The Economic Impact of Tourism
Windsor & Maidenhead 2015

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TOURISM
SOUTH EAST

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1. SUMMARY OF RESULTS

1.1 Introduction

This report contains the findings of a study commissioned by the Royal Borough of Windsor & Maidenhead and undertaken by Tourism South East. The overall aim of the research is to provide indicative estimates of the volume, value and resultant economic impact of tourism on Windsor & Maidenhead.

The research involved the application of the Cambridge Tourism Economic Impact Model or 'Cambridge Model'; a computer-based model developed by Geoff Broom Associates and the Regional Tourist Boards of England.

1.2 Volume & Value of Tourism – National and Regional results

Trips by domestic overnight visitors						
	South East			England		
	2015	2014	% change	2015	2014	% change
Trips	17,040,000	16,200,000	5%	102,730,000	93,000,000	10%
Nights	45,560,000	43,700,000	4%	299,570,000	273,000,000	10%
Spend	£2,570,000,000	£2,448,000,000	5%	£19,571,000,000	£18,085,000,000	8%
Trips by overseas overnight visitors						
	South East			England		
	2015	2014	% change	2015	2014	% change
Trips	5,141,000	4,648,000	11%	31,820,000	29,824,000	7%
Nights	37,350,000	34,645,000	8%	241,427,000	232,846,000	4%
Spend	£2,242,000,000	£2,160,000,000	4%	£19,427,000,000	£19,081,000,000	2%
Trips by day visitors						
	South East			England		
	2015	2014	% change	2015	2014	% change
Trips	216,000,000	227,000,000	-5%	1,298,000,000	1,345,000,000	-3%
Spend	£6,696,000,000	£7,571,000,000	-12%	£46,422,000,000	£46,024,000,000	1%
Total trips						
	South East			England		
	2015	2014	% change	2015	2014	% change
Trips	238,181,000	247,848,000	-4%	1,432,550,000	1,467,824,000	-2%
Spend	£11,508,000,000	£12,179,000,000	-6%	£85,420,000,000	£83,190,000,000	3%

- Results from GBTS reveal that 102.7 million domestic overnight trips were taken in England in 2015, an increase of 10% compared with 2014. The value of domestic overnight trips increased by 8%, from £18 billion to £19.6 million in 2015.

- Reflecting the national trend, the volume and value of domestic overnight trips in the South East also increased in 2015 compared to 2014. The volume of domestic overnight trips increased by 5% and trip expenditure also increased by 5%.

- According to results from IPS, overseas visitors made a total of 31.8 million overnight trips in England, an increase of 7% compared with 2014. Trip expenditure increased by 2% at the national level.

- Overseas visitor trip volume was also up for the region; total overnight trips taken by visitors from overseas to the South East increased by 11% and trip expenditure increased by 4%.

- Figures published in the Great Britain Day Visits Survey (2015) indicate that there were 1.3 billion Tourism Day Visits undertaken in England during 2015 (down 3% compared to 2014). Despite a small drop in volume, spend per head was up, leaving to an increase in day trip expenditure of 1%.

- The region saw a far greater fall in tourism day trips in 2015 compared to 2014. Day trip volume at regional level dropped by 5% and day trip expenditure dropped by 12%.

- Overall, total trip volume in the South East (overnight and day) dropped by 4% and total trip expenditure dropped by 6%.

1.3 Volume & Value of Tourism – Windsor & Maidenhead

- Recent trends for Windsor & Maidenhead show steady year-on-year increase in tourism value, however, despite an increase in the volume and value of the overnight market, growth in overall value was flat in 2015; this was driven by a fall in day trips.

- Overall, an estimated 743,000 staying trips were spent in the Borough in 2015 (up 3.8%), of which around 543,000 were made by domestic visitors (73%) and 200,000 by overseas visitors (27%). Compared to 2014, the volume of domestic overnight trips increased by 3.8% and overseas overnight trips increased by 3.6%.

- Staying trips resulted in an estimated 2 million visitor nights in the Borough, a growth of 4.1% compared to 2014.

- At approximately £212.4 million, total expenditure from overnight visitors was up by 2.1% in 2015 compared to 2014. Overseas visitors spent almost £97.5 million on their trip. This represents an increase of 4.5% compared to 2014. Visitor expenditure within the domestic overnight market on the other hand remained flat in 2015, reflecting a fall in average trip spend per person. Domestic trip expenditure was £114.9 a change of 0.2%.

- Reflecting regional trends the volume and value of tourism day trips fell in 2015 compared to the previous year. Approximately 6,852,000 tourism day trips were made to the Borough in 2015, a fall of 1.7% compared to 2014. Day trip expenditure was around £273.3 million, a fall of 1.1% compared to 2014.

- Total expenditure by visitors to Windsor & Maidenhead is estimated to have been in the region of £485.7 million in 2015, a marginal change of 0.3% compared to 2014.

- Once adjustments are made to recognise that some of this expenditure will take place outside the Borough (e.g. it is estimated that around 40% of expenditure on travel such as the purchase of petrol, coach and train fares, will be made at source of origin or on-route), total direct visitor expenditure is reduced to £461.6 million.

- Additional tourism expenditure is however, generated by other sources, increasing the total amount of money spent in the Borough. It is estimated that expenditure on second homes and on goods and services purchased by friends and relatives visitors were staying with, or visiting, generated a further £5.6 million expenditure associated with overnights trips in 2015.

- This brings direct expenditure generated by tourism in the Borough in 2015 to £467 million, a marginal change of 0.5% compared to 2014.

- Direct expenditure is translated to £625.2 million worth of income for local businesses through additional indirect and induced effects (generating a further £1158 million). Compared to 2014, this represents a marginal change of 0.3% in total tourism value.

- This tourism-related expenditure is estimated to have supported 7,157 FTE jobs in Windsor & Maidenhead. Many of these jobs are part-time or seasonal in nature and translate into an estimated 9,721 Actual Jobs.

- These jobs are spread across a wide range of service sectors from catering and retail to public service jobs such as in local government, and not just tourism. According to the Office of National Statistics, there are 76,100 employee jobs across the Borough. Based on our estimates, total tourism related expenditure supported 12.8% of these jobs in the Borough in 2015.

2. INTRODUCTION

2.1 Objectives of Study

This report examines the value, volume and resultant economic impact of tourism on Windsor & Maidenhead. The study was undertaken by Tourism South East using a widely recognised, industry specific methodology, known as the Cambridge Model. To date, this approach has been widely applied across England and the South East region to produce an indicative outline of the scale of tourism activity on a local area basis.

2.2 Background

Tourism is not an industry in the conventional sense of the word – i.e. the tourism product is not created out of a conventional production process and the methods used to measure tourism are not conventional ones. Essentially, the tourism industry serves our needs while we are away from our 'usual environment' by providing products and services, and represents an important part of many local economies.

Measuring the impact of visitor volumes at a local level has been an important issue for destination and countryside managers for years. Yet, the scale, diversity and nature of tourism makes quantification a challenge – for example:

- A plethora of businesses across many different sectors comprise the 'tourism product' e.g. accommodation businesses, visitor attractions, transport providers, retailers, restaurants, pubs, tea rooms etc.
- There are many different types of tourist – day visitors, staying visitors, visitors on holiday, visitors on business, plus visitors visiting friends and relatives, on language study etc. All these different markets behaviour in a different way with respect to trip frequency, spend per head, duration of stay etc.
- The nature of tourism itself creates problems as it is impossible to accurately monitor and record every visitor entering or leaving a geographical area.

It must, therefore, be stressed that calculating the value, volume and impact of tourism can never be a precise science. Theoretically, the best approach is implementing cordon surveys – but these are seldom affordable in practice and still engender a number of technical problems. Thus, the method chosen is always governed by issues of affordability, practically, data availability or attainability, data quality/ representativeness and comparability (both in a spatial and temporal sense).

It is for this reason, that the Cambridge Model – a computer based, industry specific model developed to calculate estimates of volume, value and economic impact of tourism on a county of Borough basis – has been used extensively.

2.3 The Cambridge Model

For almost ten years, regional tourist boards across England have been working with Geoff Broom Associates in developing the Cambridge Model approach to estimate the value and volume of tourism to local authority areas.

The model was developed to provide an affordable method of calculating the value of tourism to local economies through using a range of readily available local data on an area's tourism product to disaggregate a range of regional/ county tourism statistics. The method is popular with local authorities as it is affordable and can readily use available local statistics to generate a view of the volume, value and economic impact of visitor activity in the area. Nevertheless, where additional local data exist e.g. high quality occupancy data, information on profile of visitor structure and associated spend etc – this enables the replacement of regional data in the first stages of the model. Business surveys can also be commissioned to generate local calibration of the economic stage of the model.

Indeed, although the Cambridge Model approach has been frequently labelled as being 'top-down', it is entirely possible to drive the model entirely by locally collected data, and thus introduce 'bottom-up elements'. Furthermore, the model utilises a standard methodology capable of application across the UK, and thus offers the potential for direct comparisons with similar destinations throughout the country.

2.4 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. Most importantly, autumn 2003 saw the launch of Cambridge Model Version II. This revised approach was developed from work undertaken for the South West Regional Development Agency and includes a number of enhancements. These include:

- greater use of local data within the standardised model e.g. occupancy data, information on local wage rates
- enhanced outputs, notably visitor nights by accommodation type, spend by accommodation type, impact of non-trip related spend
- more sophisticated economic impact analysis section
- adoption of a rolling average methodology for staying visitor value and volume[1]

2.5 Methodological Overview

2.5.1 Key Outputs

The model has two stages:

Stage 1: Calculates the volume and value of day and staying visitors to the study area.
Stage 2: Estimates the economic impact of this visitor spending in the local economy.

The Cambridge Model is therefore able to generate indicative estimates for the following:

➢ The volume of staying trips taken in the Borough by overseas and domestic visitors

[1] *This approach offers the additional benefits of producing estimates using more county specific information and is based on three years worth of data for staying visitors – whilst providing additional outputs – notably expenditure and visitor nights by accommodation type.*

- The volume of visitor nights spend in the Borough by overseas and domestic visitors
- The number of leisure day visits taken from home to and within the Borough
- Visitor expenditure associated with these trips to the Borough, and its distribution across key sectors of the local tourism economy
- The value of additional business turnover generated by tourism activity within the Borough
- The level of direct, indirect and induced employment sustained by visitor expenditure within the Borough

For staying trips the model also offers a breakdown according to the type of accommodation used and the main purpose of visit, i.e. holiday, visiting friends and relatives, business, language school visit and 'other'[2] purposes.

2.5.2 Data Sources

In its standard form, the Cambridge Model uses a range of local data including details of accommodation stock, local occupancy rates, population, employment, local wage rates and visits to attractions. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:

- Great Britain Tourism Survey (GBTS)
- International Passenger Survey (IPS)
- Great Britain Day Visits Survey (GBDVS)
- New Earnings Survey
- Census of Employment
- Census of Population
- Labour Force Survey
- Annual Business Inquiry

As highlighted above, the Model allows estimates generated using the above existing data sources to be refined further using locally available survey data – to the extent that it is possible to drive the Model entirely by locally collected data. Locally collected data used in this study include:

- Audit of accommodation stock
- Average room and bed occupancy from local survey
- Number of visits to attractions from local survey

2.5.3 Limitations of Model

The Model relies on a range of data sources, which in turn are based on different methodologies and are estimated to different levels of accuracy. The estimates generated by the Model can therefore only be regarded as indicative of the scale and importance of visitor activity in the local area. The Model cannot, for example, take account of any additions to, or leakage of, expenditure arising from visitors taking day trips into or out of the area in which they are staying. It is likely, however, that these broadly balance each other in many areas.

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[2] 'Other' visitors typically include visitors coming to an area for reasons such as education and training, social or sporting events, or even business matters relating to personal or family duties.

2.5.4 Accuracy of the model

As with all models, the outputs need to be viewed in the context of local information and knowledge. Because of the nature of tourism and the modelling process, this model (as with other approaches) can only produce indicative estimates and not absolute values.

The Cambridge Model approach has been independently validated (R Vaughan, Bournemouth University) and was judged robust and the margins of error acceptable and in line with other modelling techniques. Tourism South East, also implement a number of measures to ensure that outputs are indicative as possible, through working with the local authority to audit accommodation to ensure that data inputs on accommodation capacity are as accurate as possible, and ensuring a high degree of transparency in the process (methodology employed, data used, assumptions made)

As a result, there should be confidence that the estimates produced are as reliable as is practically possible within the constraints of the information available.

3. TABLES OF RESULTS

TABLE 1: STAYING TRIPS BY ACCOMMODATION						
	UK		Overseas		Total	
Serviced	447,000	82.3%	159,000	79.5%	606,000	81.6%
Self catering	2,000	0.4%	1,000	0.5%	3,000	0.4%
Touring caravans /tents	452	0.1%	48	0.0%	500	0.1%
Group/campus	0	0.0%	300	0.2%	300	0.0%
Second homes	1,000	0.2%	1,900	1.0%	2,900	0.4%
Other	1,000	0.2%	200	0.1%	1,200	0.2%
Paying guests in private houses	0	0.0%	4,000	2.0%	4,000	0.5%
Staying with friends and relatives	91,000	16.8%	33,000	16.5%	124,000	16.7%
Total 2015	543,000		200,000		743,000	
Total 2014	523,000		193,000		716,000	
% change	3.8%		3.6%		3.8%	

TABLE 2: STAYING NIGHTS BY ACCOMMODATION						
	UK		Overseas		Total	
	UK		Overseas		Total	
Serviced	854,000	77.7%	636,000	69.8%	1,490,000	74.1%
Self catering	4,000	0.4%	5,000	0.5%	9,000	0.4%
Touring caravans /tents	2,000	0.2%	0	0.0%	2,000	0.1%
Group/campus	0	0.0%	2,000	0.2%	2,000	0.1%
Second homes	3,000	0.3%	17,000	1.9%	20,000	1.0%
Other	3,000	0.3%	0	0.0%	3,000	0.1%
Paying guests in private houses	0	0.0%	51,000	5.6%	51,000	2.5%
Staying with friends and relatives	233,000	21.2%	199,000	21.8%	432,000	21.5%
Total 2015	1,099,000		911,000		2,010,000	
Total 2014	1,048,000		882,000		1,930,000	
% change	4.9%		3.3%		4.1%	

TABLE 3: STAYING SPEND BY ACCOMMODATION						
	UK		Overseas		Total	
Serviced	£98,403,000	85.6%	£83,694,000	85.8%	£182,097,000	85.7%
Self catering	£180,000	0.2%	£287,000	0.3%	£467,000	0.2%
Touring caravans /tents	£78,000	0.1%	£15,000	0.0%	£93,000	0.0%
Group/campus	£0	0.0%	£108,000	0.1%	£108,000	0.1%
Second homes	£113,000	0.1%	£1,544,000	1.6%	£1,657,000	0.8%
Other	£156,000	0.1%	£22,000	0.0%	£178,000	0.1%
Paying guests in private houses	£0	0.0%	£3,541,000	3.6%	£3,541,000	1.7%
Staying with friends and relatives	£15,988,000	13.9%	£8,292,000	8.5%	£24,280,000	11.4%
Total 2015	£114,917,000		£97,505,000		£212,422,000	
Total 2014	£114,697,000		£93,264,000		£207,961,000	
% change	0.2%		4.5%		2.1%	

Figure 1: Domestic visit purpose of trip

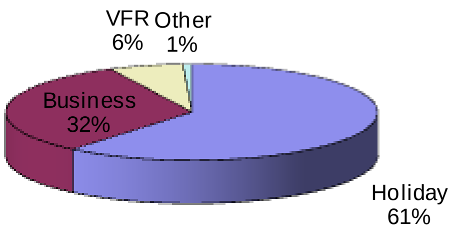

Figure 2: Overseas visit purpose of trip

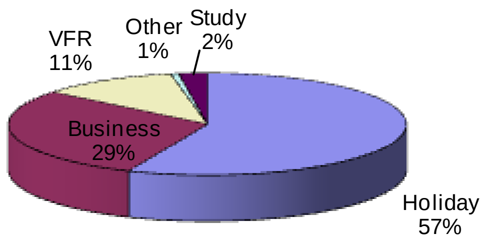

TABLE 4: TOURISM DAY VISITS		
	Trips	Spend
Total 2015	6,852,000	£273,300,000
Total 2014	6,971,000	£276,386,000
% change	-1.7%	-1.1%

TABLE 5: BREAKDOWN OF EXPENDITURE ASSOCIATED WITH TRIPS							
	Accomm	Shopping	Food and drink	Attractions/ entertain.	Travel	Total	
UK Tourists	£40,848,000	£13,584,000	£24,357,000	£10,507,000	£25,665,000	£114,961,000	24%
Overseas tourists	£34,898,000	£24,029,000	£20,405,000	£9,001,000	£9,173,000	£97,506,000	20%
Total overnight	£75,746,000	£37,613,000	£44,762,000	£19,508,000	£34,838,000	£212,467,000	
%	36%	18%	21%	9%	16%		
Tourist day visitors	£0	£120,214,000	£101,431,000	£26,297,000	£25,358,000	£273,300,000	56%
%	0%	44%	37%	10%	9%		

TABLE 6: TOTAL BREAKDOWN OF EXPENDITURE ASSOCIATED WITH ALL TRIPS						
	Accomm.	Shopping	Food and drink	Attractions/ entertain.	Travel	Total
Total 2015	£75,746,000	£157,827,000	£146,193,000	£45,805,000	£60,196,000	£485,767,000
%	16%	32%	30%	9%	12%	
Total 2014						£484,392,000
% change						0.3%

TABLE 7: DIRECT BUSINESS TURNOVER DERIVED FROM TRIP EXPENDITURE						
	Staying tourists		Day visitors		Total	
Accommodation	£76,641,000	39%	£2,029,000	1%	£78,670,000	17%
Retail	£37,236,000	19%	£119,012,000	45%	£156,248,000	34%
Catering	£43,419,000	22%	£98,388,000	37%	£141,807,000	31%
Attraction/entertain	£20,331,000	10%	£28,513,000	11%	£48,844,000	11%
Transport	£20,903,000	11%	£15,215,000	6%	£36,118,000	8%
Total (1)	£198,530,000		£263,157,000		£461,687,000	
Other related expenditure (2)					£5,673,000	
Total 2015 with ‘other’ related expenditure					£467,360,000	
Total 2014 with ‘other’ related expenditure					£464,935,000	
% change					0.5%	

(1) Adjustments have been made to visitor expenditure by sector to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. A small proportion of day trip spend will also fall into ‘Accommodation’ where day visitors have eaten in restaurants/bars of hotels. Furthermore, it is assumed that 40% of travel expenditure occurs outside the destination

(2) Apart from the spending associated with the individual trips, additional spending by non-visitors, e.g. friends and relatives with whom the visitor is staying with will also take place. Moreover, owners of second homes/boats will spend some money on maintenance, repair. Data is only available for additional expenditure made related to overnight trips.

TABLE 8: TOTAL LOCAL BUSINESS TURNOVER SUPPORTED BY ALL TOURISM ACTIVITY	
	Total
Direct	£467,360,000
Supplier/ income induced	£157,917,000
Total 2015	£625,277,000
Total 2014	£623,203,000
% change	0.3%

TABLE 9: TOTAL JOBS SUPPORTED BY TOURISM EXPENDITURE		
	FTE	Actual
Total 2015	7,157	9,721
Total 2014	7,149	9,704
% change	0.1%	0.2%

TABLE 10: PROPORTION OF TOTAL JOBS SUSTAINED ACROSS ALL SECTORS	
	Total
Total employed (3)	76,100
Tourism employment	9,721
Tourism proportion	12.8%

(3) Total labour force is based on all employees incl. part-time (excludes government-supported trainees and HM Force and self-employment). The information comes from the Business Register and Employment Survey (BRES) an employer survey conducted by ONS in December of each year.