

Application	141026
Proposal	Development of a 200-bed country house hotel, conference facility and equestrian centre
Policy Fit	<ul style="list-style-type: none"> - The Aberdeen City and Shire Tourism Partnerships' "Strategy for Growth" 2013-2020 aims to grow tourism expenditure to £410m-£510m by 2020 from a 2013 base of £340m. - A number of actions are prioritised including the improvement and expansion of accommodation provision and reducing seasonality. Golf and business tourism activities are specifically highlighted to capitalise and link to the Trump International Golf Links and the conference economy respectively. - The Strategy also highlights capacity for large, high quality hotels and an objective to grow the accommodation sector, highlighting the need to grow weekend city occupancy. Encouraging the development of a 4*+ destination hotel within the city centre, and encouraging new product/ asset development are identified as gaps in the existing offer. - The proposal supports the overall priorities and Vision for the Aberdeen City & Shire Tourism Strategy.
Economic Appraisal	<ul style="list-style-type: none"> - The estimate of impacts are not discounted to reflect the effects of deadweight (economic benefit that could happen regardless of the development) and displacement (those estimated benefits that are accounted for by reduced benefits elsewhere in the city eg jobs), or leakage (where the outputs benefit those outside the city centre economy). - Construction impacts are temporary and should not be considered in the context of the overall development. Reflecting this, construction benefits could be counted in 'job years', for example, a construction job for a period of 12 months is counted as a 'job year'. - Direct impacts up to 250 direct FTEs – gross. 50 of these are restaurant, spa and function jobs. - Indirect/ Induced Impacts – multipliers ok. Up to 60 FTE jobs through hotel spending, 30-40 FTE supported by visitor spending in Aberdeen City and Shire, 7 FTE supported by riding school - Golf course/ equestrian/ other impacts etc not tested – seem reasonable
Other	<ul style="list-style-type: none"> - Comparator/ competitor analysis not undertaken. However, there is only one 5* hotel in the city and this development would increase the overall offer/ competition - Conference – there is no analysis of the conference market and demand for this type of space in Aberdeen. Anecdotal evidence suggests that the scale being proposed here (c800 delegates) is needed. - Gross Value Added (GVA) based on reasonable estimate of GVA/ job. We would expect the net additional GVA to be lower on the assumption the calculation is based on the gross job figure.
Conclusion	The net economic impact of the development is not articulated. Depending on what assumptions are made for deadweight and displacement (assuming no leakage), the net impact will be lower than the estimates here. Based on the information reviewed, the proposal directly supports the overall aims of the Area Tourism Partnership's Strategy.

Response by:

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