THE IMPACT OF **EVENT TOURISM ON LONDON'S ECONOMY**

LONDON & PARTNERS

Photo by Chris Lee for British Athletics via Getty Images

CONTENTS

EXECUTIVE SUMMARY

Key finding: We estimate that London's event leisure tourism[1] directly contributed £2.8 billion to the city's economy in 2015 and supported over 27,000 jobs.

This London & Partners report presents the findings of an assessment of the impact of the event leisure tourism and major events on the London economy. London & Partners estimates that London's event leisure tourism contributes £2.8 billion to the city's economy. This contribution comprises £1.873 billion from domestic day visitors, £297 million from domestic overnight visitors and £644 million from international visitors.

Domestic day and overnight visitors drawn to London by theatre shows were the biggest contributors in terms of estimated spend, followed by visitors watching a live music concert and live sporting events.[2] Among international visitors, the USA was London's biggest market in terms of holiday event visitor spend, with Germany being the second most important.

London also hosts large-scale events that have significant audience appeal and media reach. A separate analysis, carried out by London & Partners and Regeneris Consulting[3], shows that major events[4] contributed more than £2.2 billion over a four-year period after the 2012 Olympic Games and are worth at least £400 million every year to the London economy. Over the same period London's major events supported over 21,000 jobs.

The year 2015 proved to be the most successful year in terms of contribution, with an estimated impact of £949 million. This includes expenditure generated by visitors drawn by the Rugby World Cup, the major event which delivered the highest impact in the period after the Olympic Games.

This analysis also found that major sporting events were by far the biggest contributor, injecting an estimated £1.67 billion between 2013 and 2016, followed by major cultural and music events, which jointly contributing £560 million.

[1] Defined as leisure visitors for whom attending an event was the primary reason for taking the trip. See Section 3 for more details.
[2] Excluding football matches.
[3] http://regeneris.co.uk
[4] Defined as sporting, cultural or music events attracting at least 10,000 attendees, having significant visitor appeal (either domestic or international) and generating media exposure, such as live TV or news coverage on mainstream channels and/or wide social media or digital reach.

£2.8bn
OVERALL EVENT LEISURE TOURISM CONTRIBUTION IMPACT IN 2015

£1.873bn
DOMESTIC DAY

£297m
DOMESTIC OVERNIGHT

£644m
INTERNATIONAL VISITORS

27,539
JOBS SUPPORTED

320 MAJOR EVENTS OVER A 4 YEAR PERIOD

£2.25bn
CONTRIBUTION 2013-2016.

£1.658bn
CONTRIBUTION FROM MAJOR SPORTING EVENTS

£560m
FROM CULTURAL AND MUSIC

Rugby world cup biggest contributor

£539m
IN TOURISM SPEND

SECTION

01

ABOUT THIS RESEARCH

Research focus: Understanding the impact of the event tourism sector and of major events on London's economy.

Research aims

- **Define economic contribution by both domestic and overseas visitors**
- **Assess contribution of major events[5]**
- **Compare contribution across different event types and years**

This piece of London & Partners research aimed to estimate the economic contribution of events to the London economy and assess the impact of major and city-supported events on London.

London has long been recognised as a magnet that draws tourists to the UK thanks to its attractions, transport links, retail offer and broad range of entertainment and leisure options. In 2015 alone, London hosted a record 30.5 million overseas and domestic overnight visits, generating £15 billion in expenditure. The capital also welcomed 280 million domestic day visits in 2015, generating a further £11.6 billion of expenditure in London.[6]

Events are a key draw for domestic and international tourists, and historically London has been an attractive destination for event-goers. Events, running from small theatre productions to large sporting gatherings, attract significant numbers and make a major contribution to the local economy. They can also generate associated benefits: improving health through participation and fostering a sense of community for example. Following the huge success of the 2012 Olympic Games, the city's sporting, cultural and music offer has grown even stronger.

Research into the size and value of Britain's event industry found that up to 35 per cent of the UK visitor economy is driven by consumer and business event attendees, and expenditure by participants and organisers. However, this research used a wider definition of the events economy and did not attempt to quantify the value of the event leisure tourism market for individual regions such as London. [7]

Also, while research studies have been carried out to assess the economic impact of specific major events such as Ride-London and the NFL International Series,[8] there hasn't been any comprehensive research assessing the overall impact of major cultural and sporting events on the London economy.

We believe that this report will shed light on the net contribution made to the London's economy by the capital's event tourists, and will help us understand which event types bring most benefit to the local economy.

5 See Section 3 for a definition of major events used within the report.
6 Official data from ONS, International Passenger Survey expenditure data, 2015. Great Britain Tourism Survey and Great Britain Day Visitors Survey, 2015.
7 Business Visits and Events Partnership, 2014. Events are GREAT Britain. Compared to this work our definition of events is narrower, and focuses only on outdoor events, festivals and cultural events, music events and sporting events.
8 SMG, 2014, London & Partners: 2014 RideLondon Economic Impact and Media Exposure Evaluation Report. Deloitte, 2013, Economic Impact of the NFL on London and the UK.

"There are many hundreds of different events including pop concerts and music festivals, firework displays, sporting events, cultural and arts festivals … and, of course, national and international events and extravaganza for people of all ages and cultures taking place all year round. Many of these events last from 1-3 days and attract tens of thousands of visitors, which can involve considerable travel and staying overnight in places ranging from campsites to upmarket hotels. The events have substantial benefits for local economies and can dramatically affect the environment of a region, bringing more spend from visitors and tourists and hence more employment and wealth to local communities

Events are GREAT report, Business Visits & Events Partnership"

SECTION

02

METHODOLOGY

Approach: Measuring domestic and international tourist spend by event; quantifying the impact of major events through economic modelling.

Source data

- **For the value of event tourism: 'top down' analysis using data on tourist expenditure, activities undertaken by tourists and reasons for visiting from IPS, GBTS, GBDVS[9] and London & Partners primary research**
- **For major events: 'bottom up' analysis drawing on major event economic impact assessments, desk-based analysis and modelling by Regeneris Consulting**
- **Total direct economic impact of event tourism in 2015 and of major events between 2013 and 2016**

In order to estimate the total economic impact on London of event tourism and of major events, we have employed two different methodologies. In the first strand of work – estimating the value of event tourism – we used data obtained from each of the main tourism surveys (see above) undertaken in the UK and from London & Partners primary research.

For domestic tourists, we created a profile of event-related visitor activities, which we then used to calculate holiday visits and expenditure of domestic overnight and day visitors to London.[10]

To complement GBTS and GBDVS data on holiday visitor spending on activities, London & Partners commissioned research agency TNS[11] to find out whether the activity undertaken during a visit was the primary reason for taking the trip.[12] This new data was then used, together with the expenditure results from GBTS and GBDVS, to produce a series of estimates for expenditure attributable to each of the selected event-related activities.

For international tourists, we used a combination of IPS data on holiday visit expenditure and insights from a London & Partners consumer survey with Visitlondon.com-registered users.[13] The survey was sent out in September 2014 to all those who had registered on VisitLondon.com in the 12 months running up to the survey, and included questions on their reasons for visiting London.[14] These respondents were asked to give their main reason for visiting London and using this data we were able to calculate the proportion of holiday visitors coming to London for a specific cultural or sporting event and apportion holiday spending from the IPS accordingly.

[9] ONS, International Passenger Survey expenditure data, 2015. Great Britain Tourism Survey and Great Britain Day Visitors Survey, 2015.
[10] For day visits, all leisure visits lasting three hours or more are considered tourism day visits, therefore all-purpose spending data has been used.
[11] www.tnsglobal.com
[12] For example, if a visitor watched a major football match during their visit, was the game the main draw to London or were there other factors involved?
[13] While data on activities undertaken by London visitors was available from IPS, the most recent studies dated from 2011 and only covered some of the event-related activities undertaken by international tourists. See appendix 1 and table A1 for more details.
[14] Only international respondents who had made at least one trip to London in the 12-month period before the survey launch were considered for analysis: 3,535 in total.

For the second strand of work, we commissioned Regeneris Consulting to estimate the value of major cultural and sporting events for London. We defined these events as:

- Attracting at least 10,000 attendees[15]
- Having significant visitor appeal (either domestic or international) and generating media exposure such as live TV or news coverage on mainstream channels and/or wide social media or digital reach

In line with the eventIMPACTS framework[16] – a methodology used widely to estimate the economic contribution of events – Regeneris Consulting modelled major event expenditure by looking at spending patterns by spectators, attendees and organisers from over 15 different economic impact reports.[17]

A number of additional factors were informed by desk-based research,[18] including data regarding the proportion of:

- unique visitors
- non-casual visitors
- non-London visitors
- commercial and non-commercial stayers

Additional data was also gathered regarding average spending per night on accommodation and non-accommodation items, trip length and on the proportion of organiser and participant expenditure as a ratio relative to visitor spend.

Sporting and cultural events produced different average figures, while for concert data we used the 2012 *Wish You Were Here* report by UK Music[19] to inform the model's assumptions, as this provided more granular data compared to a more recent report.

Following this data-gathering exercise, we applied benchmark data for all of the above aspects to spectator figures collected in the London Events Co-ordination Calendar (LECC) database, a database which includes details of all the major events taking place in London across various venues and locations.

Throughout the remainder of this document, all figures relating to the impact of London's event tourism sector refer to the first 'top down' strand of work, while data relating to major events refers to the second 'bottom up' strand.

[15] Music concerts at the O2 arena, London's biggest purpose-built indoor venue, were excluded in our calculations of the impact of major cultural events because of the lack of comprehensive historical data.
[16] See www.eventimpacts.com for an overview of the framework.
[17] Where an economic impact report for a specific event was available, we applied the actual impact rather than modelled data.
[18] See appendix 2 for more details on methodology and assumptions made.
[19] www.ukmusic.org

SECTION

03

VALUE OF EVENT TOURISM

Key finding: Overall spending from event-related leisure tourists in 2015 totalled £2.81 billion.

- **Domestic day visit spending comprises two thirds of the economic impact of event tourism**
- **Theatre-goers make the biggest contribution**
- **US overnight visitors are the biggest contributors in terms of spending**

London & Partners' analysis found that event leisure tourists contributed an estimated £2.8 billion to the London economy in 2015. Domestic day visit spending had the greatest impact, making up £1.873 billion (66 per cent), followed by international overnight visitors at £644 million (23 per cent). The remaining 11 per cent was spent by domestic overnight visitors to London (£297 million).

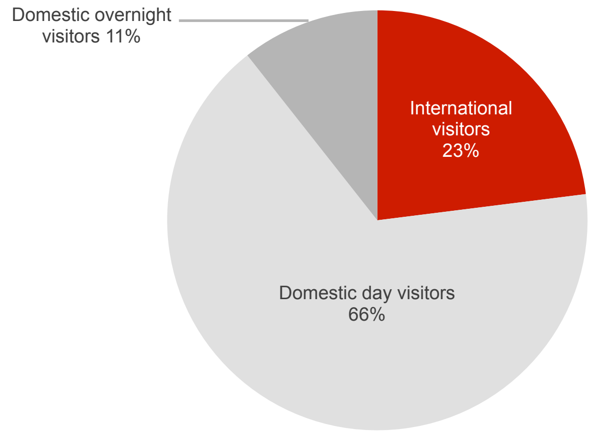
Table 1 illustrates the total expenditure of event tourists in London in 2015, while Figure 1 shows the relative overall contribution of each visitor type.

Table 1: Total spending by holiday visitor type in 2015

HOLIDAY VISITOR TYPE	IMPACT (£M)
Domestic day visitor	£1,873
Domestic overnight visitor	£297
International visitor	£644
Total	**£2,814**

London & Partners' analysis of overall expenditure by holiday visitor type in 2015.

Figure 1: Share of overall expenditure by visitor type



Source: London & Partners' analysis of overall expenditure by holiday visitor type in 2015.

As mentioned in the methodology chapter, data from GBDVS and London & Partners research has been used to determine the proportion of expenditure from domestic day visitors to London that can be attributed to events. The following table displays data on domestic day visit spending for various event-related activities, and insights into the 'sole reason' drivers for visiting London[20].

Table 2: Expenditure by domestic day visitors on event-related activities

ACTIVITY	DOMESTIC DAY VISITS SPEND 2015 (M)	% OF RESPONDENTS SAYING THE ACTIVITY WAS THE SOLE REASON FOR VISITING	ESTIMATED SPEND (£M)
Theatre	£1,079	49%	£529
Live music concert	£507	58%	£294
Other live sport (not watching on TV)	£542	48%	£260
Live football match (not watching on TV)	£427	54%	£230
Indoor exhibition	£273	60%	£164
Other arts / cultural event / show	£331	45%	£149
Outdoor fair / exhibition / show	£305	37%	£113
Food / local produce event	£157	29%	£45
Another arts / cultural festival	£147	31%	£46
Music festival	£65	66%	£43
Total	**£3,833**		**£1,873**

Source: London & Partners' analysis based on GBDVS spend data for London and TNS primary research.

20 Respondents that selected 'sole reason' for more than one activity undertaken in London were excluded in the analysis.

This table shows that going to the theatre is the biggest contributor in terms of estimated spend, followed by watching a live music concert and other live sporting events.

Attending a music festival had the highest proportion of respondents stating that this activity was the sole reason for their visit to London (66 per cent). A slightly lower proportion said that attending an indoor exhibition was the sole reason.

On average, 48 per cent of respondents said that event-related activities were the sole reason for their day visit to London.

Table 3 displays an analysis of spending by overnight holiday visitors, based on GBTS expenditure data and London & Partners research.

Table 3: Expenditure by domestic overnight holiday visitors on event-related activities

ACTIVITY	DOMESTIC OVERNIGHT VISITOR SPEND 2015 (M)	PROPORTION OF RESPONDENTS SAYING THE ACTIVITY WAS THE SOLE REASON FOR VISITING	ESTIMATED SPEND (£M)
Theatre	£339	28%	£95
Live music concert	£114	56%	£64
Other live sport (not watching on TV)	£60	51%	£31
Music festival	£52	56%	£29
Indoor exhibition	£53	40%	£21
Another arts / cultural festival	£65	30%	£19
Food / local produce event	£65	26%	£17
Other arts / cultural event / show	£50	25%	£12
Live football match (not watching on TV)	£15	30%	£5
Outdoor fair / exhibition / show	£16	22%	£4
Total	**£829**		**£297**

Source: London & Partners' analysis based on GBDVS spend data for London and TNS primary research.

VALUE OF EVENT TOURISM

Again, going to the theatre is the biggest contributor in terms of estimated spend, followed by watching a live music concert and watching other live sporting events.

Attending a music festival or live concert had the highest proportion of respondents stating that this activity was the sole reason for their visit to London (56 per cent), followed by watching other live sport. On average, 36 per cent of respondents said that event-related activities were the sole reason for their overnight visit to London.

For international visitors, since IPS data did not provide the same degree of granularity on activities undertaken by visitors, we employed a different approach:[21] we combined IPS data on tourist expenditure with London & Partners' internal research data.

Table 4 presents overall spending by international holiday visitor broken down by country of origin, and the proportion of holiday visitors that mentioned that a cultural or sporting event was the main reason for visiting London.

Table 4: Expenditure by international holiday tourists attending events, by country of origin

COUNTRY OF ORIGIN	HOLIDAY VISITOR SPEND 2015 (£M)	% HOLIDAY TOURISTS VISITING FOR SPECIFIC EVENT	ESTIMATED SPEND (£M)
USA	£681	12%	£79
Germany	£320	17%	£53
Ireland	£77	43%	£33
Italy	£293	7%	£22
Australia	£224	8%	£17
Belgium	£84	21%	£17
Canada	£126	13%	£17
France	£355	5%	£17
Spain	£269	5%	£15
Netherlands	£143	10%	£14
Rest of the world	£2,790	13%	£360
Total	**£5,362**		**£644**

Source: London & Partners' analysis based on IPS spend data for London and London & Partners research.

If we exclude the 'rest of the world', the USA was London's biggest market in terms of holiday event visitor spend, with a contribution of £79 million in 2015.

The second most important market was Germany, which injected £53 million into London's economy in 2015, followed by Ireland. Ireland was also the market with the highest proportion of respondents stating that the event they attended was the main reason for visiting London (43 per cent), with Belgium having the second highest proportion (21 per cent). On average, 11 per cent of respondents said that attending an event was the main reason for their overnight visit to London.

[21] See appendix 1 for the list of activities included in IPS and estimated gross expenditures.

SECTION

04

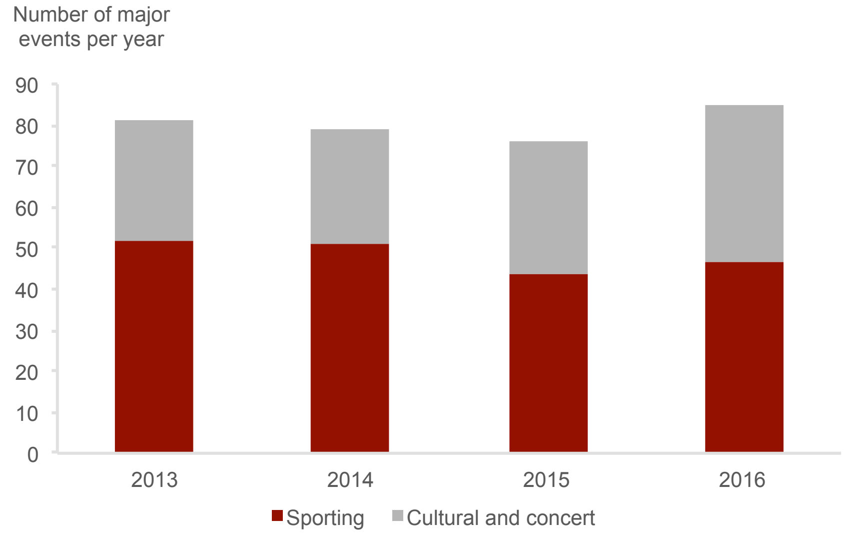
ECONOMIC IMPACT OF MAJOR EVENTS

Key finding: Major events are worth at least £400 million a year to London.

- **Over 80 major events take place in London every year**
- **Sporting events have the biggest economic impact**
- **The Rugby World Cup was by far the biggest contributor, attracting £539 million in visitor spend in 2015**

London & Partners' analysis, based on Regeneris Consulting's economic modelling, estimates that for the period 2013-16 London is on track to host an average of around 80 major events a year.
Figure 2 provides an overview of the number of major events broken down by type between 2013 and 2016,[22] showing how the majority of events were sporting in nature (between 56-66 per cent depending on the year in question).

Figure 2: Number of major events by type



Source: London & Partners' analysis based on Regeneris Consulting modelling.

[22] For 2016, all major events until the end of year, including forthcoming events, were included.

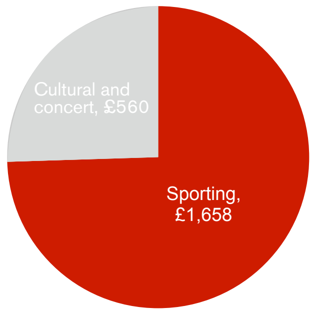
Over the four-year period, major events injected at least £400 million a year into London's economy, with 2015 being the most successful year thanks to the Rugby World Cup. Table 5 shows the total impact of major events each year in London, while Figure 3 shows the overall contribution of each event type.

Table 5: Total impact of major events per year

YEAR	IMPACT (£M)
2013	£408
2014	£423
2015	£949[23]
2016	£438
Total	**£2,218**

Source: London & Partners' analysis based on Regeneris Consulting modelling.

Figure 3: Overall contribution of each event type (£m)



Source: London & Partners' analysis based on Regeneris Consulting modelling.

The contribution made by sporting events over 2013-16 has been estimated at £1.119 billion, increasing to £1.658 billion if the impact of the Rugby World Cup in London is included. Cultural events and major concerts delivered the remaining £560 million, with 2016 the most successful year in terms of contribution (£167 million).

On average, each of the 194 major sporting events in the LECC database is estimated to deliver £5.8 million in spectator, participant and organiser spend, albeit with significant variations depending on the nature and duration of the event. The average economic impact of a single major cultural event or concert is lower at £4.4 million.

Following the end of the London Games, London-supported major events[24] contributed over £1 billion to the London economy, and events scheduled to take place between 2017 and 2019 are predicted to deliver additional expenditure worth £358 million.

[23] The 2015 impact includes the effect of the Rugby World Cup on London's economy, estimated to be £539 million in visitor expenditure alone. EY, 2016. The economic impact of Rugby World Cup 2015.
[24] Defined as major events where London directly invested in the hosting and/or which the 2012 Olympic and Paralympic Games were a contributing factor. See table A6 for a list of the events, which also includes the Rugby World Cup.

SECTION

05

GROSS VALUE ADDED & IMPACT ON EMPLOYMENT

Key finding: Overall gross value added (GVA) by event tourism in 2015 totalled £1.12 billion, supporting 27,539 UK jobs.

- **Domestic day visitors made up two thirds of total GVA**
- **Tourism GVA per job for London is £40,665[25]**
- **Major events in London between 2013-16 attracted £883 million in GVA**

In this chapter we calculate the GVA and total number of jobs supported by London's event tourism in 2015 and by major events between 2013-16.

Calculations to estimate the gross value added (GVA) impact associated with event tourist spending have been based on data on 'sectoral turnover to GVA' ratios from the Office for National Statistics' (ONS) *Annual Business Survey*,[26] together with analysis of expenditure profiles for sporting and cultural events in London.

The following estimates are calculated from *Annual Business Survey* data from the ONS.[27] At regional and national level, data is available for business turnover (assumed to be the proxy of expenditure) and business-approximate GVA. A three-year average of the most recent data available (2011-13) has been taken to account for potential volatility in the survey estimates. Table 6 outlines the calculation of 'expenditure to GVA' ratio for London.

[25] This number has been updated from GLA Economics Current Issues 44, and will be used towards an upcoming GLA Economics publication providing updated estimates of GVA per workforce Job. The data is correct for 2014, which is currently the most up to date year.

[26] ONS, Annual Business Survey, November 2015. London data. See the appendix for a list of SIC codes used in the calculation of expenditure to GVA ratios and for more details on the methodology.

[27] The Annual Business Survey focuses on private sector businesses and covers all SIC07 industry sections (A – S), with the exception of Section K: Financial and Insurance Activities. Further details are available at www.ons.gov.uk/businessindustryandtrade/business/businessservices#publications, and supplementary information on the coverage of the survey is available at www.ons.gov.uk/ons/rel/abs/annual-business-survey/a-comparison-between-abs-and-national-accounts-measures-of-value-added/index.html; specifically pages 2–3 of the report.

Table 6: Expenditure to GVA ratio calculations for London

CATEGORY OF EXPENDITURE	TOTAL BUSINESS TURNOVER (£M)	TOTAL GVA (£M)	PROPORTION OF EXPENDITURE	EXPENDITURE TO GVA RATIO
Hotels / accommodation	4,419	2,529	25.5%	57.2%
Eating and drinking	13,218	6,636	22.9%	50.2%
Attractions and entertainment	24,027	4,214	12.0%	17.5%
Transport	11,221	5,461	12.8%	48.7%
Shopping	61,739	12,137	22.2%	19.7%
Other	885,640	183,115	4.6%	20.7%
Expenditure to GVA ratio, London				**39.8%**

Source: GLA Economics and London & Partners calculations.

As a result, we estimate the total direct annual GVA impact of event tourism on the London economy was £1.12 billion in 2015.[28]

To estimate the number of jobs supported by event tourism, we based our analysis on the methodology set out in GLA Economics' *Working Paper 63: GVA per Workforce Job for London and the UK.*[29] Our analysis drew on a combination of publicly available data and information specifically requested from the ONS, utilising a top-down approach which ensured that all outputs corresponded to published estimates of GVA.

Having defined the tourism industry[30] – which involved identifying the sectors that benefited from additional event tourist expenditure – we were able to translate GVA into jobs supported for the London economy.

As a result, we calculate that spending of event tourists supported 27,539 jobs in 2015.

[28] This excludes any multiplier effect.
[29] Available at: www.london.gov.uk/business/working-paper-63-gva-workforce-job-london-and-uk
[30] This is in line with previous analyses of tourism in London. See appendix 3 for a list of the SIC codes used to define the tourism industry and for methodology details.

GVA AND EMPLOYMENT IMPACT

Table 7 displays spending allocations for domestic day and overnight visitors, international overnight visitors, and corresponding GVA (from London & Partners' analysis using ONS data), together with the number of jobs supported.

Table 7: Gross value added and jobs supported in 2015 by visitor type

VISITOR TYPE	TOTAL EXPENDITURE (£M)	GROSS VALUE ADDED (GVA), £M	JOBS SUPPORTED
Domestic day visitor	£1,873	£256	6,300
Domestic overnight visitor	£297	£746	18,332
International visitor	£644	£118	2,907
Total	**£2,814**	**£1,120**	**27,539**

Source: London & Partners' analysis.

When looking at GVA contribution by visitor type, the results mirror the economic impact figures, with domestic day visitors being the biggest contributors followed by international overnight and domestic overnight visitors.

Finally, similar estimates can be made to assess the GVA and number of jobs supported by major events. Table 8 outlines the GVA and jobs contribution for major events between 2013 and 2016.

Table 8: Gross value added and jobs supported by London events

YEAR	TOTAL EXPENDITURE (£M)	GROSS VALUE ADDED (GVA), £M	JOBS SUPPORTED
2013	£408	£162	3,994
2014	£422	£169	4,144
2015	£949[31]	£378	9,287
2016	£438	£174	4,289
Total	**£2,218**	**£883**	**21,714**

Source: London & Partners' analysis.

[31] The 2015 impact includes the effect of the Rugby World Cup on London's economy, estimated to be £539 million in visitor expenditure alone. EY, 2016. The economic impact of Rugby World Cup 2015.

SECTION

06

CONCLUSION

Event visitors provide a significant boost to the London economy. We estimate the total expenditure of event tourists in London to be in the region of £2.8 billion in 2015.

Domestic day visitors were the leading contributors, adding around £1.87 billion, followed by overnight international visitors and domestic overnight visitors, who contributed a further estimated £644 million and £297 million respectively.

Looking at major events, they make a combined contribution of over £400 million a year to the UK and injected over £2.2 billion between 2013 and 2016, with over 70 per cent of major events-related spending coming from sporting events.

In the period between the end of the London Games and 2016, London-supported major events contributed over £1bn million to the London economy, and events scheduled to take place between 2017 and 2019 are predicted to deliver additional expenditure worth £358 million.

These results confirm the importance of event tourism and major events for both London and UK economies, and particularly underscore the value of domestic day tourism and sporting events in London.

SECTION

07

APPENDIX

This appendix provides more detail on the data and methodology used in the report. A complete list of London-supported major events included in the analysis can be found in Section 4.

1. IPS activity-related expenditure data

As mentioned in Section 2, 2011 was the last year that activity-related questions were asked by the IPS. Even then, not all event-related activities were explored. And although the IPS provided data on the activities undertaken by visitors on their trip – and whether London was visited in the same trip – it did not match up the two datasets. This means that the expenditure figures associated with nights spent in London in table A1 could refer to activities that may not have actually taken place in London. For these reasons we have elected to use London-specific data gathered in the Visitlondon.com 2014 survey in our analysis. However, in the interests of clarity and comprehensiveness, table A1 shows the type of activity identified in the IPS questionnaire in 2011. The data shows expenditure related to all trip purposes and expenditure related to holiday activities only.

Table A1: Activity expenditure by overnight visitors

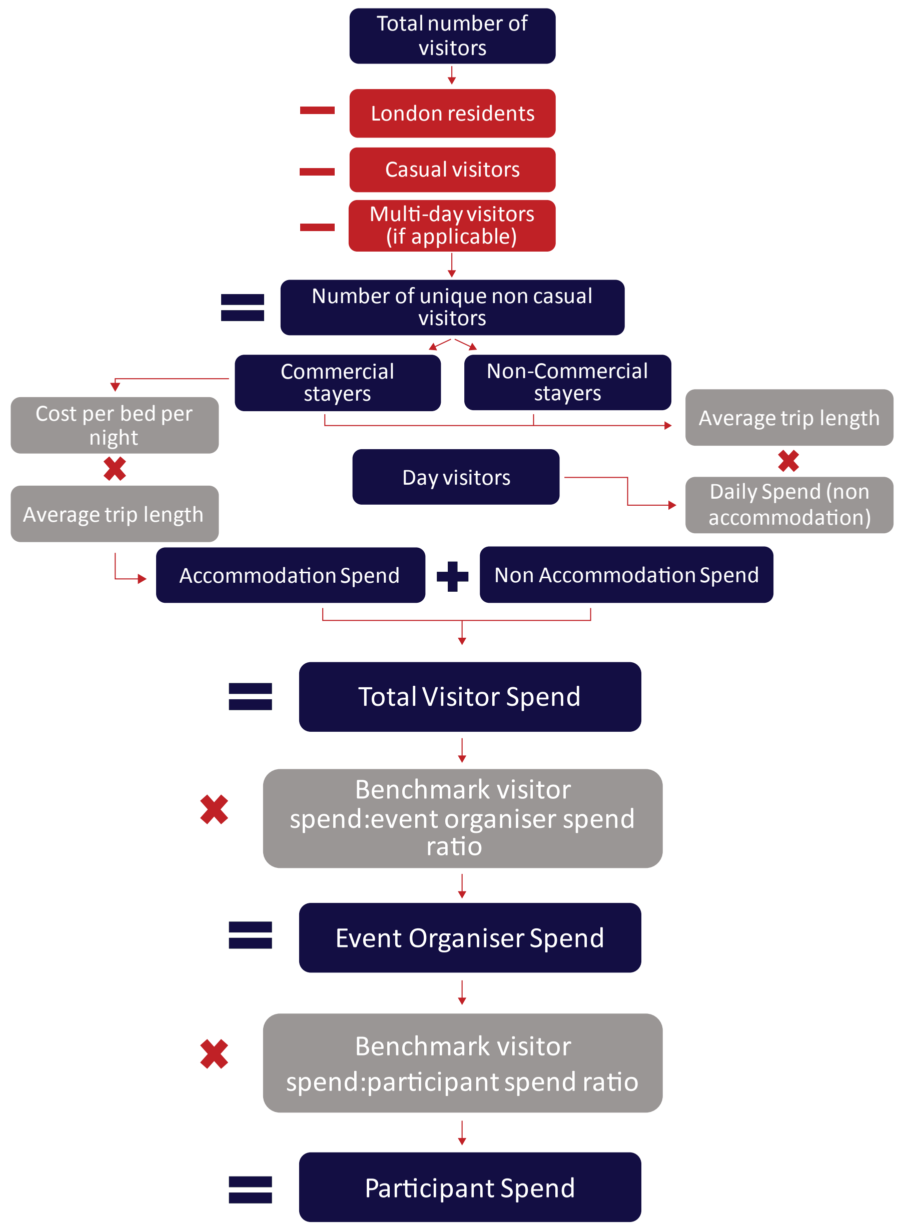
ACTIVITY	SPEND IN LONDON BY THOSE WHOSE VISIT INCLUDED ACTIVITY (£M)	HOLIDAY SPEND IN LONDON BY THOSE WHOSE VISIT INCLUDED ACTIVITY (£M)
Went shopping	£5,880	£2,872
Went to the pub	£4,061	£1,734
Visited parks or gardens	£3,914	£2,173
Visited museums or art galleries	£3,204	£1,834
Visited castles or historic houses	£2,723	£1,657
Visited religious buildings	£2,125	£1,284
Went to bars or nightclubs	£1,711	£631
Went to theatre / musical / opera / ballet	£1,606	£833
Went to countryside or villages	£754	£311
Went to a live sporting event (eg at a stadium)	£434	£110
Attended a festival (eg music, food, arts, film)	£338	£139
Went to the coast or beaches	£332	£109
Took part in sports activities	£206	£31
Total	**£27,288**	**£13,718**

Source: IPS data, VisitBritain analysis.

2. Major events: economic impact framework

Figure A1 summarises the framework used by Regeneris Consulting to build up an estimate of the total expenditure for major events in London. This process follows the accepted and established methodology used in the major event literature.

Figure A1: Regeneris Consulting framework used to estimate major event-related expenditure in London.



The methodology relied on obtaining benchmark figures and on assumptions based on the type of event. This is because expenditure patterns and the composition and demographics of attendees varies depending on the type of event.

Event types were defined by the composition of the LECC database, as well as from evidence in economic impact reports (EIRs). Given limitations in data and in the scope of EIRs, the following categories have been used:

- Sport: eg NFL, football matches, Diving World Series, Tour De France, Prudential RideLondon
- Cultural: eg Lumiere London, Notting Hill Carnival
- Concert: eg Rihanna at Wembley Stadium, British Summer Time in Hyde Park

To estimate the number of visitors, LECC database figures were used. If this data was not available, desk-based research was undertaken to fill the gaps. We also used venue capacity data to estimate the number of event attendees. This involved using the data from the LECC to calculate the proportion of venue capacity that was typically filled for different event types and then applying this to the venue capacity of the event concerned.

The following step involved breaking down the total number of visitors into a visitor figure which took into consideration the proportion of:

- Unique visitors: for multi-day events, a visitor may attend on multiple days and this has to be taken into account in order to avoid double counting. This involves applying benchmark proportions from existing Economic Impact Reports (EIRs) to the total number of visitors
- Non-London residents: it is assumed that expenditure by London residents is non-additional and therefore needs to be removed from economic impact assessments. Data from EIRs and research from UK Music was used to define estimates of the proportion of visitors that were non-London based
- Non-casual visitors: it is assumed that the expenditure of casual visitors (ie those whose main reason for being in London was not due to the event), cannot be attributed to the event and therefore should be removed from economic impact estimates. As above, data from EIRs was used to estimate the proportion of non-casual visitors for different event types

By applying the proportions as set out above, a reliable attendance figure was estimated. This attendance figure was broken down further to account for the differences in visitor type, identifying:

- Overnight visitors in commercial premises: visitors staying overnight spend money on accommodation in local hotels, as well as on food, drink and other goods during their stay
- Overnight visitors in non-commercial premises: visitors staying overnight may stay with family or friends, and therefore nothing is spent on accommodation. Their expenditure solely relates to food, drink and other goods
- Day visitors: those visitors who do not stay in London overnight. Therefore, their expenditure relates to food, drink and other goods only

Different average spend and trip length figures, sourced from EIRs and UK Music research, were applied to estimate accommodation and non-accommodation spend.

Finally, to account for event organiser and participant spend (for sporting events only), ratios of this expenditure relative to visitor spend were used. For event organiser spend, assumptions were also made regarding the proportion of spend that was additional to London, based on the type of event. For participant spend, different assumptions were made depending on whether the event was a mass participation fixture (eg a marathon or cycling event) or an indoor/stadium event (such as a football match), given the large difference in the number of participants between these types of sporting events. The sum of visitors, organisers and participants represents the overall direct economic impact of events on the London economy.

APPENDIX

3. GVA and employment impact calculations

Converting direct economic impact into gross value added (GVA)

Direct economic impact can be converted in gross value added (GVA) using ratios derived from data on reported business turnover and business GVA. In the context of events, GVA is derived from the spending of visitors on event-related items such as tickets, accommodation, food and drink and shopping.

Analysis of sporting and cultural events held over the last five years was undertaken by London & Partners and GLA Economics in order to identify the proportion of spending on accommodation and non-accommodation items, which would in turn inform the calculation of expenditure to GVA ratios.
The derivation of 'expenditure to GVA' estimates for the tourism industry were based on the use of *Annual Business Survey* data from the ONS, using Standard Industrial Classification (SIC 2007) which best correlates to the areas of spending featured.[32]

However, for *GLA Economics' Working Paper 54*, UK data was used because regional estimates from the *Annual Business Survey* are only available up to the two-digit SIC divisions. Therefore, to enable the calculation of regional estimates of expenditure to GVA, simplifying assumptions have been made regarding the industrial codes employed in the calculation, and are outlined in table 3.

Table A2: Industry codes used in the calculation of expenditure to GVA ratios

PREVIOUSLY USED SIC 2007 CODES	CODES USED IN CALCULATING EVENT IMPACT ESTIMATES
Shopping: 47: Retail trade	**Shopping** 47: Retail trade
Hotels / accommodation 55.1: Hotels and similar accommodation 55.2: Holiday and other short-stay accommodation 55.9: Other accommodation	**Hotels / accommodation** 55: Accommodation
Eating and drinking 56: Food and beverage service activities	**Eating and drinking** 56: Food and beverage service activities
Attractions and entertainment R: Arts, entertainment and recreation	**Attractions and entertainment** R: Arts, entertainment and recreation
Transport 49.1: Passenger rail transport, inter-urban 49.3: Other passenger land transport 50.3: Inland passenger water transport	**Transport** 49: Land transport and transport via pipelines 50: Water transport
Other All other industries	**Other** All other industries

Source: Office for National Statistics; GLA Economics calculations.

[32] See also Visit London's leisure tourism marketing campaigns and economic impact evaluations in GLA Economics' *Working Paper 54*; available at www.london.gov.uk/business-and-economy-publications/working-paper-54-visit-londons-leisure-tourism-marketing-campaigns

To enable regional estimations, data from the *Business Register and Employment Survey* has been used to calculate the proportion of employees (hence total business turnover and GVA) within each of the three-digit SIC 2007 industry groups (as per the previously used definition) to be allocated to the two-digit SIC 2007 industry divisions.

The estimates that follow are calculated from *Annual Business Survey* data from the ONS. At regional and national level, data is available for business turnover (assumed to be the proxy of expenditure) and business-approximate GVA. A three-year average has been used to account for potential volatility in the survey estimates.[33] Table A3 outlines the calculation of the expenditure to GVA ratio for London.

Table A3: Estimated expenditure profiles of event visitors and expenditure to GVA ratio for London

CATEGORY OF EXPENDITURE	TOTAL BUSINESS TURNOVER (£M)	TOTAL GVA (£M)	PROPORTION OF EXPENDITURE	EXPENDITURE TO GVA RATIO
Hotels / accommodation	4,415	2,527	25.5	57.2%
Eating and drinking	13,218	6,636	22.9	50.2%
Attractions and entertainment	24,027	4,214	12.0	17.5%
Transport	11,223	5,460	12.8	48.7%
Shopping	61,739	12,137	22.2	19.7%
Other	882,820	187,466	4.6	21.2%
Expenditure to GVA ratio, London				**39.8%**

Source: London & Partners and GLA Economics calculations.

Estimating the number of jobs supported by the event

In many cases, event organisers are required to provide an estimate of the number of jobs supported in the host economy by the major event taking place. This can be calculated by converting the GVA generated by the event into jobs.

The calculation of GVA per workforce job for nations and regions is based upon the methodology first set out in GLA Economics' *Working Paper 63 GVA per Workforce Job in London and the UK*.[34] The methodology has since been updated following additional component-level data of GVA being made available by the ONS. Full detail of the changes in methodology will be provided in an upcoming GLA Economics publication which will contain the updated values for London, the UK, specific sectors of the economy and for the tourism industry in London. Data is available for 2014, based upon the estimated GVA attributable to workforce activity.

[33] All data used 2011-13 averages except for expenditure to GVA ratios of attractions and entertainment, which are based on a three-year average for 2009–11 due to data availability issues.

In line with previous analyses of tourism in the UK carried out by GLA Economics, the following definition of the tourism industry has been used:

- Division 55: Accommodation
- Division 56: Food and beverage service activities
- The whole of Section H: Transportation and storage, except division 53: Postal and courier services
- Group 79.1, and 6 per cent of group 79.9; which forms most of division 79: Travel agency, tour operator and other reservation services and related activities
- Group 91.0, 95 per cent of group 92.0, and 80 per cent of group 93.1; which broadly fits the description of 'recreation'
- All other industries, except those listed above, including the remaining percentages of the split groups, but not including records where the industry is not known

In addition, apportionments of employment to the tourism industry have been used as set out by DCMS:

Table A4: Apportionments of employment to the tourism industry

ELEMENT	EMPLOYEES	SELF-EMPLOYED
Accommodation	56.4%	52.8%
Food and beverage service activities	41.1%	38.0%
Recreation	12.7%	39.7%
Transportation and storage (excluding postal and courier activities)	19.2%	9.1%
Travel agency and tour operator activities	100.0%	92.3%
All other industries	0.8%	0.8%

Source: DCMS.

By using the above methodology, tourism GVA per workforce job for London has been estimated at £40,665.[35] By way of comparison, the following table outlines the variance of tourism GVA per workforce job compared to the all-sector average for London.

Table A5: All sector average and tourism GVA per workforce job

REGION	ALL SECTORS	TOURISM	DIFFERENCE
London	£58,374	£40,665	43.5%

Source: GLA Economics calculations.

[34] Available at: www.london.gov.uk/working-paper-63-gva-workforce-job-london-and-uk
[35] Number based on methodology set out within *The Value of Cultural Tourism to London*, GLA Economics Current Issues Note 44. Number has been updated using more timely data from the Office for National Statistics. Full details of the calculation will be provided within an upcoming GLA Economics publication.

4. London-supported major events in London

The following table shows the London-supported major events taking place between 2013 and 2020.

Table A6: London-supported major events per year

EVENT NAME	YEAR
ATP World Tour Finals	2012 and successive years
NFL International Series	2012 and successive years
London Anniversary Games	2013
Prudential RideLondon	2013 and successive years
ITU World Triathlon Series Grand Final	2013
Euroleague Basketball Final Four	2013
UEFA Champions League Women's Final	2013
UEFA Champions League Final	2013
Westminster Mile	2013
Global Champions Tour	2013
ITU World Series Triathlon	2014
ICF Canoe Slalom World Cup	2014
Tour de France - Third Stage	2014
Investec Cup Hockey	2014
Invictus Games	2014
UCI Track Cycling World Cup London	2014
London Winter Run	2015-2016
Vitality World Triathlon London	2015
Formula E	2015
London's Anniversary Games / Sainsbury's Anniversary Games	2013 and successive years
EHF EuroHockey Nations Championships	2015
ICF Canoe Slalom World Championships	2015
BT World Wheelchair Rugby Challenge	2015
Rugby World Cup (London games)	2015
Lumiere London	2016
UCI World Track Cycling Championships	2016
Men's Hockey League and Investec Women's Hockey League Final	2016
LEN European Swimming Championships and European Masters Championships	2016
Formula E	2016
Tall Ships	2017
World League Semi-Finals Hockey	2017
IPC Athletics World Championships 2017	2017
IAAF World Athletics Championships 2017	2017
Women's Hockey World Cup	2018
Cricket World Cup	2019
UEFA European Championships Semi-Finals and Finals	2020

Source: London Events Co-ordinator Calendar (LECC) database.

Contacts

This research was undertaken by London & Partners' Strategy and Insight team. London & Partners is London's official promotional organisation. Our job is to promote London and attract visitors, businesses, students, events and congresses to this remarkable world city. As part of our work, we try to understand why individuals choose to visit, study and invest in London, and also attempt to quantify the economic contribution they make.

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