

Final Report

Lincolnshire County Council Coastal Pathfinder Economic Study

Prepared for Nicola Radford
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Lincolnshire County Council

Final Report: Coastal Economic Study

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1 Executive Summary

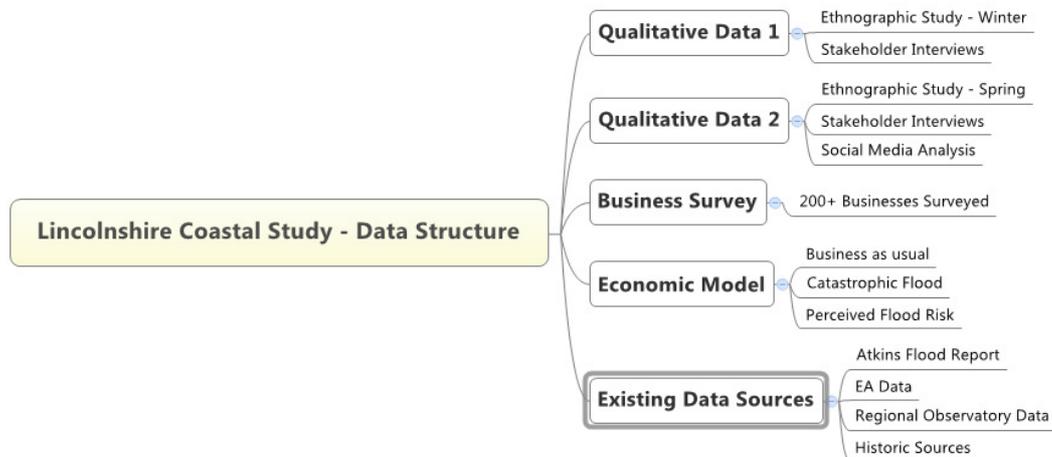
Background

- 1.1 Wood Holmes and Optimal Economics were commissioned by Lincolnshire County Council to develop an evidence-based economic model and study of the Lincolnshire Coastal Economy with the intention that the methodology behind the model's development might potentially be rolled out to other coastal areas of the UK.
- 1.2 This report provides details of the approach taken to do this as well as the key findings from the work.
- 1.3 Fundamentally, the aim of the study was to establish why businesses are on the coast, and what it would mean to their business if economic development on the coast was substantially reduced, either as a result of coastal flooding, macro economic conditions or other policy intervention.
- 1.4 Specifically the study aimed to:
 - Gain a better understanding of local businesses, including why businesses locate on the coast and what they need to survive
 - Build on established baseline data to provide a more detailed local picture of business.
 - Develop a clear economic model methodology exemplifying business imperatives.

The coastal study area is defined as covering the local authorities of South Holland and Boston and those parts of East Lindsey District Council to the east of the A16 and the north west of Skegness, including the towns of Spilsby, Horncastle and Wragby

Methodology

- 1.5 The study took place from October 2010 through to September 2011 with data being collected from a variety of sources and through various means including a in depth business survey, face to face interviews, ethnographic research, desk and literature reviews and well as discussion throughout with key stakeholders.
- 1.6 The research involved developing and synthesising the following data sets:



Economic Modelling

- 1.7 An economic model was developed from the data to forecast the potential development of the Lincolnshire Coastal Economy in the light of perceived flooding risks.
- 1.8 The model was intended as a tool which can be used to model alternative scenarios. As time goes by knowledge of and expectations of risks will develop and the model can be adjusted to reflect changing information.
- 1.9 A basic principle of the model is to recognise that the future of the economy and its performance depends upon the decisions made by economic agents – investors, employers, workers and customers. There is a great deal of uncertainty about perceived levels of risk and it is impossible to predict when exactly events will occur that will alter perceptions.
- 1.10 The initial modelling implies that the effect of growing perceptions of risk will be to reduce employment in the coastal area by between 2,000 and 5,000 by 2026. At worst, the economy will be about 5.4% smaller than would otherwise be expected.
- 1.11 Modelling of a catastrophic flood event impact produces a much more adverse outcome. The immediate impact of the flood modelled is a reduction in output and employment. Employment falls by just under 5,000 in the year of the flood and GVA falls by £181 million (about 6% of GVA in the Coastal Economy).

Key Discussion Points

- 1.12 **Impact of the Macro Economy on the Local Economy** - Perhaps the most striking result in the study is the impact that the current economic climate is having on business confidence. General economic conditions are cited as a major 'factor restricting growth' for the majority of sectors surveyed.
- 1.13 One of the key tasks of this project was to provide insight into the coastal economy from multiple perspectives. What has been revealed is a coastal economy which is clearly linked to the wider macro-economic picture and which could be supported in many ways. In addition, many positive aspects of the local economy were present and these should be re-enforced.



- 1.14 The commitment of local enterprise owners to their locality should not be underestimated and is a strength that should be built upon.
- 1.15 **What is a Coastal Business?** - At a basic level we can articulate that there are two types of 'coastal' business, those that require the coast (or sea) to be present as a fundamental part of their business (e.g., a beach fisherman) and those that are on the coast but are not reliant on the coast (e.g., a solicitors' practice in Skegness).
- 1.16 Between these two extremes there are several 'shades of grey'. The surveyed population of East Lindsey demonstrates the closest explicit identification with the coast and the most explicit association between coast and commercial prospects.
- 1.17 However, an assessment of custom reveals that the greatest proportions of local 'coastal' customers are found with Construction and Financial Services. Naturally, Hotels and Tourism based businesses derive significant custom from non-coastal custom. The definition of a coastal business is thus complex.
- 1.18 Further to the arguments proposed by Fothergill et al , policy makers need to be mindful that the language of the public policy maker is very often different from that of the business community or general public.
- 1.19 **Are Coastal Businesses Different From Other Businesses?** – Although similar in that they are clearly nested within a wider macro-economic picture, coastal businesses by definition operate on the 'periphery'. That is both a strength and a weakness and is the very paradox at the heart of coastal regeneration.
- 1.20 **Coastal Flooding** - Businesses are generally aware of coastal flood risk (and to a lesser extent the postulated causes of this risk increasing eg sea level rise, anthropogenic climate change) and may be starting to factor this into investment decisions, but the study suggests that the majority of businesses are focussed on the challenges of the short term.
- 1.21 While some recognised and were concerned about the risk of flooding, there were other businesses who felt that the risk was being overplayed by Authorities, resulting in planning restrictions.
- 1.22 The economic model indicated that that the effect of growing perceptions of risk could be to reduce employment in the coastal area by between 2,000 and 5,000 by 2026. At worst, the economy will be about 5.4% smaller than would otherwise be expected.
- 1.23 Modelling of a catastrophic flood event impact produces a much more adverse outcome. The immediate impact of the flood modelled is a reduction in output and employment. Employment falls by just under 5,000 in the year of the flood and GVA falls by £181 million (about 6% of GVA in the Coastal Economy).
- 1.24 It must be stressed that these impacts are based upon a model which would constantly need updating and the impact of the macro economy is far greater than these effects in the long term.
- 1.25 **Conflicting Economic Interests** – A significant business population demonstrate a stance that the coastal economy is a tourist economy to which all efforts should be turned. Conversely, a primarily industrial/agricultural community express frustration at a perceived barriers in development strategy (sometimes linked to flood risk) and failure to balance a perceived bias towards the interests of the tourist economy.
- 1.26 These conflicting economic interests need to be understood and wherever possible balanced and resolved by Authorities.



- 1.27 **Investment** – Investment (or perceived lack of) emerged as a strong theme in conversations. Specific foci of investment were weighted towards investments benefitting the tourist and retail economies including attractions and street scene. Investment in transport infrastructure emerged as a key component; most regularly with regard to the connection of tourists to the coast, but also with regard to the facilitation of industrial supply chains.
- 1.28 **Lack of Trust In Authorities & Governance** – despite the calls for investment, usually by authorities, many businesses cited a distrust of authorities. Lincolnshire has Parish, Local and County levels of administration and in conversation with businesses sometimes these appear to blend into one. In addition, other agencies such as the Environment Agency, Highways Agency and the defunct Regional Development Agency add to the mix.

Recommendations

- 1.29 It is clear that the prevailing economic conditions at the time of the study only serve to increase the pressure on the coastal economy. Authorities find themselves thrust into the economic development spotlight at a time when they are struggling with the impact of funding cuts themselves.
- 1.30 In addition, changes to other areas of Government spending, notably housing may also have a deleterious impact upon coastal communities especially those with high densities of HMO's. There are many dire forecasts of mass migration from Cities toward the coast as welfare reforms force families to move.
- 1.31 The Government has promised that coastal towns are a priority and has recently announced specific funding streams for coastal economic development. However, there is clearly going to be strong competition for this funding.
- 1.32 This background coupled with the specific insights in this study lead to the following recommendations:
- **Recommendation #1:** Policymakers need to monitor carefully their policy responses to flood risk to maintain the delicate balance of local economies.

 - **Recommendation #2:** Relationships between all levels of local government and all aspects of business need to be continually strengthened and reinforced.

 - **Recommendation #3:** Lincolnshire needs to develop a coherent economic development strategy for the County, Districts and the coast, identifying strengths and responsibilities.

 - **Recommendation #4:** Linkages into business networks, communities and groups need to be strengthened. The Authorities should ensure that these groups are supported and recognise that many businesses only encounter Authority officers through these forum and hence will form judgements. mapped. Some form of 'toolkit' or checklist should be developed that allows officers to ensure that coastal engagement is occurring correctly and all factors are being considered. This will be useful in bidding for grants (against stiff competition) or making cases for other streams of funding. The toolkit will also prove invaluable in marketing areas to encourage indigenous and external investment



- **Recommendation #5:** Whilst this study clearly shows that very few businesses can decouple themselves from the wider macro-economic context, we also found evidence of innovative business models and ideas all along the coast. In addition, there is strong evidence that local businesses tend to be as (if not more) resilient than larger organizations. These green shoots should be understood and encouraged.
- **Recommendation #6:** There should be a fundamental review of the data Lincolnshire requires in order to support and develop its local economy. Much of the evidence base currently available to the Authorities needs substantially updating. Similarly, in depth studies such as these require significant effort to get businesses to provide responses to in depth questioning. With the background of spending constraints 'smart' commissioning of research and evidence must be considered.



2 Introduction

- 2.1 Wood Holmes and Optimal Economics were commissioned by Lincolnshire County Council in September 2010 to generate the evidence, and develop an economic model for the Lincolnshire Coastal Pathfinder programme with a view to potentially being able to roll this methodology of coastal model method development to other coastal areas of the UK.
- 2.2 This report provides details of the approach taken to do this as well as the key findings from the work.

3 Study Aims and Objectives

- 3.1 The principal aim of this study was to establish why businesses are on the coast, and what it would mean to their business if economic development on the coast was substantially reduced, either as a result of coastal flooding, macro economic conditions or other policy intervention.
- 3.2 Specifically the study aimed to provide:
 - A better understanding of local businesses, including why businesses locate on the coast and what they need to survive
 - Build on established baselines data (developed through recent coastal study) to provide a more detailed local picture of business.
 - A clear economic model methodology exemplifying business imperatives.



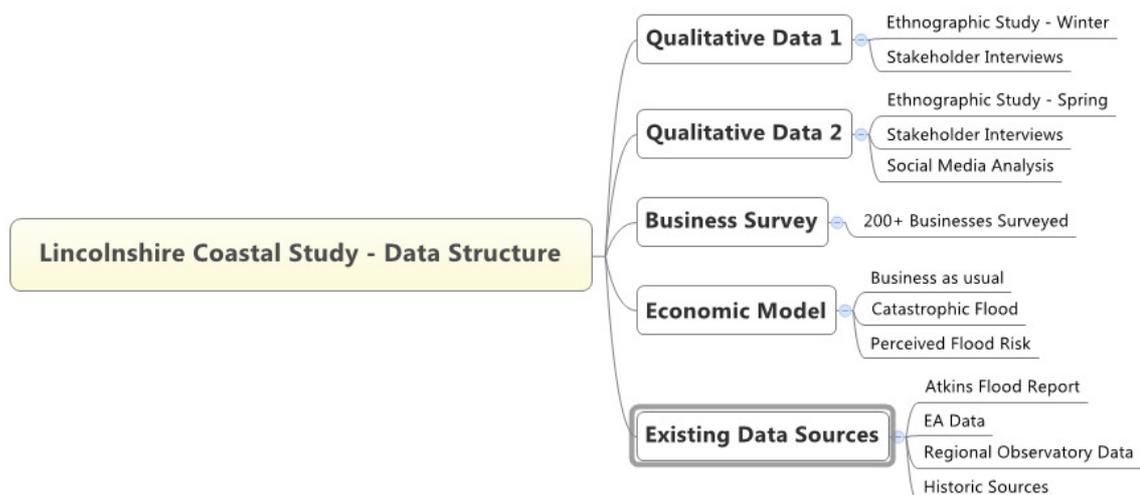
4 Research Approach

4.1 The original research proposal envisaged six key stages of activity:

- Stage 1: Project Inception and Planning
- Stage 2: Data Review – existing economic data, existing studies
- Stage 3: Establishing the Baseline – business survey, existing data
- Stage 4: Developing the Economic Model
- Stage 5: Developing Scenarios
- Stage 6: Reporting and Dissemination

4.2 As the project has developed the following data sets have been developed and each of these feed into the study outputs and findings:

Figure 4.1 – Data Structure:



4.3 The study area is shown in Figure 4.2 and covers all of Boston and South Holland district councils and parts of the East Lindsey district council area.

4.4 In terms of the economic zones used by Lincolnshire County Council, the coastal area covers all or part of the economic zones of Louth, Mablethorpe, Skegness, Boston, Spalding and Holbeach, Horncastle and Lincoln.



Figure 4.2 – Lincolnshire Coastal Study Area:





5 Policy Review

- 5.1 The project team have been reviewing, and continue to review, existing baseline and secondary data to improve local contextual understanding, particularly in terms of the extent and composition of business located on the Lincolnshire coastline.
- 5.2 The change of national government in 2010 brought about a rapidly changing policy landscape and the authors have attempted to capture this as the study has progressed.
- 5.3 Key issues that have emerged during the course of the study as pertinent to the Lincolnshire coastal zone, and to businesses based within this area, have been highlighted, and include:
- Coastal defence and flooding
 - Transport
 - Population
 - Labour supply and unemployment
 - Businesses and employment
 - Housing
- 5.4 On a national level, the change in government and subsequent comprehensive spending review in October 2010, has meant that new policies are yet to be delivered upon, and there is certainly a lack of clarity for specific coastal related issues at the individual and business level. An example of the uncertainty surrounding coastal investment was provided by Prime Minister David Cameron in November 2010, who could only state that flood defence spending over the next four years would be *'broadly the same as the amount we spent over the past four years'*¹.
- 5.5 However, the retention of the Cross-Departmental Working Group on Coastal Towns, based at DCLG, is testimony to the continued national interest in seaside resorts. This builds on the Conservative Party's published plan for coastal towns² that recognises the uniqueness of coastal towns and the variety of issues that they face from housing, to education, environment and transport. However, the Liberal Democrat manifesto did not have any notable focus on the coast specifically³.

Coastal Defence

- 5.6 Coastal defence and flooding is perhaps the most pertinent issue as it cuts across all aspects of the existing and planned coastal economy. With climate change anticipated to result in rising sea levels and increasing storm frequency, the Lincolnshire coast is particularly vulnerable as large areas are at or below sea level. Whilst the most vulnerable stretches of the coast are currently well protected from flooding, the expected changes in sea levels create issues that must be addressed

¹ Oral evidence taken before the Liaison Committee, 18th November 2010, <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmliaison/uc608-i/60801.htm>

² No Longer the End of the Line. Our Plan for Coastal Towns (Dec 2009)

³ Liberal Democrat Manifesto 2010



by decision makers about the relationship between coastal flooding, economic regeneration, planning and housing provision, agricultural production, tourism, social deprivation, the natural environment, transport and health.

- 5.7 These relationships span local economic development, national food security considerations, international site designations and a range of other issues that must be contemplated when determining the potential and the opportunities for coastal businesses.
- 5.8 As part of the Lincolnshire Coastal Study⁴, a number of scenarios were developed. From these a series of Principles to guide spatial development, and Options for new development, were proposed, taking into account flood risk. Furthermore, the means (partners, funding options, delivery mechanisms) of delivery were determined to enable development within the Lincolnshire Coastal Area⁴. From understanding these Principles and Options, this current study will determine how these relate to, and are taken onboard by, businesses.
- 5.9 Of the several thousand businesses in the coastal study area, the apparent dominant industries can be categorised as tourism and agriculture.

Tourism

- 5.10 Coastal tourism is a longstanding and significant industry around numerous parts of the UK coast. Seaside tourism in England and Wales is by any measure a large industry. In terms of employment it is comparable to the telecommunications sector and larger than the motor industry, aerospace, pharmaceuticals or steel.
- 5.11 According to a recent report, the myth that seaside tourism is in terminal decline as a result of the rise of foreign holidays is not substantiated. A significant British seaside tourism industry remains alive and well and seems even to have been growing over the last decade. For the future, the industry has a potentially important contribution to make not only to seaside towns but also to the British economy as a whole⁵.
- 5.12 Within Lincolnshire, there is a large proportion of 'traditional' British seaside attractions including B&Bs, amusements, piers, illuminations and other familiar features, for which there remains a market. In addition to these existing markets, there is growing interest in 'eco-tourism', building on the natural assets and heritage of the Lincolnshire Coast. Of particular relevance are the plans for the Coastal Country Park⁶ that aims to provide:
 - A more sustainable, varied and attractive coastal landscape, rich in wildlife
 - A new green tourism destination
 - Visitor centres, observatories and interpretation points
 - A vibrant, diverse, sustainable local community
- 5.13 From the baseline study produced earlier this year⁶, the plan has developed to incorporate many of the actions required in terms of joined-up thinking, such as transport infrastructure and conservation, which are pertinent to the wider economy as well as the mitigation and adaption to climate change and coastal flooding.

⁴ Lincolnshire Coastal Study, Summary Report (May 2010)

⁵ The Seaside Tourist Industry in England and Wales: Employment, economic output, location and trend. Beatty C., Fothergill S., Gore T. and Wilson I. (June 2010)

⁶ Lincolnshire Coastal Country Park: Socio-economic baseline study (Oct 2010)



Agriculture

- 5.14 The economic significance of agriculture, horticulture and wider food processing within Lincolnshire is very high, as discussed in the economic context below. Furthermore, the extent of the industry in Lincolnshire means that it is recognised as important to national food security issues⁷.
- 5.15 In terms of coastal relevance, the industry does not seem intrinsically linked to the coast, yet is considered in some areas to be at risk from coastal flooding as a consequence of climate change. Significant controversy is apparent as farm land in Lincolnshire is high value Grade 1 and 2 agricultural land which could be lost to flooding and is possibly required as natural habitat to meet requirements of the EU Habitats Directive⁸.

Challenges

- 5.16 Key challenges to the coastal economy are presented through the use of seasonal and part-time labour on lower than national average pay by the dominant tourism and agricultural sectors, together with housing affordability⁹, an aging population (in part driven by inward migration of older people), and the effects of climate change.
- 5.17 Combined, these issues present knock on effects for measures used to judge area deprivation; such as economic wellbeing of the population. As a result, these issues play a significant upstream role in the coastal areas of Lincolnshire being considered some of the highest in terms of multiple deprivation^{10,11}.
- 5.18 Understanding the impacts of these issues for businesses in the coastal areas is integral in developing a sound economic policy and pragmatic delivery plan.

⁷ Understanding Local Authority Activities in Relation to Managing the Impacts of Coastal Change. Defra (June 2009)

⁸ Humber Estuary Coastal Authorities Group. Flamborough Head to Gibraltar Point Shoreline Management Plan (November 2010)

⁹ Lincolnshire Housing Strategy 2009-2014. 'Delivering for Lincolnshire'

¹⁰ Lincolnshire's Most Deprived Areas, Natural England

¹¹ Gaining Value from The 2007 Indices of Deprivation in Lincolnshire, Lincolnshire Research Observatory



6 Economic Context

6.1 This section reviews the recent economic performance of the Lincolnshire coastal area.

Summary

6.2 The coastal area is defined as including the local authorities of South Holland and Boston and those parts of East Lindsey district council which lies to the east of the A16 as well as that part of East Lindsey which lies to the north west of Skegness and includes the towns of Spilsby, Horncastle and Wragby.

- A brief overview of the Lincolnshire coastal area and differences between its component areas is provided below:
- Tourism is important to the East Lindsey economy which is dependent on its coastal location. The importance of tourism results in a pattern of seasonal employment with East Lindsey also having a lower skills, lower income economy. The high levels of economic inactivity may also reflect hidden unemployment in the area.
- South Holland is the highest income area within the Lincolnshire coastal area and is dependent on agriculture and food processing activities. It has a high business birth rate relative to Boston and East Lindsey, albeit still below regional and national rates, but its weakness has been very slow employment growth since 2001.
- Boston has had strong employment growth since 2001 and the service sector is an important part of the economy. While public sector employment is important, private sector service employment in high value activities such as banking and finance is also important. However, the higher paid jobs in the area appear to be occupied by people living outside Boston.
- The population of the coastal area was just under 284,000 in 2009 with East Lindsey accounting for almost 50%. The population of the area has been growing at a faster rate than that of the East Midlands as a whole since 2001 with East Lindsey and South Holland driving this faster growth. The coastal area has a high proportion of people aged over 65 and this pattern will persist as the population grows over the period to 2031.
- The Lincolnshire coastal area's economic activity rate (75.7%) is just below the regional average (77.4%), but this includes relatively high activity rates in Boston and South Holland (over 80% in each area) and a very low rate in East Lindsey (70.9%). The main difference between East Lindsey and the other two authorities is that in East Lindsey a relatively high proportion of the working age population are not seeking employment.
- The coastal area also has a relatively low skills base with over 40% of the working age population having no qualifications or only qualifications up to NVQ 1.
- Although the coastal area does not have particularly high rates of unemployment, the lower skills base is reflected in the occupations sought by the unemployed. In East Lindsey 31% of the unemployed are seeking unskilled work. Seasonal unemployment is also a feature of the East Lindsey



economy, reflecting, in particular, the importance of tourism and agriculture to the area.

- Productivity, as measured by GVA per head, is low in Lincolnshire at 81% of the East Midlands figure, which in turn is only 86% of UK GVA per head.
- Workplace earnings in the coastal area are below the East Midlands average and are particularly low in East Lindsey. Residence based earnings are also low in Boston and East Lindsey while residence based earnings in South Holland are equivalent to the regional average suggesting that South Holland residents commute to higher paid employment outside the area. The difference between residence and workplace based earnings also suggests that the more highly paid jobs in Boston are taken by people from outside the local area.
- The number of VAT or PAYE registered businesses in the coastal area per 1,000 of the population is high compared to the East Midlands average, but the distribution across sectors is different with a high proportion of agricultural businesses and a lower proportion of businesses in “high value” activities such as information, communications, finance and insurance.
- The coastal area has a relatively high proportion of businesses which have been established for ten or more years. This suggests a stable business base, but there is also a low rate of new business formation.
- Employment in the coastal area grew at the East Midlands average between 2001 and 2009. Boston and East Lindsey both had growth rates above the East Midlands average but South Holland experienced a decline in employment. South Holland has a different employment structure to the rest of the coastal area with a relatively high proportion of employment in manufacturing activities, particularly the production and processing and food and drink products. These activities are dependent on the agricultural sector which is a key component on the coastal economy. The area is particularly important for general cropping and horticulture. Tourism related employment is also very important to the East Lindsey economy.
- Despite year-to-year fluctuations in average house prices since 1996, average house prices in Boston are the lowest of the three coastal areas at 62% of average English prices. South Holland and East Lindsey both have prices in 2008 which are about 72% of the English average although this reflects a narrowing of the gap in prices between the two areas since 2000.
- The ratio of lower quartile house prices to lower quartile earnings - which provides a measure of the affordability of private housing for lower earners, has fallen in all areas since 2007, but in East Lindsey the ratio remains above the East Midlands and English average suggesting that it may be difficult for local residents on relatively low earnings to afford housing.
- The stock of dwellings in the coastal area is forecast to increase between 2006 and 2031 at a rate higher than the East Midlands average as a result of faster growth in East Lindsey and South Holland.



Introduction

- 6.3 The Lincolnshire coastal area is shown in Figure 6.1 and covers all of Boston and South Holland district councils and parts of the East Lindsey district council area. In terms of the economic zones used by Lincolnshire County Council, the coastal area covers all or part of the economic zones of Louth, Mablethorpe, Skegness, Boston, Spalding and Holbeach, Horncastle and Lincoln.

Figure 6.1 – Lincolnshire Coastal Study Area:



- 6.4 Some of the data used in this analysis can only be obtained for Local Authority areas. This presents no problems for Boston and South Holland. In some cases it has been



necessary to include data for all of East Lindsey and where this is the case it is made clear. Where data are available at sub-local authority level (e.g. at ward level) we have defined the East Lindsey part of the assessment area as the wards which are listed in Appendix 4.

- 6.5 Although the coastal economic model has been developed for the whole Lincolnshire coastal area, the characteristics of the component local authorities are very different and this is highlighted in the analysis.
- 6.6 East Lindsey District Council covers an area of 1,760 km² and is one of the largest districts in England. East Lindsey is quite sparsely populated. At the time of the 2001 Census, East Lindsey had a population density of 0.74 people per hectare compared to the East Midlands average of 2.67 and the England average of 3.77. It covers the Lincolnshire Wolds (an area of outstanding natural beauty) and is bounded by the coastal towns of Mablethorpe and Skegness to the east and Wragby and the River Witham in the west. The Lincolnshire Wolds area of East Lindsey is not included in the area to be covered by the Lincolnshire coastal economic model.
- 6.7 Boston Borough Council covers an area of 362 km² and lies between East Lindsey to the north and South Holland Borough Council to the south. While it has a higher population density per hectare than East Lindsey, at 1.54, this is still below the East Midlands and England averages. Boston is the main town in the borough which also includes the port of Boston.
- 6.8 South Holland District Council covers an area of 742 km² and is the most southerly district in the Lincolnshire coastal economic model area. Its eastern and southern boundaries are the counties of Norfolk and Cambridgeshire and the unitary authority of Peterborough. It is also an area with a relatively low population density at 1.03 people per hectare. Spalding and Holbeach are the main towns in the district.
- 6.9 The remainder of the section analyses the characteristics and performance of the area under the following headings:
 - Population;
 - Labour supply and unemployment;
 - Gross value added and earnings;
 - Businesses and employment; and
 - Housing.

Population

- 6.10 Mid-year population estimates are available for the three local authorities covered by the Lincolnshire coastal area. The population of the Lincolnshire coastal area authorities was just under 284,000 in 2009 which represents almost 41% of Lincolnshire County. Lincolnshire County in turn accounts for approximately 15% of the East Midlands population. Details are shown in Table 1 and the key points to note are:
 - East Lindsey is the most populous authority among the Lincolnshire coastal area authorities accounting for almost 50% of its population. See Figure 6.2;
 - The Lincolnshire coastal area has had slightly faster population growth per annum since 2001 than both Lincolnshire county and East Midlands; and



- Within the Lincolnshire coastal area authorities, East Lindsey and South Holland have had the highest population growth per annum.

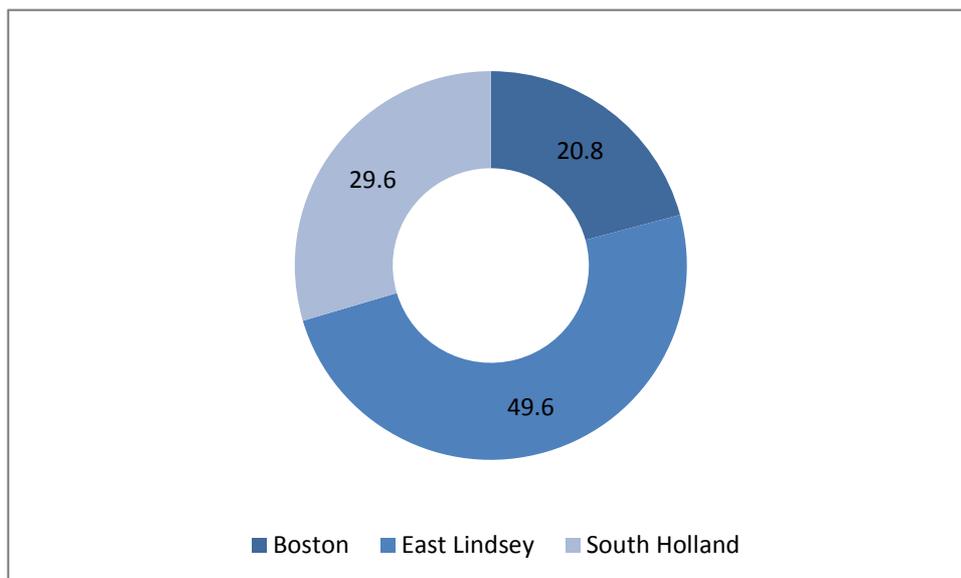
Table 6.1 – Population and Change, 2001-2009:

Area	2001 (000s)	2009 (000s)	Absolute Change '01 – '09 (000s)	% Change Per Annum
Boston	55.8	59.0	3.2	0.7
East Lindsey	130.7	140.8	10.1	0.9
South Holland	76.7	84.1	7.4	1.2
Lincolnshire Coast	263.2	283.9	20.7	1.0
Lincolnshire	647.6	697.9	50.3	0.9
East Midlands	4,189.6	4,451.2	261.6	0.8
GB	57,424.2	60,003.1	2,578.9	0.6

Source: Mid-year population estimates, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

Figure 6.2 – Population Distribution of Lincolnshire Coastal Area by Local Authority (%):



Source: Mid-year population estimates, ONS, Crown Copyright

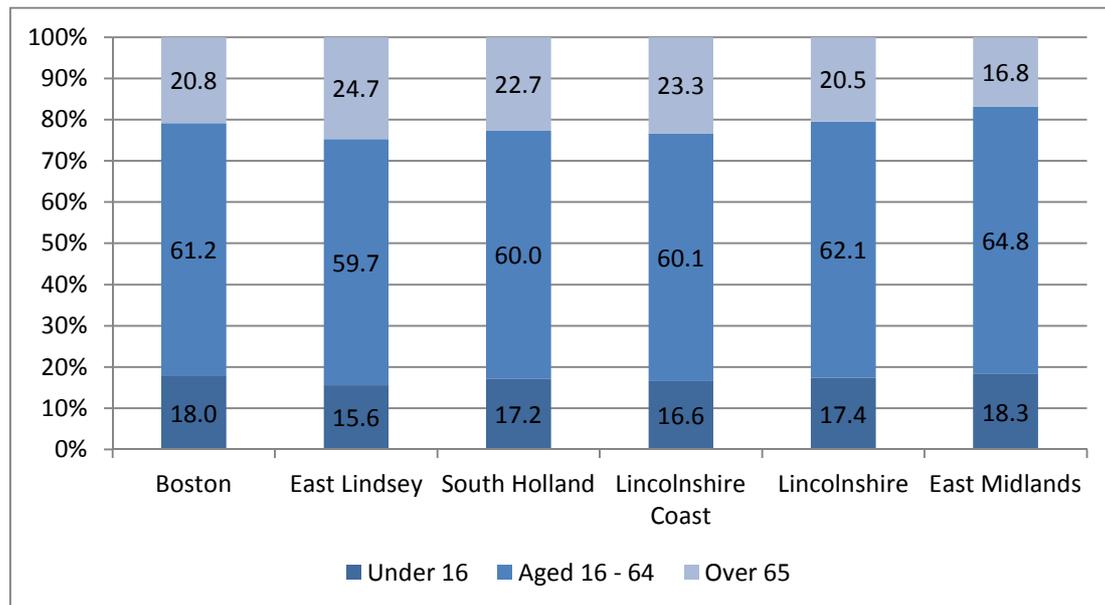
Note: Lincolnshire coast includes all of East Lindsey district

6.11 Figure 6.3 shows the distribution of population by broad age group for the three district authorities, the coastal area, Lincolnshire County and the East Midlands. The key points to note are:

- Lincolnshire county has a relatively high proportion of people aged over 65 compared to the East Midlands; and
- The coastal area and the individual local authorities have a higher proportion of people aged over 65 than the county with almost 25% of the population in East Lindsey aged over 65.



Figure 6.3 – Age Distribution of Lincolnshire Coastal Population 2009 (%):



Source: Mid-year population estimates, ONS, Crown Copyright

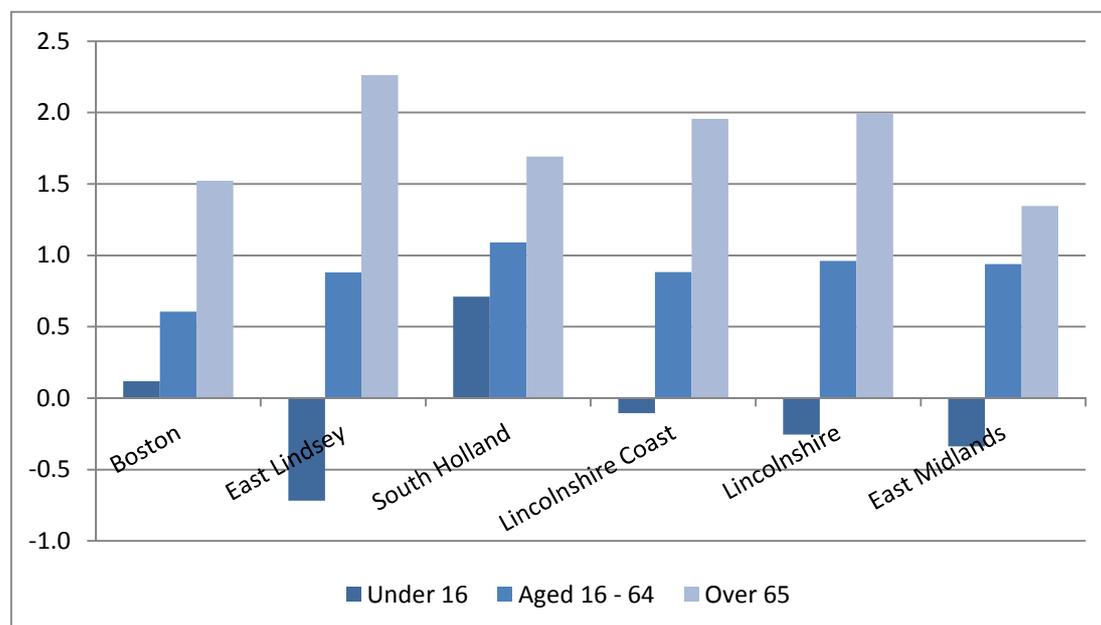
Note: Lincolnshire coast includes all of East Lindsey district

6.12 Figure 6.4 shows the average annual rate of change of population by age group. The key points are:

- The fastest growing age group across Lincolnshire and the East Midlands is the over 65's.
- The rate of growth of over 65s in East Lindsey is 2.3% per annum which is 1 percentage point per annum faster than the rate in the East Midlands;
- South Holland has the fastest rate of growth for the 16-64 age group;
- Boston and South Holland are the only areas where there has been a positive rate of growth in under 16s.



Figure 6.4 – Rate of Change of Population, 2001 to 2009 by Age Group, % per annum:



Source: Mid-year population estimates, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

Population Projections

- 6.13 The 2008 sub-national population projections show that the population of the East Midlands and Lincolnshire is expected to grow steadily over the period to 2030. The average annual rate of growth in both the East Midlands and Lincolnshire is expected to be 0.77% per annum between 2008 and 2030. Details are shown in Table 6.2. The Lincolnshire coastal area is forecast to have an even higher rate of population growth between 2008 and 2030, driven by relatively high growth in East Lindsey and South Holland. This is a continuation of the trend which has occurred since 2001.

Table 6.2 – All Ages Population Projections, 2008 to 2030, (000s):

Area	2008	2015	2030	Absolute Change '08 to '30	Average rate of Change p.a., %
Boston	59.1	61.8	68.1	8.9	0.64
East Lindsey	141.1	149.8	170.3	29.2	0.86
South Holland	83.9	89.6	102.2	18.3	0.90
Lincolnshire Coastal	284.2	301.2	340.6	56.4	0.83
Lincolnshire	695.6	735.2	823.7	128.1	0.77
East Midlands	4,419.3	4,684.4	5,240.0	810.7	0.77

Source: 2008-based Sub-National Population Projections, ONS

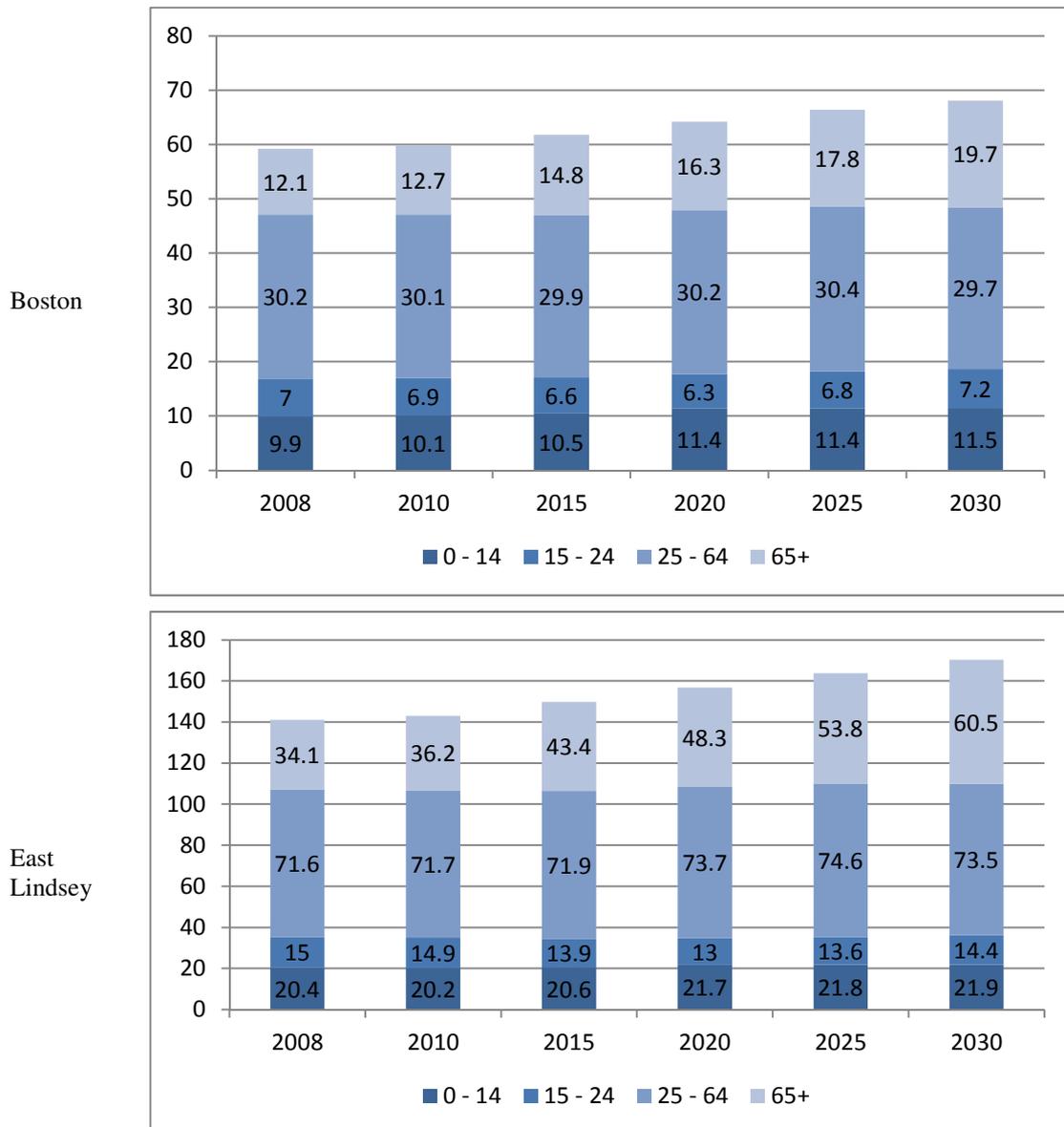
Note: Lincolnshire coast includes all of East Lindsey district



6.14 However, the relatively strong population growth is driven by very high rates of growth forecast for the population aged over 65. Across the East Midlands as a whole, the average annual rate of growth for the population over the age of 65 is 2.34%. Within East Lindsey the forecast rate of growth for the over 65's is 2.64% per annum. As a result, this age group will account for more than 35% of the East Lindsey population by 2030.

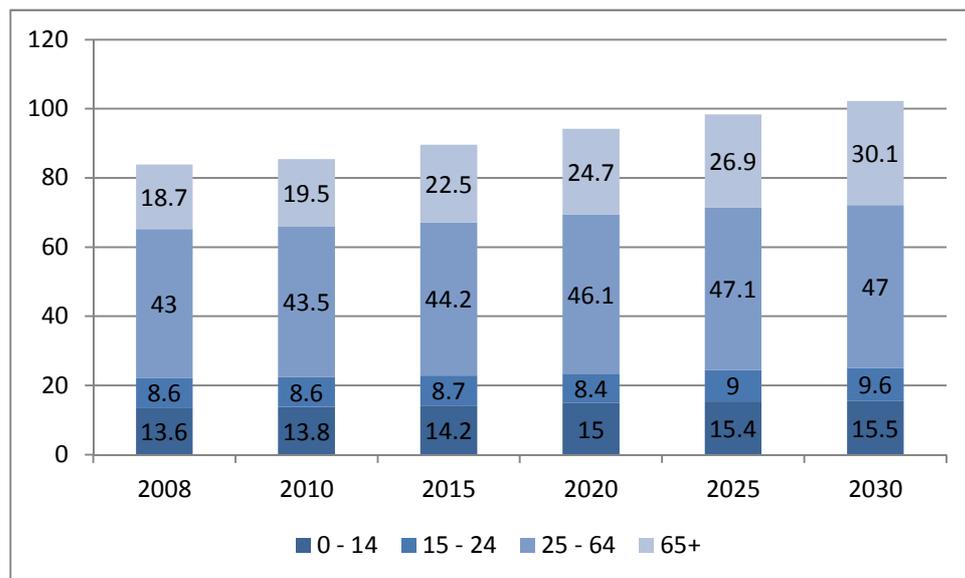
6.15 Figure 6.5 provides a summary of the population projections by local authority and age group over the period to 2030. Despite the overall growth in each area, Boston is forecast to lose population in the 25 to 64 age group and East Lindsey is forecast to lose population in the 15 to 24 age group.

Figure 6.5 – Population Projections by Age Group, 2008 to 2030, (000s):





South
Holland



Source: 2008-based Sub-national Population Projections

Note: Lincolnshire coast includes all of East Lindsey district

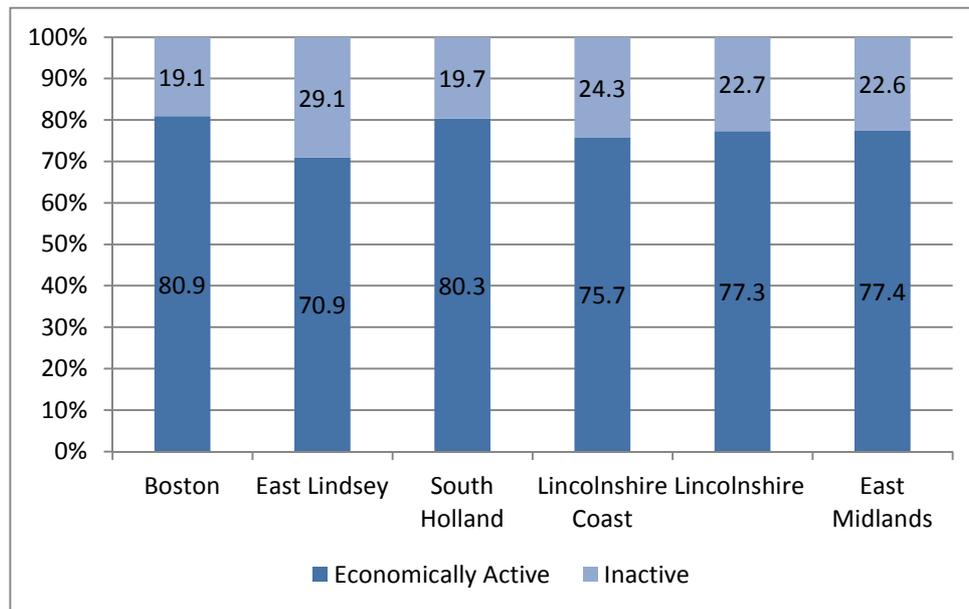
Labour Supply and Unemployment

6.16 Figure 6.6 shows the distribution of the economically active in each local authority for the period April 2009 to March 2010. Figure 6.7 shows the breakdown of the economically active between the employed and self employed and the distribution of the economically inactive between those seeking a job and those who not seeking a job. The data relate to people aged 16-64. The key points to note are:

- A very low proportion of the population are economically active in East Lindsey (71%) whereas in Boston and South Holland the proportion of the population who are economically active is above the East Midlands average;
- The East Lindsey position is primarily a reflection of a low proportion of the economically active in employment (57% compared to 63% across the East Midlands) and the relatively high proportion of the economically inactive who are not seeking a job;
- Compared to the East Midlands, Boston has a slightly higher proportion of people in employment (64%) while South Holland has a slightly higher proportion of people who are self-employed (10%);
- Over 29% of the population aged 16-64 are economically inactive in East Lindsey and this is dominated by people who are not seeking a job (24%) compared to 18% across the East Midlands;
- The proportion of the economically inactive in Boston and South Holland who are not seeking a job is relative low; and
- There is little difference in the proportion of the economically inactive across the areas seeking a job (Figure 6.7).



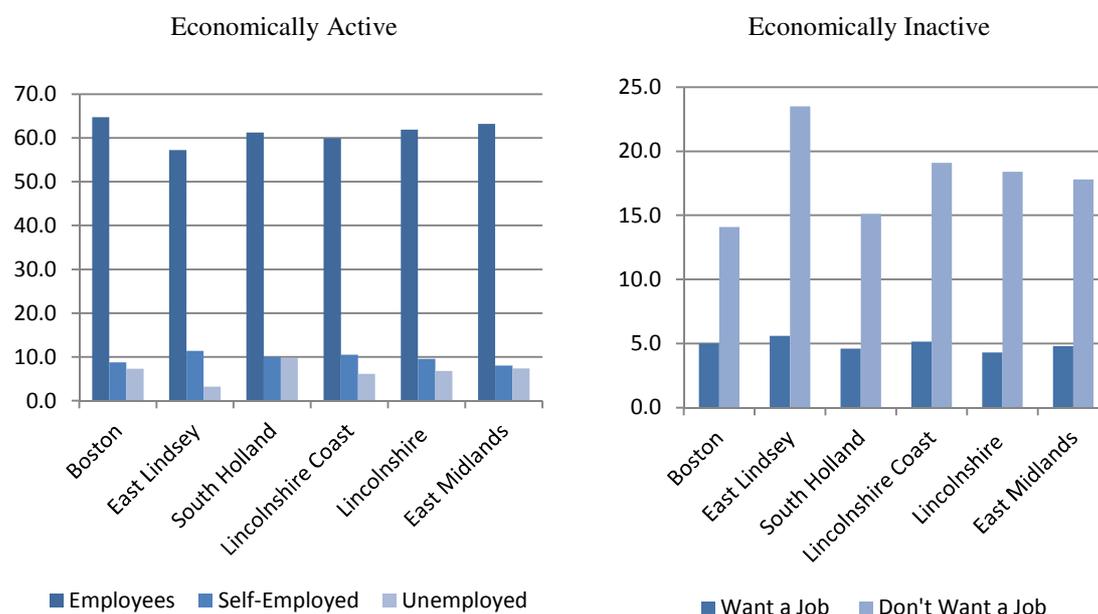
Figure 6.6 – Distribution of Economically Active and Inactive, Population aged 16-64, 2009-2010, %:



Source: Annual Population Survey, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

Figure 6.7 – Breakdown of Economically Active and Inactive, %:



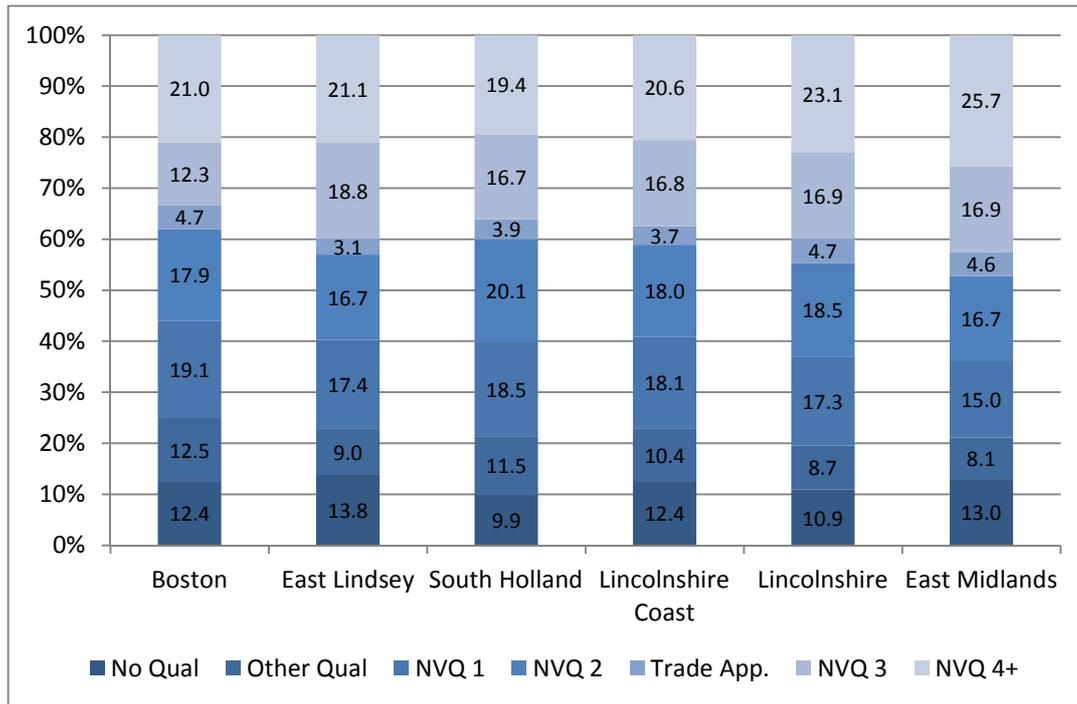
Source: Annual Population Survey, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

6.17 Figure 6.8 shows the distribution of the population aged 16-64 by highest qualification. The data are for local authorities for 2009 and show that the three coastal districts have a relatively low proportion of people with high level qualifications (NVQ4+) and a relatively high proportion of people with low level qualifications (no qualifications or other qualifications) compared to both Lincolnshire as a whole and the East Midlands.



Figure 6.8 – Distribution of Population 16-64 by Highest Qualification, 2009, %:



Source: Annual Population Survey, ONS, Crown Copyright

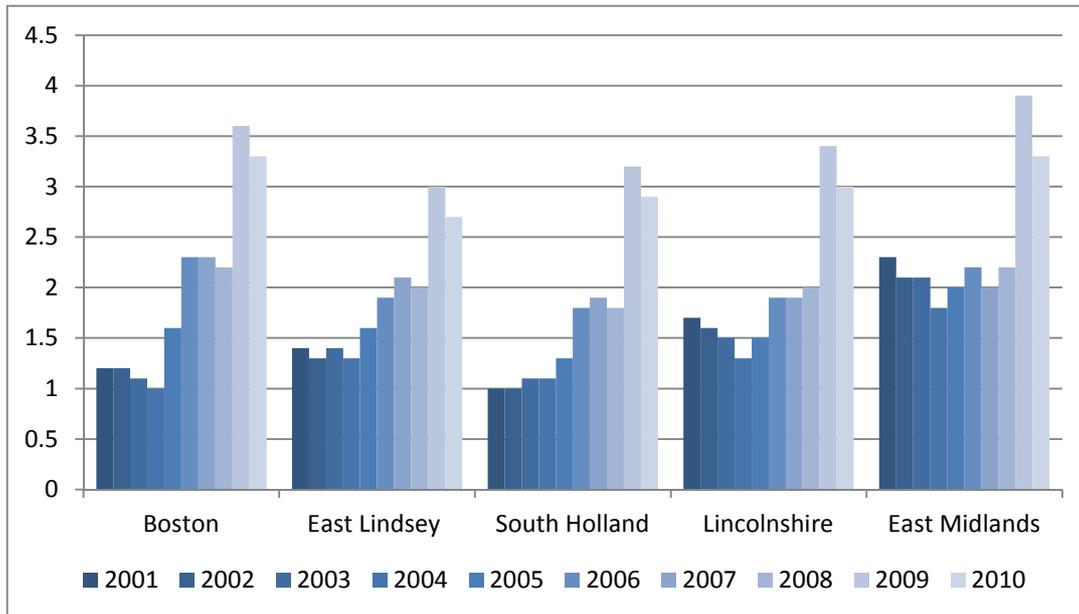
Note: Lincolnshire coast includes all of East Lindsey district

Unemployment

- 6.18 Figure 6.9 shows the claimant count rate of unemployment for the local authority areas of Boston and South Holland, the East Lindsey coastal area, Lincolnshire and the East Midlands. The data are shown for September of each year.
- 6.19 All areas (excluding South Holland) saw unemployment rates fall between 2001 and 2004, rising slightly between 2004 and 2008 with a steep increase in 2009 as the effects of the global recession are seen. The unemployment rates in Boston have been slightly higher than in East Lindsey and South Holland since 2006. Throughout the period, the unemployment rate across the East Midlands has been higher than the Lincolnshire coastal area.
- 6.20 The effect of the tourism industry on unemployment in East Lindsey is shown in Figure 6.10 where there is a clear seasonal pattern to unemployment. This is particular to East Lindsey and not reflected in either Boston or South Holland.

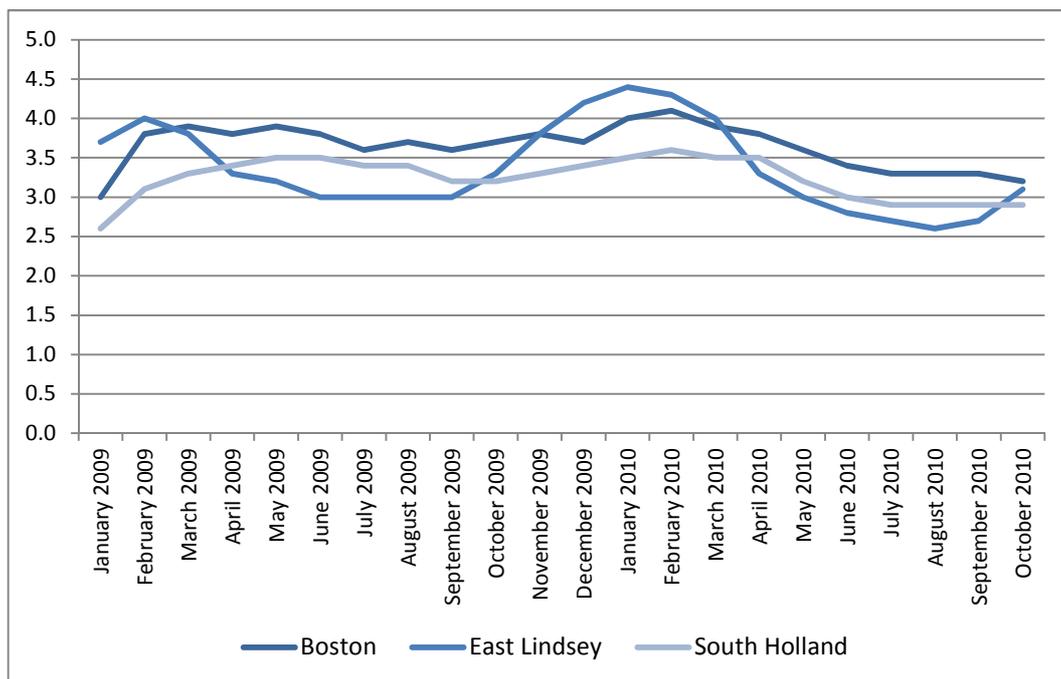


Figure 6.9 – Trend in Unemployment Rates, 2001 to 2010, %:



Source: Claimant Count, Nomis, Crown Copyright

Figure 6.10 – Trend in Unemployment Rates, Monthly 2009 and 2010, %:

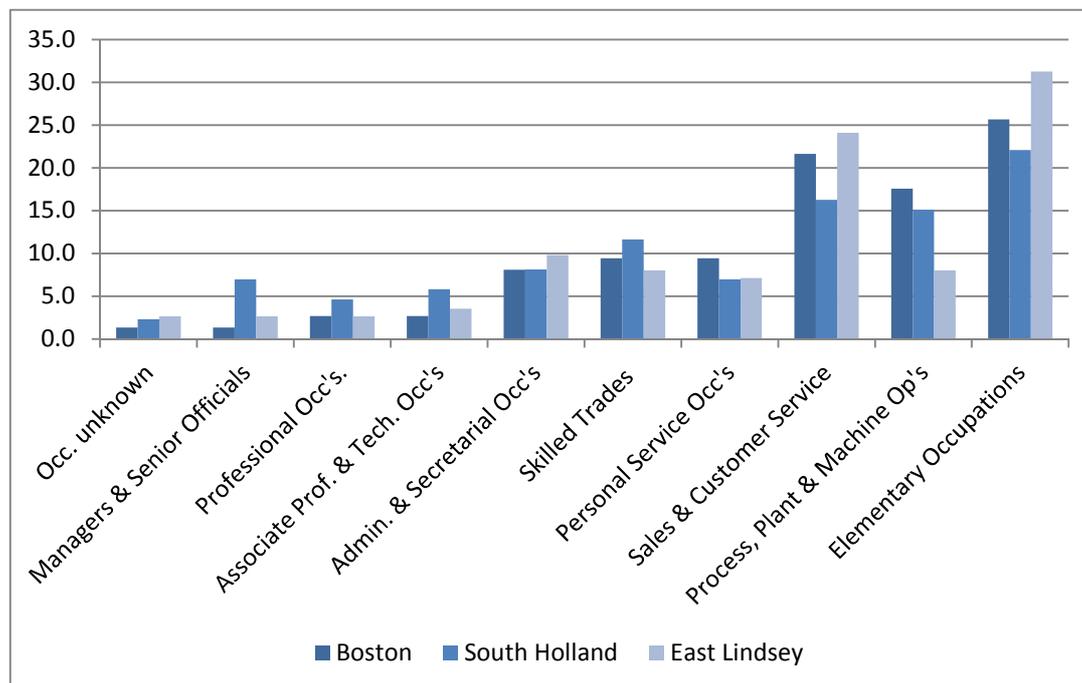


Source: Claimant Count, Nomis, Crown Copyright

6.21 Figure 6.11 provides a summary of the distribution of employment by occupation sought in each of the Lincolnshire coastal areas. In all three areas, the majority of the unemployed are looking for work in relatively low skilled areas e.g. sales and customer service, process operatives and elementary occupations. East Lindsey in particular has a high proportion of the unemployed seeking unskilled work (31% of unemployed are seeking work in elementary occupations).



Figure 6.11 – Distribution of Unemployment by Occupation Sought, October 2010, %:



Source: Claimant Count. Nomis, Crown Copyright

Gross Value Added and Earnings

6.22 Table 6.3 provides a summary of the gross value added (GVA) in Lincolnshire, the East Midlands and the UK as a whole. The data are not available by local authority.

Table 6.3 – Gross Value Added, £ million (current prices):

Area	2001	2008	2009	% Change p. a. '01 – '08	% Change p. a. '01 – '09
Lincolnshire	7,339	10,076	n/a	4.6	-
East Midlands	56,522	79,349	77,223	5.0	4.0
UK	907,594	1,295,663	1,255,724	5.2	4.1

Note: estimates are workplace based estimates

Source: Regional, Sub-Regional and Local GVA 2010, ONS

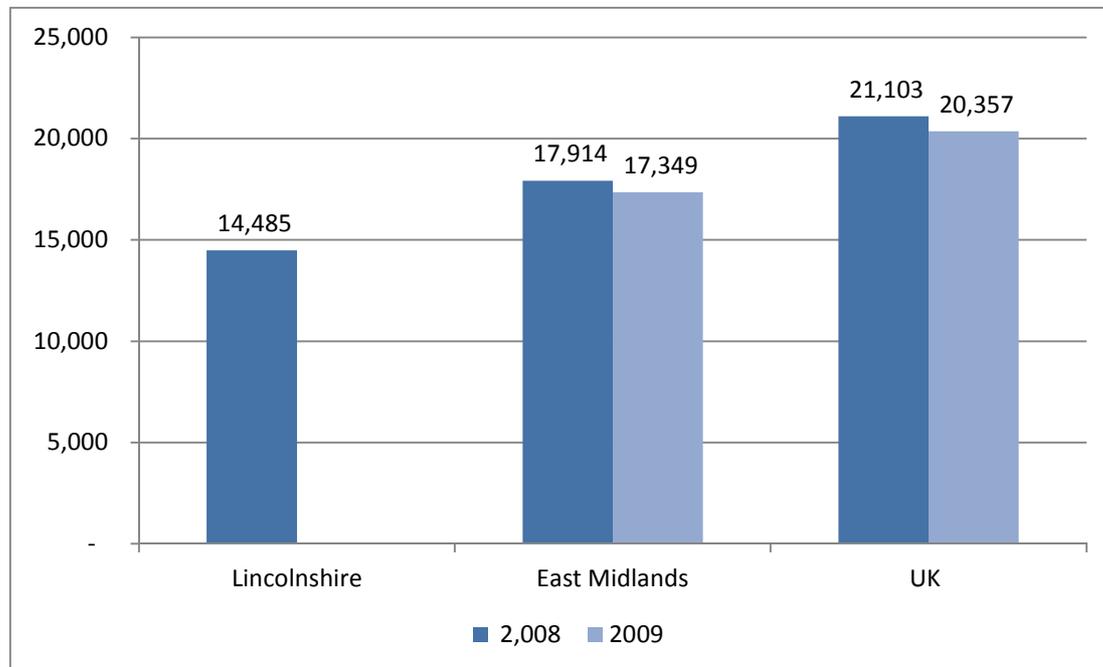
6.23 Businesses in the East Midlands generated GVA of £77,223 million in 2009. In 2008 East Midlands GVA was almost £79,350 million with Lincolnshire accounting for almost 13% of this figure. Between 2001 and 2008, the average annual rate of GVA growth in Lincolnshire was lower than the regional average - 4.6% per annum compared to 5.0%.

6.24 GVA per head is often used as a measure of productivity of an economy as it measures the average value of a worker's output. In 2008, GVA per head in Lincolnshire was £14,485 which is only 81% of the East Midlands figure. East Midlands GVA per head is also only 86% of UK GVA per head. Hence, East Midlands GVA per head is some 24% higher than Lincolnshire GVA per head. This



is shown in Figure 6.12. By this measure Lincolnshire is a lower wage, lower skill economy; reflecting the nature of the industries and activities which dominate the economy.

Figure 6.12 – GVA per Head, £:



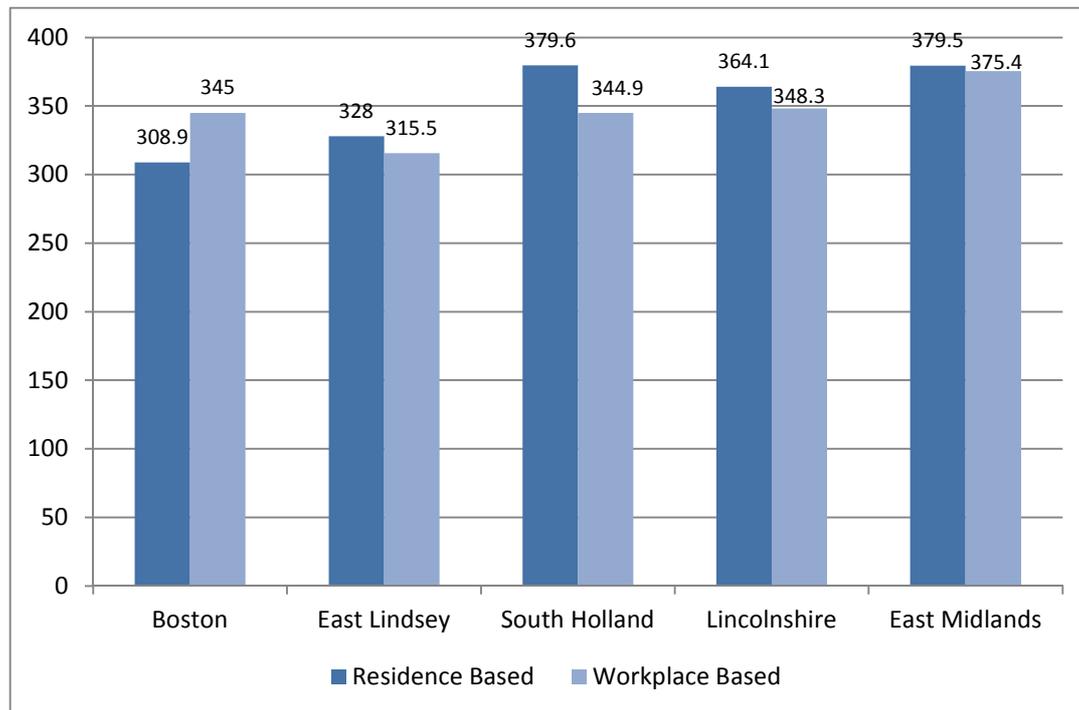
Source: Regional, Sub-regional and Local GVA 2010, ONS

Earnings

- 6.25 Income from employment is one of the main components of GVA. Figure 6.13 provides a summary of residence and workplace based earnings. The former reflect the incomes of people who live in the area and the latter figures relate to people who work in the area. The data are for 2009 and are for average gross weekly earnings. East Lindsey data cover the whole local authority area, not just the coastal wards.
- 6.26 Residence based earnings exceed workplace based earnings in all areas except Boston. The difference between residence and workplace based earnings in Boston suggests that the higher paid jobs in the area are taken by people living outside Boston. In contrast, in other parts of the area many higher paid people must work outside the area. It is likely, for example, that many high earners in South Holland work in Peterborough.
- 6.27 Both Boston and East Lindsey have relatively low residence based earnings compared to Lincolnshire and East Midlands, although Boston workplace earnings are comparable with the Lincolnshire average. Residence based earnings in South Holland are comparable to the East Midlands as a whole and exceed Boston and East Lindsey employment by 22% and 16% respectively.



Figure 6.13 – Average Weekly Earnings in the Lincolnshire Coastal Area, £:



Source: Annual Survey of House and Earnings, ONS

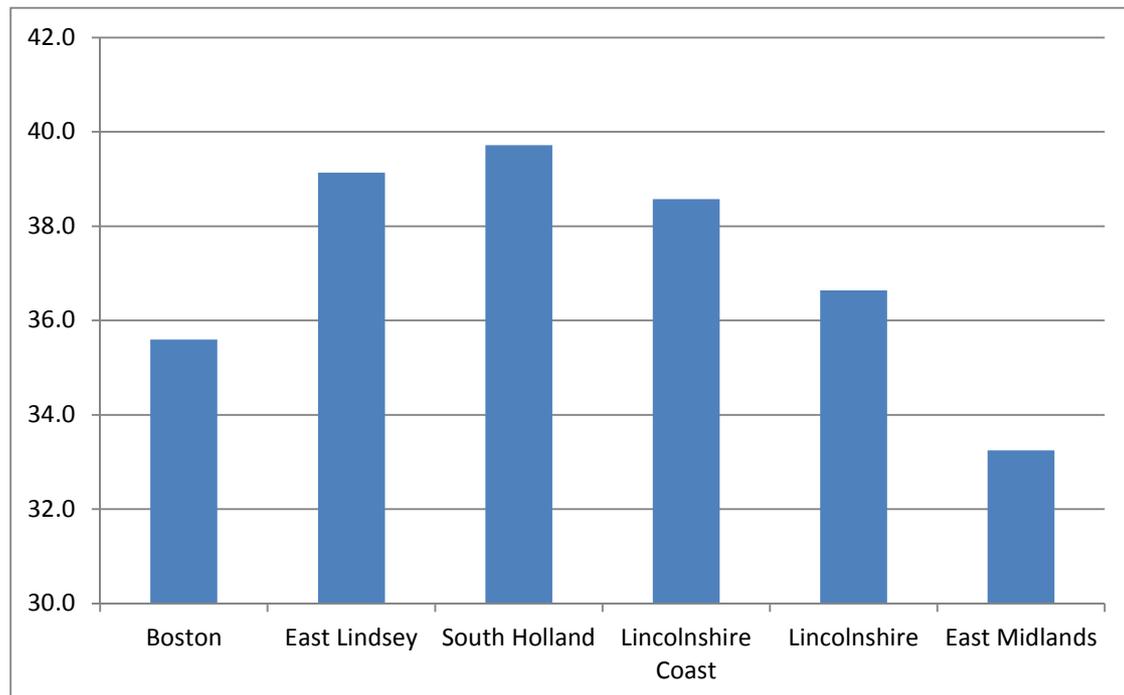
Note: Lincolnshire coast includes all of East Lindsey district

Number of Businesses

- 6.28 The industrial structure of the economy affects its ability to respond to any economic shocks and to create new paths of economic development. The industrial structure is examined through analysis of the number of businesses and employment in the area.
- 6.29 In 2009 there were 10,950 VAT registered or PAYE based enterprises in the three local authorities comprising the Lincolnshire coastal area. The majority of businesses are located in East Lindsey (50%) with a further 30% in South Holland. Figure 6.14 shows the number of businesses per 1,000 of the population. Across the East Midlands as a whole, there are 33 VAT registered or PAYE based businesses per 1,000 population.
- 6.30 The number of businesses per 1,000 population in the Lincolnshire coastal area is 38.6 which is a reflection of the relatively high rates of businesses per 1,000 population in East Lindsey and South Holland. Boston also has a rate of VAT/PAYE registered businesses which is higher than the East Midlands average. This is quite common in rural areas where many small agriculture related businesses exist.



Figure 6.14 – VAT/PAYE Registered Businesses per 1,000 of the Population, 2009:



Source: Inter-Departmental Business Register, ONS, Crown Copyright

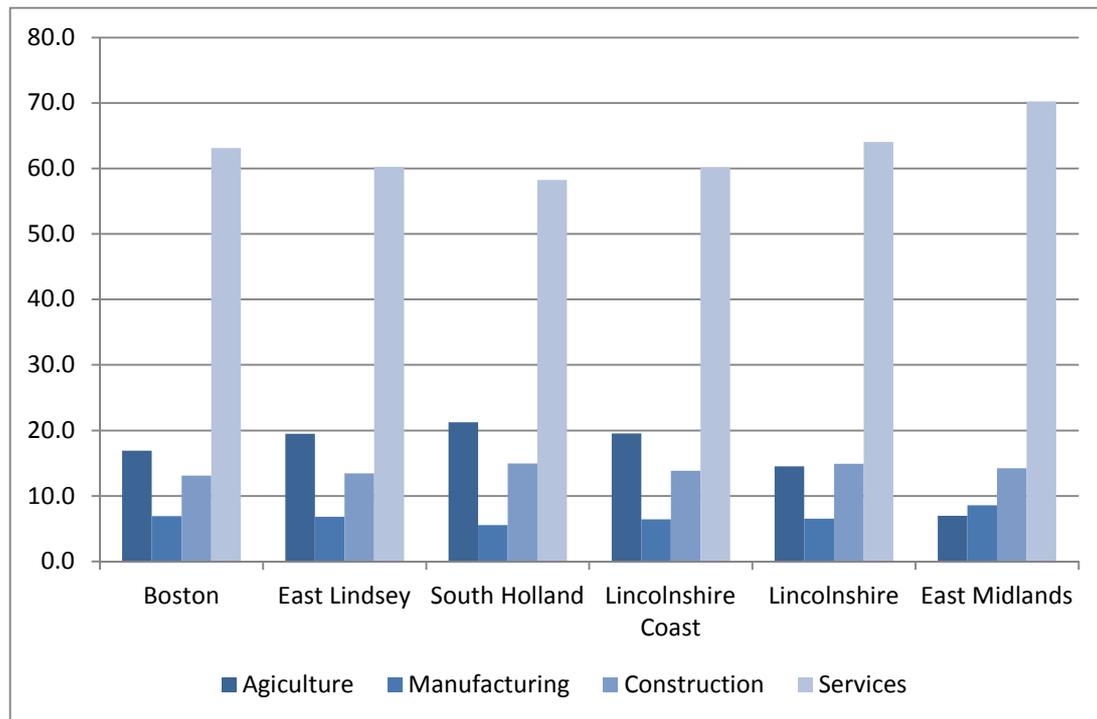
Note: Lincolnshire coast includes all of East Lindsey district

6.31 The distribution of these businesses by sector is shown in Figure 6.15. The main points to note are:

- The importance of agricultural businesses to the Lincolnshire coastal area, particularly East Lindsey and South Holland where approximately 20% of businesses are agricultural businesses; and
- The lower proportion of service sector businesses in the coastal area compared to the East Midlands as a whole, particularly in South Holland.



Figure 6.15 – Distribution of Businesses by Sector, 2009, %:



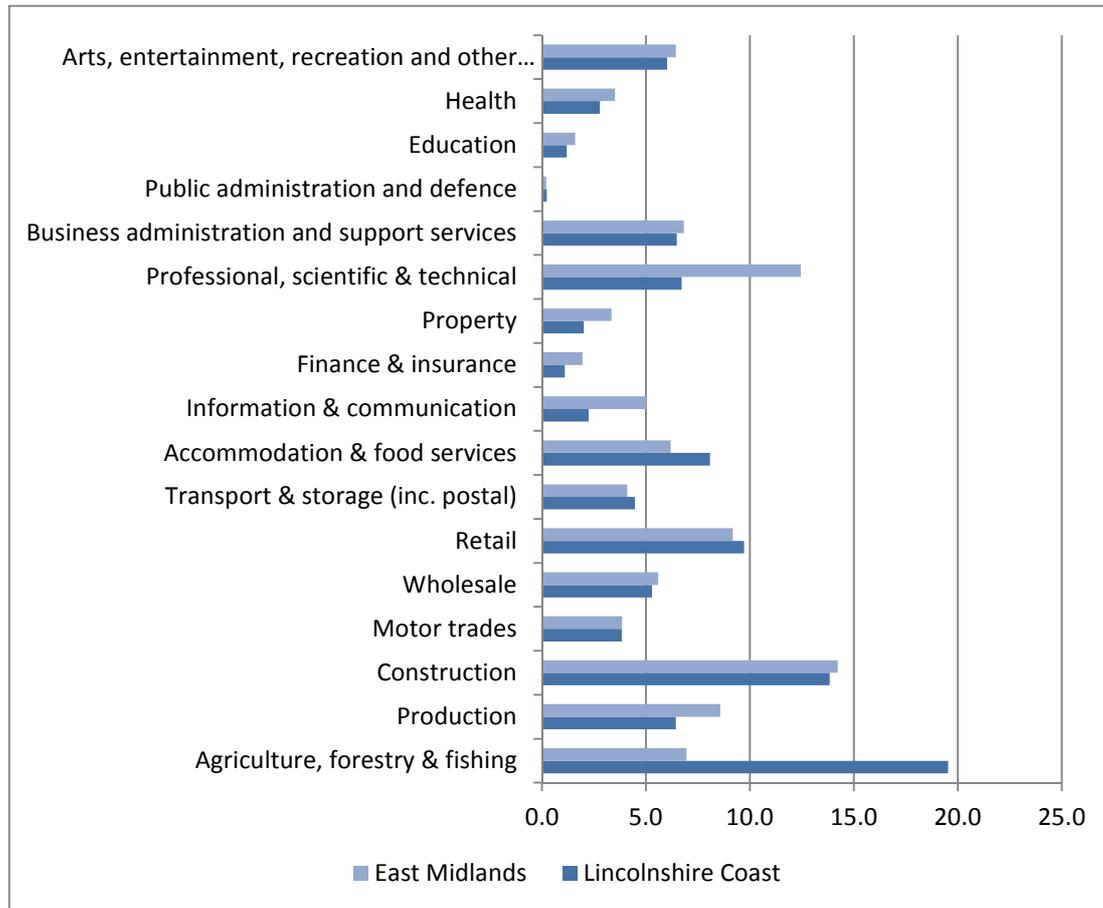
Source: Inter-Departmental Business Register, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

6.32 A further comparison of the distribution of businesses across the Lincolnshire coastal area and the East Midlands is shown in Figure 6.16. The importance of agriculture to the Lincolnshire coast is clear, but the coastal area, also has a low proportion of businesses in “higher value” activities including professional, scientific and technical; information and communication; and finance and insurance activities.



Figure 6.16 – Distribution of Businesses Lincolnshire Coastal Area and East Midlands, 2009, %:



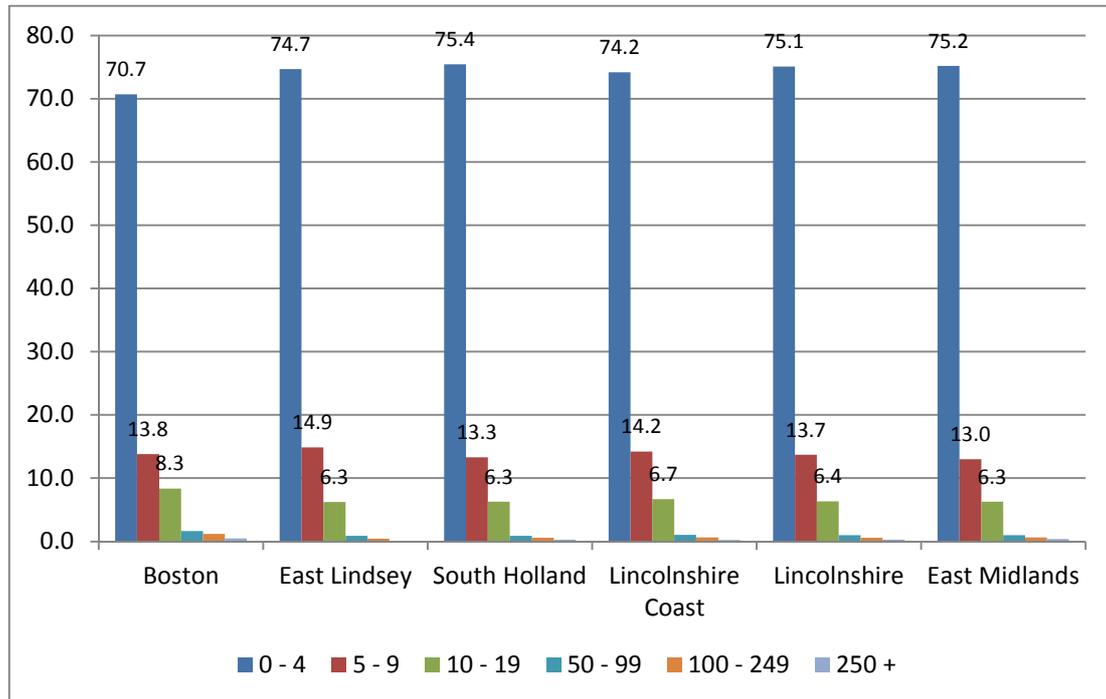
Source: Inter-Departmental Business Register, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

6.33 In terms of the size of businesses, the majority of businesses in the East Midlands (and England) are businesses with less than five employees. The Lincolnshire coastal area has a very similar distribution of businesses across the employment size bands, although Boston has a slightly lower proportion of very small businesses and a slightly higher proportion of larger businesses across all size bands. Details are shown in Figure 6.17.



Figure 6.17 – Distribution of Businesses by Employment Size Band, 2009, %:



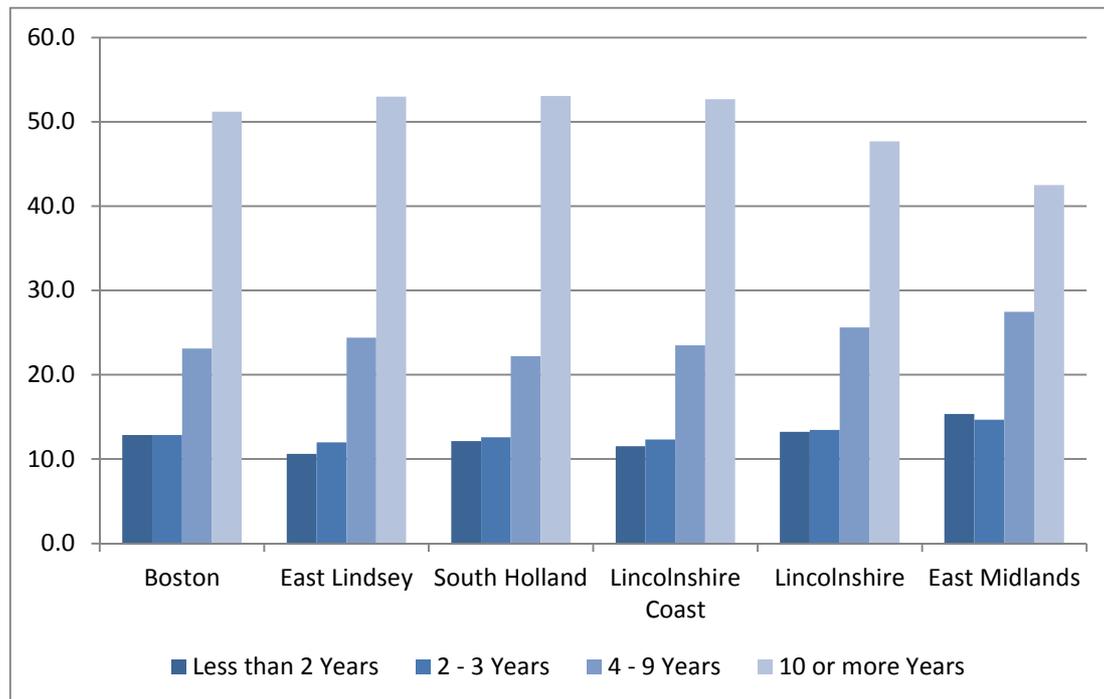
Source: Inter-Departmental Business Register, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

6.34 The distribution of businesses by age of the business is shown in Figure 6.18. The Lincolnshire coastal area is particularly dominated by businesses which are more than ten years old. While this suggests that the businesses are well established and relatively stable, the low proportion of younger businesses (those less than two years) suggests that there may be a weakness in the area in terms of creating new businesses. This is partly borne out by data considered below.



Figure 6.18 – Distribution of Businesses by Age of Business, 2009, %:



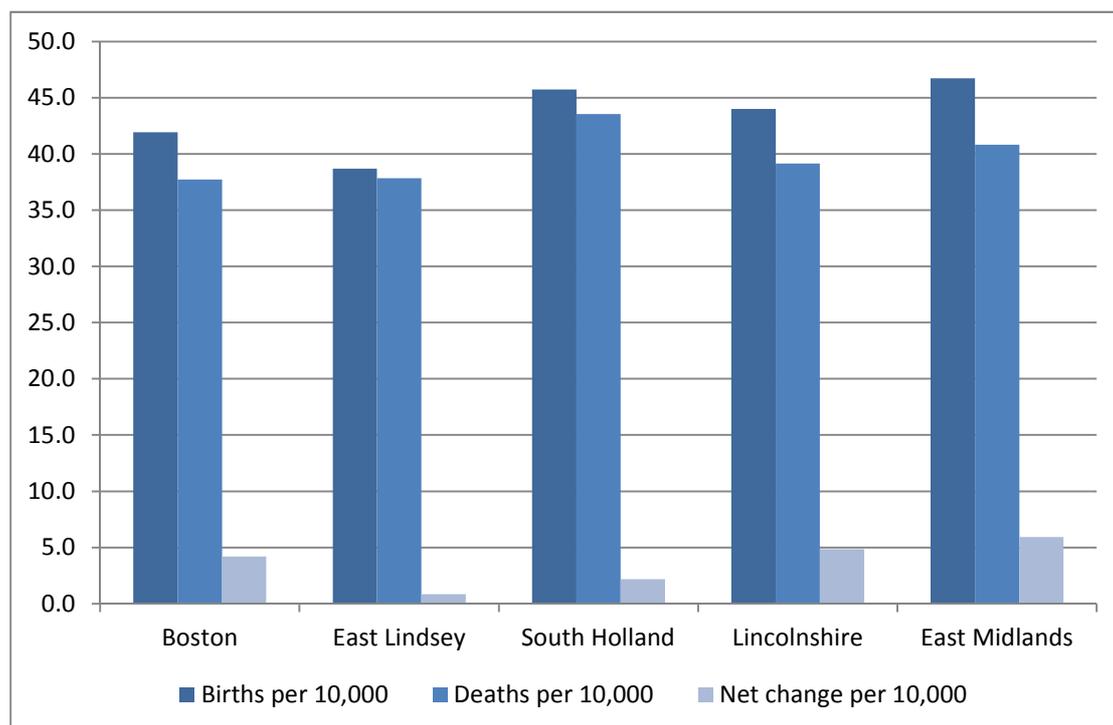
Source: Inter-Departmental Business Register, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

6.35 It may be noted that the East Midlands and Lincolnshire have by UK standards low annual rates of new business creation at 46.7 and 44 new businesses per 10,000 of the population aged 16+ respectively. Within the coastal area, rates vary from 38.7 per 10,000 of the population aged 16+ in East Lindsey to 45.7 in South Holland. Figure 6.19 provides summary of the business birth and death rate and the net change for 2008. Overall, the net change in businesses per 10,000 of the population aged 16+ is very low in East Lindsey at 0.8 and South Holland at 2.2 compared to the Lincolnshire average of 4.9 and the East Midlands average of 5.9.



Figure 6.19 – Business Birth and Death Rates per 10,000 of the Population Aged 16+, 2008:



Source: Inter-Departmental Business Register, ONS, Crown Copyright

Note: Lincolnshire coast includes all of East Lindsey district

Employment

6.36 Employment data are available by ward; therefore the data shown for East Lindsey cover that part of East Lindsey which is in the coastal area. Data for Boston and South Holland relate to the local authority areas. In 2009 there were 88,000 people employed in the Lincolnshire coastal area. This is 34% of Lincolnshire employment. Lincolnshire employment accounts for almost 14% of East Midlands' employment. Details are shown in Table 6.4.

Table 6.4: Employment Change, 2001 to 2009, (000s)

Area	2001	2009	Change (000s)	% Change per Annum
Boston	23.5	26.3	2.8	1.4
East Lindsey Coast	27.7	31.9	4.2	1.8
South Holland	31.7	30.0	-1.7	-0.7
Lincolnshire Coast	82.9	88.2	5.3	0.8
Lincolnshire	235.0	258.4	23.4	1.2
East Midlands	1,760.8	1,870.4	109.6	0.8

Source: Annual Business Inquiry (NOMIS) Crown Copyright

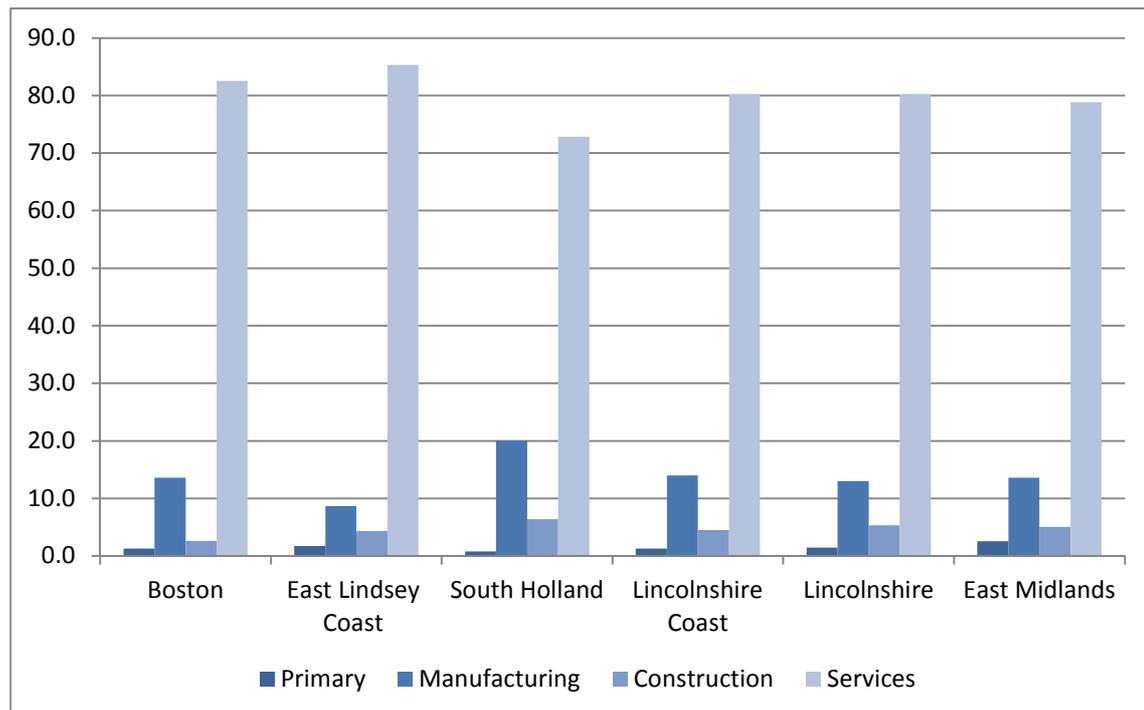
6.37 Between 2001 and 2009 the average annual rate of growth in employment in Boston (1.4%) and East Lindsey (1.8%) was higher than the rate for both Lincolnshire and



the East Midlands as a whole. South Holland employment has declined over the period by 0.7% per annum.

- 6.38 The distribution of employment by sector is shown in Figure 6.20. South Holland has quite a different distribution of employment from that in Boston and East Lindsey. In particular, it has a relatively high proportion of employment in manufacturing (20% relative to East Midlands' figure of 14%) and a relatively low proportion of employment in services (73%).

Figure 6.20 – Distribution of Employment by Sector, 2009, %:



Source: Business Register and Employment Survey, Nomis, Crown Copyright

Manufacturing Employment

- 6.39 Manufacturing in South Holland accounts for almost 20% of employment which is some 6 percentage points higher than across the East Midlands as a whole. This is reflected in a location quotient¹² (LQ) analysis. Manufacturing in South Holland has an LQ of 1.5 compared to the East Midlands which shows that this sector is more heavily represented in South Holland than in the East Midlands as a whole. Within South Holland, manufacturing employment is heavily dominated by the manufacture of food products with almost 4,800 employees (79% of the manufacturing sector). The processing and preserving of fruit and vegetables account for the majority of employment in the food production sector.
- 6.40 Although manufacturing employment in Boston accounts for only 14% of employment, the largest industry is also the manufacture of food products. As with

¹² Location quotients measure the extent to which a sector in an area is over or under represented relative to a benchmark economy. In this analysis the benchmark is the East Midlands.



South Holland the processing fruit and vegetables and the manufacture of other food products are the key activities. The manufacture of wood and wood products is the second largest manufacturing industry in Boston.

- 6.41 Manufacturing accounts for 9% of employment in the East Lindsey coastal area with employment more evenly distributed across all manufacturing activities.

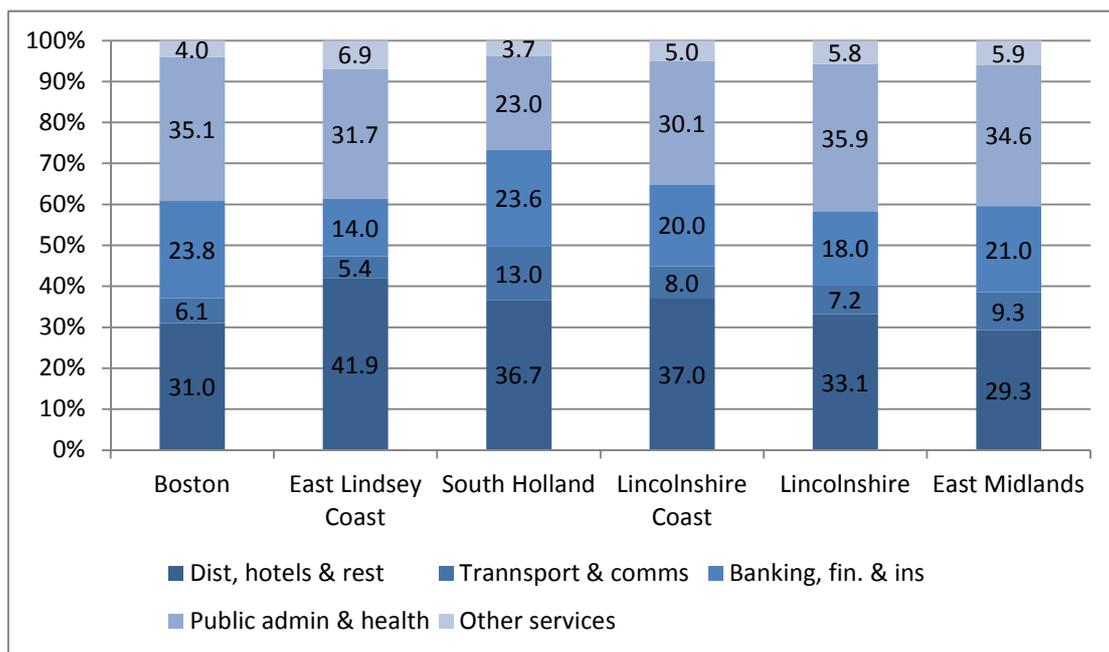
Construction Employment

- 6.42 Within the Lincolnshire coastal area, South Holland accounts for 48% of construction employment. The construction sector in South Holland accounts for over 6% of total local employment which is above the proportion for the East Midlands as a whole. The construction sector is under-represented in Boston compared to the East Midlands as shown by a LQ of 0.5.

Services Employment

- 6.43 Figure 6.21 provides a summary of the distribution of service sector employment across the main industries.

Figure 6.21 – Distribution of Service Sector Employment, 2009, %:



Source: Business Register and Employment Survey, Nomis, ONS

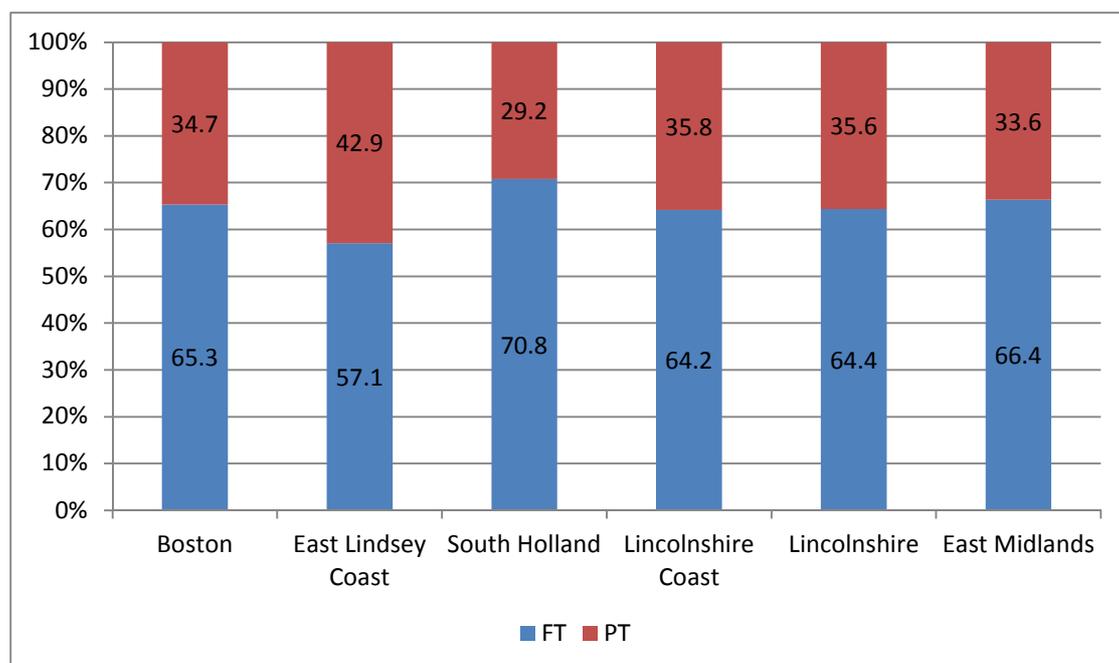
- 6.44 The three districts within the Lincolnshire coastal area have quite different service sector employment distributions. All have a relatively high proportion of employment in distribution, hotels and catering relative to the East Midlands, but this sector accounts for almost 42% of service sector employment in the East Lindsey coastal area.
- 6.45 The distribution, hotels and catering sector can be divided into two broad categories - wholesale and retail trade; and hotels and restaurants. The wholesale and retail trade categories account for a similar proportion of employment across the three Lincolnshire coastal authorities, but in the East Lindsey coastal area the hotel and restaurant category accounts for a much larger proportion of employment. This



reflects the importance of the tourism industry to the district with hotel and restaurant employment accounting for 17% of East Lindsey coastal area employment compared to under 6% across the East Midlands as a whole. The LQ for hotels and catering employment in East Lindsey is very high at 2.9 with Boston and South Holland having LQ's for this industry of less than 1 which signifies that this sector is less important in these areas than in the East Midlands as a whole.

- 6.46 South Holland has a higher concentration of employment in transport and communications with a LQ relative to the East Midlands of 1.7. This relatively high LQ reflects the importance of freight transport (road) in the district which accounts for 87% of employment in the transport sector.
- 6.47 Banking and finance employment in Boston and South Holland has a similar representation as the East Midlands as a whole, but it is very much underrepresented in the East Lindsey coastal area where the LQ is 0.7.
- 6.48 South Holland is underrepresented in all public sector activities with a LQ for the sector as a whole of 0.6 relative to the East Midlands,
- 6.49 The other services sector is also relatively important in East Lindsey with a LQ of 1.3 relative to the East Midlands which comprises a range of activities from sport and recreation to refuse disposal.
- 6.50 Figure 6.22 shows the distribution of employment between full-time and part-time positions. The distribution of employees between full-time and part-time work in the Lincolnshire Coastal area is very similar to the East Midlands as a whole, but East Lindsey and South Holland have very different characteristics. East Lindsey has a relatively high proportion of part-time employees, primarily in the distribution, hotels and catering sectors. Conversely South Holland has a relatively low proportion of part-time works reflecting the importance of the manufacturing sector and its relatively high proportion of full-time workers.

Figure 6.22 – Distribution of Employment between FT and PT Positions, %:



Source: Business Register and Employment Survey, Nomis, ONS



Key Sectors: Agriculture

- 6.51 In 2008 agriculture contributed 0.59%¹³ to gross value added in England. Agriculture's contribution to regional economies was highest in the South West at 1.16% and the East Midlands at 1.08%. Although it is a relatively small percentage of total GVA, agriculture is almost twice as important to the East Midlands economy as England as a whole. Gross output of the agricultural sector in the East Midlands in 2009 was £2,060 million with the majority (52%) accounted for by crops and horticultural products. The remainder was provided by livestock output with poultry accounting for almost 25% of livestock output.
- 6.52 Data on income and output are not available at the sub-regional level, but data are available on farm holdings and area. In 2009 there were just over 23,200 farm holdings in the East Midlands accounting for 10.7% of England's farm holdings. Lincolnshire is the largest farming area in the region accounting for almost 7,200 farm holdings (31% of the regional total). The other principal farming areas are Derby and South West Derbyshire with just over 4,700 units (20%) and Leicester and Leicestershire County Council and Rutland with just over 4,200 units (18%). Across these areas approximately 55% of farm units are commercial units.
- 6.53 Table 6.5 provides a summary of the number of commercial farm units by type and the commercial area farmed in Lincolnshire. Lincolnshire's proportion of East Midlands' farm units and area is also shown. The majority of commercial farm units in Lincolnshire are cereal or general cropping farms accounting for 62% of holdings. These are relatively large holdings as the area accounted for by these two farm types is 90% of Lincolnshire's commercial farmed area.
- 6.54 Lincolnshire is a key location for general cropping and horticulture within the East Midlands as it accounts for the majority of the region's holdings and area. The East Midlands in turn is the second most important region in the UK for potato and horticultural output¹⁴ with 90% of regional horticultural turnover occurring in Lincolnshire. Specialist poultry and cereals are also important activities in the area.

Table 6.5 – Number of Commercial Farm Holdings and Area by Farm Type, 2009:

Farm Type	Commercial Holdings		Commercial Area	
	Lincolnshire Number	As % East Midlands	Lincolnshire (000s Hectares)	As % East Midlands
Cereals	1,610	41.5	262.1	44.4
General Cropping	929	74.9	177.1	76.4
Horticulture	240	57.1	3.1	51.0
Specialist Pigs	52	40.6	0.6	24.2
Specialist Poultry	168	46.7	2.6	42.7
Dairy	43	6.1	3.4	5.2
Grazing Livestock LFS	0	0.0	0.0	0.0
Grazing Livestock Lowland	390	17.1	10.9	13.6
Mixed	176	22.2	18.3	22.9

¹³ Defra (2010) "Agriculture in the English Regions 2009"

¹⁴ Bidwells (2010) "Grow EM: The Horticulture Industry in the East Midlands"



Other	486	18.8	7.4	16.4
Total	4,094	31.0	485.5	41.5

Source: June Survey of Agriculture and Horticulture 2009

6.55 Data by local authority within Lincolnshire are only available for 2007 with Table 6.6 showing the number of farms by type in each of the three areas within the Lincolnshire coastal area. East Lindsey and South Holland are the main farming areas within the coastal area accounting for 87% of Lincolnshire coastal farms. The importance of the coastal area to general cropping and horticulture is seen with the three districts accounting for 54% of East Midlands' general crop farms and 46% of horticulture farms.

Table 6.6 – Number of Farm Holdings by Farm Type, 2007:

Farm Type	Boston	East Lindsey	South Holland	Lincolnshire Coast	
				Total	As % East Midlands
Cereals	535	#	242	777	18.4
General Cropping	248	179	351	778	54.1
Horticulture	88	64	202	354	46.2
Specialist Pigs	26	#	#	26	11.8
Specialist Poultry	126	11	25	162	23.0
Dairy	24	0	#	24	2.8
Grazing Livestock LFS	0	0	0	0	0.0
Grazing Livestock Lowland	207	29	54	290	9.7
Mixed	107	12	18	137	13.3
Other	832	210	359	1,401	15.4
Total	2,193	505	1,251	3,949	17.7

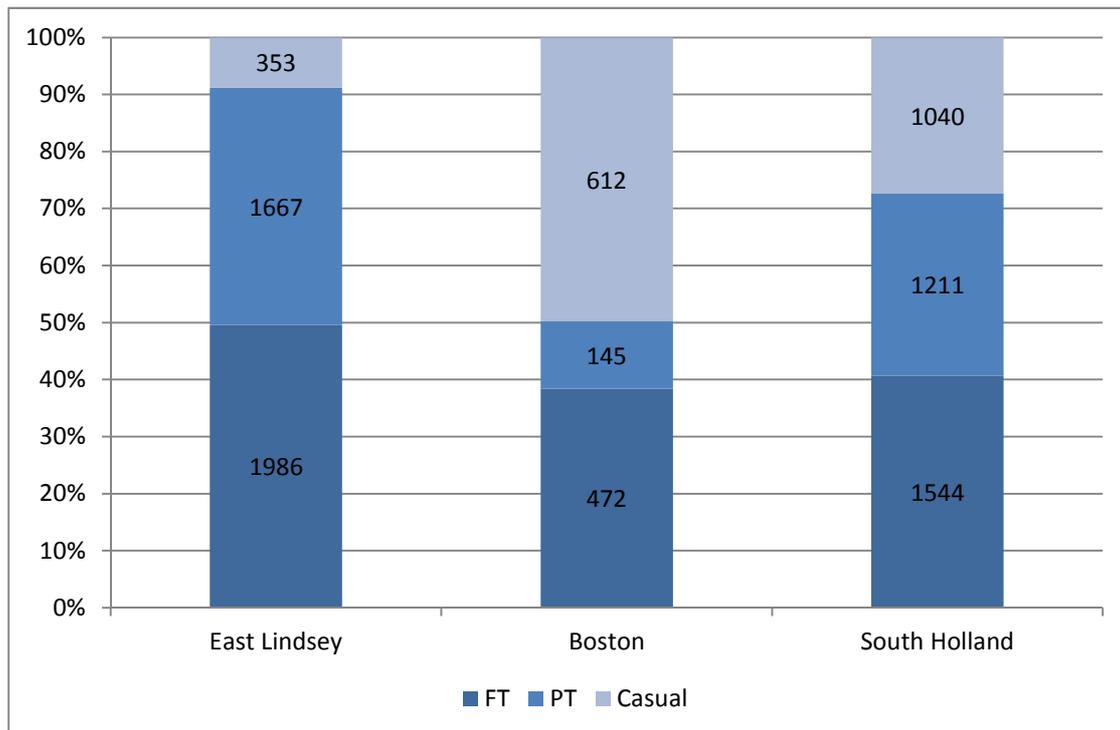
Source: June Survey of Agriculture and Horticulture 2007

Note: # data suppressed for confidentiality

- 6.56 The survey of agriculture and horticulture provides information on employment in the sector. In 2007, the Lincolnshire coast had just over 9,000 people working in agriculture with East Lindsey and South Holland accounting for the majority of employees with 4,000 and 3,800 employees respectively. These data include farmers, spouses and casual workers. The breakdown of employment by employment type is shown in Figure 6.23.
- 6.57 The distribution of agriculture employment by type is very different across the three districts. In Boston, 50% of employment is casual employment whereas in East Lindsey there are relatively few casual employees.



Figure 6.23 – Employment in Agriculture by Type, 2007, %:



Source: June Survey of Agriculture

Key Sectors: Tourism

- 6.58 There were 17.3 million tourist visits to Lincolnshire in 2009¹⁵ which is 12% of East Midlands' tourist visits. Since 2004 the number of tourist visits to Lincolnshire has increased by 1.6% per annum compared to growth of 0.3% per annum in the number of visits to the East Midlands. The majority of Lincolnshire visits were day trips (14.2 million or 82%) with 3.1 million overnight trips generating 12 million visitor days. Of the 3.1 million overnight trips, 40% (1.2 million) are to non-serviced accommodation where the average length of stay is just under 7 nights. The average length of stay for the remaining overnight visitors is 2 nights which, along with the high proportion of day visitors, suggests that Lincolnshire is very much a day trip/ short break destination.
- 6.59 Tourists to Lincolnshire spent almost £972 million in 2009 which is 16% of East Midlands' tourism revenue. Tourism spend per person per day was £46.70 in Lincolnshire for staying visitors and £28.90 for day visitors. Lincolnshire tourism is highly seasonal with 69% of tourist days occurring between April and September compared to 61% across the East Midlands as a whole. This reflects the traditional nature of the Lincolnshire coastal product.
- 6.60 It is estimated that 13,900 jobs are supported in Lincolnshire by tourist spending with accommodation and shopping accounting for 59% of these jobs.
- 6.61 The Lincolnshire tourist data are not available at the sub-county level, but estimates of tourism related employment are available from the Business Register and

¹⁵ East Midlands Tourism (2010) "Lincolnshire: Volume and Value of Tourism, 2009"



Employment Survey for the three local authorities in the Lincolnshire coastal area. East Lindsey is the key driver of tourism in the coastal area. In 2009, almost 20% of employment in the East Lindsey coastal area was in tourism related industries¹⁶ compared to 8% across the East Midlands as a whole and approximately 5% in both South Holland and Boston respectively.

Employment Forecasts

- 6.62 The latest employment forecasts¹⁷ show that between 2010 and 2026, employment growth is forecast to be 0.6% per annum in the East Midlands. South Holland and East Lindsey are forecast to have similar growth rates over the period to 2026, but employment growth in Boston is only forecast to be 0.3%.

Housing

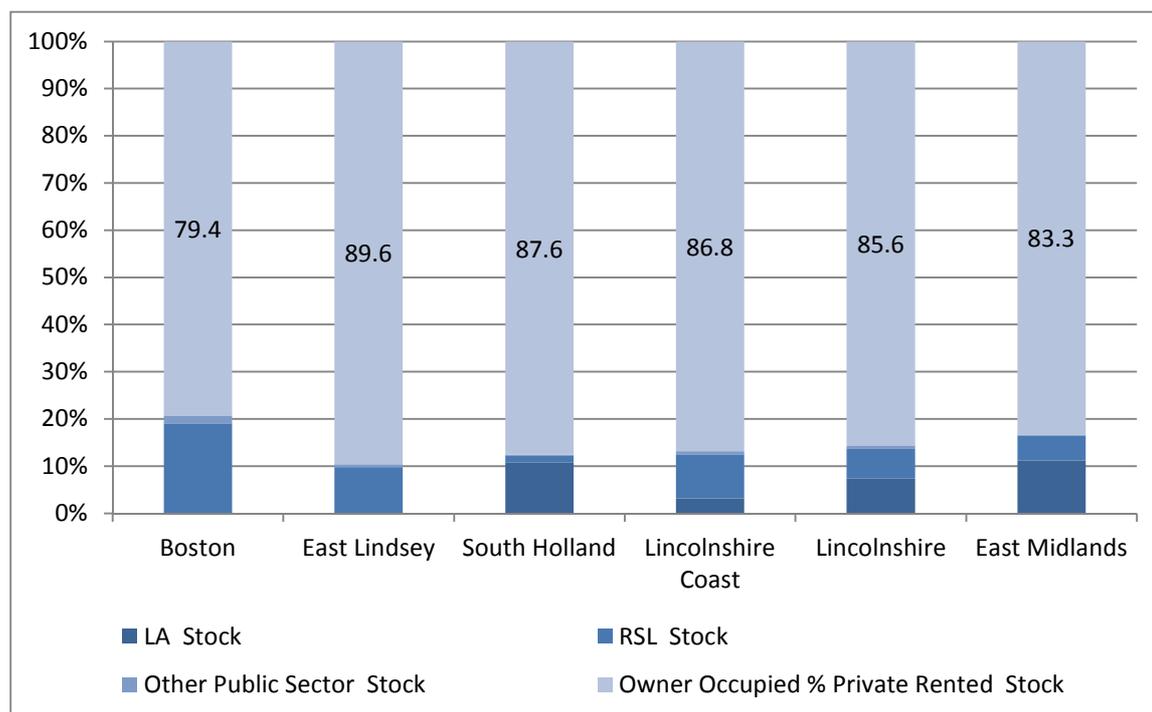
- 6.63 The number of dwellings in the Lincolnshire coastal area was 126,300 in 2006 with East Lindsey accounting for almost 50% of dwellings. Dwellings in the Lincolnshire coast area account for 42% of Lincolnshire dwellings and 7% of East Midlands dwellings.
- 6.64 Figure 6.24 shows the distribution of dwellings by tenure. Across all areas, owner-occupied and private rented dwellings is the main tenure category, with both East Lindsey and South Holland have a relatively high proportion compared to Lincolnshire county and the East Midlands as a whole. Boston has a lower proportion of owner occupied and private rented dwellings with the registered social landlord sector accounting for 19% of dwellings. In both East Lindsey and Boston, there are no local authority dwellings, with the Registered Social Landlord (RSL) sector providing the social rented dwellings. In South Holland, the local authority is the main provider of social rented sector dwellings.

¹⁶ Defined as 2007 SIC codes of 551,552,553,559,561,562,563, 791,799, 910, 931, 932

¹⁷ Provided by Lincolnshire County Council, 2010 based forecasts



Figure 6.24 – Distribution of Dwellings by Tenure, 2006, %:



Source: Data from East Midlands Observatory

Note: Lincolnshire coast includes all of East Lindsey district

6.65 The 2006 based household projections showed that the number of dwellings in the East Midlands and Lincolnshire is expected to grow over the period to 2031. The average annual rate of growth in the East Midlands is expected to be almost 1.3% with Lincolnshire forecast to have a slightly higher growth rate of 1.47% per annum between 2006 and 2031. Details are shown in Table 6.7. The Lincolnshire coastal area is forecast to have a similar rate of growth in households between 2006 and 2031 as Lincolnshire, but this is very much driven by relatively high growth in East Lindsey and South Holland.

Table 6.7 – Household Projections, 2006 to 2031, (000s):

Area	2006	2016	2031	Absolute Change '08 to '30	Average rate of Change p.a.
Boston	25.5	29.3	35.1	9.6	1.29
East Lindsey	60.7	72.3	88.4	27.7	1.52
South Holland	35.5	41.8	51.5	16.0	1.50
Lincolnshire Coastal	121.7	143.4	175.0	53.3	1.46
Lincolnshire	295.3	349.0	424.9	129.6	1.47
East Midlands	1,849.4	2,137.6	2,538.7	689.3	1.28

Source: 2006-based Household Projections

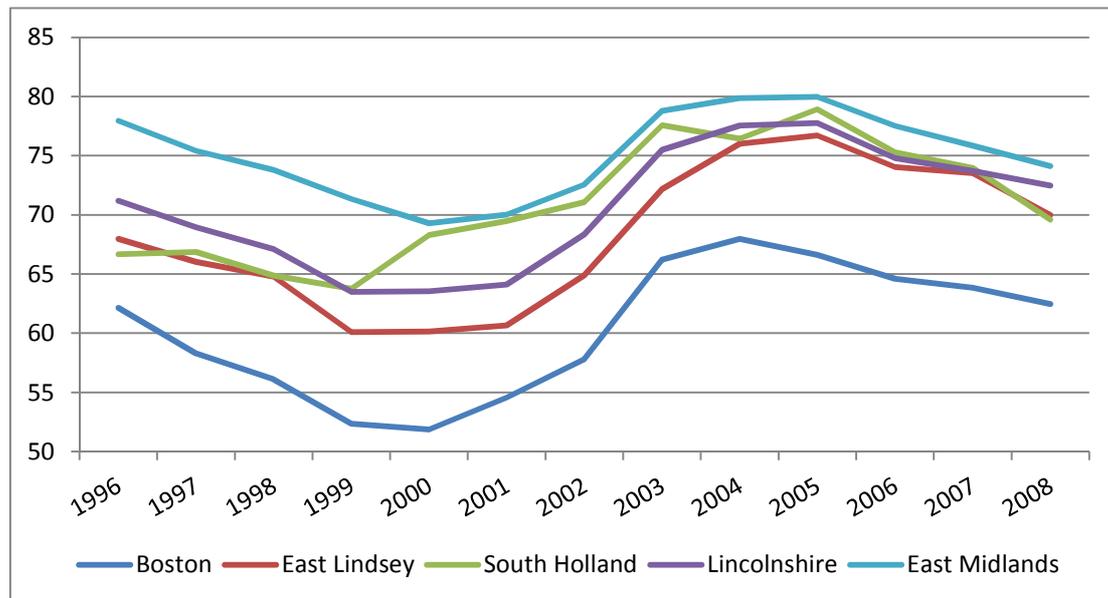
Note: Lincolnshire coast includes all of East Lindsey district

6.66 Figure 6.25 shows the trend in mean house prices for each local authority within the Lincolnshire coastal area relative to England. England is 100 in each year. Throughout the period, all areas have followed a similar trend. The lowest house



prices have been in Boston and in 2008; Boston prices remained only 62% of the English average. East Lindsey house prices have always been lower than in South Holland, but the gap has narrowed substantially from 2000 when South Holland average prices were 14% higher than in East Lindsey to 2008 where they were 0.6% lower than in East Lindsey.

Figure 6.25 – Trend in Mean House Prices relative to England where England = 100:



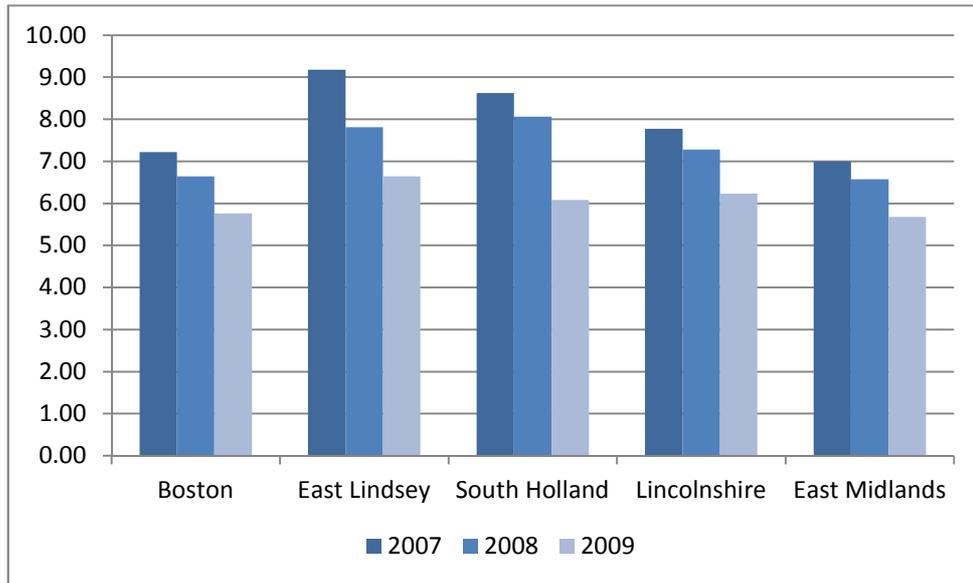
Source: Land Registry data from East Midlands Observatory

Note: Lincolnshire coast includes all of East Lindsey district

- 6.67 The affordability of housing for lower income earners and potential first time buyers can be measured by the relationship between the lower quartile house prices and lower quartile earnings. Across England, this ratio has steadily risen from 3.7 in 1997 to a peak of 7.25 in 2007 before falling back to 6.28 in 2009.
- 6.68 Although the ratio of house prices to earnings has fallen in all areas since 2007, in East Lindsey, house prices remain 6.6 times the level of earnings in the district. This is higher than the English average ratio and is a reflection of the popularity of the area for retiring people. It also suggests that it may be difficult for local residents on relatively low earnings and first time buyers to afford housing.



Figure 6.26 – Ratio of Lower Quartile House Prices to Lower Quartile Earnings, 2007 to 2009:



Source: East Midlands Observatory

Note: Lincolnshire coast includes all of East Lindsey district



7 Business Survey

- 7.1 In order to generate quantitative data about the nature and types of businesses on the Lincolnshire Coast a comprehensive Business Survey was undertaken.
- 7.2 This section summarises the findings of the Business Survey in preparation for subsequent discussion. Raw survey data and visualisations are provided in Appendix 2 of this report in the form of an MSExcel workbook.
- 7.3 Multiple analyses are supported by the data. In this section, focus is placed on patterns across the business sectors addressed. Through the spreadsheet, this analysis may be extended to layer in patterns across Authority areas.

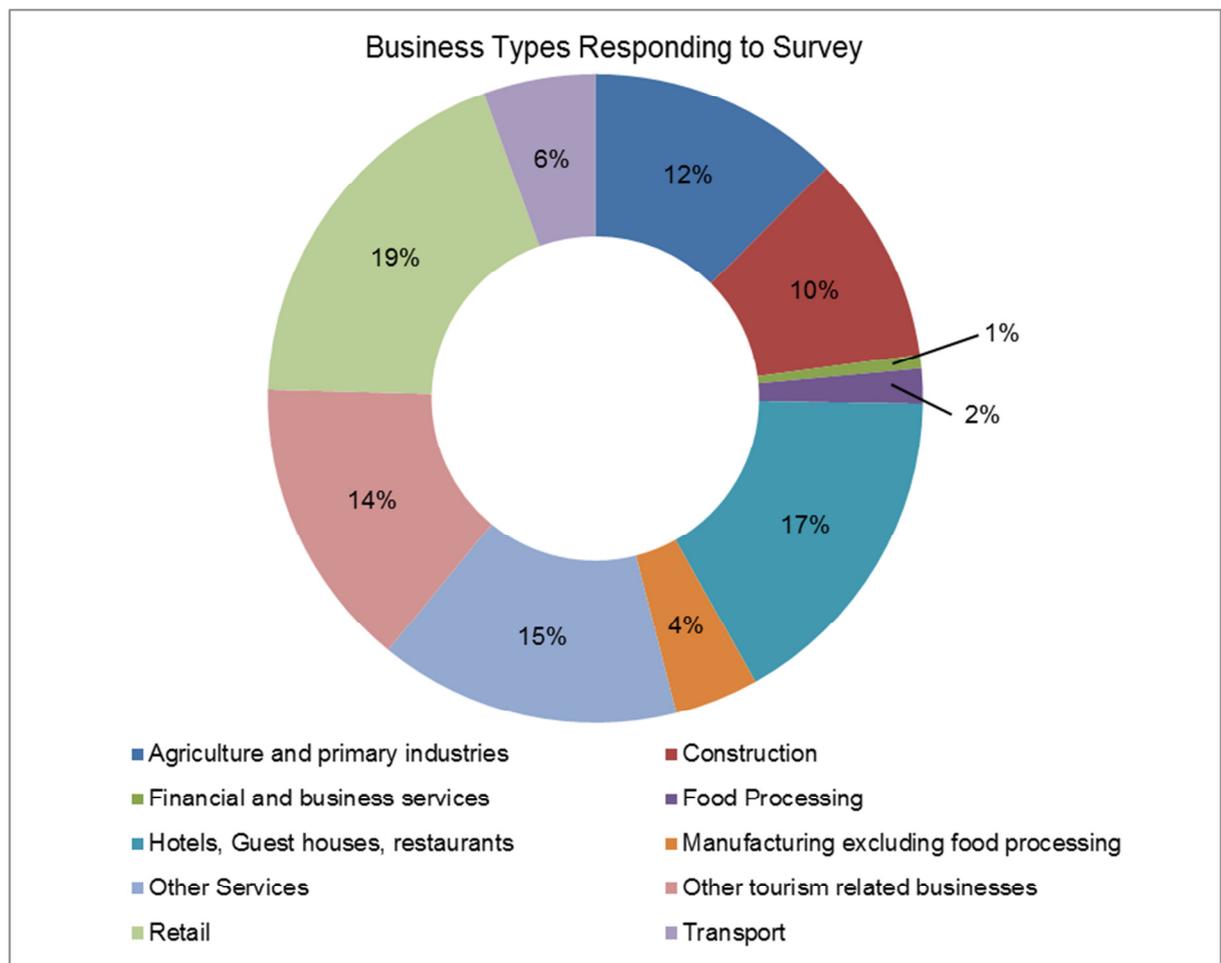
Technical Summary

- 7.4 The survey was carried out using in depth telephone interviews each following a standard questionnaire which consisted of 43 questions (see Appendix 3).
- 7.5 This was carried out in two 'waves' with the first wave being completed between November-December 2010 and a second booster wave being carried out in February-March 2011.
- 7.6 Overall, a very high percentage of contacted businesses declined to participate. From a total of 2000 contacts made, 298 businesses responded fully to the survey.
- 7.7 The response rate is reflective of the depth of questioning and detailed nature of the questions required to develop an economic model. This corresponds with other studies of this nature where businesses are reluctant to provide much detail on their activities
- 7.8 Generally, businesses within the finance sector were slightly under-represented whilst the Retail sector was over-represented in the sample (as compared to statistics of VAT- and/or PAYE registered companies across Lincolnshire). This skew is most likely due to a different propensity to complete the questionnaire, driven by the importance of the coast to the business in question. Similarly, agriculture is, also slightly underrepresented. Where appropriate we have used proxy data from other studies to balance this.
- 7.9 Whilst business responses were proportional based on geography (due to booster sampling), East Lindsey district consists of more than half the respondents. This partially reflects businesses in this District regarding a 'coastal survey' as relevant for them to respond to as well as the dimensions of the study area.

Sampling and Segmentation

- 7.10 The survey sample was composed of 289 respondents; 53 from Boston, 172 from East Lindsey, and 64 South Holland Authority areas.
- 7.11 The sector segmentation of the responding population is revealed by the following:

Figure 7.1 – Business Types Responding to Survey:



7.12 Further characteristics of the sample are apparent:

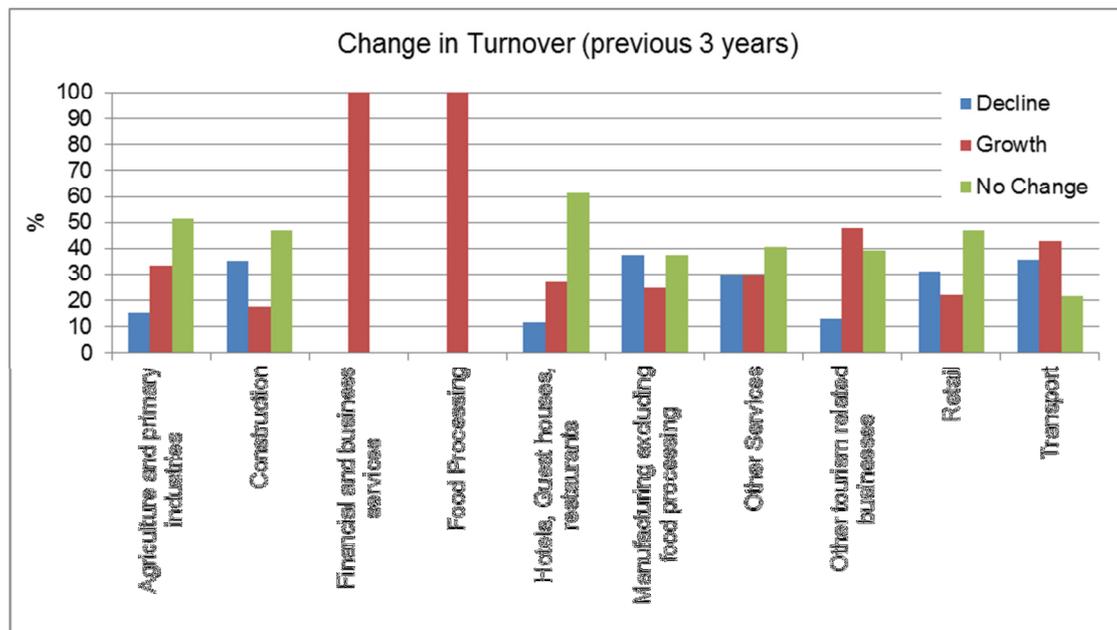
- Within the sample, businesses are largely under local ownership; 85% of the sample being locally owned.
- As a proportion of each sector population, externally owned populations form the most significant proportion of Food Processing (40%), Manufacturing (16%), Tourism (19%), and Retail (18%).
- The age profile of respondent businesses in the sample was probed, revealing 76% of the businesses responding were 10 years or older. Of the remainder, 20% were 1-10 years of age, and 4% under 1 year old.
- The sectors with the youngest age profile in the sample included Retail and Financial Services; Agriculture and Primary Industries presented the oldest age profile.
- Overall, 84% of respondent businesses report a turnover of £1m or less. Across the respondent population, the majority fall within turnover bands of £100k or less (41%) and £100k-£500k (34%). The remaining 15% with turnover of £1m or more includes 4 businesses reporting a turnover of £5m or more, 7 reporting £2-£5m, and 5 reporting £1m-£2m.
- The Hospitality sector presented the greatest proportion of its number reporting a turnover of £100k or less (78%). The Construction sector presented the greatest proportion of its number reporting a turnover of £2m or more.



Business Performance

7.13 An insight into the business performance of the sample is provided by perspectives on the past and future for turnover:

Figure 7.2 – Change in Turnover (previous 3 years):



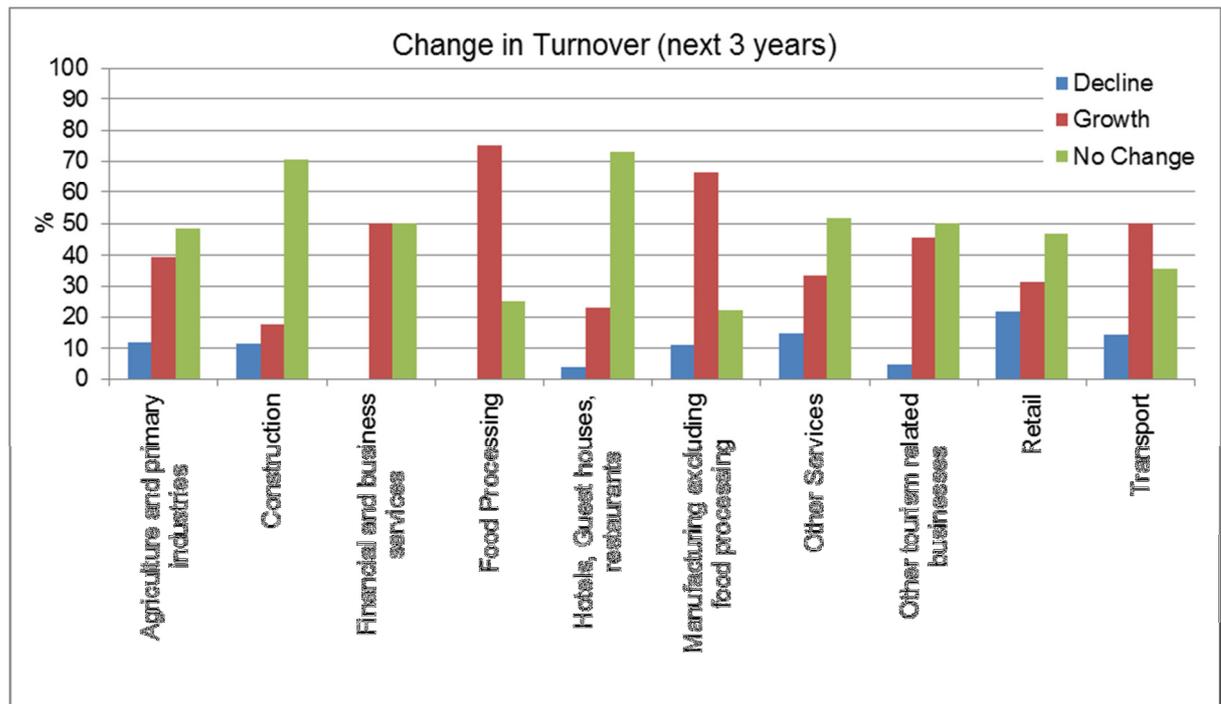
7.14 The majority of sectors present a picture of mixed fortunes over the past 3 years; indicating limited sector-specific impact of recession. Overall, the pairing of Decline and No Change components for each sector accounts for the majority of respondents.

7.15 Significant Decline is reported by populations of Manufacturing, Transport, Construction, Other Services, and Retail; echoing the national picture and reflecting the impact of recession on consumer spending.

7.16 As a proportion of each sector, peaks of Growth may be associated with Financial Services and Food Processing (although this may be an artefact of sample number). Tourism and Transport present other significant proportions of their number reporting Growth.

7.17 In terms of headline messages, Construction, Manufacturing, and Retail present a population profile weighted towards Decline/No Change, whereas Agriculture and Tourism present a population profile weighted towards Growth/No Change.

Figure 7.3 – Change in Turnover (next 3 years):



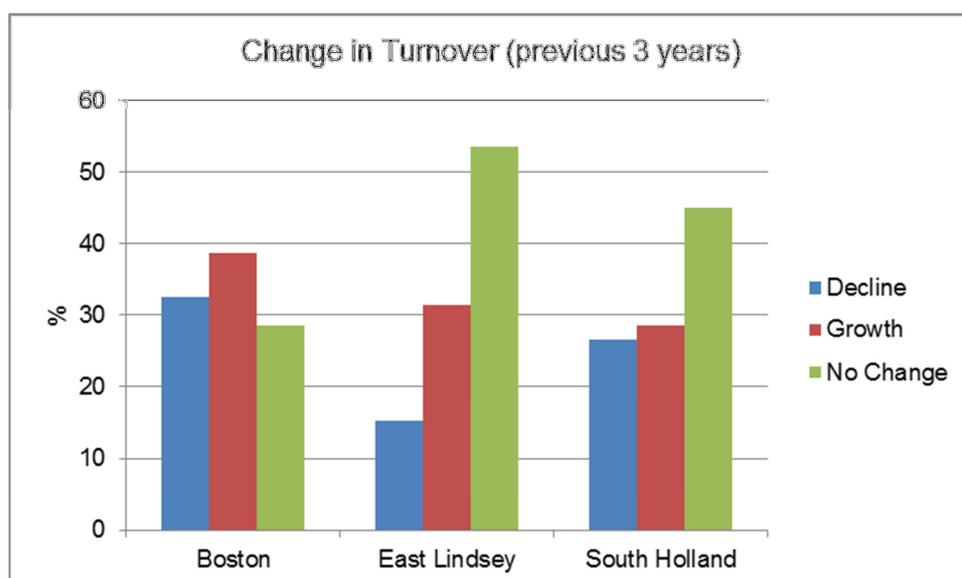
7.18 Across all respondents, a level of uncertainty is apparent in the dominant expectation of No Change in turnover for the next 3 years. However, an expectation, or hope, that markets will lift in this timeframe is apparent in the high proportions forecasting Growth across sectors.

7.19 Peaks in the forecast of Growth in sector populations are apparent with Food Processing and Manufacturing. Most sectors present significant rise in forecasts of Growth when compared to the previous 3 years' experience.

7.20 Construction demonstrates a particularly large swing to No Change; with only a relatively small proportion of its number forecasting decline.

7.21 Sectors with the highest proportions forecasting Decline are Retail and Other Services; potentially reflecting expectations regarding consumer spending.

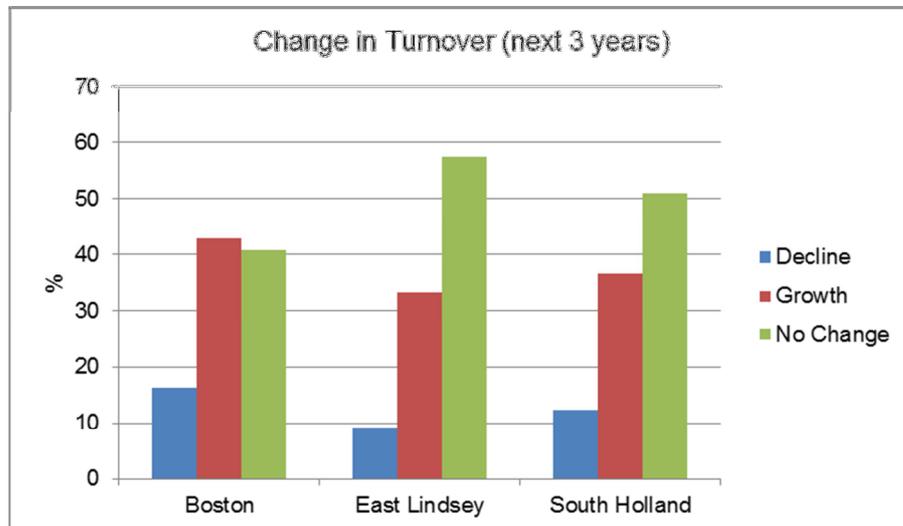
Figure 7.4 – Change in Turnover (previous 3 years):





7.22 Under an area analysis the Boston population of businesses presents the highest proportion experiencing both Decline and Growth in the past 3 years.

Figure 7.5 – Change in Turnover (next 3 years):



7.23 The business populations of East Lindsey and South Holland demonstrate a degree of agreement for past and future turnover. Predictions of Decline represent the minority outlook across each area.

Relationship with the Coast

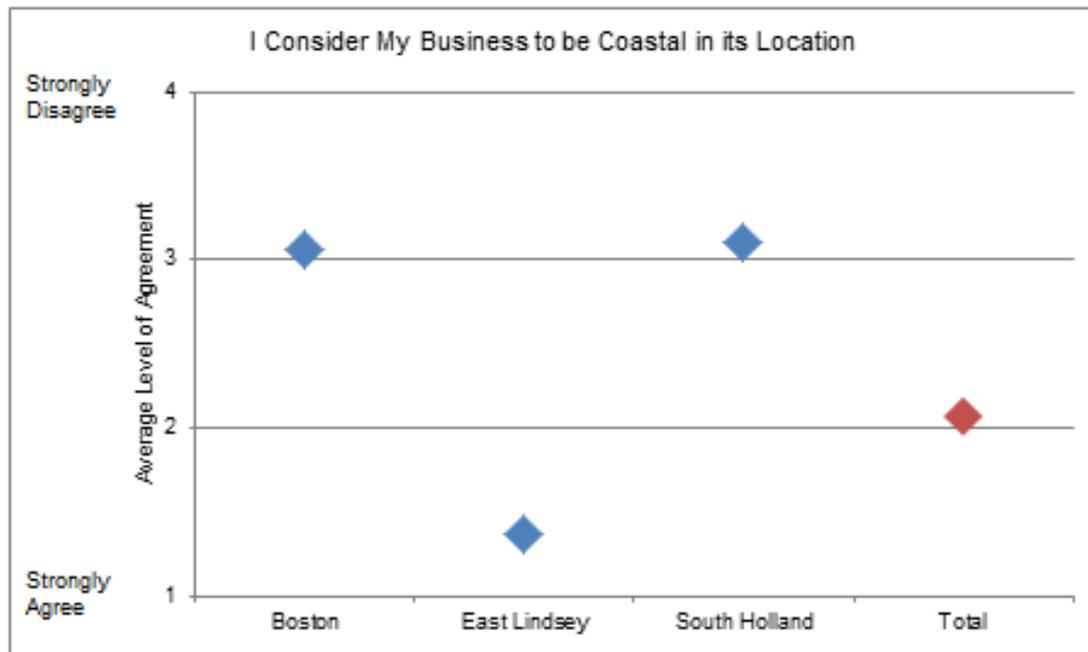
- 7.24 Overall 60% of businesses considered their business to be coastal in location.
- 7.25 Common reasons for locating in the coast included 'Proximity to the Coast important for business' (18% of sample) and 'Proximity to Customers' (22% of sample); reflecting a clear linkage between the coast and its commercial dimensions.
- 7.26 A minority considered Natural Assets (5%) and Commercial Space (e.g. Land and Offices) (5%) to influence the decision to locate.
- 7.27 These respondents can be balanced with a near equal number of reasons for location that do not specifically cite commercial aspects of a coastal location; 'Historic' location is cited by 22% of the sample, in addition a further ~20% cite mixed non-commercial locations decisions such as proximity to family and homes.
- 7.28 Overall, 40% of surveyed businesses believed business would be significantly worse off if they weren't located near the coast.

Coastal Identity

- 7.29 An insight into coastal identity is provided by probes into business perspectives on the coast.
- 7.30 On average, the level of agreement with the statement '*I consider my business to be coastal in its location*' is strongest within the East Lindsey population.



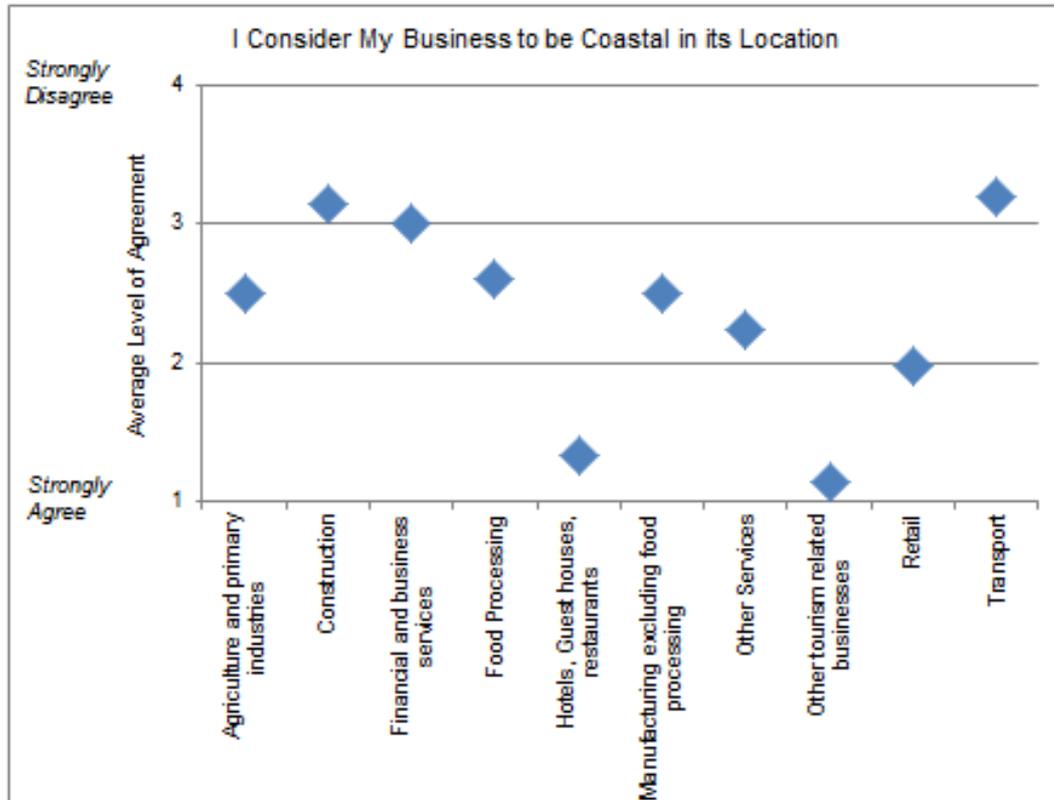
Figure 7.6 – Agreement with ‘I consider my business to be coastal in its location’ by Authority area:



- 7.31 The Boston and South Holland surveyed population displays a level of agreement with average sentiment falling on a disagreement with the statement. This does not mean no businesses agreed with the statement in Boston and South Holland.
- 7.32 The same responses broken down by industry sector reveal those businesses with ties to the tourist sector to agree most strongly, on average, with the statement.
- 7.33 Overall, the average of returns from the surveyed population indicated a weak agreement with the statement across all communities.



Figure 7.7 – Agreement with ‘I consider my business to be coastal in its location’ by Industry:

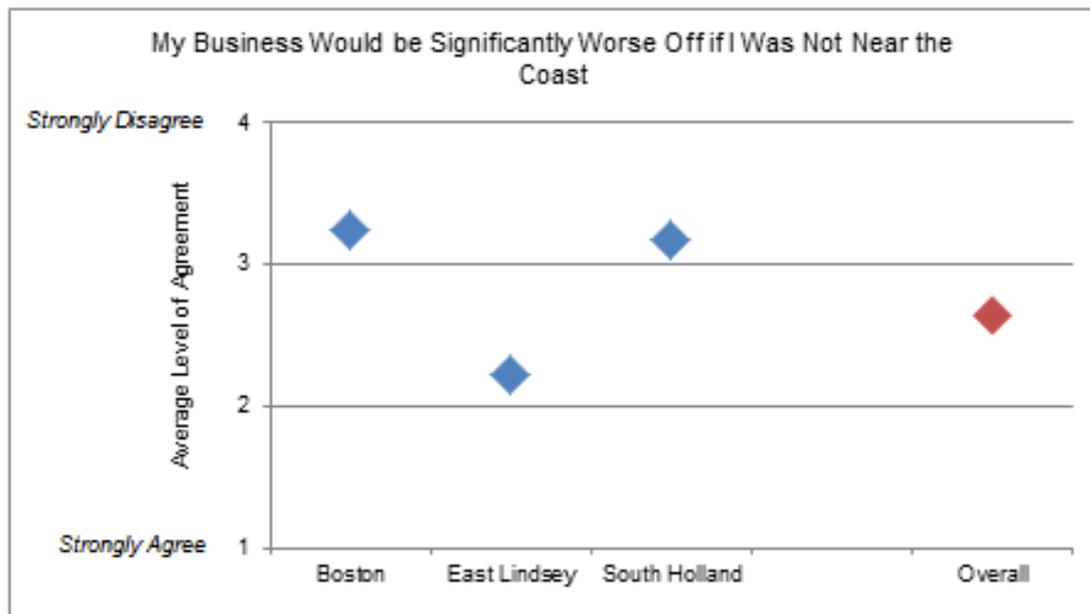


7.34 Weakest agreement with the coastal location statement was apparent with Construction, Financial Services, and Transport sectors.

7.35 Understandably, the pattern for the ‘coastal location’ statement is matched by the pattern of agreement with the statement ‘my business would be significantly worse off if it was not near the coast’.



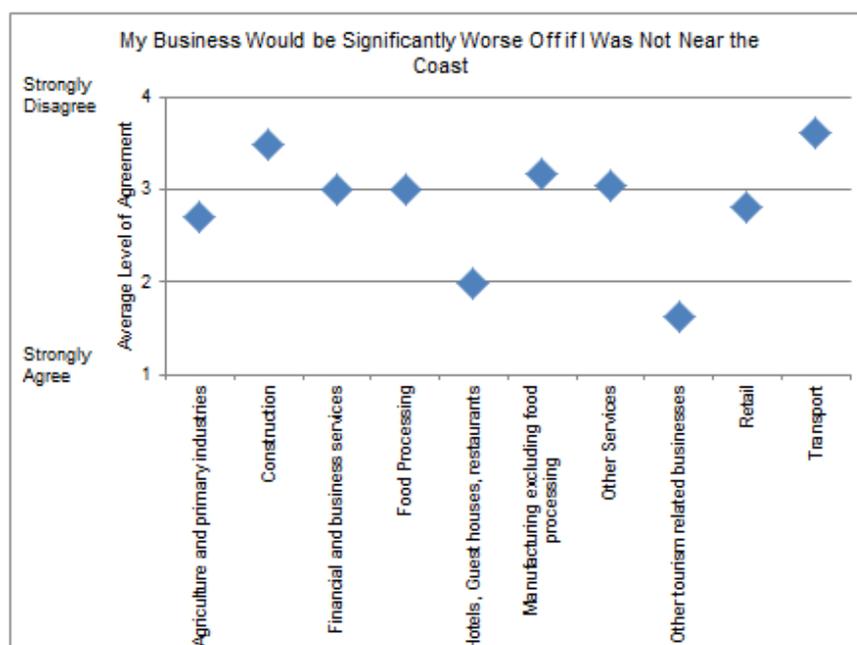
Figure 7.8 – Agreement with ‘My business would be significantly worse off if it was not near the coast’ by Authority area:



7.36 Again, the East Lindsey population, on average, demonstrates agreement (with the statement that their business would be worse off if not near the coast), and the Boston and South Holland populations averaging a closely aligned disagreement.

7.37 Overall, the average of returns from the surveyed population indicated a weak disagreement with the statement across all communities.

Figure 7.9 – Agreement with ‘My business would be significantly worse off if it was not near the coast’ by Industry:



7.38 On average, Hotels and Tourism businesses agreed most strongly with the statement; Construction and Transport populations disagreeing on average.



Employment

- 7.39 The business population implicated in the survey accounts for ~4000 employees; 2705 FT/permanent, 402 FT/seasonal, 871 PT/permanent, and 148 PT/seasonal.
- 7.40 The seasonal workforce is dominated by the Agriculture and Primary Industries and Tourism sector; accounting for 504 of 534 seasonal employees.
- 7.41 Within sectors, the seasonal workforce appears most important to the Agriculture and Primary Industries and Food Processing sectors; the seasonal workforce representing 47% and 23% of each sector respectively.
- 7.42 Construction, Manufacturing, Financial/Business Services, and Transport present no seasonal component.

Table 7.1 – Employment Performance:

	Employment Change	
	Past 3 Years	Next 3 Years
Declined by more than 10%	4.2	1.1
Declined by up to 10%	8.0	3.4
Grown by more than 10%	4.2	4.5
Grown by up to 10%	11.5	11.4
Remained the same	72.1	79.5

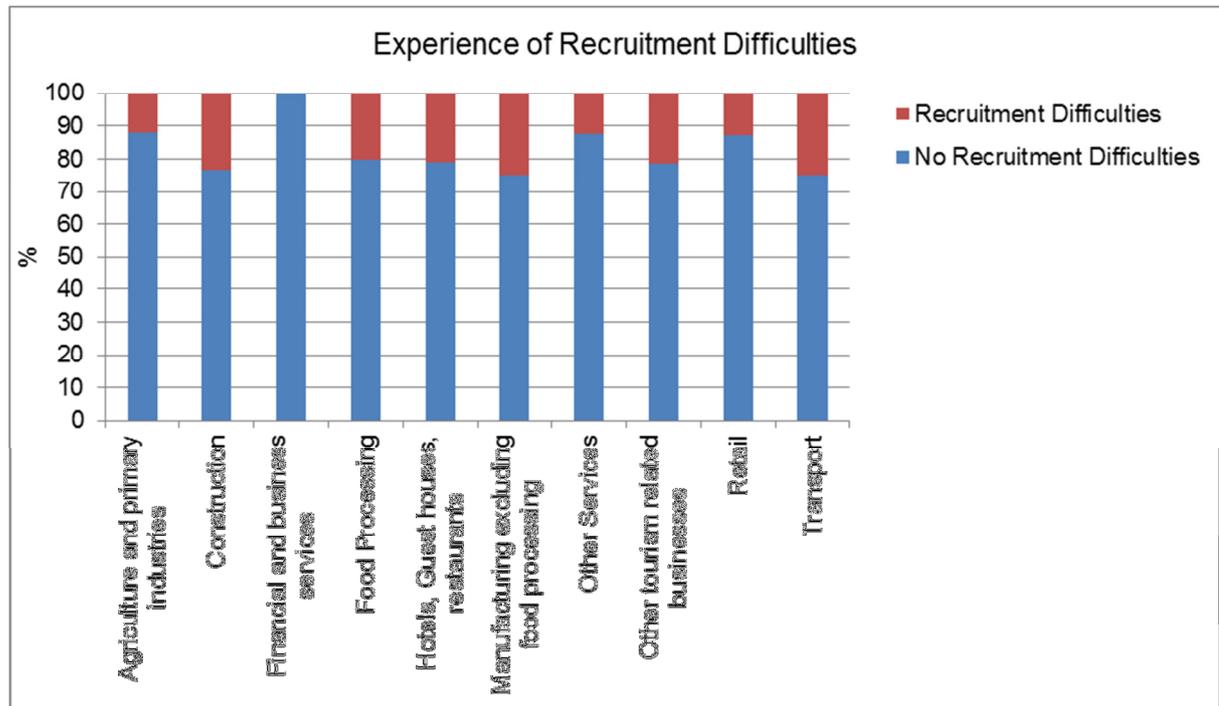
- 7.43 As a whole, the majority of the surveyed business population have experienced a 3 year history of fixed employment and predict a further 3 years of static employment figures.

Recruitment

- 7.44 The majority of businesses did not express difficulties with recruitment.
- 7.45 The greatest proportions of sector populations experiencing difficulty are found with Manufacturing, Construction, and Transport; potentially indicating a skills dimension (or a price of skills dimension).



Figure 7.10 – Recruitment:



7.46 Reflecting on instances where difficulty with recruitment was felt, failure to locate appropriate skills was the majority factor (64% of recruitment difficulties), followed by the short-term nature of available roles (14% of recruitment difficulties).

7.47 Difficulties derived from the short term nature of work were most associated with seasonal industries tethered to the tourist economy.

Supply Chains

7.48 Half of all surveyed businesses report coastal customers to represent 0-20% of their total customer base.

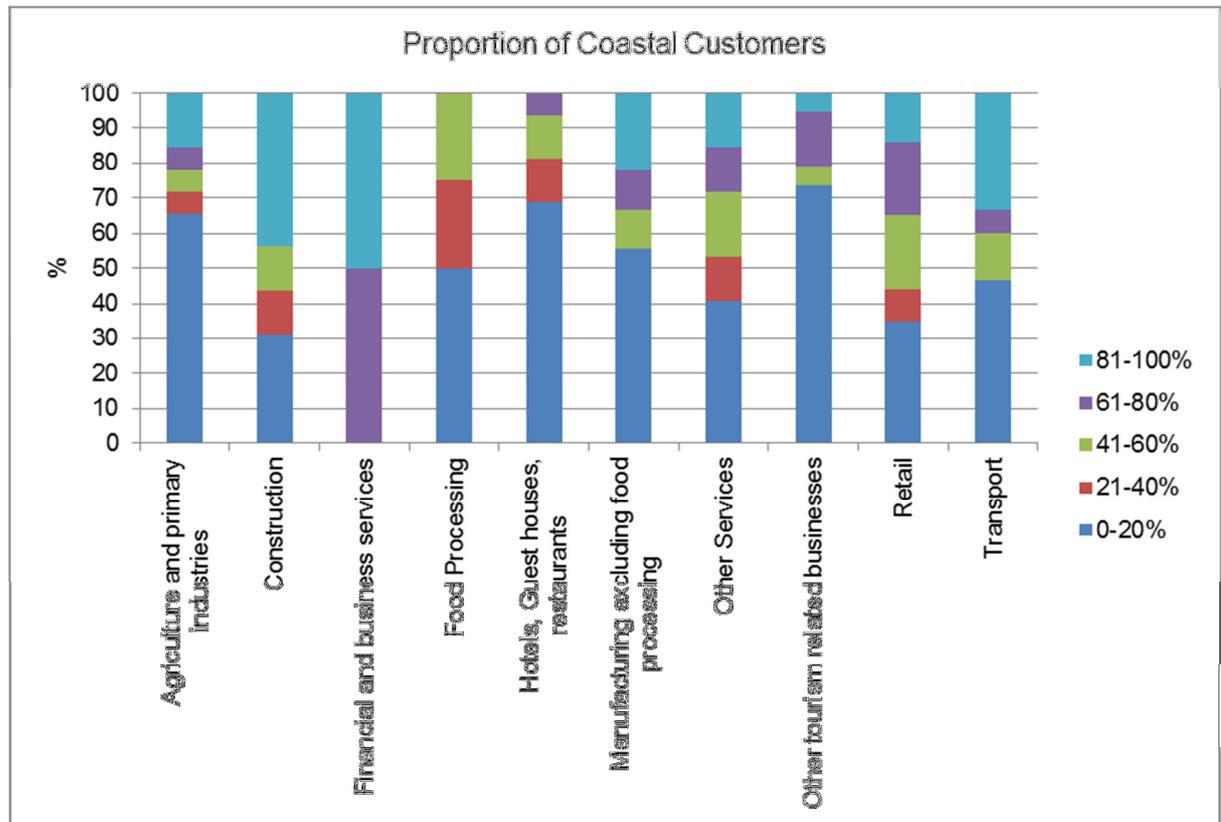
Table 7.2 – Coastal Customers:

Proportion of Coastal Customers	0-20%	21-40%	41-60%	61-80%	81-100%
% of businesses in each band	49.2	7.9	13.6	12.0	17.3

7.49 The sectors with highest proportions of coastal customers include: Transport, Construction, Financial Services, and Retail. The greatest proportions of non-coastal customers were associated with Tourism, Hospitality, Manufacturing, and Agriculture and Primary Industries.



Figure 7.11 – Proportion of Coastal Customers:



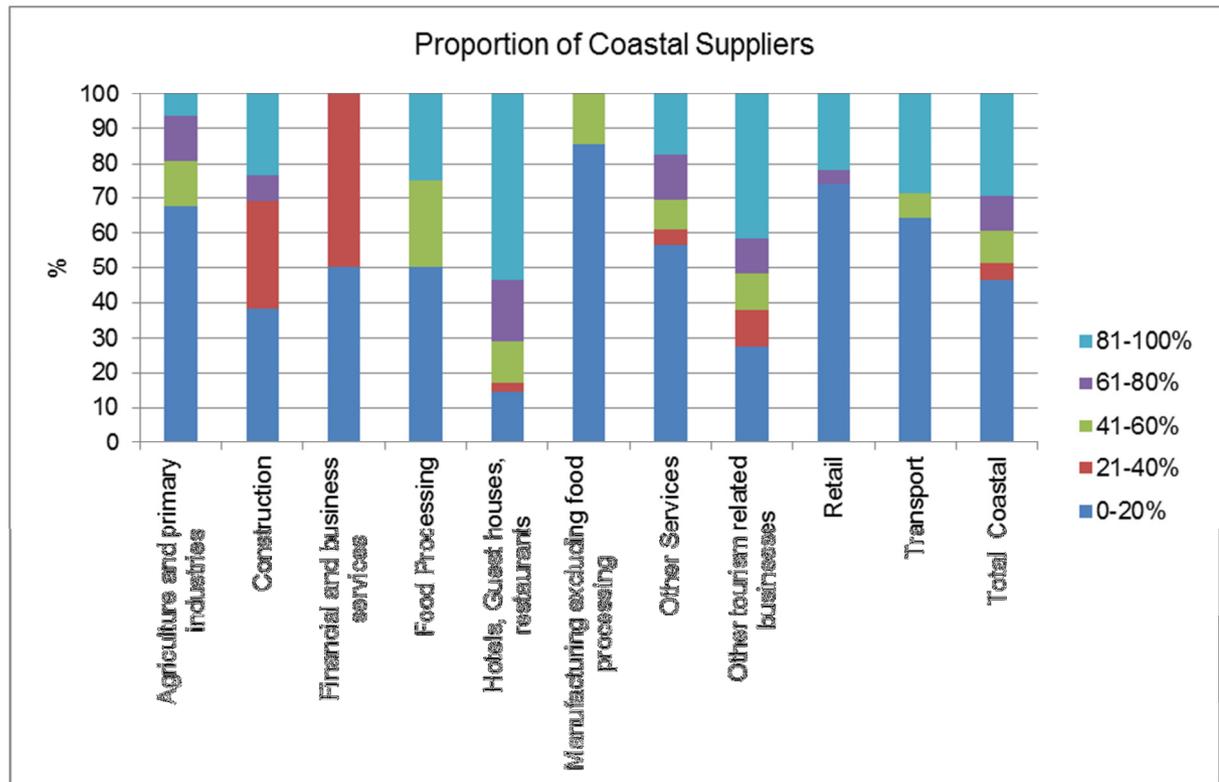
7.50 Approximately half of all surveyed businesses reported coastal suppliers to represent 0-20% of their total supply base. A significant proportion, 29.5%, report coastal suppliers to represent 81-100% of their total supply base.

Table 7.3 – Coastal Suppliers:

Proportion of Coastal Suppliers	0-20%	21-40%	41-60%	61-80%	81-100%
% of businesses in each band	46.3	5.3	8.9	10	29.5



Figure 7.12 – Proportion of Coastal Suppliers:



7.51 An analysis of expenditure on suppliers in the coastal region reveals the majority of surveyed businesses to be applying a 0-£100k spend when using coastal suppliers.

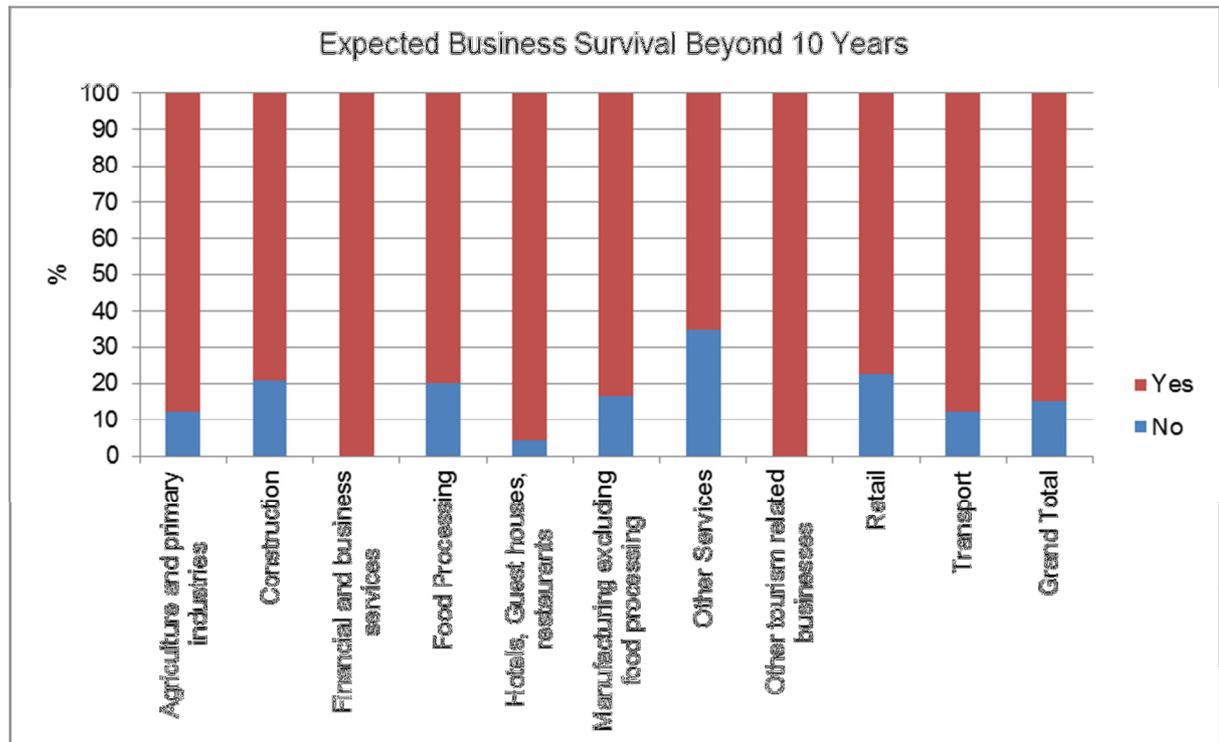
Business Survival

7.52 Overall, 85% of respondents expected survival beyond 10 years; the highest levels of doubt were expressed within Construction (20% not expecting survival), Retail (22%), and Other Services (34%).

7.53 It should be noted that in most economic surveys of this type businesses are generally positive. A possible reflection of a positive entrepreneurial mindset?



Figure 7.13 – Expected Business Survival Beyond 10 Years:



7.54 Amongst those predicting the closure of business, reasoning is dominated by retirement and/or sale of business. As such, closure does not simply reflect fears of economic trough, although this must be considered one component.

Relocation

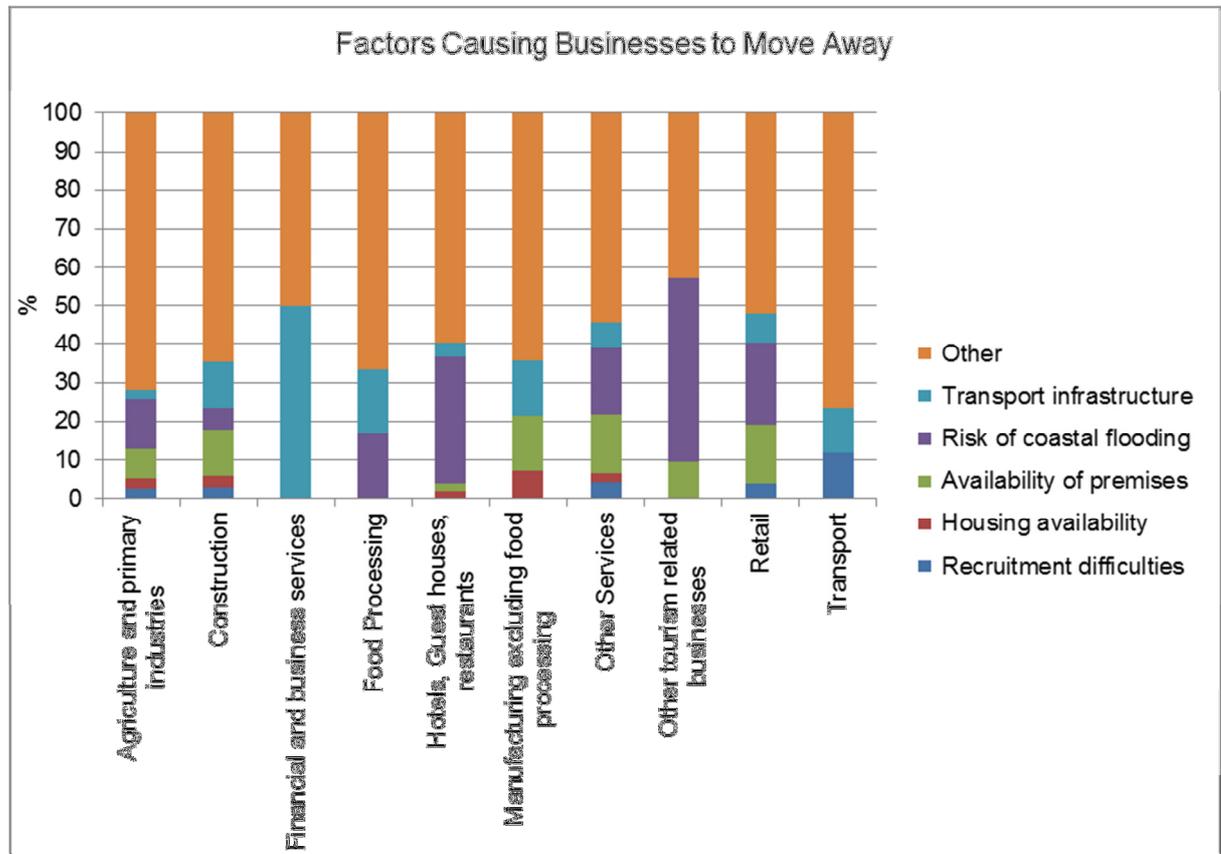
7.55 Amongst factors potentially pushing businesses away from the coast, the threat of coastal flooding is a minority factor; most notable for sectors exposed to tourism (Hotels, Retail, and Tourism Related Businesses).

7.56 Amongst the 'Other' (miscellaneous) category of relocation factors, retirement dominated the reasons for the business to move away; suggesting closure of independent businesses, sale to larger concerns, or relinquishment of franchise activities.

7.57 A small minority highlighted transport infrastructure together with the deterioration of public spaces and high streets as a commercial driver for relocation.



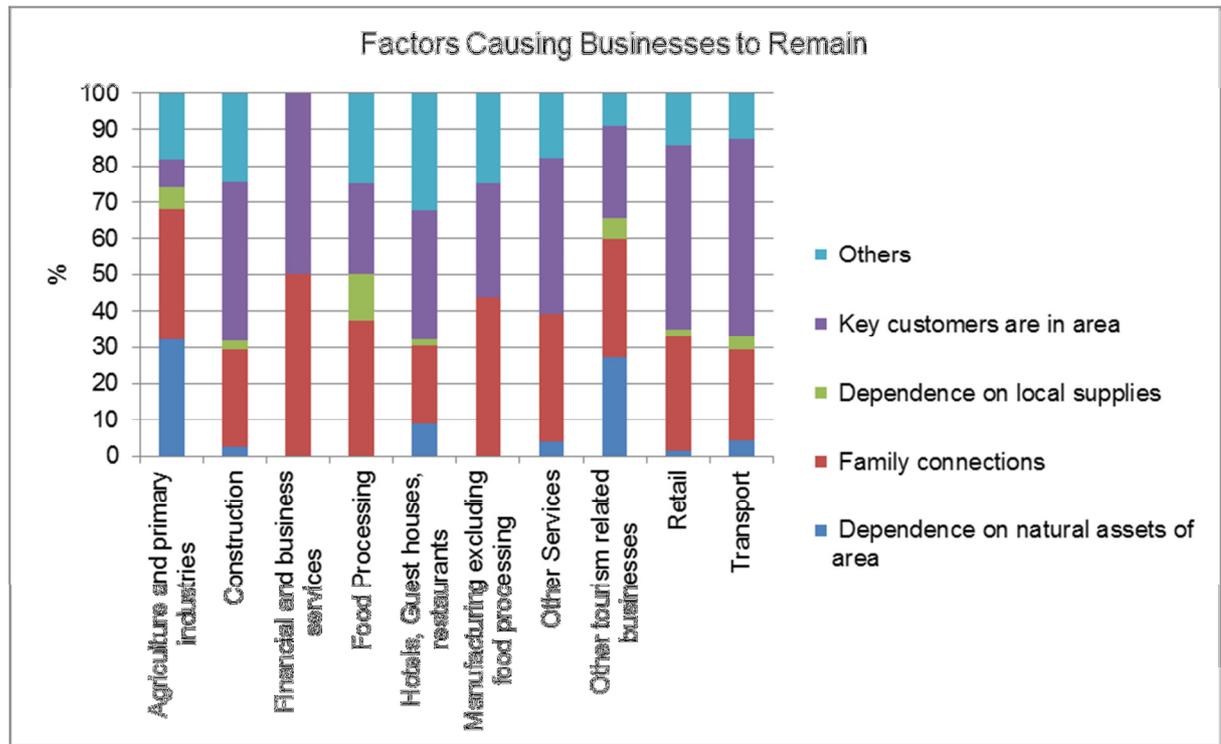
Figure 7.14 – Factors Pushing Businesses Away:



7.58 Factors causing businesses to remain were dominated by ties to local community and consumers across the business population. Agriculture and businesses tethered to the tourist economy cite natural assets as a key anchor point.



Figure 7.15 – Factors Causing Businesses to Remain:

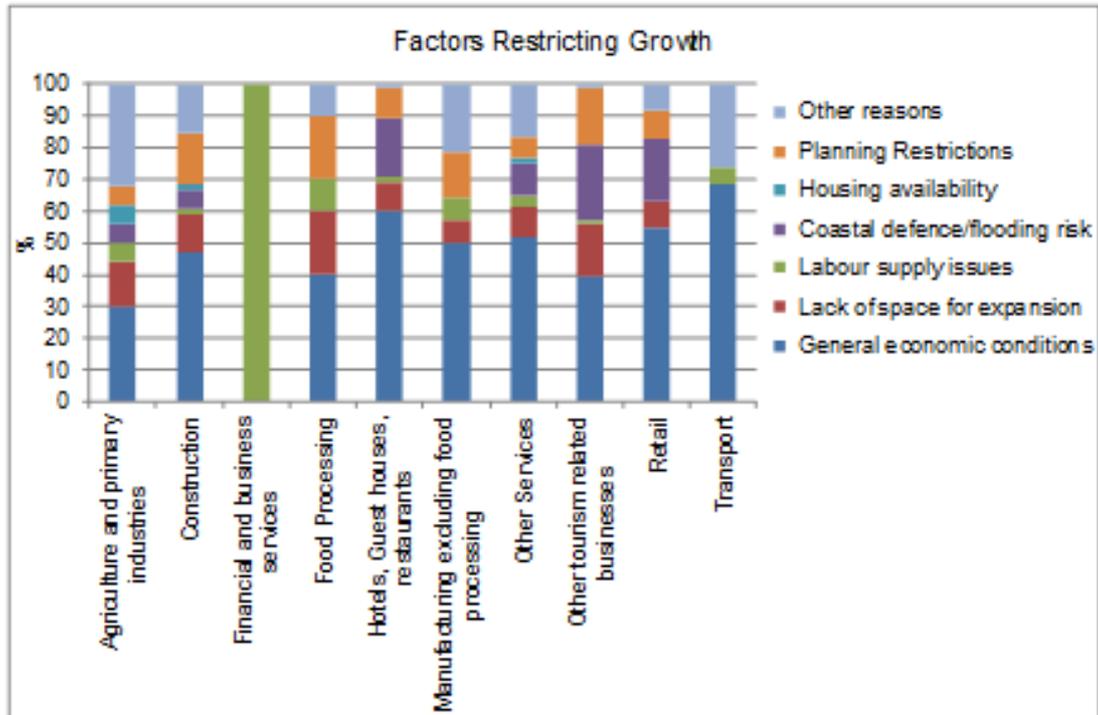


Growth

- 7.59 Dominant amongst factors considered to restrict growth amongst surveyed businesses is the economic climate.
- 7.60 Outside this dominant factor, coastal flood threat is most apparent amongst sectors tied to the tourist economy. Restriction to planning consent emerges as an issue of significance for a number of business populations; Food Processing, Manufacturing, Construction, and Tourism specifically.

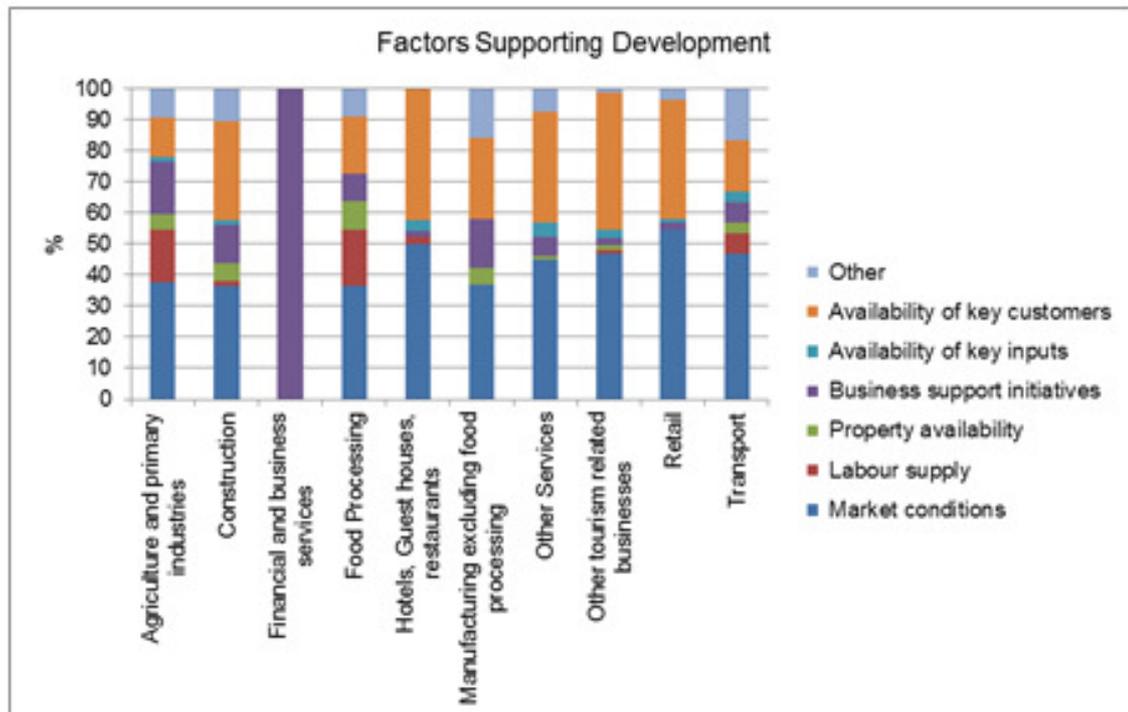


Figure 7.16 – Factors Restricting Growth:



7.61 Factors considered to support growth primarily concerned the economic climate in the form of Market Conditions and Availability of Key Customers.

Figure 7.17 – Factors Supporting Growth:



7.62 Labour Supply emerges as an issue of some significance within the Agriculture and Primary Industries and Food Processing populations. Business Support Initiatives



chime with a minority of business populations in Agriculture, Construction, and Manufacturing (and Financial/Business Services – although this may reflect a sampling issue).

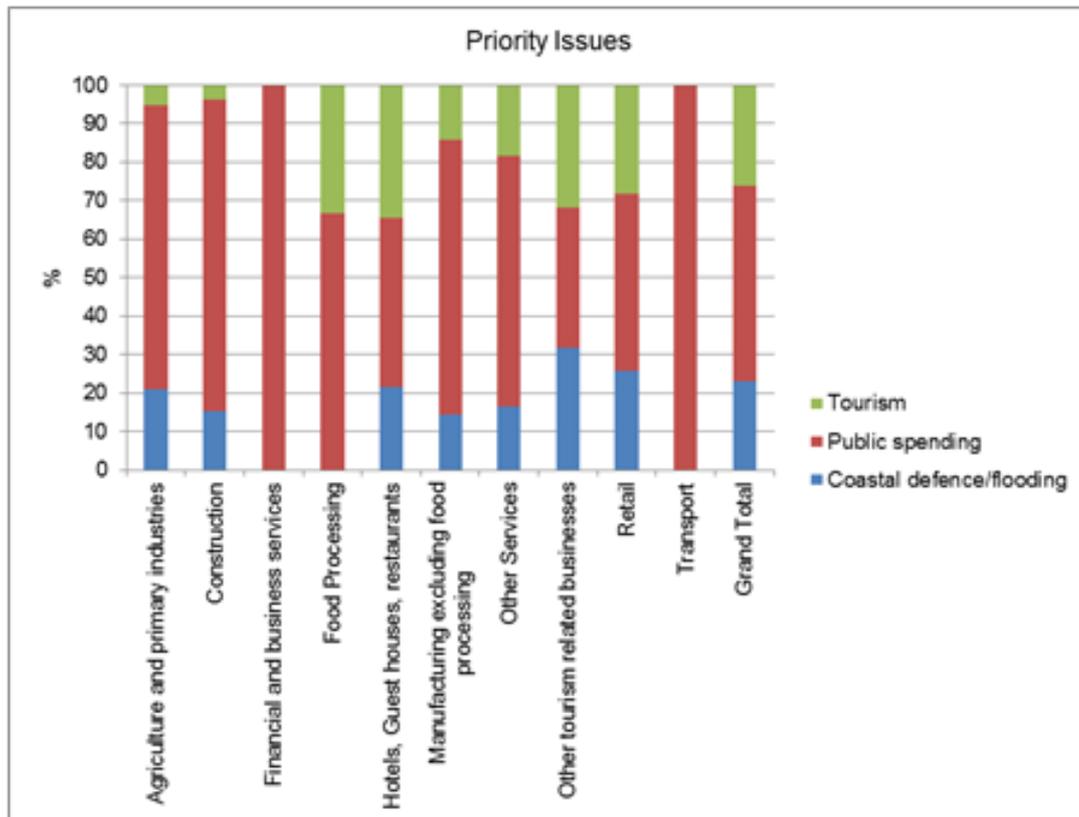
Summary of Headline Issues

- 7.63 Between the issues of Public Spending (decrease in), Tourism, and Coastal Defence, the businesses surveyed present a degree of agreement in highlighting the decline in Public Spending and the associated public mood as the primary issue facing their businesses.
- 7.64 Public Spending was highlighted as a priority issue by ~50% of all businesses surveyed. Selection of Tourism as a priority issue naturally correlated with business sectors tied to the tourism industry.
- 7.65 Predominantly a minor issue, Coastal Flooding was nevertheless selected as the priority issue by significant numbers in the Agriculture (21%), Tourism (31%), Hotels (21%), Transport (21%), and Retail (25%) sectors¹⁸.

¹⁸ Please note – the measure of ‘priority issue’ is based on a summation of the top three challenges cited by surveyed business.



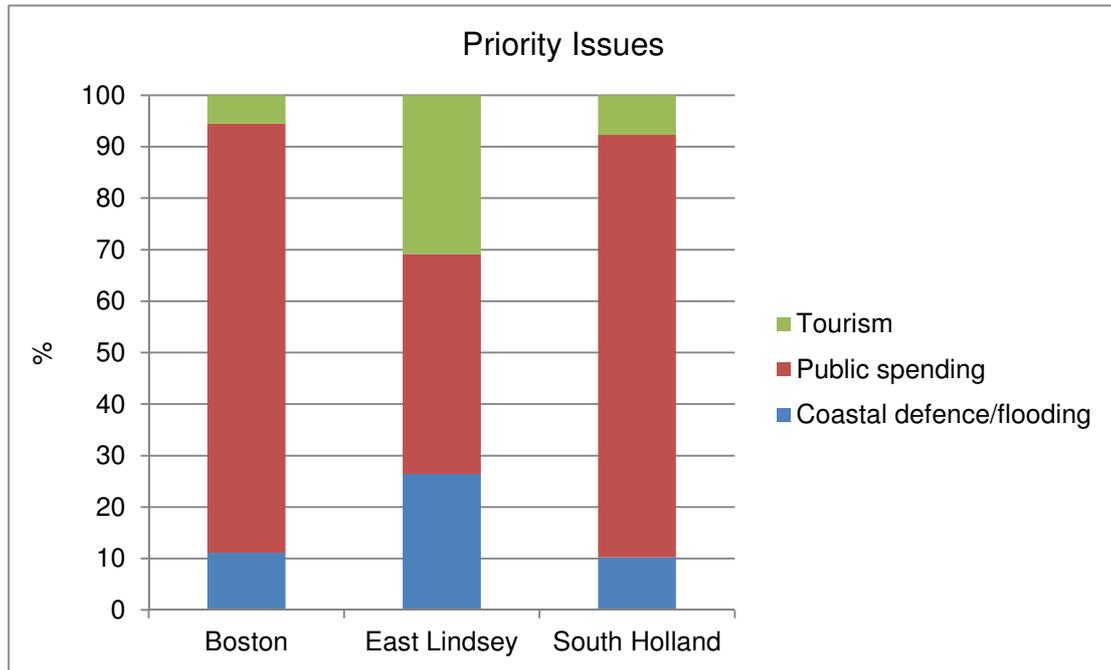
Figure 7.18 – Headline Issues by Sector:



7.66 The accompanying area comparison reveals a similar proportion of Boston and South Holland business populations to prioritise Public Spending (~80%). East Lindsey stands apart with a more even proportion of the surveyed population prioritising Flooding, Public Spending, and Tourism.



Figure 7.19 – Count of Each Issue in Top 3 Issues by Area:



7.67 This pattern of priority naturally reflects the balance of sectors in each area.



8 Qualitative Research

- 8.1 To complement the quantitative analysis generated by the Business Survey, qualitative research has been focussed on the resolution of nuance in the perspectives, outlooks, and perspectives of stakeholders within the study area.
- 8.2 Qualitative data were collected using four complementary methods: Survey, Face to Face interviews, in field ethnography, and social media 'sentiment' analysis.

Face to Face Interviews

- 8.3 These interviews were carried out with key contacts within the respective local authority areas and with other stakeholders including the Chamber of Commerce, Local Businesses and economic development officers from Local Authorities.
- 8.4 In total 12 in depth interviews were carried out with relevant key stakeholders, together with a series of informal conversations with residents and businesses during area visits.

Ethnographic Research

- 8.5 Ethnographic research is a form of social research that involves in depth observations and interaction with subjects in their natural environment. The most common method for collecting data in an ethnographic study is direct, first-hand observation or daily participation.
- 8.6 Our ethnographic researchers undertook field research in two waves during late Autumn 2010 and early Spring 2011.

Social Media 'Sentiment' Analysis

- 8.7 The rise of social media over the past few years has provided researchers with new avenues to uncover insights regarding the communities or subjects of interest they are studying.
- 8.8 The social media analysis followed a methodology established by Wood Holmes in other contexts. In essence a suite of social media analysis tools were utilised to examine key words, sentiment, and other items of interest.

Business Survey

- 8.9 Finally the business survey described in the previous chapter included some open ended qualitative questions that allowed the capture of more attitudinal perspectives.

Summary of Key Findings – Coastal Businesses

- 8.10 The content of conversations and qualitative study with businesses within the study area converge on the following themes:
- **Coastal Business** – Naturally, a large portion of respondents articulate a clear commercial reliance on the coastal economy; the tourist economy emerges as the strongest theme. Conversations are dominated by illustration of the



seasonal patterns of trade, together with hopes for investment in features thought to drive tourist numbers.

- **Non-Coastal Business** – A significant portion of respondents captured by the study do not express a commercial connection to the coast. A significant portion of this group is located coastally with an inland/international supply chain. In addition, a number directly challenge the ‘coastal’ designation on the basis of their distance from the coast. A small minority of this group express some recognition of investments in the coastal economy benefitting all those located in proximity to it. However, such responses may be better characterised as derived from the resident as opposed to the business.
- **Planning Constraint** – A significant business population weighted towards industrial sectors identify a perceived barrier to development within the coastal area. An element of perceived nimbyism is apparent; however, a principal component appears to be the restrictions placed on planning in response to Flood Risk. (see below for further discussion)
- **Conflicts** – A number of conversations illustrate the competing visions of the coast and the coastal economy. A significant population demonstrate a stance that the coastal economy is a tourist economy to which all efforts should be turned. Alternatively, an industrial/agricultural community express frustration at a perceived nimbyism in development strategy and failure to balance a bias towards the interests of the tourist economy. This is often manifested in stories around refusals for development due to flood risk or the loss of high grade agricultural land to coastal erosion.
- **Flooding & Flood Risk** – A range of views were uncovered with regard to coastal flooding and flood risk. There were those businesses that recognised and were concerned about the risk. Equally, there were many businesses who felt that the risk was being overplayed by Authorities (in particular the Environment Agency) and this was leading to other problems (such as refusal of planning permission). Many businesses discussed historic flooding in Lincolnshire (for which our team were able to discover and purchase original Pathe News footage) and indicated that flooding has always been there as a risk. Perhaps the best summary of this is the publican we spoke to who indicated that flooding was an ever present threat and who had sandbags by the door in position for when a flood arrived. This was done in a matter of fact manner in the same way as one might keep a fire extinguisher to hand to mitigate that risk.
- **Investment** – Investment (or perceived lack of) is a strong theme in conversation; the frequency of calls for spending clearly being driven by the opportunity to voice the perceived need in a Council survey. Specific foci of investment were weighted towards investments benefitting the tourist and retail economies including attractions and street scene. Investment need was regularly called for by those who felt a decline in the standing of coastal towns as ‘resorts’ or ‘visitor destinations’ was apparent.
- **Transport infrastructure** – this emerges as a key component; most regularly with regard to the connection of tourists to the coast, but also with regard to the facilitation of industrial supply chains.
- **Trust In Authorities & Governance** – despite the calls for investment, usually by authorities, many businesses cited a distrust of authorities. Or more bluntly, called into question their competence. Much of this time this tapped into a



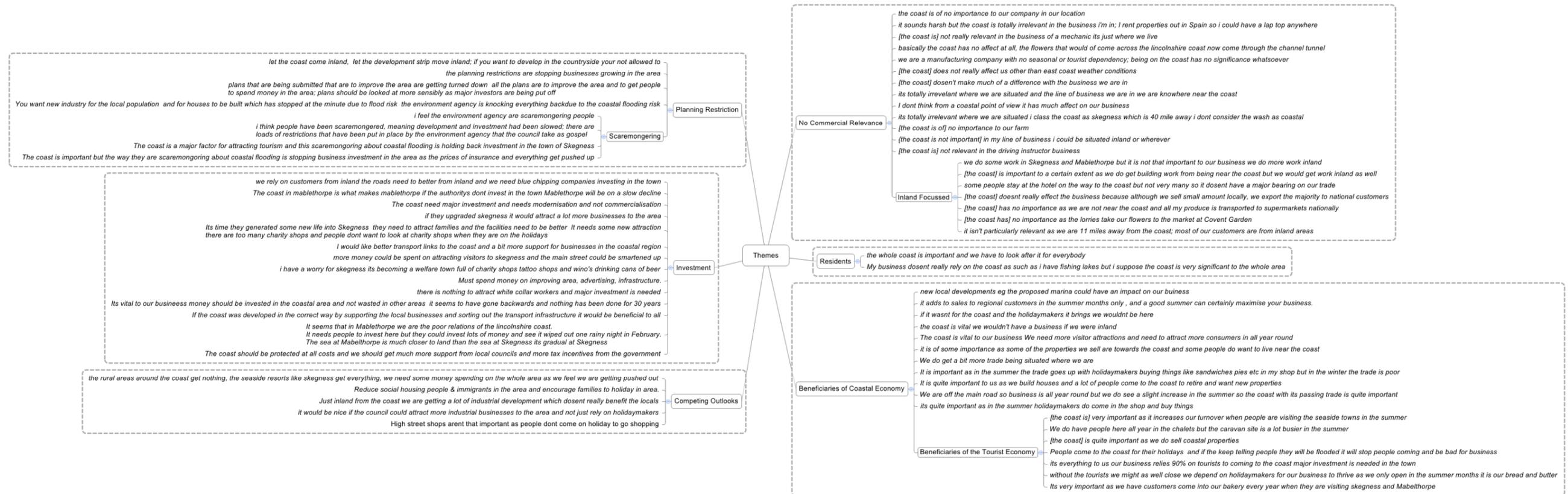
popular 'meme' in 2011 of the 'wasteful public sector' which is heavily supported and promoted by parts of the current coalition and supporting media. Lincolnshire has Parish, Local and County levels of administration and in conversation with businesses sometimes these appear to blend into one. In addition, other agencies such as the Environment Agency, Highways Agency and the defunct Regional Development Agency add to the mix

- 8.11 A minority of respondents broadened requests for investment to stimulation of business start up and growth in the form of business support initiatives. Linked to this we noted a number of small indigenous start up businesses or business communities that appear to be emerging alongside traditional structures in attempt to move forward positively. For example, the growing Lincolnshire surf community actually had a call for support on its website/Facebook page. Authorities concerned with economic development need to support these green shoots (see recommendations)

- 8.12 An overview insight into the comments recorded during conversations with respondents is provided visually in Figure 8.1.



Figure 8.1 – Comments from Coastal Businesses







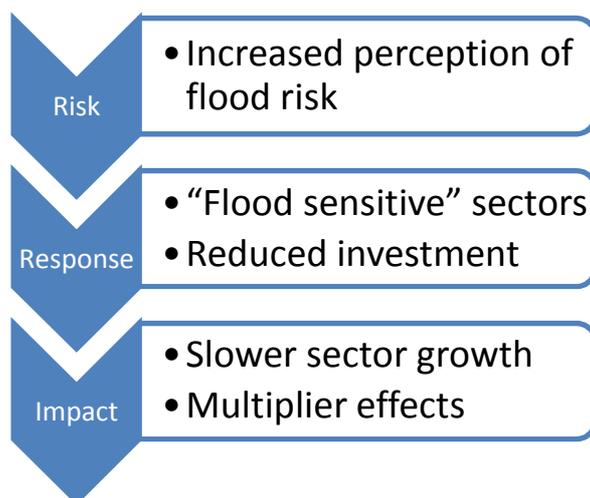
9 Economic Model

- 9.1 In this section of the report we set out the structure of the economic model which we have used to forecast the development of the Lincolnshire Coastal Economy in the light of perceived flooding risks.
- 9.2 The model is intended to be a tool which can be used to model alternative scenarios. As time goes by knowledge of and expectations of risks will develop and the model can be adjusted to reflect changing information.

Modelling Procedure

- 9.3 A basic principle of our approach is to recognise that the future of the economy and its performance depends upon the decisions made by economic agents – investors, employers, workers and customers.
- 9.4 Flood risk may affect those decisions particularly as it affects the perceptions of risk on the part of those agents. In turn, as the risk of flooding increase over time (due to climate change) and begins to impact on events so perceptions will alter.
- 9.5 There is a great deal of uncertainty about perceived levels of risk and it is impossible to predict when exactly events will occur that will alter perceptions. It is our view that the data on economic performance for the Coastal Economy and its region do not indicate that as yet, risks associated with coastal flooding have had much impact on economic behaviour. However, we expect that to begin to change.
- 9.6 We consider that it is useful to think in terms of two mechanisms or main scenarios as illustrated in the diagrams below.

Figure 10.1 – Risk Impact

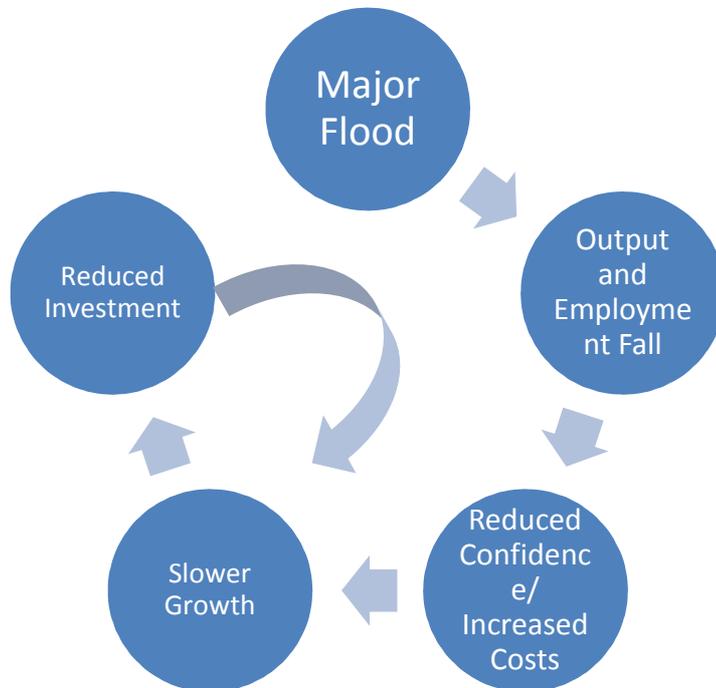


- 9.7 The Risk Impact shows how, in the absence of any major local climate change related event such as a flood, gradual growth in levels of perceived risk, resulting from growth of knowledge, will impact on business decisions with possible adverse effects on growth.
- 9.8 The second mechanism comes into play if a major adverse event does occur. As illustrated in Figure 10.2, there is an immediate impact on economic activity through



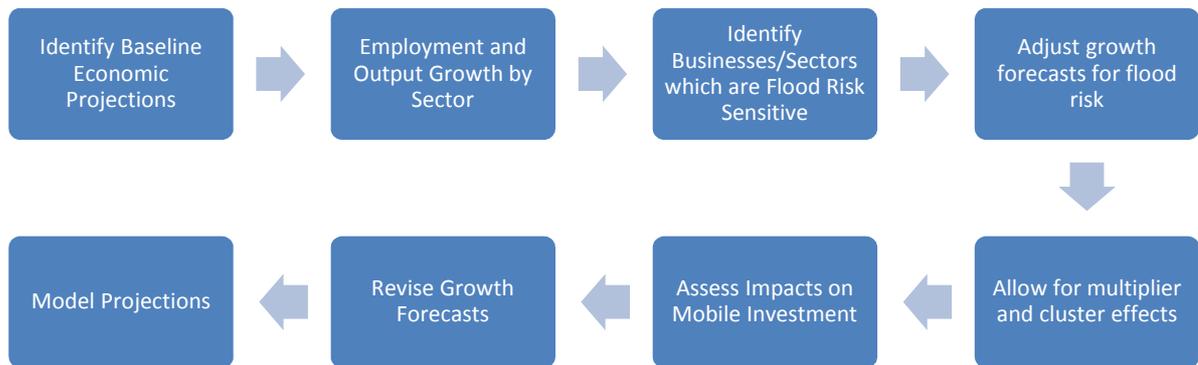
damage to businesses and infrastructure with a further and strong adverse impact on confidence and investment.

Figure 10.2 Adverse Event Impact



- 9.9 We have modelled the future of the economy under both the above scenarios. In both cases the starting point is a growth path for the designated coastal area based on the sectoral growth assumptions in the Experian Forecasts for the East Midlands. These have been scaled down to the Coastal Economy area to give the baseline economic projections.
- 9.10 The baseline projections are then adjusted for the two main scenarios. Considering first the “risk impact” (i.e. no major adverse event) the process is as shown in Figure 10.3.
- 9.11 From the economic analysis and survey work we have identified sectors and businesses where the risk of flooding is most likely to affect business decisions; these are the “flood sensitive” businesses.

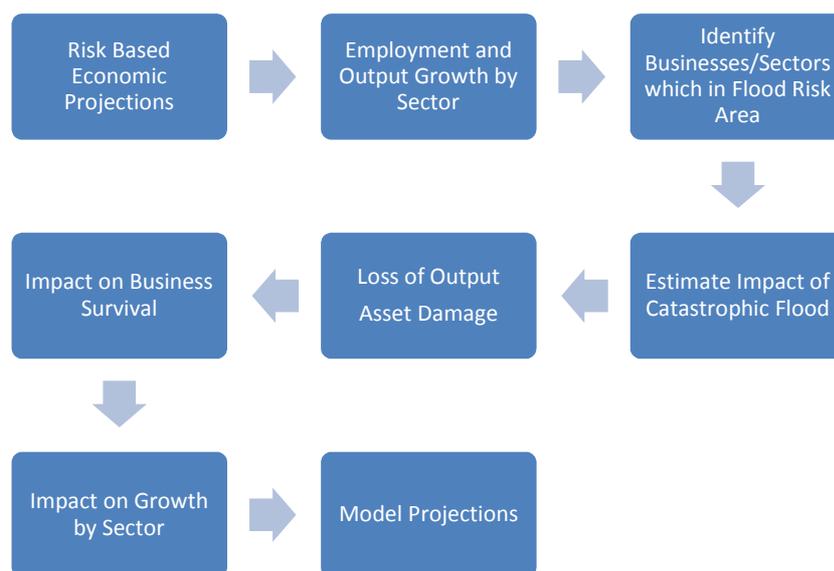
Figure 10.3 Risk Modelling



9.12 The modelling of the impact of a major ‘event’, i.e. a serious and extensive flood was done using the procedure shown in Figure 9.4. Businesses located in the area predicted to be affected by a major flood (based on the flood risk maps produced by Atkins) were identified.

9.13 The impact of a catastrophic flood on those businesses and organisations in terms of the cost of damage and lost output/employment was then estimated using data derived from flooding elsewhere in the UK. This gave an immediate loss of output and income (GVA). We also assumed that a lasting effect of the flooding would be the failure of a proportion of businesses and a drop in longer term growth rates across all sectors due to enhanced perceptions of risk. The model then projects employment (and output/GVA) by year up to 2026. In the modelling we made the arbitrary assumption that a major flood occurs in 2015 but this is an assumption which can easily be altered.

Figure 10.4 Flood Impact Modelling

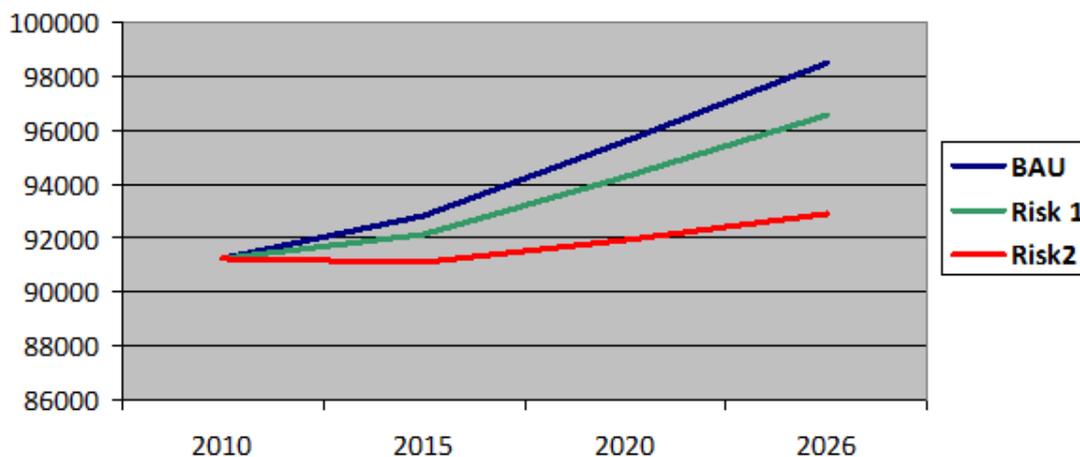




Modelling Results

- 9.14 The outputs of the modelling are shown in graphical form below. Figure 10.5 shows projected employment on a “Business as Usual” basis and the impact of two levels of growth in perceived risk 1) a “moderate” growth in perceived risk and 2) a higher level of perceived risk.
- 9.15 The “Business as Usual” projection is based on established trends as derived from the analysis in the East Midlands Experian model: it essentially implies that the Coastal economy retains the same relationship with national economic growth that has prevailed over a fairly long period. We consider that this is a growth pattern which is unaffected by changes in risk associated with coastal flooding..
- 9.16 The basis of the risk calculations was set out above. The lesser risk scenario assumes a significant slowing in growth (but generally positive growth) in sectors which have been identified as “flood risk sensitive”; these include distribution, agriculture related activities, the tourism economy and parts of the service sector. The higher risk perception scenario assumes that growth falls to zero in those sectors.

Figure 10.5 Modelling Outputs Risk Scenarios – Employment

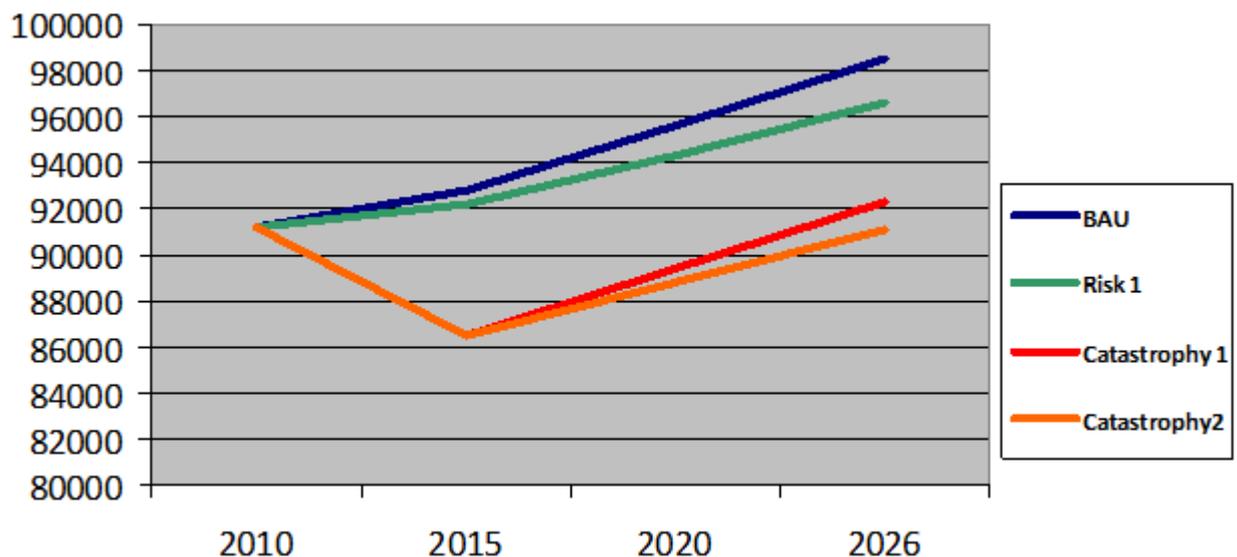


- 9.17 This modelling implies that the effect of growing perceptions of risk will be to reduce employment in the coastal area by between 2,000 and 5,000 by 2026. These are projections which assume that no event occurs to create a direct impact and thus affect longer term growth further.
- 9.18 Under Risk Scenario 1, the loss of annual GVA in 2026 is £74 million or about 1.7% of the Business as Usual figure. For Risk Scenario 2 the loss is £226 million or 5.4% of Business as Usual GVA.
- 9.19 The modelling thus indicates that provided no major adverse effect occurs, the effects of climate change on the Coastal Area economy over the next 15 years will be quite modest. At worst, the economy will be about 5.4% smaller than would otherwise be expected.



- 9.20 Modelling of the catastrophic event impact produces a much more adverse outcome as is shown in Figure 9.6. The immediate impact of the flood modelled is a reduction in output and employment. Employment falls by just under 5,000 in the year of the flood (2015) and GVA falls by £181 million (about 6% of GVA in the Coastal Economy).
- 9.21 What happens thereafter depends on the rate of economic recovery and the lasting impact on investment. We have modelled two scenarios, a faster recovery with a return to pre-existing growth rates and an impaired with permanently reduced growth rates.
- 9.22 The results of this modelling are shown in Figure 9.6 alongside the “Business as Usual” line and the Risk 1 Scenario. This enables us to summarise the key conclusions of the modelling.

Figure 10.6 Modelling Results – Employment



- 9.23 The effect of a catastrophic event is that, in addition to the immediate loss, the economy in 2026 is still smaller than under Risk Scenario 1 by 4,000 – 5,000 jobs and lower than Business As Usual by 7,000 jobs. In the worst case this is GVA in 2026 lower by about 6.5% than in a “no coastal flood” effect world.
- 9.24 We consider that Risk Scenario 1 is the most likely outcome and this implies a fairly modest impact on the economy but a catastrophic flood in, say 2015, would effectively eliminate all net employment growth between 2010 and 2026.

Further uses of the Model

- 9.25 The results set out above show the outcome of the model for a set of plausible assumptions. However, the main use of the model is to explore the impactions of alternative scenarios and the wider effects on factors such as population and housing.
- 9.26 Turning first to alternative scenarios, we consider that it would be useful to explore the range of potential outcomes by altering the model assumptions and parameters to assess the impacts of:

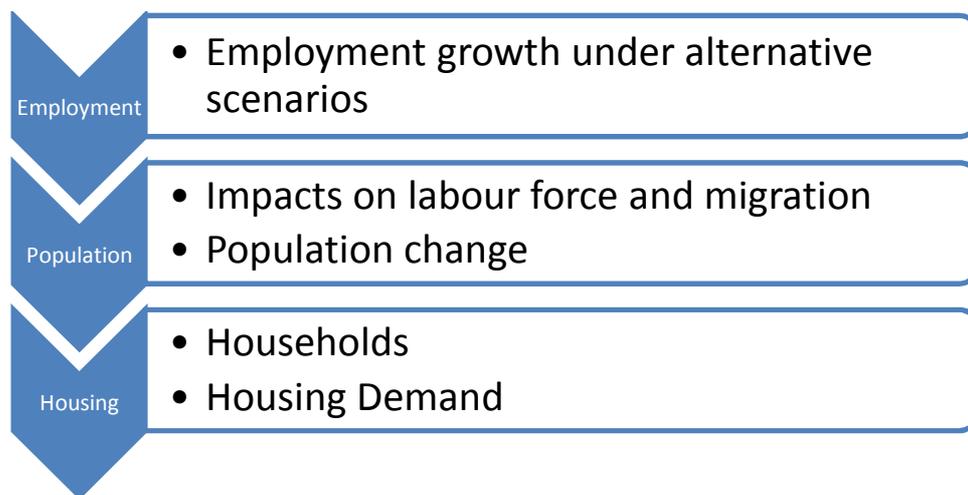


- different physical extents of flooding
- different rates of economic recovery
- greater and lesser impacts on perceived risk.

9.27 The model can also be applied to sub-areas and to other parts of the country by using appropriate base economic data.

9.28 Impacts on population and housing requirements can be modelled using a link from employment to migration and thus population as illustrated below. This represents a potential extension of the model.

Figure 10.6 Modelling Impacts on Housing



9.29 The full model and tables are provided in an MSExcel based template as an Appendix to this report.



10 Discussion

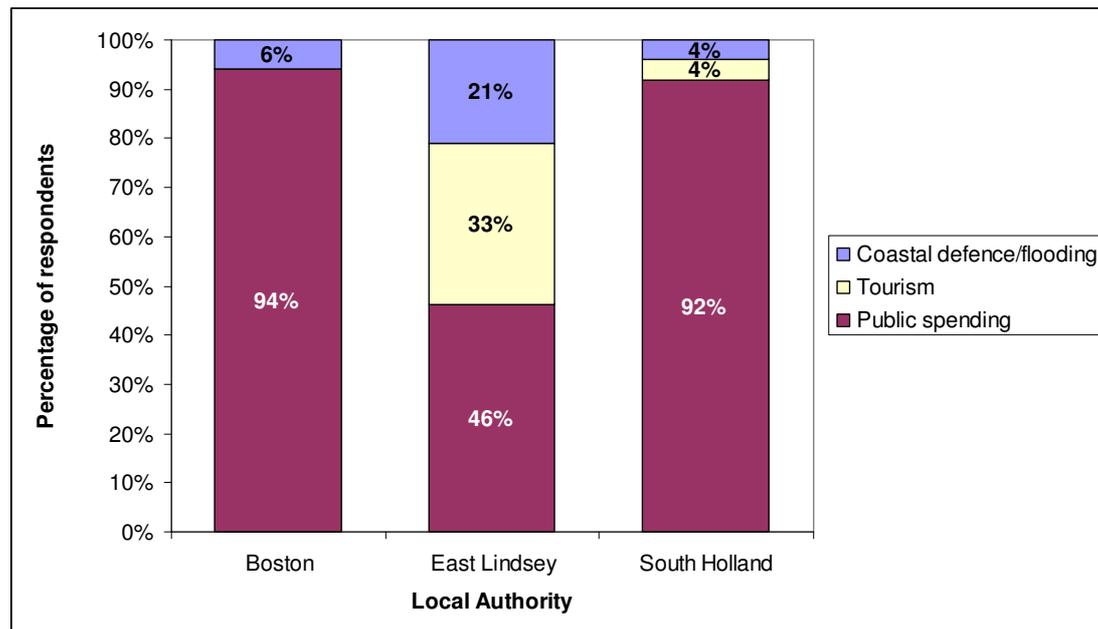
Impact of the Macro Economy

- 10.1 Perhaps the most striking result in the survey is the impact that the current economic climate is having on business confidence. General economic conditions are cited as a major 'factor restricting growth' for the majority of sectors surveyed.
- 10.2 Across all respondents, a level of uncertainty is apparent in the dominant expectation of No Change in turnover for the next 3 years. However, an expectation, or hope, that markets will lift in this timeframe is apparent in the high proportions forecasting Growth across sectors.
- 10.3 Peaks in the forecast of Growth in sector populations are apparent with Food Processing and Manufacturing. Most sectors present significant rise in the proportion of their number forecasting Growth when compared to the previous 3 years' experience.
- 10.4 Sectors with the highest proportions forecasting Decline are Retail and Other Services; potentially reflecting expectations (and emerging reality) regarding consumer spending.
- 10.5 When questioned on matters regarding the future, businesses were remarkably confident with over 85% of all surveyed stating that they expected to be trading in ten years' time.
- 10.6 This confidence was consistent between local authorities; levels ranging from 79% to 89%. This apparent confidence correlates with a study carried out by EMDA and the NFU on horticultural businesses in Lincolnshire which also found a high degree of confidence about the future¹⁹.
- 10.7 The level of confidence appears to track the national picture in that Retail, Construction, Manufacturing, and Other Services demonstrate the greatest proportion of businesses non confident of survival (averaging ~20% of each sector population).
- 10.8 Over 57% of all surveyed businesses across all authorities and sectors cite Public Spending as the number one challenge. For Boston and South Holland, this number was >92%.

¹⁹ Bidwells. 2010. 'Grow EM: The Horticultural Industry in the East Midlands'. EMDA, NFU



Figure 8.1 – Perceived Number One Challenge by Local Authority:



- 10.9 Understandably, businesses representing Construction, Manufacturing, and Financial Services placed particular emphasis on the macro economy and Public Spending.
- 10.10 Building elements of the qualitative research into this insight, the impact of macroeconomic trends is reinforced as a prominent feature of the outlooks expressed by businesses; commonly overriding any local economic challenges.

What is a Coastal Business?

- 10.11 One of the key aims of this work was to understand what coastal businesses were, who they were, and if they were 'wedded to the coast'.
- 10.12 At a basic level we can articulate that there are two types of 'coastal' business, those that require the coast (or sea) to be present as a fundamental part of their business (e.g., a beach fisherman) and those that are on the coast but are not reliant on the coast (e.g., a solicitors' practice in Skegness).
- 10.13 Between these two extremes there are several 'shades of grey' and this was explored through the survey. Respondents to the survey were probed for information on the demographics of the customers and of their suppliers, including geographical distribution.
- 10.14 The surveyed population of East Lindsey demonstrates the closest explicit identification with the coast and the most explicit association between coast and commercial prospects.
- 10.15 In terms of sectors, Hospitality and Tourism businesses present the greatest proportion of businesses identifying with the coast and associating commerce with it. On average, this identification and commercial association with the coast is much less distinct for other sectors surveyed.
- 10.16 However, an assessment of custom reveals that the greatest proportions of local 'coastal' customers are found with Construction and Financial Services. Naturally,



Hotels and Tourism based businesses derive significant custom from non-coastal custom. The definition of a coastal business is thus complex.

- 10.17 The evidence we have gathered here would suggest that arguments put forward by Fothergill et al²⁰ in 2003 and again in 2008 around the usefulness (or otherwise) of coastal as a definition have weight and policy makers need to be mindful that the language of the public policy maker is very often different from that of the business community or general public.

Are Coastal Businesses Different from Other Business?

- 10.18 It is quite clear that in many ways coastal businesses are no different to any other business in that they are clearly nested within a wider macro-economic picture.
- 10.19 Coastal businesses by definition operate on the 'periphery'. That is both a strength and a weakness and is the very paradox at the heart of coastal regeneration. Seaside and coastal towns have less hinterland and often have restricted road and rail infrastructure due to their coastal location. Yet, it is their coastal location that makes them attractive to tourists, wildlife, coastal business and other users.

Coastal Flooding

- 10.20 Businesses are aware of coastal flood risk (and to a lesser extent the postulated causes of this risk increasing eg sea level rise, anthropogenic climate change) and may be starting to factor this into investment decisions, but the Business Survey suggests that the majority of businesses are focussed on the challenges of the short term.
- 10.21 Across Survey questions concerning factors driving business relocation away from the coast, factors restricting growth, and principal business challenges, the risk of flooding was most significant amongst those tapping into the tourist economy; Hospitality, Tourism, and Retail.
- 10.22 However, even with these sectors, Flood Risk never emerges as an issue occupying the minds of a majority of businesses surveyed. Only with the case of Tourism businesses asked about factors driving relocation does Flood Risk near the primary issue amongst 50% of the sector group.
- 10.23 Coastal Flooding appears as a priority issue for ~25% of the business sample of East Lindsey whereas only 10% of the Boston and South Holland samples cite Flooding as a priority issue.

²⁰ See Fothergill definition of seaside resorts - Fothergill, Beatty. 2003. 'The Seaside Economy: The final report of the seaside towns research project'. Centre for Regional Economic and Social Research, Sheffield Hallam University, June 2003



11 Recommendations

- 11.1 The data collected in the course of the study and the discourse it provokes suggest several key findings and subsequent recommendations.

Impact of Coastal Flood Risk (actual or perceived) on Economic Growth & Inward Investment

- 11.2 The business survey indicated that for a small proportion of the businesses surveyed coastal flood risk was an issue to be concerned about or was an issue that was directly preventing them from developing their business (e.g. planning permission being blocked). This small potential impact is reflected in our modelling which indicates the potential impact on this to the Lincolnshire economy.
- 11.3 With regard to inward investment, there was limited data available at the time of the study with which to make any judgements about inward investment sentiment. It may be that larger businesses and organisations assess flood risk differently to smaller more locally focussed businesses. This in turn may be influencing their view of the Lincolnshire coast as an inward investment location. However, without evidence this is supposition. (see recommendation #6 regarding evidence base)
- 11.4 Policymakers face a difficult choice between their duty to raise awareness and prepare for flooding events (e.g. build community resilience) and on the other hand their duty to encourage and support sustainable local economies.
- 11.5 This has been highlighted in other coastal work done in Lincolnshire recently in particular the report carried out by CRESR (Sheffield Hallam University) which states:

“None of this is intended to suggest that the flood risks are anything less than real. However, there are real trade-offs here. The key question is whether the risk to life and property is sufficiently great to cast aside the economic gains and the aspirations of so many households. These are genuine choices, and it would be entirely wrong to allow the concerns about flood risk held by, for example, the Environment Agency and the emergency services, to trump all other positive considerations.”²¹

- 11.6 We would encourage this to read across to business and economic development also.

Recommendation #1: Policymakers need to monitor carefully their policy responses to flood risk to maintain the delicate balance of local economies. Where flood defence policy or economic development objectives are clearly in conflict, involving local businesses and other key stakeholders in coming up with innovative local solutions is key to successful outcomes. This co-creation of solutions has been promoted within policy making for some time but is often difficult to achieve.

Recommendation #2: Following on from the above, it was clear that relationships between all levels of local government and all aspects of

²¹ The Caravan Communities of the Lincolnshire Coast – CRESR (2011) , p39



business need to be continually strengthened and reinforced. Each side clearly have expectations of the other and yet very often are unaware of one another's key challenges. Authorities need to constantly reflect on their modes of business engagement and understanding

Coastal Economic Development & Business Support

- 11.7 One of the key tasks of this project was to provide insight into the coastal economy from multiple perspectives. What has been revealed is a coastal economy which is clearly linked to the wider macro-economic picture and which could be supported in many ways. In addition, many positive aspects of the local economy were present and these should be re-enforced.
- 11.8 The commitment of local enterprise owners to their locality should not be underestimated and is a strength that should be built upon.
- 11.9 With the demise of the Regional Development Agency structure and ongoing national policy changes such as the abolition of regional Business Links and the changes to business rates (which will impact the majority of Lincolnshire negatively), County and District Authorities find themselves thrust into the economic development spotlight at a time when they are struggling with the impact of funding cuts themselves.
- 11.10 The prevailing economic conditions only serve to increase the pressure on coastal towns. The Government has promised that coastal towns are a priority and has recently announced specific funding streams for coastal economic development²². However, there is clearly going to be strong competition for this funding, if the Regional Growth Fund is any indicator.
- 11.11 In addition, changes to other areas of Government spending, notably housing may also have a deleterious impact upon coastal communities especially those with high densities of HMO's. There are many dire forecasts of mass migration from Cities such as London and Birmingham toward seaside towns as benefit changes in these cities force families to move.
- 11.12 Authorities with significant coastal areas need to take the time to understand in depth how their coastal economies operate and how changes in population employment may impact.
- 11.13 Some form of 'toolkit' or checklist should be developed that allows officers to ensure that coastal engagement is occurring correctly and all factors are being considered. This will be useful in bidding for grants (against stiff competition) or making cases for other streams of funding. The toolkit will also prove invaluable in marketing areas to encourage indigenous and external investment
- 11.14 This 'coastal proofing' (similar to the concept of 'rural proofing'²³) is designed to ensure that coastal communities and economies are being properly considered when

²² See Coastal Communities Fund: www.hm-treasury.gov.uk/press_86_11.htm

²³ <http://www.idea.gov.uk/idk/core/page.do?pagelId=300459>



funding bids are being developed or when policy is being developed. Key questions that could be asked might include:

- Have you put in the place the correct governance structures for your coastal bids?
- Have you correct structures in place to genuinely engage coastal business?
- Do you understand how your coastal business ecosystem operates?
- Do grant giving bodies understand your objectives?
- Are your objectives clear and flexible?
- How are you encouraging innovation and positive futures within your bids?

11.15 Perhaps the most important point is an in depth understanding of how a coastal economy operates and how that is 'nested' within the wider regional and macro economy. These ideas would need developing further to create a toolkit.

Recommendation #3: Lincolnshire needs to develop a coherent economic development strategy for the County, Districts and the coast. This should focus on supporting existing strengths and should clearly articulate what the authorities are responsible for and what the enterprise sector (private and social) is required to do.

Recommendation #4: Linkages into business networks, communities and groups need to be strengthened. The Authorities should ensure that these groups are supported and recognise that many businesses only encounter Authority officers through these fora and hence will form judgements. Where these groups are should be mapped.

Recommendation #5: Whilst this study clearly shows that very few businesses can decouple themselves from the wider macro-economic context, we also found evidence of innovative business models and ideas all along the coast. These green shoots should be understood and encouraged. Authorities should spend some time looking at trend data sets to spot emerging opportunities and encourage these onto the coast.

Economic Data Relevance & Model Development

11.16 Linked to the recommendation above one of the biggest issues encountered in this study was that large proportions of the data made available were out of date or no longer relevant (collected before 2008 economic crash), difficult to obtain or held in different organisational silos. Spending reduction also appears to be impacting on national data sets such as ONS and NOMIS.

11.17 In addition obtaining data to the level required to construct the model businesses has been extremely difficult and resource intensive. Businesses feel as if they are 'over surveyed'. This may be a valid complaint or may be a perception Authorities



should consider how often they survey businesses and ensure that data collected can, where possible, be used in other studies,

- 11.18 There appear to be several different coastal boundary definitions used by different agencies and many different studies relating to the Lincolnshire Coast and it would be useful for Authorities to align, always understanding that the definition of coastal used in this study is clearly not recognised by many businesses captured by it.

Recommendation #6 There should be a fundamental review of the data Lincolnshire requires in order to support and develop its local economy. Then, how this data is made public and used needs to be discussed and decided. This should involve all authorities pooling limited resources for a common good, but should not exclude individual authorities collecting their own data if required. Several metropolitan regions have embarked upon open data store projects²⁴ which have the twin benefit of making data available to the public and businesses (in line with government policy) as well as supporting local digital businesses²⁵ This project could be led by current Lincolnshire Regional Observatory.

²⁴ London: <http://data.london.gov.uk/>, Manchester: <http://datagm.org.uk/>

²⁵ Lincolnshire has just embarked on an ERDF funded digital programme. This could link to that.



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13 Appendix 1 – Economic Model Tables

- See associated spreadsheet 'Lincolnshire Coastal Model v1'

14 Appendix 2 – Business Survey Output Data

- See associated spreadsheet '4184 Lincolnshire Coastal Economic Model - Appendix 2 - Business Survey Data and Graphs'



15 Appendix 3 – Business Survey Questionnaire

Lincolnshire Coastal Pathfinder Questionnaire

Lincolnshire Coastal Pathfinder Questionnaire

Page One

As part of the Coastal Pathfinder Programme, Lincolnshire County Council seek to understand the views of businesses that are situated near to the Lincolnshire coast.

The purpose of this work is to ensure that the requirements of businesses now and into the future are properly understood, and that the issues of industries along the coast are appreciated to provide support, policy and planning by incorporating any distinct coastal aspects.

The questionnaire should take no longer than 15 minutes, thanks in advance for your time.

Business Profile

1. What is the name of your organisation?

2. What is your postcode? (Required)

3. Which of the following best describes your organisation?

- Agriculture and primary industries
- Manufacturing excluding food processing
- Food Processing
- Construction
- Hotels, Guest houses, restaurants
- Other tourism related businesses
- Retail
- Transport
- Financial and business services
- Other Services

4. Is the business?

- Locally Owned
- Part of a larger subsidiary

5. What is the name of this larger group or organisation?



6. How long has your organisation been established?

- 0 ? 1 years
- 1- 5 years
- 5 ? 10 years
- 10+ years

7. What is the current level of turnover at this site?

- £0-£100k
- £101k - £500k
- £501k - £1m
- £1m ? £2m
- £2m - £5m
- £5m - £10m
- More than £10m
- Don?t know/refused

8. Over the last three years how has the turnover of the firm at this site changed?

- Grown by more than 10%
- Grown by up to 10%
- Remained the same
- Declined by up to 10%
- Declined by more than 10%

9. How do you expect turnover to change in the next three years?

- Grow by more than 10%
- Grow by up to 10%
- Remain the same
- Decline by up to 10%
- Decline by more than 10%

10. What is the MAIN reason why you are based at your current location?

- Proximity to the coast
- Natural Assets
- Historic
- Proximity to supply chain
- Proximity to customers
- Transport links and logistics
- Availability of appropriate facilities/office space
- Other

11. To what extent do you agree or disagree with the following statement:

"My business would be significantly worse off if I was not near the coast"

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree



12. Please state your reasons:

13. To what extent do you agree or disagree with the following statement:

"I consider my business to be coastal in its location"

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

14. Please state your reasons:



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Employee Profile

15. How many people does the business currently employ at this site?

	Permanent	Seasonal/Temporary
Full-time		
Part-time		
Total		

16. Over the last three years how has the number of employees at this site changed?

- Grown by more than 10%
- Grown by up to 10%
- Remained the same
- Declined by up to 10%
- Declined by more than 10%

17. How do you expect employment to change in the next three years?

- Grow by more than 10%
- Grow by up to 10%
- Remain the same
- Decline by up to 10%
- Decline by more than 10%

18. What is the average salary for employees at this site?

19. How many of your staff are:

Male

Female

20. In terms of % what is the age split of your employees?

16-24

25-34

35-44

45-54

55-65



21. What is the main method used by your staff to travel to work?

- Walk/Cycle
- Private Car
- Company Car
- Public Transport

22. On average, how far do your staff commute?

- Under 1 mile
- 2-5 miles
- 5-10 miles
- 10-20 miles
- Over 20 miles

23. Have you encountered any problems in finding employees?

- Yes
- No

24. What were the reasons?

- Appropriate skill levels
- Ability to travel to work
- Short term nature of work
- Other

25. What % of staff have the following occupations

Managerial and Professional	<input type="text"/>
Administrative and Secretarial	<input type="text"/>
Skilled	<input type="text"/>
Semi-skilled and Unskilled	<input type="text"/>



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Customer Profile

For the purposes of these questions the term "coastal based" refers to anywhere within the shaded area as shown on the map below:





26. What proportion of your customers/guests would you describe as being:

Coastal based (within the shaded area)	0-20% 21-40% 41-60% 61-80% 81-100%
From within Lincolnshire	0-20% 21-40% 41-60% 61-80% 81-100%
National	0-20% 21-40% 41-60% 61-80% 81-100%
International	0-20% 21-40% 41-60% 61-80% 81-100%

27. Can you provide the name and location of your most important coastal based customers?

	Name	Location
1.		
2.		
3.		

28. For Accommodation Providers only

What is the average length of stay for your customers?

- 1-2 nights
- 3-5 nights
- 5-7 nights
- 7-14 nights
- 14+ nights



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Supplier Profile

For the purposes of these questions the term "coastal based" refers to anywhere within the shaded area as shown on the map below:





29. What proportion of your suppliers would you describe as being:

Coastal based (within the shaded area)	0-20% 21-40% 41-60% 61-80% 81-100%
From within Lincolnshire	0-20% 21-40% 41-60% 61-80% 81-100%
National	0-20% 21-40% 41-60% 61-80% 81-100%
International	0-20% 21-40% 41-60% 61-80% 81-100%

30. Can you provide the name and location of your most important coastal based suppliers?

	Name	Location
1.		
2.		
3.		

31. What is your average annual spend on goods and services (Inputs)?

	Annual Spend
Coastal based (within the shaded area)	
Regional	
National	
International	

32. What are the main types of goods/services that you buy locally?



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Future Developments and Challenges

33. Do you think your business will still be in this location in 10 years?

- Yes
- No

34. What factors would cause you to move away from the area:

- Recruitment difficulties
- Housing availability
- Availability of premises
- Risk of coastal flooding
- Transport infrastructure
- Other (Please specify)

35. What factors would cause you to remain in the area?

- Dependence on natural assets of area
- Family connections
- Dependence on local supplies
- Key customers are in area
- Other (please specify)

36. What factors are likely to constrain your growth at this site?

- General economic conditions/public spending reductions
- Lack of space for expansion
- Labour supply issues
- Coastal defence/flooding risk
- Housing availability
- Planning Restrictions
- Other (please specify)

37. What factors are likely to support the development of your business at this site?

- Market conditions
- Labour supply
- Property availability
- Business support initiatives
- Availability of key supplies
- Availability of key customers
- Other (please specify)



38. Please list the top 3 challenges/issues to your business

1st Choice	Transport infrastructure Public spending cuts Coastal defence/flooding Labour Supply Housing Availability Changing needs of tourists Other
2nd Choice	Transport infrastructure Public spending cuts Coastal defence/flooding Labour Supply Housing Availability Changing needs of tourists Other
3rd Choice	Transport infrastructure Public spending cuts Coastal defence/flooding Labour Supply Housing Availability Changing needs of tourists Other

39. Does your business have any and plans to respond to these challenges?

- Yes
- No

40. Please provide details

41. Do you expect a response from the public sector in respect of the challenges you face?

- Yes
- No

42. If yes, please provide detail:

43. Do you have any other comments you would like to make on the importance of the coast to your business?

16 Appendix 4 – List of Wards in East Lindsey Coastal Area



- Alford
- Burgh le Marsh
- Chapel St Leonards
- Coningsby and Tattershall
- Croft
- Frithville
- Grimoldby
- Halton Holegate
- Holton le Clay
- Horncastle
- Ingoldmells
- Mablethorpe Central
- Mablethorpe East
- Mablethorpe North
- Mareham le Fen
- Marshchapel
- North Somercotes
- North Thoresby
- Roughton
- Scarborough
- Seacroft
- Sibsey
- Skidbrooke with Saltfleet Haven
- Spilsby
- St Clement's
- Stickney
- Sutton on Sea North
- Sutton Sea South
- Tetney
- Trinity
- Trusthorpe and Mablethorpe South
- Wainfleet and Friskney
- Willoughby with Sloonby
- Winthorpe
- Withern with Stain
- Woodhall Spa
- Wragby