NORTH SHROPSHIRE

TOURISM ECONOMIC IMPACT ASSESSMENT

2005

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FINAL REPORT

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INTRODUCTION

The Economic Impact Assessment of tourism in North Shropshire District has been undertaken using a model developed by Geoff Broom Associates in partnership with the Regional Tourist Boards.

The assessment focuses upon the estimates of the overall volume of visitors coming into the District in 2005, 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 2005). The national survey data that forms the Cambridge Economic Impact Assessment Model's key driver template is based on 2005 results.

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.

- More destination managers have become active in commissioning local research
- The range of data available to feed into the modelling process has increased
- Local government requirements – such as Best Value – have created a demand for higher quality tourism statistics.

Furthermore the combined body of experience shared by Geoff Broom Associates and the regional tourist boards has provided a further impetus for the development of a more powerful and sophisticated approach.

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

CHANGES IN DAY VISITS

Day visitor estimates for individual counties and districts are based on information collected in the Leisure Day Visits Survey. The latest data is taken from the 2005 Survey which provides information at regional level on the number of trips taken to countryside, town and coastal destinations. The Leisure Day Visits Survey is a national survey.

The current day visitor model used in the Cambridge model distributes trips from origin districts to destination districts, using the propensity of resident populations to make trips and the attractiveness of the destination district for such trips compared to alternative competing destinations. The likelihood of any particular trip between the origin and destination district taking place is conditioned by the distance to the destination district and the relative attractiveness of competing districts and the distance to the latter.

The attractiveness of any particular district is based on a number of drivers. Thus the visits to attractions in the district are taken into account. Such visits only account for a 10% of town trips, 24% of countryside and 9% of coastal trips. For town trips, the volume of employment in retail and entertainment is taken as a proxy measure for the remaining town trips; the area of countryside weighted to take account of national park and/or AONB status as a proxy measure for remaining countryside trips and length of coastline and jobs as proxy measures for remaining coastal trips.

The 2005 leisure day trip survey indicated a fall in the number of town trips, with falls in the propensity to take countryside trips in some regions and a rise in other regions. However, it also showed a substantial rise in the average spend per trip so that although the volume of tourism day trips declined overall the total expenditure associated with those trips rose.

The current day visitor model was introduced in 2003 and varies from the previous model in that the latter did not take account of origin and distance in allocating trips across the region. Therefore the figures for earlier years are not directly comparable with more recent estimates.
The definition of tourism day trips is taken as those trips taken on an irregular basis and lasting 3 hours or more.

Basis for Economic Impact

The main economic impact of tourism arises from visitor spending in businesses in the District. Such spending takes place in:

- ◊ accommodation outlets
- ◊ retail shops ranging from grocers and bakers through to clothing and specialist souvenir and gift shops
- ◊ catering establishments including cafes, restaurants, pubs and fast food outlets
- ◊ visitor attractions and entertainment venues
- ◊ garage and transport services.

Tourism spending, results in increased turnover within the receiving establishments. A proportion of that turnover is used to pay wages and salaries of employees, whose jobs are therefore supported by visitor spending. The proportion of jobs dependent on visitor spending will vary with the type of establishment. For example, the majority of jobs in accommodation outlets depend upon tourism, but in other sectors such as public transport only a small proportion of jobs are supported by visitor spending.

The jobs in establishments used by visitors are directly supported by tourist expenditure. Additional jobs arise as a result of linkages between the businesses in direct receipt of visitor spending and other sectors such as wholesale distribution and other services. The number of these indirect jobs will depend upon the extent to which local businesses use suppliers and service providers based in the District as opposed to those operating from outside.

In addition to the direct and indirect jobs, further employment is generated by what is termed the induced or multiplier effect. Such jobs arise from the expenditure of wages earned by people in the jobs directly and indirectly supported by visitors.

The Model

The ‘Cambridge Model’ as the product is known, has been developed to make use of local level information. The Model is operated at one of five levels, depending upon the range and quality of local level information. Where there is a lack of local material the Model is able to incorporate data based on regional or national research to produce tourism estimates.

As previously mentioned, the base economic formula makes use of 2005 tourism statistics from the United Kingdom Tourism Survey (UKTS), the International Passenger Survey (IPS) and economic / job ratios for that year. On top of this base, 2005 visitor figures to Tourist Attractions and national day visitor characteristics from the UK Day Visitor Survey (2006) have been added to enhance the model, with 2005 West Midlands and Heart of England Tourist Board Accommodation Occupancy Surveys.

Changes to UKTS

In May 2005 the four national tourist boards introduced a new methodology for the United Kingdom Tourism Survey replacing a telephone survey methodology with a face-to-face survey methodology. The change was brought about as a result of doubts in the validity of the survey data produced by the telephone methodology, which in 2004 produced significant drops in the levels of domestic tourism, going against other survey data and industry feedback.

As the new survey commenced in May 2005, VisitBritain and the other national tourist boards have estimated the number of trips for the period January to April 2005.

How have the full year estimates been calculated?

The 2005 estimate is based upon the number of trips recorded in the January – April 2002 period, and the percentage those trips contributed towards the full 2002 number of trips. This weighting factor is then applied to the results from the new UKTS survey (May – December) to arrive at the full annual estimates.

The Formula - Full annual 2005 results =

$$\left\{ \frac{\text{Number of trips recorded in 2002}}{\text{Number of trips recorded May – December 2002}} \right\} \times \text{Number of trips recorded by the new UKTS survey (May – December 2005)}$$

UKTS 2005 is not comparable with previous years.
As a new methodology for the United Kingdom Tourism Survey has been introduced, the 2005 UKTS data should not be compared to previous years.

Limitations

The 2005 model provides an invaluable basis for deriving sound estimates of volume, expenditure and employment. However, the very nature of tourism, with large numbers of individuals moving in and out of the District for varying lengths of time presents considerable difficulties in providing accurate estimates. It is acknowledged that there will be some underestimate of:

- Business and conference visitors who do not stay overnight, and will not normally be caught in a day time on-street survey

- The night time economy, with visitors who are only in during the evenings

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 North Shropshire. 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 North Shropshire. 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.

Reporting of the Figures in the Model

Throughout the report, most figures for trips, nights and spend are rounded to the nearest 1,000, since the model itself generates figures which imply a level of accuracy that is not realistic in terms of tourism, where one can only talk in general figures about large numbers of people on the move**.**

VOLUME OF TOURISM

Introduction

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

Heart of England Tourist Board accommodation database has been cross-referenced with the local authorities' own local knowledge in order to produce a comprehensive accurate count of actual stock available in North Shropshire. The following stock includes all known accommodation including National Accommodation Scheme as well as eligible and non-eligible establishments.

Accommodation Stock in North Shropshire	
◊ Hotel / guesthouse/inns	709 bedspaces
◊ Bed & Breakfast/Farms	178 bedspaces
◊ Self Catering	45 Unit
◊ Touring Caravans/Tents	189 Pitches
◊ Static Vans	0 Pitches
◊ Group accommodation	88 bedspaces
◊ Second homes	69 Units

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

Occupancy Levels

The monthly occupancy levels achieved in the serviced sector in North Shropshire are as follows:

* 41% bedspace occupancy
* 56% bedroom occupancy.

These figures are above the County average of:

* 36% bedspace occupancy
* 48% bedroom occupancy.

1.0 Overnight Visits to North Shropshire

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 North Shropshire.

Table1: Overnight Trips by Commercial Accommodation

	UK	%	OVERSEAS	%	TOTAL	%
Serviced Accommodation	44,000	**61%**	7,000	**78%**	51,000	**63%**
Self Catering	4,000	**6%**	0	**-**	4,000	**5%**
Caravans/Tents	21,000	**29%**	0	**-**	21,000	**26%**
Static Vans/holiday centres	0	**-**	0	**-**	0	**-**
Group/Campus	1,000	**1%**	0	**-**	1,000	**1%**
Other	2,000	**3%**	2,000	**22%**	4,000	**5%**
Total	**72,000**	**100%**	**10,000**	**100%**	**82,000**	**100%**

Other' includes overnight in, 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 visitors 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 1.1 trips per head of population.

The population of North Shropshire is estimated to be approximately 58,700 (Census data 2004). The table below indicates the proportion of commercial trips compared to VFR trips generated by the local population. Around 39% of all overnight trips stay with friends and family, which is below the regional average of (46%).

Table 2: All Types of Overnight Trip		
Commercial	82,000	61%
VFR	52,000	39%
Total	**134,000**	**100%**

2.0 Purpose of Overnight Visits to North Shropshire

The table and chart below indicate the breakdown of all 134,000 trips made to the area by purpose of visit.

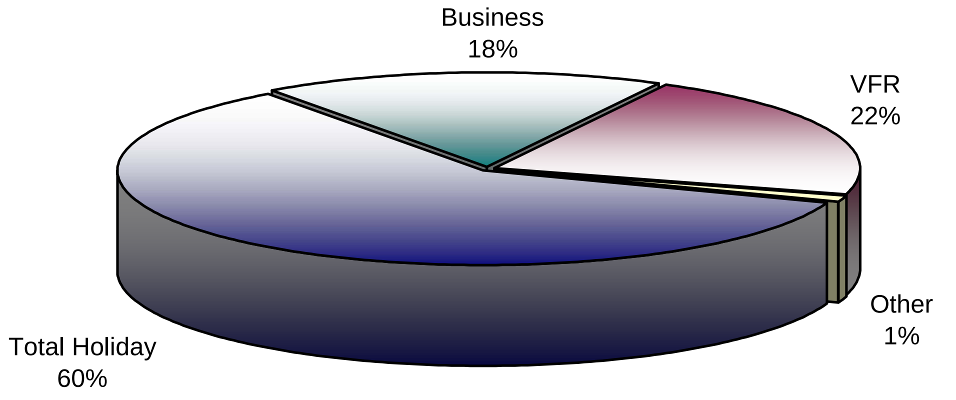
Table 3: Purpose of Overnight Visits to North Shropshire

	Domestic	%	Overseas	%	Total	%
Total holiday	76,000	64%	4,000	27%	80,000	60%
VFR	25,000	21%	4,000	27%	29,000	22%
Business	18,000	15%	6,000	40%	24,000	18%
Other	0	-	1,000	7%	1,000	1%
Total	**119,000**	**100%**	**15,000**	**100%**	**134,000**	**100%**

Tables may not add up exactly due to the rounding of the figures in the model
'other' includes study,

Over the full year, overseas visitors account for around 11% of all overnight trips to the District. For the overnight visitor market as a whole, visits for holiday purposes accounts for 60% and those visiting friends / relatives represent 22% 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 134,000 trips made to the District, 29,000 (22%) were for the primary purpose of visiting friends/relatives. In terms of the potential accommodation used, the figure is higher at 52,000 showing that far more may stay with friends/relatives but identify an alternative prime motivation i.e. "holiday", "other" or "business" for the trip.

3.0 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 county and district averages by the various sectors.

The table shows that in 2005 the total number of nights spent in the North Shropshire District amounted to 541,000 dominated by holidays (63%) and visiting friends and relatives (21%).

Table 4: Bednights Generated by Purpose of Visit

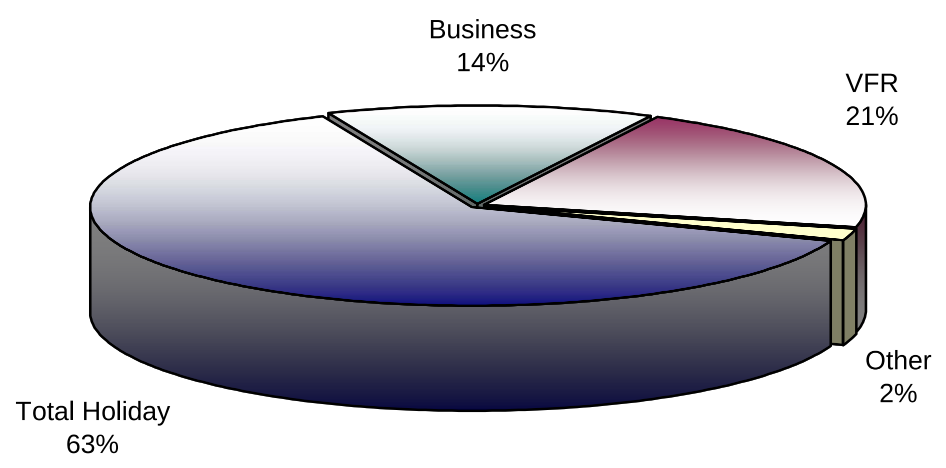
	Domestic	%	Overseas	%	Total	%
Total Holiday	321,000	71%	21,000	23%	342,000	63%
Business	56,000	12%	21,000	23%	77,000	14%
VFR	72,000	16%	40,000	43%	112,000	21%
Other	1,000	0%	10,000	11%	11,000	2%
Total	**450,000**	**100%**	**91,000**	**100%**	**541,000**	**100%**

N.B Table may not add up exactly due to the rounding up/down of figures
'other' includes study

Around 17% of all visitor nights spent in North Shropshire are by visitors from overseas.

The chart below indicates the percentages of all bednights generated by purpose in North Shropshire during 2005.

Figure 2: Bednights Generated



4.0 Day and Overnight Visits to North Shropshire

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 - Tourists who stay overnight in North Shropshire.
Day Visit - Visitors who start their trip from home and return there on the same day.

In the case of a destination such as North Shropshire, 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 visitors is made by using the ratio of resident to non-resident visitors to all attractions, numbers of visitors to attractions, local population; the distance from other population centres and other sources of day visitor behaviour based upon the 2005 United Kingdom Day Visitor 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 visitors in the table below.

Table 5: Total Number of Visitors to North Shropshire

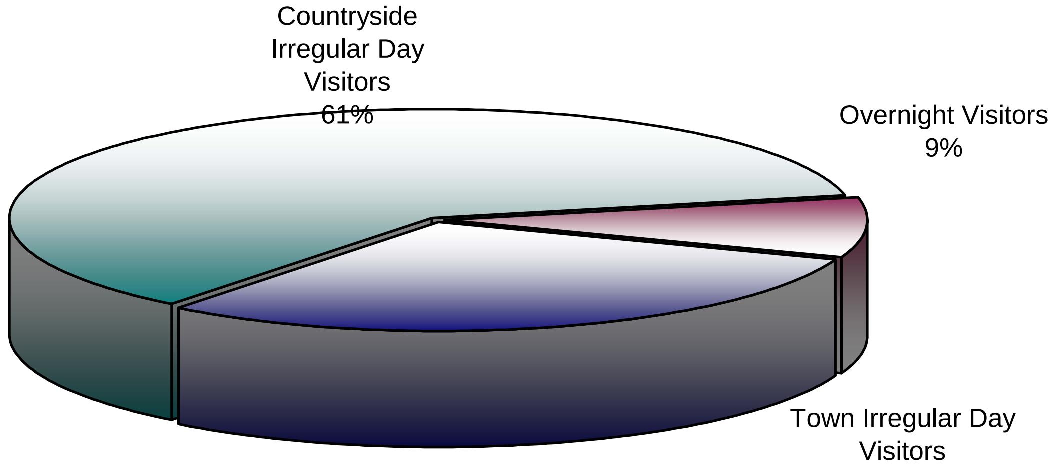
	Domestic	Overseas	Total	%
Overnight Visitors	119,000	15,000	134,000	9%
Town Irregular Day Visitors	463,000	N/A	463,000	30%
Countryside Irregular Day Visitors	932,000	N/A	932,000	61%
Total	**1,514,000**	**15,000**	**1,529,000**	**100%**

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 1.5 million visitors come to North Shropshire, comprising around 1.4 million day visitors and 0.1 million overnight visitors.

The chart below indicates the total breakdown of visitors.

Figure 3: Visitor Distribution



5.0 Visitor Flows in North Shropshire

Taking the days spent by day visitors together with the days (nights) spent by those staying overnight provides an overall figure for visitor flows. The 1.5 million visitors to the Area spent approximately 0.5 million nights and 1.4 million days in North Shropshire.

The breakdown of the visitor market by trips and days spent by visitors in North Shropshire District is shown below along with comparisons to Shropshire County.

Table 6: Visitors – Trips & Days

	Trips made to North Shropshire	***Trips made to Shropshire***	**Days Spent in North Shropshire**	***Days spent in Shropshire***
Day Visitors	**1,395,000**	*9,343,000*	**1,395,000**	**9,343,000**
Overnight Visitors	**134,000**	*1,262,000*	**541,000**	**5,575,000**
TOTAL	**1,529,000**	*10,605,600*	**1,936,000**	**14,918,000**

6.0 VALUE OF TOURISM

6.1 Introduction

Having established the volume of visitor days to North Shropshire, 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 2005 has been applied to the different types of visitor days spent in the District. The total expenditure of visitors for 2005 is estimated to be **£72 million**.

6.2 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 presented in the table 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	£150.71	£259.75
Business	£108.83	£234.33
VFR	£215.12	£285
Other	-	£277
Irregular Day Town Visitors	£46.22	-
Irregular Day Countryside Visitors	£29.78	-

** 'other' includes study.*

7.0 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	£11,454,000	£1,039,000	£12,493,000	55%
Business	£1,959,000	£1,406,000	£3,365,000	15%
VFR	£5,378,000	£1,140,000	£6,518,000	29%
Other	£63,000	£277,000	£340,000	1%
Study	£0	£0	£0	-
Total	**£18,854,000**	**£3,863,000**	**£22,717,000**	**100%**

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

The largest area of spend is 55% holiday visitors, with 29% spent by those visiting friends or relatives.

8.0 Day Visitor Spend

For irregular day visitors the figures are broken down using Regional irregular spend figures.

Table 9: Irregular Day Visitor Spending			
Irregular town day trips	463,000	@ £46.22 per trip	£21,399,860
Irregular countryside day trips	932,000	@ £29.78 per trip	£27,754,960
TOTAL	**1,395,000 trips**		**£49,154,820**

N.B Aggregation of sectoral spending by day visitors may mean that rounding has occurred.

9.0 Total Expenditure by Market Sector

Total expenditure by the main markets is shown below.

Table 10: Overnight and Day Visitor Expenditure		
Overnight	£22,717,000	34%
Day Visitor	£49,154,820	66%
TOTAL	**£71,871,820**	**100%**

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

This clearly shows that in terms of spend, the slightly lower volume of overnight visitors generate a higher proportion of spend.

Table 10a: Total Spend - County Comparisons	
North Shropshire	£71,871,820
Shropshire	£560,795,940

The table above shows how North Shropshire District compares to the Shropshire County as a whole. North Shropshire District generates approximately 13% of the county tourism spend.

10.0 Distribution of Visitor Spending

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

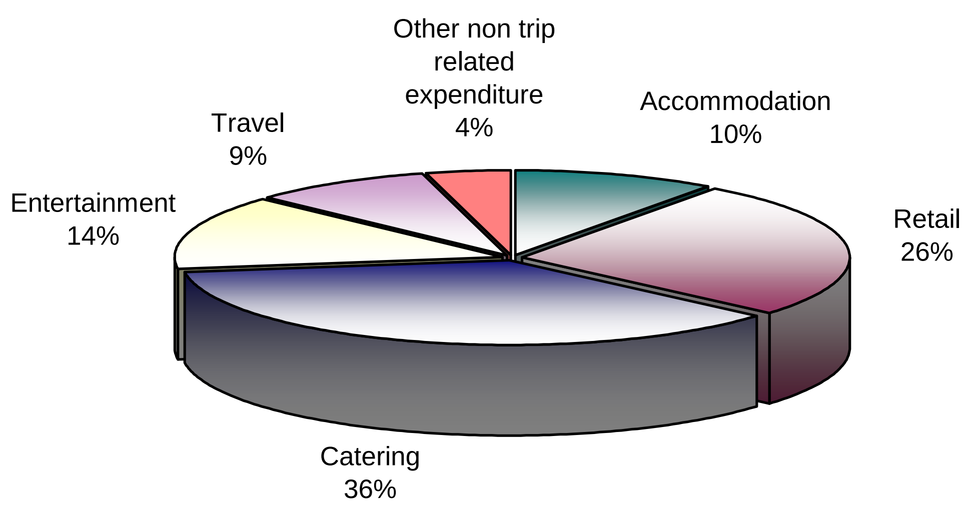
Table 11: Distribution of Visitor Spending

Accommodation	£6,919,000	**10%**
Retail	£18,621,000	**26%**
Catering	£25,600,000	**36%**
Entertainment	£10,052,000	**14%**
Transport	£6,408,000	**9%**
Other non trip related expenditure	£3,001,000	**4%**
Total	**£70,601,000**	**100%**

N.B 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- £26 million (36%) and retail - £19 million (26%), followed by entertainment - £10 million (14%).

11.0 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 North Shropshire is estimated to be £70,601,000 or, turnover of over £70 million, excluding any additional business income arising from induced effects arising from employee spending.

Table 12: Effect of Expenditure on Business

	Staying visitors	**Day Visitors**	**Total**
Accommodation	£6,502,000	£417,000	£6,919,000
Retail	£4,082,000	£14,539,000	£18,621,000
Catering	£5,377,000	£20,223,000	£25,600,000
Entertainment	£2,641,000	£7,411,000	£10,052,000
Transport	£2,469,000	£3,939,000	£6,408,000
Other Non-Trip Expenditure	£3,001,000	£0	£3,001,000
Total	**£24,072,000**	**£46,529,000**	**£70,601,000**

12 EMPLOYMENT

12.0 Introduction

The £72 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 North Shropshire.

It is estimated that from the tourism expenditure in North Shropshire of £72 million, a total of 1,806 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.

12.2 Data Sources

The estimates of volume and value of tourism to North Shropshire 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.

12.3 Types 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**.

12.4 Direct Full Time Job Equivalents

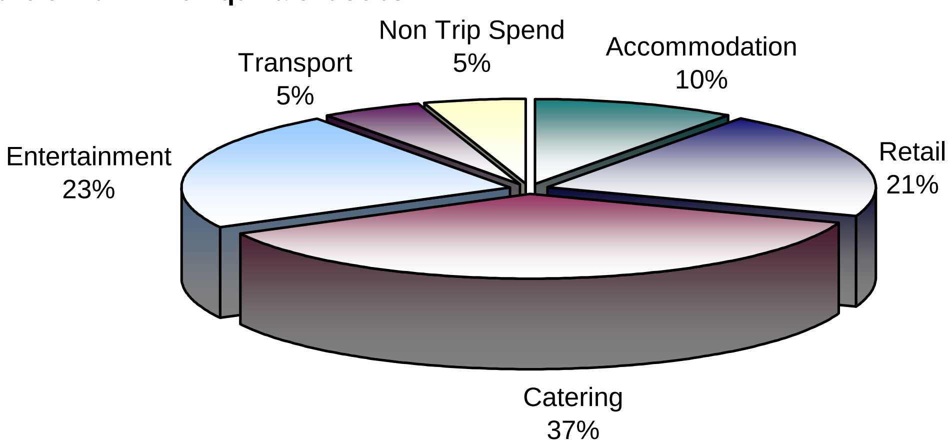
A large proportion of the tourism expenditure (£72 million) will have a direct local effect on businesses and jobs. Money spent by visitors will be absorbed by wages for staff and drawings for the proprietors. The proportion varies by industry sector i.e. wages are likely to be a smaller proportion of 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	101	10%
Retail	202	21%
Catering	355	37%
Entertainment	219	23%
Transport	44	5%
Arising from non trip spend	50	5%
Total Direct FTEs	**970**	**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	95	6	101
Retailing	44	158	202
Catering	75	280	355
Attractions/Entertainment	57	161	219
Transport	17	27	44
Arising From Non Trip Spend	50	0	50
TOTAL FTE JOBS	**338**	**632**	**970**

12.5 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 the North Shropshire 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 the North Shropshire 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	140	9	149
Retailing	66	236	303
Catering	112	420	532
Attractions/Entertainment	81	227	309
Transport	24	38	62
Arising From Non Trip Spend	57	0	57
ESTIMATED ACTUAL JOBS	**480**	**932**	**1,412**

A total of approximately 1,412 actual direct tourism jobs are supported by the existence of the £72 million tourism spend in the District. This spend supports a further 394 indirect and induced non-tourism jobs (see below); therefore, making approximately 1,806 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.

Total employment related to tourism spending (estimated actual)

TABLE 16	**Staying tourists**		**Day visitors**		**Total**
Direct	480		932		1,412
Indirect	119		184		303
Induced	63		28		91
Totals	**662**		**1,143**		**1,806**

Total employment related to tourism spending (FTE's)

TABLE 17	**Staying tourists**		**Day visitors**		**Total**
Direct	338		632		970
Indirect	104		161		265
Induced	55		25		80
Totals	**498**		**818**		**1,316**

13 CONCLUSIONS

Review

The key volume and value results for North Shropshire are derived from the various sources as described throughout the report. These include regional and county 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 2005 are:

1.5 million Visitors came to the North Shropshire District – 1.4 million as day trippers, and approximately 0.1 million overnight visitors.

The overnight visitors spent a total of **0.5 million nights** in the area.

During their visit to North Shropshire, tourists spent approximately **£72 million**. On average, about £6 million is spent in the local economy each month.

Visitors staying **overnight**, spent **£22.7 million** in the area, compared with **£49.2 million** from those on an irregular **day trip**.

The 1.5 million visitors to North Shropshire spend £72 million on tourism in the Area supporting in the region of **1,806 jobs**, both for local residents from those living nearby. Approximately **1,412 direct tourism related jobs** are supported with an **additional 394 non-tourism jobs** dependent upon multiplier spend from tourism.