

## 5. Socio-Economic Effects

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### Introduction

- 5.1 The purpose of this assessment is to identify the likely significant socio-economic effects arising from the proposed development. It provides a high-level summary of policy context and methodology employed; summarises the baseline conditions of the area and then identifies the likely effects and any proposed mitigations or enhancements.
- 5.2 The previous ES submitted with the 2018 planning application (ref. 6/2018/0566) for this site included a socio-economic assessment related to the proposed development at that time. In response to the consultation process on the 2018 application, further assessment work was undertaken including a supplementary Economic Impact Assessment (Hardisty Jones Associates, March 2019) and a Staffing Strategy by the applicant (Kingfisher Resorts). Further discussions took place with the applicant, to detail out a package of potential socio-economic-related measures intended to maximise the benefits of the development for the wider community and economy. This further information was subsequently submitted in 2019 as part of an ES Addendum that accompanied the submission of revised proposals at that time.
- 5.3 Significant economic changes have taken place since the last submission including the Covid pandemic and inflationary pressures due to global events. As such, wherever possible the baseline conditions profile and key data inputs (including the redevelopment cost) have been updated below. However, the overall conclusions of the original socio-economic assessment remain broadly the same. The assessment highlights the benefits to the local economy of the additional investment during the construction and operational phases including both gross direct impacts and net additional local impacts.

### Legislative and Policy Context

#### National Planning Policy Framework

- 5.4 At the heart of the National Planning Policy Framework (NPPF, July 2021) is a presumption in favour of sustainable development with economic and social objectives, along with environmental objectives, cited as the three overarching objectives of the planning system.
- 5.5 Section 6 of the NPPF, *Building a Strong, competitive economy*, states that:
- Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. (paragraph 81)
  - Planning policies and decisions should enable (paragraph 84):

- the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings;
  - sustainable rural tourism and leisure developments which respect the character of the countryside; and
  - the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.
- Planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport. (paragraph 85)
  - The use of previously developed land, and sites that are physically well-related to existing settlements, should be encouraged where suitable opportunities exist. (paragraph 85)

5.6 Section 8 of the NPPF, *Promoting healthy and safe communities*, states that:

- Planning policies and decisions should aim to achieve healthy, inclusive and safe places which promote social interaction, including opportunities for meetings between people who might not otherwise come into contact with each other; and
- Enable and support healthy lifestyles, especially where this would address identified local health and well-being needs – for example through the provision of safe and accessible green infrastructure, sports facilities, local shops, access to healthier food, allotments and layouts that encourage walking and cycling. (paragraph 92)

5.7 Paragraph 98 of Section 8 states that access to a net high quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities and can deliver wider benefits for nature and support efforts to address climate change.

### Dorset Local Enterprise Partnership (LEP)

5.8 The Dorset LEP prepared a Strategic Economic Vision for Dorset, '*Transforming Dorset*' (2014). According to this, the tourism offer across the LEP area is strong and tourism is a significant sector in terms of employment. Increasing the quality of employment in the sector will contribute to achieving Dorset's economic vision.

### Local Planning Policy Context

5.9 The following sections of the adopted Purbeck Local Plan (*Planning Purbeck's Future – Part 1*, adopted 2012) are particularly relevant to this socio-economic assessment:

5.10 The Local Plan states that *tourism makes a significant contribution to the Purbeck economy and the population swells in the summer months. Studland and Shell Bay in the south east reportedly received an estimated one million visitors every year and nearly half a million visitors a year go to Lulworth Cove in the south west.* (paragraph 2.5)

5.11 Stated key issues and challenges for the Plan area include (paragraph 3.1):

- *How can we attract and provide suitable employment opportunities that reduce the need to travel?*
- *How can we provide sufficient land and premises to support the tourism industry without harm to the built, natural or cultural environment?*
- *How can we resist the loss of hotels and other important services to alternative uses like housing?*
- *How can we reduce the disparity between low local wages and high house prices?*
- One of the main challenges facing Purbeck is how to improve the range of employment opportunities.

5.12 The Local Plan's 'Vision for Purbeck' states that *The local population will have a wider access to well-paid and diverse employment opportunities.* (paragraph 4.2)

5.13 The Local Plan states the priorities of the Regional Tourism Strategy including that tourism *provides a vital input to the economy of Purbeck* and that *Purbeck will seek to build upon its position as a leading visitor destination.* It also recognises the challenges of increasing recreation levels as a result of tourism with implications for European protected sites. (paragraph 8.19)

5.14 Local Plan *Policy TA: Tourist Accommodation and Attractions* seeks to safeguard existing tourism accommodation and direct new tourism accommodation to towns and key/local service villages.

5.15 The replacement Purbeck Local Plan (2018-2034) has not yet been adopted however it has been through an extensive consultation and public examination process since it was submitted in 2019. Key relevant sections of the emerging Plan identify the role tourism plays in the Purbeck economy as set out below.

5.16 The emerging Plan states that Tourism related employment in Purbeck is significant and totals 21% of the workforce, which represents the second highest level in Dorset. It also highlights that the sector can also be associated with seasonality and low wages. (Paragraph 33)

5.17 The objectives of the emerging Purbeck Local Plan include the objective to *promote a prosperous and diverse local economy* (Paragraph 39).

5.18 Emerging Local Plan *Policy EE4: Supporting vibrant and attractive tourism* states that *Development opportunities to enhance the visitor economy will be supported where they are of a scale, type and appearance appropriate to the locality and provide local economic benefits.* The policy also recognises the importance of considering impacts on landscape and European designated sites.

### Assessment Methodology

5.19 This assessment has been undertaken broadly in accordance with the methodology set out within Chapter 2 of this ES. The assessment below includes an updated quantitative review of the predicted effects that the proposed development would have on the baseline conditions of the area

as well as a qualitative assessment of other effects that could be reasonably expected to take place given the nature of the proposals.

- 5.20 The assessment considers the likely temporary, one-off, effects during the construction period together with the ongoing effects experienced once the development is completed and fully operational.

### Study Area

- 5.21 The assessment focuses on the effects on the local community within the Purbeck area and wider Dorset Authority Area and sub-region where relevant, identifying those which are significant in EIA terms.

### Consultation

- 5.22 An extensive amount of public and stakeholder consultation has taken place relating to the redevelopment of this site since the original planning application was submitted in 2018. Full details of the public consultation process and how the feedback has influenced the proposals is set out within the Statement of Community Involvement accompanying the application submission.
- 5.23 Responding to consultation and engagement between the Council, key stakeholders and the public, the applicant welcomes the opportunity to deliver a package of socio-economic benefits through the redevelopment of this site.

### Data Collection

- 5.24 To inform the assessment a desk-based review of publicly available statistical data has been undertaken utilising the latest versions of datasets from the Office for National Statistics (ONS) and other Dorset Council published or endorsed research. The datasets drawn upon include the following source references:

- Census data (2011 and Mid-Year Estimates, ONS)
- Annual Business Survey (June 2021, ONS)
- Business Register and Employment Survey (2018, ONS)
- Construction Statistics, Great Britain (2020, ONS)
- Annual Survey of Hours and Earnings (2022, ONS)
- Indices of Deprivation (2019, DLUHC)
- State of Dorset 2021 (Policy, Research & Performance, Dorset Council)
- The Economic Impact of Dorset's Visitor Economy 2020: Dorset and Districts (The South West Research Company on behalf of the Dorset Tourism Partnership, August 2021)
- Dorset Economic Projections 2017: Background – Purbeck (submitted to Purbeck Local Plan examination)

- Covid 19 Impact on Dorset Tourism Businesses (Jan, 2022), Visit Dorset Business Support Hub
- Domestic Sentiment Tracker (October 2022) Visit England
- Helping the tourism industry recover from Covid-19 Proposals for Government (Visit Britain/Visit England, May 2020)
- Knoll House Hotel Economic Impact Assessment, Hardisty Jones Associates (March 2019)

5.25 As well as datasets, the assessment has drawn on other evidence and research:

- Construction effects associated with the proposals (both on-site and through the supply chain) have been assessed using indicative construction costs (provided by the applicant) plus benchmarks for the ratio of construction employment to output.
- Operational impacts have been assessed by drawing on operational patterns for the existing hotel and those expected once developed, using trends and patterns observed from other hotel resorts within the applicant's business.

### Significance Criteria

5.26 The significance of each effect has been determined through considering the sensitivity of the receptor, the nature of the effect and the anticipated magnitude of change. The defined receptors for this assessment have been selected because they are specific and measurable and will be affected by the proposed development. These include:

- The labour market – a receptor which describes the health of the local economy in terms of employment and labour market participation. Indicators for this receptor include employment rates, economic activity rates, and employment totals (including for the construction and tourism sectors specifically).
- The visitor economy – a receptor which represents tourism assets in the local area, the visitor economy and associated supplier and visitor spend. Key indicators for this receptor include the volume and value of tourism activity.

5.27 The assessment of the significance of effects takes into consideration the scale of the impact (magnitude) and assesses this against the conditions described in the baseline section. The magnitude of impact is assessed on a scale of negligible to high. Thresholds used in the assessment of the magnitude of change are not uniform – they reflect the different nature of the indicators. Assessments of magnitude and sensitivity are combined, as shown in Table 5.1 below, to determine the significance of the effects.

**Table 5.1 Matrix of Significance for Assessment of Socio-Economic Effects**

Magnitude of Effect	Sensitivity Value of Receptor			
	High (England, UK, International)	Medium (County, Regional)	Low (Local, District)	Negligible
<b>Large</b>	Major	Major / Moderate	Moderate	None
<b>Medium</b>	Major / Moderate	Moderate	Moderate / Minor	None
<b>Small</b>	Moderate	Moderate / Minor	Minor	None
<b>Negligible</b>	None	None	None	None

5.28 The assessment of significance can be interpreted as summarised in Table 5.2 below.

**Table 5.2 Descriptions of Significance for Socio-Economic Effects**

Significance	Description
<b>Major</b>	The proposals would cause a major change to existing socioeconomic conditions in terms of absolute and/or percentage change. They would also be a major contributor to meeting an identified policy need locally. Significance will be assessed as either beneficial or adverse.
<b>Moderate</b>	Proposals would cause a moderate change to existing socioeconomic conditions in terms of absolute and/or percentage change. They would also be a moderate contributor to meeting an identified policy need locally. Significance will be assessed as either beneficial or adverse.
<b>Minor</b>	Proposals would cause a minor change to existing socioeconomic conditions in terms of absolute and/or percentage change. They would also be a minor contributor to meeting an identified policy need locally. Significance will be assessed as either beneficial or adverse.

### Assumptions / Limitations

5.29 Purbeck Local Authority area ceased to exist from April 2019 when Dorset Council became a Unitary Authority. However, given that this area provides a useful local geographical study area for this application, some 2011 Census-based data for the Purbeck District area has continued to have been used within this assessment.

- 5.30 The Covid pandemic has affected the availability of some data sets and also created anomalies in certain trends during the affected years. Latest data sets have been used where available. Sources for data and dates have been indicated.
- 5.31 Indicators relating to the visitor economy in Purbeck have relied on assessments prepared by consultants on behalf of the Dorset Tourism Partnership in 2021. These assessments are not necessarily directly comparable with wider statistics prepared regionally or nationally, or with previous reports for the local area prepared by different consultants.
- 5.32 The assessment is based on estimates, such as construction costs and multiplier ratios, at the time of writing. These estimates may be subject to change due to unforeseen changing economic circumstances in the future.

### Baseline Conditions

- 5.33 The following section provides a high-level snap-shot of key baseline socioeconomic conditions:

#### Population Demographics

- 5.34 The application site falls within Studland Parish area within South East Purbeck ward, within Dorset Council unitary administrative area (formerly in Purbeck District).
- 5.35 In Studland Parish (according to 2011 Census) there were 425 usual residents as at Census day. Of these, 97.2% lived in households and 2.8% lived in communal establishments. The average age of residents was 46.6 years. In total there were 284 household spaces. Of these, 182 (64.1%) had at least one usual resident and 102 (35.9%) had no usual residents.
- 5.36 Across the wider South East Purbeck ward, there was a population of 4171 according to the 2017 ONS Mid-Year estimates. Dorset Council area recorded a total population 379,800 in 2020.
- 5.37 The population of the former Purbeck District area was approximately 47,000 in 2017. The total population of Purbeck has shown marginal year-on-year increases, in-line with the populations of Dorset and Great Britain. Age profile data suggests that increases in population are largely driven by an increase in residents aged 65 and over, and this is largely in-line with the trends seen in Dorset and Great Britain.
- 5.38 The Council's most recent 'State of Dorset 2021' report identifies this trend towards a growing yet ageing population with the working population and number of children continuing to decline. The following demographic headlines are stated for the wider Dorset Council area:
- Total population in Dorset of 379,000 in 2020.
  - Over the period 2010-2020, Dorset's population grew by 15,474, a growth of 4% compared with 7% growth nationally. Over the period 2019 to 2029, the population is projected to continue to grow by another 4% (16,300) compared to 5% projected growth nationally.

- There was a 23,100 total increase in persons aged 65 and over between 2011-2021, an increase of 2% per annum with a 6% per annum projected increase between 2021-2031.
- In the last five years the death rate has steadily increased in Dorset by 10% while the birth rate has decreased by 14%. Due to the net decline in natural change (births minus deaths) population growth is driven by migration into the area. Net in-migration in the year 2019-2020 was 3164.
- Dorset’s working age (16-64) population continues to fall; dropping by 7,270 between 2011-2021 and projected to drop by a further 5,600 by 2031. Similarly, the population of Dorset’s children continues to decline; falling by 120 between 2011 and 2021 and projected to drop by a further 4,720 by 2031.

5.39 The site falls within the South East Purbeck Ward area. As shown in Table 5.3 below, the 2017 ONS Mid-Year estimates indicate that at ward level, there is typically an older population profile than across the wider district with 13% aged 0-15yrs (compared with 16% in Dorset as a whole) and 32% aged 65yrs and over (compared with 28% in Dorset as a whole). As such the proportion of working people within the population is slightly lower in this ward than in Dorset as a whole.

**Table 5.3 Population Demographics at Ward and Local Authority District Area**

	<b>South East Purbeck Ward Area</b>	<b>Dorset Council Area</b>
Population	4171	375,051
No. of Residential Properties	2377	183017
% of Population aged 0 to 15	13%	16%
% of Population aged 16 to 64	55%	56%
% of Population aged 65+	32%	28%
Total Population Aged 16 to 64	2274	209151

Source: Dorset Council Wards (2019) - Office for National Statistics (Census, 2017 Mid-year estimates)

### Deprivation

5.40 In relation to the Indices of Multiple Deprivation, the site is located within Purbeck 005A LSOA (neighbourhood area). In 2019, this area was ranked 16,150 out of 32,844 LSOAs in England; where 1 is the most deprived (compared with a ranking of 19,632 in 2015). As such this LSOA is now within the 50% most deprived neighbourhoods in the country.

5.41 In 2019 the wider Dorset Local Authority district was ranked as the 197 most deprived district (out of 317) compared with 208 in 2016. As such it remains in the 50% least deprived local authorities in the country (below average deprivation).



- 5.42 According to the State of Dorset 2021 report, in a national context, crime in the Dorset Council area is consistently very low and well below the average in England.

### Employment

- 5.43 In 2017, just over half of the residents of Purbeck were of working age and approximately 25% were aged 65 or over. This is in-line with the wider Dorset area which also has a large number of older residents, whereas Great Britain as a whole has a smaller older population and larger working age population.
- 5.44 The total number of employed people in Purbeck was approximately 18,700 in 2017. This marked a slight decrease on the previous year. However, the broader trend has been for an increase in employment over the last few years in line with the wider Dorset area and Great Britain trends.
- 5.45 In 2017, according to the ONS Business Register and Employment Survey (2018) there were 350 people employed in the Construction of Buildings (Standard Industrial Classification (SIC) 41) in Purbeck and 4000 people employed in tourism industries (broadly including the SIC categories of accommodation, food service, transport and travel, and recreation).
- 5.46 Tourism industries as a whole accounted for 21% of employment in Purbeck in 2017, compared with 14% in Dorset and 11% in Great Britain as a whole demonstrating the importance of the sector for the local economy in this area.
- 5.47 Within the Purbeck tourism industry, the Accommodation and Food Services sector was by far the largest employer. In 2017, employment in Purbeck in Accommodation and Food Services was 3,000 people (i.e. 75% of total employment in the tourism industry). Accommodation & Food Services was the largest sector in the Purbeck economy in 2017. The sector in Purbeck employed more than twice as many people as it does nationally.

### Wages

- 5.48 Median gross pay for Purbeck residents was £16,900 per year in 2018<sup>1</sup>. This was below the average level of wages for Dorset and Great Britain at the time. The State of Dorset (2021) report states that as of 2020 weekly earnings for people living in Dorset are 94% of national earnings (£577 in Dorset compared with £611 Great Britain).

### Economic Activity

- 5.49 As shown in Table 5.4 below, the overall economic activity rate of Dorset's working age population from June 2021 to June 2022 (i.e. the proportion either in work or actively seeking work) was slightly lower than for both the South West region and Great Britain as a whole.

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<sup>1</sup> ONS Annual Survey of Hours and Earnings Resident Analysis

5.50 The proportion of self-employed people was higher than for the South West region and higher than for Great Britain as a whole. The proportion of unemployed (at 2.7%) is lower than Great Britain as a whole (3.8%).

**Table 5.4 Employment and Unemployment – All People (Jul 2021- Jun 2022)**

	<b>Dorset (Numbers)</b>	<b>Dorset (%)</b>	<b>South West (%)</b>	<b>Great Britain (%)</b>
Economically Active	170,200	76.9%	80.7%	78.6%
In Employment	164,700	74.3%	78.4%	75.5%
Employees	132,400	61.4%	67.1%	66.0%
Self Employed	31,700	12.7%	11.1%	9.2%
Unemployed (Model-Based)	4,500	2.7%	2.7%	3.8%
Source: <a href="https://www.nomisweb.co.uk/reports/lmp/la/1820328243/report.aspx?town=dorset#">https://www.nomisweb.co.uk/reports/lmp/la/1820328243/report.aspx?town=dorset#</a>				

5.51 According to the latest State of Dorset report (2021), in Dorset for every hour worked, productivity is 19% less than the UK average. The report states that Dorset is less competitive than the national average with competitiveness worsening in recent years (potentially due to Brexit and the pandemic).

5.52 The report states that whilst large firms represent less than one per cent of Dorset’s business stock, they employ about a fifth of the workforce. Ensuring the availability of suitable employment land gives local firms the chance to expand and relocate here, rather than leave the area. It also offers choice to new businesses considering a move to Dorset, bringing new jobs with them.

5.53 Employment is expected to grow by more than 11,000 in Dorset over 2019-2029 with most of this new employment anticipated as being part time.

**Travel to Work**

5.54 Data from the Census 2011 indicated that Purbeck is a net out-commuting district. In 2011, around 7,600 people commuted into the district to work, whereas 8,850 people commuted out from their residence in the district to work elsewhere in the region. The 2011 Census found that Poole is the authority area with the biggest pull for residents of Purbeck. However, it should be noted that these patterns may have since altered during the Covid pandemic which has affected traditional working patterns.

### Economic Impact of Visitor Economy and Impact of Covid 19

5.55 The Dorset Tourism Partnership commissioned an assessment of the Economic impact of Dorset's Visitor economy in 2020 (undertaken by The South West Research Company Ltd, dated August 2021). The report examined the volume and value of tourism and the impact of visitor expenditure on the local economy in Dorset as a whole and the individual districts within Dorset in 2020. The figures were derived using the Cambridge Economic Impact Model which utilises information from national tourism surveys and regionally/locally based data. Given the limited national survey data available for 2020 due to Covid, 2019 outputs were used as the foundation for the 2020 estimates.

5.56 Key findings from the study for Dorset are as follows:

- In Dorset, the visitor economy supports some 19,892 jobs (14,937 full time equivalents), 5% of all employment in the District;
- Total day trip spend in Dorset equates to [REDACTED] which added to friends and relatives spend and second home/holiday accommodation spend equates to a total visitor related spend of [REDACTED]
- The estimated total business turnover supported by tourism industry across the district is [REDACTED] ([REDACTED])
- The negative impacts of covid on the local visitor economy in 2020 were substantial, stated as totalling:
  - A decrease of 48% in spend from domestic tourists;
  - A decrease of 80% spend from overseas tourists; and
  - A decrease in total turnover (derived from trip expenditure) of [REDACTED]

5.57 Key findings for the Purbeck area are as follows:

- In 2020, Purbeck experienced 277,000 staying visitor trips with an estimate total visitor related [REDACTED]
- The Purbeck visitor economy supports some 2,062 jobs (1485 full time equivalents) equating to 10% of all employment in the area;
- Out of all of the day visits within Dorset, 15% are in Purbeck contributing 13% of all day visit spend within Dorset; and
- Total day visit spending in Purbeck for 2020 was [REDACTED] with an average spend of [REDACTED] [REDACTED] (compared with [REDACTED] across the wider Dorset district).

### Knoll House Hotel – Existing Employment

5.58 Currently there are approximately 66 staff employed at Knoll House Hotel as an average over the year. The hotel has traditionally, prior to Kingfisher's acquisition, operated on a seasonal basis and closed for two to three months over the winter. This has resulted in many of the staff being employed

on a contract basis, arriving to the area when the hotel opened for the season and leaving the area once the hotel had closed down for the winter. Accordingly, security of employment opportunities has typically been short term. A breakdown of existing and proposed employment is provided in Table 5.5 below.

### **Predicted Likely Effects (Before Mitigation)**

5.59 The following section provides a summary of the likely significant effects that can be anticipated from the proposed redevelopment.

### **Gross Direct Impact**

#### ***Employment and Wages – Construction***

5.60 The redevelopment process would result in £65 million spend on construction generating some 265 person-years of employment in the construction industry<sup>2</sup> with one person-year equivalent to one Full Time Equivalent (FTE) job for one year.

5.61 This level of construction investment would generate a total of approximately £9.4 million in wages which is a one-off wage impact during the construction of the hotel, so is not repeated annually.

5.62 Based on 265 person-years employment, [REDACTED] of Gross Value Added (GVA)<sup>3</sup> during the construction period would be generated.

5.63 These significant effects on the local labour market are considered to be moderate to major beneficial.

#### ***Employment and Wages – Operation***

5.64 During operation of the redeveloped resort, the following effects are anticipated:

5.65 152 jobs to be generated in the operation of the hotel (an increase of 86 jobs from the current 66) generating [REDACTED] of wages<sup>4</sup> per year.

5.66 Based on 152 jobs, the operation of the hotel will generate [REDACTED] of GVA every year.<sup>5</sup>

5.67 Information on anticipated employment in the operation of the redeveloped hotel has been provided by Kingfisher Resorts summarised in Table 5.5 below. Some of the operational roles are part-time and some are seasonal. Seasonal roles are expected to last for seven months of the year, from

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<sup>2</sup> Based on ONS Annual Business Survey (2017) – one employee for every [REDACTED] of turnover per year on the Construction of Buildings sector (SIC41).

<sup>3</sup> Based on GVA per worker in Construction of Buildings sector (SIC41) of [REDACTED] per year derived from ONS Annual Business Survey, 2017

<sup>4</sup> Based on Annual Survey Hours and Earnings median pay in accommodation sector (SIC55) of [REDACTED] for all employees, United Kingdom, 2022

<sup>5</sup> Based on GVA per worker in the Hotels sector (SIC55.1) of £32,500 per year, derived from ONS Annual Business Survey, 2017

April to October. The total number of roles have been converted into full-time equivalent roles (FTEs).

**Table 5.5: Employment in the Existing and Redeveloped Knoll House Hotel**

Role	No. of employees		Full-time equivalents	
	Current	Future	Current	Future
General management	2	7	2	7
Front-of-house	10	17	8	15
Restaurant	19	35	14	23
Kitchen	12	28	10	21
Housekeeping	18	37	11	27
Spa	n/a	20	n/a	15
Maintenance	5	8	3	8
<b>Total</b>	<b>66</b>	<b>152</b>	<b>48</b>	<b>116</b>

Source: Kingfisher Resorts

5.68 In addition, the redeveloped hotel is anticipated to spend over ██████████ on suppliers. This is significantly more than the ██████████ supplier spend at present. Therefore, ██████████ of spend by the hotel on suppliers will support 21 jobs.<sup>6</sup> This is an increase from six jobs at present.

5.69 The wages generated from the 21 jobs from supplier spend equates to ██████████ per year.<sup>7</sup>

5.70 The Gross Value Added (GVA) from the supplier spend is estimated to generate £1.1 million per year.

**Visitor spend outside the hotel**

5.71 When operational, the redeveloped hotel will accommodate some 296 guests. These significant effects on the local labour market are considered to be moderate to major beneficial.

5.72 At full capacity, although realistically it will not operate at full capacity all year round. A conservative estimate of the total number of visitor nights is based on 90% occupancy in peak season, 70% occupancy in shoulder season, and 50% occupancy in low season, suggested by Kingfisher Resorts. It is estimated that the hotel will generate circa 75,000 visitor nights per year.

<sup>6</sup> Based on ABS (2017) - one employee for every ██████████ of turnover per year in the non-financial business economy (Standard Industrial Classifications or SIC Sections A to S).

<sup>7</sup> Based on ABS (2017) – median wage of all jobs in the non-financial business economy (Standard Industrial Classifications or SIC Sections A to S).

- 5.73 According to the State of Dorset 2021 report, average spend for a day visitor to Purbeck is [REDACTED] and for an overnight visitor is [REDACTED].
- 5.74 Overnight visitors to Knoll House are expected to spend significantly more than this average figure, as this is a luxury facility. Some visitors will be staying on a half board or bed and breakfast basis and will buy food in the local area, and most will take trips out to local attractions, bars and restaurants. Based on a conservative estimate of a spend of [REDACTED] per visitor per day outside the hotel, this generates a spend of [REDACTED] million per year in the local economy. This figure does not include the visitor spend within the resort, so it is not directly comparable to the figures in the State of Dorset report, indicating a higher overall spend.
- 5.75 According to the ABS in 2017, there is one employee for every [REDACTED] of turnover per year in the Food & Beverage Service Activities sector (SIC 56). Therefore, the [REDACTED] million of spend by visitors outside the hotel will support approximately 59 jobs per year in the local economy supporting some [REDACTED] each year in wages.<sup>8</sup>
- 5.76 The estimated Gross Value Added from the visitor spend outside of the hotel equates to [REDACTED].
- 5.77 These significant effects on the local labour market are considered to be moderate beneficial.
- 5.78 A summary of the gross direct impact effects is provided in Tables 5.6, 5.7 and 5.8 below.

**Table 5.6 Total Direct Employment Effects**

<b>Construction Phase</b>	
<b>Construction employment</b>	<b>265 person-years</b>
<b>Operational Phase</b>	
<b>Employment in redeveloped hotel</b>	<b>152 jobs (116 FTEs)</b>
<b>Employment supported by spend on suppliers</b>	<b>21 jobs</b>
<b>Spend outside the hotel</b>	
<b>Employment supported within food and beverage sector</b>	<b>59 jobs</b>

**Table 5.7 Total Wage Effects**

<b>Construction Phase</b>	
<b>Construction wages</b>	[REDACTED]
<b>Operational Phase</b>	

<sup>8</sup> Based on Annual Survey Hours and Earnings median pay in food and beverage sector (SIC56) [REDACTED] for all employees, United Kingdom, 2022

<sup>9</sup> Based on GVA per worker of [REDACTED] in the food & beverage services derived from ONS Annual Business Survey, 2017

<b>Operation wages</b>	██████████
<b>Wages from supplier spend</b>	██████████
<b>Spend outside the hotel</b>	██████████
<b>Wages within food and beverage sector</b>	██████████

**Table 5.8 Total GVA Effects**

<b>Construction Phase</b>	██████████
<b>Construction GVA</b>	██████████
<b>Operational Phase</b>	██████████
<b>Operation GVA</b>	██████████
<b>Spend on suppliers GVA</b>	██████████
<b>Spend outside the hotel</b>	██████████
<b>Food and beverage sector GVA</b>	██████████

**Net additional local impact in Purbeck**

5.79 It is important to acknowledge that the gross impacts figures set out above do not take account of factors such as:

- Leakage i.e. how much of the employment and economic impact ‘leaks’ outside the local area through wages paid to people who live outside the local area and supply chain purchases outside the local area;
- Displacement i.e. how much of the employment and economic impact is displaced from elsewhere in the local area;
- Multiplier effect i.e. the additional benefit generated by employees’ and supply chain spending within the local economy; and
- Deadweight i.e. what would happen in the absence of the proposed development.

5.80 Applying the same Government best practice multipliers used within the 2019 Knoll House Hotel Economic Impact Assessment (Hardisty Jones), the resulting headline net additional figures are as follows:

- 123 person-years of employment in construction, generating ██████████ of net additional wages and £12 million of net additional GVA in Purbeck;
- Up to 129 net additional jobs in the operation of the hotel, generating ██████████ of net additional wages and ██████████ of net additional GVA in Purbeck every year;
- 4 jobs supported by supplier spend, generating ██████████ and ██████████ and
- Over 46 net additional jobs in Purbeck supported by visitors spend outside of the hotel.

### Other Effects

5.81 A number of other significant beneficial effects are anticipated that are harder to specifically quantify including the following:

- Protection of the hotel asset itself to enable it to continue to operate as a tourism use in to the longer term and continue to provide employment opportunities and generate spend within the local economy.
- Providing a range of good quality, year-round diverse employment opportunities in the resort, rather than a reliance on seasonal workers as existing. This will improve the quality of the jobs available to local residents providing potential for greater career progression and assisting in retaining young people to work and live for longer in the local area.
- Increasing confidence in and reputation of the local tourism sector leading to further investment, development and growth in the sector in Purbeck and Dorset.
- Creation of a higher quality tourism offer in Purbeck, encouraging other tourism businesses to improve the quality of their offering. As well as the Knoll House Hotel, there is a Pig hotel and restaurant in Studland, and these two could be the catalyst for the growth of a cluster of higher quality tourism facilities.
- Provision of good quality leisure facilities for the local community. The gym, spa, pool, restaurant and bistro will be open to the public. As well as benefiting residents, access to these facilities could also benefit local businesses who could use them for meetings or entertaining.
- All of the above contributing towards meeting the various stated strategic economic policy objectives for Purbeck and Dorset set out in Local Plan and LEP vision documents.

### ***Covid Recovery***

5.82 In usual times, the UK tourism sector is worth some ██████████ per year, accounting for 10% of all UK jobs and pre-pandemic it had been predicted to grow by 3.8% a year to 2025. It has been a strong source of growth for the UK economy in recent years<sup>10</sup>. However, the Covid pandemic has had a substantial impact on the tourism industry across the country. Several local studies have been published setting out the economic impacts of the pandemic within the Dorset area. The State

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<sup>10</sup> Helping the tourism industry recover from Covid-19 Proposals for Government (Visit Britain/Visit England, May 2020)



of Dorset report (2021) stated that in the worst hit year of 2020 the Purbeck area experienced the following as a result of Covid:

- A decrease of 44% of staying visitor numbers;
- A decrease of 46% of all day visitors; and
- A total loss of business turnover of ██████████ compared with 2019.

5.83 A significant beneficial effect of the proposed redevelopment will be contributing towards helping the Dorset economy recover from the negative effects of the pandemic through the additional financial investment including supply chain and visitor spend.

### ***Staff Development Strategy***

5.84 During consultation on the 2018 planning application, some consultees requested further clarification on the changes being made to the overall numbers of staff, staff accommodation and travel arrangements for employees as a result of the redevelopment.

5.85 During the demolition and construction phase of the project, the hotel will temporarily be closed for approximately 18 months. During the construction phase, it is the intention of Kingfisher to retain as many of the permanent and long-standing members of staff as possible. Many of the current roles at Knoll House are seasonal, contract roles therefore during the closure these new contracts will simply not be taken up as opposed to the staff losing their jobs. Kingfisher have committed to the following during the closure period:

- A staff development and training and placement program.
- Sending staff away for work placements at other resorts to gain vital experience for the new hotel, facilitated by hospitality consultants who have already been engaged.
- Placing staff on work placements at other hotels within the Kingfisher group.
- There will be an element of 'closing the hotel down' for a few months post closure which the staff will help support.
- Conducting regular training days and workshops, visiting local suppliers etc through the construction phase.
- Considering operating a 'pop up' Bistro through the construction phase which staff will be supporting..

5.86 At present, depending on the time of year, a large proportion of the staff live on site in accommodation provided for them, now run down and outdated. Following the redevelopment there will no longer be living quarters provided for staff. The Council's Tourism Manager previously queried whether removing the accommodation will result in difficulties in employing staff. Kingfisher are proposing to provide a free (electric) bus service for staff, to be secured via condition, which will enable staff to travel to work, cheaply and sustainably. The reduction of staff numbers living on

site has also been highlighted as beneficial within the ecology assessment given that it helps to reduce risks of recreational impact on surrounding designated sites by reducing the numbers of people permanently residing on the site.

5.87 Kingfisher have expressed that they are committed to developing a sustainable workforce and have stated a commitment to forging strong, positive community links and developing a local employment plan including the following commitments:

- A Human Resources Manager to build a framework and strategy to achieve a centre of employment excellence.
- Establishing links with local education institutions.
- Employment and training opportunities for local people from basic level opportunities through to management positions, both full and part-time.
- An employee training and development programme to support and create staff advancement routes, linking with the other Kingfisher Resort in St Ives Cornwall.
- The year-round business model provides sustainable roles to career development.
- Social enterprise activities to improve local employment opportunities and the health and wellbeing of the community. Kingfisher Resorts Limited will be building the skills, capacity and resilience with the community, and opportunities for personal growth.
- Engagement with the Dorset Growth Hub.
- Progressive employment plans with flexible work strategies to maximise adaptable employment options.
- A wide range of diversified employment opportunities will exist in areas such as accounts and office staff, gardens, maintenance, housekeeping, chefs, wait staff, bar staff, spa, fitness and leisure staff
- A community “footprints in the sand” programme (Engage-Contribute-Inspire). Mobilising the resources and staff and guest-based volunteer efforts to strive to make a difference through well-being and environmental responsibility actions such as: beach cleans, recycling, promotion of public transport for staff and guests.

5.88 A Staff Recruitment and Development Strategy has been prepared and is now submitted with the application for further information (Refer to Appendix 5.1).

### Cumulative and In-Combination Effects

5.89 In the context of this socio-economic assessment, there are not considering to be any other foreseeable major developments within the local area that would give rise to a significant cumulative effects.

### Mitigation and Enhancement Measures

5.90 This section describes measures required to mitigate the predicted effects that have been identified. In this case, the majority of the effects are beneficial and therefore not requiring mitigation. However for information purposes the package of proposed enhancement measures intended to maximise the positive socio-economic impacts of the development, are summarised in Table 5.9 below.

### Construction Phase

- 5.91 The only potentially adverse effect identified during the construction phase is the risk of impact on existing staff contracts. Kingfisher have provided assurances that permanent staff members will be retained wherever it is possible and appropriate to do so.
- 5.92 No further mitigation measures are considered necessary given that the socio-economic impacts have been judged overall to be beneficial for the temporary period during construction.
- 5.93 A Construction Environmental Management Plan is proposed to be prepared to minimise disruption on the local community and staff during the construction phase. This can be secured via planning condition in the usual way.

### Operational Phase

- 5.94 No mitigation measures are considered necessary given that the range of predicted effects have been judged to be beneficial.

### Conclusions and Residual Effects

- 5.95 This updated Socio-economic assessment supports the overall conclusions of the previous ES that the anticipated effects during both construction and operation are predominantly considered to be **moderate to major beneficial** with no significant residual adverse effects anticipated.
- 5.96 As set out above, the redevelopment would constitute a significant investment in the local construction industry with additional associated beneficial impacts through supply chain spend and the resulting jobs supported.
- 5.97 Through the development the existing hotel use will be retained and enhanced as an asset to the local visitor economy on a previously developed brownfield site, continuing to contribute to the local tourism industry and employing local people helping to retain families within the local area. There will also be beneficial impacts within the wider local visitor economy through visitor spend.
- 5.98 Since the previous application, the Covid pandemic has placed even greater pressure on local economies and the redevelopment would provide an important contribution towards economic recovery within the local area.

- 5.99 The redevelopment of Knoll House Hotel as a major visitor attraction has the potential to deliver some wider catalytic effects for the local area. This could include investment in new/upgraded visitor accommodation in the vicinity of the site; local food and retail investments to capture enhanced visitor spend; and further investments in attractions as the project demonstrates success in drawing in large numbers of visitors to the area.
- 5.100 Table 5.9 below provides a summary of all of the identified effects, together with details of their predicted impacts, related mitigation and enhancement measures proposed and resulting significance of effects following mitigation.

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**Table 5.9: Residual Significance of Effects following Mitigation/Enhancement**

Receptor / Feature affected	Likely Effect	Sensitivity of Receptor  (High, Medium, Low, Negligible)	Magnitude of change and Nature of Impact  [Large, Medium, Small, Negligible] and (Permanent, Temporary)	Geographic Extent  (International, national, regional, county, borough, local)	Significance of Effect <u>before</u> mitigation  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)	Mitigation / Enhancement measures proposed  (To be secured by: Design/S106/CIL/Condition )	Significance of Residual Effects (after mitigation)  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)
<b>CONSTRUCTION PHASE</b>							
Labour market	Risk of existing jobs losses due to closure of hotel for temporary period during construction	Low	Small  Permanent/ Temporary depending on role	Local	Minor adverse	Knoll House Staffing Strategy – commitments to Staff placements  To be secured by design	Negligible following mitigation
Labour market	Positive impact on construction sector in Purbeck and wider region (256 person-years of employment in construction industry - ██████████ ██████████ ██████████)	Medium	Large  Temporary	Local/Regional	Major/Moderate beneficial	Knoll House Staff Recruitment and Development Strategy  To be secured by design	Major/Moderate beneficial
<b>IN OPERATION</b>							
Labour market	Positive increase in direct employment generation (from 65 to 152 jobs in hotel - ██████████ ██████████ ██████████)	Medium	Medium  Permanent	Local	Major/Moderate - Beneficial	Knoll House Staff Recruitment and Development Strategy, links with local education providers, training and development opportunities, social enterprise activities/ community links	Major/Moderate beneficial

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Receptor / Feature affected	Likely Effect	Sensitivity of Receptor  (High, Medium, Low, Negligible)	Magnitude of change and Nature of Impact  [Large, Medium, Small, Negligible] and (Permanent, Temporary)	Geographic Extent  (International, national, regional, county, borough, local)	Significance of Effect <u>before</u> mitigation  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)	Mitigation / Enhancement measures proposed  (To be secured by: Design/S106/CIL/Condition )	Significance of Residual Effects ( <u>after</u> mitigation)  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)
Labour market	Increase in year-round work opportunities rather than seasonal; improved quality of jobs with career progression potential	Low	Small  Permanent	Local	Minor-Beneficial	To be secured by design	Minor-Beneficial
Labour market	21 jobs supported by ██████ supplier spend	Medium	Medium  Permanent	Local/Regional	Moderate-Beneficial	Engagement with Dorset Growth Hub	Moderate-Beneficial
Local visitor economy	Positive impact on tourism industry in Purbeck through combined effects of hotel asset/job retention/generation; increased investor confidence; contributing to covid recovery	Medium	Medium  Permanent	Local/Regional	Major/Moderate beneficial	Engagement with Dorset Growth Hub	Major/Moderate beneficial
Local visitor economy	██████ visitor economy spend outside of hotel in Purbeck by visitors every year,	Medium	Medium  Permanent	Local/Regional	Moderate-Beneficial	Engagement with Dorset Growth Hub	Moderate-Beneficial

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Receptor / Feature affected	Likely Effect	Sensitivity of Receptor  (High, Medium, Low, Negligible)	Magnitude of change and Nature of Impact  [Large, Medium, Small, Negligible] and (Permanent, Temporary)	Geographic Extent  (International, national, regional, county, borough, local)	Significance of Effect <u>before</u> mitigation  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)	Mitigation / Enhancement measures proposed  (To be secured by: Design/S106/CIL/Condition )	Significance of Residual Effects ( <u>after</u> mitigation)  (Major, Moderate, Minor) (Beneficial/Adverse/Negligible)
	supporting circa 60 jobs						