THE CITY TOURISM REPORT 2009

Britain's 20 Most Popular Cities since 2000 and an Analysis of UK Travel and Tourism Trends

June 2009

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Foreword

I am delighted to introduce the first 'City Tourism Report'.

A visit to any UK or Irish city is a radically different experience to the one a visitor would have had ten to fifteen years ago.   Today our cities are synonymous with rejuvenated retail and leisure facilities, international events, better transport and a new sense of confidence.

While the boom of the last decade is now over, not all cities have enjoyed an equal share of the economic rewards.

As a business that operates over 5, 000 hotel rooms in 24 leading UK and Irish cities we wanted to better understand the underlying trends in UK tourism in the last decade. With these insights we can forecast with greater confidence future growth opportunities in the leisure market.

Our City Index charts the rise and fall in tourism performance of our top 20 cities revealing one dominant trend –city destinations have and continue to outperform their rural and seaside competitors. Within that trend, the story of the last decade has been the cultural and economic renaissance of the UK's industrial cities with Manchester, Liverpool and Glasgow fronting the pack.

The report forecasts another £10bn in growth for UK cities if they continue on the same trend to 2016.

Jurys Inns is a passionate champion for the City Tourism market and takes confidence in the long term potential of City Tourism based on the trends contained in the report.

We hope our industry, policymakers and local Government stakeholders draw on the report's insights to ensure city tourism remains at the heart of their economic policy.

Yours truly,

John Brennan
Chief Executive Officer

1.0 Introduction

This study aims to establish the volume, value and drives of the city tourism market in the UK & Ireland and to identify recent trends in this sector as a basis from which future commercial decisions can be made.

One of the main focuses of the Government's tourism policy is to support rural economies and to regenerate seaside destinations. A recent example of this approach is that while DCMS, which has the statutory responsibility for tourism, cut funding to the national tourism board (VisitBritain) by 18% in the last Comprehensive Spending Review, at the same time it allocated £40m to the "Sea Change" initiative which is aimed at helping the regeneration of seaside towns.

Yet, at the moment, it is tourism to towns and cities that constitutes the vast majority of the domestic tourism expenditure. The UK Tourism Survey shows that, in 2007, 64% of all tourism related travel was to cities and towns and that this accounted for 67% of all tourism expenditure. By comparison, seaside and rural tourism accounted for just 16% of visits and 14% of expenditure.

At the same time as domestic tourism policy focuses on rural and seaside destinations, increasing numbers of British residents have been making use of budget airlines to undertake travel to Continental city break destinations. Over the last 10 years, the UK's tourism deficit has grown from £5bn to just under £20bn per annum meaning that European destinations have captured a significant component of the addition British tourism expenditure available over this period. Now that is changing with the impact of currency changes and the recession – opening up opportunity for the UK city market.

This study, therefore, attempts to help to highlight the importance of the city-break tourism in the UK, quantify it and forecast trends in the sector that can be used to boost visitor numbers and expenditure.

The study is based on desk research and consists of five main components:

- Using the latest Government data – United Kingdom Tourism Survey (UKTS), International Passenger Survey (IPS), the Day Visits Survey and available data for the Republic of Ireland - to more accurately determine the volume and value of this market
- Undertaking a review of studies on trends in city break tourism in the UK & Ireland
- Analysing Government data to determine change in current trends
- Quantify a league table of UK & Ireland city tourism destinations
- Make recommendations on maximising the market

On the basis of the findings from this review, the report aims to determine the future potential of this market.

1.1 Caveats on the Data

The volume and value of tourism in the UK is derived from three surveys. These are;

1. <u>International Passenger Survey (IPS)</u>
   This monthly survey is run by the Office for National Statistics and measures the flow of inbound tourists into the UK and UK residents travelling overseas. Of the three main tourism surveys, the IPS survey is the most accurate and reliable for determining trends over time. In Ireland there is a similar survey of inbound visitors and the results of this have been added to the IPS figures. However, the inbound survey in Ireland calculates visitor numbers to the county level, rather than the city level, so a direct comparison is not possible.

2. The UK Tourism Survey (UKTS)

This monthly survey is run by the National Tourism Board (VisitBritain) and measures domestic tourism (travel of 1+ nights away from home) within the UK. While the UKTS survey has been conducted for many years, the methodology on which the survey is based has changed. Most noticeably, the survey methodology changed considerably in 2005 meaning that it is very difficult to compare data from after this date with results gained previously. This discontinuum makes recent trend analysis very difficult. In Ireland, national data on domestic tourism is collected at the county level with individual cities undertaking their own visitor studies using different methodologies. We have therefore taken the most appropriate figures for comparison with the UK and highlighted discrepancies.

3. The Leisure Day Visits Survey

This is an occasional survey undertaken by Natural England and overseen by a number of organisations including VisitBritain. It was last conducted on a UK-wide basis in 2002/3 and for England only in 2005. The survey is undertaken using a slightly different methodology each time and results for years in-between surveys are estimated using the Tourism Price Index increases. There is no equivalent to the Leisure Day Visits Survey in Ireland and therefore a comparison has not been able to be conducted.

2.0 The Size of the Tourism Market

Based on preliminary tourism survey figures, it is estimated that the size of the UK tourism market in 2008 was £87.8bn. This comprises £16.4bn in expenditure in the UK by overseas visitors (plus £2.8bn spend by overseas); £21.1bn spent by domestic visitors and £46.5bn being spent on day visits by UK residents.

In terms of visitor numbers, 31.9m visitors came to the UK in 2008, staying for a total of 246m visitor nights at an average of 7.7 nights per visit. In addition, 117.7m domestic overnight trips made in 2007 with visitors staying for a total of 378.4m nights at an average of 3.2 nights.

In Ireland, figures from the National Tourism Development Authority (Fáilte Ireland) show that tourism generated 6.5bn euros for the Irish economy in terms of overseas and domestic expenditure (there is no data on day visitor expenditure for Ireland). Unlike the UK, inbound tourism forms the largest component of tourism expenditure. In 2007 there were 7.7m overseas visitors who spent a total of 4.9bn euros which, with revenue of 0.7bn euros to Irish carriers gave a total of 5.6bn euros.

In addition there were 7.9m domestic tourism trips taken within Ireland and domestic tourism expenditure was 1.6bn euros.

2.1 Size of the City Break Market

Combining figures from the UK and Irish tourism surveys gives a total expenditure, excluding airfares to national carriers, of £88bn for inbound, domestic and UK day visitors[1]. Of this, figures for city break expenditure can be found for only £78bn as the 2005 Leisure Day Visits Survey was not conducted for Scotland and Wales. The figure of £87bn is therefore used as the benchmark for the analysis in this report.

[1] As the full 2008 figures are not yet available for this part of the analysis the figures for 2007 have been used.

Of this £78bn in tourism expenditure, visits to large towns and cities account for at least £53.9bn (69%) of the total. If the proportion of day visits to large towns and cities in Scotland and Wales are the same as in England (77% of all day visits) then a further £9.6bn could be added to city break expenditure, giving a total of £63.5bn (72% of total expenditure).

This headline figure can be broken down into domestic overnight stays and inbound overnight stays. The table below shows that, in 2007, domestic tourism comprises just under 50m trips to UK & Ireland cities. While these visits constituted for only 38% of all domestic trips in the two countries, they accounted for a slightly higher 41% of total domestic tourism expenditure.

By comparison with domestic tourism, where the majority of visits and expenditure is to rural and seaside locations, inbound tourism to the UK and Ireland is firmly focused on large towns and cities. UK & Ireland cities attract in excess of 28 million overseas visitors, accounting for 69% of all inbound tourism visits and £11.9bn in expenditure (62% of the total).

City tourism	Spend* (£ millions)	Visits/trips (millions)	Latest available figures	Notes
Domestic (UK)	£8,948	47.7	UKTS 2007	Domestic overnight spend/trips to UK 'large city/large town'
Domestic (IRE)	£164	1.3	Dublin 2007 www.failteireland.ie, Cork 2005	Based on County figures for Dublin and estimates for Cork
Overseas (UK & IRE)	£11,893	28.0	IPS 2007 and www.failteireland.ie	Based on the top 20 cities by overseas spend/visits UK and IRE
Day trips (England)	£32,900	721.0	Day Visits Survey 2005	England only. Tourism day trips/spend by English residents to 'inland towns/cities' and 'seaside towns/cities'
Total	**£53,905**	798.0		
Total UK & IRE tourism**	£78,269			

*IRE spend figures calculated using the exchange rate at the time. See tables below for more details.
** Does not include Day Visitor figures for Scotland and Wales

2.2 Changes Since 2000

While the figures above provide a snapshot of city break tourism in 2007, a greater understanding of trends in this market can be gained through looking at how these figures have changed over time. To do this, the following table looks at how city break tourism has changed since 2000.

Although methodological changes to surveys mean it is not possible to compare actual changes in figures for domestic tourism between 2000 and 2007, it is possible to look at shifts in market share. These shifts give an indication of the increase in popularity of city tourism.

In some cases figures are estimates. However, it is clear to see an increase in market share for UK & Ireland city tourism over the 2000 – 2007 period. It is estimated that city tourism accounted for around 62% of all UK & Ireland tourism in 2000. In 2007 this had increased to over 69%, a shift of +7%.

City tourism spend	2000		2007		2000-7	
	Spend (£ m)*	% of all spend	Spend (£ m)*	% of all spend	Shift in market share	Notes
Domestic (UK)	£9,931	38%	£8,948	42%	+4%	UKTS 2000 & 2007. Domestic overnight spend/trips to UK 'large city/large town'. Changes in methodology mean 2000 and 2007 figures are not comparable, but shifts in market share indicate change over time.
Domestic (ROI)	£85	12%	£164	10%	-2%	www.failteireland.ie, Cork City Council. Based on County figures for Dublin 2000 & 2007 and estimates for Cork 2005 only.
Overseas (UK & ROI)	£9,339	61%	£11,893	62%	+1%	IPS, www.failteireland.ie 2000 & 2007. Based on the top 20 cities by overseas spend/visits UK and IRE.
Day trips (England)	£25,500	82%	£32,900	83%	+1%	Day visits survey 1998 and 2005. Tourism day trips/spend by English residents to 'inland towns/cities' and 'seaside towns/cities'. NB: England only 2005, UK-wide 1998 and changes in definition mean that actual figures are not comparable, but shifts in market share indicate change over time.
Total	**£44,855**	62%	**£53,905**	69%	+7%	
Total UK & IRE tourism	£72,365		£78,269			

*IRE spend figures calculated using the exchange rate at the time. See tables below for more details.

This shows that while, overall, there has not been a significant change in the percentage of city breaks taken by overseas visitors to the UK and Ireland or by day visitors, there has been an increase in the proportion of domestic visitors taking city breaks rather than rural or seaside breaks.

Nevertheless, the table shows that the overall share of expenditure on city breaks has increased by 7% between 2000 and 2007. While the level of expenditure appears to have increased significantly (within the bounds of the caveats placed on the data due to the change in methodology), it must be noted that most of this increase in expenditure is related to an increase in day visits and not overnight visits.

3.0 Domestic City Breaks

In the UKTS survey, respondents are asked about the type of location visited[2]. As can be seen above, the latest results (2007) for 'large cities/large towns' show that domestic city tourism is worth almost £9 billion, 42% of all UK domestic tourism spend. However, if tourism to 'small towns' is also included, expenditure on all domestic urban tourism increases to £13.6 billion, 64% of all domestic tourism spend.

Similarly, overnight trips to large cities and large towns total 48 million, accounting for 39% of all UK tourism, the largest share of any destination type. If trips to 'small towns' are added, then urban tourism totals 78 million overnight trips, 63% of all UK domestic trips.

While changes in the UKTS methodology mean that is not possible to directly compare actual 2007 figures with those pre-2005, there have been noticeable shifts in market share. Over the period 2000-2007, cities have attracted a greater market share of UK domestic tourism. Overnight city trips as a proportion of all domestic trips have increased from 35% in 2000 to 39% in 2007. Over the same period, the proportion of rural breaks has declined by -5%.

There has been a corresponding growth in the amount of spend on city tourism. Spend on domestic city breaks as a proportion of all domestic tourism has increased from 38% in 2000 to 42% in 2007.

More recently, while spend on city tourism has performed in line with all UK tourism over the 2006-2007 period, the number of nights spent by the British on city trips has increased by +4%, bucking the national trend of a -1% fall.

[2] The classification of 'type of location' as 'seaside', 'large city/large town', 'small town' or 'countryside/village' is a subjective assessment made by the respondent by selecting from four options.

All domestic tourism	Trips					Spend				
	2000		2007		2000-7	2000		2007		2000-7
Type of destination	Trips (m)	% of trips	Trips (m)	% of trips	Shift in market share	Spend (£m)	% of spend	Spend (£m)	% of spend	Shift in market share
Large city/large town	**61.4**	**35%**	**47.7**	**39%**	**+4%**	9,931	**38%**	**8,948**	**42%**	**+4%**
Small town	33.3	19%	29.9	24%	+5%	4,181	16%	4,603	22%	+6%
Seaside	36.9	21%	25.6	21%	0%	6,272	24%	5,078	24%	0%
Countryside/ village	42.1	24%	23.5	19%	-5%	5,749	22%	3,776	18%	-4%
All domestic tourism to the UK	175.4		123.5			26,133		21,238		

United Kingdom Tourism Survey

Notes:

- Changes in methodology mean that 2000 and 2007 figures are not comparable. But shifts in market share (%) indicate areas of growth and decline.
- Figures may not add up to totals and 100% due to rounding.

Domestic tourism	Visits (m)		Spend (£m)	
	2000	2007	2000	2007
Dublin*	0.94	1.14	85	130
Cork**	Not available	0.12	Not available	34
Total for Dublin and Cork	**0.94**	**1.26**	**85**	**164**
All IRE domestic tourism***	5.48	7.94	444	1,036

* Dublin figures are for County Dublin and measure 'Overseas Tourists'. Source: www.failteireland.ie 2000 estimate based on an exchange rate of: 1 Irish Punt = 0.90078 British Pounds. 2007 estimate based on an exchange rate of: 1 Euro = 0.66801 British Pounds.

** Cork figures are for 2005 estimates. Estimate based on an exchange rate of: 1 Euro = 0.69860 British Pounds. Figures for 2000 and 2007 are not available. Source: Cork City Council, 2005, An economic assessment of the contribution of tourism to Cork City and its Hinterland 2005.

*** Source: www.failteireland.ie 2000 spend figure calculated using an exchange rate of: 1 Euro = 0.62760 British Pounds. 2007 spend figure calculated using an exchange rate of: 1 Euro = 0.66801 British Pounds.

3.1 Domestic City League Table

UKTS city level data is available for the top 20 most popular English cities for 2006 and 2008. However as the UKTS is designed to be a national and regional survey, city level data is to be treated as indicative and with caution as sample sizes can be low and as such are not robust. Comparative 2008 UKTS figures for Edinburgh and Glasgow have been sourced and Fáilte Ireland figures for Dublin (2000 and 2007). Estimates are available for Belfast (2007) and Cork (2005) but results fall outside the top 20 ranking shown below. In addition, UKTS data for visitor numbers in 2000 has been lost. It has therefore been necessary to draw information for individual councils and tourist boards for visitor numbers to cities during 2000 and individual councils and tourist boards used a range of methods and models to gain this information (indeed, some did not even undertake surveys that year). This makes direct comparisons very difficult and caution should be used in interpreting the data.

Therefore, two sets of % Change figures have been provided. Those between 2000 and 2008 should not be taken literally due to the differences in methodology but only be used to give an indication of change. However, the % Change figures for 2006 to 2008 are gained using the new UKTS methodology and can be accepted as being a true indication of tourism growth in the various cities over this period.

Most visited cities and towns by UK residents

Rank (2007)	City/town	2000 (000s)	2006 (000s)	2008 (000s)	% Change 2000/8	% Change 2006/8
1	London	18,500	10,959	11,315	-39	3
2	Manchester	1,640	2,490	2,501	53	0
3	Birmingham	1,994	2,287	2,374	19	4
4	Edinburgh		2,390	2,123	-	-11
5	Bristol	858	1,825	1,469	71	-20
6	Leeds	1,339	1,439	1,464	9	2
7	Glasgow	2,800	2,300	1,459	-48	-37
8	Blackpool		1,787	1,382	-	-23
9	York	420	1,247	1,344	220	8
10	Scarborough	1,741	1,383	1,341	-23	-3
11	Newcastle-upon-Tyne		1,298	1,336	-	3
12	Dublin*	943	1,207	1,138	21	-6
13	Cardiff	1,080	1,183	1,090	1	-8
14	Liverpool	687	1,257	1,088	58	-13
15	Brighton & Hove	980	1,008	1,014	3	1
16	Bournemouth	1,360	1,047	1,059	-22	1
17	Sheffield		938	944	-	1
18	Isle of Wight	1,449	1,079	884	-39	-18
19	Nottingham	680	1,116	827	22	-26
20	Norwich			816	-	

United Kingdom Tourism Survey
* Dublin figures are for County Dublin. Source: www.failteireland.ie

As the table above indicates, London is by far the most popular city destination for UK residents, attracting over 11 million overnight trips in 2008. The next most popular destinations - Manchester, Birmingham and Edinburgh – each attract over 2 million visits per year.

Within the caveats on the accuracy of the data mentioned above, the growth of tourism to the top 20 cities varies significantly. Although it is difficult to determine the exact causes of variations on the growth of domestic tourism to particular cities, it is worth noting that one of the drivers for tourism growth in cities has been the large sums allocated to regional development and regeneration programmes. Over the last 20 years EU Structural Funds have financed major regeneration projects. From 2000 to 2006, the UK received £11.5bn in regional development grants as part of the EU Structural Funding programme, with a further £6.5 billion allocated from 2007-2013. This funding has been central to the development of tourism infrastructure in many cities. Examples of EU funding infrastructure projects include:

- Birmingham- International Convention Centre
- Glasgow- Science Centre
- Manchester- New East Manchester
- Tyneside - Gateshead Millennium Bridge
- Leeds- Carriageworks Theatre
- Sheffield– Supertram
- Liverpool- Kings Waterfront

In addition to the EU funding for regeneration, there has also been a significant investment in regeneration projects by the Regional Development Agencies. A new Pricewaterhouse Coopers LLP report for the Department for Business, Enterprise & Regulatory Reform, *Impact of RDA Spending – National Report – Volume 1 – Main Report March 2009,* states that between 2002/3 and 2006/7, the RDAs collectively spend £1.95bn on "physical infrastructure interventions" to generate towns and cities in the UK.

This funding is broken down into four main subcategories;

Bringing land back into use	£750m
Improving the public Realm	£337m
Events and Tourism	£206m
Cross Cutting Regeneration	£624m

PWC estimate that, when future potential outputs are included, the NPV of the GVA of the achieved and potential outputs of these projects will be £8,808m.

While the poor tourism data means that it is not possible to directly link regeneration funding with tourism growth, it is worth noting that many of the cities that have been the greatest recipients of regeneration funding (eg., Manchester, Birmingham, Sheffield, Leeds and Liverpool) have experienced above average tourism growth while seaside destinations which have received lower levels of funding have correspondingly lower growth rates (eg., Blackpool, Scarborough and the Isle of Wight).

3.2 Domestic City Break Trends

An analysis of trends in domestic tourism in difficult due to the change in methodology for calculating UKTS figures in 2005. This change means that there is only three years on data available using the current methodology and no conversion factor by which previous figures can be compared with those gained by using the new methodology. Nevertheless, it is generally agreed that both before and after 2005, domestic tourism has been, at best, static, and, at worst, in slow decline at a rate of approximately 2% per annum. This decline is, however affecting particular sectors of the market more than others, with trips to the seaside and rural areas suffering rather than trips to cities and towns.

Much of this decline in domestic tourism is associated with the increase in the number of UK residents taking holidays overseas rather than the UK. This trend in highlighted by growth in the UK's tourism trade deficit over the past 10 years. The trade deficit stood at £4.7bn pa in 1997, but increased by over 300% to £20bn pa by 2008 as UK residents substituted overseas holidays for UK holidays. It is worth noting, however, that the tourism deficit has been stabilising over recent years at around £19-£20bn pa and may well reduce if the cost of air travel or the lack of capacity impacts on outbound tourism in future.

Nevertheless, an analysis of 2007 UKTS domestic city tourism data[3] reveals the following characteristics.

- **Purpose of trip - More business tourism and visits friends/relatives**
  In terms of overall numbers, cities outperform all other destinations for all types of trips (business, holiday, visiting friends and relatives).

  Compared to all UK tourism, cities attract a greater than average proportion of business trips and visits to friends and relatives. Visits to friends and relatives account for 23% of city trips, compared with 20% of all UK trips. Business visits account for 25% of city trips compared with 15% of all UK trips.

  Cities attract proportionally less holidaymakers than all UK destinations: 49% of trips to cities are holidays/breaks compared with 62% of all UK tourism.

- **Accommodation – Hotels and homes of friends/relatives dominate**
  There is a higher use of serviced accommodation. Hotels and motels are used on 43% of city trips, compared with 30% of all trips. But staying in a friend's/relative's home is the most popular type of accommodation for a city trip (46% of all trips v 40% for all UK tourism). Self-catering accommodation is relatively less popular (4% for cities v 17% for all UK tourism).

- **Transport – Greater use of trains**
  As for all UK tourism, most city trips are taken by car (64%). However, there are relatively fewer trips that rely on the car and a greater use of public transport, particularly trains. Almost one-fifth of all city trips use a train, compared with 12% for all UK destinations. Air transport is also more frequently-used (used on 8% of city trips v 5% for all UK trips).

- **Seasonality – Less seasonally peaked**
  City tourism is more evenly spread throughout the year than all UK tourism. Half of all city trips are taken in the shoulder months of October – March, compared with 43% of all UK tourism trips.

- **Length of trip – Shorter**
  City trips tend to be shorter than all UK tourism trips. Around three-quarters of city breaks (73%) are one – three nights, compared with 60% of all trips.

- **Age and lifestage of visitor – Younger and without children**
  City visitors have a younger age profile with 36% of trips taken by visitors aged 16-34 (compared with 31% for all tourism). Visitors are also less likely to have children. Almost half of all city trips (48%) are taken by visitors aged 16-54 without children. This compares with 41% for all UK tourism trips.

- **Socio-economic grouping – More AB/C1s**
  Cities attract relatively more visitors in the AB and C1 categories. Visitors in these categories account for 71% of all trips, compared with 67% for all UK tourism trips.

- **Spend – Higher**
  City breaks attract a higher spend than UK tourism as a whole. Average spend on a city trip is £178 compared with and average of £168 for all UK tourism. Spend per night is also higher at £71 per night v an average of £52 per night.

[3] Based on an analysis of 2007 United Kingdom Tourism Survey data for 'large cities and large towns'.

4.0 Inbound City Tourism

While there are no comprehensive figures available for overseas visits and spend to all UK cities, the International Passenger Survey provides results for the 20 most popular city destinations.

The IPS asks inbound visitors who spend at least one night in the UK about where they stayed.[4] From these results, it is possible to identify the most popular cities for overseas visitors by the number of visits and the amount of spend. Additionally, information has been secured on Dublin and Cork, though figures are not strictly comparable with the IPS figures.

The top 20 leading cities attract a total of 28m visits, accounting for 69% of all inbound tourism visits. In terms of expenditure, they account for just under £12 billion of overseas visitor spend - 62% of all spending by overseas visitors to the UK & Ireland.

Over the 2000-2007 period, overseas spend on the top 20 cities has grown in proportion with inbound tourism as a whole, both showing an increase of 27%. Visits to the top 20 cities have shown a slower growth against all inbound tourism and slight decline in market share from 72% in 2000 to 69% in 2007. This may be a result of budget airlines opening routes to more regional centres.

[4] Figures are to be treated with caution as the International Passenger Survey is a national survey and is not designed to be statistically robust at the regional or city level. Also at the city level, spend data is less robust that visits data.

4.1 Inbound City League Table

Top 20 most popular cities by visits

	2000		2007		
Rank	City/town	Visits (000s)	City/town	Visits (000s)	% Increase
1	London	13,150	London	15,340	17%
2	Dublin*	3,433	Dublin*	4,449	30%
3	Edinburgh	910	Edinburgh	1,338	47%
4	Manchester	560	Manchester	971	73%
5	Birmingham	520	Glasgow	755	76%
6	Glasgow	430	Birmingham	700	35%
7	Oxford	410	Liverpool	544	186%
8	Cambridge	370	Bristol	470	31%
9	Bristol	360	Oxford	460	12%
10	York	310	Cambridge	376	2%
11	Bath	300	Brighton & Hove	325	25%
12	Brighton & Hove	260	Cardiff	304	27%
13	Cardiff	240	Leeds	301	
14	Inverness	220	Newcastle-upon-Tyne	278	54%
15	Liverpool	190	Bath	278	-7%
16	Nottingham	190	Nottingham	275	45%
17	Newcastle-upon-Tyne	180	Cork**	246	
18	Stratford-upon-Avon	170	Inverness	238	8%
19	Coventry	170	York	210	-32%
20	Reading	170	Reading	182	7%
Total top 20		**22,543**		**28,040**	24%
Total inbound UK		25,209		32,778	30%
Total inbound IRE		6,181		7,739	25%
Total inbound UK & IRE		**31,390**		**40,517**	29%

International Passenger Survey, www.failteireland.ie , Cork City Council, 2005, An economic assessment of the contribution of tourism to Cork City and its Hinterland 2005.

* Dublin figures are for County Dublin and measure 'Overseas Tourists'. Source: www.failteireland.ie

** Cork figures are 2005 estimates. Figures for 2000 and 2007 are not available. Source: Cork City Council, 2005, An economic assessment of the contribution of tourism to Cork City and its Hinterland 2005.

Top 20 most popular cities by spend

	2000		2007		
Rank	City/town	Spend (£m)	City/town	Spend (£m)	% Increase
1	London	6,901	London	8,192	19%
2	Dublin*	599	Dublin*	968	62%
3	Edinburgh	255	Edinburgh	450	76%
4	Birmingham	198	Manchester	309	96%
5	Cambridge	170	Glasgow	247	80%
6	Manchester	158	Liverpool	197	328%
7	Oxford	142	Oxford	196	38%
8	Glasgow	137	Birmingham	180	-9%
9	Brighton & Hove	112	Cambridge	162	-5%
10	Bournemouth	91	Bristol	128	
11	Newcastle-upon-Tyne	82	Brighton & Hove	118	5%
12	Bath	81	Newcastle-upon-Tyne	101	23%
13	Coventry	74	Cork**	91	
14	Reading	60	Bournemouth	88	-3%
15	York	57	Cardiff	87	67%
16	Cardiff	52	Nottingham	80	
17	Liverpool	46	Bath	78	-4%
18	Chester	43	Reading	77	28%
19	Southampton	41	Leicester	73	
20	Leeds	40	Leeds	71	78%
Total top 20		**9,339**		**11,893**	27%
Total inbound UK		12,805		15,960	25%
Total inbound IRE***		1,683		2,635	57%
Total inbound UK & IRE		**14,488**		**18,595**	28%

International Passenger Survey, www.failteireland.ie , Cork City Council, 2005, An economic assessment of the contribution of tourism to Cork City and its Hinterland 2005.
* Dublin figures are for County Dublin and measure 'Overseas Tourists'. Source: www.failteireland.ie. 2000 estimate based on an exchange rate of: 1 Irish Punt = 0.90078 British Pound. 2007 estimate based on an exchange rate of: 1 Euro = 0.66801 British Pounds.
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*** 2000 figure calculated using an exchange rate of: 1 Euro = 0.62760 British Pounds. 2007 figure calculated using an exchange rate of: 1 Euro = 0.66801 British Pounds.

4.2 Inbound City Trends

These two tables highlight some interesting trends. The first of which is that some the more tradition tourism destinations such as London have tended to suffer lower than average growth rates. This lack of growth has been exacerbated in those destinations that do not have international airports (eg.,York, Bath and Cambridge).

Conversely, those destinations that have established or expanded their regional gateway status have seen a considerable increase in tourism numbers and expenditure. Examples here include Manchester, Glasgow, Leeds and especially Liverpool.

In order of popularity, the 2007 top five most visited UK cities for overseas visitors were: London, Dublin, Edinburgh, Manchester and Glasgow. There has been relatively little movement in the top five from 2000-2007, the only shift being a change for 5th place from Birmingham in 2000 to Glasgow in 2007.

While the top five have remained fairly constant over the seven-year period, further down the top 20 there have been some more significant changes in ranks. Most notably:

- Liverpool has seen a significant climb up the ranks from 15th place in 2000 to 7th place in 2007
- Leeds did not feature in the top 20 in 2000 and has since moved to 13th place in 2007
- Falling outside of the top 20 ranking in 2007 compared to 2000: Stratford-upon-Avon and Coventry
- York has experienced a decline in ranking from 10th place in 2000 to 19th place in 2007. Bath has also seen a decline in ranking (11th to 15th)

Looking at overall trends International Passenger Survey data gives a number of interesting trends that help to explain the winners and losers in international visitor numbers.

a. The Decrease in the Length of Stay

Over the last 15 years there has been a slow, but continual decrease in the average length of stay for visitors to the UK. This decrease, from an average length in stay of 9.5 days in 1993 to 7.7 days per visit in 2008 (a 19% decline) is, as much as anything, a function of the increased accessibility of the UK as a destination. That is, with the rise of the low-cost carriers and the expansion of routes into the UK,it is increasingly cheaper and easier for visitors to travel to the UK. As a result, the number of short stay city breaks has increased, lowering the overall length of stay.

b. The Increase in Short Stay Visits

Between 2000 and 2008, the total number of visitors to the UK increased from 25.2m to 31.9m (an increase of 27%). However, over the same period, the number of visitors staying for 1-3 nights has risen from 10.1m to 13.6m (an increase of 35%). Interestingly, the increase in visitors stay for 4-7 nights has increased by a slightly greater amount (38%), from 6.7m to 9.3m. Together, the international inbound market staying a week or less now constitutes 20.3m visitors per annum, 64% percent of the entire market.

One of the main consequences of the drop in overall length of stay and the increase in the number of short stay visitors is that there has been a drop in the percentage of touring holidays being undertaken by visitors to the UK. Instead, visitors are favouring stay-put breaks close to ports-of-entry. Cities with good international transport links, are being favoured over traditionally strong tourism destinations with poor air connections. A good example is the rise in visitors to destinations such as Liverpool, Glasgow, Manchester and Dublin compared with the poor performance of traditional tourism destinations such as Bath, Oxford, Cambridge and Stratford-upon-Avon (which has fallen out of the list of top 20 cities since 2000).

c. The Increase in VFR and Business Travel

The proportion of visitors to the UK staying with friends and relatives was reasonably stable at about 20-22% throughout the 1990s. However, from 2000 onward there has been a 50% increase in the proportion of VFR visitors to the UK, with this sector of the market now accounting for 30% of all visitors to the UK. There are a number of complementary explanations for this increase. These include the strengthening of the pound against overseas currencies during this period, making hotels more expensive and forcing visitors to seek lower cost options such as staying with friends. This trend can be coupled with the rise in low-cost carriers over this period enabling people on lower incomes easier access to the UK. This group would have a greater incentive to find lower cost accommodation. This is highlighted by the expenditure levels of VFR visitors being significantly lower than business or Holiday/Leisure travellers in that while this group constitutes 30% of visitors, it accounts for only 23% of tourism expenditure – spending only £38 per day or £380 per visit to the UK in 2008 compared to £78 per day for holiday travellers and £131 for business travellers.

Between 2000 and 2007, business tourism grew by 21% compared to visitors on holiday increasing by only 16% over the same period. However, with the economic downturn beginning in 2008, business trips decreased by 8% in 2008 while holiday trips increased marginally from 10.8m to 11.0m visitors, possibly has a result of the decrease in the value of the pound against the euro and the increase bargains as operators reduced costs to attract business. This indicates that when the economy is growing and the pound is strong, there is a significant cost issue which is holding back the growth of inbound city break tourism.

5.0 City Day Visitor Trips

The England Leisure Visits Survey, led by Natural England, measures the volume and value of tourism day visits to England. 'Tourism day visits' are defined as round trips that start from and return to home for leisure purposes and last three hours or more. They are taken by English residents within England and must not be taken regularly. Up to date figures are not available for other UK nations.

The latest available figures (2005) show that inland cities and towns are the most popular destinations for a day visit, accounting for approximately 77% (674m) of all visits. Expenditure totals £31.2bn, 83% of all day trip spend. Add to this day trips to seaside towns and cities, and the numbers rise to 721m visits (83% of the total) and £32.9 billion (88% of all day trip expenditure).[5]

2005 Day visits	Visits (millions)	%	Spend (£ billion)	%
Inland town/city	**674**	**77%**	**31.2**	**83%**
Seaside town/city	47	5%	1.7	5%
Countryside	136	16%	4.0	11%
Seaside coast	15	2%	0.5	1%
All visits	**872**		**37.4**	

England Leisure Visits 2005

A similar survey was undertaken on a UK-wide basis in 1998. While it is not possible to compare actual figures due to methodological changes, figures do provide an indication of the increasing importance of city visits. In 1998, day visits to UK towns and cities totalled 902 million, 72% of all day trips. Visitors spent a total of £25.5 billion on city day trips, 82% of all day trip expenditure.

[5] VisitBritain, 2007, England Tourism Day Visits 2005, Natural England et al, 2005, England Leisure Visits 2005.

1998 Day visits	Visits (millions)	%	Spend (£ billion)	%
Town	**902**	**72%**	**25.5**	**82%**
Countryside	278	22%	4.2	13%
Seaside/coast	81	6%	1.5	5%
All visits	**1,261**		**31.3**	

Leisure Day Visits: Report of the 1998 UK Day Visits Survey

5.1 City Day Visitor Trends

A similar analysis of 2005 day visits data[6] reveals the following characteristics.

- **Spending – Higher**
  Average spending on a trip to an inland town/city in 2005 was £46.20, compared with £42.93 across all destination types and £29.77 on countryside visits. A similar survey in 1998 which covered the UK showed an average spend per city trip of £28.30, demonstrating a considerable increase over the 1998 – 2005 period. [7]

- **Seasonality – Less seasonally peaked**
  Day trips to inland town and cities tend to be spread relatively consistently throughout the year. Other destinations, particularly coastal areas, tend to peak during the summer and fall during the winter months.

- **Length of trip - Shorter**
  Day trips to inland towns/cities tend to be of shorter duration than other types of destination. The average duration of a day trip to inland towns/cities, including travelling time is 5.1 hours. The compares with 5.7 hours for countryside trips and 7.1 for seaside coastal trips.

  Both the travel time and time at the duration tends to be shorter on trips to inland towns/cities. The average travel time for a return trip to an inland town/city is 1.8 hours, compared with 2 hours for countryside trips and 3.4 hours for a seaside coastal trip.

[6] VisitBritain, 2007, England Tourism Day Visits 2005, Natural England et al, 2005, England Leisure Visits 2005.
[7] Leisure Day Visits: Report of the 1998 UK Day Visits Survey. Figures are UK-wide and use slightly different location categories. The 1998 survey presents results based on 'Towns' whereas the 2005 England survey uses 'inland towns/cities'.

- **Transport – More public transport usage**
  While most trips to inland towns/cities are made by car (like all other destinations), there is a greater proportion of visitors using public transport (18% use buses, coaches and trains, compared with 12% for seaside coast and countryside destinations). Compared with 1998 figures, there has been an increase in the use of public transport for city trips. 1n 1998, 16% of trips to town/cities used a bus or train.

- **Activities – Eating, drinking and shopping**
  The most popular activities for an inland town/city day trip are eating and drinking (25% of visitors cited this as their main activity), shopping (22%), entertainment e.g. theatres and cinemas (14%) and visiting friends and relatives (14%).

6.0 Conclusions

Traditionally, the domestic and inbound tourism markets in the UK have been distinctly different – domestic visitors tended to take breaks and holidays to the countryside and the seaside while overseas visitors tended to visit core cities and towns. However, with the increase in international travel, and especially the boom in low-cost carriers since 1997, domestic visitors have tended to take their rural and seaside breaks overseas. As a result, city breaks tend to be one of the growth sectors in an otherwise declining domestic tourism market.

The inbound market, by contrast, has been showing steady growth since the downturn in 2001 caused by the Foot and Mouth outbreak and the terrorist attacks of 9/11. However, while inbound tourism has increased significantly, this was mainly due to increases in the VFR and Business markets rather than the leisure market which was hindered by a high exchange rate.

Nevertheless, the trend towards a shorter length of stay for inbound visitors, combined with the growth of regional gateways indicates that the underlying drivers for inbound city break holidays in the UK are strong. This view is supported by previous studies such as *The European Market for UK City Breaks* (Jill Trew and Nancy Cockerell, Tourism Insights, May 2002) and *City Tourism and Culture – the European Experience* (European Tourism Commission and World Tourism Organisation, Feb 2005**)** which indicate that the key factors for determining a city's success in attracting inbound short-break visitors is ease of access combined with a strong historic/cultural product.

Their conclusions are supported by the findings of this report which show that the top 20 towns and cities for both inbound and domestic tourism tend to be those with strong transport connections and a strong tourism product. Where there is a weakness in one or other of these two components, then the city tends have a lower rate of growth than its competitors (Cambridge and Bath are good examples of destinations with strong products but poor transport connections that have underperformed since 2000).

In terms of tourism products sought by overseas visitors, according to the 2008 Anholt-GMI Nation Brands Index survey of 20,000 people in 20 different countries, the UK ranks very 3rd (of 50 international destinations) for culture and 4th for historical heritage. These results are supported by a similar GfK Nation Brands Index survey where the UK was ranked as the 4th best nation (out of 50) for built heritage the 4th best country for contemporary culture such as music, films, art, and literature. This indicates that cities with a good cultural and heritage product will be preferred by inbound visitors.

However, to develop a better picture of cities that offer the most potential for inbound city breaks, this information on visitor perceptions needs to be combined with data on the actual activities that visitors undertake while in the UK. IPS figures from 2006 and 2007 show that the most common activities undertaken by visitors were

- Shopping for clothes 45%
- Shopping for items for the home 42%
- Going to a pub 41%
- Socialising with locals 33%
- Visiting historic places 31%
- Visiting parks and gardens 24%
- Visiting Museums and galleries 23%

This indicates that although culture and heritage are the main drawcards, access to good shopping and socialising facilities is essential if a destination is going to increase its city break market. This can also help explain why tourism to larger cities tends to be growing faster than to some of the smaller towns with more limited shopping and entertainment facilities.

Three dominant groups emerge in the City Tourism Index:

1) Dominant growth in 'Old Industrial, Premiership Cities' synonymous with popular football teams:

- Liverpool +186%
- Manchester +73%
- Glasgow + 76%
- Newcastle + 54%

2) Chasing Pack of 'Red Bricks':

- Edinburgh +47%
- Nottingham +45%
- Birmingham +35%
- Bristol +31%
- Leeds (appears in 13th place – not previously in top 20)

3) Decline of England's 'History Cities':

- Stratford (off the list)
- Coventry (off the list)
- York - 32% (moves from 10th to 19th)
- Oxford +12% (down from 7th to 9th)
- Cambridge +2% (down from 8th to 10th)
- Bath -7% (down from 11th to 15th)

Destinations that are likely to experience an above average increase in city break tourism can be linked to inward regeneration investment with cities that have shown above average increases in tourism tending to have benefitted from large scale regeneration projects to core central areas over the last 10-15 years. This regeneration work has provided new visitor attractions, shopping and socialising facilities and revitalised the historic fabric of the city making them more appealing to visitors (examples include Manchester, Newcastle and Liverpool).

This study shows that the city break market is one of the key growth markets for both domestic and inbound tourism. The potential to grow and develop this market is considerable as it fits with the UK's core tourism profile as providing high quality cultural and historic products, links with the high level of expenditure by the EU and RDAs on regeneration programmes and ties in with the further development of regional gateway airports.

REPORT AUTHOR AND SPONSOR

The City Tourism Report was written by economist and former Visit Britain Head of Policy Kurt Janson and commissioned by Jurys Inns Hotel Group.

Jurys Inns operates 26 premium budget hotels and over 6,000 rooms in leading cities in the UK and Ireland employing some 1,900 employees. It is set to open a further 5 new hotels in 2009 including the first hotel in Continental Europe in Prague.

Jurys Inns, formerly a division of the Jurys Doyle Hotel Group, is owned by Quinlan Private and the Oman Investment Fund ("OIF"), an investment arm of the Sultanate of Oman, who acquired a 50% partnership interest in Jurys Inns in August 2008.

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