

**The Yorkshire Tourist Board
Market Intelligence**



**Economic Projections
2012 to 2016**

Prepared by:

Carol Finlayson

Market Intelligence Executive

Yorkshire Tourist Board

312 Tadcaster Rd, York, YO23 1GS

Tel: 01904 773331

Email: cfinlayson@ytb.org.uk

5th September 2008

Table of Contents

1	Introduction.....	2
2	Aims.....	4
3	Background	5
4	Methodology	7
5	Findings.....	10
5.1	Overview	10
5.2	Changes in Visitor Volume and Value.....	11
5.2.1	Type of Visitor.....	11
5.2.2	Region of Origin.....	11
5.3	Gross Impact of the Development.....	11
5.3.1	Project Implementation Stage.....	11
5.3.2	Project Operation Stage	11
5.4	Associated External Effects.....	11
5.4.1	Direct External Impact	11
5.4.2	Indirect External Impact.....	11
5.4.3	Total External Effects.....	11
5.5	Net Impacts of the development.....	11
5.5.1	Additional Employment	11
5.5.2	Additional Spend.....	11
6	Conclusions	11
	Appendix 1: Visitor Projections provided by NRM	11
	Appendix 2: PRIME Model Inputs	11
	Appendix 3: Baseline figures and target aspirations.....	11
	Appendix 4: Glossary.....	11

1 Introduction

YTB Market Intelligence were commissioned by the National Railway Museum (NRM) to produce a model capable of estimating the likely economic impact of the NRM to the tourism economy of York following completion of a multi-million pound re-development and improvement works.

To provide the best possible picture of future economic impact, two different modelling approaches were applied to measure NRM's economic activity over the next few years. Firstly, to generate a picture of changing visitor value over time, a bespoke economic model was developed specifically for the NRM. The model relies primarily on data collected via on-site visitor surveys although also draws from industry data including a number of national surveys, local level data and outputs from the Cambridge Economic Model¹. By creating a project specific model it was possible to take into account such factors as the relative proportion of domestic and overseas visitors, which is expected to change following the re-development, and also has the advantage of predicting visitor expenditure year on year therefore enabling projections to be made for subsequent years.

Following on from this, the PRIME model² was used to provide forecasts for direct, indirect and induced employment and associated external effects resulting from increased visitor spend generated by the development. It then goes on to estimate the net impact of the development, taking into account both deadweight and displacement effects. PRIME is a nationally recognised approach to estimating economic impact, providing an indicative benchmark of impact at year three of the development (i.e. three years after the attraction re-opens), and generates a view of additional spending that would not otherwise have occurred had the development not taken place.

Both models are based on visitor projections provided by the NRM for 2012 to 2016, including a breakdown of overseas, day and staying visitors (see appendix 1). The

¹ The Cambridge Model was developed by Geoff Broom Associates and makes use of parameters derived from previous research studies of tourism projects in England and Scotland, as well as information on visitor spending from national surveys including the United Kingdom Tourism Survey (UKTS), International Passenger Survey (IPS) and United Kingdom Day Visitor Survey (UKDVS).

² PRIME stands for the Project Impact Appraisal model developed by Geoff Broom Associates.

output figures are based on a series of assumptions, such as average visitor spend and trip length, therefore outputs are only indicative of the economic impact to York and should not be considered in real terms.

2 Aims

The aims of the research were to estimate the:

- Proportion of total visitor expenditure directly attributable to the National Railway Museum (i.e. amount of spend the museum is responsible for generating).
- Amount of additional spend likely to be generated by visitors to the museum following the re-development works, and associated external effects, including increased supplier and income multiplier spend.
- Number of full time jobs supported by the additional spend, including direct, indirect and induced employment effects.
- Overall impact of re-development works at the National Railway Museum on both the local and regional tourism economy.

3 Background

In a recent study by TNS on behalf of VisitBritain, the key strengths of Britain's holiday product included 'opportunities to visit museums, galleries and contemporary arts', attributes that correlated strongly with customer retention. It is therefore essential that such 'products' are maintained and further developed, continuing to offer a quality experience. In 2011 the NRM plans to carry out major building works to develop the Great Hall, introducing new exhibition areas, and incorporating a redeveloped entrance area, with the aim of attracting new visitors and improving their overall product offer. The museum is currently in discussion with Yorkshire Forward and Lottery Funding.

There has been a positive trend in attraction visits in recent years, with an average 3% yearly increase in visitor numbers to Yorkshire based attractions. Museums and galleries are enjoying particularly strong growth, with an average 4% increase in visitor numbers per year over the last five years³.

Recent research commissioned by YTB reported an increasing number of people taking short breaks in the Yorkshire and Humber region. This trend is most prevalent among those with higher disposable incomes, in general from within the ABC1 socio-economic classification, and past research has shown that Yorkshire performs well in terms of product fit with regards to this market. Latest results from Enjoy England's annual 'Taking Part Survey suggest that the higher the socio-economic grouping of the respondent the greater likelihood of attending a museum or gallery.

Traditionally Yorkshire has performed well as a destination among the over 45 age group. However, perception and performance of the destination with respect to a younger market shows significant room for improvement and a key target area in YTB's marketing strategy, particularly for heritage destinations such as York. The latest Taking Part Survey found that those in the 25-44 age bracket more often visit museums compared to those aged 45-64, a fact which the NRM should try to capitalise on.

³ Sourced from VisitBritain 's Visitor Attraction Monitor

With respect to geographical origin, London and the South East are two markets identified by YTB as offering the most potential as target segments for the region as a whole, based on both current market analysis and the propensity of these segments to take short breaks.

Overseas visits have been increasing steadily in recent years and currently worth £400 million to Yorkshire's tourism economy each year. As a destination, York is popular among overseas visitors, being only a 2 hour train journey from London, and within easy access of Leeds/Bradford Airport. With transport links continually improving, and the growth in budget airlines, overseas market growth is set to continue.

4 Methodology

A two model approach was used in this study in order to provide a complete picture of economic impact following re-development and improvement works at the National Railway Museum in 2011.

Bespoke Economic Model

Profile data, extracted from visitor surveys conducted at the museum over the past year, was used to determine the proportion of day visitors, domestic staying visitors and overseas visitors currently visiting the museum, with those trips originating from within the UK further broken down by region of origin. Future projections of visitor volume and origin distribution took into account a predicted increase in total number of visitors, an increasing proportion of international visitors and a change in the relative proportion of visitors from Yorkshire and Humber (the majority of which are day visitors) versus elsewhere in the UK, in line with YTB marketing strategy (see section 3 above). Survey data was also used to determine the proportion of visitors who came specifically to visit the NRM that day, as opposed to those who were visiting York regardless and decided to visit the museum whilst there.

While many respondents claim they had come specifically to visit the NRM on the day they are interviewed, it's acknowledged that for staying visitors there will be a variety of reasons why they came to York in the first place, not just the existence of the Railway Museum, and they are likely to visit several different attractions during their stay. That is to say, the museum is not wholly attributable for these people's spend whilst in York. Thus, when calculating the amount of visitor expenditure attributable to the NRM, the degree of motivation was taken into consideration and expenditure adjusted accordingly.

For the purpose of analysis, it was deemed reasonable to assume that day visitors who came specifically to visit the museum were primarily motivated by this, and therefore we have attributed 100% of their total spend to the museum. For staying visitors it was assumed that for those who came specifically to visit the museum on the day they were interviewed, the NRM was only a partial influence over their decision to visit York in the first place and therefore we have attributed only 30% of

their resultant spend to the museum (based on a number of previous research studies of economic impact at attractions).

Estimated spend per day was calculated using the Cambridge Economic Model, which employs industry data to measure the volume and value of tourism at a regional and district level. York estimates for 2006 (latest available) were used in this report, employing separate figures for day visitors, staying domestic visitors and staying overseas visitors, and further breaking down domestic visitors by region of origin. These average spend figures were then multiplied proportionately by the number of visitors specifically visiting the museum, taking into account average length of stay (obtained from Cambridge), average party size (obtained from the visitor surveys) and degree of motivation, and thus providing an overall estimate of additional spend that the museum has generated, attributable to the NRM itself.

Turnover figures provided by the NRM were used to estimate the proportion of visitor spend associated with the museum itself, including retail, catering, car parking, guides and donations, and hence the remaining proportion that was spent outside of the museum. The model provides projected visitor value up until the year 2016, five years on from the completion of the works.

PRIME (Project Impact Appraisal Model)

The required inputs for the PRIME model include details of projected costs, turnover and employment, both during the development stage and operational stage of the project. These details were provided by the NRM. The main impact within the model lies in the number of visitors and spend which is regarded as additional to the area following the development, i.e. the net impact as opposed to the gross impact. The outputs of PRIME are therefore generated based on an estimated 220,000 additional visitors to the NRM per year following the improvement works. This figure was provided by NRM based on their visitor projections for year 2014 (third year of operation following investment), which can be found in appendix 1 of this report.

The total visitor expenditure figure used in PRIME was derived from the outputs of the bespoke model described above, thus taking into account region of origin and average length of stay. This was then used to derive the indirect and induced effects of the development, including supplier and income related expenditure, and associated employment effects.

An average turnover figure of £2,068,770 million (as of year 3), was used in this research, based on an average spend per head figure at the museum of £4.95 (as of now), increased by 3% per annum to allow for inflation. For the purposes of evaluation, the project has been classed as 'an extension to an existing attraction' in a 'historic town' location. Additionally data from the United Kingdom Tourism Survey 2007 (UKTS), United Kingdom Day Visit Survey 2005 (UKDVS) and International Passenger Survey 2006 (IPS) have been used (latest available data).

To reflect a potential increase in spending power, target aspirations for some of the key outputs from the model have been included in the appendices. These are based on an increased spending power of £1.40 per person on the current average spend and subsequently increased by inflation. The figure was derived from calculating current average spend per head when including spend on the Yorkshire Wheel, based on the assumption that if the additional expenditure did not go towards the wheel it would be spent elsewhere at the museum.

The model is intended to give estimates of likely impacts and it should be noted that estimates were used at the input stage based on the most recent full year data available (2006/07). Project specific inputs are based on cash flow estimates as of now, allowing for inflation and assuming an increase in visitor numbers to the attraction following the re-development. High and low estimates of net impacts have been presented and it is likely that the most accurate impact falls somewhere between these two elements. However, the actual impacts will depend on the individual circumstances of the project which may vary significantly from the standard parameters used in the model.

Please note: Degree of motivation was not considered in previous economic modelling conducted for the National Railway Museum and nor was region of origin among domestic visitors, therefore results cannot be directly compared to those published previously.

5 Findings

Using the average spends, length of stay and percentage of day versus staying visitors, the total volume and associated value of visitors to the NRM has been estimated and attributability⁴ has been assessed.

5.1 Overview

The following tables summarise estimated total expenditure generated in Yorkshire by those who have visited the National Railway Museum, at the present moment (2008) and five years following the redevelopment of the site (2016), both in terms of overall visitor spend and spend directly attributable to the museum. This has been broken down both by visitor type and visitor origin.

		Total Visitor Spend		% change
		2008	2016	
By type of visitor	Day Visitors	£17,452,742	£19,039,009	9%
	Staying Visitors	£68,946,265	£91,010,919	32%
	Overseas Visitors	£12,136,276	£23,839,113	96%
TOTAL				
		£98,535,282	£133,889,041	36%
		Spend attributed to Museum		% change
		2008	2016	
By type of visitor	Day Visitors	£10,995,227	£11,994,576	9%
	Staying Visitors	£10,962,456	£14,470,736	32%
	Overseas Visitors	£1,929,668	£3,790,419	96%
TOTAL				
		£23,887,351	£30,595,794	28%

Notes: 1). PRIME will take into account multiplier effects to determine the additional expenditure arising both locally and regionally through supplier and employee spend.

2) Figures are based on current spend per head estimates and does NOT take into account inflation, thus any increase in value is a result of increased visitor numbers to the museum.

⁴ Attributability refers to the degree to which a person's trip is motivated by a particular attraction or feature of the destination and therefore how important the attraction is in bringing visitors and expenditure into the area.

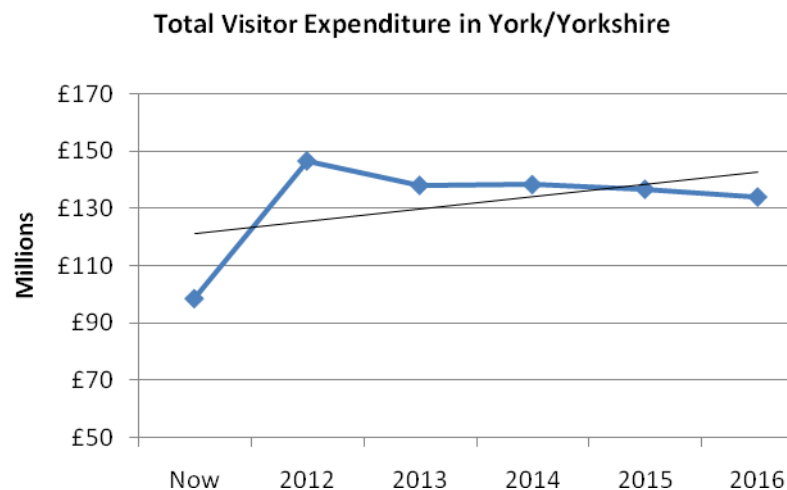
Total expenditure generated in Yorkshire by those who have visited the National Railway Museum is expected to have increased by 36% in 2016 from £99 million to £134 million, with the greatest percentage change expected among overseas visitors. **The increase in expenditure directly attributable to the museum, from 2008 to 2016, is expected to be in the region of 28%**, increasing from £23.9 million to £30.6 million annually.

Using PRIME, it is estimated that **additional visitor expenditure** generated by the museum **will support just under 670 local jobs and a further 303 jobs regionally**, including those generated directly as well as those associated with increased supplier and income multiplier spend.

The **net impact** of the re-development, taking deadweight and displacement effects into consideration, is estimated to be **in the region of £2.7 million to £9 million, supporting between 38 and 130 additional jobs**. The majority of this impact is thought to be at a local level.

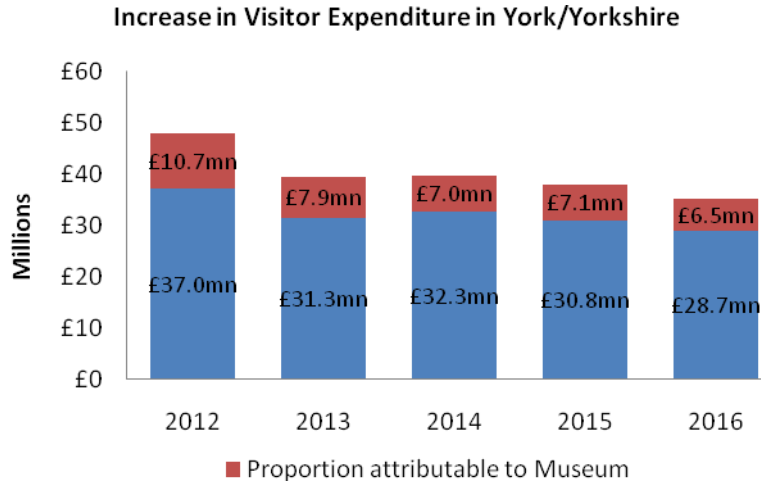
5.2 Changes in Visitor Volume and Value

Projecting future visitor numbers over a five year period following completion of the re-development works at the NRM, it is predicted that the expected increase in visitors will result in an even greater increase in spend. Allowing for an initial influx of visitors in 2013 following the re-opening of the attraction, it is expected that visitor numbers will start to level out again, although remaining 25% higher than at present. Meanwhile, direct expenditure generated by these visitors will increase by 36%, reflecting an increase in proportion of higher spending visitors from overseas and more southern parts of the UK (see section 5.2.2 below). Total visitor numbers will reach 1 million by 2016, of which 25% are expected to have been primarily motivated by the museum to come to York while a further 32% will be have been partially motivated.



Total expenditure within the region of those visiting the museum in 2016 is estimated to reach £134 million, of which £30.3 million (23%) will be attributable to the museum directly. Compared to current estimates, this represents an increase in overall visitor value of £35 million and an increase of value attributable to the museum worth £6.4 million (or 18%). Approximately 4% of visitor spend is thought to be spent inside the museum, and thus 96% is spent elsewhere.

The chart below illustrates total gross increase in visitor expenditure for five years following the completion of the project, in relation to current visitor expenditure, and estimates the proportion of this which is attributable to the museum directly.



It must be noted that estimates of total expenditure are based on current average spend figures (from latest Cambridge Model estimates) and do not take into account inflation, thus any increase in value relates directly to an increase in visitor numbers at the museum.

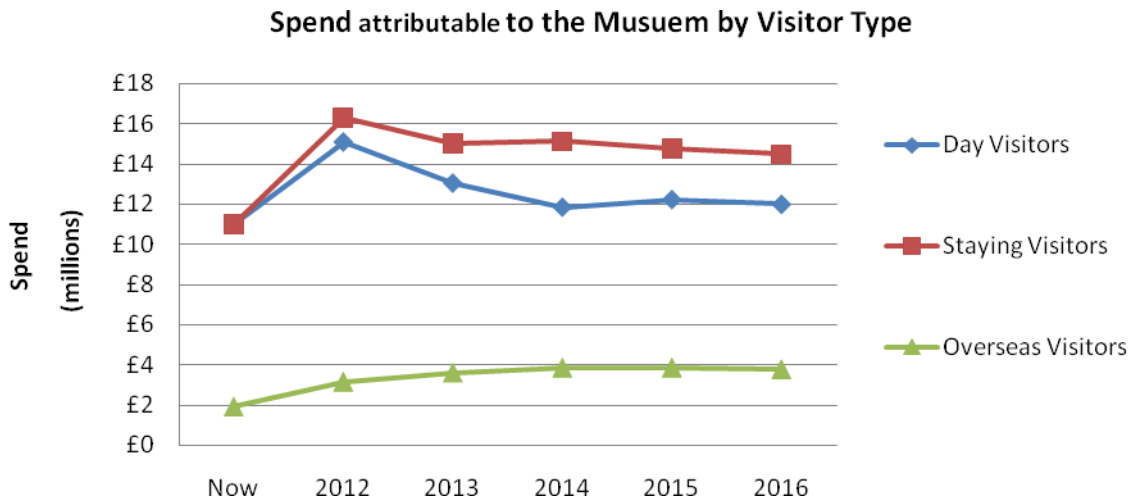
For estimates of net impact following the development project, taking into account both displacement and deadweight, please see section 5.5 of this report.

5.2.1 Type of Visitor

By 2016 it is expected that the relative volume of domestic staying visitors will have increased by 2%, and the volume of overseas visitors will have increased by 4%, so that the overall contribution of staying visitors will have gone from 54% in 2008 to 60% in 2016.



The following chart shows the relative expenditure of these different visitor types, showing only that which is directly attributable to the museum (and therefore would not occur otherwise). Their overall value takes into account average length of stay, spend per day and primary trip motivation.



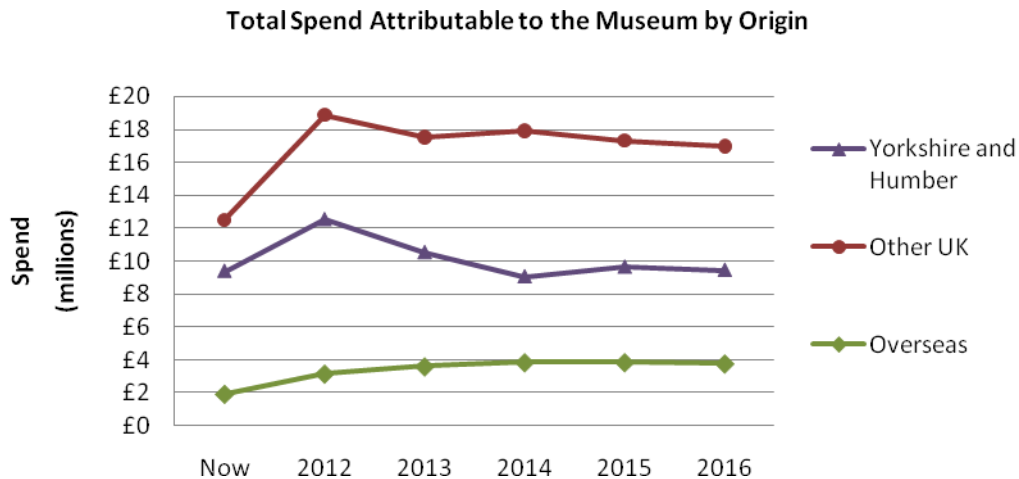
This chart clearly illustrates the high value of day visitors coming to the Railway Museum, reflecting the fact that an estimated 63% of day visitors coming to the museum are primarily motivated by the museum to visit York in the first place and thus their spend is entirely attributable to the NRM. After an initial peak, the value of day visitors is expected to remain fairly similar to current levels, with an estimated

£12 million attributable to the museum. Meanwhile, the relative value of both staying and overseas visitors is expected to increase as the museum begins to attract higher spending visitors from further afield, and in turn the degree of spend attributed to the museum will also increase. It is estimated that around 53% of staying visitors trips are at least partially motivated by the museum and around £18 million of their collective spend in 2016 can be attributed to the NRM.

Overall the value of visitors and total spend attributable to the museum will increase following the re-development works, with day visitors remaining the greatest contributors of additional value, but with a staying visitor market growing in strength.

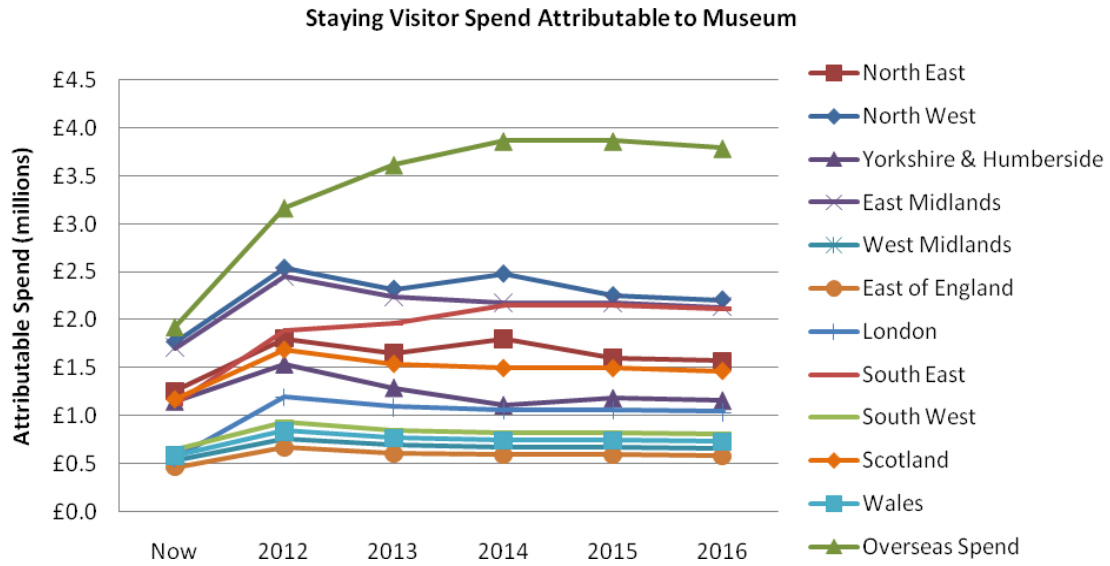
5.2.2 Region of Origin

The chart below shows the total spend attributable to the museum from those visitors originating within Yorkshire compared to those from outside Yorkshire, including both day and staying visitor spend (direct expenditure only).



As the NRM starts to attract more visitors from other UK regions and Overseas it is expected that the relative contribution of visitors from Yorkshire and Humber will decrease, although the actual volume and value of this market will remain fairly steady (other than an initial peak). Meanwhile, it is expected that the total volume and value of visitor expenditure from overseas will almost double by 2016, rising from £12 million to £24 million, of which £3.8 million will be attributable to the museum directly (as shown above), representing 10% of all spend attributable to the museum. Visits from other regions of the UK will also increase, resulting in a 36% increase in total spend and increase in attributable value worth £4.8 million.

The next chart shows the proportion of spend attributable to the museum generated by staying visitors from different regions of the UK and overseas (see overleaf).



From the above chart it is clear that the overseas market is an important one in terms of visitor value, and this is expected to increase over the five years following the re-development. In terms of domestic staying visitors, the North West is the most valuable market, followed by those from Yorkshire and Humber.

Please note, when analysing staying visitors only, the relative value of the Yorkshire and Humber market is much lower as the majority (84%) of visitors originating from within the region are day visitors. By contrast, only 22% of those from other UK regions are day visitors.

5.3 Gross Impact of the Development

The PRIME Model was run based on the inputs described earlier in section 4 and illustrated in more detail in appendix 2 of this report. The findings are represented in the following section. The gross impact of the development has been estimated and outlined below, including the direct and indirect impacts of the development during implementation and operation.

5.3.1 Project Implementation Stage

Table 1 illustrates the estimated employment arising from project implementation.

Table 1 Employment – Project Implementation			
	Local (Job Years)	Regional (Job Years)	Total (Job Years)
Temporary Jobs	15	*	15
Construction Jobs (direct)	42.70	21.35	64.04
Marketing/promotion Jobs	1.98	1.98	3.96
<i>Total Implementation Job Years</i>	<i>59.68</i>	<i>23.33</i>	<i>83.01</i>
	Local FTE Jobs	Regional FTE Jobs	Total FTE Jobs
Total Implementation Jobs (Full Time Equivalent)	5.97	2.33	8.30

Notes: 1) Figures may not add up due to rounding

2)* less than one FTE job

Both employment generated locally and regionally by expenditure in the construction and development phases have been estimated. Since these only arise in the development phase, these are quoted in job years. A total figure representing full time equivalent jobs has also been reported.

5.3.2 Project Operation Stage

Table 2 below shows estimated employment arising from the operation of the project. This will arise in the form of:

- Direct Employment, by way of permanent employment on the project site (in this instance no additional jobs are expected to be generated at the museum itself, hence the value of zero).
- Indirect Employment, in two categories -:

Supply-related employment resulting from purchases of goods and services from other suppliers locally and in the wider area. In general, projects in rural areas are likely to generate fewer jobs locally compared to those in urban areas where there are a wider range of established suppliers of goods and services and;

Income-related employment, an estimate of employment supported by the spend generated by paid employees of businesses affected by the project. In practical terms the income related employment can relate both to direct employees of the project or those employed by suppliers to the project.

	Local Jobs	Regional Jobs	Total jobs
Direct Employment	0.00	0.00	0.00
Supply-related Employment	9.40	*	9.40
Income-related Employment	4.70	*	4.70
Total Operation Jobs	14.11	*	14.11

Notes: 1) Figures may not add up due to rounding

2)* less than one FTE job

Table 2 estimates a further 14.11 jobs supported in supply-related and income-related categories. It is worth noting that these findings make no allowance for jobs displaced from existing competitor sites as a result of the implementation and operation of the project. The total project jobs figure is therefore a gross figure.

In principle, projects will have some displacement effects and the net figure will be lower than the 14.11 jobs outlined above (although the amount of displacement is normally much greater with accommodation projects than with attraction projects). Table 7 of this report estimates the net project operation employment impact combined with the net impact derived from external visitor spending.

Table 3 below shows the combined job totals from the implementation and operation stages, including income-related employment arising from the expenditure of wages by people whose employment is supported directly or indirectly in these stages:

Table 3 Employment – Implementation and Operation			
	Local	Regional	Total
Total Implementation Jobs	5.97	2.33	8.30
Total Operation Jobs	14.11	*	14.11
Total Jobs (Implementation and Operation)	20.07	2.33	22.41

Notes: 1) Figures may not add up due to rounding

2)* less than one FTE job

5.4 Associated External Effects

5.4.1 Direct External Impact

Apart from the employment arising from implementation and operation of the project, additional effects will arise, externally to the project, as a result of spending by visitors to the project away from the site. This may include spending money in the following sectors:

- Accommodation
- Entertainment including visiting other tourist attractions
- Eating and drinking
- Buying goods and souvenirs
- Travel

The expenditure on the project site will represent a very small part of their total trip expenditure. A similar situation arises in the case of day visitors from home, although their expenditure will not include the accommodation element and so spending on site will be much more significant.

Based on data from the Bespoke Economic Model, total visitor expenditure has been estimated, to generate gross total associated spend figures arising off site by visitors to the project. Drawing upon information in the national visitor surveys, these spending figures are then broken down into spending by sector. Table 4 below highlights the estimated direct jobs arising from such spending based on wage levels and the proportion of turnover spent on wages in each sector

Table 4: Gross External Impact - Direct External Jobs			
	Local FTE Jobs	Regional FTE Jobs	Total FTE Jobs
Accommodation	180.16	20.02	200.18
Retailing	57.16	6.42	63.59
Catering	139.28	15.56	154.84
Attractions	26.94	4.00	30.94
Transport	49.24	5.49	54.72
TOTAL DIRECT EXTERNAL JOBS	452.79	51.48	504.27

Notes: 1) Figures may not add up due to rounding

5.4.2 Indirect External Impact

Spending by visitors off site generates direct jobs in businesses benefiting from the expenditure. However, additional jobs will also arise in suppliers providing goods and services to those first round businesses. The model therefore generates estimates of the number of supply-related and income-related jobs arising as a result of purchases of supplies and services by tourism businesses, illustrated in table 5 below.

	Local FTE Jobs	Regional FTE Jobs	Total FTE Jobs
External Supply-related Jobs	139.14	133.82	272.96
External Income-related Jobs	76.98	118.06	195.05
TOTAL INDIRECT EXTERNAL JOBS	216.13	251.88	468.01

Notes: 1) Figures may not add up due to rounding

The regional figure is generally higher than the local figure because of visitors' propensity to move around the region whilst on holiday. Transport costs are often incurred at the departure point rather than the visitor destination.

5.4.3 Total External Effects

Table 6 below indicates the total direct and indirect full-time equivalent jobs generated by all visitors' spending away from the site (combining figures from tables 4 and 5) with an estimate of the job numbers attributable to staying and day visitors.

Table 6: Gross External Impact – Direct, Supply and Income Jobs			
	Local FTE Jobs	Regional FTE Jobs	Total FTE Jobs
<i>Staying Visitors</i>			
Direct Jobs	440.47	49.95	490.41
Supply-related Jobs	135.76	129.55	265.31
Income Related Jobs	74.66	114.39	189.04
<i>Day Visitors</i>			
Direct Jobs	12.32	1.54	13.86
Supply-related Jobs	3.38	4.26	7.64
Income Related Jobs	2.33	3.68	6.00
TOTAL EXTERNAL JOBS	668.91	303.36	972.28

Notes: 1) Figures may not add up due to rounding

5.5 Net Impacts of the development

Of the effects calculated and highlighted above, some of this expenditure would have arisen whether or not the project is undertaken, since most individual projects, in themselves, are rarely the principle reason for attracting tourists to the area.

The net effect is therefore defined as the additional expenditure and/or employment which arises in the local area and in the region as a whole as a result of the project that would not otherwise occur.

Using PRIME it was possible to calculate the net value of additional visitors to York after taking into account displacement effects⁵ and deadweight⁶, while also considering the total cost involved and projected annual turnover following the re-development.

⁵ Displacement refers to cases where the expenditure at a project is merely displacing expenditure from other attractions or accommodation in the area rather than generating additional spend in the area.

⁶ Deadweight refers to outcomes which would have occurred regardless of whether or not the re-development works had taken place.

5.5.1 Additional Employment

The table below outlines both the direct and external net impacts arising from additional visitor activity (although not including construction and other temporary employment associated with the development).

	Net FTE Jobs (maximum)	Net FTE Jobs (minimum)
<i>At local level</i>		
Direct arising from project operation	2.19	0.78
External arising from staying visitors	97.63	32.54
External arising from day visitors	6.31	4.51
<i>At regional level</i>		
Direct arising from project operation	0.00	0.00
External arising from staying visitors	22.04	0.00
External arising from day visitors	1.42	0.47
TOTAL NET JOB IMPACT	129.60	38.31

Notes: 1) Figures may not add up due to rounding

The net additional job impact at local level is higher than at regional level (for example the high estimate is that the local level impact is 106 jobs and the regional impact is 23 jobs, creating a total of 129 jobs in the area). The main reason for this is that an attraction in a particular local area is likely to attract visitor trips from other parts of the region.

5.5.2 Additional Spend

Table 8 below calculates the total net spend impact arising from staying and day visitor expenditure, excluding construction and development phase costs. This net spend figure takes into account displacement effects, whereby some visitors to the development may well have visited the area anyway. In these cases the expenditure at the project is merely displacing expenditure from other attractions or accommodation in the area rather than generating additional spend in the area.

Table 8: Total Net Spend Impacts		
	Net Spend (maximum)	Net Spend (minimum)
<i>At local level</i>		
Direct arising from project operation	£443,881	£159,425
External arising from staying visitors	£6,774,955	£2,258,318
External arising from day visitors	£492,735	£351,954
<i>At regional level</i>		
Direct arising from project operation	£0	£0
External arising from staying visitors	£1,291,350	£0
External arising from day visitors	£85,978	£28,659
TOTAL NET SPEND	£9,088,899	£2,798,356

Notes: 1) Figures may not add up due to rounding

6 Conclusions

From a capital cost of £19,232,000, the annual net effects of the re-redevelopment of the National Railway Museum will generate in the region of £2.8 million and £7.7 million for the local economy and a further £28,659 to £1.4 million regionally, once displacement and deadweight have been taken into consideration. It is estimated that visitor spend associated with the development with support between 38 and 130 full time equivalent jobs, of which the majority is estimated to be within the local (district) area.

We feel it necessary to point out that while the model does its best to provide realistic and reliable data, it can only be taken as indicative of the economic impact of the NRM as it is based on a series of assumptions and derived data.

Please note that previous estimates (NRM Economic Impact Report published 2007) did not make adjustments for the degree of trip motivation or region of origin, resulting in slightly higher estimates of overall visitor expenditure. The accuracy of the model has further been improved by drawing on a larger sample size than before, and thus results cannot be directly compared.

Appendix 1: Visitor Projections provided by NRM

	Now	2012	2013	2014	2015	2016
TOTAL NUMBERS	800,000	1,150,000	1,050,000	1,020,000	1,010,000	1,000,000
GENDER						
Female/Male %	47/53	50/50	49/51	49/51	49/51	49/51
AGE						
0-15	22% 176,000	23% 264,500	23% 241,500	23% 234,600	23% 232,300	23% 230,000
16-44	26% 208,000	26% 299,000	27% 273,000	27% 265,200	27% 262,600	27% 260,000
45-59	23% 184,000	24% 276,000	25% 252,000	25% 244,800	25% 242,400	25% 240,000
60 +	29% 232,000	27% 310,500	25% 283,500	25% 275,400	25% 272,700	25% 270,000
	800,000	1,150,000	1,050,000	1,020,000	1,010,000	1,000,000
REGION						
Scotland	7% 56,000	7% 80,500	7% 73,500	7% 71,400	7% 70,700	7% 70,000
Wales	3% 24,000	3% 34,500	3% 31,500	3% 30,600	3% 30,300	3% 30,000
NE	8% 64,000	8% 92,000	8% 84,000	9% 91,800	8% 80,800	8% 80,000
NW	10% 80,000	10% 115,000	10% 105,000	11% 112,200	10% 101,000	10% 100,000
East Mid	8% 64,000	8% 92,000	8% 84,000	8% 81,600	8% 80,800	8% 80,000
West Mid	3% 24,000	3% 34,500	3% 31,500	3% 30,600	3% 30,300	3% 30,000
East	2% 16,000	2% 23,000	2% 21,000	2% 20,400	2% 20,200	2% 20,000
London	2% 16,000	3% 34,500	3% 31,500	3% 30,600	3% 30,300	3% 30,000
South east	6% 48,000	7% 80,500	8% 84,000	9% 91,800	9% 90,900	9% 90,000
South West	3% 24,000	3% 34,500	3% 31,500	3% 30,600	3% 30,300	3% 30,000
Overseas	7% 56,000	8% 92,000	10% 105,000	11% 112,200	11% 111,100	11% 110,000
Yorks and Humber	41% 328,000	38% 437,000	35% 367,500	31% 316,200	33% 333,300	33% 330,000
	800,000	1,150,000	1,050,000	1,020,000	1,010,000	1,000,000
	100%	100%	100%	100%	100%	100%

Appendix 2: PRIME Model Inputs

Yorkshire Tourist Board Area

Project appraisal model 2008

Note: Red boxes must contain an input for the model to operate

Project title

Project type Code as follows

Hotel	1
B&B	2
Self catering	3
Camp & car	4
Holiday villages	5
Major new attraction	6
Minor attraction	7 Include extensions to existing attractions
Event/exhibition	8
UK Marketing	9
Overseas marketing	10

Type of location Code as follows:

Rural	1 (predominantly rural)
Town	2 (Historic town or suburban)
City	3
Resort	4 (predominantly urban seaside resort area)
Region	5 (For region wide initiatives)

Development phase

Capital cost

Revenue cost Include all actual revenue costs, eg marketing, promotion consultancy, excluding the costs of any direct temporary employment by project promoters

Direct employment Job years of any retained temporary staff recruited for development phase. Include work on events and marketing initiatives

Operating phase

Direct Jobs FTE jobs including part time and seasonal (exclude events and marketing initiative jobs included above)

Visitors

Total additional arising from the project

of which are anticipated to be staying visitors

are anticipated to be day visitors

Anticipated turnover

	Baseline		Aspirational
Year 1	<input type="text" value="£2,446,959"/>	Start up year	<input type="text" value="£3,139,028"/>
Year 2	<input type="text" value="£2,065,327"/>	Second year	<input type="text" value="£2,649,460"/>
Year 3	<input type="text" value="£2,068,770"/>	Third year and assumed to be sustained thereafter	<input type="text" value="£2,653,877"/>

Appendix 3: Baseline figures and target aspirations

Yorkshire Tourist Board Area Project appraisal model 2008

Project outputs summary

ANTICIPATED AT YEAR 3 OF DEVELOPMENT (2014)

Project title National Railway Museum

Project development

Capital costs	19,232,000
Revenue costs	218,000 (primary employment costs)
Employment FTE job years	59.68 local
	23.33 regional

Project operation	Baseline Figures		Aspirational Figures	
(Anticipated at year 3 for development projects)	Local	Region		
Annual turnover	£2,068,770		£2,653,877	
Supply spend	£517,193	£0	£663,469	£0
Income multiplier	£258,596	£0	£331,735	£0
Total gross	£2,844,559	£0	£3,649,081	£0
FTE employment	Local	Region	Local	Region
Direct	0.00		0.00	
Supplier	9.40	0.00	12.06	0.00
Income generated	4.70	0.00	6.03	0.00
Total gross	14.11	0.00	18.09	0.00
Associated external effects				
Gross annual impact				
	Local	Region	Local	Region
Visitor expenditure	£34,687,276	£3,937,817	£34,687,276	£3,937,817
Supplier spend	£7,652,888	£7,359,829	£7,652,888	£7,359,829
Income multiple	£4,234,016	£6,493,546	£4,234,016	£6,493,546
Total	£46,574,180	£17,791,191	£46,574,180	£17,791,191
Direct jobs	452.79	51.48	452.79	51.48
Supplier jobs	139.14	133.82	139.14	133.82
Income jobs	76.98	118.06	76.98	118.06
Gross FTE jobs	668.91	303.36	668.91	303.36
Net annual impacts				
(excludes construction impacts)	High estimate	Low estimate	High estimate	Low estimate
Local income	£7,711,571	£2,769,697	£7,837,113	£2,814,787
Regional income	£1,377,328	£28,659	£1,377,328	£28,659
Local & regional	£9,088,899	£2,798,356	£9,214,441	£2,843,446
Local jobs	106.13	37.83	106.75	38.05
Regional jobs	23.46	0.47	23.46	0.47
Local and regional	129.60	38.31	130.22	38.53

Appendix 4: Glossary

Attributability	Degree to which a person's trip is motivated by a particular attraction or feature of a destination and therefore how important the attraction is in bringing visitors and expenditure to the area.
Capital Cost	That which exceeds £10,000 spent on the acquisition of a tangible asset or which adds value to an existing asset provided the asset yields benefits for a period of more than one year.
Deadweight	Refers to outcomes which would have occurred regardless of whether or not the re-development works had taken place.
Direct Employment	Permanent employment on the project site.
Direct External Impact	Resulting from spending by visitors to the project away from the project site
Displacement	Refers to cases where the expenditure at a project is merely displacing expenditure from other attractions or accommodation in the area rather than generating additional spend in the area.
FTE Jobs	Full time equivalent jobs.
Gross Impact	Total expenditure and/or employment which arises following the project.
Income related	Supported by spend generated by paid employers of businesses affected by the project (employed both directly and by suppliers).
Indirect Employment	Supply and income related employment.
Indirect External Impact	Arising from suppliers providing goods and services to those businesses benefiting from visitor spending off site.
Job years	Months worked divided by 12.
Net Impact	Additional expenditure and/or employment which arises as a result of the project that would not otherwise occur.
Revenue Cost	That which is not directly attributable to constructing or acquiring the asset and includes general overhead costs or marketing associated costs.
Supply-related	Resulting from purchases of goods and services from other suppliers locally and in the wider area.