BOSTON WEST GOLF COURSE

ECONOMIC BENEFITS STATEMENT

BOSTON WEST LEISURE LIMITED

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1. INTRODUCTION

Scope and Purpose

1.1 This report, prepared on behalf of Boston West Leisure Ltd, outlines the potential economic benefits that could be generated by the following application:

"HYBRID PLANNING APPLICATION SEEKING FULL PLANNING PERMISSION FOR THE PART CHANGE OF USE OF THE GOLF COURSE FOR THE SITING OF CARAVANS AND OUTLINE PLANNING PERMISSION FOR THE DEVELOPMENT OF A "HUB" BUILDING CONTAINING AN ANCILLARY RECEPTION/ACTIVITY CENTRE/SPA (USE CLASS D2), RETAIL UNIT (UP TO 100SQM)/ FOOD AND BEVERAGE (USE CLASSES A1, A4 AND A5) AND FACILITIES MANAGEMENT AND ANCILIARY WORKS"

The UK Caravan Park Industry

1.2 The proposed caravans on Boston West Golf Course will cater for the many people who are now opting to go on holiday to domestic locations – often referred to as "staycationers".

1.3 The popularity of staycations has been rising in recent years. For example, research by Visit Britain[1] shows that in 2017, domestic holidays to England reached 47.2million and £11.0billion was spent on domestic trips. This represents an increase of 6.0% on the previous year. More recent data from the 2019 Sykes Staycation Index indicates that 66% of people in the UK enjoyed a staycation in 2018, up from 56% in 2017[2].

1.4 The rise in staycations began in 2008/09, when the economic downturn and weaker pound drove an increase in domestic tourism. This resulted in an uplift of 18.0% in the number of holiday trips taken in England. Visit England found that amongst holidaymakers in 2009, the experience of holidaying at home was overwhelmingly a positive one – 86.0% of staycationers described their holiday as "excellent" or "good"[3].

1.5 Caravan parks fall within the wider holiday park and campsite sector, which makes a significant contribution to the UK economy. Research published in 2019 by the UK

[1] https://www.visitbritain.org/annual-review/annual-review-2017-18/englands-domestic-tourism-performance
[2] *The Sykes Staycation Index 2019: an in-depth review of the current market for British breaks*. Sykes Holiday Cottages, April 2019.
[3] *Understanding the "Staycation": Research Summary.* Visit England, 2009.

Caravan & Camping Alliance (UKCAA) estimates that the holiday park and campsite sector generates around £9.3billion in visitor expenditure and supports around 171,500 full-time equivalent jobs. The sector accounts for an estimated 8% of the tourism sector's economic output according to the research[4].

1.6 The analysis in this report provides estimates of:

- Tourism spend associated with the caravans.
- Jobs supported by the tourism spend.
- Contribution of the caravans to economic output – current and future.
- Contribution of the proposed scheme to economic development objectives.

Main Findings

1.7 The main economic benefits from the scheme can be summarised as:

- **Estimated spend:** Once the scheme is complete, it is estimated to generate expenditure of £4.4million per annum.
- **Gross Value Added:** The scheme is estimated to generate around £2.3 per annum in gross value added (GVA – a common proxy for economic output) for the economy.
- **Supporting permanent employment:** The visitor spend associated with the 300 caravans will support an estimated 106 full-time equivalent jobs in the tourism sector and wider economy.

1.8 Section two gives a brief baseline review of Boston's economy, as well as looking at how the Proposed Development contributes to economic development objectives. Section three provides full details on the economic benefits generated by the proposals.

[4] *Pitching the Value – 2019 Economic Benefit Report: Holiday Parks and Campsites UK*. Frontline Consultants, February 2019.

2. SOCIO-ECONOMIC BASELINE

Introduction

2.1 This section presents a profile of Boston's economy, alongside the Greater Lincolnshire Local Enterprise Partnership (LEP) area, the East Midlands and national comparators where appropriate. It examines the following topics:

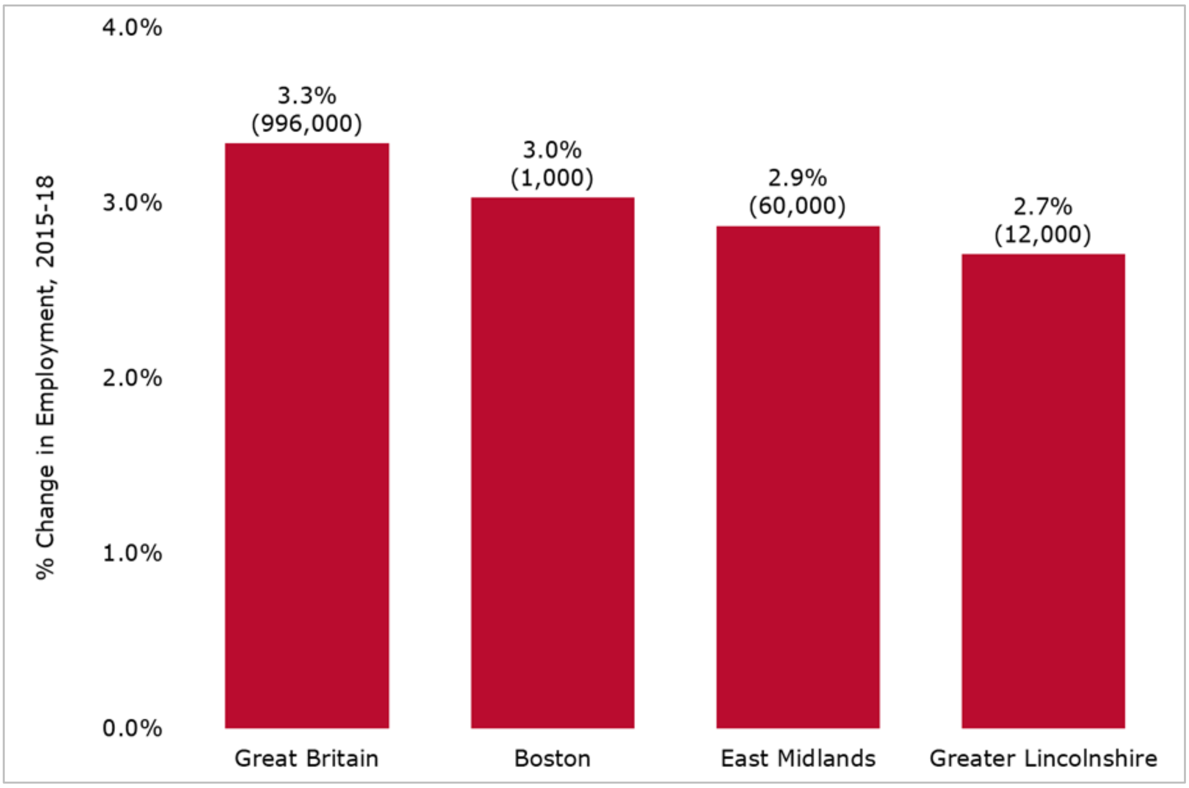
- Employment – change over time and key sectors.
- Unemployment.

Employment

2.2 Based on the most recent data published by the Office for National Statistics (ONS) from the Business Register & Employment Survey (BRES), in 2018 around 34,000 people – including the self-employed – worked in Boston.

2.3 Between 2015 and 2018, Boston saw job numbers increase by 1,000, or 3.0%. Over the same period, employment in the Greater Lincolnshire LEP increased at a lower rate of 2.7% (12,000 jobs). The East Midlands saw an employment increase of 2.9% between 2015 and 2018, again lower than Boston. Great Britain as a whole had a slightly higher employment growth rate than the Borough, with an increase of 3.3% (see Figure 2.1). The proposed scheme at Boston West Golf Course will help to increase employment in the local area so that jobs growth in the Borough continues to perform well relative to regional and LEP comparators, as well as moving closer to national level jobs change.

Figure 2.1: Employment Change, 2015-18



Source: ONS, Business Register & Employment Survey

2.4 The main employment sector in Boston is public administration, education & health, which supported around 8,700 jobs in 2018, accounting for 24.9% of total employment (see Table 2.1). Jobs in public administration, education & health increased by approximately 650 between 2015 and 2018. The second biggest sector in the Borough is business, financial & professional services, which accounts for 20.9% of total employment (7,300 jobs). Jobs in the business, financial & professional services sector increased by 725 (11.0%) between 2015 and 2018.

2.5 The tourism sector[5] accounts for 6.6% (2,300 jobs) of total employment in Boston. Between 2015 and 2018, employment in the Borough's tourism sector increased by 12.2% (250 jobs). Despite this increase, the tourism sector is significantly under-represented in comparison to other areas. In the Greater Lincolnshire LEP area, the sector accounts for 11.9% of total jobs, in the East Midlands the figure is 12.1% and the Great Britain average is 11.7%. The proposed scheme will not only support new employment

[5] Figures based on data from the 2018 Business Register & Employment Survey, published by the Office for National Statistics. The "accommodation & food services" and "arts, entertainment, recreation & other services sectors" have been used to provide a proxy for the tourism sector.

in Boston, it will also support the Borough to close the gap with sub-regional, regional and national comparators in terms of the tourism jobs as a share of overall employment.

Table 2.1: Sector Employment Share, 2018

	Boston	Greater Lincolnshire LEP	East Midlands	Great Britain
Agriculture, mining, utilities etc.	9.2%	5.5%	2.9%	3.4%
Manufacturing	12.9%	14.7%	7.9%	12.5%
Construction	2.9%	4.8%	4.8%	4.7%
Wholesale & retail	17.9%	16.5%	15.1%	16.7%
Transport & storage	4.3%	5.5%	4.7%	5.4%
Accommodation & food services	4.3%	7.7%	7.5%	6.8%
Information & communication	0.4%	1.5%	4.1%	2.7%
Business, financial & professional services	20.9%	14.9%	22.8%	17.8%
Public admin, education & health	24.9%	24.6%	25.5%	25.1%
Arts, entertainment, recreation & other services	2.3%	4.2%	4.5%	4.8%

Source: ONS, Business Register & Employment Survey

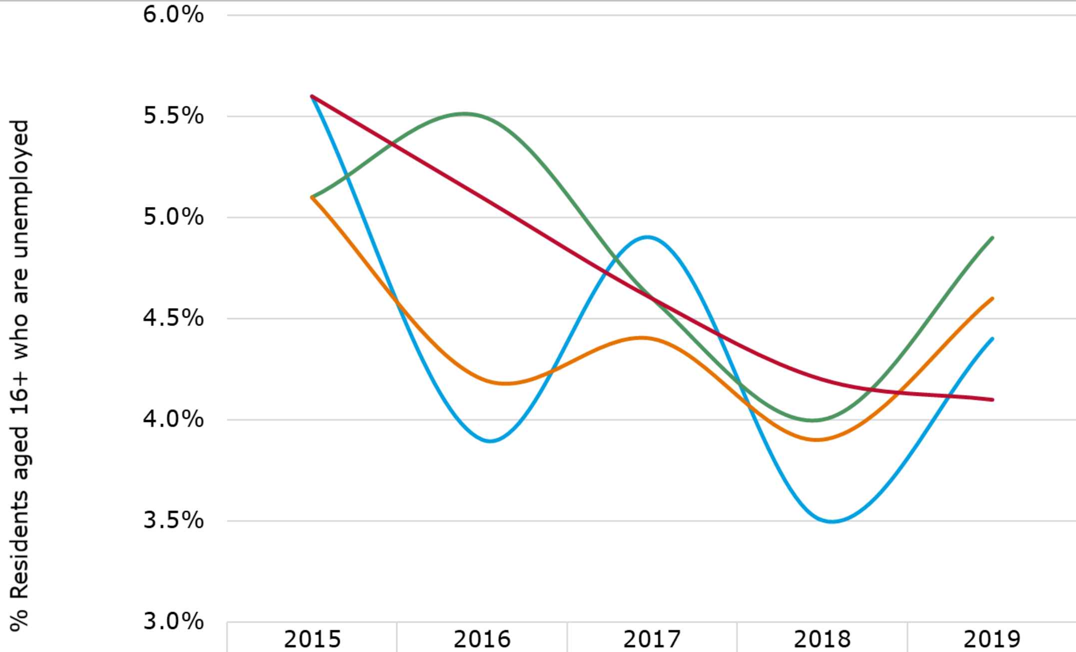
2.6 Creating new job opportunities relating to tourism will also help support a growing sector in Lincolnshire. The latest figures from STEAM[6], a tourism impact model, show that there were 21million visitors to the County in 2018. This represented a rise of 2.5% (500,000) on the previous year and means the overall value of the visitor economy to Lincolnshire is now £1.58billion[7].

Unemployment

2.7 Unemployment in Boston is currently around 4.4% (see Figure 2.2). This is slightly higher than the national average of 4.1%, but below the unemployment rate seen in the East Midlands (4.6%) and Greater Lincolnshire LEP area (4.9%). It is imporant to ensure existing businesses are able to maintain current levels of employment and grow job numbers where there is the opportunity to do so if Boston is to maintain its relatively low unemployment rate compared with the regional and LEP average. The proposed scheme at Boston West Golf Course will contribute towards this, while also helping to lower unemployment further and move it closer to the Great Britain average.

[6] STEAM stands for the Scarborough Tourism Economic Activity Monitor and is commonly used across the country to measure the impact of the tourism sector.
[7] https://lincolnshirereporter.co.uk/2019/10/lincolnshire-tourism-breaks-1-5bn-barrier/

Figure 2.2: Unemployment rate, people aged 16+



	2015	2016	2017	2018	2019
Boston	5.6%	3.9%	4.9%	3.5%	4.4%
Greater Lincolnshire LEP	5.1%	5.5%	4.6%	4.0%	4.9%
East Midlands	5.1%	4.2%	4.4%	3.9%	4.6%
Great Britain	5.6%	5.1%	4.6%	4.2%	4.1%

Source: ONS, model-based estimates of unemployment

Contribution to Economic Development Objectives

2.8 Below is a summary of strategic documents across a number of geographies highlighting how the proposed scheme will help in supporting a range of economic development objectives. It includes policies and research produced by:

- Boston Borough Council.
- Greater Lincolnshire LEP.

Boston Borough Council

2.9 The **South East Lincolnshire Local Plan** for 2011-36, adopted in March 2019, covers Boston Borough and South Holland District[8]. Of significance to the proposed scheme, the Local Plan recognises the importance of tourism to South East Lincolnshire and states that it has the potential to grow. Reflecting this view, Policy 9 of the Local Plan is concerned with "Promoting a Stronger Visitor Economy". The policy has been developed to ensure a clearly differentiated tourism offer is established and to enable the area to

[8] *South East Lincolnshire Local Plan 2011-2036*. South East Lincolnshire Joint Strategic Planning Committee, March 2019.

better compete as a tourist destination. The Local Plan also notes that tourist facilities can offer benefits to local communities through employment and also by supporting local shops, pubs, restaurants etc. Given the size and scale of the proposed scheme, it can play an important role in helping to grow the visitor economy. The significant economic benefits it can bring to the area are outlined in the next section.

Greater Lincolnshire LEP

2.10 The Greater Lincolnshire LEP published its refreshed **Strategic Economic Plan** (SEP) in Spring 2016[9], covering the period up to 2030. It reflects ongoing priorities for continued growth and new investment in the area. The SEP identifies a numbers of sectors where the LEP area has the most competitive advantage, one of which is the visitor economy. Within the Plan, the LEP states that it will continue to enhance the quality of the visitor experience through supporting the development of the visitor accommodation/hospitality sectors. The proposed scheme will help achieve this aim, by enhancing the accommodation offer within the Greater Lincolnshire area.

2.11 More recently, the LEP published its draft **Local Industrial Strategy** (LIS) in November 2019[10]. The LIS responds directly to the UK Industrial Strategy published by the Government in 2017 and identifies strategic opportunities to deliver greater productivity and earning power in Greater Lincolnshire. The visitor economy get a specific mention in the LIS, with one of the priorities being to promote Lincolnshire as a year-round tourist destination. The ambition of the LIS is to grow the tourism sector yearly and it is reasonable to assume that an important part of this will be to improve Greater Lincolnshire's accommodation, which is something the proposed scheme can help to achieve.

[9] *Strategic Economic Plan 2014-2030: Refresh Spring 2016*. Greater Lincolnshire LEP, June 2016.
[10] *Greater Lincolnshire LEP Local Industrial Strategy (Draft)*. Greater Lincolnshire LEP, November 2019.

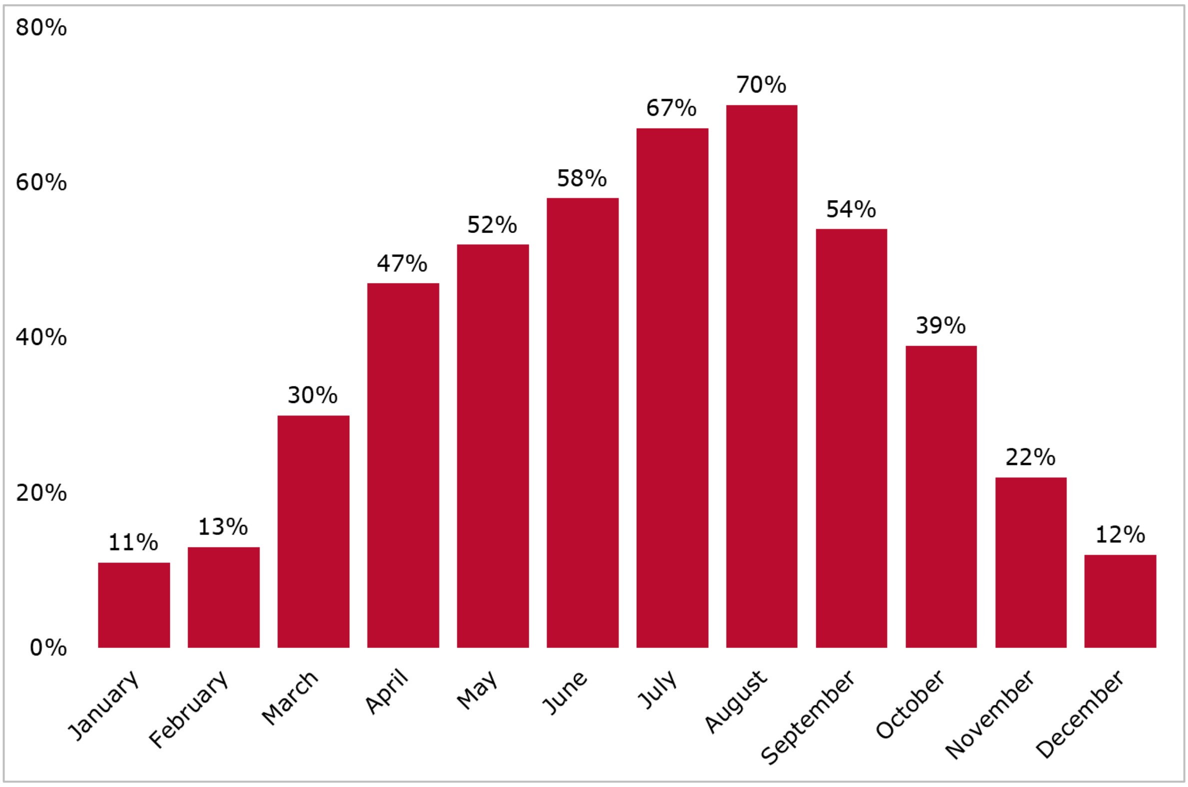
3. ECONOMIC BENEFITS OF THE PROPOSALS

3.1 The proposed scheme will generate a number of economic benefits for the area. This section quantifies the benefits in terms of: visitor spend; economic output (measured in gross value added – GVA); and supporting permanent employment.

Visitor Spend

3.2 Information sourced from the UK Caravan & Camping Alliance (UKCAA) indicates that visitors and their party who stay in rented or touring accommodation spend, on average, £101 per day[11]. This will include spend associated with the 100 sq. m. retail unit proposed as part of the scheme. The occupancy rates of the caravans will change throughout the year and Figure 3.1 shows the assumptions used, again drawing on UKCAA research.

Figure 3.1: Assumed average occupancy of the caravans



Source: UKCAA[12]

3.3 Based on the assumptions outlined above, total direct spend associated with visitors staying in the 300 caravans is estimated at **£4.4million per annum**.

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[11] *Pitching the Value – 2019 Economic Benefit Report: Holiday Parks and Campsites UK*. Frontline Consultants, February 2019.
[12] *Ibid*

Gross Value Added

3.4 Taking visitor spend as a proxy for turnover, it is possible to convert the visitor spend estimates into a gross value added (GVA) contribution, which is often used as a measure for economic output. It represents the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

3.5 Figures published by ONS as part of the Annual Business Survey show that GVA in the accommodation & food services sector (the sector which most closely aligns with the Holiday Park) accounts for around 52.7% of turnover[13]. Applying this to the spend figure of £4.4million, GVA is estimated at around **£2.3million per annum**.

Supporting Permanent Employment

3.6 According to a Deloitte and Oxford Economics Report from November 2013 on the tourism sector[14], the annual visitor spend required to support a new tourist job is £54,000. As this report was published in 2013, the Bank of England's GDP Inflation Calculator[15] has been used to calculate a more up to date estimate of £60,800, which is at 2018 prices. Dividing this into the £4.4million estimated direct visitor spend currently associated with the site gives a figure of 72 full-time equivalent (FTE) roles in the tourism sector.

These direct jobs will support additional roles in the tourism sector via the 'multiplier effect', which measures further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases. UKCAA research uses a multiplier of 1.47, sourced from ONS input-out tables[16]. For consistency, the same multiplier has been used for the proposed scheme. Making allowance for the multiplier effect, the 300 caravans could support **106 FTE roles in the tourism sector and wider** economy. This includes jobs supported in the proposed retail unit. As already noted, the tourism sector is under-represented in Boston compared with the sub-regional, regional and national picture. The proposed scheme can therefore help boost tourism employment in the Borough.

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[13] Office for National Statistics – Annual Business Survey, November 2019.
[14] *Tourism jobs and growth: The economic contribution of the tourism economy to the UK*: Deloitte and Oxford Economics, November 2013.
[15] https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator
[16] *Pitching the Value – 2019 Economic Benefit Report: Holiday Parks and Campsites UK*. Frontline Consultants, February 2019.