



destinationresearch  
delivering results : measuring what matters



## **Clacton Airshow**

Economic Impact Evaluation (PRIME Model)

### **Prepared for:**

Tendring District Council  
October 2022

**Produced by:**

**Destination Research Ltd**

[info@destinationresearch.co.uk](mailto:info@destinationresearch.co.uk)

[www.destinationresearch.co.uk](http://www.destinationresearch.co.uk)

Phone: 01206 392528

## **CONTENTS**

**Introduction**

**Executive Summary**

**Inputs**

**Outputs**

**Internal Impact**

**External Direct Impact**

**External Indirect Impact**

**Total External Impact**

**Gross Impact**

**Net Impact**

## **INTRODUCTION**

This report, commissioned by Tendring District Council, examines the economic impact of the Clacton Airshow on the local economy.

### **Clacton Airshow 2022**

The two-day event, which this year took place on Thursday 25th & Friday 26th August 2022, is one of Tendring's largest free events and in 2022 celebrated the 30th edition.

There was a good mixture in the flying display including RAF participation along with display teams, aerobatic aircraft, and historic aircraft. On the ground there were exhibits, children's activities and various entertainment areas along the Clacton seafront. A wide range of trade stands and a food court with a sumptuous selection of refreshments were also on hand throughout the two days. After the show there was a chance to do some late night shopping with many of the retail stores staying open late.

### **About the PRIME Model**

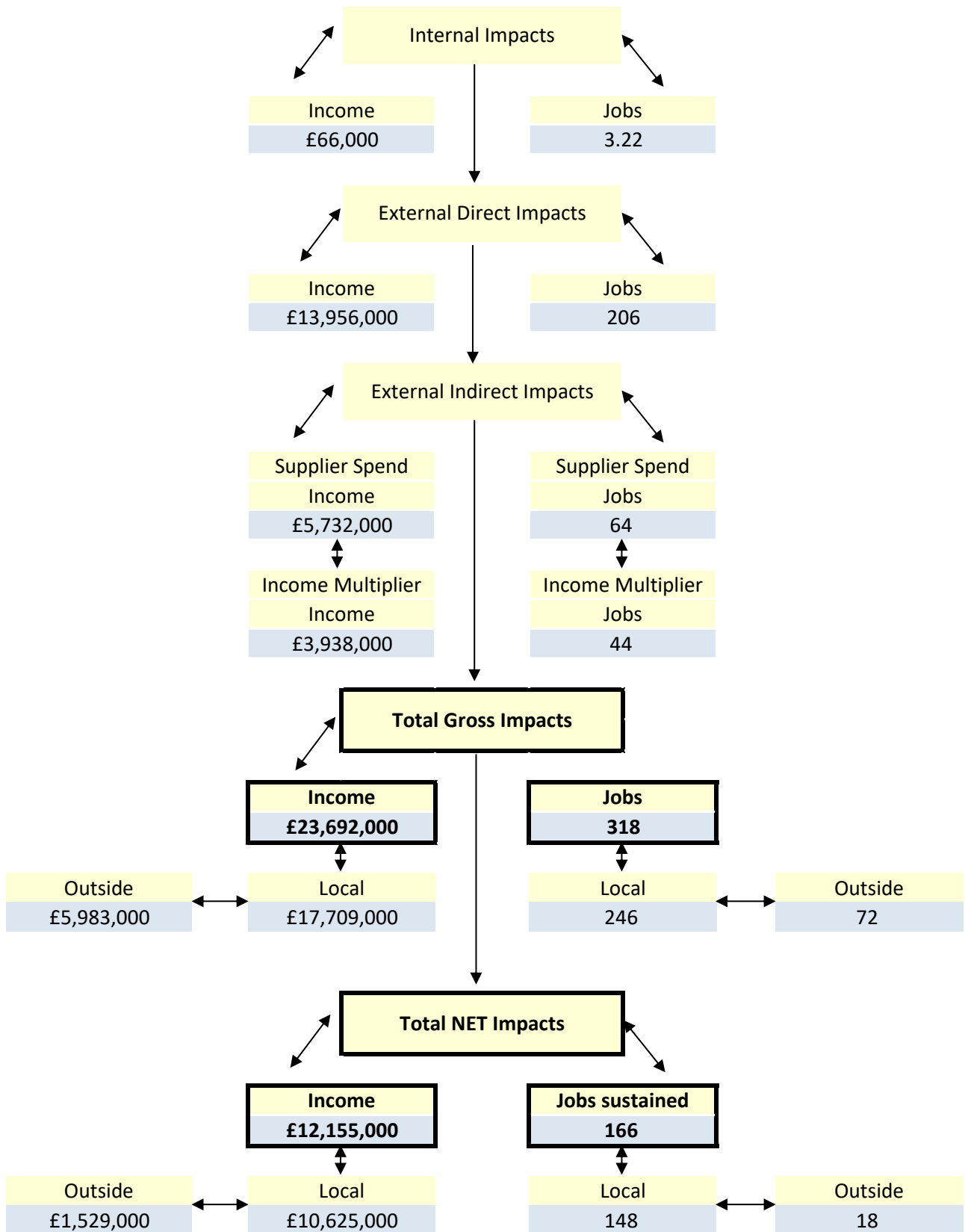
The model is computer based and provides a standard approach to appraising the direct and indirect impacts of an event. It uses key tourism data from a number of national tourism surveys including the UK Tourism Survey (GBTS), the International Passenger Survey (IPS) and the GB Day Visits Survey (GBDVS). The model has also been modified to reflect local and regional expenditure levels for various tourism and leisure activities.

The model employs standard formulas calculated from previous research and uses inputs provided by the client (such as visitor numbers and turnover). The resulting estimates indicate the levels of employment and expenditure likely to occur both as a direct and an indirect result of the exhibition on a local and regional levels.

This report will first explain the inputs used to run the model. It will then proceed to discuss the outputs of the model, looking at the impacts of both the development stage and the operation stage, including the gross direct and indirect annual impacts as well as the net annual impacts of the exhibition. All impacts are assessed in relation to their influence at a local and regional level.

It should be remembered that as with any model, figures generated by PRIME should only be considered to be estimates. The most important data produced by the model are the 'net' figures. These are produced by taking into account the likely level of displacement - i.e. the trade taken away from other attractions, towns and villages by the event as well as the expenditure levels that would have happen anyway.

# Executive Summary



## Inputs

There are a number of general input prerequisites to the model. Some of these determine which formulas and base assumptions will be used. These inputs have been provided by the Tendring District.

Project Type: Firstly, it is necessary to define the type of project in question. The Clacton Airshow has been defined as an 'event'.

Project Location: The model requires the project under study to be given a particular location type selected from rural, town, city, resort or region. In this case 'resort' location has been selected.

The remaining general inputs are then split into two groups, Development Phase and Operating Phase.

Development Phase: Inputs include the capital cost, revenue cost and direct employment of the project during the period over which it will be developed - in this case the planning and building phase. For this project, the client has advised that capital and revenue costs incurred are as follows.

|   |           |
|---|-----------|
| Capital costs incurred during this phase:   | £ -       |
| Revenue costs incurred during this phase:<br><i>(Excludes annual staff costs)</i> | £ 200,000 |

Operating Phase: Inputs include visitors and achieved turnover. For this project, the client has advised that the results are as follows.

|  |          |
|--|----------|
| Achieved turnover:<br><i>(Includes all income and additional sources of revenue)</i>   | £ 46,500 |
| Visitor numbers:<br><i>Assumes 8% staying visitors based on current Cambridge Model data.<br/>Also assumes some 50,000 additional visitors to the High Street and main shopping areas.</i> | 250,000  |
| Full time equivalent jobs:   | 3.00     |

## Outputs

### What are the internal impacts?

Internal impacts are those relating to the expenditure and employment associated directly with the Clacton Airshow.

#### Development Phase

Additional employment generated: 5.25 Full-time equivalent  
*(full time equivalent jobs in addition to the employment generated directly by the event)*

#### Operational Phase

Initial turnover £ 46,500

Income multiplier: £ 19,500

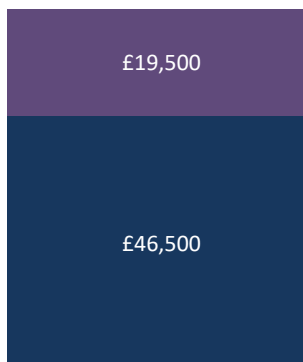
Total internal income: £ 66,000

Initial employment: 3.00

Additional employment 0.22

Total Internal Jobs 3.22

Income



■ Initial turnover ■ Income multiplier:

Employment



■ Initial employment: ■ Additional employment

## External Direct Impact

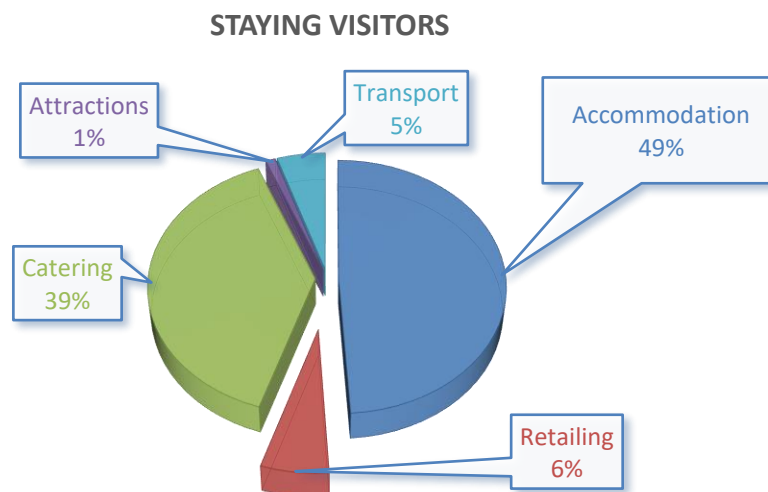
It is likely that visitors to the Clacton Airshow also spent money in the immediate locality and region surrounding it. The external direct impacts are those arising from visitor spending off site away from the event. The model estimates that:

|   |              |
|---|--------------|
| Total expenditure generated by all visitors     | £ 13,956,000 |
| Total expenditure generated by staying visitors | £ 5,394,000  |
| Total expenditure generated by day visitors     | £ 8,562,000  |
| Total expenditure in the local economy was      | £ 12,626,000 |
| Total expenditure in the regional economy       | £ 1,330,000  |

| All visitors              | Local               | Regional           | Total               | %           |
|---------------------------|---------------------|--------------------|---------------------|-------------|
| Accommodation             | £ 2,462,000         | £ 181,000          | £ 2,643,000         | 19%         |
| Retailing                 | £ 2,029,000         | £ 214,000          | £ 2,243,000         | 16%         |
| Catering                  | £ 5,328,000         | £ 519,000          | £ 5,847,000         | 42%         |
| Attractions               | £ 50,000            | £ 119,000          | £ 169,000           | 1%          |
| Transport                 | £ 2,756,000         | £ 297,000          | £ 3,053,000         | 22%         |
| <b>Total all visitors</b> | <b>£ 12,626,000</b> | <b>£ 1,330,000</b> | <b>£ 13,956,000</b> | <b>100%</b> |

How does this spend break down between the different types of visitors and sectors of the economy?

| Staying visitors          | Local              | Regional         | Total              | %           |
|---------------------------|--------------------|------------------|--------------------|-------------|
| Accommodation             | £ 2,462,000        | £ 181,000        | £ 2,643,000        | 49%         |
| Retailing                 | £ 301,000          | £ 22,000         | £ 323,000          | 6%          |
| Catering                  | £ 1,959,000        | £ 144,000        | £ 2,103,000        | 39%         |
| Attractions               | £ 50,000           | £ 4,000          | £ 54,000           | 1%          |
| Transport                 | £ 251,000          | £ 19,000         | £ 270,000          | 5%          |
| <b>Total all visitors</b> | <b>£ 5,024,000</b> | <b>£ 370,000</b> | <b>£ 5,394,000</b> | <b>100%</b> |

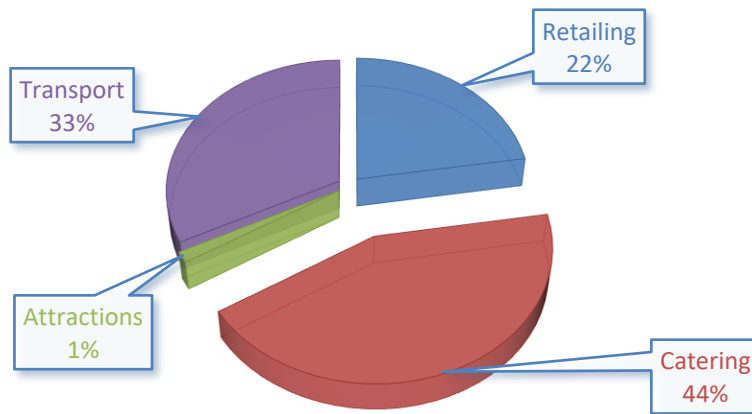


### External Direct Impact (Cont.)

#### Day visitors

|                           | Local             | Regional        | Total             | %           |
|---------------------------|-------------------|-----------------|-------------------|-------------|
| Retailing                 | £1,728,000        | £192,000        | £1,920,000        | 22%         |
| Catering                  | £3,369,000        | £374,000        | £3,743,000        | 44%         |
| Attractions               | £0                | £115,000        | £115,000          | 1%          |
| Transport                 | £2,505,000        | £278,000        | £2,783,000        | 33%         |
| <b>Total all visitors</b> | <b>£7,602,000</b> | <b>£960,000</b> | <b>£8,562,000</b> | <b>100%</b> |

#### DAY VISITORS

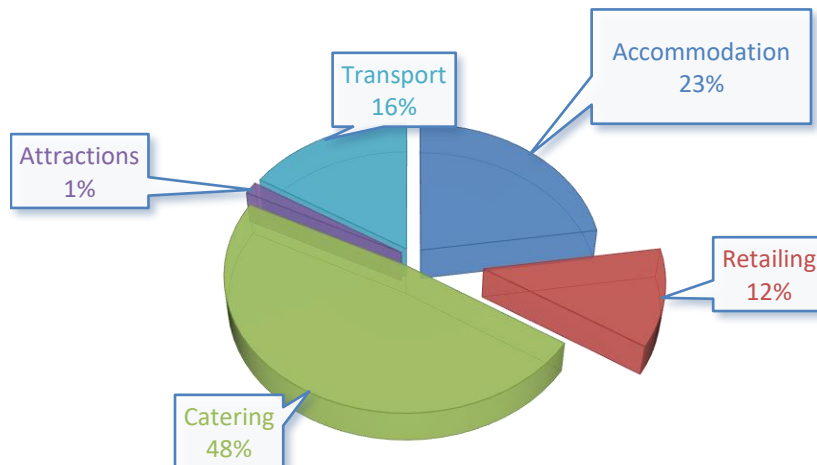


#### How many jobs are likely to be created by this income?

#### All visitors

|                           | Local      | Regional  | Total      | %           |
|---------------------------|------------|-----------|------------|-------------|
| Accommodation             | 44         | 3         | 47         | 23%         |
| Retailing                 | 21         | 2         | 24         | 12%         |
| Catering                  | 91         | 9         | 100        | 48%         |
| Attractions               | 1          | 2         | 3          | 1%          |
| Transport                 | 30         | 3         | 33         | 16%         |
| <b>Total all visitors</b> | <b>187</b> | <b>20</b> | <b>206</b> | <b>100%</b> |

#### EMPLOYMENT





## Total External Impact

### What are the external indirect impacts?

External indirect impacts are those such as increased spend by suppliers and spending by employees of local / regional businesses arising from visitor spending off site. The former are referred to as 'supply effects' the latter as 'income multiplier'.

### Supply Expenditure

The model estimates that:

|  |             |
|--|-------------|
| <i>Total</i> supply expenditure equals:    | £ 5,732,000 |
| <i>Local</i> supply expenditure equals:    | £ 3,413,000 |
| <i>Regional</i> supply expenditure equals: | £ 2,319,000 |

|                         | Local              | Regional           | Total              |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Staying Visitors</b> | £ 1,809,000        | £ 816,000          | £ 2,625,000        |
| <b>Day visitors</b>     | £ 1,604,000        | £ 1,504,000        | £ 3,108,000        |
| <b>All Visitors</b>     | <b>£ 3,413,000</b> | <b>£ 2,319,000</b> | <b>£ 5,732,000</b> |

### Income Expenditure

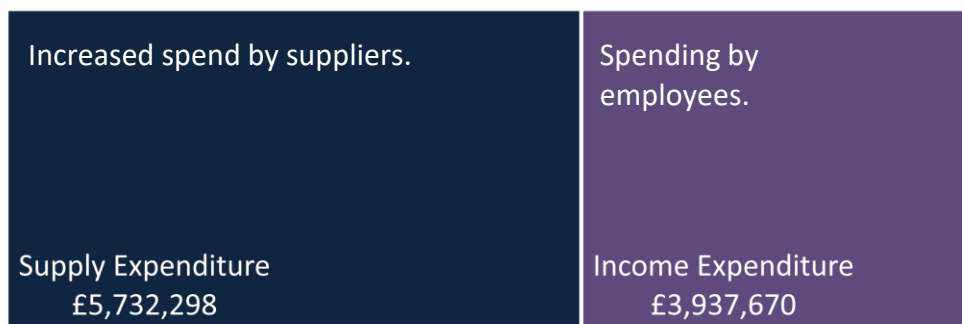
As the numbers of visitors and with it spend in the area increases, so does the amount earned by local people. This in turn creates an increase in what is known as 'income expenditure' as people spend the money earned.

|  |             |
|--|-------------|
| <i>Total</i> income expenditure equals:    | £ 3,938,000 |
| <i>Local</i> income expenditure equals:    | £ 1,604,000 |
| <i>Regional</i> income expenditure equals: | £ 2,334,000 |

|                         | Local              | Regional           | Total              |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Staying Visitors</b> | £ 683,000          | £ 920,000          | £ 1,603,000        |
| <b>Day visitors</b>     | £ 921,000          | £ 1,413,000        | £ 2,334,000        |
| <b>All Visitors</b>     | <b>£ 1,604,000</b> | <b>£ 2,334,000</b> | <b>£ 3,938,000</b> |

## External Impacts

■ Supply Expenditure ■ Income Expenditure



## Total External Impact

### What are the total (Gross) external effects?

The total external effects are the sum of the external indirect and external direct impacts.

The model estimates that:

|   |              |
|---|--------------|
| Total gross expenditure:                      | £ 23,626,000 |
| Local gross expenditure:                      | £ 17,643,000 |
| Regional gross expenditure:                   | £ 5,983,000  |
| Total gross FTE jobs created or sustained:    | 315.02       |
| Local gross FTE jobs created or sustained:    | 243.14       |
| Regional gross FTE jobs created or sustained: | 71.88        |

|                     | Local               | Regional           | Total               |
|---------------------|---------------------|--------------------|---------------------|
| Visitor expenditure | £ 12,626,000        | £ 1,330,000        | £ 13,956,000        |
| Supplier spend      | £ 3,413,000         | £ 2,319,000        | £ 5,732,000         |
| Income multiple     | £ 1,604,000         | £ 2,334,000        | £ 3,938,000         |
| <b>Total</b>        | <b>£ 17,643,000</b> | <b>£ 5,983,000</b> | <b>£ 23,626,000</b> |

|                       | Local         | Regional     | Total         |
|-----------------------|---------------|--------------|---------------|
| Direct jobs           | 186.77        | 19.59        | 206.37        |
| Supplier jobs         | 38.35         | 26.06        | 64.41         |
| Income jobs           | 18.02         | 26.22        | 44.24         |
| <b>Gross FTE jobs</b> | <b>243.14</b> | <b>71.88</b> | <b>315.02</b> |

### Total External Impacts



## Gross Impacts

### What are the total gross effects?

The total gross effects are the sum of the direct (internal impact and visitor spend) and indirect (supply and income) expenditure.

They are calculated using regional tourism statistics derived from surveys such as GBTS, IPS and GBDVS. For example, taking the level of expenditure per trip calculated from the surveys, the model is able to estimate the amount of expenditure generated by visitors.

There is a graduated effect in terms of the impacts of direct, supply and income expenditure. Direct expenditure has the greatest impact locally and the least impact regionally whilst income expenditure has the least effect locally and the most effect at a regional level.

The model estimates that:

#### Income

*Total gross income* £ 23,692,000  
*(internal, visitor, supply and income expenditure)*

*Local gross income:* £ 17,709,000

*Regional gross income:* £ 5,983,000

#### Employment

*Total gross FTE jobs created or sustained:* 318.24

*Local gross FTE jobs created or sustained:* 246.36

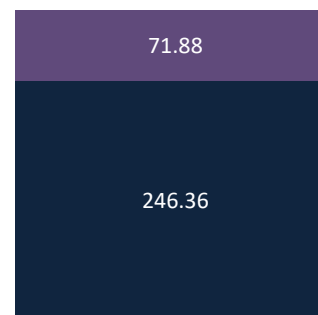
*Regional gross FTE jobs created or sustained:* 71.88

Gross Income (£)



■ Local gross income: ■ Regional gross income:

Gross Employment (jobs)



■ Regional gross FTE jobs created or sustained:  
■ Local gross FTE jobs created or sustained:

## Net Impact

### What are the net impacts?

A proportion of the gross activity may have taken place in any case, regardless of whether the event takes place. For example, holiday visitors may choose to visit the area anyway, or day visitors might take a trip but choose to do something else within the local area. In these cases, expenditure at the site is merely 'displacing' expenditure from other events, attractions or accommodation in the area, rather than generating additional spending. Net impacts are the expenditure and employment effects which occur at both the local and regional level which would not have otherwise taken place without the project under study.

The degree to which an event or attraction generates 'displacement' will vary according to the context in which it is developed. This model uses a standard displacement rate based on the type of event and location.

The model estimates that the total net income impact is as follows.

|                  |              |
|------------------|--------------|
| <b>Income</b>    |              |
| Total NET income | £ 12,155,000 |

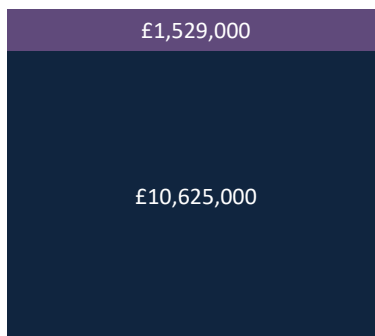
*(internal, visitor, supply and income expenditure)*

|                      |              |
|----------------------|--------------|
| Local NET income:    | £ 10,625,000 |
| Regional NET income: | £ 1,529,000  |

### Employment

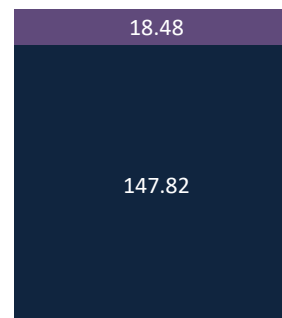
|   |        |
|---|--------|
| Total NET FTE jobs created or sustained:    | 166.30 |
| Local NET FTE jobs created or sustained:    | 147.82 |
| Regional NET FTE jobs created or sustained: | 18.48  |

NET Income



■ Local NET income: ■ Regional NET income:

NET Employment



■ Regional NET FTE jobs created or sustained:  
 ■ Local NET FTE jobs created or sustained:

## Key Terms

### *Gross Impact*

The gross effect is the total impact arising from all expenditure associated with the event i.e. direct, indirect and induced expenditure. It excludes leakage, deadweight and displacement (explained below).

### *Direct Expenditure*

Direct expenditure refers to the actual amount spent by developers or organisers of the project under study, subcontractors and visitors on the following key areas;

**Developers / organisers** – Investment in creating / building the project including hire of site, marketing, security, and other costs including staff costs on travel and subsistence

**Main subcontractors** – spend on local contractors and the travel and subsistence costs associated with staffing at the project

**Visitors** – spend on accommodation, food and drink, shopping, entertainment, travel and other costs such as charity donations.

All of these components are valid parts of expenditure into the visitor economy and recognise that economic impact goes beyond the more obvious visitor spend.

### *Indirect Expenditure*

Indirect effects arise as a result of businesses in receipt of direct expenditure (including local contractors and local businesses) purchasing supplies and services from suppliers locally and further afield. In turn, there will be subsequent rounds of expenditure as suppliers purchase goods and services from other suppliers and producers, until the expenditure is so remote from the original purchase that it can no longer be clearly traced.

### *Induced Expenditure*

Income induced effects arise as a result of the spending of wages by employees whose jobs are supported directly or indirectly by the visitor expenditure.

### *What are the net impacts?*

This figure refers to the gross impact minus the effects of leakage and displacement. It therefore represents the additional economic activity that would not otherwise happen without the project taking place.

The net additional impact has to take account of the following factors;

**Displacement** of other activity at the site which would have generated benefits  
**Leakage** of expenditure out of the region as a result of spending by visitors or suppliers with businesses outside the region.

#### *Displacement*

A proportion of the gross activity would have taken place in any case, regardless of the project under study. For example, perhaps visitors would have visited the area anyway, or day visitors might have taken a trip to the area to do something else within the local area instead. In these cases expenditure at the event is merely 'displacing' expenditure from other attractions in the area, rather than generating additional spending. Net impacts are the expenditure and employment effects which occur at both the local and regional level which would not have otherwise taken place.

The degree to which an event or development generates 'displacement' will vary according to the context in which it is developed. The net effect depends on how far the project is generating additional visitor activity (and expenditure) in the local or regional area which would not have otherwise occurred. The level of additionality will vary depending on the context of the project. A major new event or attraction in an area with no direct competition will have a high level of additionality. By contrast, a smaller development where the majority of visitors are from the local area will have a limited economic impact since most of the expenditure by those visitors would have taken place locally in any case.

#### *Leakage*

Leakage refers to direct expenditure spent outside of the area of concern. For the purpose of this study, the key areas are the district, county and, to a lesser extent, the East of England. The actual leakage will be any expenditure by subcontractors and visitors which falls outside those areas (e.g. transport costs).

### **MULTIPLIER ASSUMPTIONS**

#### *Indirect / Induced Multiplier*

The collection of information on the indirect and induced effects of the development would have involved extensive and costly additional surveys. Therefore, appropriate local multipliers based on existing data have been used.

The local multiplier, representing the combined effect of indirect and induced expenditure provides a measure of the first round of spending on supplies and the income induced spending within the relevant local authority area. The PRIME model uses a range of multipliers for each of the tourism-related industries involved in the event which have been arrived at using results from business surveys across the region.

As there is no single UK industry-wide standard or guidance, our professional opinion is that this multiplier enables comparison with other regional events. The local multiplier however only captures part of the indirect and induced effects. It does not include;

- Spending on supplies and services with suppliers located outside the local area, in the region and elsewhere
- Subsequent multiple rounds of supplier business spending
- The impact of investment stimulated by direct and indirect spending
- The income induced effects of these additional economic effects.

**Produced by:**



Registered in England No. 9096970  
VAT Registration No. GB 192 3576 85

45 Colchester Road  
Manningtree  
CO11 2BA

Sergi Jarques  
Director  
Tel: 01206 392528  
[sergi@destinationresearch.co.uk](mailto:sergi@destinationresearch.co.uk)  
[www.destinationresearch.co.uk](http://www.destinationresearch.co.uk)