CAPITA SYMONDS

WIRRAL

Metropolitan Borough of Wirral

Hoylake: A Future Golf Resort

Detailed Needs Assessment

Final Report

November 2006

CONTENTS

APPENDICES

EXECUTIVE SUMMARY

1. The Metropolitan Borough of Wirral's (MBW) aspiration is to, within the next 10 years, facilitate the major development of a 'golf resort' in Hoylake. This aspiration could help secure a further return of the Open Championship in future years.

2. Capita Symonds were appointed in April 2006 to conduct a detailed and robust 'assessment of need' in a planning sense, to determine whether the aspiration is feasible.

3. The agreed scope of work for the study included the following requirements:

    - recognition of the existing local, sub-regional, regional and international offer
    - establishing the most appropriate mix of uses for the golf resort concept
    - establishing any complementary service offers
    - analysis of the likely catchment area for the development
    - thorough analysis of national and local planning guidance
    - evaluation of alternative development opportunities

4. MBW one of the 5 Merseyside authorities has a diverse physical and demographic profile. The Wirral peninsula has some wonderful coastline, with areas of affluence in the West and North and deprivation in the East and South. The target area identified for this potential development is one of the more affluent areas of Wirral.

5. The target site identified in the brief, South East of Hoylake Town Centre and the Municipal Golf Course, is a large expanse of land, in need of renewal, of around 200 hectares. This target land area is principally in council ownership with some privately owned elements. The expanse of Council owned land provides opportunities to influence and maximise any potential future development.

6. The Council owned land that is leased does not provide any significant barriers in relation to giving notice, termination or compensation payments.

7. The land is generally low quality farmland, very flat and subject to flooding, devoid of any specific features and in need of remedial action. The area whilst requiring substantial landscaping to address these issues has the capacity to easily accommodate a development of this nature and could provide a real opportunity for maximising the water courses for a range of interesting golf course features.

8. There were no other comparable sites in Wirral that could accommodate the requirements of a 'golf resort' type concept.

9. The location within the target area provides excellent opportunities to maximise the other sporting and physical opportunities the area provides. The opportunities for sailing, shooting, equestrianism, fishing, a range of possible corporate events and other outdoor pursuits add real value to the location offering. These elements through a thorough evaluation of the golf resort market nationally are usually part of the product mix. There are 8 watersports centres and 5 equestrian centres in Wirral which provides a further opportunity to complement any new development of this nature.

10. There are no significant transport impacts with regard to a development of this nature. It is inevitable there will be certain transport infrastructure costs and requirements associated with any future planning submission and as part of any future development. This will ultimately be dependant on the specific potential development site chosen.

11. Site accessibility and traffic impact assessments were carried out on three potential sites and identified a possible site location around an existing build complex as potentially being more suitable.

12. There is strategic policy and research evidence to support the concept alignment and it is referred to in a number of local, sub-regional and regional strategic documents These include North West Regional Development Agency's 'A New Vision for the North West Coastal Resort Towns', Wirrals Tourism Strategy, the Regeneration Masterplan for Hoylake and West Kirby and it is also supported by initial feasibility work conducted by property consultants Jones Lang LaSalle.

13. However other previous research such as the Tourism Solutions 'Wirral Hotel Futures' also comments on the difficulties associated with developing a 'golf resort', based on the Wirral's hotel supply and demand in 2004.

14. The study in order to comply with the planning emphasis of the brief has evaluated the golf market and the hotel market separately to provide a substantiation of the needs assessment for this type of concept. The market need or demand for such a concept is difficult to quantify without evaluating the constituent elements that make up the product. However it must be emphasised the development, from a planning sense of this type of concept has to consider all constituent elements.

15. The study has demonstrated the market demand for the development of this type of golf resort concept.

<u>Golf Market</u>

16. The golf market was analysed as part of the overall 'golf concept' in relation to local and regional supply and demand, trends in interest and lifestyle characteristics, golf resort analysis and national and international golf tourism. This analysis was conducted using a range of data sources, market evaluation and consultation.

Golf Supply

17. The key findings in relation to the supply for golf conclude:
    - There is growth in the proprietary pay and play market at the expense of the municipal market in the UK
    - Regionally, that is the North West is the only place in the world with three open championship courses all within a 1hr drive from a central point within the region The Royal Liverpool at Hoylake, Royal Birkdale at Southport, and Royal Lytham at Lytham St Annes. This is a unique opportunity to sell the region, which is started being developed with the recent promotion of England's Golf Coast to coincide with the Open championship in July, 2006.
    - The above 3 courses rank in the world top 75 courses and within the UK and Ireland the region host 3 in top 20 and 5 in the top 38.

- The provision on the Wirral is also quite extensive not just in relation to the total number of courses, which is the one the country's highest concentrations to head of population, but also in terms of quality.
- There are currently 14 public and private courses in Wirral. There are 56 courses within a 20 mile radius of the Royal Liverpool Golf Club and 110 within a 30 mile radius. It is evident with the inherent quality of golf on the Wirral and even with significant competition the clubs maintain good membership numbers with higher than national average membership and joining fees.
- It is difficult to assess the likely impact that any golf resort development would have on the current market supply. A number of views have been expressed supporting the fact that this development would not have a detrimental effect on the current club structure, but only enhance the golf offer within Wirral.
- The general trend in the development of new golf courses nationally and internationally has reduced considerably in recent years following the peak in the 90's. Recently any new developments have been around tourist destinations

18. An analysis of the supply of golf resort provision concludes:

- Nationally there are a large number of golf resorts, 229 have been identified
- the North West has 10 resorts, suggesting it is quite a competitive market place
- the majority, particularly the larger operations, are managed by one of the national chains of hotels such as DeVeres, Macdonald and Marriot
- the majority have as a minimum a 4* hotel
- they all provide conference and exhibition space.
- with one exception they all provide a range of additional leisure facilities
- they all provide a minimum of a 18 hole golf course with the majority providing additional golf related facilities e.g. driving ranges, teaching and practise areas etc

Golf Demand

19. Golf provision and particularly as part of a golf resort concept plays a multi-faceted socio-economic role in modern society. At the same time they act as social venues, sports facilities and magnets for further property development. They are increasingly demand drivers for tourism and a golf resort can provide a 'tourist destination' in its own right.

20. The worldwide golf tourism market is worth around £10bn and constitutes 60 million visits. The market is growing with certain countries such as the USA, providing the majority of golfing tourists although there are now a number of emerging markets particularly within Europe.

21. The golf tourism market for the UK and Ireland is estimated around £500m (Mintel) with Scotland accounting for £300m in 2004. The Scottish market has increased from £100m in 2000 to £300m in 2004, which is an impressive increase and lessons can be learnt from their experiences of destination marketing.

22. Major golf events such as the Open Championship taking place at Royal Liverpool Golf Club this year will provide a significant economic impact for the Borough and the Region as a whole. The economic impact is estimated to be around £72m.

23. The market within the North West is estimated to be in the region of £10m with a real potential to grow. With its unique position and golf offer the North West has the greatest potential to maximise and attract additional tourism. This is also supported by the International Association of Golf Tour Operators, who believe the North West has the greatest potential for growth within the UK.

24. The current financial performance and usage of Wirral's public pay and play courses is good, although there is evidence of a downturn in 2005/6 in comparison to the previous 2 years. This reduction had been primarily as a result of a change in pricing policy. They still perform favourably in comparison to national trends in other pay and play courses.

25. The market interest in golf is relatively high with 38% of 12-65 year olds showing an interest in the game of golf (SMS UK Golf Market 2004/05). The core following of golf is the over 45's and with the ageing population this market is evidently growing. Interestingly there is evidence to suggest there is a stagnation overall in the core golfer market (participates once a month or more) with an increase in the casual golfer – a segment of the market that is an important market for a golf resort. Similarly this is the trend worldwide.

Hotel and Tourism

26. In relation to the Regional and Local policy context the following analysis was conducted and consistent themes emerged:

- Wide range of policy reports on Merseyside and Wirral regeneration/tourism//hotel development reviewed
- Consultation with key regional and local stakeholders undertaken
- Consistent themes emerged from policy review and consultation:
  - Recognition of need to develop tourism across Merseyside, and in Wirral in particular
  - Recognition of role that hotel development can play in regeneration
  - Policy support for 5* hotel golf resort development in Wirral.

Golf Resort concept

27. Initial concept suggested was 5* golf resort hotel. National and detailed market analysis of golf resort hotels undertaken demonstrated that resorts fit into two main categories:

- 'Super' Golf Resorts/Hotels, usually associated with historic courses that hold world-class events. These hotels are often of 5* status (offering appropriate levels of service), are sometimes owned and operated independently rather than as part of a chain, and have a range of additional guest and conference facilities, and
- Golf Resorts/Hotels, usually associated with newer courses that hold major events. These hotels are often of 4*/5* status, are typically owned and operated as part of a chain, and also have a range of additional guest and conference facilities

28. Both types of golf resort hotel have essentially similar building footprints and ranges of facilities available, but the higher service levels in the 5* market mean higher running

costs and the consequent need to achieve higher average room rates to remain profitable.

29. The study looked at the potential of developing both 4* and 5* resorts in the Wirral context.

Hotel Supply

30. The study considered supply issues in the Merseyside and Wirral specific contexts. The key conclusions were that:

- There has been a great deal of hotel development in Liverpool particularly over the past few years, with an additional 1,000+ hotel rooms due to come on stream in the near future. There are also additional major conference facilities being developed as part of the expansion of business tourism. Some of this development has been at the budget end of the market, but increasingly more up market development is taking place. There is also expansion planned in Sefton, again with more up market hotels being proposed.
- The situation in Wirral is that there has been no major overall supply change in terms of number of rooms available. However, while there has been some recent loss of supply at lower quality end of the hotel market, there has been some limited up market development. Overall, though, there is general agreement that there is a lack of quality in current hotel room supply, with no up market full service large hotel in the area.
- Despite the significant recent and planned increases in hotel supply regionally there are no developments planned which have the same configuration and market positioning as the potential Wirral golf resort, the development of which would meet the current supply gap at the up market level in the area.

Hotel Demand

31. The study considered demand issues in the Merseyside and Wirral specific contexts. The key conclusions were that:

- Occupancy levels in Wirral in the 3/4* hotel market are c70%, which is broadly in line with occupancy levels currently being achieved in regional UK hotels. There is some anecdotal evidence that current occupancy levels at the 4* level in the area may be higher in specific properties
- Information on average achieved room rates (AARR), however, suggests that these are significantly lower than other regional UK hotels at £50.25 in 2003 compared with an average of £62.90 across the UK that year. The UK regional average was £67.06 in 2005. Again, there is anecdotal evidence that specific properties are achieving higher AARRs than this
- Encouragingly, during the past few years Liverpool has shown record growth in occupancies and AARR despite major increases in supply
- Information obtained on golf resort hotel performance nationally shows that these types of developments currently achieve an occupancy level of 70.5% with AARR of some £84.52, significantly higher than that achieved in Wirral. However, these resorts tend to be destinations in their own right and often outperform other hotels in their local markets

- While there is some evidence of improving performance in the Wirral market, there is still significant underachievement in terms of AARR. However, if the area were to emulate the performance seen elsewhere in Merseyside over time this situation would improve.
- There will be growth in supply of exhibition and conference facilities over the next few years, with Liverpool targeting the lucrative (in economic benefit terms) major association market. There is relatively little conference activity in Wirral currently but this is partly due to the lack of suitable facilities. The smaller, corporate conference market has been growing over the past few years nationally and, as regeneration takes place in Wirral and more businesses are developed there, this is a market that any new golf resort hotel could target.
- The overall conclusion of the study is that demand is likely to grow over the next few years, but the issue for developers and operators will be, in the short term at least, the AARRs that can be achieved. Regional evidence suggests though that even with increased supply, these levels can be improved over time.

Soft market testing

32. We undertook a series of soft market tests. These indicated:

- a significant degree of interest in development/operation of a 4* resort in the target area – perhaps more so than might have been anticipated initially given the findings of previous studies
- interest coming particularly from a number of entrepreneurs, with some interest also from other developers/operators
- a view that the Council should facilitate the planning process to mitigate developer/operator risk
- a concern about the financial viability of any potential development, given the performance issues mentioned above
- a view from some quarters that some enabling development would be required to overcome the viability issues. Willingness was expressed to explore this further with the authority.

33. While the UK has a tourism 'balance of payments' deficit, this is in part due to the perceived lack of quality and value for money in the hotel sector. Despite this, the hotel sector regionally is performing well, and progress in Liverpool specifically has been notable.

34. There is a clear gap in Wirral's hotel supply at the quality end of the market. Occupancies at the 3*/4* level are equivalent to those achieved elsewhere in the regions. Although supply has increased in the region, occupancies and room rates have held up well.

35. The planned increase in supply does not include any other golf resort hotel of the type envisaged in Wirral. AARRs in Wirral are lower than the average achieved in the regions and also lower than those required to sustain an up market golf resort hotel. Nevertheless, there is anecdotal evidence that these levels are rising.

36. There is also developer/operator interest, with the proviso that in the current market some enabling development would possibly be required to make the financial case. The

development could also contribute to a more positive image of the Wirral and would probably deliver significant economic benefit in addition.

37. We are therefore relatively optimistic that in time, and assuming a favourable planning/enabling situation, hotel development of the proposed type might be achieved.

38. We recommend that prospective developers/operators be given relevant extracts from our report in order to inform their interest and that that the situation is kept under review at regular intervals in the light of changing circumstances.

Planning Considerations

39. A significant issue for the feasibility study to address is the likelihood of planning permission being granted.

40. In land use planning terms the site area identified for the development is designated Green Belt.

41. The policy review undertaken by the consultant team has identified that policy directives and strategy documents at national, regional, sub regional and local level place significant restrictions on the amount and scale of built development that will be permitted in open land. Without exception, the policy documentation reviewed, recommends that new built development associated with developing tourism and leisure markets is concentrated within existing urban areas.

42. Circular 11/2005, which came into force in January 2006, re-emphasises the Government commitment to the principles of the Green Belt and to maintaining tight planning controls over development on Green Belt land. Planning applications are expected to be subject to the most rigorous scrutiny having regard to the fundamental aim of the Green Belt policy.

43. This Green Belt land use designation is a major obstacle to the proposed development and it is the professional view of the consultant team that the ‘very special circumstances’ required to overcome Green Belt policy will prove very difficult within the existing planning regime to enable a planning consent for a golf resort, as defined in the section on product mix, to be granted.

44. In our market testing discussions with developers there has been some discussion about the potential requirement for associated enabling development. It is our view that enabling development wil add to the difficulties of any development in the Green Belt.

45. Despite the initial degree of strategic fit the proposal for a golf resort and associated development does not fit with the current planning regime and will be very difficult to secure planning consent.

46. Whilst the development of a 4* hotel as part of the resort complex would fill a gap in the market, the economics are such that the development cannot at the current time generate a sufficient return on investment. This had led to several interested developers to suggest the potential of enabling development. In planning terms this approach could be difficult to deliver.

47. Whilst acknowledging the difficulties of the Green Belt designation there could be opportunities associated with existing building complexes in the target area and the opportunity to undertake a hotel development based on an existing building footprint.

1 INTRODUCTION

1.1 Commission

1.1.1 In April 2006, Metropolitan Borough of Wirral (MBW) appointed Capita Symonds Sport and Leisure Consulting (CSSLC) to develop a 'Detailed Needs Assessment for Hoylake: A Future Golf Resort.'

1.1.2 The timeframe to deliver the commission was set at 8 weeks. The deadline for completion of the project was set in order to coincide with the Open Golf Championship being held at the Royal Liverpool Golf Club, Hoylake in July 2006.

1.1.3 The announcement in February 2001 that the 135th Open Golf Championship would return to Hoylake in 2006, after an absence of almost 40 years was the catalyst for the study. The last time the Open, arguably the greatest of all the major championships, was hosted by the Royal Liverpool Golf Club was in 1967. The competitions return to Wirral is prestigious for the Council and will bring with it significant economic benefits.

1.2 Vision

1.2.1 MBW aspiration is to, within the next 10 years, facilitate the development of a high quality 'Golf Resort' at Hoylake, and in line with this aspiration secure a further return of the Open Golf Championship to the Royal Liverpool Golf Club.

1.2.2 The golf resort concept essentially comprises a top of the range fully serviced hotel, associated conference and exhibition provision with a new championship length golf course, upgrading of the existing municipal golf course, golf practice and teaching facilities and a mix of other associated service offers including leisure club, spa, health and beauty treatment centre and a range of facilities for outdoor and adventure pursuits.

1.2.3 The development will be of regional, national and potentially international significance, catering for a range of markets including international golf tourism. The development will add further value to the current golfing offer in the sub-region of Merseyside and provide an asset for the wider North West Region.

1.2.4 A golf resort would further enhance the destination marketing opportunities of the North West's branded 'England's Golf Coast'.

1.2.5 The concept is perceived as providing major economic benefits and an opportunity to regenerate the West Wirral. A golf resort, it is anticipated, would help to maximise the potential of the golf economy in the future of both Wirral and the wider region.

1.2.6 The delivery of this project would bring other specific benefits to Wirral including:

- Major investment opportunity of possibly c£40m-£70m
- Catalyst project to regenerate West Wirral
- economic impact benefit from additional tourism spend at regional, national and international levels

- economic impact benefit from business tourism, conferencing and corporate activity markets
- attraction of further major golfing events contributing to additional economic impact benefit and further enhancement of the Borough's profile
- direct and indirect job creation
- improved profile for and image of the Wirral

1.2.7 The Council approved Masterplan for the regeneration of Hoylake and West Kirby has started to bring about change and deliver area confidence and investment. The Master Plan has identified a number of key priorities. The need to investigate in detail the feasibility of a 'Golf Resort' at Hoylake is one of these priorities.

1.3 Study Aims and Scope of Work

1.3.1 There are a number of local and regional strategic documents that make reference to the potential and benefits of a 'Golf Resort' on the Wirral, and specifically in Hoylake. In 2005 consultants Jones Lang LaSalle carried out a preliminary study, which identified a number of favourable factors for a golf resort development in Wirral.

1.3.2 The aim of this study is to further develop this previous work and challenge the aspiration of MBW through a detailed and robust assessment of need to determine whether a golf resort development is feasible. An issue within the feasibility is to consider whether planning consent can be achieved.

1.3.3 The agreed scope of work included the following requirements:

- recognition of the existing local, sub-regional, regional and international offer
- establishing the most appropriate mix of uses for the golf resort concept
- establishing any complimentary service offers
- analysis of the likely catchment area for the development
- thorough analysis of national and local planning guidance
- ownership by the Project Steering Group of project outcomes

1.4 Method of Approach and Project Team

1.4.1 Our response to the Council's Project Brief to deliver the study aims was presented in our project proposal document and agreed at the initial project set-up meeting. The 4 stages of our approach are as follows:

- Stage 1 Project Set-up
- Stage 2 Planning Analysis and Hotel and Golf Market Review
- Stage 3 Facility Mix and Analysis
- Stage 4 Reporting

1.4.2 The key elements above are all inter-related and the key outcomes derived from each of the project stages are highlighted in the relevant sections of this report.

1.4.3 A range of research methods and techniques have been used including:

- Desk study analysis – using primary and secondary data sources
- Commissioning of bespoke market review data
- Consultation with stakeholders
- Area tours and site visits – Wirral Borough, target area, golf courses, hotels
- Formal meetings
- Workshop with the Steering Group

1.4.4 In response to the requirements of the brief and to effectively deliver the various elements of the project we put together a skilled, knowledgeable and experienced team. The Capita Symonds project team comprised:

- Sharon Bayton — Capita Symonds Project Director
- Chris Spargo — Capita Symonds Project Manager
- Renata Drinkwater — Drinkwater Consulting
- Graham Marchant — Capita Symonds Researcher
- Richard Morrison — Capita Symonds Transport Planning Consultant

1.5 Report Format

1.5.1 The report has been structured to include detail on all elements of the work undertaken in completing the 'detailed needs assessment for Hoylake: A future golf resort.' The report format reflects the staged approach adopted to complete the project in the set timescale. The sections of the report are listed below:

Executive Summary
Section 1 Introduction
Section 2 Project Context
Section 3 Market Review - Golf
Section 4 Market Review Hotel and Tourism
Section 5 Planning Review
Section 6 Conclusions and Recommendations

The report is supported by the following Appendix documentation.

Appendix 1 Map of the 'Target Area'
Appendix 2 History of Royal Liverpool Golf Club
Appendix 3 Target Area Land Ownership Map
Appendix 4 Sample Ancillary Services Offer
Appendix 5 Indicative Transport Route Map
Appendix 6 Isochrone Maps Showing 20 Minute and 60 Minute Drive Times
Appendix 7 Cumulative Accessible Population Graphs
Appendix 8 List of Documents

2 PROJECT CONTEXT

2.1 Introduction to Wirral, Characteristics and Regional Context

2.1.1 The Wirral Peninsula is approximately 60 square miles, bordered on three sides by the River Mersey, Irish Sea and the River Dee, and offers a long and superb waterfront coastline, arguably its greatest asset.

2.1.2 Its other physical assets include a rich biodiversity extending from the rocky outcrop of Hilbre Islands to the salt marshes of the Dee Estuary, three country parks including Arrowe Park, Eastham Country Park and Wirral Country Park, 75 miles of public rights of way and landscapes that offer a wide variety of opportunity for outdoor activities. The Borough whilst providing the home to some of the regions top golf courses, including the Royal Liverpool Golf Club, which is hosting the Open Golf Championship in 2006, also acts as a regional attractor for sports such as windsurfing and land yachting. In fact, Hoylake is to host the International Sand Yachting Competition in 2007.

2.1.3 MBW one of the five Merseyside Authorities is the 9th largest Metropolitan Authority in England with a population of 313,000 (mid-year estimate 2004). The Borough has quite a marked contrast geographically in relation to deprivation and affluence, and the line can almost be drawn utilising the route of the M53. The West of Wirral townships such as Caldy, Heswall, Hoylake and West Kirby can be described as reasonably affluent whereas the Eastern more densely urbanised areas such as Wallasey, Birkenhead and Bromborough suffer from significant deprivation.

2.1.4 Since the 1970's the East of Wirral, particularly on the Mersey waterfront has attracted investment from the NWDA and through its ERDF Objective 1 status. In addition New Brighton is (dependant on the outcome to a Public Inquiry) about to benefit from a £75M mixed use development from a private operator and the winds of change appear elsewhere with a number of other waterfront acquisitions and planned developments.

2.1.5 MBW have developed a Masterplan for the regeneration of Hoylake and West Kirby, and significant progress has been made with the implementation plan particularly in relation to investment in infrastructure and public realm works. The delivery of a further phase of this plan has been put on hold until after the Open Championship in July. The needs assessment for the golf resort is a key element within this Masterplan.

2.1.6 The success of Liverpool's achievement in European City Of Culture status in 2008 has started to raise the profile of the region and investment interest has been recognised within Wirral and other surrounding Boroughs. The years leading up to 2008 are themed with 2006 being around performance. The Open Championship features as a fundamental element of the marketing and branding for Merseyside and the wider Region, and so raising the profile of Wirral in a wider arena than just purely golf.

2.2 Target Site

2.2.1 The target site identified in the brief lies South East of Hoylake Town Centre and Hoylake Municipal Golf Course in the Birket Valley within MBW's Green Belt. It is bounded by the urban residential areas of Saughall Massie to the north, Hoylake and Meols to the West, Greasby and Royden to the East and West Kirby to the South. The area to the East and North is partly surrounded by a number of working farms including the Larton and Oldfield Estates. A map identifying the target area is shown in Appendix 1.

2.2.2 It is a large expanse of land of around 200 hectares and whilst in joint ownership, with 2 other independent landowners, the land area is principally in council ownership, leased out for farming use.

2.2.3 The land is generally low quality farmland, very flat and subject to flooding, devoid of any specific features and in need of remedial action. The area whilst requiring substantial landscaping to address these issues has the capacity to easily accommodate a golf resort development of this nature and could provide a real opportunity for maximising the water courses for a range of interesting golf course features. The consultant team had the opportunity to drive around the target area with one of the local landowners.

2.2.4 There are a number of potential locations within the target area where the golf resort could be developed and these will have to be subsequently explored. Access, and infrastructure requirements and associated costs and transport impacts will be affected by the actual location of the development. These are discussed in paragraph 2.3.

2.2.5 The location of the target area is in close proximity to the Royal Liverpool Golf Club (RLGC), a course ranked in the top 20 courses nationally and in the top 75 courses worldwide. The annual Golf World (June 2006) UK and Ireland Top 100 Course evaluation placed RLGC in 15th place, a place higher than last year. Alongside the physical benefits and land area availability this piece of land provides, the potential or perceived linkage and /or relationship with one of countries best Championship golf courses is fundamental to any future development. The profile and history of the RLGC including hosting the Open Championship 10 times previously is very impressive, and compares well with any of the country's top Open Championship venues. A brief history of the course is detailed in Appendix 2. The opportunity to develop the 'Hoylake' brand, which is currently used by the media for the promotion of the 2006 Open Championship would be a significant advantage economically and also from a planning sense.

2.2.6 The parcels of Council owned land provide a number of opportunities to maximise development within this ownership. Following consultation with MBW's Property Management Team, we understand that the Council owned land that is leased does not provide any significant barriers in relation to giving notice, termination or compensation payments. A map showing land ownership within the target area can be found in Appendix 3.

2.2.7 This target area location provides excellent opportunities to maximise the other sporting and physical opportunities the area provides. The opportunities for sailing, shooting, equestrianism, fishing, a range of possible corporate events and other outdoor pursuits add real value to the location offer. These elements through a thorough evaluation of the golf resort market nationally are usually part of the product mix.

2.2.8 These additional opportunities in Wirral, although not exhaustive include the following:

- 8 Watersports Centres (windsurfing, sailing, skiing, land yachting etc.)
- 5 Equestrian Centres (riding schools and livery stables)
- 8 Course fishing venues
- Shooting
- Paintballing
- Corporate Events

Further details on the above can be found in Appendix 4

2.2.9 Consultation with some of these service providers would fully endorse the development of a golf resort in the target area and would anticipate some benefit in their respective service areas.

2.2.10 The table below provides a summary of the advantages and disadvantages of this target area location.

Table 1 Target Area Advantages and Disadvantages

Advantages	Disadvantages
Large expanse of land potentially available for development	Accessibility and infrastructure costs could be an issue dependant on exact development location
Land predominantly Council owned but leased	Poor quality of land with areas prone to flooding
Relative short term lease arrangements on Council owned land	Poor quality of land and high water table could place a premium on the infrastructure and landscaping costs.
Limited compensation payments	Bland, featureless landscape devoid of any major features
Council owned parcels of land predominantly around the west side of the target area adjacent to the municipal golf course	Unsightly electricity pylons dissecting the target area
Non-council owned land predominantly in ownership of 2 individuals	Rights of way to maintain even though not currently well used. Arguably a developed landscaped area would generate more interest
Land in need of remedial action so certain developments would be an improvement	Environmental ecological impact of any development
High water table could present an opportunity to maximise the potential of a range of interesting landscapes and water features	Transport impact of increased traffic flow
Positive consultation with landowners and service providers	Green Belt planning policy and guidance requirements
Good physical access not far from Motorway network. M53 spur 2.5m from the target area	
Good catchment population –Wirral 313,000 and within 1 hour drive time 2.5million	
Close proximity to the Royal Liverpool Golf Club – access, shared services	
Opportunity to market the 'Hoylake' brand from this location	

2.3 Transport Assessment

2.3.1 The consultant team have considered the transport and traffic issues relating to the proposed development of a golf resort in the Hoylake area. In doing so, the traffic engineer has reviewed:

- The accessibility of site, assuming three possible locations for the site complex which were
  - Site 1 – Existing Clubhouse and New Hall Farm
  - Site 2 – Central to the Target area adjacent to the Hoylake municipal golf course (location identified by original work by Jones Lang LaSalle)
  - The area around an existing building complex
- The surrounding highway network
- The likely traffic peaks associated with the development

- The potential impact on the surrounding highway network

Site accessibility

2.3.2 Given the nature of the proposed development, and its predominantly rural location, it is unlikely that much use would be made of non-car modes when travelling to the site. However, it would be sensible to consider the provision of a dedicated shuttle bus between the local railway station and the site if there are sufficient rail services to make this a viable option for visitors to the resort and associated facilities.

2.3.3 For the majority of visitors, the car is therefore likely to be the default choice of travel and we have looked at the accessibility of the three potential sites by this mode. Each location would need a link road to connect with the existing highway network and a possible indicative route is shown on drawing number CS18811/T/7 in Appendix 5.

2.3.4 We have prepared two plots for each site. The first considers a 20 minute drive time to the site while the second considers a 60 minute drive time. The plots for each site are shown as follows and can be found in Appendix 6.

Site	Description	Drawing Number
1	20 min catchment	CS18811/T/1
	60 min catchment	CS18811/T/2
2	20 min catchment	CS18811/T/3
	60 min catchment	CS18811/T/4
3	20 min catchment	CS18811/T/5
	60 min catchment	CS18811/T/6

2.3.5 As can be seen from the plots, a site utilising an existing building complex would be the most accessible, both for the 20 minute and the 60 minute travel case. This is simply because it is located closer to the primary routes from the peninsula. We have also looked at the population living within the catchment areas for the three sites. The findings are summarised on document reference CS18811/T/D/1 in appendix 7.

Traffic impact

2.3.6 The ATC data provided by MBW's Highways Team for the roads in the vicinity of the sites reveals that the roads are lightly trafficked with 12 hour two way flows of approximately 16,000 vehicles on Birkenhead Road to the north of the site. This is fairly representative of a local distributor road passing through a residential area. The corresponding flows for West Kirby Road and Heron Road to the east are approximately 6,000 to 8,000 vehicles; which indicates that these roads are particularly lightly trafficked.

2.3.7 Given the mix of the proposed development, individual elements such as the golf course or the spa/hotel will have differing levels of impact. The peak flows to the golf course are likely to be spread over two hours or more during the morning with the exit flows occurring before the traditional background peak. The leisure facilities are unlikely to generate significant flows and are equally unlikely to attract flows during the morning and evening peak periods.

2.3.8 Setting aside individual events, the hotel and conference facilities are likely to be the largest generator of traffic with traffic arriving or departing close to background peak periods. However, a 200 bed hotel with its ancillary provision would not be expected to generate significant levels of traffic.

2.3.9 While the proposed development is unlikely to generate significant levels of traffic (setting aside individual events for which more information would be required), the scheme could have an impact on the surrounding highway network. This would not be in terms of loss of capacity, but could be in terms of increased traffic flows. This would need to be addressed in any traffic assessment that accompanied a planning application for the proposed scheme.

2.4 Policy Context – Regional, Sub-regional and Local

This section provides a summary review of a range of regional, sub-regional and local policy documents that are specifically relevant to the development of a 'golf resort ' in Wirral and would support or otherwise this needs assessment study. As each of the documents do have an impact on the constituent elements of this study such as planning and the hotel and golf market review, they will be cross referenced in Sections 3, 4, and 5 of this report. Appendix 8 contains a list of the documents, and other information sources utilised in this study.

Regional

Regional Planning Guidance for the North West (RPG 13), GONW, March 2003

2.4.1 The overriding aim of the Regional Planning Guidance (RPG) is to promote sustainable patterns of spatial development and physical change. The Region's economic, social and environmental interest must be advanced together and support each other.

2.4.2 The RPG sets out seven key objectives:

- To achieve greater economic competitiveness and growth, with associated social progress
- To secure an urban renaissance in the cites and towns of the North West
- To ensure the sensitive and integrated development and management of the coastal zone and to secure revival of coastal resort towns
- To sustain and revive the Region's rural communities and the rural economy
- To ensure active management of the Region's and high environmental and cultural assets
- To secure a better image for the Region and high environmental and design quality and
- To create an accessible Region, with an efficient and fully integrated transport system.

2.4.3 RPG provides the broad development framework for the Region, identifying the scale and distribution of housing development and the priorities for the environment, economic development, agriculture, minerals and waste treatment and disposal.

2.4.4 Development proposals throughout the region must accord with the principles of the RPG. To achieve sustainable development policies, DP1 to DP4 inform all spatial and development planning across the region.

2.4.5 In respect of the development requirements of Regional coastal resort towns the approach set out in Policy DP1 (Economy in the use of Land and Buildings) with local development plans needs to encourage more diverse and complementary roles as modern, sustainable resorts and centres for coastal sport/recreation and other uses, and greater elegance.

2.4.6 In considering the Councils aspiration for the development of a golf resort there are several other key policies within the RPG to take into account. These policies are referred to in Section 5 and they include:

- SD3 Key Towns and Cities Outside the North West Metropolitan Area
- SD8 Development in the Wider Countryside
- EC8 Town Centres – Retail, Leisure and office Development
- EC9 Tourism and Recreation
- UR11 Urban Fringe
- ER1 Management of the North West's Natural, Built and Historic Environment
- ER2 Landscape Character
- ER5 Biodiversity and Nature Conservation
- ER8 Development and Flood Risk

Tourism Vision for England's Northwest – Northwest Regional Development Agency

2.4.7 The vision for tourism in the Northwest aims to create a tourism industry that, in ten years time, is second to none, wishing to create the best tourism offer in Britain, one that will allow the region to make a significant impact by:

- persuading more British people to spend more of their leisure time in England's Northwest
- persuading more people from overseas to visit the region
- making our region an increasingly important business tourism destination in Europe.

2.4.8 The golf resort would be a prestigious high quality facility for the Northwest. Not only would it enhance the region's offering in terms of quality golf facilities but it would also create a new holiday market within the Wirral area. The hotel development could accommodate leisure and golf breaks and meet the corporate needs of business. Prestigious golf events would create awareness of the region and help to raise the profile overseas.

The Strategy for Tourism in England's Northwest – Northwest Regional Development Agency

2.4.9 The strategy is geared towards delivering the vision for Tourism in England's Northwest. The strategy sets out the steps needed to achieve this vision. It aims to deliver improvements in the performance of the tourism sector around five objectives:

- enhancing the region's communication with consumers
- improving the tourism product that brings people to England's Northwest
- improving tourism infrastructure
- boosting the performance of tourism businesses
- maximising the potential of the people who work in the sector.

2.4.10 There are six themes identified which underpin the work done at a regional level to develop the sector. These are sustainability, quality, customer focus, business excellence, improved skills and support for business clusters. The Strategy then identifies the regions assets, these include the Lake District, the world famous golf and football offer, cultural traditions, 'hub' location and airports, Blackpool as a top seaside resort and an impressive Roman and industrial heritage.

2.4.11 The golf resort would contribute directly to the assets of the region and in particular in developing the golf offering in the Northwest. This would assist in enhancing the 'England's Golf Coast' brand. It would also contribute to all five of the tourism objectives for the region.

Regional Economic Strategy 2006 – Northwest Regional Development Agency

2.4.12 The Regional Economic Strategy sets out how the Northwest can improve its economy over the next 20 years. It sets out prioritised actions that the region should take in order to sustain its economic performance. Three major drivers have been identified in order to achieve these goals:

- improving productivity and growing the market – particularly in terms of economic output per person employed. This means both retaining and increasing the number of higher added value jobs in the region by investing in innovation, R&D, leadership and higher level skills
- growing the size and capability of the workforce – getting more people into work, especially in our most deprived areas, amongst disadvantaged communities and areas remote from growth. This means ensuring that people have the skills to work, linking people to nearby job opportunities and encouraging more new business
- creating the right conditions for sustainable growth and private sector investment – through investing in the region's environment, culture, infrastructure and communities. This underpins everything in the strategy.

2.4.13 The Hoylake Golf Resort would contribute directly to all three of the main drivers within the Economic Strategy. The development would significantly help to grow the market and create a number of direct and indirect employment opportunities within the Wirral area. The resort would contribute greatly to the region in terms of the growth and the private sector investment that a high profile golf resort can attract.

A Strategy for Major Events in England's Northwest 2004 – Northwest Regional Development Agency

2.4.14 The aim of the strategy is to deliver major events to the region through careful regional co-ordination and professionalism in the bidding process, capturing and building on the experiences. Maximising the contribution that events can make to the image, economy and tourism potential of the Northwest. Specifically, the objectives are:

- to ensure that the region can take maximum advantage of, and be adequately prepared for, staging and bidding for major events
- as far as is reasonably practicable, to manage intra-regional competition to avoid wasted effort and resource
- to develop regional mechanisms for sharing and developing expertise in the staging of such events
- to develop evaluation tools to consistently measure the impact of major events and guide investment decisions
- to provide a strategic framework to support bids to national and international organisations for the funding of major events in the Northwest
- to maximise the opportunities to secure engagement and funding from the public and private sector.

2.4.15 The golf resort at Hoylake would further add to the popularity and prestige of 'England's Golf Coast' brand. The region has already a high profile for hosting major events and the new development would further enhance this position.

Northwest Regional Development Agency – Corporate Plan 2005/06 to 2007/08

2.4.16 The Corporate Plan for the NWDA is aimed a demonstrating how the Agency plan to use its resources to:

- continue to deliver the regional Economic Strategy (RES)
- respond to the new roles and responsibility given to RDAs
- contribute towards the appropriate Government Department PSA targets agreed through the RDA Tasking Framework.
- Support delivery of the Northern Way Growth Strategy.

2.4.17 The Plan outlines the Agency's key priorities and activities over the Plan period. These are structured under the five main priorities and regional opportunities that are outlined in the RES. These are:

- Business Development
- Regeneration
- Skills and Employment
- Infrastructure

- Image

2.4.18 The golf resort at Hoylake would contribute to the business development objective through the tourism opportunities that it would create and the inward investment on a national and international basis it would provide. It would assist in the regeneration within the Wirral and in particular Hoylake. It would also create a number of jobs directly and indirectly to contribute to the skills and employment objectives.

A New Vision for Northwest Coastal Resorts – March 2003 – Locum Destination Consulting

2.4.19 The long term vision and strategy for Coastal Resorts in the Northwest offers a clear sense of direction, is soundly based in terms of market trends and is capable of achievement. The document can act as a framework for the application of funding from the NWDA, European and other sources, and assist the NWDA in taking a more proactive role in shaping policy. Within the brief there were 12 resorts running from Grange over Sands in the north to West Kirby in the south.

2.4.20 Although the viewpoint is that there cannot be an overall Northwest Coastal Resort Brand, branding is seen play an important role in creating a co-ordinated vision and identity for the resorts and the coast as a whole.

2.4.21 The consultants suggested a four tier framework aimed at creating this co-ordinated vision:

- Tier 1: Themes that the coastal region could develop as a whole that would be distinctive and of the highest quality. Aspects of the region's tourism product could be developed and promoted on a regional basis. Themes such as The Golf Coast, The Eco Coast and The Recreational Coast have been suggested.
- Tier 2: Sub regional brands based on geographic sections of the coast could be grouped together to create a much stronger holistic destination and more cost effective marketing.
- Tier 3: A hallmark called Classic Resorts that can be used to classify and distinguish resorts that maintain the ambience and spirit of the traditional seaside resort but in a way that appeals to modern audiences.
- Tier 4: Visions for each resort. They are expressed in the form of a short statement that is intended to give a sense of what the resort could be like in the future.

The golf resort and in particular Hoylake itself can benefit from all four tiers of the above framework. Hoylake is included as one of the 12 resorts within the brief and it is vitally important that if a holistic brand is developed that they tie into this and become part of the regeneration of the Coastal Resorts of the Northwest. The Hoylake Golf Resort would significantly improve its own individual status creating a national and potentially, international awareness of the local area.

IMG and the Mersey Partnership – How to Maximise Effective Destination and Product Marketing in England's North West and around the 2006 and 2008 Open Championship

2.4.22 This report provides an evaluation of the golf tourism market, golf tourism opportunities and product availability in the North West. It evaluates the accommodation sector and includes a short and long-term action plan to maximise the opportunities of the Open Championships to be held in the NW in 2006 and 2008.

2.4.23 Key findings and recommendations from this report include:

- general poor quality of accommodation impacts on the attractiveness of the region for golf tourism
- all top international golf tour operators suggested that Southport was the best location for a base for golf tourism in the region
- tour operators very critical of the current accommodation offer
- 'boutique' style hotel or conversion of a part of an existing large hotel in Southport would be ideal
- possibility of similar 'boutique' style hotel in Hoylake suggested but recognition that it would struggle to be viable on golf tourists alone
- regional golf product excellent –majority of golf tour operators considered the top 20 courses in the region to be the best cluster of championship courses available in the world
- economic impact of golf tourism in NW estimated at £10 million with potential growth to exceed £35 million
- need for central marketing destination company, tee time management service and wider international distribution of marketing materials
- lack of caddies and caddy programmes which are important for the growth of the US market
- develop 'bundling' niches with compatible local tourism assets
- utilise the Open to generate brand awareness
- North West is the best potential for growth in the UK
- lack of brand awareness of 'England' as a golf destination has been a serious negative factor in selling the region

Sub-regional

Merseyside Tourism Strategy 2003 – 2015

2.4.24 The strategy aims to achieve the goal of making Merseyside, with Liverpool at the heart of it, one of the top 20 European tourism destinations by the year 2015. The strategy will achieve this goal by increasing the economic, social and environmental benefits of tourism to Merseyside and to improve the profitability of the tourism business by:

- developing markets that will bring high returns to each sector of tourism
- achieving high levels of occupancy all-year-round

- stimulating and supporting development of the area's tourism products in a sustainable way
- enhancing the performance of individual businesses
- acting as a catalyst for physical regeneration and conservation
- ensuring that the employment and income generated through tourism are spread as widely as possible within the community.

2.4.25 In order to achieve the target of making Merseyside a top 20 European destination, developments such as a golf resort contribute significantly to the economic, social and environmental growth of the area. The awareness created by hosting top events at a golf resort can only enhance the tourism of an area, this is emphasised by the awareness created through the Open 2006 at the Royal Liverpool Golf Club, adjacent to the proposed development site.

The Liverpool City Region – Destination Management Plan 2006-2009

2.4.26 The Destination Management Plan (DMP) is an action plan for all partners involved in developing Liverpool and Merseyside as an internationally important tourism destination. It is a key instrument to identify the actions and strategic relationships that will develop a sub regional tourism strategy. It provides a framework and rationale for investment in tourism. The plan adheres to four key strategic objectives:

- to develop a class destination for conference and business visits
- to promote the Liverpool city region as a world class destination for leisure and tourism
- to develop the sub region as a major events destination of international repute
- to deliver a warm Liverpool welcome throughout the region.

2.4.27 A golf resort in Merseyside would contribute to the area becoming an internationally important tourism destination. The development would include the provision for high class conference and business as well as a venue for health, leisure and other offers.

The Liverpool City Region – Transforming our Economy 2005

2.4.28 The vision of the City Region Strategy is to:-

> 'Regain status as a premier city region by 2025. We will secure an internationally competitive economy and cultural offer; and outstanding quality of life; and vibrant communities contributing to and sharing in sustainable wealth creation'.

2.4.29 To reach this vision they will pursue action and investment in five strategic priorities, undertaken with an outward looking and collaborative approach:

- the premier destination centre
- the well connected city region
- the creative and competitive city region
- the talented and able city region.

2.4.30 Liverpool's designation as the 2008 European Capital of Culture, clearly places tourism at the top of the Merseyside and North West regeneration agendas. The current profile of Liverpool and its growth in tourism provides a great impetus for the development of a golf resort. The number of national and international tourists that could potentially be attracted to a golf resort in the sub-region through events, leisure and holidays would have a desirable effect on the economic growth of Merseyside as a whole.

<u>Local Context</u>

Regeneration Plan for Hoylake and West Kirby – Final Masterplan Report November 2004 – Building Design Partnership, Locum Destination Consulting, Jones Lang LaSalle

2.4.31 The regeneration plan for Hoylake and West Kirby sets out the preferred Vision, Strategy and key projects .The Masterplan is a third stage report following a baseline report and a strategic options report.

2.4.32 It identifies 17 different projects within the Borough of Wirral MBC over three time perspectives - short, medium, and long term. The golf resort at Hoylake is one of two projects that also have regional significance. The other is 'The Sail' at West Kirby Marine Lake. The Metropolitan Borough of Wirral's 8-point plan informed the development of the Masterplan and is aimed at regenerating Hoylake and West Kirby over the next 10 years. A key element of this Regeneration Plan is the golf resort and associated leisure development at Hoylake.

2.4.33 One of the short term aims is to use the Open Championships in 2006 as a catalyst to put Hoylake back on the map, with the intention of developing golf tourism in the Wirral and the wider region in future years. Linking the event with Liverpool European City of Culture 2008 will further help to raise awareness and develop the position of such a development. The project would involve the development of a high quality hotel and ancillary facilities with similar quality golfing provision. The golf resort has been identified as an achievable but long-term opportunity for the sustained regeneration of Hoylake and West Kirby. A range of differing resort options primarily linked to location were suggested.

2.4.34 The report identifies the potential relationship of the golf resort and the already established Royal Liverpool Golf Club, the host of the 2006 Open Championship. With the other local and regional golfing provision being of high quality, there is great potential to add considerable value to the destination marketing opportunities of 'England's Golf Coast.'

The Jones Lang LaSalle Analysis and Case for a Golf Resort in Hoylake (Presentation)

2.4.35 Jones Lang LaSalle conducted a high level analysis and developed a case for the potential development of a golf resort in Hoylake. They produced a presentation which identified the following findings:

- The North West coast has some of the finest golf courses in England including two of the Open Championship venues in Merseyside.

- In order to be world class, the North West needs at least one major golf resort. It was the belief of the consultants that Hoylake could achieve this potential.

2.4.36 A number of key requirements were identified in order for it to be a 'resort' type facility. This included the provision of a 250+ bed 5 star hotel with ancillary facilities, quality branding, at least 2 golf courses, outdoor recreational facilities and the hotel to be supported by year round trade from business, conference, leisure and local usage.

2.4.37 Benefits were identified from a regional, sub-regional and from a Wirral perspective. These were:

- investment,
- tourism, employment,
- regeneration
- image of the region.

2.4.38 The consultants believed it is possible to develop, over time, an international brand golf led product at Hoylake. As already suggested, a golf resort of the high quality proposed with the range of supporting facilities and provision would have a significant economic and regenerative benefit and impact on the area.

2.5 Key Findings

2.5.1 There is a good strategic fit at regional, sub regional and local level for the development of a 'golf resort' development in the North West.

2.5.2 There are a number of benefits for the region as a whole in relation to tourism, regeneration, profile and the overall economic impact. Similarly the extent of these benefits would be affected by the actual location, and there are a number of locations that could support such a development.

2.5.3 The extent of the benefits would be more extensive locally but the nature of the product would have ongoing benefits for the region as a whole, particularly in relation to its ability to attract and accommodate additional regional, national and international events.

2.5.4 There is research evidence that supports and suggests a specific golf resort development on the Wirral would fit with a range of strategy documents. The concept would benefit from the following factors:

- current land availability
- the areas reputation for quality golf provision
- current course in situ (Hoylake Municipal) to be developed so reducing development costs
- the linkage and potential relationship with the Royal Liverpool Golf Club
- the opportunity to develop a 'Hoylake' brand
- the under supply of quality accommodation

3 MARKET REVIEW – GOLF

3.1 Introduction

3.1.1 This section of the report will focus on key elements of the golf market relating to supply and demand for golf internationally, nationally, regionally and locally. In it we present some of the key trends in golf particularly focusing on participation and opportunities for golf tourism.

3.1.2 The supply and evaluation of regional and national golf resorts is presented incorporating some international comparisons. In this context the golf and hotel markets are inextricably linked. Our analysis of the hotel market specifically relating to golf resort provision is set out in Section 4.

3.2 Supply

International

3.2.1 The number of golf courses worldwide is estimated at 32,000 with over half of these - 17,000 in the United States, where there are approximately 27 million golfers. European golf courses number slightly more than a third of the US total, at approximately 6,000, with the UK and Ireland having half the European total at 3,000.

3.2.2 In Europe there are 4 million registered players, and considerably more casual players than the US. This casual segment is estimated to be in the region of an additional 4-5 million, a total of 8-9 million. The estimate for the rest of the world in countries such as Japan, Australia and South Africa is 17-18 million.

3.2.3 In relation the organisational structure of golf course provision and operation there are principally two types, whether the provision is in the UK or the rest of the world. These are:

- Private Clubs and Courses
    - These usually require sponsorship by one or more existing members
    - Payments for joining upfront together with annual fees
    - Generally not profit making – there to serve the members

- Public Courses

  These can be split into 2 types:
    - Municipal – owned by local government
        - minority
        - quality and efficiency can vary
        - accessible to all
        - profitability a factor but seen as an amenity supported by local taxpayers

    - Proprietary – private owned
        - boom in golf, both in US in mid-20th century and in the 90's in the UK led to rapid growth in this sector
        - profitability prime concern

- location relation to catchment important
- quality of facilities important

3.2.4 The growth in new golf course provision has slowed considerably following the boom in the mid-20th century in the US and the 1990's in the UK. In the US 400 new courses (18 hole or equivalent) were opened in 2000. This was reduced to 150 in 2004. During 2004, 62 courses closed leaving a net gain of only 88.

3.2.5 In Europe with the exception of the UK and Ireland golf is a relatively young sport. According to the EGA (European Golf Association) the number of courses grew steadily during the 90's growing by approximately two thirds, 3,000 to 5,500 courses. However since 2000 the pace of growth like in the US has slowed and the number of courses actually retreated in 2004. In 2006 there are estimated to be 6,000 European Courses.

National

3.2.6 In 2005 there was just under 3,000 courses in UK with the percentage location split being:

- England/Northern Ireland 73%
- Scotland 21%
- Wales 6%

3.2.7 1992 was the initial start of the boom in golf course provision and this lasted until 1998 resulting in a 35% increase in golfing capacity, with most of the growth being in England. More than 600 courses have been built since 1990 with only 5% of those being Municipal.

3.2.8 The current estimation of the organisational structure split of golf provision according to the Golf Research Group is that one tenth is municipal, but they account for nearly 40% of rounds played annually.

3.2.9 The trend in operation as a result of increased competition is that a number of private clubs are widening their membership base and encouraged greater opportunities for younger players, the future lifeblood of any operation. This is achieved through pricing and reducing barriers to membership entry. This had led to a drift away from municipal courses, where fees have risen more rapidly than private clubs in the last 5 years.

Regional / Local

3.2.10 The North West Region is the only place in the world with three open championship royal courses all within a 1hr drive from a central point within the region. These are:

- The Royal Liverpool – Hoylake, Wirral
- Royal Birkdale – Southport, Sefton
- Royal Lytham - Lytham St Annes, Fylde

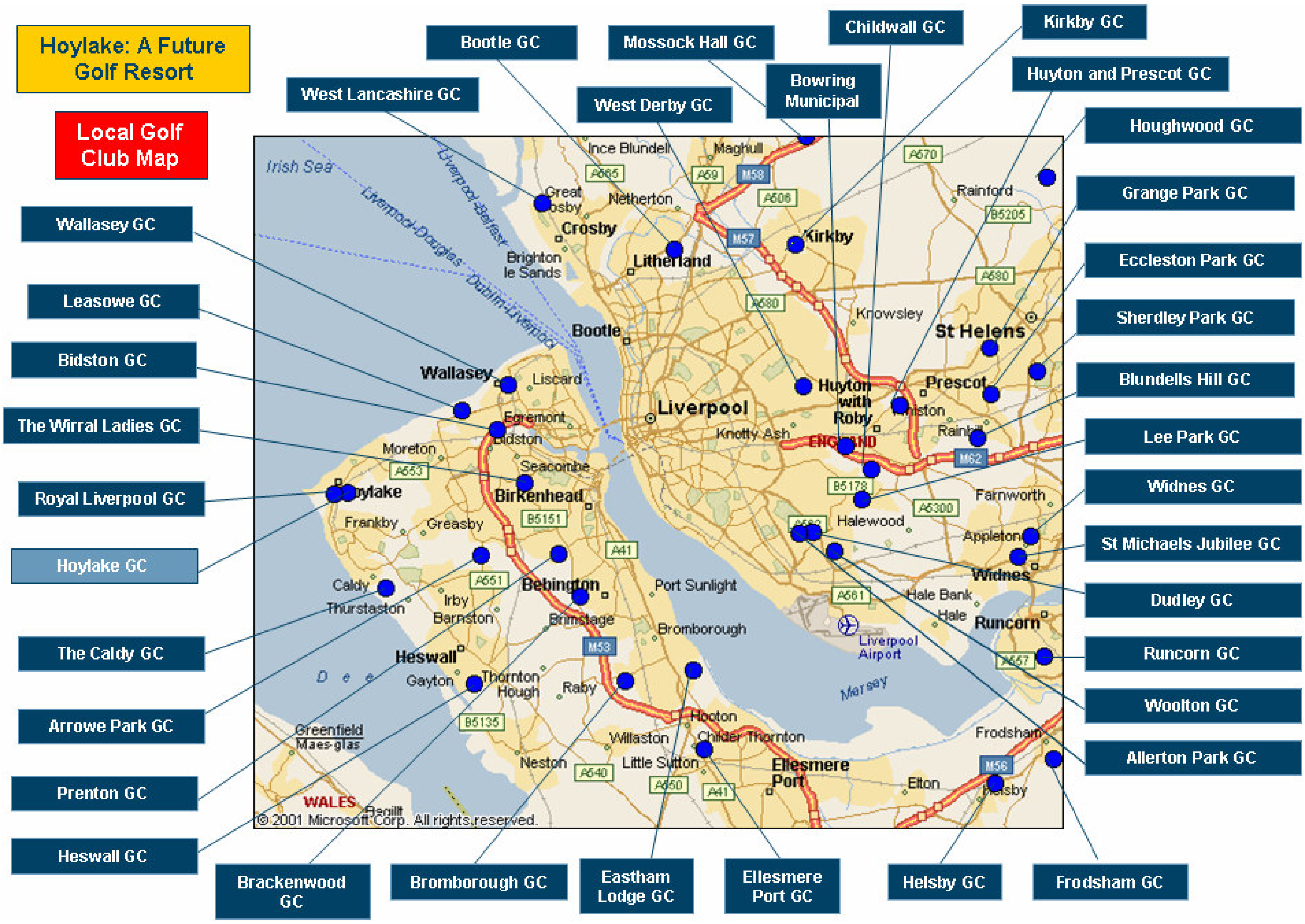
3.2.11 The above 3 courses rank in the world top 75 courses, at positions 72, 28 and 54 respectively and within the UK and Ireland the 3 are in the in top 20. Golf World's annual 'Top 100' courses published in June 2006 positioned the courses as follows:

Table 2 Golf Worlds position of the North's 3 Royals in the 2006 Top 100 Courses

Course	Position 2006	Position 2005	Movement
Royal Liverpool	15	16	Up one place
Royal Birkdale	4	3	Down one place
Royal Lytham	10	14	Up 4 places

3.2.12 The North West currently has 5 courses in the top 40, which is higher than any other region within the UK.

3.2.13 The provision specifically on the Wirral is extensive, not just in relation to the total number of courses, which is the one the countries highest concentrations per head of population, but also in terms of quality. The map below shows the provision of 18 hole golf courses within a 20 mile radius of Hoylake. A larger scale version can be found in Appendix 9.



3.2.14 A detailed analysis of the golf course provision within a 30 mile radius of the RLGC has been undertaken. We recorded the following:

- course name
- postcode
- distance from RLGC
- management operation
- number of holes
- course length
- course description
- ancillary facilities

3.2.15 This analysis illustrates a highly competitive position with 56 courses within a 20 mile radius and 110 within a 30 mile radius of the Royal Liverpool Golf Club. There are currently 14 courses in Wirral with four of those operated by MBW. Appendix 9 contains the analysis.

3.2.16 From a regional perspective the IMG Report commissioned by the Mersey Partnership advocates the North West as having the greatest concentration of quality golf provision to be able to attract additional golfing tourism. The report identified and qualified the North West's quality golf offer as part of 'Englands Golf Coast' which included the three Royal's, Liverpool, Birkdale and Lytham and included the following other courses:

- Hillside (Sefton)
- Formby
- Southport/Ainsdale
- West Lancashire (Sefton)
- Wallasey (Wirral)
- Silloth on Solway
- Fairhaven
- Hesketh
- St. Annes (Lytham)
- Caldy (Wirral)

3.2.17 It states the IAGTO (The International Association of Golf Tour Operators) suggest that within the UK the North West has the greatest potential to grow golf tourism, particularly with an improvement in the quality of accommodation, which could be in the form of a golf resort.

3.3 Golf Resort Supply Analysis

3.3.1 There is no definition of what constitutes a 'golf resort'. It is essentially the provision of hotel accommodation associated with the provision of a quality golf course or golf courses. They quite often have other service offers such as leisure, conference, health and beauty and spa operations as part of the overall facility mix.

3.3.2 The tour operators both general and specialist golf operators tend to be a bit looser with the definition, and will define a golf resort as hotel with access to or close proximity to a quality golf course.

3.3.3 This section of the report provides an analysis of the regional and national supply of golf resorts. There are currently 229 golf resorts in the UK and the national position per region is shown in the Table 3. A location map is in Appendix 11.

Table 3 UK Golf Resorts

UK Regions	Number of Golf Resorts*
North	24
Scotland	45
Ireland	58
East Midlands	13
West Midlands	19
East Anglia	22
West Country	19
South West	14
South East	15
Total	**229**

(Source: Internet Research 2005) * For definition see paragraph 3.3.2.

3.3.4 The consultant team used this data to establish golf resort provision within the North Region and the bordering regions of Wales and the East and West Midlands. The map below shows the location of current golf resort provision in the North.

Distribution of Golf Resorts - Northern England

3.3.5 Having established location we reviewed and recorded the following characteristics.

- name
- location
- number of golf courses within a 30 mile radius of the resorts postcode
- operator
- star rating
- web address links
- conference and exhibition provision
- leisure provision
- number of bedrooms
- external facilities
- extent of golf provision
- type of golf events held
- date established (where available)

Within this analysis we included some high profile resorts including Gleneagles, the Westin Turnberry, The Belfry and Celtic Manor and 3 international comparators from the United States and Canada. This analysis only included golf resorts where accommodation and golf were provided and operated together. This analysis is contained in Appendix 12.

3.3.6 Key findings from this golf resort analysis are as follows:

- Nationally there are a large number of golf resorts, 229 have been identified
- the North West has 10 resorts, suggesting it is quite a competitive market place
- the majority, particularly the larger operations, are managed by one of the national chains of hotels such as DeVeres, Macdonald and Marriot
- the majority have as a minimum a 4* hotel
- they all provide conference and exhibition space.
- with one exception they all provide a range of additional leisure facilities
- they all provide a minimum of a 18 hole golf course with the majority providing additional golf related facilities e.g driving ranges, teaching and practise areas etc
- the typical number of bedrooms in the adjoining hotel is 110 to 130

3.4 Demand

International

3.4.1 The international demand for golf provision within this study relates specifically to golf tourism market, the issues, the opportunities and the potential within the UK and specifically the North West.

3.4.2 International golf tourism, according to IAGTO (International Association of Golf Tour Operators), is estimated to be worth over £10 billion annually. North America is by far the worlds leading golf tourism market where it is estimated to contribute US$60 billion to the economy, some 6%of gross domestic product (GDP).

3.4.3 Golf generally attracts affluent, high-value adding tourists who generate significantly above average per capita revenues for the destinations they frequent.

3.4.4 Golf tourists can be further broken down into 3 categories:

- tourists who go on holiday to principally play golf
- tourists who play some golf as a secondary activity whilst on holiday or business trip
- those who attend tournaments as spectators

It is somewhat difficult to isolate the full extent of golf tourism, since trips which include golfing or attending tournaments may very well encompass other activities.

3.4.5 The principal market for golf tourism is the 'regular' golfers who play at least 8-12 times a year. Recently however there has been stagnation and even a slight decline in the numbers of regular or core golfers particularly in the mature markets of countries such as UK, US, Australia, and Canada. However the growth in the number of registered golfers in the wealthiest continental European Countries continues apace. With the exception of Scandinavia, already a mature market, Europe offers significant growth potential.

3.4.6 At the same time the number of 'casual' golfers is growing virtually worldwide providing the opportunities for tour operators and resorts to offer golf as an add-on feature to holidays as well as corporate and business events.

3.4.7 In the previous section on golf supply we commented on the down turn in new golf course development. The exception to this is in well-established golfing tourism regions including Florida, Canada, Scotland, Ireland and Spain. England and specifically the North West is currently not a well established tourism region – this is supported by the IMG/Mersey Partnership Report referred to in paragraph 2.4. Further international competition for the 'golf tourist' will come from emerging golfing destination such as Mexico, Thailand, Egypt, Dubai, Malaysia and even China.

3.4.8 The estimated number of holiday trips annually in the UK, from domestic and inbound tourists is 1 million. They generate a total spend of around £500 million of which £300 million is spent in Scotland.

3.4.9 Not only does Scotland generate a significant proportion of the overall UK market, but has seen considerable growth of £100m to £300m from the year 2000 to 2004. This is a fine example of destination marketing and the promotion of Scotland as a golfing destination.

3.4.10 According to A New Strategy for Scottish Tourism each year 200,000 people travel to Scotland from the UK on a trip that includes a golf component. This equals 3% of all UK holidays in Scotland. An analysis of golfers profiles in Scotland has also been developed differentiating between 'golfing holidays' and 'holiday golfers'. The different visitor profiles are identified in Table 4.

Table 4 Differing Profiles of 'golfing holidaymakers' and 'holiday golfers'

Golfing Holidaymakers	Holiday Golfers
Male groups	Mixed-sex groups
Larger groups (average 11)	Smaller groups (average 5)
Lower handicap golfers	Higher or no handicap golfers
Links/coastal and rural courses	Play small/remote/new courses
From rest of UK	From Scotland and overseas
Stay 4/5 nights –play every day	Stay 8 nights play golf every 2nd or 3rd day
Use hotels	Use B&B, self catering, and friends/relatives
Want better packaging of holidays	Want more inexpensive/discounted golf in Scotland

Whilst this analysis was developed in Scotland the different profiles are comparable for other regions in the UK.

3.4.11 The American and European market can also be segmented. Effective marketing to target segments as opposed to mass marketing provide clear opportunities to maximise the economic benefit for a country, region or a resort.

3.4.12 In addition to the traditional golf tourism markets of golfing holidays, holiday golf and events there are now a number of new emerging golf tourism markets including:

- golf instruction –golf schools
- golfing cruises
- golf hotels and resorts

3.4.13 Golf hotels and resorts are not a new phenomena, Gleneagles for example was founded over 80 years ago. What has changed is the number that have developed, in recent years, and the number of traditional hotels that have re-developed and added golf to improve marketability and occupancy levels.

National

3.4.14 Some of the national demand for golf has been alluded to in the previous section in relation to domestic golf tourism. This in comparison to the general golf participation market nationally is relatively low.

3.4.15 Sports Marketing Surveys UK Golf Market Survey 2004/5 states that 38% of all 12-65 year olds had an interest in golf, this represents 15.6 million people. Traditionally older, middle class males have held a higher interest in golf, currently 50%, but the balance is shifting with an increasing interest from females currently at 25%, and young people 12-19 at 31%.

3.4.16 National levels of participation in golf indicate that the total number of adults (aged 15+) who have participated in golf in 2005 is in the region of 4.4 million people. This figure incorporates all participation including par 3 course, driving range, pitch and putt and full length 9 or 18 hole. However core golfing participation, that is people who play golf at least once a month is only 1.7 million. According to the EGA

(European Golf Association) there are 1.27 million registered golfers in the UK a number that has grown by 50% since 1990.

3.4.17 The trends in driving range usage has also increased considerably by over 52% since 2002.

3.4.18 The overall market trends in participation suggests the level of core golf participation is remaining reasonable constant but it is the casual golf participation that is growing in line with other trends worldwide.

Regional / Local

3.4.19 The North West region as discussed earlier in this study has a unique selling point (USP) for domestic and in-bound tourism with the 3 royal championship courses within an hours drivetime from a central point. This is supported a range of other quality golf offers within the region.

3.4.20 This USP is now being promoted internationally, particularly in America with 19 US operators currently carrying the product and many UK operators marketing directly to them. There are also currently 4 UK operators that feature the North West in their promotional materials –

- Sport Golf Tours
- Golf promotions
- Grosvenor Travel
- Travelcare (Englands Golf Coast)

3.4.21 The tour operators believe the North West from a value perspective is better positioned than Scotland to generate additional tourism, but not as good as Wales. They also believe there are certain segments that are more appropriate to market to, principally the more affluent American market, which is less price sensitive. This is because of the reluctance of the clubs to provide bulk discount to operators.

3.4.22 The IMG Destination Marketing report attempted to develop some economic impact analysis of Golf Tourism in the North West. It estimated the current value being in the region of £10 million that was based on 3 types of courses and 8 different categories of use.

3.4.23 With targeted marketing and promotion of the region, attracting the high spending international tourist rather than the domestic day tripper, and increasing the annual rounds played from 10,000 to 16,000 the economic impact could potentially reach £35 million. However there are a significant number of elements that need to change to substantiate any increase on the current estimate and a certain amount of caution needs to be taken with these estimates.

3.4.24 We have demonstrated in section 3.3 the relatively high supply levels golf provision in the region and in Wirral in particular. There is also a range of courses to meet the needs of different market segments.

3.4.25 A golf resort would be providing a golf product at the higher end of the quality spectrum and target a number of market segments. A product not currently available and one which generates a significant amount of interest. A golf resort provides a quality golfing experience, normally only experienced at the top membership based clubs, to a wider range of participants in particularly the growing casual golf segment. Alongside the attraction for regional, national and international golf tourism would be the requirement to develop a local regular player market and establish a home club.

3.4.26 Information on current course performance, membership levels and trends is not available from the majority of golf courses managers. However, through consultation with suppliers there is a view that the Wirral area is well served with golf and there is limited need for further course provision. Any new development, dependant on the quality would generally be seeking to attract existing members and players from the existing clubs and courses and not develop a new market. The potential profile and ancillary facilities of leisure and spa would no doubt offer membership advantages to certain market segments, particularly family groups.

3.4.27 Information on golf course usage and income has been provided by the four municipal golf courses operated in the Borough Arrowe Park, Hoylake, Brackenwood and The Warrens. The usage of all the courses shows a slight down turn on for 2005/6 than the previous 2 years. Appendix 13 contains the income and usage for the 4 municipal courses 2002/3 to 2005/6 The national trend in usage of municipal course has reduced considerably in recent years with the advent of increased competition of proprietary pay and play courses and the change in some clubs membership restrictions. This reduction in Wirral is not as marked as other comparable municipal courses in other areas of the country the consultant team have recently worked including examples in West Yorkshire, West Midlands and South Yorkshire.

3.4.28 It is difficult to evaluate whether the reduction in rounds played is a result of a reduction in numbers playing or a reduction in frequency. Again from consultation with some of the local club representatives there is a view that membership numbers within private clubs are generally consistent year on year. The recognised top clubs on the Wirral and surrounding area do tend to have waiting lists although the extent of these is difficult to fully evaluate due to the commercial sensitivity of this information. Generally most other membership based clubs on the Wirral are accessible to most golfers without having to join a waiting list. The excess demand is only evident at the recognised top clubs/higher quality courses and is exemplified by the excessive demand for tee-times, let alone memberships, at the Royal Liverpool Golf Club.

3.4.29 There is no evidence to suggest that price is a key factor for attracting members as there a range of membership prices across the Wirral. An analysis for some of the courses membership pricing is in Appendix 14.

3.4.30 There is no doubt the level of interest for golf in Wirral and the North West will grow exponentially with the Open at RLGC in 2006 and hosting the Junior Open Championship at Heswall Golf Club just prior to The Open itself. Together with the economic impact of such an event estimated to bring £72 million to the region, with the greater benefit being in Wirral, there is the potential legacy benefit of future golf participation.

3.4.31 MBW have with a range of partners have put in place a range of development opportunities including work with schools, Tri-golf lessons and festivals to maximise the benefit of such a great opportunity. This together with the profile from the media coverage provides opportunities post the event to increase the level of golf interest and participation in the Borough.

3.5 Key Findings

3.5.1 The development of new golf courses has now slowed considerably in comparison to the boom of the 90's. There is little development worldwide with the exception of areas where golfing tourism is prevalent or expanding.

3.5.2 In the UK there has been a move away from the provision of municipal courses, a move towards proprietary pay and play courses and private clubs reducing membership restrictions.

3.5.3 The North West has a unique proposition with 3 'Royal' Open Championship Courses in the region, supported by a range of other high quality golf offers. This provides a great opportunity to develop further the golf tourism market.

3.5.4 The North West and particularly Wirral, has a very competitive supply of golf provision. The Wirral and surrounding areas however do not have a golf resort concept or comparable golf associated product. Whilst there are a number already established in the North of England it is a market that is growing.

3.5.5 Golf resorts comprise of a wide range of facilities and services but principally comprise of quality golf courses (1 or 2 18 hole courses), 4/5* hotel accommodation, quality food and beverage catering for a wide variety of events and added leisure provision. The actual mix of each resort will no doubt vary and be dependant on a number of factors.

3.5.6 The golf tourism market is worth around £500 million to the UK with the North West attracting around £10 million. With significant changes in branding, marketing, and particularly accommodation, which is reviewed in the following section 5, there is an opportunity to improve the NW share.

3.5.7 Golf participation amongst casual users is growing but remains stagnant amongst core golfers. Demand for additional courses on the Wirral is difficult to evaluate but any additional provision is likely to be built around displacement of existing members rather than focusing on new market entrants. The demand for top quality provision is evident and is likely to provide interest for the development of a quality course as part of the golf resort development. A standard municipal course will not generate any new demand.

3.5.8 Golf participation on the Wirral taken from the municipal course analysis has shown a decline in 2005/6 from the previous 2 years.

3.5.9 The Open Golf Championship at RLGC will bring a significant economic impact to the Region and the Borough and MBW has a great opportunity to maximise the opportunities resulting from the legacy of the event.

4 HOTEL AND TOURISM

4.1 Introduction

4.1.1 In this section of our report we consider hotel and tourism issues under the following headings:

- Policy Context & Consultation
- Golf Resort Concept
- Product Offering
- Supply – Competitive Context
- Demand
- Conference & Exhibition Market
- Marketing & Economic Benefit Issues
- Soft Market Testing
- Key Findings.

4.2 Policy Context & Consultation

Tourism & Hotel Trends

4.2.1 According to PKF's Hotel Britain 2006 total inbound visitors to the UK reached nearly 30 million in 2005. However, deterred perhaps by the London bombings, there was a significant drop in visitors from the US, with a consequent rise in visitors from Europe. Although London is still a key magnet it is anticipated that destinations outside London are increasingly attracting visitors from overseas.

4.2.2 As far as domestic tourism trends are concerned, the trends of the past few years in terms of shorter holiday breaks continues, with the Capital losing its appeal to domestic visitors. The deficit noted over the past few years has increased to some £18 billion with many more UK residents holidaying abroad than visitors attracted to the UK. This can be partly explained by the impact of the terrorist threat, but is more likely due to the expansion of budget airlines opening up new destinations and the perceived better quality and value for money of destinations and hotels outside the UK. In addition, divestment of assets by the big hotel companies has continued apace with a growing trend towards the US model of split ownership/operation. This has led to considerable transaction activity. Another trend has been the increase in branding across Europe, although there is a long way to go to reach the 70% of hotel rooms that are branded in the US. The budget sector of the industry has also seen strong growth

4.2.3 Interestingly, the results of another recent survey carried out in 2005 by TRI Hospitality Consulting bears out some of the trends mentioned above. Over 75% of their respondents believed that the split between management and brand and property would lead to an increased level of investment. Other issues influencing the industry will be divestment, and the further growth of the budget sector. As far as external factors were concerned, UK consumer spending levels were ranked as the most important issue affecting hotel demand. Interestingly, some 73% of respondents indicated that mixed-use hotel development (i.e. incorporating offices, retail or residential) would dominate in future. Levels of business confidence amongst hoteliers was high with nearly 80% saying that they were pleased or very pleased about current business performance

4.2.4 In terms of hotel performance the PKF national survey detailed in Hotel Britain 2006 (2005 data) showed:

- Average occupancy in the UK at 73.3%
- Average London occupancy at 76.5%
- Average regional occupancy at 71.7%

- Average achieved room rate in the UK at £ £81.71
- Average achieved room rate in London at £108.62
- Average achieved room rate in the regions at £67.06

- Average daily rooms yield in the UK at £59.92
- Average daily rooms yield in London at £83.13
- Average daily rooms yield in the regions at £48.08

Notes

Room occupancy – the proportion of the rooms available that are occupied
Average achieved room rate (AARR) - the total room revenue divided by the total rooms occupied during the year
Average daily room yield (also known as RevPar) - the total room revenue divided by the total available rooms.

4.2.5 Overall, the tourism market is becoming increasingly competitive. For a number of reasons overseas visits to the UK have been hit hard, and while there has been some recovery it is not enough to plug the growing gap between spending by overseas tourists here and that of UK residents going abroad. Average trip length continues to decrease. There is a belief that the domination of the hotel sector in much of the UK by low quality operations that offer poor value for money will exacerbate these trends

4.2.6 In the last couple of years the hotel sector has seen a flurry of activity, with businesses cutting costs and pricing aggressively. Business confidence is now high, with industry figures looking for hotel development in mixed-use projects.

4.2.7 Improved performance by hotels has meant higher AARRs, and hence higher room yield, with regional hotels outperforming London in terms of the growth achieved. In addition Liverpool performed particularly strongly, despite a significant increase in room supply.

4.2.8 All of these market trends bode well for quality hotel development in Wirral provided the site, supply and demand issues present an attractive picture to the potential investor/operators.

Regional and Local Context

4.2.9 As demonstrated in section 2, the consultant team has reviewed a wide range of policy reports on Merseyside and Wirral regeneration/tourism//hotel development. A full list is shown in Appendix 8. The team also undertook consultation with key regional and local stakeholders. We summarise, in respect of the tourism and hotel market the key findings from our document review:

- Consistent themes emerged from policy review and consultation
  - Recognition of need to develop tourism across Merseyside, and in Wirral in particular
  - Recognition of role that hotel development can play in regeneration and tourism development
  - Strong policy support for 5* hotel golf resort development in Wirral.
  - Concern about the potential viability issues associated
  - Reservations about the planning situation particular to the target areas
  - Recognition of the impact that the development could have on the regeneration process in Wirral.

4.3 Golf Resort Concept

4.3.1 Golf resort hotels are essentially destinations in their own right. While location, access and visibility are important success factors as they are for other hotels, the provision of golf courses of suitable quality and a range of other facilities are equally if not more important to their success.

The concept initially proposed for the Hoylake development comprised the following:

- A branded 5* Country House Hotels with up to 250 rooms, private driveway, conference restaurant, health & fitness, & spa facilities
- A minimum of 27-36 holes
- Outdoor recreational facilities
- Ability to attract a mix of leisure, business and conference uses.

4.3.2 In consultation with the project Steering Group it was agreed that to confirm the suitability or otherwise of this proposed facility mix we should undertake a wide-ranging review of trends in the product offering in golf resort hotels and this is discussed further in the following section.

4.4 Product Offering

4.4.1 As part of this study we looked at the golf resort hotel competitive set. We considered three groupings:

- Golf resort hotels in the NW
- Golf resort hotels in the wider UK and overseas

- Golf resort hotels in the PKF golf resort hotel performance sample.

The results of this survey are shown in Appendix 12.

4.4.2 The key points to be drawn from the analysis are that:

- Most hotels of this nature comprise the following:
    - A minimum of 50 rooms to a maximum of around 324 with branded hotels typically at the mid to upper ends of the range
    - Conference facilities of some 500m2 to 1300m2, with an emphasis on flexible, multi purpose design
    - Leisure facilities including pools, spa, beauty and gym – with an increasing emphasis on spa and beauty provision
    - Very extensive opportunities to access outdoor recreation other than golf, including, for example, access to shooting, fishing, archery, mountain biking, hiking, rock climbing and wet sports such as sailing, kayaking, jet skiing, waterskiing and many others besides
    - Quality golf facilities – typically two 18 hole courses plus possibly 9 hole course, driving range and tuition facilities.

- In addition, the research demonstrated that the resorts typically fit into two main categories:
    - 'Super' Golf Resorts/Hotels, usually associated with historic courses that hold world-class events. These hotels are often of 5* status (offering appropriate levels of service), are sometimes owned and operated independently rather than as part of a chain, and have a range of additional guest and conference facilities, and
    - Golf Resorts/Hotels, usually associated with newer courses that hold major events. These hotels are often of 4* status, are typically owned and operated as part of a chain, and also have a range of additional guest and conference facilities
    - Both types of golf resort hotel have essentially similar building footprints and ranges of facilities available, but the higher service levels in the 5* market mean higher running costs and the consequent need to achieve higher average room rates to remain profitable.

- We commissioned further market data from PKF to test the levels of performance that would be required to sustain a resort development of this type in the UK. The key elements driving performance are occupancy levels; AARR and room yield as discussed earlier. Results from a sample of 33 such hotels (most of 4* status) showed that in 2005, occupancy levels were some 70.5%, with AARR of £84.52 and room yield of £59.60.

4.4.3 It is our conclusion that the Hoylake development would need to at least match, if not exceed, the quality of facility mix that we had seen in the competitive set and that operational performance would also need to match or exceed that of other similar hotels.

4.5 Supply

4.5.1 We set out below the current hotel supply in the Wirral area.

Hotel Supply – Wirral – May 2006

Hotel	Standard	Rooms	Leisure Club	Conference Facilities		Rack Rate[1]		Operator
				No. Rooms	Max Capacity[3]	Single £	Double £	
Thornton Hall, Thornton Hough	4 star	63	✓	6	200	99.00	99.00	Independent
Village, Bromborough	3 star	93	✓	4	220	98.00	113.00	Village Leisure (De Vere)
Riverhill, Oxton	3 star	14				56.50	59.75	Independent
Grove House, Wallasey	3 star	14		1	70	56.50	59.75	Independent
Leasowe Castle, Leasowe	3 star	45	✓	5	400	70.00*	80.00*	Independent
Kings Gap Court, Hoylake	3 star	28		2	50	50.00	60.00	Independent
Hollins Hey, New Brighton	Grading lapsed	13		2	120	54.50	54.50	Independent
Central, Birkenhead	1 star	35				42.50*	61.90*	Independent
Premier Travel Inn Wirral Heswall	Budget	37				48.00	48.00	Premier Travel Inn
Premier Travel Inn Wirral Bromborough	Budget	32				48.00	48.00	Premier Travel Inn
Premier Travel Inn Wirral Greasby	Budget	30				48.00	48.00	Premier Travel Inn
Travelodge Wirral Eastham	Budget	31				42.95	42.95	Travelodge
Shrewsbury Lodge, Oxton	3 Diamond	16				42.00*	52.00*	Independent
Dibbinsdale Inn, Bromborough	2 Diamond	13				39.50*	50.00*	Independent
Russell, Wallasey	3 Diamond	19				30.00*	40.00*	Independent
Sea Level, New Brighton	2 Diamond	15				25.00*	50.00*	Independent
Bebington Hotel, Bebington	3 Star	11				25.00*	45.00*	Independent
Hillbark Hotel, Frankby	4 Star	27					160.00	Independent
Hotel accommodation total		**537**						
B&B properties total (16)		**122**						**Independents**
Ungraded properties total (11)		**85**						**Independents**
Total		**744**						

Source: Wirral Where to Stay Guide/ Liverpool Visitor Guide/ Tourism Solutions/ACK Tourism/Merseyside Partnership
Notes

1.Tariffs quoted are for standard rooms on a room only basis inclusive of VAT, unless indicated by an asterisk (*) as B&B rates.
2.Maximum capacity theatre style
3. Hollins Hey Hotel is not currently officially graded
* Bed & breakfast tariff

4.5.2 In considering the supply snapshot and in discussions with consultees it became clear that the total hotel stock in Wirral has not changed considerably over the last few years, although within the total room stock there have been changes. The key factors have been:

- closure of some smaller, lower quality owner operated hotels
- development of budget sector/limited service hotels
- continuing supply emphasis at budget/limited service end of market and
- lack of high quality 4/5 star equivalent full service hotel developments.

4.5.3 As far as we are aware there are no other major plans for expansion in supply in Wirral apart from the proposed golf resort hotel.

4.5.4 Our study also considered supply issues in the wider Merseyside context. The key conclusions from our review were that:

- There has been a great deal of hotel development in Liverpool particularly over the past few years, with an additional 1,000+ hotel rooms due to come on stream in the near future. There are also major additional major conference facilities being developed as part of the expansion of business tourism. Some of this development has been at the budget end of the market, but increasingly more up market development is taking place. There is also expansion planned in Sefton, again with more up market hotels being proposed.
- The situation in Wirral is that there has been no major overall supply change in terms of number of rooms available. However, while there has been some recent loss of supply at lower quality end of the hotel market, there has been some limited up market development. Overall, though, there is general agreement that there is a lack of quality in current hotel room supply, with no up market full service large hotel in the area.
- Despite the significant recent and planned increases in hotel supply regionally there are no developments whatsoever planned which have the same configuration and market positioning as the potential Hoylake golf resort, the development of which would meet the current supply gap at the up market level in the area.

4.6 Demand

4.6.1 We discuss the demand situation for Wirral hotels below.

Wirral 3*/4* Hotel Performance

Occupancy	Average Annual Achieved Room Rate
70.6%	£50.25

Source: Wirral Hotel Futures Tourism Solutions/ACK Tourism April 2004

4.6.2 Work carried out by Tourism Solutions as part of the Merseyside Hotel Futures study confirms that the mix of business in the Wirral is heavily biased towards the leisure market, with relatively minimal levels of business tourism.

4.6.3 The study considered demand issues in the Merseyside and Wirral specific contexts. The key conclusions were that:

- Occupancy levels in Wirral in the 3/4* hotel market are c70%, which is broadly in line with occupancy levels currently being achieved in regional UK hotels. There is some anecdotal evidence that current occupancy levels at the 4* level in the area may be higher in specific properties
- Information on average achieved room rates, however, suggests that these are significantly lower than other regional UK hotels at £50.25 in 2003 compared with an average of £62.90 across the UK that year. The UK regional average was £67.06 in 2005. Again, there is anecdotal evidence that specific properties are achieving higher AARRs than this
- Encouragingly, during the past few years Liverpool has shown record growth in occupancies and AARR despite major increases in supply
- Information obtained on golf resort hotel performance nationally shows that these types of developments currently achieve an occupancy level of 70.5% with AARR of some £84.52, significantly higher than that achieved in Wirral. However, these resorts tend to be destinations in their own right and often outperform other hotels in their local markets
- While there is some evidence of improving performance in the Wirral market, there is still significant underachievement in terms of AARR. However, if the area were to emulate the performance seen elsewhere in Merseyside over time this situation would improve and become more attractive to investors
- The overall conclusion of the study is that demand is likely to grow over the next few years, but the issue for developers and operators will be, in the short term at least, the AARRs that can be achieved. Regional evidence suggests that even with increased supply, these levels can be improved over time.

4.6.4 Therefore, while existing levels of performance would not match that expected by a golf resort hotel, we see some reason for optimism in that:

- Performance has improved over the past few years

- There is anecdotal evidence of better quality properties achieving much higher levels of performance than is currently the norm
- There may well be opportunities to improve performance still further by attracting more business tourisms as other regeneration initiatives take place in the Borough.

4.7 Conference & Exhibition Market

4.7.1 The conference market is a key one for golf resort hotels. Recent trends include the following:

- The market for both conference and exhibition centres has been strong in recent years. In both cases, venues have been seeking to expand capacity to accommodate increased demand from both corporate and non corporate users
- A key trend has been the development of more flexible space to cater to the demands of organisers, who are increasingly looking to hold conferences with associated exhibitions or, conversely exhibitions with associated conferences
- There has been increasing competition to attract the more lucrative (in terms of potential economic benefit) association conference sector. This sector tends to have events of longer duration than the corporate sector.
- In both cases, quality hotel stock is important for success. Many locations are looking to increase/improve quality of the surrounding bed stock. Again, this is driven by delegate/exhibitor demand for higher quality
- Estimates of associated economic benefit vary widely, but typically result in multi-million pounds of benefit, with associated impact on local jobs and the whole host economy
- The market offering most potential in the Hoylake context would appear to be corporate conferences.
- There will be growth in supply of exhibition and conference facilities regionally
- over the next few years, with Liverpool targeting the lucrative (in economic benefit terms) major association market. There is relatively little conference activity in Wirral currently, but this is partly due to the lack of suitable facilities. The smaller, corporate conference market has been growing over the past few years nationally and, as regeneration takes place in Wirral and more businesses are developed there, this is a market that any new golf resort hotel could target.

4.8 Marketing & Economic Benefit Issues

4.8.1 We have reviewed the potential marketing impact of the proposed development. There is no doubt in our minds that such a development would have a very positive impact on the image of the Borough and the wider North West. It would be unique in the region, its development could be linked with the staging of the Open Golf Championship and it would contribute to the marketing of the Golf Coast brand.

4.8.2 There is also an argument to say that there could be significant economic benefit resulting from the development. The following elements would typically be assessed in looking at the potential economic development:

- The economic impact associated with the hotel capital development process, for example its construction and the likely levels of temporary direct and indirect construction jobs created, plus any additional permanent jobs created.
- The direct, indirect and induced economic effects of the additional expenditure generated by visitors to Hoylake which will cascade throughout the economy. The direct impact is the value of this additional expenditure (less the value of imports necessary to supply goods and services). The recipients of the additional expenditure will also need to purchase supplies etc. This wave of expenditure results in the indirect effect. It should be borne in mind that there may be some leakage of this expenditure. Finally, income will accrue to local residents in the form of wages, salaries, etc. Some of this will be spent in the local economy – which results in induced expenditure. When all three levels are estimated the full impact can be assessed. One North East's Tourism Impact Study 2002 estimates that for every £1 of direct tourist expenditure another £1.79 of indirect and induced expenditure is produced.
- The displacement effect; for example if the development were to take place at the expense of other industry sectors, which is probably not relevant in this case.

4.8.3 We are aware, for example, of other golf resort hotels supporting in excess of 200 local jobs – this excludes any construction related jobs created.

4.9 Soft market testing

4.9.1 We undertook a series of 'soft' market tests to assess the market view of Wirral as a place to invest in a golf resort hotel development.

These indicated:

- A significant degree of interest in development/operation of a 4* resort in the target area
- Interest coming particularly from local entrepreneurs, with some interest also from other developers/operators
- A view that the Council should facilitate the planning process (discussed elsewhere) to mitigate developer/operator risk
- A concern about the financial viability of any potential development, given the performance issues mentioned above, of which contacts were well aware
- A view from some quarters that some enabling development (housing being mentioned specifically) would be required to overcome the viability issues. Willingness was expressed to explore this further with the authority. We were pleasantly surprised at the degree of interest that was expressed, primarily by developers and entrepreneurs. This encouraging picture was however tempered by the need for there to be some enabling development to help contribute to the capital cost of the new facilities.

4.9.2 We consider that if the Council wishes to progress the development it should review the options available across the Borough for cross fertilising enabling development, and also keep a close watch on the level of enabling development that might be required as and when hotel performance improves closer to the levels that would need to be achieved by a golf resort hotel.

4.10 Key Findings

4.10.1 While the UK has a tourism ‘balance of payments’ deficit, this is in part due to the perceived lack of quality and value for money in the hotel sector. Despite this, the hotel sector regionally is performing well, and progress in Liverpool specifically has been notable.

4.10.2 There is a clear gap in Wirral’s hotel supply at the quality end of the market. Occupancies at the 3*/4* level are equivalent to those achieved elsewhere in the regions. Although supply has increased in the region, occupancies and room rates have held up well.

4.10.3 The planned increase in supply does not include any other golf resort hotel of the type envisaged in Wirral. AARRs in Wirral are lower than the average achieved in the regions and also lower than those required to sustain an up market golf resort hotel. Nevertheless, there is anecdotal evidence that these levels are rising.

4.10.4 There is also developer/operator interest, with the proviso that in the current market one interest sought an element of enabling development that would possibly be required to make the financial case. The development could also lead / contribute to a more positive image of the Wirral and would probably deliver significant economic benefit in addition.

4.10.5 We are therefore relatively optimistic that in time, and assuming a favourable planning/enabling situation, hotel development of the proposed type might be achieved.

4.10.6 We recommend that prospective developers/operators be given relevant extracts from our report in order to inform their interest and that that the situation is kept under review at regular intervals in the light of changing circumstances.

5 PLANNING REVIEW

5.1 Introduction

5.1.1 The area of land under consideration for the development of a new high quality golf resort is principally in agricultural use. Part of the potential site area accommodates a 18 hole municipally run golf course. In town planning terminology the site is designated Green Belt. This Green Belt land use designation is a major obstacle to development. A significant issue for the feasibility study to address is the likelihood of planning permission being granted.

5.1.2 In undertaking the investigation of this element of the feasibility study the consultant team has:

- reviewed national, regional, sub regional and local planning guidance
- held discussions Wirral Borough Council, Forward Planning and Development Control Officers
- investigated other major leisure developments on Green Belt sites
- considered the implication of the need to undertake a Sequential Test

5.2 Policy Review

5.2.1 The following planning policy documentation has been reviewed:

- PPS1 Delivering Sustainable Development
- PPG2 Green Belt
- Circular 11/2005 The Town & Country Planning (Green Belt) Direction 2005
- PPS6 Planning for Town Centres
- PPS7 Sustainable Development in Rural Areas
- PPS9 Biodiversity and Geological Conservation
- PPG13 Transport
- PPG16 Archaeology and Planning
- PPG17 Planning for Open Space, Sport and Recreation
- PPG21 Tourism
- Good Practice Guide on Tourism published by the Department for Communities and Local Government in May 2006. This document will replace PPG21 with effect from 1 September 2006.
- RPG13 Regional Planning Guidance for the North West (RSS) Issued March 2003
- Wirral Unitary Development Plan (UDP) adopted February 2000

5.2.2 In the course of the study we have also reviewed a number of other strategic policy documents concerned with the future development and shape of the tourism offering in the North West Region. Within this planning review we have examined the following documents:

- NWDA A New Vision for Northwest Coastal Resorts, March 2003
- NWDA The Strategy for Tourism in England's Northwest, 2003
- NWDA A Strategy for Major Events in England's Northwest, March 2004
- Merseyside Tourism Strategy 2003 – 2015
- The Liverpool City Region – Contributing to the Northern Way
- Wirral Tourism Development Strategy, 2003
- Wirral Hotel Futures, 2004
- Regeneration Master Plan for Hoylake and West Kirby, Nov 2004

5.3 Planning Considerations

5.3.1 The fundamental issue to consider is the Green Belt designation. The key question for the study to answer is will a proposal of this nature be able to overcome the Green Belt policy objection?

5.3.2 The policy review has identified that policy directives and strategy documents at national, regional, sub regional and local level place significant restrictions on the amount and scale of built development that will be permitted in open land. Without exception, the policy documentation reviewed, recommends that new built development associated with developing tourism and leisure markets is concentrated within existing urban areas.

5.3.3 Circular 11/2005, which came into force in January 2006, re-emphasises the Government's commitment to the principles of the Green Belt and to maintaining tight planning controls over development on Green Belt land. Planning applications are expected to be subject to the most rigorous scrutiny having regard to the fundamental aim of the Green Belt policy.

5.3.4 National planning guidance in PPG2 sets out five purposes of including land in the Green Belt as follows:

i) to check unrestricted sprawl of large built –up areas;
ii) to prevent neighbouring towns merging into one another
iii) to assist in safeguarding the countryside from encroachment
iv) to preserve the setting and special character of historic towns
v) to assist in urban regeneration by encouraging the recycling of derelict and other land

5.4 The Wirral Unitary Development Plan (UDP), Adopted Feb 2000

5.4.1 Although the raft of national, regional and sub regional guidance is significant, in the plan-led development system in which planning decision making currently operates, the most important policy guidance is that contained in the Adopted Wirral UDP and RSS. We have therefore considered in more detail the advice and guidance they contain.

5.4.2 The RSS provides the framework for development within the region. The sought after urban renaissance is focused in the cities of Liverpool and Manchester and other key towns throughout the region. The Wirral, with the exception of Birkenhead is not a recognised growth area. Green Belt policy is seen as a key tool in restricting growth and controlling development in rural areas.

5.4.3 Retail and leisure proposals must adopt the sequential approach. Whilst tourism is seen as an economic driver, development is favoured in the regeneration priority areas. The area under consideration is not defined as a priority area. Development proposals must make a positive contribution to the active management of the environmental resources of the region.

5.4.4 The planning strategy for the Wirral is based around three core themes:

- building on Wirral's assets to develop its economy
- regenerating the older urban area; and
- improving and protecting the environment

5.4.5 Underlying the planning strategy is the guiding principle of urban regeneration. The emphasis of the strategy is to put the heart back into run down areas that are not reaching their full potential.

5.4.6 Policies of development restraint outside the urban area are of vital importance in directing development and investment to the areas of greatest need. There is a particular emphasis on maintaining a 'tight' Green Belt in the Wirral.

5.4.7 This comment about maintaining a 'tight' Green Belt is echoed in RPG 13, Regional Planning Guidance for the North West, which includes as a principle strategic objective to maintain the Merseyside Green Belt to check urban sprawl, safeguard valuable countryside and assist urban regeneration. The Regional Spatial Strategy provides the regeneration context for the UDP.

5.5 UDP Policy Considerations

5.5.1 The UDP Proposals Map has designated the area under consideration for the development of a Golf Resort as Green Belt. A significant number of the fields within the potential development area are designated as an Area Requiring Landscape Renewal (ARLR). This ARLR area is referred to as the North Wirral Plain (Hoylake).

5.5.2 Policy URN1 sets out the general principles for development. The Borough has a dual strategy of encouraging investment and development in urban areas and in those areas suffering worst conditions and operating constraint in non-urban areas. The UDP makes it clear that sites in the Green Belt will be protected from inappropriate development.

5.5.3 Policy REC1 establishes the principles for sport and recreation. New facilities will be directed towards the existing urban area and to locations where they are easily accessible by public transport. Outside the urban area provision will be restricted to facilities for outdoor sport and outdoor recreation which preserve the openness of the Green Belt and to facilities which can be accommodated within an existing building.

5.5.4 Policy TLR1 Tourism attractions and visitor facilities outside urban areas will be restricted to facilities which can be accommodated within an existing building and to uses of open land which preserve the openness of the Green Belt.

5.5.5 Policy TL7 Criteria for hotels and guest houses with public facilities seeks to restrict development to suitable urban commercial locations.

5.5.6 In considering proposals for development on agricultural land, Policy AGR1 the LPA will seek to prevent the loss of Wirral's best and most versatile open land, severance of a farm holding and unacceptable nuisance or disturbance to existing agricultural enterprise.

5.5.7 Principles for landscape, Policy LAN1 seeks to promote the improvement and enhancement of damaged landscapes, identified as requiring landscape renewal.

Green Belt Policy

5.5.8 Policy GB2 identifies that there is a general presumption against inappropriate development in the Green Belt and that permission for development will not be granted except in very special circumstances.

5.5.9 Use of the Green Belt for sport and recreation uses may be appropriate if they contribute to preserving its openness and do not conflict with the purposes of including land within it, namely to check the unrestricted sprawl of large built-up areas, safeguard the surrounding countryside from further encroachment, prevent neighbouring towns merging into one another, preserve the character of historic towns and to assist in urban regeneration.

5.5.10 Existing buildings within the Green Belt may be re-used. As a result of diversification some farm building are no longer required for their original purpose. Appropriate re-use should minimise demands for additional infrastructure.

5.5.11 Tourist facilities are defined as facilities that are likely to attract visitors from outside the Borough. Policy TLR1 sets out the strategic principles to guide future tourist development. In general terms this will be towards the urban area and will be specifically encouraged in three main urban locations of West Kirby, New Brighton and Birkenhead. While visitor facilities will not be excluded altogether from the Borough's more rural areas they are to be strictly controlled. Any new tourism related use of the Green Belt must contribute to meeting the objectives of the Green Belt.

5.5.12 TL10 sets out the criteria for tourism development in the Green Belt. The criteria relate to the scale of development and the impact upon the surrounding area as follows:

- The nature and scale of the proposals are appropriate to the setting and character of the surrounding area.
- The visual impact of the proposals, including the impact of related outdoor uses and facilities, is acceptable within the local landscape.

- Adequate provision has been made for highway access and on site car parking and servicing requirements
- The likely number of visitors and the level of traffic likely to be generated along rural roads can be accommodated without major alteration to local infrastructure and
- The proposals would not cause unacceptable disturbance to neighbouring property and land-uses, including wildlife
- The proposals would be accommodated within an existing building or would otherwise preserve the openness of the Green Belt.

5.5.13 Policy LAN1 requires special attention to be given to preserving the character and appearance of landscapes that are considered to be amongst the most outstanding within the Borough, and to upgrading landscapes that are considered to be amongst the worst. Within these identified areas landscape preservation and landscape renewal will be considered to be a priority.

5.5.14 Within areas for renewal, proposals which secure positive improvements to the visual appearance of the area will be permitted. ARLR area of degraded landscape which detract from the image and attractiveness of the Borough.

5.5.15 The planning aims for the ARLR within the North Wirral Plain are not radical. The UDP states that there is scope for enhancing passive recreational use, improvements to the footpath network and the reintroduction of hedges and trees and the retention of existing ponds.

The Development Proposals

5.5.16 In respect of the concept of a golf resort whilst essential facilities for outdoor sport and recreation are considered to be appropriate land uses in the Green Belt. New developments such as a hotel, conference and exhibition facilities, timeshare lodges, indoor health and fitness and spa facilities are classified as inappropriate development. A development of this nature would thus be contrary to national planning policy and represent a departure from the Wirral UDP. To achieve planning consent therefore any proposed development will have to demonstrate very special circumstances that require an exception to policy to be made and permission granted. A decision of this nature is likely to be subject to a 'call-in' by the Secretary of State. What this means is that if Wirral Borough Council were mindful to approve an application on a designated Green Belt site, that decision making power would be removed and the decision would be taken at Central Government level.

5.5.17 The proposed development of a golf resort and the associated built development on the site identified is clearly contrary to the planning policy set out in the Wirral UDP and whilst we can assume that the development would address the issues surrounding landscape renewal, this alone is not an exceptional circumstance that would allow an exception to be made and planning permission granted.

Consultation

5.5.18 Consultation with a number of planning experts supported the view that the consultant team had correctly interpreted the UDP policy guidance and that an application for a golf resort with associated build development on the scale associated with development of this nature would be contrary to the development strategy for the area and in direct conflict with several strands of the UDP adopted policies. Most notably Policy GB2 as it would be considered as inappropriate evelopment in the Green Belt. .

5.5.19 It is evident any applicant would have to demonstrate very special circumstances and we would anticipate that the application would be the subject of a call-in.

5.5.20 Throughout Merseyside development in the Green Belt is being increasingly restricted. The more lenient approach adopted by some authorities in the late 1980's and early 1990's has changed. Applications in the Green Belt and the requirement to prove exceptional circumstances are, in today's planning climate, subject to far greater scrutiny. Planning permissions granted for the Chester Business Park and Carden Park Golf and Country Club by Chester City Council some 15 – 20 years ago would, in our opinion, be much more difficult to justify under the current planning regime as set out in national advice and RSS, with the requirement to preserve open space and focus on the re-use of brown field and derelict sites. Development of this nature, although historically permitted in the Green Belt, was in a different planning era and sets no precedent for applications made today.

Other Developments

5.5.21 Although we acknowledge that one planning decision cannot set an automatic precedent for another and that as a general principle, each case must be considered on its individual merits we have investigated and reviewed a number of recent applications for substantial development in the Green Belt.

<u>Center Parcs Forest Holiday Village, Bedfordshire</u>

5.5.22 Center Parcs (Operating Company) Ltd has applied to Mid Beds District Council for consent to develop a further Centre Parc Forest Holiday Village at Warren Wood, a 138 hectare area of woodland and 10 acre of farmland, approximately 1 mile to the west of Ampthill in Bedfordshire. The application site is within the South Bedfordshire Green Belt and an Area of Great Landscape Value defined in the Mid Bedfordshire Local Plan first review and a designated County Wildlife Site.

5.5.23 The main elements of the £160 million pound proposal include 700 villas, 100 units of staff short term accommodation, main building incorporating swimming pool, bowling alley and restaurant complex, second main building incorporating 2 sports halls, 75 bed hotel, Spa Complex, retail and entertainment complex, beach kiosk, pancake house, 1400 car parking spaces and various engineering operations to facilitate new lakes and internal cycle and footpaths.

5.5.24 The most significant planning issues in this case are clearly the Green Belt and Area of Great Landscape Value designation of the site and application of the Sequential Test and the related search for an alternative site. The applicant has set criteria to demonstrate to the Council that no other site within a specified 'zone of search' is available. Whilst the methodology adopted by the applicant is subject to differing interpretation this approach has been accepted by the authority as satisfying the Sequential Test.

5.5.25 In terms of 'very special circumstances'; the applicant has identified need and economic benefit. The estimated economic benefit, both during the construction phase and ongoing once the development opens is substantial. It is the wide-ranging economic benefit that this multi-million pound development will bring to an area that needs to create an estimated 50,000 jobs by 2021, that is the backbone of the very special circumstances that will potentially allow a development of this nature in the Green Belt to obtain planning consent.

5.5.26 Mid Beds District Council are mindful to approve this application and Bedfordshire County Council do not wish to raise an objection. Both authorities Members have been persuaded by the economic benefits that the development will bring to the area to allow an exception to Green Belt policy. It is anticipated that the application will be called in for determination by the Secretary of State.

5.5.27 Whilst the local authority is mindful to allow development, the application is not without its critics and a large number of objectors who fundamentally object to this proposal and believe that Green Belt policy guidance is being flouted and that the application should be refused.

Bluestone Wales Holiday Village, Pembrokeshire

5.5.28 A similar proposal for a holiday village was granted planning consent in the Pembrokeshire Coastal National Park. It must be noted this proposal is in Wales and policy guidance interpretation and inspection does differ from policy with England as identified throughout this section. The proposals included a Waterworld leisure complex, a snow centre, a traditional Pembrokeshire Village (Bluestone), traditional sports facilities and 340 timber lodges. The application was granted consent in 2004. It was however the subject of a legal challenge by the Council of the National Parks charity group. The challenge was rejected by the Supreme Court of Appeal and the development is set to go ahead. Whilst not a Green Belt site, the site is partially in the National Park. The decision to permit development rested on the applicant demonstrating that material considerations were such that an exception to development plan policy should be made. The decision to grant planning consent despite the proposals being contrary to the development plan was granted on the basis of the economic benefits to the local and sub regional economy. This outweighed the potential harmful impact on the environment and the application was permitted. The development has attracted significant regional grant aid.

'Yes' Entertainment and Sports Complex, Rotherham Borough Council

5.5.29 In May of this year, Rotherham Borough Council, resolved to support an application for a £300million pound leisure complex on a Green Belt site. The 320-acre scheme includes more that a million square feet of leisure amenities including a four star resort hotel and spa, a three star family orientated hotel, an Olympic standard canoe slalom course, an extreme sports centre, gold driving rage and a Universal Studios style attraction. The new leisure complex is supported by a range of new bars and restaurants.

5.5.30 The application was supported by the Council on the grounds of economic development and the significant number of new jobs it will bring to a region that is still feeling the detrimental effects of the need for employment restructuring following mine closures and the loss of mining industry jobs.

5.5.31 The Secretary of State has decided that this project does not need to be called in for examination.

<u>Crow Wood House Farm, Burnley</u>

5.5.32 In September 2000, planning consent was granted at appeal for the development of an equestrian, sport and leisure development on 38ha of land at Crow Wood House Farm in Burnley.

5.5.33 In this case the Secretary of State accepted the following special circumstances to justify the new buildings that were considered, by Burnley Council, to be inappropriate development in the Green Belt.

- The need for sporting facilities in the area and the comprehensive nature of the proposals
- The lack of viable alternative sites to accommodate the proposed facilities
- The improvements to the landscape which would result from the planting
- The provision of new bridleways and footpaths linking to existing networks
- The contribution that the development would make to Burnley's economic development and image

5.5.34 The extensive outdoor facilities were not considered to conflict with the purposes and role of the Green Belt.

5.5.35 These case studies provide evidence that a Green Belt designation, can in certain situations be overcome and that through demonstrating exceptional circumstances planning consent can be achieved.

5.5.36 The recent application in Bedfordshire that is being referred to the Secretary of State for determination is a very major development with extensive economic benefits. Although the Council is mindful to approve the proposal the application has attracted considerable opposition and they will in the forthcoming months be an interesting test of Government attitude towards long-standing Green Belt policy vis a vis the need for jobs and investment in the region.

5.5.37 What the investigation reveals is the uncertainty associated with development on Green Belt sites and the need for intervention by the Secretary of State to resolve applications.

Sequential Test

5.5.38 PPS6 Planning for Town Centres indicates that hotels and indoor leisure sites such as health and fitness are classed as town centre uses. Such uses proposed outside of an established town centre and not allocated in an adopted development plan must demonstrate 'need' for the development and that a sequential approach to the selection of the application site has been applied.

5.5.39 Within the North West and more specifically within the area defined as England's Golf Coast there is an identified need for high quality accommodation to attract high spending golf tourists who are attracted to the region by the unique opportunity to play a range of high quality golf courses and more specifically the opportunity to access within a 60 minute drive time the championship golf courses at Southport (Royal Birkdale), Hoylake (Royal Liverpool) and Lytham St Anne's (Royal Lytham). The absence of high accommodation has been identified in the recent IMG Report as a reason why visitors seeking a high prestige golf experience are currently more likely to visit a competing offer in Scotland, Ireland or the Home Counties.

5.5.40 If England's Golf Coast is to compete more successfully in this lucrative market area then the need for quality hotel accommodation must be met.

Application of the Sequential Approach

5.5.41 A unique feature of England's Golf Coast is access to the three Royal golf courses, Liverpool, Birkdale and Lytham St Anne's. In an application of the sequential approach it is our understanding that to satisfy the sequential test any site search must look beyond the Wirral, and consider sites of a similar proximity of the Royal Liverpool to the development site in question to the Royal Birkdale and Royal Lytham. A detailed site search of this a nature is beyond the remit of this study, however the principal of satisfying the need for the Sequential Test has an implication for the feasibility of the project and its ability to achieve planning consent.

5.5.42 In Southport, the town adjoining the Royal Birkdale Golf Course there are two new high quality hotels that are about to be developed. Both have planning consent and are about to go to site. Thus new high quality bed spaces will be available in 2008. Furthermore there are a number of other developer led proposals in Southport set to increase further available high quality bed spaces. In Regeneration and Renewal Magazine, dated 26th May 2006, it is reported that Neptune Developments have submitted plans to Sefton Council for the development of a casino, a 133 bedroom 4* hotel with associated restaurants, bars and exhibition space and conference facilities. These new developments in Southport, which focus on meeting unmet need for high quality hotel accommodation make the justification of the development of a Green Belt site in Hoylake significantly more difficult to overcome.

5.5.43 The concept of a golf resort development relies primarily on the linkage between quality 4/5* hotel accommodation and quality golf provision such as that provided at one of the three Royal Golf Courses in the Region. This linkage differentiates the product offering and creates a unique market opportunity. The developments in Southport whilst improving the quality of accommodation and number of bed spaces in the region cannot demonstrate filling the supply gap for a golf resort. There is limited opportunity to maximise this unique market position at Lytham or in Southport, but there is in Hoylake. The golf resort concept has to be considered as a packaged development not a hotel or a golf course in isolation.

5.5.44 However any applicant will need to be able to demonstrate that the site in the Wirral is the only site, within potentially an hours drive time of the three Royal Golf Courses capable of accommodating a resort. Proving such a case will not be easy.

Key Findings

5.5.45 The area under consideration for development is designated Green Belt. A very significant issue for the feasibility study to address is the likelihood of planning permission being granted.

5.5.46 The policy review undertaken by the consultant team has identified that policy directives and strategy documents at national, regional, sub regional and local level place significant restrictions on the amount and scale of built development that will be permitted in open land. Without exception, the policy documentation reviewed, recommends that new built development associated with developing tourism and leisure markets is concentrated within existing urban areas.

5.5.47 Fundamentally a proposal of this nature, although developing the tourism facilities within the region and adding to the overall sporting and cultural offering is contrary to the planning framework for the region contained in the RSS.

5.5.48 The most significant planning policy document is the Wirral UDP, adopted in February 2000. Within this document there is significant emphasis on maintaining a ‘tight’ Green Belt. A policy sentiment echoed throughout Merseyside. This policy objective has consistently been demonstrated through the actions of Wirral BC Members in respect of previous applications to allow built development in the Green Belt. However a golf resort project of the scale and nature envisaged has not previously been considered.

5.5.49 Circular 11/2005, which came into force in January 2006, re-emphasises the Government commitment to the principles of the Green Belt and to maintaining tight planning controls over development on Green Belt land. Planning applications are expected to be subject to the most rigorous scrutiny having regard to the fundamental aim of the Green Belt policy.

5.5.50 Whilst golf course are an appropriate land use development in the Green Belt the concept of a golf resort and the requirement for significant associated built development is contrary to policy as set out in the Wirral UDP. Any application of this nature would, we anticipate, be ‘called-in’ for determination by the Secretary of State.

5.5.51 The interpretation of policy documents made by the consultant team have been discussed with representatives in the Forward Planning and Development Control Teams at Wirral Borough Council. . The consultants teams view is that any application would be required to prove special circumstances to justify an exception to policy, would need to satisfy the requirements of the Sequential Test and would be likely call –in by the Secretary of State.

5.5.52 Precedent does not carry any legal standing in determining planning applications. We have however investigated a number of recent applications for substantial development in the Green Belt. Two large applications are currently challenging Green Belt policy, these are proposals for a new Centre Parcs Forest Holiday Village in Bedfordshire and the ‘YES’ Entertainment and Sports Complex in Rotherham. In both cases, based principally on the grounds of economic development, the Councils are, as an exception to policy, mindful to grant planning consent

5.5.53 These applications are multi-million pound developments, each potentially creating several thousand long term employment opportunities. It is principally on the grounds of economic benefit that the local authorities concerned have accepted the ‘very special circumstances’ presented by the applicants and sought to allow the developments as an exception to policy.

5.5.54 Determination of an application by the Secretary of State is difficult to predict, it is therefore a high-risk strategy for any would-be developer with limited opportunities to discuss the merits of any application with staff in the relevant regional Government Office.

5.5.55 In accordance with policy set out in PPS6, any potential planning application for a golf resort which includes a hotel will need to overcome the requirement of the Sequential Test. The applicant will be required to prove that the land area identified as part of this study is the only suitable site within a 60 minute drive time of the three Royal Golf Courses, Liverpool, Birkdale and Lytham St Anne’s.

5.5.56 In summary the Green Belt land use designation is a major obstacle to the proposed development and it is the professional view of the consultant team that the ‘very special circumstances’ required to overcome Green Belt policy could not easily be substantiated, on the evidence available, within the existing planning regime to enable a planning consent for a golf resort, as defined in the section on product mix, to be granted.

5.5.57 It is our considered view that the aspiration for a golf resort in the site area identified, within the existing planning regime will prove very difficult to achieve planning consent.

6 CONCLUSIONS AND NEXT STEPS

6.1.1 The aim of the study was to develop previous consultancy work on the concept of developing a Golf Resort on the Wirral and through the preparation of a detailed and robust assessment of need challenge the Councils aspiration. Our task was to determine whether a resort development is feasible and to assess the likelihood that planning consent for the concept could be achieved.

6.1.2 In assessing the project feasibility we have undertaken the following:

- Considered the alignment of the concept with regional, sub–regional and local policy strategies and frameworks
- An initial assessment of traffic impact
- Researched and analysed the golf resort market including a detailed analysis of the existing supply and potential demand for the concept and more critically the supply and potential demand for a 4/5* hotel development
- Defined through comparative research the golf resort product mix
- Reviewed planning policy documentation, investigated case studies and formed an opinion on the likelihood of a golf resort and the associated development being granted planning consent.
- Investigated, through a soft market testing exercise the views of potential developers and market operators.

6.1.3 In summary the study teams findings are as follows:

- A golf resort typically comprises:
  - A minimum of 50 rooms to a maximum of around 324 with branded hotels typically at the mid to upper ends of the range
  - Conference facilities of some 500m2 to 1300m2, with an emphasis on flexible, multi purpose design
  - Leisure facilities including pools, spa, beauty and gym – with an increasing emphasis on spa and beauty provision
  - Very extensive opportunities to access outdoor recreation other than golf, including, for example, access to shooting, fishing, archery, mountain biking, hiking, rock climbing and wet sports such as sailing, kayaking, jet skiing, waterskiing and many others besides
  - Quality golf facilities – typically two 18 hole courses plus possibly 9 hole course, driving range and tuition facilities.
- There is a good strategic fit at regional, sub regional and local level for the development of a golf resort in the North West. This proposal would provide a range of economic benefits, enhance the tourism offering of the region and provide direct investment and regeneration in West Wirral.
- The golf resort is a product that has been a successful development elsewhere nationally and in the North of England. The association with one of the 3 Royal Golf Courses provides a unique opportunity to develop a product that will generate significant demand. Out of the three courses the location at Hoylake provides a greater opportunity to develop the concept primarily due to land availability and the existing municipal golf course.

- Whilst the golf resort, notwithstanding any special events, is unlikely to generate significant levels of traffic, the scheme will increase traffic flows and therefore have an impact on the surrounding highway network. This is not felt to be significant although this issue would need to be further addressed in a TIA that accompanied any application for development.
- The golf market is mature, complex and as a result highly segmented.
- Golf participation amongst casual players is growing.
- There is a high volume of supply for all market segments, making it a relatively price sensitive and competitive market place.
- There are indicators of unmet demand for golf products on the Wirral at the top courses although generally demand is met by adequate supply. We have found evidence of waiting lists for players to join the top golf clubs and no plans for new golf developments.
- Within the North-West region there is capacity to significantly develop golf tourism. The current tourism offering is constrained by the absence of associated high quality 4*/5* hotel accommodation.
- There is a clear gap in Wirral's hotel supply at the quality end of the market. Occupancies at the 3 / 4 * level are equivalent to those achieved elsewhere in the regions. Although supply has increased in the region, occupancies and room rates have held up well.
- The planned increase in supply does not include any other golf resort hotel of the type envisaged in Wirral. AARR's in Wirral are lower that the average achieved in the regions and lower that those required to sustain an up market golf resort hotel.
- There is an element of developer / operator interest from a number of individuals. There has also been some suggestion that in the current market some enabling development would possibly be required to make the financial case.
- The Green Belt land use planning designation is a major obstacle to the proposed development of a golf resort. the 'very special circumstances' required to overcome a Green Belt objection would be difficult to demonstrate
- Any planning application will need to overcome the demands of the Sequential Test at set out in PPS6.
- It is considered that planning consent for a golf resort would in the current regime be difficult to deliver.
- The requirement for associated enabling development is in planning terms very difficult.

6.1.4 Based on these findings it is our conclusion that:

- Despite the initial degree of strategic fit the proposal for a golf resort and associated development does not fit with the current planning regime and is going to prove very difficult, in our view be able to secure planning consent based on the evidence available to us.
- Whilst the development of a 4*/5* hotel as part of the resort complex would fill a gap in the market, the economics are such that the development may not on its own and at the current time generate a sufficient return on investment. This had led to a suggestion of a potential requirement for enabling development. In planning terms this approach is considered to be very difficult.

- The development risk associated with the current planning policy and regime for determining applications for development in the Green Belt is considered to be high.
- Whilst acknowledging the difficulties of the Green Belt designation there could be opportunities associated with existing building complexes in the target area and the opportunity to undertake a hotel development based on an existing building footprint.

APPENDICES