



June 2014

Lincolnshire Visitor Economy Review
Final Report

HALL
AITKEN

Tourist spending doesn't benefit local communities?

Well yes it does. Unlike some of its environmental and socio-cultural effects, tourism's economic impacts are mainly considered to be beneficial⁴. These are:

- the generation of foreign exchange,
- the creation of new job and employment opportunities,
- the stimulation of trade, income and entrepreneurship - especially in the service and small business sectors and the development of value chains,
- the provision of new infrastructure which is available for non-tourism uses,
- increased regional development - particularly in isolated areas,
- greater tax revenues permitting greater government spending - or reduced taxes on other activities, and
- the operation of what is called the multiplier effect.

The tourism value chain in Lincolnshire mean the benefits of tourism go beyond the more obvious assets such as hotel accommodation, leisure facilities and destination attractions. The industry has positive economic impact on a range of products and services provided to and

by these operators adding to GVA, including transport and excursions, bars and restaurants, handicrafts, food production, waste disposal, and the infrastructure that supports tourism in destinations. And value chains foster business cooperation, as they operate largely through business-to-business relationships. For Lincolnshire, there is a particular opportunity to build stronger links with rural communities as consumers and providers seek increasingly to source local quality produce.

The Deloitte analysis⁵ suggests that for a £1 increment in GVA at the UK level, there is likely to be an additional £1.20 generated in the UK as a result of this activity due to the impact of supply chain effects. This is the Type I multiplier. The analysis suggests that for a £1 increment in GVA at the UK level, there is likely to be an additional £1.80 generated in the UK as a result of this activity due to the impact of both supply chain and consumer spending effects. This is the Type II multiplier.

There is also an established link between being an attractive place to visit and an attractive place to invest. Heritage destinations like York and Cambridge have used their

visitor appeal to attract new industries. It's easier to attract the best staff if the quality of life is good and the area is attractive to visitors.

Tourism is of particular importance to the coastal economy of Lincolnshire including areas vulnerable to flooding. So building improved flood defences will be a key to future economic growth and inward investment.

Case Study

Hill Holt Wood is a social enterprise with a wide variety of environmental attractions and services. It attracts local people and international visitors. It employs and trains mainly local people, recruiting young graduates or school leavers – who are offered apprenticeships. A structured staff development programme means there is a good quality of work experience, potential for career progression and excellent job satisfaction.

Not only is Hill Holt providing an interesting place to visit it is actively supporting and investing in the community. And it has plans to diversify and expand into business that help exploit the environmental potential of

⁴ Cooper C, Fletcher J, Gilbert D, & Wanhill S; *Tourism: principles & practice*, Longman, Harlow, UK, 1993.

⁵ *Tourism: Jobs and Growth, the economic contribution of the tourism economy in the UK 2013* (VisitEngland)