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Stratford on Avon District

Tourism Economic Impact Assessment

2009

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FINAL REPORT

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STRATFORD ON AVON TOURISM ECONOMIC IMPACT ASSESSMENT 2009

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Introduction

The Economic Impact Assessment of tourism in Stratford on Avon has been undertaken using a model developed by Geoff Broom Associates in partnership with the Regional Tourist Boards and has been compiled and written by The Research Solution, an independent market research agency.

The assessment focuses upon the estimates of the overall volume of visits undertaken to the district in 2009, expenditure in the local economy and the number of jobs that are dependent upon tourism.

The Economic Impact Assessment considers localised data such as the average accommodation occupancy levels and visitor numbers to the District's tourism attractions. Therefore, the assessment includes the most current localised information available (primarily 2009). The national survey data that forms the Cambridge Economic Impact Assessment Model's key driver template is based on 2009 results.

This much more sophisticated version of the Cambridge Model features of a number of enhancements. These include:

- ◊ inclusion of impact of second homes, marinas/ boat moorings and paying guests in private homes e.g. language school host families
- ◊ analysis of impact of other types of 'non-trip expenditure' associated with tourism e.g. spending by local residents hosting friends and relative stays, expenditure on second homes and boats
- ◊ more detailed economic impact analysis
- ◊ use of more detailed data on local occupancies, wage rates etc to inform local data outputs

The Cambridge model is an estimate of trips / nights / spend by visitors to a specified area. Throughout the report there are some references to 'visitors'. This is purely for descriptive purposes, outlining the type of visitors who make trips to the area. Visitors are in essence making trips to the area, but of course these visitors can make more than one trip to any area throughout the course of the year. It is important to remember that estimated volume (trips and nights) to a specified destination IS NOT an estimate of visitor numbers but an indication of the number of trips made and the number of nights spent in that area.

Limitations of the Model

The methodology and accuracy of the above sources varies. The results of the model should therefore be regarded as estimates which are indicative of the scale and importance of visitor activity in the local area. It is important to note that in the national tourism surveys the sample sizes for each area changes year on year. This is as a result of the random probability nature of the methodology. **As such, the results of the Cambridge Model are best viewed as a snapshot in time and we would caution against year-on-year comparisons.**

It should be noted that the model cannot take into account any leakage of expenditure from tourists taking day trips out of the area in which they are staying. Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

Rounding

All figures used in this report have been rounded. In some tables there may therefore be a slight discrepancy between totals and sub totals.

Data sources

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

- United Kingdom Tourism Survey (UKTS) providing information on tourism activity by UK residents;
- International Passenger Survey (IPS) providing information on overseas visitors to the United Kingdom;
- Day Visits in Great Britain Survey using information on visits lasting more than 3 hours and taken on an irregular basis
- The New Earnings Survey (which provides information on wage levels by industry sector and region);

These surveys provide information down to a regional level. In order to disaggregate data to a local level the following information sources are used:

- Records of known local accommodation stock held by regional and sub-regional bodies;
- Surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions within their area;
- Registrar General's estimates of resident population as based on the 2001 Census of Population

Staying Visitors

The UKTS data provides information on the total number of trips to the region and the relative proportions using different types of accommodation. By matching these figures to the supply of such accommodation, the regional average number of trips per bedspace or unit of accommodation can be derived. The IPS data provides information on the total number of trips by overseas visitors to the region. The primary purpose of the IPS data is to measure trends and spending at UK level. It is often used to understand inbound tourism at a regional level too, but users of the data should be advised that sample sizes are often low and this data is weighted upwards to reflect passenger flows through airports etc. which can exaggerate the effect of the small sample sizes. Additionally, the variability in nights data further exaggerates this effect – a visitor can stay for 3 nights or for 300 nights, so clearly when this data is weighted upwards by a three or four digit weight then this can cause large skews in the data. Therefore, results should be treated with due caution.

Volume and Value of Tourism Staying Visits

Overall, 2009 was a positive year for domestic tourism and reported an increase in the number of trips taken in the UK, following a difficult year in 2008 which was thought to have been affected by the economic recession which became evident in the second half of the year. This increase witnessed in 2009 was due to a rise in demand for domestic holiday trips during the year as people took holidays closer to home. Trips increased by 7% with a similar increase in bednights (5%). Although spending was also seen to increase, this was to a lesser extent with an increase of 4%, although it must be recognised that this does not take account of inflation.

Day Visitors

Information on day trips at the regional level is available from the Day Visits in Great Britain survey. The survey includes all leisure-related trips from home. It should be noted that a large proportion are local trips made by people resident in the locality. The model uses information from the survey to estimate the number of longer day trips (defined as those lasting at least 3 hours and involving travel of more than 20 miles) and irregular trips lasting more than 3 hours.

Volume & Value of Tourism Day Visits by main destination

The latest England Day Visitor survey (2005) shows that there were an estimated 0.87 billion tourism trips from home in England. This is a 5% decrease on 2002/03. Approximately 77% of these trips were made to inland towns or cities (71% in 2002/03). 16% were to the countryside (22% in 2002/03) and 7% to the seaside / coast (7% in 2002/03). The total value of expenditure on Tourism Visits according to the same report was approximately £37.4 billion. This was up 21% in real terms from the 2002/03 figure of £30.8 billion. The average expenditure on regional tourism visits to an inland town/city (£46.20) is estimated to be higher than the expenditure on coastal / seaside trips (£26.15) and on countryside trips (£29.77).

Impact of tourism expenditure

This model also examines the impact of the tourism expenditure in terms of the direct, indirect and induced expenditure as well as an estimate of the actual jobs (both direct and indirect) supported by tourism expenditure in the area.

Evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover – for example, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place at the origin of the trip as the destination. Therefore the model assumes that only 40% of travel expenditure accrues to the destination area.

Number of full time job equivalents

Having identified the value of turnover generated by visitor spending, it is possible to estimate the employment associated with that spending. Wages for staff and drawings for the proprietors will absorb a proportion of that turnover. By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average costs by business sector, adjusted to take account of regional differences, can be calculated (the Visit Britain publication, Employment Generated by Tourism in Britain was also used). After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

Number of Actual Jobs

The model generates estimates of full time equivalent jobs based on visitor spending. However, the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending. In general, the conversion factor varies around 1.5 in those sectors.

The indirect and induced jobs arise across a much wider range of employment sectors. Therefore, the average 1.16 for all sectors based on Census of Employment data has been used to convert full time equivalent jobs in this sector to actual jobs.

The employment estimates generated by the model include both self employed and employed people supported by visitor expenditure. The model also includes an estimate of the additional jobs arising in the attractions sector, which are not related to visitor expenditure. However, the numbers do not include other tourism-related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences, maintenance sections and jobs arising from capital investment in tourism facilities.

Types of Visitor

The two main types of visitor that the Tourism Economic Impact Assessment is based around are:

a) **Day Visitors:** The "day out" market - visitors who start their journey from home outside of the District and return there on the same day. It includes independents and groups.

b) **Overnight Visitors:** Those visitors who spend one or more nights in Stratford on Avon. This sector of the market includes those staying with friends and family as well as those using commercial accommodation.

Specific sectors of the whole visitor market include segments other than those on holiday for pleasure. These include:

* **Visiting Friends & Relatives** - VFR movements include friends and family making visits from anywhere in the country to anywhere within Stratford on Avon. This type of visitor can either be a day, touring or overnight visitor.
* **Educational tourism** - includes language schools, field courses and short courses in vacations at academic institutions. These mainly occur outside of normal college term time, where more residential accommodation is available.
* **Business visits** - generally a higher spending segment, for a specific purpose, primarily for business/ conference/ exhibition purposes, rather than 'pleasure' led.

1.0 VOLUME OF TOURISM

1.1 Introduction

The key drivers for the Model are the known accommodation stock available and the occupancy levels achieved.

The accommodation database has been compiled in conjunction with the client, utilising local knowledge in order to produce a comprehensive count of actual known stock available in Stratford on Avon. The following stock includes all known accommodation including National Accommodation Scheme as well as eligible and non-eligible establishments.

Accommodation Stock in Stratford on Avon	
◊ Hotel / guesthouse/inns	6,033 bedspaces
◊ Bed & Breakfast/Farms	357 bedspaces
◊ Self Catering	150 units
◊ Touring caravans/tents	350 pitches
◊ Static vans	80 pitches
◊ Group accommodation	239 bedspaces
◊ Second homes	363 units
◊ Marinas	170 berths

NB - Second homes data is based on the 2001 Census: Language schools data based on 'English in Britain' and the Yellow Pages.

1.2 Overnight Visits to Stratford on Avon

Application of occupancy levels to known stock provides estimates of the number of visits or trips to the district, a trip being any length of time stay away from home. The Occupancy Survey of serviced accommodation together with Regional data provides the UK/Overseas split. The table below presents the number of overnight trips (not length of stay) made to commercial serviced and non-serviced accommodation in Stratford on Avon.

Table 1: Overnight Trips by Commercial Accommodation

	UK	%	OVERSEAS	%	TOTAL	%
Serviced accommodation	957,000	**93%**	57,000	**81%**	1,014,00	**92%**
Self Catering	17,000	**2%**	3,000	**4%**	20,000	**2%**
Touring caravans/tents	21,000	**2%**	1,000	**1%**	22,000	**2%**
Static vans/holiday centres	4,000	**0%**	-	**-**	4,000	**0%**
Group/campus	3,000	**0%**	1,000	**1%**	4,000	**0%**
Paying guest	-	**-**	1,000	**1%**	1,000	**0%**
Second Homes	1,000	**0%**	1,000	**1%**	2,000	**0%**
Boat moorings	19,000	**2%**	-	**-**	19,000	**2%**
Other	5,000	**0%**	7,000	**10%**	12,000	**1%**
Total	**1,028,000**	**100%**	**70,00**	**100%**	**1,098,000**	**100%**

NB – 'other' includes overnight trips in, boats, religious missions, transit accommodation etc

NB – tables may not add up exactly due to the rounding of the figures in the model

In addition to visitors who use the commercial forms of accommodation presented above, there are a proportion who stay overnight with friends or relatives in the District (VFR). Estimates of overnight visits to friends/relatives are based upon the regional average of trips generated per head of resident population, which is around 1.2 trips per head of population.

The population of Stratford on Avon is estimated to be approximately 118,900 (ONS population estimate census data 2009). The table below indicates the proportion of commercial trips compared to VFR trips generated by the local population. Around 8% of all overnight trips stay with friends and family, which is significantly below the regional average of 46%.

Table 2: All Types of Overnight Trip		
Commercial	1,098,000	92%
VFR	100,000	8%
Total	**1,198,000**	**100%**

The total number of overnight trips to Stratford on Avon in 2009 is above the level achieved in 2006, when a total of 1,014,000 trips were recorded to the district.

1.3 Purpose of Overnight Visits to Stratford on Avon

The table and chart below indicate the breakdown of all 1,198,000 trips made to the area by purpose of visit.

Table 3: Purpose of Overnight Visits to Stratford on Avon

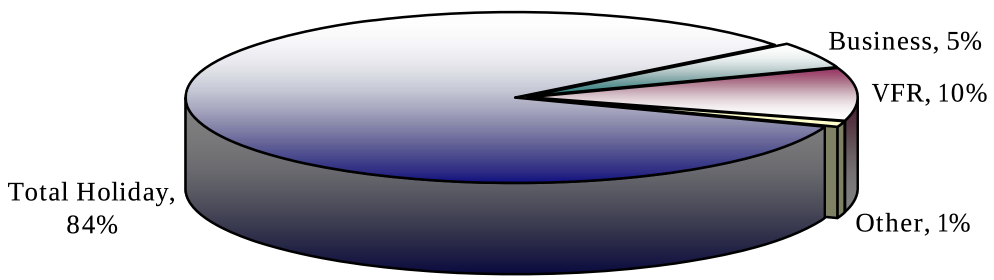
	Domestic	%	Overseas	%	Total	%
Total holiday	956,000	86%	56,000	62%	1,01200	84%
Business	45,000	4%	15,000	17%	60,000	5%
VFR	98,000	9%	16,000	18%	114,000	10%
Other	9,000	1%	4,000	4%	13,000	1%
Total	**1,108,000**	**100%**	**90,000**	**100%**	**1,198,000**	**100%**

NB - tables may not add up exactly due to the rounding of the figures in the model

NB - 'other' includes study

Over the full year, overseas visits account for around 8% of all overnight trips to the District. For the overnight visitor market as a whole, visitors on holiday accounts for 84% and those visiting friends or relatives represent 10% of visits.

Figure 1: Purpose of Overnight Visits



There is a variation between the purpose of trip and accommodation used in the case of VFR. Of the 1,198,000 trips made to the District, 114,000 (10%) were for the primary purpose of visiting friends/relatives. In terms of the potential accommodation used, the figure is lower at 100,000 showing that in Stratford more visitors have identified visiting friends/relatives as their prime motivation but have used other methods of accommodation.

1.4 Bednights Generated by Purpose of Visit

Research into the District's visitor markets has shown that different sorts of visitors stay for different lengths of time and that their levels of expenditure vary according to the length and purpose of visit. The figures below are currently based upon regional and district averages by the various sectors.

In 2009 the total number of nights spent in Stratford on Avon amounted to 2,631,000 dominated by visits for holiday purposes (81%) and those visiting friends or relatives (12%). This is above the level witnessed in 2006 when a total of 2,508,000 visitor nights were spent in Stratford on Avon.

Table 4: Bednights Generated by Purpose of Visit

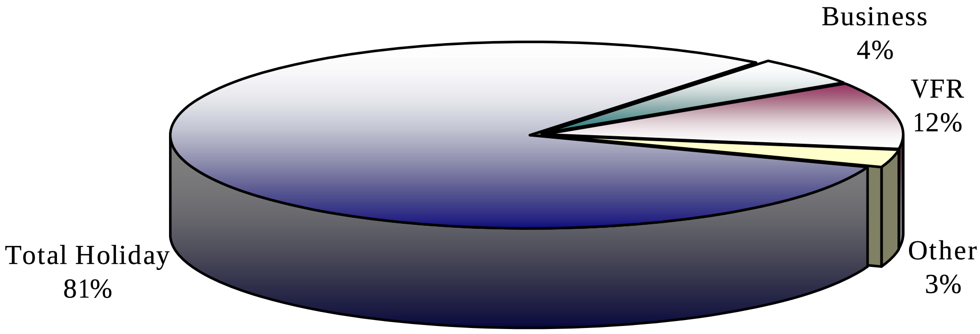
	Domestic	%	Overseas	%	Total	%
Total holiday	1,954,000	87%	178,000	49%	2,142 ,000	81%
Business	75,000	3%	33,000	9%	108,000	4%
VFR	206,000	9%	100,000	27%	306,000	12%
Other	22,000	1%	52,000	14%	74,000	3%
Total	**2,267,000**	**100%**	**364,000**	**100%**	**2,631,000**	**100%**

NB - table may not add up exactly due to the rounding up/down of figures
NB - 'other' includes study

Around 14% of all visitor nights spent in Stratford on Avon are from overseas visits. This has decreased from 2006, when 23% of all visits were from overseas. However, it should be noted that the overseas IPS data when used at district level is based on a very low sample and therefore results should be treated with caution.

The chart below indicates the percentages of all bednights generated by purpose in Stratford on Avon during 2009.

Figure 2: Bednights Generated



1.5 Day and Overnight Visits to Stratford on Avon

Segmenting the visitor market according to the type of trip being made to an area is very important. The two most obvious markets are:

Overnight - Visitors who stay overnight in Stratford on Avon.
Day Visit - Visitors who start their trip from home and return there on the same day.

In the case of a destination such as Stratford on Avon, it is not surprising to find that all day visitors are UK residents. The overnight market contains a domestic and overseas element.

An estimate of the number of day visits is made by using the ratio of resident to non-resident visitors to all attractions, numbers of visits to attractions, local population; the distance from other population centres and other sources of day visitor behaviour based upon the 2006 United Kingdom Day Visits Survey.

The basis for day visiting is for irregular day visits, which last for three hours or more and are taken on an irregular basis, not for example, regular weekly shopping trips. There is no distance factor involved, thus 'irregular day visitors' include infrequent theatre or attraction visits, lasting over three hours, including local residents. These proportions are translated into total numbers of visits in table 5 below.

Table 5: Total Number of Trips to Stratford on Avon

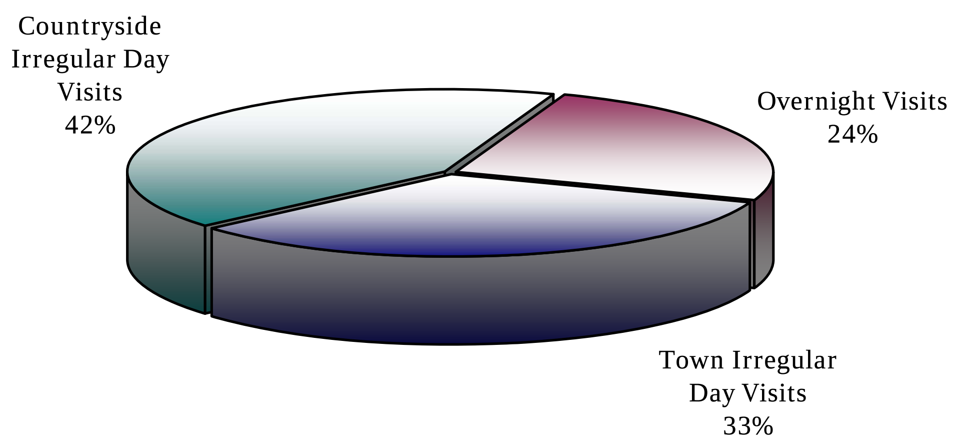
	Domestic	Overseas	Total	%
Overnight Visits	1,108,000	90,000	1,198,000	24%
Town Irregular Day Visits	1,631,000	N/A	1,631,000	33%
Countryside Irregular Day Visits	2,062,000	N/A	2,062,000	42%
Total	**4,801,000**	**90,000**	**4,891,000**	**100%**

Irregular day trips are defined as those lasting 3 hours or more but taken on an irregular basis without distance travelled as a defining factor.

Approximately 4.9 million trips were undertaken in Stratford on Avon, comprising around 3.7 million day visits and 1.2 million overnight visits.

The chart below indicates the total breakdown of visits.

Figure 3: Visitor Distribution



1.6 Visitor Flows in Stratford on Avon

Taking the days spent by day visitors together with the expenditure from overnight trips provides an overall figure for visitor flows. The 1.2 million staying trips in the area equate to approximately 2.6 million nights spent in Stratford on Avon itself.

The breakdown of the visitor market by trips and days spent in Stratford on Avon is shown below and is compared with the County trips and days.

Table 6: Visitors – Trips & Days

	Trips made to Stratford on Avon	Trips made to Warwickshire	Days Spent in Stratford on Avon	Days Spent in Warwickshire
Day Visitors	3,693,000	10,492,000	3,693,000	10,492,000
Overnight Visitors	1,198,000	3,264,000	2,631,000	7,319,000
TOTAL	4,891,000	13,756,000	6,324,000	17,811,000

2.0 VALUE OF TOURISM

2.1 Introduction

Having established the volume of visitor days to Stratford on Avon, it is possible to then estimate the total value of tourism expenditure. The per head expenditure data is generated by national tourism data (UKTS/IPS) disaggregated down to regional level. The regional data for 2009 has been applied to the different types of visitor days spent in the District. The total expenditure generated by visitor trips in 2009 is estimated to be **£335 million,** compared with £314 million generated in 2006.

2.2 Spend per Head

The expenditure total for each party of visitors is divided by, the number of people concerned in order to provide an average spend per head. The average spend per head per trip is shown in table 7 below, showing the variations by purpose of visit and UK/Overseas, from the regional sources of information.

Table 7: Spend per Head per Trip

	Domestic	Overseas
All Holidays	£155.04	£234.82
Business	£204.69	£257.07
VFR	£87.38	£247.50
Other	£912.89	£357.67
Study	-	£2,355.00
Irregular Day Town Visits	£46.20	-
Irregular Day Countryside Visits	£29.77	-

NB - 'other' includes holiday and business trips where the interviewee has not specified the dominant factor for the trip.

The above table displays the spend per head per trip. However, when looking at spend per head per night, the figures are more reflective of the proportion of spend by visitors. The expenditure total for each party of visitors is divided by, the number of nights concerned in order to provide an average spend per head per night. The average spend per head per night is presented in the table below, showing the variations by purpose of visit and UK/Overseas, from the Regional sources of information.

Table 7a: Spend per Head per Night		
	Domestic	**Overseas**
All Holidays	£75.47	£73.88
Business	£122.81	£116.85
VFR	£41.57	£39.60
Other	£373.46	£89.42
Study	-	£58.88

2.3 Overnight Visitor Spend

Applying the above rates per capita spend to the overnight sectors produces a substantial impact for the leisure/holiday and business markets.

Table 8: Overnight Visitor Spend				
	Domestic	**Overseas**	**Total**	**%**
Holiday	£148,221,000	£13,150,000	£162,371,000	81%
Business	£9,211,000	£3,856,000	£13,067,000	7%
VFR	£8,563,000	£3,960,000	£12,523,000	6%
Other	£8,216,000	£1,073,000	£9,289,000	5%
Study	£0	£2,355,000	£2,355,000	1%
Total	**£174,212,000**	**£24,394,000**	**£198,606,000**	**100%**

NB -table above may not add up exactly due to the rounding up/down of figures

The largest area of spend is 81% by visitors on holiday trips, with 7% spent by those on a business visit.

2.4 Day Visitor Spend

For irregular day visits the figures are broken down using regional irregular spend figures.

Table 9: Irregular Day Visitor Spending			
Irregular town day trips	1,631,000	@ £46.20 per trip	£75,346,000
Irregular countryside day trips	2,062,000	@ £29.77 per trip	£61,400,000
TOTAL	**3,693,000 trips**		**£136,746,000**

NB - aggregation of sectoral spending by day visitors may mean that rounding has occurred.

2.5 Total Expenditure by Market Sector

Total expenditure by the main markets is shown below.

Table 10: Overnight and Day Visitor Expenditure		
Overnight	£198,606,000	59%
Day Visitor	£136,746,000	41%
TOTAL	**£335,352,000**	**100%**

NB - figure includes all transport/travel associated with trip but excludes revenue expenditure which is not directly related to the trip, i.e. maintenance of second home or spend on boats etc.

Table 10a: Total Spend - Regional Comparisons	
Stratford on Avon	**£335,352,000**
Warwickshire	**£940,687,000**

The table above shows how Stratford on Avon District compares to Warwickshire as a whole. Stratford on Avon District generates approximately 36% of the county tourism spend.

2.6 Distribution of Visitor Spending

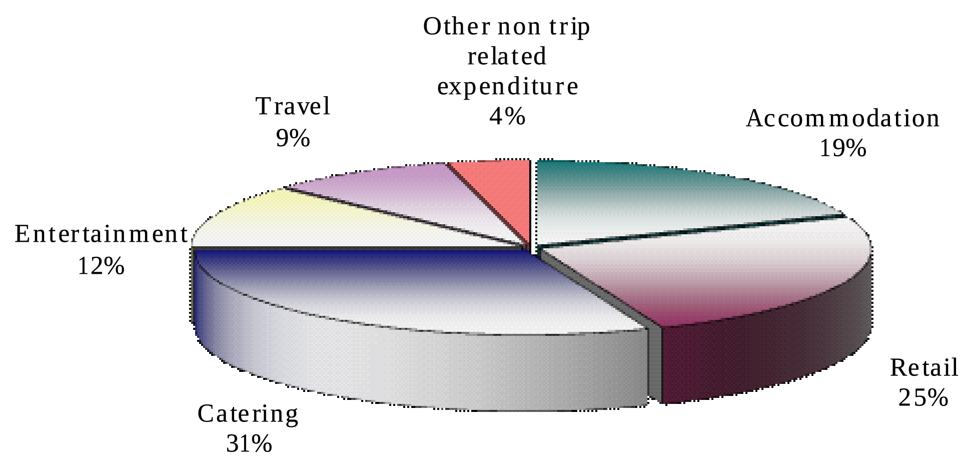
The visitor spend (including day and overnight visits) has been allocated across the main sectors of the local tourism economy based upon regional proportions. This includes accommodation, retail, catering, entertainment and transport.

Table 11: Distribution of Visitor Spending		
Accommodation	£63,637,000	**19%**
Retail	£80,362,000	**25%**
Catering	£99,825,000	**31%**
Attraction/Entertainment	£40,427,000	**12%**
Transport	£30,659,000	**9%**
Other non trip related expenditure	£12,035,000	**4%**
Total	**£326,945,000**	**100%**

NB - figures may not add up exactly due to rounding

NB - total spending excludes 40% of transport/travel which is assumed to have taken place outside of the District. Total does include other expenditure associated with tourism activity

Figure 4: Distribution of Visitor Spending



The major receiving sectors of all tourism spend are catering £99 million (31%), retail £80 million (25%) and accommodation £64 million (19%).

2.7 Business Turnover

Visitor expenditure adds to the turnover in tourism related businesses in direct receipt of tourism spending. Thus spending on accommodation will mainly benefit hotels, guest house, caravan and camp sites and other commercial establishments. However, some spending on shopping takes place in attractions, while a proportion of eating and drinking takes place in hotels and pubs which fall within the accommodation sector and at attractions. Some loss of spending also occurs in relation to travel in that a proportion of the visitor spending occurs at the origin of the trip or en-route rather than at the destination, as for instance the purchase of train or bus tickets.

Tourism related businesses in turn spend money on the purchase of supplies and services. Insofar as these supply businesses are within the District, then additional business turnover is created.

The total business turnover generated in Stratford on Avon is estimated to be £421,750,000 or, turnover of over £421 million, **including** any additional business income arising from induced effects arising from employee spending. If we exclude the additional effects from employee spending the total business turnover generated is £326,945,000.

Table 12 below shows the breakdown of business expenditure by sector, **excluding** induced spending

Table 12: Effect of Expenditure on Business

	Staying visitors	Day Visitors	Total
Accommodation	£62,507,000	£1,130,000	£63,637,000
Retail	£36,002,000	£44,360,000	£80,362,000
Catering	£45,006,000	£54,819,000	£99,825,000
Entertainment	£21,112,000	£19,315,000	£40,427,000
Transport	£20,386,000	£10,273,000	£30,659,000
Other non trip related expenditure	£12,035,000	£0	£12,035,000
Total	**£197,048,000**	**£129,897,000**	**£326,945,000**

3.0 EMPLOYMENT

3.1 Introduction

The £335 million spent by visitors directly results in increased turnover in those establishments benefiting from visitor patronage, and therefore supports jobs and incomes in those establishments. Some spending will take place outside the District, notably a proportion of travel spending which will occur at the origin of the trip rather than the destinations. The Model is able to provide an estimate of the jobs that result **directly** from that visitor expenditure and to estimate the indirect and induced multiplier effects on local employment. Induced and multiplier jobs are based on local impacts within Stratford on Avon.

It is estimated that from the tourism expenditure in Stratford on Avon of £335 million, a total of 8,002 jobs are supported by tourism spend, although these jobs are not all provided to residents of the local authority. The following section sets out the different types of jobs, sources of information and methodology used to establish tourism employment.

3.2 Data Sources

The estimates of volume and value of tourism to Stratford on Avon have been based upon research undertaken at the local level, together with regional data from national surveys.

- The breakdown of visitor spending in the local economy by the five main industry sectors is derived from regional analysis.
- The 2001 New Earnings Survey provides information on wage levels by industry sector.
- The Consultants internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies undertaken by Geoff Broom Associates, PA Cambridge Economic Consultants and other researchers in the UK.

3.3 Type of Job

The Model identifies different types of jobs supported by tourism expenditure in each business sector.

Full time job equivalents are established for the following:

- Direct
- Indirect
- Induced

Having established the full time equivalents the Model then takes account of the part time and seasonal employment to provide a total figure for **actual jobs**.

3.4 Direct Full Time Job Equivalents

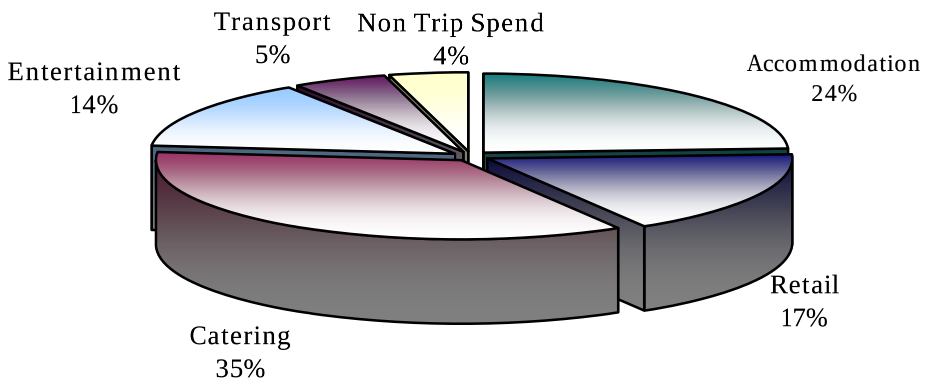
A large proportion of the tourism expenditure (£335 million) will have a direct local effect on businesses and jobs. Money spent by visitors will be absorbed by wages for staff and drawings for the proprietors. The proportion varies by industry sector i.e. wages are likely to be a smaller proportion of costs in retailing compared to accommodation or catering. The Model uses information from the Business database to ascribe an average proportion of turnover taken by wage and drawing costs for each of the industry sectors.

By applying these proportions to the turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average wage costs by industry sector, adjusted to take account of regional differences, can be calculated. After allowing for additional costs such as NI and pension costs, an average employment cost per full time job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job in each sector.

Table 13: Direct Full-time Job Equivalents by Sector

SECTOR	FTEs	%
Accommodation	1,053	24%
Retail	713	17%
Catering	1,515	35%
Entertainment	594	14%
Transport	235	5%
Arising from non trip spend	191	4%
Total Direct FTEs	**4,301**	**100%**

Figure 5: Full Time Equivalent Jobs



The table below details the full time equivalent jobs broken down by day and staying visitors.

Table 14: Direct FTE Jobs by Sector

	Staying visitors	Day Visitors	Total
Accommodation	1,034	19	1,053
Retailing	319	393	713
Catering	683	832	1,515
Attractions/Entertainment	310	284	594
Transport	156	79	235
Arising From Non Trip Spend	191	0	191
TOTAL FTE JOBS	**2,694**	**1,607**	**4,301**

3.5 Actual/Indirect Job Equivalents

In addition to the jobs directly supported by visitor spending there are local incomes and jobs created in local suppliers of goods and services to the businesses receiving the visitors' spending. The number of additional jobs created in the area in this way will depend on the proportion of such goods and services that are bought in Stratford on Avon District opposed to elsewhere in the region or beyond. The additional jobs resulting from the purchase of goods and services are termed **indirect** or linkage jobs.

Using the Business Database the average proportion of business turnover spent on local purchases by sector has been estimated. By applying that proportion to the business turnover arising from visitor spending, an estimate of the local spending on goods and services can be made. Indirect or linkage jobs cover a wide range of sectors i.e. retailers, manufacturers, service providers, banks etc. Examples include a guesthouse purchasing its food supplies from the local grocery store or an attraction employing the services of local accountants or solicitors.

In addition to the direct and indirect linkage jobs are those generated by the income multiplier effects. Income multiplier or induced jobs are those resulting from the expenditure of wages earned in the direct and linkage jobs in Stratford on Avon District. Income multiplier jobs will be spread across the local economy, including retailing, catering and transport as well as public service jobs such as education, health and local government. For example, because a hotel receptionist receives a direct salary from tourism spend, he or she can then 're-circulate' this money into the local economy by spending on purchases from local shops, or services from local trades people.

Adjustments to the Model have been made to take account of local characteristics. Linkage spending is known to vary by type of location and sector i.e. linkages are likely to be weakest in rural areas and strongest in cities. The Model is set up in order that varying averages for the proportion of spend on local linkages can be applied.

The Model generates estimates of Full-Time equivalent jobs based on visitor spending. However, the total number of **actual jobs** will be higher when part-time and seasonal workers are taken into account. One Full-Time Equivalent post may actually support three people, or three jobs - in the form of one person working for 50% of the time and two other people working for 25% of the FTE.

Table 15: Estimated Actual Jobs by Sector			
	Staying visitors	**Day Visitors**	**Total**
Accommodation	1,531	28	1,559
Retailing	479	590	1,069
Catering	1,025	1,248	2,273
Attractions/Entertainment	437	400	838
Transport	220	111	331
Arising From Non Trip Spend	218	0	218
ESTIMATED ACTUAL JOBS	**3,910**	**2,377**	**6,287**

A total of approximately 6,287 actual direct tourism jobs are supported by the existence of the £335 million tourism spend in the District. This spend supports a further 1,716 indirect and induced non-tourism jobs (see below); therefore, making approximately 8,002 jobs supported by the tourism spend in the District.

The Full-Time job equivalents created directly by the tourism expenditure are converted to actual jobs using information from business surveys in the sectors receiving visitor spending (accommodation, transport, etc). The conversion factor varies but is around 1.5 across the sectors, with rather lower ratios with indirect and induced jobs. Thus each FTE job actually has a knock-on effect with the creation of part-time and seasonal jobs.

3.6 Total employment related to tourism spending (estimated actual)

TABLE 16	**Staying tourists**		**Day visitors**		**Total**
Direct	3,910		2,377		6,287
Indirect	856		412		1,269
Induced	393		54		447
Totals	**5,159**		**2,843**		**8,002**

3.7 Total employment related to tourism spending (FTE's)

TABLE 17	**Staying tourists**		**Day visitors**		**Total**
Direct	2,694		1,607		4,301
Indirect	751		362		1,113
Induced	345		47		392
Totals	**3,790**		**2,016**		**5,806**

4.0 CONCLUSIONS

Review

The key volume and value results for Stratford on Avon are derived from the various sources as described throughout the report. These include regional and District breakdowns from national level data (United Kingdom Tourism Survey and International Passenger Survey) as well as jobs and income information such as the New Earnings Survey.

At a local level, the occupancy survey provides accurate local occupancy levels and known accommodation stock.

The key results of the Local Area Economic Impact Assessment for 2009 are:

4.9 million trips were undertaken in Stratford on Avon District **– 3.7 million** day trip, and approximately **1.2 million** overnight visits.

The overnight trips account for a total of **2.6 million nights** in the area.

During their visit to Stratford on Avon, tourists spent approximately **£335 million**. On average, about **£28 million** is spent in the local economy each month.

Overnight visits generated approximately **£198.6 million** in the area, compared with **£136.7 million** from irregular **day trips**.

The 4.9 million trips that occur in Stratford on Avon account for an approximate spend of £335 million on tourism in the Area supporting in the region of **8,002 jobs**, both for local residents from those living nearby. Approximately **6,287 direct tourism related jobs** are supported with an **additional 1,716 non-tourism jobs** dependent upon multiplier spend from tourism.