

The Eagle at Barrow - Hotel Expansion Socio-Economic Justification

Introduction

Stantec was commissioned to produce a socio-economic justification statement to support the submission of a planning application for a new hotel at The Eagle, located in Barrow within the authority of Ribble Valley. The Eagle is currently operating a restaurant, bar and function space which caters for parties, christenings, corporate dinners and wedding celebrations. The proposed development comprises a two-storey hotel with accommodation for 38 bedrooms. The intention is for the hotel to only provide sleeping accommodation, with no spa or additional leisure, restaurant, function rooms, or conferencing facilities included within the application. The development will attract additional visitors to the area resulting from its enhanced offer with the ability to accommodate general tourists or those seeking to use the function space at The Eagle.

Stantec has conducted a review of literature, policy and data to provide an economic justification for the new hotel at The Eagle. The structure of the analysis is as follows:

- Baseline analysis of the Ribble Valley economy and sectors of employment.
- Analysis and policy review of the Ribble Valley tourism sector.
- Review of trends and reports in the national wedding sector.
- Examining the importance of wedding tourism to the North West, Lancashire and Ribble Valley.
- Quantifying and contextualising the impact of the development to the local area (Ribble Valley).

This Technical Note summarises the findings of the analysis and demonstrates the economic need for additional accommodation facilities within the area, and how the proposed development is essential to the local economy due to its ability to support key sectors, the visitor economy, and contribute to maximising the opportunities of wedding tourism.

The Ribble Valley Economy

The economy of the Ribble Valley has been analysed in terms of employment numbers and economic output. Based on the most recently published publicly available data, total employment within the area was approximately 32,000 in 2022, this has grown by 8% since 2015 which is largely in line with national averages¹. The economic output, or Gross Value Added (GVA), of the Ribble Valley in 2022 was £2bn, this is a growth of approximately 35% in a decade, marginally below the national level of 38%². Examining the employment and GVA by sectors will present the most significant aspects of the local economy.

Figure 1 below shows the Location Quotient (LQ) analysis of the Ribble Valley. LQ analysis shows the degree of local specialisation in broad employment sectors relative to the averages for Great Britain, the chart also shows the growth of these sectors between 2015 and 2023 and their relative size in terms of employment numbers (size of the bubbles).

¹ Business Register and Employment Survey (BRES), 2024.

² Office for National Statistics (ONS), GVA by industry by local authority, 2024.

Figure 1 - Location Quotient, 2015-2023



Source: BRES, 2024

NOTE: Mining and Quarrying is excluded from the graph. It is a small sector that has seen extremely high growth (1567%), so obscures the view of the chart.

The graph is separated into four quadrants that show the specialisation and growth of the sectors as outlined below:

- **High growth and specialised sector:** Manufacturing.
- **Low growth and specialised sectors:** Accommodation and food service activities.
- **High growth and underrepresented sector:** Transportation and storage.
- **Low growth and underrepresented sector:** Real estate activities.

In terms of the creation of a hotel at The Eagle the most important sector to examine is the accommodation and food service activities sector. It is one of only five specialised sectors within the local economy and is of a significant size in terms of employment numbers, driven by employment in hotels and restaurants. However, it is experiencing a retraction in size since 2015. There has been a gradual decline since 2015 with the most notable decreases in employment numbers coming between 2016-17, 2019-20 and 2022-2023. Although macroeconomic events such as Brexit and the Covid-19 Pandemic could be partly responsible for the falls in employment in 2016 and 2019 the overall general trend and recent drop since 2022 cannot be accounted for by these events and suggests an underlying issue to be resolved. Additional hotel facilities, such as those proposed at the Eagle, will provide new employment opportunities and contribute to possibly reversing this decline in the future.

In terms of economic output, the table below breaks down output by sector in Ribbles Valley, the contributions to total GVA and change over 10 years is also presented.

Table 1 - GVA by Sector, 2012-2022

Sector	2022 GVA (£m)	2022 % of Total	% Change 2012-2022
Total	2,062	100.0%	35.1%
Agriculture, mining, electricity, gas, water and waste	93	4.5%	173.5%
Manufacturing	948	46.0%	50.5%
Construction	98	4.8%	108.5%
Wholesale and retail trade; repair of motor vehicles	179	8.7%	-39.7%
Transportation and storage	29	1.4%	-25.6%
Accommodation and food service activities	79	3.8%	71.7%
Information and communication	19	0.9%	111.1%
Financial and insurance activities	8	0.4%	-11.1%
Real estate activities	244	11.8%	44.4%
Professional, scientific and technical activities	57	2.8%	111.1%
Administrative and support service activities	47	2.3%	147.4%
Public administration and defence	41	2.0%	32.3%
Education	98	4.8%	50.8%
Human health and social work activities	82	4.0%	-4.7%
Arts, entertainment and recreation	5	0.2%	-16.7%
Other service activities	32	1.6%	166.7%
Activities of households	3	0.15%	200.00%

Source: ONS, 2024

The dominant sectors in terms of output are manufacturing, wholesale & retail trade and real estate activities. The accommodation sector is ranked eighth in terms of contributions to total GVA, this suggests that although there is relatively high employment there is a need for a boost to higher value activities within the sector. The current employment opportunities within the sector are not proportionally contributing to economic activity, so the sector should focus on higher value activity and sub sectors such as the wedding market. However, the growth rate of the sector since 2012 has been double the rate of growth seen in the local economy. Alongside this the sector locally has marginally outgrown the sector at a national level alongside contributing 0.7% more to local GVA than the sector does nationally, showing the relative importance of the industry to the local economy.

Ribble Valley Visitor Economy

The visitor economy is a significant contributor to economic activity across the UK and at a range of spatial levels. The visitor economy includes sub-sectors from across an array of industries such as³:

- The manufacturing of beverages.
- Transportation.
- Accommodation and food services.
- Real estate activities in short term renting of properties and equipment.
- Travel and tour guide activities.
- Sports and recreation.
- Arts, culture and entertainment.

The significance of the visitor economy to the Ribble Valley is highlighted in terms of both employment numbers and contextual information derived from local policy.

Employment

Table 2 shows a comparison of the visitor economy in Ribble Valley to Lancashire, England and Great Britain. Compared to the wider geographies the visitor economy is a greater contributor to total employment in Ribble Valley accounting for 2% more employment compared to the County and National averages. However, notably Ribble Valley is the only spatial level examined where the visitor economy has contracted in number of workers between 2015 and 2022. The 3% reduction in the number of employees is significantly below the over 10% growth seen at the County and national levels, this presents the sector as specialised but shrinking in size. New facilities, such as those proposed at The Eagle, would serve to generate additional jobs and help to shift the sector into growing employment numbers.

Table 2 – Visitor Economy Employment, 2015-2022

	Ribble Valley	Lancashire	England	Great Britain
Visitor Economy Employment	4,235	58,590	3,168,200	3,644,150
Total Employment	31,510	530,850	27,952,000	31,922,000

³ London Business Hub SIC Codes for the Visitor Economy
Cornwall Growth Hub Tourism-Related Business SIC Codes
South East Business Visitor Economy Fund Eligible SIC Codes

	Ribble Valley	Lancashire	England	Great Britain
Visitor Economy Employment as a Percentage of Total 2022	13%	11%	11%	11%
Percentage Change in Employment from 2015	-3%	11%	15%	13%

Source: BRES, 2024

Tourism Strategy Review

Public strategy at both a local and regional level highlights the importance of tourism and the visitor economy. For Lancashire and Ribble Valley, economic and sector specific policy both focus on the post COVID-19 pandemic recovery, overall strategic objectives, opportunities and challenges for the sector. Aspects of these policies emphasise the economic need for additional hotel facilities alongside encouraging and promoting them, specifically the Draft Ribble Valley Economic Plan and the Lancashire Tourism Growth Strategy.

The Lancashire Tourism Growth Strategy and the International Visitor Economy Strategy, both outline the current state of the tourism sector in Lancashire before setting out the vision and plans to grow overall tourism and international visitor numbers in particular. These policies align with the creation of a hotel at The Eagle through supporting the increase in overnight visitors. Both domestic and international staying visitors are the main targets for growth in Lancashire due to the higher spend per visit generated compared to day trips. There is an aspiration to increase the economic impact of both by over 5% in the next four years as stated in the Lancashire Tourism Growth Strategy, only possible through additional facilities to accommodate extra visitors. The creation of a hotel will allow for an increase in the number of overnight tourist visits.

The 2019 Ribble Valley Economic Plan and the Draft Proposed Plan both indicate the visitor economy as a major priority for the area. Both policy documents identify the accommodation sector as key to the local economy, providing opportunities for business diversification and attractive employment opportunities. A hotel development at The Eagle will diversify the existing business alongside providing new jobs.

As part of the exit from the COVID-19 Pandemic Ribble Valley Council produced a series of documents detailing the response and recovery of the tourism sector from the effects of the pandemic. The initial Ribble Valley Response and Recovery Plan published in 2020 has been regularly updated in the form of policy documents and committee reports up to 2024. The original Plan was split into two phases – a response phase and then the recovery phase. In this Note we examine the themes and ideas within the recovery phase, as the response phase has passed. The key proposals during the recovery phase include supporting local tourism businesses and develop new themes, experiences and facilities. More detailed priorities were identified for the recovery phase as the original Plan was updated to include:

- Marketing and promotional priorities.
- Create ‘A Place for All Seasons’.
- Develop Virtual Ribble Valley.
- Continue to support the Wedding Heaven Partnership.
- Support the Tourism Association.
- Turn Ribble Valley into a Food Heaven.

- Create new resources.
- Film and TV.
- Tackle the recruitment crisis.

The development of an accommodation offer at the hotel at the Eagle will help to support the Wedding Heaven Partnership by enhancing the existing facilities to be able to better accommodate wedding parties. Ribble Valley Wedding Heaven is a partnership between local wedding venues to ensure the promotion of the area as a hub for the UK wedding sector. Supported by the council, the group is a key element of the local tourism economy in terms of collaboration between strategic partners to deliver the best experience for wedding parties. The Eagle already hosts weddings and adding a hotel will enhance this ability to support more external parties from outside of the local area.

The ideas brought through the Response and Recovery Plans and updates have led into the development of the new Destination Management Plan (DMP) for the Ribble Valley, initially produced in 2022 and being refreshed in 2025⁴. The DMP is designed to lead, influence and coordinate the management of all aspects of the Ribble Valley visitor economy. It outlines the strategic context, value and profile of tourism to the area before identifying actions to maximise the potential of the sector in the Ribble Valley. Two key priorities as part of the Draft Ribble Valley DMP 2024 are tourist accommodation and wedding tourism. A new hotel development at The Eagle will directly support the aspiration to deliver an increase in tourism accommodation and enhance the accessibility of the current wedding venue for larger parties, through the ability to accommodate guests on site.

Overall, local policy highlights the importance of tourism to Ribble Valley and specifically highlights the importance and opportunity to maximise the value of the wedding sector and increase the value of the visitor economy by increasing overnight stays to increase employment and spending within the sector. The Wedding Heaven Programme, supported by Ribble Valley Council, demonstrates the continued importance of this sub-sector to both the Ribble Valley and Lancashire economies. The provision of onsite accommodation at The Eagle will strengthen the sector's offer and provide greater capacity within the local wedding sector.

A list of the policies reviewed is included as an appendix.

Wedding Sector

UK Wedding Sector Report

Bridebrook publish the annual UK Wedding Sector Report that provides analysis of the wedding sector including wedding profiles, costs, venues supplier and planning processes⁵. The report presents a regional profile of weddings, as outlined in Table 3 below.

⁴ A Draft of the new DMP was published in 2024, a final version of the document is still to be published in 2025.

⁵ Bridebrook – UK Wedding Report 2024: The 8TH Annual Wedding Industry Report

Table 3 – Number of Weddings by UK Region, 2023

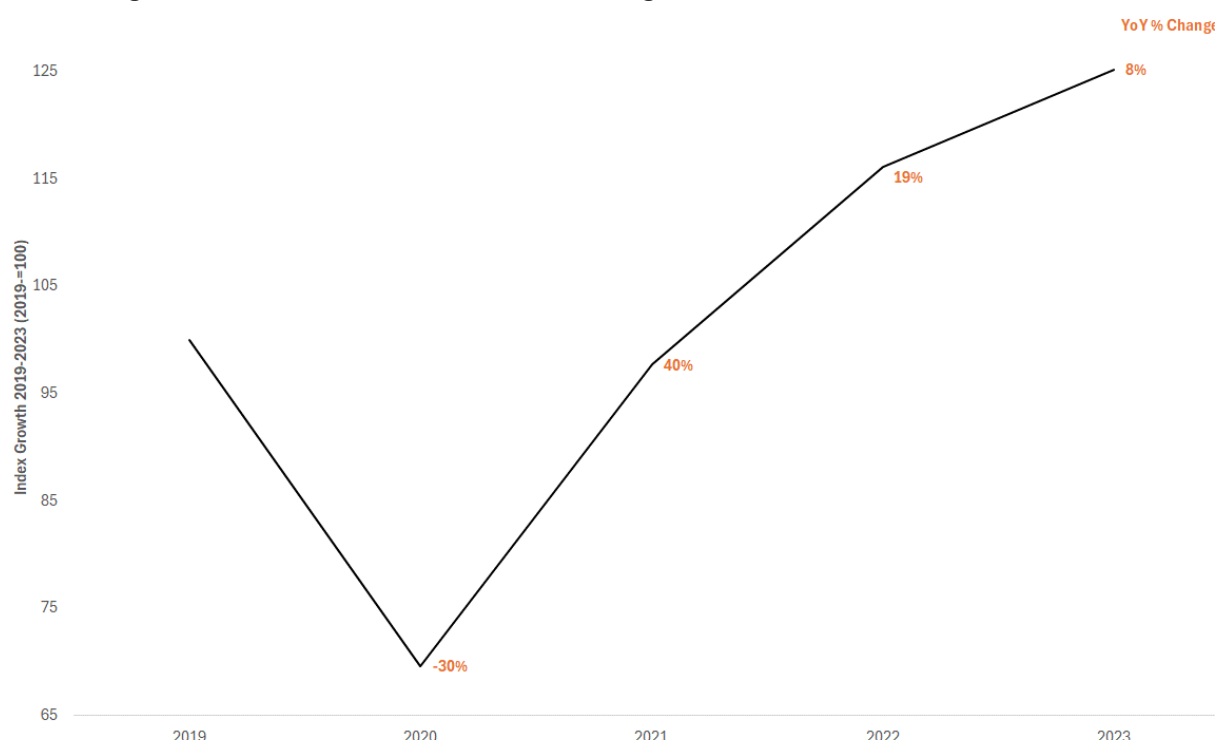
Region	Percentage of Total UK Weddings	Percentage of Residents that Marry in Region	Average Costs of Weddings
North West	11%	82%	£18,000
West Midlands	8%	87%	£21,000
South West	14%	87%	£21,000
North East	4%	84%	£21,000
Yorkshire & The Humber	7%	80%	£17,000
East Midlands	7%	79%	£17,000
East of England	7%	79%	£25,000
London	5%	41%	£37,000
South East	17%	82%	£22,000
Scotland	11%	96%	£19,000
Wales	5%	80%	£16,000
Norther Ireland	3%	86%	£21,000

Source: Bridebrook, 2024

The annual Wedding Sector Report also outlines the average number of guests at weddings. Due to the COVID-19 Pandemic there was a dramatic drop in the number of guests in 2020, however in the three recorded years since there has been a steady increase in the number of guests attending ceremonies and receptions, almost returning to pre-pandemic levels. In the context of The Eagle, the North West is one of the largest regions for number of weddings, accounting for 11% of weddings nationally (ranked 3rd out of all UK regions). Additionally, the number of guests at weddings is increasing year-on-year, demonstrating a nationally increasing demand for additional accommodation facilities for larger wedding parties to use.

The average costs for a wedding have risen dramatically over the past five years, as presented in Figure 2 below. Even accounting for the dip during the pandemic, an average year on year growth of 9% in average wedding cost has been recorded since 2019.

Figure 2 – Increase in the Costs of Weddings, 2019-2023



Source: Bridebrook, 2024

In 2023, the average costs of a wedding reached £26,000. Approximately 70% of the total cost (£18,200) is estimated to be localised in the area where the wedding occurs, this includes aspects such as venue hire, catering and transportation hire. Attracting and maintaining high value business to the Ribble Valley will have diverse economic benefits and help to sustain a range of occupations both on site, at The Eagle and proposed hotel, and across the region.

It is also estimated that approximately 40-50% of couples value venues with overnight accommodation included or onsite accommodation as one of the biggest selling points. Adding overnight accommodation facilities to The Eagle will increase the attractiveness and bring in economic value to the area.

Local Wedding Sector Trends

Lancashire is a major location for weddings in the UK⁶. The table below examines the trends in the local wedding sector during the 21st century.

Table 4 – Lancashire Wedding Sector, 2001-2019⁷

Region	2019 Number of Weddings ⁸	2019 % of Total Weddings	Increase in Market Share from 2001
Lancashire	4,739	2.2%	0.2%

Source: ONS, 2024

⁶ Lancashire is analysed due to the data not being available at Ribble Valley level.

⁷ Data for 2020 is excluded to the effects of the pandemic. Last published data was 2020.

⁸ Marriages of opposite-sex couples in England and Wales. Historical and local authority data is not available for other types of marriages.

Of all 172 upper-tier local authorities measured across England and Wales⁹, Lancashire ranks as the fourth highest for the number of marriages occurring there. It hosts 2.2% of all weddings and has seen an increase in market share since 2001. This 0.2% increase in market share is the 13th highest of any local authority across England or Wales and suggests not only that this is a major destination for wedding tourism but it is becoming increasingly attractive to couples when selecting a location for their wedding. Using the estimated spend of weddings to the local area where they occur, the estimated value to the Lancashire economy from spend on weddings was approximately £86.2m in 2019. The significant market share and value of expenditure to the economy furthers the need for additional facilities to support the industry.

Ribble Valley Wedding Heaven

A campaign launched in 2014 aimed to market Ribble Valley as a “Wedding Heaven” has attempted to capitalise on the niche, valuable market seen in the area and continues to be important in both local policy and to local businesses a decade on. A report to the Ribble Valley Economic Development Committee in 2023 highlights the importance of wedding tourism alongside themes of food and walking as key to the local economy. It is estimated that 2,000 weddings take place annually in the area, three times more than any other part of Lancashire. This is estimated to result in up to £36.4m of direct spending in the local economy. The report also supports the economic value of weddings and describes the indirect and wider economic benefits associated with the industry and the range of spending categories it reaches, driving economic prosperity across the area.

The Ribble Valley Wedding Heaven partnership was established to encourage collaboration between businesses in the area to continually drive this key sector forwards. The primary focus of the partnership is to promote the unique brand identity and market the area for wedding tourism. The existence of this partnership, stated to be the only one in the UK, clearly outlines the importance of wedding tourism to Ribble Valley. Accommodation facilities to support this industry are clearly economically beneficial to the area and align with the goals and aims of the council and other companies.

The committee report also outlines trends in the national wedding sector and links these to the Ribble Valley wedding sector. Notably it cites the good value for money in the North West wedding sector and how this may be a driver for further increases in the number of marriages taking place there. A further increase in numbers suggests the need for further facilities.

Quantifying the Economic Impact

Stantec has used its in-house bespoke economic impact tool to assess the economic benefits associated with the construction and operational jobs at the proposed hotel. The Place-Led Assessment Calculator for Economic Development (PLACED) applies a ‘spatial analysis’ or ‘place-based’ approach to quantifying the jobs and GVA impact of the creation of commercial spaces. The tool applies a HM Treasury Green Book best practice approach to calculating economic impact of employment spaces based off gross onsite jobs, spatial additionality considerations and indirect and induced multipliers¹⁰.

Method

Both the economic impact associated with the construction and operational jobs of the development have been assessed. The operational impact has been assessed using the number of bedspaces, estimated from the number of bedrooms, in the hotel and applying HCA Employment Density figures to

⁹ Data for Scotland and Ireland is not included for this data on Nomis.

¹⁰ Indirect jobs are those generated by the purchase of goods and services along the supply chain of the associated business. Induced jobs are those supported through the spending of direct and indirect employees’ wages creating ripple effects of economic activity.

calculate the gross direct on-site jobs. Stantec has considered additionality factors based on spatial level and qualitative information about the development. HMT Green Book Multipliers have been used and bespoke GVA per worker values have been calculated based on the geography. The construction benefits have been calculated based on an estimated development cost using BCIS benchmarks and the size of the development. PLACED has applied regional jobs to CAPEX ratios to calculate the gross construction jobs years, before finally applying additionality factors, multipliers and converting to 10-year FTEs.

Assumptions

The tables below represent the core assumptions used by the PLACED model to quantify the economic impacts.

Table 5 – Operational Impact Assumptions

Assumption	Value	Source
Number of bedrooms	38	Provided by Frank Belshaw Building Surveyors
Employment Density	2 bedspaces per FTE	HCA Employment Density Guide 2015 3 rd Edition
Deadweight	0%	There is no deadweight. Due to the complications surrounding this development and gaining planning approval, in the absence of this project it is very unlikely anything will be brought forward on the site at any point in the future.
Leakage	36%	Medium leakage – Calculation based on Census 2021 Travel to Work Origin Destination Data for Ribble Valley.
Displacement	75%	High Displacement – Stantec assumption based on the consideration of the large number of other hotel businesses in the area, this is likely to displace a lot of activity from other firms.
Indirect Multiplier	0.4	HMT Green Book – Place Based Employment Multipliers – Central Category
Induced Multiplier	0.9	HMT Green Book – Place Based Employment Multipliers – Central Category
GVA per worker	£36,000	GVA per worker value for the accommodation and food services sector within Lancashire. Calculated based on BRES and ONS employment and GVA data.

Source: Stantec, 2024

Table 6 – Construction Impact Assumptions

Assumption	Value	Source
Development Size	1,213 sqm	Provided by Frank Belshaw Building Surveyors
Construction Costs	£3,400,000	Calculation based on the development size and BCIS Average Construction costs per sqm for hotels constructed in Ribble Valley.
Jobs to CAPEX Ratio	£145,681	The Jobs to CAPEX Ratio for the construction industry in the North West based on ONS ABS and AHSE data.
Deadweight	0%	There is no deadweight. Due to the complications surrounding this development and gaining approval, in the absence of this project it is very unlikely anything will be brought forward on the site at any point in the future.
Leakage	36%	Medium leakage – Calculation based on Census 2021 Travel to Work Origin Destination Data for Ribble Valley.

Assumption	Value	Source
Displacement	25%	Low Displacement – Due to some spare capacity within the sector limited other firms are likely to be affected.

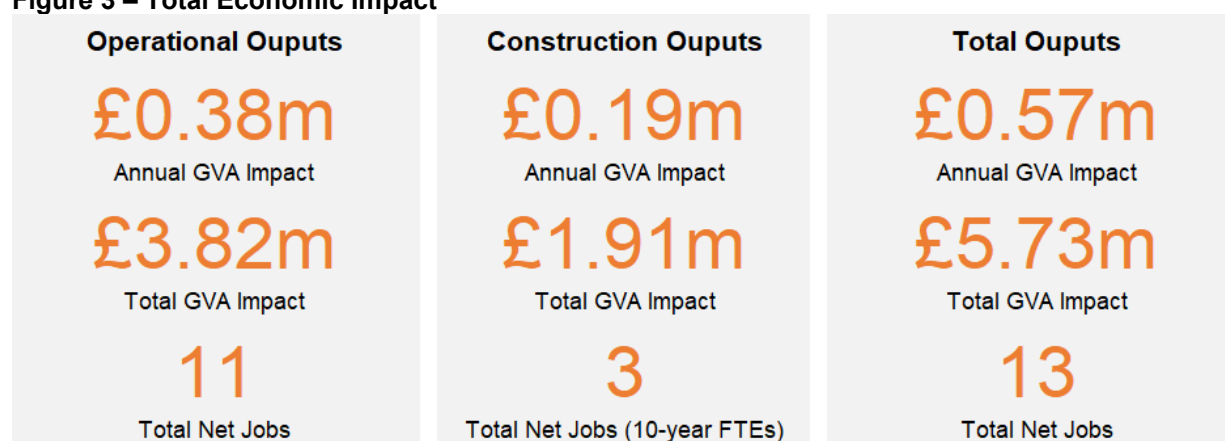
Source: Stantec, 2024

Results

The proposed development is estimated to generate a total of 29 gross onsite jobs once operational. When factoring in additionality and including indirect & induced jobs this results in 11 total net additional jobs to the local economy. The difference between the 29 gross jobs and the 11 net additional jobs is it excludes the employment that is a result of moving a worker from one job to another and excludes those jobs filled by someone living outside of the Ribble Valley. It also includes multiplier jobs, supported through business and employee expenditure in the local economy.

A summary of the impacts across both construction and operation is given below, the total impact is the nominal impact over 10-years.

Figure 3 – Total Economic Impact



Source: Stantec, 2024

Contextualizing Quantified and Unquantified Impacts

In addition to the quantified jobs and GVA impact arising from the operational employment activities at the hotel, the development would have additional economic impacts resulting from the increased tourism and higher value wedding tourism. The creation of a hotel would generate additional visits and expenditure within the Ribble Valley economy. These visitors would spend onsite at the hotel, supporting the gross jobs there, as well as support off-site employment from spending within the local area. This wider visitor spend on goods and services across the area will support a range of jobs from restaurants and shops to transportation and tourist activities, this will also support additional indirect and induced jobs. It is not currently possible to quantify this impact as the number of net additional visitors is unknown as is the visitor spend.

In addition, wedding tourism at The Eagle will have impacts greater than average visitor spending. As discussed previously the cost of a wedding is approximately £26,000 and approximately £18,200 of that spending occurs in the area where the wedding and reception takes place. With hotel facilities at The Eagle this will enhance its attractiveness as a venue for weddings due to the ability of guests to stay where the reception is held. Therefore, the spending on the wedding and additional spending by guests will generate further economic impact for the area. The report to the Ribble Valley Economic Development Committee on Wedding Tourism notes that the full economic value of a wedding is hard to measure but that it will be significant.

Overall, the economic impact generated by the hotel at The Eagle is beyond the operational and construction jobs and GVA figures estimated above.

Summary and Conclusion

To conclude the visitor economy and the specifically the accommodation and food sector are of strategic importance to the Ribble Valley economy. However, there has been a contraction in the sector in recent years which may result in a major risk to local economic prosperity. The proposed hotel at the Eagle is essential to local economic welfare as it may arrest the sectors decline through the delivery of new modern facilities providing new opportunities and enhancing the areas attractiveness as a tourist destination in relation to overnight and wedding tourism.

The points below summarise the findings of this report:

- The accommodation and food service sector in the Ribble Valley is specialised in terms of employment numbers but has been gradually contracting since 2015.
- The GVA growth in the sector is double the growth rate seen in the overall Ribble Valley economy and marginally larger than is to be expected based on national levels, showing the strategic importance of the sector to the local economy.
- Employment in the visitor economy sector represents 13% of total Ribble Valley employment but has been contracting since 2015.
- Additional employment opportunities in the visitor economy and accommodation & food services sectors can reduce the downwards trend in employment.
- Local strategy documents highlight the importance of tourism to Ribble Valley and specifically highlights the importance and opportunity to maximise the value of the wedding sector.
- Strategy documents set out the aim to increase the value of the visitor economy by increasing overnight stays to increase employment and spending within the sector.
- The proposed development will contribute to delivering the Council's strategic priorities.
- The wedding sector is crucial to the North West, Lancashire and the Ribble Valley economies.
- The number of guests and overall costs of weddings has increased substantially including in the local area where spend on weddings in the Ribble Valley is approximately £36.4m pa.
- Additional accommodation facilities are needed to support the increase in size of weddings and sustain the associated local economic activity.
- The estimated economic impact of the Hotel at the Eagle is a contribution of £3.8m to GVA over 10-years.

Appendix A

The full list of policy and documents reviewed are:

- Lancashire Tourism Growth Strategy, 2022
- Lancashire International Visitor Economy Strategy, 2022
- Ribble Valley Economic Plan, 2019
- Ribble Valley Proposed Economic Plan, 2023
- Ribble Valley Response and Recovery Plan, 2020
- Ribble Valley Response and Recovery Plan Update, 2021
- Ribble Valley Tourism Update, 2023
- Ribble Valley Tourism Update, 2024
- Ribble Valley Destination Management Plan, 2022
- Ribble Valley Draft Destination Management Plan, 2024
- Ribble Valley Wedding Tourism Report, 2023
- Bridebrook UK Wedding Report, 2023
- Bridebrook UK Wedding Report, 2024