TOURISM REPORT

FORMER RHYL & DISTRICT RUGBY GROUND
WAEN, RHUDDLAN, DENBIGHSHIRE

On behalf of Will Ward
February 2020

1. INTRODUCTION

Background

This is the tourism report to support the planning application to be submitted in spring 2019 to Denbighshire County Council by Gordon Kenyon Associates acting for Will Ward, on behalf of the site owner. The scheme is a Holiday Lodge Park on the former site of the Rhyl & District Rugby Club which is situated near Rhuddlan in Denbighshire, North Wales.

We were invited to join the consultancy team by Gordon Kenyon in November 2018 and following subsequent meetings with the client and consultancy team we have since contributed to the discussions and undertaken a considerable amount of tourism desk research and analysis. Our Draft Report was prepared in February 2019 and included with the Pre-Application material. It is now timely to produce our final tourism report.

The scheme is for permanent self-catering holiday lodges. The ownership of the site and the lodges will rest with the site owner or subsequent development or management body. The lodges will be available as short-term assured holiday lets (normally short breaks or one or two-week holidays) to tourists.

For clarity and at the outset of this report:

- There is no intention to use the lodges as timeshare accommodation or to sell them leasehold as second holiday homes to purchasers

- The lodges fall outside the definitions within the Caravans and Development Control Act 1960 and Caravan Sites Act 1968 since they will be permanent structures and incapable of being moved by road from one place to another

- The "lodge" terminology is simply a working title at this stage in the development plan, to be reviewed once designs and drawings are completed

Consequently, this falls outside the Supplementary Planning Guidance on Caravans, Chalets and Camping issued by Denbighshire County Council in July 2018.

This report draws largely on information about the self-catering sector sourced mainly from Visit Wales, the former North Wales Tourism Partnership, Denbighshire County Council and self-catering agencies covering North Wales and Wales.

Report Structure

The report has four sections:

- The product
- The strategic fit
- The market
- The economy

Our Conclusions

In our view this proposed development:

- **Is an ideal location for self-catering holidays**
- **Fits the tourism policies at the Wales, North Wales and local levels**
- **Responds to market demand and lifestyle trends and forecasts**
- **Intends to limit the use of car journeys once visitors are here**
- **Will be professionally marketed via an established self-catering agency**
- **Is viable based on occupancy levels and tariffs achieved elsewhere in North Wales**
- **Potentially has an annual trading profit**
- **Generates employment and visitor spending in the local economy**
- **Meets the aspirations and fits the skills of the site owner and development team**
- **Respects the legacy of the site and its role in the local community**

2. The Product

The Location

Rhyl and District Rugby Club relocated to Rhyl several years ago, with the site subsequently sold on and moth-balled until development concepts are prepared. It formerly contained three rugby pitches with a club-house and hard-standings which are still in place. The legacy remains with the rugby posts still standing. It once attracted regular and significant numbers of local fans, players, officials, media and visiting supporters.

The site is located on the B5429 which connects Rhuddlan to the A55. It is approximately two to three miles out of Rhuddlan and a similar distance to St Asaph.

It is set in the quiet and rural landscape of green and rolling hills with lush pasture and mature woodland dotted with farmsteads. The backdrop looking east is to Y Foel and Mynedd Y Cwm which sets a dramatic skyline backdrop. The distant view west is towards the Welsh mountains. The southern border to the site is framed by mature and dense woodland and the route of the Clwydian Way walker's route. The site is grassy and flat, not directly overlooked.

The site is close to various well-known tourist destinations such as the Vale of Clwyd which has AONB status, Snowdonia National Park, heritage towns such as Denbigh, Ruthin, Conwy and Llandudno, plus the North Wales seaside resorts of Rhyl and Prestatyn. Popular places such as Chester can be easily reached for a day out. There is plenty to see and do in the area – outdoor pursuits, countryside activities and attractions to visit, especially castles and gardens.

Strategic access to the property is very good. It is only a few minutes' drive from the A55 dual-carriageway which is a major route connecting North Wales with North West England and Ireland. The nearest public transport connections are Rhuddlan and St Asaph, with rail connections over five miles away at Rhyl. Realistically, visitors are likely to travel to and from home by car. Our task is to encourage them to leave their vehicles on site for the duration of their holiday, spend time on the site and enjoy the activities in the surrounding "great outdoors".

The nearest settlements of Rhuddlan and St Asaph have a range of services and amenities typically sought by people on a self-catering holiday – supermarket, independent shops, pubs and restaurants, takeaways and petrol stations.

The locality has a good network of footpaths, bridleways and access land. However, public transport services are relatively poor so we therefore outline some car mitigation measures later in this report.

The Site

The details of the site itself are well documented in the accompanying reports produced by the planning consultant and architect team. So, we therefore focus on the site from a visitor's perspective:

- A large, grassy and gently undulating site surrounded by mature trees and hedgerows
- Framed to the east with a spectacular mountain backdrop
- Nicely placed to catch the afternoon and evening sun with distant views towards Snowdonia
- Easy to find with frontage on the B5429, a few minutes away from the A55 junction
- Quiet and peaceful with no passing road traffic noise
- Property and out-buildings on part of the site with a strong Rugby legacy
- Direct access onto the Clwydian Way footpath which links to Offa's Dyke
- Plenty to see and do in the area
- Quick and easy to reach from a large urban catchment in NW England

The Concept

Holiday lodges are quite a new concept emerging over the last 20 years. They can be used for self-catering holiday lets, outright use by the owners or timeshare purchase. They have developed in the UK primarily in inland locations, often with woodland or waterside settings. Some are associated with activities such as fishing or golf. Most holiday lodge parks have around 35 lodges.

Lodges are generally seen as an up-market and alternative exclusive offer compared to static caravans, popular with older and more affluent customers. Most lodges have two or three bedrooms. They increasingly have on-site leisure facilities although some prefer to retain a peaceful site setting.

Holiday lodges can be purchased as second homes for holiday purposes on long leases with the site freehold retained by the site owner. Some sites offer a holiday rental service for lodge owners and many make participation in such a service to be a condition of purchasing a lodge.

The lodge rentals market attracts a younger clientele, typically aged 31 to 50 compared to lodge owners (who typically live within three hours of their holiday lodge and are aged over 50).

The self-catering holiday sector has been fairly resilient throughout recent recessions as visitors trade down seeking value-for-money whilst not being prepared to forego their holiday. There was a significant slow-down in lodge sales with reduced consumer confidence and stagnant house prices, reducing the number of potential purchasers. With the recovery in the economy, interest in holiday lodge ownership has returned.

There are a growing number of holiday lodge letting agencies. The leading one is "Hoseasons" which has developed the sub-brands of "Autograph Lodge Holidays" and "Evermore Lodge Holidays". Others include "Book Holiday Lodges" and its sister brands "Lodges with Hot Tubs" and "Just Lodges".

This demonstrates the scale and growth of the market to be exploited. Competition is healthy to drive-up standards and deliver value for money from satisfied visitors who return and recommend it to others.

- Darwin Escapes with 20 locations including North Wales
- The Dream Lodge Holiday Group with 15 locations in the south of England and Midlands
- Forest Holidays which are part of the Forestry Commission with Golden Oak Cabins at nine sites and planning consent for 78 forest cabins in Delamere Forest in Cheshire
- Natural Retreats with eco-lodge parks in Yorkshire and Scotland
- Lodge Retreats which are part of Bourne Leisure with four holiday parks
- The Habitat First Group which focus on leisure facilities with wildlife habitats in the Cotswolds, Dorset and Devon – with over 500 holiday homes on each site
- Pure Leisure Group with lodges and caravans at sites in South Lakeland and golf lodges in Cambridgeshire and Yorkshire
- Charteroak with four lodge parks in the West Country
- Luxury Lodge Estates with five sites in the UK
- Pinelodge Holidays with two sites in the Peak District

We are aware of at least eight more lodge park development locations in the UK at varying stages of evolution.

At the high end, the newly opened Soho Farmhouse luxury lodge development on the Great Tew Estate in Oxfordshire at a cost of £50 million offers 40 rustic cabins, a seven bedroomed farmhouse and a four bedroomed cottage, five eating venues and a range of leisure facilities, all designed to create a village community.

Lodge specialisms in the UK include:

- Fishing lodges and fishing parks – clusters of timber lodges, up to 50 at five-star standards
- Golf lodges built on golf courses, often alongside golf hotels

Eco-lodges are a more recent evolution. These are individual timber lodges and complexes built to high environmental standards and operated to minimise their carbon footprint, built of sustainable materials with renewable energy sources, waste recycling, water conservation systems, etc. Their green accreditation with activities such as car free days, nature study, bird-watching, foraging and buying local produce attracts eco-customers.

The nearest similar lodge schemes are Herons Lake Retreat close to Caerwys in Flintshire and New Pines Holiday Park near Dyserth in Denbighshire. Both have lodges which are marketed by Hoseasons.

Herons Lake Retreat

This has 21 lodges for holiday letting on site and nine properties are with Hoseasons ranging from studio pods to two bedroomed lodges and a three bedroomed cottage, each with their own hot tub, set in a peaceful location. Prices in 2019 ranged from £649 (pod) to £950 (lodge) per week low season and £799 (pod) to £1,050 (lodge) per week high season.

New Pines Holiday Park

Five properties are with Hoseasons - two and three bedroomed lodges, on a park featuring indoor leisure facilities, entertainment, bar and restaurant, ranging from £399 per week low season to £869 per week high season. This is primarily aimed at families.

The Development

The initial layout plan prepared by Planscape Architectural Design Consultants in late 2018 indicated the site is large enough to hold 47 holiday lodges. This is work-in-progress. In our view, the site should contain 40 lodges to allow adequate breathing space and incorporate a range of appropriate activities and pastimes. The lodges should be at the heart of the site located away from the B road.

This is our initial schedule designed to maximise the site flexibility and appeal whilst generating high occupancy and yields. In all cases we are looking at high-end specifications offering facilities that people are unlikely to have at home – such as hot-tubs on the decking and barbeque pits plus log burning stoves.

All of the accommodation units should meet or exceed Visit Wales four / five-star self-catering accommodation standards and seek gold awards under the green tourism business scheme.

This combo of lodges equates to 176 visitors on site at times of full occupancy.

ONE BEDROOM UNITS

We suggest 8 two-person units sleeping 16 people in total.

Some, or all, could be developed as "eco-pods". This works on the concept of "indoor living outdoors". The structure equates to an en-suite bedroom with decking and awnings housing the cooking facilities, with hot-tub, hammocks and seating. The layout should create a community feel with plenty of inter-action between like-minded eco-guests. It needs to be in a self-contained part of the site giving privacy. The car parking would be communal and "out of sight". This would appeal to a growing niche market and command a premium tariff but would be seasonal and weather dependent.

They should be clustered to create their own micro-community well away from the family lodges, commercial activity and site traffic, ideally in a woodland setting with some designed as tree-houses.

The alternative is to go more mainstream and provide 8 apartments sleeping 16 people. The concept is open-plan internal living. This appeals to couples and the locations could be clustered and set apart from those lodges with families and children.

TWO BEDROOM LODGES

We suggest 20 four-person lodges sleeping 80 people in total.

This is likely to be the most popular combo with appeal throughout the year. It suits families on a budget (children sharing a bedroom) and is popular in spring and autumn for two couples holidaying together, or one couple prepared to pay a bit extra for more space.

THREE BEDROOM LODGES

We suggest 8 six-person lodges accommodating 48 people in total.

This is likely to appeal to extended families (parents, children and grandparents or other relatives), larger families needing the space and families looking for separate bedrooms for their children.

FOUR BEDROOM LODGES

We suggest 4 eight-person lodges accommodating 32 people in total.

This is likely to appeal to families holidaying together under one roof, large extended family groups, plus groups of friends (connected with events and celebrations). The market is quite small compared to the smaller capacity units, yet there is relatively less competition with potentially a strong year-round market connected to set dates such as Christmas, New Year, anniversaries, big birthdays and weddings held in the area (or on site if there is a licence).

We do not advocate lodges with an inter-connected door to create large super-lodges. It raises issues regarding privacy, noise transmission and fire safety. It still leaves practical difficulties about how to provide flexible dining space to take 8 to 16 people.

However, there is scope to co-locate the four-bedroom lodges so that extra-large parties can all be accommodated nearby, such as wedding guests.

We do not recommend larger lodges. Groups of 10+ may well be considering hotel accommodation as a more practical solution.

BUNKHOUSE ACCOMMODATION

In our view, bunkhouse accommodation has a natural affinity with the site and area. It is on the Clwydian Way which potentially generates demand for one-night stopovers. There is a rich diversity of outdoor activities within easy reach and this offers an ideal accommodation base. The key markets are outdoor enthusiasts and those on a budget, especially from overseas. Many people look for value-for-money accommodation yet still spend on food and drink and outdoor equipment. Other targets are special interest groups, friend's groups and faith groups.

There is very little accommodation in this area. This is an opportunity to create packages with the local outdoor activity providers with targeted marketing campaigns to user groups.

The specification would include en-suite dormitory accommodation with bunk beds, sleeping up to 30 people, basic kitchen and dining space, rest area, outdoor tables and seating, washing and drying room, plus bike-wash.

OUTDOOR ACTIVITIES

The site should be developed as a base for outdoor holiday activities. There is a significant range and choice within an area of spectacular scenery.

Clwydian Hills

- Walking – especially on the Clwydian Way
- Road cycling and e-bikes
- Mountain biking
- Horse riding and trekking
- Salmon and trout fishing
- Photography and painting
- Woodland skills
- Paragliding and abseiling
- Gliding
- Hill running and half marathons
- Endurance combos including night-time activity

Dee Estuary

- Wind surfing
- Sailing
- Jet ski
- Bird watching
- Boat tours
- Sea fishing

This requires a strong and out-going commitment to partner with appropriate businesses and volunteers to create activity packages. These need to be incorporated into short breaks and week-long accommodation options. This requires targeted promotions to prospective customers who can plan and book everything through the site management. There is also a need to look at the practicalities - group transport from the lodges to specific locations, especially the start and finish locations. There may be requirements to have tuition or briefing space on the site.

FOOD AND DRINK

This scale of operation suggests that onsite food and drink facilities are desirable and will help to boost off-season occupancies. Self-catering holiday visitors tend to use their kitchen for light meals – breakfast and lunch, preferring to eat out at night. There is an opportunity to keep people on site and minimise car miles. There is a common pattern of people tending to eat out on their first and last nights.

We envisage scope for:

- Good quality restaurant with around 60 covers, ideally exploiting the panoramic views and sunsets
- Plus a more casual dining option – perhaps a pizza kitchen (pizza oven and decking with awning and bench tables) with a take-away option
- And a bar area with evening events and activities to keep people on site

Further thought needs to be given to function space and a wedding licence. The main wedding season might coincide with the peak holiday season, potentially affecting the holiday site ambience, the exclusivity of a wedding event, parking pressures and catering capacity.

SITE FACILITIES

Consideration should be given (subject to space) to:

- An indoor pool with children's splash pool, sitting areas, changing rooms with lockers, toilets and showers
- Sauna room and solarium
- Under 5's outdoor playground
- Adventure play facility
- Croquet and boule pitch
- Trampoline
- Nature trail
- Trim trail
- Veg patch and PYO facility
- Electric car and bike charging points, in tune with the capacity of the site
- Bike hire and wash
- Dog's exercise paddock

Options such as a tennis court, badminton court, putting green and crazy golf could be considered but space may be a premium and there is a need to avoid over-crowding and maintain the peace and tranquillity.

The main investment would be the pool. In our view this will help to maintain the occupancies throughout the school holiday periods between Easter and October – around 10 weeks of the year. The absence of a pool may result in enquirers looking and booking elsewhere – potentially to sites in other parts of the UK, not necessarily in North Wales. It is a "must have" for families and the absence of a pool might depress occupancies by up to 5% in each of those key weeks. At other times in the year, the pool is a "nice to have" but not necessarily a deal-breaker for couples on a short break.

The pool also increases people's dwell-time on site. This has several advantages: increasing visitor spend on site particularly on food and drink; and reducing car miles off-site.

In our view a gym and fitness suite is "a nice to have" but not a priority. The potential users are probably visitors on health regimes and members of a club near to home or work. Ironically, the thought of a short break or week away means an opportunity for "breaking with routine".

The site facilities should be developed with "corporate social responsibility" in mind. This might include:

- Community use of the pool and associated facilities at specific times / periods
- Sponsorship of local community events
- Raising voluntary contributions from visitors to support nominated local initiatives with match-funding from the site management company

VISITOR INTRASTRUCTURE

There is clearly a need for an office and reception which can provide site security to the lodge areas. This is the "welcome" facility and as a matter of priority should provide:

- Comprehensive visitor information on outdoor activities in the area, with booking facilities
- A small shop proving local produce and take-away frozen meals

We understand there is a strong desire, finance permitting, to develop the site in a single phase. We concur. A phased development could create significant disruption to visitors leading to negative social media and low levels of recommendations.

Measures need to be put in place to preclude year-round occupation. The Council's Supplementary Guidance Note on Caravans, Chalets and Camping in July 2018 sets some principles.

Extending the tourist season beyond the traditional holiday times of the year has advantages to the local economy and can help to reduce the impacts of seasonal employment. In order to ensure that tourism accommodation is used for its intended purpose, and does not become part of the local housing stock through unauthorised permanent residential occupation, the Council will impose holiday occupancy conditions when planning permission is granted. For static caravan and chalet sites, site owners / operators will be required to maintain an up-to-date register of the names and home addresses of all owners / occupiers of individual units on the site, which must be made available to the Council. The following condition is currently being applied to such permissions:

> *The caravan site license holder or his / her nominated person(s) shall maintain an up-to-date register of the names(s) and principal address(es) of the owner(s) and the principal occupier(s) of each holiday unit on the site. The register shall also contain copies of up-to-date council tax demands pertaining to each principal address given. The register shall be made available for inspection by Officers of the Local Planning Authority at all reasonable times.*

Reason: To enable the Local Planning Authority to effectively monitor the use of the holiday units to ensure that no unauthorised permanent residential occupation of the units takes place on site.

SOME CONCLUSIONS

In our view, the scheme will:

- Increase the productivity and competitiveness of the tourism industry in this rural part of North Wales
- Support businesses in and around the AONB who collectively deliver the "great outdoors experience"
- Bring high standards of contemporary design to enhance the image of the area
- Contribute to the local economy through new visitors and their associated expenditure and use local suppliers
- Increase overall accommodation quality ratings within the area
- Contribute to environmental improvements and green practices
- Adopt management principles of corporate social responsibility

We believe it is appropriate to reflect the rugby and community legacy within the project. Consideration could be given to the way that parts of the site are branded, the use of interpretive panels on site or the retention of a set of rugby posts as an iconic landmark.

It would be heartening to feel that more community facilities could be included on the site. However, additional community facilities might be remote to their host communities and not served by public transport. Hence it would generate additional and undesirable short and frequent car journeys.

3. Strategic Fit

Context

This project fits the planning and tourism policies set out by the Government and Welsh Assembly, Visit Wales and Denbighshire County Council.

National

The **Welsh Government Strategy for Tourism 2013-2020** has five priorities:

1. Develop tourism activity and specialist markets and secure maximum benefit from major events in high profile venues
2. Promote Wales as a destination by making a high quality tourism offer
3. Work to extend the tourism season and associated benefits
4. Identify funding opportunities to improve the visitor infrastructure and product in Wales
5. Support investment in staff training and management to support a high quality tourism industry

The goal is for tourism to grow in a sustainable way and to make an increasing contribution to the economic, social and environmental well-being of Wales.

The ambition is to grow tourism earnings in Wales by 10% or more by 2020.

The focus on investment in the tourism product refers to product quality and range, specifically stating:

- There is clear evidence to show that investment in better quality visitor facilities, particularly accommodation, supports higher performance and drives profitability

- Opportunities exist to promote higher quality and facility provision in our self-catering sector and to accelerate the encouraging investment that has taken place in recent years

Planning Policy Wales seeks to ensure that planning authorities provide the framework for well located, good quality tourist facilities. Areas and facilities provided in both urban and rural areas should be sensitive to the needs of the users, be attractive, well designed, well maintained, protected from crime and vandalism, safe and accessible by people whose mobility is restricted and by a variety of sustainable means of travel, particularly walking, cycling and public transport. In rural areas, the Welsh Government stresses that the scale and nature of such developments must be sensitive to the local environment.

Planning Policy Wales sets out in section 11.2 the need to encourage the diversification of farm enterprises and other parts of the rural economy into suitable tourism uses, subject to adequate safeguards to the character and appearance of the countryside.

Regional

The **Tourism Strategy for North Wales 2010-2015** produced by the former North Wales Tourism Partnership shows tourism generates £1.8 billion for the regional economy each year supporting 37,500 jobs.

The vision for tourism in North Wales includes being one of the top five tourism destinations, internationally known for its natural beauty, dramatic scenery, heritage and distinctive culture, and being a centre of excellence for adventure sports and the market leader for activity tourism of all sorts.

The strategy made various comments about accommodation.

There is a need to ensure there is a sufficient supply and range of quality accommodation to meet changing market needs, accommodate growth and support a thriving tourism economy. We must ensure there is a sufficient supply of quality accommodation to maintain current tourism levels and allow for growth. It is not enough just to retain the status quo as there is a need to facilitate change to allow new products to surface in response to changing market demand. We also need to offer a range of accommodation to attract a market mix from bunk barns to boutique hotels.

Attracting inward investment has always been difficult in the region and will be more so in the immediate future. Accommodation is almost entirely provided by the private sector and in this region is dominated by large numbers of small independent businesses, each making their own decision. The main scope for influence will be through the planning system and via business support and grant schemes.

Priorities for action include attracting selected new development to revitalise the product, exploit new trends and challenge and invigorate existing enterprises. This will require more development supportive policies within Local Development Plans, as without an increase in accommodation capacity to replace dated accommodation additional income will not be easily generated. Areas of development potential include additional quality self-catering cottages from conversion of farm buildings and redundant hotels and encouragement of letting of second homes.

Local

The Denbighshire Economic and Community Ambition Strategy 2013-23 sets the local scene with an aim to improve the quality and quantity of visitor accommodation.

This ties in with the Denbighshire Local Development Plan 2006-21. We refer to three policies which support this scheme. They are under the theme of Promoting a Sustainable Economy.

Policy PSE 4 – Re-use and adaptation of rural buildings in open countryside

All conversions of rural buildings will be expected to make a positive contribution to the landscape and ensure that any architectural and / or boundaries for employment use will be supported.

Policy PSE 5 - Rural Economy

In order to help to sustain the rural economy, tourism and commercial development, including agricultural diversification, will be supported throughout the County subject to detailed criteria, which include making a significant contribution to sustainable development and recognising the special status of the Area of Outstanding Natural Beauty / Area of Outstanding Beauty.

Appropriate employment proposals for both conversions and new build outside of development boundaries will be supported provided the following criteria are met:

- *the proposal is appropriate in scale and nature to its location*
- *any suitable existing buildings are converted or re-used in preference to new build*
- *proposals for new buildings are supported by an appropriate business case which demonstrates that it will support the local economy to help sustain local rural communities*
- *within the AONB / AOB, Pontcysyllte Aqueduct and Canal World Heritage Site (including the buffer zone) or other regionally important landscape areas, take full account of and seek to enhance the nature and distinctive qualities of the local landscape - in line with national policy any proposals that are considered to be detrimental to the quality of the AONB and World Heritage Site will be refused*

The policy requires the demonstration of a business case for the development, in order to establish the benefits of the scheme in relation to sustaining local employment and the rural economy. The benefits could include provision of local employment opportunities, use of locally sustainable sources for any raw materials, scope to sell local produce, and provision of services to local communities.

The Visitor Economy

The visitor economy encompasses a variety of elements that contribute to making a successful visitor destination such as:

- *the natural environment, the heritage and culture, iconic buildings, the retail, sport, leisure and cultural facilities, food, gardens, the events, the scenery; all the things that make the place special, distinctive and capable of engendering pride and interest and a place worth experiencing*
- *the infrastructure that helps to reinforce and shape the sense of place and make it an easy place to visit; the signs, the transport, parking and orientation, interpretation, public space, amenities, etc*
- *the services that cater for the needs of visitors (and of residents), that create economic and social activity and increase spending; including the hotels and bars, pubs and restaurants, galleries, the everyday events and the day-to-day services that make the place clean, safe and welcoming*

The visitor economy is valuable to Denbighshire and contributes around £250 million to the economy annually and employs around 5,000, approximately 10% of the workforce, making it one of the key employment sectors for the County.

Denbighshire has a diverse tourism offer from the coastal resorts of Rhyl and Prestatyn; a wealth of attractive market towns set within a high-quality environment, and a growing reputation in the outdoor activity sector. High quality development proposals that support and enhance the visitor economy of the County will generally be supported and encouraged.

The outdoor activity sector is one that has significant potential to grow within Denbighshire. There is an area of outdoor activity specialism building up around the AONB, Llandegla area – based on the mountain bike and shooting centres across the County; to the Hiraethog Moors and Llyn Brenig areas.

Policy PSE 14 – Outdoor activity tourism

Development proposals that expand or reinforce the tourism offer of the County in the outdoor activity sector will be supported provided the following criteria are met:

- *the development is appropriate to its setting and within the capacity of the local environment and infrastructure, particularly within and adjoining the Area of Outstanding Natural Beauty, Area of Outstanding Beauty, Pontcysyllte Aqueduct and Canal World Heritage Site (including the buffer zone) or other regionally important landscape areas. In line with national policy any proposals that are considered to be detrimental to the quality of the Area of Outstanding Natural Beauty and World Heritage will be refused*

- *that any suitable existing buildings are converted or re-used in preference to new build*

- *necessary mitigation measures are included and the proposals would not have an unacceptable impact on the local community*

- *chalet development in association with outdoor activity tourism will only be permitted if a significant need is demonstrated and there are no opportunities to use or convert existing buildings for tourist accommodation*

Justification: Denbighshire is well placed to take advantage of the growth in the outdoor activities sector. The success of current facilities such as the Llandegla Mountain Bike Centre should be built upon and encouraged. Expenditure by participants in outdoor activities is often high and the County is supportive of developments that will encourage sustainable growth in this sector within environmental capacity limits.

Development proposals, particularly within the Area of Outstanding Natural Beauty or Area of Outstanding Beauty, will require very careful consideration to ensure there will be no detriment to the landscape character.

4. The Market

The Importance of the Self-Catering Sector

Holiday cottages account for 5.7 million visits and £1.8 billion tourism expenditure per year in the UK which represents 12% of all nights and 15% of all revenue. Over 31% of the UK stock is located in the countryside.

The majority of employment is created in business management and administration plus local services and trades: repairs, cleaners, refurbishment and maintenance.

Visitors staying in self-catering support the local economy through their spending on local shops, pubs, restaurants, going to attractions and events, plus fuel.

People choose self-catering since it offers:

- Freedom and flexibility: to choose whether to eat in or out, more space for the money
- The real deal: something a little bit different, a more authentic holiday experience, away from the crowd, local shopping and culture
- Something suited to extended families as family dynamics change - grandparents are taking childcare responsibilities for their grandchildren
- Practicalities for dog owners: 20% of UK households own a dog (30% for the 45-55 age group) and most want to take their dog on holiday
- Recession concession: some consumers have looked to downgrade their holiday spending and turned to self-catering for value for money

Changing Tastes

The lifestyle and holiday trends show:

- We have an ageing population, more active than previous generations, working longer and relatively well-travelled - yet still young at heart - the resource they most lack is not money or time, but energy!
- There is much greater awareness of the environment and the desire to be green, and awareness of energy performance and fuel costs
- There are accessibility requirements associated with an ageing population and mobility problems

- Tastes and expectations are rising; standards improve at home so people expect higher standards in holiday accommodation

- More flexibility in length of stay is a growing trend, for example: three-night weekend break or a four-night midweek break

- People look to avoid routine, so kitchens are mainly used for breakfast and light meals with the main meal taken away from the accommodation itself (avoiding the need for a large shopping trip)

- People look for tighter control over their holiday budgets and there is a swing towards all-inclusive prices (all energy, wi-fi, all sheets and linen, grocery starter boxes, bikes).

Climate change is bringing warmer weather and increased demand for more outdoor activities, tempered by extremes in the weather and unpredictability. The number of visitors to the countryside are growing and there will be more visits outside the peak summer months.

Physical and mental health and well-being are increasingly important drivers. There is growing dissatisfaction with excessive consumerism and a desire to seek a more wholesome and simple life on holiday.

There is also the nostalgia element as people rediscover the UK's landscapes and returning to childhood holiday destinations.

How Holiday Decisions are Made

Holiday decisions are based upon:

- Emotional thinking ... escape from routine, go back to somewhere familiar or discover somewhere new, indulge in an interest, celebrate a special occasion

- Rational factors ... who to go with, what time of year, affordability, how long, how far to go

- Type of accommodation ... self-catering, camping, hotel, etc.

- Short-list ... holiday destinations and places

- Practicalities ... availability, prices and booking

The decision on what type of accommodation to book usually precedes the decision on where to go. There are relatively few holiday lodge parks in the UK. If these places are full, the demand transfers to similar types of properties elsewhere in the UK and it does not necessarily transfer to smaller or the next nearest and available property.

The Customer Profile

A two / three-bedroom self-catering property sleeping up to six people in this type of location could expect to attract the following sort of people:

- Families with two or more school age children including extended families (e.g. parents, children and grandparents) staying for one week, perhaps two, during the school holidays – likely to be their main holiday of the year and planned and booked well ahead (six months)

- Couples – particularly sets of couples or groups of friends holidaying together – pre-family younger couples, older couples whose children have left home, and active retired people – likely to be a short break of three or four nights or one week, taken outside of school holidays (periods of lower tariffs with less people around), one of several holidays in the year and booked at fairly short notice (one to three months ahead)

- Groups – family gatherings and celebrations such as big birthdays and anniversaries, special occasions such as hen parties, Christmas and Easter parties, wedding receptions and guests, school reunions, groups of organised walkers and cyclists – where groups of 12+ collectively book a block of neighbouring properties

The main catchment area is likely to be households living within one to three hour's drive time. This covers the North West and West Midlands reaching into Yorkshire, the North East and East Midlands. The Irish market is important due to the proximity and frequency of ferry services to Holyhead.

The proposed standard and countryside setting suggests these properties will appeal most to:

- Families and couples living and working in urban or suburban areas, seeking a change of scenery and routine, seeking a countryside location

- Professional home owners and car owners

- People involved in country walking, mountain biking and cycling and subscribing to specialist magazines and e-zines, perhaps members of local groups (e.g. Ramblers Association, cycling clubs)

- People with wider interests in the landscape, nature, heritage and culture, perhaps members of the National Trust, CADW, English Heritage or the RSPB

- Households with dogs

Visit Wales conducted research to identify the percentage of people undertaking activities and pursuits on holiday trips to Wales by GB residents in 2011. The top five are all relevant to this locality:

- Sightseeing 61%
- Relaxing 30%
- Short walk 29%
- Visiting beaches 28%

- Long walk or hike 25%

Research conducted in North West England shows that self-catering visitors are more likely (than other types of tourist) to go walking, go exploring and touring, visit heritage attractions, go shopping and eat out at restaurants. Again, all of these are appropriate to this area.

In conclusion, the key motivations to visit this area are likely to be:

1. **Countryside activities** - such as country walking, mountain biking, cycling, fishing and golf

2. **Exploration and variety** - a touring base to reach Snowdonia, Llandudno, Conwy, the Vale of Clwyd, Llangollen and the Dee Valley, Chester, the Llyn Peninsular and Isle of Anglesey

3. **Health and well-being** - to relax and get away from it all

4. **Group gatherings** - one-off special occasions and people coming to see friends and relatives who live in the area but choosing not to stay with them

Car Mitigation Measures

75% of UK households own or have access to a car (source: ONS), rising to 95% amongst families and couples who take holidays.

Cars are used daily for commuting, the school run and shopping trips plus days out at weekends - so it is logical to travel by car on short breaks and holidays (especially by families who have children / extra luggage, those in self-catering who bring household supplies and those participating in activities who bring their equipment, and those with pets).

This site is not well placed in relation to public transport services. The nearest station is Rhyl. This is impractical for people who are self-catering due to the need to bring or fetch daily provisions in addition to their personal luggage. It is also impractical for families with children due to the need to bring things to keep them busy and entertained.

The Rural Tourism Action Plan 2010-2020 produced by Visit England sets out (in our view) some best practice principles:

> A completely car free rural area and low carbon initiatives will be difficult to implement. This means accepting that some car use is necessary for rural tourism but encouraging more initiatives that increase dwell times at destinations, reduce mileage and length of car journey, such as walks and itineraries that are integrated with public transport and the visitor experience. It is also important to encourage sustainable transport options when visitors arrive at their destination, for example, encouraging accommodation to link to cycle hire firms, cycle racks, and cycle friendly venues for visitors to bring their own bikes.

So, there is a need to reduce the visitor's use of their car once they have arrived which will be helped by initiatives such as:

- Creating itineraries for good car free days out
- Compiling material on circular walks from the front door, of varying lengths according to fitness and ability
- Compiling material on circular cycle routes and designated mountain bike trails
- Providing an optional extra to hire bikes which are delivered and collected to / from the lodge
- Providing a welcome hamper of provisions and making visitors aware of "shop and drop" home delivery services offered by local supermarkets

Visitors need to be aware of these things prior to arrival since there will be an element of pre-planning and pre-booking.

Marketing and Promotions

Over 50% of self-catering properties in the UK are marketed by self-catering agencies. They provide promotional, booking and administrative services. This works well for businesses which are new and independently operated since it gives immediate access to market and other economies of scale.

The inclusive services offered by self-catering agencies are:

- National and overseas promotions such as an accommodation directory, web site with availability and booking facility, online presence, national advertising and PR
- Quality grading scheme which links to Visit Wales criteria
- Bespoke tried and tested tariff banding system taking account of grading, locality and seasonality
- Analysis and profiling of the people who book
- Being part of a high-profile brand

The main benefit for a new site is the ability to plug into an agency database of enquirers, bookers and visitors.

An agency usually requires exclusive booking rights for around 30 weeks each year, although these terms tend to be negotiable.

An agency will take around 15% to 20% commission on bookings placed (yet a business could easily spend that proportion of their projected turnover on marketing with no guarantee of bookings if they do-it-themselves).

Agencies are likely to be VAT registered so charge VAT on top of their quoted commission rates. The published customer tariffs are usually inclusive of VAT. So, the actual cost to the site / property owner is nearer 18% to 24% of turnover.

Occupancy Levels

Self-catering occupancy levels are measured by Visit Wales each year. The last published annual report is for 2017. The figures below are unit occupancy percentages.

Month	J	F	M	A	M	J	J	A	S	O	N	D	*Avg.*

Self-catering: North Wales - All

2018	39	54	45	59	73	73	79	95	78	66	45	24	***61***
2017	41	55	42	57	59	74	80	92	79	66	41	38	***60***
2016	25	36	50	55	52	66	80	91	69	45	42	35	***54***
2015	40	46	42	58	66	59	80	91	73	82	39	27	***59***

Self-catering: North Wales - Independent Properties

2018	32	49	47	57	64	67	76	93	67	58	39	37	***56***
2017	36	51	39	64	50	66	72	89	71	57	28	25	***54***
2016	31	47	40	53	54	63	71	89	61	66	34	38	***54***
2015	34	41	42	64	66	58	76	80	65	56	25	38	***54***

Self-catering: North Wales – Agency Properties

2018	40	57	45	59	74	74	80	95	80	67	47	19	***62***
2017	41	55	42	67	61	75	82	93	81	68	44	38	***62***
2016	24	34	51	55	63	68	81	91	69	43	43	35	***54***
2015	41	47	42	57	66	58	61	93	75	63	41	24	***56***

These figures clearly show that agency occupancy performance is stronger than independent occupancy performance.

We recommend that you take the agency route and speak to at least three national operators who have properties in and knowledge of North Wales.

5. The Economy

Visitor Spend

This final section sets out the headlines on the potential impact on the local economy from this holiday park development in terms of income and jobs.

We assume:

- The site opens for business by 2023

- There will be 40 lodges and bunkhouse accommodation taking around 200 people at full capacity

- There will be a pool, bar and restaurant complex, open to the general public - these features are "must have" facilities that justify the rental tariffs charged and the achieved occupancies

- Additional income streams accrue from the shop and commission on bookings for outdoor activities

In due course detailed income projections need to prepared for the lodges taking account of the capacity of each lodge and the tariff bands of weeks over the course of the year.

At this early stage we project an occupancy rate of 70% for a full calendar year at an average of £850 per week, with 40 lodges.

The annual gross lodge income will be £1.23 million once the business is established in the marketplace and receiving repeat bookings, based on an annual occupancy level of 70%.

The Welsh Tourism Economic Study in 2011 indicated that 46% of all self-catering holiday expenditure is spent on the accommodation. The remaining 54% is spent in the local economy by visitors on things like local food and drink, day-to-day and one-off special purchases, visits to attractions and events, sightseeing, fuel, travel to / from and around the area.

The annual gross expenditure in the local economy by visitors will be £1.44 million.

Management and Jobs

The business plan should in due course identify the job creation.

Broadly the tasks are:

- Overall site and company management
- Administration, house-keeping and on-site customer care

- Sales and marketing, events and special promotions
- Site operations, grounds and maintenance
- Catering – food and drink
- Outdoor activities – supervision, tuition, local partnerships

Based on our experience of self-catering villages elsewhere in the UK, we would anticipate around 10 to 12 FTE jobs.

In additional there would be a significant pool of casual labour to handle change-over days (mostly Saturdays in the summer months).

These figures exclude any of the client's personal involvement in the management of the scheme and the building contractor's tasks. It will also be influenced by the manner of tasks that could be contracted out or done in-house (such as laundry).

These figures exclude the bar and catering operation. This will be influenced by the style of cuisine and opening hours. It could be run as a separate specialist business.

Tourism economic impact studies elsewhere in the UK demonstrate the employment multiplier effect off-site with 25% of FTE accruing from indirect employment at shops, pubs, restaurants, etc plus 14% of FTE accruing from induced employment (as the money recirculates in the local economy).

This amounts to 4 to 5 additional FTE jobs.

Hence, total job creation is around 14 to 17 FTE excluding the bar and catering.

The subsequent business plan will be finalised once planning consent has been granted. It will identify full-time and part-time / seasonal job creation, the skills and experience sought plus the availability of suitable local labour, training requirements, accreditations, apprenticeships and work placements.
