Region and Districts

- Trips, nights and spend by domestic (UK) visitors
- Trips, nights and spend by overseas visitors
- Day visit trips and spend
- Direct, indirect and induced employment supported by staying (domestic and overseas) visitors
- Direct, indirect and induced employment supported by tourism day visitors
- Total business turnover arising from business activity
- Local wage income generated by visitor spending
- Gross Value Added (GVA) arising from business activity

In order to estimate the volume of trips, nights and spend by UK and Overseas Staying Tourists in Districts across the region and to estimate trips and spend by Tourism Leisure Day Visitors, the approach undertaken is as follows:

- Where, sub-regional or county data is already published at regional or county level (e.g. UKTS, IPS, UKDVS), these figures are constrained i.e. the Cambridge Model estimates (outputs) will be the same as the published figures
- Trips, nights and spend are then matched to equivalent supply/capacity of accommodation
- Accommodation capacity is modified by variations in district or county occupancy to reflect greater use in some areas
- District estimates are produced from county profiles and are then constrained to the published county figures so that district estimates total the county values.

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It should be noted that in addition to spending associated with tourist trips, additional spending, and therefore impact, arises from second home ownership and boat maintenance and spend by hosts of friends and relatives. This is also estimated by the model.

Further estimates of the value of tourism are also produced as follows:

- Business turnover in tourism related businesses estimated directly from tourism spending
- Proportion of turnover estimated using wage costs
- Full Time Equivalent (FTE) jobs estimated at district level calculated from New Earnings Survey data
- Actual jobs estimated from the relationship between FTE and actual in different sectors and locations
- Proportion of business turnover estimated on local purchases of suppliers and services varied by character of district
- Indirect jobs in suppliers derived from average turnover per job in supplier firms supported by tourism related business spend and from indirect tourism spend (second homes or boats for example)
- Income induced jobs arising from spending of wages by direct and indirect employees
- Wage income generated in the local area
- Gross Value Added

Introduction

The method outlined above is unique to the South West. However, use of the Cambridge model has been a regular occurrence throughout the region and elsewhere in England, and there may be a temptation to compare the 2005 data presented here with other local reports.

The 2005 South West Economic Value of Tourism Report is *NOT* directly comparable with the 2001 and 2003 reports. Both the UKTS and ELVS surveys have undergone changes in methodology in 2005 making figures for domestic tourism, day visits and subsequently any combined visitor totals, employment figures etc incomparable with the previous reports. The only figures contained within the report, which are directly comparable with previous reports, are for overseas visitors. We hope that the new improved methodologies for the UKTS and ELVS surveys will now be consistent for a number of years allowing us to generate robust, comparable data in future reports.

Finally, as per 2003 and 2001, the research process was undertaken with detailed consultation with each of the sub-regions and districts in the South West. Figure One describes the iterative process undertaken to agree primary data and final outputs of the model. For example, accommodation capacity and attraction estimates were checked by tourism professionals on the ground and incorporated into the model (Local Knowledge).

Introduction