



Spalding Waterspace Study

Market Research & Economic Benefit Study

Final Report

Prepared by



in conjunction with
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Spalding Waterspace Study

Market Research and Economic Benefit Study

Introduction to the Spalding Waterspace Study:

The Environment Agency (EA), South Holland District Council (SHDC) and the Lincolnshire Waterways Partnership (LWP) appointed Richard Glen Associates to prepare a Waterspace Study for the navigable corridors of the River Welland and the River Glen. The purpose of the Study was to assist key stakeholders, partner organisations, statutory authorities and potential external funding bodies to deliver sustainable regeneration of the river corridors. The project has been undertaken with view to supporting the Fens Waterways Link vision to develop the waterways of Lincolnshire and beyond into nationally significant destinations for tourism, leisure and recreation. It will be helpful for readers of this Market Research & Economic Benefit Study to familiarise themselves with the Fens Waterways Link project beforehand by visiting www.fenswaterways.com.

Aims and Objectives of the Spalding Waterspace Study:

- To promote the River Welland and River Glen as opportunities for water-based leisure activity and, in particular, highlight the potential for developing Spalding as a 'waterway destination'.
- To identify specific opportunities along the river corridors for the development of new or enhanced water-based leisure activities (including associated services and infrastructure which will support boating activities).
- To protect and, where possible, enhance the nature conservation, landscape and other environmental interests of the river corridors.
- To inform the preparation of SHDC's Local Development Framework in respect of the River Welland and River Glen.
- To support the implementation of the Fens Waterways Link Study insofar as it relates to SHDC's administrative area.
- To support bids for external funding (capital & revenue) and encourage private sector partnership investment in relevant development.
- To promote the river corridors as an integral part of the surrounding district in order to help maximise the economic opportunities.

Market Research & Economic Benefit Study Brief:

The original brief for the Spalding Waterspace Study specifically addressed the need for a Market Research & Economic Benefit Study. McKenzie Wilson Partnership (MWP) was subcontracted by Richard Glen Associates to undertake this element of the Study.

The aims and objectives of the brief were detailed as follows: -

The Spalding Waterspace Study will inform the scope of a market research and economic benefit study. This study will form a separate output (a written report) but will be based on the Waterspace Study. The Market Research and Economic Benefit Study will follow the same study area, aims, objectives and report format as set out for the main Spalding Waterspace Study.

Market research is to be carried out to assess potential boating demand and activity on the rivers. There are existing studies particularly by the Environment Agency on mooring demand that can be used as base material. Additional market research will be undertaken as follows:

- Visit key neighbouring boating areas that could have an impact on the Spalding area and consider the likely demand for visits to the area once waterway connections have been made.
- Consider which waterway business opportunities could be developed locally to enhance the area and make it more attractive to water users.
- Identify any shortfall in support facilities that may have any negative impact on the development of water-based activities in the general area.
- Using the above information to consider how many resident berths should be considered for future moorings and/or marina developments and identify potential locations, based on existing or planned facilities developments.
- Assess the likely requirements for pontoon facilities to be located in open sections of the waterways to allow stops at key locations, which may allow access to local communities.
- Review opportunities for developing non-boating activities associated with the waterways such as cycling, walking, bird watching, fishing etc.
- Consider the need to produce an online research study to evaluate consumer perceptions of the area and estimate the level of demand that could be generated by the provision of new facilities in the area.

- Identify how waterways can provide or support sustainable transport and consider how river use can be expanded through the development of the existing water taxi service and other potential commercial traffic opportunities, such as boat hire, river bus and potential freight use.
- The consultants will liaise with key partners and landowners and report findings and conclusions for all key infrastructure development locations.

The consultants will then project the potential economic benefit to the area using projections for water-based developments, which will include the value of inland waterways trade activity along with the relevant associated tourism spend.

It is expected that the study will consider similar operations elsewhere in the UK and preferably within the Region to provide estimates of economic factors (development and operation costs, revenue, finance, funding) and examples of delivery mechanisms.

After discussion with the clients, the consultants decided to include some additional information on the tourism potential that could be realised from the developments included in both the Spalding Waterspace Study and the Market Research & Economic Benefit Study.

It is not the intention of the consultants undertaking the Market Research & Economic Benefit Study, to repeat much of what has already been said in the main Spalding Waterspace Study (SWS) but it will be necessary to cover some of the key points of relevance that have a bearing on this element of the work.

It would also be advisable for anyone wishing to read this Market Research & Economic Benefit Study to familiarise themselves with the main Spalding Waterspace Study (SWS) beforehand. This Market Research & Economic Benefit Study has been developed using some of the information, which forms the basis of the Spalding Waterspace Study.

Historical Overview of the Area:

Navigations

The River Welland and River Glen Navigation is one of the earliest navigations in England. These rivers flow through attractive countryside towns and villages, which can only benefit from the continued development of the Fens Waterway Link. The new developments will also provide a range of opportunities for local business to provide additional innovative facilities and support services for boaters and visitors attracted to this part of Lincolnshire.

The River Welland

The River Welland rises in Northamptonshire and flows through Market Harborough, Stamford, the Deepings, Spalding and Fosdyke before entering The Wash. An Act of 1571, granted the Stamford Corporation powers to improve the River Welland from Stamford downstream to Spalding and on to the sea, creating a 34 mile navigation.

In 1663 Daniel Wigmore leased the river from Stamford to carry out more improvements. This included the construction of the 8½ mile Stamford Canal (Lateral Canal), which opened in 1670 bypassing the River Welland from below Stamford to Market Deeping.

Downstream at Spalding the River Welland was made navigable to the town quays for vessels up to 70 tons, trading corn, wool, coal and timber. Today the River Welland is tidal downstream of Fulney Lock which was constructed in 1953 as part of the Coronation Channel flood alleviation works.

Spalding

A Roman settlement existed in Spalding when the area was used for salt production. A Benedictine Priory was founded in 1015 and the town is recorded in the Domesday Book as 'Spallinge'.

Spalding is the largest market town in the South Holland District. It is an attractive town situated on the River Welland with grand Georgian buildings and terraces reflecting the town's prosperity as an important market town and port. Known as 'The Heart of the Fens.'

Spalding is famous as a centre of the bulb industry, and has close links with the Netherlands. The town was chosen to host the World Tulip Summit in 2008, which coincided with the date of the Spalding Flower Parade. The annual Spalding Flower Festival, which started in 1958 and Spring Fair are held at the beginning of May and is a major attraction for the town. The flower industry has, however, become less important in recent years, and the bright bands of colour, which covered the Fenland landscape, are no more. Agriculture in the region now concentrates on vegetable production for leading supermarkets.

The South Holland Centre is an arts centre on Market Place that stages concerts, theatre productions and film showings. The best-known historic building in Spalding is Ayscoughfee Hall, built by Richard Alwyn, a wool merchant in the 1430s. The Hall is now a museum on the social history of the Fens, its drainage, its wildlife and the history of the Hall. The Hall is surrounded by grounds, which are on the English Heritage's Register of Parks and Gardens of Special Historic Interest in England.

Other local attractions are the Pinchbeck Engine Museum, the Springfields Shopping Outlet and Gardens, the Bulb Museum and the Gordon Boswell Romany Museum.

The Spalding Gentlemen's Society founded in 1710 by Maurice Johnson the then owner of Ayscoughfee Hall is one of the learned societies of Britain and is the second oldest museum in the country. The Society arranges professional lecture series on a wide range of subjects, which are open to the public. Notable members have included: Sir Isaac Newton, Alexander Pope, Sir Joseph Banks, Sir George Gilbert Scott and Alfred, Lord Tennyson.

Crowland

Crowland is famous for its magnificent church, which forms part of the ruins of Croyland Abbey, a Benedictine monastery and Trinity Bridge, a unique medieval triangular bridge. Ethelbald, King of Mercia, founded the Abbey in memory of St. Guthlac early in the eighth century. St Kennulph's Stone is thought to be one of six ancient stones, which marked the boundaries between the lands owned by Peterborough and Croyland Abbeys. It takes its name from Kenulph, who became the first Abbot of Croyland in 716.

At Peakirk, Saint Pega the sister of Saint Guthlac of Croyland had a hermitage. The name of the village is derived from 'Pega's church'. Due to Croyland's isolated position in the heart of the Fens, its security and peace were comparatively undisturbed leading to a period of prosperity up until the Dissolution. The 14th century Trinity Bridge has three stairways, which converge at the top. The bridge originally spanned the River Welland and a tributary, which flowed through the town.

Fosdyke

Fosdyke serves as a port for Boston and the surrounding area and is where the River Welland enters The Wash. The area is flat Fenland, drained by many small canals with 'sea banks' protecting the village from high tides.

The legend of the loss of King John's treasure is thought to have taken place on a crossing of the River Welland in the vicinity of the site of the much later, Fosdyke Bridge. Fosdyke Wash is defined by the Ordnance Survey as the nearest coastal location to Coton in the Elms in Derbyshire, which is the furthest point from the sea in Great Britain, 70 miles away.

River Glen

In the 1630's, the Earl of Lindsey drained the land around the River Glen. At this time craft were using the River and the Bourne Eau, but by 1781 navigation had fallen into decay. An Act was passed to revive navigation with wharves being built at Bourne to handle agricultural produce and barley being carried to Surfleet Maltings until the 1920's.

Guthram Gowt is at the southern end of the South Forty Foot Drain at a bend on the River Glen, and as such will be important for the future navigable link between these two watercourses as part of the Fens Waterways Link project. Originally a drainage engine operated here in the 19th and early 20th Centuries. The word gowt refers to a sluice or outflow. There are several 'gowt' place names on the fens, including Anton's Gowt and Blue Gowt.

Surfleet

The area around Surfleet has been inhabited since Roman times when the sea banks and salt pans were constructed, signs of which can still be seen today. St Laurence's Church tower and spire leans dramatically, with parts dating back to Norman times.

In 1739 a sluice was erected at Surfleet Seas End to control the flow of water at the mouth of the River Glen. The Reservoir was constructed to hold the waters of the River Glen at high tide, which was then released as the tide ebbed.

In the 1920's the Reservoir became a popular venue for water sports. Access to the River Glen is possible at the Mermaid Inn, the Riverside Inn moorings and the new public launch site on the south bank, accessed via Park Road.

Pode Hole

Pode Hole is a village at the confluence of several drainage channels and developed to service the pumping stations, which currently date from 1964. Two pumping stations discharge water from Deeping Fen into the Vernatt's Drain together with water from Pinchbeck South Fen. The original pumping station building is a major feature in the village, and is still used by the Welland and Deepings Internal Drainage Board as workshops and a small museum. The by-laws of the original commissioners are prominently posted on the outside of the building.

It is clear from the historical information available, that these rivers have played a major part in the development of communities in the Spalding area over many centuries. There is now an opportunity to use this heritage in a modern day manner, to reinvigorate local communities by developing facilities and services throughout these waterways, following the introduction of the planned connections due to be carried out as part of the Fens Waterway Link as detailed in the main Spalding Waterspace Study.

Spalding – Developing the Destination:

When reviewing the overall study area, the town of Spalding quickly emerges as the key centre in the southern part of Lincolnshire. It has the largest resident community with a significant retail and business infrastructure, which would become the 'Hub' for the new waterway links.

If the Waterspace Study is to act as a catalyst and focus for the area's regeneration, Spalding must also be at the core of 'destination marketing' in support of this policy. The Fens Waterway Link will generate significant new opportunities for growth.

- Radical increases in boating activity that will ultimately attract thousands of boats to visit and in many cases become resident in the Spalding area.
- An increasing need to plan and develop appropriate offline and online mooring opportunities both to attract and service demand for resident and visiting boats.
- New marinas and on-line moorings will create further opportunities for local business to react and provide additional support services to meet the visitors' needs.
- The developing waterway activities will enhance the tourism value of local communities for non-water based visitors; leading to an increased demand for the use of the rivers via water taxis, hire boats and floating restaurants etc.
- Increased land-based 'activity' tourism derived by developing a different approach to towpath development will create better facilities for multiple user groups.
- A series of thematic marketing promotions developed to increase interest in a range of diverse attractions and activities, which can be accessed by both water and land based visitors.
- Bringing local retail, food, tourism and activity groups together to improve knowledge of each other, improve communication locally and ensure continuity of promotion and service delivery.
- Introducing local training initiative to improve customer care and help the local community and businesses understand the economic benefits, which will be developed as a result of the Fens Waterway Link.

The above initiatives are designed to support and enhance any new waterway developments (e.g. completion of the next phases of the Fens Waterways Link) by encouraging greater diversity of mixed use and recreational activity.

The key aim in developing Spalding will be to achieve public access and activity on and around the waterways in a well designed and stimulating manner. This will create and enhance tourism opportunities and expand the tourism sector across the area.

High quality proposals and policies will enhance Spalding's tourism offer, extend the length of stay and increase visitor spend. This will result in greater economic benefit and increased associated employment, contributing significantly to improving the quality of life for all, along the river corridors within South Holland District.

Before moving on to the assessment of where boating facilities should be located, there are a number of underlying assumptions that must be highlighted:

- Firstly, this Study and the economic assessment in particular, is based on a point in the future when the Fens Waterway Link is completed and vessels can navigate from the Black Sluice Navigation in the north via the Rivers Glen and Welland to connect with Rivers Nene and Great Ouse in the south.
- The completion of these northern and southern links will create a large cruising loop that encompasses the Black Sluice Navigation, River Glen, River Welland, River Nene, Grand Union Canal, Norton Junction to Foxton, Foxton to Leicester, the Soar Navigation, River Trent, Fosdyke and the River Witham back to Boston.
- This cruising loop has narrow canal sections between the River Nene at Northampton and the Grand Union Canal between Norton Junction and Foxton as well as air draught issues at the Glory Hole in Lincoln. This would limit access in these sections to narrowboats and narrow cruisers.
- The potential of the large cruising loop will be key to the marketing of the Spalding area where the narrowboats and narrow cruisers will have greater manoeuvrability in some of the area's wider river sections. The lack of locks in the Spalding area will also mean that resident boats will be able to travel more extensively between locations without having some of the delays experienced in other parts of the canal network.
- The location of any marinas in the Spalding area must be selected to maximise benefits from this situation and use the opportunities that will become available to ensure early sales of pontoon berthing to current residents of other marinas on the canal network.
- New moorings and marinas in the Spalding network area will alleviate some of the over demand which currently exists in other areas, such as the River Trent, and encourage narrowboats and narrow cruisers to relocate to the Spalding network area.

Developing Marinas and Visitor Moorings:

Marina provision on the fluvial sections of the Rivers Welland and Glen is a new market anticipated to arise from the construction of the Fens Waterway Link. The provision of marinas is a long-term aspiration, which will cater for the demand for moorings and the increase in boating once the waterway links to Spalding and the River Nene have been completed.

As Spalding becomes a principle waterway destination, demand for both visitor and permanent moorings will increase. The narrow town centre channel will become congested and the mooring provision at the Welland Yacht Club will reach capacity. Therefore, there is a need to identify potential off-line marina locations to cater for the future demand.

Spalding has only a limited number of locations where off-line marinas are possible. This is due to the topography of the flood banks and adjacent land, the drainage network, existing land uses and the restrictions of the Crowland and Cowbit Flood Storage Reservoir. The available sites place restrictions on the size and practicality of construction and limits to navigation.

A mooring/marina strategy must be flexible to accommodate a variety of boat sizes and activities to reflect future market changes. Provision for private, residential, hire and transit boats should be considered together with over-wintering facilities. Land-based facilities will be required: toilets, showers, water, ump out services, refuse collection, fuel, electricity, boat repairs, vehicular access and car parking.

In this report we use the following terms to describe different types of moorings: -

- **Offline Moorings:**

Moorings available in marinas or in locations off the main navigational channels such as the Coronation Channel. Offline moorings are primarily designed for annual or seasonal rental. We have assumed that 10% of the available moorings in marinas will be available for the use of visiting boats that prefer to berth offline and have easy access to shore services such as power and water. Overnight charges would apply to visiting boats using these facilities.

- **Online Moorings:**

Moorings located along the main navigational channel and managed by the Environment Agency. These are visitor moorings that would be available free of charge, for a maximum stay of 48 hours, for boats with a valid licence for the local waterway. Annual or seasonal rental of these online moorings would not be permitted.

- **Permanent Moorings:**

Moorings available for stays of more than 48 hours and may be used as a 'home base' by boaters. These can be either offline or online and would normally be operated on a commercial basis.

- **Riparian Moorings:**

Moorings that are privately owned and usually located next to the waterside properties of the owners. These moorings would not normally be available for visiting boats.

The main Waterspace Study has proposed several locations for new visitor moorings, new permanent offline moorings (e.g. Coronation Channel), and seven potential marina locations on both the River Welland and River Glen Navigations as detailed below:

1. Surfleet Seas End - Land to the south of The Reservoir.
2. Spalding - Land to the north of the A16 Bypass.
3. Spalding - 'The Nursery Site'.
4. Spalding - Land at northern end of Cowbit Washes.
5. Crowland - Land at the head of 'The Lakes' canal.
6. Kennulph's Stone – Land at suggested junction with Nene Link.
7. Peakirk – Land at the confluence with the Folly River.

It is envisaged that a maximum of three marina locations would be required to cater for the boating demand once the Fens Waterway Link has been completed. This creates a number of focal points at different areas along the river corridors, allowing a phased approach to respond to market development.

In assessing the potential marina sites four overall categories of criteria were considered:

- General Location
- Infrastructure Requirements
- Support Services
- Environment

These were further sub-divided and a matrix drawn up to allow the consultants to assess each location based on a total of twenty three different elements that would affect the planning, development and establishment of these locations. Details of the criteria used and the results of the matrix are detailed below.

Method of Assessment of Potential Marina Locations:

The following criteria have been developed to assist in identifying possible marina locations and guide the suitability of these sites. These criteria address general issues, such as location, infrastructure, support services and their environment.

General	This section looks at a number of key factors which affect the location of a new marina
Criteria 1.	<p>Marina Location:</p> <p>The scoring in this first section is based on an assessment of the general location chosen for the proposed marina site, how it will sit within the local area, its accessibility and the likely economic impact that it will create for local communities.</p>
Criteria 2.	<p>Proximity to Town Centre:</p> <p>The proximity of the marina to a town centre will determine whether visitors to the area will have easy access to the town's facilities, encourage shopping, eating out and expenditure benefits to local business.</p>
Criteria 3.	<p>Visibility (Road & River):</p> <p>The site is scored higher if its location is visible: being easily seen and accessed by road and water.</p>
Criteria 4.	<p>Overall Site Space Available:</p> <p>The site location should have sufficient space to meet the initial requirement for pontoon berthing.</p>
Criteria 5.	<p>Capacity for Marina Expansion:</p> <p>The site must be capable of meeting the long-term development aspirations of the area, with space available to increase the number of pontoon berths and facilities.</p>
Criteria 6.	<p>Vehicle Parking:</p> <p>The availability of adequate car parking space with the capacity to expand in the future.</p>
Criteria 7.	<p>Land Ownership:</p> <p>The location for the marina will score better if there are fewer landowners or if the owners are supportive of the marina developments.</p>

Infrastructure	The section looks at a number of key factors which affect the location
Criteria 8.	<p>Accessibility to River System:</p> <p>Scoring is higher where a proposed marina location has ease of access to the river systems without restriction of water levels, such as may exist on the flood drains.</p>
Criteria 9.	<p>Road Access:</p> <p>Higher scoring in this section relates to the proximity of existing roads and access to the site.</p>
Criteria 10.	<p>Road Restructuring:</p> <p>Scoring will be lower as the required amount of access road restructuring is increased.</p>
Criteria 11.	<p>Bridge Requirements:</p> <p>Scoring will be lowered if a new bridge is required to access the proposed marina site.</p>
Criteria 12.	<p>Bunding Requirements:</p> <p>Scoring will be lowered in this section if bunding is required to impound water at a marina location.</p>
Criteria 13.	<p>Proximity of Services Drainage:</p> <p>Scoring will be higher if services and drainage are located closer to the proposed marina location.</p>
Criteria 14.	<p>Marina & Links:</p> <p>Scoring will be higher if the marina is located in an area that benefits from good waterway links.</p>
Criteria 15.	<p>Impact on Washland:</p> <p>Scoring will be lower if locating a marina on or close to an existing Washland site.</p>
Criteria 16.	<p>Buildability of Project:</p> <p>The scoring in this section is based on a general assessment of how effective the overall development is likely to progress as a project.</p>

Support Services	This section looks at looks at the range of facilities & services available close to the proposed site
Criteria 17.	<p>Food & Drink (Nearby):</p> <p>Scoring in this section will be higher if there is a range of quality restaurants, pubs and shops within reasonable walking distance.</p>

Criteria 18.	Transport Infrastructure Links: The location will be scored subject to its links with public transport and availability of other services such as local taxis.
Criteria 19.	Local Visitor Attractions: Scoring will be higher if there is a range of visitor attractions in the area, encouraging visitors to stay for longer and travel ashore to for visits.
Criteria 20.	Accommodation (Nearby): The marina will receive higher scores if local accommodation is accessible, where boat owners have the option to stay when visiting or working on their boats.

Environment	This section looks at a marina's impact on its wider environment
Criteria 21.	Impact on Local Environment: Scoring will be higher if less environmental impact is achieved at the proposed marina location.
Criteria 22.	Green Infrastructure: Scoring will be higher if the overall project fits into the local environment enhancing the area's green infrastructure targets.
Criteria 23.	Network Links (Cycling & Walking): The marina will score higher if it can connect with other outdoor activities, such as walking, cycling, fishing, horse riding and wildlife tourism.

Initial Assessment of Marina Site Options:

Each of the options is likely to result in a differing set of positive and negative outcomes. To balance these outcomes, each site needs to be measured against the identified criteria. Each site should then be given a "score" out of eight against each of the criteria.

The initial scores for the seven proposed sites are provided overleaf; these were based on the consultants' professional judgment after site visits to each location. These initial scores should not be solely relied upon for decision-making and should not be construed as recommendations. More detailed studies, assessments and feasibility work will be needed to take any proposed marina development forward.

Please note that no marina will be acceptable where it increases flood risk or reduces flood storage capacity.

Marina Site Matrix:

Marina Site Matrix	River Glen	Spalding			River Welland		
	Surfleet Seas End	Northern Bypass	Nursery Site	Welland SC	Crowland Town	Crowland Link	Peakirk
GENERAL							
Marina Location	7	4	4	8	7	5	6
Proximity to Town Centre	5	3	6	7	7	4	6
Visibility (Road & River)	6	4	3	8	6	6	5
Overall Site Space Available	7	8	5	8	7	6	6
Capacity for Marina Expansion	6	6	2	7	6	6	6
Vehicle Parking	6	7	6	7	6	6	6
Land Ownership	8	8	5	6	5	5	5
Sub total	45	40	31	51	44	38	40
INFRASTRUCTURE							
Accessibility to River System	7	3	3	7	5	6	6
Road Access	5	7	5	7	6	4	5
Road Restructuring	5	5	3	6	6	4	4
Bridge Requirements	7	3	2	6	7	7	7
Bunding Requirements	5	4	2	6	6	6	5
Proximity of Services Drainage	4	3	6	5	6	3	4
Marina & Links	6	3	3	7	5	5	5
Impact on Washland	6	5	5	3	4	4	4
Sub Total	45	33	29	47	45	39	40
SUPPORT SERVICES							
Food & Drink (nearby)	6	2	5	7	6	3	4
Transport Infrastructure Links	6	5	6	7	5	3	4
Local Visitor Attractions	5	4	4	6	7	4	5
Accommodation (nearby)	6	3	6	6	6	4	5
Sub Total	23	14	21	26	24	14	18
MISCELLANEOUS							
Buildability of Project	7	2	3	7	6	6	6
Impact on Local Environment	6	2	5	6	5	5	5
Green Infrastructure	6	5	6	6	6	5	5
Network Links (Cycling/Walking)	7	5	7	7	7	7	7
Sub Total	26	14	21	26	24	23	23
TOTALS	139	101	102	150	137	114	121

Timing of Marina and Moorings Development:

Based on the outcomes of the initial scoring matrix prepared for the Spalding Waterspace Study, three marina locations were identified as the most likely areas for development. In deciding a strategy for their development and to consider the economic projections for their operation, we are assuming that the Fens Waterways Link connections both north and south are in place beforehand.

Having preliminarily selected three locations, the timing of these marina developments as well as the proposed moorings in the area must be examined. Should all launch from year one or should they be staggered? This will have implications for ability of boats to cruise around the Spalding area and will clearly influence the economic projections.

Marina Proposals:

A range of proposals intended to deliver a progressive and achievable rate of development is outlined in Table 1 below.

Table 1 – Marina Berth Proposals (Offline Moorings)

No. of marina berths by year/ location	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Surfleet Marina	100	100	100	150	150	150	150	200	200	200	200	200	200	200	200
Spalding Marina	0	100	150	150	200	200	250	250	300	300	350	350	400	400	400
Crowland Marina	0	0	0	0	50	50	70	70	100	100	100	150	150	150	200
Totals	100	200	250	300	400	400	470	520	600	600	650	700	750	750	800

This proposal allows for the opening of Surfleet Marina in year one followed by Spalding Marina in year two with both providing a significant number of berths that can be pre-sold to boat owners in a period prior to their opening.

Crowland Marina would be developed in year five when the other two marinas were well established and in time to meet the expected growth of new boating activity into the area. Crowland would also create an additional cruising stop between the River Nene connection and Spalding Marina.

Coronation Channel Proposals (Offline Moorings):

Timings for the development of the permanent offline moorings on the Coronation Channel need to be agreed. They will only be achievable when key proposals in the Spalding Waterspace Study are agreed and included in the development timeline.

Moorings on the Coronation Channel should follow a cycle of development, with the first 20 offline moorings installed in year five, giving the two main marinas the chance to populate. Coronation Channel moorings will be cheaper than those in the marinas and are more likely to be used by smaller local boats. This policy can provide a cost effective option for local boat owners to enter the boating market prior to making a decision to take space in one of the marinas.

As demand for the Spalding area develops, more local people will purchase boats and will be attracted to berth in one of the local marinas. When this happens some of the moorings in the Coronation Channel can be converted to visitor moorings. This timing of development is outlined in Table 2 below.

Table 2 - Coronation Channel Mooring Proposals

Number of Offline Moorings by Year/Location	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Coronation Channel Offline Moorings	0	0	0	0	20	20	20	20	15	15	15	15	20	20	20
Coronation Channel Moorings reverting to Visitor Berths	0	0	0	0	0	0	0	0	10	10	10	10	10	10	10
Total Number of Coronation Channel Moorings	0	0	0	0	20	20	20	20	25	25	25	25	30	30	30

Additional Online Moorings Proposals:

A number of online private and visitor moorings have also been proposed in the Waterspace Study to complement existing moorings. Some of these moorings are already in place but the majority are new and should only be installed at key time frames in the overall development plan, as described in Table 3 below.

Table 3 - Additional Online Moorings Proposed Across the Spalding Area

Mooring Locations	Existing		Proposed		Total	Comments and Timing
	Riparian	Visitor	Permanent	Visitor		
River Welland						
Peakirk	0	0	4	12	16	1 st to 4 th year as destination to current waterway cruising area with connections to village
Crowland Bridge	0	2	0	4	6	1 st to 4 th year as destination to current waterway cruising area with connections to village
Crowland to Cowbit	0	0	0	6	6	1 st to 4 th year as destination to current waterway cruising area & footpath connections
Coronation Channel	0	0	0	4	4	Initially pre Spalding Marina with moorings then migrating to marina development
Spalding (SWS Map 1)	0	2	0	3	5	2 existing & 3 new
Spalding (SWS Map 4)	0	0	0	8	8	1 st year after connection with R Welland & R Glen Plus 2 commercial berths
Spalding (SWS Map 5)	0	0	0	13	13	1 st year after connection with R Welland & R Glen
Spalding (SWS Map 6)	0	0	0	5	5	3 rd year after connection with R Welland & R Glen
River Glen						
Guthram Gowt	0	0	4	4	8	1 st year of connection with South 40' Drain
Pinchbeck West	0	3	4	1	8	Maintain existing - no extension
Pinchbeck	0	2	4	4	10	1 st year of connection with South 40' Drain
Surfleet	1	3	4	3	11	1 st year of connection with South 40' Drain
Surfleet Seas End	4	0	4	6	14	1 st year of connection with South 40' Drain
Vernatt's Drain	0	0	0	4	4	As part of connection between the R Welland & R Glen
Totals	5	12	24	77	118	

Table 4 shows the proposed development of new online moorings over a fifteen-year period, with visitor moorings shown in pale yellow.

Table 4 – Online Mooring Development

Online Moorings	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Coronation Channel Offline Moorings	0	0	0	0	20	20	20	20	15	15	15	15	20	20	20
Coronation Channel Moorings reverting to Online Visitor Moorings	0	0	0	0	0	0	0	0	10	10	10	10	10	10	10
Network Online Visitor Moorings	29	49	69	89	89	89	89	89	89	89	89	89	89	89	89
Total Riparian/ Permanent Moorings	11	15	23	27	29	29	29	29	29	29	29	29	29	29	29
Total Visitor Online Moorings	29	49	69	89	89	89	89	89	99	99	99	99	99	99	99

These proposals are best estimates based on the likely movement of boats attracted to the Spalding area when the new links are achieved and the three new marinas developed as detailed above.

If the marinas are developed at these three key locations, the proposed moorings outlined above will be required to handle boat movements between each of the marina locations. It is imperative that sufficient online moorings are created at year one and quickly increased by year four. This policy ensures that permanent marina berth holders have a range of local cruising options and visiting boats can find a suitable number of locations to encourage them to stay as long as possible in the area. The timescale for developing these moorings will also be driven by the timeframes for constructing the marinas.

There are a number of other issues that have an influence on the development of the proposed moorings and marinas:

- The development of Spalding as a ‘Destination Hub’ is critical to the long-term development of facilities and support services for increasing waterway business and local employment.
- The distances between Spalding Marina and other marinas in the area must be offered as an attractive cruising option, which will encourage boat owners to travel between centres.

- The distances between Surfleet, Spalding and Crowland marinas provide a number of cruising options to help retain boats within the Spalding area. This will make permanent berthing in the area attractive, as boat owners will be able to travel reasonable distances and enjoy a range of weekend boating options, while still returning to their own marina berth at the end of the trip.
- It is necessary to have a number of visiting berths available to support the increase in boats in the Spalding area and for those transiting the Fens Waterway Link. In Table 4 above, the proposed additional visitor pontoons supplemented after year 5 by the offline moorings in the Coronation Channel reverting to visitor moorings, should help to satisfy the demand from increased boating activity.
- Much effort will be required to encourage existing businesses to provide the range of services and facilities required to support this increase in the boating market to the Spalding area. Restaurants, pubs, visitor centres, shops and other support industries will need to look at the opportunities that can be developed to increase their supply capability to this new market. Information and training will be key to the delivery of a wide range of services and improved customer care, such as the 'Welcome Ashore' programme, which has been offered in other areas.
- There will also be additional opportunities for existing businesses to consider whether they could diversify and provide services such as engineering, electrics, chandlery, boat maintenance and repairs for these potential new customers. New business start up could be considered as an option to create these services at marina locations.

Spalding Waterspace Study

Economic Analysis & Benefit Section

Economic Analysis Methodology and Definitions:

At the beginning of this exercise it was agreed that the project scope, timing and funding would not allow for any primary research to be conducted by the consultants. Although primary research would be valuable, it would be challenging to identify suitable persons or locations to assess a new waterway with little existing boating business. It would also be difficult to research a new waterway network, which has yet to be built and likely to attract a wider range of boating customer than currently exists on Environment Agency waters in the East of England.

Visits were made to all of the locations in the Spalding area and discussions held with a number of key contacts in local authority, tourism, current boating companies and operators. Retail centres were also visited to gauge the number of existing businesses that may be impacted on by these new developments.

A number of inland waterway reports and studies were reviewed by the consultants and re-analysed to assess economic base line figures that could be used to prepare an analysis of the economic benefits of the proposed marinas and moorings. These are detailed throughout the study. Tourism statistics for Lincolnshire and the East Midlands were also considered as part of the overall Study analyses.

Some of the studies reviewed are quite old, making it more difficult to understand the real value of the waterways industry in the area. The new Fens Waterway Link is likely to attract boating activities (e.g. narrow-boats and cruisers) that have more in common with busier operations in other parts of England (e.g. the canal network) than with Environment Agency-managed waterways in Lincolnshire and the rest of East Anglia. Therefore more recent studies from British Waterways have been reviewed and compared to improve confidence in the Study and deliver a more robust analysis.

The approach taken to estimating economic benefits below follows the Green Book, which is the HM Treasury guidance for Central Government setting out a framework for the appraisal and evaluation of all policies, programmes and projects. The Green Book is a high level discussion of the principles and best practice covering all issues related to project appraisal. It describes how the economic, financial, social and environmental assessments of a proposal should be combined and aims to ensure consistency and transparency in the appraisal process throughout government.

This process estimates the 'additionality' connected with a proposed project or development (called an 'intervention'), with consideration of 'leakage', 'deadweight', 'displacement' and 'substitution' effects:

- The net additional impact of a project is the difference between the reference case position (what would happen anyway) and the position if the project (intervention option) was implemented.
- ‘Additionality’ is defined by the Green Book as “the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention”, i.e.; any extra economic activity that occurs because of the proposed project.
- ‘Leakage’ effects benefit those outside of the spatial area which the project or development is intended to benefit.
- ‘Deadweight’ refers to outcomes that would have occurred without the project or development. Its scale can be estimated by assessing what would have happened in the ‘do minimum’ case.
- ‘Displacement’ and ‘substitution’ impacts are closely related. They measure the extent to which the benefits of a project are offset by reductions of output or employment elsewhere. For example, this Study has assumed that any freight usage on the Spalding area waterways would be displaced from elsewhere and therefore, although there could be a financial benefit, there will be no economic benefit from ¹freight.

In this Study there are two key estimates, which form the economic appraisal:

- The number of additional visitors, which the schemes could generate.
- The additional expenditure of these visitors.

In the sections below we outline the schemes as they are currently proposed and our assumptions as to the economic benefits that will arise in terms of additional employment and gross value added (GVA).

Gross Value Added 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. GVA is used in the estimation of Gross Domestic Product (GDP).

¹ Once the waterways development has been established, the potential for freight and waste in particular, could be investigated. This would need to be the subject of a more detailed study.

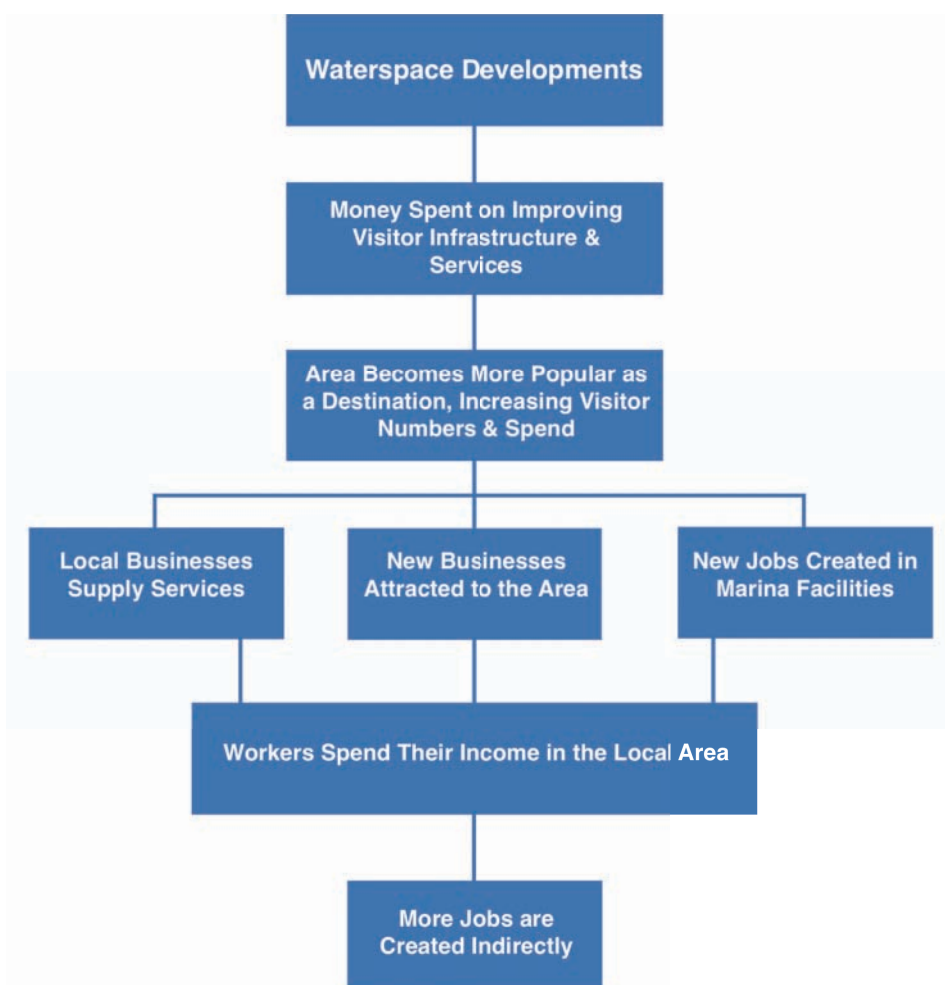
Economic Impact Estimates:

The following pages provide projections about the economic impacts arising from the Fens Waterways Link and Spalding Waterspace Study proposals, particularly for permanent berth holders & mooring users, visiting boats and other visitors (non-boating day trips). These figures do not include any new tourism related business that we believe can be developed from new initiatives. These are detailed separately in the tourism section of this report.

There are two elements to the economic projections:

- Firstly, there will be economic benefits arising from any construction projects proposed in the Waterspace Study, such as marinas, waterway development and any future commercial investment.
- Secondly, there will be on-going economic benefits as new visitors come to the area and visitor expenditure in the area increases.

This Study focuses on the second of these economic effects, specifically the contribution of the visitor economy to local businesses. The format used to generate the economic impact is set out below.



Underlying Assumptions About the Development Proposals (Interventions):

The proposals presented in the Spalding Waterspace Study (SWS) could be developed as the Fens Waterway Link is implemented. To estimate the economic benefits of these, it is necessary to make a number of assumptions as to the likely future development type and phasing. Changes to our modelled scenarios will change the economic impact estimates. The numbers in this report are therefore indicative of the likely impact rather than firm calculations.

To arrive at an estimate of visitor numbers and related spend created by the development of the Waterspace Strategy, a number of assumptions have been made on the additional facilities to be developed:

- Priority marina development projects at Surfleet, Spalding and Crowland will be taken forward as phased developments with the number of permanent berths available rising from 100 in year one, to 600 by year ten and 800 by year fifteen.
- If the new waterway links are to succeed it will be important to open up general access to the new network whilst providing sufficient berthing to meet the demand for permanent berthing and visitor moorings locally. This policy should encourage a significant number of boats from the wider river and canal network to enter the new Spalding waterways system early and deliver tourism and economic success to the area fairly quickly.
- Some online moorings are already in place but a significant number of new online moorings are proposed. These would be installed around the network between year one and four.
- A phased programme to develop 30 offline moorings will be delivered on the Coronation Channel, starting in year five of the development timetable and completed by year thirteen. From year nine, 10 of the permanent berths on the Coronation Channel would revert back to visitor moorings in order to limit the total number of permanent moorings in the flood channel and avoid having these less expensive berths compete with berths in the commercial marinas.
- The overall mix between availability of permanent and visitor berths is dynamic, responding to the changing use of the water space as the overall regeneration strategy develops.
- These policies are dependent on the Fens Waterway Link being completed prior to the opening of the marina development programme with vessels able to navigate from the Black Sluice Navigation to the River Glen in the north and well as the southern connection between the River Welland and the River Nene.

Boats and Visitor Groups to the Spalding Area:

To determine the on-going economic benefits of the Waterspace Study, an assessment of the number of additional visitors that will be attracted to the area has been made. These visitors will primarily be from the following user groups:

- Permanent berth holders & mooring users
- Visiting boats
- Other visitors (non-boating day trips)

Permanent Berth Holders & Mooring Users:

Our overarching assumptions on the supply of permanent berths and moorings created at Surfleet, Spalding and Crowland marina developments, the Coronation Channel and other additional locations are set out in the previous sections (Tables 1, 2 & 3).

We have further assumed that phased development will follow the demand for these new facilities and that occupancy will be high due to the fact that the lead in time to the completion of the developments will allow operators to market the benefits of re-location to the new waterway network and provide opportunities to pre-sell the new berthing facilities well in advance.

However, there is always likely to be an element of vacant berths due to normal turnover of boat owners, even if there are waiting lists for space. In addition, some boats will be taken out of the region from time to time as they utilise the new waterways network.

We therefore assume that occupancy levels for marina berths will average 90% per annum leaving the remaining 10% of berths available for the use of visiting boats. This percentage split is quite common on inland waterways throughout the United Kingdom at present and although the figures were provided by British Waterways it is the view of the consultants that cruising and boat usage around Spalding is likely to have more in common with existing cruising loops in other locations than current trends in the more linear Environment Agency navigations in the East of England.

The type of boats based in the marinas will be a mixture of type and size and the overall mix will determine the level of berthing fees as they are usually charged on a boat length basis. We anticipate that the Spalding area will be able to attract large numbers of narrowboats due to the lack of locks and the open nature of the rivers and the lack of tidal effect in the majority of the waterspace. This should result in more relaxed cruising activities without the long delays experienced on parts of the canal network.

The Environment Agency is developing a new marina at Northampton on the River Nene. Their analyses of the surrounding areas led to an assumption that 88% of total boats using that marina will be narrowboats and 12% will be smaller cruisers. These assumptions have been applied to the Spalding area marinas as shown in Table 5 below.

Table 5 - Marina Berth Occupancy

Marina Berth Occupancy	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Narrowboats 88% of Permanent Boats	79	158	198	238	317	317	372	451	475	475	515	554	594	594	633
Cruisers 12% of Permanent Boats	11	22	27	32	43	43	51	62	65	65	70	76	81	81	87
Permanent Marina Berths (90% of Total Available)	90	180	225	270	360	360	423	513	540	540	585	630	675	675	720

Our assumption is that there will be a total of 720 permanent berth and moorings in use by year 15 at the three proposed marina locations. This represents 90% of marina berth capacity.

Visitors Associated with Permanently Moored Boats (Marinas and Other Offline Moorings):

We have based our estimates of ²visitors to permanently moored boats on British Marine Federation data (“Economic Benefits of Inland Marinas in the UK”) of comparable marina types. Permanent Visitors are visitors to boats that are permanently based in a marina and these are generally the owners and their associated family and friends.

The BMF case studies of inland marinas showed a range of visitor attendance at marinas. The average visitor attendance at these inland marinas was approximately 53% a week in the peak season and 24% in the non-peak season (e.g. a visit to a boat occurred roughly once every two weeks in peak periods and once a month in the off peak period). The numbers of visitors per boat also varied between 1 and 4 people, with an average just over 2.5. For the purposes of this study we intend to use an average crew of 3 per boat.

² We use the term visitor days throughout this study to take into account that visitors (especially boat owners and crew) will make multiple visits to the marinas each year. Source ‘BMF Economic Benefits of Inland Marinas in the UK’.

We therefore estimated the number of visitors to permanent boats using the following assumptions:

- Peak season 26 weeks
- Non-peak season 26 weeks
- Boats visited 50% per week in peak season (once every two weeks) and 25% per week in non-peak season (once a month) equating to visits per year
- An average crew size of 3 people per boat due to the high proportion of larger narrow boats expected to use the Spalding waterway network
- An average length of stay of 2 days at each visit (including cruising periods)

These details are shown in Table 6 below.

Table 6 – Visitor Days Associated with Permanently Moored Boats

Permanent Visitors Boats	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Marina Boats Permanently Berthed	90	180	225	270	360	360	423	513	540	540	585	630	675	675	720
Average Crew Numbers	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Number of Peak Weeks Available	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26
Peak Weeks Usage	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Non Peak Weeks Usage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Average Length of Visit (Days)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Annual Total Visitor Days to Permanent Berths	10530	21060	26325	31590	42120	42120	49491	60021	63180	63180	68445	73710	78975	78975	84240

Using the assumptions detailed above we can calculate that 90 boats with a crew of 3 averaging a 2 night stay in the area each trip would create 540 (visitor days) per week. For 26 peak weeks they would visit once every two weeks (e.g., 13 trip visits) and for the remaining 26 weeks they would only visit once a month (e.g., 6.5 trip visits).

19.5 trip visits at 540 visitor days per week would result in 10,530 Annual Total Visitor Days to Permanent Berths in year 1. This would generate over 84,000 visitor days to permanently moored boats in all three marinas by year 15.

Visiting Boats:

The proposed Fens Waterway Link will allow access to and from the rivers and waterways surrounding Spalding, including the Rivers Glen, Welland, Nene, Great Ouse, Soar, Trent, the Grand Union Canal, Nottingham & Beeston Canal, Fossdyke and the Witham Navigation.

Visiting boats will moor overnight as they pass through, although the area has the potential to accommodate boats for much longer periods. There are likely to be a number of additional boats that could either 'winter' in the area or come for the summer months only. The number of visiting boats will also depend on the introduction, development and expansion of hire companies who can market and promote the new waterways, adding them to new itineraries in their expanded network. Marina berth holders will also travel around the network when cruising locally; the Study has ensured their associated spend has not been double-counted.

The density of boats in nearby cruising areas has been considered and annual targets prepared for visiting boats to the Spalding area network where the targets are challenging but achievable. Our analysis of boating information on neighbouring waterways is detailed in Table 7 below.

Table 7 - Boat Densities on Neighbouring Waterways

Estimated Boat Densities (Boat Movements per Annum)	Low	High
Grand Union Canal (Leighton Buzzard – Gayton)	8,000	10,000
Grand Union Canal (Gayton – Norton Junction)	9,000	10,000
Grand Union Canal (Norton Junction – Braunston)	12,000	13,000
Grand Union Canal (Northampton Arm)	2,000	3,000
Fossdyke & Witham (Torksey – Lincoln)	2,500	3,500
Fossdyke & Witham (Lincoln – Boston)	1,500	2,500
Trent (Nottingham, Meadow Lane to Newark)	5,000	6,000

These boat densities are calculated as the movement of boats past specific points each year. There are a number of methods for collecting this data, including boat counters, the number of registered 'lockings' and surveys. A range of figures is gathered by British Waterways and an annual figure extrapolated from the research.

Collectively they provide a robust sample of annual boat movements, which is more in keeping with the new Spalding waterway network than comparison would be with other Environment Agency waterways, where the type and length of boats, cruising opportunities and local networks appear to be quite different and therefore less relevant.

Taking account of the available capacity for visiting boats to use vacant marina berths or online moorings, and a review of boat density in nearby areas; a series of annual visiting boat targets is shown in Table 8 below.

Table 8 - Visiting Boat Annual Targets for Spalding Area Waterways

Visiting Boat Annual Targets	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Visitor Berths Available in Marinas	10	20	25	30	40	40	47	52	60	60	65	70	75	75	80
Visitor Berths Available at Online Moorings	29	49	69	89	89	89	89	89	99	99	99	99	99	99	99
Coronation Channel Visitor Moorings	0	0	0	0	0	0	0	0	10	10	10	10	10	10	10
Total Berths Available for Visitor Boats (Daily)	39	69	94	119	129	129	136	141	169	169	174	179	184	184	189
Total Berths Available for Visitor Boats (Weekly)	273	483	658	833	903	903	952	987	1183	1183	1218	1253	1288	1288	1323
Annual Visiting Boats Targets	1000	1500	2000	2500	3000	3500	4000	4500	5000	5500	6000	6500	7000	7500	8000

Table 8 details the number of berths available for visiting boats in the proposed marinas at Surfleet, Spalding and Crowland, which represents 10% of the total marina berthage. The figures also show the current and proposed Online moorings that will be available for visiting boats across the waterway network as well as the Coronation Channel Offline moorings that revert to visitor use from year nine.

The 'Total Berths Available for Visitor Boats (Weekly)' row highlights the maximum number of berths across the local network, which could be used on a weekly basis. This demonstrates the available berthing capacity against the fairly conservative targets set for 'Annual Visiting Boats Targets'.

In year one a target has been set to attract 1,000 visiting boats from a maximum annual available capacity of 14,196 berths (days). This target is much lower than the annual boat density movements listed in Table 7, for neighbouring waterways that will feed in to the Spalding network.

Using the Annual Visiting Boat Targets from Table 8 multiplied by the average crew figure of 3 it is possible to project the total number of annual visitors that will be attracted to the Spalding area waterways. Table 9 suggests that nearly 48,000 additional visitors could travel through the new Spalding area waterways per annum by year 15.

Table 9 - Projected Annual Boating Visitor-Days for Spalding Area Waterways

Boat Visitors	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Average crew per boat	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Average Length of Visit (Days)	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Total Annual Visitors (Days)	6000	9000	12000	15000	18000	21000	24000	27000	30000	33000	36000	39000	42000	45000	48000

These visitors would be additional to those associated with Permanently Moored Boats in the three local marinas referred to in Table 6.

Other Visitors (Non-Boating Day Trips):

The development of Spalding’s river and waterway network together with the potential marinas will enhance the tourism product of the area, attracting both day and overnight visitors.

The number of visitors requiring accommodation is hard to quantify and largely depends on the availability of ancillary facilities at the marinas such as restaurants, shops, together with the attractiveness of the overall tourism product at each marina site and along the waterway environment.

The development of multiple towpaths³ will generate opportunities for the creation of ‘activity’ based opportunities, which are unique to this area. This will influence visitor numbers and increase visitor spend if the necessary facilities are provided (details provided the Tourism section of this study).

In order to estimate likely day trip numbers, figures from the British Waterways 2007 Visitor Destinations Survey have been used. This survey showed an estimated 1.7m non-boating visitors per annum to inland marinas representing just over 20% of all day and overnight trips associated with inland marinas.

³ We have used the term ‘towpaths’ to refer generally to any riverside footpath, cycleway, bridleway and/or multi-user path. British Waterways have conducted extensive research about the use of towpaths associated with the canal network they manage.

There will be a large element of local use, although the economic impact of this will be minimal as it is likely to be displaced from other local attractions or substituted for other local activities.

It is fair to say that people do view marinas as tourism destinations but numbers ultimately depend on the level of facilities provided on site, the attractions located in and around the site and the access available for them to experience the inland waterways environment.

It is our assumption that this will generate an additional 20% of visitors to the Spalding area, which equates to 33,060 day visits by year 15.

Projected Visitor Numbers Summary:

In summary, the additional number of visitor days generated by permanent berth holders, visiting boats and other visitors (day trippers) to the marinas over the fifteen years is shown in Table 10 below.

Table 10 - Summary of Projected Additional Visitors

Summary of Additional Visitors (Days)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Permanent Boaters (Days)	10530	21060	26325	31590	42120	42120	49491	60021	63180	63180	68445	73710	78975	78975	84240
Percent of Visitors	51%	56%	55%	54%	56%	53%	54%	55%	54%	53%	52%	52%	52%	51%	51%
Visiting Boaters (Days)	6000	9000	12000	15000	18000	21000	24000	27000	30000	33000	36000	39000	42000	45000	48000
Percent of Visitors	29%	24%	25%	26%	24%	27%	26%	25%	26%	27%	28%	28%	28%	29%	29%
Other Visitors (Day Trippers)	4133	7515	9581	11648	15030	15780	18373	21755	23295	24045	26111	28178	30244	30994	33060
Percent of Visitors	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Total Additional Visitors (Days)	20663	37575	47906	58238	75150	78900	91864	108776	116475	120225	130556	140888	151219	154969	165300

These projections are quite attainable and could be exceeded if many more visiting boats are attracted to the Spalding area network. This could be influenced by local economic development initiatives from private sector investors and the local authority, by improving the quality of experience and service when visiting the area.

Expenditure Assessment:

This section estimates the total direct expenditure associated with economic activity on the new waterways. It brings together the predicted spending of the groups of visitors identified above and details the assumptions made on their different types of expenditure.

The direct spend at the proposed marinas and moorings (assumed to be all boat related expenses) will be determined and estimated together with the additional local spend outside these facilities. This is assumed to be more general tourism spend on food and drink, shopping and entertainment etc.

General Assumptions:

The final waterway routes and timescales to implement the Fens Waterway Link are far from being finalised. We have therefore made a number of assumptions as to the likely future development, its type and phasing. Alterations to the modelled scenarios will change the predicted economic impact.

Direct expenditure in the local area will include marina berthing and mooring fees, spend on marine goods and services (fuel, maintenance and chandlery etc.), tourism spend (accommodation, attractions and meals).

The capital cost of boats has not been incorporated into the economic model, as boat purchases are likely to be made out with the immediate area, as current boat sales are limited to a small brokerage at Fosdyke and operators in Boston. The development of the proposed marinas may well encourage a brokerage operator to open in the Spalding area and at that stage the impact of boat sales could be recorded and included in local economic assessment.

The assumptions on expenditures have been derived from a variety of ⁴studies and inflated to current prices; these have been used for year 1. The effect of expected future inflation in the general price level has been incorporated in the model by using the Bank of England's annual inflation target (currently 2%) to inflate future revenues after year one.

⁴ An Initial Review Of The Economic And Other Benefits Of Inland Waterways, Hallam Environmental Consultants Ltd and the Tourism and Environmental Change Research Unit Sheffield Hallam University, July 2007

Bedford & Milton Keynes Waterway, Economic Impact Assessment, SQW Consulting, September 2009

Economic Benefits of Inland Marinas, British Marine Federation, 2007

BDRC Continental, an independent market research agency

SQW, Bedford & Milton Keynes Waterway, Economic Impact Assessment, September 2009

Expenditure of Permanent Marina Berth Holders:

Direct Spend at Marinas:

To calculate the direct expenditure at the three proposed marina locations, data collected by British Waterways, the British Marine Federation and from a variety of economic studies have been used (see footnote 4 on previous page). Several of these studies are now quite old and there is a lack of definitive up-to-date primary survey data on such things as overall spend per visitor and the types of expenditure made. This is an area where additional work will be required in order to corroborate some of the assumptions made.

British Waterways does not publish average mooring price information by area, as rates can vary considerably from mooring to mooring. However, a national rate has been calculated by drawing together a sample of British Waterways mooring fees across the country using marina locations similar to those being proposed for the Spalding area. This rate has currently been set at £989 per ⁵boat. Mooring fees are assumed to be set at this level from year 1, rising with inflation.

As mooring fees are charged by length of boat, it is assumed that a proportion of smaller boats (12%) are charged at two-thirds the rate of narrowboats. This is based on a broad assessment of the size of boats currently moored on nearby waterways administered by the Environment Agency.

We have introduced this policy to take account of the diverse type and length of boats currently in Environment Agency waterways, whilst recognising that the majority of boats on the British Waterways network of canals tend to be larger vessels. These figures are based on the anticipated boating market that is likely to be attracted to Spalding's waterway network upon completion of the Fens Waterways Link.

The figure of annual spend associated with the running and upkeep of a boat have been taken from joint working ⁶study into boating demand undertaken by British Waterways and the Environment Agency. Although these figures are around 10 years old, they have been inflated to 2009/10 prices as shown in Table 11 below.

⁵ Current rates for Environment Agency waterways are generally lower and unlikely to reflect the more commercial fees that could be levied in the Spalding waterway network.

⁶ Figures taken from joint work into boating demand by BW and EA (2000) inflated to 2009/10 prices – Source: G Miller, Research Manager British Waterways.

Table 11 - Annual Spend Figures for Running and Upkeep of a Boat:

Annual Spend Figures	
Annual mooring fees	£989
Annual boat running costs	£1,150
Annual spend during non cruising visits	£310
Total Running Costs	£2,449

Licence fees are not included in the economic impact as this is not additional expenditure for the local area and is treated in a similar fashion to tax, which is an immediate leakage from the local economy. However, it is recognised that licence fee income is used to fund investment in waterways.

Using the British Marine Federation case studies ('Economic Benefits of Inland Marinas in the UK'), mooring fees at an inland marina on average represent approximately 40% of the total onsite turnover; depending on the facilities available.

The other 60% of spend represents the on-going running costs of owning a boat including fuel, boat provisions, pump-out, repairs, electricity and removal of the boats from the water. This is supported by the figures in Table 11 which again show that mooring fees representing about 40% of annual total costs of boat ownership.

These costs are likely to be spent in a marina location and for the purpose of this study it is assumed the marina developments will have the necessary facilities, such as fuel, chandlery, repair shops etc, to generate this additional local spend.

The study assumes that each permanently occupied berth generates total annual expenditure split 40% from mooring fees and 60% from other associated boat expenditure. There will also be additional mooring fees from visiting boats, where the ⁷berthing rate has been estimated at £15.00 per boat night.

This figure is slightly higher than the overnight cost of berthing a boat in some of the other marinas in the east of England but we are assuming the attraction of a large number of longer narrowboats using a rate, which includes water and power supply during the marina stay.

⁷ For the purposes of this study and taking account of the quality of the proposed marinas and the potential of the cruising network in the Spalding area we have assumed that a £15 fee would be acceptable for overnight visitor mooring fees in local marinas.

This level of charge per visiting boat has been added into the direct on-site marina spend estimates below. Note all expenditures are inflated at 2% per annum after year 1, as mentioned in the general assumptions.

At this stage we have not included any charges or revenue generated by any of the visitor online moorings proposed for the Spalding area as these will be included in licence fees charged by the Environment Agency to resident and visiting boats.

The expenditure likely to be spent directly at the three proposed marinas is summarised by Table 12 below.

Table 12 - Direct Marina Expenditure

Additional Direct Expenditure (£s)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Inflation	0%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Surfleet Marina	85391	87099	87133	130920	130973	131027	131083	174629	174705	174784	174864	174946	175029	175114	175200
Spalding Marina	0	87099	130867	130920	174407	174479	218360	218454	262395	262513	306180	306323	350395	350565	350739
Crowland Marina	0	0	0	0	43770	43788	60993	61019	87353	87392	87432	131378	131440	131504	175200
Totals	85391	174198	218000	261839	349149	349295	410435	454102	524453	524689	568476	612647	656864	657183	701139
Visiting Boats Mooring Fees	7692	13304	16283	19301	28499	33263	42386	49165	61790	63723	73047	82738	92768	99443	110038
Other Marina Income	128554	262251	328195	394194	525637	525856	617902	683641	789554	789908	855830	922327	988896	989376	1055551
Total Marina Expenditure	221638	449753	562478	675334	903286	908413	1070724	1186907	1375797	1378320	1497353	1617713	1738528	1746001	1866729

For year 1 the 'Total' is calculated by using 90 permanent boats in the marina and applying annual fees of £989 to 88% of them (79 narrowboats). The remaining 12% (11 boats) would be charged fees of £660 per cruiser. BMF data indicates that this total of £85,391 equals 40% of all marina direct expenditure, leaving 60% (£128,554) as the total 'Other Marina Expenditure'. The Visiting Boats Mooring Fees are calculated by taking 2,000 visiting boat days, multiplied by 10 marina visitor berths, divided by 39 total visiting berths in the network, then multiplied by a £15 overnight berthing fee.

Spend Outside Marinas:

Visitors to permanent boats berthed in the marina will also spend money away from the marina site, in local shops, pubs and restaurants, as well as making non-boat-related purchases (e.g. groceries) located on the marina site (direct boat related spend such as fuel and repairs are included in the previous section).

Survey data from a variety of sources⁸ has been examined in order to determine likely levels of visitor expenditure. A number of these studies are reliant on old survey data inflated to current prices. For example the average expenditure per user/visitor category published by Inland Waterways Advisory Council (IWAC) and used in the BMF publication 'Economic Benefits of Inland Marinas', is based on 1990/91 survey data inflated to 2005 prices. These two publications show a mean expenditure per person per day of £9.44 for private boat-owners and £11.01 for non-cruising berth-holders spending money away from the marina site (2005 prices).

A more recent survey by BDRC Continental, an independent market research agency, showed an average spend per head across all BW waterways of £24.73 in 2009. The same study showed the East Midlands to have the lowest spend of any region at around £22 per head. The crew sizes used by British Waterways in conjunction with this spend figure are 2.31 adults and 0.36 children per boat. Many inland waterways boaters bring food and other items from home therefore reducing their local spend. Table 13 overleaf summarises two other more recent surveys.

It appears that the IBP survey was a small sample conducted by telephone, which may account for the higher daily spend figure. The BDRC survey was more robust and appears to give a more accurate assessment of spend. Using these two studies as a guide and recognising the lowest spend figure of £22 per head in the East Midlands, we estimated an initial figure of £20 per head for the average daily spend of visitors outside the marinas for year one of this Study.

This is a fairly conservative estimate, which is reasonable given that it might take time to fully develop businesses in the Spalding area to benefit from visitor spending. Using the £20 per head estimate and the visitor estimates from Table 10 gives rise to an estimated additional visitor spend outside the marinas of £2.3 million by year 15 (Table 14).

⁸ An Initial Review Of The Economic And Other Benefits Of Inland Waterways, Hallam Environmental Consultants Ltd and the Tourism and Environmental Change Research Unit Sheffield Hallam University, July 2007

Bedford & Milton Keynes Waterway, Economic Impact Assessment, SQW Consulting, September 2009

Economic Benefits of Inland Marinas, British Marine Federation, 2007

BDRC Continental, an independent market research agency

SQW, Bedford & Milton Keynes Waterway, Economic Impact Assessment, September 2009

Table 13 - Summary of Estimates of Spend by Marina Berth-Holders Outside Marinas

Key Points from Surveys		
	IBP Survey of EA Boat Owners	BRDC Survey of BW Boat Owners
Average number of crew on board	3	2.7
Average daily spend per party	£102.00	£73.78

Visiting Boats- Spend Outside Marinas:

Spend by seasonal boat holders and visiting boats is similar to spend by private berth holders described above. In general, the visiting boats will include a high proportion of hired boats where spend per head is generally higher. This Study therefore assumes a £20 per head spend, which when applied to the visitor estimates from Table 10 gives an overall expenditure of nearly £1.3 million in year fifteen (Table 14).

Other Visitors (Day Trips)- Spend Outside Marinas:

There is little definitive primary data available regarding expenditure by day trippers who visit inland marinas. British Waterways Visitor Destinations Survey 2007 showed visitors' daily spend during a visit to an inland waterways was £3.58. The British Waterways Day Visitor Survey 2005 identified spending per head at £4.57 for 'informal' visitors.

SQW estimated in their 2009 Bedford Milton Keynes Waterway Study that day tourist spend could be £13.38-£13.83 and £46.64 for tourists staying overnight. Given this range of possible expenditure, a conservative estimate of £10.00 spend per day visitor has been assumed, which is reasonable given that we have previously stated that it may take some time to fully develop businesses in the Spalding area to benefit from the spending of day visitors. When applied to visitor estimates from Table 10 this gives an overall expenditure in year 15 of approximately £453,000 (Table 14).

No economic benefit has been assumed from spend on accommodation by visitors staying overnight. The assumption that they will stay outside the area and making an additional day trip to visit the area prevents displacement in calculation of the economic benefit.

Table 14 overleaf summarises the assumptions on expenditure per head for each visitor group (includes adjustments for inflation).

Table 14 - Non Marina Expenditure

Non Marina Expenditure (Es)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Inflation	0%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%	3%
Permanent Berths Visitor Days	10530	21060	26325	31590	42120	42120	49491	60021	63180	63180	68445	73710	78975	78975	84240
Visitor Day Spend	20	20.4	20.82	21.25	21.7	22.17	22.66	23.17	23.7	24.26	24.84	25.44	26.08	26.74	27.43
Total Spend Permanent Boats (Visitor Days)	210600	429624	547985	671265	914017	933804	1121448	1390687	1497512	1532603	1700005	1875408	2059334	2111569	2310613
Visiting Boats (Visitor Days)	6000	9000	12000	15000	18000	21000	24000	27000	30000	33000	36000	39000	42000	45000	48000
Visitor Day Spend	20	20.4	20.82	21.25	21.7	22.17	22.66	23.17	23.7	24.26	24.84	25.44	26.08	26.74	27.43
Total Spend Visiting Boats (Visitor Days)	120000	183600	249794	318740	390605	465572	543831	625590	711069	800505	894151	992280	1095182	1203173	1316588
Other Visitors (Day Trippers)	4133	7515	9581	11648	15030	15780	18373	21755	23295	24045	26111	28178	30244	30994	33060
Visitor Day Spend	10	10.2	10.41	10.62	10.85	11.09	11.33	11.59	11.85	12.13	12.42	12.72	13.04	13.37	13.71
Total Spend Other Visitors (Days)	41330	76653	99720	123756	163078	174922	208163	252032	276073	291638	324266	358467	394318	414346	453400

Please note that spend per visitor day is displayed in GBP (£).

Summary of the Economic Figures:

Estimates of the total additional expenditure likely to arise directly at the proposed marina sites, together with the impact of additional visitors using the facilities, whether visiting by boat or as part of a new day trip destination, have been produced over a 15 year period. Given the timing of these expenditures, they need to be discounted in order to determine their present value.

The Green Book states: ‘Discounting is a technique used to compare costs and benefits that occur in different time periods. It is a separate concept from inflation, and is based on the principle that, generally, people prefer to receive goods and services now rather than later. This is known as ‘time preference.’

A discount rate is used to convert all costs and benefits to ‘present values’, so they can be compared. The recommended discount rate is a real rate of 3.5%. The following Table 15 shows the total additional expenditure generated (both in and outside the proposed marinas), and then discounted at the rate of 3.5% real as per the Green Book.

Table 15 - Total Additional Expenditure

Total Additional Expenditure (£a)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Direct at Marina	221638	449753	562478	675334	903286	908413	1070724	1186907	1375797	1378320	1497353	1617713	1738528	1746001	1866729
Permanent Boats Spend (Day Visitors)	210600	429624	547985	671265	914017	933804	1121448	1390687	1497512	1532603	1700005	1875408	2059334	2111569	2310613
Visiting Boat Spend (Visitor Days)	120000	183600	249794	318740	390605	465572	543831	625590	711069	800505	894151	992280	1095182	1203173	1316588
Other Visitors (Day Spend)	41330	76653	99720	123756	163078	174922	208163	252032	276073	291638	324266	358467	394318	414346	453400
Total Actual Expenditure	593568	1139630	1459977	1789095	2370986	2482711	2944166	3455216	3860450	4003066	4415775	4843868	5287362	5475089	5947330
Discounted at real 3.5%	593568	1080218	1310726	1520122	1905042	1884834	2110139	2335854	2459455	2401164	2491437	2568167	2631602	2555478	2600396

Table 15 shows direct present value benefit of £2.6 million per annum. Over the 15 years the present value totals nearly £31m cumulatively. As noted earlier, the deadweight case assumes no major development taking place. This would leave the area unchanged and therefore the economic impact arising from these developments is all additional.

Direct Employment:

The operating statistics of a range of similar marina operations have been reviewed. This has provided information on the turnover required to support one full time equivalent (FTE) employee at each marina. This is shown in the Table 16 overleaf.

This data shows the likely average direct employment in terms of FTEs from comparable marinas as £79,000 per FTE. This data has been used as a base for year 1 of this Study and then inflated by 2% in line with the assumption on general price inflation as with the expenditures at the marinas.

The highest and lowest turnover per FTE figures (Nottingham Castle and Calcutt marinas) has been reviewed to consider the range of employment that might be created. Obviously, in reality employment will vary at each marina depending on the range of facilities and services offered and the type and mix of boat users.

Table 16 - Comparable Marina Sites

Comparable Marina Sites							
Marina	Braunston	Calcutt	Hartford	Nottingham Castle	Kingfisher	Alvechurch	Group Average
Marina Turnover	1630000	1500000	1908000	860000	230000	2052000	1363000
Employment (FTEs)	20	30	21.5	6.5	4	22	17
Core Turnover/FTE	82000	50000	89000	132000	58000	93000	79000
		Low Turnover/ FTE		High Turnover/ FTE			Average

Source: BMF “Economic Benefits of Inland Marinas”

Based on these assumptions, the three marinas could generate an average of 55 full time equivalent jobs in total but this could range from approximately 33 to 87 by year 15, depending on the mix of employment created at each site. Table 17 summarises this data. Note that many jobs at marinas are in fact part time or seasonal and therefore the actual numbers and type of jobs will vary.

Table 17 - Direct Employment Projections

Direct Employment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Average Turnover per Employee, FTE	79000	80580	82224	83935	85716	87572	89506	91522	93624	95818	98108	100500	102999	105612	108344
FTEs directly employed at Marina sites	8	14	18	21	28	28	33	38	41	42	45	48	51	52	55
Low turnover per FTE	50000	51000	52040	53123	54251	55425	56649	57925	59256	60644	62094	63608	65189	66843	68572
High turnover per FTE	132000	134640	137387	140245	143222	146323	149554	152922	156435	160101	163928	167924	172100	176465	181031
High FTEs	12	22	28	34	44	45	52	60	65	66	71	76	81	82	87
Low FTEs	4	8	11	13	17	17	20	23	25	25	27	29	31	31	33

Leakage, Displacement and Indirect & Induced Effects:

Some of the visitor expenditure incurred as a result of the river and marina developments might have occurred anyway and some might be displacing business from elsewhere. To arrive at an overall economic impact figure, leakage, displacement and the multiplier effects must be considered as follows:

Leakage is the proportion of the economic impact that will occur outside of the local or regional area. In the case of the local Spalding area, it is considered that a reasonably high proportion of the benefits will be retained within the area, given the rural nature of the local economy.

However, some of the economic impact will leak out to other areas. For example this might occur when boats based on the waterway are moved outside the local area. It is normally expected that a number of resident boats will cruise out with their local area at certain times. Given the nature, size and likely attractiveness of the waterspace being created, it can be assumed that the majority of boats will stay within the local area and consequently a fairly low level of leakage will occur. A level of 15% leakage has therefore been assumed at a local level.

Displacement is the proportion of benefits offset by reduced benefits elsewhere in the target area. For example some of the visitor expenditure due to the Waterspace Study might have been spent elsewhere had the waterway proposals not happened.

The majority of the expenditure in this case is expected to be new expenditure, but it is anticipated that some spend will be displaced from existing attractions/destinations. At a local level it is assumed that most of the activity will be new and therefore displacement will be low. Therefore a figure of 10% displacement has been assumed. The result of these assumptions on net additional turnover is shown in Table 18 below.

Table 18 - Leakage & Displacement Estimates

Leakage & Displacement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Expenditure	593568	1080218	1310726	1520122	1905042	1884834	2110139	2335854	2459455	2401164	2491437	2568167	2631602	2555478	2600396
Leakage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Displacement	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Net Additional Expenditure	445176	810164	983045	1140092	1428782	1413626	1582604	1751891	1844592	1800873	1868578	1926126	1973702	1916608	1950297

The expenditure generated will also support further output in other sectors and areas of the economy through two routes:

Supplier Effect - An increase in sales in a business will require a business to purchase more supplies. A proportion of this 'knock-on' effect will benefit suppliers in the local economy.

Income Effect - An increase in sales in a business will usually lead either to an increase in employment or an increase in incomes of those already employed. A proportion of these increased incomes will be re-spent in the local economy.

A multiplier is used to assess the dynamic impact of this spending. It estimates the indirect effect on suppliers of inputs to the industry, and the induced effects from incomes and spending. The multiplier measures the eventual increase in income and employment resulting from the initial boost to expenditure. It takes account of leakage as the first and subsequent rounds of spending goes to those outside the area, which has been analysed. The size of the multiplier will differ depending on scale of the area being examined. Leakage will generally be higher the smaller the extent of the economy being examined.

Table 19 below shows the output multipliers taken from the UK Input-Output Tables.

These are at a national level and would be considerably lower at a local level, as multipliers indicate the interdependence of industry sectors within a region's economy and are influenced by the size of the region and the population. Estimates of local multiplier effects vary considerably; however for purposes of this Study a multiplier effect of 1.36 has been applied at the local level, based on English Partnerships' standard multipliers for the recreational sector.

Table 19 - Output Multipliers

Output Multipliers	
Recreational, cultural and sporting activities	1.82
Tourism (hotels, catering and pubs)	1.72
Supporting and auxiliary transport activities	2.11
Retail Trade	1.66
Average	1.83
Source: - UK Analytical Input-Output Tables May 2002	

This Study has calculated the local Gross Value Added (GVA) generated from the direct, indirect and induced expenditures using the figures from Table 20 (overleaf) for the East Midlands. For the direct benefits the GVA has been calculated based on the industries likely be the recipients of this expenditure. The indirect and induced GVA is calculated using the average figure for the East Midlands economy.

We used the two data sets represented in Tables 19 and 20, together with the leakage and displacement assumptions to calculate the total economic impact of the expenditure, GVA and full time equivalent employment that could be derived from this development.

Table 20 - GVA/Turnover

GVA/Turnover	
	GVA/Turnover
Recreational, cultural and sporting activities	54%
Tourism Sector (Accommodation and Food)	46%
Transport Activities	47%
Retail	20%
Group Average	42%
East Midlands Average	28%

Source: - UK Analytical Input-Output Tables May 2002

The Annual Business Inquiry Data 2008 provides figures for turnover per FTE employee (Table 21). Applying these estimates to the industries likely to benefit most from the direct and indirect spending in this Study.

Table 21 – Turnover/FTE

Turnover/FTE	
	Turnover/Employee
Recreational, cultural and sporting activities	£150,000
Tourism Sector (Accommodation and Food)	£ 35,000
Transport Activities	£107,000
Retail	£ 102,000
Group Average	£ 99,000

Source: - Annual Business Inquiry Data 2008

Overall Economic Benefits:

In summary the indicative overall economic benefits of the Waterspace Study’s proposals are shown in Table 22 below for years 1, 5, 10 and 15. In summary the total economic benefit generated in:

- **Year 1** is projected at **£605,429** generating ten Full Time Equivalent (FTE) jobs
- **Year 5** is projected at **£1,943,143** generating thirty three FTE jobs
- **Year 10** is projected at **£2,449,187** generating forty nine FTE jobs
- **Year 15** is projected at **£2,652,404** generating sixty two FTE jobs

Table 22 - Total Impact of Years 1,5, 10 & 15

Total Impact of Years 1, 5, 10 & 15			
Type of Impact	Direct	Indirect & Induced	Total
Year 1			
Net additional Expenditure, Discounted at 3.5% real	445,176	160,263	605,429
Gross Value Added	238,504	44,283	282,787
Employment (FTE)	8	2	10
Year 5			
Net additional Expenditure, Discounted at 3.5% real	1,428,782	514,361	1,943,143
Gross Value Added	523,948	97,282	621,230
Employment (FTE)	28	5	33
Year 10			
Net additional Expenditure, Discounted at 3.5% real	1,800,873	648,314	2,449,187
Gross Value Added	964,820	179,140	1,143,960
Employment (FTE)	42	7	49
Year 15			
Net additional Expenditure, Discounted at 3.5% real	1,950,297	702,107	2,652,404
Gross Value Added	1,044,874	194,004	1,238,878
Employment (FTE)	55	7	62

Market Research and Economic Benefit Study

TOURISM IN THE REGION

Tourism Strategies:

This section highlights current strategies and reports which impact or influence the development of tourism in Lincolnshire, and reviews research received from East Midlands Tourism, showing the Volume and Value of Tourism for Lincolnshire in recent years.

Destination East Midlands—the East Midlands Tourism Strategy 2003—2010 (East Midlands Development Agency)

The Regional Economic Strategy provides targets for raising visitor expenditure by increasing value rather than volume; this is emphasised by increasing overnight stays. The Strategy sets out a vision for tourism to play a significant role in the region's prosperity. The region will be famous for the quality of its cities, towns and rural destinations together with the conservation and enhancement of wildlife habitats. The profile and reputation of the region's major destinations will improve and assist the surrounding destinations in dispersing tourists around the region. Waterways are identified as a theme where the East Midlands excel. Wetland habitats can offer potential visitor routes and destinations with themed visitor experiences linking heritage and the natural environment.

Building the Visitor Economy: Strategic Plan 2008—2011 (East Midlands Tourism 2008)

This plan aims to contribute to the delivery of the Regional Economic Strategy by growing the contribution of tourism, improving the quality of the 'offer' and increasing visitors to the region. Strategic objectives are to increase the current number of visitors and their expenditure, to improve competitiveness, productiveness and quality to all types of visitor.

Generating Strategic Insight for Lincolnshire. Current and Potential Visitor Profiling (Arkenford 2008)

Lincolnshire Tourism commissioned this research on the types of visitors the county attracts, their views and perceptions. Lincolnshire has a strong and loyal local market but is relatively unknown by the wider market. There is scope to increase the number of staying visitors interested in rural areas. Waterways can clearly play their part with their intrinsic interest, culture and heritage. The improvements for a variety of users already made by the Lincolnshire Waterways Partnership and future developments on the Welland and Glen offer considerable opportunities.

***Developing and Marketing the Fens as a Visitor Destination
(Blue Sail for Lincolnshire Tourism 2007)***

This report states the Fens is not a mass market destination. It appeals to a series of special interests, relating especially to nature, the outdoors, activities such as cycling and boating, churches and local heritage. It identifies the Fens Waterways Link as highly significant for the visitor economy and that further product development is needed to turn this infrastructure project into a visitor destination.

In reviewing these documents the Study will highlight a number of recommendations that are pertinent to the developments proposed in the Spalding Waterspace Study. This will include extending the tourism offer and increasing the visitor spend by maximising both water and land based opportunities in the Spalding area.

East Midlands Tourism – Lincolnshire Volume & Value of Tourism 2009:

East Midlands Tourism (EMT) recently published the 'Lincolnshire - Volume and Value of Tourism 2009'. This report summarises the key findings of research undertaken in 2009 on behalf of East Midlands Tourism, by Global Tourism Solutions Ltd using the Scarborough Tourism Economic Activity Model (STEAM).

Background

The STEAM model was chosen in 2004 to provide a unified approach to monitoring the volume and value of tourism in the East Midlands. The model has now been used to provide data from 2003 through to 2009, giving EMT the ability to monitor trends over the last six-year period and allowing robust analysis of the region's tourism performance.

Aims

The overall aim of the research is to provide estimated figures showing the economic impact of tourism in the East Midlands in terms of:

- Numbers of tourists (trips)
- Tourist days
- Revenue from tourism (including direct and indirect)
- Employment in tourism
- Trends over time

Users

It is intended a range of organisations will use the report:

- Lincolnshire Tourism, the destination management organization. The data will be used to

inform tourism development and investment decisions.

- Other public sector organisations with an interest in tourism and the wider visitor economy such as local authorities. The information provides an improved understanding of the importance of tourism to the local economy for strategic planning purposes.
- Organisations involved in business support such as Business Link. The information will identify growth areas and sectors for the benefit of new and existing businesses.
- Non-tourism organisations such as local police authorities and water companies, which need to know how many non-residents are likely to be in the area for operational reasons.

Lincolnshire Key Tourism Facts in 2009:

The Key Tourism Facts are detailed in the report as follows: -

- 1.06 million visitors stayed some 2.51 million nights with friends and relatives in Lincolnshire.
- Overnight visitors spent £562.03 million in Lincolnshire with day visitors spending a further £409.61 million.
- The temporary 2.5% reduction in the standard VAT rate had an impact on the total amount of VAT paid by visitors on tourism-related goods and services. The amount of VAT generated by tourism activity declined by 11% to £94.5 million.
- Approximately 13,905 jobs (full time equivalents) were directly supported by tourist expenditure in Lincolnshire and a further 3,270 jobs were supported by indirect revenue from tourism.
- Average expenditures per day per tourist category are as follows: serviced (hotels and B&Bs): £92.44; non-serviced (self-catering): £41.51; SFR (staying with friends and relatives): £38.11; and day visitors: £28.87.
- The number of tourist days spent in Lincolnshire in terms of lows to peaks were:
 - Serviced: from 44,700 in January to 170,400 in August
 - Non-serviced: from 235,400 in January to 1,370,000 in August
 - SFR: from 110,500 in November to 355,700 in April
 - Day Visitors: from 625,800 in December to 2,656,100 in August

- Day visitors coming to Lincolnshire account for 42 % of the total tourism revenue. Seasonal differences influenced the number of day visitors Lincolnshire received, rising from a low of 567,200 visitors in December to a peak of 2.65 million in August.

Lincolnshire STEAM Data:

The following data shows the value and impact of tourism in Lincolnshire estimates carried out by Global Tourism Solutions (UK) Ltd using their STEAM (Scarborough Tourism Economic Activity Model).

Table 23 – Lincolnshire Annual Tourism Headline Figures:

Annual Headline Figures Lincolnshire	2004	2005	2006	2007	2008	2009
Economic Impact of Tourism	£802.94m	£849.64m	£866.47m	£927.15m	£958.10m	£971.64m
Total Tourist Numbers	15.982m	16.642m	16.685m	16.713m	17.072m	17.269m
Number of staying visitor trips, both overseas and domestic	3.43m	3.42m	3.19m	3.33m	3.20m	3.08m
Number of staying visitor nights, both overseas and domestic	12.1m	13.35m	12.12m	12.65m	12.286m	12.04m
Spend by staying visitors, both overseas and domestic	£487.01m	£506.34m	£507.57m	£556.29m	£557.96m	£526.03m
Number of day visitor trips	12.55m	13.22m	13.5m	13.38m	13.872m	14.187m
Spend by day visitors	£315.93m	£343.29m	£358.89m	£370.85m	£400.09m	£409.61m
Employment supported by tourism expenditure – Full time equivalents	16,156	16,399	16,120	16,638	16,826	17,175

These figures show the current level of tourism activity across Lincolnshire by tourism sector.

The 2009 figures show an increase in the economic impact of tourism of £13.54 million from 2008.

This only accounts for a rise of 1.4% on the previous year. Total tourist numbers are correspondingly up by 1.1%. The breakdown of this relatively small increase appears to reflect an increase in day trips to the area, with overnight visitor stays and income down.

The number of staying visitor trips, both overseas and domestic has dropped by 12,000 trips – a reduction of 3.75% on 2008. Similarly, the number of staying visitor nights has fallen by 246,000, which is a reduction of 2% on the previous year. Correspondingly, the spend by staying visitors, both overseas and domestic, has decreased by £31.93 million, which reflects a drop of 5.7% from 2008 to 2009.

Day visitor trips have increased by 315,000 (2.2%), increasing the spend in this sector by £9.5 million (2.4%). The employment supported by tourism expenditure – full time equivalents (FTEs) across Lincolnshire is therefore increased by 349 FTEs, which is a 2% rise overall.

The next section of this report shows these regional figures broken down by sector for the period 2007 – 2008, as summarized in Tables 24-28.

Table 24 – Regional Analysis by Sector of Expenditure

Analysis by Sector of Expenditure (Lincolnshire)			
(£'s millions)	2009	2008	% change
Accommodation	92.38	91.75	1
Food and drink	173.35	165.05	5
Recreation	67.83	62.26	9
Shopping	210.46	202.7	4
Transport	86.05	86.88	-1
Indirect Expenditure	247.06	243.86	1
VAT	94.51	106.51	-11
TOTAL	971.64	959.01	1

Table 25 - Regional Analysis of Revenue by Category of Visitor

Revenue by Category of Visitor			
(£'s millions)	2009	2008	% change
Serviced Accommodation	128.3	122.69	5
Non-Serviced Accommodation	337.78	339.21	0
SFR	95.96	96.63	-1
Day Visitors	409.61	400.49	2
TOTAL	971.64	959.01	1

Table 26 - Regional Analysis of Tourist Days:

Tourist Days				
(Thousands)	2009		2008	% change
Serviced Accommodation	1388		1507	-8
Non-Serviced Accommodation	8137		8244	-1
SFR	2518		2535	-1
Day Visitors	14187		13872	2
TOTAL	26230		26157	0

Table 27 - Regional Analysis of Tourist Numbers:

Tourist Numbers				
(Thousands)	2009		2008	% change
Serviced Accommodation	799		897	-11
Non-Serviced Accommodation	1224		1235	-1
SFR	1059		1068	-1
Day Visitors	14187		13872	2
TOTAL	17269		17072	1

Table 28 – Regional Analysis of Employment Sectors:

Sectors in which Employment is supported				
(FTE's)	2009		2008	% change
Direct Employment				
Accommodation	4,363		4,218	3
Food & Drink	3,404		3,329	2
Recreation	1,616		1,524	6
Shopping	3,767		3,727	1
Transport	755		783	-4
Total Direct Employment	13,905		13,581	2
Indirect Employment	3,270		3,245	1
TOTAL	17,175		16,826	2

Table 29 below shows the Lincolnshire STEAM figures broken down by local authority areas. South Holland District Council, which covers the Spalding Waterspace Study area is recorded as having £67.47 million worth of tourism related revenue, which is 6.9% share of the Lincolnshire total.

Table 29 – STEAM Figures by Local Authority Area

Total Revenue by District			
(£'s millions)	2009	2008	% change
Boston Borough Council	49.4	48.51	2
East Lindsey District Council	438.85	437.07	0
Lincoln City Council	128.7	123.58	4
North Kesteven District Council	87	85.61	2
South Holland District Council	67.47	66.15	2
South Kesteven District Council	117.98	116.69	1
West Lindsey District Council	82.24	81.4	1
TOTAL	971.64	903.21	1

Breakdown of Tourism Figures for South Holland:

This section of the study shows the South Holland Local Authority figures broken down by sector for the period 2008 – 2009.

Table 30 – South Holland Analysis by Sector of Expenditure

Analysis by Sector of Expenditure			
(£'s millions)	2009	2008	% change
Accommodation	3.76	3.89	-3
Food & Drink	12.62	11.89	6
Recreation	5.08	4.61	10
Shopping	16.22	15.48	5
Transport	6.46	6.47	0
Total Direct Revenue	44.13	42.34	4
Indirect Expenditure	16.72	16.4	2
VAT	6.62	7.41	-11
TOTAL	67.47	66.15	2

These expenditure figures as a percentage of the South Holland total are as follows: - Accommodation 5.6%, Food & Drink 18.17%, Recreation 7.5%, Shopping 24%, Transport 9.6%, Indirect Expenditure 24.8% and Vat 9.8 %. There is clearly an opportunity to increase the accommodation and recreation sectors by providing attractive opportunities that can be promoted alongside the new waterway developments.

Table 31 – South Holland Analysis of Revenue by Category of Visitor:

Revenue by Category of Visitor			
(£'s millions)	2009	2008	% change
Serviced Accommodation	9.74	9.2	6
Non-Serviced Accommodation	6.53	6.47	1
SFR	11.97	12.03	-1
Day Visitors	39.23	38.44	2
TOTAL	67.47	66.15	2

Looking at the revenue by category of visitor to the local area indicates that serviced accommodation revenue in South Holland only accounts for 7.6% of the Lincolnshire total with non-serviced accommodation only 1.9%. The accommodation base in the Spalding area will need to be increased and revenue from that sector improved, if tourism is to be developed alongside the new waterway developments. The value of those staying with family and relatives is significant, with 12.5% of visitor revenue in the County recorded in the South Holland district. Day visitors to the local area also contribute 9.6% of the revenue total for the County.

Table 32 – South Holland Analysis of Tourist Days

Tourist Days			
(Thousands)	2009	2008	% change
Serviced Accommodation	105.81	113.25	-7
Non-Serviced Accommodation	162.61	161.96	0
SFR	314.05	315.73	-1
Day Visitors	1,358.74	1,331.61	2
TOTAL	1,941.21	1,922.55	1

The percentages for tourist days in the South Holland area against the Lincolnshire total show serviced accommodation at 7.6%, non-serviced at 2%, SFR at 12.5% and day visitors at 9.6%.

Table 33 – South Holland Analysis of Tourist Numbers:

Tourist Numbers (Thousands)	2009	2008	% change
Serviced Accommodation	61.61	67.01	-8
Non-Serviced Accommodation	24.29	24.1	1
SFR	132.16	133.08	-1
Day Visitors	1,358.74	1,331.61	2
TOTAL	1,576.81	1,555.80	1

Table 34 – South Holland Analysis of Employment Sectors:

Sectors in which Employment is supported (FTE's)	2009	2008	% change
Direct Employment			
Accommodation	264	258	2
Food & Drink	248	240	3
Recreation	121	113	7
Shopping	290	285	2
Transport	57	58	-3
Total Direct Employment	979	953	3
Indirect Employment	221	218	1
TOTAL	1,201	1,171	2

New Tourism Opportunities:

The proposal of the Fens Waterways Link to allow vessels to navigate from the Black Sluice Navigation to the River Glen and the River Welland to the River Nene will provide a range of new opportunities to attract additional visitors to the Spalding area.

There will be a requirement for the development of new towpaths along many of the waterways, and a strategic plan for towpaths and their design will be needed. This will ensure new facilities can be constructed to give the Spalding area a unique selling point for the promotion of waterside tourism in advance of the Fens Waterway Link.

This approach would help to support additional towpath-related activities, which if created, will attract key customer groups. Initially there would be benefit in targeting three key activity sectors, which often find it difficult to use the more restricted single towpaths in the area:

- Cyclists
- Equestrian
- Walkers.

The careful planning and promotion of a network of multiple-use towpaths will allow the separation of user groups, avoiding conflict and encouraging an increased usage of the facilities and value of the area's tourism product.

There are many cases where towpath conflict between users (mountain bikes/walkers/ equestrian) has led to potentially dangerous operational situations. This can be a disincentive to many people who wish to continue using the towpath, but careful design, consultation and planning can help prevent these problems.

Each of the three key target sectors will be looked at independently to consider how best to increase the business offer by developing a range of promotional options to suit different user groups and encourage current SFR and day visitors to consider extending their stay within the Spalding area.

Cycling:

The new offer will need to attract key market segments and encourage them to visit the area for weeklong holidays, weekends and short breaks, where visitors could either bring their own bikes or hire from local cycle shops as part of an organised package. If bona-fida packages are to be offered there may be bonding implications for the provider, which relate to the EU Package Travel Directive. This can be overcome by using a trust account or the services of a recognised agency.

If overland touring is to be encouraged there will need to be a co-ordinated forum, which would bring all the relevant business partners together and form a high quality cycling offer, which will ensure the success of this particular activity package.

The accommodation sector, both serviced and self catering, should be encouraged to join a 'Cyclist Welcome Scheme' and provide cycle storage, washing & cleaning services for bikes, as well as drying facilities for clothing. This would be targeted at the following user groups:

- Couples with the emphasis placed on the fifty plus or retired segments that are more likely to have greater disposable income and the time to follow more active past times. These visitors are more likely to want higher quality hotel or guesthouse accommodation.
- Families with younger children who need more space and towpath security to enjoy a cycling break that is perhaps not so active. Families may stay in serviced accommodation but are

more likely to prefer self-catering. The majority of self-catering facilities prefer week-long bookings, so it will be imperative to offer a range of activities and attractions that will satisfy the needs of family groups and encourage them to extend the visit to a week.

- Small cycling groups encouraged to visit the area for a weekend or short break who may be accommodated in a number of smaller serviced centres but who are likely to maintain a reasonable spend pattern when visiting the area. There could also be opportunities to develop 'singles' weekends, which would bring together like-minded people on touring breaks of the area. This would be an ideal opportunity for a small business enterprise to develop.
- Staying with Friends and Relatives (SFR) and day visitors could also be targeted using events and festivals, concerts and special promotions at visitor attractions to extend their visit and help them appreciate the benefits of the area for future longer visits.

Equestrian:

Developing the equestrian segment in the Spalding area can be achieved by targeting the overland adventure trekking community and newcomers to the sport, who may wish to try a fairly simple entry level of riding in the flat Lincolnshire countryside.

There are a number of good quality equestrian centres who should be approached with a view to setting up a forum with the accommodation and visitor attraction sectors and create a series of trail packages that could be marketed, primarily to adult horse riders in the UK and overseas.

A 'Horses Welcome Scheme', similar to the current scheme in Scotland, could be developed and used to market the Spalding area. This is a scheme that was set up by the British Horse Society Scotland as a self-financing marketing tool for those providing overnight stays for horse and rider.

In recent years a number of signed and mapped riding routes have been opened in Scotland. There are niche business opportunities close to the routes offering accommodation and other services to riders enjoying the trails. Treks could range from simple overnight trips up to six night packages but the equestrian trade in the locality would drive the final format of these.

Horses Welcome is the first quality assured accommodation for horses in the UK. It consists of a comprehensive set of standards for grazing, stabling and facilities. The aim is to encourage riders to take their horse trail riding away from home, confident about the accommodation that they have booked.

A scheme of this type could also be used to attract reasonably competent individuals to visit the area and improve their horse riding skills as part of a trail group. The success of these promotions could create good levels of repeat business from yet another higher disposable income segment of society.

Walkers:

There are already a number of good walks in the Spalding area but these can be further enhanced and extended using the trail principle and a series of marketing themes (such as bird watching, heritage and culture) to create a more sustainable product, which will bring improved economic benefit to the rural parts of south Lincolnshire.

The introduction of new accommodation establishments to the Walkers Welcome Scheme is paramount to the success of developing walking initiatives in the Spalding area. There is currently little available to promote this from tourism agencies in Lincolnshire.

The establishment of a Walkers forum to draw commercial partners together would be useful, prior to launching this type of initiative in partnership with the business community, tourism agencies and the public sector authorities.

Cycling, Equestrian and Walking may be identified as key markets but we must not forget other activity and pastimes that should be allowed to flourish alongside these three key sectors. Examples include:

- Fishing
- Bird Watching
- Canoeing
- Boat Raids
- Church Heritage in the Diocese
- Rural Architecture
- Stately Homes and Ancient Buildings
- Wildlife
- Archaeology
- Genealogy and Family History

These sectors are not exclusive and could be considered in partnership with the forums set up to drive forward the three key sectors identified for special promotional activity and trade involvement.

This should create a framework of tourism activity, which will increase the value of tourism in the Spalding area and encourage users to promote the area through experience and quality.

If this tactic is employed it will help the trade to understand the direct and indirect benefits of using the new waterways to enhance tourism product marketing and gain the maximum economic return for the area both from a waterway and associated tourism perspective.

Training:

Training will be key to the successful delivery of all the proposals in the Spalding Waterspace Study. The Fens Waterway Link will drive leisure and tourism business forward in an ever-increasing pattern that will require the businesses to respond more professionally.

Market growth will only be sustained if the trade can deliver imaginative projects and services that attract the boaters and visitors identified in this study. Quality and service will need to improve in many areas and that will demand a regime of intense training before and during the period when the Fens Waterway Link is completed.

Public agencies, working in partnership with local business, will need to prepare plans to deliver training for businesses and communities and help them to understand the potential of the Fens Waterway Link. These activities and proposals must be delivered in a co-ordinated, efficient and cost effective manner that brings prosperity and job opportunity to the Spalding area.

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