Marketing Lancashire

STEAM Tourism Economic Impacts

2020 Year in Review

The Visitor Economy of Lancashire

Between 2012 and 2018, Lancashire's visitor economy sector saw 6 years of consecutive growth resulting in a sector that welcomed 67.7m visitors and was valued at £4.4bn. In 2020, the sector faced a range of unprecedented circumstances arising through the global Covid-19 pandemic, from national lockdowns and enforced periods of closure to varying local restrictions across the county, introduction of the furlough scheme and reduced operating capacity resulting from the implementation of social distancing measures. Whilst the sector has demonstrated much resilience and innovation in response to this crisis, there is no doubt that, alongside other economic factors such as Brexit, they have had a devastating impact on local tourism markets and this report seeks to quantify the effects through a review of key economic outputs measured through STEAM, the tourism specific economic impact model, owned and operated by Global Tourism Solutions (UK) Ltd. The geographical scope of this report is the ceremonial county of Lancashire with comparisons benchmarked against 2018.

2020

21.37m
Tourism Visits in 2020

3.16m visits totalling **10.53m nights** generated by visitors **staying in Lancashire** as part of a holiday or short break

28.75m
Visitor Days and Nights generated in 2020

23,270 full time equivalent jobs in active employment **supported by tourism activity**

On average, visitors **staying in Lancashire** spent 3.3 nights in the area and spent **£173m** on local accommodation

18.21m tourism visits made by **Tourism Day Visitors** in 2020

A total of **£1.61bn** was generated within the local economy through visitor and tourism business expenditure

£807m of direct expenditure by visitors on **Food and Drink (£396m)** and **Shopping (£411m)**

In total, **staying visitors** generated a **total economic impact of £0.92bn** for local businesses and communities

Day Visits generated **£0.69bn** for the local economy

Trends 2018-2020

Economic Impact -63.4%

Visitor Numbers -68.9%

Visitor Days & Nights -66.6%

2020

Visitor Types

Staying Visitors encompass all tourists staying overnight for at least one night in one of the following types of accommodation:

- **Serviced Accommodation** - Hotels, Guest Houses, B&Bs, Inns etc
- **Non-Serviced Accommodation** - Self-Catering properties such as Houses, Cottages and Apartments, as well as Camping and Caravanning, Hostels and University / College accommodation available for visitor use
- **Staying with Friends and Relatives (SFR)** – unpaid overnight accommodation with local residents

Day Visitors visiting the area on a non-routine and non-regular leisure day trip from a home or holiday base

The COVID-19 Pandemic

The COVID-19 pandemic of 2020 brought extraordinary challenges for economies globally, with the crisis deepening within the first quarter, culminating in a (UK) national lockdown in March shutting all but essential businesses. Although the response to COVID saw disruption for businesses and individuals across the UK, some parts of the country, including Lancashire, saw more business disruption than other UK visitor destinations, due to the impact of not only national lockdowns, but also local lockdowns and the inclusion of much of the county in the higher tiers when the local authority tiering system was introduced. Each of these interventions, intended to reduce spread of COVID-19, brought movement and operating restrictions for businesses, residents and visitors. STEAM has taken account of a wide range of business performance data relating to estimates of the impact of COVID on the visitor economy. The economic outcomes for 2020 need to be viewed within this context.

Comparing 2018 and 2020, some of Lancashire's COVID related losses are estimated to be:

Visits	**47.37m**	**Total Reduction in Visits to Lancashire**	**-68.9%**
	5.06m	Lost staying visits	-61.9%
	42.31m	Lost day visits	-69.9%
Visitor Days	**57.33m**	**Total Reduction in Visitor Days Spent in Lancashire**	**-66.6%**
	15.02m	Lost staying visitor days	-58.8%
	42.31m	Lost day visitor days	-69.9%
Economic Value	**£2.80bn**	**Total Reduction in Economic Value**	**-63.4%**
	£1.31bn	Lost economic value arising from staying visits	-58.6%
	£1.49bn	Lost economic value arising from day visits	-68.3%

Total Visitor Numbers

21.37m

Visitor Numbers

Between 2012 and 2018 the total number of visits grew by nearly 6.4m (+10.2%) to a total of 67.74m visits. Despite the extreme challenges posed by COVID, there were an estimated 21.37m tourism visits to Lancashire in 2020, representing a fall in visits of 68.9% between 2018 and 2020.

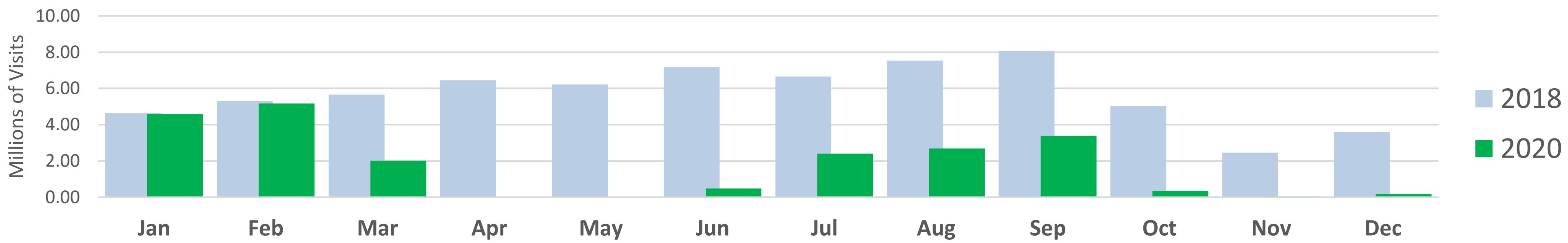
Day visitors to the county are Lancashire's largest visitor market. There were an estimated 18.21m tourism day visits in 2020, accounting for 85.2% of all visits made to Lancashire. In 2018, it was estimated that there were just over 60m tourism day visits. A significant proportion of the county's annual day visits would usually occur between March and October. In 2018, 77% of day visits occurred during this period. In 2020, with the restrictions in trade and movement, 52% of day visits occurred between March and October, with the majority of the remainder occurring in the short period pre-COVID (January and February).

In, 2020, Lancashire saw 3.16m staying visits – visits made by guests in paid accommodation or stays with friends and relatives in local homes. Staying visitors accounted for 14.8% of all visitors to Lancashire in 2020. In 2018, the total number of staying visits to Lancashire was 8.22m, and the drop in visits between 2018 and 2020 was 61.6%. Taking 2018 as a typical year, the serviced accommodation sector accounted for 4.37m stays, non-serviced accommodation saw 1.4m stays and stays with friends and relatives fell between the two at 2.45m stays. The table below shows the 2020 visits, relative to 2018 visiting levels.

Key Figures: Visitor Numbers: 2020

Visitor Numbers		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2020 (Millions)	**M**	**1.486**	**0.622**	**1.048**	**3.156**	**18.215**	**21.371**
2018 (Millions)	M	4.366	1.399	2.451	8.216	60.525	68.741
Change 18/20 (%)	**%**	**-66.0**	**-55.5**	**-57.2**	**-61.6**	**-69.9**	**-68.9**
Share of Total (%)	%	7.0	2.9	4.9	14.8	85.2	100.0

Total Visits – Seasonal Distribution of Visits 2018 and 2020



Total Visitor Days

28.75m

Visitor Days

Visitor Days comprise the volume of day visits and the total number of days and nights spent by staying visitors. Lancashire's visitors spent an estimated 28.75m visitor days in the area during 2020. In 2018, the estimated number of tourism visitor days spent in Lancashire was 86.07m, illustrating the significant loss in footfall and trade incurred during the COVID pandemic.

There were an estimated 18.21m tourism day visits to Lancashire during 2020 and these accounted for 63.4% of all visitor days. As noted previously, the number of day visits to Lancashire fell by more than two thirds in 2020, compared to 2018 (-69.9%).

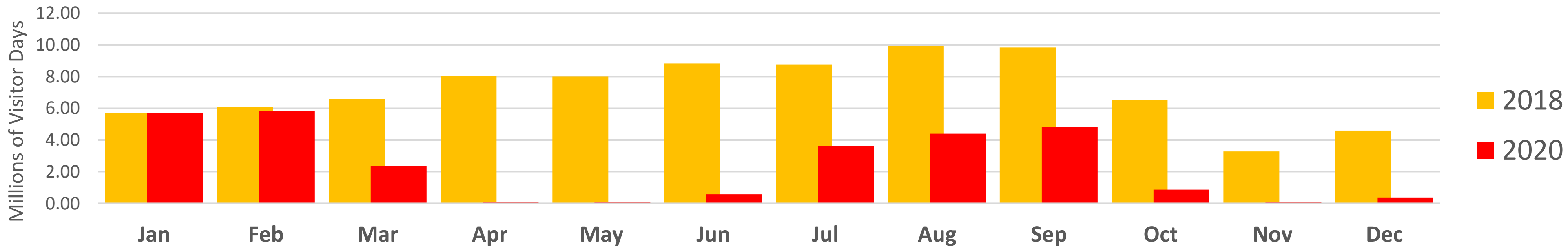
Staying visitors to Lancashire accounted for roughly one third of all visitor days spent in the county during 2020 (36.6%). These overnight visits to the area generated 10.53m visitor days in 2020. By comparison, in 2018, staying visits accounted for 25.5m visitor days and nights.

When looking at visitor days spent in the area, in 2018, serviced (9.48m) and non-serviced accommodation (9.73m) generated nearly identical numbers of days. In 2020, while both the serviced and non-serviced accommodation sectors were significantly disadvantaged by COVID, the latter was able to adapt to requirements for social distancing more readily and to accommodate those visitors who specifically sought out accommodation types that were self-contained or were perceived to be lower risk.

Key Figures: Visitor Days: 2020

Visitor Days		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2020 (Millions)	**M**	**3.285**	**4.533**	**2.715**	**10.534**	**18.215**	**28.749**
2018 (Millions)	M	9.481	9.732	6.337	25.550	60.525	86.074
Change 18/20 (%)	**%**	**-65.4**	**-53.4**	**-57.1**	**-58.8**	**-69.9**	**-66.6**
Share of Total (%)	%	11.4	15.8	9.4	36.6	63.4	100.0

Total Visits – Seasonal Distribution of Visitor Days 2018 and 2020



Average Length of Stay for Different Visitor Types: 2020

Day Visitors	All Visitors	Serviced Accommodation	Staying with Friends/Relatives	Staying Visitors	Non-Serviced Accommodation
1.0	1.3	2.2	2.6	3.3	7.3

Total Economic Impact

£1.61bn

Economic Impact

Prior to 2020, the annual value of tourism activity had been growing steadily, with growth of 29.7% between 2012 and 2018 alone. In 2018, Lancashire's visitor economy was estimated to be worth £4.41bn. The significant fall in trade arising from the COVID pandemic had a devastating impact on many businesses and it is estimated that direct and indirect losses within the visitor economy of the county were in the order of £2.8bn, leaving a total remaining (achieved) value of £1.61bn in 2020.

Within the total economic impact figure of £1.61bn, there are expenditures made by visitors on goods and services, totalling £1.2Bn, and the *indirect* and *induced* economic effects of local businesses and residents spending tourism revenues locally, accounting for a further £393m.

In 2020, Lancashire's day visitor market accounted for 42.8% of the value of tourism activity (£0.69bn), with the staying visitor market accounting for the remaining portion 57.2% (£0.92bn).

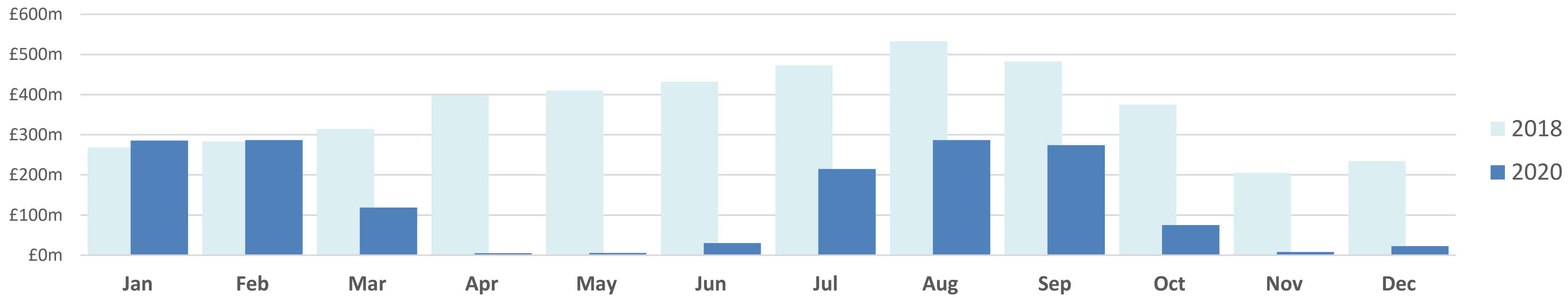
Key Figures: Economic Impact: 2020

Economic Impact		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2020 (£ Billions)	**£Bn**	**0.500**	**0.309**	**0.114**	**0.922**	**0.691**	**1.613**
2018 (£ Billions)	£Bn	1.364	0.615	0.252	2.230	2.179	4.410
Change 18/20 (%)	**%**	**-63.4**	**-49.8**	**-54.9**	**-58.6**	**-68.3**	**-63.4**
Share of Total (%)	%	31.0	19.1	7.0	57.2	42.8	100.0

Average Economic Impact Generated by Each Type of Visitor: 2020

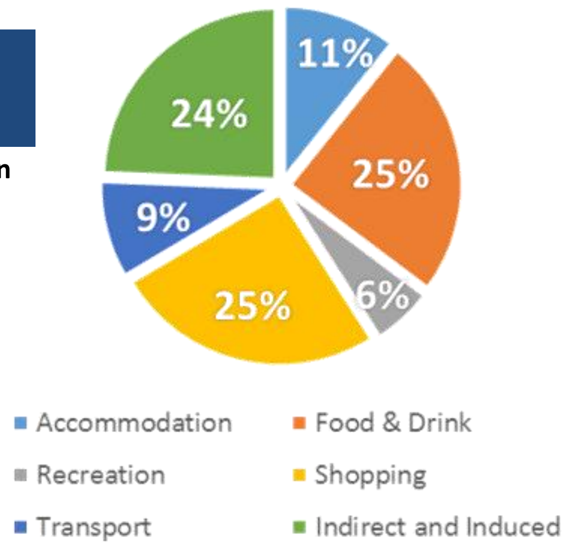
Economic Impact	Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
Economic Impact per Day	**£152.20**	**£68.12**	**£41.83**	**£87.56**	**£37.93**	**£56.11**
Economic Impact per Visit	£336.51	£496.24	£108.34	£292.21	£37.93	£75.48

Total Economic Impact – Seasonal Distribution Value 2018 and 2020



Breakdown of Economic Impact: 2020

Economic Impact by Sector	Direct Visitor Expenditure						Indirect & Induced	Total
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	£173m	£396m	£92m	£411m	£148m	**£1.2Bn**	**£393m**	**£1.61bn**



Accommodation: Payments for overnight stays in accommodation, such as room rates, pitch fees and hire charges for non-serviced accommodation

Recreation: Covering expenditure on a wide range of leisure activities such as museum, event, concert / theatre and attractions attendance as well as sports participation and spectating.

Transport: Expenditure within the destination on travel, including fuel and public transport tickets

Food and Drink: Spend on eating and drinking at restaurants, cafes and other venues, takeaway food, snacks and groceries

Shopping: What visitors spend on items including clothing / jewellery, household items, music / films / games, gifts and smaller items, books and maps, plants and garden items

Indirect: The expenditure by local tourism businesses within the local supply chain

Total FTEs Supported

23,270

Employment Supported by Tourism

In 2018, total employment arising from the visitor economy was estimated to be 60,782 FTEs.

The expenditure and activity of visitors to Lancashire supported a total of 23,270 Full-Time Equivalent jobs (FTEs) in 2020.

Within the total employment figure of 2020, STEAM includes the jobs generated by the expenditure of visitors on goods and services, totalling 19,320 FTEs, and the *indirect* and *induced* employment supported through local businesses and residents spending tourism revenues locally, accounting for a further 3,950 FTEs.

Employment Supported by Tourism: Full-Time Equivalents (FTEs) by Type: 2020

Employment Supported by Sector 2020	Direct Visitor Employment						Indirect and Induced	Total
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	7,021	5,138	1,451	4,855	856	19,320	3,950	23,270

Employment Support Mechanisms

In response to the COVID pandemic and the risk of high levels of unemployment arising from lost trade, the government introduced direct subsidy of employment costs through the furlough scheme and income support payments for the self-employed. These payments assisted businesses in covering employment costs during a period where income from trading would be insufficient to support the level of employment that would normally be present locally. Although not all types of employment would have met the criteria for support, there were relatively high levels of take up of both schemes across all sectors of the economy, with support continuing for much of 2021.

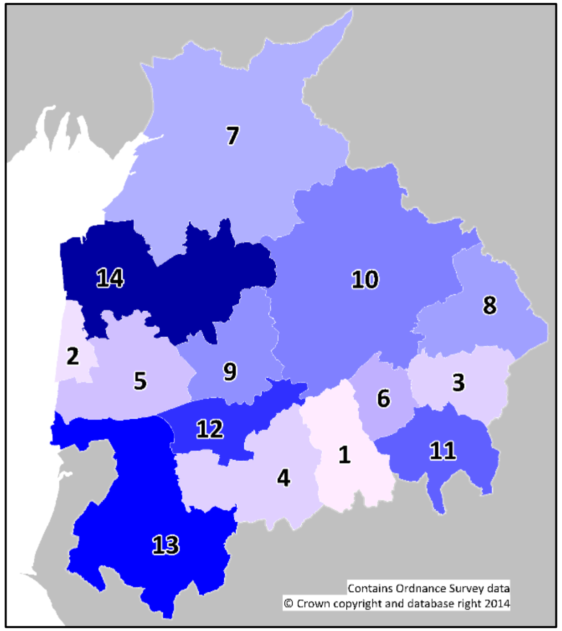
The STEAM employment outputs for 2020 do not include the jobs / Full Time Equivalents (FTEs) for those employees supported through the government employment support mechanisms on the basis that these are not driven by the expenditure and activity of visitors and were retained irrespective of activity within the visitor economy.

Overall, changes in levels of employment supported by the visitor economy reported for 2020 compared to 2018 and earlier, will reflect a number of factors, including:

- Changes in visitor supply / demand
- Redundancy
- Reduced seasonal employment – levels of employment / length of season
- Recruitment that did not occur or occurred at different levels or over different periods to usual
- Unfilled vacancies / underemployment
- Individuals whose employment was subsidised / post retained while not working through government support

STEAM Key Impacts by Authority area: Marketing Lancashire

2018	Outputs by Area	Visitor Numbers		Economic Impact		Employment FTEs	
		Share	Total	Share	Total	Share	Total
1	Blackburn with Darwen Borough Council	6%	4.4m	4%	£189.6m	4%	2,332
2	Blackpool Council	27%	18.2m	36%	£1,581.5m	42%	25,387
3	Burnley Borough Council	4%	2.6m	3%	£119.9m	2%	1,481
4	Chorley Borough Council	5%	3.6m	4%	£188.4m	4%	2,338
5	Fylde Borough Council	5%	3.3m	6%	£263.5m	6%	3,344
6	Hyndburn Borough Council	3%	2.1m	2%	£93.5m	2%	1,125
7	Lancaster City Council	11%	7.7m	11%	£478.6m	10%	6,209
8	Borough of Pendle	4%	2.8m	3%	£130.4m	3%	1,657
9	Preston City Council	10%	7.0m	7%	£330.7m	7%	4,045
10	Ribble Valley Borough Council	6%	4.4m	6%	£260.8m	6%	3,454
11	Rossendale Borough Council	2%	1.4m	1%	£63.6m	1%	816
12	South Ribble Borough Council	5%	3.4m	4%	£176.9m	4%	2,161
13	West Lancashire District Council	4%	2.9m	4%	£170.7m	3%	2,072
14	Wyre Borough Council	7%	4.8m	8%	£361.6m	7%	4,362
	LANCASHIRE	**100%**	**68.7m**	**100%**	**£4,409.6m**	**100%**	**60,782**



2020	Outputs by Area	Visitor Numbers		Economic Impact		Employment FTEs	
		Share	Total	Share	Total	Share	Total
1	Blackburn with Darwen Borough Council	5%	1.1m	3%	£55.8m	3%	691
2	Blackpool Council	28%	6.0m	36%	£588.0m	44%	10,281
3	Burnley Borough Council	3%	0.7m	2%	£34.5m	2%	435
4	Chorley Borough Council	5%	1.1m	4%	£64.3m	3%	805
5	Fylde Borough Council	6%	1.2m	7%	£111.9m	6%	1,435
6	Hyndburn Borough Council	2%	0.5m	2%	£28.0m	1%	324
7	Lancaster City Council	12%	2.5m	12%	£192.1m	11%	2,566
8	Borough of Pendle	3%	0.7m	2%	£39.2m	2%	517
9	Preston City Council	11%	2.3m	7%	£115.2m	6%	1,405
10	Ribble Valley Borough Council	6%	1.3m	6%	£91.8m	5%	1,275
11	Rossendale Borough Council	2%	0.4m	1%	£19.4m	1%	249
12	South Ribble Borough Council	5%	1.0m	4%	£58.2m	3%	726
13	West Lancashire District Council	5%	1.0m	4%	£67.5m	4%	817
14	Wyre Borough Council	7%	1.5m	9%	£147.1m	7%	1,742
	LANCASHIRE	**100%**	**21.4m**	**100%**	**£1,613.2m**	**100%**	**23,270**

Notes:

- Visitor Numbers and Economic Impact figures rounded to one decimal place
- The total Economic Impact Figures may appear in this report expressed in millions (m) or billions (bn)
- FTEs are Full Time Equivalent jobs
- The STEAM employment outputs for 2020 do not include the jobs / Full Time Equivalents (FTEs) for those employees supported through the government employment support mechanisms on the basis that these are not driven by the expenditure and activity of visitors. Although the STEAM outputs for Lancashire indicate that the total employment for 2020 was reduced by about 60% in 2020 (compared to 2018) – not all of the reduction in jobs would be 'lost' through redundancy.

STEAM Comparative Headlines: 2018 and 2020

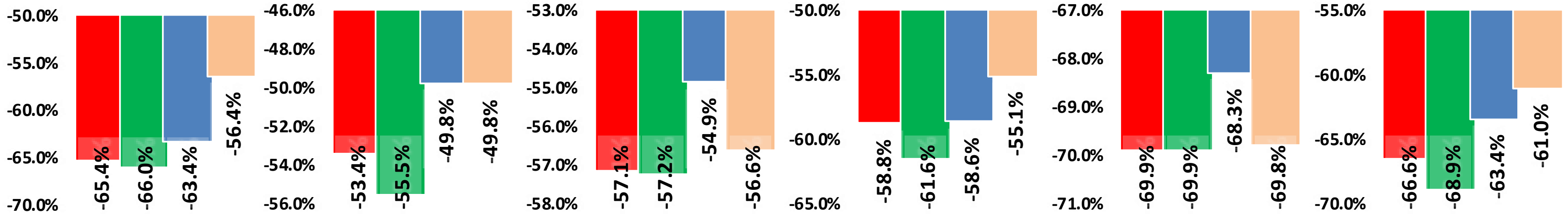
STEAM FINAL TREND REPORT FOR 2018-2020 MARKETING LANCASHIRE	Comparing 2020 and 2018 All £'s Historic Prices	COMPARATIVE HEADLINES

KEY PERFORMANCE INDICATORS BY TYPE OF VISITOR - COMPARING 2020 & 2018 - IN HISTORIC PRICES

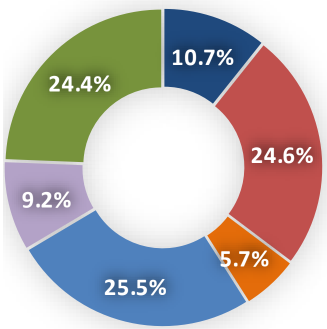
KEY		Staying in Paid Accommodation						Staying with Friends and Relatives (SFR)			All Staying Visitors			Day Visitors			All Visitor Types		
An increase of 3% or more		Serviced			Non-Serviced														
Less than 3% change		2020	2018	+/- %	2020	2018	+/- %	2020	2018	+/- %	2020	2018	+/- %	2020	2018	+/- %	2020	2018	+/- %
A Fall of 3% or more																			
Visitor Days	M	3.285	9.481	-65.4%	4.533	9.732	-53.4%	2.715	6.337	-57.1%	10.53	25.55	-58.8%	18.21	60.52	-69.9%	28.75	86.07	-66.6%
Visitor Numbers	M	1.486	4.366	-66.0%	0.622	1.399	-55.5%	1.048	2.451	-57.2%	3.156	8.216	-61.6%	18.21	60.52	-69.9%	21.37	68.74	-68.9%
Direct Expenditure	£Bn																1.220	3.336	-63.4%
Economic Impact	£Bn	0.500	1.364	-63.4%	0.309	0.615	-49.8%	0.114	0.252	-54.9%	0.922	2.230	-58.6%	0.691	2.179	-68.3%	1.613	4.410	-63.4%
Direct Employment	FTEs	9,317	21,370	-56.4%	2,970	5,917	-49.8%	997	2,298	-56.6%	13,284	29,585	-55.1%	6,036	19,991	-69.8%	19,320	49,576	-61.0%
Total Employment	FTEs																23,270	60,782	-61.7%

PERCENTAGE CHANGE BY VISITOR TYPE AND PERFORMANCE MEASURE - COMPARING 2020 & 2018 - IN HISTORIC PRICES

KEY
- Visitor Days
- Visitor Numbers
- Total Economic Impact
- Direct Employment



Sectoral Distribution of Economic Impact - £Bn including VAT in Historic Prices



Economic Impact 2020	Economic Impact 2018	+/- %	Sectors	Employment 2020	Employment 2018	+/- %
0.173	0.400	-56.9%	Accommodation	7,021	13,829	-49.2%
0.396	1.086	-63.5%	Food & Drink	5,138	14,614	-64.8%
0.092	0.247	-62.7%	Recreation	1,451	4,034	-64.0%
0.411	1.194	-65.6%	Shopping	4,855	14,643	-66.8%
0.148	0.408	-63.8%	Transport	856	2,456	-65.1%
1.220	3.336	-63.4%	TOTAL DIRECT	19,320	49,576	-61.0%
0.393	1.074	-63.4%	Indirect	3,950	11,206	-64.8%
1.613	4.410	-63.4%	TOTAL	23,270	60,782	-61.7%

Sectoral Distribution of Employment - FTEs