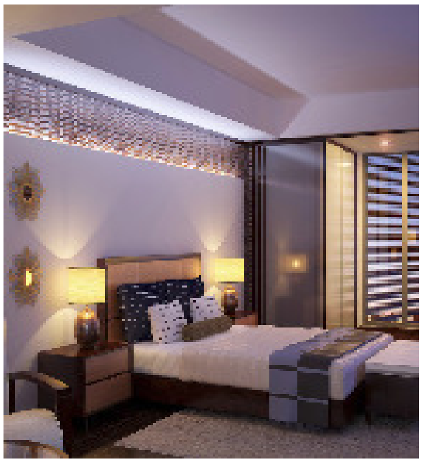
FINAL

Report

GVA
10 Stratton Street
London
W1J 8JR



St Mary's Lands, Warwick

Appraisal of Potential Leisure Uses to Develop a Ten Year Strategy

February 2013

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1. Introduction

Background

1.1 St Mary's Lands is a large area of sports and recreational land on the west side of Warwick town centre owned by Warwick District Council. The land is leased by the council to a number of community, sport and leisure uses including Warwick Racecourse Limited, Warwick Football Club, Warwick Golf Centre and the Marching Bands. In turn, the Racecourse has a number of sub-leases to the Caravan and Camping Club and the local Boxing Club.

1.2 The defining part of the site is the 300 year old Racecourse which is one of the oldest racecourses in the country and a key tourism and leisure asset for the city. However, it is in need of investment to enable the course to address the restructuring of the racing and betting industry in the 21st century faced by a massive decline in betting levy income – the traditional mainstay of the racing industry. Nationally, levy income has declined from around £100m in the mid 2000s to just under £60m today, and this level of decline is unsustainable. Any investment will require the support of the Council who are the freehold owners of the land and the local planning authority.

1.3 The Racecourse is leased from the council on a 99 year lease and operated by Jockey Club Racecourses (JCR) – an organisation which runs 14 leading racecourses and has a constitution which requires all surpluses to be re—invested in racing and not to its shareholders. JCR recently submitted an application for a 100 bedroom hotel at the entrance to the racecourse. Although this application was recommended for approval by officers, it was turned down by the planning committee. Rather than appeal this decision, JCR has decided to work together with Warwick District Council in a joint venture to explore the options to develop St Mary's Lands as a major integrated racing and leisure events centre which caters for the recreational interests of the local community, the economic needs of the Racecourse, and offers a wide range of outdoor leisure facilities to attract tourists to Warwick for short term breaks.

1.4 Accordingly, the joint partners have appointed GVA Leisure to undertake an appraisal of the St Mary's Lands and its potential to support new investment that will support the retention and improve the operation of the racecourse while improving and extending the leisure and tourism role of St Mary's Lands on non-race days for the benefit of the local economy and public amenity.

1.5 The overall aim of this study is to explore a range of potential sport, leisure and tourism uses that are compatible in planning, property, market, and economic terms with the operation of the racecourse and the environmental constraints of St Mary's Lands and to agree the basis of a business masterplan with the joint partners for the sensitive development of a sub-regional destination leisure facility.

GVA Leisure

1.6 GVA Leisure is the specialist sport, leisure and tourism advisory arm of GVA, one of the UK's top property consultancies. With 12 offices covering the whole of the UK. GVA has the capability to provide the full range of property advisory services for leisure businesses across the regions. By being client focused and putting trust, pride, innovation and growth at the heart of our business, GVA delivers new solutions to maximise the value of our clients' assets.

1.7 Our specialist team has a long track record in advising local authorities, operators, private developers, investors and financial institutions on sport, leisure and tourism-led opportunities and activities. In particular, we have assembled a team with long standing professional knowledge and experience in the racecourse sector who have advised on racecourses across the country including Sandown, Kempton, Epsom, Newbury, Redcar, Towcester and most recently, Newcastle, Bath and Wolverhampton.

Methodology

1.8 In order to complete this study we have undertaken the following:

- Inception and site meeting and identification of potential uses;
- Review of local demand context;
- A review of current trends and market demand for each use;
- A meeting with Key Stakeholders;
- Development Option appraisal
- Recommended way forward.

Recognition of Risk

1.9 Our conclusions and recommendations have been prepared on the basis of information furnished to us upon which we have relied, our own knowledge of demand sources and trends, our in-house database and the status of the market at the time of our research between January and February 2013. We have made no provision for any unforeseen events which could impact the leisure, arts or culture sectors in the UK.

1.10 This report is provided for the stated purpose agreed in our detailed and summary proposals of October and November 2012, respectively, and subsequent correspondence, and is for the use only of the parties to whom it is addressed, or their appointees.

1.11 This report is not suitable for any other use or any other persons and should not be treated as a valuation for loan security or any other valuation purposes. In accordance with our standard practice, neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our prior approval of the form and context in which it will appear.

1.12 As is customary with market studies of this nature, our findings should be regarded as valid for a limited period of time (six months from the date of this report), and should be subject to examination at regular intervals.

Quality Control

	Report Produced by:	Checked & Approved by:
Name	Martin Taylor Andre Renouf	John Anderson Richard Gaunt
Job Title	Director Senior Consultant	Director Director
Date		

Signed	M C Taylor [illegible]	John Anderson

2. Site and Surroundings

2.1 In this chapter we provide a brief overview of the St Mary's Lands and its surroundings in the context of accessibility and proximity to Warwick town centre and castle.

Surroundings

2.2 The whole site extends to approximately 60 ha and is accessed off the A4189 which is one of the main roads linking the town centre of Warwick with the M40 to the south.

2.3 As Figure 2.1 below illustrates that the site is surrounded by residential properties to the east and south, agricultural fields to the west and an area of scrub/woodland with further residential housing beyond to the north.

Figure 2.1: Aerial image of the Racecourse

Source: Bing Maps

Main Racecourse Buildings Complex

2.4 The main stands are located in the south-east section of the site adjacent to the entrance. Leading south west from the entrance, these buildings consists of:-

- a small entrance kiosk, managers bungalow, staff and visitor car parking (this is the area that has been proposed for a hotel development);
- the '1707' building housing the course offices and a substantial race-day restaurant which doubles as a non-race day function suite;

- the Main Grandstand overlooking the finishing line which includes a number of bars and function suites behind the stands including the Warwickshire and Kingmaker suites;

- a smaller original grandstand,

- the owners and trainers bar, and a third grandstand and 'Chandlers' seafood restaurant (race days and functions only);

- the Paddock Suite, which has a weighing room at ground floor and a number of first and second floor race-day hospitality boxes overlooking the parade ring and winner's enclosure which double as non-race day meeting rooms;

- a permanent Marque for race-day hospitality and non-race day functions; and

- saddling boxes

Conference Facilities

2.5 The racecourse has the capability to cater for conferences, meetings, exhibitions and weddings.

2.6 The Racecourse has one of the most comprehensive conference and events offerings in the Warwick area and the largest in the town centre. The range of facilities and room sizes offers a great deal of flexibility to clients, including 11 syndicate rooms supplementing the main rooms.

2.7 Whilst the buildings housing the conference rooms are of varying ages, the overall facilities are of reasonable quality. The layout of the buildings however is disjointed (running alongside the racetrack) and does not offer one all encompassing indoor venue with a central hub.

2.8 The facilities are available for hire at all times for conferences, corporate events, private parties, Christmas parties and weddings (although only for hospitality purposes on race days) and are actively marketed through the website and professional conference organisers. The racecourse also holds a civil wedding licence.

2.9 The current facilities and maximum capacities are detailed in the table below.

Figure 2.2: Racecourse Meeting, Function and Conference Facilities

Room	Area – sqm	Theatre Style	Dinner
1707 Suite	168	150	130
Grandstand – Warwickshire Suite	138	40	50
Grandstand – Kingmaker	84	40	60
Grandstand - Dukes	93	80	50
Paddock Suites – Single	40	20	15
Paddock Suites – Double	44	30	30
Paddock Suites – Quadruple	151	70	60
Marquee		200	100

Additional Uses

2.10 South west of the saddling boxes there is an area of car parking. This is available as long stay public parking during non-race days.

2.11 Further south west is the football stadium and clubhouse of Warwick Football Club, followed by a building used by the Marching Bands and another smaller car park. At the southern tip of the site there is a large modern stabling facility for visiting horses with accommodation for stable lads.

2.12 To the north of the main buildings complex and still outside the track there are further areas of parking available to the public as short term parking on non-race days including golfers.

Inside the Racetrack

2.13 In the top half of the middle of the racecourse there is a nine hole golf course (Warwick Golf Centre), with a clubhouse and a driving range which offers 24 floodlit bays. Parking for the golf course is on the east side of the racetrack as mentioned above.

2.14 To the south of the golf course and opposite the main grandstand there is also a caravan park which is operated by the Caravan and Camping Club and offers 55 touring caravan pitches.

2.15 There are two grass football 'training' pitches opposite the football stadium.

2.16 The rest of the land within the racetrack is given over to parkland which is designated as a Local Wildlife Area. The far south west of this includes a small flood relief area of wetland. Unfortunately, although wet, the wetland appears to be higher than the adjoining football pitches which were waterlogged during our visit and higher than the racetrack at this corner which we understand has flooding on several occasions leading to the cancellation of race-days at a significant cost to the racecourse.

Potential Supporting Uses

2.17 Following from our site visit, subsequent discussions with key stakeholders and our knowledge of the leisure sector we identified a number of potential leisure uses which could enhance the role of the site as a local recreational facility and sub-regional leisure destination. These are as follows:-

- Hotel accommodation
- Enhanced conference, function, meetings and events space

- Additional Caravan & Camping Pitches
- Health & Fitness Club
- Five-a-side football centre
- Children's Play Facility
- Children's Nursery
- Cinema
- Enhanced Golfing Facilities
- Nature Attraction and Car Parking

2.18 We examine the development potential for each of these uses in the rest of this report.

2.19 We have also considered Holiday Lodges, but having viewed the site we do not feel that there would be a market for such a use as there is nowhere on the site that is suitably isolated from the racetrack.

3. Local Demand Context

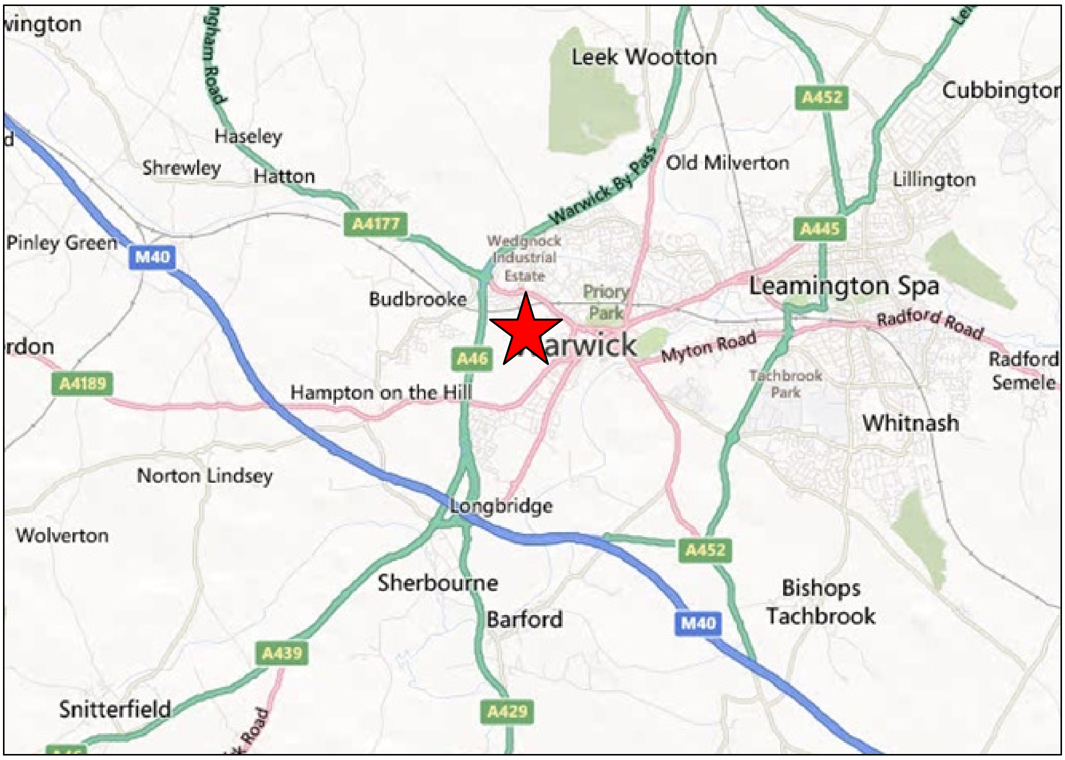
Introduction

3.1 In this chapter we consider the wider local context for potential demand for new or enhanced facilities at St Mary's Lands. Through a clearer understanding of key demand characteristics – such as demographics and accessibility – we will be able to more accurately identify levels of potential demand for the suggested potential uses.

Location & Accessibility

3.2 St Mary's Lands is located close to the historic town centre of Warwick (5 mins walk east) and Warwick Castle (12 mins walk east).

Figure 3.1: Map Showing Location of St Mary's Lands



Source: Bing Maps

3.3 St Mary's Lands is located just 2.3 miles (6 minutes drive) north of the M40, in the middle of England, affording good accessibility from major population centres such as Birmingham and London.

Figure 3.2: Distance Profile (from CV34 6HN)

Destination	Approx. Distance (miles)	Approx. Journey Time by Private Car
Stratford-upon-Avon	8.6	19 mins
Coventry	12.3	20 mins
Birmingham Centre	24.3	37 mins
Oxford	46.1	54 mins
Cheltenham	60.1	1 hr 4 mins
Nottingham	60.2	1 hr 19 mins
Derby	62.6	1 hr 17 mins
Bristol	97.5	1hr 43 mins
London Centre	100.1	2 hrs 9 mins
Source: The AA		

3.4 Other motorways include M1 (25.4 miles west / 34 minutes drivetime), which provides an alternative route to London than the M40. To the west there are the M5 (24.1 miles / 25 minutes drivetime) to Bristol or M6 (37.1 miles / 41 minutes) to the North.

Demographics

Warwick Town

3.5 Although a National Census of population was undertaken in 2011, detailed local level (Warwick Town) results were not publicly available at the time of writing. As such, the most recent published Census dates back to 2001. According to the estimate figures in 2001 the population of Warwick Town is expected to be 30,101 in 2010.

3.6 The Five Year Housing Land Assessment (2012-2017) produced in November 2012 proposes a total (deliverable sites and sites under construction) of 1,876 dwellings for Warwick Town within the five year housing land supply. The three main sites with planning permission are Ernscote Road (227 dwellings, 1.4 miles to the east), Cape Road (170 dwellings, 1.1 miles to the north) and Verden Avenue (134 dwellings, 1 mile to the south). These housing allocations will help to increase the population of the town over the time period of the Plan.

Warwick District

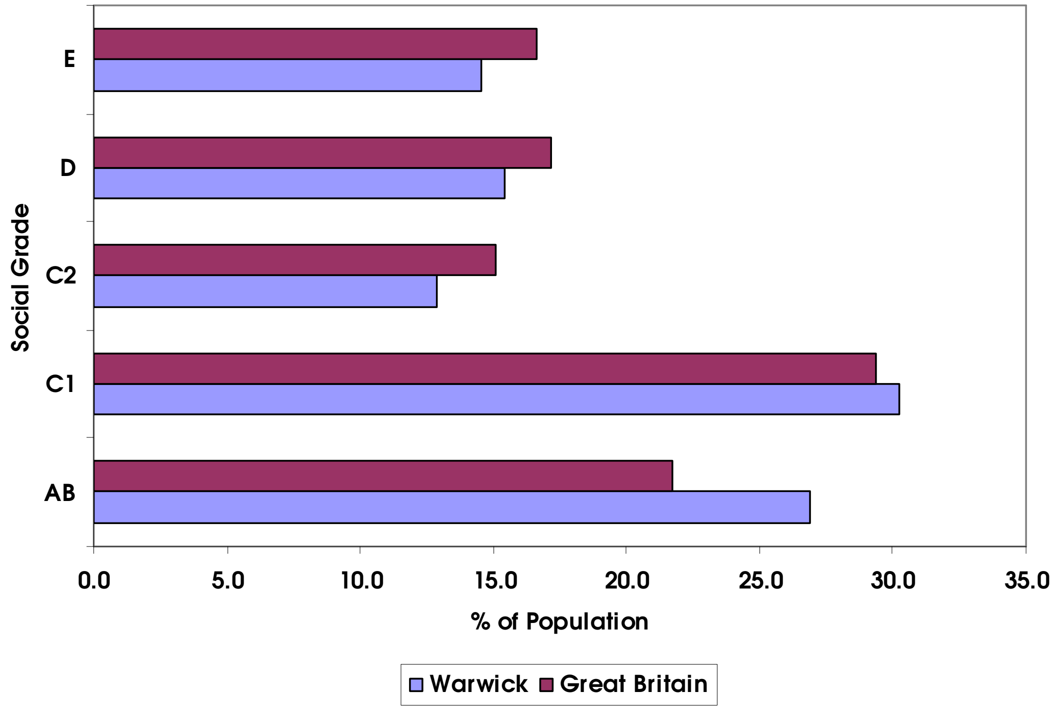
3.7 The District of Warwick includes the settlements of Warwick, Leamington Spa and Kenilworth (see figure 3.3). The population for the District from the 2011 census was 137,648.

Figure 3.3: Warwick District Boundaries

3.8 ONS statistics state that in 2010 the working age population represented 66.0% of the total population of the District. This figure was higher than for the West Midlands as a whole (63.5%) and Great Britain (64.7%).

3.9 The social grade population profile for Warwick shows a noticeably low percentage of those belonging to the C2, D and E social grades in the city, compared with Great Britain, whilst the percentage of those in the AB grade is significantly higher. This highlights that there are relatively few manual workers or people who are unemployed or on state benefit. A relatively large proportion of the city's population is employed at a managerial, administrative or professional level, and disposable incomes are therefore likely to be relatively high. The propensity of each social grade to engage in leisure activities is shown in relevant sections.

Figure 3.4: Population by Social Grade – Warwick and Great Britain



Source: EGi

AB. Higher/intermediate managerial/admin/professional
C1.Supervisory, clerical, junior managerial/admin/professional
C2. Skilled manual workers
D. Semi-skilled and unskilled manual workers
E. On state benefit, unemployed, lowest grade workers

3.10 The population of Warwick District is forecast to continue to grow (see below).

20-Miunte Catchment

3.11 We have also commissioned a 20-minute drivetime area profile from Experian to identify the population and its demographic characteristics within the demand radius for many leisure uses. Attached as appendix 1 this identifies a large population of 1.4 million people within 20 minutes drive of the St Mary's Lands within a catchment area including the main urban areas of Warwick, Leamington Spa, Stratford, Alcester, Rugby, Coventry, Redditch and Solihull. This is a very sizeable catchment that many leisure operators would find attractive.

3.12 The age profile of the catchment population is similar to the national average with a slightly greater proportion of children between 0-14 years and young adults between 15 and 24 years old. The social profile of the catchment is quite divided with significantly above average proportions of higher socio-economic 'MOSAIC' groups Alpha Territory and Professional Rewards, Suburban Mindsets, but also of lower socio-economic groups Claimant Culture, Industrial Heritage and Terrace Melting Pot. In terms of ethnic breakdown the catchment area has more than twice the average proportion of Asian or Asian British people which can provide a strong market for larger venues for weddings and other functions.

Continued Population Growth

3.13 As figure 3.4 (below) illustrates the population. The District population is forecast to grow to 164,300 by 2030, while the population within the wider 20 minute drive-time is forecast to grow at a slightly slower rate, it will nonetheless reach nearly 1.6 million by 2030.

Figure 3.4: Projected population growth

	2010	2015	2020	2025	2030	2035
Warwick District	137,800	144,900 (5.2%)	151,500 (4.6%)	158,100 (4.4%)	164,300 (3.9%)	170,000
20-minute catchment area		1,428,716	1,478,163 (3.5%)	1,528,679 (3.4%)	1,575,591 (3.1%)	
West Midlands	2,661800	2,786,600 (4.7%)	2,908,200 (4.4%)	3,020,900 (3.9%)	3,125,500 (3.5%)	3,226,500
England	52,213,400	54,468,200 (4.3%)	56,606,600 (3.9%)	58,606,600 (3.5%)	60,409,100 (3.1%)	62,784,000
Source: ONS/ Experian						

Economy

3.14 The rate of economic activity in Warwick District is estimated by the ONS at 82.5% against 74.3% in the West Midlands and a Great Britain average of 76.6%. In June 2012 the estimated rate of unemployment in Warwick was 4.9%, compared with 8.9% in the West Midlands and 8.1% across Great Britain. The figures suggest that the Warwick economy is performing strongly in comparison with West Midlands and Great Britain averages. The figures are consistent with the Social Grading profile presented above.

3.15 As is the case nationally, the largest employment sector in Warwick is the service sector, which accounts for 85.1% of employment. This is higher than West Midlands (79.7%) and Great British (83.5%) averages. Within the services sector, 'finance, IT and other business activities' is the largest sub-sector, employing 27.4% of workers. This is significantly higher than averages for the West Midlands (18.6%) and Great Britain (22%). Employees in this sector tend to receive higher than average wages, indicating a relatively affluent population. Tourism related employment accounts for around 8.4% of the working population in Warwick, slightly higher than West Midlands (7.4%) and Great British (8.2%) averages, indicating a reasonable tourism profile.

3.16 The following table displays the top employers in the area and nature of business. South west of Warwick, adjacent to Junction 15 of the M40 and less than two miles from the project site, a fifty acre business park development is being undertaken by Sackville Developments. Although the majority of the site has yet to be developed, current occupiers include Geberit, Taylor Wimpey, National Association of Estate Agents and Voith

Figure 3.5: Major Employers in Warwick

Company	Business Activity	Number of Employees
Jaguar Land Rover	Product Manufacturing and Distribution	6,500
South Warwickshire General Hospital	Hospital	1,800
Warwickshire College	College	1,700
Millward Brown	Market Research	1,500
ABM Catering	Catering	900
Delphi Lockheed Automotive	Automotive Product Retail	700
Dudley Taylor Pharmacies	Retail Chemists	650
The AGA Group	Environmental Management	650
Hewlett Civil Engineering	Civil Engineering	600

Source: EGi /GVA RGA Research

Tourism

3.17 The following tables show statistical indicators for overnight tourism in the West Midlands, provided by Visit England for 2009 to 2010 (latest available information). Between 2009 and 2010 the number of trips made by domestic tourists to the West Midlands fell by 6%. Expenditure generated by domestic tourists also decreased by 8%. It appears that domestic tourism to Warwick has been affected by the challenging economic climate.

Figure 3.6: Volume and Value of UK (Domestic) Tourism to the West Midlands (2009-10)

	Year 2009	Year 2010	% Change 2009 - 2010
Trips (millions)	8.4	7.9	-6%
Expenditure (billions)	£1.2	£1.1	-8%

Source: Visit England

3.18 The performance of the overseas visitor market for the same period is shown below. These figures show that although the number of overseas trips to the West Midlands remained the same between 2009 and 2010, the value of overseas tourism decreased significantly. Although the same number of trips are being made, overseas visitors appear to be spending less during their visits.

Figure 3.7: Volume and Value of Overseas Tourism to the West Midlands (2009-2010)

	Year 2009	Year 2010	% Change 2009 - 2010
Trips (millions)	1.6	1.6	No change
Expenditure (billions)	£0.6	£0.5	-16%

Source: Visit England

3.19 The Warwick Tourism Economic Impact Assessment 2009 (latest available data) was prepared by The Research Solution. It is estimated that in 2009, 740,000 overnight visits were made to Warwick, resulting in over 1.67 million visitor days.

Table 3.8: Volume of Visitor Trips and Days Spent in Warwick (2009)

	Trips to Warwick	Days Spent in Warwick
Day Visitors	2,406,000	2,406,000
Overnight Visitors	740,000	1,675,000
Total	3,146,000	4,081,000

Source: The Research Solution

3.20 It is estimated that in 2009, 624,000 of the 740,000 overnight visits to Warwick used commercial accommodation (not staying with friends or relatives). The majority of visitors used serviced accommodation.

Table 3.9: Volume of UK (Domestic) and Overseas Tourism to Warwick by Accommodation Type (2009)

	UK Tourist Trips	Overseas Tourist Trips	Total
Serviced Accommodation	556,000	23,000	579,000
Self-Catering	6,000	1,000	7,000
Other (Including camping, caravanning, second home and others. This does not include visitors staying with friends and relatives)	26,000	11,000	37,000
Total	588,000	36,000	624,000

Source: The Research Solution

Note: Tables do not add up exactly due to the rounding of figures used in the model

3.21 The most popular reason for visits (68%) to Warwick by UK residents in 2009 was a holiday, whereas for overseas tourists this was the main reason for only 22% of visits. Overseas visitors were mostly visiting Warwick for business purposes (34%).

Table 3.10: Main Purpose of Trip to Warwick (2009)

Reason	UK Tourist Trips (%)	Overseas Tourist Trips (%)
Holiday	68%	22%
Visiting Friends and Relatives	17%	32%
Business / Conference	14%	34%
Other	2%	12%

Source: The Research Solution

Note: Tables do not add up exactly due to the rounding of figures used in the model

3.22 The average expenditure per head per trip for those on holiday was estimated to be £145.10 for domestic visitors and £161.00 for overseas visitors. The average expenditure per head per trip for those visiting on business was higher at £190.35 for domestic visitors and £182.70 for overseas visitors.

3.23 The most visited attractions within ten miles of the Racecourse in 2011 (latest available information), according to the Visit England Visitor Attraction Monitor and GVA RGA research, are presented in the following table and their locations shown on the following map. The nearest attraction to the project site is Warwick Castle, which receives the highest visitor numbers of any attraction in the area. It does not participate in the Monitor and does not publish visitor numbers, although we understand that it attracts around 800,000 visitors annually. Five miles from the project site are Kenilworth Castle and Charlecote Mill, which both attract over 100,000 visitors annually.

Table 3.11: Top Visitor Attractions within Ten Miles of the Project Site (2011)

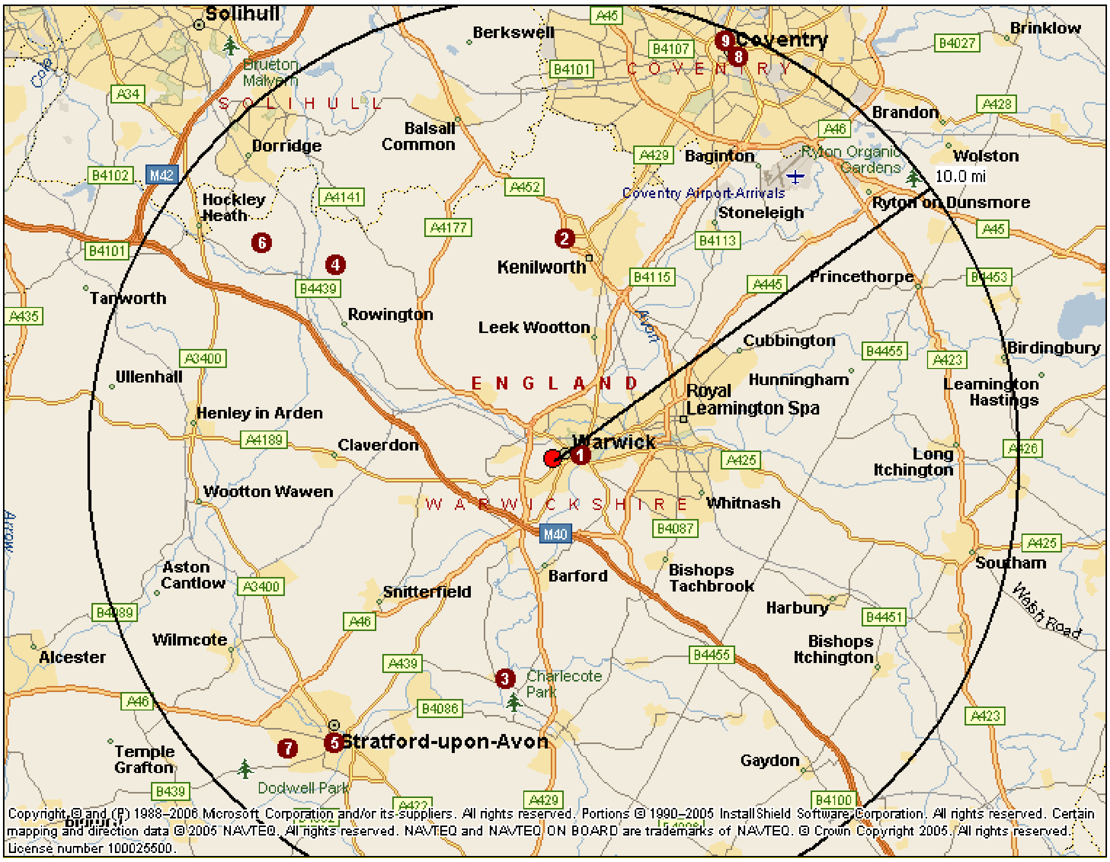
Map Ref	Attraction	Visits 2010	Visits 2011	% Change	Paid / Free
1	Warwick Castle	800,000*	800,000*	n/a	P
9	Coventry Transport Museum	368,508	408,263	+10.8%	F
5	Shakespeare's Birthplace	-	383,649	n/a	P
8	Herbert Art Gallery & Museum	319,000	309,912	-2.8%	F
4	Baddesley Clinton	130,696	164,318	+25.7%	P
7	Anne Hathaway's Cottage	-	159,271	n/a	P
3	Charlecote Mill	128,653	138,623	+7.7%	P
2	Kenilworth Castle and Elizabethan Garden	110,531	119,648	+8.2%	P
5	Nash's House and New Place	-	98,838	n/a	P
5	Hall's Croft	-	88,425	n/a	P
6	Packwood House	68,778	85,235	+23.9%	P

Source: Visit England / GVA RGA Research

- *indicates that visitor numbers are unknown for this year*

**Estimated visitor numbers*

Map 3.12: Top Visitor Attractions within Ten Miles of the Project Site (2011)



Source: Visit England / GVA RGA Research

3.24 Within Warwick, popular visitor attractions include Warwick Racecourse, Warwick Castle, the Collegiate Church of St Mary, Hill Close Gardens, Lord Leycester Hospital and Master's Garden and Warwickshire Museum. The Warwickshire Yeomanry Museum has been closed since November 2011 for renovations, although is expected to reopen in autumn 2013.

3.25 Annual events held in Warwick include Warwick Words – a festival of literature and spoken word. In 2011, 3,500 tickets were sold for events held over the course of the week. Warwick Folk Festival is held over a weekend in July and includes concerts, ceilidhs, workshops and outdoor performances.

3.26 Warwick is exceptionally well located just off the M40, which is the main route between Birmingham and London. Coventry, Birmingham and Stratford-upon-Avon are easily accessible and offer a further range of historic interest, popular visitor attractions, retail opportunities and events. The Shakespeare Birthplace Trust, the charity that cares for the Shakespeare Houses and Gardens in Stratford-upon-Avon, reported that their five properties (four are listed in Table 3.15) received a total of 804,000 visitors in 2011. This represents an increase of 45,000 on 2010.

3.27 Silverstone Circuit is an English motor racing circuit located in Northamptonshire, approximately 30 miles from Warwick. It is the home of the British Grand Prix, which is held annually at the Circuit over three days during summer. 315,000 visitors attended the event in 2011. The towns of Northampton and Milton Keynes are closer to Silverstone than Warwick; however it is possible that the proposed hotel would benefit from any demand overspill.

3.28 Visit England's strategy is to grow tourism by 5% per annum over the next 10 years and has identified Warwick as a national "attract brand". The "Attract" brands are a list of England's best known destinations, based on objective research of visitor numbers and consumer perceptions. Along with Stratford, Warwick is one of 39 destinations that will be used by Visit England to promote England as a destination.

3.29 In November 2011 and March 2012, Warwick District Council adopted a new Tourism Strategy. The key aim is to grow the value of tourism to the District's economy by more than 5% per annum over the next 10 years. The Tourism Strategic Principles and Action Plan states that Warwick will form the 'hub' of the district's tourism offer, with 'spokes' in Leamington and Kenilworth. The Warwick Tourist Information Centre at The Court House is currently undergoing a major physical redevelopment to improve the offering. The Tourism Strategy's guiding principles, which were adopted by the Council in November 2011, include:

- Sustainable growth: above the national average and mindful of environmental impact;
- Value not volume: marketing campaigns encouraging visitors to stay overnight, stay longer, spend more, and to return;
- A distinctive offer: investing in a "sense of place;"
- An inspiring message: backing a coherent identity which builds on acknowledged market strengths;
- A strong partnership approach: which avoids duplication and clarifies roles;
- Local ownership: initiatives have the widespread backing of business communities;

- Quality experience: offering excellent, easily-accessible information and joining up services to deliver high-quality, memorable experiences.

3.30 A new Destination Management Organisation (Shakespeare's England) is emerging (jointly with Stratford) and this will further strengthen the region's offer, with Warwick and Stratford at the centre of it. The tourism body seeks to promote three key attractions: Warwick Castle, Royal Shakespeare Company and Shakespeare's Birthplace.

Summary

3.31 The immediate local catchment population of Warwick Town is just over 30,000. This is set to grow over the next 5 years with further housing development. The broader District population (people who can easily drive to the site and who may view it as one of their local leisure facilities) is over 137,000 and forecast to grow to 164,000 by 2030. The wider 20-minute catchment area population (used to define the catchment of many larger leisure destination facilities) is currently 1.4 million and forecast to grow to 1.6 million by the same date.

3.32 Warwick is an affluent town and District with higher than average economic activity, low unemployment and high proportion of working age people employed in "Finance, IT and other business activities." This suggests a population with relatively high disposable income which is positive for the development of other leisure uses at St Mary's Lands.

3.33 There are a number of large employers on the outskirts of the town which may stimulate demand for hotel accommodation and conference facilities. There is a large Business Park development underway at Tournament Fields less than two miles from the Racecourse – much of the site is still to be developed although some is already occupied.

3.34 The town has a strong tourism profile with a major demand generator (Warwick Castle) located within the town centre. The town is easily accessible and offers a good base to explore many other tourist attractions around the region. The provision of additional leisure facilities and a hotel at St Mary's Lands would fit well with Warwick District Council Tourism Strategy objective of the town forming the "hub" of the district's offering, and marketing campaigns designed to increase the proportion of people staying overnight.

4. Hotel & Conference Market

Introduction

4.1 We have analysed the potential for the development of a hotel at St Mary's Lands in the context of the local market supply, considering its current and historic performance, future planned developments and a broad overview of demand levels. We have suggested an optimum positioning and scaling of the hotel product and commented on the ideal location within the site. We have given an opinion of the likely achievable Occupancy and Average Room Rate (ADR) for the hotel under the described optimum positioning and scaling.

4.2 We have examined the scope for extending and enhancing the current conference and events provision at the Racecourse Buildings in the context of national trends, local supply and a broad overview of demand levels.

Local Hotel Market

4.3 We have defined the market set for the proposed hotel as including all four, three and two-star hotels and branded limited service hotels, with more than 20 bedrooms, within four miles of the project site. This incorporates all relevant hotels in Warwick, Leamington Spa and at Junction 15 of the M40.

4.4 Based on these criteria, we have identified 19 hotels with 1,550 bedrooms. The average quoted rate for the set is £87.71. There are no two-star properties in the market area. An analysis of the immediate competitor set is presented in Figure 4.1 below and a full list is provided in Figure 4.2. We illustrate the location of these hotels in Figure 4.3.

Figure 4.1: Structure of the Warwick Hotel Market

Grading	No. of Hotels	No. of Rooms	Average Quoted Rate	% of Room Supply
4	5	626	£83.60	40%
3	10	526	£101.45	34%
LS	4	398	£58.50	26%
Total Supply	**19**	**1,550**	**£87.71**	**100%**

Note: Price obtained 10.01.2013 for a double room single occupancy at best available rate for 23.01

Source: GVA RGA Research

4.5 The market supply of rooms is relatively evenly distributed across the three hotel grades. Although three-star hotels account for over half the number of properties in the market area, they only account for 34% of the total room supply - four-star hotels provide 40%. This is due to the three-star hotels being largely smaller independent operations. Branded limited service properties supply 26% of the bedroom stock, which is fairly low compared with other UK town markets.

4.6 The average quoted rates by category indicate that there are two key price points in the market – three and four-star hotels compete around the £80.00 to £110.00 mark, while limited service hotels compete around the £60.00. There are a number of three-star hotels that offer higher rates than any of the four-star properties, including the Holiday Inn Leamington Spa – Warwick (£117.00 per night), Glebe Hotel (£150.00 per night) and Mallory Court (£225.00 per night).

4.7 Just under half of the hotels in the market area are nationally or internationally branded, while the remainder are unbranded. The majority of unbranded hotels are smaller, independently owned properties. In addition, there are two conference centres just outside the four miles market area that offer accommodation; Woodside and Ashorne Hill Conference Centre. These properties are likely to compete with a new hotel at St Mary's Lands where the Racecourse has extensive conference facilities; therefore we have included these in the market set.

Figure 4.2: Warwick Hotel Market Supply Set

Map Ref	Hotel	Grading	Rooms	Quoted Rate	Tariff Basis
1	Warwick Arms Hotel	3	40	£87.50	B&B
2	Lord Leycester Hotel	3	40	£30.00	B&B
3	Premier Inn Warwick	LS	124	£66.00	RO
4	Hilton Warwick / Stratford	4	181	£100.00	RO
5	Holiday Inn Express Warwick - Stratford-upon-Avon	LS	138	£66.00	B&B
6	Holiday Inn Leamington Spa - Warwick	3	91	£117.00	RO
7	Best Western Falstaff Hotel	3	63	£75.00	RO
8	Glebe Hotel	3	39	£150.00	B&B
9	Victoria Park Lodge	3	29	£70.00	B&B
10	Premier Inn Leamington Spa Town Centre	LS	82	£73.00	RO
11	Travelodge The Regent Hotel Leamington Spa Hotel	LS	54	£29.00	RO
12	The Angel Hotel	3	50	£95.00	B&B
13	Episode Leamington	3	31	£85.00	B&B
14	Woodland Grange	4	114	£90.00	B&B
15	Mallory Court	3	30	£225.00	B&B

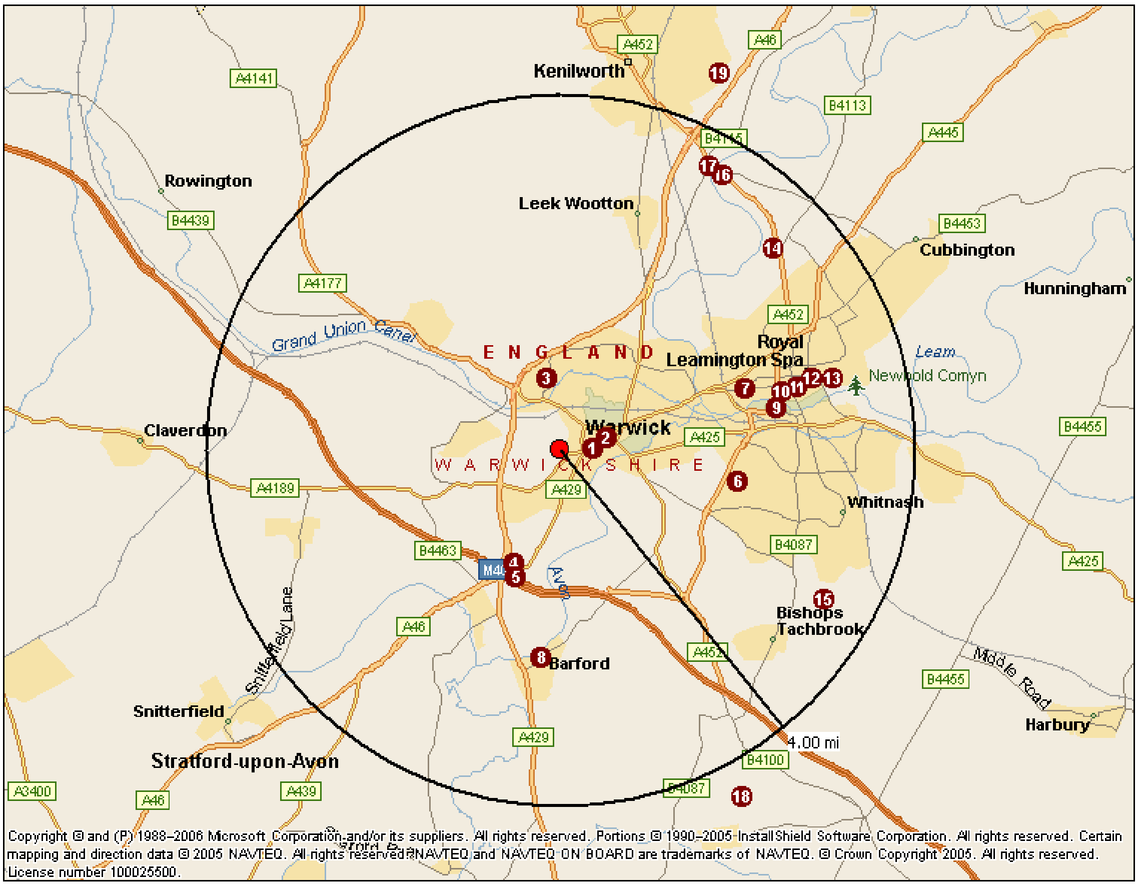
16	Ramada Hotel Warwick	4	48	£49.00	RO
17	Chesford Grange	4	209	£85.50	B&B
18	Ashorne Hill Conference Centre	3	113	£80.00	B&B
19	Woodside - A Sundial Venue	4	74	£93.50	B&B
Quoted rate based on tariffs obtained directly from the hotel for 10.01.2013 Note: Due to hotel room pricing strategies and demand based and floating pricing structures, there may be some discrepancies.					

Source: GVA RGA Research

Geographical Distribution of Supply

4.8 Figure 4.3 below highlights that there are only three competitor hotels within Warwick town itself. Two of these properties – the 40 bedrooms Warwick Arms Hotels and the 40 bedrooms Lord Leycester are in the immediate town centre, while the Premier Inn Warwick is located less than a mile from the town centre, adjacent to Wedgnock Industrial Estate. These three hotels along with the Holiday Inn Express and Hilton at the M40 will be the key competitors for a hotel at St Mary's Lands.

Figure 4.3: Warwick Hotel Market Supply Map



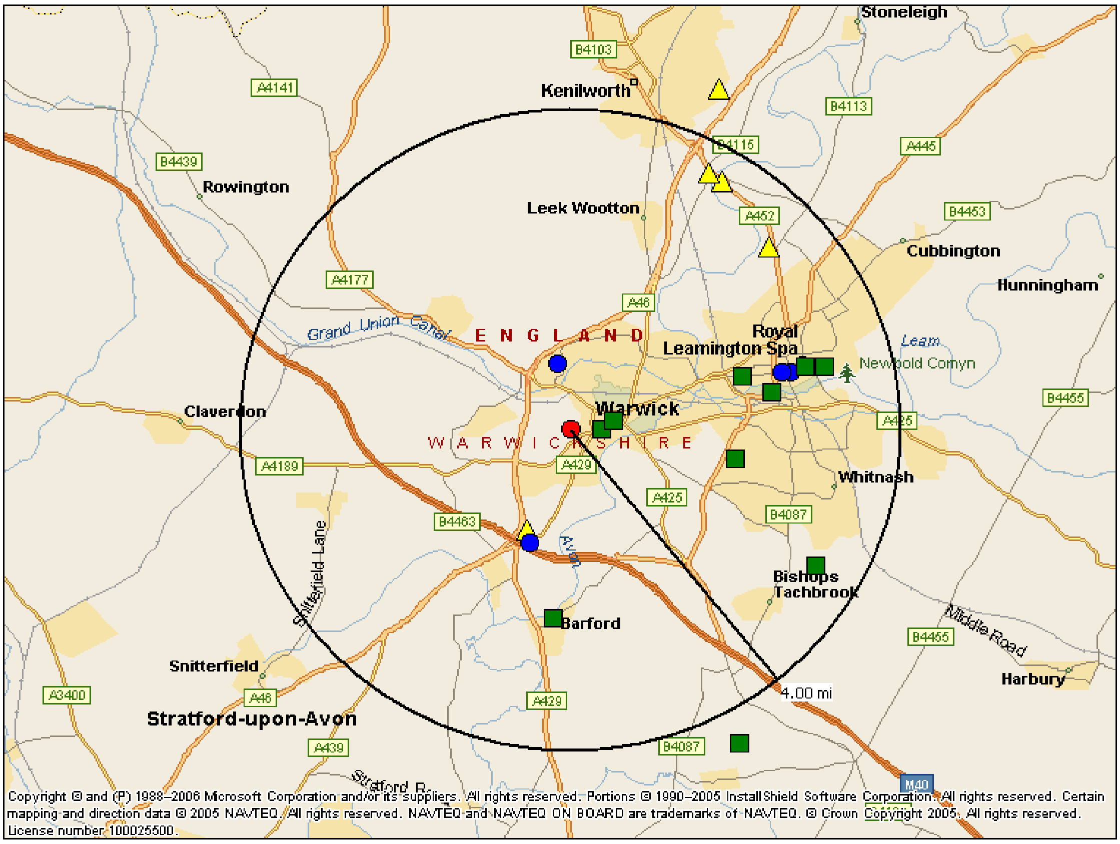
Source: Source: GVA RGA Research / Microsoft Map Point

4.9 A high proportion of the remaining hotels within the market set are located in the centre of Leamington Spa, while there are a number of properties on the Leamington Spa to Kenilworth Road. The Holiday Inn that is located close to Warwick Technology Park will be another key competitor.

4.10 We have illustrated the spread of hotel grading across the market area in Figure 4.4 (below). This analysis allows us to assess the distribution of provision and identify market opportunities, particularly in the area surrounding the project site.

4.11 The Map highlights that the four-star hotels tend to be outside the town centres, while the remaining properties are relatively evenly spread across the market area. The 124 bedroom Premier Inn Warwick is a very modern branded limited service hotel reasonably close to Warwick town centre. However, a branded limited service hotel at St Mary's Lands would be closer still to the town centre.

Map 4.4: Colour Coded Location of Hotels by Grading



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Hotel Rating	Colour Coding
Four star	Yellow Triangle
Three star	Green Square
Limited Service	Blue Circle

Source: GVA RGA Research / Microsoft Map Point

Hotel Market Demand

4.12 We have spoken to eight companies based in the local area in order to gauge their levels of demand for hotel accommodation. These included some of the large multinational organisations. Key findings from our research included:

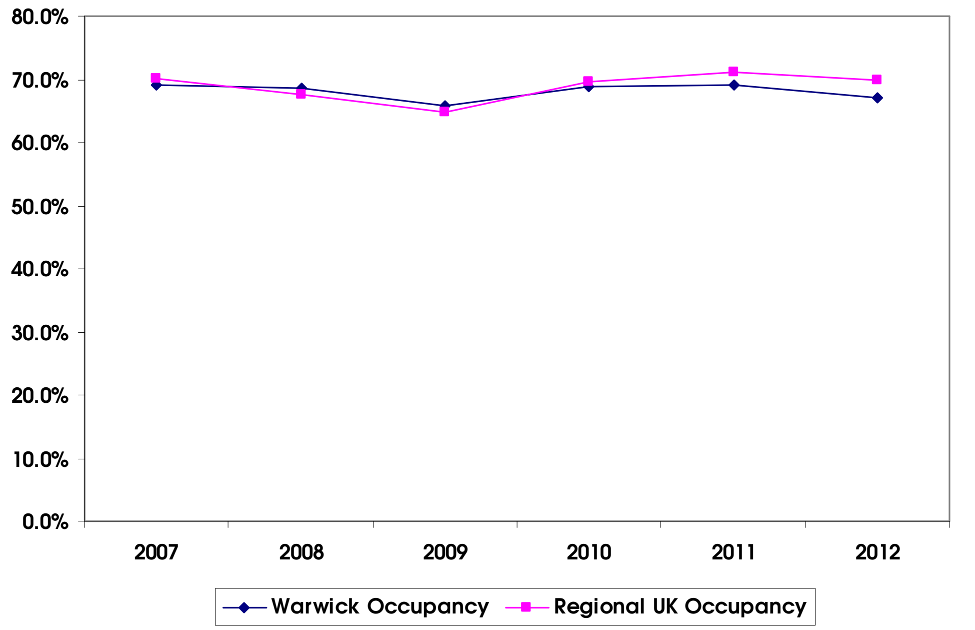
- Six out of the eight respondents indicated that they currently use hotel accommodation in the local area. Demand from these companies was largely infrequent; often it is booked 'as and when' it is required and several respondents were unable to quantify it;
- The Holiday Inn Leamington Spa Warwick was the most frequently mentioned hotel, with three respondents indicating that they use it. Other popular choices include the Hilton Warwick/Stratford, Holiday Inn Express Warwick Stratford-Upon-Avon and the Warwick Arms. One respondent indicated that they use hotels in Stratford-Upon-Avon, due to the lack of quality accommodation in Warwick;
- Corporate rates are often sought. The average price these companies are willing to pay per room is between £60 to £80 per night;
- All of the respondents were positive to the development of a new hotel in the town centre, largely due to the lack of choice there currently. One respondent added that car parking was essential;
- None of the respondents indicated that they had frequent demand for external conference facilities. Companies in the local area tend to use in-house facilities for conferences.

Hotel Market Performance

4.13 We have examined the performance of Warwick hotels using a bespoke data set provided by STR Global. The hotels included in the set are the Holiday Inn Express Warwick Stratford upon Avon, Holiday Inn Leamington Spa Warwick, Hilton Warwick Stratford upon Avon and Travelodge The Regent Hotel Leamington Spa. We believe this to be a reliable market performance indicator.

4.14 We present the performance of the Warwick market in the following graphs. The data for Warwick hotels has been plotted against Regional UK STR data for comparison. Regional UK data is based upon the submission of data by individual hotels in the UK, excluding London.

Figure 4.5: Warwick and Regional UK Annual Hotel Occupancy Levels (2007-2012)



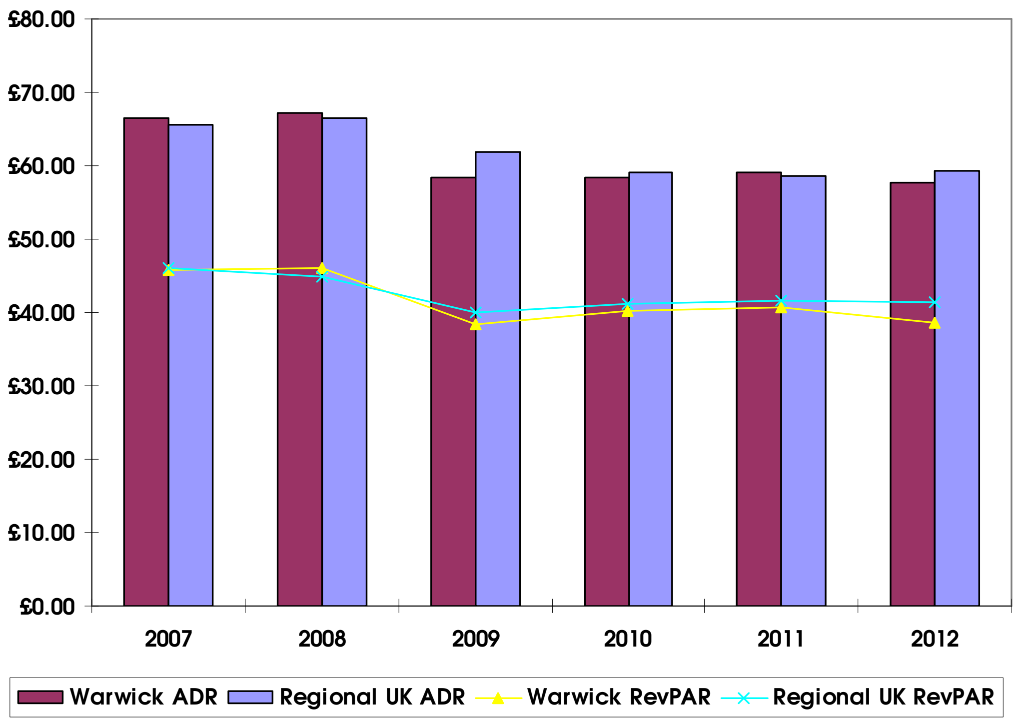
Source: STR Global Ltd, © 2012

4.15 Throughout the period shown, hotel room occupancy in Warwick has remained at a similar level to Regional UK, although the gap is now beginning to widen. Occupancy in Warwick was in decline before the recession, although the decline accelerated in 2009 to reach a low of 65.8%, as the global economic climate worsened. Positive growth was achieved in 2010 and to a lesser extent in 2011; however the market has clearly been challenging through 2012. Occupancy in 2012 fell to 67.1%, 3% lower than occupancy in 2011.

4.16 Regional UK occupancy has followed a similar trend. Occupancy declined from 2007 until 2009 (reaching a low of 63.9%), although positive growth was exhibited post recession in 2010 and 2011. Occupancy growth in 2011 was stronger in Regional UK than it was in Warwick, increasing by 6.3% to 71% (0.6% to 69.2% in Warwick). In 2012, Regional UK occupancy declined to 69.9%, a fall of 1.5% on 2011. Although both Warwick and Regional UK hotels have experienced falling occupancy levels in 2012, the decline in Warwick has been more pronounced and the gap between the two markets has widened.

4.17 Similar to occupancy, the ADR and RevPAR in Warwick performed roughly in line with Regional UK hotels over the period shown. ADR in Warwick peaked in 2008 at £67.21, although subsequently fell by 13% to £58.44 in 2009 as a result of the global economic decline. Operators nationwide cut rates in an attempt to maintain hotel room occupancy. Post recession, the Warwick market has remained challenging. ADR showed very little change in 2010 and 2011, although rates declined further to £57.65 in 2012. This is the lowest level seen throughout the six year period.

Figure 4.6: Warwick and Regional UK Annual Average Daily Room Rates (ADR) and Revenue Per Available Room (RevPAR) (2007-2012)



Source: STR Global Ltd, © 2012

4.18 ADR in Regional UK also peaked in 2008 at £66.23, before falling by 8% to £60.77 in 2009 due to the recession. During 2010 and 2011, ADR continued to decline, although at a significantly slower rate. In contrast to Warwick, Regional UK ADR experienced modest growth in 2012, increasing by 0.9% to £59.19.

4.19 The resulting RevPAR in the Warwick hotel market peaked in 2008 at £46.05. It subsequently declined by 17% in 2009 to a low of £38.43. Modest growth was exhibited in 2010, and marginally again in 2011. However, RevPAR decreased by 5.2% in 2012 to £38.69.

4.20 RevPAR in Regional UK hotels followed a similar trend over the period shown, although peaked in 2007 at £46.27. A marginal decline was experienced in 2008, however this accelerated in 2009 with a fall of 14%, as the full impact of the recession was felt.

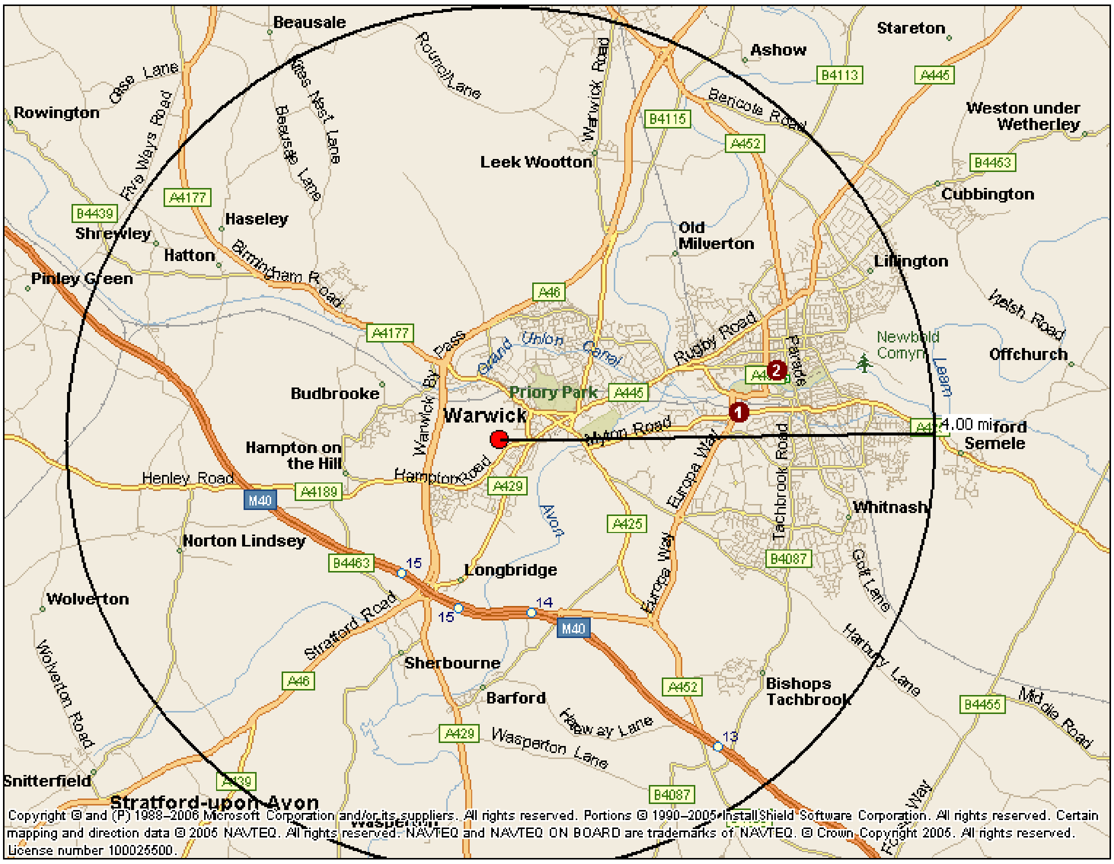
Modest RevPAR growth was experienced in 2010 and there has been very little change since. RevPAR for Regional UK hotels in 2012 was £41.38, representing a 0.5% decrease on 2011.

4.21 Although RevPAR in both the Warwick and Regional UK markets decreased in 2012, the decline in Warwick was more pronounced and the RevPAR gap between the two markets is widening.

Future Supply of Hotels

4.22 Information was supplied by the District Councils of Warwick and Stratford-on-Avon in order to identify any future increase in the market area hotel supply. Information has been cross-checked with Estates Gazette Interactive and the AM:PM Hotels Database. All relevant applications that have been submitted in the past five years have been detailed in figure 4.8 and their locations are shown in figure 4.7.

Figure 4.7: Future Hotel Developments within Four Miles of Warwick Racecourse



Source: GVA RGA Research / Microsoft Map Point

4.23 There are only two proposals in the planning pipeline within the market area. Neither of the proposed hotels has been linked to a specific brand or positioning. Both are located in Royal Leamington Spa. No new hotels are in the planning pipeline in Warwick.

4.24 Should both proposals proceed, around 200 new bedrooms would be added to the market set. However, the proposals were both submitted over two years ago and neither appears to be progressing. We are aware that Warwick Castle is investigating the viability of developing a hotel on-site although it is at the pre-planning consultation stage.

Figure 4.9: Future Hotel Developments within Four Miles of the Project Site

Map Ref	Application Date	Case Reference Number	Type of Application	Location	Applicant	Proposal	Status
1	11.10.2010	W/10/1310	Outline	Former Ford Foundry Site & Associated Landholdings Old Warwick Road and Princes Drive Leamington Spa	Trilogy (Leamington Spa) Limited	Hotel up to 120 bedrooms as part of large mixed use development including retail, offices and light industry	Approved 06.10.2011
2	06.11.2008	W/08/1499	Full	56 Bedford Street Leamington Spa CV32 5DT	Newcycle Investments	84 bedroom hotel with restaurant and bar area and retail unit	Allowed on Appeal 24.02.2010

Source: GVA RGA Research / Warwick District Council / EGi / AM:PM Hotels

Recommended Hotel Location, Positioning and Scaling

4.25 Two locations within St Mary's Lands have been identified as potential hotel sites – the main entrance to the Racecourse and the car park adjacent to the stables.

4.26 Each of these sites as each is easily accessible from the road network, offers access to parking and is within the perimeter of St Mary's Lands. However the site at the main entrance is preferable on three fronts; it is the most visible for traffic approaching from the town centre, offers easy access to the Golf Course, and offers the shortest walking distance to the town centre restaurants and amenities. In planning terms, this site would also be sequentially preferred by national planning policy which requires new hotel investment to be located as close to the town centre as possible where no suitable sites are available within the town centre itself (NPPF[1] paragraph 24). At the end of the day, the views of operators will have a vital influence on the preferred location especially during this difficult period for new hotel investment.

4.27 A hotel at St Mary's Lands, close to the town centre and in association with other facilities at Warwick Racecourse, will appeal to both corporate and leisure visitors. Our primary research has indicated that there is demand from local companies or further town centre accommodation. All of the companies contacted were positive about the need for a new hotel in the town centre, largely due to the lack of choice there currently. Further promotion of Warwick Castle and Shakespeare-based attractions in Stafford is expected to increase leisure visitors to the area.

4.28 Warwick Racecourse has firm interest from Sanguine Hospitality to manage the hotel under Accor Franchise for an Ibis Styles – a smart, limited service product with strong consumer recognition backed by one of the market leading system deliveries. Ibis is strong in both commercial and leisure sectors and fits well with the transient nature of visitors to Warwick (on the M40 motorway close to Birmingham and within easy reach of London). Our recommendation is that at present demand levels and considering the newly opened Premier Inn and potential hotel at Warwick Castle, the optimum scaling, we believe, is between 80 and 100 bedrooms – whilst the higher end of this

[1] National Planning Policy Framework

scale offers higher risk of unused space, it does offer greater efficiencies to the operator and therefore potentially higher returns.

4.29 It is proposed that the hotel would provide breakfast only as it will be within easy walking distance of the town centre restaurants. If there is no alternative restaurant provided at the Racecourse, we recommend at least a light food menu is available all day to service those clients who do not wish to go out.

4.30 Indicative Terms have been provided by Sanguine which we are informed include Accor Royalty Fees; base management fee at 2.0% of total revenues and an incentive fee of 9.0% of gross operating profit.

Indication of Hotel Performance

4.31 The assessment below is an initial indication only based upon our extensive experience and initial understanding of the local market set out above. However, it is not backed by detailed assumptions or a full programme of primary research which would be covered in a more detailed Feasibility Study.

Table 4.9: Indicative Rooms Performance – 100 Bedrooms Warwick Racecourse Ibis Styles

Year	Annual Occupancy	Average Daily Rate	Yield
2015	65.2%	£59.11	£38.53
2016	68.2%	£64.26	£43.82
2017	71.2%	£69.68	£49.60
2018	71.6%	£71.77	£51.42
2019	72.1%	£73.92	£53.32

Source: GVA RGA

Local Conference Market

4.32 We have assessed the provision of conference and banqueting facilities in the Warwick area (within approximately four miles from the Racecourse site). We have identified 17 competitor venues that have a minimum capacity for 100 delegates.

Table 4.10: Conference Facilities – Warwick Market Area

Grading	No. of Conference Venues	Average Rack Day Delegate Rate	Average Room Hire Rate	Average Maximum Theatre Capacity	Average Maximum Banqueting Capacity
Hotel Venues	9	£41.50	£185.00*	230	184
Non-Hotel Venues	8	£39.25	£404.00	343	219
Total Supply	**17**	**£43.42**	**£294.50**	**268**	**196**

*Room Hire Rate only offered at one hotel venue. Day Delegate and 24 Delegate Rate offered at the majority of venues
Source: GVA RGA Research

4.33 The table above indicates that conference venues in the local market area are distributed relatively evenly between hotel and non-residential venues. There are large variations in the day delegate rates, ranging from £29.50 at Woodside, to £69.00 at Chesford Grange, indicating a broad range of venue standards and quality. Many of the venues offer significant discounts in prices; this suggests a competitive market environment. The average 24 hour delegate rate amongst the hotel venues is £146.63.

4.34 The majority of hotel conference venues have a capacity for between 100 to 250 delegates. The exception to this is Chesford Grange (maximum theatre capacity of 700) and the Ramada Warwick (maximum theatre capacity of 400); both are situated on the Leamington Spa to Kenilworth road (the A452).

4.35 Although there is a large concentration of hotels within Leamington Spa town centre, as detailed section 3, there are no competitor residential conference venues located there. The only residential conference venue in either Leamington Spa or Warwick is the Lord Leycester Hotel, which has a maximum delegate capacity of 150, theatre style. Hotels in the area with competitor conference facilities tend to be located in rural locations, on the A452 or at the M40 junction.

4.36 Many of the non-residential conference venues in the local area are located in Leamington Spa town centre and are publicly owned. Warwick Castle is the nearest non-residential conference venue, approximately half a mile from the project site. It has a maximum capacity of 70, theatre style for conference, but can hold events for up to 2,000 people within a marquee.

Figure 4.11: Hotel and Non-Hotel Conference Facilities – Warwick Area

Map Ref.	Venue	Meeting Rooms	Max. Theatre Capacity	Max. Banqueting Capacity	Day Delegate Rate	Room Hire Rate
Hotels with Conference Facilities						
1	Lord Leycester Hotel	3	150	120	£27.50	-
2	Hilton Warwick / Stratford	18	250	400	£39.00	£185.00
3	Glebe Hotel	2	100	77	£55.00	-
4	Mallory Court	6	135	85	£49.50	-
5	Woodland Grange	26	200	100	£45.00	-
6	Ramada Hotel Warwick	4	400	450	£30.00	-
7	Chesford Grange	13	700	360	£69.00	-
8	Ashorne Hill Conference Centre	15	120	80	£30.00	-
9	Woodside - A Sundial Venue	10	120	80	£29.50	-
Non-Hotel Venues						
A	Warwick Castle	6	70	100	£42.00	£600.00
B	The Warwickshire Golf & Country Club	4	220	100	£42.00	£175.00
C	The Royal Pump Rooms	2	250	140	£33.00	
D	The Assembly	1	250	200	-	£500.00
E	Brunswick Healthy Living Centre	3	100	-	-	£175.00
F	Royal Spa Centre	3	800			£570.00
H	Stoneleigh Park	9	700	424	£40.00	-
G	Stoneleigh Abbey	5	350	350	-	-

- Information not available / not applicable
Source: GVA RGA Research

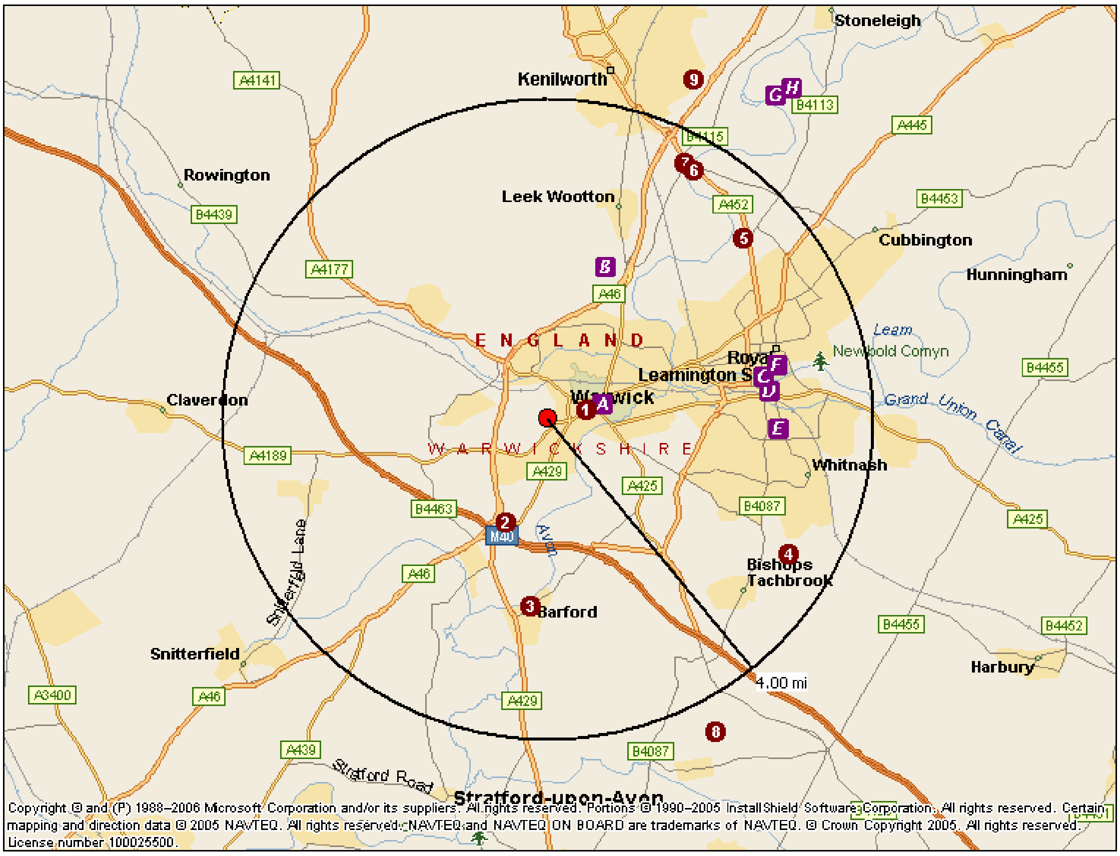
4.37 Stoneleigh Park is located just outside the four mile radius. It hosts the largest exhibition space in the region and has nine conference rooms with a maximum capacity of 700 theatre style. Located close to Stoneleigh Park is the historic Stoneleigh Abbey, which has a maximum capacity of 350 delegates, theatre style.

4.38 Although it lies on the outskirts of Coventry and outside our defined catchment area, the University of Warwick offers extensive conference facilities. Spread over four venues, it offers 300 meeting rooms, accommodating up to 1,400 delegates. Internet searches for 'Warwick conferences' immediately generate links to the University of Warwick facilities. On site accommodation is available in either standard campus bedrooms or en-suite, four-star hotel equivalent rooms. The facilities are closer to

Coventry than Warwick however we consider that the facilities will compete for delegates in the Warwick market. Day delegate rates are around £48.

4.39 A list of venues is provided in the table on below and their locations are shown on the Map in figure 4.12.

Figure 4.12: Location of Hotel and Non-hotel Conference Facilities



Source: GVA RGA Research / Microsoft Map Point

National Trends

4.40 The UK Events Market Trend Survey 2011 showed that the overall value of the UK events market decreased by 13% in 2010, compared with 2009. While the number of events staged, approximately 1.3 million, was similar, the level of expenditure they generated reduced from £18.8 billion to £16.3 billion suggesting that prices are being compressed by lower demand.

4.41 GVA RGA experience of UK wide corporate demand surveys shows a move away from using external conference facilities, a focus on value for money and a lower usage of conference related overnight accommodation. Two main factors in these trends are post-recession spending cuts as well as an increase in internal video conferencing.

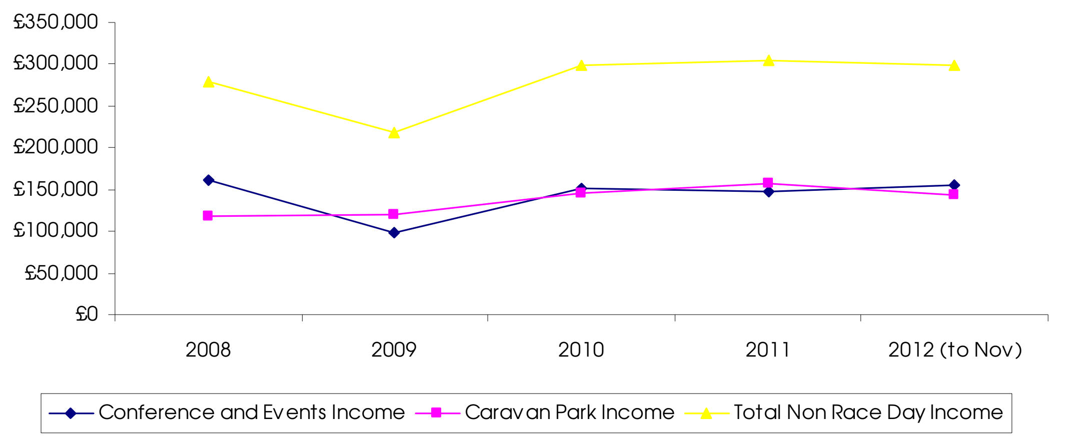
Local Conference Demand

4.42 We have spoken to two conference and events organisers based in Warwickshire to understand current levels of demand. One agent commented that although the majority of their business is placed outside the area, they felt that there is good demand for conference venues due to the number of large companies located in the town. However, this conflicts with the findings of our corporate demand research, which highlighted that all companies surveyed use in-house meeting space, rather than external venues.

4.43 Several popular venues, with accommodation, were mentioned during our conversations, including Woodland Grange and Ardencote Manor, which is just outside the market area. Warwick Racecourse was also mentioned as having been used previously.

4.44 One respondent indicated that around half of the conferences they organise require overnight accommodation. The type of accommodation used is dependant on their clients' preferences. They added, however, that the large conferences in particular have cut back on overnight accommodation since the recession. This is a trend that is apparent throughout the UK.

Figure 4.13: Warwick Racecourse Non Race Day Income



Source: Warwick Racecourse

4.45 The graph above shows the recent trading history at Warwick Racecourse for non race-day income, split between conference and events, and caravan park (2012 is eleven months to November). The impact of the recession in 2009 on the conference and events income is clearly shown, with a 39% year on year fall, whereas the caravan park income remained stable. The conference and events income recovered well in 2010 and 2012 year to date is 6% higher than for the whole of 2011.

Potential Market for additional Conference facilities

4.46 Warwick and the surrounding area are well provided for conference and events facilities, both in residential and non-residential venues. The only significant supply in the town centre (other than that already existing at the Racecourse) is the Lord Leycester Hotel and Warwick Castle, neither of which provide a large function suite.

4.47 The Hilton at Junction 15 of the M40 offers the only large function room in the immediate area; support facilities include extensive parking, four-star hotel accommodation and full health and fitness club.

4.48 It is our opinion that the current provision of conference and events space at the Racecourse is adequate and of a reasonable quality. An on-site hotel would add further value to the conference offering, allowing the possibility of residential conferences. There is a great deal of flexibility available to clients with different sized rooms, the largest seating around 150. However, the current provision is rather disjointed, distributed between various buildings and offering no covered access between them.

4.49 Whilst conference and events income has grown and stabilised post-recession, the overall contribution in 2012 year to date is relatively small at £155,000 revenue and £102,000 profit. The provision of hotel accommodation will add value to the overall offering, but there is significant spare capacity to fill before considering extending the conference facilities. However, there could be demand to make better use of existing floorspace spaces by relocating non-conference uses currently occupying the ground floors of the 1707 building or Paddock Suite to less appropriate space beneath the grandstands subject to maintaining racing operational needs.

4.50 Whilst there is some anecdotal evidence from the Racecourse of demand for a large (up to 300) function suite, it is difficult in the current environment, and with the Hilton less than two miles away, to justify the provision of additional conference and events space. There may be an argument for replacing the permanent marquees with a facility of a similar size, depending on current usage, however surplus space may be better used for other revenue generating activities.

Summary

4.51 The conference and events facilities at Warwick Racecourse are of sufficient size and quality and the focus should be on developing this aspect of the business within the current spare capacity. Any capital expenditure should be channelled into maintaining this supply to a high level and ensuring up to date technology is available, as well as improving the currently disjointed nature of the various conference rooms through a re-allocation of space between existing buildings.

4.52 The provision of quality hotel accommodation on site will add value to the conference provision offering the scope for residential conferences – there are currently no major competitors within the town centre. An on-site hotel would also enhance the business prospects and offering at both the Racecourse and Golf Centre by giving the options of organising golf holiday packages, corporate residential conferences and day events including golf and joint golf and racing packages.

5. Other Tourist Accommodation

Introduction

5.1 In this chapter we consider the local market for other tourist accommodation at St Mary's Lands including touring caravan & camping pitches and holiday lodges.

Holiday Parks Market

5.2 It is estimated that almost 12.96 million people took a camping and / or caravanning holiday in England during 2011, with the industry accounting for almost 13% of all trips and nearly 18% of all visitor nights by UK residents on domestic overnight trips.[2]

5.3 Camping and caravanning offers affordable holiday accommodation to a wide spectrum of the population. However, touring caravan ownership requires a certain amount of disposable income such the sector is generally occupied by middle income groups. Meanwhile, while camping is still available at all income levels there has been a recent trend towards luxury camping or 'glamping' products such as fitted out Yurts, Teepees, and Pods. Lodges typically appeal to more affluent, predominantly older, consumers.

5.4 Easily accessibility sites close to major urban centres (i.e. a high resident population within a reasonable drivetime catchment) are likely to appeal to a broad range of potential holiday makers – of all ages and socio-economic grades. With its location just off the M40 affording good access from the Birmingham and London conurbations, and with a range of popular local attractions including Stratford, Warwick town centre and Castle, St Mary's Lands is ideally sited to attract this market.

[2] The GB Tourist 2011 (Visit England)

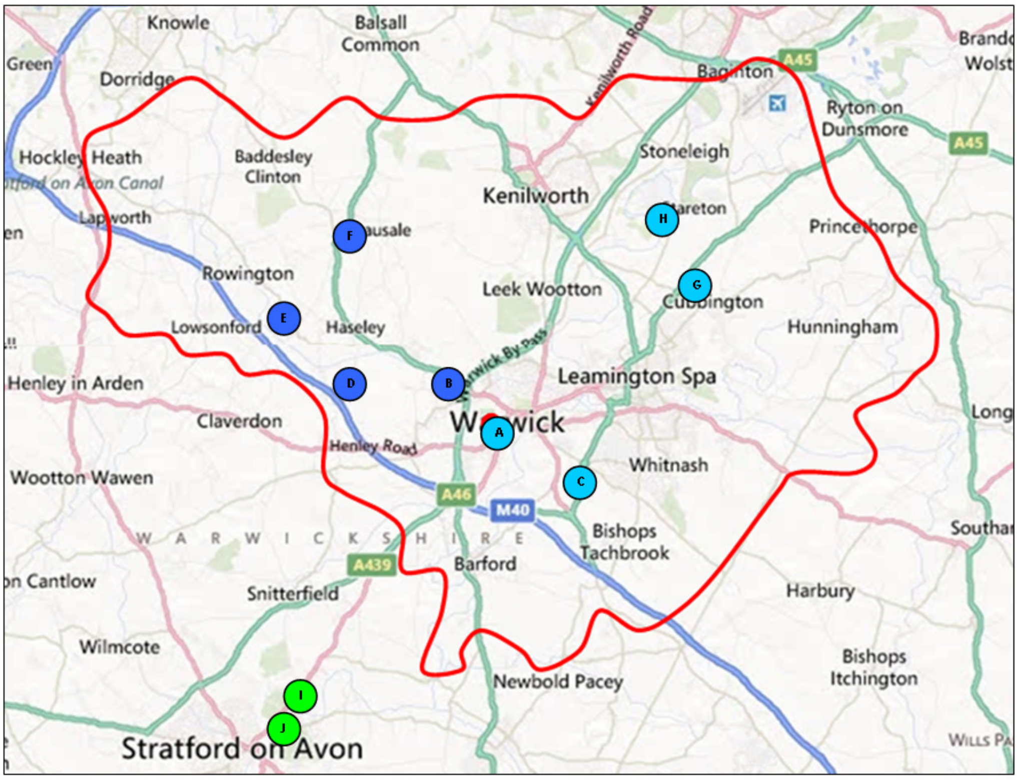
Local Market Analysis

Figure 5.1: Existing Holiday Park Supply

Ref.	Holiday Park	Drivetime distance from Racecourse (mins)	Number of pitches			
			Static Holiday Caravans	Chalets & Lodges	Touring	Cottages
A	Warwick Racecourse Caravan Club Site	0			55	
B	Oaklands Farm Certificated Site	6			5	
C	Lower Heathcote Farm	8			30	
D	Hatton Country World Certificated Location	11			5	
E	Pitts Farm Certificated Location	14			5	
F	The Croft	14			5	
G	Harbury Fields Farm	17			30	
H	Stoneleigh Park Lodge	17			70	
Warwick District Total					*205*	
I	Avon Park	15	209	25		
J	Riverside Caravan Park	20	65	20	90	2

Source: GVA Research

Figure 5.2: Location of Holiday Parks within and close to Warwick District



5.5 We have undertaken a quantitative assessment of visitor accommodation in the catchment area for Warwick. Within the District there are eight caravan parks providing 205 touring pitches. All eight parks provide only touring caravan facilities. Warwick Racecourse Caravan Club Site provides a quarter (26.8%) of all touring pitches within the District. Of the eight parks, four are Certified Sites offering only 5 pitches (coloured light blue). Warwick town itself is served by only one touring caravan and camping park, being the touring park at the racecourse itself. There are no holiday lodges available to service demand for higher quality accommodation in the District.

5.6 Outside the District but within a 20 minute drive of the site there are two large holiday parks located to the north of Stratford-upon-Avon. The parks are Avon Park (209 owner occupied static caravans and 25 chalets / lodges) and Riverside Caravan Park (46 owner occupied and 19 hire fleet static caravans, 20 chalets / lodges, 90 touring caravans and 2 cottages).

Performance of Racecourse Caravan Park

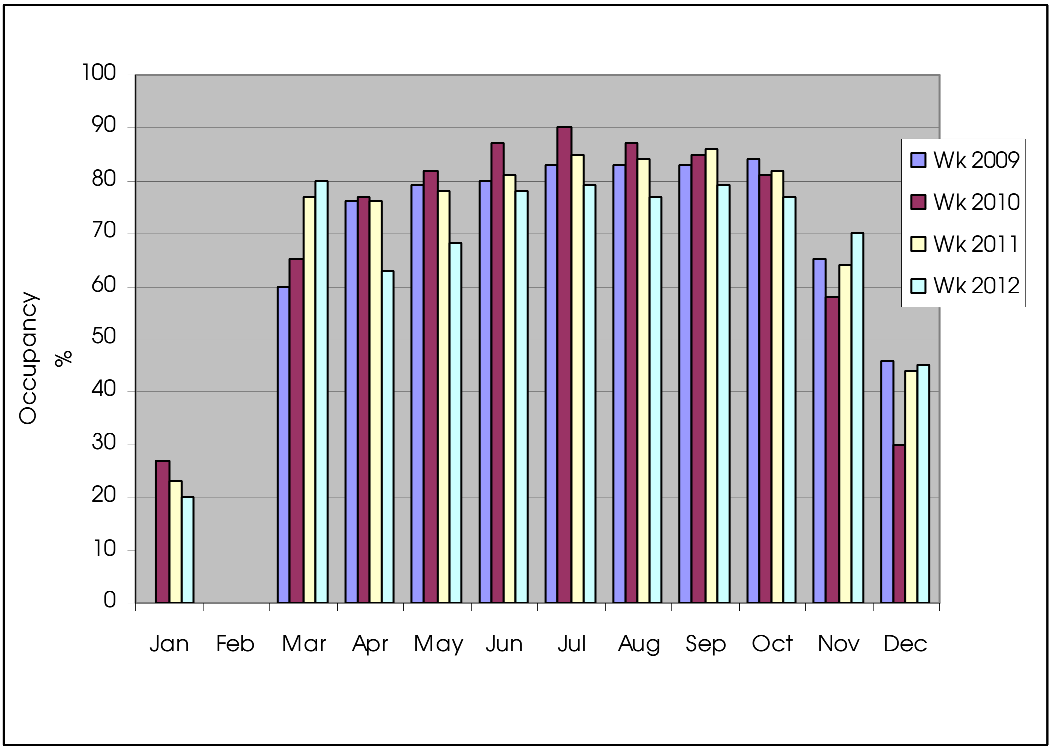
Figure 5.3 Caravan Pitch Occupancy (%) at Warwick Racecourse 2009 - 2012

Month	2009	2010	2011	2012	Monthly Ave
Jan		27	23	20	18
Feb	x	x	x	x	
Mar	60	65	77	80	71
Apr	76	77	76	63	73
May	79	82	78	68	77
Jun	80	87	81	78	82
Jul	83	90	85	79	84
Aug	83	87	84	77	83
Sep	83	85	86	79	83
Oct	84	81	82	77	81
Nov	65	58	64	70	64
Dec	46	30	44	45	41
Annual Ave	74	64	71	67	69

Source: Warwick Racecourse/GVA HL Research
NB Site closed in February

5.7 We have been given management accounts and occupancy details for the existing touring park at the racecourse. These illustrate an average pitch occupancy of 69% four the four years from 2009 through to 2012, with consistently high occupancy rates of 75-90% from April through till October in each year. Occupancy rates are still a very healthy 60-77% in March and 43-65% in November. Occupancy falls to a respectable 21-46% for December and January (more affected by weather). The site is closed in February.

Figure 5.4 Caravan Pitch Occupancy at Warwick Racecourse 2009 - 2012



5.8 In our experience these are very healthy occupancy figures for a touring caravan park, well above the averages we experience at the majority of touring holiday parks.

Figure 5.5 Comparison of Pitch Occupancy at Warwick with the SW 2009 and 2010

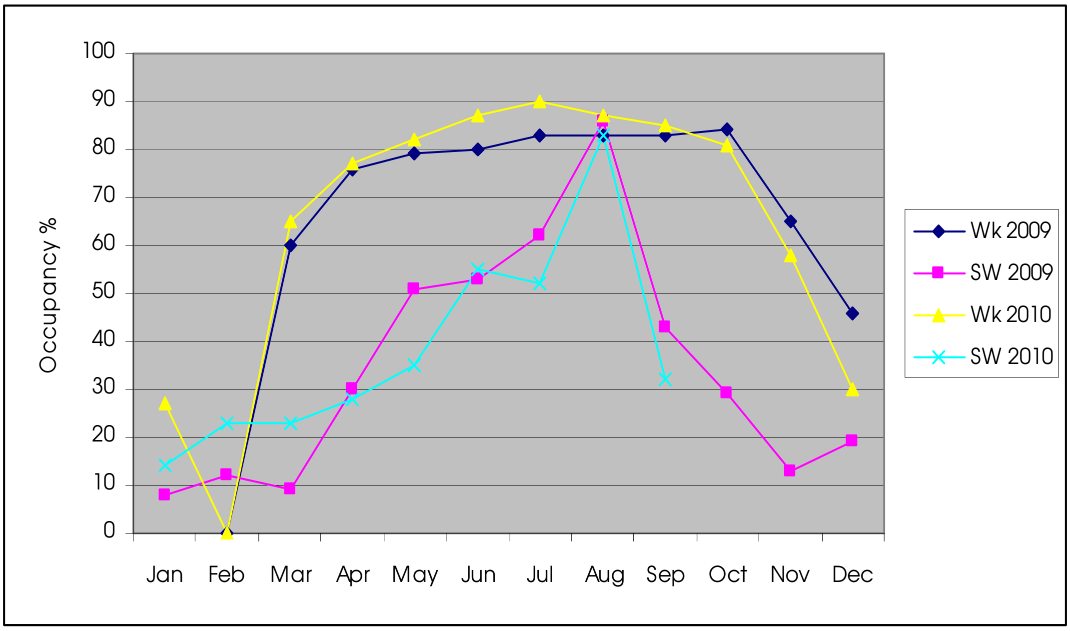
Month	Warwick 2009	South West 2009	Warwick 2010	South West 2010
Jan		8	27	14
Feb	x	12	x	23
Mar	60	9	65	23
Apr	76	30	77	28
May	79	51	82	35
Jun	80	53	87	55
Jul	83	62	90	52
Aug	83	86	87	83
Sep	83	43	85	32
Oct	84	29	81	
Nov	65	13	58	
Dec	46	19	30	
Annual Ave	74	38	64	38

Source: Warwick racecourse/GVA HL Research
Note: Averages only for months where occupancy recroded

5.9 There are no published caravan pitch occupancy figures for the whole of England, the UK or Great Britain, and comparable occupancy rates are hard to find. There are no comparable statistics for the Midlands region, however, the South West region did used to undertake a caravan pitch occupancy survey that ceased during 2010. These figures show that average annual occupancy at Warwick Racecourse is almost twice the regional average for the South West.

5.10 Comparison of the occupancy at Warwick Racecourse Caravan Park with figures from the South West demonstrates how well the racecourse caravan park performs relative to the South West caravan parks, particularly outside the peak summer holiday month of August. This is in part a reflection of the much more seasonal nature of caravanning to the South West but illustrates the strength of Warwick as a caravan park location adjacent to an attractive town centre and near visitor attractions that are popular all year round.

Figure 5.6 Comparison of Pitch Occupancy at Warwick with the SW 2009 and 2010



5.11 These figures demonstrate a strong touring pitch market and we have no doubt that there is strong enough demand to extend the season of operation through out the year and to extend the site to accommodate additional touring caravan pitches.

Summary

5.12 There is clearly strong demand for touring caravan pitches in this location and little competitive supply in the immediate area to serve caravan and camping visitors to Warwick. We therefore consider that there is a strong market for additional touring pitches at St Mary's Lands.

5.13 We also consider that although there would be a market for holiday lodges within the Warwick area, we do not consider that there is a site attractive enough for this use within the grounds of the racecourse.

6. Sport and Leisure Uses

Introduction

6.1 In this chapter we consider the local market for sport and leisure uses at Warwick Racecourse.

Health & Fitness Facilities

National Trends

6.2 The health and fitness club sector has been the scene of many changes during the economic downturn, with a number of high profile transactions and the emergence of budget gym operators.

6.3 Since the start of the recession in 2008, the fitness industry has grown its total Market Value by 4%, increased the member base by 2% whilst increasing the number of fitness facilities by a further 1.7%. Growth in the industry has been driven by a good performance from public fitness operators and budget gym providers. According to the Leisure Database report 'State of the UK fitness industry 2012' there was a net increase of 14 (87 closures, 101 openings) in the number of private clubs to 3,176 and a 2.2% increase in members. There was a parallel net increase of 16 (46 closures, 62 openings) in the number of public clubs to 2,724. There are now a total of 7 million private and public health club members representing 12% of the population (7.2% private, 5% public).

6.4 At the top end of the health and fitness market operators such as David Lloyd, and Virgin Active target the family group and provide a wide range of facilities; gym, studios, pool, racket sports, bar and restaurant. Clubs at this end of the market charge more than £50 per month and draw from a fairly wide 20-30 minute catchment. David Lloyd have in addition always specialised in extensive tennis provision, while many higher end operators are now looking to extend the range and quality of spa and children's activity and equipment provision. Mid market brands such as Cannons, Greens and LA Fitness, sit just below these top-end brands offering a high quality health & fitness offer but with less 'add-ons' for a lower monthly fee. These tend to draw from a slightly smaller 15-20 minute catchment.

6.5 The rapid expansion of the sector and increased competition has resulted in widespread rationalisation with more clubs being concentrated in the hands of fewer, larger companies. Factors that have hindered stronger market development in recent years, such as increased competition, market saturation and declining membership fees, are likely to continue to impact the upper end of the market over the next five years. In particular, increased competition has put downward pressure on membership fees and an increased emphasis on secondary revenue generation which has been increasing as a percentage of total turnover in recent years. Consumers increasingly expect more sophisticated facilities and a higher quality of service.

6.6 The key driver in the private health & fitness club market at present is the budget gym sector. With consolidation at the higher end of the market new budget gym operators such as The Gym Group, Pure Gym, Klick Fitness, Fit4Less, Fitness4Less, Fitspace, Active4Less, Gym4All, Xercise4Less, True Gym, Easy Gym, DW Fitness Express and Lifestyle Fitness have entered the market with a stripped down no frills, easy entry, product costing less than £20 per month. Concentrating on the single person and utilitarian market, convenience is the cornerstone for the budget gym with operators seeking 80% of their business from within 5-8 minutes of the club. Normally, the budget gym operator requires between 3,000 to 3,500 members and it is not uncommon for one adult member of the family to join one of these convenient budget clubs for use on the way to/from work, while retaining a family membership at a high end club for the weekend and evenings. These clubs require between 500 sq m and 2,000 sq m of floorspace (depending on the operator).

6.7 According to Government figures, more than 27 million adults in England are not getting enough exercise and 14 million do not complete thirty minutes of exercise a week contributing to 9,000 obesity related premature deaths each year. Increasing awareness of public health and obesity issues, coupled with rising numbers of GP referrals, are likely to provide growth opportunities over the next few years. In particular, the direct relationship between fitness and health is becoming ever more apparent in the market. This has already been evidenced by many of the major operators forming alliances or partnerships with health insurance providers and Nuffield Hospital's acquisition of Cannons and Greens.

Local Market Analysis

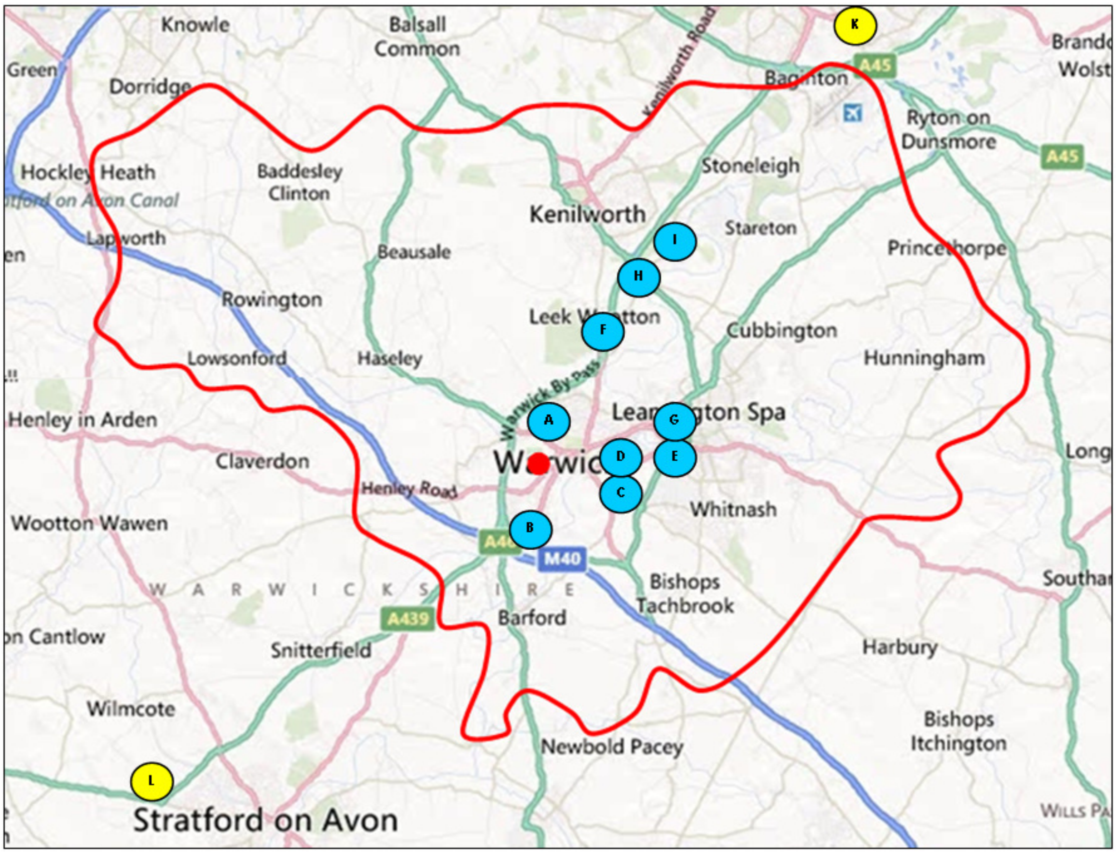
Figure 6.1 Existing Private Health & Fitness Clubs in Warwick District

Venue	Map Ref	Peak Membership £/year	Other Facilities
Upper End			
Warwick Fitness and Wellbring Centre (Nuffield Health)	C	792	Gym, Pool and Spa Facilities, Salon and Cafe
Warwickshire Golf & Country Club	F	-	Gym, Pool and Spa Facilities, restaurant, golf course, crèche
Middle			
LA Fitness (Warwick)	A	468	Gym, Pool and Spa Facilities
Pure Healthclub	G	523	Gym, Pool and Spa Facilities, lounge and coffee bar
Hotels Clubs			
Livingwell Health Club (Warwick) - Hilton	B	492	Gym, Pool and Spa Facilities
Q Hotels Chesford Grange	H	564	Gym, Pool and Spa Facilities
Budget			
Small Independents (Gym only)			
Urban Sports Fitness	D	360	Gym
Pinx Fitness	E	300	Gym, Tanning (Female Only)
Curves Kenilworth	I	-	Gym

6.8 We have identified 9 private health & fitness clubs within the Warwick catchment area. There are two major branded health & fitness club provider within Warwick District (Nuffield Fitness and LA Fitness in Warwick). In addition, the Warwickshire Golf and Country Club has an impressive high end facility and the Pure Healthclub (not part of the Pure Gym budget chain) provides a good standard mid-range independent facility at Leamington Spa. There are no recognised budget gym chain operators in the catchment at present.

6.9 It should be noted that within a 20 minute drivetime there is also a Virgin Health & Racket Club (former Esporta; reference K on the map at Figure 6.2). These larger, upper end companies have a great pull factor and therefore although outside the District a number of people within Warwick District would be willing to travel that extra distance to one of these clubs. In addition, Wildmor Club and Health Spa also provides a high end (£880) spa-led facility near Stratford (indicated as reference L on the Map below).

Figure 6.2: Private Health Clubs within the District and main operators within 20 minutes



6.10 The average number of members per club in the UK is currently 1,426. For Independents, the average number is 726, for multiple chain clubs the average is 2,198. The top 10 brands by number of clubs (includes David Lloyd, LA Fitness, and Nuffield) have an average of 2,897 members, while low cost operators have an average of 3,452 members (all figures from the Leisure Database Company). In our experience, hotel based clubs, even if branded, rarely achieve more than 500 members.

6.11 Based on these averages and having reviewed some of the facilities we estimate that the current supply of private health & fitness clubs have capacity for approximately 11,000 members. Based on the UK private health & fitness club market penetration rate of 7.2% of the national population, the currently estimated District population of 137,648 people in 2011 should generate 9,911 members, although we would expect private club membership demand to be higher than the UK average due to the above average socio-economic profile of the District population. Overall, therefore, the current provision would appear adequate for the likely demand.

6.12 We have managed to obtain membership numbers from four of the private health clubs in the District, and three of these reported below average membership numbers used in our capacity assessment which may give a figure for the actual number of memberships in the District closer to 9,500. It maybe that some of the District's affluent bias population is 'leaking' from the area and using the higher end facilities at Virgin Rackets and Sports Club near Coventry or the Wildmor Club and Spa at Stratford. We know that the latter has considerably more members than would be expected for an independent health club.

6.13 With a projected growth in population to 164,300 by 2030 the number of people seeking private club membership would increase to 11,830. The forecast population increase in the survey area it would therefore create demand for another 1,405 private memberships. This is close to the UK average for the number of members per club.

6.14 According to the EGi database, David Lloyd Leisure are looking for a site within the Warwick area. Such a facility would draw from a wide catchment and would be in competition with the Virgin Health & Rackets facility at Coventry, the Warwickshire Golf and Country Club, the Wildmor Spa and, to a lesser extent, with the Nuffield Health facility in Warwick itself. However, it would respond well to the local demographic in Warwick and the surrounding area and fit well with the vision for sport and leisure destination. We have contacted David Lloyd to identify the nature of this interest however they have decided not to pursue this particular opportunity.

6.15 The site is perhaps too constrained to meet the requirements of a David Lloyd Health and Rackets Club. There could be room for a new budget gym operator, however, this would be competing directly with existing provision over a small 5-8 minute catchment area within Warwick town itself. We do not consider that the population of the immediate town is large enough to attract such an operator.

6.16 The analysis above examines the market private health club only. The private health club market is also increasingly affected by competition from public sector providers which compete with private sector for health club memberships, particularly in the lower-middle price bracket; in other words at a price below mainstream mid-range operators and above the new budget operators. Although the public health club sector has traditionally been more associated with easy access pay per session (after an initial induction fee), it has been growing its membership base successfully to 5% of the population. However, although one should be aware of competition from the public sector we do not consider that it unduly affects the private health market analysis above.

Summary

6.17 In terms of private health club provision Warwick District has two upper and two mid-market health clubs, two hotel clubs, and three smaller independent gyms. Broadly speaking we consider that current private sector provision is in balance with likely demand, although it is likely that some district residents use the two up-market health clubs that outside the District compete to the north and south. There are none of the new breed of budget gyms in the district and we do not consider that the population of Warwick town alone is large enough to support a new one. According to the EGi database, David Lloyd Leisure are looking for a site in Warwick with their much wider catchment draw could be a good fit with the local population socio-economic profile and with the intended enhanced sport and leisure destination.

Five-a-side Football Centre

National Trends

6.18 Other areas of the sport and fitness sector have seen growth despite economic challenges. Five-a-side football centres are increasing in numbers with major operators, such as Goals, PlayFootball and Powerleague. These modern facilities provide new generation Astroturf floodlit pitches with on-site parking and a bar. The game is played on smaller pitches and the matches are shorter, allowing operators to maximise revenues. In the past, companies would sponsor a work team, however the ease with which smaller teams can join leagues and manage fixtures has resulted in the 5-a-side game overtaking 11-a-side in terms of participants.

6.19 The key target market for small-sided football tends to be male, typically between 16 and 44 years of age (which is broadly in line with overall football participation trends). Women's participation is considerably lower, albeit operators recognise it is a potential growth market following increased popularity in recent years. Junior football (i.e. 5 to 14 years of age) is also an important growth source market.

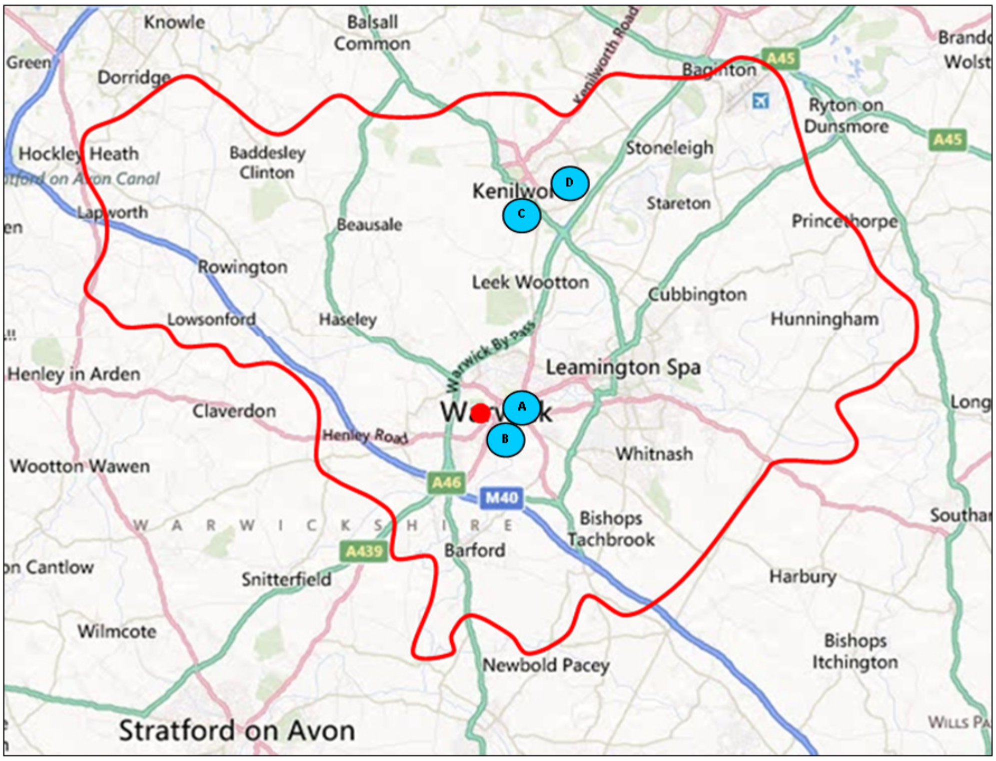
Local Market Analysis

Figure 6.3: Existing 5-a-side facilities at Warwick

Ref	Venue	Address	Drivetime (mins)	Number of Pitches	Peak Charge per Pitch
A	St Nicholas Park Leisure Centre	Banbury Road, CV34 4QY	4	2	£62
B	John Atkinson Sports Centre	Myton School, CV34 6PJ	7	2	Hall - £43, All weather £50
C	Castle Farm Recreation Centre	Fishponds Road, CV8 1EY	15	1	£43
D	Meadows Community Sports Centre	Kenilworth School. CV8 2DA	17	2	£43

6.20 There are currently no private sector 5-a-side football centre in the Warwick area operated by a major branded operator. Given the co-location of Warwick Football Club at the racecourse site, there could be an opportunity to develop a five-a-side football centre adjacent to the football stadium, and, if possible in concert with the football club.

Figure 6.4: Location of 5-a-side operators within the District



6.21 Powerleague continue to look for new sites of 2-3 acres with a catchment population of 150,000. We have contacted our agents who are currently assisting Powerleague in this regard, who have in turn approached them informally with details of the site. As a result, we have been informed that Powerleague had considered the site before but considered it too 'isolated'. We can only assume that they would have a preference for a site between Warwick and Leamington where they could better draw interest from both populations.

6.22 We have also been in contact with PlayFootball, who have also consider the site but have decided that they would not progress the opportunity. Goals have currently suspended further openings.

Summary

6.23 Although at first there would appear to be a market opportunity for a commercial five-a-side operator alongside the existing football club, the site does not appear to meet the search criteria of either of the two main operators currently in the market. Nonetheless, there may be an opportunity for a community funded and operated facility in a partnership between the District Council and Warwick Football Club.

Children's Day Nursery

National Trends

6.24 According to data collected in 2011 from healthcare market intelligence provider Laing & Buisson the UK children's day nursery market has kept 'ticking along' post recession as market size increased marginally by 1% in real terms to be worth £4.1bn.

6.25 Demand for nursery services, as measured by the number of children attending, fell by just over 6% overall between 2008 and 2010 as the recession hit household pockets and people cut back on non-essential spending. The market remained weak post-recession as household spending grew only marginally in 2012, and unemployment was at a high level.

6.26 On average UK nurseries were operating with a vacancy rate (number of vacancies as a % of places) of 18.25% at March 2011, compared with a 17.5% vacancy rate a year earlier, and 20.5% in the midst of recession at the start of 2009. An estimated total of 300 nursery groups (those with three or more nurseries) accounted for 21% of total UK day nursery places in 2010. The top 20 groups account for the bulk of corporate market share, at around 10% of total nursery places.

6.27 Analysis of the top 20 nursery chains carried out in 2010 by industry magazine Nursery World found two chains vying for number one spot: Busy Bees and Bright Horizons. Both have grown rapidly by acquisition, and, while Bright Horizons piped Busy Bees on number of nurseries, at 140 versus 132. Busy Bees offers a higher number of places: 11,919 to 8,691. However, it should be noted that it isn't an industry that is dominated.

Local Market Analysis

Figure 6.5: Local Supply of Nurseries in Warwick town

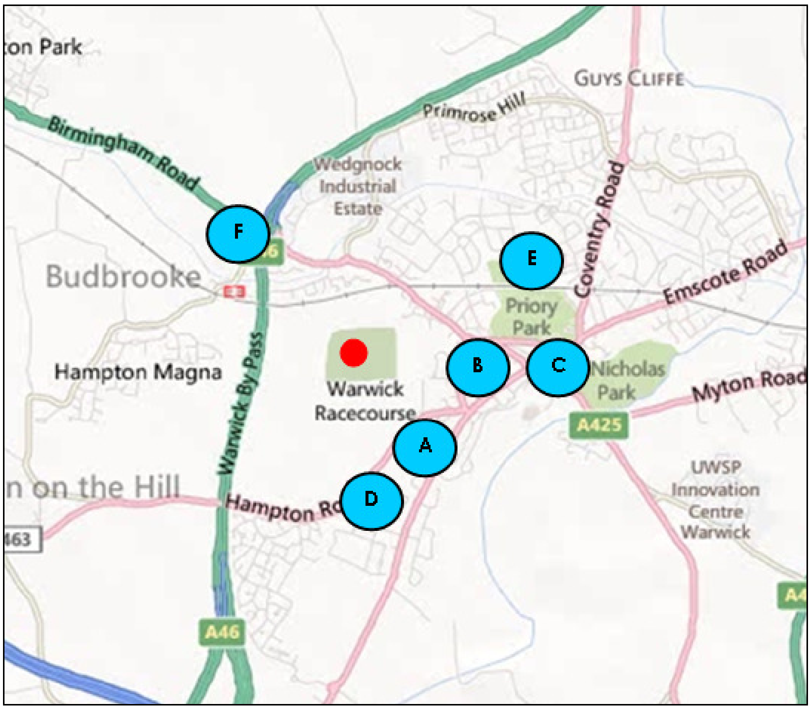
Ref.	Venue	Address	Drivetime (Mins)	Ownership	Total Number of Children	Availability
A	Monkey Puzzle, Warwick	6 West Street, CV34 6AN	3	Monkey Puzzle Day Nurseries Ltd.	72	Places Available
B	Tiny Town Nursery Ltd	3 The Butts, CV34 4SS	4	Tiny Town Nursery	58	Limited (especially Tuesday morning)
C	Noah's Ark Christian Preschool	Gerrard Street, CV34 4HD	4	Charity – Run by Castle Hill Baptist	32	No answer
D	Pathways Day Nursery	Kipling Avenue, CV34 6LD	4	Pathways Nurseries & Childcare Centres Ltd.	30	Full in morning. Very limited in afternoons
E	Busy Bees at Warwick Hospital	Lakin Road, CV34 5BW	5	Busy Bees Childcare Ltd	40	Full – Waiting List
F	Budbrooke House Children's Nursery	Budbrooke House, CV35 7DX	6	-	83	Full Thursday and Fridays

6.28 The table in figure 6.5 above shows that there are six nurseries within Warwick town. We have enquired about spaces available from Monday to Friday in March 2013. There is only one nursery that has space available every day of the week. There is one that is full with a waiting list. The others have limited spaces available on certain days or times of the week.

6.29 As stated in the local demand analysis it would appear the Warwick economy is performing strongly in comparison with West Midlands and Great Britain averages. An above average percentage of the population is employed within 'Finance, IT and other business activities'. This indicates a relatively affluent and employed population who required and are able to afford the additional cost of child care.

6.30 It would appear from the distribution of children's nurseries as mapped in figure 6.6 below that although there is a market for an additional nursery in Warwick, many of the existing nurseries are clusters on the west side of town close to St Mary's Lands. This may put a new nursery at the site at a competitive disadvantage with established nurseries that are located closer to the main business areas. Nevertheless, the site would be well placed to provide nursery facilities for families living close to the racecourse or working within the town centre.

Figure 6.6: Location of Children's Day Nurseries within the Town



Summary

6.31 There is a potential market for a children's nursery at St Mary's Lands, however, it may need to price itself below the more established competition nearby.

Children's Play Centres

National Market Trends

6.32 The indoor play market in the UK is still a highly fragmented, fledgling industry. According Mintel, the indoor children's play market in the UK was estimated to be worth in the region of £135 million (on admissions alone) by the end of 2008, a rise of more than 16% since 2003. Despite this, the number of admissions has remained largely static, and may indicate that admission prices have risen in line with a more sophisticated play offering by operators. The same research identifies that demand for indoor children's play facilities has increased since the turn of the millennium, with a greater proportion of young adults with children viewing play centres as a regular part of their children's education.

6.33 There are no figures with regard to how the market has fared in recession, however, GVA have worked with operators who are continuing to expand their offer which would suggest that the market has been robust, which may in part be due to the sequence of poor summer weather over the last few years.

6.34 Over the last few years a "new breed" of operators has entered the market, many based on successful models from the USA and Europe. In this context, there has been a significant shift in the location of these types of property and the facilities they offer from basic facilities in industrial type locations to a much more extensive range of facilities in retail and leisure park type locations offering significant footfall. The aim of many of the more recent operators has been to turn play centres into a wider visitor attraction appealing to a wider age bracket.

6.35 Two relatively new companies in this sector have been leading the way in this respect, namely Gambado and Kidspace. The facilities offered by these companies are reasonably extensive and include climbing frames and walls, interactive computer areas, go-karts, trampolines, themed areas for different age groups, bungee jumps etc., together with a restaurant/café and party rooms. The belief is that the environment has to be not only attractive and wide ranging for the child but also relaxing and enjoyable for the parent. Whilst it is too early to determine the success of these models, both companies are looking to continue their expansion. Much of their recent development activity has focused on Greater London and the Home Counties, with a particular focus on areas with a higher proportion of more affluent families. Both Gambado and Kidspace seek 18-20,000 sq ft of floorspace (c.2000 sqm) of at least 14,500 sq ft (c.1500 sqm) should be flexible 6.5 m floor to ceiling and sites of 1-1.25 acres with capacity to provide parking for 100 cars.

6.36 Generally, children's indoor play centres cannot afford market rents in major retail shopping areas, leaving operators looking for suitable buildings through the change of use of older lower rent former industrial or warehouse buildings, or the change of use of former agricultural barns as part of a wider children's farm attraction.

Local Market Analysis

Figure 6.7: Existing Children's Indoor Play in the Warwick area

Venue	Street	Distance (Mins)	Charge	Facilities
Cheeky Chimps	Unit 3 and 4 Cape Ind Est.	6	£4.75	Dedicated baby toddler area, slides, balls
The Play Farm	5 Berrington Road	14	£4.50	Slides, ball pool pits, climbing frames, bridges etc.
Jam Jam Boomerang	Woodham's Road	20		2 and 3 floor play frames with aerial slides, rollers and bridges

6.37 We have identified 3 children's indoor play areas in Warwick District. This provision is spread relatively evenly across the catchment area. The demographics of the population of Warwick is weighted towards 25-44 year olds and this could bring with it a higher number of young families and further to this an increased demand for Children's Play Centres.

6.38 We have contacted Kidspace and Gambado who have not expressed any interest in the opportunity.

Summary

6.39 There does not appear to be any interest from multiple chains in developing a play centre in this location due to the relatively small size of population for a large facility. There could be demand from a small independent operator. While this is unlikely to bring a high rental income, it could bring more families to the site in support of other facilities such as a Heath & Fitness club and nature attraction.

Cinema

National Trends

6.40 The cinema industry is not immune from the recession and there were some 18 site closures during 2011, however, this has been more than balanced by the opening of 40 new cinema sites. Overall, the number of cinema sites has increased from a low or 644 in 2002 to 745 in 2011 with purpose-built multiplexes accounting for the majority of this growth. The total number of cinema screens has increased from 2758 in 1999 to

3767 in 2011, multiplex screens increasing as a proportion of total screen provision from 58.9% to 75.2% (all figures from the bfi Statistical Yearbook 2012).

6.41 The current economic downturn has hit advertising revenues but in general the industry is considered to be in good health. Although ticket prices have been rising, a night at the cinema is considered to represent a relatively cheap night out, especially for families. Admissions therefore have grown slightly and remained fairly steady during the recession from a low of 156.6 million in 2005 to 173.5 million in 2009, and 171.6 million in 2011. Fluctuations during the last few years have been as much to do with the quality and popularity of film output as with the performance of the economy.

6.42 Over the last couple of years, cinema operators have made considerable efforts to improve customer yields by introducing changes such as premium seating areas and enhancing the range of refreshments such as alcohol and higher quality food.

6.43 The cinema sector is split between the mass market multiplexes catering to teenagers, younger adults and families interested in the latest blockbusters, and smaller art-house cinemas catering to students and a more highbrow audience screening low budget, independent, foreign and community interest films.

6.44 Multiplex cinemas form an important anchor for new leisure or retail-leisure parks or larger shopping centres. Dominant cinema operators are Odeon & UCI and Cineworld although since the consolidation of the industry in 2005, Vue has undertaken an aggressive building programme to try and increase their market share. These providers operate large multiplex cinemas with normally between 8 and 16 screens and 1250 to over 3500 seats and control 70% of the market.

6.45 Despite closures, the art-house/community cinema sector continues to be active. HMV recently opened a three screen art-house format above its Wimbledon music store. Another new entrant to the boutique cinema market is Soda. The group operate a small cinema at Bermondsey Square and currently developing a second site at Hackney. Outside, as well as inside, London, the Picturehouse format of the City Screen group has built an estate of 21 art-house cinemas in cities across England and Scotland, particularly in university cities such as Oxford, Cambridge, London, Brighton and York. In Brighton, Picturehouse has recently added two new screens with a restaurant and comedy theatre to the town centre Komedia comedy club venue to compliment it’s existing less central one screen Duke of York’s cinema. Picturehouse, was recently purchased by Cineworld for a deal worth £47.3m in December 2012, however, the major operator has promised to retain independent nature of the Picturehouse format and to expand the chain.

Local Market Analysis

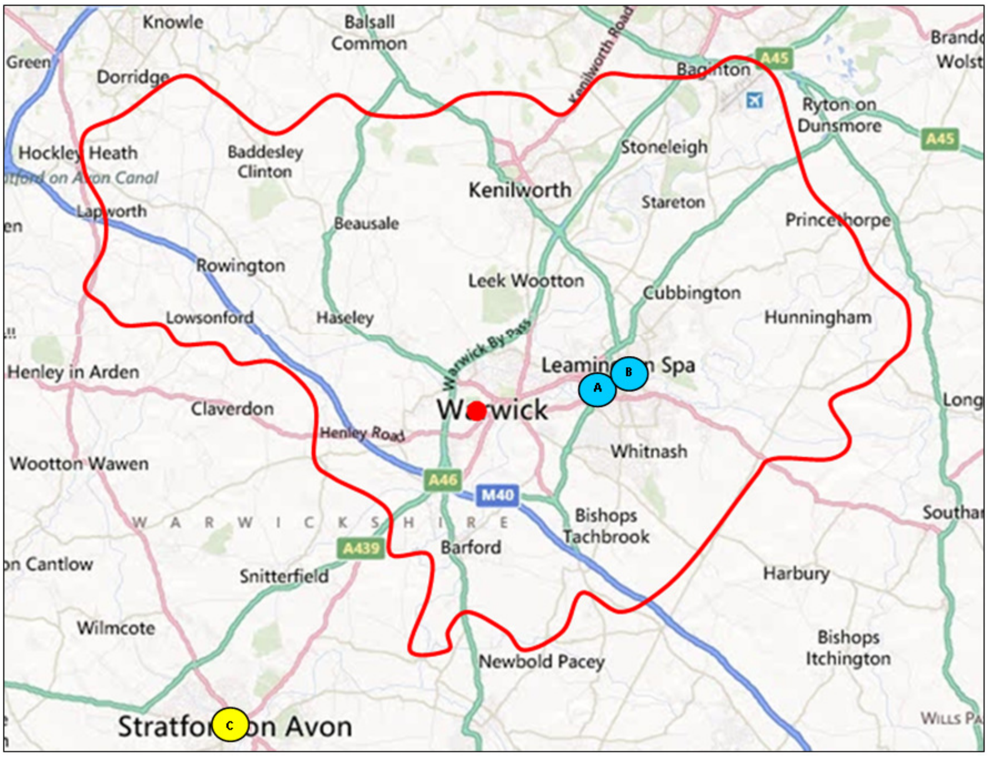
Figure 6.8: Cinemas in the Warwick Catchment Area

Ref.	Venue	Street	No. Screens
A	Apollo Cinemas	31 Regent Grove	6
B	Royal Spa	Newbold Terrace	1

Source: GVA

6.46 There are two cinemas in Warwick District, with a total of 7 screens. These are both located over 10 minutes drivetime from the site in Leamington Spa, the Apollo being a 6 screen cinema belonging to a small chain, while the council screen films at the Royal Spa Centre. There is no cinema that directly serves the 30,000 population of Warwick although obviously Leamington is very close. In addition, there is Picturehouse cinema at Stratford-upon-Avon (see figure 6.9: Ref. C) which offers 2 screens within a 20 minute drivetime.

Figure 6.9: Location of the three cinemas within the District and 20 minutes drivetime



6.47 The larger cinema operators are located outside the catchment area are Cineworld located in Rugby (39 minutes drivetime north east) with 9 screens and Odeon located in Nuneaton (34 minutes drivetime north) with 8 screens.

6.48 The standard way to gauge the level of cinema provision is by screen density (i.e. the number of screens per head of population). According to the British Film institute annual statistical yearbook for 2012 there were 6.1 cinema screens per 100,000 in the UK in 2011. Therefore, with a current population of 137,648 the District would require 8.4 cinema screens to match the national average provision. With a forecast population increase to 151,500 by 2020 the survey area would require 9.2 screens to meet the national average. This would suggest that the existing provision of 7 screens is slightly below in qualitative terms and that there is an emerging demand for a 2 screen cinema.

6.49 Clearly there would not be demand for a new multiplex at the Racecourse. The only operator building 2-3 screen cinemas at present is Picturehouse. Picturehouse are generally looking look for town centre sites of 10-20,000 sq ft with a population catchment of 50,000 people. Although, there is already a Picturehouse at nearby Stratford and the population of Warwick town alone (30,000) is below that normally required for a Picturehouse, a cinema here could draw on population from Leamington Spa (where the Apollo serves more of a young persons market) and the socio-economic profile of Warwick is a good fit with their requirements. We have therefore been in discussion with Picturehouse who have considered the opportunity but have not taken it forward.

Summary

6.50 In qualitative and quantitative terms an art-house cinema would fit well with the local demographic for the Warwick area, however, the catchment demographics do not quite fit the locational requirements of Picturehouse, the main operator in this field. It is unlikely that a cinema would bring a high rental, but it would bring evening activity to the site in support of any other evening leisure facilities.

Golf Facilities

National Trends

6.51 A rapid expansion of the UK's golf industry during the late 1980s and 1990s has given way to a period of greater consolidation within the sector. In many cases, clubs and courses have had to deal with declining demand for green fees and membership due to the advent of rapid course-building increasing competition without a commensurate increase in number of players.

6.52 The UK golf market can be divided into three main type of golf club;

- municipal (public – but my be leased to a private operator) courses which normally operate on a 'pay and play' green fee basis (although many also have a small membership basis) which are ideal for golfers of all abilities – particularly newcomers to the sport.

- proprietary (commercial) clubs owned or leased by a proprietor or company, and often have a range of facilities available on-site. These clubs typically operate on both a membership and green fee (i.e. casual visitor) basis. They also generally welcome players of all abilities, but normally target the more regular/experienced player

- private members clubs are generally more established – many will have been in operation for more than 100 years – and are owned by their members. Typically, members are prioritised, although green fees for more casual visitors (or guests of members) are also available. These clubs tend to be more restrictive in nature, normally requiring players to have a valid handicap certificate and with green fees limited especially at weekend mornings (as members take priority).

6.53 The socio-demographic profile of the typical golfer does differ considerably between those people that are members of private golf clubs (generally older, affluent males), and those that mainly play the sport through using pay and play courses, driving ranges, etc (a typically younger, participation profile).

6.54 An increase in the number of golf courses, coupled with a relatively stable number of golfers appears to be reflected in a decline in the number of rounds played per course per year (although we are aware that many smaller clubs and courses do not keep accurate figures on the number of rounds played by their members).

Nevertheless, anecdotal evidence suggests average rounds per course in the 1980s was around 42,000 rounds per year. By the mid-1990s it was estimated[3] that 37,500 rounds were played on a typical 18-hole golf course each year. More recently, this was reported[4] as having fallen to less than 31,000 rounds in 2007. Over the last twenty to twenty-five years, there has therefore been a considerable drop in the number of rounds played per course per year.

6.55 Based on approximate nationwide club membership of 1.225 million members and an English population of just over 49 million, this would suggest membership penetration levels of around 2.5%. This represents a decline on 2002 levels of 3%, perhaps reflecting that as older members retire from the game, they are not being replaced in sufficient numbers by younger golfers entering the sport. Indeed the typical golfer has a strong AB bias – particularly amongst club members – further suggesting a strong primary market amongst older, more affluent people – primarily male.

Local Market Analysis

6.56 Within the District, in addition to the full 9-hole course at St Mary's Lands, there are seven 18-hole golf courses available. There are four top end clubs; Coventry Golf Cub and Leamington Golf & Country Club, the Kenilworth Golf Club and the Warwickshire Golf & Country Club (which has 2x18 hole courses and a short 9 hole par 3 course) charging between £45 and £50 for green fees before noon at weekends. Below this there are two clubs, Newbold Comyn and Stoneleigh Deer Park which both charge £30 green fee before noon at weekends. Three of these courses also provide short 3 par 9-hole training/practice course.

6.57 Warwick Golf Centre stands out as the only course that offers affordable weekend golf at £9.50 for 9 holes (over more than just 3 par). It is also only one of two courses offering driving range facilities, the other being the Warwickshire. In addition, Newbold Comyn provides more affordable price for its 18 hole course outside of the weekend peak.

[3] Sports Council 1995
[4] KPMG Golf Benchmark Survey

Figure 6.10: Summary of Golf Courses within Catchment of Warwick[5]

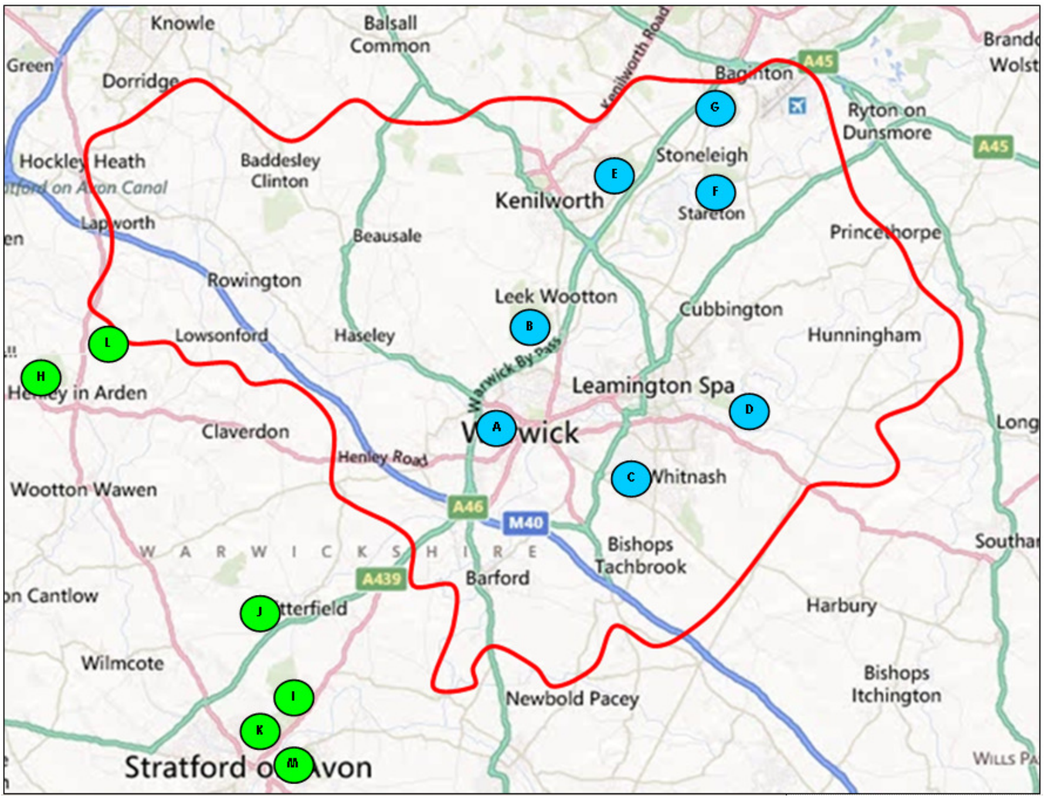
Ref	Club	Holes	Par	Yardage	Weekend Green Fee before 12 noon	Midweek Green Fee	Facilities
				Warwick District			
A	Warwick Golf Centre (municipal)	9	34	2682	£9.50 (per 9 holes)	£9(per 9 holes)	24 floodlit bays
B	Warwickshire Golf & Country Club (proprietary)	18	72	7133	£50	£46	Health and Fitness Spa, conferences Par 3 course
		18	72	6821	£50	£46	
C	Leamington Country Golf Club (private)	18	72	6488	£45	£38	-
D	Newbold Comyn Golf Club (municipal)	18	70	6315	£30	£16	-
E	Kenilworth Golf Club	18	71	6308	£45	£45	Par 3 course also
F	Stoneleigh Deer Park Golf Course	18	71	6056	£30	£20	9 hole par 3 course
G	Coventry Golf Club	18	73	6590	Member only	£50	-
				20 Minute Drivetime			
H	Henley Golf and Country Club	18	73	6893	£40	£30	8 Bay driving range, 27 bed hotel, par 3 course
I	Ingon Manor	18	72	6575	£40	£20	Accommodation
J	Stratford Oaks Golf Club	18	71	6232	£28	£22.50	21 bay driving range (14 covered)
K	The Welcombe Hotel and Golf Club	18	70	6288	£65	£50	18 bay driving range, hotel and spa facilities
L	Beudesert Park Golf Club	18	72	6099	-	-	-
M	Stratford on Avon Golf Club	18	72	6274	£45	£40	-

6.58 There are a further six golf courses within 20 minute drivetime (highlighted in green in Figure 6.11) of which three offer driving range facilities, however none offer flood lit facilities. Of the 13 golf courses offering 18 holes within a 20 minute drivetime

[5] Golf courses highlighted blue are located within Warwick City Council boundaries

catchment there are only three golf courses that offer a peak time green fee of £30 or less. Midweek, there are 5 golf courses that charge £30 or lower.

Figure 6.11: Location golf courses within the District and those with driving range facilities outside the District and within a 20 minute drivetime



6.59 There are no low-cost affordable 18-hole golf courses available within Warwick District. The 9-hole course at Warwick Golf Centre at the Racecourse is therefore essential to the existing and future golf market for the area providing an accessible pay and play or membership facility for those unable to afford the mid to upper end courses and as a 'bottom feeder' club where new entrants to golf can learn the sport before progressing to the other clubs in the area.

6.60 If it were possible, we consider that there would be a market to extend the course to a full 18-hole golf course. However, given the restrictions imposed by a Local Wildlife Site designation we think it unlikely that planning permission would be forthcoming to extend the golf course to the south. However, the centre could be developed further as a golf academy for new entrants to the sport and those seeking to improve their game. Currently, access to the driving range involves a fairly muddy walk in winter and this may put off potential customers.

6.61 In addition, in concert with the rest of St Mary's Lands, the golf centre could be made more family friendly by the addition of an adventure golf course and through improvements to the clubhouse to make it a more attractive proposition for families and walkers using St Mary's Lands. We understand that the clubhouse now has an extended licence to serve non-golfers and this is an opportunity to extend the use of this facility to all users of St Mary's Lands. As with the driving range, this would be assisted by improving winter access.

Summary

6.62 There is a market opportunity to extend the existing golf centre to an 18-hole course however, it may be difficult to achieve this within land under the control of the council and racecourse at St Mary's Lands. Nonetheless, there are a number of opportunities to improve and extend the role of the Centre as a golf academy, and a recreational, food and beverage facility for families and other visitors to St Mary's Lands.

Nature Attraction & Parking

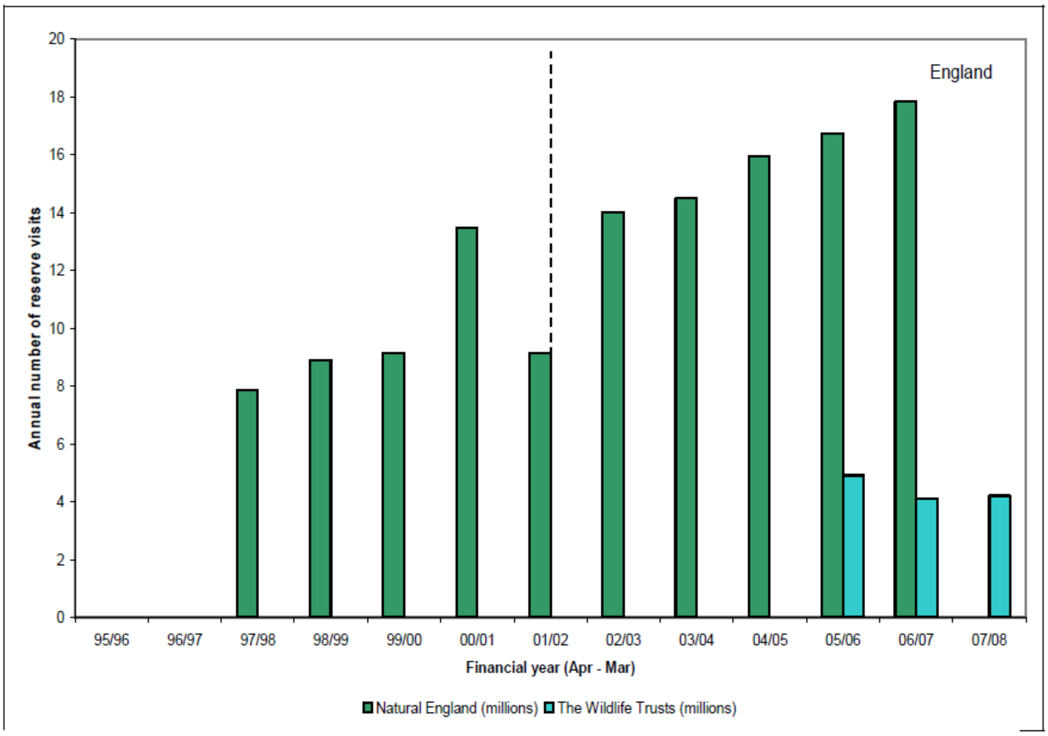
National Trends

6.63 Nature reserves are areas actively managed to conserve biodiversity and earth heritage. They also provide opportunities for people of all abilities and ages to watch and appreciate wildlife in a relatively safe environment. These areas play a key role in raising awareness of wildlife and the environment around us. In 1995, The National Trust estimated 50 million visits were made to coast and countryside sites; 10 years later a provisional estimate of 100 million visits was given.

6.64 Visits to NE NNRs increased substantially from 1997/98 (8 million visitors) to 2000/01 (13 million visitors), but dropped steeply in 2001/02 (9 million visitors) due to the restrictions on access to the countryside during the Foot and Mouth Disease outbreak. Subsequently, the number of visits to NNRs has steadily increased and reached just under 18 million in 2006/07.

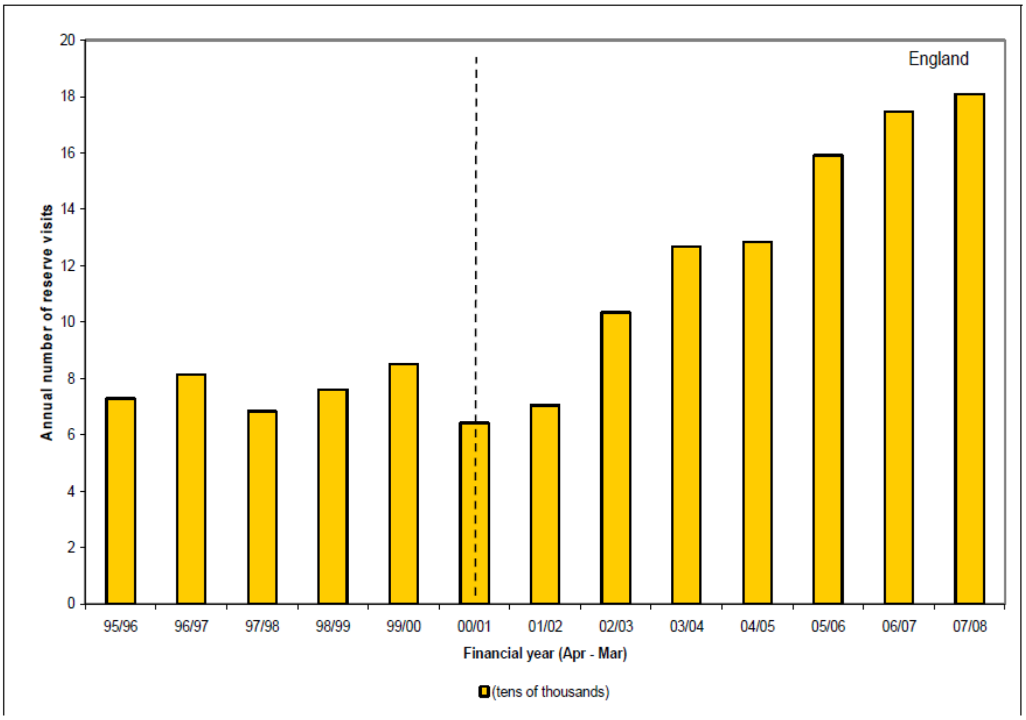
6.65 The number of visits to The Wildlife Trusts' reserves has apparently fallen from just under 5 million in 2005/06 to just over 4 million in 2006/07. There has been a subsequent rise in the number of visits in 2007/08 – the data for this year are provisional and are considered to be the minimum number of visits.

Figure 6.12 Annual number of visits to nature reserves in England – Natural England and Wildlife Trusts



Source: Natural England, The Wildlife Trusts

Figure 6.13 Annual number of visits to nature reserves in England – RSPB



Source: RSPB

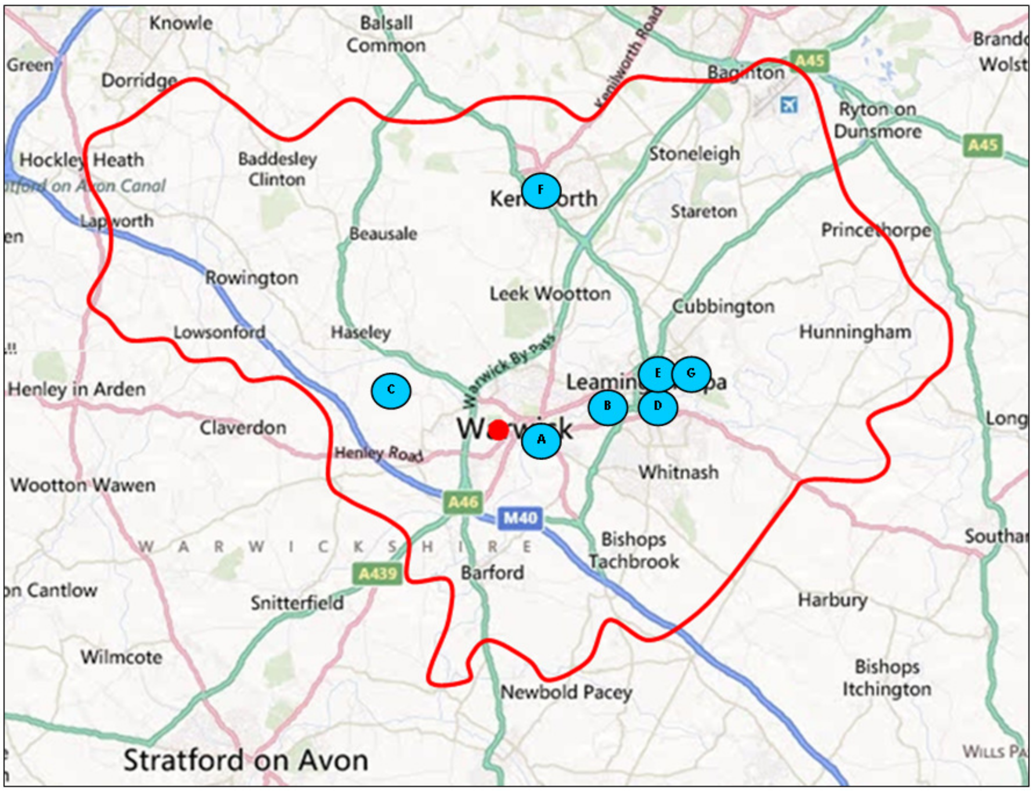
6.66 Prior to 2002/03, visitor numbers to RSPB reserves fluctuated annually by about 10%, showing no consistent pattern. This can be explained by inconsistent counting methodologies during these years, though the increases since 2002/03 are genuine. From 2002/03, there has been a consistent increase in the annual number of visits to RSPB reserves, which currently exceeds 1.8 million.

Local Market Analysis

Figure 6.14: Nature Attractions and Visitor Gardens in the District

Ref.	Venue	Street	Drivetime (Mins)	Entry Cost	Parking Charge (2-3 hr charge)
A	St Nicholas Park	Banbury Road	6	Free	Car Park (£2.00)
B	Victoria Park	Adelaide Park	10	Free	Car Park (£2.50)
C	Hatton Country World		11	£5.95	Free
D	Royal Pump Rooms Gardens	The Parade	12	Free	Car Park (£2.70)
E	Jephson Gardens	Newbold Terrace East	14	Free	Street (Free)
F	Abbey Fields	Bridge Street	16	Free	Car Park (£1.00)
G	Newbold Comyn		16	Free	Street (Free)

Figure 6.15: Nature Attractions and Visitor Gardens in the District



6.67 There are a number of nature attractions and visitor gardens within the District, but only St Nicholas Park is close to St Mary's Lands (we have excluded Warwick Castle as a more costly, more extensive and longer stay attraction).

Figure 6.16: Racecourse Parking Charges and Revenue

	2010/11				2011/12			
Car Park	2-3hr	Tickets	Income	Ave	2-3hr	Tickets	Income	Ave
St Mary's 1	£2.00	12	£21.60	£1.80	£2.00	26	£94.50	£3.63
St Mary's 2	£1.00	4177	£3,445.75	£0.82	£1.00	1520	£1,431.49	£0.94
St Mary's 3	£2.00	32064	£6,818.60	£0.21	£2.00	32030	£5,196.60	£0.16
St Mary's 4	£2.00	12620	£30,178.85	£2.39	£2.00	8178	£20,119.60	£2.46
Totals		48873	£40,464.80			41754	£26,842.19	

6.68 There are four council run car parks adjoining the racecourse with very different levels of income performance. The northernmost car park – St Mary's 4 adjoins the Sainsbury's car park and achieved £30,000 income in 2010/11 clearly outperforming the other three racecourse car parks. Although income fell to £20,000 in 2011/12, the car park still earned more that the other three put together. St Mary's 3 lies to the north of the racecourse entrance and west of the golf course. This car park achieved revenues of £6,800 in 2010/11, falling to £5,200 in 2011/12. St Mary's 2 lies south of the Racecourse buildings complex and north of the Football Club earning £3,500 in 2010/11, falling to £1,400 in 2011/12. Nonetheless, this car park still earns more than St. Marys 1 which is located to the south of the Marching Bands and earned only £21.60 in 2010/11 and £94.50 in 2011/12[6].

Development Opportunity Summary

6.69 The southern half of St. Mary's Lands within the racetrack is private land belonging to the Council and leased to the Racecourse. However, it is also known locally as 'the Common', is criss-crossed by a number of public footpaths and bridleways, and is used informally by local residents for dog walking and recreational walks. This land has also been designated as a Local Wildlife Site. Part of the land includes some rather ineffective flood relief measures[7] that nonetheless have nature interest.

6.70 Some dog walkers cause difficulties for the management of the racecourse and the health and safety of ground maintenance staff, jockeys and their horses by allowing

[6] Although the car park currently has no visible pay and display machine which may explain the low revenues
[7] Flooding has caused the closure of the racecourse and the abandonment of races on a number of occasions

their dog to soil the racetrack. By formalising this activity, dog bins could be provided and dog owners prosecuted for allowing their dogs to spoil the park.

6.71 There is therefore an opportunity to formalise and encourage public use of 'the Common' and to thereby earn income from increased parking revenues from St Mary's 1 and 2 car parks. The flood relief area could be extended and deepened to provide a more effective balancing lake and surrounding wetland areas to provide a focus for walks with a number of bird hides and/or a number of fishing pegs.

7. Planning & Environmental Considerations

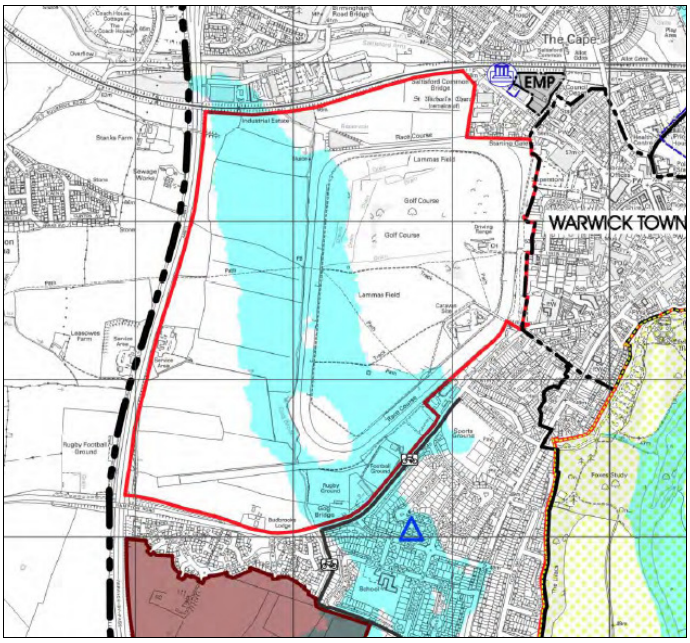
Introduction

7.1 In this chapter we examine the planning and environmental considerations that will affect the potential development options for the enhancement of St Mary's Lands as a sport and leisure destination.

Local Plan

7.2 The Warwick District Local Plan (1996-2011) was adopted on 21 September 2007. A number of Local Plan policies expired on 20 September 2010. Work is currently progressing on a New Local Plan. The Local Plan Preferred Options consultation ran between 1 June and 3 August 2012. The Draft Local Plan is due to be published in May 2013.

Figure 7.1: An extract from the Local Plan Proposals Map



7.3 The Proposals Map identifies the site as within an Area of Restraint (Policy DAP2) and within a Flood Risk Area (DP10, policy expired). The site is also identified within a Conservation Area (DAP6, 8-10). To the south of the site is a Major Housing

Commitment. Directly west of the site is the Green Belt which is controlled by policies RAP1 – 16).

7.4 Policy DAP2 deals with Protecting the Areas of Restraint and states development will not be permitted in these areas where it would harm or threaten the generally open nature of the area.

7.5 A number of relevant policies have expired. These include SC5 (Protecting Open Spaces), SC6 (Protecting Sport and Recreation Facilities), SC7 (Directing Community Facilities), UAP7 (Directing New Tourism Development), UAP8 (Directing New Visitor Accommodation) and UAP9 (Directing New Leisure Development).

National Planning Policy

7.6 The new National Planning Policy Framework (NPPF) was published in March 2012. It states that there should be a presumption in favour of sustainable development and that main town centre uses should be located in town centres and then in edge of centre locations where preference should be given to accessible sites that are well connected to the town centre. When assessing applications outside town centres authorities should require an impact assessment for development over 2,500 sq m. The NPPF defines main town centre uses as including cinemas, health & fitness clubs and hotels.

7.7 The Good Practice Guide on Planning for Tourism which was published in May 2006 and may be material to planning decisions, clarifies that major hotels with conference facilities should be located within town centres wherever possible, however, for other types of hotel planning authorities should recognise the particular market being met will affect the location chosen. The guide cites accommodation for those seeking to enjoy the natural environment through walking, to which one might add those seeking accommodation in connection with horse racing, golf breaks, or existing conference facilities.

7.8 The NPPF also supports sustainable rural tourism and leisure developments that benefit businesses, communities and visitors and respect the character of the countryside.

Conservation Area

7.9 As stated previously the site is located within a Conservation Area. Policy DAP8 deals with the Protection of Conservation Areas and development will be expected to preserve or enhance the historic interest and appearance, and respect the setting of Conservation Areas and important views both in and out of them.

7.10 Policy DAP9 deals with Unlisted Buildings in Conservation Areas and alterations or extensions to unlisted buildings which will adversely affect the character, appearance or setting of a Conservation Area will not be permitted. There will be a presumption in favour of the retention of unlisted buildings that make a positive contribution to the character and appearance of a Conservation Area.

Listed Buildings

7.11 The Main Grandstand is a Grade II Listed Building. This listing affects the main grandstand and any buildings attached to it. This appears to include all three grandstands. Within the Local Plan policy DAP4 deals with the Protection of Listed Buildings and development will not be permitted that will adversely affect the setting of a listed building. Of course, listing is not a complete barrier to redevelopment of particular parts of the building complex, provided the integrity of the most important parts of the listing are preserved, respected and, where possible, enhanced.

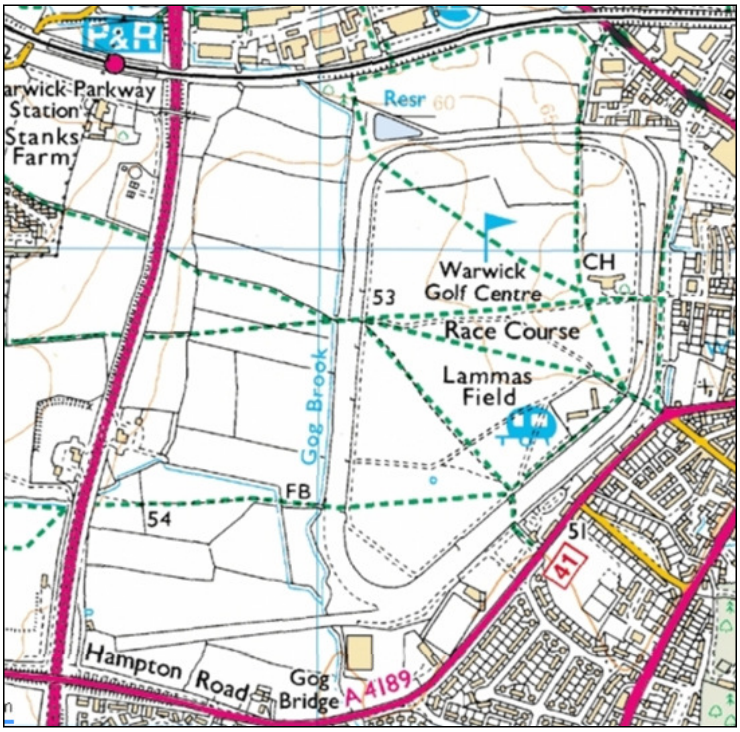
Local Wildlife Site

7.12 The southern half of the site within the racetrack is recently designated as a Local Wildlife Site. To the east of the property there is a large area designated as Parks and Gardens of Special Scientific Interest (Policy DAP11).

Locational Sustainability

7.13 There is a train station to the north of the site and a number bus services along A4189 which show the site is located within a sustainable location. The property is adjacent to the town centre so there a number of services to cater for users of the site.

Rights of Way



7.14 There are a number of public footpaths which run through the centre of the park. Policy SC4 deals with Supporting Cycle and Pedestrian Facilities and states development will not permitted which would have an adverse impact upon the continuity of any existing cycle and pedestrian routes.

7.15 To the south-west of the site there is a National Cycle Network Route 41 (Policy SC4).

Planning Position at Caravan Park

7.16 There have been a number of temporary consents relating to the caravan site. The latest permission we have seen, W20030122, was approved 26 February 2003 for the continued use of site as a transit camping site for mobile camping units. Condition 1 states:-

> This permission shall be limited to a period of time expiring on 31st January 2008. As or before the expiration of the period specified in this permission, the land and/or buildings shall be restored to the former condition and use.

7.17 We have not seen any more recent permissions and therefore it would appear that the original site, may be operating without the benefit of a current planning permission. However, when this application was given, there was no restriction on the season of occupancy for the site.

7.18 Planning permission W960828 was approved 6 September 1996 for the extension to caravan site and erection of reception/services building. There was no condition to restrict the period of the permission, however, condition 5 does restrict the season of operation. It states:-

> The extended caravan site are shall be used for the siting of caravans to a period limited in any calendar year to a period commencing in the week before Easter and ending on 31 October. At or before the expiration of this period all caravans shall be removed.

7.19 We would need to see the plans relating to this permission (W960828) and the later temporary permission (W20030122), in order to see whether the former gave permission for touring use over the whole caravan park, and to see whether the latter superseded the former by extending the season over the whole park. However, assuming that each application dealt with two discrete parts of the caravan site, it currently appears that the original part is subject to a temporary consent that did not restrict season but has expired, whereas the extended part of the site has a permanent permission but that this is restricted to just 7-8 months of operation (depending where Easter falls).

7.20 Therefore, from the information we have seen, part of the caravan park does not appear to be operating with the benefit of planning permission, while the other part appears to be operating beyond the permitted season. This is not necessary a problem, as the use is well established and the situation could be regularised either by the submission of a lawful use certificate or through the submission of a planning application to confirm the current usage.

7.21 We have not seen the Site Licence and this could shed more light on the matter. It is also noted that the tenancy agreement only permits use between 25 March and 1 December (subject to variation by agreement).

7.22 With regard to any site extension, policy RAP15 of the adopted Local Plan deals with Camping and Caravanning Sites. It states that new sites will not be permitted unless they can be satisfactorily integrated into the landscape without detriment to its character, are in a location accessible to local facilities and are not in an area at high flood risk. There is no preference towards static caravans, touring caravans or lodges. We consider that an application to extend the current caravan site accompanied by an appropriate landscaping plan would accord with this policy.

7.23 The newly adopted National Planning Policy Framework (NPPF, March 2012) addresses the need to support a prosperous rural economy. Paragraph 28 states that plans should "*support sustainable rural tourism and leisure development that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres*".

7.24 Annex B of the Good Practice Guide on Planning for Tourism (GPGPT, 2006) refers specifically to Seasonal and Holiday Occupancy Conditions. Paragraph 1 advises of the changing nature of holidays within the UK and the need for Councils to address the changing trend with more people taking shorter more frequent holidays throughout the year. The annex sets out model conditions for controlling the occupancy of holiday accommodation in order to prevent them being used as permanent residence.

7.25 Both local and national planning policies appear to be supportive of any proposal to extend the existing site with more touring caravans or other types of holiday accommodation provided the character of the landscape is not adversely affected. The sensitivity of the location (within a Conservation Area and with Green Belt and Listed Buildings adjacent) would need to be carefully addressed. Proposals to extend the season to year round holiday use are supported through national planning policy.

Summary

7.26 Any application for main town centre uses such as a hotel, cinema or health and fitness club will normally need to be subject to a sequential test for sites such as this outside the town centre boundaries. However, the Good Practice Guide on Planning for Tourism also makes it clear that local planning authorities should also recognise the market that any hotel is seeking to address. Therefore a hotel to service the needs of St Mary's Lands as a racecourse, golf course and conference centre should be acceptable at the site, provided it is also provides good accessibility to and from the town centre.

7.27 The same considerations could also be argued to apply to other leisure uses, although this is not made clear by national planning policy or guidance. However, as most leisure uses are classed as D1 or D2 uses they would be able to re-use existing D1 and D2 leisure use within the grandstands and other facilities on site without the need for planning permission.

7.28 As a rural tourism use general national planning policy would encourage additional holiday caravan pitches at St Mary's Lands subject to other planning considerations. Therefore, any application to extend the season of operation to 12 months and any application to extend the number of touring pitches at the site with attendant landscaping proposals would accord with local and national planning policies. We have noted a need to further review and, if necessary, regularise the permissions for the existing use of the site for caravanning.

8. Recommendations & Conclusions

Introduction

8.1 There is a clear market and planning potential for a number of uses to improve St Mary's Lands as a community leisure and tourism destination for Warwick as summarised in the table below. In this final chapter of our report, we seek to make key recommendations on the proposed development and how it should be brought forward.

Figure 8.1 Development Option Appraisal Summary

Potential Supporting Use	Market	Planning
Hotel	Market for budget hotel	May require seq test
Conference	Limited Market for additional space	Established D1 use
Touring Caravan Park	Strong market for additional pitches	Subject to landscaping and ecology
Holiday Lodges	Potential market but site does not have attributes	Could be difficult to obtain permission
Health & Fitness	Potential for independent or community-led	Permitted D2 Use New Build subject to seq test
Five-a-side	Potential for community-led	Policy compliant
Children's Nursery	Potential market for independent	Permitted D1 use
Children's Play	Potential market for independent	Permitted D1/D2 use
Small Cinema	No commercial interest	Permitted D2 Use New Build subject to seq test
Golf	Market for extended 18 hole low cost facility	Unlikely to get permission to extend into LWS
Nature Attraction	Growing market for nature/gardens attractions	Proposals could fit with LWS designation

8.2 There will also be a mutual benefit for many of the proposed and the existing uses from the presence of the proposed uses on the site. For instance, the golf centre will benefit from cross trade from the hotel, health club, more caravan pitches and a family nature attraction, while the conference facilities will benefit from increased business from the presence of a hotel, health and fitness facilities and the golf centre. There are many other such links.

Recommended Development

8.3 Overall, we consider that there is a commercial market for:-

- a budget hotel;
- touring caravan park extension, and;
- improvements to the golf centre.

8.4 In addition we consider that there are opportunities for small local independent or community led schemes for:-

- a fitness gym (possibly in concert with the boxing club and/or football club);
- a community-led five-a-side facility in concert with the football club;
- an independent children's nursery and/or play centre, and;
- improvements to the central area to create an improved nature attraction/parkland attraction.

8.5 The hotel would benefit from good roadside visibility and trackside views, sufficient customer car parking, and proximity to the existing main racecourse conferencing buildings (1707 building and Paddock suite). In planning terms, town centre leisure uses, including hotels, are normally subject to a sequential test to identify the closest site to a town centre, where there are no available, suitable and deliverable town centre opportunities. However, the planning authority must be mindful of the markets that the hotel is seeking to address. We consider that a site at the entrance to the racecourse is the best location to address planning policy constraints, the need for close proximity to the town centre, golf centre, racecourse conference facilities and the operational requirements of the racecourse.

8.6 The touring caravan site could be extended either to the north west towards the centre of the site, or south west, further along the trackside. The former would potentially be more disruptive of plans to improve the role of St Mary's Lands as a nature attraction/parkland. The latter would impose more on views of the site from the grandstands, but this could be mitigated to an extent by landscape screening. The final decision would need to be informed by an ecological assessment and pre-application discussions. Indeed, it may be that the extension of the touring park is part of a package to improve the nature conservation and interpretation of the remaining southern part of St Mary's Lands.

8.7 We consider that there is a market to extend the golf course from 9 to 18 holes, however, we do not consider it likely that permission would be forthcoming to extend the course southward in view of the Local Wildlife Site designation. However, there is an opportunity to improve the use of the Centre facilities through the provision of a family adventure golf facility close to the clubhouse, a south or west side outside sitting area for fine weather, and improved winter access to the driving range and clubhouse along wet weather proof paths and a temporary racetrack crossing.

8.8 Depending on who takes the lead and the partners involved, we would recommend that a small fitness gym, with spa and sauna facilities, is located either within the ground floor of the 1707 building, within the existing grandstands, or within an extension to the football club facilities potentially in concert with a five-a-side centre. In planning policy terms a sequential test would be required, however again, the local planning authority will be mindful of the potential market being addressed which could be any mixture of local residents, hotel guests, golfers, footballers and visiting jockeys.

8.9 A five-a-side centre would clearly be best located adjacent to or near the football club. Positioning the pitches on St Mary's 2 car par park would obviously disrupt the use of this car park on race days and affect plans to increase the use of the car park in connection with an improved nature attraction/parkland facility at the centre of the racetrack. Given the current difficulty of using the existing grass pitches within the racetrack due to water logging, we would recommend that these are replaced with one or two full sized all weather pitches for training that can be simply sub-divided by the use of cones for use as five-a-side pitches. Again, precise details would depend upon pre-application discussions, although it should be noted that the pitches are not included within the Local Wildlife Site designation.

8.10 A children's nursery and/or play centre could be located either within the ground floor of the 1707 Building or the Grandstands. There is also potential for the dual use of the Marching Bands clubhouse, although this would really only work for a children's crèche facility which could be cleared away when not in use rather than a children's nursery which would require more permanent facilities for the care of children or for permanent play facilities associated with a children's play centre.

8.11 Finally, we recommend that through some flood relief, ecological and limited landscape enhancements, the area south of the racecourse and within the track could be developed as a more formal parkland and nature attraction paid for, over time, by additional revenue from parking in St Mary's 1 and 2 car parks. It would be important that any proposals work within the parameters of the Local Wildlife Site designation and flood relief measures. A scheme would therefore need to be put together by experienced professional landscape architects, ecologists and engineers in consultation with council planning, landscape, ecology and drainage officers.

8.12 It follows from the above that a spatial masterplan approach may be the best way forward with a planning application submitted that seeks planning permission for the full range of new and improved leisure uses proposed alongside the proposed landscape, ecological, social and economic benefits.

Development Partnership

8.13 It order to bring the proposed development forward there are clearly a number of interests and final locational considerations that need to be resolved before making a planning application, amending leases, funding, commissioning and then operating the different parts of the development. There is therefore a need for a partnership approach to bring forward the proposed development. This partnership will need to take a number of forms.

8.14 There is already a formal partnership between several of the parties in view of the lease arrangement between the Council and the Racecourse, the Football Club, Golf Centre and Marching Bands, who each effectively run facilities on behalf of the council on council owned land. The Racecourse in turn has a formal relationship in the form of operating agreements with the Camping and Caravan Club and Boxing Club. There is also a partnership with the local community who are currently given unhindered access to St Mary's Lands. All these interests need to be involved in future discussions about the use and operation of St Mary's Lands, and pre-application consultations on a spatial masterplan for the site can be a focus for this work.

8.15 We therefore recommend a broad St Mary's Stakeholder Forum to review and give feedback on the emerging spatial masterplan before it is presented for wider public consultation. This Forum should comprise the District Council represented by key officers and members, Warwick Racecourse, Warwick Golf Centre, Warwick Football Club, the Boxing Club, Golf Centre and Girls Marching Bands. Preferably, this forum should be chaired by a Council Cabinet Member, with a vice chair from the Racecourse Board.

8.16 Behind this forum there needs to be a more regular working party of WDC and Racecourse officers to drive forward the spatial masterplan, pre-application consultations, application submission, negotiations during the consideration of the application, funding and new lease arrangements, commissioning development, dealing with issues during construction and once the new facilities become operational – especially during the early phases of operation when initial `teething' problems may materialise.

Overall Recommendation & Next Steps

8.17 We therefore recommend that the principle of the proposed development as recommended above in paragraphs 8.2 to 8.11 is endorsed by the partners as the preferred mix of uses for the improvement of St Mary's Lands as a sport, leisure and tourism destination facility subject to further investigation, marketing, community consultation and planning permission.

8.18 Once endorsed as a preferred mix by the partners, we suggest commissioning a draft spatial masterplan for stakeholder and then wider public consultation. This masterplan will be best prepared by landscape architects with access to professional ecology, flood engineering, leisure property market and planning expertise.

8.19 Following appropriate amendments to the spatial masterplan after consideration of stakeholder and public comment, we would recommend that the masterplan is endorsed by the Council. It can then be used as the basis for a full planning application with more detailed drawings of new development proposals and supporting documentation.

Report

Appendix 1

Experian 20 minute drive-time catchment analysis

PDF 20min Drive Time Area Profile - Warwick CV34 6HN

Target Area(s): Standard GeographyStandard ; CV34 6HN 20min Off Peak DT
Base Area(s): Standard Geography; United Kingdom>United Kingdom;
Sorted On: (Ascending) **Chart Variable:** Index
Data Version: UK2012BNG
Created By: hannahb
Date: 15/01/2013

Retail Planner

Summary Demographics - Household and Population Estimates 2011

Population estimate 2011

	Target	Target %	Base	Base %	Penetration	Index
Population Estimates 2011 - Age						
Age 0-4	92,619	6.66	3,884,121	6.20	2.385	107
Age 5-14	165,362	11.88	7,014,442	11.20	2.358	106
Age 15-24	187,462	13.47	8,166,538	13.03	2.296	103
Age 25-34	184,683	13.27	8,361,714	13.35	2.209	99
Age 35-44	186,948	13.43	8,666,824	13.83	2.157	97
Age 45-54	187,430	13.47	8,716,459	13.91	2.150	97
Age 55-64	156,506	11.25	7,346,862	11.73	2.130	96
Age 65-74	120,698	8.67	5,507,640	8.79	2.192	99
Age 75-84	77,450	5.57	3,540,225	5.65	2.188	99
Age 85+	32,462	2.33	1,447,801	2.31	2.242	101
Population estimate 2011	1,391,618	100.00	62,652,626	100.00	2.221	100

Summary Demographics - Household and Population Projections

	Target	Target %	Base	Base %	Penetration	Index
Population Projections 2013 - Total						
Total Resident Population (2013)	1,409,970	-	63,502,035	-	2.220	-

	Target	Target %	Base	Base %	Penetration	Index
Population Projections 2015 - Total						
Total Resident Population (2015)	1,428,716	-	64,352,782	-	2.220	-

	Target	Target %	Base	Base %	Penetration	Index
Population Projections 2020 - Total						
Total Resident Population (2020)	1,478,163	-	66,541,784	-	2.221	-

	Target	Target %	Base	Base %	Penetration	Index
Population Projections 2025 - Total						
Total Resident Population (2025)	1,528,679	-	68,671,897	-	2.226	-

	Target	Target %	Base	Base %	Penetration	Index
Population Projections 2030 - Total						
Total Resident Population (2030)	1,575,591	-	70,582,850	-	2.232	-

Mosaic UK

Groups and Types

Adults 15+ estimate 2011

	Target	Target %	Base	Base %	Penetration	Index
Groups						
A Alpha Territory (15+)	46,975	4.14	1,810,796	3.50	2.594	118
B Professional Rewards (15+)	122,834	10.84	4,591,230	8.87	2.675	122
C Rural Solitude (15+)	27,106	2.39	2,336,240	4.51	1.160	53
D Small Town Diversity (15+)	71,914	6.34	4,688,810	9.06	1.534	70
E Active Retirement (15+)	33,590	2.96	2,016,954	3.90	1.665	76
F Suburban Mindsets (15+)	169,582	14.96	6,288,401	12.15	2.697	123
G Careers and Kids (15+)	61,211	5.40	2,828,288	5.46	2.164	99
H New Homemakers (15+)	45,619	4.02	2,225,901	4.30	2.050	94
I Ex-Council Community (15+)	100,799	8.89	4,857,785	9.39	2.075	95
J Claimant Cultures (15+)	78,701	6.94	2,751,645	5.32	2.860	131
K Upper Floor Living (15+)	38,512	3.40	2,456,430	4.75	1.568	72
L Elderly Needs (15+)	41,198	3.63	2,202,174	4.26	1.871	85
M Industrial Heritage (15+)	119,236	10.52	4,092,901	7.91	2.913	133
N Terraced Melting Pot (15+)	118,905	10.49	3,581,327	6.92	3.320	152
O Liberal Opinions (15+)	52,897	4.67	4,641,087	8.97	1.140	52
U Unclassified (15+)	4,558	0.40	384,094	0.74	1.187	54
Adults 15+ estimate 2011	1,133,638	100.00	51,754,063	100.00	2.190	100

Census Current Year Estimates

Tenure

	Target	Target %	Base	Base %	Penetration	Index
All households						
Owns outright	177,008	30.58	7,682,124	28.63	2.304	107
Owns with a mortgage or loan	239,701	41.41	10,385,225	38.70	2.308	107
Shared ownership	3,800	0.66	177,793	0.66	2.138	99
Rented from: Council (local authority)	61,271	10.59	3,453,110	12.87	1.774	82
Rented from: Housing Association/Registered Social Landlord	30,506	5.27	1,447,550	5.39	2.107	98
Rented from: Private landlord or letting agency	46,105	7.97	2,682,754	10.00	1.719	80
All households	578,838	100.00	26,834,617	100.00	2.157	100

Employment (Residential)

Employment Status

	Target	Target %	Base	Base %	Penetration	Index
All people aged 16 - 74						
People: Economically active: Employees Part-time	112,843	11.21	5,164,669	11.22	2.185	100
People: Economically active: Employees Full-time	402,955	40.03	18,355,170	39.87	2.195	100
People: Economically active: Self - employed	70,694	7.02	3,792,366	8.24	1.864	85
People: Economically active: Unemployed	51,515	5.12	2,074,261	4.51	2.484	114
People: Economically active: Full-time student	27,394	2.72	1,252,445	2.72	2.187	100
People: Economically inactive: Retired	137,321	13.64	6,103,466	13.26	2.250	103
All people aged 16 - 74	1,006,620	100.00	46,033,081	100.00	2.187	100

Ethnicity and Religion

Ethnic Group

	Target	Target %	Base	Base %	Penetration	Index
All people						
White British	1,108,531	79.66	53,918,791	86.06	2.056	93
Mixed White	20,842	1.50	741,808	1.18	2.810	127
Asian or Asian British	144,792	10.40	2,893,106	4.62	5.005	225
Black or Black British	21,195	1.52	1,299,014	2.07	1.632	73
Chinese or other ethnic group	10,385	0.75	602,508	0.96	1.724	78
All people	1,391,618	100.00	62,652,626	100.00	2.221	100

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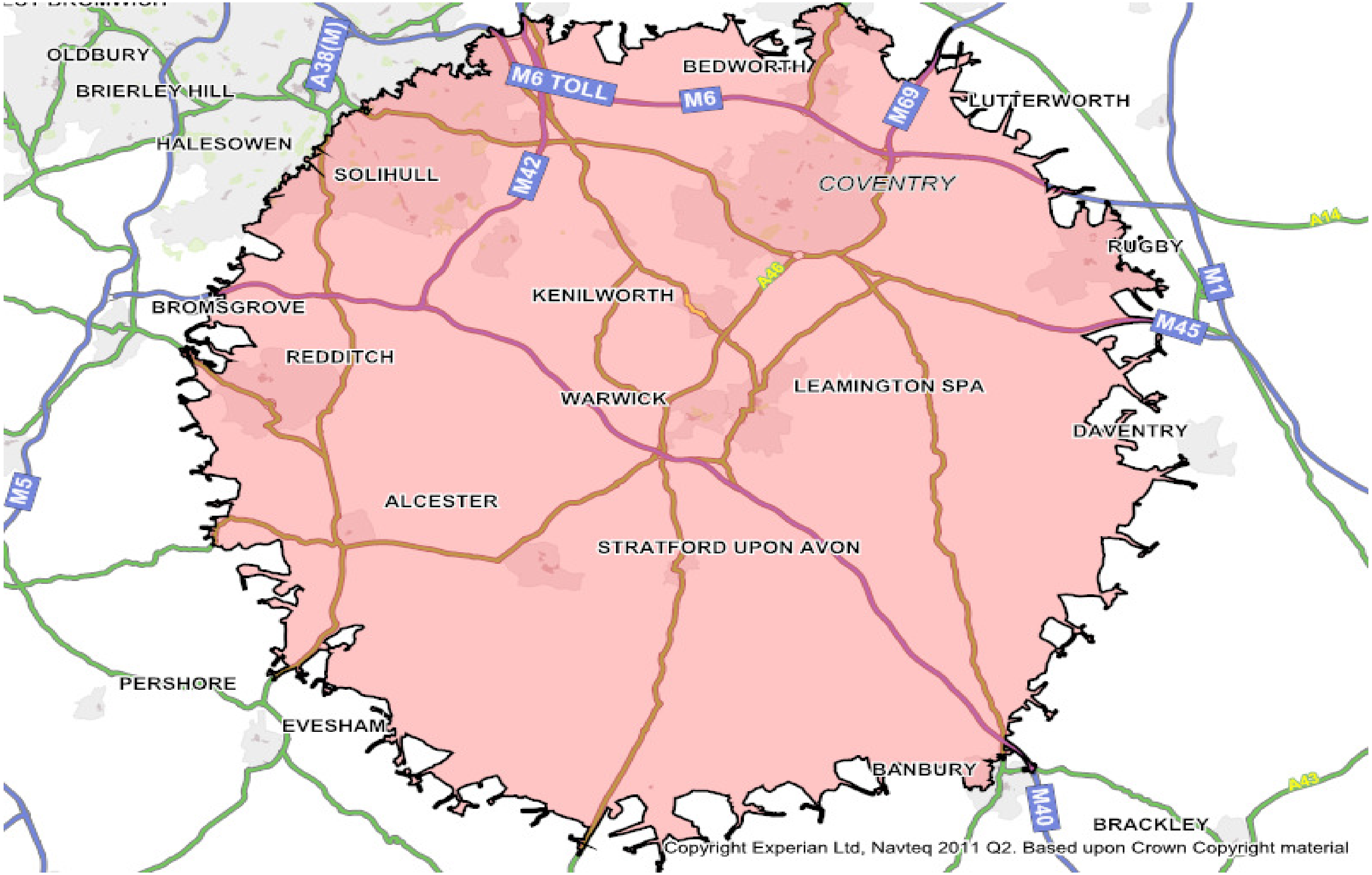
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BRIERLEY HILL
HALESOWEN
A38(M)
SOLIHULL
M6 TOLL
M6
M42
BEDWORTH
M69
LUTTERWORTH
COVENTRY
A14
RUGBY
M1
A46
KENILWORTH
BROMSGROVE
M45
REDDITCH
WARWICK
LEAMINGTON SPA
DAVENTRY
M5
ALCESTER
STRATFORD UPON AVON
PERSHORE
EVESHAM
BANBURY
A43
M40
BRACKLEY
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