

VISITOR ACCOMMODATION STUDY

FYLDE COAST SUB-REGION

BLACKPOOL, FYLDE & THE WYRE COUNCILS

FINAL REPORT

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1 EXECUTIVE SUMMARY

- The Fylde Coast stretches across the Blackpool Unitary Authority and the Boroughs of Fylde and Wyre, encompassing both rural and urban areas including Blackpool, Lytham, St Annes, Fleetwood, Cleveleys, Kirkham and Garstang.
- The Councils have all commenced work on their Core Strategies which are being progressed in parallel. In order to develop sound development plan documents for the emerging LDF in accordance with the Good Practice Guide on Planning for Tourism, there is a requirement for all three Councils to produce a detailed evidence base with the intention of underpinning future planning policy relating to the provision of visitor accommodation on the Fylde Coast.
- HLL Humberts Leisure has therefore been commissioned to undertake a comprehensive study into the quality, quantity and location of visitor accommodation within the Fylde Coast sub-region compared to current demand levels, as well as an appraisal of the future need for visitor accommodation under a number of different scenarios:

	Future Scenario
Scenario 1	A marginal increase in staying visitor numbers.
Scenario 2	A slight decrease in staying visitor numbers.
Scenario 3	A significant decrease in staying visitor numbers.

1.1 Area Demand Profile

- The Fylde Coast has a population of approximately 330,000, although this is forecast to increase to more than 390,000 by 2031 – a growth rate of almost 20%.
- Tourism is one of the key industries on the Fylde Coast, with around one in five jobs in Blackpool, one in ten jobs in Fylde and one in nine in Wyre being tourism-related. This does also highlight that the latter two boroughs are less heavily reliant on the visitor economy than Blackpool. Fylde has a high level of manufacturing and R&D activity (including BAe at Warton) as well as a strong service industry (including Axa and the Land Registry), whilst the docks, Fisherman’s Friend and Freeport retail complex play an important economic role in Wyre. Indeed, Wyre in general has a strong retail tourism offer – including Cleveleys and Fleetwood Market.
- The three areas have undergone, or are undergoing significant regeneration. Although Blackpool was unsuccessful in its bid for the super-casino licence, the “Seafront Experience” promenade work is ongoing, and plans such as the Talbot Gateway are progressing. Equally in Wyre, Cleveleys has undergone significant (award-winning) promenade works to hold a greater visitor appeal and a masterplan has been produced for Fleetwood. In Fylde, St Annes Town Centre has seen significant investment in the ‘street scene’ and a masterplan has been produced for St Annes seafront.
- There are, however, a number of issues relating to the provision of visitor accommodation on the Fylde Coast, including the unofficial use of hotels,

guest houses and self-catering flats in Blackpool as HMOs, and the use of static caravan holiday homes for residential purposes – the latter being extremely difficult to assess with any degree of accuracy.

1.2 The National Tourism Market

- Over recent decades, the advent of cheap air travel has led to declining demand for domestic holidays, particularly in traditional seaside resorts such as those on the Fylde Coast. Other external events have constrained national tourism demand including the Iraq intervention – which has reduced visits by overseas visitors - and the FMD outbreak.
- The present recessionary economic climate has, however, conversely led to increased demand for domestic holidays, with major national operators recording strong bookings levels as consumers seek cheaper alternatives to overseas holidays in light of the weak exchange rate.
- The domestic holiday industry is extremely fragmented with over 150,000 tourism businesses scattered around the UK, with serviced and non-serviced accommodation playing equally important roles in a national market context.

1.3 The Fylde Coast

- We have benchmarked the Fylde Coast against a number of other coastal areas in the UK: the English Riviera (Paignton, Brixham and Torquay), Restormel (Newquay), the Fun Coast (Skegness and Mablethorpe), and Brighton & Hove.
- This analysis highlights that there are more than six times as many serviced accommodation bedspaces on the Fylde Coast as on the English Riviera, and more than four times as many as in Bournemouth.
- Although the Fun Coast offers more non-serviced bedspaces, Skegness and Mablethorpe offer very little serviced accommodation. This is not the case on the Fylde Coast. Indeed, there are more than twice as many serviced and non-serviced bedspaces in Blackpool, Fylde and Wyre as any comparable resort area.

Area	No. of Staying Visitors (2006)	No. of Bedspaces	Staying Visitors per Bedspace
Fun Coast	1,765,000	41,196	42.8
Fylde Coast	4,280,000	90,673	47.2
English Riviera	1,099,600	19,837	55.4
Bournemouth	1,040,000	14,470	71.9
Newquay	1,213,000	13,723	88.4
Brighton & Hove	1,400,000	9,946	140.8
<i>Av. (excl Fylde Coast)</i>	<i>1,303,520</i>	<i>19,834</i>	<i>65.7</i>

- The evidence therefore highlights that there is an over-supply of accommodation on the Fylde Coast – much of it unaccredited and of varying degrees of quality. Such excess supply does mean that there will inevitably be increased price competition, rendering many smaller businesses operating on low margins unviable.

1.4 Blackpool

- Blackpool attracts in excess of 13.6 million visitors per year, generating £786 million in spending in the local economy. More than three-quarters of these visitors were day-trippers. Nevertheless, the 2.9 million staying visitors to the resort generate 9 million visitor nights – broadly in line with national averages.
- We are aware, however, that the number of visitors to Blackpool has declined significantly over recent years, and that there is a considerable degree of seasonality associated with the resort's tourism industry – particularly since the loss of major political conferences.
- HLL estimates that there are 1,657 serviced accommodation businesses (hotels, guest houses, B&B's and Inns) offering around 25,000 bedrooms and 57,000 bedspaces. The local serviced market is dominated by small hotels and guest houses, with just 16 businesses offering in excess of 100 bedrooms.
- Our research has highlighted that approximately 93% of serviced accommodation providers in Blackpool have no recognisable (or current) quality grading. This is a higher figure than the 84% indicated by the Council and likely reflects the difficulties in contacting some of the smaller establishments. Accommodation stock in the resort is generally, therefore, of a poor quality, unaccredited and is well below the level expected by the modern day consumer. Accordingly, the performance of Blackpool's serviced accommodation sector is, in many cases, well below national averages – suggesting that many such businesses are becoming increasingly unviable. The lack of quality of Blackpool's serviced accommodation has created a market opportunity for a guaranteed standard of accommodation such as that offered by major branded budget hotel operators such as Travelodge.
- Our research has identified 148 self-catering holiday property providers in Blackpool, offering an estimated 1,175 flats / apartments and 4,194 bedspaces (where we have been unable to contact businesses we have applied the average size of self-catering properties).
- Around 12% of the businesses contacted have national quality accreditation, with a further 22% obtaining the local 'Quality' or 'Quality Plus' standards. This does mean, however, that more than half of self-catering holiday property businesses in Blackpool have no quality accreditation at all. There is very little high-end self-catering accommodation available in the resort.
- The majority (86%) of Blackpool's self-catering businesses are located away from the main seafront promenade, highlighting that the existing Resort Neighbourhoods are dominated by the provision of serviced accommodation in the form of hotels and guest houses.
- HLL has identified ten holiday parks within Blackpool, offering a total of 1,630 (primarily static caravan) pitches. The local market is dominated by two major parks (Newton Hall and Marton Mere), which together offer more than 93% of available pitches.
- None of the parks are located within the Council's identified 'Resort Neighbourhoods', with provision largely confined to the edge of Blackpool. Just the two largest parks have a national quality grading, although other sites

are recognised by organisations such as the Camping & Caravanning Club of Great Britain or the Caravan Club.

- For the purposes of assessing current and future requirements for camping and caravan pitches, we have assumed that approximately 20% of static caravans in Blackpool are used as hire fleet (i.e. rental only), with the remainder being owner-occupied. It is very difficult to establish occupancy for owner-occupied holiday static caravans as they will be used not only by their owners, but also by their friends & family. Whilst the figures below show all holiday parks, the recommendations regarding loss of pitches / bedspaces concentrates solely on hire fleet – and not owner occupied – static holiday caravans, as we have assumed that these will be ‘full’ from a market perspective¹.
- HLL estimates that Blackpool’s accommodation market is currently over-supplied by almost 20,000 bedspaces – the bulk of these falling within the serviced accommodation sector.

Type of Accom.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	1,657	24,992	56,521	1,154	16,961	38,211
Self-Catering	148	1,175	4,194	98	804	2,892
Built Sub-Total	1,805	26,167	60,715	1,252	17,765	41,103
Holiday Parks	10	1,630	4,890	10	1,622	4,868
TOTAL	1,815	27,797	65,605	1,262	19,387	45,971

- Scenario 1 assumes that there will be a marginal increase in staying visitor numbers to the Fylde Coast. In this respect, HLL estimates that, even if visitor numbers to Blackpool increase over the next five years, the resort would still require the loss of almost 15,000 of all serviced and non-serviced accommodation bedspaces to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	14,149	42,372	- 25.0
Self-Catering Accommodation	4,194	875	3,319	- 20.9
Holiday & Caravan Park Accommodation	4,890	+192	5,082	+ 3.9
TOTAL BLACKPOOL MARKET	65,605	14,832	50,773	

- Scenario 2 assumes that there will be a slight fall in the number of staying visitors to the Fylde Coast. HLL estimates that a drop in visitors will mean that Blackpool would require the loss of more than one-third of all serviced and

¹ In other words it is assumed that they will not be in the market in that they will not be readily available for hire by those who do not own the caravans or belong to the friends and family of owners

non-serviced accommodation bedspaces to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	21,990	34,531	- 38.9
Self-Catering Accommodation	4,194	1,646	2,548	- 39.2
Holiday & Caravan Park Accommodation	4,890	194	4,696	- 4.0
TOTAL BLACKPOOL MARKET	65,605	23,830	41,775	

- Scenario 3 assumes that there will be a significant fall in the number of staying visitors to the Fylde Coast. HLL estimates that such a decline would require the loss of more than 42% of all serviced and non-serviced accommodation bedspaces in Blackpool to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	25,398	31,123	- 44.9
Self-Catering Accommodation	4,194	1,956	2,238	- 46.6
Holiday & Caravan Park Accommodation	4,890	349	4,541	- 7.1
TOTAL BLACKPOOL MARKET	65,605	27,703	37,902	

- There is a clear oversupply of serviced hotel and non-serviced self-catering accommodation in Blackpool. This is undermining the effectiveness of policy protection for the Resort Neighbourhoods. We therefore recommend a significant reduction in the size of these designated areas through the LDF review in order to retain key promenade frontages and other smaller core areas linked to particular tourism sub-markets.
- Although planning can be used to try to prevent the loss of hotels and holiday accommodation, it cannot force hotels and holiday accommodation to change other uses. Therefore, hotels and holiday accommodation outside of the smaller Resort Neighbourhoods need to be actively purchased and converted to family housing by regeneration bodies if the public sector wants to control the market that may otherwise convert surplus hotels and holiday accommodation to hostels and HMOs without seeking permission.

1.5 Fylde

- Fylde attracts in excess of 3 million visitors per year, generating £213 million in spending in the local economy. More than three-quarters of these visitors were day-trippers. Nevertheless, the 670,000 staying visitors to the resort generate more than 1.9 million visitor nights – broadly in line with regional averages.
- Interestingly, there has been an increase in staying visitors to Fylde over recent years. This may reflect the hosting of major events such as the golf Open Championship.

- HLL estimates that there are 47 serviced accommodation businesses (hotels, guest houses, B&B's and Inns) offering around 1,300 bedrooms and 3,000 bedspaces. The local serviced market in Fylde offers a more balanced mix of hotels, guest houses and B&B's than Blackpool.
- Serviced accommodation establishments in Fylde tend to be the best in terms of quality across the Fylde Coast – with a number of properties having undergone substantial investment in recent years. Despite this, around half of Fylde's serviced accommodation providers do not possess nationally recognised quality accreditation. Supply in Fylde is dominated by the Victorian resort of St Annes with a smaller number of businesses in the older, smaller settlement of Lytham.
- HLL has identified twenty-two holiday parks within Fylde, offering a total of 2,732 pitches. The local market is dominated by provision located close to the boundary with Blackpool (and ostensibly serving this market), although major holiday centres such as Ribby Hall play a key role in holiday park provision in the borough.
- There is greater provision of timber holiday lodge accommodation in Fylde. This reflects that St Annes and Lytham are generally popular with more affluent visitors than stay in Blackpool. We have, however, been able to confirm national quality accreditation for less than one-third of holiday parks in the borough.
- Our research has identified 19 self-catering holiday property providers in Fylde, offering around 70 flats and 215 bedspaces. Just over half of businesses have national quality accreditation. There is a major issue regarding seasonality, with occupancy levels falling significantly outside the core summer months.
- Again, St Annes and Lytham offer the bulk of self-catering holiday property in Fylde – reflecting their status as the borough's dominant resorts.
- HLL estimates that Fylde's accommodation market is broadly in balance at the current time, with just a slight excess supply across the serviced and self-catering sectors, and a slight undersupply of holiday park pitches.

Type of Accom.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	47	1,312	2,975	46	1,307	2,967
Self-Catering	19	67	214	17	63	198
Built Sub-Total	66	1,379	3,189	63	1,370	3,165
Holiday Parks	22	2,732	8,196	25	2,805	8,416
TOTAL	88	4,111	11,385	88	4,175	11,581

- Scenario 1 assumes that there will be a marginal increase in staying visitor numbers to the Fylde Coast. In this respect, HLL estimates that, should visitor numbers to Fylde increase over the next five years, this increased demand would create a need for around 1,200 additional serviced and non-serviced

accommodation bedspaces to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	+430	3,405	+ 14.5
Self-Catering Accommodation	214	+13	227	+ 6.1
Holiday & Caravan Park Accommodation	8,196	+774	8,970	+ 9.4
TOTAL FYLDE MARKET	11,385	+1,217	12,602	

- Scenario 2 assumes that there will be a slight fall in the number of staying visitors to the Fylde Coast. HLL estimates that a drop in visitors will mean that Fylde would require the loss of around 5-6% of all serviced and non-serviced accommodation bedspaces to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	361	2,614	- 12.1
Self-Catering Accommodation	214	40	174	- 18.7
Holiday & Caravan Park Accommodation	8,196	227	7,969	- 2.8
TOTAL FYLDE MARKET	11,385	628	10,757	

- Scenario 3 assumes that there will be a significant fall in the number of staying visitors to the Fylde Coast. HLL estimates that such a decline would require the loss of 12% of all serviced and non-serviced accommodation bedspaces in Fylde to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	679	2,296	- 22.8
Self-Catering Accommodation	214	61	153	- 28.5
Holiday & Caravan Park Accommodation	8,196	630	7,566	- 7.7
TOTAL FYLDE MARKET	11,385	1,370	10,015	

- The existing planning policy framework in relation to hotel accommodation would appear to be in balance with market need and flexible enough to accommodate future changes in demand. There does not appear to be any need to change these policies going into the LDF, other than perhaps restricting policy TREC1 to prevent hotels from being converted to holiday apartments.
- There is a concern that current policy to restrict any increase in static caravan numbers at existing parks provides no incentive for park owners to improve their parks. We therefore suggest that policy is amended to allow for modest

expansion in return for site improvements, and to allow for the introduction of higher quality lodge units. We also suggest policy is amended to control the conversion / loss of touring pitches in order to maintain an adequate supply.

- We also recommend that policy regarding occupancy is amended to reflect the advice in the Good Practice Guide on Planning for Tourism to reduce seasonality and prevent residential use. The Council is reminded that residential use can be controlled through the active enforcement of both planning and site licensing powers.

1.6 Wyre

- Wyre attracts in excess of 3 million visitors per year, generating £191 million in spending in the local economy. More than three-quarters of these visitors were day-trippers. Nevertheless, the 740,000 staying visitors to the resort generate more than 3.2 million visitor nights – considerably above the regional average.
- There has been a slight fall in the number of staying visitors to Wyre over recent years, although the number of nights has increased and visitor expenditure has risen accordingly. This may highlight that Wyre is attracting higher-spending and more affluent visitors, but in reality is likely due to the increased length of stay of the typical visitor.
- HLL estimates that there are 42 serviced accommodation businesses (hotels, guest houses, B&B's and Inns) offering around 575 bedrooms and 1,300 bedspaces. Although offering a similar number of establishments to Fylde, Wyre's serviced stock is generally smaller in size and offers far fewer bedspaces to the market.
- Serviced accommodation establishments in Wyre are generally mid-market hotels, small guest houses or B&B's. Two major branded budget hotel providers (Travelodge and Premier Inn) account for around 15% of total serviced room's stock in Wyre. Just over half of serviced accommodation providers in Wyre have no national quality accreditation – well below Blackpool, and a similar proportion to Fylde.
- HLL has identified forty-two holiday parks within Wyre, offering a total of almost 4,000 pitches. There are a greater number of parks in Wyre than in Blackpool and Fylde combined. There does appear to be a quality issue, however, with more than 80% of holiday parks in Wyre having no recognisable quality standard.
- Much of Wyre's holiday park supply is concentrated on the northern and eastern banks of the River Wyre and nearby coast and focused around rural areas of the Borough – with little provision in the key resorts of Fleetwood and Cleveleys. This reflects the strong rural tourism offer of Wyre, including the Forest of Bowland AONB.
- Our research has identified 39 self-catering holiday property providers in Wyre, offering 150 flats and 545 bedspaces. We are aware, anecdotally, that there have been a significant number of closures and conversion to residential (or other) uses over the past decade – whether officially or unofficially - which has impacted upon the supply of self-catering holiday accommodation in the borough.

- Cleveleys has the highest concentration of self-catering holiday property in Wyre – although rural destinations such as Garstang are also popular. Just one-third of self-catering businesses possess national quality accreditation.
- HLL estimates that there is a very slight over-supply of accommodation in Wyre at the current time, and this is concentrated within the serviced and self-catering accommodation sectors.

Type of Accommod.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	42	575	1,327	33	486	1,123
Self-Catering	39	150	545	30	117	436
Built Sub-Total	81	725	1,872	63	603	1,559
Holiday Parks	42	3,937	11,811	43	3,948	11,846
TOTAL	123	4,662	13,683	106	4,551	13,405

- Scenario 1 assumes that there will be a marginal increase in staying visitor numbers to the Fylde Coast. In this respect, HLL estimates that, should visitor numbers to Wyre increase over the next five years, this increased demand would create a need for around 550 additional bedspaces (concentrated on the holiday parks sector) to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	20	1,307	- 1.5
Self-Catering Accommodation	545	44	501	- 8.1
Holiday & Caravan Park Accommodation	11,811	+616	12,427	+ 5.2
TOTAL WYRE MARKET	13,683	+552	14,235	

- Scenario 2 assumes that there will be a slight fall in the number of staying visitors to the Fylde Coast. HLL estimates that a drop in visitors will mean that Wyre would require the loss of almost 1,000 serviced and non-serviced accommodation bedspaces to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	352	975	- 26.5
Self-Catering Accommodation	545	161	384	- 29.5
Holiday & Caravan Park Accommodation	11,811	433	11,378	- 3.7
TOTAL WYRE MARKET	13,683	946	12,737	

- Scenario 3 assumes that there will be a significant fall in the number of staying visitors to the Fylde Coast. HLL estimates that such a decline would require the loss of approximately 11% of all serviced and non-serviced

accommodation bedspaces in Wyre to attain national average occupancy levels across all market sectors.

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	486	841	- 36.6
Self-Catering Accommodation	545	208	337	- 38.2
Holiday & Caravan Park Accommodation	11,811	855	10,956	- 7.2
TOTAL WYRE MARKET	13,683	1,549	12,134	

- Our market and planning assessment has illustrated that despite planning policy controls, the hotel and holiday accommodation stock in Cleveleys and Fleetwood has all but disappeared in the face of over-supply in Blackpool. The prime holiday and tourism accommodation zone policy areas have been undermined by a number of recent planning decisions and we consider that these zones no longer serve a useful planning purpose. Without them, any proposals to convert the last remaining major hotel should be considered against other policy to protect the local visitor economy.
- Policy in relation to rural barn conversions appears to be working and there does not appear to be any market or planning reason to change existing policy subject to continued close monitoring of supply and compliance with conditions to prevent residential use.
- There is a concern that current policy to restrict any increase in static caravan numbers at existing parks provides no incentive for park owners to improve their parks. We therefore suggest that policy is amended to allow for modest expansion in return for site improvements, and to allow for the introduction of higher quality lodge units in appropriate locations. We also suggest policy is amended to control the conversion / loss of touring pitches in order to maintain an adequate supply.
- We also recommend that policy regarding occupancy is amended to reflect the advice in the Good Practice Guide on Planning for Tourism to reduce seasonality and prevent residential use. The Council is reminded that residential use can be controlled through the active enforcement of both planning and site licensing powers.

2 INTRODUCTION

2.1 Background

The Fylde Coast stretches across the Blackpool unitary authority and the Boroughs of Fylde and Wyre, encompassing both rural and urban areas including Blackpool, Lytham St Annes, Fleetwood and Cleveleys.

Blackpool, Fylde & Wyre Councils have all commenced work on their Core Strategies which are being progressed in parallel. In order to develop sound development plan documents for the emerging Local Development Framework (LDF) in accordance with the Good Practice Guide on Planning for Tourism there is a requirement for all three Councils to gather together a detailed evidence base with the intention of underpinning future planning policy relating to the provision of visitor accommodation.

In 2007, a detailed assessment of the Blackpool visitor accommodation offer was undertaken, highlighting that there has been a substantial decline in the amount of accommodation on offer in the resort and the surrounding area due primarily to falling visitor numbers, but also due to the demand for privately-rented flatted accommodation and HMOs.

HLL Humberts Leisure has therefore been commissioned to undertake a detailed and comprehensive study into the quality, quantity and location of visitor accommodation within the Fylde Coast sub-region, as well as an appraisal of the future viability of a range of visitor accommodation under a number of different scenarios.

2.2 HLL Humberts Leisure

HLL Humberts Leisure is a firm of specialist advisors in leisure business and property. The company operates out of five offices nation-wide with over 50 staff dealing with all aspects of leisure and community property.

Our Consulting & Planning teams provide strategic property advice to clients in the leisure industry ranging from local authorities, major institutions, private land owners and property investors to business occupiers of commercial and leisure property.

Over the years we have built up considerable contacts and clients within the public and private sector and we have a clear understanding of trends and development via our comprehensive research databases which monitor property transactions, activity and trends in the leisure sector. We have undertaken a number of similar studies in recent years, including work in East Cambridgeshire, North East Lincolnshire, Boston and Restormel.

2.3 Methodology

In order to complete this assessment we have undertaken the following:

- Several visits to Blackpool and the surrounding areas, including structured interviews with local visitor accommodation operators;
- A review of current trends in all relevant visitor accommodation sectors;
- An evaluation of demand through an analysis of the size and structure of the local business sector, local population, local economic profile, visitor numbers and local tourism sector characteristics;

- A quantitative and qualitative assessment of all known accommodation providers across Blackpool, Fylde and Wyre;
- An appraisal of current national, regional and local planning policy and an assessment of how this has been applied across the three Council areas in relation to applications for new visitor accommodation and change of use of existing; and
- Recommendations on future visitor accommodation strategy and planning policy.

2.4 Recognition of Risk

Our estimates and conclusions have been prepared on the basis of information furnished to us by you upon which we have relied, our own knowledge of demand sources and trends, our in-house database and the status of the competitive market at the time of our research in September, October, November and December 2008. We have made no provision for any unforeseen events which could impact on the tourism and leisure markets in the UK. As is customary with market studies the findings, projections and recommendations in this report should be subject to monitoring and review at regular intervals to coincide with the LDF review programme.

This report is provided for the stated purpose agreed in our revised proposal of July 2008 and subsequent correspondence and is for use only of the parties to whom it is addressed, or their appointees. It is not suitable for any other use or any other persons and should not be treated as valuation for loan security.

3 AREA DEMAND PROFILE

3.1 Introduction

In this section we look at the accessibility of the Fylde Coast, the performance of the local economy and the local business sector and recent / current regeneration initiatives. This will assist us in determining the level of demand for visitor accommodation in each of the three Council areas, and therefore whether the existing level of supply is sufficient for this identified need.

3.2 Transport & Accessibility

The Fylde Coast is accessed by a range of private and public transport, and is located within a couple of hours' drive of a number of major UK cities of international renown.

Figure 3.1: Map Showing the Location of the Fylde Coast



Source: Collins

For ease of reference, we have split this into commentary on the accessibility of each of the Council areas (and their main visitor accommodation areas).

3.2.1 Blackpool

Blackpool rose to prominence as a major centre of tourism during the nineteenth century and is the dominant resort on the Fylde Coast peninsula. The town (and indeed the area) is primarily accessed via the M55 motorway running from Junction 32 of the M6 just to the north of Preston. The A5230 leads past Blackpool Airport towards the south of the resort, whilst the A583 leads into the centre.

Figure 3.2: Distance to Key Locations from Blackpool

Destination	Approx. Distance (miles)	Approx. Journey Time (hours)
Lytham St Annes	8.2	0h15
Fleetwood	9.0	0h15
Preston	18.8	0h25
Lancaster	37.8	0h40
Manchester	52.2	1h05
Liverpool	55.7	1h00
Birmingham	125.8	2h15
London	241.0	4h25

Source: The AA Route Planner

Blackpool is served by two railway stations (Blackpool North and Blackpool South), although the bulk of passengers are directed to the North station – the western terminus of the Blackpool branch line from Preston. The station is served by both Northern Rail and the Trans-Pennine Express. Blackpool South has just the one hourly service daily and is western terminus of the Fylde Coast branch line from Kirkham. There is also a stop at Blackpool Pleasure Beach on the Southern branch line.

Blackpool International Airport is located within the Borough of Fylde, just to the south of the resort of Blackpool itself. In 2007, the airport welcomed almost 600,000 passengers² and primarily serves short-haul domestic and European destinations. The potential of the area is underlined by forecasts³ which suggest that the airport could be used by in excess of three million passengers per year by 2030. More recently, however, there has been a substantive downturn in passenger numbers, with an estimated 439,000 passengers in 2008. This reflects the loss of some routes in the recent past.

3.2.2 Fylde

The Borough of Fylde covers around 165km² and covers the former Borough of Lytham, as well as Kirkham urban district and Fylde rural district. Fylde lies to the south and south-east of Blackpool, incorporating the airport, and the main towns of Lytham St Annes and Kirkham. The latter lies inland, approximately midway between Blackpool and Preston, on the A583 close to Junction 3 of the M55. The towns of St Annes and Lytham are located on the south coast of the Fylde peninsula, to the south of Blackpool, and accessed via the M55 motorway and the A584 coast road.

² Civil Aviation Authority UK Airport Statistics 2007 - 09

³ Blackpool International Airport Master Plan July 2007

Figure 3.3: Distance to Key Locations from Lytham St Annes

Destination	Approx. Distance (miles)	Approx. Journey Time (hours)
Blackpool	8.1	0h15
Preston	11.8	0h20
Fleetwood	16.3	0h25
Lancaster	37.0	0h45
Manchester	46.4	1h10
Liverpool	50.0	1h05
Birmingham	120.0	2h20
London	235.3	4h25
<i>Source: The AA</i>		

In terms of rail services, there are a number of stations serving the main towns of Fylde, as well as Squires Gate station which serves the airport. These are all on the Fylde Coast branch line through Kirkham to Blackpool South. Rail services are therefore somewhat limited to the main resorts of Lytham St Annes, although we understand that initial discussions have taken place with regard to improving this section of the local railways.

Blackpool International Airport is located within the Borough, with passenger numbers forecast to grow significantly over the next twenty years, as discussed above in section 3.2.1. It is reasonable to presume that such growth may be hampered, however, by limited rail services from Manchester / Preston. In addition, the recent introduction of a £10 departure tax for passengers has led some airlines – including Ryanair – to announce the cessation of flights to the airport as of January this year.

3.2.3 Wyre

The Borough of Wyre covers the former municipal borough of Fleetwood, the urban districts of Poulton-le-Fylde and Thornton Cleveleys and the rural district of Garstang.

Fleetwood is located at the northern tip of the Fylde peninsula and is accessed via the A585 (which links with Junction 3 of the M55) and the A587 from Blackpool via Thornton Cleveleys. Poulton-le-Fylde lies to the east of Blackpool, just off the A585, whilst Garstang is located further inland between junctions 32 and 33 of the M6, on the A6.

Figure 3.4: Distance to Key Locations from Fleetwood

Destination	Approx. Distance (miles)	Approx. Journey Time (hours)
Blackpool	9.0	0h15
Lytham St Annes	16.4	0h25
Preston	22.5	0h30
Lancaster	41.6	0h50
Manchester	56.0	1h10
Liverpool	59.5	1h10
Birmingham	129.5	2h20
London	244.8	4h30
<i>Source: The AA</i>		

The Fleetwood branch line has been closed for a number of years, although there are plans⁴ underway with the aim of restoring passenger services to Thornton Cleveleys and Fleetwood. This is reinforced by proposals set out in the emerging Fleetwood Masterplan (see section 3.5.3) and the Fleetwood-Thornton Area Action Plan (AAP) which is currently under Examination. Poulton-le-Fylde is served by Blackpool branch line services running between Blackpool North and Preston, whilst Garstang previously had two railway stations with the last closing in 1969.

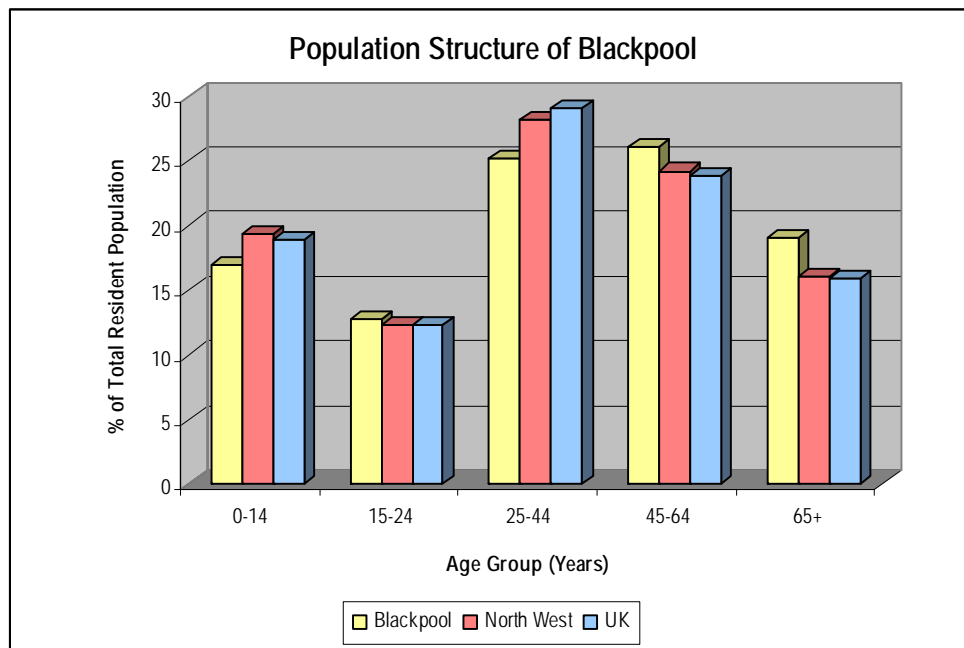
Wyre is again served by Blackpool International Airport, whilst Fleetwood also offers ferry services to Larne in Northern Ireland. There are seven crossings daily, and in 2007 the service carried an estimated 61,000 passengers.⁵ In addition, there are occasional summer ferry services between Fleetwood and Douglas on the Isle of Man.

3.3 Local Population Profile

3.3.1 Blackpool

According to mid-year population estimates for 2007, Blackpool has a resident population of 142,500. The area has a relatively elderly resident population, with an above national average proportion of residents aged 45+. It does, however, have a younger structure than the neighbouring boroughs of Fylde and the Wyre, and above average proportion of 15 – 24 year olds.

Figure 3.5: Blackpool Population Structure Comparison



Source: National Statistics

Blackpool's population is forecast to increase to 162,900 by 2031 – a rise of more than 14%. It is further predicted that the unitary authority's resident population will

⁴ Led by the Poulton & Wyre Railway Society

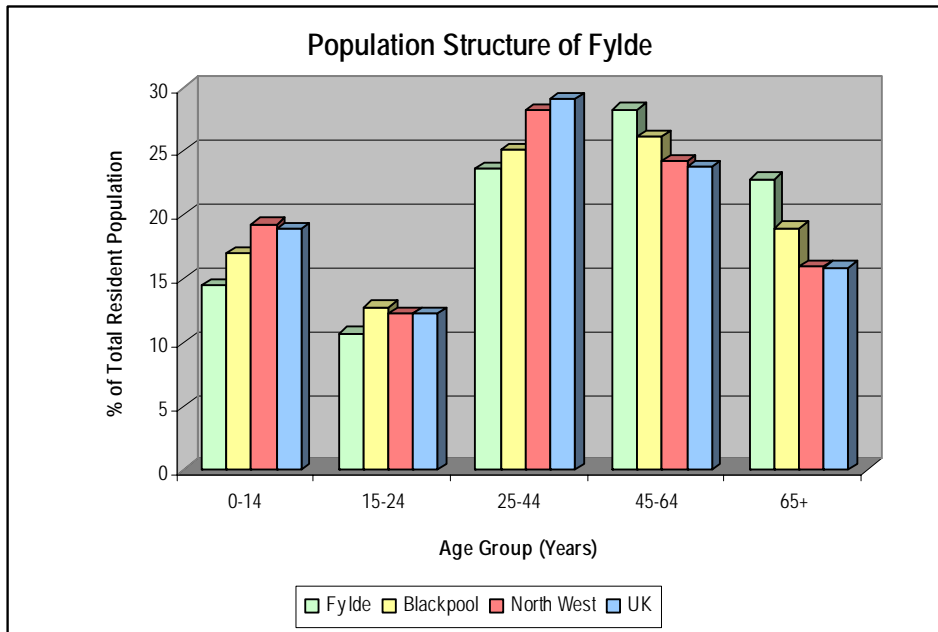
⁵ Department for Transport Maritime Statistics 2007

continue to age, with a greater proportion of older residents in line with national trends.

3.3.2 Fylde

The Borough of Fylde has a population of 76,400 according to the same mid-year population estimates for 2007. Fylde has an older population than Blackpool, with more than half of all residents being aged 45+.

Figure 3.6: Fylde Population Structure Comparison



Source: National Statistics

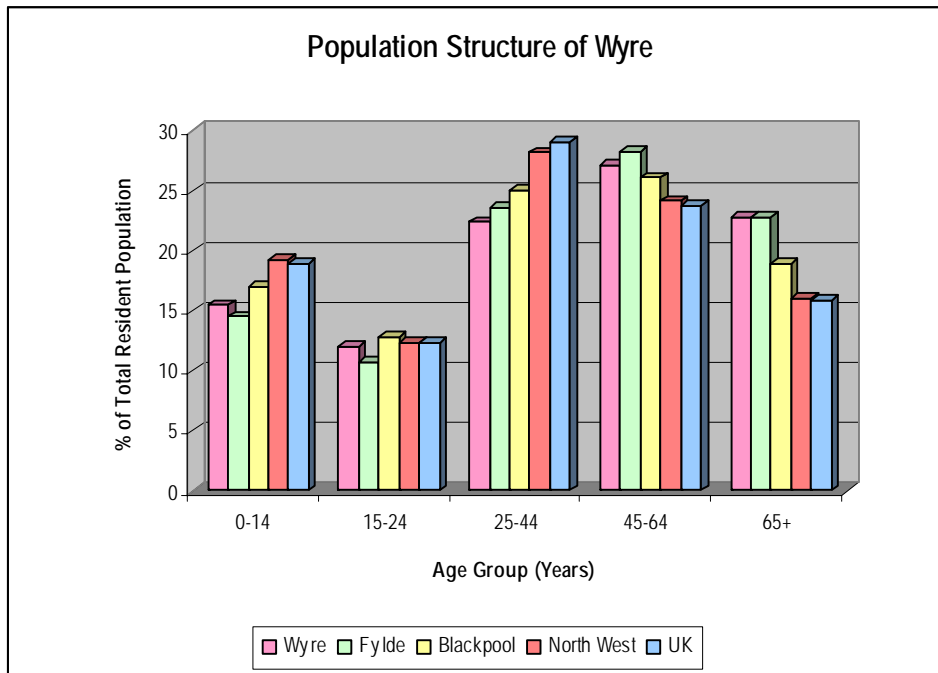
Population forecasts highlight that the Borough’s population is predicted to grow to 91,100 by 2031 – a rise in excess of 19%. This is a considerably greater forecast growth rate than for Blackpool.

3.3.3 Wyre

The Borough of Wyre covers a considerably larger area than Fylde or Blackpool, but has a lower population density. This reflects the designation of a considerable part of the borough as the Forest of Bowland AONB (one of the largest such areas across England & Wales).

Wyre has an estimated resident population of 110,900, with an ageing structure broadly in line with Fylde. This perhaps reflects both areas’ limited economic and educational prospects for younger people and their attractiveness to older generations seeking to retire.

Figure 3.7: Wyre Population Structure Comparison



Source: National Statistics

By 2031, Wyre’s population is forecast to reach in excess of 137,000. This represents a predicted growth rate of 23.8%. This is a higher rate than even for Fylde, and highlights that the area is likely to come under increasing pressure for new homes – potentially leading to the conversion of existing visitor accommodation to residential use unless clear policies are put in place in this regard.

3.4 Local Economic Environment

3.4.1 Blackpool

Blackpool has traditionally been heavily reliant on the visitor economy. The local economy appears to have declined in strength in recent years, and this reflects the decline in visitor numbers to Blackpool over this period.

The town’s employment landscape is dominated by the service sector, including retail, local and national government services as well as tourism, although companies such as Glasdon do make a significant contribution to the Blackpool economy.

The dominance of tourism and related activities within Blackpool’s economy is reflected by the knowledge that tourism accounts for more than twice as many jobs within Blackpool (proportionally), than either regionally or nationally.

Figure 3.8: Employee Jobs by Industry in Blackpool

Industry	% of All Employee Jobs		
	Blackpool	North West	UK
Manufacturing	5.9	12.5	10.9
Construction	2.9	5.0	4.8
Services	91.0	81.7	82.9
<i>Distribution, Hotels & Restaurants</i>	<i>31.4</i>	<i>23.9</i>	<i>23.5</i>
<i>Transport & Communications</i>	<i>3.2</i>	<i>6.0</i>	<i>5.9</i>
<i>Finance, IT, Other Business Activities</i>	<i>10.2</i>	<i>19.2</i>	<i>21.2</i>
<i>Public Admin, Education & Health</i>	<i>37.8</i>	<i>27.8</i>	<i>26.9</i>
<i>Other Services</i>	<i>8.5</i>	<i>4.7</i>	<i>5.3</i>
Tourism-Related	17.8	8.6	8.3
<i>Source: Nomis</i>			

There is a high proportion (37.6%) of part-time jobs in Blackpool – considerably higher than the regional and national average (31.1%). This reflects the importance and seasonality of Blackpool’s tourism industry.

3.4.2 Fylde

Fylde is less heavily reliant on tourism than Blackpool, having a more diverse economic base. The Borough has a high level of manufacturing activity, reflecting the presence of Springfield Fuels at Salwick (employing around 1,800 people) and British Aerospace at Warton Aerodrome – contributing a high number of high technology and manufacturing jobs. It is estimated⁶ that BAe employ around 7,500 people at their Warton site alone. We understand that there are plans to move some administrative staff to Samlesbury (east of Preston) in the near future, with staff numbers likely to fall to 6,500 by the end of 2009. This may have some impact on demand for hotel accommodation from BAe, although this is as yet unquantifiable.

Other key private sector employers within the Borough include Fox’s Biscuits at Wesham, Helical Technology and Axa Insurance in Lytham, the Land Registry’s Lancashire office – again at Warton, and Blackpool International Airport which is located within the Fylde Borough boundaries.

As a result, tourism is a less dominant employer in Fylde than in either Blackpool or the Wyre – contributing 10% of all jobs. Nonetheless, this is still a higher than average proportion and reflects the continued importance of traditional resorts such as St Annes.

⁶ Lancashire County Council Corporate Research & Intelligence Team April 2008

Figure 3.9: Employee Jobs by Industry in Fylde

Industry	% of All Employee Jobs		
	Fylde	North West	UK
Manufacturing	29.2	12.5	10.9
Construction	3.8	5.0	4.8
Services	65.9	81.7	82.9
<i>Distribution, Hotels & Restaurants</i>	<i>20.5</i>	<i>23.9</i>	<i>23.5</i>
<i>Transport & Communications</i>	<i>1.9</i>	<i>6.0</i>	<i>5.9</i>
<i>Finance, IT, Other Business Activities</i>	<i>19.6</i>	<i>19.2</i>	<i>21.2</i>
<i>Public Admin, Education & Health</i>	<i>20.0</i>	<i>27.8</i>	<i>26.9</i>
<i>Other Services</i>	<i>3.8</i>	<i>4.7</i>	<i>5.3</i>
Tourism-Related	10.0	8.6	8.3
<i>Source: Nomis</i>			

More than three-quarters of all employee jobs in Fylde are full-time positions, reflecting the high proportion of manufacturing jobs and the comparative lack of more seasonal tourism-related employment.

3.4.3 Wyre

The Borough has a relatively diverse economic base, with a number of major global companies located in some form within Wyre as well as a significant number of small, independently-owned enterprises.

The Port of Fleetwood is owned by Associated British Ports and is a major local employer. Fleetwood is now well established as a destination port for ferry traffic between the North West and Northern Ireland (see section 3.2.3). In addition, developments such as the Freeport retail complex have generated substantial employment. Furthermore, the former ICI site at Hillhouse has been reborn and is now home to the Hillhouse Business Park, with a number of key local employers based on-site.

Almost three-quarters of all companies in Wyre have less than four employees – considerably above the national average.

Figure 3.10: Employee Jobs by Industry in Wyre

Industry	% of All Employee Jobs		
	Wyre	North West	UK
Manufacturing	10.3	12.5	10.9
Construction	6.4	5.0	4.8
Services	81.4	81.7	82.9
<i>Distribution, Hotels & Restaurants</i>	<i>28.3</i>	<i>23.9</i>	<i>23.5</i>
<i>Transport & Communications</i>	<i>4.3</i>	<i>6.0</i>	<i>5.9</i>
<i>Finance, IT, Other Business Activities</i>	<i>10.3</i>	<i>19.2</i>	<i>21.2</i>
<i>Public Admin, Education & Health</i>	<i>34.0</i>	<i>27.8</i>	<i>26.9</i>
<i>Other Services</i>	<i>4.5</i>	<i>4.7</i>	<i>5.3</i>
Tourism-Related	11.5	8.6	8.3
<i>Source: Nomis</i>			

As demonstrated above, tourism is a crucial part of the local economy – employing more than one in every nine Wyre residents of working age. The tourism industry in

the area has historically been quite seasonal, and this helps to explain the low proportion of full-time employment in Wyre (64.9%) when compared to the regional and national average (68.9%).

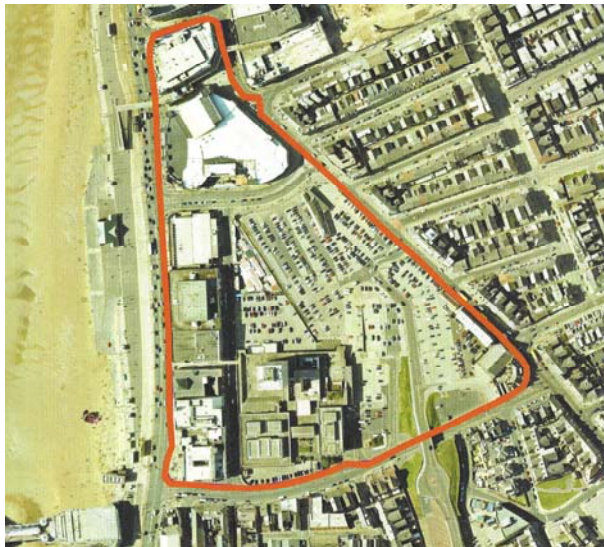
3.5 Local Regeneration Initiatives

3.5.1 Blackpool

In recent times, the decision not to award Blackpool the super-casino licence has dominated headlines. Partly as a result of this, we understand that a strategic review of the resort masterplan is currently being undertaken.

The casino licence was to be a key part of the 'Conference & Leisure Quarter', including a new convention centre to replace the ageing Winter Gardens venue.

Figure 3.11: The Former Central Station Site



Source: *ReBlackpool*

Without the casino, plans for this strategically important town centre site (the former Central station site) are focusing on the potential to attract a major visitor attraction of national significance to ensure year-round visitors.

Of particular importance to the visitor economy is the regeneration of the promenade and seafront. A bid for Lottery funding was unsuccessful, and so the work is ongoing in phases and termed as "the Seafront Experience". Phase 1 (around North Pier) is expected to be completed in early 2010.

As a result of the decision not to award Blackpool the super casino licence, and the town's loss of all party political conferences due to the inadequate and ill-suited conferencing and accommodation offer (i.e. security and logistical issues), we understand that a review of a new conference and convention centre is currently underway through a third party.

There are a number of other initiatives and schemes ongoing, including the new campus for Blackpool & Fylde College at Bispham. However, the proposed "Talbot Gateway" development is perhaps the most important from a destination perspective.

Figure 3.12: Artists' Impression of Talbot Gateway Scheme



Source: ReBlackpool

Located adjacent to the main Blackpool North railway station, the scheme will create a new public plaza, Council HQ, a three/four-star hotel, magistrates courts and public realm improvements. We understand that an outline application for the scheme is due to be submitted in September 2009 – with a target start date on-site of late 2010 / early 2011.

In addition, in July 2007 the Blackpool Task Force⁷ produced an initial action plan focusing on the need for major urban regeneration, and highlighting that tourism and leisure will remain the primary economic driver despite the loss of the casino bid. The first progress report produced by GO-NW highlights that the resort needs to attract more affluent tourists as well as addressing seasonality issues and improving the existing transport infrastructure.⁸

As the above demonstrates, despite the loss of the super casino, there is a sustained effort to improve the Blackpool environment and experience for residents and visitors alike. Within this, there is clearly a need to improve some of the existing accommodation offer, with just an estimated 16% of all accommodation in Blackpool being nationally accredited according to Council research.

3.5.2 Fylde

The Borough has completed a comprehensive overhaul of the public realm in the town centre of St Annes, as well as a heritage-led building refurbishment programme. Whilst modest in relation to similar projects across the rest of the Fylde Coast, the economic impact of this programme has been considerable, with more than £20 million of private sector investment creating over 40 new jobs and reducing the retail vacancy rate from 17.4% to 6.6%.

⁷ A partnership involving NWDA, ReBlackpool, Blackpool Council, English Partnerships and GO-NW.

⁸ Leisure Opportunities 15 July 2008

More recently, a major regeneration programme for the seafront at St Annes has been taking shape, and a masterplan has now been produced for the area covering the Promenade Gardens⁹ and the Island.

Figure 3.13: View of St Anne's Beach towards the Island



Source: HLL Humberts Leisure

The masterplan identifies a number of options but notes that *the area occupied by Pleasure Island and Salters Wharf should be redeveloped for a mix of uses such as a hotel, cinema, casino, health & fitness suite and complementary retail provision.*¹⁰

At the time of writing, we understand that the masterplan has yet to receive official confirmation / approval.

3.5.3 Wyre

The completion of Phase 1 of the Coastal Defence Improvement and Promenade Enhancement Scheme in Cleveleys - work originally began in November 2005 - has been nominated for awards and highlighted as a prime example of imaginative regeneration.¹¹

At the time of writing, the Masterplan for Fleetwood is out for public consultation. The overall vision of the project is: *"to create a sustainable and distinctive coastal town with a mix of facilities, good quality of life and connectivity built around enhancing Fleetwood's key assets of a unique heritage and waterfront setting."* Given the recent fire and subsequent demolition of Fleetwood Pier (see section 4.7.3), there is a line of argument that suggests the need for an iconic regeneration of the town.

The proposals for the three core areas of the masterplan are discussed below:

- The Waterfront: A mixed-use scheme involving a Family Quarter, refurbishment of Marine Hall, the development of beach sports facilities, better eating facilities and a waterfront hotel.

⁹ Listed by English Heritage as Grade II 'Gardens of Special Interest'

¹⁰ St Annes Seafront Masterplan: Final Draft; July 2008

¹¹ The Blackpool Citizen 12 June 2008

- Lord Street: The creation of a diverse and vibrant retail centre for the town, create more public spaces and new retail development opportunities.
- South Docks: A mixed-use scheme to provide a better gateway to the town, a new public transport interchange (including a new railway station), the enhancement of Fleetwood Marsh Nature Reserve and new commercial opportunities.

After this public consultation has been completed and any views integrated within the scheme, it is likely that a timescale for the project will be forthcoming, although we understand that the masterplan has now been formally adopted as the regeneration framework for Fleetwood.

In addition, the Fleetwood-Thornton AAP is currently under Examination. The Inspector's report is expected in July 2009. This plan will provide the spatial planning framework for Fleetwood and Thornton to 2021.

Wyre Borough Council has recently¹² been successful in obtaining funding from CABE's Sea Change programme to appraise the available investment options for Fleetwood in tandem with the masterplan.

3.6 Summary of Local Demand Potential

Although Blackpool is the dominant visitor resort, the neighbouring areas of Fylde and Wyre are particularly important from the perspectives of accessibility and economic diversity, providing a different offer to Blackpool and attracting a wider range of visitors to the area.

Blackpool International Airport is located within the Borough of Fylde and is forecast to grow rapidly which, as well as creating opportunities to attract new overseas visitors to the Fylde Coast, also highlights the threat of low-cost air travel and cheap overseas package holidays.

In addition, the docks at Fleetwood, as well as being an important industrial base, offer passenger ferry services to Northern Ireland as well as the Isle of Man. We further understand that there are proposals to create a new ferry link across Morecambe Bay to Barrow-in-Furness in Cumbria.

Whilst almost one in five jobs in Blackpool are tourism-related, this figure falls to one in ten for Fylde and one in nine for Wyre. This highlights that both Fylde and Wyre have a greater degree of economic diversity than Blackpool, and are less likely to be impacted upon by the fall in number of staying visitors to the area in recent years. Fylde has a high level of manufacturing activity – centred on the presence of BAe (although the potential loss of some jobs to a site east of Preston is likely to have some impact), whilst Hillhouse, the docks and Freeport have a significant impact in Fleetwood and the Wyre.

All three areas have undergone, or are undergoing, significant regeneration. Despite the abortive casino bid, the seafront and promenade in Blackpool is undergoing substantial works to create a more appealing destination for visitors, and a study into the potential for a major new convention centre is currently being undertaken. Wyre meanwhile, has seen the successful completion of promenade works at Cleveleys, and a masterplan for the regeneration of Fleetwood is currently out for public

¹² DCMS Press Release 21 October 2008

consultation. St Annes Town Centre has seen extensive regeneration works and Fylde has also drawn up a masterplan for the regeneration of the area surrounding the Promenade Gardens and the Island in St Annes, and these plans are still progressing steadily.

Although many seaside resorts, such as Blackpool, have experienced a number of problems and issues over recent years, the gradual improvement in economic diversification, accessibility and regeneration plans along the Fylde Coast suggest that these issues are being addressed – to the benefit of residents and visitors alike.

4 THE NATIONAL & LOCAL TOURISM MARKET

4.1 Introduction

In this section, we consider recent national trends in the domestic tourism market and how external factors may have impacted upon demand. This is particularly important in view of the decline in visitor numbers suffered by the Fylde Coast over recent years.

We also consider regional and local trends in terms of the volume and value of tourism to each Council area, local attractions and profile of visitors.

4.2 Economic Change in Seaside Towns

Seaside towns have historically grown up around the tourism industry. Tourism was generally the key reason for their original growth in the nineteenth century and it sustained their development well into the twentieth century. Over the last thirty to forty years, coastal towns in the UK have witnessed significant change. The rise of the mass-market package holiday and, latterly, the rise in cheap air travel have led to a decline in demand for seaside holidays. The core business of Britain's seaside towns has therefore declined.

Research¹³ suggests that, despite such decline, seaside towns do remain key tourism centres, with the industry continuing to support a large part of such local economies. It should also be noted that seaside towns are more than just resorts. In particular they have become important destinations for older migrants of working age (i.e. men and women in their late 30s, 40s and 50s). This is in addition to their established roles as a destination for retirees. This is reflected locally by the high proportion of residents aged 45+, as shown in section 3.3.

4.2.1 Deprivation in Seaside Towns

A recent report¹⁴ has examined a wide range of social and economic indicators to assess the scale of deprivation in England's seaside towns, to help inform the need for policy development in response to the 2007 Select Committee report on England's coastal towns.

This new research has shown that the average seaside town is worse / more deprived than the national average on around three-quarters of these indicators. This appears to be particularly pronounced in respect of earnings levels and seasonality of employment.

Overall, the report concludes that, on average, England's principal seaside towns (including Greater Blackpool) are rather more disadvantaged than the rest of the country, but not markedly so.

4.3 National Tourism Trends

One of the most notable developments in domestic tourism in the 1990s was the proliferation of the short breaks market. Between 1990 and 1999, the short breaks market (1 – 3 nights) experienced growth of 61%. By the end of the decade, more

¹³ The Seaside Economy by the Centre for Regional Economic & Social Research, Sheffield Hallam University; June 2003

¹⁴ England's Seaside Towns: A Benchmarking Study, DCLG; November 2008

than half of domestic holiday trips were for less than three nights in duration. Indeed, the value of the short breaks market in the UK grew by almost one-third between 2001 and 2006 alone.¹⁵ Many more affluent tourists will now take several shorter 'little but often' breakaways as opposed to the traditional weekly or fortnightly family holiday.

Alongside the growing demand for short breaks has been the rise in cheap air travel propagated by low-cost airlines such as Ryanair and EasyJet. As the volume of domestic holidays has begun to stagnate and decline, so the number of overseas holidays taken by UK residents has risen sharply.

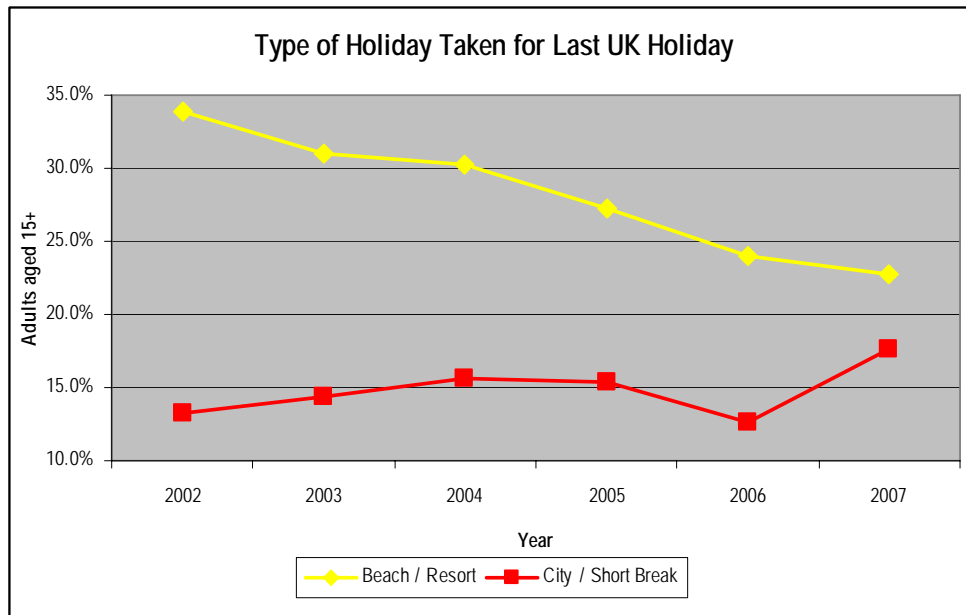
Figure 4.1: Domestic & Overseas Holidays Taken by UK Residents 2002 - 2006

Year	Number of Holidays Taken (millions)	
	Domestic	Overseas
2002	42.2	39.9
2003	43.5	41.3
2004	41.9	42.9
2005	40.7	44.1
2006	41.0	46.4
% Change 02-06	- 2.8	+ 16.3

Source: Mintel / IPS

The rise in demand for overseas holidays has had a major impact on many seaside towns in the UK and is of particular relevance to this study, as the number of staying visitors to Blackpool and the surrounding areas / resorts has fallen significantly over recent years.

Figure 4.2: Changing Consumer Trends in UK Holidays



Source: BMRB TGI / Mintel

¹⁵ Mintel City & Short Breaks in the UK April 2006

As the above graph demonstrates, there has been a continued fall in the demand for seaside holidays over recent years – and this has undoubtedly created some of the problems which are now being experienced by Blackpool, in particular, with the conversion of accommodation to HMOs.

4.3.1 The Impact of Current Global Economic Turmoil

There are currently major concerns over the state of global financial markets, primarily stemming from events in the USA. These are forecast to have a significant effect on the inbound tourism market, with a 2.7% fall in the number of overseas visitors to the UK in 2008, and further falls forecast for 2009.¹⁶

Against this turbulent backdrop, the domestic market appears to be holding up well. National self-catering operators such as Hoseasons are recording increased demand for holiday rentals, with the price of overseas holidays forecast to increase by around 10% in 2009 compared to 3% in the UK, due to the weak pound.¹⁷

Furthermore, lastminute.com has recently¹⁸ announced that its UK bookings for summer 2008 were up 16% on the previous year, and the Caravan Club has seen bookings rise by 10% this year. In addition, a recent Visit Britain survey¹⁹ has found that the British weather is the greatest influence on holidaymakers and is more important than perceptions of quality, value for money or the credit crisis. This has been particularly noticeable over 2007 and 2008 with some of the wettest summer months on record.

4.4 Regional Tourism Trends in the North West

The North West is one of the most popular visitor areas in England. This is due to the region's varied visitor offer, including traditional resort areas such as Morecambe and the Fylde Coast, the Lake District National Park and urban city break and business destinations such as Liverpool and Manchester.

Figure 4.3: Domestic Staying Tourism by Region Visited 2007

Govt Office Region	Trips (millions)	Nights (millions)	Spend (£millions)
South West	20.46	79.33	3,802
South East	17.86	49.95	2,353
North West	13.03	37.61	2,282
East of England	10.57	32.78	1,474
Yorkshire & Humberside	10.35	30.12	1,427
London	10.14	23.35	2,204
West Midlands	8.40	20.12	1,184
East Midlands	7.37	20.17	1,055
North East	3.64	12.35	651
Total England	101.82	305.78	16,432
<i>N.B. May not total due to people visiting more than one region per trip. Source: UKTS</i>			

¹⁶ VisitBritain Foresight Inbound Tourism Forecast December 2008

¹⁷ The Independent 8 October 2008

¹⁸ The Guardian 16 August 2008

¹⁹ Travel Mole 8 October 2008

In 2007, the average length of stay in England was 3 nights; with an average spend per trip of £161.38. In the North West, the average length of stay falls to 2.9 nights although average spend increases to £175.13 per trip. This demonstrates the importance of the short breaks market to the region's tourism industry, with around two-thirds of all holiday leisure trips (excluding VFR²⁰ travel) being for short breaks of 1-3 nights in duration.

Figure 4.4: Age & Socio-Economic Profile of Domestic Visitors 2007

Age	% of all Visitors	
	North West	England
16 – 24	12.2	13.9
25 – 34	17.3	17.3
35 – 44	27.5	24.6
45 – 54	17.6	17.2
55 – 64	13.3	14.3
65 +	12.1	12.7
Social Grade		
AB	33.4	34.9
C1	31.6	31.7
C2	18.3	17.5
DE	16.7	15.9

Source: UKTS

Interestingly, the region attracts a greater proportion of middle-aged (35 – 54) visitors than nationally, as well as aspiring C2 visitors. This perhaps reflects the traditional perception of visitors to resorts such as Blackpool – with the town renowned as a cheap seaside family holiday destination.

4.5 Tourism Trends in Blackpool

4.5.1 Volume & Value of Tourism

In 2006²¹, there were more than 13.6 million visitors to Blackpool, spending a total of £786 million. More than three-quarters (78%) of these were day visitors. Therefore, there were a total of around 2.9 million staying visitors, generating 9 million visitor nights (an average of 3.1 nights per trip). This is broadly in line with the regional average, and the high number of staying visitors (just less than one-quarter of all staying visitors to the North West), reflects Blackpool's continued importance to the region's tourist industry.

Figure 4.5: Volume & Value of Staying Visitors to Blackpool

Year	Trips (millions)	Nights (millions)	Spend (£millions)
2005	2.69	8.57	463.43
2006	2.93	9.05	502.40
% Change 2005-06	+ 8.9	+ 5.6	+ 8.4

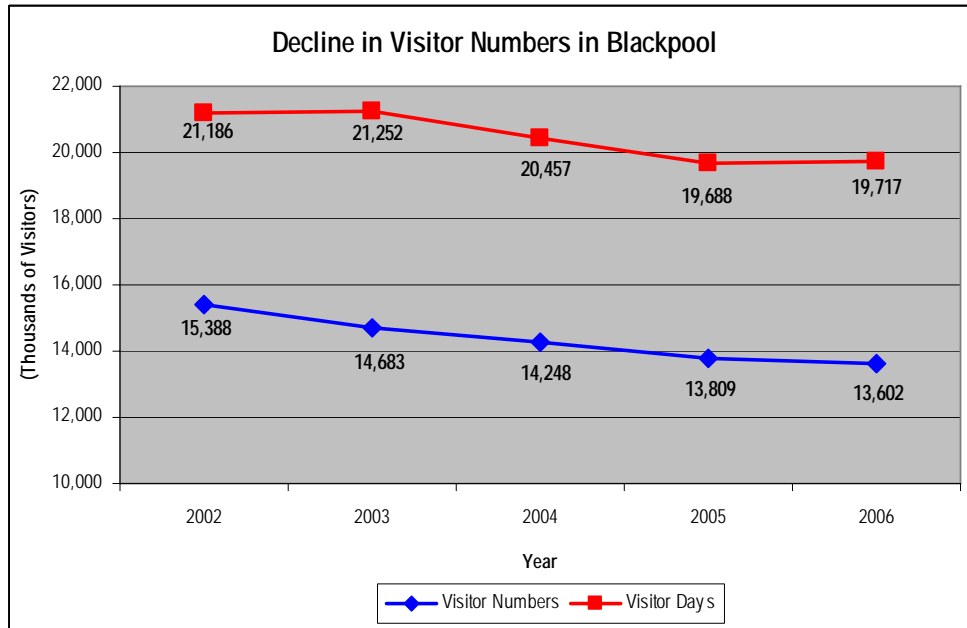
Source: Blackpool Council

²⁰ Those people Visiting Friends & Relatives in the destination area.

²¹ Latest STEAM data provided by Blackpool Council

The above table would appear to portray a fairly positive picture in terms of staying visitors to Blackpool (albeit with more visitors coming for a shorter break than previously). However, we are aware that there has been a general decline in visitor numbers to Blackpool over time. If we include both day and staying visitors, then we can see that there has in fact been a drop in total visitor numbers of almost 12% between 2002 and 2006. Furthermore, it has been estimated that over the past fifteen years, there has been a 40% reduction in total visitor nights to the resort.²²

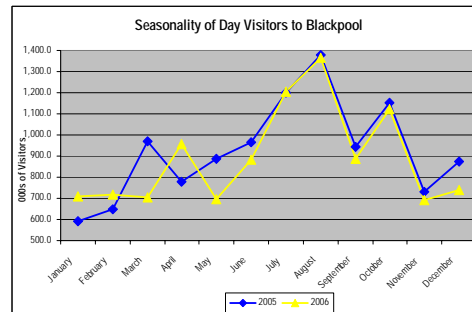
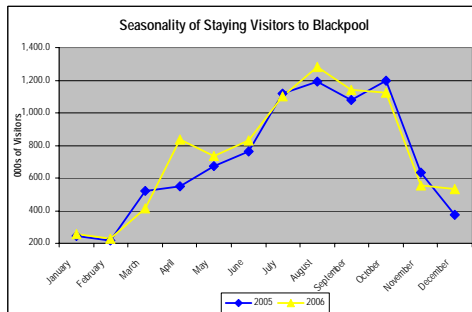
Figure 4.6: Change in Visitor Number & Days to Blackpool



Source: Blackpool Council

In terms of seasonality, the day visitor market appears to be impacted greatly by the timing of school holiday periods – with a significant fall in day visitor numbers once the traditional school holiday period is over. This has less of an impact on staying visitor numbers due to the number of older visitors staying in the resort (for example, on organised coach tours), who prefer to visit outside the main holiday periods.

Figures 4.7 & 4.8: Seasonality of Day & Staying Visitors



Source: Blackpool Council STEAM Reports

²² Blackpool Council Response to CAP, July 2006

Nevertheless, the low number of visitors from November to March (in particular) will have considerable implications for some of the large volume of accommodation stock in Blackpool (see section 6).

4.5.2 Visitor Profile

There is limited data available relating to the profile of the staying or day visitor to Blackpool. We have obtained data from the *Visitor Omnibus Survey* for 2005 and 2006, as well as past *Destination Benchmarking Surveys*, which provide some relevant information.

Given the regional visitor profile data highlighted in section 4.4, it is clear that Blackpool attracts generally less affluent visitors than the average across both the North West and the wider UK. In 2006, less than 20% of visitors to Blackpool were classed within the AB socio-economic groups, compared to 36% regionally. This perhaps reflects the resort's traditional image as a low-cost, no-frills destination for workers from the mill towns of East Lancashire and Yorkshire.

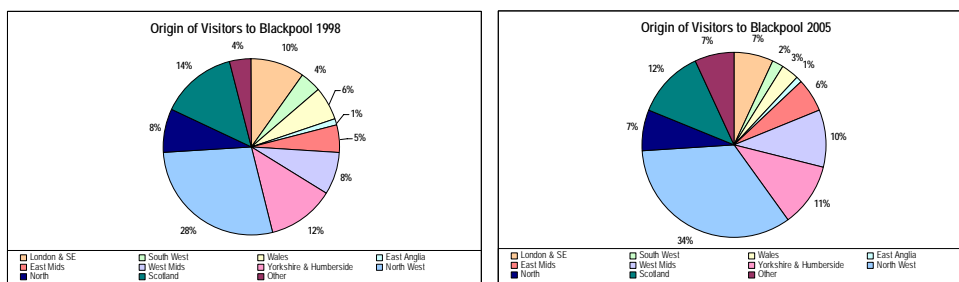
Figure 4.9: Socio-Economic Profile of Visitors to Blackpool

Social Grade	% of all Visitors (2006)	
	Blackpool	North West
AB	19.0	36.0
C1	37.0	31.0
C2	21.0	18.2
DE	24.0	14.8

Source: UKTS / Blackpool Council

The vast majority of overnight trips to Blackpool are generated by domestic visitors. In 2005, an estimated 93% of all staying visitors were from the UK. This represents a slight fall over time (from 96% in 1998), and reflects the growth of Blackpool Airport and the increased availability of cheap flights (which has, of course, impacted upon total visitor numbers to the resort).

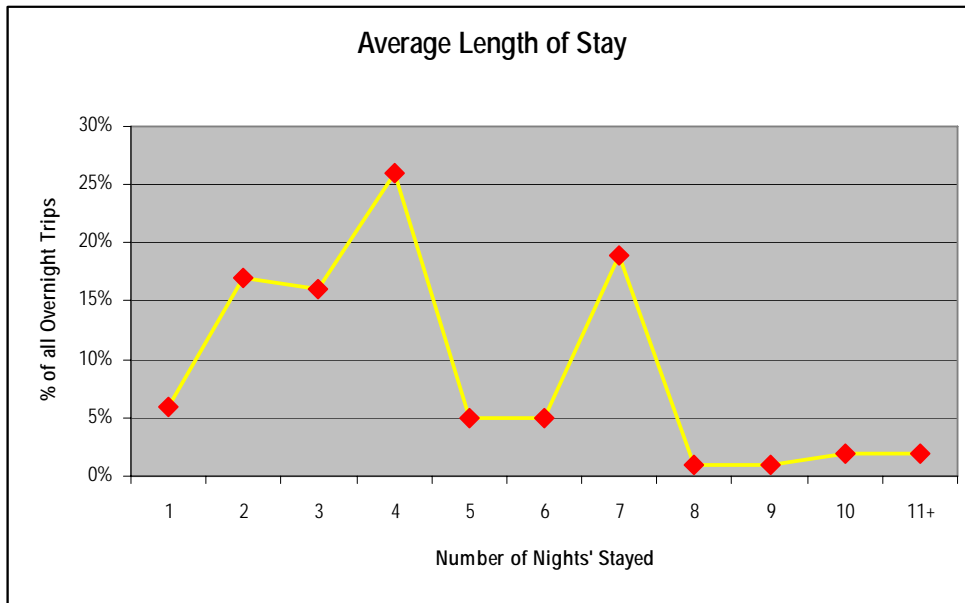
Figures 4.10 & 4.11: Origin of Visitors to Blackpool 1998 – 2005



Source: *Blackpool Destination Benchmarking Surveys*

More than one-third of staying visitors to Blackpool come from within the North West region, which highlights the importance of the local catchment (within, say, a couple of hours' drive) for the growing short breaks market – a trend mirroring the national picture highlighted in section 4.3.

Figure 4.12: Length of Stay for Overnight Visitors to Blackpool



Source: Blackpool Destination Benchmarking Surveys

This is reflected in the length of stay of visitors to Blackpool, with almost two-thirds of visitors (65%) staying for 4 nights or less – and is a major change away from the traditional week or fortnight-long seaside holiday. Such a shift does have considerable implications for accommodation providers in Blackpool and across the Fylde Peninsula, particularly given the number of staying visitors that the area attracts.

As highlighted in section 3.5.1, it has been identified that there is a need to attract more affluent visitors to Blackpool and also extend the season. As shown above there are currently considerable issues regarding seasonality, and the resort’s generally less affluent visitors demanding cheap accommodation perhaps helps to explain the low quality and accreditation of Blackpool’s existing accommodation stock (see section 6).

4.5.3 Local Visitor Attractions

Blackpool has some of the most popular and recognised visitor attractions in the UK, including the Pleasure Beach and Blackpool Tower. This is in addition to three Piers, Louis Tussaud’s, the Sealife Centre, a major indoor waterpark and the beach itself.

Figure 4.13: Blackpool Beach showing Central Pier & Pleasure Beach



Source: Blackpool Council

Indeed, the Pleasure Beach is the second most popular visitor attraction in the UK, with an estimated 5.5 million visitors in 2007. We are aware, however, that the Pleasure Beach introduced a standard admission charge (£20) in 2008, and as a result there has been a slight decline in visitor numbers, with a forecast of 5 million for 2008 – although we have yet to receive confirmation of actual numbers achieved last year.

Figure 4.14: Visitor Numbers to Major Blackpool Attractions

Attraction	Number of Visitors by Year			% Change 03-07
	2003	2005	2007	
Blackpool Pleasure Beach	6,200,000	6,000,000	5,500,000	- 11.3
Blackpool Tower	575,000	550,000	N/K	-
Blackpool Zoo & Dino. Safari	295,000	315,000	335,000	+ 13.6
Sandcastle Waterworld	200,000	188,000	N/K	-

Source: VisitBritain

The figures highlighted above show that there has been a general decline in visitor numbers at most of the major attractions in Blackpool. This reflects the overall pattern of falling visitor numbers experienced by the resort over recent years.

It has recently²³ been announced that the Council – in conjunction with the Victoria & Albert Museum – is carrying out a feasibility study into the possibility of establishing a new exhibition centre. This is directly related to the Task Force's progress report and, should this be developed, would likely attract more affluent visitors to Blackpool.

²³ Leisure Opportunities 23 December 2008

4.5.4 Major Events

There is a year-round programme of major events that play a key role in Blackpool's visitor economy.

There are, for example, a number of major dance-related festivals held throughout the year, which can boost visitor numbers during the less popular off-peak periods. These include the Brit Salsa Fest (February) which attracted more than 2,000 dancers in 2008, and the National Dance Championships (November). The largest of these is the Blackpool Dance Festival, spread over nine days in May, and where 68 countries were represented earlier in 2008.

Figure 4.15: Illuminations on Blackpool Seafront



Source: Wikimedia

The Illuminations run for 66 days between September and the end of October / early November and serve to extend the season for many of the town's tourism-reliant businesses. The 'Festival of Lights' costs in the region of £2 - £3 million to stage each year. We are not aware of any studies that have been undertaken to accurately assess the additional visitors generated, or the benefit of the Illuminations to the local visitor economy.

Traditionally, Blackpool has hosted party political and major trade union conferences in rotation with other established destinations such as Brighton and Bournemouth. However, we understand that Blackpool has now lost all major party political conferences in the face of increased competition from cities such as Liverpool and Manchester (see section 3.5.1), with the last Conservative party conference being held in 2007.

4.6 Tourism Trends in Fylde

4.6.1 Volume & Value of Tourism

In 2007 there were more than 3 million visitors to Fylde, which represented a £213 million injection into the Borough economy. More than three-quarters (78%) of these were day visitors, with a total of almost 670,000 staying visitors generating over 1.9 million visitor nights (an average of 2.9 nights per trip). This is in line with the regional average shown in section 4.4.

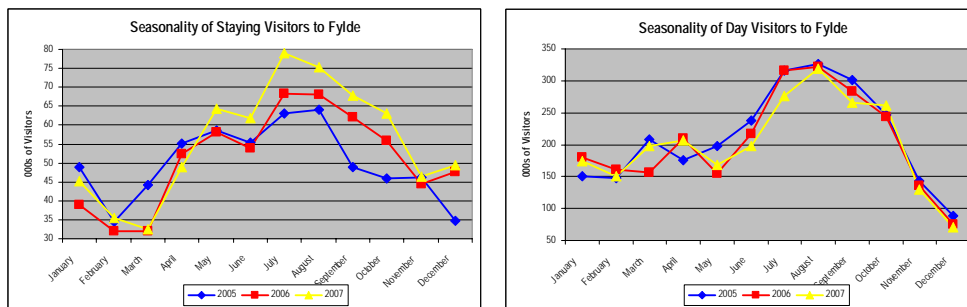
Figure 4.16: Volume & Value of Staying Visitors to Fylde

Year	Trips (millions)	Nights (millions)	Spend (£millions)
2005	0.60	1.73	104.35
2006	0.61	1.75	106.69
2007	0.67	1.94	150.16
<i>% Change 2005 - 07</i>	<i>+ 11.6</i>	<i>+ 12.1</i>	<i>+ 43.9</i>

Source: Fylde Borough Council

As shown above, there has been a significant rise in the number of staying trips to Fylde.

Figures 4.17 & 4.18: Seasonality of Day & Staying Visitors



Source: Fylde Borough Council STEAM Reports

In terms of seasonality, there is more fluctuation year-on-year in the seasonality of staying visitors than for day visitors.

4.6.2 Visitor Profile

We understand that no visitor profiling surveys have been carried out for Fylde, due primarily to a lack of available funds.

4.6.3 Local Visitor Attractions & Major Events

Fylde has a range of attractions that serve to pull visitors into the area. This includes the "Golf Coast", incorporating the Royal Lytham & St Annes Golf Club – one of the regular venues for the Open Golf Championship (the next visit is scheduled for 2012) – as well as three other quality courses. Royal Lytham will also play host to the Womens British Open Golf Championship in 2009.

Figure 4.19: Royal Lytham & St Annes

Source: UK Coast Guide

St Annes-on-Sea was originally a purpose-built seaside resort, alongside the Victorian town of Lytham (the latter is particularly popular with day visitors due to the variety of small-scale family-based retail in the town and easy walks along 'The Green'.

Key attractions within St Annes include **The Island** – offering a variety of family activities including mini-golf, a cinema, miniature train, ten-pin bowling and food & drink outlets and a lifeboat station open to the public – located on South Promenade. The Island is part of the area covered by the draft St Annes masterplan discussed in section 3.5.2.

St Annes Pier is another popular visitor attraction, and has been open since 1885. The pier offers a range of facilities including shops, cafés and amusements. The area's **golf courses** also attract staying visitors.

Equidistant between St Annes and Lytham is **Fairhaven Lake**, a man-made boating lake offering walks, boat hire, crazy golf and a range of other activities. Also of significance is the RSPB Discovery Centre at the lake which runs environmental events for groups and schools.

Figure 4.20: Lytham Windmill

Source: Lancashire Tourism

Lytham itself offers historic attractions such as the **Lifeboat House** and **Lytham Windmill** (built in 1805), alongside arts and culture-related facilities including **Lytham Heritage Centre** and the **Lowther Pavilion** (which hosts a regular range of plays, musicals and shows year-round), and a popular retail centre.

Fylde has a regular programme of events and festivals throughout the year, including regular concerts at the bandstand on the promenade in St Annes, classic car rallies (including those at Lytham Hall and on St Annes seafront) and the Dragon Boat Festival at Ansdell (September).

4.7 Tourism Trends in Wyre

4.7.1 Volume & Value of Tourism

In 2006 (the latest data supplied by Wyre Borough Council) there were more than 3.2 million visitors to Wyre, which represented a £191 million injection into the Borough economy. More than three-quarters (77%) of these were day visitors, with a total of more than 740,000 staying visitors generating over 3.2 million visitor nights (an average of 4.4 nights per trip). This is considerably above the regional average, as well as the average length of trip, for example, to Fylde, and reflects the popularity of non-serviced accommodation within Wyre (such as caravan parks, where visitors typically stay for a week).

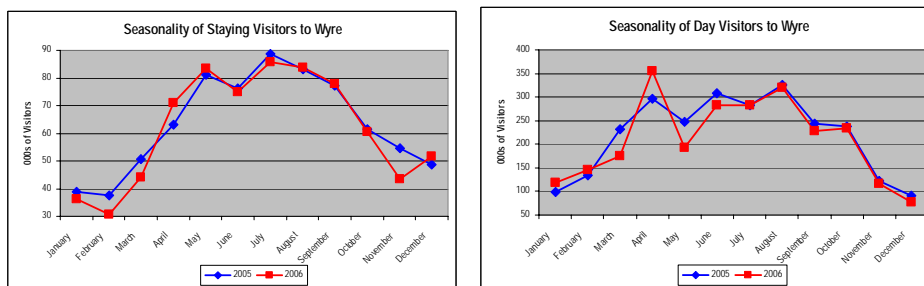
Figure 4.21: Volume & Value of Staying Visitors to Wyre

Year	Trips (millions)	Nights (millions)	Spend (£millions)
2005	0.76	3.22	123.11
2006	0.74	3.25	124.36
% Change 2005 - 06	- 2.6	+ 0.9	+ 1.0

Source: Fylde Borough Council

As shown above, whilst there has been a slight drop in the number of staying trips to Wyre, the number of nights has increased and visitor expenditure has risen accordingly. This may highlight that Wyre is attracting higher-spending and more affluent visitors, but in reality is likely due to the increased length of stay of the typical visitor.

Figures 4.22 & 4.23: Seasonality of Day & Staying Visitors



Source: Wyre Borough Council STEAM Reports

In terms of seasonality, there is little fluctuation year-on-year, and this indicates that Wyre has a fairly stable visitor base that is less impacted by external factors (such as the weather) than other parts of the Fylde Coast.

4.7.2 Visitor Profile

We have not been made aware of any profiling surveys that may have been carried out on visitors to Wyre specifically.

4.7.3 Local Visitor Attractions & Major Events

Aside from the coastal location of both Fleetwood and Cleveleys, there are several built facilities that attract visitors as well as serving the resident population, including two museums (Fleetwood Museum and Farmer Parrs Animal World) in Fleetwood and the surrounding area.

Originally opening in July 1995, **Freeport Fleetwood** is a major retail outlet shopping centre close to Fleetwood town centre. Since opening, the centre has been expanded twice more, now offering in excess of 110,000ft² and a children's indoor play area.

Figure 4.24: Entrance to Freeport



Source: HLL Humberts Leisure

Freeport attracts an estimated 2.5 million visitors each year²⁴, and we understand that the facility attracts coach parties from destinations further afield including Blackpool and Preston. Furthermore, we understand that the popular Fleetwood Market attracts in excess of 250,000 visitors per year.

Fleetwood Pier was one of the last pleasure piers built in the UK – and opened in 1910. At one time, the pier was known as "*the jewel in Fleetwood's crown*", but had been closed to the public for two years prior to the fire which destroyed the pier in early September 2008.

Figures 4.25 & 4.26: Fleetwood Pier Ablaze & the Aftermath



Source: BBC News / HLL Humberts Leisure

²⁴ REALM Property & Asset Management (owners of Freeport)

The pier has now been demolished. This highlights the pressing need for the regeneration masterplan highlighted in section 3.5.3. Although the pier had been closed for a number of years and was in a derelict state, it remained as an important local landmark prior to the fire.

Cleveleys is often thought of by visitors as an extension of Blackpool, and is connected to the main resort through the tramway. The seafront in Cleveleys has recently benefited from the coastal defence works highlighted earlier, and now offers a new promenade area as well as a regular programme of events at Jubilee Gardens.

Figure 4.27: The New Promenade at Cleveleys



Source: Cleveleys Sea Defence Works

Thornton is home to the **Wyre Estuary Country Park and Ecology Centre** which attracts around 25,000 visitors per year. Visitor numbers²⁵ to the park rose by 20% between 2003 and 2007, emphasising the popularity of the facility.

Wyre has an extensive range of events and festivals throughout the year that are popular with residents and visitors alike. These include the Fleetwood Carnival (June), Fleetwood Flower Show and Fylde Folk Festival (August) attracting approximately 100,000 visitors, and the Writing & Performance Festival held in Thornton, together with a range of smaller events based in rural communities such as The Great Eccleston Agricultural Show (40,000 visitors), Great Eccleston Tractor Pull (15,000 visitors), Garstang Show and Scorton Show (10,000 visitors)²⁶.

4.8 Comparison of Local Tourism Trends

Blackpool is the dominant visitor market on the Fylde Coast, accounting for around two-thirds of visitor nights and spend, but has seen a significant reduction in visitor numbers over recent decades. By contrast, Fylde has witnessed a slight growth in staying visitor numbers, whilst Wyre has remained largely static.

²⁵ VisitBritain Visitor Attraction Trends England 2007

²⁶ All visitor estimates provided by Wyre District Council

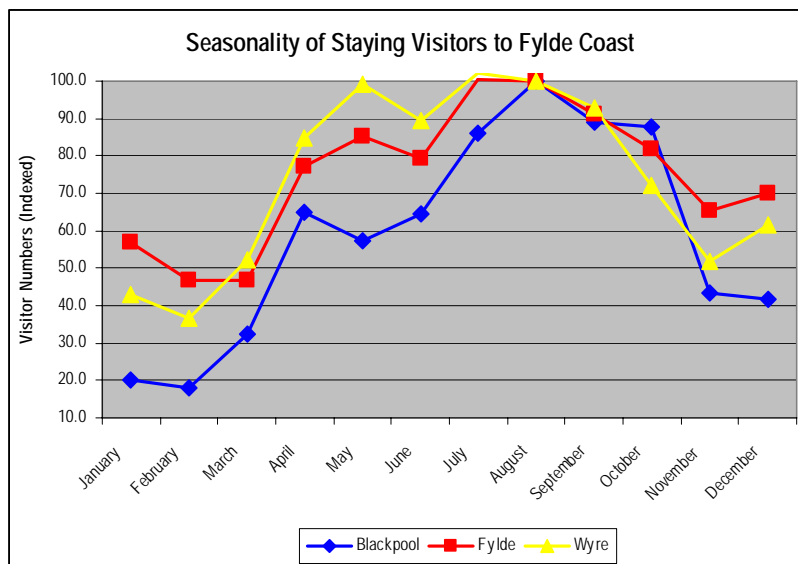
Figure 4.28: Volume & Value of Staying Visitors to Fylde Coast 2006

Area	Trips (millions)	Nights (millions)	Spend (£ millions)	% of All Nights	% of All Spend
Blackpool	2.93	9.05	502.40	64.4	68.5
Wyre	0.74	3.25	124.36	23.1	17.0
Fylde	0.61	1.75	106.69	12.5	14.5
TOTAL	4.28	14.05	733.45	100.0	100.0

Source: Blackpool, Fylde & Wyre Councils

There is a substantially greater degree of seasonality in Blackpool than in either Fylde or Wyre. This perhaps reflects the primarily leisure-led market in Blackpool (related to school holiday periods), compared to higher levels of business, and other types of, tourism in the surrounding areas (for example, in Fylde due to the presence of BAe at Warton).

Figure 4.29: Seasonality of Staying Visitors²⁷ to Fylde Coast in 2006



Source: Area STEAM Reports

The impact of the Illuminations on Blackpool is reflected by the high number of visitors in October, although subsequent months do drop off sharply. The importance of the school holiday period (for Blackpool in particular) is highlighted by the high proportion of visitors in April 2006 (Easter).

Overall, therefore, whilst Blackpool is the dominant destination and attraction for staying visitors to the Fylde peninsula, the industry in Blackpool appears more susceptible to seasonality than in surrounding locations such as Lytham St Annes, Cleveleys and Fleetwood. From an accommodation perspective, this highlights the difficulties and low margins faced by much of the resort's accommodation stock and subsequent price competitiveness (for coach tours, for example) and willingness to accept low value bookings that may deter some visitors (e.g. stag and hen parties).

²⁷ Indexed for comparative purposes where visitor numbers in August = 100.

4.9 Tourism Market Summary

Over the last thirty to forty years, many of England's seaside towns have undergone significant change as the rise of the mass-market package holiday and cheap air travel have impacted upon demand for the traditional seaside holiday. The Fylde Coast has not been immune to this, as evidenced by the estimated 40% reduction in visitor nights to Blackpool over the past fifteen years.

Alongside the growth in overseas travel we have, more recently, witnessed the rapid growth of the domestic short breaks market. At the current time, however, there are concerns arising from the global financial crisis, and how this may impact upon tourism expenditure. Recent announcements suggest that there has been little short-term effect on the domestic tourism industry, with forecasts actually suggesting increased demand for short breaks and self-catering holiday rentals.

The North West is one of England's most popular destination areas, and the Fylde Coast comprises almost one-third of total staying visitors to the region. Blackpool is the dominant destination locally, but the different areas appear to attract different markets. Lytham St Annes in Fylde, for example, is popular amongst older, affluent visitors, whilst Blackpool generally appeals to less affluent families and older visitors (the latter usually on coach tours outside of peak periods).

Blackpool has a greater issue with seasonality than the neighbouring local authorities, and this may impact upon the viability of smaller accommodation businesses located away from the main seafront, conference and Pleasure Beach focal points.

5 THE NATIONAL ACCOMMODATION MARKET

5.1 Introduction

Demand for accommodation within the sub-regional market will depend on many factors and criteria. The hotel sector, for example, is a cyclical industry with peaks and troughs in performance, which is impacted by both changes in market demand and external factors such as the political and economic climate. This latter element is of particular importance given the current turmoil in the world's financial markets.

In this section, we therefore consider the wider picture across all types of visitor accommodation to enable us to set the performance of the local market in a national context.

5.1.1 The Domestic Holiday Industry

The domestic holiday industry is extremely fragmented with over 150,000 tourism businesses scattered around the UK²⁸, with the largest operator (Bourne Leisure) accounting for just 7% of the total domestic holiday market.

Figure 5.1: Type of Accommodation Used for Last Domestic Holiday

Accommodation Type	% of Adults aged 15+						% Change
	2002	2003	2004	2005	2006	2007	
Rented S/C Accommodation	19.4	20.4	20.9	20.8	20.8	19.1	- 1.5
Hotel (Full / Half-Board)	19.5	18.0	17.5	18.2	17.3	17.8	- 8.7
Caravan	21.7	23.2	19.9	20.3	20.0	15.7	- 27.6
Hotel (B&B)	9.9	9.6	11.4	9.5	9.1	11.5	+ 16.2
Staying with Friends / Relatives	7.9	7.4	8.2	7.2	6.7	7.4	- 6.3
Tent	5.5	5.0	5.8	5.6	5.6	6.6	+ 20.0
Guesthouse	4.0	4.2	4.7	4.3	4.7	5.0	+ 25.0
Own Holiday Home	3.5	4.1	3.9	4.5	4.2	4.3	+ 22.9
Hotel (Room Only)	1.2	1.5	1.9	2.3	2.0	3.5	+ 191.7
Hotel (All-Inclusive)	1.8	1.5	1.8	2.1	2.3	2.1	+ 16.7
Other	4.9	5.2	5.1	4.7	5.0	5.1	+ 4.1

Source: BMRB TGI / Mintel

As this table shows, 2007 witnessed a decline in demand for non-serviced accommodation such as caravans and rented accommodation. This has become particularly pronounced due to the poor weather experienced during the summer of 2007, and the picture is likely to be similar during 2008 for similar reasons. As highlighted in section 4.3.1, however, forecasts suggest that the economic climate is likely to lead to an upsurge in demand for domestic self-catering and caravan holidays. Furthermore, there has been a significant growth in room-only hotel use, due to the rapid growth and expansion of the budget / limited service hotel concept over the past decade or so.

²⁸ Visit Britain 2007

5.2 Serviced Accommodation

5.2.1 Hotels

The hotel market has suffered a turbulent time over the past decade or so. International travel, for example, has been impacted by the fear of terrorism, although the main impact was felt in UK gateway cities such as London, compared to more provincial holiday areas such as the Fylde Coast. Hotels positioned towards the upper end of the market are typically the first to suffer adversely during times of economic uncertainty.

Nevertheless, since 2003, the overall provincial UK hotel market has enjoyed year-on-year growth in terms of rooms yield (i.e. revenue derived per available room).

Figure 5.2: Recent Performance of the UK Provincial Hotel Market

Measurement	2003	2004	2005	2006	2007
Occupancy (%)	70.4	70.8	70.4	71.5	71.3
Room Rate (£)	61.80	63.72	66.95	69.35	72.28
Room Yield (£)	43.50	45.09	47.12	49.56	51.57

Source: Tri HotStats

Despite some concerns over the state of the UK's economy as highlighted in section 4.3.1, the UK hotel market has remained relatively buoyant. The high level of growth experienced in recent years is, however, expected to stall as an increasing number of consumers are reining in their spending amid economic concerns.

Interestingly, major branded budget hotel operators appear better placed to continue their rapid expansion than their full-service counterparts in the mid-market and luxury hotel sectors. Travelodge intends to treble the size of its estate by 2020 with a view to obtaining a 10% share of the overall UK hotel market, and this is evidenced locally by the recent announcement that the company has taken a 25-year lease on the former Clifton Hotel in Blackpool²⁹, with the hotel re-opening as Travelodge Blackpool Central at the end of 2008.

Furthermore, Whitbread has recently³⁰ announced its intention to increase the number of Premier Inn rooms available by 50% over the next five years, and we also understand that Hilton are focusing on the roll-out of their economy brand – Hampton by Hilton.

Bearing in mind the current economic climate, this suggests that there is a strong industry belief that consumers are increasingly motivated by value-for-money, and is highlighted by the recent announcement³¹ that Travelodge has witnessed a 45% increase in the revenue generated by business travellers.

5.2.2 Guest Houses / B&B's

Guest houses, as part of the commercial serviced accommodation sector, fall between hotels and bed & breakfast accommodation. Like B&B's they tend to be independently owned and managed, often in private dwellings, town houses and

²⁹ Leisure Opportunities 13 August 2008

³⁰ Leisure Opportunities 28 April 2008

³¹ Leisure Opportunities 16 September 2008

converted residences, but typically offer more facilities than B&B's, where the guest often cannot use the room during the day and no evening meal is provided.

There is little published information available on the guest house and B&B sector. In 2006, there were more than 100,000 rooms available in such accommodation in England.³² It is, however, important to note that this covers only those establishments that are registered and graded by local, regional or national tourist boards. It is likely that the true figure is considerably higher as smaller establishments may find the cost of such registration excessive for the size of their business.

Figure 5.3: Registered & Graded Accommodation 2006

Country	Guest Houses		B&B's	
	No. of Units	No. of Rms	No. of Units	No. of Rms
England	5,327	53,377	12,134	47,446
Scotland	851	5,767	1,819	4,812
Wales	340	1,963	563	1,723
Northern Ireland	132	971	-	-
Total UK	6,650	62,078	14,516	53,981

Source: Visit Britain / Scotland / Wales / Northern Ireland Tourist Board

This highlights the fragmented nature of the industry, with an average of just nine rooms per guest house and less than four rooms per B&B. As such there is very little branded operator presence, with most proprietors and owners having set up their business to earn a little extra income from unused rooms (for example, after children have grown up and moved out), or as a lifestyle choice away from high-profile and high-stress city-based jobs.

This is generally reflected in the performance of the guest house and B&B sector. Although the pattern of occupancy is broadly similar to hotels, there is a greater degree of seasonality with a significant drop outside the peak summer season and during the winter months.

5.3 Non-Serviced Accommodation

Non-serviced accommodation is a key part of the national tourism market. It is generally used by leisure visitors who prefer the freedom and independence that such accommodation affords although, as shown in section 5.1, demand for such accommodation is usually more susceptible to external factors such as the weather than most serviced accommodation.

Self-catering holidays in the UK tend to focus around cottages, lodges, camping and caravans and holiday parks / centres. Supply is extremely fragmented, with an estimated 80,000 holiday cottages, over 60,000 caravans / motorhomes and more than 3,000 holiday parks.³³

5.4 Caravan Parks

The caravan and camping sector holds a wide appeal and covers a broad range of accommodation types from tents to motorhomes to touring and static caravans, all of

³² Visit Britain estimates

³³ Mintel British on Holiday at Home; December 2007

varying degrees of quality. An estimated 16.2 million people took a camping or caravanning holiday in 2007, with the industry accounting for 13% of all trips and 11% of total spending by UK residents on domestic overnight trips.³⁴

Figure 5.4: The Regional & National Camping & Caravanning Market 2007

	Region / National Area		% NW Share of UK Market
	North West	UK	
Trips (millions)	1.41	16.27	8.7
Nights (millions)	5.55	71.70	7.7
Spend (£millions)	159	2,277	7.0
Nights per Trip	3.9	4.4	
Spend p/Night (£)	28.65	31.76	
Spend p/Trip (£)	112.77	139.95	
<i>Source: Visit Britain</i>			

Camping & caravanning holidays to the North West account for just under 11% of all domestic visitor trips to the region – compared to 13% nationally. This may highlight the attraction of urban city break destinations such as Liverpool and Manchester, but may also reflect on the declining popularity of traditional resort areas such as Blackpool and Morecambe.

Caravanning is now a £3 billion-plus industry, and there has been an increase in the production of motorhomes over the past few years. There has, however, been a substantial fall in the production of static caravans for the domestic holiday market.

Figure 5.5: UK Caravan & Motorhome Production 2004 - 2007

Year	Number of Units Manufactured			Total
	Tourers	Motorhomes	Static Caravans	
2004	32,370	10,131	32,280	74,781
2005	29,060	10,849	23,605	63,514
2006	29,290	11,069	20,630	60,989
2007	32,050	11,646	23,150	66,846
<i>% Change 2004 - 2007</i>	<i>- 1.0</i>	<i>+ 15.0</i>	<i>- 28.3</i>	<i>- 10.6</i>
<i>Source: National Caravan Council</i>				

The fall in the level of manufacturing is reflected by the declining demand for camping and caravanning holidays from domestic tourists. As the number of units manufactured fell by more than 10% between 2004 and 2007, this fall was mirrored by the drop in the number of camping and caravanning trips taken nationally (11%) and within the North West region (15%).

³⁴ Visit Britain Market Focus – Camping & Caravanning September 2008

Figure 5.6: Caravan Production & Number of Trips Taken

Year	No. of Units Manufactured	Total UK Camping & Caravanning Trips (millions)	Total NW Camping & Caravanning Trips (millions)
2004*	74,781	N/K	N/K
2005	63,514	18.31	1.67
2006	60,989	16.43	1.27
2007	66,846	16.27	1.41
<i>% Change 2004 – 2007</i>	<i>- 10.6</i>	<i>- 11.1</i>	<i>- 15.6</i>
<i>* UKTS data pre-2005 does not provide sufficient detail for analysis & comparison.</i>			
<i>Source: NCC / UKTS</i>			

The global economic turmoil is likely to further reduce the level of caravan production over 2008 and the years ahead. A number of manufacturers have laid off staff, and it is forecast that there will little or no growth in the market over the next couple of years.³⁵

5.4.1 Additional Commentary on Static Caravan-Based Holiday Parks

There is a well established picture throughout the country, which shows that occupancy on caravan holiday home (i.e. static caravan) parks is very high. This is largely attributed to the very restrictive planning regime within which the industry works. Since parks are usually located in the countryside or on the undeveloped coast, environmental policies within development plans have made it very difficult to obtain new consents or extensions to existing parks.

The result of this planning framework has meant that there are hardly any examples throughout the country of land with consent for caravan holiday homes which has not been developed. The pressure on supply is further exacerbated by a gradual reduction in the density of development, as typical units have become larger and holidaymakers are increasingly demanding more privacy and better landscaping.

The very high occupancy levels that are generally achieved has meant that there has been very little pressure on the industry to carry out research into the nature of demand, market trends, or occupancy levels in general. Demand is, however, considered to be strong, and even in the current economic climate the number of caravans being sold on parks (whether new or second-hand) is holding up. If there were a substantial over-supply in an area, it is reasonable to expect that there would be a large number of vacant pitches coupled to reducing standards. As shown later in this report, there is no substantial evidence of such problems on the Fylde Coast at this time.

5.4.2 Typical Business Model

A particular strength of the holiday and caravan parks industry is the flexible business model which many parks adopt. Whereas most parks sell their static caravans as holiday homes in return for the payment of an annual pitch fee, they often also own a number of the caravans themselves (a hire fleet) and let them out for holidays on a short breaks or weekly basis, often using national letting agencies

³⁵ Caravan Industry & Park Operator May 2008

(such as Hosesasons). When demand for holiday homes for hire increases (as it has recently on account of the economic uncertainty detailed in section 4.3.1), the park owners can increase the number of hire fleet statics to accommodate this changing pattern of demand. If the market moves the other way, then some of these hire fleet pitches will accommodate static caravans to be sold as holiday homes.

There is therefore an inherent ability within the industry to change the nature of supply to meet demand, and there is good evidence that this flexibility is working in the current challenging economic circumstances. Indeed, in the current market, some park owners are actively encouraging the owner-occupiers of caravan holiday homes on their sites to sub-let in order to satisfy the demand for this type of holiday accommodation (many park owners provide the administration and marketing for a sub-letting service in exchange for an agreed proportion of rental revenues).

It is worth noting that the restrictions on supply discussed above are likely to continue to ensure parks will maintain a high occupancy level, even when the economy improves.

5.4.3 Owner-Occupiers & Travel Distances

Owner-occupiers of caravan holiday homes will use their caravans frequently throughout the season, often at weekends and during holiday periods. They are also likely to invite friends and relatives to use the units when they are not in occupation themselves. Having purchased a caravan holiday home, it is in the best interests of owners to spend as much of their leisure time as they can on the park.

For this reason, historically the largest concentration of static caravan holiday homes has been within reasonable travelling distance of major centres of population. Most operators express the view that the majority of caravan owners live within one to two hours of their chosen park, so that they can visit on a regular basis (for example, arriving on a Friday evening after leaving work). This is supported by our interviews with local park owners and operators.

To this end, the importance of Blackpool, Fylde and Wyre as established holiday destinations, together with the easy access from the Pennine conurbations, are the two principal reasons as to why there is such a heavy concentration of caravans on the Fylde Coast. In the same way, Skegness benefits from access to the East Midlands conurbations (as demonstrated in section 10).

5.5 Timber Lodges

Timber holiday lodges have been developed mainly in response to changes in the market where holidaymakers require more sophisticated accommodation than was traditionally offered by static caravans. In the 1980's there was a strong belief that they would usurp the role of static caravans, which would then gradually be phased out. This has proved to be incorrect for a number of reasons, including the improvement in the specification of some static caravans which has blurred the distinction somewhat, and also because some lodges are only available for considerably higher rental / sale prices than some visitors are willing to pay.

In recent times, however, there has been a shift towards timber lodges as many existing parks have sought to upgrade their static caravans in response to rising demand for lodge-style accommodation from an increasingly affluent population base with a higher disposable income. This demand has been affected somewhat by falling house and share prices.

Despite the growth in the UK lodge market, there is still some confusion as to the scale of the lodge operation in this country and there are no accurate figures as to total market supply across the country.

5.5.1 Other Self-Catering Accommodation

Other rented self-catering accommodation is generally a very fluid sector and can be difficult to quantify. It can, for example, include second homes let for one season and not again, or those not let on the open market but instead let privately to friends and family. This type of visitor accommodation can include apartments, chalets, cottages, flats, gîtes, studios, houses and villas. Some large purpose-built lodges can also fall into this sector. Some are let through specialised agencies (such as Hoseasons), others are marketed through local area visitor bureaux, and others let directly by the owners.

According to many national holiday letting agencies, the strongest markets for such accommodation tend to be adults aged 25 – 44 with families and a strong AB bias. This suggests that affluent middle-aged people are increasingly opting for self-catering holidays and short breaks, although C2 adults remain an important target market. Typically, such customers take two holidays a year, are more independent and are seeking peace and freedom.

Figure 5.7: Definition of Socio-Economic Classifications

Social Grade	Social Status	Occupations
A	Upper middle class	Higher managerial, administrative or professional
B	Middle class	Intermediate managerial, administrative or professional
C1	Lower middle class	Supervisory or clerical, junior managerial, administrative or professional
C2	Skilled working class	Skilled manual workers
D	Working class	Semi and unskilled manual workers
E	Those at lowest level of subsistence	State pensioners or widows (no other earner), casual or lowest grade workers

Source: ONS

The vast majority of such holiday accommodation is small in scale and, as for smaller guest houses and B&B's, typically run as a lifestyle choice by couples, often with little or no mortgage and operating under the VAT threshold. As such, they often close in the winter months and are generally a seasonal addition to the local accommodation stock

5.6 Accommodation Market Summary

Serviced and non-serviced accommodation are equally important in the context of the national accommodation market – particularly given the fragmented nature of the domestic holiday industry.

In recent years, we have witnessed a number of major global events that have affected tourism in the UK, including the outbreak of FMD, the threat of terrorism and the current global credit crunch. Such events have had differing impacts on different aspects of the national accommodation market.

Despite this, there has been steady growth in the provincial UK hotel market, although the number of camping & caravanning trips taken in the North West declined by around 15% between 2004 and 2007. This poses a number of challenges for the latter, more seasonal, sector – and may be related to the poor weather experienced by the UK over the past few years.

Growth in the hotel market is forecast to be concentrated on the budget / limited service sector, and has been reflected in recent years by the growth in demand for room-only hotel accommodation.

By contrast, the caravan parks market is forecast to show little or no growth at all, although the market for holiday lettings is strengthening in the face of a weak exchange rate and, therefore, the rising cost of overseas holidays. This does offer opportunities, at least in the short-term, for domestic resorts to increase their market share and demonstrate to visitors that the UK is a viable destination option for their leisure holiday trips.

6 THE BLACKPOOL ACCOMMODATION MARKET

6.1 Introduction

In this section we consider the current local supply of visitor accommodation in Blackpool from quantitative, qualitative and locational perspectives. We have used the 2002 CURS and 2007 Council studies as a base (primarily for serviced accommodation) which has been supplemented with extensive research undertaken by HLL Humberts Leisure. We include our database as Appendix 1.

6.2 Serviced Accommodation

6.2.1 Serviced Accommodation – Overview

Our research has identified that there are 1,657 serviced accommodation businesses in Blackpool, providing circa 25,000 rooms / 57,000 bedspaces. This includes guest houses, Hotels/Inns and B&B's.

Figure 6.1: Serviced Accommodation Supply, Blackpool

Accommodation Type	No. of Businesses	No. of Rooms	No. of Bedspaces
Hotels	108	6,754	13,501
Guest Houses	1,080	14,670	34,114
B&B's	469	3,568	8,906
Total	1,657	24,992	56,521
<i>Source: HLL research</i>			

Our research has been derived from our comprehensive database; including research gained during our visit to Blackpool, an update to the database provided by Blackpool Council (last conducted in 2007) and an extensive internet and telephone research programme.

Blackpool is dominated by small hotels, guest houses and B&B's. Only 16 out of Blackpool's 1,657 serviced accommodation establishments offer in excess of 100 bedrooms. In fact, over 93% of establishments have fewer than 30 bedrooms, equating to over 70% of Blackpool's 25,000 serviced accommodation bedroom stock.

Given the substantial number of non-accredited businesses in Blackpool, it is very difficult to precisely categorise businesses into their respective sector headings, i.e. Hotels, Guest Houses or B&B's. In order to categorise these into their respective headings we have made reference to grading classification and have assumed the following.

- **Hotels** - All properties offering in excess of 30 bedrooms. On this basis, the average number of bedrooms per hotel in Blackpool is around 60 bedrooms. Hotels are generally fully staffed and serviced 24/7, including branded and independently properties.
- **Guest Houses** – These tend to be small to medium sized properties offering between 10 and 30 bedrooms. They are typically owner occupied and managed, with limited staffing and food and beverage facilities.

- **B&B's** – Small establishments typically run as a life-style choice and owner operated. We have assumed that all establishments offering less than 10 bedrooms fall within this sector.

We consider it important to compare the proportion of Blackpool's serviced accommodation stock to the overall UK serviced accommodation market. Whilst this is not compared on a like-for-like basis (the national statistics only include graded/accredited establishments), we consider it does reflect the significant proportion, or over supply, of guest houses and B&B's operating in Blackpool.

Figure 6.2: Breakdown of Serviced Accommodation Stock, Blackpool

Accommodation Type	% of Total No. Businesses		% of Total No. Rooms	
	National ¹	Blackpool	National ¹	Blackpool
Hotels	36%	7%	81.5%	27%
Guest Houses	20%	65%	9.9%	58.7%
B&B's	44%	28%	8.6%	14.3%
Total	100%	100%	100.0%	100.0%
Note: ¹ Registered and Graded Accommodation (2006)				
<i>Source: HLL research</i>				

6.2.2 Grading and Breakdown of Serviced Accommodation Stock

We provide a breakdown of graded serviced accommodation in Blackpool below.

Figure 6.3: Grading and Breakdown of Serviced Accommodation Stock, Blackpool

Grading	No. of Businesses	No. of Bedrooms	No. of Bedspaces
4 Stars AA	3	614	1,288
3 Stars AA	11	982	1,757
2 Stars AA	10	919	1,899
Sub-Total	24	2,515	4,944
3 Stars VB	26	423	938
2 Stars VB	1	9	24
Sub-Total	27	432	962
Quality Plus	7	98	237
Quality	38	1,498	3,203
Sub-Total	45	1,596	3,440
5 Stars B+B	1	15	30
4 Stars AA G.A	2	46	96
4 Stars VB G.A	6	116	243
4 Diamond VB ³⁶	4	53	120
3 Diamond AA	1	12	26
3 Diamond VB	7	111	237
2 Diamond	2	59	98
Sub-Total	23	364	850
Ungraded/Not Known	1,538	20,037	46,325
TOTAL	1,657	24,992	56,521

Source: HLL research

Accommodation stock is generally of a poor quality, unaccredited and is well below that expected by the modern day consumer. The lack of quality assured serviced accommodation businesses is clearly illustrated. Nearly 93% of establishments have no recognisable quality grading (including stock where we have been unable to establish grading). This highlights that there may be some real quality issues amongst serviced accommodation stock in Blackpool.

Blackpool Council – in partnership with Stay Blackpool and Lancashire & Blackpool Tourist Board - is keen to increase the quality and number of establishments that are nationally accredited. It aims to have approximately 90 additional establishments per annum on its books. A number of serviced accommodation providers (particularly the smaller establishments) have, however, expressed concerns relating to the strict criteria, cost implication and the overall justification of belonging to such a scheme - particularly as many are faced with the real certainty of low accreditation ratings.

6.2.3 Serviced Accommodation – Location Analysis

From a locational perspective, the Central Area³⁷ accounts for approximately 60% of the total number of serviced accommodation businesses in Blackpool. Collectively, there are around 650 businesses in the North and South areas.

³⁶ We have been unable to confirm up-to-date gradings for those guest houses advertising as having a diamond grading – despite these no longer being used. We consider that it is likely that such properties will have a similar B&B or Guest Accommodation star rating under the new system.

Figure 6.4: Supply of Serviced Accommodation in Blackpool

Area	No. of Businesses	% of Businesses	No. of Rooms	% of Rooms	No. of Bedspaces	% of Bedspaces
North	393	23.7	7,160	28.6	15,386	27.2
Central	1,002	60.5	14,036	56.2	32,257	57.1
South	262	15.8	3,796	15.2	8,878	15.7
Total	1,657	100	24,992	100.0	56,521	100.0

Source: HLL research

At a more local level, we have used the Council's identified Resort Neighbourhood policy areas to provide a more detailed examination of the provision of serviced accommodation in the town.

Figure 6.5: Supply of Serviced Accommodation in Blackpool by Resort Neighbourhood

Area	No. of Businesses	% of Businesses	No. of Rooms	% of Rooms
Gynn North	125	7.5	2,222	8.9
Gynn South	19	1.1	970	3.9
Lord Street Area	150	9.1	2,383	9.5
Outside Resort Neighbourhoods	99	6.0	1,585	6.3
North	393	23.7	7,160	28.6
Albert Road	353	21.3	5,694	22.8
Town Centre	26	1.6	354	1.4
Foxhall	120	7.2	1,532	6.1
South Beach	297	17.9	4,039	16.2
Outside Resort Neighbourhoods	206	12.4	2,417	9.7
Central	1,002	60.5	14,036	56.2
Pleasure Beach North	183	11.0	2,286	9.1
Pleasure Beach South	51	3.1	994	4.0
Outside Resort Neighbourhoods	28	1.7	516	2.1
South	262	15.8	3,796	15.2
TOTAL	1,657	100%	24,992	100%

Source: HLL research

Approximately 20% of the total number of businesses in Blackpool are located outside one of the core Resort Neighbourhoods. This equates to around 330 establishments and 4,500 bedrooms.

The serviced accommodation in Blackpool is well established and mature. A number of luxury guest houses and B&B's, however, have opened in recent years – including the Number One South Beach. These are generally small establishments, offering less than 15 rooms. They are owner occupied and managed, with little overheads

³⁷ North area is anywhere north of Blackpool North station and the railway line, South includes the resort neighbourhood known as "Pleasure Beach North" and all places south, and Central covers all places in between.

and tend, in some cases, to be run as a lifestyle choice rather than commercially driven operations. We consider the published and achieved room rates at these properties to be low (compared to the typical national performance of such properties) in view of the superior product and investment reported to have been invested initially, which we consider to be due to market conditions and the profile of lower spending visitors. Other new hotel supply has primarily been limited to budget hotels.

6.2.4 Hotel Supply

Our research has identified that there are 109 hotels in Blackpool, offering over 6,800 bedrooms between them.

Figure 6.6: Analysis of Hotel Stock, Blackpool

Category (By Size)	No. of Hotels	No. of Rooms	% of Hotel Rooms
200+	3	963	13.9
150-199	6	975	14.1
100-149	8	850	12.3
50-99	31	1,924	27.8
30-49	61	2,214	32.0
Total	108	6,926	100.0
<i>Source: HLL research</i>			

Some 85% of properties (92) have less than 100 bedrooms. This is where the market is most intense, with most properties being independently-operated and competing for similar sources of business – predominantly in the lower paying leisure market. These hotels tend to be of a much lower quality than the larger hotels. They also tend to be much more seasonal in terms of demand and many of the smaller establishments tend to close, at some point, during the winter months.

6.2.5 Blackpool's Leading Hotels

Blackpool's leading and largest hotels (100+ bedrooms) are predominantly located along the seafront. These are fully-serviced and offer a range of food and beverage facilities as well as some form of health and fitness facility.

Figure 6.7: Structure of Blackpool's Leading Hotels (100+ Bedrooms)

Grading	No. of Hotels	No. of Rooms	Average No. Of Rooms	Mix (%) No. of Rooms
4-Star	4	786	197	29.9
3-Star	3	820	273	31.1
2-Star	6	722	120	27.4
Other	4	460	115	17.5
Total	17	2,633	164	100.0
<i>Source: HLL research</i>				

We have been able to illustrate the operating performance of the leading full service hotels in Blackpool, based on our discussions with local hoteliers.

We illustrate the key performance indicators for a sample of 4 leading hotels in Blackpool below. These hotels tend to represent the better quality and performing hotels in the area.

Figure 6.8: Market Performance of Leading Full Service Hotels in Blackpool

Year	Occupancy (%)	Change %	AARR (£)	Change %	Rooms Yield (£)	Change %
2005	75.3%	-	59.78	-	45.01	-
2006	74.3%	(1.3)	57.84	(3.2)	42.97	(4.5)
2007	70.8%	(4.7)	57.24	(1.0)	40.55	(5.6)
2008 ¹	69.7%	(1.6)	56.97	(0.5)	39.70	(2.1)
<i>¹Based on actual year and forecast figures</i>						
<i>Source: HLL research</i>						

The leading full-service hotels in Blackpool (three and four-star properties) have reported relatively healthy levels of occupancy in recent years. Overall, however, occupancy for most properties continues to decline on a year-on-year basis. We illustrate the UK hotel market, for comparison, below.

Figure 6.9: Performance of UK Provincial Hotel Market

Year	Occupancy (%)	Change %	AARR (£)	Change %	Rooms Yield (£)	Change %
2004	70.5	-	64.74	-	45.64	-
2005	70.4	(0.1)	66.95	3.4	47.12	3.2
2006	71.5	1.6	69.35	3.6	49.56	5.2
2007	71.3	(0.3)	72.28	4.2	51.57	4.1
2007 Aug YTD	71.3	-	71.85	-	51.23	-
2008 Aug YTD	70.6	(1.0)	72.88	1.4	51.44	0.4
<i>Source: HLL research</i>						

Occupancy levels vary significantly between the properties, depending on type, size and location. The leading three and four-star full-service hotels (generally 100+ rooms) appear to be trading relatively well in terms of occupancy (**circa 65% to 80%**), albeit this is exceptionally low rated and rooms yield falls well below that achieved by the overall provincial UK market.

The Big Blue appears to be the strongest performer due to its location and proximity to Pleasure Beach and the newness of the product on offer. It does not accept coach tours. The other large hotels in Blackpool, however, tend to accept coach tours and compete heavily on rate in order to achieve market share. Unlike the Big Blue, they have reported declines in occupancy in recent years. Rates have remained static for a considerable amount of time.

The 172-bedroom De Vere Heron's Reach, located at Great Marton off the A583 near Blackpool Airport, is also one of Blackpool's strongest performers. The hotel boasts extensive leisure facilities (including golf) and is conveniently located to BAe and other employment areas. The hotel is able to tap into a broad range of market segments. It is expected to be extended by another 30 bedrooms.

6.2.6 Blackpool's Small to Medium-Sized Hotels, Guest Houses and B&B's

Occupancies for a sample of smaller to medium-sized properties reported recording occupancies of circa **45 / 50%** last year. We understand for some, however, this can be considerably lower. Combined with low room rates, this provides very little revenue to cover fixed overheads, yet alone providing any respectable returns or remuneration.

We are unable to report occupancy levels for B&B's and Guest Houses. As a range, however, we understand that establishments are generally achieving **25% to 30%** annual occupancy. This can, however, be much lower for the lower quality establishments. Conversely, we would expect the better quality establishments to be achieving circa **40 / 50%** occupancy – albeit this can not be verified. It is also worth mentioning that the average occupancy for a sample of properties across a broad range of accommodation providers³⁸ in 2006 was 46%. Some 87% of respondents were either hotels or guest houses. We would expect a high proportion of respondents to represent the better quality and performing establishments in Blackpool. The actual figure is therefore much lower.

6.2.7 General Trading Conditions

It is generally considered that it is most difficult to operate the mid-sized properties, particularly poorly converted residences, successfully. The smaller guest houses and B&B's, often run by couples as a life-style choice, often with little or no mortgage and operating under the VAT level, can generally attract enough demand and provide a living. These properties have the option of closing during the low season and do not have to employ staff. Once a hotel has over around 20 bedrooms, it generally has to be run professionally (with a fixed staffing structure), all year round.

The smaller to medium-sized hotels (typically those offering between 15 and 70 bedrooms) are, however, operating in extremely tough trading conditions – particularly those in Blackpool given the high levels of competition in this sector of the market and the emerging threat of Travelodge. The inability to attract coach tours, the inferior product and facilities compared to the larger hotels, limited parking and lack of marketing / brand recognition, has resulted in many establishments facing financial difficulties and uncertainty – yet alone providing any sufficient returns to re-invest in their respective products.

Closures, change of use and repossessions have been common place over the years. This is particularly applicable to properties located away from the core tourist areas.

6.2.8 Blackpool Serviced Accommodation Market Summary

Our research has identified that there are 1,657 accommodation businesses in Blackpool, providing circa 25,000 bedrooms / 57,000 bedspaces – including Guest Houses, Hotels/Inns and B&B's.

The serviced accommodation market in Blackpool has been in decline for a number of years. Whilst some of Blackpool's leading hotels are performing relatively well, it is clear that a high proportion of establishments are trading in exceptionally difficult trading conditions, particularly the smaller to medium sized properties. Low demand,

³⁸ Blackpool Council Holiday Accommodation Study 2007

combined with high and increasing operating costs, continue to put a number of properties at risk.

Key factors which have led to this situation include: Blackpool's declining visitor economy, a limited and diminishing corporate market, an increase in branded budget hotel stock and loss of major conference and political events – particularly in view of rising competition from other conference destinations such as Liverpool, Southport and Manchester.

Other issues include seasonality constraints and the overall price sensitive nature of the market, with many establishments willing to undercut in order to secure business. It also reflects sub-standard quality of many establishments.

Adverse trends, over supply and lack of demand have stifled investment within many accommodation establishments in and around Blackpool. There is an exceptionally high proportion of old accommodation stock in need of substantial investment.

6.3 Non-Serviced Accommodation

There is a wide range of non-serviced accommodation in Blackpool, although the market is dominated by self-catering holiday apartments of various size and quality. This reflects the area's built-up nature, with caravan and holiday parks located on the edge of the town (and, indeed, in Fylde and Wyre).

6.3.1 Caravan Parks

Our research has identified a total of eighteen caravan parks within the Blackpool Council area. Ten (56%) of these can be classed as holiday parks, whilst the remaining eight offer only residential park homes³⁹. There are a considerable number of parks that appear to fall just outside the boundary of the Unitary Authority in Fylde (close to the junction of the M55, A5230 and A583).

Figure 6.10: Supply of Holiday Camping & Caravan Parks in Blackpool

Type of Pitch / Unit	No. of Sites	% of All Sites	No. of Pitches / Units	Av. Pitch / Unit per Site
Tourer / Camping	8	80.0	198	24.8
Static Caravan	3	30.0	1,426	475.3
Timber Lodge	1	10.0	6	6.0
TOTAL	10	100.0	1,630	163.0
<i>Source: HLL research</i>				

As the above table demonstrates, most touring / camping parks are relatively small in size. This reflects the presence of a number of small sites linked to national camping and caravanning associations. By contrast, there are relatively few static caravan parks within the Blackpool conurbation itself but those few sites are extremely large in scale. (The largest – Marton Mere – has an estimated 920 static units / bases).

Interestingly, we have been unable to confirm grading / accreditation for the majority of holiday parks (just the two largest appear to have an official national grading). In addition, a number of parks / sites are Certified Locations (CL) or Certificated Sites

³⁹ The eight home parks offer a total of 294 residential park homes.

(CS) by either the Camping & Caravanning Club of Great Britain or the Caravan Club. This suggests that, whilst many parks don't have an official grading, they are of a reasonable or good standard – highlighting that there perhaps are not the same issues regarding caravan parks as there are concerning, for example, the supply of serviced accommodation in the resort.

Figure 6.11: Holiday Parks in Blackpool

Park Name	National Grading	No. of Units / Pitches			Total Units / Pitches
		Tourer / Camping	Static Caravans	Other Holiday Use	
Marton Mere HV	4*	147	920	6	1,073
Newton Hall CP	4*	0	450	0	450
Whalley Villa CP	N/A	0	56	0	56
Richmond Hill CP	N/A	16	0	0	16
Hampton Road CP	N/A	10	0	0	10
Chippendale Parks*	N/A	5	0	0	5
Greenacres*	N/A	5	0	0	5
The Bowery*	N/A	5	0	0	5
Manor House Park*	N/A	5	0	0	5
Serendipity CP*	N/A	5	0	0	5
TOTAL BLACKPOOL PARKS		198	1,426	6	1,630
<i>* Sites are recognised by either Caravan Club or Camping & Caravanning Club of Great Britain.</i>					
<i>Key: South, Central, North⁴⁰</i>					
<i>Source: HLL research</i>					

None of the holiday parks identified are located within the Council's identified 'Resort Neighbourhoods'. Although there are only two holiday parks located in the Central Area defined by HLL Humberts Leisure, these provide the vast majority of pitches in the district. The remaining holiday parks are located within the Southern Area. There are no holiday parks within the Northern Area of Blackpool that we have been able to identify through our research.

6.3.2 Timber Lodges

As shown above, just one park – Marton Mere – offers any more upmarket timber lodges to the marketplace. This reflects the profile of the typical less affluent visitor to Blackpool. As the destination evolves, there may therefore be some future demand for perceived better quality accommodation (in the form of timber lodges) than is offered by existing static caravan parks in the Blackpool area, but this may be catered for by developments in more rural / tranquil parts of neighbouring local authority areas.

6.3.3 Other Self-Catering Accommodation

There is a wide range of self-catering flats, apartments and houses in Blackpool. Our research has identified 148 such businesses in the town, of varying degrees of size and quality.

⁴⁰ North area is anywhere north of Blackpool North station and the railway line, South includes the resort neighbourhood known as "Pleasure Beach North" and all places south, and Central covers all places in between.

Figure 6.12: Supply of Self-Catering Holiday Property in Blackpool

Grading	No. of Businesses	No. of Units / Flats	No. of Bedspaces
5*	1	7	32
4-5*	1	6	28
4*	1	3	12
3-5*	1	13	51
3*	5	29	104
2-3*	4	85	322
2*	4	32	131
1*	1	12	40
Quality	32	291	1,045
Ungraded / Not Known	69	504	1,742
<i>Not Contactable</i> ⁴¹	29	193	687
TOTAL	148	1,175	4,194
<i>Source: HLL research</i>			

As the above table demonstrates, very little (approximately 12%) of the self-catering accommodation stock identified (and contacted) has national quality accreditation. A further 22% has obtained the local 'Quality' or 'Quality Plus' standards. Nevertheless, this still highlights that well over half of the identified stock has no recognisable quality grading. Furthermore, just three businesses could be classed as being at the top-end of the market (i.e. 4-star or higher). This highlights that there may be some real quality issues amongst the un-graded self-catering stock in the resort.

From a locational perspective, almost half (48%) of all businesses are located in the central area of Blackpool, whilst just ten businesses (around 9%) are situated outside of the existing resort neighbourhood areas. The average self-catering holiday accommodation business in Blackpool therefore comprises 7.9 flats / apartments with an average of 3.6 bedspaces per unit.

Figure 6.13: Supply of Self-Catering Holiday Property in Blackpool

Area	No. of Businesses	% of Businesses	No. of Units	% of Units	No. of Bedspaces	% of Bedspaces
North	40	27.0	282	24.0	996	23.7
Central	71	48.0	596	50.7	2,070	49.4
South	37	25.0	297	25.3	1,128	26.9
TOTAL	148	100.0	1,175	100.0	4,194	100.0
<i>Source: HLL research</i>						

Some distinct differences are highlighted in the above table. Rentable holiday accommodation in Northern areas of Blackpool is slightly smaller (an average of 7.1 units and 24.9 bedspaces per business) than comparable property in Central (8.4 units and 29.2 bedspaces) or Southern (8 units and 30.5 bedspaces) areas. This highlights that those businesses located in the southern part of Blackpool are more

⁴¹ All holiday accommodation businesses marked as 'Non-Contactable' are those that we have tried to make contact with on numerous occasions without success. We have applied the same average number of units / bedspaces to these businesses in order to estimate total existing supply.

geared towards the family market, with a greater number of bedspaces per unit to cater for adults with two or three additional children. This reflects the family attractions in this area, including the Pleasure Beach and Sandcastle Waterworld.

At a more local level, we have used the Council's identified Resort Neighbourhoods to provide a more detailed examination of the provision of rented holiday property in the town.

Figure 6.14: Supply of Self-Catering Holiday Property in Blackpool by Resort Neighbourhood

Area	No. of Businesses	% of Businesses	No. of Units	% of Units	No. of Bedspaces	% of Bedspaces
Gynn North	16	10.8	105	8.9	381	9.1
Gynn South	5	3.4	34	2.9	106	2.5
Lord Street	10	6.7	75	6.4	257	6.1
Outside Resort Neighbourhoods	9	6.1	68	5.8	252	6.0
North	40	27.0	282	24.0	996	23.7
Albert Road	36	24.3	326	27.7	1,124	26.8
Foxhall	5	3.4	37	3.2	156	3.7
South Beach	25	16.9	202	17.2	660	15.8
Town Centre	2	1.4	13	1.1	47	1.1
Outside Resort Neighbourhoods	3	2.0	18	1.5	83	2.0
Central	71	48.0	596	50.7	2,070	49.4
Pleasure Beach North	35	23.6	282	24.0	1,076	25.7
Pleasure Beach South	2	1.4	15	1.3	52	1.2
South	37	25.0	297	25.3	1,128	26.9
TOTAL	148	100.0	1,175	100.0	4,194	100.0
<i>Source: HLL research</i>						

The bulk of rented holiday property in Blackpool is fairly centrally located, with the highest concentrations situated just to the north of the Pleasure Beach, and close to the town centre (in the Albert Road area).

Those businesses in the 'Albert Road' neighbourhood are evenly spread with, for example, three such properties on Palatine Road, three on Albert Road, three on Charnley Road and four on Reads Avenue.

This is in contrast to the 'Pleasure Beach North' neighbourhood. The holiday accommodation businesses in this neighbourhood are concentrated on the side streets leading off of the central Promenade – focused on those streets closest to the Pleasure Beach (Withnell Road, Osbourne Road, Station Road and Dean Street account for around 80% of businesses).

Interestingly, the vast majority (86%) of self-catering businesses are located away from the main seafront promenade itself. Of the sixteen self-catering holiday properties located on the seafront, 38% are located outside of the identified Resort Neighbourhoods. This highlights that the existing Resort Neighbourhood areas are dominated by the provision of serviced accommodation in the form of hotels and guest houses (see section 6.2), and that the typical lifestyle purchaser of such self-

catering businesses may lack sufficient funds to purchase prime seafront property without being saddled with a large (and economically unviable) mortgage.

Furthermore, the seafront self-catering properties generally offer more flats / units and bedspaces than their side street competitors, and 56% have some form of local or national quality accreditation. This is considerably higher than the 38% of non-seafront properties with local or national quality accreditation.

The larger size and prominence of the seafront properties is highlighted in the greater number of such businesses that have local or national accreditation. As reflected in our analysis of Fylde and Wyre, many of the smaller self-catering properties have found the cost of national visitor accreditation prohibitive. This picture appears to be repeating itself across Blackpool, and there is perhaps a lack of understanding of the various schemes and initiatives (such as 'Invest in the Best') designed to assist owners / operators with the cost of such accreditation.

6.3.4 Blackpool Non-Serviced Accommodation Market Summary

If we assume an average of three bedspaces per static unit / touring pitch on local caravan parks, this would suggest that Blackpool's holiday caravan parks currently provide 4,890 bedspaces. This, combined with the 3,412 on offer in the resort's self-catering holiday property suggests a total market of approximately 8,300 non-serviced bedspaces on offer in the resort.

As for serviced accommodation, there is clearly an issue with a lack of official quality accreditation amongst non-serviced holiday property. Just 20% of caravan parks and 15% of self-catering accommodation are nationally accredited by VisitBritain. This highlights the difficulties faced by the Council in their drive to improve the quality of the non-serviced accommodation stock, or at least to communicate the standards to potential holidaymakers.

In recent years there has been a distinct shift towards the short breaks market, and this is reflected in the experience of local non-serviced operators. There has been a significant reduction in the number of week-long stays, with people generally now coming for a 3-4 day midweek or weekend break instead. In addition, there remains a degree of seasonality within the local market, with many caravan park operators only operating from Easter until the end of the Illuminations.

This picture is repeated across local self-catering holiday accommodation providers, with a good level of demand (for the better quality properties) during the peak summer and Illuminations months, but with a sharp fall outside of these periods. This further reflects the knowledge that many such businesses are run as a lifestyle choice, at low profit margins with resident proprietors seeking to gain some additional income.

There is, however, no published occupancy data across the region. The Lancashire & Blackpool Tourist Board has informed us that the North-West Self-Catering Occupancy Survey was set up, but quickly abandoned due to a lack of responses.

In terms of static caravan pitches, occupancy is very high. Most well-managed parks operate at close to 100% occupancy when mature. A substantial majority of static caravans are owner-occupied as holiday homes and used not only by their owners, but also by friends & family during the course of the year. Sometimes, they are sub-let more formally.

We are aware that there is concern that some caravans are being used for residential purposes, and that their tourism value is therefore being diluted. We agree that this is probably the case, and we make recommendations regarding this issue in section 13. However, this factor does not mean that there is insufficient demand for holiday caravans, but rather that the quasi-residential use is attractive to occupiers who are prepared to at least match the price paid by purchasers willing to acquire the caravan strictly for holiday purposes.

6.4 Overall Appraisal of the Blackpool Accommodation Market

Overall, our research has indicated that there are 1,815 serviced and non-serviced accommodation businesses in Blackpool, offering in excess of 65,000 bedspaces.

Figure 6.15: Existing Accommodation Supply in Blackpool

Accommodation Type	No. of Businesses	No. of Rooms / Units / Pitches	Estimated No. of Bedspaces	% of Total Bedspaces
Hotels	108	6,754	13,501	20.6
Guest Houses	1,080	14,670	34,114	52.0
B&B's	469	3,568	8,906	13.6
Serviced Sub-Total	1,657	24,992	56,521	86.2
Self-Catering	148	1,175	4,194	6.4
Built Accommodation Sub-Total	1,805	26,167	60,715	92.6
Holiday Parks	10	1,630	4,890	7.4
TOTAL SUPPLY	1,815	27,797	65,605	100.0
<i>Source: HLL research</i>				

The accommodation market in Blackpool is dominated by the supply of predominantly small-scale serviced accommodation businesses. Across all accommodation sectors, there is a clear problem with un-accredited supply – with just less than three-quarters (74.6%) of all serviced and non-serviced bedspaces being in un-graded establishments.

The small size of many of Blackpool's accommodation businesses highlights that many are being run as lifestyle choices, operating under the VAT level, and therefore are unlikely to have sufficient income to re-invest in their business and product. This is currently a major issue for Blackpool as acknowledged by both Stay Blackpool and the Council.

Figure 6.16: Supply of Accommodation in Blackpool by Resort Neighbourhood

Area	Total Bedspaces	% of Total Bedspaces	No. of Serviced Bedspaces	No. of Self-Catering Bedspaces	No. of Holiday Park Bedspaces
Gynn North	5,156	7.9	4,775	381	0
Gynn South	2,190	3.3	2,084	106	0
Lord Street	5,378	8.2	5,121	257	0
Outside Resort Neighbourhoods	3,658	5.6	3,406	252	0
North	16,382	25.0	15,386	996	0
Albert Road	14,210	21.7	13,086	1,124	0
Town Centre	860	1.3	813	47	0
Foxhall	3,677	5.6	3,521	156	0
South Beach	9,942	15.1	9,282	660	0
Outside Resort Neighbourhoods	10,207	15.6	5,555	83	4,569
Central	38,896	59.3	32,257	2,070	4,569
Pleasure Beach North	6,422	9.8	5,346	1,076	0
Pleasure Beach South	2,377	3.6	2,325	52	0
Outside Resort Neighbourhoods	1,528	2.3	1,207	0	321
South	10,327	15.7	8,878	1,128	321
TOTAL	65,605	100.0	56,521	4,194	4,890
<i>Source: HLL research</i>					

7 THE FYLDE ACCOMMODATION MARKET

7.1 Introduction

In this section we consider the current local supply of visitor accommodation in Fylde from quantitative, qualitative and locational perspectives. This is with a particular focus on the coastal resorts of St Annes and Lytham, using information provided by the Council as a base, and supplemented by extensive research undertaken by HLL Humberts Leisure. We include a database of the accommodation market as Appendix 2.

7.2 Serviced Accommodation

7.2.1 Serviced Accommodation Overview

Our market research has identified 47 establishments, circa 1,300 bedrooms and 3,000 bedspaces in Fylde – including hotels, B&B's and guest houses.

Figure 7.1: Serviced Accommodation Supply in Fylde

Accommodation Type	No. of Businesses	No. of Rooms	No. of Bedspaces
Hotels	15	919	2,074
Guest Houses	15	278	648
B&B'S	17	115	252
Total	47	1,312	2,975

Source: HLL research

Fylde offers a balanced mix of hotels, guest houses and B&B's which is not that dissimilar to the proportion and mix of the overall UK serviced accommodation market. We have categorised properties according to their respective grading and based on our own rationale as within our analyses for Blackpool's serviced accommodation stock.

Figure 7.2: Breakdown of Serviced Accommodation Stock in Fylde

Accommodation Type	% of Total No. Businesses		% of Total No. Rooms	
	National ¹	Fylde	National ¹	Fylde
Hotels	36%	32%	81.5%	70.0%
Guest Houses	20%	32%	9.9%	21.2%
B&B's	44%	36%	8.6%	8.8%
Total	100%	100%	100.0%	100.0%

¹Registered and Graded Accommodation 2006
Source: HLL research

Hotels constitute a significant proportion of the total number of bedrooms in Fylde, predominantly derived from properties offering between 50 and 99 bedrooms. There is only one hotel which has in excess of 100 bedrooms, the Dalmeny Hotel in St Annes, which is three-star rated (125 rooms).

We provide a breakdown of the hotel stock in Fylde, by type, in the table below.

Figure 7.3: Analysis of Hotel Stock, Fylde

Category (By Size)	No. of Hotels	No. of Rooms	% of Hotel Rooms
200+	-	-	
150-199	-	-	
100-149	1	125	13.6
50-99	9	594	64.6
30-49	5	200	21.8
Total	15	919	100.0

Source: HLL research

7.2.2 Grading and Breakdown of Serviced Accommodation Stock

We provide a breakdown of graded serviced accommodation in Fylde below.

Figure 7.4: Grading and Breakdown of Serviced Accommodation Stock, Fylde

Grading	No. of Businesses	No. of Bedrooms	No. of Bedspaces
4 Star	2	93	219
3 Star	6	372	815
2 Star	3	197	449
Budget	3	148	343
Sub Total	14	810	1,826
5 Star GH*	2	31	72
4 Star GH	2	11	24
3 Star GH	6	42	91
Sub Total	10	84	187
4* B&B	1	3	7
Sub Total	1	3	7
Ungraded/Not Known	22	415	954
TOTAL	47	1,312	2,975

Note: Birley Arms Pub & Hotel is being refurbished to 5 grading and as such is included as a 5 star establishment.*

Source: HLL research

Serviced accommodation establishments in Fylde tend to be the best in terms of quality across the Fylde Coast – with a number of properties having undergone substantial investment in recent years.

Fylde, undoubtedly, boasts some of the best hotels in the area in terms of quality and facilities provision, The Grand Hotel and the Clifton Arms Hotel in particular.

Almost half (47%) of Fylde's serviced accommodation businesses are ungraded (including properties which we have been unable to contact), which compares favourably to neighbouring Blackpool (around 93%). There are also a number of good quality B&B's, with half of Fylde's guest houses being graded 4-star or above. Properties which have recently undergone investment include the Mode, The Rooms Boutique B&B and the Howarth House Hotel (all offering between 5 and 15 bedrooms).

7.2.3 Serviced Accommodation – Location Analysis

From a locational perspective, St Annes has a large proportion of the serviced accommodation stock, with 34 properties, equating to around three-quarters of total bedrooms in Fylde.

Figure 7.5: Supply of Serviced Accommodation, Fylde

Area	No. of Businesses	% of Businesses	No. of Rooms	% of Rooms	No. of Bedspaces	% of Bedspaces
St Annes	34	72.4	982	74.8	2,209	74.3
Lytham	5	10.6	94	7.2	218	7.3
Other	8	17.0	236	18.0	548	18.4
Total	47	100.0	1,312	100.0	2,975	100.0

Source: HLL research

St. Annes has a large amount of hotel accommodation for a small resort, and yet the hotels would appear to be performing well on top of recent town centre regeneration. This physical regeneration needs to be extended to the seafront area to maintain the hotel market through the coming recession.

Lytham has a much smaller hotel market, and although the town centre appears to be suffering, this is unlikely to have a major adverse affect given the relatively small number of hotels present.

7.2.4 Demand for Serviced Accommodation

Overall, serviced accommodation establishments appear to be trading relatively well. This has been, in part, driven by a good local corporate market (proximity to BAe) and other key demand generators such as Royal Lytham St Annes, as well as a more affluent residential base and visitor economy.

Four-star Hotels – Both the Grand and the Clifton Arms Hotels appear to be trading very well. This is underpinned by investment in both of these properties in recent years. They appear to be the amongst the better performing hotels across the whole of the Fylde Coast – driven by their superior product offering, range of facilities and proximity to key employers such as BAe. We understand occupancies for these two hotels were in the order of 80/85% last year.

Three-Star Hotels & below – The three-star hotels vary significantly in terms of quality, size and provision/mix of facilities. Unlike the four-star hotels, they tend to be heavily reliant on leisure-related business – including the low paying coach tour market. For some properties, the coach tour market can represent as much as 70/80% of the total number of rooms and this, in turn, dilutes average room rates for many hotels. Overall, however, hotels in this sector of the market appear to be trading reasonably well, albeit it is a somewhat competitive and rate sensitive market. Moreover, low rates, certain issues of seasonality and reliance on low rated leisure businesses, combined with the fact that few hotels have undergone any significant investment, suggests possible over supply in this specific sector. Occupancy levels vary significantly.

Budget Hotels – The branded budget hotels (Premier Inn) appear to be trading well (popular with both corporate and leisure visitors). They are generally easily accessible (with parking), offer a good quality product at affordable prices and benefit from strong brand recognition and access to national marketing and

distribution channels. They are also in relative proximity to key industrial and commercial zones. Budget hotels in Fylde are all branded as Premier Inns.

Guest Houses and B&B's – We have been unable to obtain the operating performance statistics of B&B's and Guest Houses in Fylde. However, this is a relatively small market. The fact that a number of properties have invested in their respective products suggests that they are performing relatively well. They are also well placed to attract higher spending corporate and leisure visitors.

7.2.5 Fylde Serviced Accommodation Market Summary

Our research has identified that there are 47 serviced accommodation establishments, 1,300 bedrooms and 3,000 bedspaces in Fylde – including hotels/B&B's and Guest Houses.

Serviced accommodation establishments in Fylde tend to be the best in terms of quality across the Fylde Coast – with a number of properties having undergone substantial investment in recent years.

We have indicated that, overall, serviced accommodation establishments in Fylde are trading reasonably well. This is particularly for those establishments which have invested in their respective products, i.e. the two four-star hotels and niche luxury B&B's/Guest Houses which have emerged in recent years.

It appears that competition is most intense, however, in the three-star mid-market hotel sector. Hotels constitute a significant proportion of the total number of bedrooms in Fylde, predominantly derived from properties (9) offering between 50 and 100 bedrooms

The fact that the larger three-star hotels (50 to 100 bedrooms) are heavily reliant on low rated coach tour business suggests a lack of demand across other market segments. Alternatively, this indicates an over supply of hotels in the mid-market hotel sector in Fylde.

7.3 Non-Serviced Accommodation

The generally more rural nature of Fylde (compared to Blackpool) is reflected in the greater number of holiday parks as a proportion of the total supply of non-serviced accommodation within the Borough of Fylde.

7.3.1 Caravan Parks

Our research has identified a total of twenty-four caravan parks within the Fylde Borough Council area. The vast majority (92%) can be classed as holiday parks, whilst the remaining two offer only residential park homes⁴². (It is important to note that, whilst we have included Ribby Hall Village within this assessment, the Pontins holiday camp has been excluded). There are, therefore, 22 holiday parks in Fylde.

A considerable number of caravan parks are located just inside the Borough boundary, to the south-east of Blackpool (close to Junction 4 of the M55). This offers visitors easy access into the resort itself as well as St Annes, Lytham and the surrounding countryside.

⁴² The two remaining home parks offer a total of 277 residential park homes.

Figure 7.6: Supply of Holiday Camping & Caravan Parks in Fylde

Type of Pitch / Unit	No. of Sites	% of All Sites	No. of Pitches / Units	Av. Pitch / Unit per Site
Tourer / Camping	17	77.3	737	43.4
Static Caravan	14	63.6	1,941	138.6
Timber Lodge	4	18.2	54	13.5
TOTAL	22	100.0	2,732	124.2
<i>Source: HLL research</i>				

As the above table demonstrates, the average park within Fylde has significantly fewer static caravan units than in neighbouring Blackpool. The largest, Ribby Hall, has an estimated 330 caravans, although this is in addition to a considerable amount of alternative holiday accommodation on-site. There is a higher volume of touring & camping pitches within Fylde, which reflects the presence of established parks (as opposed to the generally smaller CS's and CL's).

There does, however, appear to be a similar issue regarding (lack of) national accreditation / grading. We have been able to confirm national star grading for just five of the twenty-two holiday parks, with a further two sites affiliated to either the Caravan Club or the Camping & Caravanning Club of Great Britain.

Figure 7.7: Holiday Parks in Fylde by Location

Area	No. of Sites / Parks	% Nationally Accred.	No. of Units / Pitches			Total Units / Pitches
			Tourer / Camping	Static Caravans	Other Holiday Use	
Lytham	2	50.0	40	164	18	222
St Annes	N/A	-	-	-	-	N/A
Kirkham & Wrea Grn.	3	33.3	20	501	6	527
Warton	4	25.0	173	209	-	382
M55 / A583*	13	30.8	504	1,067	30	1,601
TOTAL	22	31.8	737	1,941	54	2,732
<i>* Includes Weeton, M55 (Jctn 4), Preston New Road and any location not listed above.</i>						
<i>Source: HLL research</i>						

We have been unable to identify any parks within St Annes (as defined by HLL). There are, however, a considerable number of parks located on the edge of Blackpool – inland from St Annes. Such parks are clearly serving both the Blackpool, St Annes and Lytham markets, perhaps without detracting from the Victorian appeal of the latter two resorts to more affluent visitors.

7.3.2 Timber Lodges

As identified above, there are currently four parks that offer timber lodges to the market – Ribby Hall Village (see section 7.3.3), Lawnsdale Park, Larbreck Gardens Caravan Park and Primrose Bank Caravan Park.

Lawnsdale Park is just outside of Lytham itself and is, at the time of writing, in the process of expansion and is adding a number of timber holiday lodges to the accommodation offer. Larbreck Gardens is located at Great Eccleston, close to the

boundary with Wyre, and offers 25 lodges in addition to a primarily static caravan offer. Primrose Bank is located at Weeton (just north of the M55) and has developed a number of timber lodges in addition to the core touring & static pitches / units.

The greater number of parks offering timber holiday lodges in Fylde likely reflects the perception of the generally more affluent visitors attracted to St Annes and Lytham (although we are aware that the Council has not undertaken any form of visitor profiling survey).

7.3.3 Holiday Centres

The five-star Ribby Hall Village offers a wide range of accommodation and activities, and is designed in a similar vein to the successful holiday resort concept of Center Parcs, although the site has been developed much more intensively.

Figures 7.8 & 7.9: Built Cottages & Hotel at Ribby Hall Village



Source: www.ribbyhall.co.uk

Similarly to Center Parcs, Ribby Hall is particularly popular with families – many of whom spend most of their holiday time on-site partaking in the sports club and range of leisure activities on offer. The park has well over 500 self-catering units including static caravans, timber lodges and stone-built cottages. In addition, Ribby Hall has recently received planning permission for a 15-bedroom extension to their existing hotel (currently 29 rooms) and a new spa facility with a view to attracting more mature visitors in the off-season for adult-themed spa and relaxation breaks.

Figures 7.10 & 7.11: Exterior of Pontins Blackpool (View from Main Road)



Source: HLL Humberts Leisure

Although Pontins Blackpool by name, the holiday camp is in fact situated just to the north of St Annes within the Borough of Fylde. Despite our best efforts, we have been unable to speak to the management at Pontins or confirm the number of bedspaces / accommodation units on offer at the centre. We are aware, however, that redevelopment plans for the site are currently being explored.

7.3.4 Other Self-Catering Accommodation

Our research has identified 19 self-catering holiday rental properties in Fylde – all but three of which are located in St Annes or Lytham⁴³ – that are still operational. Interestingly, more than half of these properties already have a star grading from VisitBritain, or are awaiting this grading. This is a considerably higher proportion than for caravan and holiday parks in Fylde. It should also be noted that this analysis excludes holiday centres and cottages on existing caravan parks already covered in sections 7.3.1, 7.3.2 and 7.3.3 (such as Ribby Hall).

Figure 7.12: Supply of Self-Catering Rented Holiday Property in Fylde

Grading	No. of Units	Total No. of Bedrooms	Total No. of Bedspaces	% of Total Bedspaces
4*	9	19	42	19.6
3*	31	34	74	34.6
Awaiting Grading	1	1	2	0.9
Not Known	26	39	96	44.9
TOTAL	67	93	214	100.0

Source: HLL research

We are aware that, given the small scale nature of many of these businesses (with an average of less than 4 flats per property / business), some owners / proprietors feel that the cost of applying for official VisitBritain grading is disproportionate to the value derived from such grading / advertising. The removal of non-accredited establishments from the local visitor guide is still in its relative infancy, and it is too early for such owners to accurately assess the impact of not participating on their business – indeed many rely on a high level of repeat business year-on-year, for whom accreditation will be a largely irrelevant issue. There is perhaps a lack of understanding of the impacts / benefits of such schemes as well as the availability of funding assistance from local and regional authorities (e.g. Lancashire County Council).

From a locational perspective, there is slight bias (in terms of the provision of such accommodation businesses) towards the resort of St Annes, compared to Lytham (47% are located in St Annes).

Figure 7.13: Self-Catering Holiday Property in Fylde by Location

Location	No. of Properties	% Nationally Accred.	Total No. of Units	Total No. of Rooms	Total No. of B/Spaces	Av. B/Rms per Unit	Av. B/Spaces per Unit
Lytham	7	57.1	18	23	42	1.3	2.3
St Annes	9	55.6	40	50	130	1.2	3.2
Little Eccleston	1	0.0	1	3	4	3.0	4.0
Singleton	2	50.0	8	17	38	2.1	4.8
TOTAL	19	52.6	67	93	214	1.4	3.2

Source: HLL research

⁴³ The other properties are located at Little Eccleston and Singleton.

As the above table demonstrates, whilst Lytham offers more nationally accredited holiday accommodation businesses / properties, the town accounts for considerably fewer bedspaces than neighbouring St Annes. The latter is a more established resort and is in greater proximity to Blackpool and the M55 motorway – which perhaps helps to explain the relative number of bedspaces on offer in each location.

There is an issue, replicated at similar businesses across the Fylde Coast, regarding seasonality for self-catering holiday property in Fylde. Although the core summer months (from May to September) provide relatively healthy occupancy levels, the market does appear to be declining slightly each year – and the volume of enquiries has dropped significantly. Events such as golf tournaments do drive demand in St Annes and Lytham. However, many such events are held in the summer months when demand for holiday accommodation is generally higher.

To sustain their businesses, many owners are typically accepting medium to longer-term lets in out-of-season periods. In particular, a significant proportion receive block bookings from caravan owners in January & February (when parks are closed for 4-6 weeks), as well as business bookings from contractors working in the area, or those who have moved to the area but have yet to complete their house purchase.

7.3.5 Fylde Non-Serviced Accommodation Market Summary

As before, if we assume an average of three bedspaces per static unit / touring pitch on local caravan parks, then this would suggest that Fylde's holiday and caravan parks currently provide almost 8,200 bedspaces. Combined with the 214 bedspaces on offer in the borough's self-catering accommodation market, this highlights that Fylde offers 8,410 non-serviced accommodation bedspaces⁴⁴. This is in excess of the Blackpool market.

Similarly to Blackpool, there are some issues regarding non-accreditation, although these appear to be confined largely to the caravan and holiday parks sector. Less than one-quarter of parks have national accreditation, perhaps reflecting the use of some holiday units for residential purposes, as well as the generally smaller scale (excluding Ribby Hall) nature of the borough's parks.

Interestingly, in contrast to Blackpool, visitors using self-catering accommodation in Fylde appear to stay longer – often a one week break. This reflects the appeal of resorts such as St Annes to the older visitor, who are likely to be less constrained by the kind of time issues that have given rise to the rapid growth in the domestic short breaks market. Nevertheless, the short breaks market has become vital outside of the peak season (primarily weekend breaks).

There is, however, no published occupancy data across the region. The Lancashire & Blackpool Tourist Board has informed us that the North-West Self-Catering Occupancy Survey was set up but quickly abandoned due to a lack of responses.

In terms of static caravan pitches, occupancy is very high. Most well-managed parks operate at close to 100% occupancy when mature. A substantial majority of static caravans are owner-occupied as holiday homes and used not only by their owners, but also by friends & family during the course of the year. Sometimes, they are sub-let more formally.

⁴⁴ This figure excludes Pontins, who have not supplied us with the necessary data.

We are aware that there is concern that some caravans are being used for residential purposes, and that their tourism value is therefore being diluted. We agree that this is probably the case, and we make recommendations regarding this issue in section 14. However, this factor does not mean that there is insufficient demand for holiday caravans, but rather that the quasi-residential use is attractive to occupiers who are prepared to at least match the price paid by purchasers willing to acquire the caravan strictly for holiday purposes.

It is difficult to identify on the number or proportion of static holiday caravans that are being used residentially. Bona fide park homes have residential permission have a clearly residential appearance and have been recorded as such in our survey above. However, static holiday caravans will generally have the same appearance whether used for holiday or residential purposes. So an external inspection can not give a reliable impression of use. Park owners, may be aware that some caravans are being used residentially by owners, and normally will take steps to discourage this. However, they will not tell us whether or what proportion are being used residentially for fear of action from the council.

7.4 Overall Appraisal of the Fylde Accommodation Market

Overall, our research has indicated that there are 88 serviced and non-serviced accommodation businesses in Fylde, offering in excess of 11,000 bedspaces.

Figure 7.14: Existing Accommodation Supply in Fylde

Accommodation Type	No. of Businesses	No. of Rooms / Units / Pitches	Estimated No. of Bedspaces	% of Total Bedspaces
Hotels	15	919	2,074	18.2
Guest Houses	15	278	648	5.7
B&B's	17	115	252	2.2
Serviced Sub-Total	47	1,312	2,975	26.1
Self-Catering	19	67	214	1.9
Holiday Parks	22	2,732	8,196	72.0
Non-Serviced Sub-Total	41	2,799	8,410	73.9
TOTAL SUPPLY*	88	4,111	11,385	100.0
<i>* excluding Pontins</i>				
<i>Source: HLL research</i>				

In terms of businesses, the accommodation market in Fylde appears to be more evenly split than Blackpool. The caravan and holiday parks sector has almost three-quarters of all accommodation bedspaces in Fylde – reflecting the more rural nature of the borough.

The issue of non-accreditation in Fylde appears to be confined largely to the caravan and holiday parks sector.

The stock of serviced and self-catering holiday accommodation is generally of a reasonable quality, although again there is perhaps an over-supply of larger mid-market hotel accommodation as evidenced by the heavy reliance on low-value coach tour business to boost occupancy levels.

8 THE WYRE ACCOMMODATION MARKET

8.1 Introduction

In this section we consider the current local supply of visitor accommodation in Wyre from quantitative, qualitative and locational perspectives. This has used information supplied by the Council as a base, and has been supplemented by extensive research undertaken by HLL Humberts Leisure. As for Blackpool and Fylde, we include an accommodation database as Appendix 3.

8.2 Serviced Accommodation

8.2.1 Serviced Accommodation Overview

Our market research has identified 42 establishments, 575 bedrooms and circa 1,300 bedspaces in Wyre.

Figure 8.1: Serviced Accommodation Supply, Wyre

Accommodation Type	No. of Businesses	No. of Rooms	No. of Bedspaces
Hotels	7	317	744
Guest Houses	10	135	312
B&B'S	25	123	271
Total	42	575	1,327
<i>Source: HLL research</i>			

Wyre has a similar number of establishments to Fylde (42). The total number of bedrooms, however, is considerably lower and this can be attributed to the large number of small B&B's offering, on average, less than 10 bedrooms each. Hotels, nonetheless, account for nearly 60% of the total number of bedspaces.

Figure 8.2: Breakdown of Serviced Accommodation Stock, Wyre

Accommodation Type	% of Total Businesses		% of Total Rooms	
	National ¹	Wyre	National ¹	Wyre
Hotels	36%	17%	81.5%	56%
Guest Houses	20%	24%	9.9%	24%
B&B's	44%	59%	8.6%	20%
Total	100%	100%	100.0%	100.0%
<i>¹Registered and Graded Accommodation 2006</i>				
<i>Source: HLL research</i>				

The high number of B&B's in Wyre is illustrated above, and is proportionally above the national average as well as both Blackpool and Fylde.

Unlike Blackpool and Fylde, there are no hotels which have more than 100 bedrooms. We provide a breakdown of hotel supply in Wyre (properties with more than 30 bedrooms) in the following table.

Figure 8.3: Analysis of Hotel Stock, Wyre

Category (By Size)	No. of Hotels	No. of Rooms	% of Hotel Rooms
200+	-	-	-
150-199	-	-	-
100-149	-	-	-
50-99	3	172	54.3
30-49	4	145	45.7
Total	7	317	100.0

Source: HLL research

The largest properties in Wyre include a Travelodge at Lancaster Services (Forton), the Premier Inn at the Roebuck (Bilsborrow), the North Euston (Fleetwood) and Guys Thatched Hamlet (Garstang).

8.2.2 Grading and Breakdown of Serviced Accommodation Stock

Serviced accommodation stock in Wyre is generally serviced by mid-market hotels, Guest Houses and B&B's. Around half the number of properties are ungraded (including properties where we have been unable to establish grading).

Graded hotel stock includes two nationally-branded budget hotels (the Premier Inn Preston North at Bilsborrow and the Travelodge at Forton Services). These are relatively large properties (average of 47 bedrooms per property), equating to approximately 38% of total graded hotel supply or 15% of total room stock.

Figure 8.4: Grading and Breakdown of Serviced Accommodation Stock, Wyre

Grading	No. of Businesses	No. of Bedrooms	No. of Bedspaces
4 Star	-	-	-
3 Star	2	86	201
2 Star	2	10	22
Budget	2	93	218
Sub Total	6	189	441
4 Star GH	5	35	79
3 Star GH	8	81	185
4 Diamond	1	65	150
Sub Total	14	181	414
Ungraded/Not Known	22	205	472
TOTAL	42	575	1,327

Source: HLL research

Just over half of all serviced accommodation businesses in Wyre are ungraded. This is slightly higher than Fylde (45%), but considerably lower than Blackpool (93%).

8.2.3 Serviced Accommodation – Location Analysis

We provide a breakdown of serviced accommodation supply in Wyre in the following table.

Figure 8.5: Supply of Serviced Accommodation, Wyre

Area	No. of Businesses	% of Businesses	No. of Rooms	% of Rooms	No. of Bedspaces	% of Bedspaces
Fleetwood	11	26.2	145	25.2	334	25.2
Cleveleys	6	14.3	94	16.3	219	16.5
Garstang	8	19.0	132	23.0	304	22.9
Other	17	40.5	204	35.5	470	35.4
Total	42	100.0	575	100.0	1,327	100.0

Source: HLL research

The hotel market in Fleetwood would appear to have all but deserted this resort with the notable exception of the North Euston Hotel. The hotel core area is almost completely devoid of hotels (apart from the North Euston, another small hotel and a guest house). There is a small possibility that a hotel might be developed in association with a marina / leisure extension of the Freeport. Much of the accommodation stock in Fleetwood is ungraded.

The serviced accommodation market in Cleveleys is very small, with only a handful of properties operating in the area – equating to 15% of total serviced accommodation stock. Again, the hotel market would appear to have almost completely deserted this area. Properties in the area appear to be of a low quality.

Garstang operates in a different market due to its location away from the coast, proximity to the M6, and ease of access to Preston. The market already appears to be well catered for in terms of hotel supply, with a number of three-star hotels. This would include hotels such as those located along the Garstang Road and those in Forton – including a number of budget properties.

8.2.4 Demand – Serviced Accommodation

Given the high proportion of small hotels, B&B's and guest houses in Wyre we have been unable to obtain any performance data for serviced accommodation establishments operating in Wyre. We have, however, held discussions with a number of the larger hotels to gain a better understanding of the demand characteristics prevailing in the area.

Hotels – The two hotels in Fleetwood (the North Euston and the New Boston hotel) appear to be trading reasonably well. We understand they are achieving circa 60/65% per annum (last year), which is actually below the provincial UK hotel market. We consider that this reflects the overall lack of demand and profile of Fleetwood generally – particularly in view of the limited supply base of hotels in the area. We consider that hotels in Cleveleys also follow this trend.

We have already indicated that hotels in Garstang operate in a different market due their proximity to the M6 and distance from the Coast. Garstang is a small market town, however, with little key demand generators. Hotels therefore tend to rely heavily on transient related demand, including demand / overspill from Preston and Lancaster, as well as Garstang's proximity to the Forest of Bowland AONB and the Ribble Valley.

8.2.5 Wyre Serviced Accommodation Market Summary

Our market research has identified 42 establishments, 575 bedrooms and circa 1,300 bedspaces in Wyre.

With the exception of a number of branded budget hotels, the serviced accommodation market is dominated by mid-market, independently-operated hotels, Guest Houses and B&B's. The number of B&B's in Wyre is proportionally higher than both Blackpool and Fylde.

Demand appears to be strongest at hotels and other serviced accommodation providers in and around the market town of Garstang – including other properties situated in or close proximity to the M6 (Forton). This market appears to be well supplied and sufficiently meets current demand requirements.

The market in Fleetwood and Cleveleys is weak. There is very little in the area which generates sufficient all-year round business for hotels and other serviced accommodation providers. This is a difficult market to operate in and low room rates not only reflect the quality of establishments in the area but low demand.

8.3 Non-Serviced Accommodation

As for Fylde, the more rural nature of Wyre is reflected in the greater number of caravan & holiday parks as a proportion of the total supply of non-serviced accommodation within the Borough.

8.3.1 Caravan Parks

There are considerably more caravan parks within Wyre than in both Fylde and Blackpool combined. Our research has identified a total of 52 caravan parks within the Borough. The vast majority (81%) are classed as holiday parks, whilst the remaining ten offer only residential park homes⁴⁵.

Figure 8.6: Supply of Holiday Camping & Caravan Parks in Wyre

Type of Pitch / Unit	No. of Sites	% of All Sites	No. of Pitches / Units	Av. Pitch / Unit per Site
Tourer / Camping	16	38.1	488	30.5
Static Caravan	31	73.8	3,296	106.3
Timber Lodge	9	21.4	153	17.0
TOTAL	42	100.0	3,937	93.7
<i>Source: HLL research</i>				

As the above table demonstrates, the average park in Wyre is smaller than in either Blackpool or Fylde. There are a number of large static caravan sites within the Borough including the Cala Gran Holiday Park at Fleetwood (the sister park to Marton Mere in Blackpool). In contrast to Blackpool, our research has identified just one Caravan Club Certified Location⁴⁶ – suggesting that the Caravan Club and Camping & Caravanning Club of Great Britain have so far primarily focussed on

⁴⁵ The ten home parks offer a total of 667 residential park homes (as well as a further 64 on sites that also offer holiday caravan accommodation).

⁴⁶ Certified Location – small sites recommended by the Caravan Club

supplying the market to the primary resort in the area as opposed to its more rural hinterlands.

Again there does, however, appear to be a similar issue regarding (lack of) national accreditation / grading. We have been able to confirm national star grading for just six of the 42 parks, with one further site affiliated to the Caravan Club. Nonetheless, this highlights that more than 80% of holiday parks in Wyre have no recognisable quality standard. There is clearly, therefore, an issue with non-accreditation amongst the Borough's caravan parks.

Figure 8.7: Holiday Parks in Wyre by Location

Area	No. of Sites / Parks	% Nationally Accred.	No. of Units / Pitches			Total Units / Pitches
			Tourer / Camping	Static Caravans	Other Holiday Use	
Fleetwood	2	100.0	0	950	0	950
Thornton Cleveleys	3	0.0	94	171	0	265
Poulton-le-Fylde	8	12.5	140	363	0	503
Garstang	9	0.0	105	382	60	547
Preesall*	15	20.0	123	1,243	93	1,459
Other Rural**	5	0.0	26	187	0	213
TOTAL	42	16.7	488	3,296	153	3,937
* Includes Hambleton, Pilling, Knott End and coastal areas north of the River Wyre.						
** Includes all areas east of Poulton and south of Garstang.						
Source: HLL research						

Interestingly, Fleetwood has two of the largest parks in Wyre (Cala Gran HP and Broadwater Holiday Centre). Both of these have some form of national accreditation, unlike the three smaller parks located in Thornton Cleveleys. The largest concentration of holiday parks is in the Preesall area (as defined by HLL), on the northern / eastern banks of the River Wyre and the nearby coast.

The built-up nature of both Fleetwood and Thornton Cleveleys is reflected in the lack of holiday park supply – with the bulk instead being concentrated in more rural areas with more space, and where land is less likely to be at a premium.

8.3.2 Timber Lodges

Our research has identified nine of the 45 parks offer timber lodges to the market. This is a slightly higher proportion than for Fylde. Just four of the nine parks can be classed as 'lodge-only', with no other holiday accommodation on-site. This may indicate that existing holiday parks have begun to diversify their visitor accommodation offer in response to consumer demand for a perceived higher quality of accommodation from the timber lodge sector.

8.3.3 Other Self-Catering Accommodation

Our research has identified 39 self-catering holiday rental properties in Wyre that are still operational. We are aware, anecdotally, that there have been a significant number of closures and conversion to residential (or other) uses over the past decade which have impacted upon the supply of self-catering holiday accommodation in the Borough.

Figure 8.8: Supply of Self-Catering Rented Holiday Property in Wyre

Grading	No. of Units	Total No. of Bedspaces	% of Total Bedspaces
5*	6	38	7.0
4*	20	84	15.4
3*	24	112	20.5
Ungraded/Not Known	100	311	57.1
TOTAL	150	545	100.0

Source: HLL research

As noted above, there has been a fall in the provision of self-catering holiday accommodation in Fleetwood and Cleveleys – in particular – in recent years. The general view from owners & operators is of a market in gradual decline, with reduced booking levels year-on-year. In general, the better quality establishments with high national accreditation appear to be out-performing their non-accredited competitors. This highlights the importance of improving the stock of nationally accredited self-catering property across Wyre.

From a locational perspective, almost half (44%) of businesses are located in Thornton Cleveleys, with Garstang and its surroundings the next most popular location (with more than 20% of such establishments).

Figure 8.9: Holiday Property in Wyre by Location

Location	No. of Properties	% Nationally Accred.	Total No. of Units	Total No. of B/Spaces	Av. B/Spaces per Unit
Thornton Cleveleys	17	23.5	75	239	3.2
Fleetwood	5	0.0	29	93	3.2
Poulton-le-Fylde	1	100.0	4	13	3.3
Garstang	8	62.5	22	106	4.8
Preesall	5	40.0	16	78	4.9
Other Rural	3	33.3	4	16	4.0
TOTAL	39	33.3	150	545	3.6

Source: HLL research

As the above table demonstrates, there is clearly an issue with non-accreditation – particularly in coastal areas such as Cleveleys and Fleetwood. As for Fylde, we understand that many owners of businesses with just a small number of flats / apartments find the cost of national accreditation schemes excessive for their size / value to their business. There is perhaps a lack of understanding of the impacts / benefits of such schemes as well as the availability of funding assistance from local and regional authorities (e.g. Lancashire County Council).

It is reasonable to presume that many of these establishments are overspill for the Blackpool market. This may also help to explain the number of closures over recent years, in tandem with the decline in the number of staying visitors to Blackpool and the surrounding area.

There is an issue, replicated at similar businesses across the Fylde Coast, regarding seasonality for self-catering holiday property in Wyre. Although the core summer months (from May to September) provide relatively healthy occupancy levels, the market does appear to be declining slightly each year – and the volume of enquiries has dropped significantly.

To sustain their businesses, many owners are typically accepting medium to longer-term lets in out-of-season periods. In particular, a significant proportion receive block bookings from caravan owners in January & February (when parks are closed for 4-6 weeks), as well as business bookings from contractors working in the area, or those who have moved to the area but have yet to complete their house purchase.

8.3.4 Wyre Non-Serviced Accommodation Market Summary

The accommodation market in Wyre is dominated by the supply of non-serviced bedspaces (primarily on holiday parks). Using an average of three bedspaces per static unit / touring pitch, this would suggest that Wyre's caravan parks offer in excess of 11,800 bedspaces. This is a considerable number – well in excess of both Blackpool and Fylde.

Just 14% of the borough's parks have a recognisable national grading / accreditation. Outside of Fleetwood (100% accredited) the situation is even more concerning, with just 5% of holiday parks having some form of VisitBritain grading.

Against this supply of caravan units and pitches is the decline in self-catering holiday flats, cottages and apartments over recent decades. The majority of these businesses in Wyre are small in scale (with an average of less than four units per property), and are generally run as a lifestyle choice by older couples approaching retirement and keen to supplement their income. Although there have been a number of closures over recent years, the remaining businesses do appear to be sustaining reasonable levels of occupancy – although several concerns have been raised as to the declining number of visitors and enquiries. This is likely to impact upon the supply of such accommodation in the short to medium term at least.

There is, however, no published occupancy data across the region. The Lancashire & Blackpool Tourist Board has informed us that the North-West Self-Catering Occupancy Survey was set up but quickly abandoned due to a lack of responses.

In terms of static caravan pitches, occupancy is very high. Most well-managed parks operate at close to 100% occupancy when mature. A substantial majority of static caravans are owner-occupied as holiday homes and used not only by their owners, but also by friends & family during the course of the year. Sometimes, they are sub-let more formally.

We are aware that there is concern that some caravans are being used for residential purposes, and that their tourism value is therefore being diluted. We agree that this may be the case in certain instances, and we make recommendations regarding this issue in section 15. However, this factor does not mean that there is insufficient demand for holiday caravans, but rather that the quasi-residential use is attractive to occupiers who are prepared to at least match the price paid by purchasers willing to acquire the caravan strictly for holiday purposes.

It is difficult to identify on the number or proportion of static holiday caravans that are being used residentially. Bona fide park homes which have residential permission have a clearly residential appearance and have been recorded as such in our survey

above. However, static holiday caravans will generally have the same appearance whether used for holiday or residential purposes. So an external inspection can not give a reliable impression of use. Park owners, may be aware that some caravans are being used residentially by owners, and normally will take steps to discourage this. However, they will not tell us whether or what proportion are being used residentially for fear of action from the council.

8.4 Overall Appraisal of the Wyre Accommodation Market

Overall, our research has indicated that there are 123 serviced and non-serviced accommodation businesses in Wyre, offering almost 14,000 bedspaces.

Figure 8.10: Existing Accommodation Supply in Wyre

Accommodation Type	No. of Businesses	No. of Rooms / Units / Pitches	Estimated No. of Bedspaces	% of Total Bedspaces
Hotels	7	317	744	5.4
Guest Houses	10	135	312	2.3
B&B's	25	123	271	2.0
Serviced Sub-Total	42	575	1,327	9.7
Self-Catering	39	150	545	4.0
Holiday Parks	42	3,937	11,811	86.3
Non-Serviced Sub-Total	81	4,087	12,356	90.3
TOTAL SUPPLY*	123	4,662	13,683	100.0
<i>* excluding Pontins</i>				
<i>Source: HLL research</i>				

The accommodation market in Wyre is dominated by the non-serviced sector. Almost two-thirds of businesses and 90% of bedspaces are offered by self-catering or holiday park accommodation – with the latter dominating the market. As for Fylde, this reflects the more rural nature of Wyre compared to Blackpool in particular.

The accommodation market in the main towns of Fleetwood and Thornton Cleveleys appear to have declined significantly over recent years, to the extent that the former is served primarily by just one hotel and two holiday parks. It also appears that there have been a number of former hotels, guest houses and self-catering holiday flats changing into residential use – whether officially or unofficially – further highlighting the weakness of the market in the borough's two main resorts.

9 THE OVERALL FYLDE COAST ACCOMMODATION MARKET

9.1 Introduction

In this section, we summarise our quantitative, qualitative and locational analysis of the visitor accommodation market on the Fylde Coast.

9.2 Serviced Accommodation

There are circa 61,000 serviced accommodation bedspaces across the Fylde Coast – equating to some 1,750 businesses and 27,000 bedrooms. The significant number and proportion of serviced accommodation stock in Blackpool compared to both Fylde and Wyre is clearly illustrated in the following table.

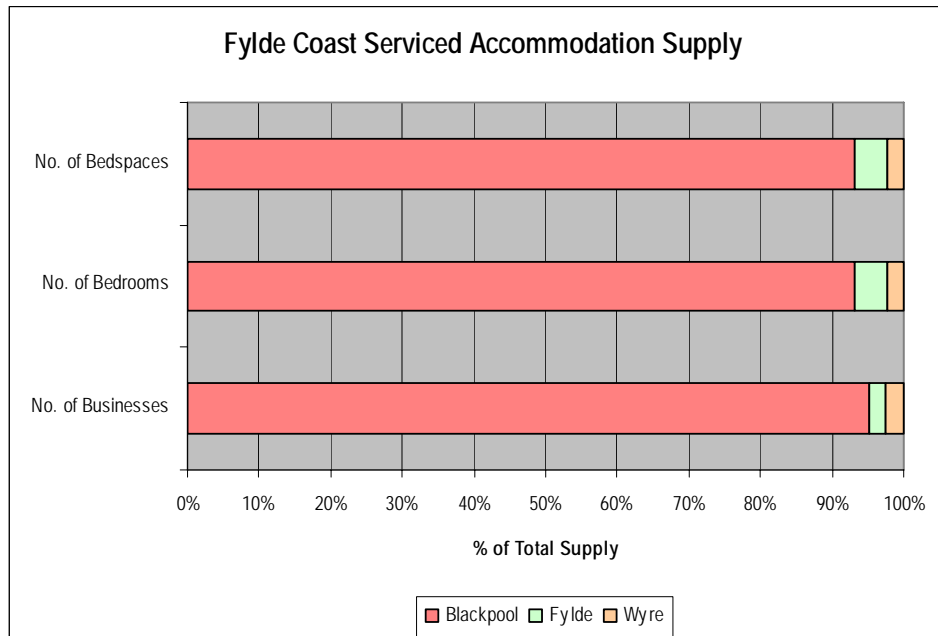
Figure 9.1: Total Serviced Accommodation Stock by Area

Local Authority	No of Businesses	No. of Bedrooms	No. of Bedspaces	% of Bedspaces
Blackpool	1,657	24,992	56,521	92.9
Fylde	47	1,312	2,975	4.9
Wyre	42	575	1,327	2.2
TOTAL	1,746	26,879	60,823	100.

Source: HLL research

Collectively, Fylde and Wyre account for less than 8% of the total number of serviced accommodation bedspaces across the Fylde Coast.

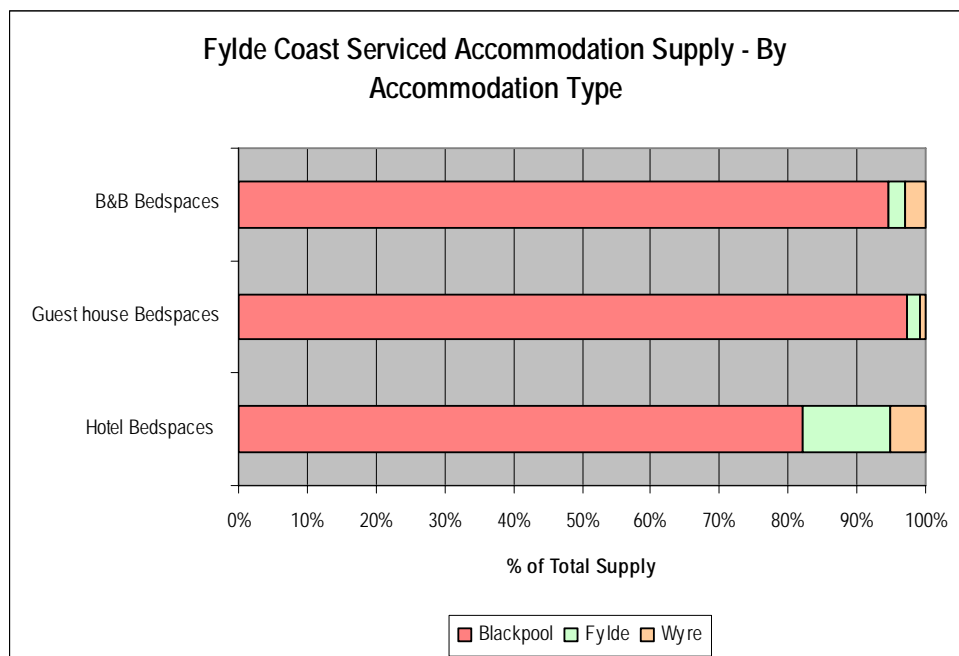
Figure 9.2: Supply of Serviced Accommodation Across the Fylde Coast



Source: HLL research

The serviced accommodation market is dominated by small hotels, guest houses and B&B's. Blackpool accommodates a substantial proportion of this stock – much of which is unaffiliated and is of a poor quality.

Figure 9.3: Total Serviced Accommodation Stock, Fylde Coast



Source: HLL research

Figure 9.4: Serviced Accommodation Bedspaces by Area

Local Authority	No. of Hotel Bedspaces	% of Total Hotel Bedspaces	No. of Guest House Bedspaces	% of Guest House Bedspaces	No of B&B Bedspaces	% of B&B Bedspaces
Blackpool	13,501	82.7	34,114	97.3	8,906	94.4
Fylde	2,074	12.7	648	1.8	252	2.7
Wyre	744	4.6	312	0.9	271	2.9
TOTAL	16,319	100.0	35,074	100.0	9,429	100.0

Source: HLL research

Both Fylde and Wyre have a higher proportion of hotel bedspaces compared to Blackpool. This is particularly applicable in Fylde where there are a number of hotels which have established themselves as some of the finest across the Fylde Coast in terms of quality and product positioning. In general however, it is clear that there are real quality issues amongst serviced accommodation establishments across the Fylde Coast. We consider that this not only illustrates lack of demand, but an oversupply of bedspaces – particularly in Blackpool.

9.3 Non-Serviced Accommodation

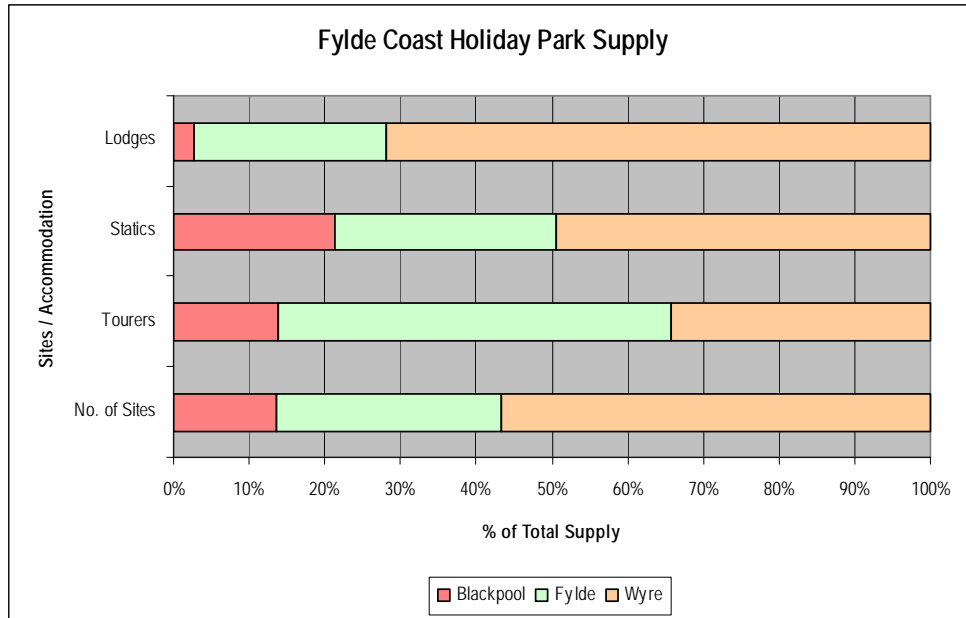
The picture for the non-serviced accommodation market differs greatly across the three Council areas. Blackpool, for example, has a substantial amount of self-catering accommodation in the form of flats and apartments, whilst both Wyre and

Fylde’s greater rural expanse manifests itself in the provision of holiday caravan and camping parks.

9.3.1 Caravan Parks

Wyre has considerably more caravan parks than either Fylde or Blackpool, with more than half (57%) of all identified sites within the Borough’s boundary.

Figure 9.5: Supply of Holiday Camping & Caravan Parks Across the Fylde Coast



Source: HLL research

As shown above, Wyre has a smaller proportion of touring pitches and static units when compared with the total number of sites. This suggests that parks in Wyre are generally smaller in scale than their neighbours in Blackpool or Fylde (with the exception of lodge supply). Moreover, Fylde has proportionally more tourers than other areas of the Fylde Coast, whilst Blackpool has a greater proportion of static caravan units.

There is a limited number of static units within the Fylde Borough Council area. As such demand for these exceeds supply. Therefore, existing touring and camping sites (a more competitive market sector) have sought to upgrade their parks to offer static units to capitalise on this imbalance between the demand and supply of static caravans.

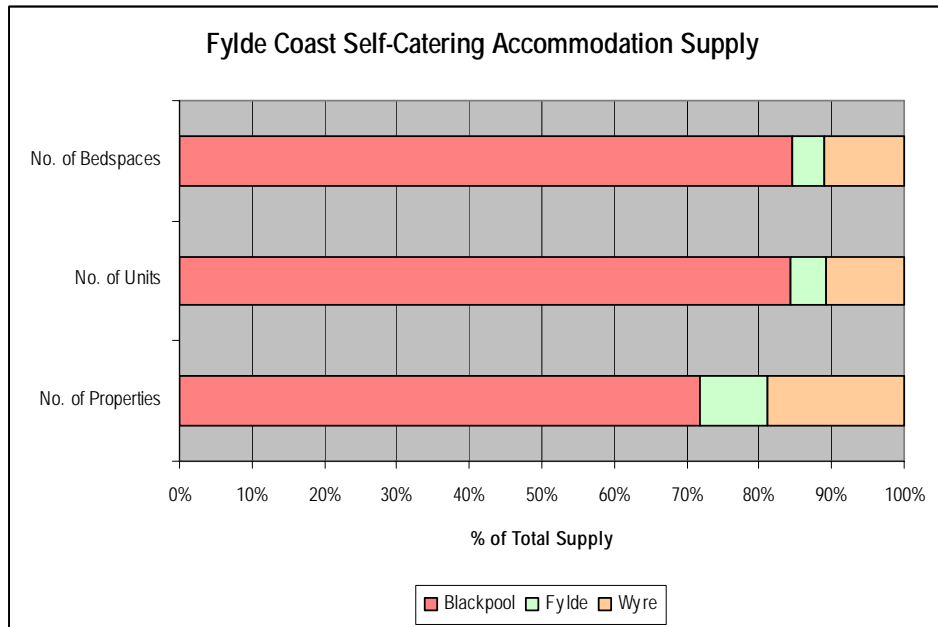
At present, there is little scope for the expansion of existing or development of new caravan parks within the Blackpool Unitary Authority area due mainly to lack of space. There is therefore a need to reinvest in existing sites, and the larger sites such as Marton Mere (Haven) and Newton Hall (Partington Group) have indeed reinvested in recent years – with occupancy increasing as a result.

Overall, using an assumed three bedspaces per unit / pitch, we estimate that there are currently around 25,000 visitor bedspaces available at holiday parks on the Fylde Coast.

9.3.2 Other Self-Catering Accommodation

The supply of self-catering holiday accommodation in the area is dominated by the Blackpool market, with almost 85% of available self-catering units and bedspaces provided by the resort.

Figure 9.6: Supply of Self-Catering Holiday Accommodation Across the Fylde Coast



Source: HLL research

Across the Fylde Coast, less than half (41.5%) of self-catering holiday properties have, or are awaiting, some form of national (i.e. VisitBritain grading) or local (for example, local schemes in Blackpool) quality accreditation. Given the supply dominance of the Blackpool market, this is largely in line with the resort average.

Interestingly, the picture is different across Fylde and Wyre. More than half (52.6%) of holiday property in Fylde is accredited, however, the borough accounts for just 5% of bedspaces in such accommodation along the Fylde Coast. Just one-third of Wyre's self-catering accommodation stock has recognised quality accreditation. This is a particular problem in coastal areas such as Fleetwood and Cleveleys (18% accredited), and may highlight that existing businesses gain a high level of repeat business and therefore do not find VisitBritain grading a cost-effective method of gaining new business.

In general, there is a clear need to drive up the quality of existing accommodation in core areas (particularly the main resorts). HLL estimates that there are currently 4,171 bedspaces available in built self-catering holiday property across the Fylde Coast.

9.3.3 Non-Serviced Accommodation Market Summary

The Fylde Coast currently offers in excess of an estimated 30,000 bedspaces in non-serviced accommodation. The bulk of built holiday property rentals are in Blackpool, whilst Wyre dominates the caravan and holiday parks market.

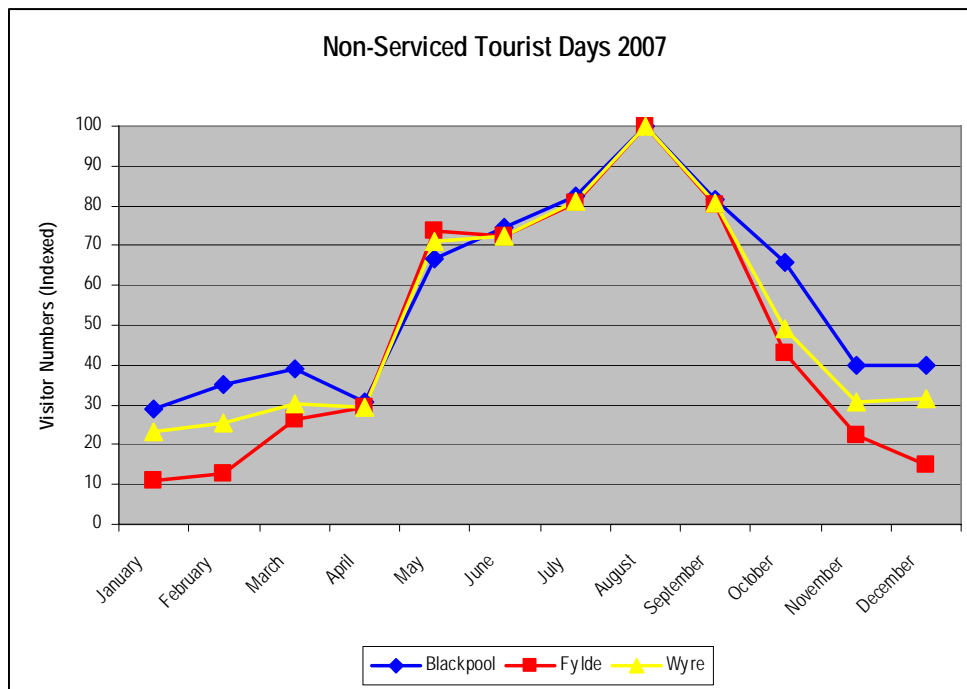
Figure 9.7: Supply of Non-Serviced Holiday Accommodation Across the Fylde Coast

Local Authority	No. of Holiday Park Bedspaces	% of Total Holiday Park Bedspaces	No. of Self-Catering Bedspaces	% of Self-Catering Bedspaces	Total Non-Serviced Bedspaces	% of Total Non-Serviced Bedspaces
Blackpool	4,890	19.7	4,194	84.7	9,084	30.4
Fylde	8,196	32.9	214	4.3	8,410	28.2
Wyre	11,811	47.4	545	11.0	12,356	41.4
TOTAL	24,897	100.0	4,953	100.0	29,850	100.0

Source: HLL research

Whilst both Fylde and Wyre offer more non-serviced accommodation bedspaces than Blackpool, these are primarily supplied within the caravan parks sector. The holiday parks industry is generally more seasonal than that for self-catering holiday property, with many parks only opening from Easter to October each year. This is reflected in the graph below, which highlights that there is a greater degree of seasonality amongst non-serviced accommodation in Fylde & Wyre than in Blackpool.

Figure 9.8: Seasonality of Visitors Using Non-Serviced Accommodation



Source: Lancashire & Blackpool Tourist Board

Although there are some, more seasonal, differences across the three areas, the above does highlight that the peak season for non-serviced accommodation in Fylde & Wyre runs from May to September, whilst Blackpool's season is extended into October due to the Illuminations and the families market (October half-term week).

Whilst non-serviced accommodation will generally always be a more seasonal enterprise than their serviced counterparts (due primarily to a lack of corporate

demand for self-catering / caravan accommodation), there is clearly a need to reduce the number of non-serviced bedspaces on offer across the Fylde Coast.

9.4 Overall Appraisal of the Area's Accommodation Offer

Our research has indicated that there are more than 2,000 serviced and non-serviced accommodation business across the Fylde Coast, offering more than 90,000 bedspaces to the market.

Figure 9.9: Existing Accommodation Supply on Fylde Coast

Accommodation Type	No. of Businesses	No. of Rooms / Units / Pitches	Estimated No. of Bedspaces	% of Total Bedspaces
Hotels	130	7,990	16,319	18.0
Guest Houses	1,105	15,083	35,075	38.7
B&B's	511	3,806	9,429	10.4
Serviced Sub-Total	1,746	26,879	60,823	67.0
Self-Catering	206	1,392	4,953	5.5
Built Accommodation Sub-Total	1,952	28,271	65,776	72.5
Holiday Parks	74	8,299	24,897	27.5
TOTAL SUPPLY	2,026	36,570	90,673	100.0
<i>Source: HLL research</i>				

Just over two-thirds of all accommodation bedspaces on the Fylde Coast are in the serviced sector. This is skewed somewhat by the considerable (and excessive) supply in Blackpool. The resort accounts for 93% of all serviced bedspaces across the three Council areas.

10 BENCHMARKING

10.1 Introduction

In this section, we consider the Fylde Coast's overall accommodation offer to comparable seaside resort areas around the UK that may have experienced similar issues in terms of declining visitor numbers and the need for resort regeneration.

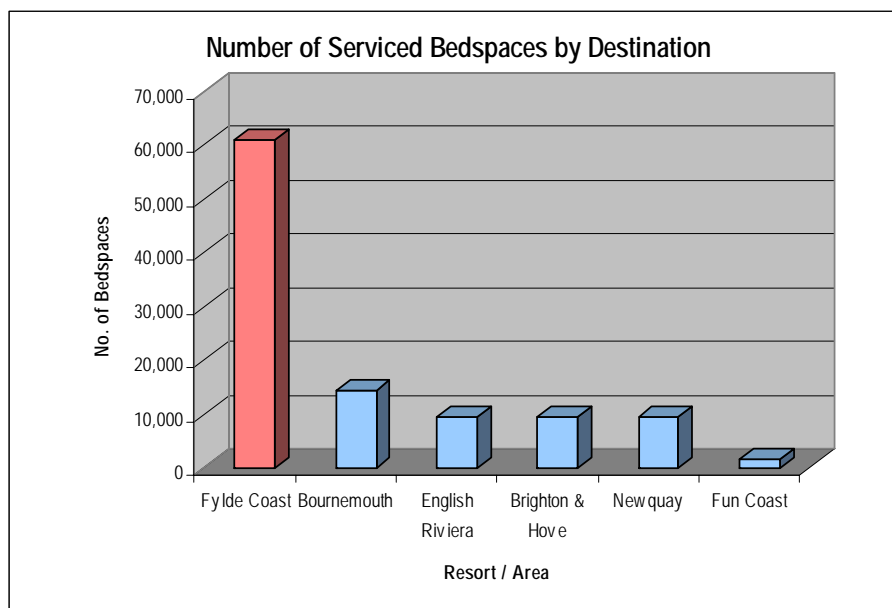
Each resort is unique in its physical attributes, history, past and current tourism markets. Nevertheless, we can make some interesting comparisons based on resort population size and economy which can give an approximate indication of the likely size of any corporate or VFR markets, and staying visitor numbers, which represents the leisure market. We have selected a number of other coastal areas around the UK that play a similar role (in the context of tourism being the dominant economic force): the English Riviera (covering Torquay, Paignton and Brixham), Restormel (Newquay), the Fun Coast (Skegness and Mablethorpe), and Brighton & Hove (as an established conference destination).

10.2 Serviced Accommodation

The Fylde Coast (primarily centred on Blackpool itself), has the largest concentration of serviced accommodation bedspaces of any coastal destination in the UK. With the exception of London, this could also reasonably be applied to conference destinations. The Fylde Coast, for example, has around four times as many serviced bedrooms as Bournemouth.⁴⁷

HLL estimates that there are currently 60,823 serviced bedspaces in the Fylde Coast. Comparable resort areas such as the English Riviera have less than 10,000, whilst Bournemouth has less than 15,000 (less than one-quarter of stock in the Fylde Coast).

Figure 10.1: Number of Serviced Bedspaces by Destination



Source: HLL research

⁴⁷ HLL research (between end of 2006 and May 2007)

In addition, there is a clear issue regarding non-accreditation in the sub-region. Our estimates suggest that less than 9% of serviced accommodation enterprises in the Fylde Coast have local or national accreditation (albeit this is primarily due to a lack of accreditation in Blackpool – both Fylde and Wyre have more than 40% of stock accredited). This is considerably below the average in other established resort areas, and highlights that there are considerable problems on the Fylde Coast with an extremely large number of serviced accommodation businesses with no grading or quality checks serving primarily the Blackpool market.

Figure 10.2: Serviced Bedspaces by Destination

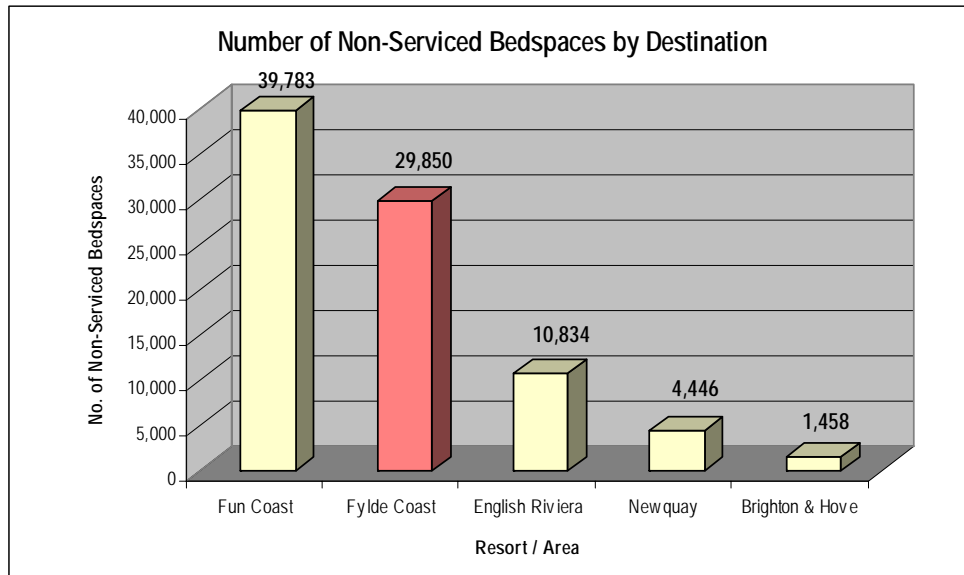
Area	No. of Businesses	No. of Rooms	No. of Bedspaces	% Businesses Accredited
Fylde Coast	1,746	26,879	60,823	8.8
English Riviera	213	4,747	9,494	89.2
Brighton & Hove	164	4,718	9,436	77.4
Newquay	233	4,698	9,396	N/K
Fun Coast	60	782	1,564	40.0

Source: HLL research

10.3 Non-Serviced Accommodation

In terms of non-serviced visitor accommodation, the Fylde Coast has one of the largest concentrations of bedspaces in the UK. HLL estimates that there are 29,850 non-serviced bedspaces in the Fylde Coast (excluding Pontins), almost three times as many as on offer in the English Riviera, and more than six times the offer in Newquay.

Figure 10.3: Number of Non-Serviced Bedspaces by Destination



Source: HLL research

As shown above, Skegness and Mablethorpe (the Fun Coast) do offer more non-serviced bedspaces (primarily through the provision of caravan units / touring

itches). However, as shown in section 10.2, the Fun Coast offers just 1,500 serviced bedspaces.

If we look purely at the self-catering holiday property sector, then the Fylde Coast (and Blackpool in particular) has a far greater number of bedspaces than comparable resort areas, again suggesting that there is a considerable over-supply of such accommodation in the area.

Figure 10.4: Self-Catering Bedspaces by Destination

Area	No. of Units	No. of Bedspaces	% Accredited
Fylde Coast	1,392	4,953	59.0
English Riviera	729	2,624	89.8
Brighton & Hove	230	948	96.5
Fun Coast	224	806	22.9
Newquay	177	637	81.8

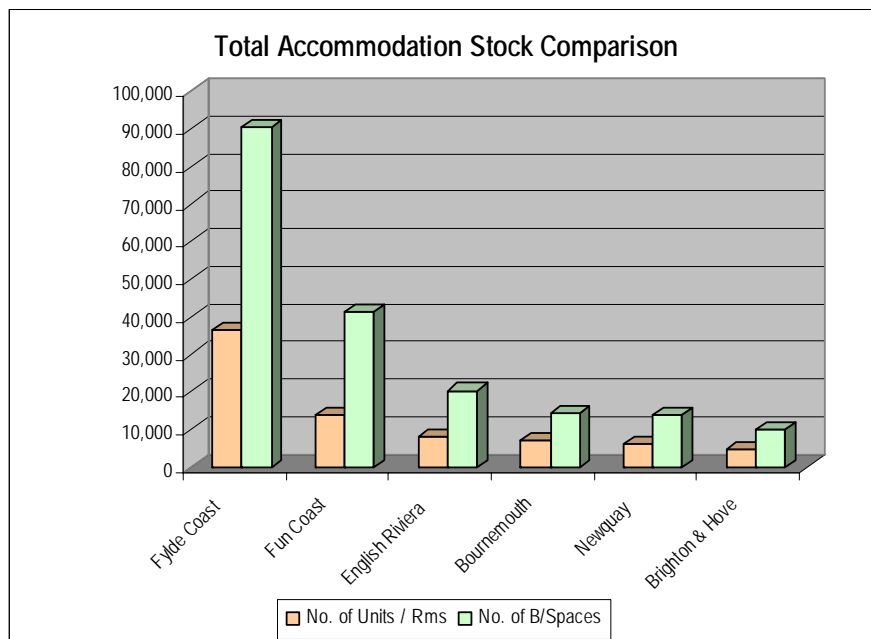
Source: HLL research

Furthermore, with the exception of Skegness and Mablethorpe, the Fylde Coast has a far lower level of quality accreditation than comparable resorts (especially when one considers that the figure above includes Blackpool's own 'Quality' status). There is clearly therefore a need to improve the quality of self-catering accommodation on the Fylde Coast to compete with regenerated resorts such as Torbay, Brighton & Hove and Newquay.

10.4 Benchmarking Summary

The Fylde Coast has considerably more bedspaces than any comparable area in the UK, across serviced and non-serviced accommodation combined.

Figure 10.5: Total Accommodation Offer by Resort



Source: HLL research

Although the Fylde Coast does attract a greater number of staying visitors than any of these comparable areas, there are still fewer visitors per bedspace than any of the other destinations.

Figure 10.6: Staying Visitors per Bedspace

Area	No. of Staying Visitors (2006)	No. of Bedspaces	Staying Visitors per Bedspace
Fun Coast	1,765,000	41,196	42.8
Fylde Coast	4,280,000	90,673	47.2
English Riviera	1,099,600	19,837	55.4
Bournemouth	1,040,000	14,470	71.9
Newquay	1,213,000	13,723	88.4
Brighton & Hove	1,400,000	9,946	140.8
<i>Av. (excl Fylde Coast)</i>	<i>1,303,520</i>	<i>19,834</i>	<i>65.7</i>
<i>Source: HLL research</i>			

The evidence highlights that there is an over-supply of accommodation on the Fylde Coast – much of it un-accredited and of varying degrees of quality. Such excess supply means that there will be increased price competition, rendering many smaller businesses operating on low margins unviable. The falling number of staying visitors in recent years has, therefore, contributed to the issue in Blackpool of accommodation businesses being used permanently as residential property.

11 CURRENT NEED FOR VISITOR ACCOMMODATION

11.1 Introduction

Having provided a detailed analysis of the current levels of demand for – and supply of – visitor accommodation and benchmarked the Fylde Coast against comparable coastal resort areas, we will now provide our considered estimates of the current need for visitor accommodation on the Fylde Coast.

We consider it important, firstly, to provide an analysis of the number of establishments currently operating across the Fylde Coast and whether, or not, this supply meets or exceeds current demand requirements. In order to quantify this we have made reference to our estimates of accommodation stock (as shown in previous sections) and the historic and current demand trends prevailing in the area. We provide an analysis of the current situation, by accommodation type, for Blackpool, Fylde and Wyre below.

11.2 Blackpool

11.2.1 Serviced Accommodation

Based on our market research, we consider it important to ascertain the likely levels of occupancy levels being achieved by serviced accommodation establishments, by type and size of property.

It is extremely difficult to make any certain prediction as to the actual occupancy performance data of establishments. However, using our professional judgement and with reference to our discussions with various operators in Blackpool, we provide estimates of occupancy for 2007 in the table below.

Figure 11.1: Estimates of Occupancy for Serviced Accommodation in Blackpool 2007

Category (By Room Size)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Hotels				
200+ rooms	3	68%	70%	72%
150 to 199 rooms	5	68%	70%	72%
100 to 149 rooms	8	60%	63%	65%
50 to 99 rooms	31	40%	45%	50%
30 to 49 rooms	61	35%	38%	40%
Guest Houses (10 to 29 rooms)	1,080	29%	33%	37%
B&B's Up to 9 rooms	469	26%	31%	35%
Total	1,657			
¹ Average of Low and High Base Scenario				
Source: HLL estimates				

We have estimated that the serviced accommodation market in Blackpool is achieving between 30% and 38% (an average of 34%). This compares to the UK

average of 62% for the same year.⁴⁸ This indicates that Blackpool, overall, is performing well below the national average. It is important to note, however, that the sample for Blackpool is heavily skewed by guest houses and B&B's. It also compares to 46% which was recorded in the Holiday Accommodation Study (July 2007), and anecdotal evidence which suggest some B&B's are operating as low as 25%.

We now quantify the number of serviced accommodation establishments which could satisfy the existing levels of demand and for occupancy performance to fall more in line with national average room occupancies, by type of property. We consider it appropriate to provide low, medium and high case scenarios.

Figure 11.2: Estimates of Serviced Accommodation: Assuming High Occupancy Estimates

	Occupancy		Variance ² Blackpool Serviced Accommodation Stock		
	National Average	Blackpool ¹	Businesses	Bedrooms	Bedspaces
Hotels					
200+ rooms	70% ³	72%	0	+8	+15
150 to 199 rooms	70% ³	72%	0	+9	+14
100 to 149 rooms	70% ³	65%	(1)	(29)	(57)
50 to 99 rooms	67% ⁴	50%	(8)	(229)	(523)
30 to 49 rooms	67% ⁴	40%	(25)	(442)	(1,039)
Guest Houses (10 to 29 rooms)	50% ⁴	37%	(281)	(3,571)	(8,306)
B&B's Up to 9 rooms	44% ⁴	35%	(96)	(1,692)	(3,700)
Total		38%	(410)	(5,946)	(13,596)
¹ Based on HLL estimates					
² Variance in Blackpool's Serviced Accommodation Stock in order to meet national occupancy levels					
³ TRI Hotel HotStats					
⁴ Visit Britain					
Source: HLL estimates					

If, therefore, demand stays the same (assuming our high occupancy projections), this suggests that Blackpool could shed more than 13,500 bedspaces or almost 6,000 bedrooms, equating to approximately 410 establishments. This analysis indicates the minimum number of establishments which should potentially be removed.

The following table assumes the same rationale, although we have applied our low or worst case position. This suggests that Blackpool could shed around 23,000 bedspaces, 10,000 bedrooms or 700 businesses for remaining establishments to achieve occupancy levels in line with the national average (assuming demand stays the same).

⁴⁸ UK Occupancy Survey Serviced Accommodation Summary Report 2007

Figure 11.3: Estimates of Serviced Accommodation: Assuming Lower Occupancy Estimates

	Occupancy		Variance ² Blackpool Serviced Accommodation Stock		
	National Average	Blackpool ¹	Businesses	Bedrooms	Bedspaces
Hotels					
200+ rooms	70% ³	68%	0	(8)	(15)
150 to 199 rooms	70% ³	68%	0	(9)	(14)
100 to 149 rooms	70% ³	60%	(1)	(58)	(115)
50 to 99 rooms	67% ⁴	40%	(12)	(364)	(830)
30 to 49 rooms	67% ⁴	35%	(29)	(523)	(1,232)
Guest Houses (10 to 29 rooms)	50% ⁴	29%	(454)	(5,769)	(13,417)
B&B's Up to 9 rooms	44% ⁴	26%	(192)	(3,383)	(7,400)
Total		30%	(688)	(10,115)	(23,024)
¹ Based on HLL estimates					
² Variance in Blackpool's Serviced Accommodation Stock in order to meet national occupancy levels					
³ TRI Hotel HotStats					
⁴ Visit Britain					
Source: HLL estimates					

Combining our low and high estimates of occupancy for Blackpool's serviced accommodation stock, we provide the average or medium scenario as follows. This indicates that, on average, Blackpool has excess stock of more than 18,000 bedspaces and 8,000 bedrooms – equating to around 500 establishments at current demand levels.

Figure 11.4: Estimates of Serviced Accommodation: Assuming Medium/Average Occupancy Estimates

	Occupancy		Variance ²		
	National Average	Blackpool ¹	Blackpool Serviced Accommodation Stock		
			Businesses	Bedrooms	Bedspaces
Hotels					
200+ rooms	70% ³	70%	0	0	0
150 to 199 rooms	70% ³	70%	0	0	0
100 to 149 rooms	70% ³	63%	(1)	(44)	(86)
50 to 99 rooms	67% ⁴	45%	(10)	(297)	(676)
30 to 49 rooms	67% ⁴	38%	(27)	(483)	(1,136)
Guest Houses (10 to 29 rooms)	50% ⁴	33%	(367)	(4,671)	(10,862)
B&B's Up to 9 rooms	44% ⁴	31%	(98)	(2,537)	(5,550)
Total		34%	(503)	(8,031)	(18,310)
¹ Based on HLL estimates					
² Variance in Blackpool's Serviced Accommodation Stock in order to meet national occupancy levels					
³ TRI Hotel HotStats					
⁴ Visit Britain					
Source: HLL estimates					

In the following table we quantify Blackpool's current stock (2008) and compare this to the level of stock which we consider would satisfy current levels of demand in Blackpool – based on our medium case scenario.

Figure 11.5: Summary of Blackpool's Serviced Accommodation – Current (2008) and Required Provision to Meet National Room Occupancies

	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rooms	No. of Beds	No. of Businesses	No. of Rooms	No. of Beds
Hotels						
200+ rooms	3	267	540	3	267	540
150 to 199 rooms	5	310	502	5	310	502
100 to 149 rooms	8	408	805	7	364	719
50 to 99 rooms	31	903	2,060	21	606	1,384
30 to 49 rooms	61	1,096	2,579	34	613	1,443
Sub-Total	108	2,984	6,486	70	2,160	4,588
Guest Houses	1,080	13,738	31,945	713	9,067	21,083
B&B's	469	8,270	18,090	371	5,733	12,540
Total	1,657	24,992	56,521	1,154	16,961	38,211
Source: HLL estimates						

11.2.2 Self-Catering

As for serviced accommodation, it is extremely difficult to make any certain prediction as to the actual occupancy and performance data of specific establishments. In the case of non-serviced accommodation, there are currently no regional or national self-catering occupancy surveys. However, using our professional judgement, and with reference to our discussions with various operators in the area, we provide our estimates of occupancy for 2007 below.

Figure 11.6: Estimates of Occupancy for Self-Catering Accommodation in Blackpool 2007

Category (By Grading)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
5*	1	65%	70%	75%
4 – 5*	1	62.5%	66%	70%
4*	1	60%	63%	65%
3 – 5*	1	58%	60%	62%
3*	5	52%	54%	56%
2 – 3*	4	52%	54%	56%
2*	4	50%	53%	55%
1*	1	30%	35%	40%
Quality	32	46%	50%	53%
Ungraded / Not Known / Not Contactable	98	28%	34%	40%
Total	148			
<i>¹Average of Low and High Base Scenarios</i>				
<i>Source: HLL estimates</i>				

We estimate that the self-catering accommodation market in Blackpool is achieving occupancy rates (per flat / unit) of between 38% and 47% (averaging 42%). This compares to an assumed UK-wide average of 60%. This indicates that Blackpool, overall, is performing well below the national average – reflecting the high proportion of unaccredited stock locally. This 42% average is also broadly in line with the 46% recorded in the 2007 Holiday Accommodation Study – which included serviced accommodation.

We quantify the number of self-catering establishments necessary to satisfy the existing levels of demand identified in Blackpool. As for serviced accommodation, we have provided low, medium and high-case scenarios.

Figure 11.7: Estimates of Self-Catering Accommodation: Assuming High Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Blackpool Self-Catering Accommodation Stock		
	National Average	Blackpool ¹	Businesses	Units / Flats	Bedspaces
5*	60%	75%	0	+2	+8
4 – 5*	60%	70%	0	+1	+5
4*	60%	65%	0	0	+1
3 – 5*	60%	62%	0	0	+2
3*	60%	56%	0	(2)	(7)
2 – 3*	60%	56%	0	(6)	(21)
2*	60%	55%	0	(3)	(11)
1*	60%	40%	0	(4)	(13)
Quality	60%	53%	(4)	(34)	(122)
Not Known, etc	60%	40%	(33)	(232)	(810)
Total	60%	47%	(37)	(277)	(969)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Blackpool's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

If demand for self-catering accommodation stays the same, this therefore suggests that Blackpool could shed almost 970 bedspaces or 280 units, equating to around 37 businesses. This is based on our 47% occupancy projection and, therefore, indicates the minimum number of establishments which should potentially be removed.

The table below assumes the same rationale, although we have applied an occupancy average of 38% - which we consider to be a worst / low case scenario. This estimates that Blackpool could shed around 1,600 self-catering bedspaces, 460 units or 62 businesses to achieve occupancy levels in line with the national average.

Figure 11.8: Estimates of Self-Catering Accommodation: Assuming Low Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Blackpool Self-Catering Accommodation Stock		
	National Average	Blackpool ¹	Businesses	Units / Flats	Bedspaces
5*	60%	65%	0	+1	+3
4 – 5*	60%	62.5%	0	0	+1
4*	60%	60%	0	0	0
3 – 5*	60%	58%	0	0	(2)
3*	60%	52%	(1)	(4)	(14)
2 – 3*	60%	52%	(1)	(11)	(43)
2*	60%	50%	(1)	(5)	(22)
1*	60%	30%	(1)	(6)	(20)
Quality	60%	46%	(7)	(68)	(244)
Not Known, etc	60%	28%	(52)	(372)	(1,295)
Total	60%	42%	(62)	(466)	(1,636)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Blackpool's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

Combining our low and high estimates of occupancy for Blackpool's non-serviced accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Blackpool has excess stock of around 1,300 bedspaces, 370 units / flats or 50 self-catering accommodation businesses.

Figure 11.9: Estimates of Self-Catering Accommodation: Assuming Medium Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Blackpool Self-Catering Accommodation Stock		
	National Average	Blackpool ¹	Businesses	Units / Flats	Bedspaces
5*	60%	70%	0	+1	+5
4 – 5*	60%	66%	0	+1	+3
4*	60%	63%	0	0	+1
3 – 5*	60%	60%	0	0	0
3*	60%	54%	(1)	(3)	(10)
2 – 3*	60%	54%	0	(9)	(32)
2*	60%	53%	(1)	(4)	(16)
1*	60%	35%	0	(5)	(17)
Quality	60%	50%	(6)	(51)	(183)
Not Known, etc	60%	34%	(42)	(302)	(1,053)
Total	60%	42%	(50)	(371)	(1,302)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Blackpool's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

The table below shows the current stock of self-catering accommodation in Blackpool in comparison to the level of stock that we consider would satisfy current levels of demand in Blackpool – based on our medium case scenario.

Figure 11.10: Summary of Blackpool's Self-Catering Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Units	No. of Beds	No. of Businesses	No. of Units	No. of Beds
5*	1	7	32	1	8	37
4 – 5*	1	6	28	1	7	31
4*	1	3	12	1	3	13
3 – 5*	1	13	51	1	13	51
3*	5	29	104	5	26	94
2 – 3*	4	85	322	4	77	290
2*	4	32	131	4	28	115
1*	1	12	40	1	7	23
Quality	32	291	1,045	26	240	862
Not Known, etc	98	697	2,429	56	395	1,376
Total	148	1,175	4,194	98	804	2,892
<i>Source: HLL estimates</i>						

11.2.3 Caravan & Holiday Parks

Similarly to self-catering holiday property, it is extremely difficult to make any certain prediction as to the actual occupancy and performance data of specific establishments. As in the case of non-serviced accommodation, there are currently no regional or national occupancy surveys for the caravan and holiday parks sector. However, using our professional judgement, and with reference to our discussions with various operators in the area, we provide our estimates of occupancy for 2007 below.

Figure 11.11: Estimates of Occupancy for Caravan & Holiday Parks in Blackpool 2007

Category (By Type of Pitch)	No. of Parks	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Tourer	8	24%	29%	34%
Static Caravan Unit	3	45%	50%	55%
Timber Holiday Lodge	1	50%	55%	59%
Total	10			
<i>¹Average of Low and High Base Scenarios</i>				
<i>Source: HLL estimates</i>				

We estimate that the overall holiday parks sector in Blackpool is achieving occupancy rates for tourers of between 24% and 34% on a year-round basis, set against a national average of 30%⁴⁹, and (in respect of hire fleet caravans) of

⁴⁹ The occupancy levels for tourers are based on year-round opening. In practice, this is unlikely to be the case as much of the demand is heavily weather-dependent, with some sites operating at close to 100% occupancy for just a couple of months (usually summer) each year.

between 46% and 55% (averaging 50%). This compares to an assumed UK-wide average for statics of 50%. It is important to note that we have assumed that approximately 20% of static caravans in Blackpool are used as hire fleet (i.e. rental only), with the remainder being owner-occupied. It is very difficult to establish occupancy for owner-occupied holiday static caravans, as they will be used not only by the owners, but by their friends & family. This analysis therefore deals with the static caravan hire fleet only, as we consider that owner-occupied holiday caravans will generally be full from a market perspective.

We quantify the number of caravan pitches / units necessary to satisfy the existing levels of demand identified in Blackpool. As before, we have provided low, medium and high-case scenarios.

Figure 11.12: Estimates of Caravan Park Accommodation: Assuming High Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Blackpool Holiday Park Accommodation Stock		
	National Average	Blackpool ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	34%	1	26	79
Static Caravan	50%	55%	0	29	86
Timber Lodge	60%	59%	0	0	0
Total			1	55	164
<i>¹Based on HLL estimates</i>					
<i>²Variance in Blackpool's Caravan Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

If demand for holiday parks stays the same, this therefore suggests that Blackpool would require more than 50 additional units / pitches (it is likely, however, that the number of pitches will reduce naturally as the size of units increase and density reduces – thereby leading to a greater need than stated above). Nevertheless, this suggests that holiday park pitch supply in Blackpool is (very) broadly in line with existing levels of demand.

The table below assumes the same rationale, although we have applied lower occupancy levels - which we consider to be a worst / low case scenario. This estimates that Blackpool could shed around 70 pitches to achieve occupancy levels in line with the national average, although a reasonable proportion of this will be accounted for by natural wastage as unit size increases and density reduces accordingly.

Figure 11.13: Estimates of Caravan Park Accommodation: Assuming Low Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Blackpool Holiday Park Accommodation Stock		
	National Average	Blackpool ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	24%	(2)	(40)	(119)
Static Caravan	50%	45%	0	(29)	(86)
Timber Lodge	60%	50%	0	(1)	(3)
Total			(2)	(69)	(207)
¹ Based on HLL estimates					
² Variance in Blackpool's Caravan Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

Combining our low and high estimates of occupancy for Blackpool's holiday park accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Blackpool has excess stock of around 7 pitches / units.

Figure 11.14: Estimates of Caravan Park Accommodation: Assuming Medium Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Blackpool Holiday Park Accommodation Stock		
	National Average	Blackpool ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	29%	0	(7)	(20)
Static Caravan	60%	50%	0	0	0
Timber Lodge	60%	55%	0	(1)	(2)
Total			0	(7)	(21)
¹ Based on HLL estimates					
² Variance in Blackpool's Caravan Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

The table below shows the current stock of holiday park accommodation in Blackpool in comparison to the level of stock that we consider would satisfy current levels of demand in Blackpool – based on our medium case scenario.

Figure 11.15: Summary of Blackpool's Caravan Park Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Units	No. of Beds	No. of Businesses	No. of Units	No. of Beds
Tourers	8	198	594	8	191	574
Static Caravan	3	1,426	4,278	3	1,426	4,278
Timber Lodge	1	6	18	1	5	16
Total	10	1,630	4,890	10	1,622	4,868
Source: HLL estimates						

11.2.4 Overall Blackpool Summary

Overall therefore, our research and estimates suggest that Blackpool's accommodation market is currently over-supplied by 554 businesses, equating to almost 8,500 rooms / units / pitches and 20,000 bedspaces.

Figure 11.16: Summary of Blackpool's Accommodation Market – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

Type of Accom.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	1,657	24,992	56,521	1,154	16,961	38,211
Self-Catering	148	1,175	4,194	98	804	2,892
Holiday Parks	10	1,630	4,890	10	1,622	4,868
TOTAL	1,816	27,797	65,605	1,262	19,387	45,971
<i>Source: HLL estimates</i>						

11.3 Fylde

11.3.1 Serviced Accommodation

Based on our market research, we estimate the likely levels of occupancy levels being achieved by serviced accommodation establishments, by type and size of property, in Fylde.

Figure 11.17: Estimates of Occupancy for Serviced Accommodation in Fylde 2007

Category (By Room Size)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Hotels				
100 to 149 rooms	1	65%	68%	70%
50 to 99 rooms	9	60%	65%	70%
30 to 49 rooms	5	70%	78%	85%
Guest Houses²				
15 to 29 rooms	10	60% to 65%	67%	70% to 72%
10 to 14 rooms	5	45%	48%	50%
Sub Total	15	-		
B&B's				
Up to 9 rooms	17	37%	41%	44%
Total	47	60%	64%	69%
¹ Average of Low and High Base Scenario				
² Includes hotels.				
<i>Source: HLL estimates</i>				

We now quantify the number of serviced accommodation establishments which could satisfy the existing levels of demand if occupancy was to fall more in line with national room occupancies, by type and size of property. We have used the same rationale as carried out for Blackpool using low, medium and high case scenarios.

Given the small nature of the serviced accommodation market in Fylde compared to Blackpool, we consider it only necessary to illustrate the estimated stock assuming the medium case scenario.

Figure 11.18: Estimates of Serviced Accommodation: Assuming Medium/Average Occupancy Estimates, Fylde

	Occupancy		Variance ²		
	National Average	Fylde ¹	Fylde Serviced Accommodation Stock		
			Businesses	Bedrooms	Bedspaces
Hotels					
100 to 149 rooms	70% ³	68%	0	(4)	(9)
50 to 99 rooms	67% ⁴	65%	0	(18)	(40)
30 to 49 rooms	67% ⁴	78%	+1	+31	+74
Guest Houses					
15 to 29 rooms	67% ⁴ & ⁵	67%	0	(3)	(5)
10 to 14 rooms	50% ⁴	48%	0	(1)	(3)
B&B's					
Up to 9 rooms	44% ⁴	41%	(2)	(10)	(23)
Total		64%	(1)	(5)	(6)
¹ Based on HLL estimates					
² Variance in Blackpool's Serviced Accommodation Stock in order to meet national occupancy levels					
³ TRI Hotel HotStats					
⁴ Visit Britain					
⁵ Used hotel performance statistics as primarily includes upmarket Guest Houses/small hotels					
Source: HLL estimates					

Our analysis has indicated that, overall, Fylde's serviced accommodation stock accurately satisfies demand levels currently prevailing in the area. Our medium case scenario indicated only a loss of just one establishment – concentrated within the small B&B and guest house sector.

It is important to note that whilst this analysis suggests existing supply meets current demand requirements, the results may be slightly skewed by the better performing properties. We have already indicated that the market in Fylde appears to be most intense in the mid-market three-star hotel sector – particularly hotels which fall within the 50-99 bedroom hotel category. Whilst they appear to be achieving relatively robust levels of occupancy, they are achieving room rates well below the national average – largely as a result of an increasing reliance on the low rated coach tour business and drop in demand across other market segments. This should therefore be taken into consideration in addressing future planning policy.

In the following table we quantify Fylde's current stock (2008) and compare this to the level of stock which we consider would satisfy current levels of demand in Fylde – based on our medium case scenario.

Figure 11.19: Summary of Fylde's Serviced Accommodation – Current (2008) and Required Provision to Meet National Room Occupancies

	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rooms	No. of Beds	No. of Businesses	No. of Rooms	No. of Beds
Hotels						
100 to 149 rooms	1	125	247	1	121	238
50 to 99 rooms	9	594	1,355	9	576	1,315
30 to 49 rooms	5	200	471	6	231	544
Sub-Total	15	919	2,073	16	928	2,097
Guest Houses¹	15	262	614	13	258	607
B&B's	17	131	287	17	121	264
Total	47	1,312	2,975	46	1,307	2,967
¹ Includes small hotels						
Source: HLL estimates						

11.3.2 Self-Catering Accommodation

Based on our research, we estimate the likely levels of occupancy being achieved by self-catering businesses in Fylde, by quality grading / accreditation.

Figure 11.20: Estimates of Occupancy for Self-Catering Accommodation in Fylde 2007

Category (By Grading)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
4*	3	66%	70%	73%
3*	6	60%	64%	67%
Awaiting Grading	1	50%	54%	58%
Not Known	9	35%	43%	51%
Total	19			
¹ Average of Low and High Base Scenarios				
Source: HLL estimates				

We estimate that the self-catering accommodation market in Fylde is achieving occupancy rates (per flat / unit) of between 51% and 61% (averaging 56%). This compares to an assumed UK-wide average of 60%. This indicates that Fylde is performing slightly below the national average.

We quantify the number of self-catering establishments necessary to satisfy the existing levels of demand identified in Fylde. As for serviced accommodation, we have provided low, medium and high-case scenarios.

Figure 11.21: Estimates of Self-Catering Accommodation: Assuming High Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Fylde Self-Catering Accommodation Stock		
	National Average	Fylde ¹	Businesses	Units / Flats	Bedspaces
4*	60%	73%	+1	+2	+9
3*	60%	67%	+1	+4	+9
Awaiting Grading	60%	58%	0	0	0
Not Known	60%	51%	(1)	(4)	(14)
Total	60%	61%	0	+2	+3
¹ Based on HLL estimates					
² Variance in Fylde's Self-Catering Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

If demand for self-catering accommodation stays the same, this therefore suggests that Fylde could require an additional 3 bedspaces or 2 units. This is based on our 61% occupancy projection.

The table below assumes the same rationale, although we have applied an occupancy average of 51% - which we consider to be a worst / low case scenario. This estimates that Fylde could shed around 35 self-catering bedspaces, 10 units or 4 businesses to achieve occupancy levels in line with the national average.

Figure 11.22: Estimates of Self-Catering Accommodation: Assuming Low Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Fylde Self-Catering Accommodation Stock		
	National Average	Fylde ¹	Businesses	Units / Flats	Bedspaces
4*	60%	66%	0	+1	+4
3*	60%	60%	0	0	0
Awaiting Grading	60%	50%	0	0	0
Not Known	60%	35%	(4)	(11)	(40)
Total	60%	51%	(4)	(10)	(36)
¹ Based on HLL estimates					
² Variance in Fylde's Self-Catering Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

Combining our low and high estimates of occupancy for Fylde's self-catering accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Fylde has excess stock of around 15 bedspaces, 4 units / flats or 2 self-catering accommodation businesses.

Figure 11.23: Estimates of Self-Catering Accommodation: Assuming Medium Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Fylde Self-Catering Accommodation Stock		
	National Average	Fylde ¹	Businesses	Units / Flats	Bedspaces
4*	60%	70%	0	+1	+7
3*	60%	64%	0	+2	+4
Awaiting Grading	60%	54%	0	0	0
Not Known	60%	43%	(3)	(7)	(27)
Total	60%	56%	(2)	(4)	(16)
¹ Based on HLL estimates					
² Variance in Fylde's Self-Catering Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

The table below shows the current stock of self-catering accommodation in Fylde in comparison to the level of stock that we consider would satisfy current levels of demand in the borough – based on our medium case scenario.

Figure 11.24: Summary of Fylde's Self-Catering Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

Category (By Grading)	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Units	No. of Beds	No. of Businesses	No. of Units	No. of Beds
4*	3	9	42	3	10	49
3*	6	31	74	6	33	78
Await. Grading	1	1	2	1	1	2
Not Known	9	26	96	6	19	69
Total	19	67	214	17	63	198
Source: HLL estimates						

11.3.3 Caravan & Holiday Parks

Similarly to self-catering holiday property, it is extremely difficult to make any certain prediction as to the actual occupancy and performance data of specific establishments. In the case of non-serviced accommodation, there are currently no regional or national occupancy surveys for the caravan and holiday parks sector. However, using our professional judgement, and with reference to our discussions with various operators in the area, we provide our estimates of occupancy for 2007 below.

Figure 11.25: Estimates of Occupancy for Caravan & Holiday Parks in Fylde 2007

Category (By Type of Pitch)	No. of Parks	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Tourer	17	27%	29%	31%
Static Caravan Unit	14	56%	62%	67%
Timber Holiday Lodge	4	66%	70%	73%
Total	22			
<i>¹Average of Low and High Base Scenarios</i>				
<i>Source: HLL estimates</i>				

We estimate that the overall holiday parks sector in Fylde is achieving tourer occupancy rates of between 27% and 31%. This compares to an assumed UK-wide average of 30% for tourers⁵⁰. We have further assumed that statics are performing relatively well, with occupancy of between 56% and 67% against a national average of 50%. It is important to note that we have assumed that approximately 20% of static caravans in Fylde are used as hire fleet (i.e. rental only), with the remainder being owner-occupied. It is very difficult to establish occupancy for owner-occupied holiday static caravans, as they will be used not only by the owners, but by their friends & family. This analysis therefore deals with the static caravan hire fleet only, as we consider that owner-occupied holiday caravans will generally be full from a market perspective.

We quantify the number of caravan pitches / units necessary to satisfy the existing levels of demand identified in Fylde. As before, we have provided low, medium and high-case scenarios.

Figure 11.26: Estimates of Caravan Park Accommodation: Assuming High Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Fylde Holiday Park Accommodation Stock		
	National Average	Fylde ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	31%	1	25	74
Static Caravan	50%	67%	5	132	396
Timber Lodge	60%	73%	1	12	35
Total			6	168	505
<i>¹Based on HLL estimates</i>					
<i>²Variance in Fylde's Caravan Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

If demand for holiday parks stays the same, this therefore suggests that Fylde would require an additional 25 touring pitches, 132 static caravans and 12 timber holiday lodges (it is likely, however, that the number of pitches will reduce naturally as the size of units increase and density reduces).

⁵⁰ The occupancy levels for tourers are based on year-round opening. In practice, this is unlikely to be the case as much of the demand is heavily weather-dependent, with some sites operating at close to 100% occupancy for just a couple of months (usually summer) each year.

The table below assumes the same rationale, although we have applied a lower occupancy level - which we consider to be a worst / low case scenario. This estimates that Fylde could shed 22 pitches to achieve occupancy levels in line with the national average, although a reasonable proportion of this will be accounted for by natural wastage as unit size increases and density reduces accordingly.

Figure 11.27: Estimates of Caravan Park Accommodation: Assuming Low Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Fylde Holiday Park Accommodation Stock		
	National Average	Fylde ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	27%	(2)	(74)	(221)
Static Caravan	50%	56%	2	47	140
Timber Lodge	60%	66%	0	5	16
Total			0	(22)	(65)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Fylde's Caravan Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

Combining our low and high estimates of occupancy for Fylde's holiday park accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Fylde has a suitable level of holiday park accommodation for the identified demand (allowing for a small margin of error within the estimates), although there may be some demand for additional static caravan holiday homes.

Figure 11.28: Estimates of Caravan Park Accommodation: Assuming Medium Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Fylde Holiday Park Accommodation Stock		
	National Average	Fylde ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	29%	(1)	(25)	(74)
Static Caravan	50%	62%	3	89	268
Timber Lodge	60%	70%	+1	9	26
Total			3	73	220
<i>¹Based on HLL estimates</i>					
<i>²Variance in Fylde's Caravan Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

The table below shows the current stock of holiday park accommodation in Fylde in comparison to the level of stock that we consider would satisfy current levels of demand based on our medium case scenario – showing that current provision is largely in line with the identified levels of demand.

Figure 11.29: Summary of Fylde's Caravan Park Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

	Current Stock (2008)			Required Stock		
	No. of Parks	No. of Units / Pitches	No. of Beds	No. of Parks	No. of Units / Pitches	No. of Beds
Tourers	17	737	2,211	16	712	2,137
Static Caravan	14	1,941	5,823	17	2,030	6,091
Timber Lodge	4	54	162	5	63	188
Total	22	2,732	8,196	25	2,805	8,416
<i>Source: HLL estimates</i>						

11.3.4 Overall Fylde Summary

Overall therefore, our research and estimates suggest that Fylde's accommodation market is currently over-supplied in the serviced and self-catering sectors, although there appears to be a need for additional holiday park accommodation. The accommodation market in Fylde is therefore broadly in balance, and the loss of smaller under-performing businesses could be compensated for by the expansion of larger and better-performing facilities (e.g. Ribby Hall).

Figure 11.30: Summary of Fylde's Accommodation Market – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

Type of Accomm.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	47	1,312	2,975	46	1,307	2,967
Self-Catering	19	67	214	17	63	198
Holiday Parks	22	2,732	8,196	25	2,805	8,416
TOTAL	88	4,111	11,385	88	4,175	11,581
<i>Source: HLL estimates</i>						

11.4 Wyre

11.4.1 Serviced Accommodation

Based on our market research, we estimate the likely levels of occupancy levels being achieved by serviced accommodation establishments, by type and size of property, in Wyre.

Figure 11.31: Estimates of Occupancy for Serviced Accommodation in Wyre 2007

Category (By Room Size)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Hotels				
50 to 99 rooms	3	65%	67%	68%
30 to 49 rooms	4	55%	58%	60%
Guest Houses	10	40%	43%	45%
B&B's Up to 9 rooms	25	30%	33%	35%
Total	42	50%	52%	54%
¹ Average of Low and High Base Scenario				
Source: HLL estimates				

We now quantify the number of serviced accommodation establishments which could satisfy the existing levels of demand if occupancy was to fall more in line with national room occupancies, by type and size of property. We have used the same rationale as carried out for Blackpool using low, medium and high case scenarios.

Given the small nature of the serviced accommodation market in Wyre, we consider it only necessary to illustrate the estimated stock assuming the medium case scenario only.

Figure 11.32: Estimates of Serviced Accommodation: Assuming Medium/Average Occupancy Estimates, Wyre

	Occupancy		Variance ² Wyre Serviced Accommodation Stock		
	National Average	Wyre ¹	Businesses	Bedrooms	Bedspaces
Hotels					
50 to 99 rooms	67% ³	67%	0	(2)	(4)
30 to 49 rooms	67% ³	58%	(1)	(21)	(49)
Guest Houses					
20 to 29 rooms	67% ³	48%	(1)	(6)	(15)
10 to 19 rooms	50% ³	38%	(3)	(29)	(66)
B&B's	44%³	33%	(7)	(32)	(71)
Total		52%	(12)	(90)	(204)
¹ Based on HLL estimates					
² Variance in Blackpool's Serviced Accommodation Stock in order to meet national occupancy levels					
³ Visit Britain					
Source: HLL estimates					

We have conservatively estimated that Wyre is over-supplied by around 200 bedspaces. Although this equates to a relatively small proportion of Wyre's total serviced accommodation stock (circa 1,300), it comprises mainly small establishments such as B&B's and small Guest Houses – which is where we consider there is an over supply in view of current demand levels. This would result in a potential loss of around 12 establishments.

In the following table we quantify Wyre's current stock (2008) and compare this to the level of stock which we consider would satisfy current levels of demand in Wyre – based on our medium case scenario.

Figure 11.33: Summary of Wyre's Serviced Accommodation – Current (2008) and Required Provision to Meet National Room Occupancies

	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rooms	No. of Beds	No. of Businesses	No. of Rooms	No. of Beds
Hotels						
50 to 99 rooms	3	172	396	4	170	392
30 to 49 rooms	4	145	348	3	124	299
Sub-Total	7	317	744	7	294	691
Guest Houses¹	10	135	312	8	101	232
B&B's	25	123	271	18	91	200
Total	42	575	1,327	33	486	1,123
<i>¹Includes small hotels</i>						
<i>Source: HLL estimates</i>						

11.4.2 Self-Catering Accommodation

Based on our research, we estimate the likely levels of occupancy being achieved by self-catering businesses in Wyre, by quality grading / accreditation.

Figure 11.34: Estimates of Occupancy for Self-Catering Accommodation in Wyre 2007

Category (By Grading)	No. of Businesses	Estimates of Occupancy (%)		
		Low	Medium ¹	High
5*	1	62%	66%	70%
4*	6	51%	55%	59%
3*	6	48%	52%	56%
Not Known	26	36%	43%	49%
Total	39			
<i>¹Average of Low and High Base Scenarios</i>				
<i>Source: HLL estimates</i>				

We estimate that the self-catering accommodation market in Wyre is achieving occupancy rates (per flat / unit) of between 41% and 52% (averaging 47%). This compares to an assumed UK-wide average of 60%. This indicates that Wyre is performing well below the national average.

We quantify the number of self-catering establishments necessary to satisfy the existing levels of demand identified in Wyre. As for serviced accommodation, we have provided low, medium and high-case scenarios.

Figure 11.35: Estimates of Self-Catering Accommodation: Assuming High Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Wyre Self-Catering Accommodation Stock		
	National Average	Wyre ¹	Businesses	Units / Flats	Bedspaces
5*	60%	70%	0	+1	+6
4*	60%	59%	0	0	(1)
3*	60%	56%	0	(2)	(7)
Not Known	60%	49%	(5)	(18)	(57)
Total	60%	52%	(5)	(19)	(60)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Wyre's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

If demand for self-catering accommodation stays the same, this therefore suggests that Wyre could shed 60 bedspaces or 19 units, equating to 5 businesses. This is based on our 52% occupancy projection and, therefore, indicates the minimum number of establishments which should potentially be removed.

The table below assumes the same rationale, although we have applied an occupancy average of 41% - which we consider to be a worst / low case scenario. This estimates that Wyre could shed around 160 self-catering bedspaces, 50 units or 12 businesses to achieve occupancy levels in line with the national average.

Figure 11.36: Estimates of Self-Catering Accommodation: Assuming Low Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Wyre Self-Catering Accommodation Stock		
	National Average	Wyre ¹	Businesses	Units / Flats	Bedspaces
5*	60%	62%	0	0	+1
4*	60%	51%	(1)	(3)	(13)
3*	60%	48%	(1)	(5)	(22)
Not Known	60%	36%	(10)	(40)	(124)
Total	60%	41%	(12)	(48)	(158)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Wyre's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

Combining our low and high estimates of occupancy for Wyre's self-catering accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Wyre has excess stock of around 110 bedspaces, 30 units / flats or 9 self-catering accommodation businesses.

Figure 11.37: Estimates of Self-Catering Accommodation: Assuming Medium Occupancy Estimates

Category (by Grading)	Occupancy		Variance ² Wyre Self-Catering Accommodation Stock		
	National Average	Wyre ¹	Businesses	Units / Flats	Bedspaces
5*	60%	66%	0	+1	+4
4*	60%	55%	0	(2)	(7)
3*	60%	52%	(1)	(3)	(15)
Not Known	60%	43%	(8)	(29)	(91)
Total	60%	47%	(9)	(33)	(109)
<i>¹Based on HLL estimates</i>					
<i>²Variance in Wyre's Self-Catering Accommodation Stock in order to meet national occupancy levels</i>					
<i>Source: HLL estimates</i>					

The table below shows the current stock of self-catering accommodation in Wyre in comparison to the level of stock that we consider would satisfy current levels of demand in the borough – based on our medium case scenario.

Figure 11.38: Summary of Wyre's Self-Catering Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

Category (By Grading)	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Units	No. of Beds	No. of Businesses	No. of Units	No. of Beds
5*	1	6	38	1	7	42
4*	6	20	84	6	18	77
3*	6	24	112	5	21	97
Not Known	26	100	311	18	71	220
Total	39	150	545	30	117	436
<i>Source: HLL estimates</i>						

11.4.3 Caravan & Holiday Parks

Similarly to self-catering holiday property, it is extremely difficult to make any certain prediction as to the actual occupancy and performance data of specific establishments. In the case of non-serviced accommodation, there are currently no regional or national occupancy surveys for the holiday parks sector. However, using our professional judgement, and with reference to our discussions with various operators in the area, we provide our estimates of occupancy for 2007 below.

Figure 11.39: Estimates of Occupancy for Caravan & Holiday Parks in Wyre 2007

Category (By Type of Pitch)	No. of Parks	Estimates of Occupancy (%)		
		Low	Medium ¹	High
Tourer	16	29%	32%	34%
Static Caravan Unit	31	46%	50%	54%
Timber Holiday Lodge	9	51%	55%	59%
Total	42			
¹ Average of Low and High Base Scenarios				
Source: HLL estimates				

We estimate that the overall holiday parks sector in Wyre is achieving tourer occupancy rates of between 29% and 34%, against a nationwide average of 30%⁵¹. Static performance is estimated at between 46% and 54%, against an assumed UK-wide average of 50%. It is important to note that we have assumed that approximately 20% of static caravans in Wyre are used as hire fleet (i.e. rental only), with the remainder being owner-occupied. It is very difficult to establish occupancy for owner-occupied holiday static caravans, as they will be used not only by the owners, but by their friends & family. This analysis therefore deals with the static caravan hire fleet only, as we consider that owner-occupied holiday caravans will generally be full from a market perspective.

We quantify the number of caravan pitches / units necessary to satisfy the existing levels of demand identified in Wyre. As before, we have provided low, medium and high-case scenarios.

Figure 11.40: Estimates of Caravan Park Accommodation: Assuming High Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Wyre Holiday Park Accommodation Stock		
	National Average	Wyre ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	34%	2	65	195
Static Caravan	50%	54%	2	53	158
Timber Lodge	60%	59%	0	(3)	(8)
Total			4	115	346
¹ Based on HLL estimates					
² Variance in Wyre's Caravan Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

If demand for holiday parks stays the same, this therefore suggests that Wyre would need around 115 pitches / units – concentrated amongst the touring and static sectors.

The table below assumes the same rationale, although we have applied a lower occupancy estimate - which we consider to be a worst / low case scenario. This estimates that Wyre could shed approximately 90 pitches to achieve occupancy

⁵¹ The occupancy levels for tourers are based on year-round opening. In practice, this is unlikely to be the case as much of the demand is heavily weather-dependent, with some sites operating at close to 100% occupancy for just a couple of months (usually summer) each year.

levels in line with the national average, although a reasonable proportion of this will be accounted for by natural wastage as unit size increases and density reduces accordingly.

Figure 11.41: Estimates of Caravan Park Accommodation: Assuming Low Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Wyre Holiday Park Accommodation Stock		
	National Average	Wyre ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	29%	(1)	(16)	(49)
Static Caravan	50%	46%	(2)	(53)	(158)
Timber Lodge	60%	51%	(1)	(23)	(69)
Total			(4)	(92)	(276)
¹ Based on HLL estimates					
² Variance in Wyre's Caravan Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

Combining our low and high estimates of occupancy for Wyre's holiday park accommodation stock, we highlight our average / medium scenario below. This indicates that, on average, Wyre's holiday park stock is broadly in balance.

Figure 11.42: Estimates of Caravan Park Accommodation: Assuming Medium Occupancy Estimates

Category (by Type of Pitch)	Occupancy		Variance ² Wyre Holiday Park Accommodation Stock		
	National Average	Wyre ¹	Parks	Pitches / Units	Bedspaces
Tourer	30%	32%	1	246	73
Static Caravan	50%	50%	0	0	0
Timber Lodge	60%	55%	(1)	(13)	(38)
Total			0	12	35
¹ Based on HLL estimates					
² Variance in Wyre's Caravan Accommodation Stock in order to meet national occupancy levels					
Source: HLL estimates					

The table below shows the current stock of holiday park accommodation in Wyre in comparison to the level of stock that we consider would satisfy current levels of demand – based on our medium case scenario.

Figure 11.43: Summary of Wyre's Caravan Park Accommodation – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

	Current Stock (2008)			Required Stock		
	No. of Parks	No. of Units / Pitches	No. of Beds	No. of Parks	No. of Units / Pitches	No. of Beds
Tourers	16	488	1,464	17	512	1,537
Static Caravan	31	3,296	9,888	31	3,296	9,888
Timber Lodge	9	153	459	8	140	421
Total	42	3,937	11,811	43	3,948	11,846

Source: HLL estimates

11.4.4 Overall Wyre Summary

Overall therefore, our research and estimates suggest that Wyre's accommodation market is currently over-supplied by around 17 businesses, equating to 111 rooms / units / pitches and almost 280 bedspaces.

Figure 11.44: Summary of Wyre's Accommodation Market – Current (2008) and Required Provision to Meet Assumed National Unit Occupancy

Type of Accom.	Current Stock (2008)			Required Stock		
	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space	No. of Businesses	No. of Rms / Units / Pitches	No. of B/Space
Serviced	42	575	1,327	33	486	1,123
Self-Catering	39	150	545	30	117	436
Holiday Parks	42	3,937	11,811	43	3,948	11,846
TOTAL	123	4,662	13,683	106	4,551	13,405

Source: HLL estimates

11.5 Current Need for Visitor Accommodation on the Fylde Coast

11.5.1 Serviced Accommodation

In the following tables we provide a summary of the current serviced accommodation stock across the Fylde Coast and illustrate the levels of excess stock.

Figure 11.45: Estimated Number of Establishments

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	1,657	47	42	1,746
<i>Less Excess Stock</i>	<i>503</i>	<i>1</i>	<i>9</i>	<i>513</i>
Revised Supply	1,154	46	33	1,233

Source: HLL estimates

Figure 11.46: Estimated Number of Bedrooms

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	24,992	1,312	575	26,879
<i>Less Excess Stock</i>	<i>8,031</i>	<i>5</i>	<i>89</i>	<i>8,125</i>
Revised Supply	16,961	1,307	486	18,754
<i>Source: HLL estimates</i>				

Figure 11.47: Estimated Number of Bedspaces

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	56,521	2,975	1,327	60,823
<i>Less Excess Stock</i>	<i>18,310</i>	<i>8</i>	<i>204</i>	<i>18,522</i>
Revised Supply	38,211	2,967	1,123	42,301
<i>Source: HLL estimates</i>				

We have therefore estimated that the Fylde Coast currently needs to shed 513 serviced accommodation establishments, more than 8,100 bedrooms and around 18,500 bedspaces. A significant proportion of this excess stock (99% of bedspaces) falls within Blackpool specifically.

11.5.2 Self-Catering Accommodation

In the following tables we provide a summary of the current stock of self-catering accommodation stock across the Fylde Coast and illustrate the levels of excess stock.

Figure 11.48: Estimated Number of Establishments

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	148	19	39	206
<i>Less Excess Stock</i>	<i>50</i>	<i>2</i>	<i>9</i>	<i>61</i>
Revised Supply	98	17	30	145
<i>Source: HLL estimates</i>				

Figure 11.49: Estimated Number of Units / Flats

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	1,175	67	150	1,292
<i>Less Excess Stock</i>	<i>371</i>	<i>4</i>	<i>33</i>	<i>408</i>
Revised Supply	804	63	117	884
<i>Source: HLL estimates</i>				

Figure 11.50: Estimated Number of Bedspaces

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	4,194	214	545	4,953
<i>Less Excess Stock</i>	<i>1,302</i>	<i>16</i>	<i>109</i>	<i>1,427</i>
Revised Supply	2,892	198	436	3,526
<i>Source: HLL estimates</i>				

We have therefore estimated that the Fylde Coast currently needs to shed 61 self-catering businesses, in excess of 400 holiday flats and apartments and almost 1,500 bedspaces. The bulk of this is concentrated on the heavily over-supplied Blackpool market.

11.5.3 Caravan & Holiday Parks

In the following tables we provide a summary of the current stock of holiday park accommodation stock across the Fylde Coast and illustrate the levels of excess stock.

Figure 11.51: Estimated Number of Parks

	Blackpool	Fylde	Wyre	Total
Current Holiday Park Accommodation Stock	10	22	42	74
<i>Less Excess Stock</i>	<i>0</i>	<i>+3</i>	<i>+1</i>	<i>+4</i>
Revised Supply	10	25	43	78
<i>Source: HLL estimates</i>				

Figure 11.52: Estimated Number of Units / Pitches

	Blackpool	Fylde	Wyre	Total
Current Touring Pitch Provision	198	737	488	1,423
<i>Less Excess Stock</i>	<i>7</i>	<i>25</i>	<i>+24</i>	<i>8</i>
Revised Supply of Touring Pitches	191	712	512	1,415
Current Static Caravan Provision	1,426	1,941	3,296	6,663
<i>Less Excess Stock</i>	<i>0</i>	<i>+89</i>	<i>0</i>	<i>+89</i>
Revised Supply of Static Pitches	1,426	2,030	3,296	6,752
Current Lodge Provision	6	54	153	213
<i>Less Excess Stock</i>	<i>1</i>	<i>+9</i>	<i>13</i>	<i>5</i>
Revised Supply of Lodge Pitches	5	63	140	208
Current Holiday Park Accommodation Stock	1,630	2,732	3,937	8,299
Revised Supply Total	1,622	2,805	3,948	8,375
<i>Source: HLL estimates</i>				

Figure 11.53: Estimated Number of Bedspaces

	Blackpool	Fylde	Wyre	Total
Current Touring Bedspaces	594	2,211	1,464	4,269
<i>Less Excess Stock</i>	<i>20</i>	<i>74</i>	<i>+73</i>	<i>21</i>
Revised Supply of Touring Bedspaces	574	2,137	1,537	4,248
Current Static Caravan Bedspaces	4,278	5,823	9,888	19,989
<i>Less Excess Stock</i>	<i>0</i>	<i>+208</i>	<i>0</i>	<i>+208</i>
Revised Supply of Static Bedspaces	4,278	6,091	9,888	20,257
Current Lodge Bedspaces	18	162	459	639
<i>Less Excess Stock</i>	<i>2</i>	<i>+26</i>	<i>38</i>	<i>14</i>
Revised Supply of Lodge Bedspaces	16	188	421	625
Current Holiday Park Accommodation Stock	4,890	8,196	11,811	24,897
Revised Supply Total	4,868	8,416	11,846	25,130
<i>Source: HLL estimates</i>				

We have therefore estimated that the Fylde Coast holiday parks market is currently broadly in balance. There is a need for some additional static caravan pitches, and this appears to be concentrated within the Fylde market.

12 FUTURE SCENARIOS FOR VISITOR ACCOMMODATION

12.1 Introduction

Having established the current situation and need for visitor accommodation, we will now progress to provide our considered estimates of the likely future need for visitor accommodation in light of a number of theoretical scenarios highlighted by the Councils.

12.2 Scenario 1 – Increase in Staying Visitors

12.2.1 Assumed Growth Rates – Increase in Staying Visitors

In order to estimate the likely level of accommodation stock which would be required or needed to support an increase in staying visitors, we have assumed various annual growth rates to 2013.

Making any sort of market forecast is extremely difficult and, therefore, an uncertain process. We have, however, conscientiously applied annual growth rates based on how we believe the staying visitor economy will materialise in the short to medium term across the whole of the Fylde Coast.

We present our assumed annual growth rates in the table below.

Figure 12.1: Annual Growth Rates in Staying Visitor Numbers

Year	Growth Rates (%)
2007	-
2008	-
2009	0.5%
2010	3.0%
2011	3.5%
2012	3.5%
2013	3.5%

Source: HLL estimates

2007 is a base year, as per the analysis highlighted in section 11. We have assumed staying visitor numbers will remain static in 2008 with only very marginal growth in 2009.

A number of planned projects are expected to enhance Blackpool's leisure and commercial profile in the medium to longer term. This includes improvements to the seafront; a new educational and college hub and new commercial district (Talbot Gateway) and retail expansion.

In view of the above, growth in 2010 and thereafter has been predicted at between 3% to 3.5% per annum up to and including 2013 – assuming economic conditions improve in the UK, and local and regional regeneration initiatives will come to fruition. We have applied these annual growth rates across the whole of the Fylde Coast.

12.2.2 Impact on Serviced Accommodation Stock

In order to match this growth and assess its impact on the overall quantity of serviced accommodation stock which would be required, we have applied the growth rates to the current levels of demand (i.e. the base year of 2007).

Assuming, therefore, that these growth rates are achieved, we present our revised estimated number of serviced accommodation establishments, bedrooms and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.2: Estimated Number of Establishments – Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	1,657	47	42	1,746
<i>Less Excess Stock</i>	393	+6	5	392
Revised Supply	1,264	53	37	1,354
<i>Source: HLL estimates</i>				

Figure 12.3: Estimated Number of Bedrooms - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	24,992	1,312	575	26,879
<i>Less Excess Stock</i>	6,184	+189	9	6,004
Revised Supply	18,808	1,501	566	20,875
<i>Source: HLL estimates</i>				

Figure 12.4: Estimated Number of Bedspaces - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	56,521	2,975	1,327	60,823
<i>Less Excess Stock</i>	14,149	+430	20	13,739
Revised Supply	42,372	3,405	1,307	47,084
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – An increase in staying visitor numbers will have a positive impact on the scale or potential loss of Blackpool's serviced accommodation stock. Despite an increase in demand, however, Blackpool would still be over-bedded. It does, however, improve the current situation where only a loss of between circa 270 and 580 businesses would be lost – equating to a loss of between 9,000 and 19,000 bedspaces (averaging around 14,000). This would equate to the retention of in excess of 4,000 bedspaces compared to the current situation.

Fylde – It is clear that any improvement would create opportunities for existing serviced accommodation establishments in Fylde to improve their overall occupancy potential, increase room rates, improve business mix and invest in their respective products. There may also be opportunities in terms of new hotel developments – with an additional 189 rooms likely to be required in this scenario.

Wyre – Similar to Blackpool, an increase in staying visitor numbers will improve the current situation, although a reduction in stock is still anticipated.

12.2.3 Impact on Non-Serviced Accommodation Stock

As for serviced accommodation, in order to match the growth highlighted in section 12.2.1 and assess the overall quantity of non-serviced accommodation stock which would be required, we have applied the growth rates to the current levels of demand to the base year (2007).

Self-Catering Stock

Assuming, therefore, that these growth rates are achieved, we present our revised estimated number of self-catering accommodation establishments, units and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.5: Estimated Number of Establishments – Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	148	19	39	206
<i>Less Excess Stock</i>	35	+1	4	38
Revised Supply	113	20	35	168
<i>Source: HLL estimates</i>				

Figure 12.6: Estimated Number of Units / Flats - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	1,175	67	150	1,392
<i>Less Excess Stock</i>	253	+5	16	264
Revised Supply	922	72	134	1,128
<i>Source: HLL estimates</i>				

Figure 12.7: Estimated Number of Bedspaces - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	4,194	214	545	4,953
<i>Less Excess Stock</i>	875	+13	44	906
Revised Supply	3,319	227	501	4,047
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – An increase in staying visitor numbers will have a positive impact on the scale or potential loss of Blackpool's self-catering accommodation stock. Despite an increase in demand, however, Blackpool would still have an excess of supply. It does, however, improve the current situation as only 35 businesses would be lost – equating to a loss of 875 bedspaces. This would equate to the retention of around 430 additional bedspaces compared with the current situation.

Fylde – It is clear that any improvement would create opportunities for existing self-catering operators in Fylde to improve their overall viability and occupancy – allowing greater re-investment in their businesses. The above tables also highlight the potential for additional self-catering businesses in Fylde should visitor numbers increase over the next five years.

Wyre – An increase in staying visitor numbers will see greater retention of existing self-catering provision, with a loss of only 4 businesses (compared to 9 in the current situation). This would result in an overall loss of only 44 bedspaces – suggesting that such an increase in visitor numbers would be sufficient to support existing operators.

Caravan & Holiday Parks Stock

Assuming, therefore, that these growth rates are achieved, we present our revised estimated number of caravan and holiday parks, pitches and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.8: Estimated Number of Holiday Parks – Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Caravan Park Accommodation Stock	10	22	42	74
<i>Less Excess Stock</i>	<i>+1</i>	<i>+9</i>	<i>+8</i>	<i>+18</i>
Revised Supply	11	31	50	92
<i>Source: HLL estimates</i>				

Figure 12.9: Estimated Number of Units / Pitches - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Pitch Provision	198	737	488	1,423
<i>Less Excess Stock</i>	<i>+22</i>	<i>+81</i>	<i>+100</i>	<i>+203</i>
Revised Supply of Touring Pitches	220	818	588	1,626
Current Static Caravan Provision	1,426	1,941	3,296	6,663
<i>Less Excess Stock</i>	<i>+42</i>	<i>+160</i>	<i>+97</i>	<i>+299</i>
Revised Supply of Static Pitches	1,468	2,101	3,393	6,962
Current Lodge Provision	6	54	153	213
<i>Less Excess Stock</i>	<i>0</i>	<i>+18</i>	<i>+8</i>	<i>+26</i>
Revised Supply of Lodge Pitches	6	72	161	239
Current Holiday Park Accommodation Stock	1,630	2,732	3,937	8,299
Revised Supply Total	1,694	2,991	4,142	8,827
<i>Source: HLL estimates</i>				

Figure 12.10: Estimated Number of Bedspaces - Increase in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Bedspaces	594	2,211	1,464	4,269
<i>Less Excess Stock</i>	<i>+65</i>	<i>+242</i>	<i>+300</i>	<i>+607</i>
Revised Supply of Touring Bedspaces	659	2,453	1,764	4,876
Current Static Caravan Bedspaces	4,278	5,823	9,888	19,989
<i>Less Excess Stock</i>	<i>+126</i>	<i>+479</i>	<i>+292</i>	<i>+897</i>
Revised Supply of Static Bedspaces	4,404	6,302	10,180	20,886
Current Lodge Bedspaces	18	162	459	639
<i>Less Excess Stock</i>	<i>+7</i>	<i>+53</i>	<i>+24</i>	<i>+78</i>
Revised Supply of Lodge Bedspaces	19	215	483	717
Current Holiday Park Accommodation Stock	4,890	8,196	11,811	24,897
Revised Supply Total	5,082	8,970	12,427	26,479
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – An increase in staying visitor numbers will have a positive impact on the scale of Blackpool's holiday park stock. Indeed, a slight increase in both lodge and touring bedspaces would be required, with a further 126 static caravan bedspaces needed.

Fylde – As for the self-catering market, opportunities would be created for existing parks in Fylde to expand and upgrade, as well as the potential for new holiday park accommodation. This supports the plans of a number of businesses seeking to expand – and should also restrict the use of holiday accommodation for residential purposes.

Wyre – An increase in staying visitor numbers will see an increase in the number of bedspaces required at parks in Wyre, with additional bedspaces required across all holiday park sectors.

12.2.4 Blackpool Scenario 1 Summary

In the following table we summarise the accommodation stock requirements for Blackpool should there be an increase in staying visitor numbers (as highlighted in section 12.2.1).

Figure 12.11: Summary of Blackpool Accommodation Stock – Scenario 1

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	14,149	42,372	- 25.0
Self-Catering Accommodation	4,194	875	3,319	- 20.9
Holiday & Caravan Park Accommodation	4,890	+192	5,082	+ 3.9
TOTAL BLACKPOOL MARKET	65,605	14,832	50,773	- 22.6
<i>Source: HLL estimates</i>				

As this shows, despite an increase in visitor numbers over the next five years, Blackpool would still require the loss of almost one-quarter of all serviced and non-serviced accommodation bedspaces to attain national average occupancy levels across all market sectors.

12.2.5 Fylde Scenario 1 Summary

In the following table we summarise the accommodation stock requirements for Fylde should there be an increase in staying visitor numbers (as highlighted in section 12.2.1).

Figure 12.12: Summary of Fylde Accommodation Stock – Scenario 1

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	+430	3,405	+ 14.5
Self-Catering Accommodation	214	+13	227	+ 6.1
Holiday & Caravan Park Accommodation	8,196	+774	8,970	+ 9.4
TOTAL FYLDE MARKET	11,385	+1,217	12,602	+ 10.7
<i>Source: HLL estimates</i>				

As this shows, an increase in visitor numbers over the next five years would create demand for around 1,200 additional serviced and non-serviced accommodation bedspaces in Fylde – an increase in supply of more than 10%.

12.2.6 Wyre Scenario 1 Summary

In the following table we summarise the accommodation stock requirements for Wyre should there be an increase in staying visitor numbers (as highlighted in section 12.2.1).

Figure 12.13: Summary of Wyre Accommodation Stock – Scenario 1

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	20	1,307	- 1.5
Self-Catering Accommodation	545	44	501	- 8.1
Holiday & Caravan Park Accommodation	11,811	+616	12,427	+ 5.2
TOTAL WYRE MARKET	13,683	+552	14,235	+ 4.0
<i>Source: HLL estimates</i>				

As this shows, an increase in visitor numbers over the next five years would require an increase in the number of serviced and non-serviced accommodation bedspaces (with growth confined solely to the holiday parks market) to attain national average occupancy levels across all market sectors in Wyre.

12.3 Scenario 2 – Marginal Decrease in Staying Visitors

12.3.1 Assumed Growth Rates – Marginal Decrease in Staying Visitors

A number of concerns have been raised in terms of the overall outlook for the accommodation market, placing further pressure on existing operators in the short term.

Key issues include the loss and uncertainty of future events/conferences held at the Winter Gardens, the recent announcements from local and regional companies of potential jobs losses / closures (including BAe), stricter parking restrictions and a further decline in Blackpool's visitor economy – including revised entrance fees to the Pleasure Beach and possible impact, therefore, on visitor numbers.

In view of the above, therefore, Scenario 2 assumes a marginal decrease in staying visitors across the Fylde Coast. In order to assess this impact on serviced accommodation stock we have applied a marginal decline in visitor numbers of 2.5% per annum from 2009 to 2013. As per the previous scenario we have assumed no movement in visitor numbers in 2008 based on the previous year.

12.3.2 Impact on Serviced Accommodation Stock

We have applied these rates to the current levels of demand, i.e. the base year 2007. In the following tables we illustrate the impact on serviced accommodation stock across the Fylde Coast and the level of excess stock as a result of a short fall in demand – assuming our applied growth rates.

Figure 12.14: Estimated Number of Establishments – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	1,657	47	42	1,746
<i>Less Excess Stock</i>	<i>599</i>	<i>7</i>	<i>14</i>	<i>620</i>
Revised Supply	1,058	40	28	1,126
<i>Source: HLL estimates</i>				

Figure 12.15: Estimated Number of Bedrooms – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	24,992	1,312	575	26,879
<i>Less Excess Stock</i>	<i>9,665</i>	<i>160</i>	<i>153</i>	<i>9,978</i>
Revised Supply	15,327	1,152	422	16,901
<i>Source: HLL estimates</i>				

Figure 12.16: Estimated Number of Bedspaces – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	56,521	2,975	1,327	60,823
<i>Less Excess Stock</i>	<i>21,990</i>	<i>361</i>	<i>352</i>	<i>22,703</i>
Revised Supply	34,531	2,614	975	38,120
<i>Source: HLL estimates</i>				

The analysis above indicates that if there was a marginal decrease in staying visitors to 2013, this would result in Blackpool having excess serviced accommodation stock of 600 businesses, almost 10,000 bedrooms and 22,000 bedspaces by the end of that year.

Whereas, the current situation in Fylde suggests supply meets current demand levels, a deterioration in the visitor economy could result in an over supply, or excess stock of approximately 360 bedspaces over the period. This would equate to around 7 businesses or 160 bedrooms.

A marginal decrease in visitor numbers would have adverse implications for Wyre, resulting in a total loss of circa 350 bedspaces, which compares to excess stock of around 200 bedspaces based on the current situation.

12.3.3 Impact on Non-Serviced Accommodation Stock

As for serviced accommodation, in order to match the slight decrease highlighted in section 12.3.1 and assess the overall quantity of non-serviced accommodation stock which would be required, we have applied the growth rates to the current levels of demand to the base year (2007).

Self-Catering Stock

Assuming, therefore, that there is a slight fall in the number of staying visitors to the Fylde Coast, we present our revised estimated number of self-catering accommodation establishments, units and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.17: Estimated Number of Establishments – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	148	19	39	206
<i>Less Excess Stock</i>	61	4	12	77
Revised Supply	87	15	27	129
<i>Source: HLL estimates</i>				

Figure 12.18: Estimated Number of Units / Flats - Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	1,175	67	150	1,392
<i>Less Excess Stock</i>	467	12	47	526
Revised Supply	708	55	103	866
<i>Source: HLL estimates</i>				

Figure 12.19: Estimated Number of Bedspaces – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	4,194	214	545	4,953
<i>Less Excess Stock</i>	1,646	40	161	1,847
Revised Supply	2,548	174	384	3,106
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – A slight decrease in staying visitor numbers will obviously have a negative impact on Blackpool's self-catering accommodation stock. A further 11 businesses (approx. 350 bedspaces) will need to be lost compared to the current need identified in section 11.2.

Fylde – Despite the better performance of Fylde's self-catering sector, a fall in visitor numbers will have a slight impact on the number of businesses. We forecast that less than 5 such establishments would need to close, representing a net loss of 40 self-catering bedspaces over the next five years.

Wyre – As for Blackpool, a fall in visitor numbers will have a significant impact on self-catering provision in Wyre. We estimate that around one-third of existing businesses would need to close – representing a loss of more than 160 bedspaces.

Caravan & Holiday Parks Stock

Assuming, therefore, that there is a slight fall in staying visitor numbers, we present our revised estimated number of caravan and holiday parks, pitches and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.20: Estimated Number of Holiday Parks – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Caravan Park Accommodation Stock	10	22	42	74
<i>Less Excess Stock</i>	2	1	7	10
Revised Supply	8	21	35	64
<i>Source: HLL estimates</i>				

Figure 12.21: Estimated Number of Units / Pitches – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Pitch Provision	198	737	488	1,423
<i>Less Excess Stock</i>	29	109	37	175
Revised Supply of Touring Pitches	169	628	451	1,248
Current Static Caravan Provision	1,426	1,941	3,296	6,663
<i>Less Excess Stock</i>	34	+33	78	79
Revised Supply of Static Pitches	1,392	1,974	3,218	6,584
Current Lodge Provision	6	54	153	213
<i>Less Excess Stock</i>	1	+1	29	29
Revised Supply of Lodge Pitches	5	55	124	184
Current Holiday Park Accommodation Stock	1,630	2,732	3,937	8,299
Revised Supply Total	1,566	2,657	3,793	8,016
<i>Source: HLL estimates</i>				

Figure 12.22: Estimated Number of Bedspaces – Marginal Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Bedspaces	594	2,211	1,464	4,269
<i>Less Excess Stock</i>	<i>88</i>	<i>328</i>	<i>110</i>	<i>526</i>
Revised Supply of Touring Bedspaces	506	1,883	1,354	3,743
Current Static Caravan Bedspaces	4,278	5,823	9,888	19,989
<i>Less Excess Stock</i>	<i>102</i>	<i>+98</i>	<i>235</i>	<i>239</i>
Revised Supply of Static Bedspaces	4,176	5,921	9,653	19,750
Current Lodge Bedspaces	18	162	459	639
<i>Less Excess Stock</i>	<i>4</i>	<i>+3</i>	<i>88</i>	<i>89</i>
Revised Supply of Lodge Bedspaces	14	165	371	550
Current Holiday Park Accommodation Stock	4,890	8,196	11,811	24,897
Revised Supply Total	4,696	7,969	11,378	24,043
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – A slight decrease in staying visitor numbers will have a significant impact on Blackpool's holiday park stock. In reality, it is likely that only 7 parks would be retained due to the anticipated loss of almost 200 holiday park bedspaces.

Fylde – As for the self-catering market, there would be a decrease in provision in Fylde. The bulk of this will be felt in the provision of touring pitches, with a very slight increase in requirement for lodges in Fylde – highlighting the scale of under-supply at the current time.

Wyre – As for Blackpool, there would be a substantial drop (almost 440) in bedspaces required at parks in Wyre. The bulk of the losses will be from static provision.

12.3.4 Blackpool Scenario 2 Summary

In the following table we summarise the accommodation stock requirements for Blackpool should there be a slight decrease in staying visitor numbers (as highlighted in section 12.3.1).

Figure 12.23: Summary of Blackpool Accommodation Stock – Scenario 2

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	21,990	34,531	- 38.9
Self-Catering Accommodation	4,194	1,646	2,548	- 39.2
Holiday & Caravan Park Accommodation	4,890	194	4,696	- 4.0
TOTAL BLACKPOOL MARKET	65,605	23,830	41,775	- 36.3
<i>Source: HLL estimates</i>				

As this shows, further falls in staying visitor numbers over the next five years would require the loss of well over one-third of all serviced and non-serviced

accommodation bedspaces in Blackpool to attain national average occupancy levels across all market sectors, with the bulk of the losses required in built accommodation premises.

12.3.5 Fylde Scenario 2 Summary

In the following table we summarise the accommodation stock requirements for Fylde should there be a slight decrease in staying visitor numbers (as highlighted in section 12.3.1).

Figure 12.24: Summary of Fylde Accommodation Stock – Scenario 2

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	361	2,614	- 12.1
Self-Catering Accommodation	214	40	174	- 18.7
Holiday & Caravan Park Accommodation	8,196	227	7,969	- 2.8
TOTAL FYLDE MARKET	11,385	628	10,757	- 5.5
<i>Source: HLL estimates</i>				

As this shows, a slight decrease in visitor numbers over the next five years would require the loss of around 5-6% of all accommodation bedspaces in Fylde, with the greatest proportion coming from the self-catering accommodation sector.

12.3.6 Wyre Scenario 2 Summary

In the following table we summarise the accommodation stock requirements for Wyre should there be a slight decrease in staying visitor numbers (as highlighted in section 12.3.1).

Figure 12.25: Summary of Wyre Accommodation Stock – Scenario 2

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	352	975	- 26.5
Self-Catering Accommodation	545	161	384	- 29.5
Holiday & Caravan Park Accommodation	11,811	433	11,378	- 3.7
TOTAL WYRE MARKET	13,683	946	12,737	- 6.9
<i>Source: HLL estimates</i>				

As this shows, a slight decrease in staying visitor numbers to Wyre would have a significant impact on the local visitor accommodation market – with a loss of around 7% of all bedspaces being required.

12.4 Scenario 3 – Significant Decrease in Staying Visitors

12.4.1 Assumed Growth Rates – Significant Decrease in Staying Visitors

Scenario 3 assumes a significant decrease in staying visitors across the Fylde Coast. In order to assess this impact on accommodation stock we have applied a decline in visitor numbers of 5% per annum from 2009 to 2013. As per the previous scenario we have assumed no movement in visitor numbers in 2008.

12.4.2 Impact on Serviced Accommodation Stock

We have applied these rates to the current levels of demand, i.e. the base year 2007. In the following tables we illustrate the impact on serviced accommodation stock across the Fylde Coast and the level of excess stock as a result of a decline in demand – assuming our applied rates.

Figure 12.26: Estimated Number of Establishments – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock (2008)	1,657	47	42	1,746
<i>Less Excess Stock</i>	689	12	17	718
Revised Supply	968	35	25	1,028
<i>Source: HLL estimates</i>				

Figure 12.27: Estimated Number of Bedrooms – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	24,992	1,312	575	26,879
<i>Less Excess Stock</i>	11,177	300	211	11,688
Revised Supply	13,815	1,012	364	15,191
<i>Source: HLL estimates</i>				

Figure 12.28: Estimated Number of Bedspaces – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Serviced Accommodation Stock	56,521	2,975	1,327	60,823
<i>Less Excess Stock</i>	25,398	679	486	26,563
Revised Supply	31,123	2,296	841	34,260
<i>Source: HLL estimates</i>				

It is clear that a worsening decline in staying visitor numbers would result in a significant excess or over supply in serviced accommodation stock across Blackpool, Fylde and Wyre. Overall, there would be a need for a reduction of almost 44% in the number of serviced accommodation bedspaces available in the sub-region.

12.4.3 Impact on Non-Serviced Accommodation Stock

As for serviced accommodation, in order to match the significant decrease highlighted in section 12.4.1 and assess the overall quantity of non-serviced accommodation stock which would be required, we have again applied the growth rates to the current levels of demand to the base year (2007).

Self-Catering Stock

Assuming, therefore, that there is a substantial fall in the number of staying visitors to the Fylde Coast, we present our revised estimated number of self-catering accommodation establishments, units and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.29: Estimated Number of Establishments – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	148	19	39	206
<i>Less Excess Stock</i>	<i>72</i>	<i>6</i>	<i>16</i>	<i>94</i>
Revised Supply	76	13	23	112
<i>Source: HLL estimates</i>				

Figure 12.30: Estimated Number of Units / Flats - Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	1,175	67	150	1,392
<i>Less Excess Stock</i>	<i>553</i>	<i>18</i>	<i>60</i>	<i>631</i>
Revised Supply	622	49	90	761
<i>Source: HLL estimates</i>				

Figure 12.31: Estimated Number of Bedspaces – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Self-Catering Accommodation Stock	4,194	214	545	4,953
<i>Less Excess Stock</i>	<i>1,956</i>	<i>61</i>	<i>208</i>	<i>2,225</i>
Revised Supply	2,238	153	337	2,728
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – A significant decrease in staying visitor numbers will have a crushing impact on Blackpool’s self-catering accommodation stock. We estimate that almost half of all such businesses will need to close, representing almost 2,000 (47%) bedspaces.

Fylde – Despite the better performance of Fylde’s self-catering sector, a fall in visitor numbers will have a significant impact on the number of businesses. We forecast that around one-third of such establishments would need to close, representing a net loss of 61 self-catering bedspaces (approx. 28%) over the next five years.

Wyre – As for the other two areas, a substantial fall in visitor numbers will have a significant impact on self-catering provision in Wyre. We estimate that around 40% of existing businesses would need to close – representing a loss of more than 200 bedspaces.

Caravan & Holiday Parks Stock

Assuming, therefore, that there is a substantial fall in staying visitor numbers, we present our revised estimated number of caravan and holiday parks, pitches and bedspaces for Blackpool, Fylde and Wyre in the following tables. The figures presented are based on a medium case scenario – as described in the previous sections.

Figure 12.32: Estimated Number of Holiday Parks – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Caravan Park Accommodation Stock	10	22	42	74
<i>Less Excess Stock</i>	3	5	13	21
Revised Supply	7	17	29	53
<i>Source: HLL estimates</i>				

Figure 12.33: Estimated Number of Units / Pitches – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Pitch Provision	198	737	488	1,423
<i>Less Excess Stock</i>	50	186	92	328
Revised Supply of Touring Pitches	148	551	396	1,095
Current Static Caravan Provision	1,426	1,941	3,296	6,663
<i>Less Excess Stock</i>	65	19	149	233
Revised Supply of Static Pitches	1,361	1,922	3,147	6,430
Current Lodge Provision	6	54	153	213
<i>Less Excess Stock</i>	2	6	44	52
Revised Supply of Lodge Pitches	4	48	109	161
Current Holiday Park Accommodation Stock	1,630	2,732	3,937	8,299
Revised Supply Total	1,513	2,521	3,652	7,686
<i>Source: HLL estimates</i>				

Figure 12.34: Estimated Number of Bedspaces – Significant Decrease in Staying Visitors

	Blackpool	Fylde	Wyre	Total
Current Touring Bedspaces	594	2,211	1,464	4,269
<i>Less Excess Stock</i>	150	557	275	982
Revised Supply of Touring Bedspaces	444	1,654	1,189	3,287
Current Static Caravan Bedspaces	4,278	5,823	9,888	19,989
<i>Less Excess Stock</i>	194	56	447	697
Revised Supply of Static Bedspaces	4,084	5,767	9,441	19,292
Current Lodge Bedspaces	18	162	459	639
<i>Less Excess Stock</i>	5	17	133	155
Revised Supply of Lodge Bedspaces	13	145	326	484
Current Holiday Park Accommodation Stock	4,890	8,196	11,811	24,897
Revised Supply Total	4,541	7,566	10,956	23,063
<i>Source: HLL estimates</i>				

We comment briefly below:

Blackpool – A significant decrease in staying visitor numbers will have a major impact on Blackpool's holiday park stock. Whilst only seven parks would be retained, it is likely that the largest two parks (Newton Hall and Marton Mere) would need to reduce their provision to ensure the survival of some of the smaller parks.

Fylde – As for the self-catering market, there would be a decrease in provision in Fylde. Overall, we estimate that bedspace provision in Fylde would need to drop by around 630 bedspaces to accommodate such a change in the wider visitor economy.

Wyre – As for Blackpool, there would be a substantial drop (around 850) in bedspaces required at parks in Wyre. Again, the bulk of the losses will be from static provision.

12.4.4 Blackpool Scenario 3 Summary

In the following table we summarise the accommodation stock requirements for Blackpool should there be a substantial decrease in staying visitor numbers (as highlighted in section 12.4.1).

Figure 12.35: Summary of Blackpool Accommodation Stock – Scenario 3

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	56,521	25,398	31,123	- 44.9
Self-Catering Accommodation	4,194	1,956	2,238	- 46.6
Holiday & Caravan Park Accommodation	4,890	349	4,541	- 7.1
TOTAL BLACKPOOL MARKET	65,605	27,703	37,902	- 42.2
<i>Source: HLL estimates</i>				

As this shows, further falls in staying visitor numbers over the next five years would require the loss of around 42% of all serviced and non-serviced accommodation bedspaces (equivalent to almost 28,000 bedspaces) in Blackpool to attain national average occupancy levels across all market sectors.

12.4.5 Fylde Scenario 3 Summary

In the following table we summarise the accommodation stock requirements for Fylde should there be a substantial decrease in staying visitor numbers (as highlighted in section 12.4.1).

Figure 12.36: Summary of Fylde Accommodation Stock – Scenario 3

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	2,975	679	2,296	- 22.8
Self-Catering Accommodation	214	61	153	- 28.5
Holiday & Caravan Park Accommodation	8,196	6330	7,566	- 7.7
TOTAL FYLDE MARKET	11,385	1,370	10,015	- 12.0
<i>Source: HLL estimates</i>				

As this shows, a substantial decrease in visitor numbers over the next five years would require the loss of 12% of all accommodation bedspaces in Fylde, with a greater proportion again coming from the self-catering accommodation sector.

12.4.6 Wyre Scenario 3 Summary

In the following table we summarise the accommodation stock requirements for Wyre should there be a substantial decrease in staying visitor numbers (as highlighted in section 12.4.1).

Figure 12.37: Summary of Wyre Accommodation Stock – Scenario 3

Accommodation Type (Bedspaces)	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Serviced Accommodation	1,327	486	841	- 36.6
Self-Catering Accommodation	545	208	337	- 38.2
Holiday & Caravan Park Accommodation	11,811	855	10,956	- 7.2
TOTAL WYRE MARKET	13,683	1,549	12,134	- 11.3
<i>Source: HLL estimates</i>				

As this shows, a slight decrease in staying visitor numbers to Wyre would have a significant impact on the local visitor accommodation market – with a loss of just over 11% of all bedspaces being required.

12.5 Summary of Current and Future Accommodation Requirements

In the following sub-sections we summarise the average levels of estimated excess bedspaces in Blackpool, Fylde and Wyre in light of the current situation and the three scenarios identified.

12.5.1 Blackpool Summary

Even if staying visitor numbers to Blackpool were to increase, there would still be a requirement for a 25% drop in available serviced accommodation bedspaces. In our worst case scenario (a substantial drop in staying visitors), almost half of the resort's bedspaces would need to be lost.

Figure 12.38: Summary of Blackpool Serviced Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	56,521	18,310	38,211	- 32.4
1 - Increase in Staying Visitors	56,521	14,149	42,372	- 25.0
2 - Marginal Decrease in Staying Visitors	56,521	21,990	34,531	- 38.9
3 - Significant Decrease in Staying Visitors	56,521	25,398	31,123	- 44.9
<i>Source: HLL estimates</i>				

We therefore estimate that Blackpool will require the loss of between 14,100 and 25,400 serviced accommodation bedspaces depending on the scenario.

The picture for Blackpool is similar across the non-serviced accommodation sector, with a drop of 21% in available self-catering bedspaces required even if visitor numbers to the resort increased.

Figure 12.39: Summary of Blackpool Self-Catering Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	4,194	1,302	2,892	- 31.0
1 - Increase in Staying Visitors	4,194	875	3,319	- 20.9
2 - Marginal Decrease in Staying Visitors	4,194	1,646	2,548	- 39.2
3 - Significant Decrease in Staying Visitors	4,194	1,956	2,238	- 46.6
<i>Source: HLL estimates</i>				

We therefore estimate that Blackpool will require the loss of between 875 and 2,000 self-catering accommodation bedspaces depending on the scenario.

Figure 12.40: Summary of Blackpool Holiday Park Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	4,890	22	4,868	- 0.4
1 - Increase in Staying Visitors	4,890	+192	5,082	+ 3.9
2 - Marginal Decrease in Staying Visitors	4,890	194	4,696	- 4.0
3 - Significant Decrease in Staying Visitors	4,890	349	4,541	- 7.1
<i>Source: HLL estimates</i>				

We therefore estimate that Blackpool will require an additional 190 holiday park bedspaces should visitor numbers increased, but the loss of between 22 and 349 bedspaces depending on the other scenarios.

Overall, therefore, we estimate that Blackpool needs to lose the following total number of serviced and non-serviced accommodation bedspaces, whether through planning policy, natural wastage (as unit specifications increase) or other means:

Figure 12.41: Overall Summary of Blackpool Accommodation Stock, by Bedspaces

Scenario	% Change in Provision		
	Serviced	Self-Catering	Holiday Park
Current Situation	- 32.4	- 31.0	- 0.4
1 - Increase in Staying Visitors	- 25.0	- 20.9	+ 3.9
2 - Marginal Decrease in Staying Visitors	- 38.9	- 39.2	- 4.0
3 - Significant Decrease in Staying Visitors	- 44.9	- 46.6	- 7.1
<i>Source: HLL estimates</i>			

12.5.2 Fylde Summary

The current situation in Fylde highlights that there is a very slight over-supply of serviced accommodation bedspaces. However, an increase in demand would require growth in stock.

Figure 12.42: Summary of Fylde Serviced Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	2,975	8	2,967	- 0.3
1 - Increase in Staying Visitors	2,975	+430	3,405	+ 14.5
2 - Marginal Decrease in Staying Visitors	2,975	361	2,614	- 12.1
3 - Significant Decrease in Staying Visitors	2,975	679	2,296	- 22.8
<i>Source: HLL estimates</i>				

We therefore estimate that demand in Fylde will result in the gain of more than 430 new serviced accommodation bedspaces, or the loss of almost 680, depending on the scenario.

The picture for Fylde is the same across the non-serviced accommodation sector, with an increase of 6% in available self-catering and 9% in holiday park bedspaces required if visitor numbers to the resort were to increase.

Figure 12.43: Summary of Fylde Self-Catering Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	214	16	198	- 7.5
1 - Increase in Staying Visitors	214	+13	227	+ 6.1
2 - Marginal Decrease in Staying Visitors	214	40	174	- 18.7
3 - Significant Decrease in Staying Visitors	214	61	153	- 28.5
<i>Source: HLL estimates</i>				

We therefore estimate that Fylde will require an additional 13 new, or the loss of 60 self-catering accommodation bedspaces, depending on the scenario.

Figure 12.44: Summary of Fylde Holiday Park Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	8,196	+220	8,416	+ 2.7
1 - Increase in Staying Visitors	8,196	+774	8,970	+ 9.4
2 - Marginal Decrease in Staying Visitors	8,196	227	7,969	- 2.8
3 - Significant Decrease in Staying Visitors	8,196	630	7,566	- 7.7
<i>Source: HLL estimates</i>				

We therefore estimate that Fylde will require an additional 774 holiday park bedspaces should demand increase, but require the loss of up to 630 such bedspaces depending on the scenario.

Overall, therefore, we estimate that Fylde will require the following total number of serviced and non-serviced accommodation bedspaces:

Figure 12.45: Overall Summary of Fylde Accommodation Stock, by Bedspaces

Scenario	% Change in Provision		
	Serviced	Self-Catering	Holiday Park
Current Situation	- 0.3	- 7.5	+ 2.7
1 - Increase in Staying Visitors	+ 14.5	+ 6.1	+ 9.4
2 - Marginal Decrease in Staying Visitors	- 12.1	- 18.7	- 2.8
3 - Significant Decrease in Staying Visitors	- 22.8	- 28.5	- 7.7
<i>Source: HLL estimates</i>			

12.5.3 Wyre Summary

The current situation in Wyre highlights that there is currently excess supply of around 15% in the provision of serviced accommodation bedspaces. An increase in visitor numbers would lead to a market that is broadly in balance, although a further fall in visitor numbers would drastically reduce the number of serviced bedspaces required.

Figure 12.46: Summary of Wyre Serviced Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	1,327	204	1,123	- 15.4
1 - Increase in Staying Visitors	1,327	20	1,307	- 1.5
2 - Marginal Decrease in Staying Visitors	1,327	352	975	- 26.5
3 - Significant Decrease in Staying Visitors	1,327	486	841	- 36.6
<i>Source: HLL estimates</i>				

We therefore estimate that Wyre will require the loss of between 20 and 490 serviced accommodation bedspaces depending on the scenario.

The picture for Wyre is the same across the self-catering accommodation sector, with a drop of 8% in available bedspaces required even if visitor numbers to the resort increased.

Figure 12.47: Summary of Wyre Self-Catering Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	545	109	436	- 20.0
1 - Increase in Staying Visitors	545	44	501	- 8.1
2 - Marginal Decrease in Staying Visitors	545	161	384	- 29.5
3 - Significant Decrease in Staying Visitors	545	208	337	- 38.2
<i>Source: HLL estimates</i>				

We therefore estimate that Wyre will require the addition of almost 620, or loss of over 850, holiday park bedspaces, depending on the scenario.

Figure 12.48: Summary of Wyre Holiday Park Accommodation Stock, by Bedspaces

Scenario	Current Supply (2008)	Excess / Required Stock	Revised Supply	% Change in Stock
Current Situation	11,811	+35	11,846	+ 0.3
1 - Increase in Staying Visitors	11,811	+616	12,427	+ 5.2
2 - Marginal Decrease in Staying Visitors	11,811	433	11,378	- 3.7
3 - Significant Decrease in Staying Visitors	11,811	855	10,956	- 7.2
<i>Source: HLL estimates</i>				

Overall, therefore, we estimate that Wyre needs to lose the following total number of serviced and non-serviced accommodation bedspaces:

Figure 12.49: Overall Summary of Wyre Accommodation Stock, by Bedspaces

Scenario	% Change in Provision		
	Serviced	Self-Catering	Holiday Park
Current Situation	- 15.4	- 20.0	+ 0.3
1 - Increase in Staying Visitors	- 1.5	- 8.1	+ 5.2
2 - Marginal Decrease in Staying Visitors	- 26.5	- 29.5	- 3.7
3 - Significant Decrease in Staying Visitors	- 36.6	- 38.2	- 7.2
<i>Source: HLL estimates</i>			

13 BLACKPOOL PLANNING POLICY APPRAISAL

13.1 Introduction

In this final section of our report, we consider the implications of our current market assessment and future modelling requirements from a planning policy perspective in Blackpool.

This will include an examination of existing policy and recent planning applications relating to visitor accommodation, with a view to formulating new policy recommendations for the emerging LDF.

13.2 Regional & Sub-Regional Planning Policy

Policy W6 – Tourism and the Visitor Economy – of the emerging North West regional Spatial Strategy identifies Blackpool as an international Tourism Destination and a priority location for major footloose tourism development. The policy states that plans, strategies, proposals and schemes should seek to deliver improved economic growth and quality of life through sustainable tourism activity.

The strategy for the Joint Structure Plan Northern Lancashire seeks the development of high quality modern facilities to support Blackpool's role as a tourist destination of regional and national importance.

Policy 18 – Major Hotel Development – directs new hotel development to town centres and coastal resorts. The supporting text identifies a need to raise the quality of accommodation provided and ensure that all new major hotel developments are conveniently accessible by public transport.

Policy 19 – Tourism Development – identifies Blackpool as a national tourism destination and states that all tourist development must be conveniently accessible by public transport.

13.3 Existing Planning Policy

The Blackpool Local Plan (2001-2016) was adopted on June 9th 2006. The policies contained within this plan are those which are used to guide and control the supply of holiday accommodation in the town. Key policies relating to holiday accommodation are set out in Appendix 4 and summarised below.

Policy RR2 of the adopted local plan deals with visitor accommodation. It seeks to focus proposals for new visitor accommodation within identified Resort Neighbourhoods and the Promenade frontage, key tourism investment sites and in the town centre. It specifically states that the Council will seek to facilitate hotel development proposals that replace lower quality, older holiday accommodation with new or improved accommodation of a high standard and that contributes to Blackpool's regeneration.

Policy RR8 deals with development in The Resort Neighbourhoods. It seeks development that will enhance the liveability, character and appeal of these areas as a visitor destination and states that Local Development Documents will be prepared, to secure the comprehensive improvement of each Neighbourhood.

Policy RR9 deals with development proposals involving the loss of holiday accommodation in Resort Neighbourhoods. Generally the policy seeks to resist the loss of holiday accommodation in Resort Neighbourhoods and on the Promenade frontage. However, it is flexible enough to allow for conversion where a property is

surrounded by residential property on both sides; is part of a street side which is predominantly residential; where it can be demonstrated that the property has no viable future in holiday accommodation use; or where it forms part of a wider redevelopment proposal that will deliver clear and substantial regeneration benefits. Where such conversion is allowed the policy seeks a high standard of residential accommodation in character with the surrounding area.

Policy RR10 deals with proposals for change of use to holiday accommodation or the expansion of existing holiday accommodation in Resort Neighbourhoods. This restricts such development to those areas where there is already a predominance of holiday accommodation in the vicinity.

Generally, therefore, there is already a policy framework to restrict new hotel, guest house, bed & breakfast and self-catering accommodation in Blackpool to defined Resort Neighbourhoods including the Promenade frontage. These policies have been in operation for a number of years, since before the Local Plan was formerly adopted. In the next section, therefore, we analyse the implementation of these policies through the determination of planning applications.

13.4 Analysis of Recent Planning Applications

We set out recent planning decisions involving holiday property as Appendix 5.

13.4.1 Applications for New Hotel Development

There have been 10 applications in the last five years relating to new hotel development. All but one of these applications have been approved. One was a minor extension of an existing hotel at South Gynn. Of the other 9, two are revisions or reserved matters relating to two of the previous applications, so there are only 7 sites affected.

Application *08/1133* relates to land adjacent to the Hilton Hotel in South Gynn. The proposals are for a Hampton by Hilton with 118 en-suite bedrooms and 75 car parking spaces. The site lies within the Resort Neighbourhood and the application was recently approved.

Two applications (*06/0066* and *07/0536*) related to the redevelopment of the former Gables Balmoral Hotel on Osbourne Road in the Resort Neighbourhood just north of the Pleasure Beach. The applications were approved for 75 and 79 bedrooms respectively and the site has now been redeveloped to accommodate a Travelodge hotel.

Two applications (*07/0320* and *07/0302*) relate to the Bond Hotel which lies to the north of the Pleasure Beach within a Resort Neighbourhood and offers 50 guest bedrooms. The first application sought redevelopment for 112 bedrooms. The second application sought a revision to the above application for a part 4, part 5 storey hotel of 142 bedrooms. These applications were considered against Policy RR2 and 'design' policies LQ1, LQ2, LQ3 and LQ4. The Committee Report states that the policies of the adopted plan seek to encourage the development of a high quality visitor accommodation within the defined Resort Neighbourhood and as such the principle of development accords with policy.

Application *06/1007* sought permission for the change of use of an existing dwelling house into a hotel as an annexe to the Ashley Victoria Hotel in Alexandra Road

within a Resort Neighbourhood. The proposal was considered and approved in relation to Polices BH3, AS1, RR8 and RR10.

Application *05/0614* gave permission for the development of a five-storey Travelodge hotel at Seaside Way / Bloomfield Road (now completed). This development lies outside of any Resort Neighbourhood, but is within the central corridor regeneration area and adjacent to the new football ground.

The only refusal relates to application *08/0744* which was a proposal to redevelop an existing 44 bedrooms hotel and Warehouse in the Albert Road Resort Neighbourhood for a purpose built 75 room budget hotel. This application was refused as being out of character with street scene and having detrimental impact on residential amenity.

In addition, the former Clifton Hotel in the town centre has been redeveloped as a Travelodge. We have not been able to identify any applications in relation to this conversion (and, indeed, an application may not have been necessary).

These applications are quite surprising in view of the level of oversupply, however, four of the application sites relate to investment by leading multiple chain operators Hilton and Travelodge whose national marketing power makes them less affected by the local market. Indeed, these chains may be exploiting an opportunity arising for higher quality accommodation, even if at the budget / mid-market end amongst the lower quality and lack of accreditation in the majority of the local hotel supply.

Three of the newly developed sites lie close to, or within, the Pleasure Beach – perhaps indicating the potential of this site to drive further investment in the improvement of hotel stock along this part of the seafront.

These applications have largely been assessed and approved against policy RR2 which supports the replacement lower quality, older holiday accommodation with new or improved accommodation of a higher standard.

13.4.2 Applications for Conversion Out of Use from Holiday Accommodation

There have been 145 applications in the last five years to convert properties out of use from holiday accommodation (including hotels, guest houses and holiday flats) to largely residential uses. Some of these are discussed below.

Application *04/963* sought to change the use of a hotel to a private dwellinghouse. The hotel is located in the Resort Neighbourhood 'Gynn North'. Although the application was refused, it was not, however, refused on the basis of being contrary to policy RR9 which seeks to retain holiday accommodation in Resort Neighbourhoods (subject to caveats). Rather it was refused on the basis of the standard of conversion – which implies that the loss of the hotel may have been considered appropriate (despite policy RR9).

Application *08/0271* sought permission for the redevelopment of the former Beechfield Hotel and various ancillary outbuildings for a detached four storey building to form thirty two self contained flats with parking area and garage block at rear accessed from Fleet Street. The officer's report stated that the application site was situated on the periphery of the (Albert Road) Resort Neighbourhood in an area of mixed character with holiday and permanent holiday accommodation and that the proposed development was not considered to detrimentally affect the viability of the Resort Neighbourhood. The application was permitted as being in accordance with the aims of the Local plan policies.

Application 05/0541 sought permission for the erection of a 6 storey building to form a retail unit and restaurant at ground and first floor and 14 self contained flats at upper floors. The site lies in a Resort Neighbourhood at South Beach. The officers report described the site as being occupied by 3 storey premises located at the end of a terrace of predominantly hotel accommodation fronting the Promenade. The main issue in the determination of the proposal related to the loss of an element of holiday accommodation and its replacement with residential use.

Application 08/0095 sought permission for the redevelopment of 12 hotels for the *'erection of six new buildings rising to between 11 and 13 storeys in height, comprising 300 new dwellings and holiday accommodation together with cafe uses'*. The site is located in the Resort Neighbourhood just south of Blackpool Pleasure Beach and consisted of a block of hotels stretching from the Clolwyn to the Headlands on Bourne Crescent. The proposal sought to demolish the existing buildings and redevelop them with a mixed scheme of 8,200m² of holiday accommodation and 30,000m² of residential development.

The council considered the application against 'resort' policies RR2 and RR9 and 'design' policies LQ1 to LQ4. In this regard, it was felt that the inclusion of only a minor element of holiday accommodation would set an adverse precedent for similar applications along the promenade which would undermine ambitions to revitalise Blackpool's staying visitor market. The application was refused on 2nd June 2008 on predominately design-based reasons comprising that the proposed tower blocks would have a detrimental impact on the residential amenities of the residential occupants on Clifton Drive by virtue of their scale, massing and spacing. The application was also refused on the grounds of inadequate public open space, and that it would create a piecemeal development to the detriment of the streetscene.

In dealing with applications resulting in the loss of hotel premises, the strict application of policy RR9 has meant fewer applications for conversion in the stronger holiday areas, but a declining holiday market and flexibility in the application of policy has meant that the Council has been generally prepared to allow for the loss of such premises in more peripheral areas even though they are within the Resort Neighbourhoods in consideration of the exceptions to policy RR9. However, the Council has not been prepared to compromise upon the standard and quality of replacement development and this has led to the two of the refusals mentioned above.

13.4.3 Applications for the Conversion of Use into Holiday Apartments

There have been 19 applications in the last five years for the conversion of property into holiday apartments. All but two of these applications have been approved.

Most approvals are made by reference to policy RR8, in other words, in consideration of their impact on the character of the area, rather than for being in accordance with RR2 which encourages upgrading of holiday accommodation or RR10 which restricts new holiday accommodation to predominantly holiday areas.

From the planning description, it is difficult to determine the previous use these properties were changing from, whether from small guest houses and bed & breakfast, or purely from residential.

As far as we can discern at least 7 of these applications were to convert from former guest houses to holiday apartments reflecting the poor market for serviced

accommodation. Given the equally poor market for holiday apartments these applications may have come about as a way to circumvent policy RR9 which seeks to restrict the loss of holiday accommodation in Resort Neighbourhoods. It may be, that the landowners see these consents as a first step towards residential use, and that many are in, or falling into, quasi-residential use by accommodating contractors, especially outside of the peak season.

Five of these applications appear to have been for proposals to convert from existing residential flats to holiday apartments. This is quite surprising given the oversupply in the market. However, it could be that this demand is coming from new market entrants who do not understand the local market but who have moved to the area and are seeking some form of retirement or other small income and do not mind or can cope with the low returns. There is no local planning policy to prevent this type of application in the defined Resort Neighbourhoods as the existing policies RR8 and RR10 relating to proposals for new holiday accommodation do not consider need or viability, rather they seek to control new holiday accommodation development according to its impact on the character of an area, the predominance of existing holiday accommodation and whether or not the proposal is within the designated Resort Neighbourhoods. Need and viability is only raised as an issue for applications for the proposed loss of holiday accommodation on the Promenade.

Two or three of the applications have been to extend existing holiday apartments.

13.4.4 Breach of Planning Control

There have been a number of attempts by the council to try to control the drift of hotels into residential use without planning permission into hostels or houses in multiple occupation (see Appendix 5). Such changes have been considered to lead to a change of character in the area which would conflict with Policies RR8 and RR9.

13.5 Planning Policy Considerations

The existing adopted local plan already has fairly well structured and worded policies to guide planning applications for new hotel and holiday accommodation, for replacement accommodation and for the loss of existing accommodation altogether.

Our research has demonstrated that there is a clear oversupply of serviced and non-serviced holiday accommodation. In this context, there is clear danger and trend for underperforming units to drift into bed-sit, hostel and HMO use further undermining the character of the areas in which they sit and the ongoing performance of remaining holiday accommodation enterprises.

Given the scale of over-supply in the current Blackpool market, officers have thus faced relatively fewer applications than might have been expected for the change the use of guest houses and holiday apartments to residential use. For those applications resulting in the loss of guest houses, Council Officers appear to have used the exceptions to policy RR9 in a sympathetic manner to permit appropriate proposals, subject to the overall standard of design. Where enforcement action has been taken against guest houses that have changed to hostel or HMO use officers have used policy RR9 in the reverse to prevent such changes, but it could be argued that this action is in accordance with the principles of policy RR8 which seeks to retain the character of resort neighbourhoods.

There have been a relatively large number of planning applications for holiday apartments, either to change from guest house accommodation, or to convert from

residential flats. These have mostly been approved because there are no strong policy reasons to resist additional holiday accommodation in the Resort Neighbourhoods. Similarly, proposals for quite a large amount of new hotel development have been approved or are under consideration mostly upon the sites of previous hotel development. These proposals have largely been approved as being in accordance with policy RR2 to improve the quality of visitor accommodation in the resort, but in so doing have allowed a net addition to supply.

This review of planning policy and implementation in Blackpool reveals four major issues.

1. Firstly, there is such an oversupply, that holiday apartments and guest houses are drifting into quasi and fully residential use without applying for planning permission, or potentially by applying for conversions to holiday accommodation apartments a way of circumventing Policy RR9.
2. Secondly, there are a significant number of applications coming forward to change use from holiday to residential use, but this does not reflect the scale of over-supply. This maybe because those in resort neighbourhoods feel that permission is unlikely to be forthcoming.
3. Thirdly, and following on from the first two reasons, there is a fundamental need to re-balance the supply, and to enable a pathway out of holiday accommodation which aims to deliver a positive residential alternative, whilst still encouraging new quality replacement holiday accommodation in appropriate locations.
4. Fourthly, and finally, the resort neighbourhoods are drawn so large that they no longer provide any realistic relationship with what can be considered the main areas of holiday accommodation.

We suggest much more tightly focused Resort Neighbourhoods concentrating protection upon the key conference and resort hotels along the Promenade (allowing for some discreet areas of mixed resort uses) and upon the strongest remaining areas of guest houses at North Gynn, Lord Street, South of Town Centre, Foxhall Village, South Beach and Pleasure Beach areas.

Working in tandem with Tourism Marketing Officers, each of these more focused policy protection areas should be given a separate identity and marketing image to encourage new visitors and re-investment in the remaining stock. Such themes might be:-

- Conference Zone – the Promenade of conference hotels along North Shore, north and south of the Gynn;
- ‘Rainbow Village’ – the area of hotels, clubs and bars around Lord Street, targeted towards the visiting and resident gay community and the Funny Girls showcase;
- Cultural Zone – the area of hotels south of the town centre, around Albert Road, targeted toward people visiting town centre shops, clubs, bars, theatre, cabaret, and a revived Winter Gardens;
- Foxhall B&Bs – a tiny area of a few roads marketing themselves as traditional, colourful, Blackpool bed and breakfast

- South Beach – an area of major re-investment and development to create a bright new illuminated strip of architecturally themed hotels akin to Miami’s art deco South Beach; and
- Pleasure Beach – a southerly extension of the South Beach area with larger hotels serving the Pleasure Beach and a second different type of conference/meetings market.

The crucial consideration then becomes how, against this background of reduced safeguarding of holiday accommodation, to effectively promote and encourage a positive change out of holiday accommodation use through the Council’s housing intervention strategy. Essentially, the need will be to match the proposed policy changes with the resources and realistic options available to deliver a new purpose for the declining parts of the resort.

It is also important to remember that just because a hotel is outside a policy protection zone it does not mean that it will automatically change out of hotel use as illustrated by the estimated 9,900 bedspaces (around 18% of the total) already outside these zones. Clearly there will be some smaller resort areas such as Bispham that may continue to provide a small niche market appeal. Equally, just keeping a hotel within a policy zone does not ensure that it will stay in that use if there is insufficient demand, poor management, or more viable alternative uses.

Planning can only promote change and directly control those applications which are submitted and those enforcement cases that are brought to its attention. Surplus guest house stock outside the revised Resort Neighbourhoods (and substandard stock within them) will need to be actively purchased by regeneration bodies and either converted to residential use in the case of the former, or redeveloped as higher standard accommodation in the case of the latter.

We do not deal with the caravan sector in any detail in this chapter. Blackpool does not currently have any specific caravan park policies. We suggest that the two main holiday parks (Newton Hall and Marton Mere) should be designated as such and given policy protection to prevent their loss to alternative uses. The rest of the touring and static caravan parks should be subject to a hybrid of the policies as suggested for Wyre and Fylde LDFs to ensure consistency, always bearing in mind that a park on the edge of Blackpool is going to be in one of the more sustainable locations.

14 FYLDE PLANNING POLICY APPRAISAL

14.1 Introduction

In this final section of our report, we consider the implications of our current market assessment and future modelling requirements from a planning policy perspective in Fylde.

This will include an examination of existing policy and recent planning applications relating to visitor accommodation, with a view to formulating new policy recommendations for the emerging LDF.

14.2 Existing Planning Policy

The Fylde Borough Local Plan (as Altered) (Oct 2005) is an amalgamation of two documents, namely the Fylde Borough Local Plan 1996 – 2006, adopted on 19th May 2003, and the Fylde Borough Local Plan Alterations Review 2004 – 2016, adopted on 10th October 2005. The adoption of the latter document replaced parts, but not all, of the earlier plan, namely Policy HL1 (Housing Land Allocations) and Car Parking policies. Key policies relating to holiday accommodation are set out in Appendix 6 and summarised below.

The **Proposals Map** designates two parts of St. Annes promenade as Primary Holiday Area subject to policy TREC1. Three further areas are designated as Secondary Holiday Area subject to policy TREC2.

Policy TREC1 encourages new hotel, guest house and holiday flat development and extensions within the primary holiday area and resists any proposed losses of such accommodation.

Policy TREC2 permits new hotels, guest houses, holiday flats and extensions within the secondary holiday area, but also allows for the change of use from tourist accommodation to uses compatible with the residential area. Within Lytham St Annes, but outside the defined holiday areas, this policy still allows for holiday accommodation subject to design, character and residential amenity considerations.

Policy TREC3 permits hotels and other tourist accommodation outside of Lytham St Annes at the other main settlements, smaller rural villages, Ribby Hall, and in countryside and greenbelt areas subject to other policies in the plan (SP2, 3, 5, and 9) scale, and design standards.

Policy TREC5 sets out criteria for tourism development, including major leisure complexes, that requires evidence of need and why the proposals cannot be located in Lytham St Annes or other nearby resorts and a demonstration that there is no sequentially preferable location.

Policy TREC6 deals with static holiday caravan and chalet parks which it restricts to the modest extension of existing holiday parks in order to improve layout and landscaping without any increase in pitch numbers or as part of a major recreational or leisure facility.

Policy TREC7 deals with touring caravan and camping sites which are permitted subject to normal landscape character and residential amenity concerns.

Where any new applications for static holiday caravans or touring sites are permitted each of the above policies requires a minimum six week closed period.

Therefore, Fylde already has fairly flexible policies for the consideration of tourism accommodation development and redevelopment proposals. The Primary Holiday Area is tightly drawn around the main promenade frontage of hotel properties in St Annes. Outside this area, in St Annes, there is a secondary area where new tourism accommodation development is encouraged, and yet there is no restriction on proposals to change out of tourism use.

These two policies should allow for the area's tourist accommodation to ebb and flow with the market while preventing the loss of core seafront hotels where there might otherwise be a premium residential market that could erode the town's hotel stock and role as a staying resort.

Outside of St Annes, the policies allow for tourist accommodation development which is encouraged at other settlements and villages, but not ruled out in countryside and green belt areas subject to compliance with other policies. Major tourism developments are directed towards Lytham St Annes.

With regard to caravan parks, policy TREC6 is more restrictive towards static holiday caravans, preventing any further increase on static caravan numbers. Policy TREC7 is less restrictive with regard to touring caravan and camping sites.

14.3 Analysis of Recent Planning Applications

We set out recent planning decisions involving holiday property as Appendix 7.

14.3.1 Applications for the Conversion of Use into Hotel

This analysis has identified five applications relating to hotel development in the District.

Application *03/495* sought permission for the erection of a hotel, hotel apartments, restaurant and casino at 35-41 South Promenade. This application related to an existing hotel site within the Prime Holiday Area where applications for new hotels are permitted by policy TREC1. However, the application was refused on design and massing grounds. Subsequently, revised application *04/614* was approved at the same site subject to a condition to ensure that the hotel rooms and holiday apartments will only be used for holiday purposes and will not be occupied by the same person for a continuous period in excess of 8 weeks. Although the former hotel has been demolished the site now remains vacant with no obvious intention of implementing the approved application.

Application *07/973* for the development of a 66-bedroom hotel and 61 holiday chalets at Great Birchwood was withdrawn. A similar application was then resubmitted under reference *08/624*. This was refused permission for failing to preserve the open character of the Green Belt.

Application *08/687* has recently been approved for the erection of a 38-bedroom lodge hotel at the Blue Anchor at Greenhalgh. This proposal is located outside of any Primary or Secondary Hotel Area, key settlement or village. However, it is in a small hamlet on the A585 trunk road just north of its junction with the M55 where there would undoubtedly be some demand for this type of accommodation which will also help support an existing local rural business. This shows flexibility in the application of policy TREC3.

14.3.2 Applications for Conversion to Holiday Cottages or Apartments

There have been only two applications made for holiday accommodation within St Annes in the last five years. One was located within the Secondary Holiday Area which allows for holiday accommodation under policy TREC2. However, the application was refused as back land and substandard development. The other was located outside the holiday areas and refused for introducing disturbance into a quiet residential area.

There have been several applications for the conversion of farm buildings to holiday units. Eight of these have been granted and four have been refused. Refusals have been for a number of reasons, either because the Barn for conversion required substantial reconstruction, and/or the development was considered unacceptable in a green belt location. Those which have been granted have mostly been subject to a condition that they shall not be occupied for more than 28 days in any 6 month period in order to prevent residential use.

14.3.3 Applications for Conversion Out of Use as Holiday Accommodation

There have been only two applications to convert out of use from holiday accommodation to residential accommodation. Both of these have been in St Annes.

Application *04/552* allowed for the change of use from 5 holiday units to four permanent flats. This accords with policy as the site was outside of the TREC1 prime holiday area (and outside of the TREC2 secondary holiday area).

Application *08/257* sought a certificate of lawfulness for the change of use from 4 holiday flats to 6 residential units. This application was withdrawn as invalid.

14.3.4 Applications for Caravan & Camping Sites

There have been five applications relating to caravan parks over the past five years.

Application *03/0020* allowed for the conversion of a garage to a holiday cottage at Oakland Caravan Park. This permission was restricted by condition to holiday use only. Application *04/824* allowed for the substitution of 18 previously approved holiday dwellings with 40 holiday apartments at Ribby Hall. This permission was subject to the condition that no holiday apartment should be occupied by the same persons for more than 4 weeks in any six months.

Surprisingly, in view of policy TREC6, application *05/910* is recommended for approval to change the use of touring pitches to site 54 seasonal holiday caravans subject to the signing of a section 106⁵². The draft decision notice carries a condition stating that the units shall not be occupied for more than a total of 46 weeks in any period of 52 weeks in any calendar year.

Application *04/368* sought permission for a substantial sporting tourism complex comprising a skating arena, football pitch, BMX track, touring caravan area and holiday accommodation at Wimbourne, Marton. The site lies between Bambers Lane and Cropper Road in open countryside on the edge of Blackpool. The touring area would accommodate 25 units. The application was refused due to visual impact contrary to TREC7 criterion 2 and insufficient details.

⁵² Although there is a letter on the system from the applicant dated 25 January 2006 stating that they are about to start works.

The application was appealed and the inspector agreed that the touring area would have a significant visual effect encroaching into the open countryside and therefore be contrary to Policy TREC7. With regard to the holiday accommodation, the Inspector felt that that no compelling evidence had been submitted which illustrated that the stables would be structurally capable of conversion as required by Policy SP5. The appellant suggested that the proposal should be regarded as a major leisure proposal and assessed against Local Plan Policy TREC5. However the Inspector noted that the policy also made reference to the need to protect the character and amenity of the countryside, and that the appellant had not submitted any information regarding the consideration of sequentially preferable locations or an indication of the likely benefits to the rural economy. The Inspector deemed the proposal to be materially detrimental to the quality and character of the surrounding rural area.

Application *05/834* sought permission for a single log cabin for holiday use. This was refused (and subsequently dismissed at appeal) for being contrary to policies SP2, 3 and TREC6 and inappropriate development in the Green Belt.

14.3.5 Application for Change of Use Out of Caravan Parks

There has been only one application to change out of use from a holiday park. Application *06/587* sought a certificate of lawfulness to use 11 chalets at Larbreck Gardens Caravan Park for residential use. This application was refused for lack of evidence to justify the certificate.

14.4 Planning Policy Considerations

14.4.1 Hotels

The existing planning policy framework in relation to serviced accommodation would appear to be well balanced.

In the main holiday area in St Annes, policy TREC1 provides policy protection for key seafront hotels within the prime holiday area. The application to redevelop the part hotel/part care home at 35-41 South Promenade may indicate that demand still exists for hotel development on the seafront where an acceptable design can be agreed. This would accord with our own market demand study.

Outside of this area in St Annes, Policy TREC2 allows for new hotels within the secondary holiday area, but also provides the flexibility for existing hotels to change to alternative uses according to market circumstances. This would accord with our market demand assessment which considers the existing hotel market in Fylde to be in balance – neither under or over supplied.

Outside of St Annes, policy TREC3 allows for hotel development at other settlements and villages and in the countryside subject to other policies. This has allowed for hotel development at Ribby Hall in the past and at the Blue Anchor as outlined above. The same policy has prevented hotel development in the green belt at Great Birchwood.

Overall, therefore, there does not appear to be a particular need to change these policies going into the LDF in so far as they relate to hotel development and our tourism accommodation need assessment.

14.4.2 Holiday Apartments & Cottages

With regard to the policy framework for holiday apartments and cottages, again, our market assessment suggests that the current supply is in balance with demand and that therefore the policy framework is working in a similar way to that with regard to hotel accommodation.

This may be partly due to the difficulty of preventing urban holiday apartments from slipping into quasi or actual residential use without planning permission as may have happened in parts of St Annes where there have been very few actual applications to change use from holiday apartments to residential but a noted fall in supply between street surveys. Given this difficulty, the council might want to consider distinguishing between serviced and non-serviced accommodation in the policy framework. It might be better if policy TREC1 related to serviced accommodation only in order to prevent hotels being redeveloped for holiday apartments as a first step towards residential development.

On the other hand any losses of holiday apartments that there may have been in St Annes, would appear to have been partly compensated by permissions for barn conversions in the wider rural area and Policy TREC3 appears to be working well as a framework for assessing such proposals in relation to other existing plan policies SP2, 3, 5 and 9.

14.4.3 Caravan Park Development

With regard to the policy framework for controlling caravan parks our market demand survey indicates that existing supply and demand are in relatively close equilibrium, with just a modest increase in units required to meet the existing levels of demand identified.

The existing policy framework is one of restricting any increase in the supply of static caravans with slightly more flexibility with regard to touring caravan pitches subject to landscape and amenity considerations. The restriction on the supply of statics does not match our assessment of current demand, and there is a danger that the imposition of such a complete restriction on any increase in static caravan numbers means that there is no incentive for park owners to improve their parks through more spacious layouts and landscaping or through the provision of better quality caravans and lodges. We would therefore suggest a revision to policy TREC 6 which allows for a modest extension and increase in static numbers at existing holiday parks in order to improve the layout, landscaping and quality of accommodation.

There is no policy which specifically prevents touring pitches from being permitted to change to static pitches, and application 05/910 was permitted on this basis despite the existing restrictions on static growth contained in policy TREC6. As a result of the current recession there has been a fairly substantial increase in national demand for touring, which may impact on Fylde over the next few years (for example, the likely increased demand for tourers identified in Scenario 1). Therefore, we suggest that policy TREC7 should be further amended through the LDF to provide some flexible control of the conversion of touring pitches to static pitches, in order to retain an adequate level of touring accommodation.

The restriction on static numbers in policy TREC6 also prevents any new proposals for holiday lodge developments (as the lodges themselves normally meet the definition of a static caravan). These attract higher spending groups than traditional static holiday caravan parks. They have strong synergy, for instance, with golfing

breaks and holidays. We therefore feel that to accommodate future demand and tourism strategy objectives, policy TREC6 should be amended to provide flexibility to allow for higher quality holiday lodge developments in appropriate locations, subject to identified demand and holiday occupancy conditions.

In most cases the council has been imposing a condition to prevent any person staying for more than 28 days in any 6 month period. This occupancy restriction would appear to be more restrictive than the example given in the Good Practice Guide on Planning for Tourism. The Guide itself recommends the use of a condition to ensure holiday use by requiring park owners to maintain an up-to-date register of guests' home addresses to be made available to the local planning authority. We would recommend that this policy wording is added to TREC6.

There is a concern at Fylde that some individual static holiday caravans or holiday parks are being used residentially. The industry is aware of this concern nationally. There can be a fine dividing line between holiday and residential use. For example, a holiday home which has been owned by a family for a number of years may have been used intermittently until the owners required. From this point, the owners may decide to stay for longer periods during the summer months. The industry has been working with a number of local authorities in order to draw up an acceptable approach to dealing with the issue. The structure put in place needs the involvement of the Planning and Environmental Health Departments, since the Planning Consent and Caravan Site Licence are both relevant and the terms of both documents may assist in ensuring that incorrect occupancy does not take place. An example of co-operation between a local authority and the industry is on the Yorkshire Coast within the area cover by the East Riding of Yorkshire Council which includes a number of large and small holiday parks. To avoid a problem of residential use, it is recommended that the Council's planning and environmental health officers liaise with local caravan park representatives through their trade association (BH&HPA) and, that TREC6 is amended in accordance with the East Riding example contained in the Good Practice Guide, including the requirement for a register of occupier's home addresses.

Finally, there may be instances where the original planning permission does not impose any conditions on caravan occupancy whether by season or type of use (residential or holiday). It is simply not mentioned. The Council have provided us with a number of examples of older caravan planning consents.

- An example is Merlewood Caravan Park where the planning consent 3/7/527 dates from 1952. Consent was given as a 'site for caravan trailers' and subject only to the condition that the layout should be carried out in accordance with the submitted plan. Whether anyone can now find this plan is a point in question, but there is nothing in the consent to prevent residential use of the park even if strictly speaking a new layout plan might need to be agreed to accommodate modern residential units.
- By contrast, the 1959 permission (3/7/1959) for 'layout of caravan site' at Mowbreck Hall was subject to a 6 month occupancy condition and a condition specifically restricting the caravans to holiday purposes only. Residential use was only achieved in subsequent planning applications which specifically restricted the number to a maximum of nine and then 28 residential caravans in 1962 and 1978 respectively.

- The other planning consents we have been provided with are all subject to certain seasonal restrictions, and in some cases also state that the land should only be used for touring caravans or for holiday purposes only. However, we do not know if these conditions have been enforced. If any caravans have been used residentially for more than 10 years, and there is sufficient evidence of such continued use, then the park owners or caravan occupiers may seek a Certificate of Lawfulness to confirm immunity from enforcement action.

In cases where there are no conditions to control the use of the caravans, case law has found that park owners are free to use such sites residentially. In such circumstances, or where a site is immune from enforcement action, it might be better to work through environmental health site licensing powers with the park operator, if they have a preference for residential caravans (which might not always be the case), to ensure a high standard of residential park homes is achieved rather than static holiday caravans being used residentially.

Of course there may also be instances where smaller holiday parks are located in sustainable locations adjacent to villages with services where the conversion of those sites to residential use might help to sustain those local services with year round trade and provide low cost accommodation to address local housing needs. This is a matter which should be addressed through strategic housing market studies and the LDF.

In taking enforcement action against any park suspected of having holiday caravans in residential use, the council should first check the detailed planning history of the caravan park back to 1960 and determine which permissions have been implemented and what restrictions they have on season or holiday use. Where a park has a seasonal restriction, the local planning authority can seek evidence from the park operator to demonstrate whether or not the site is being used out of season, and can also monitor and record any park use during the 'closed' season. Where there is no seasonal restriction, the LPA may only ask for an up-to-date register of guests' home addresses where this was a requirement of a condition attached to the implemented permission. As this requirement has only recently been recommended by the Good Practice Guide, it is unlikely to exist in many cases. To deal with this, the planning authority should work with its environmental health officers who do have the power to include such a requirement in the site licences that they issue.

15 WYRE PLANNING POLICY APPRAISAL

15.1 Introduction

In this final section of our report, we consider the implications of our current market assessment and future modelling requirements from a planning policy perspective in Wyre.

This will include an examination of existing policy and recent planning applications relating to visitor accommodation, with a view to formulating new policy recommendations for the emerging LDF.

15.2 Existing Planning Policy

The Wyre Borough Council Local Plan was adopted in 1999 to guide development until 2006. A review of that document was abandoned in favour of the new Local Development Framework. However, review policies were adopted and used for development control purposes before the former policies were 'saved' and bought back into use pending their review in the LDF. Key policies relating to tourist accommodation are attached as Appendix 8 and summarised below.

The adopted plan **Proposals Map** designates parts of Cleveleys and Fleetwood as Prime Holiday Areas.

Saved Policy TREC7 of the adopted Wyre Local Plan (and policy TOUR7 of the Local Plan Review) provides the Council's current policy for dealing with applications for holiday accommodation within these prime holiday areas. The Policy seeks to preserve these seaside resorts by permitting new and extended hotel, guest house, and holiday flat development within these areas subject to certain criteria and as well as preventing the loss of such holiday accommodation.

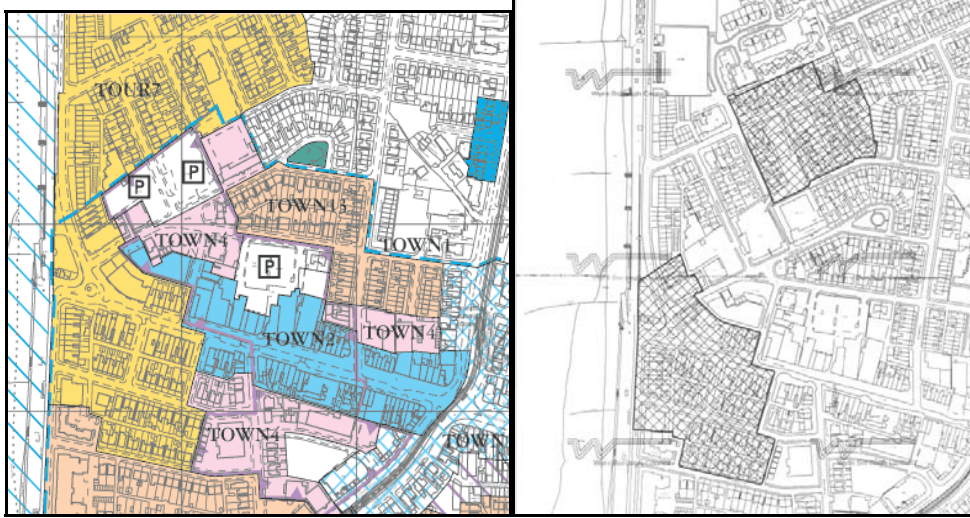
The supporting text explains that there has been an ongoing problem in recent years where holiday flats have been used for permanent residential accommodation, which has had a seriously negative effect on the attractiveness and image of the holiday area. In response to this situation, the Borough Council published Supplementary Planning Guidance (SPG8) which defines smaller sub areas known as Tourist Accommodation Zones (TAZ's) within the boundaries of the Prime Holiday Areas. The boundaries of the TAZ's were selected on the basis that they encompass the greatest concentration of holiday accommodation in Cleveleys and Fleetwood where further loss from these established areas would be detrimental to the tourism industry overall. It is considered that to extend the area to include all flats and guesthouses and hotels would remove the focus and weaken the implementation of the guidance.

The Council therefore utilises the policy and SPG to determine planning applications or take enforcement action as appropriate within the existing legal framework. Should further investment be made in Cleveleys or Fleetwood to support the tourism industry this would be particularly encouraged in designated prime holiday areas.

In Cleveleys, two prime holiday areas were defined in the adopted local plan. The first lies to the north of the Town Centre. It encompasses Cambridge Road, Kensington Road and part of Beach Road. The other encompasses a section of the promenade stretching from North Promenade to Ellerbeck Road further south within this area, where there are a number of guest houses and holiday flats on Coronation

Road and Victoria Road. The extent of the northern area has reduced in the TAZ of SPG8, as shown below.

Figures 15.1 & 15.2: Extracts from Proposals Map & SPG8 for Cleveleys

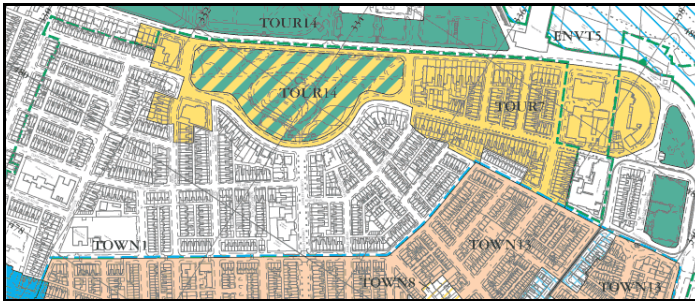


Proposals Map Extract - Cleveleys

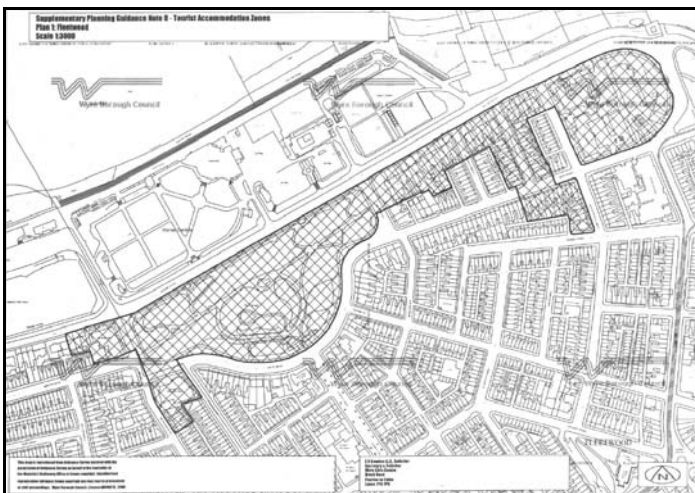
Map Extract from SPG 8 (TAZ/s)

In Fleetwood, the Prime Holiday Area in the adopted plan stretched along the seafront from the North Euston Hotel to Boston Hotel. In SPG8, the TAZ covers a slightly smaller area which now excludes Bold Street and part of Promenade Road.

Figures 15.3 & 15.4: Extracts from Proposals Map & SPG8 for Fleetwood



Proposals Map Extract - Fleetwood



Map Extract from SPG 8 (TAZ/s)

During the production of SPG8, the main concern in these areas related to the use of hotels and holiday apartments as hostels or other HMO uses. The Council felt that the prime holiday areas would be a practical way of assessing proposals which would involve a loss of holiday accommodation.

Saved Policy TREC2 (and Review policy TOUR2) seeks to address gaps in the tourist accommodation market by providing criteria to guide the development of small hotels, guest houses and youth hostels in order to support new tourism development without affecting residential character and amenity.

Saved Policy TREC5 (TOUR5) generally seeks to prevent any further static holiday caravan development by restricting such proposals to the extension of existing sites provided that there is no overall increase in static pitch numbers and subject to landscape, nature conservation, agricultural land value and flood risk criteria.

Saved Policy TREC6 (TOUR6) encourages the provision of touring caravan and camping sites by providing criteria to guide such development. These criteria seek to ensure that such sites are used for short stay's only (less than four weeks), located close to tourist facilities and the main road network, have limited impact on the environment and away from areas of flood risk. The supporting text states that permissions will be subject to a seasonal condition to prevent pitches from being used on a permanent basis.

Saved Policy EMP12 (EMPL3) provides support and criteria for employment uses which will facilitate the diversification of the rural economy. **Saved Policy EMP13** (EMPL4) provides further criteria for the conversion of rural buildings in the countryside to employment generating uses. Proposals for barn conversions to holiday accommodation should be assessed against these two policies.

15.3 Analysis of Recent Planning Decisions

There have been a significant number of planning applications relating to tourist accommodation in Wyre over the last five years. These applications are listed in Appendix 9 and discussed below.

15.3.1 Applications for Hotels & Guest Houses

There has been just one application for a new hotel and one application for a guest house in the last five years.

Outline application *05/1029* was permitted for a lodge hotel together with restaurant and chandlery on land adjacent to the 60-berth Garstang Marina. There does not appear to have been a subsequent application for reserved matters to implement this approval.

Application *07/00136* gave permission for the change of use of existing rooms within a farmhouse for bed and breakfast accommodation subject to no more than to bedrooms of the property being used for this purpose.

15.3.2 Applications to Change from Hotels & Guest Houses to Alternative Use

There have been eight applications to redevelop or convert existing or former hotels or guest houses to residential use.

Seven of these were permitted. Three were outside the Tourism Accommodation Zone where there is no policy to prevent the loss of tourist accommodation.

However, three were within the Cleveleys TAZ and one within the Fleetwood TAZ, but were still permitted despite the presence of policy TOUR7 (and its predecessor TREC7) which seeks to prevent such changes. Although these applications were considered against policy TOUR7 the council has had difficulty in dealing with such proposals where the viability of retaining the tourism use is uncertain irrespective of the property being within the designated tourism accommodation area. To refuse such applications could lead to disused or derelict buildings in the TAZ/prime holiday area further undermining that areas status.

Application *07/00553/FUL* sought permission to return the property to a single dwelling use. The main issue was whether the loss of the use of the property as a guest house would harm the viability and vitality of Cleveleys as a holiday town and the application was considered solely against Policy TOUR7 'Preserving the seaside Resorts' and SPG8. The Committee report recognises that mini breaks and weekends away are on the increase, people have a higher level of standard of their accommodation en-suite facilities and that the application property did not have any en-suite facilities. The committee report stated that the road is in a residential character and has 'no holiday feel to it at all'. The application was approved on the basis that the holiday zone would not be harmed by the granting of the application and that it served no planning purpose to keep its use in holiday usage.

The same unit was the subject of subsequent application (*08/00244/FUL*) for the Change of Use from guest house to 5 self-contained one-bedroom flats. The application was refused on the basis that the proposal would result in a detrimental impact on road safety.

15.3.3 Application for Conversion of Existing Use into Holiday Cottages

There have been a total of 40 applications for conversion to or development of holiday accommodation in the last five years. Most of these applications have been for the conversion of redundant agricultural barns and buildings or other new development associated with agricultural diversification projects in the rural area. There do not appear to have been any proposals for new holiday accommodation in either Cleveleys or Fleetwood and all of the applications are for locations outside of the Prime holiday accommodation designations.

Some 32 of the applications have been approved all subject to the same condition that occupation by any one person shall be limited to short stay visitors not exceeding one month in any 6 month period.

Many of the planning applications have been considered against policy EMP12 of the of the Adopted Wyre Borough Local Plan (July 1999), and Policies EMPL3, CORE9 of the Wyre Borough Local Plan Review 2001-2016 (first deposit draft) which support farm diversification where it helps to sustain agriculture as the primary land use and is of a scale and type which will not adversely affect the function as the centre of operations of an agricultural unit.

A total of 8 applications have been refused mostly for being visually obtrusive in the countryside or detrimental to residential amenity.

15.3.4 Applications for Conversion Out of Use as Holiday Accommodation

There have been just three applications for conversion out of use as holiday accommodation. Two of the applications relate to the same site in Fleetwood. The site was outside the TAZ where there is no policy to prevent such changes and

therefore the application was permitted. The other application related to a site in the rural area, where again there is no policy protection to prevent such changes, and therefore the application was also approved.

15.3.5 Applications for Holiday Caravan Parks

There have been about fourteen applications which we can discern as being for static holiday caravan development. Of these, three have been refused as would be expected in accordance with the restrictive policy TOUR5, although the reasons given have had more to do with visual prominence or ecological considerations.

The other eleven have been approved generally subject to occupancy restricted to holiday use only and a ten or ten and half month opening period. Only one of the sites seems to have been restricted to short stay 28-day / one-month use. We cannot readily tell whether these approvals allowed for a net increase in static caravans, but it appears that they may have. In which case it would appear that there has been some flexibility in the application of this policy according to local circumstance.

Approximately eight of the applications have been for chalets or lodges. We cannot readily discern whether these are lodges based on static caravan chassis, but there is reason to believe that they may have been. Six of these applications were permitted and generally subject to ten and a half or eleven months occupancy. Two appear to have been subject to a short stay condition. Two applications relate to 10 chalets at Brooklands which were refused and then allowed on later resubmission. The other refusal related to an application for a single holiday lodge.

There have been about nine applications for touring pitches. Six of these have been approved as might be expected by policy TOUR6. Three of these approvals do not appear to have been accompanied by any seasonal conditions, two were subject to an eight or eleven month occupancy, and one was subject to a 28-day short term occupancy. Three applications were refused for being visually intrusive and in the case of one site subject to flood risk.

15.3.6 Applications for Residential Caravans

There have been three applications involving residential park homes. These have all been approved.

Application *05/530* allowed for 10 park homes outside of any settlement boundary within the Green Belt, but on the northern edge of Cleveleys. Application *07/1280* allowed for 43 warden-assisted park homes outside the settlement boundary at Cabus, but close to Garstang with its strong service centre. This application was subject to a section 106 restricting occupation by age and income – an indication that the role of park home in providing low cost market housing for low income retired groups was accepted. Application *07/194* was for a single additional park home at an existing park within the settlement boundary at Stalmine.

The Council are concerned generally that a number of individual holiday caravans or holiday caravan parks, may be being used residentially without planning permission. From our site visits it appeared that this could be an issue at some of the smaller static holiday caravan parks.

15.4 Planning Policy Considerations

15.4.1 Hotels & Guest Houses

Our demand assessment illustrates that despite previous losses; there is still an oversupply of serviced accommodation in Wyre. We believe that this stems from the oversupply in Blackpool and that therefore the main impact is upon the neighbouring coastal resorts of Cleveleys and Fleetwood. These resorts are suffering both from the presence of an over-supply in Blackpool, and, from being overshadowed by demand to stay in the main resort, leaving little demand left for Cleveleys and Fleetwood.

This situation would appear to be reflected in the fact that there have been no recent applications to provide new or extended hotels or guest houses within the Cleveleys and Fleetwood resorts, where as there have been eight applications to convert out of such use, four of which have been within the resort Tourist Accommodation Zones. Planning officers have found it difficult, if not impossible to resist these applications in the face of a fairly clear lack of demand. Now that four applications to change use from serviced accommodation to residential use have been approved in the TAZ, it may be difficult to resist any further applications (not that there are many hotels left).

It is therefore difficult to reach any other conclusion than that the Prime Holiday Area, Tourist Accommodation Zone and saved Policy TREC7 (Review Policy TOUR7) may no longer serve any useful planning purpose in seeking to prevent the loss of serviced accommodation. We therefore recommend that these area and zone designations are deleted from future Proposals Maps and that policy TREC7 (TOUR7) is not carried forward into new Local Development Documents. Instead, the planning authority could rely upon Policy TREC2 (TOUR2) to guide applications for any new serviced accommodation proposals either within or outside these areas.

This raises the question of what would happen if a proposal came forward for the redevelopment of the North Euston Hotel in the absence of the policy protection given by TREC7 (TOUR7) and the TAZ. Part of the answer is whether it makes any difference as the strength of TREC7 has been undermined by four previous approvals in the TAZ area. The loss of this hotel would seriously damage the remaining resort role of Fleetwood. Not only does it contribute to the staying visitor economy, but also to the day visitor economy. Therefore, the lack of a TREC7 (TOUR7) policy and TAZ area would not necessarily provide a green light for the loss of this important resort facility as Fleetwood adapts from being a staying visitor to a predominantly day visitor destination. Any application would have to be studied in depth to consider the continued viability of the hotel and its importance to the Fleetwood visitor economy.

15.4.2 Holiday Cottages & Apartments

There have been a large number of planning applications for barn conversions to holiday use, a large proportion of which have been approved subject to short stay occupancy conditions. Such approvals accord with national planning policy guidance to allow for rural diversification. As an adjunct to an agricultural business such enterprises may not face the same costs, require the same returns, and therefore need to achieve the same occupancies as wholly tourism-based enterprises. There have also been enough refusals to suggest that the policies are being applied in a rigorous manner.

We therefore suggest that saved adopted policies EMP12 (review policy EMPL3) and EMP13 (EMPL4) should be carried through to the LDF. However, in view of the market surplus of self-catering holiday accommodation we have identified it will be important for the local planning authority to actively monitor permitted conversions in countryside areas on an annual or bi-annual basis to ensure that the short-stay planning conditions are being complied with.

There has been one application in the rural area to convert out of holiday use. This was permitted to change to an alternative employment generating (business) use and therefore accords with general countryside policy. There is no specific policy to prevent the loss of holiday accommodation in rural areas, and nor do we suggest that there should be. However, it will be important to review the policy framework going forward into the LDF to make sure that there is no loophole to allow the redevelopment of barns for holiday use, and then to allow them to convert to residential use if shown to be unviable in holiday use. We think that this is covered by the wording of current policy EMP13 (EMPL4).

There has been one site with two applications for conversion out of use as holiday apartments in Fleetwood but outside the TAZ. The principle of this conversion to a single residential unit was approved which would accord with policy. Within the Prime Holiday Areas and Tourism Accommodation Zones of Cleveleys and Fleetwood there have not been any recent application to convert from holiday apartments to residential use, however, it is evident that very few properties are being used or marketed as holiday accommodation in these zones. It is very difficult for planning enforcement to control the drift and loss of the properties from holiday use in such an urban setting especially in a climate of low seasonal demand.

As for serviced accommodation, we believe that prime holiday area and TAZ designations and TREC7 (TOUR7) policy can no longer be robustly applied in these resort areas and recommend their removal. If this is accepted, policy TREC2 (TOUR2) should therefore be updated to provide criteria for any new self-catering holiday accommodation proposals.

15.4.3 Caravan Park Development

With regard to the policy framework for controlling caravan parks our market demand survey indicates that supply and demand are broadly in balance.

The existing policy framework is one of restricting any increase in the supply of static caravans with slightly more flexibility with regard to touring caravan pitches subject to locational, environmental, and short stay occupancy considerations. Although the restriction on the supply of statics may match our demand assessment there is a danger that the imposition of such a complete restriction on any increase in static caravan numbers means that there is no incentive for park owners to improve their parks through more spacious layouts and landscaping or through the provision of better quality caravans and lodges. If some parks cannot be expanded and improved as holiday parks, then there is also a danger that they may lose holiday custom and drift to quasi-residential and ultimately, residential use. We would therefore suggest a revision to policy TREC5 (TOUR5) which allows for a modest extension and increase in static numbers at existing holiday parks in order to improve the layout, landscaping and quality of accommodation.

In spite of current policy TREC5 there is no policy which specifically prevents touring pitches from being converted to static pitches. As a result of the current recession

there has been a fairly substantial increase in national demand for touring. Therefore, we suggest that policy TREC6 (TOUR6) should be further amended through the LDF to control the conversion of touring pitches to static pitches, unless there is substantiated evidence of an over-supply of touring pitches in the vicinity.

The restriction on static numbers in policy TREC5 also prevents any new proposals for holiday lodge developments (as the lodges themselves normally meet the definition of a static caravan). These attract higher spending groups than traditional static holiday caravan parks. They have strong synergy with, for instance, short break walking holidays in the AONB. We therefore feel that to accommodate future demand and tourism strategy objectives, policy TREC6 should be amended to provide flexibility to allow for higher quality holiday lodge developments in appropriate locations, subject to identified demand and holiday occupancy conditions.

In most cases the council has been imposing a condition to prevent any person staying for more than 28 days in any 6-month period. This occupancy restriction would appear to be more restrictive than the example given in the Good Practice Guide on Planning for Tourism. The Guide itself recommends the use of a condition to ensure holiday use by requiring park owners to maintain an up-to-date register of guests' home addresses to be made available to the local planning authority.

Seasonal conditions may act as a disincentive to further park investment especially where a park may not have such restrictive conditions on their existing planning consent, and especially for those parks seeking to upgrade to higher quality lodge accommodation. We would therefore recommend that TREC6 should be amended to provide for the imposition of the 12 month holiday use condition as recommended and given by example in the Good Practice Guide on Planning for Tourism.

There is a concern at Wyre that some individual static holiday caravans or holiday parks are being used residentially. The industry is aware of this concern nationally. There can be a fine dividing line between holiday and residential use. For example, a holiday home which has been owned by a family for a number of years may have been used intermittently until the owners retired. From this point, the owners may decide to stay for longer periods during the summer months. The industry has been working with a number of local authorities in order to draw up an acceptable approach to dealing with the issue. The structure put in place needs the involvement of the Planning and Environmental Health departments since the Planning Consent and Caravan Site Licence are both relevant and the terms of both documents may assist in ensuring that incorrect occupancy does not take place. An example of co-operation between a local authority and the industry is on the Yorkshire Coast within the area covered by the East Riding of Yorkshire Council, which includes a number of large and small holiday parks. To avoid a problem of residential use, it is recommended that Council planning & environmental health officers liaise with local caravan park representatives through their trade association (BH&HPA), and that TREC6 is amended to accord with the East Riding example contained in the Good Practice Guide requirement for a register of occupier's home addresses.

With regard to established parks, it is important to check the planning history as there may be instances where the original planning permission, perhaps dating from the 1960s, does not impose any conditions on caravan occupancy whether by season or type of use (residential or holiday) or on layout. It is simply not mentioned. In such cases, case law has found that park owners are free to use such

sites residentially. In addition, if any caravans, or caravan sites have been used residentially for more than 10 years, and there is sufficient evidence of such continued use, then the park owners or caravan occupiers may seek a Certificate of Lawfulness to confirm immunity from enforcement action. In these circumstances, it might be better to work through environmental health site licensing powers with the park operator, if they have a preference for residential caravans (which might not always be the case), to ensure a high standard of residential park homes is achieved rather than permitting static holiday caravans to be used residentially.

Of course there may also be instances where smaller holiday parks are located in sustainable locations adjacent to villages with services where the conversion of those sites to residential use might help to sustain those local services with year round trade and provide low cost accommodation to address local housing needs especially for the elderly and retired. This is a matter which should be addressed through strategic housing market studies and the LDF. The Council's approval of three applications relating to park home developments over the last five years suggests that the role of park homes in providing low cost market housing has already been accepted by the Council. Of course, allowing such changes also helps to remove holiday stock from areas of oversupply in the District which may help to prompt future investment in other locations that may become more popular.

In taking enforcement action against any park suspected of having holiday caravans in residential use, the council should first check the detailed planning history of the caravan park to determine which permissions have been implemented and what restrictions they have on season or holiday use. Where a park has a seasonal condition, the local planning authority can seek evidence from the park operator to demonstrate whether or not the site is being used out of season, and can also monitor and record any park use during the 'closed' season. Where there is no seasonal restriction, the LPA may only ask for an up-to-date register of guests' home addresses where this was a requirement of a condition attached to the implemented permission. As this requirement has only recently been recommended by the Good Practice Guide, it is unlikely to exist in many cases. To deal with this, the planning authority should work with its environmental health officers who do have the power to include such a requirement in the site licences that they issue.