The Economic Impact of Tourism
Windsor & Maidenhead 2016

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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. Undertaken by Tourism South East the overall aim of the research is to provide indicative estimates for the volume, value and resultant economic impact of tourism on the destination.

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 in the late 1990s.

The methodology used to collect data for both domestic day visits and overnight stays in 2016 has changed from the methodology used in previous years. This means that data cannot be directly compared between 2016 and previous years for both number of visits and spend. Comparisons have been shown throughout this report to provide some broad comparisons, however caution should be used when interpreting any direct year-on-year comparisons. Direct comparisons can be made in future years using 2016 data as baseline measures.

1.2 National & regional overview

Trips by domestic overnight visitors						
	South East			England		
	2016	2015	% change	2016	2015	% change
Trips	18,410,000	17,040,000	8%	99,300,000	102,730,000	-3%
Nights	48,530,000	45,560,000	7%	288,000,000	299,570,000	-4%
Spend	£2,816m	£2,570m	10%	£18,500m	£19,571m	-6%
Trips by overseas overnight visitors						
	South East			England		
	2016	2015	% change	2016	2015	% change
Trips	5,210,000	5,141,000	1%	32,970,000	31,820,000	4%
Nights	36,300,000	37,350,000	-3%	245,700,000	241,427,000	2%
Spend	£2,210m	£2,242m	-1%	£19,690m	£19,427m	1%
Trips by day visitors						
	South East			England		
	2016	2015	% change	2016	2015	% change
Trips	242,000,000	248,000,000	-2%	1,557,000,000	1,493,000,000	4%
Spend	£8,602m	£7,621m	13%	£53,534m	£53,385m	0%
Total trips						
	South East			England		
	2016	2015	% change	2016	2015	% change
Trips	265,620,000	270,181,000	-2%	1,689,270,000	1,627,550,000	4%
Spend	13,628,000,000	12,433,000,000	10%	91,724,000,000	92,383,000,000	-1%

- Results from GBTS reveal that 99.3 million domestic overnight trips were taken in England in 2016, a decrease by 3% compared with 2015. The value of domestic overnight trips decreased by 6%, from £19.6 billion to £18.5 billion in 2016.

- The volume and value of domestic overnight trips in the South East outperformed the national trends, with trips increasing by 8% from 2015 to 2016 and expenditure increasing by 10%.

- According to results from IPS, overseas visitors made a total of 32.97 million overnight trips in England in 2016, an increase of 4% compared with 2015. Trip expenditure increased by 1% at the national level.

- Overseas visitor trip volume was marginally up for the South East region by 1% in 2016, with both nights and spending marginally down, by 3% and 1% respectively.

- Figures published in the Great Britain Day Visits Survey (2016) indicate that there were 1.56 billion Tourism Day Visits undertaken in England during 2016, up 4% compared to 2015. Day trip expenditure remained at similar levels to 2015.

- The South East region saw a fall in tourism day trips in 2016 compared to 2015 by 2%, however expenditure increased by 13%.

1.3 Volume & Value of Tourism – Windsor & Maidenhead

- Overall, an estimated 630,000 staying trips were spent in the District in 2016, including 438,000 were made by domestic visitors and 192,000 by overseas visitors. Staying trips resulted in an estimated 1.74 million visitor nights spent in the District.

- Overall trip expenditure reached £193 million in 2016. In addition, approximately 7.8 million tourism day trips were made to the District (lasting more than 3 hours and taken on an irregular basis) in 2016 generating an additional £267 million in trip expenditure.

- Total expenditure by visitors (overnight and day) to Windsor & Maidenhead is estimated to have been in the region of £459.3 million in 2016. Once adjustments are made to recognise that some of this expenditure will take place outside the District (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 £421.9 million.

- Additional tourism expenditure is however, generated by other sources, increasing the total amount of money spent in Windsor & Maidenhead. 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 total £2.77 million expenditure associated with overnights trips in 2016.

- This brings direct expenditure generated by tourism in Windsor & Maidenhead in 2016 to £424.6 million.

- Direct expenditure is translated to £571 million worth of income for local businesses through additional indirect and induced effects (multiplier effects).

- This tourism-related expenditure is estimated to have supported 6,537 FTE jobs in Windsor & Maidenhead. Once part-time and seasonal employment is added, the total number of jobs supported increased to 7,157 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 were 76,700 employee jobs across the District. Based on our estimates, total tourism related expenditure supported 11.6% of these jobs in the District in 2016.

2. Methodology

The Cambridge Model

The Cambridge Model is essentially a computer-based spreadsheet model that produces estimates from existing national and local information (e.g. accommodation stocks, inbound trips) of the level of tourism activity within a given local area. The volume of visits are translated into economic terms by estimating the amount of spending by visitors based on their average spend per trip. In turn, the impact of that spending can be translated to estimate the effects in terms of business turnover and jobs.

The standard measures generated in this Model are: the total amount spent by visitors, the amount of income for local residents and businesses created by this spending, and the number of jobs supported by visitor spending.

As the Model utilises a standard methodology capable of application throughout the UK, it offers the potential for direct comparisons with similar destinations throughout the country.

The basic process of estimation used can be divided into three parts:
- visitor trips and visitor spending at a regional/county level derived from national survey sources (county/City).
- local supply data on accommodation, attractions and other factors specific to the destination.
- the use of multipliers derived from business surveys in England to estimate full time equivalent and actual jobs generated by visitor spending in the area.

In its standard form, the Cambridge Model uses a range of local data including details of accommodation stock, local occupancy rates, population, employment and local wage rates. It applies this locally sourced information to regional estimates of tourism volume and expenditure derived from the following national surveys:
- Great Britain Tourism Survey
- International Passenger Survey
- Great Britain Day Visits Survey
- Census of Employment
- Census of Population
- Annual Survey of Hours and Earnings

The sophistication of the economic impact estimates will depend on the availability of detailed reliable local information to supplement national and regional data sources. Where such data is available from local surveys, then local variations can be explicitly included.

3. Tables of Results

TABLE 1: STAYING TRIPS BY ACCOMMODATION						
	UK		Overseas		Total	
Serviced	393,000	89.7%	169,000	88.0%	562,000	89.3%
Self catering	3,000	0.7%	1,000	0.5%	4,200	0.7%
Touring caravans /tents	268	0.1%	51	0.0%	319	0.1%
Group/campus	0	0.0%	300	0.2%	300	0.0%
Second homes	1000	0.2%	1,700	0.9%	2,700	0.4%
Other	0	0.1%	100	0.1%	100	0.0%
Private homes	0	0.0%	4,000	2.1%	4,000	0.6%
Staying with friends and relatives	40,000	9.1%	16,000	8.3%	56,000	8.9%
Total 2016	438,000		192,000		630,000	
Total 2015	543,000		200,000		743,000	
% change	(19.3%)		4.0%		(15.2%)	

TABLE 2: STAYING NIGHTS BY ACCOMMODATION						
	UK		Overseas		Total	
	UK		Overseas		Total	
Serviced	785,000	87.7%	675,000	80.3%	1,460,000	84.1%
Self catering	6,000	0.7%	5,000	0.6%	11,000	0.6%
Touring caravans /tents	2,000	0.2%	0	0.0%	2,000	0.1%
Group/campus	0	0%	2,000	0.2%	2,000	0.1%
Second homes	3,000	0.3%	13,000	1.5%	16,000	0.9%
Other	1,000	0.1%	0	0.0%	1,000	0.1%
Private homes	0	0%	50,000	5.9%	50,000	2.9%
Staying with friends and relatives	99,000	11.0%	95,000	11.3%	194,000	11.2%
Total 2016	895,000		841,000		1,736,000	
Total 2015	1,099,000		911,000		2,010,000	
% change	(18.6%)		(7.7%)		(13.6%)	

TABLE 3: STAYING SPEND BY ACCOMMODATION						
	UK		Overseas		Total	
Serviced	£66,731,000	91.4%	£89,010,000	91.1%	£155,742,000	91.3%
Self catering	£208,000	0.3%	£328,000	0.3%	£536,000	0.3%
Touring caravans /tents	£41,000	0.1%	£25,000	0.0%	£66,000	0.0%
Group/campus	£0	0.0%	£96,000	0.1%	£96,000	0.1%
Second homes	£113,000	0.2%	£1,381,000	1.4%	£1,494,000	0.9%
Other	£49,000	0.1%	£15,000	0.0%	£64,000	0.0%
Private homes	£0	0.0%	£3,144,000	3.2%	£3,144,000	1.8%
Staying with friends and relatives	£5,831,000	8.0%	£3,683,000	3.8%	£9,514,000	5.6%
Total 2016	£95,500,000		£97,682,000		£193,182,000	
Total 2015	£114,917,000		£97,505,000		£212,422,000	
% change	(16.9%)		0.2%		(9.1%)	

TABLE 4: TOURISM DAY VISITS		
	Trips	Spend
Total 2016	7,769,874	£266,692,747
Total 2015	6,852,000	£273,300,000
% change	13.4%	(2.4%)

TABLE 5: BREAKDOWN OF EXPENDITURE ASSOCIATED WITH TRIPS							
	Accomm	Shopping	Food and drink	Attractions/ entertain.	Travel	Total	
UK Tourists	£37,746,000	£9,166,000	£18,447,000	£6,987,000	£23,182,000	£95,528,000	21%
Overseas tourists	£35,872,000	£23,547,000	£20,161,000	£9,007,000	£8,475,000	£97,062,000	21%
Total overnight	£73,618,000	£32,713,000	£38,608,000	£15,994,000	£31,657,000	£192,590,000	
%	38%	17%	20%	8%	16%		
Tourist day visitors	£0	£117,308,000	£98,979,000	£25,661,000	£24,745,000	£266,693,000	58%
%	0%	44%	37%	9%	12%		

TABLE 6: TOTAL BREAKDOWN OF EXPENDITURE ASSOCIATED WITH ALL TRIPS						
	Accomm.	Shopping	Food and drink	Attractions/ entertain.	Travel	Total
Total 2016	£73,618,000	£150,021,000	£137,587,000	£41,655,000	£56,402,000	£459,283,000
%	16%	33%	30%	9%	12%	
Total 2015						£485,767,000
% change						(5.5%)

TABLE 7: DIRECT BUSINESS TURNOVER DERIVED FROM TRIP EXPENDITURE						
	Staying tourists		Day visitors		Total	
Accommodation	£74,390,000	41%	£1,980,000	1%	£76,370,000	18%
Retail	£32,385,000	18%	£116,135,000	48%	£148,520,000	35%
Catering	£37,449,000	21%	£96,009,000	40%	£133,458,000	32%
Attraction/entertain	£16,707,000	9%	£27,824,000	11%	£44,531,000	11%
Transport	£18,994,000	11%	£0	0%	£18,994,000	5%
Total (1)	£179,925,000		£241,948,000		£421,873,000	
Other related expenditure (2)					£2,766,000	
Total 2016 with ‘other’ related expenditure					£424,639,000	
Total 2015 with ‘other’ related expenditure					£467,360,000	
% change					(9.1%)	

(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	£424,639,000
Supplier/ income induced	£146,625,000
Total 2016	£571,264,000
Total 2015	625,277,000
% change	(8.6%)

TABLE 9: TOTAL JOBS SUPPORTED BY TOURISM EXPENDITURE		
	FTE	Actual
Total 2016	6,537	8,904
Total 2015	7,157	9,721
% change	(8.7%)	(8.4%)

TABLE 10: PROPORTION OF TOTAL JOBS SUSTAINED ACROSS ALL SECTORS	
	Total
Total employed (3)	76,700
Tourism employment	8,904
Tourism proportion	11.6%

(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.

Glossary of terms

Actual Jobs
Many jobs are seasonal or part-time in their nature in the tourism sector, so an adjustment is made to calculate the actual number of jobs from the number of FTEs. The adjustment made is based on the findings of surveys of tourism related businesses, and national employment surveys.

Annual Business Inquiry (ABI)
This is the main government survey of companies in the UK. It is conducted in two parts: one dealing with employment, the other with financial information.

Annual Survey of Hours and Earnings
The AHSE Survey provides information on wage levels by industry sector and occupation. The main strength of the AHSE is its large sample size. It is based on a 1% sample of employees who are members of PAYE. The coverage of full-time adult employees is virtually complete, and consequently the survey is representative of hours worked for full-time employees on adult rates of pay (although the survey is currently not weighted). The coverage of part-time employees is not comprehensive, as some part-time workers will have earnings below the income tax threshold. The AHSE is the best source for estimating full time earnings.

Direct jobs
Jobs directly generated in those local businesses in which visitors spend money, i.e. hotels, catering establishments.

Economic multiplier
Multipliers are used to estimate the economic impact of visitor expenditure. Visitor expenditure produces three effects. <u>Direct</u> effects are changes in the business sector directly receiving visitor expenditure. For instance, visitors staying in a hotel will directly increase revenue and the number of jobs in the hotel sector. <u>Indirect</u> effects are the changes in supplier businesses. For example, these indirect effects would be hotels purchasing more linen from local suppliers as a result of increased business. <u>Induced</u> effects are changes in local economic activity resulting from household spending. For instance, employees of the hotel and linen supplier spend their wages in the local area, resulting in more sales, income and jobs in the area.

Full Time Equivalent Jobs (FTE)
For the purposes of the Model, a FTE is defined by the average annual salary plus employment costs in the sector concerned.

Indirect jobs
Jobs created locally due to the purchases of goods and services by businesses benefiting from visitor expenditure, i.e. jobs with local suppliers.

Induced jobs
Jobs created throughout the local economy because employees employed due to visitor expenditure spend their wages locally on goods and services such as food, clothing and housing.

International Passenger Survey (IPS)
The International Passenger Survey is conducted by Office for National Statistics and is based on face-to-face interviews with a sample of passengers travelling via the principal airports, sea routes and the Channel Tunnel, together with visitors crossing the land border into Northern Ireland. Around 210,000 interviews are undertaken each year. IPS provides headline figures, based on the county or unitary authority, for the volume and value of inbound trips to the UK.

Labour Force Survey (LFS)
The LFS is a household panel survey, continuous since 1992, with results produced each quarter. It has a sample of approximately 60,000 households. The LFS is the government’s largest continuous household survey and participation in the survey is voluntary. LFS data is weighted to enable the population estimates to be produced. The weighting also attempts to compensate for differential non-response among different subgroups in the population. LFS is designed to provide information on the UK labour market that can be used to develop, manage and evaluate labour market.

‘Other-trip’ Expenditure
Apart from the spending associated with the individual trips, additional spending by non-visitors, e.g. friends and relatives with whom the visitor is visiting and/or staying with will also take place. Moreover, owners of second homes/boats will spend some money on maintenance, repair.

Great Britain Tourism Survey (GBTS)
The Great Britain Tourism Survey is undertaken for VisitBritain and is based on 1,000,000 telephone interviews per each year. It provides basic headline data on the volume and value of domestic tourism at a national, regional and county level.

Staying trips
Staying trips comprise a visit which involves a stay away from home of at least one night. The study measures trips, rather than visitors as one visitor may make multiple trips to an area in a given period.

Great Britain Day Visits Survey (GBDVS)
Great Britain Day Visits Survey is undertaken for VisitBritain and is based on an annual sample of c. 35,000 adults in Great Britain. It measures a range of aspects of day-visits made to all areas of Great Britain.

Tourism day trips

Day trips are defined as a visit to and from home for leisure purposes, undertaken on an irregular basis and lasting a minimum of three hours. The report excludes trips undertaken for business or study purposes, as these are not covered by the Leisure Day Visits Survey methodology. The definition of day trips adopted by this study is that used by the Department of Culture, Media and Sport.

United Kingdom Occupancy Survey (UKOS)
As part of the EU Directive on Tourism Statistics adopted in 1995, the UK must report regularly on a specified range of statistics to Eurostat, the official statistical office of the European Union. Included in these statistics are monthly occupancy rates for UK serviced accommodation. The responsibility for providing this data lies with the four National Tourist Boards, and across England the survey is undertaken by the Regional Tourist Boards. A sample of establishments is recruited to the survey and asked to complete a data form each month, giving details of their nightly occupancy. The data form is processed and analysed to produce monthly occupancy rates for the whole of the area and for specific categories of type, size, location etc.

VFR Trips
VFR trips are defined as a visit where the main purpose is visiting friends and relatives. Whilst many trips to visit friends and relatives will be accommodated in the homes of these friends/ relatives, some will make use of other forms of accommodation. It should be also noted that other forms of trip, for instance for holiday or business purposes may stay with friends and relatives rather than in commercial accommodation.