Marketing Lancashire
STEAM Tourism Economic Impacts
2021 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, Lancashire faced a range of unprecedented circumstances arising through the global Covid-19 pandemic, resulting in significant reductions in tourism activity and consequently levels of local visitor revenue. While the effects of COVID on the visitor economy continued into 2021, local businesses have shown significant resilience, innovation and adaptability which has helped the visitor economy regain some of the lost income and visits that would be expected in a typical year.

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**.

2021

51.51m Tourism Visits in 2021

5.88m visits totalling **19.39m nights** generated by visitors **staying in Lancashire** as part of a holiday or short break

65.02m Visitor Days and Nights generated in 2021

43,217 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 **£311m** on local accommodation

45.63m tourism visits made by **Tourism Day Visitors** in 2021

A total of **£3.51bn** was generated within the local economy through visitor and tourism business expenditure

£1.8bn of direct expenditure by visitors on **Food and Drink (£870m)** and **Shopping (£951m)**

In total, **staying visitors** generated a **total economic impact** of **£1.76bn** for local businesses and communities

Day Visits generated **£1.75bn** for the local economy

Trends 2018-2021

Economic Impact	Visitor Numbers	Visitor Days & Nights
-20.3%	**-25.1%**	**-24.5%**

2021

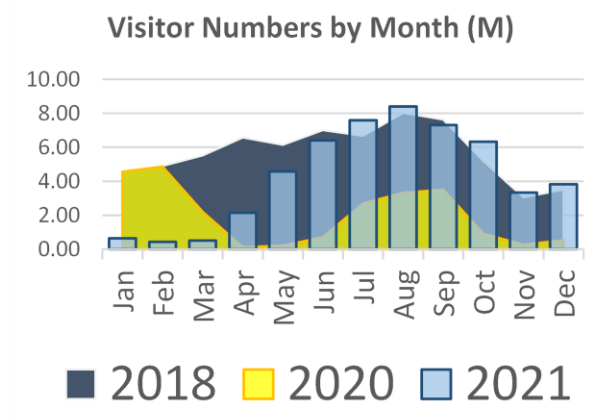
Visitor Types

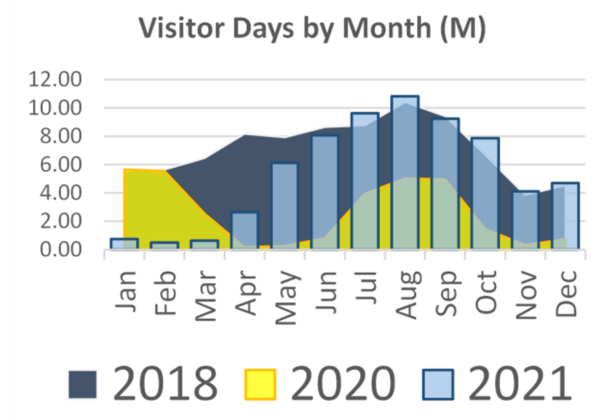
Staying Visitors encompass all tourists staying overnight for at least one night in one of the following types of accommodation:

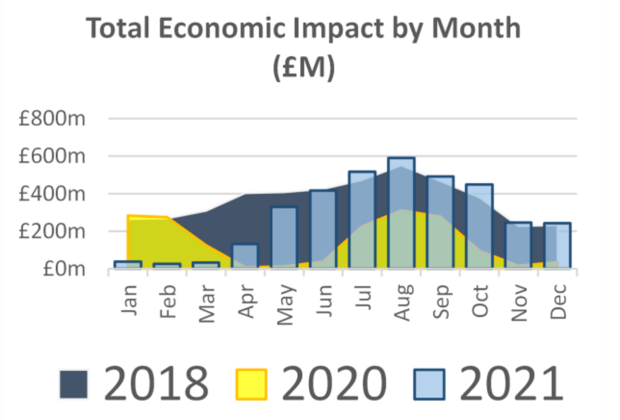
- **Serviced Accommodation** - Hotels, Guest Houses, B&Bs, Inns etc
- **Non-Serviced Accommodation** - Self-Catering properties such as Houses, Cottages and Apartments, as well as Camping and Caravanning, Hostels and University / College accommodation available for visitor use
- **Staying with Friends 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 2020 and 2021

The COVID-19 pandemic brought extraordinary challenges for economies globally, with the crisis deepening within the first quarter of 2020, culminating in a (UK) national lockdown in March (2020), 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. Interventions, intended to reduce spread of COVID-19, brought movement and operating restrictions for businesses, residents and visitors throughout much of 2020 and into the first half of 2021. Against this backdrop, Lancashire saw tourism visits fall by nearly two-thirds in 2020 (compared to 2018). In 2021, visits were still down a quarter on 2018 levels but had increased significantly on 2020 levels. Within Lancashire, recovery rates into 2021 for visitor days and value were better still, largely fuelled by consumer interest in domestic overnight stays – this resulted in nearly 34m visitor days and nights than in 2020 and more than double the 2020 economic value.







	2018	2020	2021
Visitor Nos (M)	68.74	23.80 (34.6% of 2018)	51.51 (74.9% of 2018)
Visitor Days (M)	86.07	31.18 (36.2% of 2018)	65.02 (75.5% of 2018)
Economic Impact (£Bn)	4.41	1.71 (38.7% of 2018)	3.51 (79.7% of 2018)

Total Visitor Numbers

51.51m

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. There were an estimated 51.51m tourism visits to Lancashire in 2021, roughly three quarters of the level achieved in 2018. Although there were continued restrictions for businesses in the first half of 2021, visitors nevertheless returned to the county in much greater numbers than in 2020, when total visits had fallen to only 23.8m.

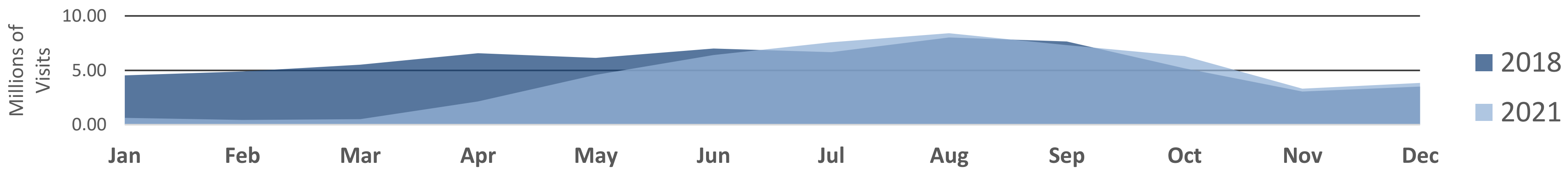
Day visitors to the county are Lancashire's largest visitor market. There were an estimated 45.63m tourism day visits in 2021, accounting for 88.6% of all visits made to Lancashire. In 2018, it was estimated that there were just over 60m tourism day visits. A significant proportion of the county's annual day visits would usually occur between March and October (77% did so in 2018). In 2020, this particularly affected visits with the restrictions in trade and movement coming into place from March onward. In 2021, COVID restrictions significantly affected re-opening and visit levels in the first part of the year, with trade at only a fraction of 2018 levels in January to March (-58%). However, by July, day visits were up 17% on 2018, with total day visits for the period July to December up 10% on 2018. Contrary to *typical* performance, nearly 88% of day visits in 2021 fell between March and October.

In, 2021, Lancashire saw 5.88m staying visits – visits made by guests in paid accommodation or stays with friends and relatives in local homes. Staying visitors accounted for 11.4% of all visitors to Lancashire in 2021. In 2018, the total number of staying visits to Lancashire was 8.22m, and the drop in visits between 2018 and 2020 had been -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 2021 visits, relative to 2018 visiting levels.

Key Figures: Visitor Numbers: 2021

Visitor Numbers		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2021 (Millions)	**M**	**2.949**	**1.216**	**1.715**	**5.880**	**45.627**	**51.507**
2018 (Millions)	M	4.366	1.399	2.451	8.216	60.525	68.741
Change 18/21 (%)	**%**	**-32.5**	**-13.1**	**-30.0**	**-28.4**	**-24.6**	**-25.1**
Share of Total (%)	%	5.7	2.4	3.3	11.4	88.6	100.0

Total Visits – Seasonal Distribution of Visits 2018 and 2021



Total Visitor Days

65.02m

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 65.02m visitor days in the area during 2021. In 2018, the estimated number of tourism visitor days spent in Lancashire was 86.07m, illustrating the continued effect of the COVID pandemic on visit levels during 2021.

There were an estimated 45.63m tourism *day visits* to Lancashire during 2021 and these accounted for 70.2% of all visitor days. Day visits to Lancashire had recovered significantly from 2020 levels but remained nearly one quarter down (-24.6%) on 2018 levels.

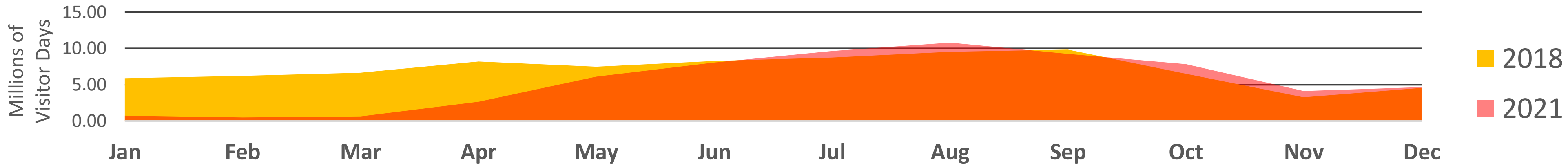
Staying visitors to Lancashire accounted for roughly one third of all visitor days spent in the county during 2021 (29.8%). These overnight visits to the area generated 19.39m visitor days in 2021. By comparison, in 2018, staying visits accounted for 25.5m visitor days and nights.

When looking at visitor days spent by staying visitors to Lancashire, in 2018, serviced (9.48m) and non-serviced accommodation (9.73m) generated nearly identical numbers of days. As 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. In 2021, self-catering, camping and caravanning and other non-serviced operators benefitted from an earlier relaxation in visiting / opening restrictions and this, alongside good consumer demand into the summer season, allowed the non-serviced sector to end 2021 down *only* -12.8% on 2018 levels. The shift in staying visits toward a higher proportion of non-serviced accommodation stays pushed the average length of stay for staying visits to 3.3 nights in 2021, compared to 3.1 nights in 2018.

Key Figures: Visitor Days: 2021

Visitor Days		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2021 (Millions)	**M**	**6.508**	**8.483**	**4.399**	**19.391**	**45.627**	**65.017**
2018 (Millions)	M	9.481	9.732	6.337	25.550	60.525	86.074
Change 18/21 (%)	**%**	**-31.4**	**-12.8**	**-30.6**	**-24.1**	**-24.6**	**-24.5**
Share of Total (%)	%	10.0	13.0	6.8	29.8	70.2	100.0

Total Visits – Seasonal Distribution of Visitor Days 2018 and 2020



Average Length of Stay for Different Visitor Types: 2021

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	7.0

Total Economic Impact

£3.51bn

Economic Impact

Prior to the COVID pandemic, 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 in 2020 were in the order of -£2.7bn. In 2021, although by no means a return to normality, the strongest negative economic effects of COVID had passed for many businesses and those businesses that were able to reopen for the summer period saw much improved demand, which contributed to the overall value of £3.51bn of Lancashire's visitor economy in 2021.

Within the total economic impact figure of £3.51bn, there are expenditures made by visitors on goods and services, totalling £2.65bn, and the *indirect* and *induced* economic effects of local businesses and residents spending tourism revenues locally, accounting for a further £860m.

In 2021, Lancashire's day visitor market accounted for 49.9% of the value of tourism activity (£1.75bn), with the staying visitor market accounting for the remaining portion 50.1% (£1.76bn).

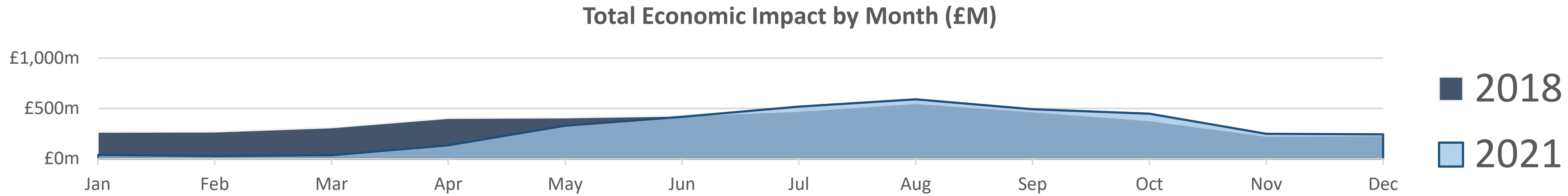
Key Figures: Economic Impact: 2021

Economic Impact		Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
2021 (£ Billions)	**£Bn**	**0.995**	**0.578**	**0.186**	**1.759**	**1.754**	**3.513**
2018 (£ Billions)	£Bn	1.364	0.615	0.252	2.230	2.179	4.410
Change 18/21 (%)	**%**	**-27.1**	**-6.0**	**-25.9**	**-21.1**	**-19.5**	**-20.3**
Share of Total (%)	%	28.3	16.4	5.3	50.1	49.9	100.0

Average Economic Impact Generated by Each Type of Visitor: 2021

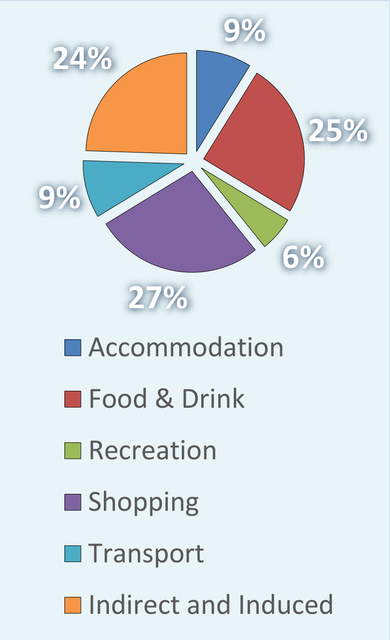
Economic Impact	Serviced	Non-Serviced	SFR	Staying Visitors	Day Visitors	All Visitors
Economic Impact per Day	**£152.84**	**£68.09**	**£42.39**	**£90.71**	**£38.44**	**£54.03**
Economic Impact per Visit	£337.34	£475.00	£108.70	£299.11	£38.44	£68.20

Total Economic Impact – Seasonal Distribution Value 2018 and 2020



Breakdown of Economic Impact: 2021

Economic Impact by Sector	Direct Visitor Expenditure						Indirect & Induced	Total
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	£311m	£870m	£196m	£951m	£324m	**£2.7Bn**	£860m	**£3.5Bn**



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

43,217

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 43,217 Full-Time Equivalent jobs (FTEs) in 2021.

Within the total employment figure of 2021, STEAM includes the jobs generated by the expenditure of visitors on goods and services, totalling 35,407 FTEs, and the *indirect* and *induced* employment supported through local businesses and residents spending tourism revenues locally, accounting for a further 7,810 FTEs.

Employment Supported by Tourism: Full-Time Equivalents (FTEs) by Type: 2021

Employment Supported by Sector 2021	Direct Visitor Employment						Indirect and Induced	Total
	Accommodation	Food & Drink	Recreation	Shopping	Transport	Total Direct		
Totals	10,574	10,193	2,788	10,156	1,696	35,407	7,810	43,217

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.

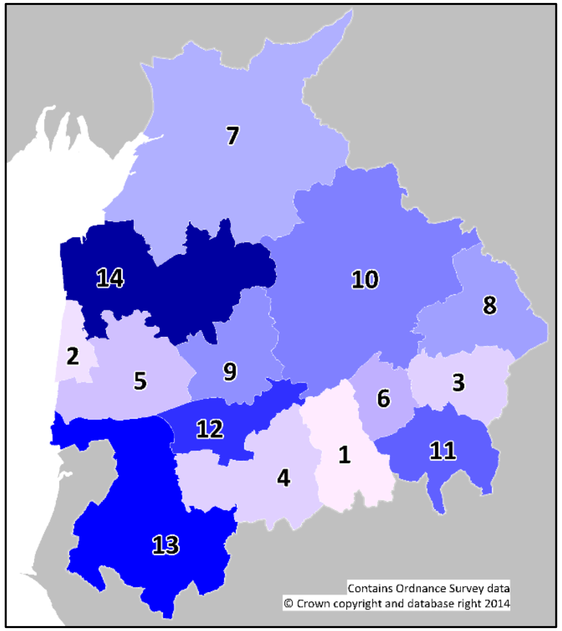
The STEAM employment outputs for do not include the jobs / Full Time Equivalents (FTEs) for those employees supported through the government employment support mechanisms on the basis that these are not driven by the expenditure and activity of visitors and were retained irrespective of activity within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

Overall, changes in levels of employment supported by the visitor economy reported for 2020 and 2021 compared to 2018 and earlier, will reflect several 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**



2021	Outputs by Area	Visitor Numbers		Economic Impact		Employment FTEs	
		Share	Total	Share	Total	Share	Total
1	Blackburn with Darwen Borough Council	6%	3.0m	4%	£146.1m	4%	1,640
2	Blackpool Council	37%	18.8m	41%	£1,425.3m	47%	20,326
3	Burnley Borough Council	3%	1.7m	2%	£83.7m	2%	954
4	Chorley Borough Council	5%	2.3m	4%	£131.0m	3%	1,484
5	Fylde Borough Council	4%	2.2m	6%	£215.1m	6%	2,442
6	Hyndburn Borough Council	3%	1.4m	2%	£67.1m	2%	730
7	Lancaster City Council	10%	5.0m	10%	£363.2m	7%	3,209
8	Borough of Pendle	4%	1.9m	3%	£103.9m	3%	1,369
9	Preston City Council	8%	4.1m	6%	£216.4m	6%	2,456
10	Ribble Valley Borough Council	5%	2.8m	5%	£190.4m	5%	2,315
11	Rossendale Borough Council	2%	1.0m	1%	£44.7m	1%	517
12	South Ribble Borough Council	5%	2.3m	4%	£123.0m	3%	1,408
13	West Lancashire District Council	4%	2.0m	4%	£129.7m	3%	1,431
14	Wyre Borough Council	6%	3.1m	8%	£273.3m	7%	2,936
	LANCASHIRE	100%	51.5m	100%	£3,512.7m	100%	43,217

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 2021 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 total employment arising from the visitor economy fell about a third in 2021 (compared to 2018) – not all of the reduction in jobs would be 'lost' through redundancy.

STEAM Comparative Headlines: 2018 and 2021

STEAM REPORT FOR 2018-2021 - FINAL MARKETING LANCASHIRE	Comparing 2021 and 2018 All £'s Historic Prices	COMPARATIVE HEADLINES

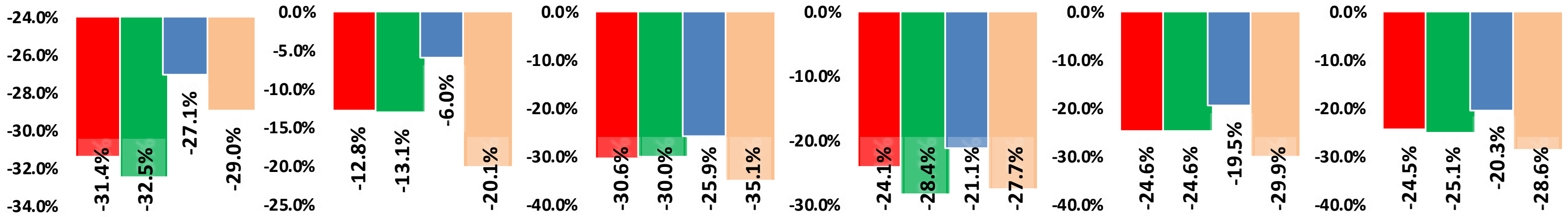
KEY PERFORMANCE INDICATORS BY TYPE OF VISITOR - COMPARING 2021 & 2018 - IN HISTORIC PRICES

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		2021	2018	+/- %	2021	2018	+/- %	2021	2018	+/- %	2021	2018	+/- %	2021	2018	+/- %	2021	2018	+/- %
A Fall of 3% or more																			
Visitor Days	M	6.508	9.481	-31.4%	8.483	9.732	-12.8%	4.399	6.337	-30.6%	19.39	25.55	-24.1%	45.63	60.52	-24.6%	65.02	86.07	-24.5%
Visitor Numbers	M	2.949	4.366	-32.5%	1.216	1.399	-13.1%	1.715	2.451	-30.0%	5.880	8.216	-28.4%	45.63	60.52	-24.6%	51.51	68.74	-25.1%
Direct Expenditure	£Bn																2.653	3.336	-20.5%
Economic Impact	£Bn	0.995	1.364	-27.1%	0.578	0.615	-6.0%	0.186	0.252	-25.9%	1.759	2.230	-21.1%	1.754	2.179	-19.5%	3.513	4.410	-20.3%
Direct Employment	FTEs	15,175	21,370	-29.0%	4,727	5,917	-20.1%	1,492	2,298	-35.1%	21,394	29,585	-27.7%	14,012	19,991	-29.9%	35,407	49,576	-28.6%
Total Employment	FTEs																43,217	60,782	-28.9%

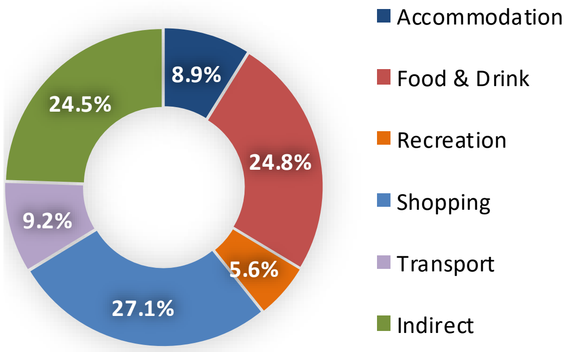
PERCENTAGE CHANGE BY VISITOR TYPE AND PERFORMANCE MEASURE - COMPARING 2021 & 2018 - IN HISTORIC PRICES

KEY

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

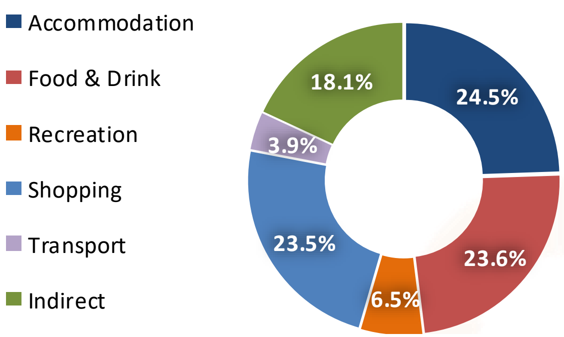


Sectoral Distribution of Economic Impact - £Bn including VAT in Historic Prices



Sectoral Distribution of Employment - FTEs

Economic Impact 2021	Economic Impact 2018	+/- %	Sectors	Employment 2021	Employment 2018	+/- %
0.311	0.400	-22.3%	Accommodation	10,574	13,829	-23.5%
0.870	1.086	-19.9%	Food & Drink	10,193	14,614	-30.3%
0.196	0.247	-20.6%	Recreation	2,788	4,034	-30.9%
0.951	1.194	-20.3%	Shopping	10,156	14,643	-30.6%
0.324	0.408	-20.6%	Transport	1,696	2,456	-30.9%
2.653	**3.336**	-20.5%	TOTAL DIRECT	**35,407**	**49,576**	-28.6%
0.860	1.074	-19.9%	Indirect	7,810	11,206	-30.3%
3.513	**4.410**	-20.3%	TOTAL	**43,217**	**60,782**	-28.9%



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