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Economic Impact of Tourism

Hertsmere - 2019 Results

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## **Introduction**

This report examines the volume and value of tourism and the impact of visitor expenditure on the local economy in 2019 and provides comparative data against the previously published data for Hertfordshire (2017).

Destination Research was commissioned by Visit Herts to produce 2019 results based on the latest data from national tourism surveys and regionally/locally based data. The results are derived using the Cambridge Economic Impact Model.

In its basic form, the model distributes regional activity as measured in national surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level. Whenever possible, results have been enhanced by building in additional local-level data gathered by the districts. See Appendix I for further details.

### **Domestic tourism**

#### **National Performance**

In 2019, British residents took 99.7 million overnight trips in England (down from 100.6 million overnight trips in 2017), totalling 290 million nights away from home (down from 299 million nights in 2017). Expenditure reached £19.4 billion (up from £19.05 billion in 2017). The spend per trip was £194.58 and with an average trip length of stay of 2.9 nights, the average spend per night was £66.89.

#### **Regional performance**

The East of England region experienced a 2% decrease in overnight trips between 2017 and 2019. Bednights were down 4% on 2017 and expenditure was down by 3%. The average expenditure per trip in 2019 was £170.87, down from £172.83 in 2017. The average expenditure per night in 2019 was £52.83, down from £56.15 in 2017. Visitors spent an average of 3.23 nights per trip, compared to 3.29 nights per trip in 2017.

#### **Domestic visits to Hertfordshire**

The GB Tourism Survey data is a key driver for the Cambridge model. However, it is not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to help smooth out short term market fluctuations and highlight longer-term trends. As such, county and district level results relating to 2019 are an average of 2017, 2018 and 2019 figures.

The domestic tourism results for Hertfordshire used in this model combine a mixture of supply and demand data. We do this because extracting county level data from national surveys can sometimes lead to inaccurate results due to low sample sizes. By combining the supply and demand results we estimate that trips to Hertfordshire were up by 1%, nights per trip were up by 2% and expenditure increased by 4%.

## **Visits from overseas**

At national level, the number of visits in 2019 was 36.1 million (33.0 in 2017). The number of visitor nights spent in England was 252.4 million (245.7 million in 2017), with the average number of nights per visit standing at 7.99 in 2019 (from 7.45 in 2017). Expenditure in 2019 was £24.78 billion, slightly below the £24.94 billion achieved in 2017.

Overseas trips to the East of England region were 7% down on 2017 to reach 2.3 million overnight trips. The total number of nights was down by 2% to reach 16.4 million in 2019. Spend was up by 11% compared to 2017 reaching £1.02 billion.

Hertfordshire also experienced a drop in volume of trips between 2017 and 2019. Trips were down 4%, nights per trip were also down by 4%. However, expenditure was up by 4%.

The International Passenger Survey (IPS) data is a key driver for the Cambridge model. However, as with the GBTS, it is not specifically designed to produce highly accurate results at sub-regional level. In order to improve the accuracy of results we have applied a 3-year rolling average to this data to highlight longer-term trends, whilst helping smooth out short-term market fluctuations and reducing the impact of any methodological changes affecting the survey. As such, county and district level results relating to 2019 are an average of 2017, 2018 and 2019 results. The number of interviews conducted in England in 2019 was 25,147.

## **Tourism Day Visits**

### **National Performance**

During 2019, UK residents took a total of 1,390 million Tourism Day Visits in England (down from 1,505 in 2017). Around £56.5 billion were spent during these trips, up from £50.9 billion in 2017.

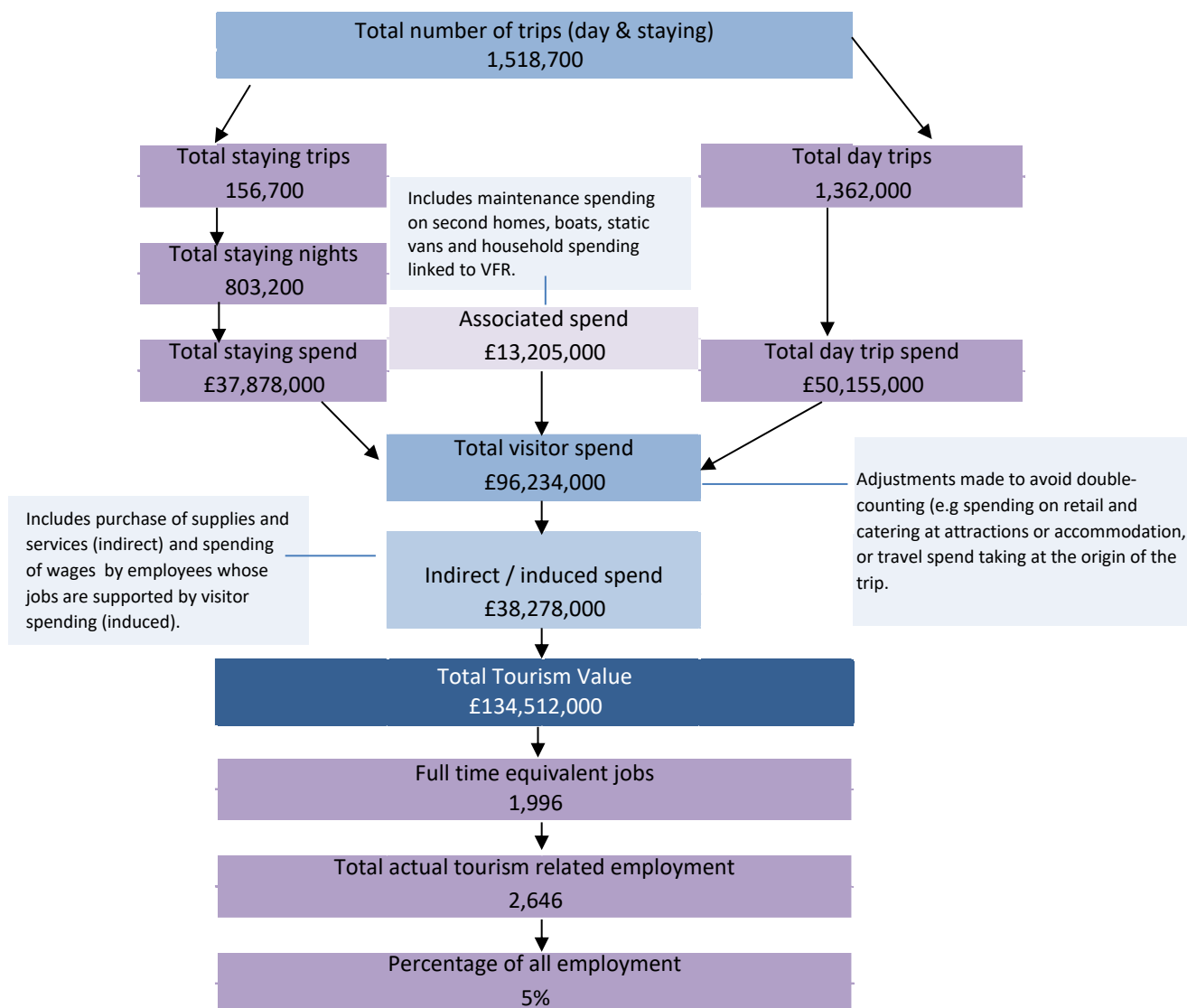
The volume and value of tourism day visits in the East of England decreased by 8% between 2017 and 2019, from 133 million to 123 million. Expenditure levels were up by 22% to £4.7 billion in 2019.

The GB Day Visitor Survey (GBDVS) is not specifically designed to produce highly accurate results at sub-regional level. For this reason, the GBDVS data used in the Cambridge Model is based on three year rolling averages to reduce some of the more extreme fluctuations which are due to small sample sizes and high margins of error. The results for Hertfordshire are based on a combination of results from the GBDVS, visits to visitor attractions and other relevant local level data including off-peak rail journeys to key stations in Hertfordshire between 2017 and 2019.

Based on these sets of data the model assumes that the volume of day trips was up 5% between 2017 and 2019 and expenditure for the same period was up by 8%.

## Economic Impact of Tourism – Headline Figures

## Hertsmere - 2019 Results



### Economic Impact of Tourism – Year on year comparisons

### Hertsmere

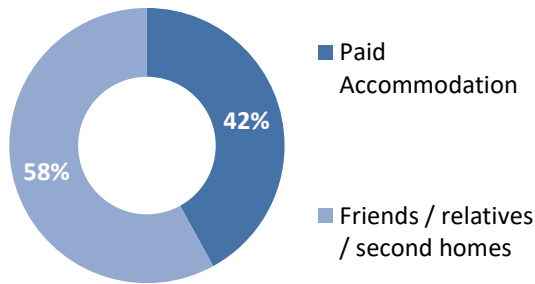
	2017	2019	Annual variation
<b>Day Trips</b>			
Day trips Volume	1,292,000	1,362,000	5%
Day trips Value	£46,199,000	£50,155,000	9%
<b>Overnight trips</b>			
Number of trips	157,000	156,700	0%
Number of nights	813,100	803,200	-1%
Trip value	£37,112,000	£37,878,000	2%
<b>Total Value</b>	<b>£128,361,000</b>	<b>£134,512,000</b>	<b>5%</b>
<b>Actual Jobs</b>	<b>2,517</b>	<b>2,646</b>	<b>5%</b>

Hertsmere	2017	2019	Variation
Average length stay (nights x trip)	5.18	5.13	-1%
Spend x overnight trip	£ 236.38	£ 241.72	2%
Spend x night	£ 45.65	£ 47.16	3%
Spend x day trip	£ 35.76	£ 36.82	3%

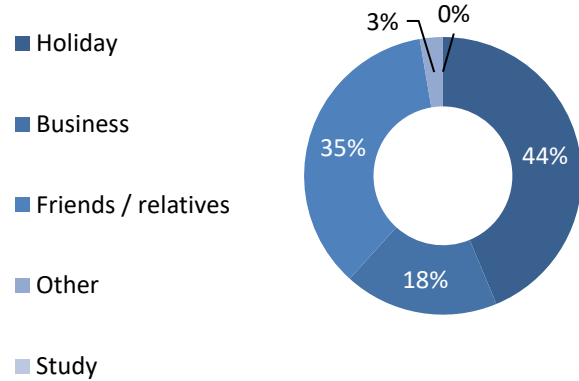
## Economic Impact of Tourism – Headline Figures

## Hertsmere - 2019 Results

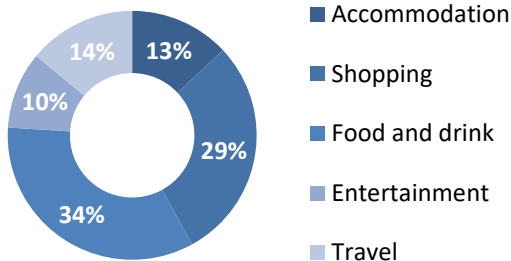
### Trips by type of accommodation



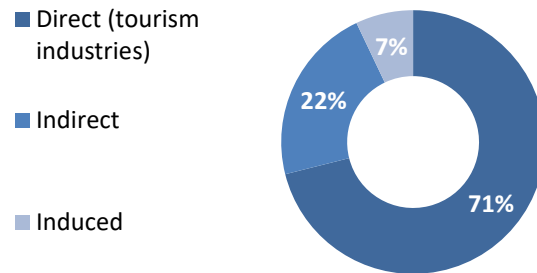
### Trips by Purpose



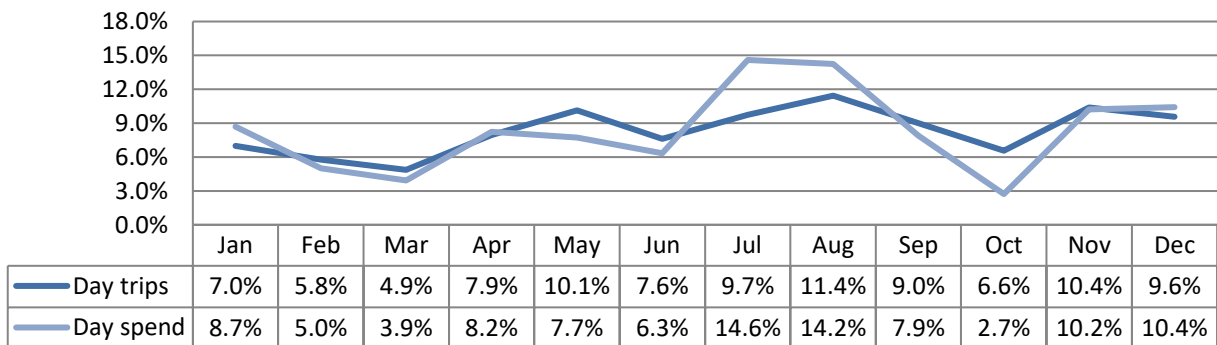
### Breakdown of expenditure



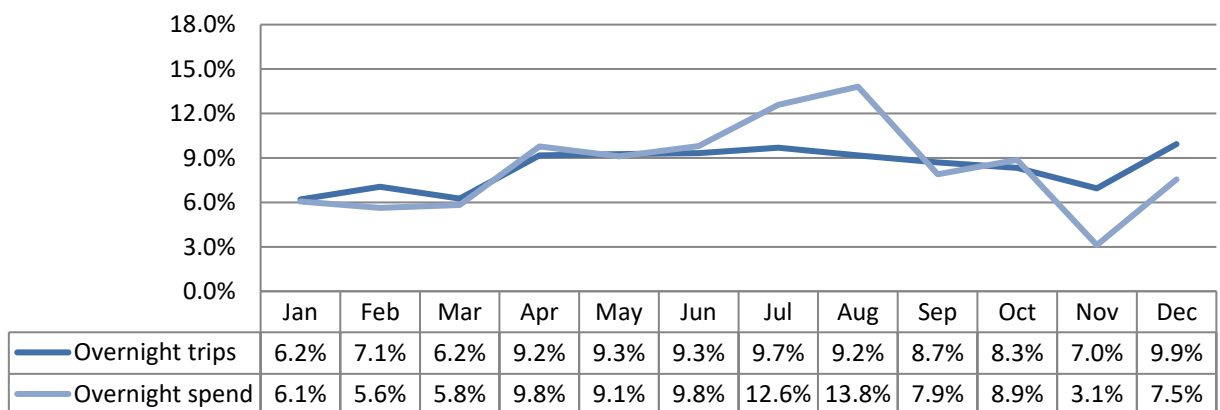
### Type of employment



### Seasonality - Day visitors (Regional level)



### Seasonality - Overnight visitors (Regional level)



## Volume of Tourism

## Staying visits in the county context

## Hertsmere - 2019 Results

### Staying trips in the county context 2019

District	Domestic trips ('000)	Overseas trips ('000)
North Herts	144	48
Stevenage	116	36
East Herts	189	62
Broxbourne	103	32
Welwyn Hatfield	147	50
St Albans	199	68
Dacorum	213	64
Three Rivers	70	26
Watford	152	48
Hertsmere	118	39
Hertfordshire	1,451	472

### Staying nights in the county context 2019

District	Domestic nights ('000)	Overseas nights ('000)
North Herts	703	300
Stevenage	541	179
East Herts	904	541
Broxbourne	517	224
Welwyn Hatfield	704	716
St Albans	866	415
Dacorum	956	406
Three Rivers	415	181
Watford	626	244
Hertsmere	559	244
Hertfordshire	6,791	3,450

### Expenditure in the county context 2019

District	Domestic spend (millions)	Overseas spend (millions)
North Herts	£28	£17
Stevenage	£27	£12
East Herts	£38	£31
Broxbourne	£19	£12
Welwyn Hatfield	£32	£38
St Albans	£41	£25
Dacorum	£47	£25
Three Rivers	£13	£8
Watford	£33	£17
Hertsmere	£24	£14
Hertfordshire	£300	£199

*As part of that data release, the ONS has revised overseas tourism data from 2009-19. Data has been significantly revised for some countries of residence, and to some degree for all countries. This has resulted in changes in the proportions of trips between paid accommodation and VFR when compared to 2017 results.*



## Staying Visitors - Accommodation Type

## Hertsmere - 2019 Results

### Trips by Accommodation

	UK		Overseas		Total	
Serviced	44,000	37%	11,300	29%	55,300	35%
Self catering	1,000	1%	300	1%	1,300	1%
Camping	0	0%	0	0%	0	0%
Static caravans	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	1,000	1%	800	2%	1,800	1%
Boat moorings	0	0%	0	0%	0	0%
Other	6,000	5%	3,300	9%	9,300	6%
Friends & relatives	66,000	56%	23,000	59%	89,000	57%
<b>Total 2019</b>	<b>118,000</b>		<b>38,700</b>		<b>156,700</b>	
Comparison 2017	117,000		40,000		157,000	
Difference	1%		-3%		0%	

### Nights by Accommodation

	UK		Overseas		Total	
Serviced	110,000	20%	24,800	10%	134,800	17%
Self catering	2,000	1%	29,900	12%	31,900	4%
Camping	0	0%	0	0%	0	0%
Static caravans	0	0%	0	0%	0	0%
Group/campus	0	0%	0	0%	0	0%
Paying guest	0	0%	0	0%	0	0%
Second homes	2,000	1%	17,400	7%	19,400	2%
Boat moorings	0	0%	0	0%	0	0%
Other	47,000	8%	4,100	2%	51,100	6%
Friends & relatives	398,000	70%	168,000	69%	566,000	71%
<b>Total 2019</b>	<b>559,000</b>		<b>244,200</b>		<b>803,200</b>	
Comparison 2017	551,000		262,000		813,000	
Difference	1%		-7%		-1%	

### Spend by Accommodation Type

	UK		Overseas		Total	
Serviced	£10,615,000	45%	£4,422,000	31%	£15,037,000	40%
Self catering	£189,000	1%	£1,690,000	12%	£1,879,000	5%
Camping	£0	0%	£0	0%	£0	0%
Static caravans	£0	0%	£0	0%	£0	0%
Group/campus	£0	0%	£0	0%	£0	0%
Paying guest	£0	0%	£0	0%	£0	0%
Second homes	£110,000	0%	£479,000	4%	£589,000	2%
Boat moorings	£0	0%	£0	0%	£0	0%
Other	£2,006,000	8%	£437,000	3%	£2,443,000	6%
Friends & relatives	£10,873,000	46%	£7,057,000	50%	£17,930,000	47%
<b>Total 2019</b>	<b>£23,793,000</b>		<b>£14,085,000</b>		<b>£37,878,000</b>	
Comparison 2017	£23,462,000		£13,650,000		£37,112,000	
Difference	1%		3%		2%	

Serviced accommodation includes hotels, guesthouses, inns, B&Bs and serviced farmhouse accommodation. Paying guest refers to overseas visitors staying in private houses, primarily language school students. Other trips includes nights spent in transit, in lorry cabs and other temporary accommodation.

**Trips by Purpose**

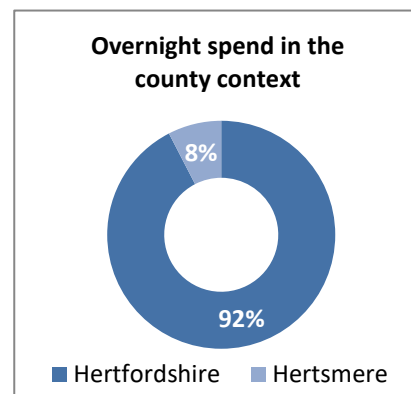
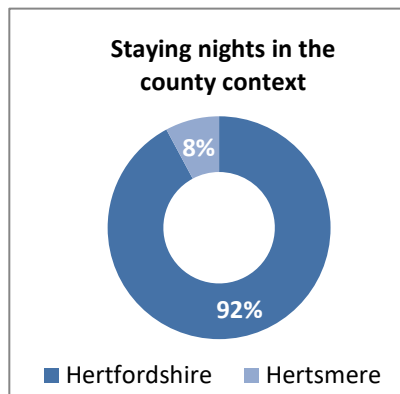
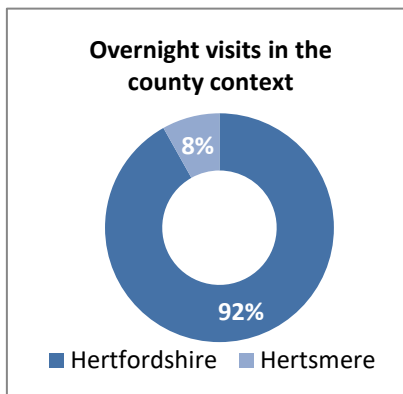
		UK		Overseas		Total	
Holiday		62,000	52%	6,500	17%	68,500	44%
Business		22,000	19%	6,200	16%	28,200	18%
Friends & relatives		31,000	26%	24,800	64%	55,800	35%
Other		3,000	3%	1,200	3%	4,200	3%
Study		0	0%	0	0%	0	0%
<b>Total</b>	<b>2019</b>	<b>118,000</b>		<b>38,700</b>		<b>156,700</b>	
Comparison	2017	117,000		40,000		157,000	
Difference		1%		-3%		0%	

**Nights by Purpose**

		UK		Overseas		Total	
Holiday		310,000	56%	24,900	10%	334,900	42%
Business		89,000	16%	34,600	14%	123,600	15%
Friends & relatives		148,000	26%	169,800	70%	317,800	40%
Other		12,000	2%	14,900	6%	26,900	3%
Study		0	0%	0	0%	0	0%
<b>Total</b>	<b>2019</b>	<b>559,000</b>		<b>244,200</b>		<b>803,200</b>	
Comparison	2017	551,000		262,100		813,100	
Difference		1%		-7%		-1%	

**Spend by Purpose**

		UK		Overseas		Total	
Holiday		£8,818,000	37%	£2,280,000	16%	£11,098,000	29%
Business		£8,341,000	35%	£3,558,000	25%	£11,899,000	31%
Friends & relatives		£6,150,000	26%	£7,368,000	52%	£13,518,000	36%
Other		£484,000	2%	£879,000	6%	£1,363,000	4%
Study		£0	0%	£0	0%	£0	0%
<b>Total</b>	<b>2019</b>	<b>£23,793,000</b>		<b>£14,085,000</b>		<b>£37,878,000</b>	
Comparison	2017	£23,462,000		£13,650,000		£37,112,000	
Difference		1%		3%		2%	

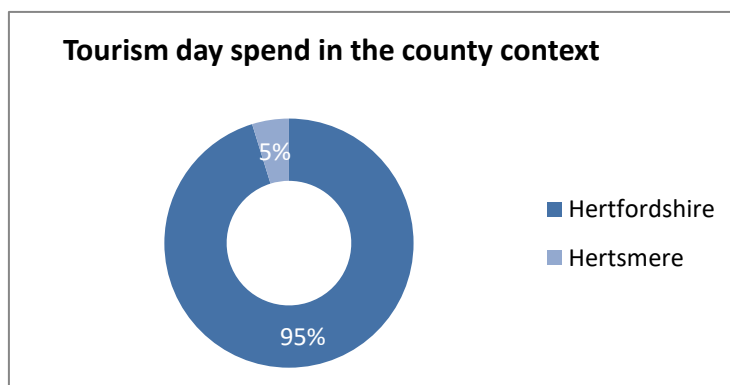
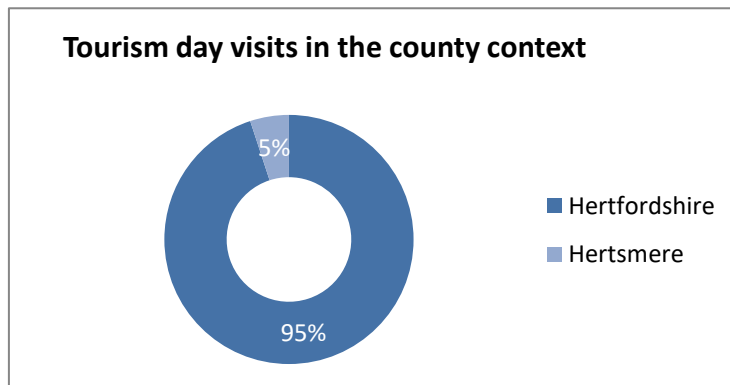


**Total Volume and Value of Day Trips**

		<b>Trips</b>	<b>Spend</b>
Urban visits		<b>1,097,000</b>	<b>£41,638,000</b>
Countryside visits		<b>265,000</b>	<b>£8,517,000</b>
<b>Total</b>	<b>2019</b>	<b>1,362,000</b>	<b>£50,155,000</b>
Comparison	<b>2017</b>	<b>1,292,000</b>	<b>£46,199,000</b>
Difference		<b>5%</b>	<b>9%</b>

**Day Visitors in the county context**

<b>District</b>	<b>Day Visits (millions)</b>	<b>Day visit Spend (millions)</b>
North Herts	2.8	£107.4
Stevenage	1.7	£64.6
East Herts	4.2	£160.1
Broxbourne	1.2	£46.8
Welwyn Hatfield	1.8	£70.9
St Albans	1.9	£73.0
Dacorum	3.3	£126.7
Three Rivers	3.4	£130.2
Watford	1.9	£71.3
Hertsmere	1.4	£50.2



## Value of Tourism



## Direct Turnover Derived From Trip

## Hertsmere - 2019 Results

Business turnover arises as a result of tourist spending, from the purchase of supplies and services locally by businesses in receipt of visitor spending and as a result of the spending of wages in businesses by employees whose jobs are directly or indirectly supported by tourism spending.

		<b>Staying Visitors</b>	<b>Day Visitors</b>	<b>Total</b>
Accommodation		£11,804,000	£404,000	£12,208,000
Retail		£6,795,000	£18,175,000	£24,970,000
Catering		£9,430,000	£19,584,000	£29,014,000
Attractions		£3,207,000	£6,125,000	£9,332,000
Transport		£3,985,000	£3,520,000	£7,505,000
Non-trip spend		£13,205,000	£0	£13,205,000
<b>Total Direct</b>	<b>2019</b>	<b>£48,426,000</b>	<b>£47,808,000</b>	<b>£96,234,000</b>
Comparison	<b>2017</b>	<b>£47,609,000</b>	<b>£44,257,000</b>	<b>£91,866,000</b>
Difference		2%	8%	5%

Adjustments have been made to recognise that some spending on retail and food and drink will fall within attractions or accommodation establishments. It is assumed that 40% of travel spend will take place at the origin of the trip rather than at the destination.

## Supplier and Income Induced Turnover

		<b>Staying Visitors</b>	<b>Day Visitors</b>	<b>Total</b>
Indirect spend		£12,223,000	£13,920,000	£26,143,000
Non trip spending		£2,786,000	£0	£2,786,000
Income induced		£7,314,000	£2,035,000	£9,349,000
<b>Total</b>	<b>2019</b>	<b>£22,323,000</b>	<b>£15,955,000</b>	<b>£38,278,000</b>
Comparison	<b>2017</b>	<b>£21,784,000</b>	<b>£14,711,000</b>	<b>£36,495,000</b>
Difference		2%	8%	5%

Income induced spending arises from expenditure by employees whose jobs are supported by tourism spend.

## Total Local Business Turnover Supported by Tourism Activity – Value of Tourism

		<b>Staying Visitors</b>	<b>Day Visitors</b>	<b>Total</b>
Direct		£48,426,000	£47,808,000	£96,234,000
Indirect		£22,323,000	£15,955,000	£38,278,000
<b>Total Value</b>	<b>2019</b>	<b>£70,749,000</b>	<b>£63,763,000</b>	<b>£134,512,000</b>
Comparison	<b>2017</b>	<b>£69,393,000</b>	<b>£58,968,000</b>	<b>£128,361,000</b>
Difference		2%	8%	5%

## Employment







**The key 2019 results of the Economic Impact Assessment are:**

**1.5 million trips** were undertaken in the area

**1.4 million** day trips

**0.2 million** overnight visits

**0.8 million** nights in the area as a result of overnight trips

**£96 million** spent by visitors during their visit to the area

**£8 million** spent on average in the local economy each month.

**£38 million** generated by overnight visits

**£50 million** generated from day trips.

**£135 million** spent in the local area as result of tourism, taking into account multiplier effects.

**546 jobs** supported, both for local residents from those living nearby.

**1,881 tourism jobs** directly supported

**765 non-tourism related jobs** supported linked to multiplier spend from tourism.

Note: The figures have been rounded. For a full set of results, please refer to the main report.

## **Appendix I - Introduction about Cambridge Model**

This report examines the volume and value of tourism and the impact of that expenditure on the local economy. The figures were derived using the Cambridge Economic Impact Model and the research was undertaken by Destination Research.

The model utilises information from national tourism surveys and regionally based data held by Destination Research. It distributes regional activity as measured in those surveys to local areas using 'drivers' such as the accommodation stock and occupancy which influence the distribution of tourism activity at local level.

### **Limitations of the Model**

The methodology and accuracy of the above sources vary. The results of the model should therefore be regarded as estimates which are indicative of the scale and importance of visitor activity in the local area. It is important to note that in the national tourism surveys the sample sizes for each area change year on year. This is as a result of the random probability nature of the methodology. As such, the results of the Cambridge Model are best viewed as a snapshot in time and we would caution against year-on-year comparisons.

It should be noted that the model cannot take into account any leakage of expenditure from tourists taking day trips out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas, in locations receiving significant numbers of day visitors from London, there is likely to be an underestimate in relation to overseas day visits from holiday accommodation in London to locations receiving significant numbers from that destination.

Whilst it is important to be aware of these issues, we are confident that the estimates we have produced are as reliable as is practically possible within the constraints of the information available.

### **Rounding**

All figures used in this report have been rounded. Therefore, in some tables there may be a slight discrepancy between totals and sub totals.

### **Data sources**

The main national surveys used as data sources in stage one include:

- Great Britain Tourism Survey (GBTS) - information on tourism activity by GB residents;
- International Passenger Survey (IPS) information on overseas visitors to the United Kingdom;
- Day Visits in the annual Great Britain Day Visitor Survey using information on visits lasting more than 3 hours and taken on an irregular basis

These surveys provide information down to a regional level. In order to disaggregate data to a local level the following information sources are used:

- Records of known local accommodation stock held by Destination Research;
- VisitEngland's surveys of Visits to Attractions, which provide data on the number of visitors to individual tourist attractions ;
- Mid- 2019 estimates of resident population as based on the 2011 Census of Population;
- Selected data from the 2011 Census of Employment;
- Selected data on the countryside including national designations.

### **Staying Visitors**

The GBTS provides information on the total number of trips to the region and the relative proportions using different types of accommodation. By matching these figures to the supply of such accommodation, the regional average number of trips per bedspace or unit of accommodation can be derived. The IPS provides information on the total number of trips by overseas visitors to the region. The model uses three year rolling averages to reduce extreme highs and lows which are due to small sample sizes, rather than being a reflection on drastic changes in demand year-on-year.

### **Day Visitors**

Information on day trips at the regional level is available from the Day Visits in Great Britain survey. The survey includes all leisure-related trips from home. It should be noted that a large proportion are local trips made by people resident in the locality. This report presents data on those who took trips of at least 3 hours duration on an irregular basis as defined by the GBDVS. These are identified as tourism day trips by the Department of Culture, Media and the Sport.

### **Impact of tourism expenditure**

This section examines the impact of the tourism expenditure in terms of the direct, indirect and induced expenditure as well as an estimate of the actual jobs (both direct and indirect) supported by tourism expenditure in the district.

The GBTS, IPS and Day Visits to Great Britain survey data on the breakdown of visitor spending. The impact of this initial round of expenditure will be subsequently increased by multiplier effects. These arise from the purchase of supplies and services by the businesses in receipt of visitor expenditure (indirect impacts), and by the income induced-effects arising from the spending of wages by employees in the first round of business and in subsequent expenditure in supplier business (induced impacts).

The New Earnings Survey which provides information on wage levels by industry sector and region; An internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies carried out by Geoff Broom Associates, PA Cambridge Economic Consultants and others. By applying the breakdown to the estimates of visitor spending, the model generates estimates of total direct spending.

Evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover – for example, some expenditure on food and drink actually takes place in inns and hotels that fall in the accommodation sector and within attractions. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place at the origin of the trip as the destination. Therefore the model assumes that only 40% of travel expenditure accrues to the destination area.

### **Number of full time job equivalents**

Having identified the value of turnover generated by visitor spending, it is possible to estimate the employment associated with that spending. Wages for staff and drawings for the proprietors will absorb a proportion of that turnover. By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average costs by business sector, adjusted to take account of regional differences, can be calculated.

After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job.

### **Number of Actual Jobs**

The model generates estimates of full time equivalent jobs based on visitor spending. However, the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending (principally accommodation, food and drink, retail, attractions, transport). In general, the conversion factor between full time equivalent jobs and actual jobs varies around 1.5 in those sectors.

The indirect and induced jobs arise across a much wider range of employment sectors. Therefore, the average 1.16 for all sectors based on Census of Employment data has been used to convert full time equivalent jobs in this sector to actual jobs.

The employment estimates generated by the model include both self-employed and employed people supported by visitor expenditure. The model also includes an estimate of the additional jobs arising in the attractions sector, which are not related to visitor expenditure. However, the numbers do not include other tourism-related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences, maintenance sections and jobs arising from capital investment in tourism facilities.

### **Local level data for Hertfordshire EIA Reports 2019**

The Cambridge Model allows for the use of local visitor related data. Local data from visitor survey and other sources is not always sufficiently detailed or available regularly enough to make the results consistent. We rely on partners to collect additional locally sourced data to feed into the model. We have also used data from the Visit Herts Business Barometer, including serviced accommodation occupancy averages.

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