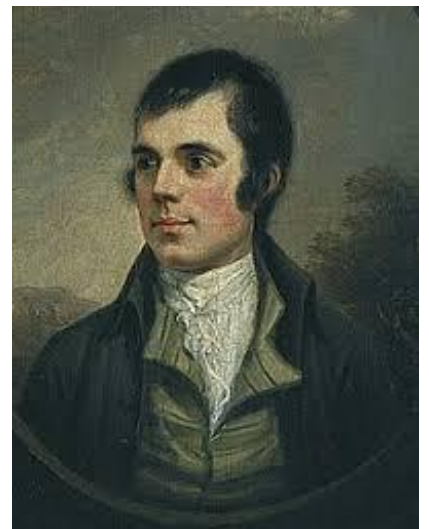


Bellerby Economics



Economic Impact Assessment: Burns Light Night 2018

Report for Perth & Kinross Council

February 2018

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1. Introduction

1.1 Burns Light Night 2018

Burns Night is celebrated annually on Robert Burns' birthday, 25 January, which sees gatherings of Scots and Scots-at-heart around the world to pay tribute to the poet's life and works. These events typically include haggis eating, ceilidh dancing, songs, poetry and good company and lots of fun.

Burns Light Night, held on 27th and 28th January 2018 in Perth, told the story of how Robbie Burns started his life as a poor tenant farmer and through channelling his intellectual energy into poetry became one of the most famous characters of Scotland's cultural history. The event, through stunning lighting, music, street theatre, dance and folklore, told the story of the life and work of Robbie Burns.

1.2 Objectives

Bellerby Economics were commissioned by Perth & Kinross Council (PKC) to prepare an economic impact assessment of the event, using data gathered from a short visitor survey, which attracted 469 responses from an attendance of over 5,300 unique visitors. This level of response attracts a standard error of $\pm 4.32\%$ - this suggests that the survey results are robust.

The specific objectives were to provide PKC with an understanding of the economic impact of the Burns Light Night event, focusing on the:

- net additional expenditure in the Perth and Kinross economy;
- employment impacts in the Perth and Kinross economy; and
- Gross Valued Added (GVA) to the Perth and Kinross economy.

2. Economic Impact Assessment

2.1 Visitor Numbers

The total number of visitors was 5,847, 66% attended on the Saturday and 35% the Sunday. The survey revealed that a number of visitors attended both nights - average number of visits was 1.1, which means that there were 5,315 unique visitors, and it is this number of visitors that will be used to estimate economic impact. The geography of origin is detailed in **Table 2.1**.

Table 2.1: Visitors by Origin

Origin	Number	%
PKC area	3,721	70%%
Elsewhere in Scotland	1,382	26%
Outside Scotland	159	3%
Overseas	53	1%
Total	5,315	100%

In **Table 2.2** we present estimates on the distribution of visitors by whether they were a day or overnight visitor.

Table 2.2: Day or Night Visitor

Origin	Day	Overnight
PKC area	3,721	0
Elsewhere in Scotland	708	674
Outside Scotland	89	70
Overseas	0	53
Total	4,518	797

2.2 Average Daily Expenditure Levels

The survey results as presented to us does not include cross tabulations to enable us to identify average daily spend by origin - we therefore assume spend does not vary by origin. **Table 2.3** presents details of expenditure by type.

Table 2.3: Average Daily Expenditure

Item	Expenditure
Food & Drink	£13.60
Leisure/Entertainment	£8.50
Shopping	£21.10
Travel	£8.00
Total	£51.20

Those who stayed overnight to attend the event spent an average of £75.01 on accommodation.

2.3 Gross Expenditure

Gross expenditure impacts will be measured according to the following formulae:

$$GE = nds.deds.nds + nos.deos.lov$$

Where:

GE	gross expenditure
ndv	number of day visitors
dedv	daily expenditure of day visitors
ndv	number of days visited
nov	number of overnight visitors
deov	daily expenditure of overnight visitors
lov	length of stay of overnight visitors.

Applying the gross expenditure formula to the expenditure levels in **Table 2.3**, and assuming an average length of stay of 1 day and 1 night to attend the event, gives gross expenditure figures as detailed in **Table 2.4**.

Table 2.4: Gross Expenditure

Visitor Type	Expenditure
Day Visitors	£231,322
Overnight Visitors	£100,589
Total	£331,911

2.4 Net Expenditure

Applying an average displacement factor of 39% (which means attending the event was the only or most important reason for 71% of non-P&K residents visiting Perth) and multipliers factors gives net additional expenditure resulting from visitors, as set out in **Table 2.5**.

Table 2.5: Net Additional Expenditure

	Expenditure
Gross spend	£331,911
Displaced Expenditure	£243,051
Net Direct Expenditure	£88,860
Multipliers	1.32
Net Additional Expenditure	£117,295

The total net additional economic impact to be generated by the Burns Light Night event is estimated to be **£0.12m**.

2.5 Net Additional Employment

Due to the short-term nature of the event the employment impacts will not meet HM Treasury criteria of being full-time and of 10 years in duration.

It is, instead, likely that the employment impacts will be short-lived. We have, therefore, calculated annual equivalent jobs (aejs). We have applied output: employment factors derived from the STMS¹ up rated for inflation and rounded to the nearest pound: £55,000 in 2018.

Applying the output: employment factors to the net additional expenditure figures in Table 2.5 gives employment impacts generated by the Burns Light Night event of 2 aejs.

2.6 GVA

Gross value added (GVA) provides a monetary value for the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production.

We calculate GVA by multiplying the number of jobs supported by the visitor spend by the sectoral GVA per head - £19,724 at the PKC level. These values are estimated from data obtained from Scottish Annual Business Statistics 2015 - the latest data available - and relates to the accommodation and food service activities used as a proxy for tourism spend². Given the components of the measure it is not possible to accurately up rate to 2018 levels.

This gives changes in GVA attributed to the Burns Light Night event of **£39,948**.

¹ Scottish Tourism Multiplier Study

² <http://www.gov.scot/Topics/Statistics/Browse/Business/SABS>

3. Conclusions

3.1 Introduction

This Chapter provides conclusions for the study centred on the key aims of the appraisal. The conclusions therefore cover:

- net additional expenditure in the Perth and Kinross economy;
- employment impacts in the Perth and Kinross economy; and
- Gross Valued Added (GVA) to the Perth and Kinross and Scottish economies.

3.2 Summary of Economic Impacts

Table 3.1 presents an overview of the economic impact of the Burns Light Night event.

Table 3.1: Summary of Economic Impacts

Impact	
Net additional expenditure	£0.12m
Employment impact (annual jobs)	2
GVA	£0.04m

Appendix 1: Alternative Results

VisitScotland has recently produce updated guidance on its favoured approach to reporting economic impact metrics³. In particular this approach:

- does not apply multipliers to expenditure;
- uses data from Scottish Government to estimate spend levels required to support employment⁴; and
- applies Type II employment and GVA multipliers derived from the Scottish Government's Input/Output tables⁵ to the employment and GVA impacts.

In Table A1 below we present the key impact metrics using this method.

Table A1: Key Impact Metrics

Impact	
Gross expenditure	£0.33m
Net economic impact	£0.09m
Employment impact (annual jobs)	2.5
GVA	£0.06m

³ See <http://www.visitscotland.org/pdf/VS-Economic-Measurment-Framework.pdf>

⁴ See <http://www.gov.scot/Topics/Statistics/Browse/Tourism>

⁵ See <http://www.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/Multipliers>.