



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Culture and Leisure Overview and Scrutiny Committee

30 November 2023

Report of Councillor Ashley Baxter -
Deputy Leader of the Council and
Cabinet Member for Finance and
Economic Development

STEAM 2022 Report – Economic Impact of the Visitor Economy

Report Author

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Purpose of Report

The purpose of this report is two-fold. Firstly, to provide the Culture and Leisure Overview and Scrutiny Committee with an insight into the economic impact of the visitor economy in South Kesteven for 2022. Secondly, to collectively develop an understanding of the wider visitor economy landscape to identify how the Council can support the continued recovery of the sector, whilst maintaining long-term resilience amongst key stakeholders.

Recommendation

It is recommended the Culture and Leisure Overview and Scrutiny Committee:

- 1. Examines the Scarborough Tourism Economic Accommodation Model (STEAM) data for 2022**
- 2. Consider the wider visitor economy landscape to identify how the Council could support the continued recovery of the sector, whilst maintaining long-term resilience amongst businesses and key stakeholders.**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our Economy
Which wards are impacted?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

1.1 There are no financial implications associated with this report.

Completed by: Alison Hall-Wright, Deputy Director (Finance & ICT) and Deputy S151 Officer

Legal and Governance

1.2 There are no significant legal and governance implications arising from this report which are not already referenced in the body of the report.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

Climate Change

1.4 Sustainability is increasingly important for people when choosing where to travel for both business and leisure. Should a Visitor Economy Strategy be developed in the future, supporting the industry to build a sustainable tourism sector, promote green tourism and considering low carbon travel, warrants consideration.

Completed by: Serena Brown, Sustainability and Climate Change Officer

2. Background to the Report

2.1 The Corporate Plan 2020-2023 sets out the Council's vision to '*be the best district in which to live, work and visit*'. The visitor economy allows South Kesteven to

showcase its unique identity to spearhead local growth and deliver wider benefits. From helping young people and parents into work, to supporting local businesses and creating the conditions to realise the Council's vision.

- 2.2 The Council acquires its tourism and visitor economy data and performance information through the STEAM (Scarborough Tourism Economic Activity Monitor) model. The STEAM model is produced by Global Tourism Solutions and is a tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection.
- 2.3 On 6 September 2022, Members of the (then) Culture and Visitor Economy Overview and Scrutiny Committee received a presentation on the STEAM report, purchased by South Kesteven District Council for the period to March 2021. Members expressed a desire that once subsequent years data was available, this would be brought to Committee.
- 2.4 STEAM quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including: visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers. The STEAM model uses this set of data sets to generate a series of impact analyses, relating to four key visitor types:
 - Staying in Serviced Accommodation
 - Staying in Non-Serviced Accommodation
 - Staying with Friends and Relatives (SFR)
 - Tourist Day Visitors
- 2.5 Within the model, the above visitor types are broken down further into sub-categories of accommodation use and, where required, subtypes of day or SFR visitor. This allows the model to ensure its outputs reflect the differences in supply and consumption of tourism services between different types of tourism business. It carries a further benefit in that the outputs relating to specific subcategories of visitor can be presented in isolation, excluded or combined to reflect specific reporting needs.
- 2.6 STEAM is the preferred model assessing the visitor economy of authorities across Greater Lincolnshire and the East Midlands. Every Lincolnshire district authority, bar South Holland, commissioned a STEAM report in 2022. Where possible these reports plus Rutland, have been used to situate South Kesteven's performance in the regional context and to highlight shared trends.
- 2.7 The 2022 datasets (found in full at **Appendix A** and **an interactive version at Appendix B**) are of particular interest given they cover the immediate post-

pandemic period, providing an indicator of the sectors recovery, strength and resilience, and suggesting how consumer behaviour has changed post-pandemic. In this report and accompanying briefing, the financial data throughout is in 2022 prices to enable a more accurate comparison with the pre-pandemic period.

2.8 As the 2022 STEAM datasets runs to 59 pages, a summary document can be found at **(Appendix C)** giving a precis of key highlights. The key statistics for South Kesteven from STEAM 2022 are:

- A total of £218.18 million was generated within the local economy through visitor and tourism business expenditure. The sector is 98.52% of its pre-pandemic size (2019 adjusted to 2022 prices). This is the second strongest recovery in Lincolnshire.
- South Kesteven received 3.15 million visitors during 2022, a decline of 9% on 2019. Overall visitor spending is up 8.27% on 2019.
- A total of 2,754 full time equivalent (FTE) roles are supported by the sector.
- 86.55% of visitors were day-trippers (2,722,000 people). Day visitor numbers are down 11.13% on 2019. Day trippers are responsible for 54% of the total visitor economy, generating £118.89 million with an average visitor spend of £43.68. Average visitor spend has essentially not changed since 2019 (0.02% increase).
- 13.45% of visitors stay overnight (423,400 people). Staying visitor number are up 7.76% on 2019. Staying visitors are responsible for 46% of the total visitor economy, generating £99.280 million with an average visitor spend of £234.51, up 5.06% on 2019.
- The spending and visitor habits of staying visitors vary depending on accommodation choice. Visitors choosing non-serviced accommodation represent 2% of all visitors yet contribute 14.76% of the visitor economy. These are the most economically valuable visitors with an average spend per visit of £471.60, up 9.08% from 2019. 68,300 visitors chose to stay in non-serviced accommodation in 2022, a 43.49% increase on 2019.

3.2 There are four overarching trends contained in the STEAM 2022 reports which are largely replicated across Greater Lincolnshire as follows:

- **The visitor economy is resilient.** Following the pandemic, the visitor economy has bounced back to, although yet to exceed pre-pandemic (2019) levels. South Kesteven has seen the second strongest recovery in Greater Lincolnshire, behind East Lindsey.

- **Overall visitor numbers are down.** For South Kesteven, excluding the pandemic period of 2020 and 2021, total visitors are at the lowest level since 2014, down 9% on 2019. This trend is observed across Greater Lincolnshire. South Kesteven had the second lowest fall in visitors, again behind East Lindsey. For Greater Lincolnshire the overall fall was 13.04%. The visitor drop is concentrated amongst day visitors, who compose the vast majority of visitors in each authority (86.55% in South Kesteven). Falls in day visitors range from 11.13% in South Kesteven to 21.98% in Rutland. Greater Lincolnshire 15.33%.
- **Visitors are spending more.** Overall Visitor spending is up 8.27% on 2019 in South Kesteven, a trend mirrored across Greater Lincolnshire. The average visitor spend per visitor in South Kesteven was £69.37, the second lowest in Greater Lincolnshire. Spending habits vary significantly depending on length of stay and choice of accommodation. The growth in visitor spending is being driven by staying visitors. Day spending has remained essentially static. Visitors choosing non-serviced accommodation are the most valuable economically. Such visitors in South Kesteven spent an average of £471.60 over the duration of their stay, up 9.08%. South Kesteven had the second highest spenders of visitors in this category, behind Rutland (£521.95).
- **Staying visitors have increased.** Whilst overall numbers are down, visitors seeking accommodation are up 7.76% in South Kesteven. In terms of staying visitor numbers and economic impact, 2022 was a record-breaking year for South Kesteven (2011-2022). This upwards trend was observed in all available comparator areas bar Rutland (1.38% decline). South Kesteven has seen extraordinary growth in the number of visitors choosing non-serviced accommodation, up 43% on 2019 (Greater Lincolnshire 6.52%).

3. Key Considerations

- 3.1 The STEAM model is recognised nationally as the most accurate and comprehensive form of reporting tourism and visitor economy data. In specific regard to how this data is procured and presented, there are no realistic other options for consideration.
- 3.2 The Council should be making data-led decisions anchored in the needs of the tourism and visitor economy sector to deliver service improvements. It is for this reason, the decision to do nothing was discounted.

4. Other Options Considered

4.1 For some time, there has been interest in bringing forward a visitor economy strategy and accompanying action plan. Building upon the STEAM dataset, the new Corporate Plan and Economic Development Strategy (both of which are currently under development) and coupled with the appointment of a new Head of Economic Development & Inward Investment in the new year, the opportunity presents itself in bringing this ambition to reality later in 2024.

5. Reasons for the Recommendation

5.1 To help Members of the Culture and Leisure Overview and Scrutiny Committee to be fully informed on the key performance data of the local visitor economy and to understand the trends within the sector and wider region post-pandemic.

5.2 The Council has a role as a leader, visionary and advisor to provide the vision and ambition for the visitor economy sector. As both the Corporate Plan and Economic Development Strategy approach publication, consideration needs to be given to how the Council could support the short-term recovery of the sector, whilst maintaining long-term resilience amongst businesses and key stakeholders.

6. Background Papers

6.1 *STEAM Data – Economic Impact of the Visitor Economy* – Report to Culture and Visitor Economy Overview and Scrutiny Committee, published 6 September 2022 and available online via:
<https://moderngov.southkesteven.gov.uk/documents/s35437/STEAM%20-%20Economic%20Impact.pdf>

6.2 The full STEAM reports of other districts in Greater Lincolnshire can be accessed online via Visit Lincolnshire Business:
<https://business.visitlincolnshire.com/insights/research-and-reports/>

7. Appendices

7.1 **Appendix A** - South Kesteven STEAM Report for 2022

7.2 **Appendix B (Issued to Members via email)** – Interactive version of the South Kesteven STEAM Report for 2022

7.3 **Appendix C** - Summary of the key points from the longer STEAM Visitor Data for 2022