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Economic Impact Statement

Former Waitrose Site, Anchor Springs,
Littlehampton, BN17 6AT

On behalf of Whitbread Plc

APRIL 2025

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I INTRODUCTION

I.1 This Economic Impact Statement has been prepared by Walsingham Planning to accompany an application for full planning permission for redevelopment of the former Waitrose supermarket site, located between Anchor Springs and Avon Road in Littlehampton, West Sussex.

I.2 The description of development is as follows:

“Demolition of vacant supermarket building; erection of four storey hotel and restaurant building with rooms in roof level; public realm and landscape improvements; retention of associated car park and all associated works”.

I.3 The development will deliver a 130-bedroom hotel, with ground floor restaurant, and it will be operated by Premier Inn, one of the UK’s most popular branded hotel chains.

I.4 This Statement is intended to assist the Council by providing a detailed breakdown of the positive economic impacts that will be generated by the hotel scheme. This is an important material consideration, which should be taken into account in the determination of the application, as is noted in paragraph 85 of the National Planning Policy Framework (NPPF):

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.” [our emphasis].

I.5 This Economic Impact Statement considers the impact of the application proposal, both during the construction phase and during the operational phase of the development. Our approach is based on the step-by-step methodology set out in the Homes and Communities Agency’s Additionality Guide 2014¹, which sets out a method of assessing the additional impact, or ‘additionality’, of local economic growth. The report also takes into account the recent findings of independent research, undertaken by Turley Economics on behalf of Whitbread, which examines the ‘Economic Impact of Premier Inn Hotels’, within the United Kingdom.

¹ We understand that this guidance document has been recently withdrawn, but – in advance of a replacement - it still provides a useful step-by-step methodology for calculating the economic impact of development schemes.

I.6 This Statement should be read in conjunction with the other supporting documentation submitted as part of the planning application, including the **Planning Statement** and **Design and Access Statement**.

I.7 The Economic Impact Statement is structured as follows:

- **Section 2: Economic and Policy Context** – This section describes the national and local policy context, which together aim to drive economic growth;
- **Section 3: Construction Economic Impacts** – This section details the economic impacts, which will be generated during the construction phase of the application proposal;
- **Section 4: Operational Economic Impacts** – This section describes the long-term economic benefits that will be generated once the Premier Inn development is operational;
- **Section 5: Tourism Economic Impacts** – This section considers the impact that the proposal will have on tourism expenditure and the local tourist economy; and
- **Section 6: Summary and Conclusions.**

2 ECONOMIC AND POLICY CONTEXT

2.1 In this Section, we set out the economic context by providing an overview of economic policy at the national and local levels. We also provide details of local economic initiatives and the important role that tourism plays in the local economy, as well as the bespoke research that Premier Inn has undertaken regarding the wider economic impacts of its hotels.

2.2 Whilst the policy aim of encouraging and supporting economic development and growth is not a new one, it has been given additional emphasis over recent years, as the UK as a whole has struggled with recession and slow economic growth. The economy (in particular relating to the hospitality sector) stalled again in 2020 / 2021, due to the global economic and social impacts of the coronavirus (COVID-19). In these challenging conditions, the pressure to continue to drive growth and development, and deliver positive economic outcomes has been given increased significance.

(A) NATIONAL PLANNING POLICY

2.3 National planning policy is set out in the National Planning Policy Framework (NPPF, 2024), and additional guidance is provided by the Government’s online Planning Practice Guidance (PPG).

2.4 The aim of the NPPF is to ensure that there is a presumption in favour of sustainable development and that positive planning solutions are found to ensure that economic development is brought forward. Paragraph 8 is clear that the planning system has three overarching objectives in order to achieve sustainable development. One of these is an ‘economic objective’, to help build a strong economy. This can be achieved by: “*ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity*”.

2.5 Section 6 of the NPPF focuses specifically on the Government’s objective to build a “*strong, competitive economy*”. **Paragraph 85** is clear that: “*planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt*”. Moreover, paragraph 85 also adds that: “*significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development*” [our emphasis].

- 2.6 **Paragraph 86** explains that planning policies should be flexible enough to accommodate needs not anticipated in the plan. Whilst **paragraph 87** is clear that: “*planning policies and decisions should recognise and address the specific locational requirements of different sectors*”.
- 2.7 Meanwhile, in relation to town centres specifically, **paragraph 90** notes that planning decisions should support the role that town centres play at the heart of local communities, by “*taking a positive approach to their growth, management and adaptation*”.
- 2.8 The NPPF also places emphasis on making effective use of land. Specifically, **paragraph 125** explains that planning decisions should give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, and proposals should be approved unless substantial harm would be caused. Paragraph 125 also supports appropriate opportunities to remediate despoiled, degraded and derelict land.

(B) LOCAL PLANNING POLICY

Arun Local Plan, 2011 – 2031 (July 2018)

- 2.9 The Foreword of the Local Plan sets out in **paragraph 1.2** that: “*Arun has determined that economic growth for job creation is its number one priority*”. Thus, increasing job density is the central theme of the Plan.
- 2.10 In economic terms, the Local Plan explains that Arun is relatively prosperous when compared to the national average, but performs below average for the South East region. The largest employment sectors within the District are: distribution, hotels and restaurant, which together provide around 30% of all jobs.
- 2.11 **Paragraph 3.28** of the Local Plan explains that lack of employment (‘worklessness’) is a particular problem in parts of Littlehampton. Part of River Ward in Littlehampton, falls within the worst 10% of areas in England, in terms of employment deprivation, with other parts of Littlehampton falling within the worst 20%.
- 2.12 The Local Plan also explains that Arun has 87,000 people of working age, but there are only 54,000 jobs in the District. As such, Arun has a jobs density ratio of just 0.62, compared to 0.81 regionally and 0.78 nationally. This is the 7th lowest ratio in the South East of England (out of 67 local authorities).
- 2.13 **Paragraph 3.29** of the Local Plan further explains that Arun experiences high levels of out-commuting, partly because employment opportunities are limited within the District. About

one third of residents in employment commute outside the District for work. As a result, the Local Plan states: *“The outflow of many Arun residents has some detrimental effects on the local economy, reducing the amount of money spent in local shops and facilities. It is a factor in reducing the competitiveness of Arun’s coastal towns as retail and service centres”*.

- 2.14 **Paragraph 3.44** of the Local Plan acknowledges that Arun is an established visitor destination and its visitor economy is noted as *“a major asset to the District”*. The Local Plan suggests that much of Arun’s visitor market is seasonal and the amount of money spent by visitors in the District is relatively low. As such, the Local Plan notes that Arun needs to respond to changing visitor demands and increase visitor spending. Paragraph 3.44 explains that: *“There is a recognised need to diversity Arun’s tourism product by providing more and better quality facilities, targeting specific niche markets, providing better marketing, and increasing the proportion of staying visitors”*.
- 2.15 **Policy SD SPI a** sets out the **Strategic Approach** to development in the District, and this states – in relation to Littlehampton – that the spatial strategy is to promote and enable development which supports the town of Littlehampton’s role as a main service, employment, retail and social centre, by enabling development that supports Littlehampton as a civic centre, with an expanding leisure, recreation and marine based economy.
- 2.16 With regards to economic growth, **paragraph 8.4.2** explains that the Local Plan will assist the creation of new jobs in Arun in a variety of ways, both through the allocation of land for employment uses, but also be less direct means, such as by promoting urban and town centre regeneration.
- 2.17 **Policy EMP SPI** relates to **Strategic Economic Growth** and is clear that the Council will promote the sustainable growth of the District’s economy, to support the regeneration of the two main towns (Bognor Regis and Littlehampton). The strategy will include promoting the regeneration of the main town centres in the District, as a focus for retail, office and leisure development, as well as supporting and promoting a high quality visitor economy.
- 2.18 The centre of Littlehampton is identified as an ‘Economic Growth Area’ within the Local Plan, and the site lies within this defined area. Within Littlehampton, **paragraph 8.5.7** explains that development of the town centre, Seafront regeneration, and improvements to the area’s tourism offer are essential.

- 2.19 **Policy EMP SP2** relates to the **Economic Growth Areas** and states that the Council will work to enhance local employment opportunities within the Littlehampton Economic Growth Area. Moreover, the policy stipulates that knowledge and cultural based employment, as well as leisure, retail and office developments, will be directed to the Economic Growth Areas, to promote their vitality, viability and regeneration. Within the Littlehampton Growth Area specifically, the policy states that development should provide for additional commercial and leisure activities, including retail, hotel, café and restaurant uses. The policy adds that: *“Development which supports the town’s retail, leisure and tourism functions will be supported”*.
- 2.20 **Policy SKILLS SPI** relates to **Employment and Skills** and explains that the Council will encourage development proposals to address barriers to the employment of economically inactive people, and Employment and Skills plans will be required for major commercial schemes.
- 2.21 Chapter 10 of the Local Plan addresses specifically ‘sustainable tourism and the visitor economy’. The Local Plan explains that tourism is a vitally important part of Arun’s economy, and that cultural and business tourism have also expanded over the past decade. **Policy TOU SPI** focuses on **Sustainable Tourism and the Visitor Economy** and explains that sustainable tourism development will be encouraged. Proposals for visitor related development will be determined by Arun’s capacity to absorb such growth, and this means growth which encourages long-term visitor interest; ensures a viable visitor economy; provides benefit to local people; extends the visitor season; and protects and enhances the natural and built environment of Arun.
- 2.22 **Policy TOU DMI** concerns **Tourism Related Development**. With regards to visitor attractions, facilities and accommodation, the policy states that proposals for their development will be supported, provided that they are in accessible locations; are accompanied by realistic travel plans; address visitor management issues; and achieve good design. Large scale proposals should be directed towards the Economic Growth Areas.

Littlehampton Neighbourhood Plan (2014 – 2029)

- 2.23 **Policy 2** sets out the **Spatial Plan for the Town**, and aims to concentrate future housing and economic development within the built-up area of Littlehampton, especially within the Fitzalan Corridor (which includes the town centre).

(C) LOCAL ECONOMIC INITIATIVES AND RESEARCH

Coast to Capital Local Enterprise Partnership (LEP)

2.24 Formed in 2011, the LEP is focused on delivering growth in the region. It is a public / private partnership, which is tasked with stimulating growth and adding value.

2.25 The LEP has produced a Strategic Economic Plan to drive growth. The Plan notes that West Sussex offers some of the most striking opportunities for growth and development. Areas such as Arun, including Bognor Regis and Littlehampton, are noted as having the potential to be future economic hubs, with scope for growth and investment.

West Sussex Economic Strategy, 2025 – 2035 (March 2025)

2.26 The Strategy explains that, in 2022, the economy in West Sussex was worth just under £27 billion. In 2023, West Sussex had over 42,600 businesses. The public sector, education & health, aviation industry, tourism and the creative industries, the land-based sector, construction and advanced manufacturing are all key contributors to the diverse economy. The largest employment sectors in West Sussex are wholesale and retail (60,000 employees), followed by human health and social work (48,000 employees), administrative and secretarial support (38,000), accommodation and food service (32,000), and education (32,000).

2.27 The visitor economy in West Sussex supported over 36,000 jobs and had a value of £2 billion in 2022. A new pan-Sussex Strategy for Growth to 2035 has the ambition of increasing the value of the sector from £5 billion to £7.5 billion, through a better coordinated approach to the visitor economy, including a greater focus on international visitors.

Arun Economic Development Strategy, 2020 – 2025

2.28 The Strategy explains in its introduction that Arun District is ready for investment. A key priority for the District is town centre regeneration, in Bognor Regis, Littlehampton and Arundel.

2.29 Within Littlehampton, the Strategy notes that the harbour, town centre and industrial estates are part of the Economic Growth Area, and provide opportunities for new development that increases the viability of the town. Specifically, page 17 notes that there is an opportunity to support the growth of employment in the Littlehampton Economic Growth Area by supporting harbour and marina development, leisure, hotels, cafés and restaurants. The Strategy also explains that there is a need to adapt to changes in the retail sector, by

repurposing former retail units for footfall-led activity, such as food and drink, office, leisure, cultural, residential and social destinations.

Arun Growth Deal

- 2.30 The Arun Growth Deal (2018 – 2023) set out the economic growth priorities and opportunities for the District. It was prepared by West Sussex County Council, in collaboration with Arun District Council and it forms part of a suite of documents that support the County Council’s West Sussex Growth Plan. The deal helps to identify an investment and delivery strategy that will provide higher GVA, jobs, homes and employment space within the District.
- 2.31 The Growth Deal partnership supported and successfully bid for grants and funding, and attracted significant investment from various funding sources. Consequently the programme supported multiple projects across the district, such as public realm improvements within Littlehampton Town Centre.
- 2.32 The Growth Deal was reviewed, refreshed and renewed in 2024. The refreshed deal will encourage sustainable growth through the coordination of effort and resources, enabling Arun to continue to attract investment, visitors, businesses and residents wishing to live in the District.

Arun District Visitor Strategy (2023)

- 2.33 The Strategy explains that tourism and the visitor economy are important to Arun District. Currently, 2.8 million annual visits generate £247 million of expenditure and support almost 4,000 jobs. Beyond the economic benefits, tourism also enhances the image and reputation of Arun as a place to invest in, work and live. Furthermore, visitors introduce vibrancy and support local businesses, events and other facilities.
- 2.34 With regards to visitor accommodation, the Strategy explains that Arun is populated by a large number of small self-catering units (71% of 236 accommodation establishments). Of the 16,500 bedspaces available in Arun, 71% are located in Bognor Regis (with Butlins providing 40% of these). Littlehampton accounts for 19% of total bedspaces, and Arundel the remaining 10%.
- 2.35 More specifically, the Strategy notes that the recent ‘Tourism, Hospitality and Visitor Economy Study’ highlighted the limited branded representation at ‘mid-market’ level (for example; Premier Inn and Travelodge). Consequently, the Strategy states that: “*accommodation*

development – both in terms of the availability and variety of supply – is a key opportunity to encourage more and longer overnight stays”.

Sussex by the Sea

- 2.36 Arun benefits from tourism marketing, under the branding of ‘Sussex by the Sea’. The website notes that Littlehampton is a “*traditional seaside town with a twist*”. Furthermore, the website describes the key features of Littlehampton as follows: “*The award winning beach, seafront and adjoining green space provides fresh air and unique architecture. There’s a bustling harbour and riverside walkway to the town centre and plenty of food and drink choices. Discover the brand new water sports and activities hub, ‘The Beach@Littlehampton’ and some great family attractions*”.
- 2.37 Littlehampton also has its own tourism brand, known as ‘Visit Littlehampton’, which is managed by Littlehampton Town Council. The website cites the town’s beaches, the River Arun, the Stage by the Sea, East Beach Café, and Britain’s Longest Bench, as the town’s key attractions.

(D) TOURISM STATISTICS

- 2.38 Travel and tourism is one of the UK’s most important economic sectors. Prior to the pandemic, the UK level of domestic tourism expenditure was rising upwards. However, as a result of the 2020 lockdown measures, tourism expenditure contracted by around 63% in 2020. Following the end of domestic lockdown and social-distancing restrictions by July 2021, domestic tourism was showing signs of recovery and upward growth again.
- 2.39 The tourism sector is an important generator of employment, and accounts for around 6.6 per cent of all businesses in the UK. The Tourism Alliance has compiled a report of ‘UK Tourism Facts and Figures’ (2025) and this sets out the following pertinent facts, which demonstrate the value of the sector and the key employment opportunities that it generates:
- A new full time equivalent tourism job is created with every £74,300 increase in tourism revenue;
 - 3.8 million people work in tourism-related businesses, which includes a mixture of full-time, part-time and self-employed work;
 - The largest tourism employment sector is ‘food & beverage serving services’ (2.1 million jobs). Meanwhile, 474,000 people are employment in the ‘accommodation services for visitors’ sub-sector;

- The sector is a significant incubator for entrepreneurs; as 76% of tourism businesses are ‘micro businesses’;
- There are 328,000 businesses in the UK tourism industry; and
- Between 2019 and 2022, the number of tourism businesses increased by 28,900 (9.7%).

(E) PREMIER INN

- 2.40 In 2023, Whitbread commissioned Turley Economics to analyse the specific economic impact that Premier Inn customers have on local and wider economies across the UK. The research focuses on the national economic contribution of Premier Inn hotels, within a variety of locations across the country.
- 2.41 The research was informed by an online survey of over 12,600 Premier Inn customers, which was undertaken during September and October 2022.
- 2.42 The survey results indicate that for customers who stayed at a Premier Inn hotel for a leisure trip, the main reason for their visit was to explore and discover local areas, for practical purposes, rest and relaxation and celebrating. According to the surveys, competitive prices, high quality accommodation, cleanliness and brand loyalty also act as major attractors and a source of repeat custom.
- 2.43 The survey results highlight a high level of satisfaction amongst Premier Inn guests, with approximately 83% of customers stating that they were happy or very happy with their accommodation, across all hotel destinations. When considering hotel accommodation, a high proportion of the surveyed customers choose only Premier Inn and over a quarter of these customers would not visit a destination if Premier Inn is not available.
- 2.44 Based on the customer responses, and Premier Inn’s occupancy data, it is estimated that Premier Inn customer expenditure on food and drink - alongside other spending on entertainment, shopping and local travel - generates around £1.6 billion every year in the local economies within which the hotels are located, and £2.8 billion every year for the UK visitor economy as a whole. Local businesses, such as food and drink establishments and visitor attractions are significant beneficiaries of this expenditure. The research report thus demonstrates the real and substantial economic benefits that can be generated by Premier Inn customers at both a local and national level, and it is presented in **Appendix 2** for reference.

(F) SUMMARY

- 2.45 It is a central theme of national planning policy to drive economic growth and rejuvenate the country's economy, particularly in light of the recent economic downturns. This key priority is echoed in local planning policy, and it is notable that the Local Plan also sets out that "*economic growth for job creation is its number one priority*". Economic growth is also being driven by local economic partnerships (such as Coast to Capital), which seek to work with businesses and encourage investment and innovation.
- 2.46 It is clear from our planning policy review that there is a strong drive locally to promote economic growth and increase the quantity and quality of job opportunities within the local area. The Local Plan and Neighbourhood Plan both recognise the important role that tourism plays in the local economy, in terms of both supporting jobs in the service sector and generating additional income to underpin the viability of local services.
- 2.47 Within this context, it is recognised that tourism is an important sector in Arun, and within Littlehampton specifically, which benefits from several visitor attractions and popular events, and this role is supported by the town council and local marketing initiatives (Sussex by the Sea and Visit Littlehampton).
- 2.48 The planning application provides an opportunity to offer additional guest accommodation within the town (for tourists and business travellers), on a sustainable site within Littlehampton Town Centre, which is currently under-utilised and lying vacant. The site lies within the Economic Growth Area that is identified in the Local Plan, and the proposal will boost the local tourism offer, but also regenerate a centrally-located site, driving new footfall within the town centre to bolster its vitality and viability.
- 2.49 It is relevant that the Arun Visitor Strategy also specifically identifies a need for more local representation from 'mid-market' branded hotel operators. We have also summarised the results of independent research that has been undertaken by Turley Economics, which considers the economic impacts of Premier Inn hotels across the country. The recent survey findings show that Premier Inn hotels have a loyal customer base, and that economic benefits of the hotels spread to the wider area, through local visitor spending, equating to £2.8 billion every year for the UK visitor economy as a whole, which is substantial.

2.50 Against this background, we now turn to consider the specific nature and quantum of job opportunities, and wider economic benefits that the application proposal in Littlehampton could create, both during the construction and operational phase of the development.

3 CONSTRUCTION ECONOMIC IMPACTS

3.1 In this Section, we consider the economic benefits that could be created during the construction phase of the application proposal. Although these benefits are inevitably temporary in their nature, they provide valuable employment opportunities in a key sector of the economy.

3.2 The construction expenditure on the proposed scheme is estimated to equate to approximately **£13.4 million**.

3.3 We expect that construction of the proposed Premier Inn hotel, with ground-floor restaurant, will support approximately **75 full-time equivalent (FTE)** temporary (gross) jobs over the build period. Moreover, in practice, it is expected that up to 100 individual workers will be employed on site at any one time during the construction process, providing a range of both skilled and unskilled positions, and supported by office staff off-site.

(A) ASSESSMENT OF NET ADDITIONAL EMPLOYMENT BENEFITS

3.4 The positive economic impacts of the construction project will extend beyond direct employment on the development site, through the creation of indirect 'spin off' benefits for the wider area.

3.5 Indeed, the initial injection of investment at the site will generate an upward spiral of economic growth through economic multiplier effects. As a result, further economic activity will be generated as expenditure filters through the supply chain (for example; through the purchase of construction materials and related services), and through additional local income generated by new jobs.

3.6 The Homes and Communities Agency (HCA) Additionality Guide, sets out the recommended approach to calculating the additional impact or 'additionality' of local economic growth. The Guide sets out a systematic methodology for assessing additional outputs and this can be used to calculate the indirect employment benefits of the application scheme. The HCA methodology focuses on the following four factors, which we now consider in turn below:

- **Deadweight** – the jobs, which would be created in the absence of the proposed scheme;
- **Leakage** – the number of jobs which will be taken by residents located outside the target area;

- **Displacement** – the number of jobs accounted for by loss of jobs elsewhere in the locality; and
- **Economic Multiplier Effects** – the number of additional jobs created by knock-on effects within the local economy.

Deadweight

3.7 It is necessary to consider the number of jobs that would be created if the proposed development did not go ahead, and this is referred to as the ‘reference case’. In this case, the site currently comprises a vacant supermarket site, which has been vacant for 8 years. Whilst alternative redevelopment proposals have been advanced on the site in the intervening period, these have either been refused planning permission (ref. LU/3/19/PL), or have expired without being implemented (ref. LU/214/20/PL). The site is not allocated for any specific use in the Local Plan, and there are no other alternative proposals for the site in the pipeline.

3.8 As such, without the current Premier Inn scheme, it is unlikely that there will be any other building or construction work on the site in the foreseeable future. We therefore assume that in the absence of the proposed hotel, the site would remain vacant and no construction jobs would be created on site.

3.9 All **75 FTE gross construction jobs** created by the development proposals therefore represent additional jobs for the area.

3.10 Leakage

3.11 It is useful to consider the number of jobs that will benefit people living within the local area. The net employment impact will vary, depending on the extent of the geographical area that is considered.

3.12 For this part of the assessment, we have considered job creation within the administrative area of Arun District.

3.13 Taking into account the local pool of construction labour², as well as information known on local commuting patterns and distance travelled to construction sites, we have applied the following leakage factor:

² Data from NOMIS (2023) shows that Arun District has an active construction sector, providing 2,250 jobs. Indeed, 4.4% of total jobs in the District fall within the construction sector, which is similar to the national average of 4.8%. Note that this count excludes self-employed jobs in the sector.

- **Arun – 50 per cent leakage** of jobs to people located outside the District;

Displacement

- 3.14 No allowance has been made for displacement at the local level. This is reflective of the size of the labour force, the temporary nature of the positions and mobile nature of the workforce, and the existing latent capacity in the construction industry.

Economic Multiplier Effects

- 3.15 The economic impact of an intervention is multiplied because of knock-on effects within the local economy. Two types of multiplier can be identified:

- **A supply linkage multiplier** – purchases of materials and related construction services would result in additional job creation along the supply chain; and
- **An income multiplier** – local expenditure will rise as a result of increased income, supporting further economic growth and job creation.

- 3.16 The HCA Guidance advises that – based on extensive evidence generated by a number of studies – the following range of multiplier effects can be used:

Table 3.1 – Economic Multiplier Effects

Level	Multiplier	Composite Multiplier (Neighbourhood Level)	Composite Multiplier (Regional Level)
Low	Limited local supply linkages and induced or income effects.	1.05	1.3
Medium	Average linkages. The majority of interventions will fall into this category.	1.1	1.5
High	Strong local supply linkages and income or induced effects.	1.15	1.7

Source: HCA Additionality Guide Fourth Edition

- 3.21 Given the scope for spin-off benefits in the local supply chain network, and for new incomes to be spent at local facilities, we have applied the ‘Medium’ composite multiplier, which is **1.1** at the local level.

(B) SUMMARY OF NET ADDITIONAL JOBS

3.22 **Table 3.2** below summarises the estimated net additional employment impact of the construction element of the proposed scheme, within Arun District, taking into account deadweight, leakage, displacement and economic multiplier effects.

3.23 It is evident that overall, the construction of the hotel is expected to generate **75 gross FTE jobs, which will incorporate 47 net additional FTE jobs within Arun District itself.**

Table 3.2: Net Additional Job Creation within Arun – Construction Phase

		Proposed Construction	Reference Case	Additionality
Gross no. of FTE Jobs		75	0	
Less Leakage	At 50%	38	0	
Less Displacement	At 0%	38	0	
Plus economic multiplier	At 1.1	42	0	
TOTAL Net Additional Jobs				42

4 OPERATIONAL ECONOMIC IMPACTS

4.1 Upon completion, the proposed development will itself generate direct employment opportunities associated with the long-term operation of the hotel business and the ground floor restaurant. At this stage, it is anticipated that the restaurant and 130-bedroom hotel will create **42 jobs on-site**, which will equate to **32 direct FTE permanent jobs**.

4.2 In terms of the types of employment that will be created, this will be wide ranging and will include both skilled and non-skilled jobs, including front of house, technical, housekeeping, kitchen and management positions. There will be opportunities for flexible working, shifts and part-time work.

(A) EMPLOYMENT AT PREMIER INN

4.3 Whitbread Group Plc, which owns Premier Inn, has an excellent reputation as a major national employer. The company employs 37,000 people directly nationwide, and does not use agency staff. All team members have permanent contracts with Whitbread and employees are paid above the National Living Wage. Employees aged between 16 and 18 are paid the same wage as employees over 18. The key principle at all hotels is to recruit staff locally. Whitbread has been rated as a 'Top Employer' by the Top Employers Institute for 13 consecutive years.

4.4 Whitbread places strong emphasis on staff training and development and strives to ensure that employees can build long-lasting and successful careers within the firm. In particular, Apprenticeship programmes and management training are offered to members of staff (both new and existing) to encourage career progression and personal development. As a result, Premier Inn establishments are able to recruit at least 80 per cent of its management roles internally. Whitbread partners with Lifetime Training, an award-winning external training provider, to deliver its apprenticeship programmes. In 2023, 1,500 apprenticeships were supported across Whitbread's portfolio. The success of the apprenticeship programme is reflected in its position at Number 1 on 'Rate My Apprenticeship' within the hospitality sector, as reviewed by apprentices.

4.5 Whitbread also places particular emphasis on supporting people into work. Its WISE programme (Whitbread Investing in Skills and Employment) is vital in offering a non-traditional route into training and qualifications. Whitbread works with a number of partners to deliver the programme, including Believe in Young People, Job Centre Plus and the Prince's Trust. There are four key areas that the programme focuses on, and these are:

- Apprenticeships;
- Adult work placements aimed at unemployed people;
- Work experience for school and college pupils; and
- Supporting suppliers to deliver similar programmes.

4.6 Whitbread's recruitment approach is to fully involve Job Centre Plus in its recruitment drives, so as to target job opportunities at unemployed local residents. Indeed, Premier Inn has an in-house target for 50 per cent of its new jobs to be taken by those not in employment, education or training (NEETs) aged 16 – 24 years old³.

4.7 The proposed hotel and restaurant will thus directly create 42 year-round jobs, and these will be targeted at local people, with a strong emphasis placed on encouraging residents back into the workforce and delivering bespoke training and career development opportunities.

(B) ASSESSMENT OF NET ADDITIONAL EMPLOYMENT BENEFITS

4.8 In addition to the creation of **32 gross FTE jobs** within the hotel and restaurant, the scheme will generate further employment indirectly through the economic multiplier effect. In particular, there will be spin-off employment generated in third party businesses such as staff recruitment, catering, cleaning and maintenance, farming/food production and other businesses that provide services to Premier Inn and the in-house restaurant. These positive economic impacts, which will be long-lasting, are now assessed below. Our analysis uses the same methodology described in **Section 3** above, which is based on the provisions of HCA's Additionality Guide.

Deadweight

4.9 With regards to the reference case, the application site is currently vacant and no jobs are supported on the site. The site is not allocated for any specific use in the adopted Local Plan, although it does lie within an Economic Growth Area and the town centre boundary. The plot is not, however, the subject of any other application proposal for an alternative use.

4.10 It is reasonable to assume, therefore, that if the proposal for a Premier Inn does not proceed, then the site will continue to remain vacant for the foreseeable future. Thus, all new jobs to be created at the proposed hotel should be regarded as net additional for the local area.

³ Whitbread, *Career Opportunities Brochure*

Leakage

- 4.11 It is useful to consider the number of jobs that will benefit people living within the local area. The net employment impact will vary, depending on the extent of the geographical area that is considered.
- 4.12 For this part of the assessment, we have again considered job creation within the **administrative area of Arun District**.
- 4.13 Taking into account information known on Premier Inn's recruitment strategies, as well as local commuting patterns and distance travelled to work, we have applied the following leakage factor:
- **Arun** – 35% leakage of jobs to people located outside the local area.

Displacement

- 4.14 No allowance has been made for displacement at the local or regional level.
- 4.15 This is reflective of the size of the labour force, the nature of the positions and of the workforce, Whitbread's commitment to assisting unemployed residents back into work, and the existing latent capacity in the tourism and hospitality sectors⁴.

Economic Multiplier Effects

- 4.16 The economic impact of an intervention is multiplied because of knock-on effects within the local economy. As previously, two types of multiplier can be identified:
- **A supply linkage multiplier** – purchases of materials and related hotel / services, would result in additional job creation in the supply chain; and
 - **An income multiplier** – local expenditure will rise as a result of increased incomes, supporting further economic growth and job creation.
- 4.17 The HCA Additionality Guide advises that 'recreation' projects are likely to generate the following combined income and supply linkage effect:

⁴ Whilst the development may naturally result in some transfer / relocation of staff between related businesses (as is to be expected in any labour market – there is always some turnover of staff due to healthy competition and employees exploring alternative opportunities), the vacated positions would then be replaced. No permanent job losses are expected as a result of the application proposals.

- **Within the local area** – a composite multiplier of 1.38

(C) SUMMARY OF NET ADDITIONAL JOBS

4.1 **Table 4.1** below now summarises the estimated net additional employment impact of the operational phase of the proposed scheme within Arun District, taking into account deadweight, leakage, displacement and economic multiplier effects.

4.2 It is evident that overall the operation of the proposed development will generate **29 net additional FTE jobs** within the local administrative area of Arun District, split between the hospitality sector and other related supporting industries.

Table 4.1: Net Additional Job Creation within Arun District – Operational Phase

		Proposed Hotel and Restaurant	Reference Case	Additionality
Gross no. of FTE Jobs		32	0	
Less Leakage	At 35%	21	0	
Less Displacement	At 0%	21	0	
Plus economic multiplier	At 1.38	29	0	
TOTAL Net Additional Jobs				29

5 TOURISM ECONOMIC IMPACTS

(A) INTRODUCTION

5.1 Premier Inn (as part of Whitbread Plc) is the largest provider of hotel bedrooms in the UK⁵. With over 840 hotels across the country, providing 82,700 rooms, Premier Inn is one of the UK's most popular hotel brands. The value of the brand is clear from the number of awards that Premier Inn has gained, many of which stem from excellent customer ratings and reviews. Examples of the most recent awards include:

- **Best Budget Hotel Brand, Business Traveller Awards 2024**, voted for by the readers of Business Travel Magazine.
- **Best Budget Hotel Brand, Business Traveller Awards 2023**
- **Best Budget Hotel Brand, Business Traveller Awards 2022**
- **Best Business Hotel Brand**, Business Travel Awards 2022;
- **TripAdvisor Travellers' Choice Awards 2019** – based on guest feedback, reviews and ratings;
- **Certificate of Excellence from TripAdvisor, 2019** – 551 of Premier Inn hotels received the Certificate of Excellence from TripAdvisor in 2019; and
- **Top-rated Large Hotel Chain by Which? 2019** – with an overall score of 79 per cent, Premier Inn was rated the UK's top hotel chain for the seventh year in a row.

(B) THE ECONOMIC BENEFITS ASSOCIATED WITH PREMIER INN HOTELS

5.2 It can be seen from the range of awards listed above, as well as analysis of Premier Inn's customer base, that the hotel brand is popular with both business and leisure travellers⁶. Premier Inn is well-known for offering a high level of service, including a 'Good Night's Sleep

⁵ Premier Inn currently provides 12% of the total hotel supply in the UK.

⁶ Premier Inn's UK customer base is roughly evenly split between business and leisure guests. Its business customers include blue collar professions (i.e. workers who need to be physically present to perform their jobs), and 'white collar' workers travelling for business reasons.

Guarantee', at affordable prices. The high standard of accommodation is consistent across the estate, and this is a key element of the brand's appeal.

- 5.3 Indeed, we note that the recent 'Economic Impact of Premier Inn Hotels' report (which is reproduced in **Appendix 2**) shows that one quarter of surveyed Premier Inn customers would not have visited the location had Premier Inn not been there. This indicates that the proposed hotel is highly likely to generate new trips to the local area from guests who are loyal to the brand who would not have previously considered staying in Littlehampton.
- 5.4 There is an identified demand for additional hotel accommodation within Littlehampton, and for a branded 'mid market' hotel, in particular. The Arun District Visitor Strategy (2023) is clear that visitor accommodation within the District is dominated by small self-catering units, and that the majority of visitor bedspaces are located in Bognor Regis (71% of the total). The Strategy highlights the need for additional visitor accommodation within Littlehampton, and the scope for further representation from national, branded hotels, to complement the existing offer.
- 5.5 In-house research undertaken by Whitbread has also identified a strong market demand and qualitative need for a new Premier Inn hotel within Littlehampton. Indeed, it is notable that in 2024 Premier Inn's own website recorded over 62,000 'hits' for Littlehampton (i.e. people actively searching for Premier Inn accommodation in the town, and entering this criterion in the hotel search field). This represents a high level of customer interest and indicates a latent demand for a mid-market hotel within Littlehampton.
- 5.6 It is also notable that across the Premier Inn estate the average occupancy rate is very high, with the latest data from Whitbread indicating an occupancy rate of 84% on average. Moreover, the closest alternative Premier Inn hotels to the site – which lie on the outskirts of Littlehampton, in Bognor Regis, Arundel and Worthing – all attain occupancy rates that exceed this average. Thus, the proposed hotel in Littlehampton town centre is expected to meet a need for new hotel provision within the town itself, and also to cater for 'overspill' demand from Premier Inn's established network of trading hotels on the south coast of England.
- 5.7 The proposed hotel is to be located centrally within Littlehampton, and it will enable further overnight visits to be made in town, which will increase both the number and duration of visitor stays in the District. This will have additional economic benefits in terms of encouraging

additional visitor expenditure in the area. The ‘Economic Impact of Premier Inn Hotels’ report is again useful, because it shows – based on a recent survey of over 12,500 guests – that:

- Of those surveyed, 93% of guests indicated that they left the hotel and visited the local area during their stay, rather than simply using the hotel to sleep;
- The proportion of the surveyed guests who ate out during the day was 40%, which increased to 59% in the evening;
- In terms of expenditure on food and drink, 57% of respondents stated that they and their party spent over £50 locally, and 25% spent over £100;
- Of those who used food and beverage facilities away from the hotel, most of the respondents did so close to where they were staying; and
- Also, 47% of guests indicated that they spent money in the local area on entertainment during the day, and 29% on entertainment in the evening, whilst 28% of guests spent money on non-food shopping.

(C) CALCULATION OF LIKELY VISITOR EXPENDITURE IN LITTLEHAMPTON

5.1 The application proposal itself will enable further overnight visits to be made in Littlehampton and this will inevitably encourage additional visitor expenditure in the area. As summarised in **Table 5.1** below, we expect that the proposed development could provide accommodation for **39,858** additional overnight stays in Littlehampton each year. This is based on the assumption that the proposed hotel will be 84 per cent occupied on average⁷.

5.2 Data obtained from the comprehensive ‘Economic Impact of Premier Inn Hotels’ report shows that the average spend of Premier Inn guests (on items such as food and drink, entertainment and shopping), per room per night, is **£137.19**, of which **£79.03** is spent in the local area (see Table 4.2 of the report, which is presented in **Appendix 2**). In the case of the current application proposal, the proposed hotel will be situated within the town centre, close

⁷ An assumed occupancy rate of 84 per cent is based on analysis of the average occupancy rate of Premier Inn hotels across its estate (2025 data). The nearest Premier Inn hotels to the site are at Littlehampton (outskirts), Bognor Regis, Arundel and Worthing, and these all currently attain higher occupancy rates than the national average, but 84% is considered a suitable basis for the assessment.

to shops and services and the local visitor attractions, and thus there is strong scope for visitor expenditure to be retained locally, generating spin-off benefits for other nearby businesses.

- 5.3 Since the proposed hotel at Anchor Springs will provide accommodation for an estimated **39,858** overnight stays a year, there is the potential to attract substantial visitor spending of **approximately £5.5 million per annum**, of which **£3.1 million** is expected to be spent in the local area, to the benefit of the local economy.
- 5.4 This injection of expenditure will inevitably create the potential for additional local job creation in related service industries. Indeed, the ‘*UK Tourism Statistics 2025*’, compiled by the Tourism Alliance, states that a new Full Time Equivalent tourism job is created with every £74,300 increase in tourism revenue. As such, the additional tourism revenue generated by overnight visitors at the proposed hotel is likely to create **42 new local FTE tourist jobs**.
- 5.5 Finally, it is noted that the development will reactivate a currently vacant site within the town centre, bringing it back into productive economic use. The proposal will also include a ground-floor restaurant, which can be utilised by both hotel guests and members of the public. The restaurant use will help to retain day visitors and shoppers in the town centre for longer, increasing dwell times and the potential for additional local spending.
- 5.6 Moreover, the regeneration of a vacant site will drive footfall in this part of the town centre, and will help to enhance the vitality and vibrancy of the town centre as a whole, by removing a prominent vacant building. Whilst it cannot be quantified, it is considered that the substantial investment in the site and the town centre is likely to encourage further investor confidence in the town.

Table 5.1 – Summary of Additional Tourism Expenditure

No. of new hotel bedrooms within Littlehampton	130
Total no. of overnight stays per year	47,450
Assumed occupancy rate	84%
Total no. of overnight stays per year, taking into account occupancy rate	39,858
Average spend per room per night (based on Premier Inn research)	£137.19
Average spend within the local area per room per night (based on Premier Inn research)	£79.03

Total tourism expenditure generated	£5.5 million
Total tourism expenditure generated for local area	£3.1 million
No. of additional new jobs created in tourist sector	42

6 SUMMARY AND CONCLUSIONS

6.1 In this report, we have considered the economic implications of the application scheme for a 130-bedroom Premier Inn hotel, with ground floor restaurant, on the former Waitrose site at Anchor Springs, Littlehampton.

6.2 The evaluation considers the economic impacts of the proposed development, both during its construction and its operational lifetime.

6.3 It has been shown that the proposed development is likely to generate the following key economic impacts, which are also summarised by the diagrams in **Appendix I**:

- Investment in the construction of the project, valued at **£13.4 million**;
- Generation of **75 gross FTE temporary jobs during the construction** of the hotel, with 42 jobs to be net additional to Arun District. In addition, the **operation of the hotel itself is expected to create 29 FTE net additional jobs** within the local administrative area of Arun District, which will benefit both the hospitality sector and other supporting industries.
- Commitment to **local recruitment of young people** who are not in employment, education or training;
- Employees will have direct access to **training and development programmes**, including apprenticeships, to encourage career progression and personal development, to support long-lasting careers;
- Potential to accommodate an additional **39,858 overnight stays** in Littlehampton, each year;
- This will generate a substantial uplift in visitor expenditure within the area, worth an estimated **£3.1 million** to the local economy per annum. This will in turn support around **42 additional local FTE (gross) tourist jobs**; and

- Regeneration of a vacant site will drive footfall and **enhance the vitality and viability of the town centre.**

6.4 The significant positive economic impacts that will be generated by the proposed hotel development - as outlined above - are **important material considerations**, which should be taken into account in the determination of the application scheme. Given the economic, tourism development, job creation, and training and development benefits demonstrated above, we also consider that the application scheme is fully compliant with the Local Plan's primary aspiration to drive economic growth and job creation. Specifically, the proposal accords well with: **Local Plan Policies SD SPI, EMP SPI, EMP SP2, TOU SPI, TOU DMI SPT1**; as well as **Policy 2 of the Littlehampton Neighbourhood Plan**; and the **guidance provided on sustainable economic development within the NPPF.**

APPENDIX I

Premier Inn, Littlehampton: Economic Benefits



The Application Scheme

- £13.4 million investment
- 130-bedroom Premier Inn hotel
- In-house restaurant / cafe
- Wide range of jobs to be created - front of house, management, housekeeping
- Opportunities for flexible working, shifts, full and part-time work
- Strong emphasis on staff training and development, offering apprenticeships and management training

Job Creation Benefits - During and Post Construction



75 gross FTE construction jobs during the build



42 new jobs (gross) created within the hotel (32 FTE)



Commitment to targeting local unemployed residents



Spin-off benefits along the supply chain (e.g. catering, cleaning, & food production)



Total Number of net FTE new Jobs



Premier Inn, Littlehampton: Economic Benefits



Tourism Benefits of Scheme

High quality, modern hotel, and award-winning brand

There is an identified need to provide additional visitor accommodation in the town

Site is located in the Town Centre and an 'Economic Growth Area'

Attractive to holiday-makers and business travellers

Expected to accommodate nearly 40,000 overnight stays a year

Potential to attract annual visitor expenditure of £3.1 million for the local economy

Beneficiaries of Visitor Expenditure Generated



Local pubs, cafes and restaurants



Local bus services and other transport providers



Local tourist attractions



Local shops and services



Summary

As the hotel will provide accommodation for an estimated 39,858 additional overnight stays a year, there is potential to attract substantial visitor spending of around **£3.1 million** per annum, which will directly benefit the economy of Littlehampton, and Arun District as a whole. This level of spending could in turn support **42** additional new jobs in the local tourism sector.

APPENDIX 2



The Economic Impact of Premier Inn Hotels



Foreword

As a business, we are committed to using our scale and size to make a positive difference to people's lives at the same time as creating long-term value for our many shareholders. It is why we set up Force for Good, Whitbread's sustainability strategy.*

Force for Good is all about enabling people to live and work well. We focus on three pillars of work – Opportunity, Community and Responsibility – which helps us to do business in the right way by supporting our teams, communities, suppliers, and guests whilst minimising our impact on the environment.

Whitbread's direct investment in new hotels and restaurants is one clear way we support local economies. By owning, managing, and operating each hotel and restaurant ourselves, we can ensure high standards throughout the development phase and once our doors are open.

This direct operating model also creates quality jobs, allows us to invest in the energy efficiency of our buildings, reduces waste and provides us with the unique opportunity to go further by engaging with our guests to understand how they themselves support local economies when staying at our hotels.

I am therefore pleased to present this report which is based on survey responses from 12,600 guests who stayed at one of 357 Premier Inn and hub by Premier Inn hotels during September and October 2022.

The responses, which were analysed independently by Turley Economics, demonstrates the positive economic contribution of our hotels generally and in categories of location across the UK and Ireland. The sums are significant – working out at an average customer spend of £137.20 per bedroom per night – with £79 of this expenditure spent in the local area within which the customer's hotel is located.

Applying this data across our trading network of Premier Inn and hub by Premier Inn hotels gives a figure of £3.3 million in visitor expenditure for the local visitor economy in each trading location every year.

The research also shows how the branded style of accommodation provided by Premier Inn can healthily co-exist alongside independent hoteliers and guest houses in these local markets.

Until now, we have not had the evidence to demonstrate the economic impact our hotels have on the areas they serve. This report provides just that. It quantifies and details the positive economic impact our brands have on local economies and demonstrates that we are indeed a force for good.



Alex Flach

Development Director - UK & Ireland
Whitbread

* Information on Whitbread's Force for Good strategy is available on the Whitbread website (www.whitbread.co.uk)

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Executive Summary

Whitbread commissioned Turley Economics to analyse the economic impact Premier Inn customers have on local and wider economies across the UK.

The report focusses on the national economic contribution of Premier Inn hotels and those within a variety of distinct locations across the country.

To inform the research, an online survey of over 12,600 Premier Inn customers was undertaken during September and October 2022. This covered Premier Inn and hub by Premier Inn hotels across the UK which were selected to inform more detailed analysis of visitor preferences and spending habits in different locations. These included Premier Inn and hub by Premier Inn hotels categorised as Adventure, Coastal, Cultural, City Centre, Central London and Inner London destinations.

Turley Economics analysed the results of the surveys and used this data, and other information provided by Whitbread, to model the economic impact of Premier Inn hotels in the selected locations.

The results of the surveys indicate that for those customers who stayed at a Premier Inn hotel for a leisure trip, the main reason for their visit was to explore and discover local areas, for practical purposes, rest and relaxation and celebrating. Principally, customers choose to stay at Premier Inn hotels due to their good location in accessible and well-

connected places. According to the surveys, competitive prices, high quality accommodation, cleanliness and brand loyalty also act as major attractors and a source of repeat custom.

The survey results reveal a high level of satisfaction amongst Premier Inn guests, with approximately 83% of customers stating that they were happy or very happy with their accommodation, across all hotel destinations. This high level of satisfaction along with the consistent quality of Premier Inn's offer helps to generate brand loyalty. When considering hotel accommodation, a high proportion of the surveyed customers choose only Premier Inn and over a quarter of these customers would not visit a destination if Premier Inn is not available.

In the event that a Premier Inn isn't available to existing customers, the majority of those surveyed indicated that they would choose another budget hotel as an alternative, followed by an independent hotel or a midscale hotel. Visitors to Adventure, Coastal and Cultural destinations were marginally more likely to choose independent hotels as alternatives compared to Premier Inn customers in City Centre locations or across London who have a strong preference for competitive prices and budget hotels.

The vast majority of survey responses suggest that Premier Inn's budget hotel offer fulfils a different role to that of independent B&Bs, guest houses, Airbnbs and more upscale 4 and 5 star hotels available in the same locations.

The surveyed customers said that Premier Inn's affordable prices, accommodation offer and accessible locations were the most important factors when choosing the brand. The majority of the surveyed guests who chose to eat out visited food and drink establishments located in the local area in which they were staying. Of these respondents, 57% spent over £50 locally with a quarter spending over £100 locally during their stay.

Whilst the surveyed customers visiting Premier Inn hotels within Adventure, Coastal and Cultural destinations have a tendency to use in-house restaurant facilities slightly more than the average nationally, customer spending habits on food and drink outside of the hotels across all destinations were broadly similar. A significant amount of expenditure on food and drink is therefore generated locally by Premier Inn customers across all geographies.

Based on the customer responses, and Premier Inn's latest occupancy data, it is estimated that Premier Inn customer expenditure on food and drink, alongside other spending on entertainment, shopping and local travel generates approximately £1.6 billion every year in the local economies within which the Premier Inn hotels are located and £2.8 billion every year for the UK visitor economy as a whole. It is clear that existing local businesses, such as food and beverage establishments and visitor attractions, are significant beneficiaries of customer expenditure, with surveys finding that on average over £3.3 million is generated for local businesses at each Premier Inn hotel location every year.

The report demonstrates the substantial economic benefits that can be generated by Premier Inn customers at both a local and national level.

The continued expansion of Premier Inn will help to increase the quality of accommodation on offer nationally as well as deliver much needed economic growth and employment opportunities.



Purpose of this Report

This report has been commissioned by Whitbread to help understand the economic impact its Premier Inn customers have on both local and wider economies across the UK.

Whilst providing a national overview, the report also focusses on the economic contribution of Premier Inn hotels in a variety of locations across the country.

Using robust and independent survey information commissioned by Whitbread and analysed by Turley Economics, this report provides an insight into how Premier Inn hotels operate nationally and across distinctive geographies, understood in the context of the locations that these are in.

Approach

Premier Inn is a direct distribution hotel business and nearly all Premier Inn customers book their stays directly with the brand (mostly at premierinn.com). This model has enabled Whitbread to engage its customers directly in the research.

Whitbread commissioned Turley Economics and research specialist Ipsos to design an online survey which was issued by email to

customers who had stayed at select Premier Inn hotels during September and October 2022. The sample included 357 popular hotels across Premier Inn's national network which are distributed across Central and Inner London and in a variety of Adventure, Coastal, Cultural and City Centre locations across the UK regions. The differences in expenditure across the local and wider areas will be examined across these categories of hotels in this report.

The online surveys were undertaken in September and October 2022 and comprised 12,610 respondents in total. Respondents opted in to receive Premier Inn's marketing communications.

The breakdown of the number of survey responses categorised by hotel location is outlined in Table 1.1. These categories are determined by Premier Inn with regard to **geography**, trading strategies and how individual hotels perform over a 7-day trading cycle.

Table 1.1 Breakdown of Survey Method and Premier Inn Locations

Category of Premier Inn	Definition of Category	Total Number of Surveys
Adventure	Locations with a strong component of leisure demand	2,738
Coastal	Locations on the UK coastline	2,702
Cultural	Mix of leisure and business locations across UK towns and cities	2,027
City Centre	Major City Centre locations across the UK, excluding city suburbs	2,070
Central London Area	London – Zone 1	2,017
Inner London Area	Zone 1 to the north and south circular roads	1,056
Total		12,610

Source: Ipsos and Whitbread (2022)

The survey questionnaire is included at Appendix 1. Full details of the research methodology are included at Appendix 2.

The results of the surveys have been used to inform the national analysis detailed within Chapter 4.

The structure of this report is as follows:

Chapter 2 outlines a national overview of Premier Inn, its market share, current locations and future investment priorities.

Chapter 3 provides the strategic hotel context, including analysis of recent tourism trends and a review of national tourism priorities.

Chapter 4 provides an overview of the survey findings.

Chapter 5 presents a summary of our key findings and overall conclusions.

Overview of Premier Inn

Premier Inn, part of Whitbread Plc, is the largest provider of hotel bedrooms in the UK with more than 840 hotels across the UK and Ireland.¹

Premier Inn is the UK's biggest hotel brand and is consistently rated the UK's Best Value Hotel Chain in YouGov hotel brand index surveys.²

About Premier Inn

Premier Inn accommodation is affordable, easy to book online and ideal for business and leisure travellers who expect a level of consistency between hotels. It also offers a high level of service, including a Good Night's Sleep Guarantee. This high standard of service and accommodation is consistent across the estate.

The restaurant brands at Premier Inn hotels include Bar + Block Steakhouse, Beefeater, Cookhouse & Pub and Thyme. Smaller Premier Inn hotels provide a limited evening menu. The well-known Premier Inn breakfast is served at all hotels. Guests are not expected to dine in when they stay.

A map of Premier Inn locations across the UK and Ireland is presented at Figure 2.1. A breakdown of the number of Premier Inns by hotel type is detailed in Table 2.1.

Table 2.1 Premier Inn Portfolio (UK & Ireland)

Type of Premier Inn	Hotels
Premier Inn hotels in London	84
Premier Inn hotels in regions	745
Hub by Premier Inn	14
ZIP by Premier Inn*	1
Total	844

Source: Whitbread (2022)

*ZIP by Premier Inn hotel is a trial brand with one hotel in Cardiff.





Figure 2.1 Premier Inn locations across UK and Ireland

● Premier Inn location

Operational

Premier Inn currently provides **12%** of total hotel supply in the UK. The brand operates alongside other branded budget and non-budget hotels as well as independent hotels, guest houses and B&Bs across the country.

Whitbread employs over 37,000 people in the UK and has been rated as a 'Top Employer' by the Top Employers Institute for 13 consecutive years.³

Whitbread offers apprenticeships across its Premier Inns and restaurants from entry level to team leaders. There are currently over 1,500 team members on an apprenticeship programme and an increasing number of staff employed within Whitbread's Support Centres to enable employees to increase their technical knowledge and gain a qualification in recognition of their skills.

Whitbread's recent evaluation of apprenticeships has highlighted that 45% of those completing apprentices go on to be promoted or take on additional responsibilities within a year of completion. The success of the apprenticeship programme is currently reflected in its position at Number 1 on 'Rate My Apprenticeship' within the hospitality sector, as reviewed by apprentices.

Whitbread offers an apprentice programme in every role in Premier Inn and restaurant operations. Investment in these schemes is seen as important to Whitbread's future success and to the health of the UK economy, as well as helping the next generation to achieve its full potential.

Figure 2.2 Market Share of Premier Inn in Respect of Total UK Market

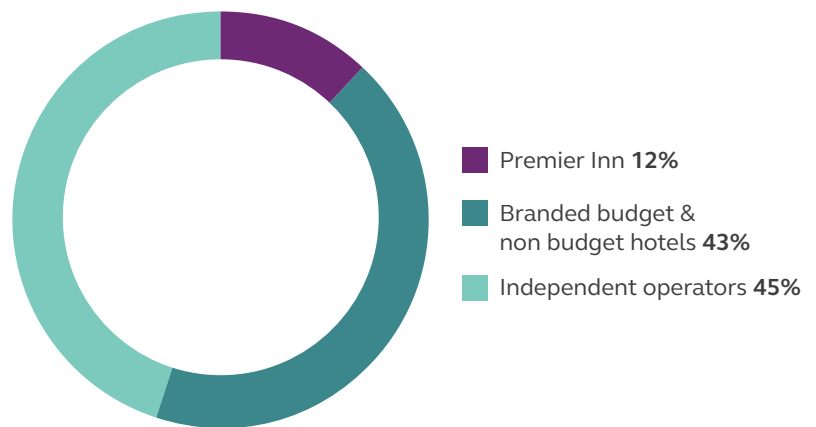


Figure 2.3: Employee Numbers and Apprenticeships



37,000

people employed by Whitbread in the UK

1,500

apprenticeships currently supported across Whitbread's portfolio

Figure 2.4: Premier Inn H1 FY2023 Performance ⁴

84.8%
average occupancy

£73.54
average room rate

90%
of Premier Inn customers
are domestic travellers

99%
direct online booking



strong family offer



Premier Inn Customer Base

Premier Inn's UK customer base is very broad with a roughly even split of business and leisure customers.⁵ Its business customers include a significant proportion of blue collar professions (i.e. workers who need to be physically present to perform their jobs) and 'white collar' workers travelling for business reasons.

Leisure guests tend to travel for a wide variety of reasons including for events (weddings, sporting events, theatre breaks), weekends away with friends, visiting friends and family, short weekend breaks and those taking longer holidays to visit tourist destinations.

Whilst the development programme for Premier Inn has slowed since the outbreak of the pandemic, the development pipeline remains largely unaffected. Premier Inn currently has over 82,700 rooms open in the UK and Ireland, with 8,875 rooms committed in the development pipeline, and a long-term target of achieving 125,000 rooms across the UK and Ireland.

With a strong level of trading, a continued opportunity for growth across the UK and Ireland and the resilience of the Premier Inn business model, Whitbread remains confident of the outlook ahead in 2023.

Figure 2.5 Premier Inn Total Rooms and Development Pipeline across the UK and Ireland

Current Portfolio:

82,700+
rooms

Rooms to be added in 2022/23:

1,500-2,000
rooms

Committed pipeline:

8,875
rooms

Line of Sight (UK & Ireland):

125,000
rooms (UK and Ireland)

Source: Whitbread (2023)

Strategic Hotel Context

This chapter provides a summary of the importance of Premier Inn to the UK's tourism sector which it will continue to contribute to the future growth and success of. It details the strategic context behind the challenges being faced by the hotel market, and provides an overview of market evidence and economic trends to inform the wider economic and social context of the study.

The Value of Tourism to the UK Economy

Travel and tourism is one of the UK's most important economic sectors. It supports employment and value creation within tourism-based businesses but also within related sectors such as transport, accommodation, catering and retail. Tourist accommodation has an important role to play in encouraging day trips and overnight stays, with associated spending benefits for local economies and people. Visitors are drawn from both the domestic (UK) market and internationally.

Research undertaken by IBISWorld⁶ reveals that prior to the pandemic, the UK level of domestic tourism expenditure was generally trending upwards but at a low rate of growth. Over the pandemic period, it is estimated that tourism expenditure contracted by 62.9% in 2020 due to lockdown measures.

Following the end of domestic lockdown and social-distancing restrictions by July 2021, figures from IBISWorld suggest that total domestic tourism increased by 65.1% to reach a total domestic tourism expenditure of £56.2 billion by the end of 2021.⁷

These figures broadly align with the latest statistics available from VisitBritain published in October 2022 which indicate that British residents accounted for 118.9 million overnight trips in Great Britain between April and December 2021, generating a total expenditure of £27.2 billion.⁸ Domestic day visits accounted for some 654 million trips over the same period, generating an associated expenditure of £25.6 billion (a total of £52.8 billion in domestic expenditure over this period).⁹

Figure 3.1: Contribution of Travel and Tourism to UK Economy

£52.8bn

Latest available statistics show that British residents accounted for **£52.8 billion** of expenditure across **772.9 million trips** during April-December 2021.

£78.3bn

£78.3 billion was spent on domestic tourism expenditure in 2022, which is forecast to rise to **£87.3 billion** by the end of 2023.

£214bn

Travel and tourism was worth **£214 billion** to UK GDP (**8.9%**) in 2022, which is expected to rise to **£286 billion (10.1%)** by 2032.

4.1m

Travel and tourism supported **4.1 million jobs** in 2022, and will support **700,000** additional jobs by 2032.

Inbound visitor data for April-December 2021, reveals that there were 6.4 million overseas visits in 2021, generating 93.5 million overnight stays and £5.6 billion in overseas tourism expenditure across the UK.¹⁰

In December 2021, further restrictions in response to the Omicron variant in Wales, Scotland and Northern Ireland likely reduced domestic tourism expenditure further, forcing limits on entertainment venues and a return to social distancing within restaurants and other indoor venues.¹¹

Whilst current pressures on household expenditure remain due to rising inflation and the cost-of-living crisis, IBISWorld forecasts that domestic tourism expenditure is forecast to expand by 11.5% from £78.3 billion in 2022 to £87.3 billion in 2023.

In terms of the tourism sector's contribution to UK GDP, data published by the World Travel and Tourism Council (2022) highlights that by the end of 2022, the sector's contribution to GDP in the UK was estimated to grow to £214 billion, amounting to 8.9% of the total economic GDP, supporting 4.1 million jobs in the sector. This is expected to rise to £286 billion (10.1% of the total economy) by 2032, creating nearly 700,000 new jobs over the period.¹²



Tourism Recovery Plan

In June 2021, the UK Government published its Tourism Recovery Plan¹³ which aims to ensure that the tourism sector can reach its full potential and contribute to the country's overall growth plan following the pandemic. The aims of the Recovery Plan include recovering visitor spend by the end of 2023, building a more innovative and resilient industry, returning the UK to its pre-pandemic position as a leading European destination for hosting business events and ensuring visitors stay in the country for longer.

The continued expansion of Premier Inn hotels across the UK is a prime example of the type of investment in tourist accommodation envisaged in the Tourism Recovery Plan. Premier Inn is one of the biggest branded hoteliers in the UK, comprising 12% of the total UK hotel market. The Tourism Recovery Plan emphasises that the UK Government is committed to working collaboratively with the private sector in order to implement its plan, with accommodation providers from the largest hotels able to provide additional rooms to bolster the recovery of the hospitality sector, acting alongside other tourism sectors as catalyst for economic growth.

Investment by Premier Inn

In summary, the tourism sector contributes substantially to the UK's economic performance as well as supporting valuable employment. It is one of the priority sectors for the UK Government as outlined within its Tourism Recovery Plan.

The continued expansion of Premier Inn will help to increase the quality of accommodation on offer nationally, helping to meet the objectives of the Government's Tourism Recovery Plan. Whitbread's continued investment in Premier Inn with a long-term target of achieving 125,000 rooms across the UK and Ireland will help to deliver further growth and employment opportunities and ensure that the tourism sector plays a full role in the UK's economic recovery.



National Economic Impact of Premier Inn

This section sets out the results of the national survey of Premier Inn customers commissioned by Whitbread including trends, key findings and estimates of the total amount of local expenditure generated by Premier Inn customers.

The breakdown of the number of survey responses categorised by hotel location is outlined in Table 4.1, with their locations shown at Figure 4.1.

Table 4.1: Breakdown of number of surveys by Premier Inn Location

Category of Premier Inn	Total Number of Surveys
Adventure	2,738
Coastal	2,702
Cultural	2,027
City Centre	2,070
Central London Area	2,017
Inner London Area	1,056
Total	12,610

Source: Whitbread and Ipsos (2022)

The survey questionnaire is included at Appendix 1. Full details of the research methodology are included at Appendix 2.



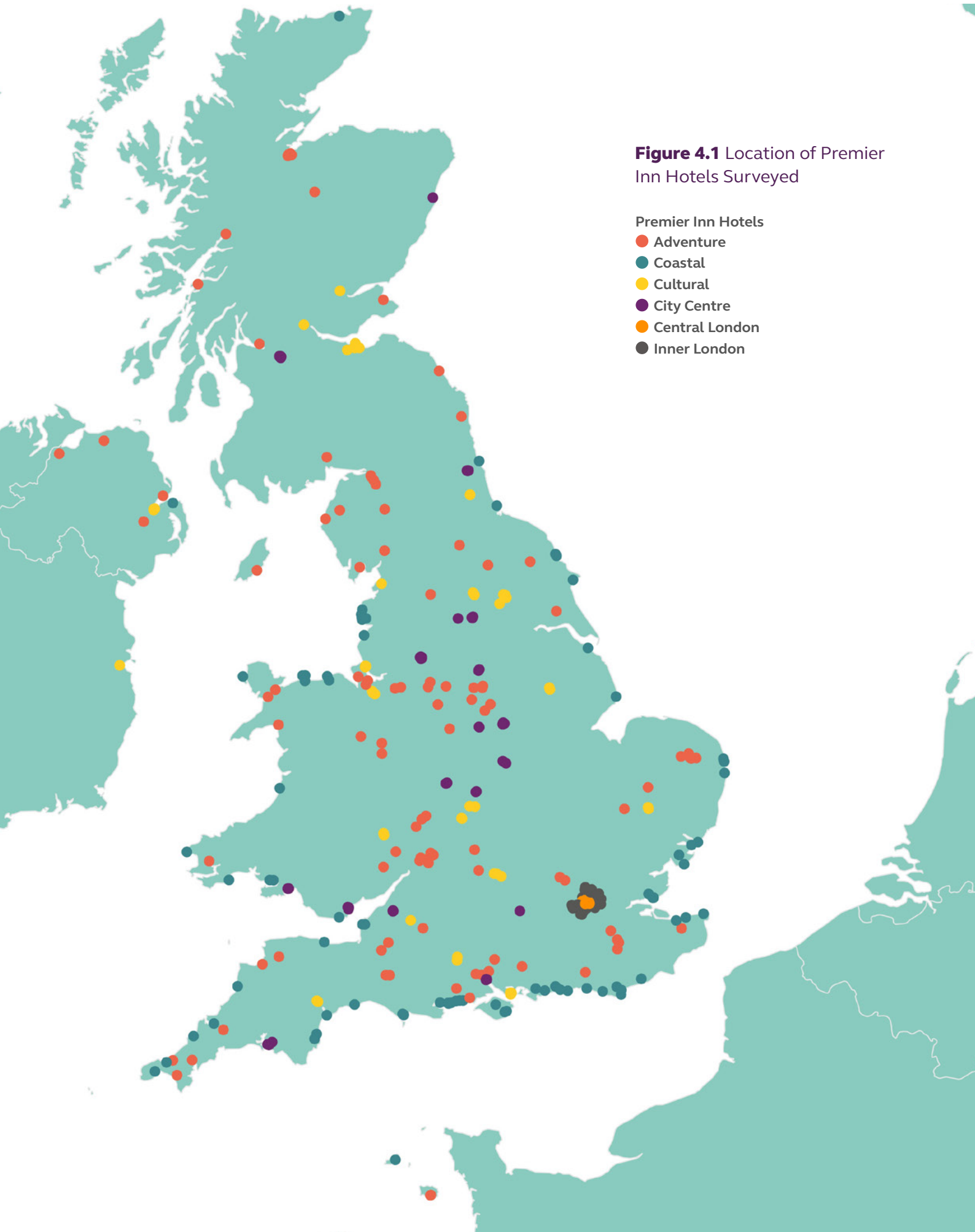


Figure 4.1 Location of Premier Inn Hotels Surveyed

Premier Inn Hotels

- Adventure
- Coastal
- Cultural
- City Centre
- Central London
- Inner London

Survey Findings

The following section provides an overview of the survey findings across all hotel location categories and analyses the travel choices, preferences and spending habits of 12,610 customers who visited Premier Inn hotels during September and October 2022.

12,610
customers surveyed

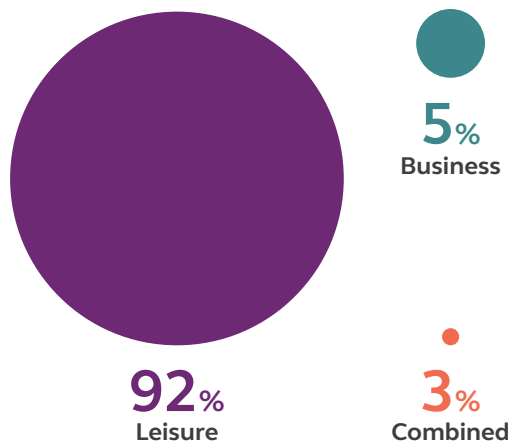


Purpose of trip and duration

92% of survey respondents said that they had visited the Premier Inn as part of a leisure trip. Only 5% of trips were undertaken for business reasons in this sample. The remainder of customers (3%) visited the Premier Inn as part of a combined business and leisure trip.

The split between leisure and business visitors as captured by the survey is perhaps unsurprising. The early Autumn period tends to be busy with holidaymakers visiting cities, leisure, adventure and coastal destinations, as well as those using hotels near airports to facilitate onward travel. The trend for increased domestic leisure travel has also been particularly pronounced since the uncertainties caused by the COVID-19 pandemic and the onset of the cost-of-living crisis, rendering short leisure breaks within the UK the only viable option for many holidaymakers.

The fallout of the pandemic also continues to disrupt 'business as usual', with many workers choosing to remain working from home rather than venturing into offices, which are usually sited within urban locations. Business stays, in-person conferences and associated travel have also reduced as a result.



Note: 92% / 5% / 3% of survey respondents.

It may also be due to the survey methodology and the possibility that individual business travellers may also have been too busy to respond to the survey following their stay. This is likely to have also resulted in a lower proportion of recorded business trips during the survey period.

Of the total surveyed stays that were primarily for the purpose of leisure trips at Premier Inn, the highest proportion of trips were for the purpose of exploring the area (19%).

The second highest proportion of responses for the purpose of the leisure trip was for practicality (17%). Approximately 12% of leisure trips by the surveyed guests were for the purpose of rest and relaxation and 11% for the purpose of celebrating an event.

Of the total surveyed Premier Inn stays that were for business purposes, 27% of trips were for the purpose of attending a work event (such as a conference), 21% to attend a business meeting and 20% for the purpose of working or contracting away from home (such as working on a site or at a client's office).

The surveyed guests spent an average number of 1.89 nights at Premier Inn across all accommodation categories. The average number of guests per room was 2.60. Both the nights spent at the Premier Inn hotels and the number of guests per room are reflective of the respondents' use of these hotels for slightly longer leisure trips, rather than for business trips which tend to be shorter in duration.



Average number of nights stayed

1.89



Average number of guests per bedroom

2.60

Local Spending

Of those surveyed, 93% of guests indicated that they had left the hotel and visited the local area during their stay, rather than simply using the hotel to sleep. The vast majority of these customers also spent money in the local area whilst away from the hotel during their break.

With regard to the eating and drinking habits of the surveyed customers, 68% of respondents ate breakfast at Premier Inn. The proportion of the surveyed guests who ate out during the day (for example, having food and drink in a café, restaurant, bar or pub) was 40%, which increased to 59% in the evening.

In terms of expenditure on food and drink, 57% of respondents who spent money on food and drink stated that they and their party spent over £50 locally – a quarter spent over £100. Of those surveyed who used food or beverage facilities away from the hotel, most of the respondents did so close to where they were staying. The survey results therefore suggest that a large amount of expenditure from visitors of Premier Inn is retained within the local area.



57% of respondents who spent money during their stay spent **over £50 locally on food and drink. 25%** spent over **£100.**

Also, 47% of guests indicated that they spent money outside of Premier Inn on entertainment during the day and 29% of guests on entertainment during the evening. Finally, 28% of guests spent money outside of Premier Inn on non-food shopping (such as clothing).

Choice of Premier Inn

83% of respondents indicated that they were happy or very happy with the experience of their stay at Premier Inn and would be happy to visit that particular Premier Inn again.

Of those surveyed, 54% only considered Premier Inn for their accommodation. 23% considered another budget hotel and 18% considered an independent hotel. 17% of surveyed respondents considered an economy or midscale hotel and only 13% considered an independent B&B or guest house. In addition, only 12% of respondents considered a rental house or apartment and only 7% considered an upscale four or five star hotel. The sample indicates that most Premier Inn customers have a strong affiliation for the brand and branded budget hotel accommodation.¹⁴

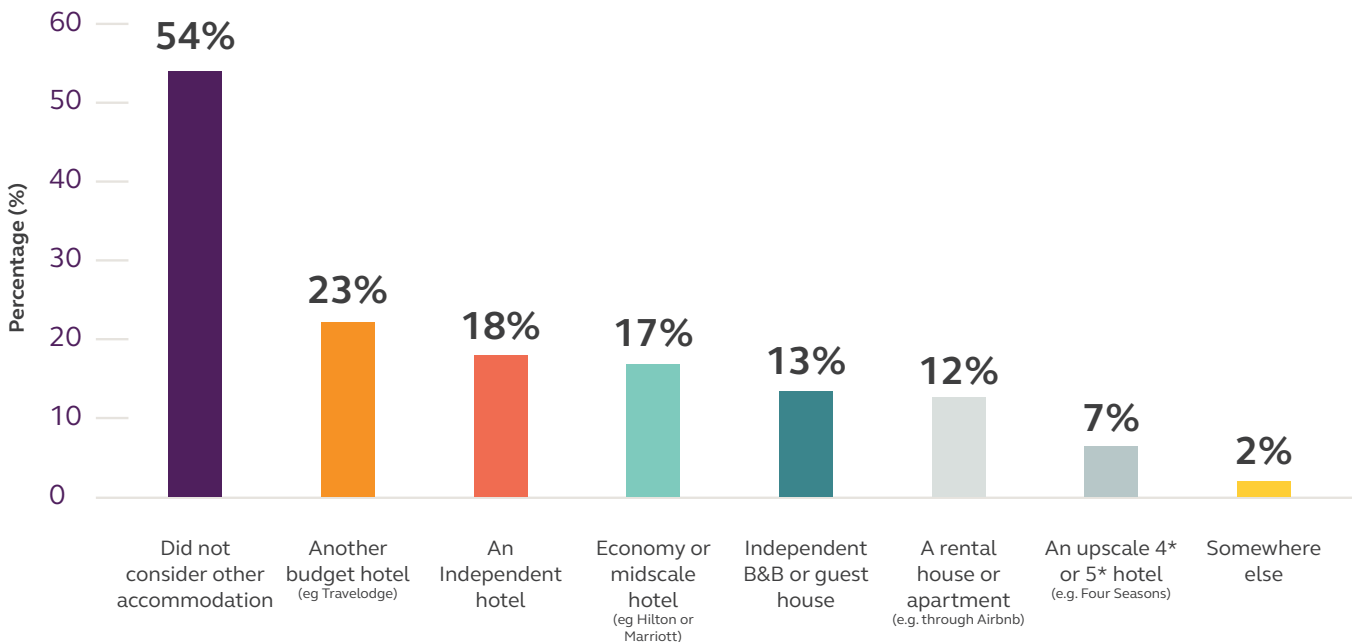


83% of respondents indicated that they were **happy or very happy** with their stay at Premier Inn.



The research indicates that the vast majority of Premier Inn customers have a **strong affiliation for branded budget hotel accommodation.**

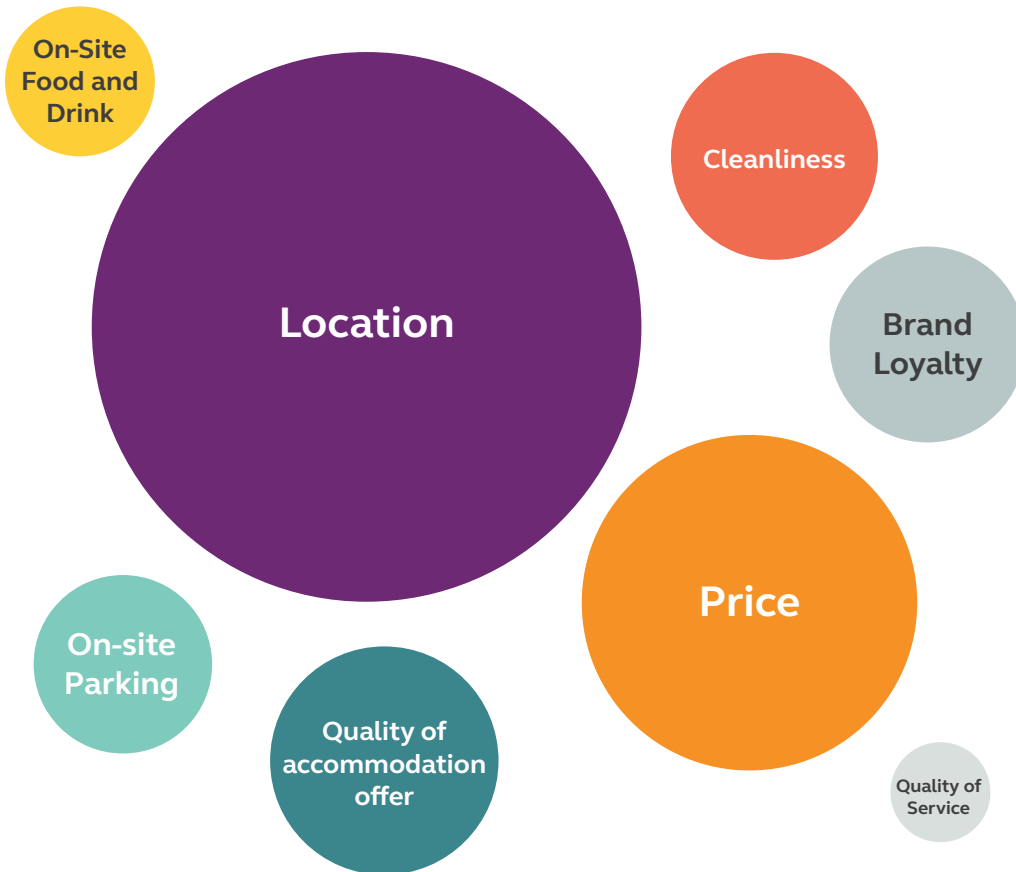
Figure 4.1: Customer Consideration of Accommodation



In terms of the main reasons for choosing a Premier Inn, location and price were the most popular responses followed by the quality of room facilities, cleanliness, loyalty to the brand, the availability of on-site parking, and the availability of food and drink on site.

The responses suggest that Premier Inn customers value the location, price and brand standards of Premier Inn hotels over the provision of on-site food and drink options and many customers want to experience the local food and drink offer during their stay.

Figure 4.2: Reasons for choosing Premier Inn



Of those surveyed, 28% of all respondents indicated that they wouldn't have visited the location had Premier Inn not been there. 55% of all respondents stated that they would still have visited the destination and 17% of respondents didn't know.

Of the respondents who said that they would still have visited if Premier Inn wasn't there, the majority – 57% – stated that they would instead consider staying at another budget hotel. 42% said they would consider an economy or midscale hotel and 37% said they would consider an independent hotel. Only 20% would consider an independent B&B or guest house, with 15% considering rental accommodation and 12% considering an upscale hotel.



Of those customers surveyed, **28% said they wouldn't have visited the location if Premier Inn hadn't been there.**

Of those who said they would have still visited, only **20%** would have considered an independent B&B or guest house as an alternative.

Visitor Expenditure

Each of the surveys gathered data on customer spending habits, including the amount spent on various goods categories during the respondents' last stay at Premier Inn. The survey captured estimates of customer expenditure on food and drink in the daytime and evening, entertainment in the daytime and evening, non-food shopping, travel within the town and on other expenditure.

Using survey-derived estimates of the proportion of this money spent within 2 miles of the hotel, along with the average number of nights, we are able to calculate the average amount of expenditure generated by each occupied bedroom for businesses within the local area. This information is provided at Table 4.2.

Table 4.2: Average Locally Generated Expenditure Per Premier Inn Room

Category	Average spend per room across total trip (1.89 nights)	Average spend per room per night	Average spend per room within local area	Average spent within local area per room per night
Food and drink	£58.50	£30.95	£48.36	£25.59
Entertainment - daytime	£45.67	£24.16	£24.44	£12.93
Entertainment - evening	£65.92	£34.88	£38.54	£20.39
Non-food shopping	£57.20	£30.26	£22.72	£12.02
Travel within the town	£15.53	£8.22	£7.64	£4.04
Other expenditure	£16.47	£8.72	£7.68	£4.06
Total	£259.28	£137.19	£149.37	£79.03

Source: Ipsos and Turley Economics (2022)

The findings of the survey reveal that across the Premier Inn portfolio, the average spend per room across the duration of the stay (an average of 1.89 nights) was £259.28. This equates to £137.19 of spend per room, per night. Of this expenditure, approximately £79.03 is spent in the local area within which the Premier Inn is located.

Table 4.3 illustrates that applying the average amount spent per room to the total number of rooms sold across the Premier Inn portfolio in FY 2021/22 equates to a total of £2.8 billion in visitor generated expenditure across the UK with £1.6 billion spent in the local areas within which the Premier Inn hotels are located.

Table 4.3: Total Visitor Expenditure Per Annum - Premier Inn

2019/20	Local Area	Wider Area (UK)
Number of Premier Inns	844	
Number of Rooms Sold	20.4 million	
Visitor Expenditure Per Room Per Night	£79.03	£137.19
Total	£1.6 billion	£2.8 billion

Source: Whitbread and Turley Economics (2022)

Key Findings

The surveyed Premier Inn customers overwhelmingly prefer to consider hotels as opposed to independent B&Bs, guest houses or rental houses / apartments. An overwhelming 54% of customers surveyed only considered Premier Inn for their accommodation. 23% considered other budget hotels, 18% considered an independent hotel and 17% considered other economy or midscale hotels. Only a small proportion of surveyed visitors would consider an independent B&B or guest house or rental accommodation as an alternative to Premier Inn.

Over a quarter of the surveyed Premier Inn customers stated that they wouldn't have visited the location had Premier Inn not been there. If Premier Inn wasn't present in a location, the results suggest that visitors would continue to prioritise other branded budget or independent hotels over B&Bs / guest houses, rental accommodation or 4* or 5* hotels. This suggests that Premier Inn can harness the custom of those attracted to the brand.

The surveyed customers said that Premier Inn's location, good prices, quality of accommodation and cleanliness were the most important factors when choosing the brand. For the majority of guests, the presence of on-site parking or an in-house restaurant was not of fundamental importance in their decision for choosing Premier Inn, suggesting that a high proportion of customers travel to Premier Inns using public transport and want to experience the local food and drink offer during their stay.

The vast majority of Premier Inn customers go out and visit the local area, generating expenditure and economic activity. Of those customers who took part in the research and spent money, 57% stated that their party spent more than £50 outside of the hotel in local establishments on food and drink, and 25% stated that they spent over £100. Of those surveyed who used food or beverage facilities, most of the respondents did so close to where they were staying. For the vast majority of Premier Inn hotels, this area represents the local town or city within which the Premier Inn is located.

Premier Inn customers contribute substantially to the local economy. The survey results reveal that the average customer spend was £137.19 per room, per night. Of this expenditure, approximately £79.03 was spent in the local area within which the Premier Inn is located. Across the entire Premier Inn portfolio, this totals £1.6 billion spent in local areas and £2.8 billion in total visitor expenditure generated for the UK economy. This is equivalent to each of the 844 Premier Inns across the UK and Ireland generating £3.3 million in visitor expenditure for the local visitor economy in each location every year.

Locational Differences in Visitor Expenditure

Visitor Expenditure

Expenditure appears to vary depending on the location and category of Premier Inns at which customers choose to stay. Across the Premier Inn hotels surveyed, hotels in City Centre

locations and across London (Central and Inner) attracted a higher level of visitor expenditure per room per night across both the local and wider impact areas, as outlined in Table 4.4.

Table 4.4: Visitor Expenditure Per Room, Per Night by Location Type

Location Type	Local Visitor Expenditure Per Room Per Night	Wider Visitor Expenditure Per Room Per Night
Adventure	£89.98	£129.13
Coastal	£82.19	£106.31
Cultural	£106.22	£126.78
City Centre	£141.78	£161.18
Central London	£120.40	£152.94
Inner London	£103.79	£147.25
Other	£79.03	£137.19

Source: Ipsos and Turley Economics (2022)

The average visitor expenditure (per room, per night) within the immediate impact areas for hotels in Inner London (£103.79) is slightly less than is spent in Central London (£120.40). This is perhaps explained by guests in Inner London using public transport to visit areas immediately outside of their respective local areas to access food and drink, shopping and entertainment opportunities elsewhere (including visits to attractions in Central London). Along with hotels in City Centre locations, customer expenditure from those staying at hotels in London far exceeds that spent at hotels within Adventure or Coastal destinations, which are often situated in more remote locations which have less entertainment and shopping facilities to capture this element of visitor expenditure.

Business Trips

The highest levels of business trips recorded across the Premier Inn portfolio are within City Centre, Central London and Inner London locations. The proportion of business trips within these locations is higher than the average across all locations which is likely to be reflective of the higher concentration of offices and businesses within more urban destinations.

The majority of business trips undertaken by the surveyed customers relate to work events (27.0%), business meetings (21.2%) and working away from home (20.1%). Other reasons given for undertaking business trips were for training courses, stopovers or company social events (e.g. Christmas parties).

The proportion of those staying at Premier Inns in City Centre, Central London and Inner London locations to attend a work event is higher (32%, 33% and 31% respectively) than across other hotel categories, thus generating spin-off expenditure to support conferences, trade shows or exhibitions in these areas.

Leisure Trips

The results of the survey indicate that the majority of leisure trips were undertaken by customers to explore local areas (19.3%); choosing Premier Inn for practical purposes (16.9%); rest and relaxation (11.6%) or celebrating (11.2%). Other reasons given for leisure trips were for parties, quality time away, treating yourself or romantic breaks.

A higher proportion of the surveyed guests stayed in City Centres and within the Inner London area (19% and 15% respectively) for the purposes of 'partying' than across the wider portfolio. Customers who stayed at Coastal destinations favour rest and relaxation (21%) above all other factors and those at Cultural and Adventure destinations favour exploration (25% and 21% respectively). Strikingly, only 11% of the surveyed leisure guests stayed in City Centre destinations for the purposes of exploration compared to a significantly larger 27% of guests in Central London. The survey suggests that guests choose City Centre locations more due to practicality and proximity to events they are attending.

Choice of Premier Inn

In terms of why people choose Premier Inn, it has already been highlighted that location and price are fundamentally important to customers. Availability of car parking is not important for the majority of those customers using centrally-located hotels in

City Centre locations and across London but very important for those customers choosing Adventure and Coastal destinations which are situated in more remote areas.

Guests who took part in the survey and stayed at Adventure and Coastal locations also placed a lower importance on price (43% and 44% respectively) as a reason for their stay, when compared with those who stayed in City Centres (50%) and in hotels across London (51%). The increased importance placed on price is reflected in the larger than average proportion of guests in City Centre (58%), Central London (55%) and Inner London (61%) locations who also considered another budget hotel in their accommodation search.

Importance of Food & Beverage Offer

Whilst the provision of breakfast at all hotels remains popular with all guests, the availability of food and drink facilities on site is not as important for the surveyed customers of Premier Inn hotels situated in more central locations (City Centre and London hotels), which is most likely due to the wider variety of alternative F&B facilities available in close proximity to these hotels.

Evidence from the survey suggests that the greater availability of alternative facilities in urban destinations generally leads Premier Inn customers to spend more within these local areas than at hotels within more remote locations.

Conclusions

This report has been undertaken to help Whitbread understand the positive economic impact Premier Inn customers have on both local and wider economies across the UK.

The report focusses on the national economic contribution of Premier Inn hotels including those within Adventure, Coastal, Cultural, City Centre, Central London and Inner London locations.

In order to inform the research, an online survey of over 12,600 recent Premier Inn customers was undertaken during September and October 2022. The online survey covered 357 Premier Inn hotels across the UK in a variety of locations as outlined above. Turley Economics has analysed the results of the surveys and used this data, and other information provided by Whitbread, to model the economic impact of Premier Inn hotels in the selected locations.

Purpose of visiting Premier Inn

The results of the survey indicate that for those customers who stayed at a Premier Inn for their leisure trip, the main reason for their visit was to explore and discover local areas or for practical purposes, rest and relaxation and celebrating.

Principally, customers choose to stay at Premier Inn due to the good location of the hotels in accessible and well-connected places. According to the survey, competitive prices, high quality accommodation, cleanliness and brand loyalty also act as major attractors to Premier Inn hotels and a source of repeat custom. These reasons for visiting were consistent across the national portfolio.

Customer Satisfaction and reasons for choosing Premier Inn

The survey results indicate a high level of satisfaction amongst Premier Inn guests, with approximately 83% of customers happy or very happy with their accommodation, across all hotel destinations. This high level of customer satisfaction along with the consistency of Premier Inn's offer helps to generate brand loyalty. When considering hotel accommodation, a high proportion of customers choose only Premier Inn and over a quarter of customers would not visit a destination if Premier Inn is not located there.

In the event that a Premier Inn isn't available to existing customers, the majority of those surveyed indicated that they would choose another budget hotel as an alternative, followed by an independent hotel or a midscale hotel rather than an independent B&B / guest house or a rental house / apartment. Visitors to Adventure, Coastal and Cultural destinations are marginally more likely to choose independent hotels as alternatives compared to guests in City Centre locations or across London who have a strong preference for competitive prices and budget hotels. The vast majority of survey responses suggest that Premier Inn's budget hotel offer fulfils a different role to that of independent B&Bs, guest houses, Airbnbs and more upscale 4 and 5 star hotels available in the same locations.





Impact of Premier Inn on other hotel accommodation

The survey results reveal that Premier Inn customers are happy with the high quality of accommodation provided, in a good location at an affordable price. For the surveyed customers, the streamlined, branded style of accommodation provided by Premier Inn is distinct from the range of facilities that larger upscale hotels or smaller independent operators (guest houses / B&Bs) can provide.

Customers who prefer the streamlined, budget offer of Premier Inn use the hotels as a base from which they can visit attractions and spend money on food and drink, shopping and entertainment in the area around the hotels.

The survey results reveal that the increase in custom generated by Premier Inn hotels provides a large amount of trade for other local businesses, including food and beverage providers, retail facilities and tourist attractions. In addition, Premier Inn can harness the custom of those attracted to the brand who otherwise may have sought branded accommodation elsewhere. Premier Inn hotels are therefore likely to provide net economic benefits for the centres within which they are located without adversely affecting the established accommodation markets in these areas.

Use of on-site restaurant facilities

A higher proportion of surveyed guests staying in more urban areas (e.g. City Centre locations or across London) chose to eat outside of the hotel compared to guests staying in other categories of locations.

Many of the surveyed customers chose to dine out and visit food and drink establishments locally during their stay. Of those customers surveyed, an average of £58.50 was spent per visit on food and drink, with an average of £48.40 spent in the local area. Overall, a total of £259.30 per room per trip was spent across all expenditure categories in the wider area, with an estimated total of £149.40 per room per night spent in the local area within which the hotels are located.

On average, 67% of the surveyed guests ate outside of the hotel in the evening, with a higher proportion guests in more urban areas (e.g. City Centre locations or across London) choosing to eat outside of the hotel.

Whilst the surveyed customers visiting Premier Inn hotels within Adventure, Coastal and Cultural destinations have a tendency to use in-house restaurant facilities slightly more than the average nationally, customer spending habits on food and drink outside of the hotels across all destinations were broadly similar. A significant amount of expenditure on food and drink is therefore generated locally by Premier Inn customers across all geographies.

Generated Expenditure from Premier Inn Customers

Based on the customer responses, it is estimated that Premier Inn customer expenditure on food and drink, alongside other spending on entertainment, shopping and local travel generates approximately £1.6 billion every year in the local economies within which the Premier Inn hotels are located and £2.8 billion every year for the UK visitor economy as a whole.

The survey results reveal that the average customer spend was £137.19 per room, per night. Of this expenditure, approximately £79.03 was spent in the local area within which the Premier Inn is located.

For each of the categories for hotel locations, it is clear that existing local businesses, such as food and beverage establishments and visitor attractions, are significant beneficiaries of customer expenditure, with surveys finding that on average over £3.3 million is generated for local businesses at each hotel location every year.

It is clear from the results of the survey that Premier Inn customers contribute substantially to the generation of economic productivity and employment opportunities across within local communities and across the UK.

Future Investment Policies

The tourism sector contributes substantially to the UK's economic performance as well as supporting valuable employment opportunities. The continued expansion of Premier Inn hotels across the UK is a prime example of the type of private sector investment in tourist accommodation envisaged in the Government's latest Tourism Recovery Plan.

This report has demonstrated the substantial economic benefits that can be generated by Premier Inn customers at both a local and national level. The continued expansion of Premier Inn will help to increase the quality of accommodation on offer nationally as well as deliver much needed economic growth and employment opportunities to ensure that the tourism sector plays a full role in the UK's economic recovery moving into 2023.

Appendix 1: Survey Questionnaire

Q3. Taking everything into consideration, would you stay at Premier Inn again?

Q8. Which type of breakfast, if any, did you have when you stayed at Premier Inn?

Q12. Thinking back to your stay, did you eat in the evening at Premier Inn?

Q20. Was your stay for business or leisure?

Q31. What was the purpose of your business trip?

Q32. What was the purpose of your leisure trip?

What was the number of nights stayed in the hotel?

Q33. How many people were in your party overall (including staying in separate rooms)?

Q33a. Who did you stay with?

Q34. How many rooms were booked for your party overall?

Q35. Did you consider other types of accommodation for the trip?

Q35a. What other types of accommodation did you consider?

Q36. Why did you choose to stay at Premier Inn?

Q37. Reflecting on your stay, did you leave the hotel building to do any of the following? Please select all which apply.

Q38. Approximately how much in total did you and your party spend on the following: Food and drink before 5pm

Q38. Approximately how much in total did you and your party spend on the following: Food and drink after 5pm

Q38. Approximately how much in total did you and your party spend on the following: Entertainment activities in the daytime

Q38. Approximately how much in total did you and your party spend on the following: Entertainment activities in the evening

Q38. Approximately how much in total did you and your party spend on the following: Non-food shopping

Q38. Approximately how much in total did you and your party spend on the following: Travel within the town

Q38. Approximately how much in total did you and your party spend on the following: Any other expenditure

Q39. How far away were the café(s), restaurant(s), bar(s) or pub(s) you visited in the DAYTIME?

Q40. How far away were the venue(s) of your DAYTIME and/or EVENING entertainment activities?

Q41. If a Premier Inn was not located at your chosen location, would you still have visited?

Q42. What type of accommodation would you be looking for if a Premier Inn wasn't available at your chosen location?

Appendix 2: Research Methodology

The research methodology was designed to provide a robust insight into the economic impact of Premier Inn hotels on both local and wider economies, as well as across a variety of hotel locations across the UK. The purpose of the research is to provide a deeper insight into how Premier Inn hotels operate in different locations across the country.

Turley Economics was supported by Ipsos who are specialists in facilitating quantitative and qualitative survey design and data collection. Turley Economics worked closely with Ipsos on the drafting and commissioning of the survey questionnaire.

Figure 1 outlines the main research stages, which draws on data collection methods such as a customer survey and deep-dive case studies.

Figure 1 – Stages of Research

- Stage 1 – Scoping and case study selection
- Stage 2 – Analysis of strategic context
- Stage 3 – Customer Survey
- Stage 4 – Research Report Output

STAGE 1 – SCOPING AND CASE STUDY SELECTION

The purpose of this stage was to thoroughly define the parameters of the assessment, sample size and project governance. This first stage was critical to defining a robust approach throughout the research process.

Elements which were considered during this stage included:

- Reviewing database of the UK Premier Inn portfolio according to location, hotel size and food & beverage (F&B) offer. Turley worked alongside the Whitbread Research and Insights team to understand if there are any other ways the portfolio could be segmented. Turley then used our in-house GIS mapping system to plot the portfolio, enabling spatial analysis and illustrative material to be produced at the reporting stage.
- Consideration of a direct distribution questionnaire to be disseminated through the Premier Inn Customer Database. This would harness the direct booking system set up of the Premier Inn business and allow a survey to be sent to those guests who had recently stayed at a Premier Inn and opted-in to receive email communications from Whitbread.
- Identification of a statistically significant sample size for the customer survey (Stage 3 of the research) with assistance from Ipsos based on the total number of guests, anticipated margin of error and confidence level.
- Liaising with Ipsos who provided strategic advice on how a large-scale survey can be administered and any foreseen risks regarding data collection.

STAGE 2 – ANALYSIS OF STRATEGIC CONTEXT

The purpose of this stage was to understand the strategic context behind the challenges being faced by Premier Inn and other budget hotel brands. A review of market evidence and visitor economy trends provided the necessary wider economic and social context to the primary data collected.

Elements considered during this stage included:

- Analysis of trends in the hotel sector and visitor economy, including a review of existing and credible hotel market publications by VisitBritain, IBISWorld and the World Travel and Tourism Council.
- Identifying and investigating any challenges which all types of serviced accommodation are currently facing in the current UK market. Historic trends and challenges were also considered;
- Reviewing national tourism strategies and objectives to consider how Whitbread's growth and strategic ambitions for Premier Inn aligns with national ambitions for the tourism and specifically the hotel sector.

STAGE 3 – CUSTOMER SURVEY

The next stages of the primary data collection was the commissioning of a national customer survey. The survey was carried out in September and October 2022 to capture trips which occurred in the same months.

Throughout Stage 3, Turley Economics worked with Ipsos who are specialists in quantitative and qualitative data collection and fieldwork services.

Online Survey Design

The online survey was designed by Turley Economics, Whitbread's Research and Insights team and Ipsos during Stage 1 of the research process. Ipsos then provided further technical advice on amendments to the language and wording to ensure the questions were effective.

The Economic Impact questions were added into the existing Whitbread's Spotlight survey which asks general feedback on guests' experience during their stay in Premier Inn hotels. Each online survey took on average 10 minutes to complete and was launched using Medallia – Ipsos' partnered customer experience software platform. The majority of questions were designed to be close-ended. The survey questions are found at Appendix 1 of this report.

Sample and Distribution

The size of the sample and target number of respondents was confirmed during Stage 1 of the research process. Guests would be sent the online survey one day following their stay, a time window which is consistent with when Whitbread requests guest feedback. The sample was then segmented according to the location categories.

With the assistance of Whitbread, an online survey link was sent to 64,279 customers who had opted in to receive communications on the Premier Inn Customer Database. Results were then reported dynamically on Medallia - a widely recognised software package which can be used for the management and statistical analysis of surveys with large sample sizes, both 'in-the-moment' (during live fieldwork periods) and subsequently following survey closure.

Endnotes

1. Information provided by Whitbread
2. YouGov hotel brand index survey: <https://yougov.co.uk/ratings/travel/popularity/hotel-brands/all>
3. Whitbread (2022) Whitbread's Annual Report and Accounts 2021/22
4. Whitbread (2022) FY23 H1 Results. Available at: <https://cdn.whitbread.co.uk/media/2022/10/H1-FY23-RNS-FINAL-v2.pdf>
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9. VisitBritain (2022) GB Day Visits: Latest Results. Available at: <https://www.visitbritain.org/gb-day-visits-latest-results>
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12. World Travel and Tourism Council (2022) Economic Impact Report published May 2022
13. HM Government (2021) The Tourism Recovery Plan
14. Note: these percentages quoted do not sum to 100% as customers were able to choose multiple options. E.g. when asked what accommodation they considered, people could choose both 'another budget hotel' and 'an independent hotel' etc.

