UK holiday and touring parks industry - HEADLINE FIGURES

- 53,000 direct and indirect jobs in the UK
- £4 billion total turnover and visitor expenditure
- £1.4 billion Gross Value Added (GVA) contribution
- 19.5 million visitors and 168 million visitor days

This overview of the economic impact of the UK holiday and touring parks industry was commissioned from Roger Tym & Partners (RTP) in January 2012 by the British Holiday & Home Parks Association (BH&HPA). Its purpose is to extrapolate the findings of a 2011 VisitWales/BH&HPA study into the industry in Wales to cover the whole of the UK.

Key findings

Total economic impact

The total turnover and visitor expenditure of the UK holiday and touring parks industry is approximately £4 billion per annum. The total economic impact to the UK has been calculated as a Gross Value Added (GVA) contribution of £1.4 billion per annum, supporting a total of 53,000 direct and indirect jobs in the UK.

The estimated total park and visitor expenditure and GVA by accommodation type is assumed to be the same as for the Wales study, and is shown in the following table:

<table>
<thead>
<tr>
<th>Accommodation type</th>
<th>Park expenditure per unit</th>
<th>Visitor expenditure per unit</th>
<th>Total spend per unit per annum</th>
<th>Total GVA per unit per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privately-owned caravan holiday home</td>
<td>£3,625</td>
<td>£3,900</td>
<td>£7,525</td>
<td>£3,390</td>
</tr>
<tr>
<td>Park letting fleet</td>
<td>£5,900</td>
<td>£9,400</td>
<td>£15,300</td>
<td>£6,900</td>
</tr>
<tr>
<td>Touring pitch</td>
<td>£200</td>
<td>£2,600</td>
<td>£2,800</td>
<td>£1,340</td>
</tr>
</tbody>
</table>

The difference between expenditure (and therefore GVA) between accommodation types is not surprising given the expenditure required of parks on letting fleet such as marketing, cleaning, additional maintenance and more frequent unit replacement than is the case with privately-owned units. Visitor expenditure is also higher for letting fleet due to their higher occupancy rates. Touring pitches require less park expenditure.

Economic contribution:
holiday and touring parks across the UK

Background

The Wales study was jointly funded by VisitWales and BH&HPA to provide an independent, evidence-based understanding of the direct and indirect economic impact and contribution of the holiday and touring park sector in Wales from the different types of accommodation unit provided.

The study took place in 2011 and included extensive fieldwork throughout Wales. A representative selection of park owners (covering 43 parks in total) were interviewed and face-to-face visitor surveys with 517 people at 21 parks at three different times in the season were carried out. This fieldwork was backed up by desk research and interviews with key stakeholders to understand the past, current and future trends in the industry and the catalytic economic impacts.

While the results of any study based on surveys and sampling must be considered indicative rather than absolute, we believe that we obtained sufficient information for the results to give a reasonably accurate picture of the industry in Wales. BH&HPA subsequently commissioned RTP to extrapolate the results of the Wales study to cover the whole of the UK.
Visitor numbers
The UK holiday and touring park industry attracts approximately 19.5 million visitors per annum, who spend a total of 168 million visitor days on parks.

Of these 19.5 million visitors, 11.7 million stay in privately-owned caravan holiday homes, 4 million stay in letting units and 3.8 million stay in tourers.

Of the 168 million visitor days, 100.5 million are spent staying in privately-owned caravan holiday homes, 35 million in letting units and 32.5 million in touring caravans and tents.

Park spend on goods and services
UK parks spend £1.338 billion per annum on goods and services. Of that total, £642 million (48%) is spent on new and second-hand caravan holiday homes and £696 million on other items (maintenance, utilities, rates, equipment, stock for owned on-park shops, etc.).

Direct staff numbers, costs
The UK holiday park industry supports 26,500 Full Time Equivalent (FTE) direct jobs at an average wage per FTE job of £18,500.

Visitor spend
Total spend by all holiday park visitors in the UK was calculated at approximately £2 billion per annum.

Total economic impact (gross)
To estimate the total economic impacts of holiday parks in the UK, we draw on some of the findings from the Wales study. Specifically, these relate to ratios of holiday park turnover, operators’ spending and employment by accommodation type, along with the park visitor spending and assumptions for second-round multiplier effects. After applying these figures and assumptions to the UK’s figures for trips to holiday parks (by unit type), we estimate that holiday parks in the UK will generate a turnover of some £4 billion to the UK economy.

A simple RTP EconLA model approach converts the turnover figures for UK holiday parks into output (GVA) and jobs (FTE) using Office for National Statistics (ONS) (ABI 2009) data about the UK economy at sector level. This model estimates that UK holiday parks will contribute some £1.4 billion GVA to the national economy, supporting some 53,000 FTE jobs. Further analysis of these figures is given below.

<table>
<thead>
<tr>
<th>Table 2 Summary of output, GVA and jobs in UK holiday park industry</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parks/site</strong></td>
</tr>
<tr>
<td><strong>On site</strong></td>
</tr>
<tr>
<td><strong>Turnover £m</strong></td>
</tr>
<tr>
<td><strong>GVA £m</strong></td>
</tr>
<tr>
<td><strong>FTE Jobs</strong></td>
</tr>
</tbody>
</table>

Source: RTP (derived from Wales Study and ONS [ABI] data)
Other benefits

The following additional benefits were noted in the Wales study and will also apply to the industry UK-wide:

Catalytic impacts
- the holiday park sector is a very important part of the UK visitor economy due to its size and its apparent resilience in the recent economic downturn
- the sector impacts on other parts of economies local to individual parks – for example many local shops, garages, visitor attractions etc. survive because of trade from visitors staying at holiday parks
- the sector was felt to have changed considerably over the last decade, in particular enhancements to parks’ landscaping and the improved image of the sector.

Social and environmental benefits
Parks also provide a wide range of social and environmental benefits to their local communities (into which most appear to be well integrated):

Social benefits – examples include charity fundraising (some have raised hundreds of thousands of pounds over the last 10 years), support for local sports teams (e.g. funds for kit or travelling expenses), support to community infrastructure (one park had donated £25,000 towards the building of a new village hall), the use of park facilities by local people (e.g. swimming pool, tennis courts, shops) and additional public transport services laid on due to demand from park users which also benefit local inhabitants.

Environmental benefits – environmental management on-site, for example providing and maintaining wildlife areas, wetlands and woodland walks, or in one case maintaining a Site of Special Scientific Interest (SSSI) within the park boundary. Also support to off-site projects such as joint ventures with local environmental groups such as county Wildlife Trusts, maintenance of local footpaths and coastal paths, providing a ranger for protected sand dunes, repairing sea defences, and providing information boards for areas of local environmental interest.

Findings from the Wales study applied to the UK-wide study

Park owners’ expenditure
Park owners’ spend on all goods and services averages £2,890 per unit/pitch. Highest spend is on letting fleet (average £5,900 per letting unit) followed by £3,625 per privately-owned caravan holiday home and £200 per touring pitch. Excluding purchases of new and used holiday homes, the average expenditure per unit/pitch was reduced to £1,150.

Direct staff – numbers and costs
The number of staff working on parks fluctuates throughout the season with many jobs being part time and/or temporary (some for just a few hours a week).

One FTE job is created for every 15 static pitches and every 36 touring pitches.

Stay characteristics (from visitor surveys)

Length of stay
- the average length of stay of all visitors per holiday is 8.6 days. Longest average stay is by visitors in privately-owned units (10.2 days), followed by touring visitors (7.6 days) and then visitors to letting units (6.2 days).
- the average number of days that owners expect to use their privately-owned unit per year is 83.5. In addition, owners allow other people (e.g. family and friends) to stay an average of 25 days per annum, making a total average of 108.5 days usage per owned static unit.

Group size
The average size of group in all types of accommodation is 3.49 people comprising an average of 2.21 adults and 1.28 children. Groups in privately-owned units average 3 people, in rented static units average 4.82 people and in tourers 3.54 people.

Visitor spend
The average spend per group while away from home is £337 or an average of £11.25 per person, per day. Highest category of expenditure is eating and drinking out (30%, split between 16% on park and 14% off park) followed by purchasing food and drink (for self-catering) at off park shops (26%) and transport (14%).

Visitors in park letting fleet appear to spend slightly more (£13.20) a day than the average visitor spend, while visitors in touring units spend £12 and those in privately-owned units spend £11.