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THE ECONOMIC IMPACT OF TOURISM ON WINCHESTER DISTRICT

EXECUTIVE SUMMARY

Introduction

This report contains the findings of a study commissioned by Winchester City Council and undertaken by Tourism South East. The overall aim of the research was to provide indicative estimates for the volume, value and resultant economic impact of tourism on the District.

The research involved the application of the Cambridge Tourism Economic Impact Model or 'Cambridge Model': a computer-based model developed by Geoff Broom Associates and the Regional Tourist Boards of England.

The first stage of the model generates indicative estimates of the volume and value of tourism activity including day visitors within a local area.

To produce these estimates, the model utilises information from national tourism surveys and regionally based data held by Tourism South East (see Appendix I for fuller details). The model distributes regional activity as measured in those surveys to local areas using 'drivers', such as accommodation capacity and accommodation occupancy that influence the distribution of tourism activity at the local level.

One of the main national surveys used as data sources in stage one include the United Kingdom Tourism Survey (UKTS) - this survey provides information on tourism activity by UK residents. Due to a methodological review of this survey in early 2004, the data for 2003 was not available to us at the time of undertaking this study. For this reason the figures presented in this report relate to the year 2002.

Overview 2000-2002

The volume and value of tourism to Winchester District in 2002 needs to be set against the wider context of tourism activity over the last few years. The loss of visitors in 2001 due to Foot & Mouth Disease and 9'11 led to a depressed market that spilled over into the early part of 2002. More optimistically, with the benefit of marketing campaigns to win back visitors and excellent weather, the second part of 2002 indicated the starting point towards a road to recovery.

The impacts of national and international events are only to clear in the volume and value figures for England and the South East region¹. Compared to 2001, the region saw a 1.5% increase in domestic trips in 2002. Nationally, domestic trips increased by 2%. Compared to 2000, however, domestic trips actually dropped by 4.8% regionally, and 3.9% nationally. National data for the volume of domestic trips in 2003 and year to date are not yet available².

Changes in overseas trips have been more pronounced. Compared to 2000, overseas visits in 2002 dropped by 6.9% in the region and by 5% nationally.

Table 1: Number of overnight trips for England and Region 2000-2002

Number of overnight trips					
	Domestic visits (in millions)		Overseas visits (in thousands)		
	Region	England	Region	England	
2002	25.5	134.9	3,948	20,393	
2001	25.9	131.9	3,883	19,320	
2000	26.8	140.4	4,245	21,484	

How has Winchester fared? Compared to 2000, the last year for which economic impact figures are available, it is estimated that there has been a 9.5% drop in the number of domestic staying visitors and a 23.6% drop in the number of overseas staying visitors (see tables 3 and 4).

The larger decrease in overseas visits at local level compared to the national picture is in part attributable to the fact that historic towns and cities close to London such as Winchester and Windsor have traditionally attracted a significant volume of overseas visitors and are therefore more vulnerable to the knock-on effects of international events on travel.

The drop in the number of overseas visitors in the District is supported by other indicators. For example, the percentage of overseas guests recorded by accommodation establishments taking part in the Hampshire Tourism Trends Surveyⁱ, showed a decline from 18% in 2000 to

¹ South East region covers Hampshire, Isle of Wight, Buckinghamshire, Berkshire, Oxfordshire, Kent, East Sussex, Brighton and Hove, West Sussex, and Surrey.

13% in 2002. The most recent Winchester Visitor Surveyⁱⁱ also found a drop in the number of overseas visitors to the District (from 46% in 2000 to 29% in 2003). It is anticipated that a drop in the percentage of overseas visits would also have been recorded had the survey been undertaken in 2002.

Whereas the number of staying visitors declined over the past few years, the indications are that staying visitor expenditure actually increased suggesting that visitors were spending more heavily than in previous years.

In Winchester, domestic staying trip expenditure increased by 8% compared to 2000. Regionally the growth was 2.3%. The greatest growth in spend lay with overseas visitors, with overall trip spend estimated to have increased by a significant 30.7% in Winchester (see table 4 overleaf) compared to a growth of 2% regionally (see table 2 below), suggesting that overseas visitors attracted to Winchester tend to be very affluent.

Table 2: Spend associated with overnight trips for England and Region 2000-2003

Overnight trip spend	Domestic visit spend (£mn)		Overseas visit spend £mn	
	Region	England	Region	England
2002	3,420	20,788	1,510	10,419
2001	3,772	20,278	1,523	9,922
2000	3,342	19,890	1,481	11,359

Changes in the number of nights spent by domestic tourists indicate a trend towards shorter breaks (see table 4).

For many destinations, the reduction in the number of staying visitors was compensated by an increase in the number of leisure day visitors.

In a 'time-poor but cash-rich' society, individuals, couples, and families are increasingly taking more frequent short breaks and days out. With its combination of countryside, historic towns, bustling cities, resorts and numerous visitor attractions, the region is well placed to benefit from wider consumer trends.

In Winchester, it is estimated that day visits grew by 14% over 2000 to 2002 and day visit spend grew by 22.5% (see table 5).

Total estimated visitor expenditure of £162.2 million in 2002, sustained 3,685 Actual Jobs compared with £135.6 million sustaining 3,964 Actual Jobs in 2000. The figure for the number of jobs supported is lower than that for 2000. The reason for this is that the previous study for Winchester (the 2000 study) applied regional wage rates for each economic sector to

² Figures are expected to be released in September 2004.

estimate the number of jobs sustained by visitor spending in the District. The new Cambridge Model methodology, however, factors in a local dimension through using data from the New Earnings Surveyⁱⁱⁱ on variations in earnings by occupation at District level.

The above methodological advance, coupled with national wage rate trends, has led to a drop or lower than expected increase in employment estimates as:

- Where local wage rates are higher than the regional average, greater levels of tourism spending are required to support one job than previously accounted for.
- Nationally wage rates have typically increased in recent years at around 2% above inflation. Thus to maintain the same level of employment, real income would need to increase by around 2% and inflated income by around 4-5%. Increasing wage costs in the service sector have been met with greater efficiency gain to keep employment costs down.

Comparative data are provided in the tables below.

Table 3: Changes in volume and value of domestic staying trips

Domestic staying trips:			
	2000	2002	% Change
Trips	346,000	313,000	-9.5%
Nights	1,263,000	832,000	-51.8%
Spend (£)	35.8m	38.7m	8.1%

Table 4: Changes in volume and value of overseas trips

Overseas staying trips:			
	2000	2002	% change
Trips	55,000	42,000	-23.6
Nights	289,000	330,000	14%
Spend (£)	13.0m	17.0m	30.7%

Table 5: Changes in volume and value of day trips

Day trips from home:			
	2000	2002	% Change
Trips	3,625,000	4,145,000	14%
Spend (£)	86.9m	106.5m	22.5%

Table 6: Changes in overall volume and value of trips

All visitors:			
	2000	2002	% Change
Trips	4,026,000	4,500,000	11.7%
Spend (£)	135.6m	162.2m	19.6%

Table 7: Changes in total visitor expenditure by sector

Total visitor expenditure by sector:		
	2000	2002
Accommodation	£17.27m (13%)	£17.10m (11%)
Catering	£48.37m (36%)	£50.83m (31%)
Retail	£37.15m (27%)	£52.38m (32%)
Attractions, ents. & leisure	£14.40m (11%)	£16.08m (10%)
Transportation	£18.42m (13%)	£25.80m (16%)

Table 8: Changes in employment in tourism (actual jobs)

Employment in tourism (actual jobs) ³ :		
	2000	2002
Direct	3,037	3,095
Indirect & Induced	926	591
Total	3,964	3,685

³ Employment figures not totally comparable with 2000 as for the most recent study local data sources were used. Local data sources were not available in 2000.

ESTIMATED VOLUME OF TOURISM IN 2002

- Overall, an estimated 355,000 staying trips were spent in Winchester District in 2002, of which around 313,000 were made by domestic visitors (88%) and 42,000 by overseas visitors (12%).
- Staying trips resulted in an estimated 1.16 million bednights in the District in 2002. Domestic visitors accounted for 72% of these nights and overseas visitors accounted for 28%
- Approximately 4.15 million day trips from home were made to and within the District in 2002 (lasting more than 3 hours and taken on an irregular basis).
- Around 55% of all staying or overnight trips to the District were accommodated in the commercial accommodation sector, with serviced accommodation providers accounting for 46% of these stays. The homes of local residents also represented an important, non-commercial, source of overnight accommodation and hosted an estimated 43% of all staying trips.

ESTIMATED VALUE OF TOURISM IN 2002

- Total spend by visitors to Winchester is estimated to be the region of £162 million in 2002, accounting for 10% of visitor expenditure in Hampshire
- Despite only accounting for 7% of trips, domestic staying trips accounted for 24% of spend. Similarly, overseas staying trips were deemed to account for 1% of total trips but 11% of total spend. This highlights the low volume, high value nature of staying visitors to Winchester, which overall accounted for 34% of spend yet only 8% of trips.
- Day visits accounted for 92% of trips, but 66% of expenditure. Nevertheless, despite the relatively high volume, lower value nature of this market, the £106 million worth of expenditure represents sizeable income for the local economy.
- Taking into account the impact of other expenditure associated with tourism activity brings total expenditure related to tourism in Winchester to **£171.3 million**.

ESTIMATED ECONOMIC IMPACT AND EMPLOYMENT SUSTAINED IN 2002

- Visitor spending directly supported an estimated 2,127 full time equivalent jobs (FTE) in the District, representing 3,059 actual jobs (taking into account part time and seasonal working).
- The number of indirect or linkage jobs sustained by tourism businesses re-spending on local goods and services in the District is in the order of 392 FTE jobs or 447 actual jobs.
- Employment is also created from the re-spending by employees of income earned directly and indirectly, as a result of visitor spending in the District. These induced or multiplier jobs are estimated to be in the region of 126 FTE jobs or 144 actual jobs.
- Overall the model estimates that tourism activity in the District in 2002 supported 2,645 FTE jobs or 3,685 Actual Jobs in Winchester District. This is estimated to represent around 6% of total employment within the District.

1. INTRODUCTION

1.1 Objectives of Study

This report examines the value, volume and resultant economic impact of tourism to the District of Winchester. The study was undertaken by Tourism South East on behalf of Winchester City Council using a widely recognised, industry specific methodology, known as the Cambridge Model. To date, this approach has been widely applied across England and the South East region to produce an indicative outline of the scale of tourism activity on a local area basis.

1.2 The Cambridge Model

The Cambridge Model is essentially a computer-based spreadsheet model that produces estimates from existing national and local information (e.g. accommodation stocks, inbound trips) of the level of tourism activity within a given local area. The volume of visits are translated into economic terms by estimating the amount of spending by visitors based on their average spend per trip. In turn, the impact of that spending can be translated to estimate the effects in terms of business turnover and jobs.

The standard measures generated in this Model are: the total amount spent by visitors, the amount of income for local residents and businesses created by this spending, and the number of jobs supported by visitor spending. This report focuses on total revenue raised from visitor spending in Winchester and the estimated number of full-time equivalent and actual jobs sustained by that spending.

As the Model utilises a standard methodology capable of application throughout the UK, it offers the potential for direct comparisons with similar destinations throughout the country.

The basic process of estimation used can be divided into three parts:

- visitor trips and visitor spending at a regional/county level derived from national survey sources (county/district)
- local supply data on accommodation, attractions and other factors specific to Winchester
- the use of multipliers derived from business surveys in England to estimate full time equivalent and actual jobs generated by visitor spending in the area.

In its standard form, the Cambridge Model uses a range of local data including details of accommodation stock, local occupancy rates, population, employment, local wage rates and visits to attractions. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:

- United Kingdom Tourism Survey (UKTS) 2000, 2001, 2002
- International Passenger Survey (IPS) 2000, 2001, 2002
- United Kingdom Day Visits Survey (UKDVS) 1998, 2002
- Visits to Attractions Survey 2002
- New Earnings Survey 2002
- Census of Employment 2001
- Census of Population 2001 (estimates of resident population as rebased on 2001 Census data)
- Labour Force Survey 2002

The sophistication of the economic impact estimates will depend on the availability of detailed reliable local information to supplement national and regional data sources. Where such data is available from local surveys, then local variations can be explicitly included.

The following local level data has been drawn from a number of existing surveys undertaken for Winchester City Council by Tourism South East.

- Local accommodation stock numbers (Hampshire Tourism Trends Survey)
- Local accommodation room/bed occupancy (Hampshire Tourism Trends Survey)
- Local visitor profile data including expenditure (Destination Benchmarking Visitor Survey)
- Local visits to attractions' data (Hampshire Tourism Trends Survey)

1.3 Objectives of Economic Modelling

In applying the Cambridge Model, the main objectives are to provide information on visitors to Winchester, and their economic impact, which will strengthen the City's commitment to promoting the area and assist decision-makers in formulating tourism development and marketing policies. This will also assist in raising the awareness of the profile and local importance of tourism in Winchester.

The Model will be used to:

- derive estimates of the volume of domestic and overseas staying visitors visiting the Winchester during the year, by type of accommodation and purpose of visit;
- derive estimates of the volume of day visitors visiting Winchester during the year, by purpose of visit;
- derive estimates of the value of tourism spending accruing to Winchester, and the impact of this spending on different sectors of the local economy, in terms of jobs supported.

1.4 Cambridge Model Version II

Since the inception of the original Cambridge Model approach, a number of changes have occurred to the model's methodology and the context of operation. Most importantly, autumn 2002 saw the launch of Cambridge Model Version II. This revised approach was developed from work undertaken for the South West Regional Development Agency and includes a number of enhancements. These include:

- greater use of local data within the standardised model e.g. occupancy data, information on local wage rates
- enhanced outputs, notably visitor nights by accommodation type, spend by accommodation type, impact of *non-trip related spend*. The latter refers to expenditure associated with ongoing expenditure the accommodation in the case of visitors staying at second homes or private boats, or result in additional spending by non visitors e.g. friends and relatives with whom the visitor is staying.
- more sophisticated economic impact analysis section
- adoption of a rolling average methodology for staying visitor value and volume⁴

The changes have been made to enhance the accuracy of the estimates generated by the model. Comparisons with previous Cambridge estimates continue to be possible.

⁴ This approach offers the additional benefits of producing estimates using more county specific information and is based on three years worth of data for staying visitors – whilst providing additional outputs – notably expenditure and visitor nights by accommodation type.

1.5 Reporting

The results of the economic impact analysis are presented in table and graph form with commentary and interpretation.

Following this introduction, section 2 presents the estimates for the volume of trips to Winchester, whilst section 3 outlines the expenditure associated with these visits. The final section (section 4) examines the economic impact of this expenditure in respect of the number of direct, indirect and induced jobs sustained in Winchester by visitor spending. A detailed technical description of the Cambridge Model's methodology and the data sources used in its application is outlined in Appendix 1.

1.6 Glossary of terms

Staying visitor trips	trips by visitors staying overnight in accommodation in the area
Day visitor trips	trips by visitors who have travelled to the area from their home, and who are returning to their homes on the day of their visit.
Economic multiplier	is used to estimate the economic impact of visitor expenditure. Visitor expenditure produce three effects. Direct effects are changes in the business sector directly receiving visitor expenditure. For instance, visitors staying in a hotel will directly increase revenue and the number of jobs in the hotel sector. Indirect effects are the changes in supplier businesses. For example, these indirect effects would be hotels purchasing more linen from local suppliers as a result of increased business. Induced effects are changes in local economic activity resulting from household spending. For instance, employees of the hotel and linen supplier spend their wages in the local area, resulting in more sales, income and jobs in the area.
Direct jobs	jobs directly generated in those local businesses in which visitors spend money, i.e. hotels, catering establishments.
Indirect jobs	jobs created locally due to the purchases of goods and services by businesses benefiting from visitor expenditure, i.e. jobs with local suppliers.
Induced jobs	jobs created throughout the local economy because employees employed due to visitor expenditure spend their wages locally on goods and services such as food, clothing and housing.

2.0 ESTIMATED VOLUME OF VISITORS TO WINCHESTER

2.1 Introduction

The first stage of the model generates indicative estimates of the volume of staying visitor trips to Winchester District. These estimates are segmented according to main purpose of visit and accommodation used.

Table 8 illustrates the estimates for the number of trips by different types of accommodation in the District.

Table 8: Staying Visitor Trips by Type of Accommodation

	Domestic trips		Overseas trips		Total trips	
Serviced	147,000	47%	16,000	38%	163,000	46%
Self catering/second homes	8,000	3%	1,000	2%	9,000	3%
Touring caravans /tents	11,000	4%	0	0%	11,000	3%
Group/campus	8,000	3%	3,000	7%	11,000	3%
Total in commerical accom.	174,000	56%	20,000	48%	194,000	55%
Other accom.	5,000	2%	1,000	2%	6,000	2%
In homes of friends & relatives	135,000	43%	16,000	38%	151,000	43%
Total	313,000	100%	42,000	100%	355,000	100%

It is estimated that 355,000 overnight trips were taken to Winchester District in 2002. This total comprised of 313,000 domestic staying visitor trips (88%) and 42,000 overseas visitor trips (12%).

55% of all trips (194,000) were accommodated with the commercial accommodation sector. The majority of these (46%) were accommodated with the District's serviced bedspaces (hotels, guesthouses, bed and breakfasts and inn accommodation) – reflecting the dominance of this sector compared to other accommodation types (i.e. camping and caravanning) within the District.

Non serviced accommodation within the Districts - self-catering/second home units, touring camping and caravanning provision and group/seasonally-available campus accommodation each received a further 3% of staying trips.

As for all destinations, many visitors also used the homes of local residents. It is estimated that these trips were in the order of 151,000 and accounted for 43% of all staying trips to the District.

2.2 Staying Trips by Purpose of Visit

A breakdown of staying trips by purpose of visit is illustrated in table 9 below. For the purpose of this study, purpose of visit is divided into the following categories:

- Holiday trips
- Business trips (including meeting and conferences)
- Visits to friends and relatives (VFR)
- Language study (language school courses for overseas visitors)
- Other purposes including education and training, social or sporting events, house hunting, weddings and funerals

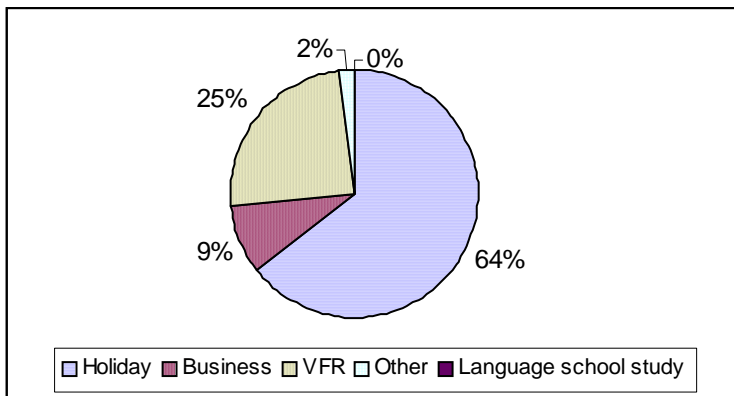
Table 9: Staying Trips by Purpose of Visit

	Domestic trips		Overseas trips		Total trips	
Holiday	202,000	65%	19,000	45%	221,000	62%
Business	27,000	9%	7,000	17%	34,000	10%
VFR	78,000	25%	12,000	29%	90,000	25%
Other	7,000	2%	2,000	5%	9,000	3%
Language school study	0	0%	3,000	7%	3,000	1%
Total	313,000	100%	42,000	100%	355,000	100%

The profile of tourism to Winchester District is dominated by holiday trips. In 2001 it is estimated that holiday trips accounted for 62% of all trips. In the region of 25% of trips are for VFR purposes, with a further 10% being business motivated trips. The remaining 3% and 1% can be attributed as being undertaken for 'other' purposes and language school study respectively.

2.3 Profile of Domestic Staying Trips

Figure 1: Domestic Staying Trips by Purpose of Visit

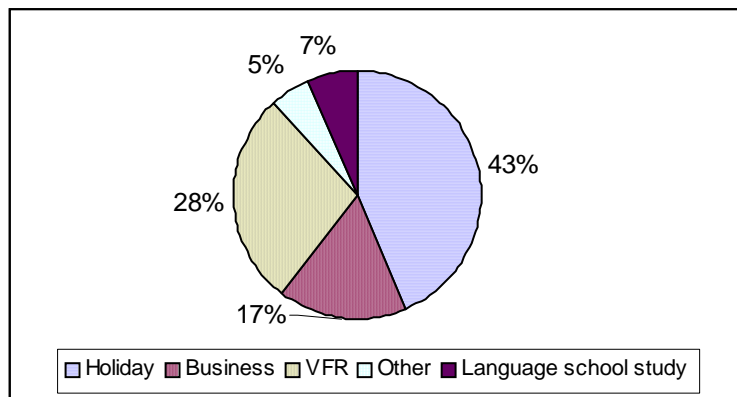


As illustrated in figure 1 above, it is estimated that 65% of visits by UK residents were holiday trips. In the region of 25% of domestic staying trips were specifically for the purpose of visiting friends and relatives in Winchester, with a further 9% attributed as being business trips. It is important to note that a trip made for the purposes of visiting friends and relatives is not necessarily accommodated at the homes of local residents. Equally trips made for non-VFR related purposes may be accommodated at the homes of friends and relatives, and not necessarily in the commercial accommodation sector.

The remaining 2% of trips were made for a range of other purposes including house hunting, weddings, sporting and educational events.

2.4 Profile of Overseas Staying Trips

Figure 2: Overseas Staying Trips by Purpose of Visit



It is estimated that 32% of overseas trips to Winchester in 2002 were holiday related, 28% are for language school study, 25% were to visit friends and relatives and 7% were for business purposes. The remaining 6% of overseas trips were made for other purposes.

2.5 Visitor Nights

Table 10 below outlines indicative estimates of the average number of staying trips spent in Winchester according to accommodation type, and split by domestic and overseas visitors.

Table 10: Staying Visitor Nights by Accommodation Type

	Domestic nights		Overseas nights		Total nights	
Serviced	341,000	41%	47,000	14%	388,000	33%
Self catering/second homes	26,000	3%	45,000	14%	71,000	6%
Touring caravans /tents	41,000	5%	1,000	0%	42,000	4%
Group/campus	12,000	1%	55,000	17%	67,000	6%
Total in commercial accom.	420,000	50%	148,000	45%	568,000	49%
Other accom.	13,000	2%	6,000	2%	19,000	2%
In homes of friends & relatives	400,000	48%	149,000	45%	549,000	47%
Total	832,000	100%	330,000	100%	1,162,000	100%

The total number of nights spend in Winchester in 2002 is estimated to be approximately 1.16 million. Compared to the county picture, this equates to around 7% of total nights spent in Hampshire.

Due to their typically longer length of stay, overseas visitors were estimated to have accounted for 28% of total visitor nights, despite only accounting for 12% of total staying trips. Conversely, the remaining 72% of visitor nights were attributed to domestic visitors, who undertook 88% of total staying trips.

An estimated 49% of nights were spent in the commercial accommodation sector. As expected, serviced accommodation which typically hosts relatively short stays accounted for 33% of visitor nights, despite hosting 46% of all staying visits. Conversely self-catering/second homes accommodated 6% of all nights reflecting its popularity for long stays. Group/campus accommodation and touring pitches represented a further 6% and 4% of nights respectively.

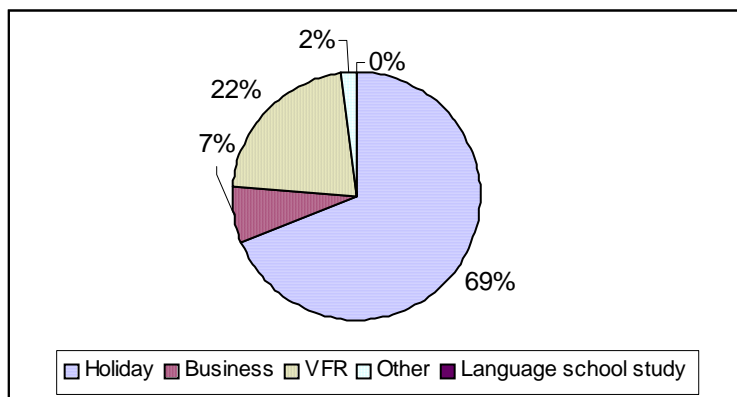
The remaining 49% of nights were estimated to have been spent in the non-commercial sector with the homes of local residents accommodating the majority of these at 47%.

Table 11: Staying Visitor Nights by Purpose of Visit

	Domestic nights		Overseas nights		Total nights	
Holiday	571,000	69%	107,000	32%	678,000	58%
Business	62,000	7%	23,000	7%	85,000	7%
VFR	185,000	22%	84,000	25%	269,000	23%
Other	14,000	2%	21,000	6%	35,000	3%
Language school study	0	0%	94,000	28%	94,000	8%
Total	832,000	100%	330,000	100%	1,162,000	100%

The model's outputs estimate that there were 678,000 holiday nights in Winchester in 2002, accounting for 58% of total nights and 69% of domestic nights. Visits specifically for visiting friends and relatives generated 23% of total nights, whilst typically short length of stay business trips account for 7% of all nights in the District. The remaining 11% of nights were classified as being motivated by other purposes and language school study.

Figure 3: Profile of Domestic Staying Visitor Nights by Purpose of Visit



As illustrated in figure 3 above, 69% of bednights undertaken by UK residents were associated with holiday trips. VFR trips accounted for a further 22% of domestic nights whilst other and business related trips accounted for the remaining 2% and 7% of nights respectively.

Figure 4: Profile of Overseas Staying Visitor Nights by Purpose of Visit

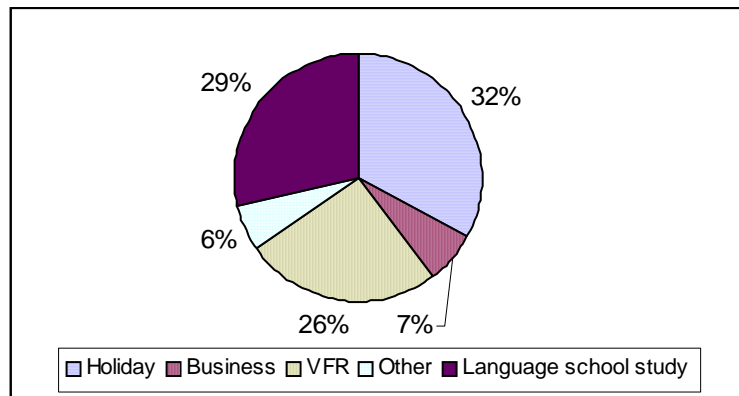


Figure 4 above outlines the profile of overseas bednights according to purpose of visit. Holiday related trips accounted for 32% of nights, reflecting the volume of holiday related trips. Language school related nights – which are typically long-stay in nature – were estimated to represent around 28% of nights, whilst VFR trips generated a further 25%. Other and business related nights were likely to be in the order of 6% and 7% respectively.

2.6 Day Trips from Home

This section examines the volume of day trips undertaken to, and within, Winchester.

It should be noted that this study only accounts for leisure day visits made from home, as opposed to visits made whilst people are staying away from home. Due to absence of any national survey monitoring overseas day visits, the standard Cambridge Model is not able to produce an estimate for this group of visitors.

This section of the study adopts the definition of tourism day visitor recognised by the Department of Culture, Media and Sport, where day visits are defined as being of three hour minimum duration and undertaken on an irregular basis.

In analysing day trips, the model also categories the day trips according to whether they were made to a predominately an urban or rural destination.

Table 12: Day Visitor Trips

Type of Trip	Number of Day Trips	%
Urban/Town Visits	2,521,000	61%
Countryside Visits	1,624,000	39%
Total	4,145,000	100%

It is estimated that approximately 4.15 million day trips from home were made to and within Winchester District in 2002.

As table 12 highlights, trips to urban parts of the District attracted in the region of 61% all leisure day trips whilst the remaining 39% of leisure day trips were to rural areas.

3. ESTIMATED EXPENDITURE OF VISITORS

3.1 Staying Visitor Expenditure

Overall it was estimated that staying visitors spent in the region of £55.7 million in Winchester in 2002. This accounted for approximately 8% of all staying visitor expenditure in Hampshire for the same period.

Domestic visitors accounted for £38.67 million or 69% of this total. Nevertheless, considering that overseas visitors were estimated to account for only 12% of total visits to Winchester, but accounted for 31% of expenditure, this breakdown highlights the relatively higher spending capacity of this market.

3.2 Staying Visitor Expenditure by Accommodation Sector.

Table 13 below illustrates staying visitor expenditure by accommodation sector. It is important to note that these estimates relate to the total expenditure incurred by the visitor on their trip, and not just income received by the accommodation establishments.

Table 13: Spend by Accommodation Type

Spend (£ millions)	Domestic Spend		Overseas Spend		Total Spend	
Serviced	£	23.36 60%	£	6.19 36%	£	29.56 53%
Self catering/ second homes	£	1.18 3%	£	2.25 13%	£	3.43 6%
Touring caravans /tents	£	0.95 2%	£	0.04 0%	£	0.99 2%
Group/campus	£	0.59 2%	£	2.84 17%	£	3.43 6%
Total in commerical accom.	£	26.08 67%	£	11.32 66%	£	37.40 67%
Other accom.	£	0.69 2%	£	0.14 1%	£	0.83 1%
In homes of friends & relatives	£	11.91 31%	£	4.52 27%	£	16.42 29%
Total	£	38.67 100%	£	17.04 100%	£	55.70 100%

Key findings:

- Visitors using serviced accommodation spent 53% of the visitor expenditure attributed to staying guests, despite only accounting for 33% of visitor nights and 46% of staying trips.
- Around 6% of expenditure was attributed to visitors using self-catering/ second home accommodation. This sector is estimated to account for 3% of trips and 6% nights, reflecting the tendency for self-catering units to accommodate longer stays.
- Despite accommodating 43% of all staying visits, trips utilising the homes of local residents only accounted for 29% of total staying visitor income, reflecting the savings made on accommodation costs and catering. Nevertheless, as section 3.6 will highlight, these trips often result in increased spend in the local economy by the trip host through the purchasing of food, restaurant meals and entertainment, e.g. trips to local attractions – which is not picked up in conventional visitor surveys. This expenditure is referred to non-trip expenditure.
- Similarly visitors using commercial accommodation accounted for 67% of spend, but only 55% of all visits.

3.3 Staying Trip Expenditure by Purpose of Visit

The model's estimates for staying trip expenditure according to purpose of visit are presented in Table 14 below. Around 55% of expenditure was generated by holiday makers to the District, while the high spending business tourism market was estimated to account for a further 17% of expenditure (10% of total staying trips). The VFR market accounted for around 18% of expenditure, despite representing 25% of trips.

Table 14: Staying Visitor Expenditure by Purpose of Visit

Spend (£ millions)	Domestic Spend		Overseas Spend		Total Spend	
	£		£		£	
Holiday	£	25.06 65%	£	5.32 31%	£	30.38 55%
Business	£	6.20 16%	£	3.08 18%	£	9.28 17%
VFR	£	6.79 18%	£	2.99 18%	£	9.78 18%
Other	£	0.61 2%	£	1.14 7%	£	1.75 3%
Language school study	£	- 0%	£	4.51 26%	£	4.51 8%
Total	£	38.67 100%	£	17.04 100%	£	55.70 100%

3.4 The Value of Day Trips to Winchester District

Table 15 below illustrates the estimates for day visitor expenditure within Winchester District. Overall, day visits to the District were estimated to result in an additional £106.5 million of expenditure, representing an average spend per trip of £25.69. Trips to urban areas represented 75% of this expenditure, reflecting the disproportionately greater number of spending opportunities compared to rural areas.

Table 15: Value of Day Visits

Type of Trip	Total Expenditure (£)	%
Urban/Town Visits	79,408,000	75%
Countryside Visits	27,075,000	25%
Total	106,483,000	100%

3.5 Total Visitor Expenditure in Winchester

Through the addition of the estimates for total day and staying visitor expenditure, it is possible to derive an estimate for the total direct tourist expenditure accruing to Winchester during 2002.

Table 16: Breakdown of Direct Expenditure Associated with Trips

(£ millions)	Trips	%	Spend	%
Domestic Staying Trips	313,000	7%	£ 38.67	24%
Overseas Staying Trips	42,000	1%	£ 17.04	11%
Total Staying Trips	355,000	8%	£ 55.70	34%
Day Visits	4,145,000	92%	£ 106.48	66%
	4,500,000	100%	£ 162.19	100%

Table 16 above illustrates a comparative breakdown for domestic staying, overseas staying and domestic day trip expenditure. Overall, the model estimated that:-

- In the region of £162.19 million accrued to Winchester's economy through direct visitor expenditure.
- Despite only accounting for 7% of trips, domestic staying trips accounted for 24% of spend. Similarly, overseas staying trips were deemed to account for 1% of total trips but 11% of total spend. This highlights the low volume, high value nature of staying visitors to Winchester, which overall account for 34% of spend yet only 8% of trips.

- Tourism day visits accounted for 92% of trips, but 66% of expenditure. Nevertheless, despite the relatively high volume, lower value nature of this market, the £106 million worth of expenditure represents sizeable income for the local economy.

Apart from the activity associated with the individual trips, some forms of activity also involve ongoing expenditure on accommodation e.g. maintenance of second homes or result in additional spending by non-visitors, e.g. friends and relatives with whom the tourist is staying. This is referred to as non-trip spend.

Table 17: Other Expenditure Associated with Tourism Activity

	£ Millions	
Second home maintenance	£	79,000
Spending by friends & relatives	£	9,021,000
Total non-trip related	£	9,100,000
Total expenditure associated with tourist activity	£	171,284,000

As illustrated in Table 17 above, taking into account the impact of other expenditure associated with tourism activity (non-trip spend) brings total expenditure related to tourism in Winchester to £171.28 million.

3.6 Distribution of Visitor Spending

The estimated total spend of visitors to Winchester has been allocated across the main sectors of the local tourism economy, based on regional breakdowns of national survey data. The categories used are spend on accommodation, shopping (retailing), eating and drinking (catering), entertainment and entry to attractions, and transport (including spend on fuel and public transport).

Table 18 below illustrates a breakdown for visitor expenditure by business sector, for all visitors to the District. Overall, retailers received the largest proportion of visitor expenditure (32%) at just under £52 million. This was closely followed by businesses providing catering (e.g. restaurants, tearooms, pubs, refreshment providers etc) who benefited from an estimated £51 million of visitor expenditure - thus highlighting both the scale and relative importance of tourist expenditure for these sectors of the local economy.

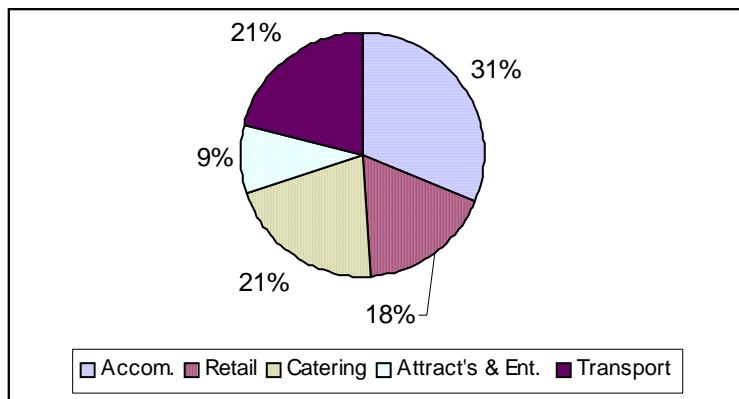
In the region of 16% of total visitor expenditure was spent on transport (£25.8 million), with accommodation providers (who do not benefit from day visitor expenditure) receiving around £17.1 million (11%) of expenditure. Spending on attractions and entertainment was estimated to account for the remaining 10% of expenditure.

Table 18: Total Tourist Expenditure by Business Sector

£ (millions)	Accom.	Retail	Catering	Attract's & Ents	Transport	Total
Domestic Staying Trips	£ 11.89	£ 7.09	£ 8.18	£ 3.55	£ 7.96	£ 38.67
Overseas Staying Trips	£ 5.21	£ 4.80	£ 3.35	£ 2.20	£ 1.48	£ 17.03
Tourism Day Visits	-	£ 40.50	£ 39.30	£ 10.33	£ 16.36	£ 106.48
Total	£ 17.10	£ 52.38	£ 50.83	£ 16.08	£ 25.80	£ 162.18
%	11%	32%	31%	10%	16%	100%

Figures 5, 6 and 7 illustrate comparative differences in the spending patterns of domestic and overseas and day visitors to Winchester.

Figure 5: Domestic Staying Visitor Expenditure by Sector



As illustrated in figure 3 above, accommodation costs represented the greatest outlay for domestic staying visitors (31%), followed by catering and transportation costs (21% respectively)

Figure 6: Overseas Staying Visitor Expenditure by Sector

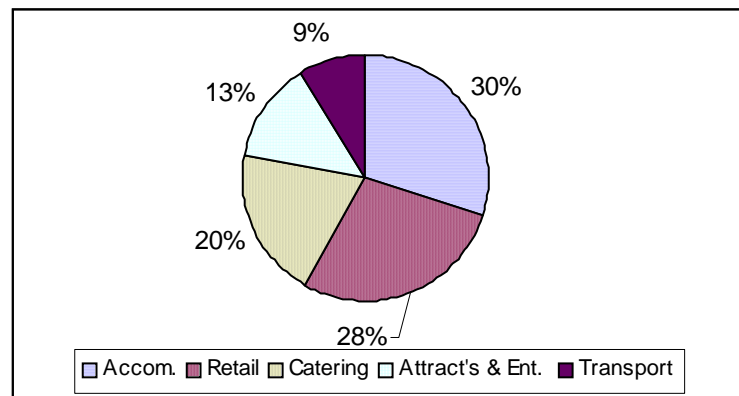
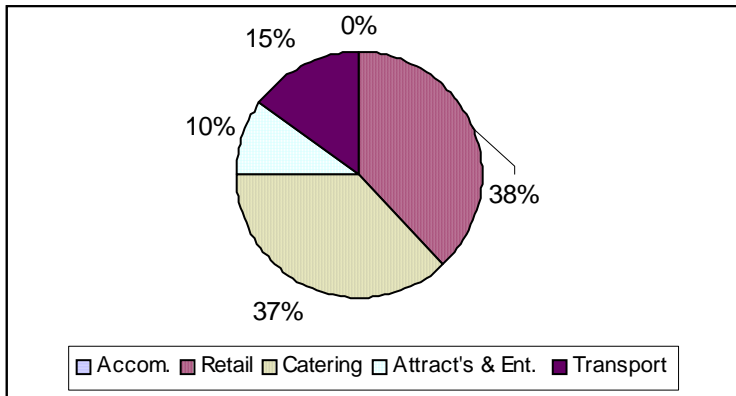


Figure 6 above details expenditure by sector for overseas visitors. Of the £17.0 million spent by overseas visitors to Winchester, 30% was received by accommodation providers, 28% by retailers, 20% by catering businesses, 13% by attractions/ entertainment providers and 9% by transport related businesses.

Figure 7: Day Visitor Expenditure by Business Sector



Of the £106 million estimated to be spent by day visitors to Winchester, retailers and catering businesses received roughly equal shares at 38% and 37% respectively. Transport companies were estimated to have received a further 15%, with the attractions/ entertainment sector benefiting from the remaining 10%.

4.0 ECONOMIC IMPACT OF TOURISM IN WINCHESTER

4.1 Introduction

The £171.28 million spent on tourism in Winchester represents additional turnover for local businesses receiving this expenditure. This increased turnover supports jobs and incomes in those establishments benefiting from visitor related spending.

Through calculating the value of visitor expenditure in different sectors of the local economy, the model is able to estimate the level of turnover attributed to tourism, and subsequently, the proportion of this turnover spent on wages. The proportion will vary by industry sector i.e. wages are likely to be a smaller proportion of costs in retailing compared to accommodation or catering.

The model is therefore able to provide estimates for:

- Number of jobs sustained by tourism related expenditure in businesses directly in receipt of visitor spending.
- The indirect and induced multiplier effects on local employment.

Induced and multiplier jobs are based on local impacts within the District.

4.2 Business Turnover Supported by Tourism Activity

The presence of tourism activity within Winchester District creates additional turnover for local businesses as a result of:

- Tourists spending money in local businesses (e.g. the local hotel);
- The purchase of supplies and services locally by businesses in receipt of visitor spending (e.g. hotel purchasing catering provisions), and;
- Spending of wages in businesses by employees who jobs are directly and indirectly supported by tourist expenditure (e.g. staff employed at local hotel).

The model provides an estimate for the magnitude of additional business turnover generated through the impact of visitor related expenditure in Winchester. Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. Furthermore, it is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

Table 19: Local Business Turnover Supported by Tourism Activity

Total Local Business Turnover Supported by Tourism Activity			
	Staying Visitors	Day Visitors	Total
Direct	£61,029,000	£99,939,000	£160,968,000
Supplier & income induced	£14,355,000	£16,721,000	£31,076,000
Total	£75,384,000	£116,660,000	£192,044,000

In total, it is estimated that £160.97 million of turnover was generated in businesses in direct receipt of visitor trip and non-trip related expenditure. A further £31.08 million of turnover was created in the local economy from the purchase of supplies and services by businesses directly receiving tourism expenditure, as well as from the spending of wages by those employed within tourism (supplier and income induced). Total local business turnover supported by tourism activity is estimated to be in the region of £192.0 million.

Table 20 below illustrates a breakdown of estimated additional turnover generated in businesses directly receiving visitor expenditure in Winchester.

Table 20: Additional Turnover created in Businesses in receipt of visitor spend

Businesses in receipt of visitor spend on trip						
	Staying Visitors	%	Day Visitors	%	Total	%
Accommodation	£ 17,328,000	28%	£ 786,000	1%	£ 18,114,000	11%
Retail	£ 11,763,000	19%	£ 40,092,000	40%	£ 51,855,000	32%
Catering	£ 11,190,000	18%	£ 38,117,000	38%	£ 49,307,000	31%
Attraction/entertainment	£ 5,987,000	10%	£ 11,127,000	11%	£ 17,114,000	11%
Transport	£ 5,661,000	9%	£ 9,817,000	10%	£ 15,478,000	10%
Other non trip related expenditure	£ 9,100,000	15%	-	0%	£ 9,100,000	6%
Total direct	£ 61,029,000	100%	£ 99,939,000	100%	£ 160,968,000	100%

4.3 Employment Supported by Tourism Expenditure

The final stage of the model generates estimates of the employment impacts of visitor spending for each business sector affected by tourism in the District.

4.3.1 Direct FTE Jobs by Business Sector

Having identified the value of turnover generated by visitor spending in each business sector, the Model estimates the employment associated with that spending. A proportion of the

turnover will be absorbed by wages for staff. The proportion will vary by sector, thus wages are likely to be a smaller proportion of costs in retailing compared to accommodation and catering.

The New Earnings Survey provides data from which the average wage costs by business sector adjusted to take account of regional differences can be calculated. It also provides information on variations in earnings by occupation at District level, allowing the relative differences between District and regional wage levels to be estimated. After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job in each sector 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 the local area⁵.

For the purpose of this study, 'direct' employment is defined as those jobs within the District, including both working proprietors (self employed) and employees, in businesses where visitors spend money. It should be noted that all jobs estimates exclude local government staff whose positions arise in the provision of tourism related services and functions. Also excluded are those jobs arising as a result of capital investment in tourism facilities.

As illustrated in table 21, it is estimated that 2,127 FTE jobs are directly sustained in Winchester District by visitor spending. Of these, 39% will be based in restaurants, cafes and public houses, 14% in accommodation, 21% in retail outlets and 13% in the attraction/entertainment sector. Non-trip related expenditure i.e. host spend - expenditure by friends and relatives the visitor is staying with sustains a further 7% of FTE jobs.

Table 21: Direct employment in businesses in receipt of visitor expenditure

Full Time Equivalent Jobs (FTE)	Staying Visitors	%	Day Visitors	%	Total Visitors	%
Accommodation	288	33%	13	1%	301	14%
Retailing	102	12%	348	28%	450	21%
Catering	187	21%	637	51%	825	39%
Attractions/entertainment	95	11%	176	14%	271	13%
Transport	47	5%	82	7%	129	6%
Arising from non trip spend	152	17%	0	0%	152	7%
Total Direct	871	100%	1,256	100%	2,127	100%

⁵ The use of visitor expenditure to generate job numbers underestimates the number of jobs arising in the attractions/ entertainment sector. The underestimate arises because local authorities and voluntary bodies do not always seek to recoup the full operating costs of individual

4.3.2 Indirect and Induced FTE Jobs by Business Sector

Indirect Employment

The purchasing of supplies and services by businesses directly benefiting from visitor spending creates an additional demand within the local economy and, therefore, additional turnover. Whilst some of this business expenditure will go to businesses located outside the District or County, an element will be retained. This is typically higher in urban areas than rural areas as the former will have a much higher proportion of suppliers, thus reducing leakage. Retention will also be governed by sector as accommodation and catering businesses often purchase fresh food supplies locally, where many retail and transport businesses buy in the bulk of stock from major depots or suppliers elsewhere.

The Model also estimates the number of jobs sustained by businesses re-spending on local goods and services in the District. These jobs – which are indirectly sustained by visitor spending – are known as indirect or linkage jobs. It is estimated that indirect expenditure in Winchester District was in the order of an additional £21.7 million. This spending sustained a further 392 FTE jobs in Winchester

Induced Employment

In addition to the direct and indirect linkage jobs supported in the local area by visitor spending, additional employment will be generated by multiplier effects. Multiplier or induced jobs are those jobs which result from the re-spending by employees of income earned, directly and indirectly, as a result of visitor spending in the District. Such multiplier jobs will again be spread across a wide range of sectors including retailing, catering and transport as well as public service jobs such as education, health and local government. The degree of multiplier effects will depend upon the nature of the economy, since the number of higher-level services tends to be concentrated in larger urban areas.

The Model places income induced spending in Winchester in the region of £7.6 million, which supports an estimated 126 FTE jobs.

Overall, as highlighted in Table 22, tourism activity in Winchester in 2002 is estimated to sustain 2,645 FTE jobs in the District. 80% of these FTE jobs will be created in establishments directly receiving visitor expenditure, with the remainder sustained through linkage and multiplier effects.

attractions of facilities from entrance charges. Therefore, an additional percentage of direct employment is added to the attractions sector estimates to take account of this factor.

Table 22: Full Time Equivalent Jobs Sustained through Visitor Expenditure

FTE Jobs	Staying Visitors	%	Day Visitors	%	Total Visitors	%
Direct	871	78%	1,256	82%	2,127	80%
Indirect	186	17%	206	13%	392	15%
Induced	53	5%	73	5%	126	5%
Total	1,110	100%	1,535	100%	2,645	100%

4.3.3 Actual Jobs by Business Sector

In reality the total number of actual jobs supported by tourism activity will be higher when part time and seasonal working is taken into account. The Model converts FTE estimates into actual jobs using information from business surveys^{iv} in the sectors receiving visitor spending.

It is therefore estimated that 3,685 actual jobs are sustained directly and indirectly by the expenditure of visitors in Winchester.

As Table 23 demonstrates, 40% of the direct actual jobs will be generated in the catering sector, with a further 22% and 14% will be sustained within retailing and accommodation businesses respectively.

Table 23: Direct Actual Jobs by Business Sector

Actual Jobs	Staying Visitors	%	Day Visitors	%	Total Visitors	%
Accommodation	427	35%	19	1%	446	14%
Retailing	153	12%	522	28%	675	22%
Catering	281	23%	956	51%	1,237	40%
Attractions/entertainment	134	11%	248	13%	382	12%
Transport	67	5%	116	6%	182	6%
Arising from non trip spend	173	14%	0	0%	173	6%
Total Direct	1,234	100%	1,861	100%	3,095	100%

Table 24 overleaf outlines total actual employment related to tourism spending. Of the 3,685 jobs supported by visitor expenditure, 84% are sustained in businesses directly benefiting from tourism, with the remainder attributed to linkage and multiplier effects.

Table 24: Total Actual Employment Relating to Tourism Spending

Actual Jobs	Staying Visitors	%	Day Visitors	%	Total Visitors	%
Direct	1,234	82%	1,861	85%	3,095	84%
Indirect	212	14%	234	11%	447	12%
Induced	60	4%	83	4%	144	4%
Total	1,506	100%	2,179	100%	3,685	100%

Through using data from the Labour Force Survey^v it is possible to derive an estimate for the percentage of jobs supported by tourism activity in the District in 2002 (Table 25). It must be noted that the LFS employment figures relate to the number of people employed in the area, and, as some people employed within the tourism may also hold a job in a different sector, the resultant percentage may be slightly high.

Table 25: Proportion of Total Employment

	Staying Visitors	Day Visitors	Total
Total employed (LFS)			62,000
Tourism employment	1,506	2,179	3,685
Tourism proportion	2%	4%	6%

It is estimated that visitor expenditure in 2002 sustained 3,095 FTE Jobs and 3,685 Actual Jobs in Winchester.

ⁱ Hampshire Tourism Trends Survey is a tourism performance monitor survey the involve Districts in Hampshire. Performance data collated include the percentage of room occupied in accommodation, the number of visits to attractions and TICs, and feedback from Hampshire tourism businesses on business confidence.

ⁱⁱ The Visitor Survey is part of the national destination benchmarking scheme. Data on the satisfaction of visitors is compared nationally to identify performance benchmarks.

ⁱⁱⁱ The New Earnings Survey is an annual survey of the earnings of employees in the UK produced by the Office For National Statistics.

^{iv} The business surveys are a range of surveys carried out in different locations in England, mainly at the end of the 19080s and early 1990s. They include studies by PACEC of the Yorkshire Dales, the North West Resorts and Stratford upon Avon, ETB sponsored studies of Cumbria, Bournemouth and South East Dorset. Each study sought data from tourism related businesses in the area with regard to employment characteristics, turnover and spending characteristics. Subsequent studies which have largely confirmed the findings of the earlier surveys include a Peak District Partnership tourism employment study, the South Downs Tourism Study, Eden Economic impact study and the impact of the national trust in the South West. The data from the studies is used to breakdown turnover by sector by type of location, the proportion spent on wages and local purchasing and employment characteristics. The studies are similar and generally comparable to the Scottish Tourism Multiplier study carried out in 1992 which was based on case studies of 5 different areas in Scotland.

^v The Labour Force Survey is a quarterly survey of households in the UK to provide information on the UK labour market.