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TOURISM
SOUTH EAST



ISLE OF WIGHT HOLIDAY PARK SECTOR AUDIT AND REVIEW

FINAL DRAFT 18.08.06

for

Tourism South East and Isle of Wight Tourism

by

Rural Solutions Ltd
June 2006

EXECUTIVE SUMMARY

- For the purposes of this report a “Holiday Park” has been taken to include a wide range of holiday accommodation businesses including some holiday park accommodation associated with other types of accommodation (such as hotels). Equally we will refer to holiday ‘units’; these being either a chalet, a caravan in all its various forms, or a tent.
- It is becoming increasingly difficult to spot consumer “waves”. There is a significant revolution going on in how “we” holiday and changes are occurring more rapidly than had ever been seen before.
- The UK domestic holiday market is so large that it remains relatively stable despite any public uncertainty driven by world events. Stability is also a function of the wider UK economy which has, for the last 5-8 years been relatively stable with low inflation and some growth certainty.
- The volatility of the leisure market and the higher aspirations of customers today, is causing leisure providers to continually evaluating new concepts, but they are also increasingly ring-fencing their products to limit any damaging failures.
- In their publication ‘**Destination South East**’ the South East England Regional Assembly highlight the fact that “*..the Isle of Wight and Brighton receive the highest level of visitor spend*”.
- Current trading conditions for traditional holiday parks are considered to be ‘challenging’ with consumer spending slowing down as a result of rising fuel costs and more particularly a reducing willingness by consumers to supplement their main European holiday by taking extra short-breaks in the UK. The traditional staple market for holiday centres – the family group – is stagnating and consumer expectations are raising the bar significantly in terms of accommodation and facilities.
- The increasingly ‘affluent grey’ market sector, brought about by changing demographics, has initiated a resurgence in certain niche groups, such as the Warners product, but the traditional ‘holiday centre’ offer is not currently perceived as having anything to offer this growing consumer group.
- Keynote indicates that caravanning is one of the fastest growing leisure activities in the UK. The increasing trend towards independent, activity based holidays, especially within family groups, combined with the increasing move toward short breaks, were seen as primary mechanisms for growth.
- The Island holiday parks market currently comprises 88 parks, containing or with potential for up to 7,700 holiday units providing approximately 30,000 bedspaces and occupying in total about 1,000 acres of land.

- There are currently 70 operational holiday parks of which 20 are Chalet Parks, 41 holiday caravan and camping sites, and 9 holiday centres. The remainder are either closed or used by specialist groups.
- 50% of the Island's holiday park industry has sought a quality grading award, and this represents over 80% of all holiday units on the Island. Over 70% are graded three-star or better.
- Overall we believe that there are 7,694 holiday units of varying types available, comprising 2263 chalets; 2218 static holiday caravans; 2631 touring caravan pitches; 431 licenced tent pitches and 151 vacant or undeveloped units.
- At the present time there are 1,302 holiday units in separate private holiday ownership, of which 347 are in chalet units and the balance (955) is made up from static holiday caravans.
- Despite the apparent seasonality presented by the market it is heartening to see that about 35% of holiday units remain available all year round. The next most obvious seasonal period is the standard 8-month (March to October) season imposed on holiday caravan parks by past planning conditions.
- Of the 15 parks that stay open all year, 7 are chalet parks comprising some 788 units, 3 are mixed sites providing 1,389 units, 4 are static caravan parks and 1 static/tourer park providing 258 units and there is 1 touring and tent camping park providing 60 units.
- The holiday parks market on the Island delivers approximately 800,000 visits per annum at a tourism revenue contribution of about £50 million per annum.
- For those in the fully-catered sector, the start of 2006 was seen as very poor and a function of falling coach operator business. The reason for this was stated as being the increasing fuel prices, particularly for the over 50's as a proportion of their overall budget which meant that their marginal propensity to take short break holidays was diminishing and more were staying at home.
- Many parks expressed a degree of frustration at the difficulty of achieving planning permissions which were part and parcel of upgrading and improvement plans, as well as simply addressing the need for more bedspaces within their particular sector.
- The costs of meeting modern legislative standards (particularly within the health and safety sector) necessitated some means of recouping capital investment through higher occupancy levels. With many parks being based on formats developed over 50 years ago, they were struggling to satisfy increasing expectations within a system that was not flexible enough for their needs.
- There was a general agreement that holiday parks should not be allowed to operate as unofficial residential parks. Anecdotal evidence suggested that despite recent activities by the Council to address this issue, some parks remained open to abuse in this way.

- We are of the opinion that in circumstances where the holiday parks industry is supported in its desire to upgrade and improve, any inappropriate use of accommodation will be diminished as lawful occupiers begin to make wider demands on the park operator to maintain high standards.
- The scale of the chalet unit market is a real weakness, as many will require upgrading or redevelopment in the foreseeable future. Given that this group represents 30% of both the Island parks and bedspaces it presents a very real concern for the future holiday park product on the Island.
- A whole new sub-group of marketing and caravan owner businesses are developing on the back of the availability of owner occupied homes. Many are owned as an investment and personal business opportunity.
- There was a general feeling that the holiday parks industry was not recognised for its value in the local economy and as there were no votes in the holiday industry it was not considered important to the Council.
- Planning policies which support the upgrading and improvement of holiday parks within their existing bounds should continue.
- Policies that supports expansion of parks in appropriate circumstances should be considered.
- A separate chapter provides the position for the holiday parks industry within the eastern part of the Island covered by the Bay Action Area Plan. Amongst other recommendations there may be a need to enlarge the sphere of influence of this area having regard to several parks in the vicinity which primarily rely upon the Bay Area for their success.
- The development of a more constructive dialogue between the parties, perhaps by way of a Holiday Park Working Party, could be a valuable means of gaining a better understanding and assisting the establishment of a purposeful holiday parks industry on the Island for the future.

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1.0 BACKGROUND AND INSTRUCTIONS

1.1 Background

The background to this report is set out in the 'Isle of Wight Holiday Park Sector Audit & Review' proposal document of March 2006 prepared by Tourism South East in conjunction with Isle of Wight Tourism. See **Appendix 1**.

The proposal notes that the Isle of Wight Local Strategic Partnership has developed a vision for the Island:

“A progressive Island built on economic success, high standards and aspirations and a better quality of life for all.”

Tourism is valued at over £½ billion pounds to the Islands economy, and is seen as a catalyst to facilitate this change on the Island and the driving force in achieving the Island's vision. This reiterates the regional vision which recognises, **“The need to improve the tourism offer to one that focuses on higher quality, higher value product.”**¹

The Island's Tourism industry comprises a large number of SME²s that are considered to have a limited ability to re-invest and, perhaps, a skills shortage both within the ownership of the business and also the key employees. The industry is also considered to include many 'lifestyle' businesses that do not necessarily follow the Isle of Wight Council's (IWC) aspirations to grow and improve the local product and service.

IWC, in conjunction with the industry, created the Tourism Development Plan (TDP: Oct 05) which proposes a range of initiatives to build private sector confidence in an appropriate framework to achieve ongoing investment and sustainable economic activity on the Island. The TDP aims to drive the Island towards a higher quality product that will meet the needs of both visitors and the local community.

The particular issues surrounding Isle of Wight Holiday Parks are complex and the current absence of any specific research on this sector was considered to be hampering a resolution of the problems affecting it. The TDP short term action in respect of Holiday Parks was a recommendation that an audit and futures study be completed and this is the foundation for this Report.

Tourism on the Island is considered to be subject to three overarching challenges: meeting customer needs, building confidence and ensuring sustainability. Apart from assessing the requirements for sustaining and developing the future of the Holiday Parks industry on the Island, there are a number of specific issues that require more detailed assessment and consideration:-

- A potentially unsustainable level of holiday and camping parks on the Island.

¹ South East Plan: 2004

² Small and Medium Sized Enterprises

- The difficulty in maintaining viability and survival of the top end of supply, the higher quality product;
- A perception of below average level of quality supply compared to some other UK destinations;
- A perception that supply is being run down to reduce economic viability and justify sale of sites/units for other purposes;
- The potential impact in the use of chalets and static caravans as holiday homes or permanent residences which are not servicing the holiday market;
- The fragmentation of ownership caused by the sale/lease of individual plots/chalets/caravans make it difficult to raise standards holistically as well as making it more difficult to exit or lever out value;
- The surrounding of some holiday parks in recent years by permanent housing and commercial development – potentially making the parks undesirable for holiday use and resulting in less successful operations or simply limiting further development;
- The impact of planning and other restrictions that are limiting the potential for holiday parks to expand into the higher quality market.

This Report looks at the Island Holiday Parks industry as a whole and assesses these specific issues against holiday park market performance, volume and value of the current and potential supply, future growth on the Island and feasibility for addressing the future needs of visitors and locals and the potential for change of use in some cases.

1.2 Instruction

Rural Solutions were invited to tender for this instruction in March 2006 and following a presentation meeting in late April instructions were confirmed on the 3rd May 2006.

We would like to thank all those who gave freely of their time in taking part in our research and in particular the help and assistance of the Island branch of the BH&HPA who facilitated our public meeting and encouraged involvement from members and others.

1.3 Methodology

The Report was undertaken during the period late April to the end of June 2006 and involved the following:-

- Undertaking a desktop analysis of existing information sources and gathering information;
- Producing and distributing a questionnaire survey to the identified holiday parks on the Island

- Conducting a public meeting in mid-May with an open invitation to all holiday park operators;
- Visiting briefly all the holiday parks on the Island over a period of three days to establish their status and to undertake personal interviews with holiday park operators where possible;
- Undertaking telephone enquiries and interviews to support our research and carrying out searches at the Council Planning and Environmental Health Departments;
- Reviewing current trends in the national, regional and local holiday park markets;
- Evaluating responses from the public meeting, questionnaire survey and personal interviews;
- Assessing economic impact and value of the holiday parks industry to the Island economy and comparison with other parts of the UK;
- Considering the existing and future planning policy framework in the light of the emerging national, regional and local guidance and providing recommendations for a policy approach to future holiday park proposals;
- Assessing the implications of the move toward holiday home ownership of holiday park property;
- Considering options for upgrading, improvement and meeting future market demand as well as assessing and proposing alternative uses options.

1.4 Rural Solutions

Rural Solutions is an award-winning company devoted exclusively to rural regeneration across the broad spectrum of land uses. Widely recognised for our leading role in the heritage and landed Estate sector, the evolution of the business has naturally encompassed the tourism and leisure industry and the company is involved on a daily basis with the holiday and home parks market.

Founded by Roger Tempest in 1992, Rural Solutions has led numerous diversification and rural development projects throughout the UK, and for European and US clients. During the last five years alone we have been involved at some stage in over 200 rural regeneration projects. Underlying our work is a firm belief in the future of rural Britain as a sustainable living and working environment.

The Company can differentiate itself from competitors by virtue of being the only rural regeneration practice to our knowledge that combines not only research, consultancy and planning and design services, but also the practical implementation of professional advice through the development of award winning rural development schemes for its clients. Put simply, it offers a comprehensive '*Concept to Completion*' service. This provides us with a

detailed insight into the aspirations, needs and mechanisms for delivering and sustaining successful long term businesses in the more challenging rural marketplace within which the holiday parks sector primarily operates.

Rural Solutions became an independent operating subsidiary of England's largest community investment organisation - Accent Group - in April 2005.

Our clients include Regional Development Agencies, National Parks, Local Authorities, landed Estates, private companies, residential and holiday caravan park operators, hoteliers, tourism attractions operators, housing developers, charities, educational institutions and social enterprises.

The Company's headquarters are located on the Broughton Hall Business Park, Skipton, Yorkshire. Its southern office is located in Cheltenham.

1.5 Recognition of Risk

This Report is provided for the purposes set out in our Proposal of March 2006 and subsequent correspondence and is for use of the commissioning parties only or their appointees. It is not suitable for other purposes or by other persons. Our recommendations and conclusions are based on a collation of diverse information sources, our own experience and knowledge and the position of the Island Holiday Parks market at the time of the Report (June 2006). We have made no specific provision for unforeseen events which could impact upon the national or local Holiday Parks market or the UK economy or planning system.

Whilst every effort has been made to verify and validate the various information sources referred to and relied upon in this Report, due caution should be exercised in relying too heavily upon the specific figures expressed in the Report.

Subject to the terms of the Partnership Agreement issued in respect of this instruction, neither the whole of this Report, nor any part, may be replicated or included in any document, circular or statement without the prior approval of Rural Solutions Ltd.

2.0 HOLIDAY PARKS - A DEFINITION

The term 'holiday park' can cover a diverse range of holiday accommodation ranging from the substantial Center Parcs, Butlin's or Pontins type of venue, to the straightforward camping site and has therefore become a largely generic term describing any or all of the following:-

- Static Holiday Caravan Sites/Parks
- Holiday Lodges Sites/Parks
- Touring Caravan Sites/Parks
- Camping Sites/Parks
- Catered chalet-based accommodation
- Holiday Centres
- Self catering chalets
- Forest villages
- Holiday Cottage complexes

Originally referred to as holiday 'Camps' or holiday 'Sites' the use of the term 'Park' developed primarily as a marketing tool to characterise a more rural/countryside based venue (as most of them are) and as a means of moving away from the traditional 'Hi-de-Hi' holiday camp image that pervades certain sectors of the industry even today. Both Butlins and Pontins - the two remaining providers of what one might call the 'Traditional British Holiday Camp experience' - have moved away from the term Holiday Camp to Holiday Centre and of course the more recent incarnation of that type of market product essentially combined the two terms to make Center Parcs.

The market intelligence company Mintel define 'Holiday Centres' in their February 2006 report³ as falling within one of three types of site:-

- Holiday Centre – involving traditional brands such as Butlins and Pontins
- Forest villages – primarily dominated by Center Parcs
- Holiday Parks – based on caravan or lodge accommodation, but only those that offer a range of ancillary activities and on-site facilities

The selection of businesses for inclusion in this study was in the end somewhat subjective and necessitated the consideration of a range of functions such as the type of accommodation, scale, level and type of facilities and the overall impression of the business in question. A difficult area for assessment for example is where the distinction lies between self-catering chalet-style units and purpose-built holiday cottage complexes.

Many of the businesses on the Island combine one or more of these types of accommodation. It is not uncommon to find holiday caravan parks containing a mix of static caravans, touring caravan pitches and tent accommodation. Some of the larger 'holiday centres' combine traditional chalet-based accommodation with more modern caravan and camping opportunities.

For the purposes of this report a "Holiday Park" has been taken to include all of the types of accommodation venue listed above. This includes some holiday park accommodation

³ 'Holiday Centres – Leisure Intelligence' (Mintel February 2006)

associated with other types of accommodation (such as hotels). Equally we will refer to holiday ‘units’; these being either a chalet, a caravan in all its various forms, or a tent.

We have not specifically included facilities for specialist groups such as the Scouts, Army Cadets, disabled groups etc, although they are considered broadly in the context of their contribution to specialist needs. Although they fall into the realms of tourism by definition, their contribution is primarily focussed on their own needs and not the wider tourism market.



3.0 THE NATIONAL TOURISM MARKET

The tourism and leisure market both in the UK and overseas has been evolving rapidly over recent years and has become much more dynamic. As a result, there is far greater uncertainty within all sectors. Adaptation to rapid changes in the market is therefore becoming a watch word within the tourism and leisure industry.

Before considering the local position we outline the general tourism economy within which the holiday parks industry on the Isle of Wight has to operate and reflect on some of the emerging trends for the holiday parks market in the future.

3.1 The Tourism and Leisure Market

In 2003, UK Residents made 151.0 million overnight trips within the UK, spending more than £26.4 billion. Figures show that 24.7 million trips were also made to the UK by overseas visitors, spending approximately £11.9 billion.

The most recent reliable UKTS⁴ figures indicate that 2003 was a poorer year than 2002 during which the industry rallied following the travel restrictions imposed by foot and mouth, with volumes and value noticeably down. On the whole, tourism figures still remained significantly short of 2000 levels. The figures for 2004 are also included but as noted these are considered by the industry to be unreliable at the moment.

UK (ALL) TOURISM MARKET 2000 – 2004 (excluding Overseas Visitors)					
	2000	2001	2002	2003	2004
TRIPS (m)	175.4	163.1	167.3	151.0	126.6
NIGHTS (m)	576.4	529.6	531.9	490.5	408.9
SPENDING (£m)	26,132	26,094	26,699	26,482	24,357

Source UKTS

The average length of tourism trip taken fell to 3.25 nights resulting in a third year on year decline. This continues a longstanding trend away from long to short breaks. There are few areas of Britain that continue to experience a weekly holiday letting market; the West Country being the notable exception. However, overseas holidays generally remain a week or more, given both distance and inertia within the traditional 'package tour' format. Nevertheless, differential lengths of trips between a week and fortnight ranging from 5 to 12 nights are now commonplace. This trend is a fundamental issue for the Island tourism economy which was founded on the traditional 1 or 2-week holiday and to some extent remains targeted at that market.

In terms of spending, the average amount spent on each trip increased in the period 2000-2003 by some 17.5%. When adjusted for the effects of inflation however this represents a small overall fall in tourism expenditure.

⁴ United Kingdom Tourist Statistics 2003 (NOTE: 2004 figure have proved unreliable and a new methodology is being introduced as a result)

UK (ALL) TOURIST SPENDING 2000 – 2004 (Excluding Overseas Visitors)					
	2000	2001	2002	2003	2004
Average / Trip (£)	149	160	160	175	192
Average / Night (£)	45	49	50	54	60

Source UKTS

Although the vast majority of trips taken away from home are taken within the UK, just over 20% of all trips that spend any time outside the UK last so long that they account for over two fifths of all nights spent away by the British and account for three fifths of all UK tourism expenditure. This has been a consistent theme for many years and highlights the British desire to holiday abroad whenever possible.

The growth in the budget airline sector of recent years has reinforced this position and offered even more opportunities for short and long holiday breaks overseas. Whilst the increasingly affluent and aging population - who are semi-retired or retired and keen to holiday for long periods overseas (the Spanish resorts for example) - might distort these figures somewhat, the availability of very cheap travel has now brought into play a large additional group of people who previously might have been unable to holiday overseas. This sector of the market tended to support traditional British holiday markets, but even they can now afford a budget airfare to European destinations. These effects are impacting upon the UK holiday taking market.

3.2 Market Overview 2006

At the Holiday and Home Parks Industry Conference in Westminster in February 2006 Richard Carrick, Chief Executive Officer of Hosesasons noted that it was becoming increasingly difficult to spot consumer “waves”. He observed that there was a significant revolution going on in how “we” holiday and that events were moving forward more rapidly than had ever been seen before.

At the same conference Sir Digby Jones (Director General of the CBI) encouraged the industry to recognise the need for “added value” in meeting the needs of the modern holiday consumer. He believed it was no longer appropriate nor likely to be successful that future proposals should simply replicate that which has been considered to be successful in the past. The constant evolution of new ideas was vital to ensure the retention of market share. Richard Carrick also pointed out that it was becoming increasingly important to distinguish a company’s product carefully and clearly within an increasingly competitive and potentially over-provisioned market place.

There are a wide range of potential indicators available which provide a variety of guidance on market assessment all of which are valid to some extent, but all of which suffer from a degree of partiality; not least because they are largely driven by sectors of the tourism and leisure market rather than more impartial organisations.

As already noted, it is becoming increasingly difficult to spot consumer trends but no one is in any doubt that there are significant changes under way throughout the tourism and leisure

sector. Richard Carrick⁵ has identified several key elements which are defining the current market in the UK.

- “*We have never had it so good*”. Personal disposable income is high and continuing to rise. Subject to any fundamental shift in the national economy (which is not expected) this trend is expected to continue into the medium term.
- “*There is a new domestic standard*”. Enhanced lifestyles and discretionary income has brought about interesting changes in the way people conduct their lives. There are, apparently, more domestic servants in UK households today than were recorded in Victorian times! The demands of dual income lifestyles with young families combined with the availability of a relatively cheap immigrant workforce are causing significant lifestyle changes within large parts of the economy.
- In a holiday context, what people see in their home today they expect as a minimum when on holiday. This now extends to a wide range of upmarket consumer products. Putting a small black and white portable TV into a holiday unit when the potential holidaymaker has a wide format plasma TV at home is unlikely to attract repeat business. Any new development with pretensions to upmarket holiday accommodation must achieve at least comparable facilities to those likely to be available at home.
- The arrangement of accommodation and its potential modes of use throughout the year is also an important feature. Many people now have “individual life spaces” in their homes and expect something similar when on holiday; if only to carry on their business remotely whilst away. Access to good quality ICT is becoming a requirement.
- Yet this apparent wave of largesse is substantially debt funded. There is more debt in the UK than in any other north European country with credit card and overdraft levels now running into the trillions of pounds. This causes fragility in consumer confidence leading to a delay in purchasing decisions. This is manifested in the tourism and leisure sector by increasingly late booking. Digby Jones of the CBI also highlights consumer caution, particularly in the light of a public perception that the Chancellor Gordon Brown is still too optimistic on economic growth profiles.
- There is far more choice than ever before, with more British consumers taking more holidays than before, increasingly in mainland Europe where low cost airlines offer ready access. In 1998, low cost airlines were offering 7 million low cost seats. This grew in 2006 to some 60 million.
- As a society the British have never worked harder. Time is now perceived as an extremely valuable commodity which the British are increasingly and acutely aware of; not least as a result of the opt-out from the European working times directive. This means that working hours in the UK are far less controllable than elsewhere in the EU. Despite this, out of all those in Europe who actually travel, the British travel the most.

⁵ Hoseasons CEO

Busy lives result in a demand for recuperation and recovery time and holiday taking, particularly for short breaks, offers a vital outlet.

- Available time is also important when one considers that the average number of days of holiday entitlement for the average worker in the UK has not changed by more than one day since 1995 when 25 days annual leave became something of an industry norm. This is much less than is experienced elsewhere in Europe and therefore the average British consumer has to squeeze more activity into a finite time and therefore needs to ensure that their “holiday” delivers the maximum “R&R” benefits.
- This all results in much later booking. In their 2005 Financial Reports the online travel agent ‘lastminute.com’ noted that their business model was being hit as a result of the increase in last minute bookings! Online booking has increased by 37% between 1998 and 2003 and in 2005 54% of UK holiday makers had used the web to research a holiday of which 34% had used it to book a holiday directly.
- We are becoming a nation of Travel Agents. The availability of information over the internet is now driving an inclination towards DIY holidays with self-made travel packages. Recent evidence has shown a decline in the level of high street travel agencies as a direct result of this phenomenon.
- The plethora of information is also a problem in its own right because there is just too much information. The flood of opportunities, offers and general information is now so great that the average consumer spends a great deal of time filtering out the plethora of advertisements thereby making advertising to this market much more difficult. A response to direct advertising is decreasing as access to wider information online and more elaborate search engine capabilities help to filter and guide the consumer.
- The British public are also beginning to stop watching TV. Here again the demands of a more involved and active lifestyle together with an overwhelming choice of discreet channels is beginning to impact upon the advertising market at all levels.
- UK households are changing shape as a result of demographic changes. Older people with younger attitudes with a wiser and more confident attitude about booking even quite elaborate holidays are becoming the predominant market, together with many single people who have capital available for elaborate and adventurous holiday taking.

Richard Carrick noted that “hot tubs” was the most searched for term on the Hoseasons website and has fast become a principal determinant as to both the nature and quality of holiday accommodation. In addition, therapy breaks are growing with a significant interest in “stress busting” products and relaxation techniques becoming much more common place.

Nevertheless, tourism is one of the largest industries in the UK, worth approximately £75.9 billion. Despite the apparent exodus of the British overseas every summer the tourism market remains dominated by domestic holiday taking, whether for day visits or overnight stays for short and long periods.

The following is a further snapshot overview of national market trends and forecasts:-

Short Breaks: Going Up

- a catchment of 2 to 3 hours travel time (mostly car borne)
- it is mainly pre-family couples or 'empty nesters' (children left home)
- there is strong demand for hotel and B&B weekend breaks
- there is a steady caravan market
- 'long' short breaks are growing: from early retired people, visiting midweek, some by coach travel
- there is a 'little and often' trend : the market growth is coming from the same people taking more frequent breaks
- there is a city renaissance whilst new products (Eden Project) influence patterns
- there is competition from European city breaks: budget airlines and Eurostar
- there is inbound air capacity from European markets

Business Visits: Going Up

The six key segments are:-

- business travel (the largest accounting for up to 80% of the sector)
- meetings
- incentives
- conferences
- exhibitions
- outdoor events

The segments are stimulated by:-

- strong national economy and commerce
- strategic accessibility
- good choice of quality venues and hotels
- the city offer
- affordable rates

These are frequent travellers' with a predominantly male dominance (although this is changing) and there is high spend per head by such visitors.

Visits to Friends and Relatives: Going Up

This segment of the market is stimulated by:

- the size and affluence of the host population
- increased mobility of the visitor
- the size of the student population
- family and other functions
- group reunions

There is a 'little and often' trend within this group. The market itself is difficult to influence, but once the decision to visit is made there are opportunities to stimulate visits to pubs, restaurants, attractions and events. The host family plays a key role and there is quite a high spend per head by visitors and hosts. Even so visiting friends and relatives does not necessarily involve staying with the hosts themselves. Hotels and B & B's are also well used in this sector. The availability of holiday letting accommodation is therefore an important element for this market.

Overseas Markets: Remaining Uncertain

- the exchange rate and state of overseas economies are the key factors
- there are negative perceptions of UK and London hotel prices
- there is still some reluctance in some markets to travel abroad post 9/11

Reliance upon the overseas market has been proven questionable in recent years and businesses in this market should expect the unexpected. Contingency planning is needed to spread risk and avoid the impact of unexpected international events.

London is the UK gateway (with 59% of air arrivals) and 'first-timers' tend to go to the traditional honey-pots of Stratford on Avon, Oxford, York, Edinburgh and the Lake District. Repeat visitors are more adventurous and are likely to explore more widely. The North American market has been a mainstay of UK overseas tourism for decades but increasingly the Far East and emerging markets including China and Eastern Europe are beginning to feature in survey trends. However, being predominantly non-English speaking the need for cultural awareness and additional support staff with languages is increasing.

Day Trips: Competitive and Diluted

- there are many new destinations competing for leisure time: factory shopping outlet villages, Sunday shopping, IKEA etc
- there is strong competition to stay at home (the Play Station generation) and high expectations from children when families go out
- there are significant changes to family unit structures (separated parents, second marriages, grandparents child-minding, etc) where spending quality time together on a day out is a key motivator
- many people are working at weekends (37% of workers sometimes work on Sunday) and are unable to visit attractions, yet have time-off in the week
- new Heritage Lottery and Millennium funded attractions are diluting an already static attraction market
- free admission to national museums is increasing footfall from regular museum goers but not necessarily traditional non-users
- some major attractions have closed and others have declined
- steam railways and gardens have been more resilient to these trends
- events, corporate hospitality and schools are becoming as, or more, important than 'sightseers' for many traditional visitor attractions
- increasing pressure from funders to embrace the concept of audience development

Lifestyle Trends

- we are “growing older, thinking younger” (reflected in the popularity of Warner Hotels, Butlins 1960’s music revival weekends, etc)
- greater authenticity and out of the ordinary experiences are being sought (e.g. exotic wedding locations)
- health and lifestyle interests dominate (e.g. cycling trips, country walking, healthy food, organic food, health farms, etc)
- interest in the internet, films and new media will grow
- licensing and gambling reform will impact on town and city centres
- congestion will increase as will the desire to escape it (this affects the distance people might risk going to a destination/attraction and the degree of difficulty in getting there. For the Island the ferries may be an important factor in this respect)
- living with stress is the norm: leading to a desire to be pampered, ‘chill out’, improve your inner well-being, etc
- there is polarisation: part of society is cash rich / time poor, yet part is time rich / cash poor
- we are seeking retirement at a younger age but facing, conversely, pension and mortgage deficits which demand longer working lives; a situation that is being reinforced by changing Government policy

3.3 Holiday Tourism Trends

All Holidays Taken by the British

Distinct from all forms of tourism trip (i.e. including business trips) the main function of such a trip is for holiday purposes and this is the predominant issue for the Island.

The holiday market remains very resilient, despite world events and political uncertainties. People generally endeavour to take a holiday despite even the most challenging of domestic circumstances. Spain remains the top holiday destination for the British by volume followed by France. Although these countries are now experiencing shrinkage in market share as other destinations become more accessible and better able to compete⁶.

There are three principle drivers of the holiday market for the British:

- A healthy economy - giving confidence to holiday taking
- An increase in the proportion of the population in socio-economic group ABC1 – who have a much higher propensity toward holiday taking
- An ageing and more affluent population who are used to travelling

There was a rise in overseas holidays of some 14% from 35 million trips in 1999 to 39.9 million trips in 2002. The trend in growth from 2002 to 2003 was estimated at a further 5%⁷.

⁶ “What the Brits Do On Holiday” (Mintel Nov 2005)

⁷ The British on Holiday in Britain 1999-2004 (UKTS)

Nevertheless, although the tourism and leisure industry has experienced an improvement in trading conditions in recent years, supported by above-trend global and UK GDP growth, combined with robust consumer spending and a relatively benign political environment, 2005 saw a slowing in the global economy which has impacted on the industry. Recent GDP data reveal that the UK economy is growing at its slowest rate for a decade, led by a significant slow down in consumer spending. As discretionary spending is a key driver in the tourism and leisure sector, trading conditions in some sub-sectors have begun to deteriorate. Increasingly high oil prices sustained in the second and third quarters of 2005 are adding additional burdens in this regard. As evidenced later in the Report this issue is beginning to have its effects upon the Island tourism economy.

*“Growth in consumer spending in the UK is expected to remain subdued in 2006. As a result, firms in the hospitality and leisure industry are expected to experience challenging trading conditions, particularly those dependent on UK (as opposed to overseas) customers”.*⁸

Whilst 2004 saw above-trend GDP growth and robust consumer spending creating favourable conditions for outward travel from the UK with a record 64.2 million trips abroad, growth slowed sharply in 2005 reflecting the evident slow down in UK consumer spending evident since the turn of the year. This in turn appears to have been brought about by a slow down in the UK housing market which effectively stagnated in the third and fourth quarters of the year. Higher debt servicing costs, slower growth in real disposable incomes and rising fuel and energy costs have all contributed to the slow down.

Holiday trips remain by far the main purpose of outward travel from the UK and it is this sector which has witnessed a sharp slow down in trips and hence expenditure. In contrast there has been a noticeable growth in business travel as the effects of 9/11 and natural business caution in allowing executives to travel overseas has diminished. The extent to which this will change in the light of recent world events and the London bombings in July 2005 have yet to become apparent.

The latest ONS⁹ estimates reveal that real consumer spending fell by 5.4% in the second quarter of 2005 – the sharpest decline in real spending since the second quarter of 1965.

Whilst these short term fluctuations highlight some increasing sensitivity in the tourism industry to social and economic change both in the UK and overseas, the trend lines and projections remain positive for the foreseeable future – potentially only subject to marked change as a result of some significant natural disaster, major economic or political change or some other unforeseen event which would fundamentally impact upon society as a whole, not just the tourism industry.

Greater access to information via the internet and online booking with reduced prices is altering the manner in which holidays are taken. Travel agents have for many years been identifying a shift toward later (last minute) booking, both in order to achieve discounted prices, but also to ensure that holidays are taken when time in a busy schedule permits, at a location which can

⁸ Barclays Hospitality & Leisure Services Review - December 2005

⁹ Office for National Statistics

offer exactly what the customer requires at that moment in time. Choice is now so wide and locations so accessible that holiday taking is becoming a very diverse business indeed. Over 28% of longer holidays to Europe (4 plus nights) and 12% of longer holidays outside Europe are now booked independently from traditional travel agents.

Nevertheless in terms of holiday taking abroad there remain some 18% of the British population who have never taken a holiday abroad; a not insubstantial number despite the opportunities offered by the budget airlines.

3.4 Holidays Taken in the UK by the British

This is perhaps the most important element of tourism for the Isle of Wight, reliant as it is on the traditional UK holiday market for its business. Despite the evident fluctuations in the overall tourism market, the UK domestic holiday market is so large that it remains relatively stable despite any public uncertainty driven by world events. Stability is also a function of the wider UK economy which has, for the last 5-8 years been relatively stable with low inflation and some growth certainty.

In 2003 approximately 104.8 million domestic holidays (including short-breaks) were taken by the British an increase of some 3.5% since 2001. This resulted in an expenditure on domestic holidays of £18.1 billion in 2003 producing a higher spend per trip of £173; up from £156 in 1999¹⁰.

This spending per trip is broken down as follows:-

Accommodation	36%
Food/Drink	22%
Shopping	17%
Travel	15%
Entertainment	8%
Other	2%

Domestic tourism no longer competes 'head on' with holidays abroad and has become a complimentary activity rather than an alternative. The short-break sector has experienced considerable growth, driven by the stable more affluent economy and this in turn is bringing about a more up-market bias. Whilst domestic package holidays still play a minor role in the UK domestic market, the vast majority of holidays are increasingly booked online at the last minute with high expectations of the product. The South-West of Britain is still the biggest magnet for domestic holidays and remains the last bastion of the 7-day or more, family holiday. Life-stage and region of residence also play their part.

*“People living in the South, with its concentration of AB’s and crowded conditions, are most likely to take holidays in the UK, but also most likely to go abroad” .
(Source: Mintel)*

¹⁰ “The British On Holiday at Home” Mintel (March 2004)

This is good news for the Isle of Wight given its position and accessibility to the substantial southern UK market.

The Mintel Report suggests that the outlook for the future is “*more of the same*”. The size of the market sustains stability and with older, more lucrative consumers delivering potential for the second and even third holiday breaks, the UK home holiday market remains buoyant.

However, it is evident that holiday expectations are being driven higher by a more ‘particular’ attitude to holiday taking – a function of the availability of money for luxuries and the wider European and overseas holiday experience. The accommodation sector in particular has to take the initiative in meeting these heightened expectations even though they may be more perceived than real in terms of what the UK has to offer. The reality is that the UK holiday accommodation experience has radically adapted in the last ten years or so and now sets very high standards comparable to those experienced overseas. This is as true for the holiday parks industry as for other accommodation sectors.

In 2002 UK residents are estimated to have taken 225 million trips of one night or more away from home on all forms of tourism; that is for any tourism purpose not just for holidays. These trips involved a total of 1,078 million nights away from home resulting in an average trip length of 4.8 nights per trip. A total of £75 billion was spent on these trips representing an average spend of £332 per trip and £69 per night. This equates to a spending level of £1,250 per annum for each UK resident on tourism trips.

Tourism Trips Taken By UK Residents					
	2000	2001	2002	% Change 2001 - 2002	% Change 2000 - 2002
Trips (Millions)	232.2	221.7	225.1	+2	-3
Nights (Millions)	1.109	1,088	1,078	-1	-3
Spending (£ Billion)	71.8	71.9	74.7	+4	+4
Ave. Nights per trip	4.8	4.9	4.8	-2	n/c
Ave. Spend per trip (£)	309	324	332	+2	+7
Ave. Spend per night (£)	65	66	69	+5	+6

Source: UKTS

Of the 225 million trips taken nearly three quarters (74% - 167m trips) were taken in the UK and just over one quarter (27% - 60m trips) were taken abroad. The average UK resident took 2.8 trips in the UK compared with 1.0 abroad. UK trips tend to be much shorter in duration than trips abroad with the latter lasting almost three times longer (9.1 nights) compared with those taken in the UK (3.2 nights).

Spending per trip is significantly different between overseas and UK trips. Of the £75 billion spent on all tourism trips, £27 billion (36%) was spent on UK trips, compared with £48 billion spent overseas. Out of the £1,250 spent by UK tourists each year about £450 is spent in the UK whilst the remainder (£800) is spent abroad.

Of greater importance however are those tourism trips that are made for holiday purposes and more particularly those taken within the UK market.

About two-thirds (66% - 148 million trips) of all tourism trips by UK residents are for holiday purposes with the average UK resident taking about 2.5 holidays per annum.

A full breakdown is shown in below:-

Purpose of Trips			
	Trips (Millions)	Share of Trips (%)	Trips per Head of Population (No.)
All Destinations	225	100	3.8
Holiday	148	66	2.5
1-3 Nights	72	32	1.2
4+ Nights	76	34	1.3
4-7 Nights	46	20	0.8
8+ Nights	30	13	0.5
VFR	42	19	0.7
Business / Work	31	14	0.5
Other Purposes	4	2	0.1

Source: UKTS

Holiday trips naturally tend to last longer than business or other trips and as a result have a higher propensity for generating nights away from home. Almost four-fifths (78% - 839 million nights) of nights away are for holiday purposes as outlined below:-

Tourism Nights Away by Purpose			
	Nights (Millions)	Share of Nights (%)	Average Nights per Trip (No.)
All Destinations	1078	100	4.8
Holiday	839	78	5.7
1-3 Nights	142	13	2.0
4+ Nights	696	65	9.2
4-7 Nights	262	24	5.7
8+ Nights	435	40	14.5
VFR	121	11	2.9
Business / Work	101	9	3.3
Other Purposes	17	2	4.3

Source: UKTS

Whilst spending per trip is slightly higher for holiday purposes than the average for all-tourism trips, spending on business trips tends to exceed all spending groups (as indicated below) even though the average trip length is much shorter.

Tourism Spending by Purpose			
	Spending (£ Billions)	Share of Spending (%)	Average Spend per Trip (No.)
All Destinations	74.7	100	332
Holiday	54.7	73	370
1-3 Nights	12.1	16	168
4+ Nights	42.6	57	560
4-7 Nights	17.6	24	383
8+ Nights	25.0	33	833
VFR	4.9	7	117
Business / Work	14.0	19	452
Other Purposes	1.1	1	275

Source: UKTS

Whilst, for the UK as a whole, domestic tourism by 2003 was in a downward trend from a peak in 2000, this masks considerable regional variations over the whole period. Of greater importance to the Isle of Wight are the trends for England, which indicate that despite some downward trends in 2001 (primarily due to Foot and Mouth) the overall trend from 1995 is upwards. England is the only region that shows a figure significantly above that which was present in 1995. Both Scotland and Wales have generally remained at or around their starting

figure. The same overall trends can be identified for both the tourism nights and spending levels.

3.5 South East Regional Tourism Trends

The South-East region remains one of the most significant tourism destinations in the UK, second only to the South West region, with over 20million tourism trips in 2003 generating some £3,000 million in tourism expenditure¹¹.

The trend line over the last few years has been markedly downward when considering the level of UK residents making trips to the South East and this is a reflection of trends in England as a whole. Naturally this knocks-on into the levels experienced sub-regionally as the following figures illustrate.

VOLUME OF TOURISTS TO THE SOUTH EAST 2000 – 2004 (Trips – Millions)					
	2000	2001	2002	2003	2004
ENGLAND	140.4	131.9	134.9	121.3	101.4
SOUTH EAST	23.3	23.3	22.5	20.7	16.6
ISLE OF WIGHT	1.3	1.5	1.2	0.9	1.2
UKTS					

NIGHTS SPENT BY TOURISTS IN THE SOUTH EAST 2000 – 2004 (Nights – Millions)					
	2000	2001	2002	2003	2004
ENGLAND	439.2	409.2	415.8	371.9	314.0
SOUTH EAST	73.4	73.5	68	60.1	48.5
ISLE OF WIGHT	6.6	5.1	7.4	4.6	5.2
UKTS					

SPENDING OF TOURISTS TO THE SOUTH EAST 2000 – 2004 (£ - Millions)					
	2000	2001	2002	2003	2004
ENGLAND	19,890	20,278	20,788	20,560	18,960
SOUTH EAST	2,991	3,391	2,975	2,999	3,006
ISLE OF WIGHT	287	269	287	170	269
UKTS					

Nevertheless over 50% of all trips were directly for holiday purposes and if the figures are to be believed on their face there is an evident upturn with respect to the Isle of Wight in 2004 that is not reflected regionally. As already noted the 2004 survey information is issued with a caution but if one takes the overall trends rather than actual levels there does appear to be a significant counter trend for the Isle of Wight. The next round of figures from the UKTS may assist in identifying this issue further.

However, some caution needs to be expressed in relation to these national figures having regard to the more localised assessments made on-Island. For example the recently adopted (Nov

¹¹ UKTS

2005) Isle of Wight Tourism Development Plan identifies some 2.66 million tourism trips in 2004 which excludes Island resident movements and visiting yachts.

On the basis of the figures set out above the average spend per trip is as follows:-

AVERAGE SPEND PER TRIP AND NIGHT FROM TOURISTS TO THE SOUTH EAST 2000 – 2004 (£)					
	2000	2001	2002	2003	2004
ENGLAND	141.6	153.73	154.09	169.50	186.98
SOUTH EAST	128.37	145.54	132.22	144.88	181.04
ISLE OF WIGHT	220.77	179.33	239.16	188.88	224.16
UKTS					

Here the figures are somewhat variable and have not been adjusted for the effects of inflation although these have been relatively benign over the period. What they may suggest however is that although the level of trips may be declining, the overall spend levels are remaining relatively high, suggesting a move toward a more expensive break.

In their publication ‘**Destination South East**’ the South East England Regional Assembly highlight the fact that “..the Isle of Wight and Brighton receive the highest level of visitor spend”.

Overseas Tourism in the South East

Spend by overseas visitors to the South East is a significant factor in the South East region and is higher than any other region outside of London. It equates to twice that for Scotland and five times that for Wales¹². This partly reflects the nature of the area as a transport corridor for mainland Europe.

Although the volume of overseas visitors is relatively low (3.6 million trips in 2003) their spending levels are disproportionately higher than UK resident spending at £359.72 per trip (2003), more than double that for England.

A proportion of these visitors come to the Isle of Wight and in 2003 this amounted to some 60,000 trips, 400,000 nights and expenditure of some £15 million. This equates to a spend per trip of some £250.

3.6 Isle of Wight Tourism Trends

We do not intend rehearsing in detail the information that is already well known to the stakeholders and recent information is set out in the adopted Tourism Development Plan¹³. However, for the benefit of third parties we outline the main features of the identified trends as they relate to the local holiday parks market, which have a bearing upon the Report.

¹² International Passenger Survey

¹³ Isle of Wight Council – Tourism Development Plan – The 2020 Vision for Tourism (October 2005)

Information going back to the 1960's illustrates that the overall level of tourism to the Island, based on national surveys and other evidence, has increased slowly over time.

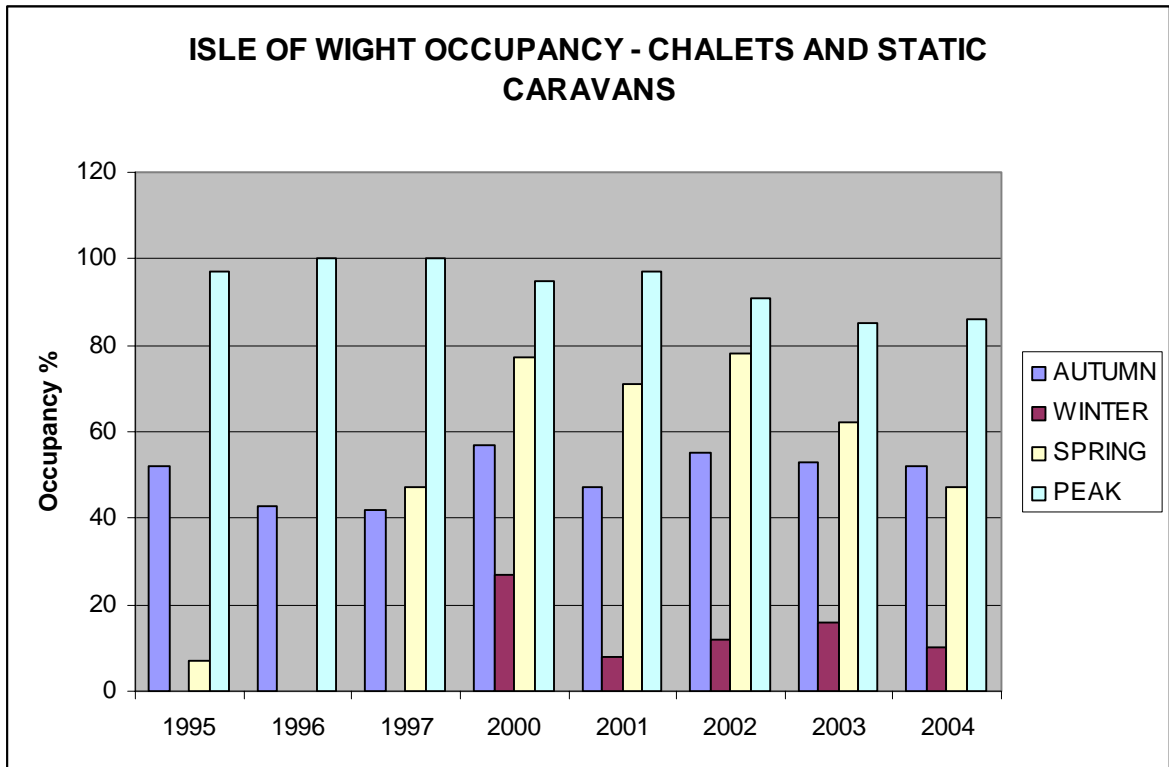
YEAR	VISITOR NUMBERS (m)
1968	1.37
1969	1.45
1970	1.18
1974	1.10
1993	2.34
1994	2.23
1995	2.37
1996	2.61
2000	2.52
2004	2.66
Sources ¹⁴	

- Of the 2.66 million visitors in 2004, staying visitors account for 1.56 million (59%) of which 7% were from overseas (the highest recorded level)
- Of the domestic staying visitors 52% stayed in commercial accommodation (including holiday parks) equating to 5 million bednights. A further 350,000 bednights in commercial accommodation was achieved from overseas visitors (37,000)
- The average length of stay in self-catered holiday accommodation was 11.1 nights, compared with static caravans and chalets at 4.9 nights and touring caravan and tents at 6.6 nights
- Staying visitors contributed £315 million to the Island economy in 2004
- Quarterly monitoring reports show that in 2004 holiday parks broadly achieved 86% occupancy at peak compared with 71% in serviced accommodation and 78% in touring/camping accommodation. The seasonal profiles are as follows:-

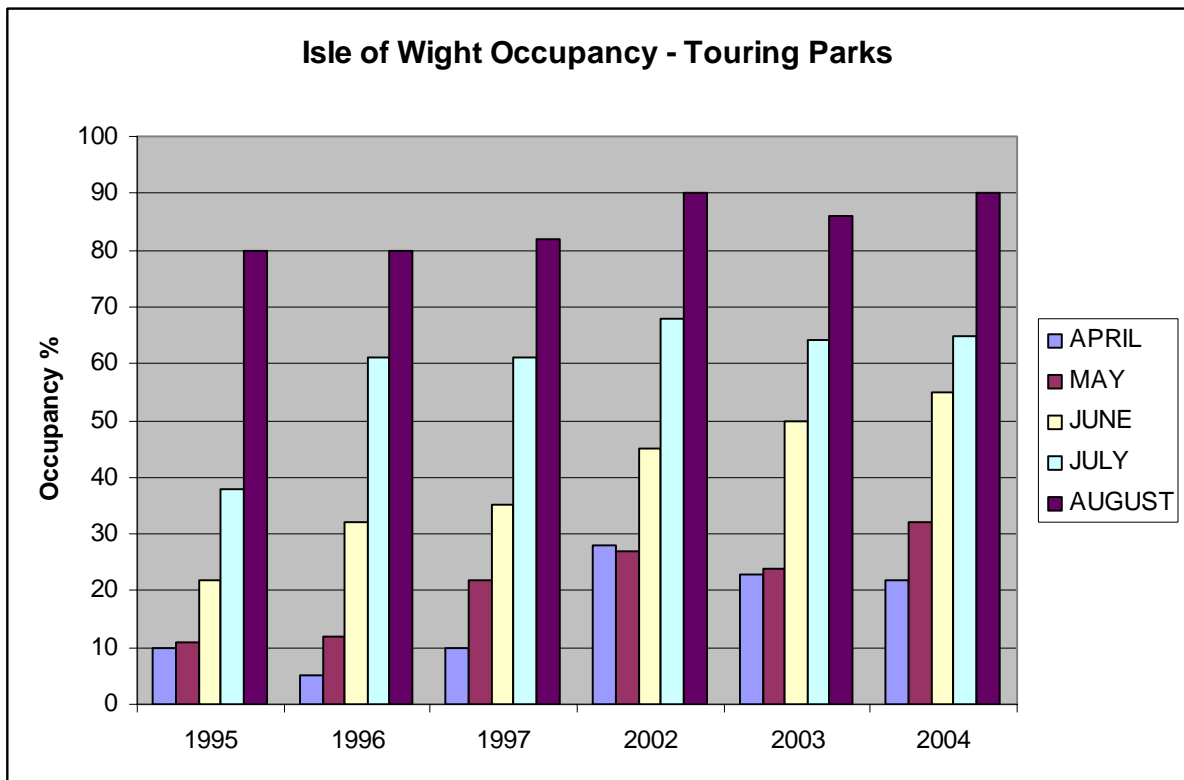
	Quarter 1	Quarter 2	Peak	Quarter 4	Yr Ave
Serviced	21%	50%	71%	38%	40%
Self Catering	18%	63%	94%	43%	54%
Holiday Parks	16%	62%	86%	48%	53%
Touring/Camping	7%	37%	78%	26%	47%*
* Qtr 1 Excluded in Average					

- Although we must be cautious of direct comparison between figures, the charts below illustrate that for static caravans and chalets there is a general 'levelling down' at peak, but an increasing spread into the shoulder months and in particular the spring quarter. Individual sites however will show higher peak occupancy and are regularly at full capacity.

¹⁴ 1976 County Structure Plan; PA Cambridge Economic Consultants; UKTS; Tourism Partnership; Isle of Wight Tourism;



Source: Isle of Wight Unit Occupancy records



Source: Isle of Wight Unit Occupancy records

- As far as touring caravan parks are concerned there has been a general rise in occupancy year on year with some variability around the Easter period in recent years, but the peak months of June, July and August all show relatively high levels of occupancy.



4.0 THE HOLIDAY PARKS MARKET

The holiday parks industry is a diverse sector of the tourism market ranging from traditional 'camps' to modern 'resorts' and from sizeable PLC ownership to businesses that have often been developed ancillary to or as a fundamental diversification of an agricultural enterprise. Overall the market is characterised predominantly by individual private ownership of relatively small holiday parks. Of the 3,500-4,000 holiday parks in the UK the top 5 holiday park operators still have less than 180 parks between them.

The business is split between catered and self-catered accommodation, although the former is increasingly focussed upon the traditional holiday centres such as Butlins and Pontins. Many of the traditional centres have now closed or been redeveloped and the national market supply of catered holiday park accommodation continues to diminish apace. The majority of holiday parks today are directed toward providing accommodation for self-catering holidays.

The development of leisure investment funds, venture capital involvement and increased bank lending on tourism and leisure projects during the 1990's have all assisted in bringing tourism development (including holiday parks) to a prominent position in the commercial property market today.

However, due to the volatility of the leisure market and the higher aspirations of customers today, although the leisure providers are continually evaluating new concepts, they are increasingly ring-fencing their products to limit any damaging failures.

The holiday parks market is defined in some quarters by three broad business types. These are the Traditional Holiday Centre, Forest Villages and Holiday Caravan Parks. The traditional group includes what were known originally as holiday camps, whilst the forest village is effectively a modern reincarnation of that traditional market. The larger and more diverse group are the holiday caravan parks which cover static and touring caravans of varying types, as well as camping; often in a mix of accommodation types and modes of use.

4.1 Traditional Holiday Centres

Dominated by the hotel sector there remains an element of the traditional (serviced) holiday market that provides catered holidays within holiday parks. This is principally focussed on holiday centres such as Butlins and Pontins, but is also achieved on a smaller scale in private concerns, which on the Island is evident on parks such as Whitecliff Bay and Harcourt Sands.

UKTS figures for serviced 'Holiday Camp/Village' occupancy in 2002 suggest that for England this amounted to some 1% of all long holiday trips (4 days plus) in England, which equates to some 2.86 million trips. Overall holiday centres are estimated at providing some 6.15 million holidays per annum which generated spending in the order of £1.2 billion in 2005.

Substantial reinvestment and niche market development has assisted this (significantly reduced) sector of the holiday parks market to survive. In 1999 Butlins closed two of its five remaining Butlins centres at Pwllheli and Ayr, converting them to Haven Holiday Caravan Parks, and invested over £130m in the remaining centres at Skegness, Minehead and Bognor Regis by

upgrading accommodation and installing all-weather ‘domes’ over the central facilities areas. This was a major commercial investment in retrofitting businesses that were failing significantly and were likely otherwise to close completely. It is considered unlikely within the Industry that this level of investment will be witnessed again in the foreseeable future.

HOLIDAY CAMP SPENDING		
YEAR	£M	Average price per holiday £
2000	775	145
2001	856	152
2002	907	158
2003	1075	179
2004	1171	190
2005 (est)	1200	195
Source: Mintel 2006		

The larger Pontins group (now owned by Trevor Hemmings’ Leisure Parks operation) is a shadow of its former operational strength with 8 centres remaining out of an original 31. Here again substantial retro-fitting of accommodation and facilities took place in the latter part of the 1990’s, but not on the same scale as that for Butlins; a move toward the introduction of ‘brands’ has also formed part of the strategy. Leading high street names (often as franchise operations) are now to be found within these centres, particularly at Butlins.

With 13 centres the Warners (adults only) product has evolved as a niche player in this traditional market using quality, heritage and environment as key themes. Warners operate two businesses on the Island at the Norton Grange Resort, Freshwater and Bembridge Coast Hotel in Bembridge. The Norton Grange Resort has been included in our assessment.

Whilst Butlins are repositioning to target pre-teen family groups in SEG-B and Pontins remain firmly rooted to satisfying the needs of SEG - C and D, the Warners centres are principally targeting the AB sector.

Originally part of the Rank Group, Warners are now owned by Bourne Leisure. The Warner Group focus on “Just for Adults” breaks and the concept is based on a package of entertainment and activities. The heritage properties have high occupancy and very strong brand loyalty. Unlike other holiday centres they do not take children, business or conference trade or walk-in (un-booked) trade.

Current trading conditions are considered to be ‘challenging’¹⁵ with consumer spending slowing down as a result of rising fuel costs and more particularly a reducing willingness by consumers to supplement their main European holiday by taking extra short-breaks in the UK. The traditional staple market for holiday centres – the family group – is stagnating and consumer expectations are raising the bar significantly in terms of accommodation and facilities.

The increasing ‘affluent grey’ market sector brought about by changing demographics has initiated a resurgence in certain niche groups, such as the Warners product, but the traditional

¹⁵ ‘Holiday Centres – Leisure Intelligence’ (Mintel: February 2006)

'holiday centre' offer is not currently perceived as having anything to offer this growing consumer group.

TYPE OF HOLIDAY AT A HOLIDAY CENTRE	
LENGTH OF STAY 2004-2005 (%)	
1 WEEK	10
WEEKEND / LONG WEEKEND	8
MIDWEEK BREAK	4
DAY TRIP	2
2 WEEKS OR MORE	2
NOT VISITED	74

The 2006 Mintel report predicts continued growth between 2005 and 2010 but in real terms this will amount to only 1% and the market remains characterised as 'stagnant'.

"It remains to be seen whether the market can sustain this level of value growth at least in the short-term as the possibility of a sustained downturn in consumer confidence may put pressure on operators to discount more heavily.." **Mintel**

4.2 The Forest Village Concept

A variation on the Butlins/Pontins/Warners model is the 'Forest Village' concept imported from mainland Europe. This relatively new sector of the market is dominated by **Center Parcs**, who opened their first UK holiday village near Edwinstowe in 1985. This provides over 900 villas with a site capacity of 4,000 people. They have four other sites in the UK and ten in the rest of Europe.

The brand attracts very high repeat business. Occupancy levels exceeded 92% for the full year to April 2005¹⁶ resulting in a turnover of £229.6million. Most visitors do not leave the site during their stay nor are they encouraged to interact with or visit the local area either pre or post visit. The company ethic is to keep visitors and their spending on site. It had been envisaged as a boost to the tourism economy through employment and indirect expenditure, but expectations about the further expansion of that expenditure into the wider local area have not materialised to the extent originally anticipated.



The concept is environmentally themed and based on a package of sport, recreation and healthy living. The most recent addition to their facilities is the addition of spas under the *Parcs Aqua Sana* brand.

In June 2005 Center Parcs sought planning permission for a fifth 'village' on a 365 acre woodland site on the Duke of Bedford's Woburn Estate in Bedfordshire which will accommodate 800 units (including executive villas) and was expected to open in 2008¹⁷, however permission has recently been refused.

¹⁶ Travel & Hospitality Industry Digest 13 July 2005

¹⁷ Travel & Hospitality Industry Digest 13 July 2005

4.3 The Holiday Caravan Market

The industry estimates that there are approximately 335,000 caravan holiday homes located on some 3,500-4,000 caravan parks throughout the UK. The British Holiday and Home Parks Association (BH&HPA) estimate that there are at least 3,500 'holiday parks' in the UK and the National Caravan Council (NCC) estimate there are more than 4,200 licenced caravan parks alone in the UK with six or more pitches (including some 1500 residential parks). Add in the traditional 'holiday centres', as well as the touring caravan 'Certificated Locations'¹⁸ and unregistered camping site used under the 28 day rule¹⁹ and the size of the business and the overall tourism market is significant.



The UK Tourist Board estimated in 2000 that some 17 million (21.3%) of the 80 million holiday nights taken in the UK were spent in a caravan – whether rented or owned, static or touring. This represented some 18% of all UK holiday spending worth over £2 billion. According to TGI Data some 19% of adults who took a domestic holiday as their last holiday stayed in a holiday caravan. Mintel suggest that more than one in four adults (26%) have been on a caravan holiday in the last three years²⁰.

The UK has the third largest number of caravans in Europe after Germany and France, both of which have 1.3 million each.

In their most recent (2002) market report²¹, Keynote indicates that caravanning is one of the fastest growing leisure activities in the UK. The increasing trend towards independent, activity based holidays, especially within family groups, combined with the increasing move toward short breaks, were seen as primary mechanisms for growth.

As a result, there was growing market sophistication and niche development with a move toward branding and diversifications, such as motorhomes. Within the caravan sector there was a noticeable move toward static holiday caravans. It is estimated that over 60% of short-break holidays are now taken in static caravans, particularly amongst those who have a caravan as a second home.

Market research company Keynote estimate that the sale of caravans rose by 22.3% between 1997 and 2001 to £900 million. However, there is greater emphasis on static as opposed to touring caravans. Between 1996 and 2000 the static caravan market grew by 68% whilst touring caravan output only grew by 4.4% although this has improved somewhat in recent years.

¹⁸ A Certificate Location' is a small park licenced directly by the Caravan Club under powers delegated by the Government for up to 5 touring pitches, for use by members of the Caravan Club only.

¹⁹ The Town and Country Planning General Development Order allows the use of land for the erection of temporary structures (including tents) for up to 28 days in any year without the requirement for planning permission or a site licence

²⁰ NOP/Mintel 2004

²¹ Caravan and Camping Market Report 2002 - Keynote

The caravan manufacturing industry only produces unit sales figures and although these show a steady increase in units produced they do not provide guidance on the level of units remaining in the marketplace; ie the net unit figure. There is a suggestion that the recent apparent resurgence in the touring market may simply be a reflection of upgrading and replacement of older touring caravan units, rather than any net increase in the market as a whole. If there were a net increase then a more evident growth in seasonal occupancy levels across the board for this market would be an indicator, but this does not generally appear to be the case.

The camping equipment market also grew significantly between 1997 and 2000 by some 34.1% resulting in a market value of £220 million. Camping accessories remain the largest area of that market with sales of £109 million in 2000 (56.2%). Increasing confidence and wealth amongst the young and encouragement to 'years out' and independent living all play to this market.

This all hints at the inherent changes in the market place occurring principally as a result of demographic change and economic stability.

The following table illustrates some of the changes that have been taking place in this market sector over the last few years.

DETAILED TYPES OF CAMPING AND CARAVANNING ACCOMMODATION USED DURING THE PAST THREE YEARS IN THE UK AND ABROAD 1999 - 2004					
	1999 %	2001 %	2003 %	2004 %	% Change 1999-2004
Have been on ANY Camping/Caravanning Holiday	33	30	24	32	-1
Have Used a Static Caravan	17	17	13	18	+1
Static caravan owned by yourself/friend/family	8	9	5	9	+1
Rented static caravan	11	10	8	10	-1
Have Used a Towed Caravan	11	7	4	6	-5
Towed caravan owned by yourself/friend/family	7	6	3	5	-2
Rented Towed Caravan	4	2	1	1	-3
Have Used a Tent	13	10	10	13	-
Tent owned by yourself/friend/family	12	9	8	12	-
Rented Tent	2	1	2	2	-
Have Used a Motorhome	3	3	1	2	-
Motorhome owned by yourself/friend/family	2	2	1	1	-1
Rented Motorhome	2	1	-	1	-1

Source NOP/Mintel

Of all types of caravan and camping holiday the static caravan is the most popular at 18% with rented caravans at about 10% and stays in owned caravans at 9%. **Over the period there have been marginal but identifiable shifts from rented toward owned caravan use.**

Tenting is the next most popular form of holiday at 13% with the majority staying in their own tent at 12%.

The following figure shows the most popular areas in the UK for caravan and camping holidays.

AREAS VISITED FOR LAST DOMESTIC CAMPING/CARAVANNING HOLIDAY 2000-2004				
LAST HOLIDAY	2000 %	2002 %	2004 %	% Change 2000-4
West Country	21.1	23.0	20.5	-0.6
Elsewhere in England	15.5	13.4	15.1	-0.4
South / South East / Isle of Wight	14.7	17.4	14.8	+0.1
Wales	15.3	15.4	14.3	-1.0
North East / Yorkshire	12.3	11.0	12.0	-0.3
Scotland	8.4	9.0	10.4	+2.0
East Anglia	9.6	6.8	8.3	-1.3
North West / Lake District / Isle of man	5.0	5.7	7.7	+2.7
London	2.2	1.9	1.8	-0.4
Channel Islands	0.4	0.1	0.3	-0.1
Northern Ireland	0.1	0.4	0.1	-

Source TGI Survey

The predominant area for caravan and camping holidays remains the West Country with roughly 20% of the market, although there has been a marked change since 2002 to below 2000 levels. The South East, including the Isle of Wight, has a figure just above that for Wales and although the overall change is upward, the change since 2002 has been markedly down. Even so the relative share of the UK market based on this survey remains high and suggests that in a region not known primarily for 'resort' holidays (save on the Island) the use of caravans may be for holidays to owned caravans rather than rental units.

In their 'Caravan and Camping Market Report: 2002' Keynote identify a move toward static caravans as a result of an increase in the size of the older age population who prefer the comfort and convenience of a permanently located unit rather than the more 'camping' based holidays in a touring caravan or tent that they might have indulged in in the past. They also identified in conjunction with this an increasing trend toward the use of static caravans as short-break second home opportunities.

Lodges



Landguard Holiday Lodges

Timber holiday lodges have been developed mainly in response to a perception in the market that holidaymakers require more sophisticated accommodation and as a means of addressing increasing environmental concerns over the visual appearance of traditional holiday caravans. In the 1980's there was a belief that they would usurp the role of static caravans which would gradually be phased out.

This has proved not to be the case, partly because the specification of static caravans has improved dramatically, and more particularly because lodges are considerably more expensive than the average caravan (even though they may in fact be technically caravans produced by a caravan manufacturer) and resale price has therefore determined the eventual levels of sales.

In addition the 1970's and mid-1980's began to emerge as a period when the holidaying public moved from simply renting their holiday accommodation on a weekly basis to ownership, particularly within the static caravan sector. This led to a revolution in the industry with a diverse range of larger and more luxurious units being manufactured to feed this growing demand. The evolution of the 'log cabin' market, now re-branded as 'lodges' gained a small but significant foothold in some quarters as a result.

Many lodge developments have associated themselves with other developments and activities that are popular amongst the older and more affluent members of the population. In particular lodges can be found in association with marinas and water-based activities. The Cotswolds Water Park is perhaps the best known manifestation of this in the South of England, although there are other, smaller individual developments around the country. Equally, they can be found in woodland locations in high amenity areas and associated with golfing or 'country club' style facilities. Scotland was a particular area witnessing the growth of lodges that better suited that environment.

There are increasing levels of sophistication in this group. For example, the Whitsand Bay Lodge Park at Torpoint in Cornwall is offering lodges within a development including an indoor swimming pool, children's indoor and outdoor play, sauna, multi-sports centre and bay-view restaurants and bars.

Other developments such as Kenwick Woods in Lincolnshire are extensions to hotels. At Kenwick Woods, the existing country house hotel and large estate has been augmented by 50 timber lodges which benefit from use of the facilities at the neighbouring Kenwick Park Hotel. These include an award winning restaurant as well as an 18-hole championship golf course and fitness facilities.

Generally, these upmarket lodge developments have proved extremely popular with prospective second-home owners in SEG-AB. In some cases lodge developments have sold out within months of being made available, and many developments have been constructed in small numbers and in phases to reinforce the idea of exclusivity.



Whitecliff Bay

Lodge developments offering guaranteed rental income have proved especially popular, as this helps to offset the large capital outlay associated with the purchase of new lodges and offers investors a minimum expected return on their initial investment.

On a much larger scale the proposals for the Bluestone Holiday Village in Pembrokeshire - for which planning permission has now been granted amidst great controversy - involves some 340 timber lodges surrounding a "Celtic Village" of eighty permanent buildings. The Bluestone Project, valued at about £50 million will include a 26,000 ft² Health Spa and Sports Club for guests and a Water World and Snow Centre that will also be open to day visitors. William McNamara and Alfred McAlpine Capital Projects – are seeking to capitalize on the growing popularity of the short breaks market which is currently being underexploited in Wales.

Research undertaken at the end of 2004 by Humberts Leisure Ltd indicates that lodge parks offer an average of around forty lodges per development, with almost 70% of sites being located in the West Country.

4.4 The Foreseeable Future for the UK Economy

Confidence levels in the UK holiday parks market are driven in no small part by the UK housing market and an individual's ability to spend on holidays is almost directly proportional to their mortgage and outgoings on a property. A lull in housing confidence tends to coincide nowadays with caution in holiday taking and a perception of market concern knocks on into 'belt-tightening'; whether real or imagined. We look briefly at the current UK position as a further indicator of future issues for the Island holiday parks market.

The UK economy has performed relatively well for several years. UK GDP figures for 2004 show growth of 3.2% in real terms. Later that year, however, there were signs of slower growth, less business and consumer confidence and more concern about the fiscal position. The current, long (twelve-year plus) expansion of the UK economy started to slow in the winter of 2004/5 and real growth was less than 2% in 2005.

Nevertheless, the broad economic outlook for the UK economy is considered by most commentators to be reasonably positive through 2006-7, albeit with less momentum. Given a favourable global outlook, and assuming the Treasury and the Bank of England adopt appropriate stabilisation policies, the UK economy should maintain forward momentum: growth will slow towards trend – i.e. a rate of growth that the economy can sustain over the medium term without generating capacity problems – and inflation should therefore rise only modestly. If consumers at home and abroad continue to be helped by high employment and businesses can build profitability, the private sector should keep growing, even if public sector expansion is scaled back.

The risk, of course, is that the external environment is less favourable and monetary and fiscal conditions render households (with high debt levels) and firms (facing intense competition) vulnerable to weaker demand for goods, services and labour at a time when other costs are increasing and the public sector is having to retrench.

Savills Research²² indicates that, *“We are not expecting average UK house prices to rise in 2006, but anticipate growth in line with incomes within three years. Within this average we expect significant regional variations..”*

In a press release in late January 2006 the Nationwide Building Society indicate that during the month house prices in general have risen at their fastest rate for 18 months as the market continues to show signs of strengthening.

They indicate that the average cost of a home in the UK jumped by 1.4% in January to an average of £158,478; a monthly growth figure not seen since July 2004. This has pushed house price growth to 4.4%, the highest rate since May 2005.

²² No.53 December 2005

Nevertheless Nationwide warns that the fundamentals of the market remain “fairly fragile” and this could limit strong growth during 2006. A possible below-trend growth rate during the coming year, combined with an indication of possible further rises in unemployment, were issues that supported a cautious approach to the market.

The Centre for Economics and Business Research (CEBR) have forecast that house prices would rise by 4.4% in 2006, compared to 5.1% in 2005²³. They point out that although the interest rate cut in the summer of 2005 has buoyed the market for the early part of 2006 a slowing in the economy will inevitably hit house prices later in the year.

Nevertheless, although CEBR do not predict a crash as housing demand exceeds supply, they do indicate a weaker market in 2007 and market sceptics Capital Economics go further and believe that this current rally is simply a prelude to much larger falls in 2007 and 2008. Jonathan Said, an economist at the CEBR added, “*A slowdown in the US housing market will threaten world economic growth next year; this will have a knock-on effect here in the United Kingdom and we expect this will take a further edge off our property market*”. Longer term though, CEBR notes that house prices will continue to be supported by demand for property outstripping supply.

According to recent figures from the Bank of England, mortgage debt has now gone through the £1 trillion level. An extra £9.3bn was borrowed to buy homes in May 2006, increasing outstanding mortgage debt to £1.007 trillion. However, the value of un-mortgaged property across the UK is much higher at about £3.6 trillion. According to the Nationwide, mortgage repayments are now absorbing 42% of average take-home pay.

The BOE figures show that Britons have a further £192bn outstanding on credit cards and other loans, so total personal debt now amounts to a further £1.199 trillion. But the continued buoyancy of the property market and the steady rise in house prices has driven up the amount of debt due to mortgages alone.

The Council for Mortgage Lending believes home ownership has not reached any natural limit and expects both home ownership and mortgage borrowing to continue expanding. However, the availability of disposable income for holidays as a proportion of overall income might be expected to fall in the longer terms as mortgage and debt finance costs continue to rise. Whilst this may curtail longer, overseas holidays, the trend toward shorter, lower cost breaks may continue.

²³ BBC News 23rd January 2006

5.0 THE SIZE AND NATURE OF THE ISLAND HOLIDAY PARKS MARKET TODAY

The Island holiday parks market currently comprises 88 parks containing or with potential for up to 7,700 holiday units providing approximately 30,000 bedspaces and occupying in total about 1,000 acres of land.

We have undertaken a comprehensive assessment of the holiday parks on the Island involving desktop, questionnaire, database and individual site inspections. We believe that we have identified all the holiday parks that fall within our broad definition and set out our findings in this section.

5.1 The Parks

Details of the parks including a contact list are contained in **Appendix 2**. We have been asked by some parks not to provide specific details and in those circumstances we have totalled their unit numbers. However, we do have accurate details on a park by park basis and the unit numbers can therefore be verified as accurate.

Of the 88 individual holiday park businesses identified they break down as follows:-

NATURE OF BUSINESS	NUMBER OF PARKS
OPERATIONAL	70
CLOSED	8
AWAITING DEVELOPMENT	1
SCHOOL / SCOUTS / GROUPS ETC	5
CERTIFICATED LOCATIONS	4
TOTAL	88

Operational Parks include a variety of businesses both in terms of size and type and they are considered further below. They range from one farm using the 28 day rule on a consistent basis sufficient to feature in holiday camping databases, up to sizeable holiday centres with several hundred holiday units of mixed variety.

The 8 closed parks include several which are under redevelopment for other purposes. Solent Lawns at Cowes for example is noted as closed for redevelopment, but there was no evidence of any redevelopment taking place during our visit and no indication from Council records that any planning applications are currently in hand for alternative use of the site. Others have been closed for many years but still appear in databases and past records.

The park 'Awaiting Development' is Woodside Bay Holiday Centre at Wootton Bridge which was granted planning permission in 2005 for 186 single and two-storey chalet units. This development has been latent within the Island market for many years and the owners, Rotch Property Group have yet to determine the future for this property.

Six of the parks are dedicated to specialist groups or school purposes and include The East Dene Outward Bound Centre, Guildford Camp, Corf Camp (Scouts), Stonewood Camp and Buckinghamshire Schools Camp.

The Certificated Locations identified comprise four parks of five touring pitches each available for members of the Caravan and Camping Club only. These are licenced separately under the Clubs' permitted development rights and are not licenced by the Council.

Of those parks which expressed some indication as to their physical extent, the total landholding extends to nearly 550 acres for roughly half of the total number of holiday parks in the survey. By extrapolation it is likely that the total landholding is approaching 1,000 acres for the industry as a whole.

Wherever possible we sought to identify the total landholding as distinct from that area which was covered by holiday units. From our survey work it appears that there is very little additional land over and above that already developed on the majority of parks. Most have developed up to their physical and ownership boundaries. As evidenced from our planning application research those parks which have sought applications in recent years have in the most part - by necessity - been breaking new ground rather than extending within existing licensed or developed areas.

5.2 Park Location

The majority of holiday parks are located in the eastern half of the Island with particular clusters around the Sandown/Shanklin and Seaview/St Helens areas. If one takes a line between Cowes and St Catherine's Point, 2/3rds of parks are situated to the east of that line. The remainder to the west are located primarily along the Military Road on the south-west coast or are clustered around Freshwater/Yarmouth. There are one or two parks in the deeper rural areas of the central area of the Island - The Orchards at Newbridge being a particular example - however the vast majority are situated on or close to the coast.

5.3 Park Type

We have endeavoured to characterise the parks by type of holiday accommodation in order to properly differentiate between market sectors. There is of course some cross-cutting between parks where they provide different forms of accommodation, but we have sought to identify parks by their primary type of use at this stage.

The Parks are therefore broken down as follows:-

TYPE OF PARK	NUMBER OF PARKS
BUILT CHALET ONLY	20
STATIC HOLIDAY CARAVAN	21
TOURING CARAVAN	14
TOURING AND STATIC CARAVAN	5
CAMPING	1
MIXED	9
CLOSED	8

UNDEVELOPED	1
SPECIAL PURPOSE	5
CERTIFICATED LOCATIONS	4
TOTAL	88

The **Built Chalet Parks** comprise two main groups; the traditional holiday centre businesses which are characterised by rows of chalets and those more modern chalet developments which tend to be in individual units.

Static Holiday Caravan Parks are easily identified by the nature of the holiday accommodation unit and the majority on the Island still use the ‘single’ width, aluminium clad, holiday caravan as the basis for their fleet of units. Some ‘twin-unit’ development or ‘Pine Lodge’ cabin development is also evident, but not in any significant numbers. Gurnard Pines is one example of Island lodge development.

Touring Caravan Parks principally provide pitches for those with a towed holiday unit of some description. This will include, touring caravans, and trailer tents as well as motor-homes. These parks usually provide for tent camping on the same pitches and the two tend to be synonymous in the operators minds. Caution in assessing overall numbers is therefore required to avoid double counting.

Touring and Static Parks comprise those parks that are primarily for touring caravan purposes but which also have a small number of static holiday caravan units.

The one **Camping Park** which is solely for tents involve the Isle of Wight Tipi Holidays business. Arguably there are many more parks which take tents, but many of these are associated with other holiday parks businesses or are simply utilising their 28-day permitted development rights and therefore spring up and disappear at will.

In the context of this study a **Mixed Park** is one which provides a range of holiday unit types, including chalets, static caravans, touring caravans and camping. Whitecliff Bay is a typical mixed park, so too the Park Resort businesses at Thorness Bay, Nodes Point and Lower Hyde.

As far as currently operational holiday parks are concerned there are 20 Chalet Parks, 41 holiday caravan and camping sites, and 9 holiday centres. The remainder are either closed or used by specialist groups.

5.4 Unit Numbers

Overall we believe that there are 7,694 holiday units of varying types available for holiday use on the Island.

A unit in this context is either a holiday chalet, touring or static caravan or camping pitch.

The assessment of unit numbers is perhaps the more complex area of the study as records are not always accurate or sufficiently detailed. One issue which tends to over-estimate the number

of units available is the use of ‘permitted’ unit numbers as against those ‘actually’ available. From the point of view of assessing the actual market size and capacity we have endeavoured to establish the total unit numbers ‘actually available’ for occupation on each holiday park.

The Isle of Wight Council Site Licencing records are not currently available with unit numbers and these would in any event only have dealt with the holiday caravan sector. Equally they tend only to reflect “permitted” numbers and would not necessarily provide actual numbers in use or developed.

There are a number of reasons why full permitted numbers of units have not been developed or remain in use. Some are retained for staff accommodation; others were never built or have fallen into disrepair and have been taken out of commission. For the caravan sector, the biggest problem is satisfying Model Standard spacing requirements for larger units on sites often developed over 40 years ago for much smaller units.

Our assessment has established at least 205 permitted units which are not available for one reason or another. One large chalet park has 55 units lying derelict and unusable, whilst another has 20 pitches awaiting development. This figure does not include the 186 chalet units referred to above at Woodside Bay.

Overall we believe that there are 7,694 holiday units of varying types available which can be broken down by type of unit and type of park as follows:-

TYPE OF UNIT	NUMBER OF UNITS
CHALET	2263
STATIC HOLIDAY CARAVAN	2218
TOURING CARAVAN	2631
TENTS	431
VACANT	151
TOTAL	7694

TYPE OF PARK	NUMBER OF UNITS
BUILT CHALET ONLY	1672
STATIC HOLIDAY CARAVAN	1055
TOURING CARAVAN	1232
TOURING AND STATIC CARAVAN	460
CAMPING	7
MIXED	3268
TOTAL	7694

Although the number of holiday units are broadly equal between the three principal types of unit, to some extent the traditional built chalet form remains the predominant type of unit within the Island market. It characterizes a number of the holiday parks, not only those which entirely contain chalets, but also those which fall within the mixed category. This is a function of history as much as anything else with a large numbers of parks having been developed by the traditional post-war operators, in particular Warners and Butlins. Whilst this stock of accommodation is useful, it does also highlight a weakness within the market given that the majority of the chalet stock is now at (if not well beyond) its productive life.

The range of unit numbers on parks within each group is set out in the following schedule:-

TYPE OF PARK	RANGE OF UNITS
BUILT CHALET ONLY	4 - 330
STATIC HOLIDAY CARAVAN	3 - 220
TOURING CARAVAN	10 - 270
TOURING AND STATIC CARAVAN	40 - 140
MIXED	98 - 652

Arguably, one might question the validity of including parks with such small numbers of units at the lower end of the range. However, they form part of other business enterprises and fulfil a role in providing holiday accommodation; albeit on a very small scale. For example, the site with three static holiday caravans can be found at Freshwater Fruit Farm, which has been successful in winning accolades for its holiday accommodation in recent years and is targeted at a niche market related to their organic farming enterprise nearby.

Naturally enough, the Mixed Park tends to start at a higher level by virtue of their size and operational facilities. The largest holiday park on the Island is Whitecliff Bay, with 652 holiday units, although 400 of these are touring and tent camping pitches.

In terms of assessing the scale of the market by reference to size of the establishment, we set out in the table below the number of holiday parks by unit range:-

UNIT RANGE	NUMBER OF PARKS	NUMBER OF UNITS
0	15	0
1-9	8	51
10-19	5	65
20-29	9	206
30-39	5	136
40-49	3	130
50-59	5	268
60-69	3	180
70-79	2	147
80-89	0	0
90-99	2	192
100-149	9	1071
150-199	7	1180
200-249	3	668
250-300	3	843
300-400	1	330
400-500	2	951
500-600	0	0
600 plus	2	1276
TOTAL	84	7694

The top two parks (Whitecliff Bay and Thorness Bay) still provide more holiday unit numbers between them than many of the smaller parks put together. Here again this is a function in part of a legacy of chalet units and some imbalance caused by significant numbers of touring and tent camping pitches.

What is significant here is the relatively large number of small enterprises which make up the overall holiday parks market. This is perhaps the single biggest issue for the market going forward and is both a strength and a weakness. This relatively large number of small businesses is also a factor in the degree to which the industry as a whole has been able to respond to rapid market change in recent years. Whilst the larger enterprises have scale and (potentially) capital resources on their side, small businesses have, in many respects, struggled to keep up. What has been happening however is a move into niche markets and a differentiation between businesses in terms of quality grading.

5.5 Quality Grading

The following schedule indicates the level of quality grading achieved within the holiday parks sector on the Island:-

QUALITY STAR RATING	NUMBER OF PARKS	NUMBER OF UNITS
FIVE	7	788
FOUR	16	3117
THREE	16	2050
TWO	4	230
ONE	2	157
NONE	39	1352
TOTAL	84	7694

This is a useful chart as it illustrates that about 50% of the Island's holiday park industry has sought a quality grading award and represents over 80% of all holiday units on the Island. Over 70% are graded three-star or better. This is very encouraging and demonstrates that despite the relatively 'small business' nature of the Island's holiday parks industry, those businesses are prepared to strive for higher standards. It may put some question mark over the assertion that smaller businesses are not interested in developing the industry. A number of the questionnaire responses noted that park operators had made significant strides in improving their quality grading over recent years. The position for the UK as a whole is shown below:-

Number of Star Graded Parks in the UK

Country	No. of Star Rated Parks
England	1,059
Scotland	292
Wales	260
Northern Ireland	50
TOTAL	1,661
<i>Source: NCC Vital Statistics 2003</i>	

Of those holiday parks on the Island with a 5-star grading, three are static holiday caravan parks and two are mixed holiday parks, with one chalet park and one touring and tent camping park as illustrated below:-

Field Lane Holiday Park	STATIC	5
Fort Spinney Holiday Centre	CHALET	5
Gurnard Pines Holiday Park	MIXED	5
Hillgrove Park	STATIC	5
Old Mill Holiday Park	STATIC	5
Orchards (The) Holiday Caravan Park	MIXED	5
Southland Camping Park	TR/T	5

The holiday caravan parks sector also runs a National Conservation Award Scheme through the David Bellamy Foundation and there are 16 holiday parks with such a grading on the Island. Of these there are one Bronze award and four Silver awards, with the remainder being Gold awards. There is no similar conservation award scheme applicable to the holiday chalet sector, although many of the eligible holiday parks contain chalets as well as other types of unit.

5.6 Fleet and Owned Units

We have established that at the present time there are 1,302 holiday units in separate private holiday ownership.

During our survey we also tried to establish the level of private ownership of holiday units as distinct from company ownership for weekly letting purposes. The sale of holiday units as second homes to private individuals has become a feature of the Island market in recent years and has been a cause for concern in some quarters. A more detailed consideration of this issue is made in section 9.

From our survey we can establish that, at the present time, out of the total number of holiday units, there are some 1,302 holiday units in separate private ownership. Of these, 347 are in chalet units and the balance (955) is made up from static holiday caravans. This represents about 17% of the Islands holiday unit stock in total – 15% of the chalet stock and 43% of the static caravan stock respectively.

It should be noted that within the chalet element, some 160 units have been allocated at the Savoy holiday centre which is in the process of being converted to individual owner units (recent marketing suggests 10 units less than this). Whilst not all of these are currently available in the marketplace, they are likely to be available for purchase in the foreseeable future and have therefore been retained within the operational numbers at this time. There are eight holiday parks in total currently involved in selling holiday units, but they also contain a mix of other types of units including -for the most part - a substantial letting fleet. The Savoy is of course the exception in this regard.

The proposed development of the Woodside Bay Holiday Centre should also be factored in to this number, albeit that the site has yet to be developed. It is most unlikely that this site would be developed on a letting basis given the capital costs involved and planning conditions have not been applied that require this.

Sandhill's Holiday Park at Whitecliff Bay has been a long-standing holiday business entirely within the owner-occupied sector and we are aware that there are discussions currently taking place concerning the future of Harcourt Sands for alternative forms of development. One of these options may be a similar scheme to that currently underway at Savoy.

5.7 Bedspaces

We estimate the total bedspace volume within the holiday parks market is somewhere in the region of 30,000 bedspaces

Given the time and resources available it was not possible to establish in detail the current number of bedspaces within the holiday parks market, although a reasonable guesstimate can be made based on the unit numbers already outlined.

In similar fashion to the hotel sector it is difficult to establish a maximum occupancy position. A holiday park may be at 100% occupancy in terms of the letting of units, but it is likely that this will remain at less than full capacity when taken in the context of bedspaces. Under-occupancy occurs for a number of reasons - not least the comfort of the visitor - but also because units may have an artificially high in number of bedspaces within them. This is particularly true of the caravan sector where units may have a notional capacity of 6-8 bedspaces (if one used the lounge seating etc as marketed by the manufacturers) but it is more likely that such a unit would be occupied for between 4-6 people at most.

All the chalet units are more tightly constrained by space and are easier to assess in terms of overall bedspace numbers, but even here under-occupancy can present a misleading picture.

Based on our experience elsewhere it is not uncommon to use the following factors in assessing likely bedspace capacity:-

- Built chalet units 4 per unit
- Static holiday caravans 4-6 per unit
- Touring caravans 2-4 per unit
- Tents 2-4 per unit

On this basis we would estimate the total number of available that bedspaces on the Island within the holiday parks market to be as follows:-

UNIT TYPE	NUMBER OF UNITS	LOW RANGE	HIGH RANGE
CHALET	2,263	9,052	9,052
STATIC CARAVAN	2,218	8,872	13,308
TOURING CARAVAN	2,631	5262	10,524
TENT	431	862	1724
TOTAL	7543	24,048	34,608

By making some allowance for under-occupancy and taking account of the variability in occupancy levels across the whole market, it would seem realistic to assume that for all practical purposes a total bedspace volume within the holiday parks market is somewhere in the region of 30,000 bedspaces.

5.8 Seasonality

The tourism and leisure industry remains - in so far as it relates to the Island - a highly seasonal business, despite efforts to spread the market into the shoulder months. But this can be as much a function of the businesses themselves as any particular patterns of consumer behaviour. It is something of a 'chicken and egg' situation. If the businesses do not open in the out-of-main-season period then customers will not come to the Island and if they do not come then there is insufficient incentive to remain open for longer in the season.

A key driver for the Island market to date has been the reliance upon the letting fleet of accommodation which is primarily targeted at delivering holiday opportunities at key holiday times. Outside of these periods the market is naturally limited by the limited availability of the primary market – often dictated by school terms. The scale of the shoulder-break market has yet to materialise to an extent sufficient to justify some of the larger parks remaining open throughout the year, although changes in the structure of static caravan use is bringing about some beneficial change.

The other issue that often affects seasonality of trade is the scale of the individual operations servicing the market. As already noted many of the Island businesses are small, family run concerns and if the business is making a satisfactory turnover for their own purposes there is less incentive to work the market harder. Responses to the questionnaire survey noted a number of returns where although the park could remain open for the whole year, personal choice dictated a shorter operating season. This will naturally affect market perception and levels of out of season availability.

Equally, where a business is struggling to achieve business there is no mileage in remaining open for speculative or reduced-price custom and therefore to save operational costs the business will close earlier. This is a dilemma for the industry as a whole and to some extent exacerbated on the Island because of the rather traditional format to the holiday parks market that remains even today. We set out in the next schedule the overall level of opening periods for holiday parks on a monthly basis. For those parks where an opening period is published:-

OPERATING PERIOD	NUMBER OF PARKS	NUMBER OF UNITS
5 Months	5	250
6 Months	5	483
7 Months	7	1033
8 Months	16	2016
9 Months	3	135
10 Months	4	460
11 Months	3	455
12 Months	15	2495
TOTAL	58	7327

Despite the apparent seasonality presented by the market it is heartening to see that about 35% of holiday units remain available all year round. The next most obvious seasonal period is the standard 8-month, March to October season imposed on holiday caravan parks by past planning conditions.

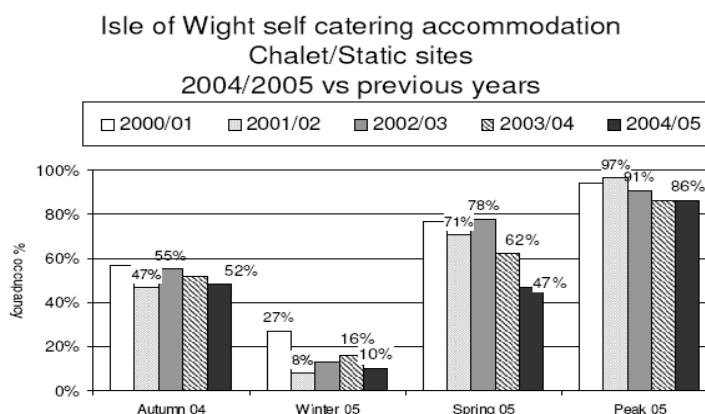
In terms of the type of park that remain open for the whole year there is a reasonable cross-section. Of the 15 parks with a 12 month operating period, 7 involve chalet parks comprising some 788 units, there are three mixed sites providing 1,389 units, 4 static caravan parks and 1 static/tourer park providing 258 units and one touring and tent camping park providing 60 units.

For those parks that remain open for the shortest period, 5-months, three are touring and tent camping parks as one might expect and two are tourers with some statics; again likely candidates for a short season use. The extent to which these businesses fundamentally affect the perception of the market is likely to be minimal.

It is important to note that the touring and camping sector are addressing out-of-season needs through the development of so-called ‘all-weather’ pitches. There appear to be 196 touring caravan and camping pitches which have been redeveloped with hardstandings to allow use in all weather and these are slowly increasing in number year on year. Even so, few of these pitches are on 12 month or longer season operating parks, suggesting that they are more a response to customer demand in general rather than any response to encouraging trade out of the normal season.

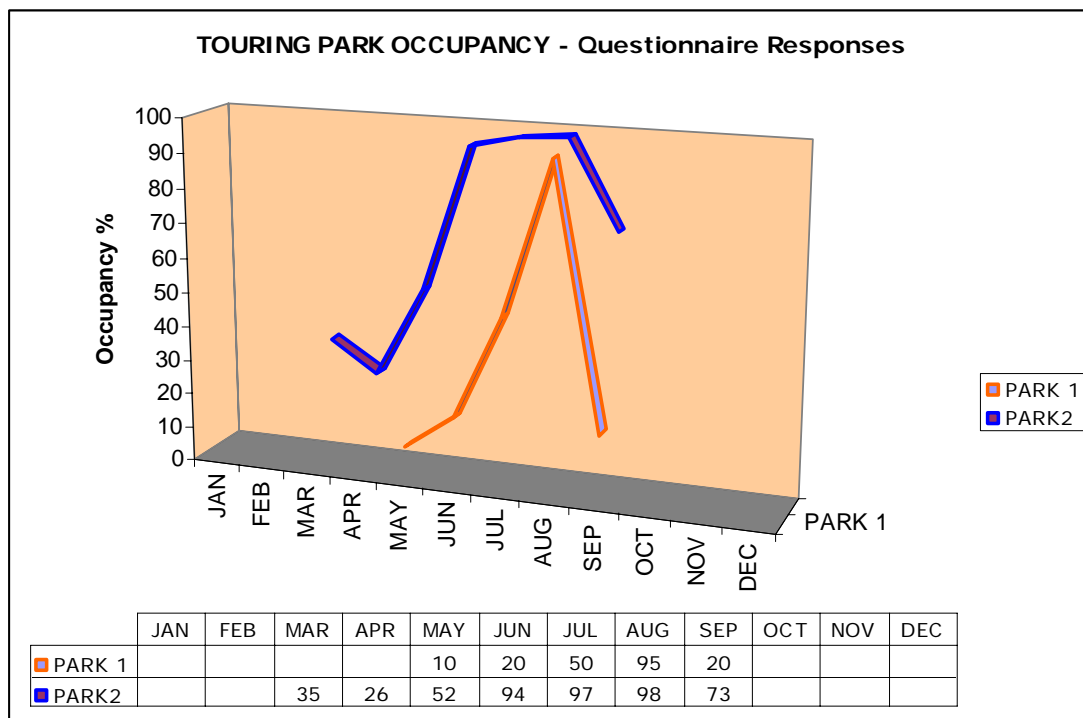
5.9 Seasonal Occupancy

This is an area of market information which the stakeholders of this Report are already well versed in based on the annual returns made over many years. The chart below shows the general level of self catering accommodation occupancy in Chalets and Static Caravans over the past few years.



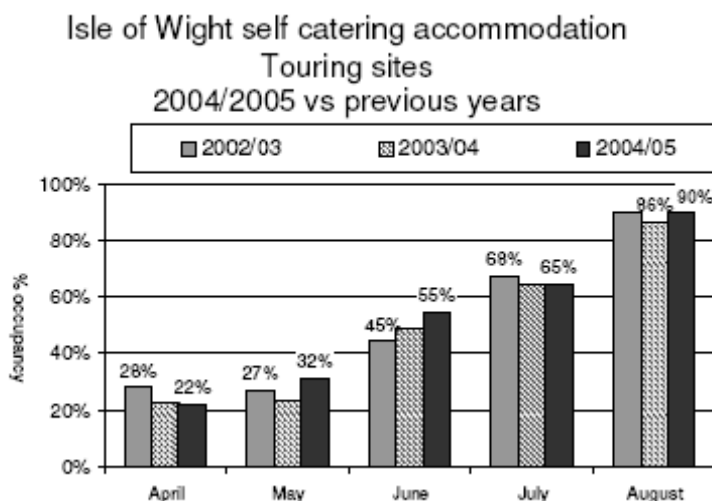
Source - IoW Tourism Activity Monitor

For those parks where a return was made to the questionnaire survey, we set out below their results as an indication of the position as they see it.

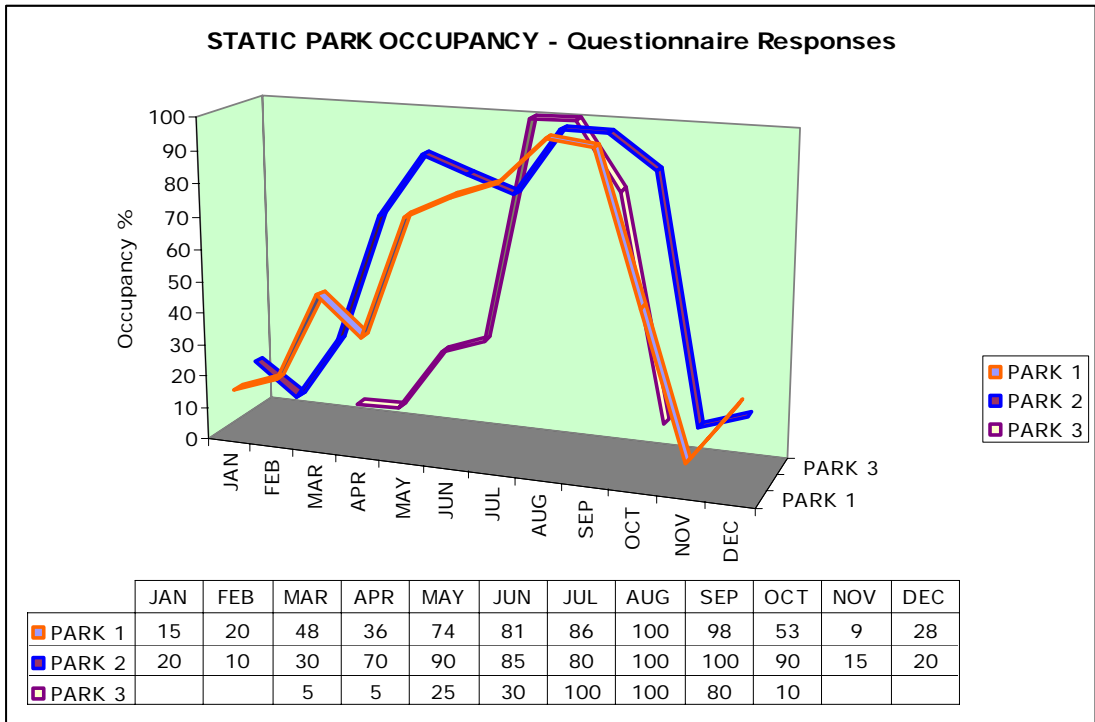


Touring Park 1 is a successful, medium sized, 4-star park with seasonal opening between May and September. Touring Park 2 is a large, 5-star park, with seasonal opening between March and September.

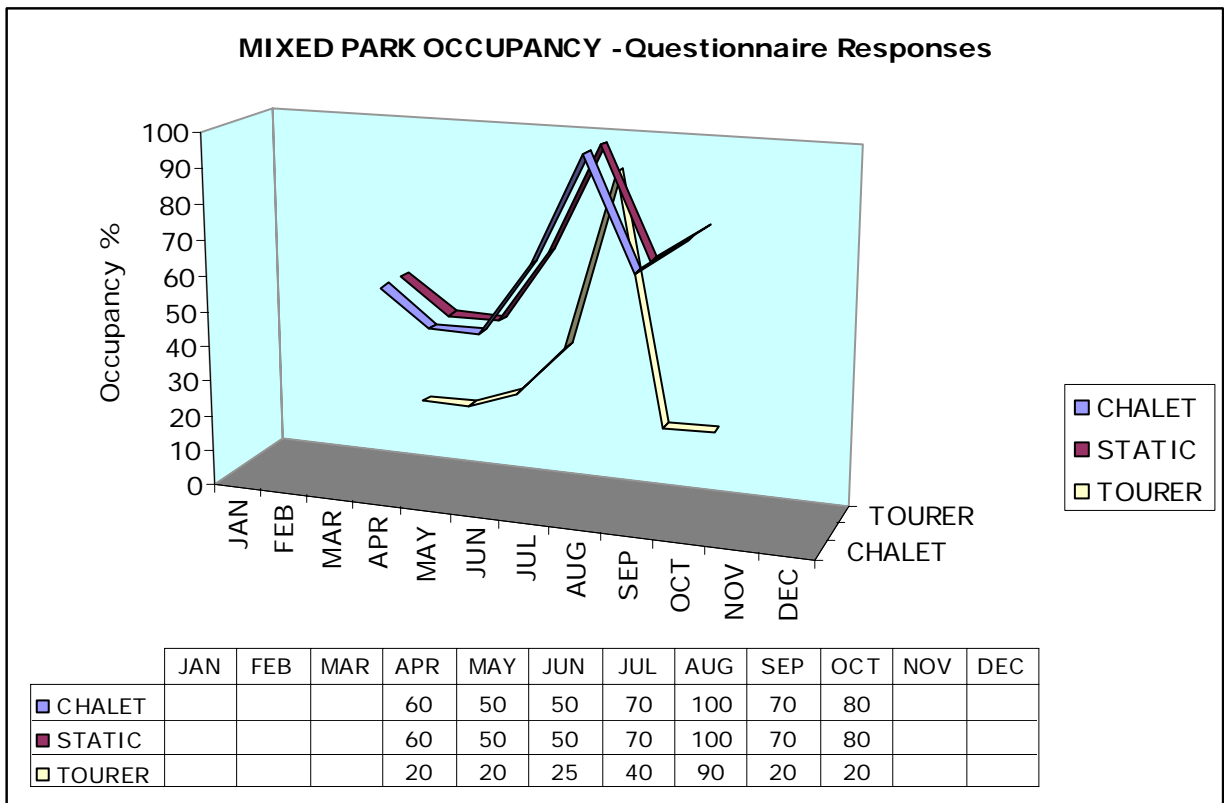
The Councils Tourism Activity Monitor shows the following occupancy trends over the last few years:-



Source - IoW Tourism Activity Monitor



Static Park 1 is a medium size, 5-star park with an all-letting-fleet and open all year. Static Park 2 is a smaller, 5-star, all-letting-fleet park open all year. Static Park 3 represents a more traditional but high quality park with an all-letting fleet.



The Mixed Park represents one of the larger traditional holiday parks on the Island and shows the variation between the different types of unit on that park.

5.10 Facilities

There are very few holiday parks on the Island which do not provide some additional facilities for their holidaymakers. These can range quite widely and a number of the larger parks provide extensive leisure centres and additional activities. Even quite small businesses endeavour to provide some of the basic (and generally expected) facilities including swimming pools, shops, amusement centres and a range of sporting and recreation facilities. The overall level of facilities within the industry is quite substantial and is reflected to some extent in the quality grading achieved.

There remain however some basic parks - primarily those providing straightforward camping and caravanning facilities in open field settings - and these provides for those who wish to holiday in a more straightforward fashion.

One of the problems, particularly for the small operator, is the necessity to make these facilities available throughout the holiday season even though occupancy levels may not place any great demand on their utilization. We did not uncover any overt limitation on the availability of facilities at the margins of the season although this would be understandable.



6.0 ECONOMIC VALUE OF HOLIDAY PARKS TO THE ISLAND ECONOMY

The holiday parks market on the Island delivers approximately 800,000 visits per annum at a tourism revenue contribution of about £50 million per annum.

Holiday parks are a significant part of the British tourism market. The following table shows the overall picture for the holiday parks sector over the period 1992 to 2002. In 2002 the holiday parks industry represented some 17% of all UK holiday trips, 22.5% of all UK holiday nights and some 13.5% of all UK holiday expenditure.

The relevant figures for England alone are 17%, 22% and 14.5% respectively and their representative figures are set out below:-

HOLIDAY PARK TOURISM FOR THE UK AND ENGLAND (1992 – 2002)			
UK HOLIDAY PARKS:	TRIPS (M)	NIGHTS (M)	SPENDING (£)
1992	17.97	93.50	2228.80
1999	21.08	108.66	3106.60
2002	17.29	82.64	2342.52
Note: new methodology adopted after 2000			
ENGLAND HOLIDAY PARKS:			
1992	13.05	69.50	1534.00
1999	17.14	84.29	2587.50
2002	13.41	61.80	1921.54
Source: UKTS			

The total number of holiday parks and their units (of all types) in the UK and England have not yet been calculated to the best of our knowledge, but the bulk of the figures are contained within the holiday caravan park sector. The number of traditional chalet based enterprises is relatively small and they are either converting to holiday caravan parks, developing for other purposes or are closing. The Isle of Wight is somewhat unique in this regard with a relatively high number of traditional chalet parks still in use. If one takes say a figure of 250 for other (non caravan) holiday parks around England (from experience this may be too high) then one can roughly estimate the average contribution of the holiday parks industry at a local level.

Given the industries assessment of holiday caravan parks in the UK (3,500 parks approximately) plus the 250 other parks we guesstimate the total is about 3,750 holiday parks in the UK.

On this basis, each holiday park on average in 2002 would be generating some 4,610 trips per annum, accounting for 22,037 nights per park and generating tourism revenue per park of £624,672 per annum into the local economy.

If one applied these broad figures to the number of operational holiday parks (70) on the Isle of Wight one achieves the following:-

- 323,000 trips per annum
- 1,542,590 nights per annum
- £43,727,720 spending per annum

England

The holiday caravan and camping sector remains the predominant element in the overall holiday parks total and in England alone there are approximately 2,500 holiday caravan parks. On this basis each park is broadly generating 5,108 trips per annum, accounting for 23,596 nights per park and generating tourism revenue per park of £689,104 per annum into the local economy in 2002.

The figures for this sector of the market are provided as follows:-

HOLIDAY CARAVAN AND CAMPING TOURISM FOR THE UK AND ENGLAND (1992 – 2002)			
UK HOLIDAY PARKS:	TRIPS (M)	NIGHTS (M)	SPENDING (£)
1992	15.57	81.43	1751.20
1999	18.07	92.68	2329.95
2002	16.27	77.13	2082.24
Note: new methodology adopted after 2000			
ENGLAND HOLIDAY PARKS:			
1992	11.19	62.78	1180.00
1999	14.08	69.41	1811.25
2002	12.77	58.99	1722.76
Source: UKTS			

If one applied these broad figures to the number of holiday caravan parks (50) on the Isle of Wight one achieves the following:-

- 255,400 trips
- 1,179,800 nights
- £34,455,200 spend

Being a more closely defined set of figures for England only if one assumes the same overall contribution from all 70 operational holiday parks the following figures are achieved:-

- 357,560 trips
- 1,651,720 nights
- 48,237,280 spending

This is a very broad estimate based on national figures and considerable averaging within the overall numbers, but on this basis the holiday parks industry on the Island could be generating some £48 million per annum for the Island economy.

6.1 Alternative Assessments

The TDP notes that 52% of domestic staying visitors used commercial accommodation in 2004, amounting to approximately £143m (out of the £275m from all domestic staying trips). In the tourism year 2004/5 it was estimated²⁴ that holiday parks accounted for approximately 31% of the accommodation used by staying visitors and on that basis (assuming spending levels are broadly comparable between the holiday parks and hotel sectors²⁵) the holiday parks sector could account for approximately £44,330,000 in spending per annum. If one assumes the same ratios apply to overseas staying visitors then the resultant figure is £50,840,000. (52% of £315m = £164m @ 31% = £50,840,000).

Looked at a third way, the number of staying visitors is estimated at 1.56 million in the TDP (59% of all visits) and in the Tourism Activity Monitor this equates to £315 million in spending. The average spend per staying visitor is therefore £201.92 per visit. 52% of all staying visitors equate to 811,200 visits and if 31% of these are on holiday parks (251,472 visits) the resultant figure based on the average spend per visit is £50,777,226.

Based upon these rather rough and ready estimates, it maybe reasonable to anticipate that the holiday parks market on the Island delivers approximately 800,000 visits per annum at a tourism revenue contribution of about £50 million.

²⁴ Isle of Wight Tourism Activity Monitor

²⁵ Whilst hotels may accommodate a larger percentage of staying visitors, many of them are provided for at very low accommodation rates and the level of external spend into other areas (such as attractions) is restricted by the age and spending power of many of the visitors. Overall we would anticipate that spending levels on holiday parks could be higher than for the hotel sector but for this exercise we assume similar spend rates apply.

Given the estimated number of holiday parks in operation (70), bedspaces (at about 30,000) and units (at 7,543) by applying the same figures, this would equate to approximately £714,000 per park per annum; £1,666 per bedspace per annum and; £6,629 per holiday unit per annum.

6.2 Additional Economic Value

The holiday parks industry is often perceived as a national enterprise where revenues are not delivered at a local level. This is however a largely false perception. As already noted, the Island holiday parks economy comprises almost exclusively local family businesses and there is only one national operator (Park Resorts) currently operational on the Island with three substantial holiday parks. Regional holiday park operator Renowned, who own Harcourt Sands in conjunction with three other holiday parks elsewhere on the mainland, are the next largest operator. Therefore, of the 70 principal operational parks on the Island, only four are with business concerns where profits may move off-Island. Even then, their purchasing and employment formats tend to be locally weighted in order to save costs.

It's can therefore be assumed that a very large proportion of the revenue generated by holiday parks on the Island is retained within the Island economy, with little or no leakage out of the area. We have not tackled the thorny issue of leakage and it would be fair to assume that a proportion of revenues on the larger parks are generated off-Island. Equally though, travel costs (which are often seen as a significant area of leakage) are subsidised to some extent by the parks in as far as the ferries are concerned and here again the profits are directed toward the maintenance of a local rather than national service.

Employment is another important factor in the value of holiday parks to the local economy. Whilst this remains largely seasonal on the Island, those parks which open over a 12-month season are able to employ staff on a more consistent basis. From the questionnaire survey there is clearly a substantial seasonal peak in staffing levels, some of which appear to be from overseas, suggesting both the opportunity for cost savings and/or also perhaps a shortage of on-Island employees for certain tasks. Nevertheless, those on-Island employees will circulate their income into the local economy and a proportion of that from off-Island employees is likely to remain in the local economy during their employment period. Further information on employment is contained in Section 7.3.

Even so, holiday parks are not necessarily seasonal businesses in terms of their operational requirements and the winter periods are often opportunities for upgrading and development works to take place. Holiday parks utilize local businesses in support of their own endeavours and questionnaire responses show a range of local shops and services used on a regular basis. The average expenditure per park appears to be £34,000 per annum on-Island and £26,000 per park off-Island; therefore £60,000 in total per park per year. Aggregated this would add about £420,000 per annum into the local economy.

The holiday parks business also contributes significantly to the Uniform Business Rates collected for the Island. Whilst these may not all return from the Government, they continue to make a substantial contribution to the overall income of the local authority.

Without the provision of holiday accommodation other local businesses might not be able to survive. By virtue of the distance and accessibility from the ferry points, it would be challenging, if not impossible, for the average day visitor to visit all parts of the Island and enjoyed the benefits of the wider tourism and leisure attractions available. It is only by virtue of having a large stock of holiday accommodation which can keep people for longer on the Island that many of these additional enterprises can survive. Similarly, the additional weight of tourism trade during the summer months-and increasingly (albeit slowly) into the shoulder and winter periods-can help sustain local shops and services which might not otherwise have sufficient annual trade to continue. This is particularly true in the more rural areas of the Island.

Similarly, it is likely that the ferry companies will make budgeting assumptions based upon likely levels of tourism trade and this it will undoubtedly help to keep overall travel costs at a lower level than might be achieved if this contribution were not significant. A comparison might be made with the Caledonian MacBrayne service in Scotland, which has a relatively small tourism element in comparison with normal domestic services between the highlands and Island's, resulting in significantly higher travel costs for local residents. The holiday parks industry therefore plays its part in helping the wider Island community through its ability to generate business for the Island ferries and thereby keep overall travel costs at a lower level. There is some argument to suggest that the additional travel costs imposed on the holiday industry as a whole during the peak summer months could in fact be subsidizing out of season travel costs to a far greater level than currently anticipated.

There are also wider social benefits that could be achieved from the holiday parks sector. Some facilities on holiday parks are utilized for the benefit of local residents in out of season periods. Similarly, sports facilities, playing fields of just public access to private land have all become regular facets of a holiday parks relationship with its local area. The benefits of this type of relationship is largely unquantifiable, but should not be overlooked in terms of both sustaining and enhancing services available around the Island and in particular its rural parts.

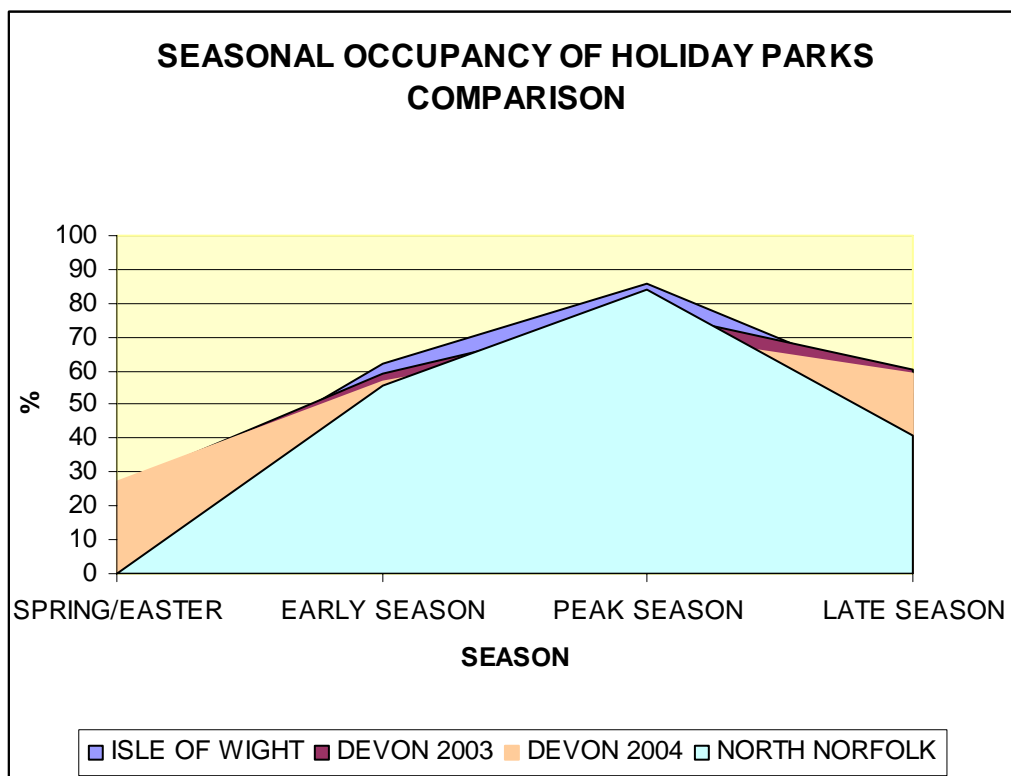
6.3 Isle of Wight Comparison with Other UK Areas

As part of this study, a comparison was sought with other similar holiday areas, in particular the West Country, in order to establish whether the Isle of Wight holiday parks market was performing differently and whether lessons could be learnt from other areas in taking this sector forward. We have identified three parts of the UK in which detailed evidence is available; Wales, Devon and North Norfolk – in effect, a UK region, county and district.

Caution should be exercised in making direct comparisons between areas, not only because they often exhibit entirely differing tourism characteristics, but also because the information bases from which the statistics can be drawn are by no means comprehensive or unified. We have made considerable efforts to identify comparable evidence, but there is no consistent format and approach between areas. However, as a broad guide only we produce some comparisons which may help to broadly position the Island in relation to other principal holiday park areas within Britain.

Seasonal Occupancy Comparison

The following chart shows the broad occupancy levels for holiday parks in Devon and North Norfolk in comparison with the Isle of Wight. Although some extrapolation of data has been necessary it is evident that the North Norfolk profile is broadly comparable to that of the Island, being relatively peaked in the summer season with rapid falls from that peak on either side. The two years for Devon indicate a lower overall peak occupancy, but with a much slower rise from a higher base-occupancy position at the seasonal margins, suggesting that the County has been successful in encouraging shoulder month occupancy. This may also reflect the increasing level of owner-occupation of holiday park units in some parts of the County.



Wales

Holiday parks have been a common feature in Wales (in particular north Wales) for a very long time and to some extent Wales was one of the early target areas for touring, caravanning and camping in the early 1900's.

Wales currently hosts 1,600 caravan sites with a total of 90,000 pitches and provides holiday accommodation for some 2.5 million domestic tourists each year, who spend on average £276 million. This equates to nearly 25% of all domestic holidays taken in Wales. Nearly 50% of all holiday park trips take place in north Wales drawing from North West England and Merseyside, although over 25% of visitors come from the West Midlands. Surprisingly, a quarter of caravan holiday trips in Wales are taken by Welsh residents themselves - suggesting a strong, regional market within the holiday parks sector.

The vast majority of holiday parks (two thirds) are located in coastal areas, a number of which fall within high amenity areas such as the Snowdonia National Park and the Llyn Peninsula. Tradition holiday centre development also features within the overall stock of holiday accommodation, based on former Butlins/Pontins/Warners holiday centres, but many of these have been (or are in the process of being) converted to holiday caravan parks. In 1999, the Rank Organisation through their subsidiary Haven Holidays converted the former Butlins Holiday Centre in Pwllheli into a Haven Holiday caravan park at a cost in excess of £15 million, levelling the existing built accommodation and redeveloping for some 1,000 holiday caravans for both letting and owner occupation. Despite initial local concerns this has proved a beneficial move both economically for the area and for the business operation of the park itself. Wales also hosts the largest holiday park at Trecco Bay in South Wales, where approximately 5,000 pitches are currently in use.

Research carried out by the Wales Tourist Board suggests that in Wales, caravan holidays are more likely to be viewed as the main annual holiday and tend to last on average one day longer than all holidays although the average spend per trip is some £30 less.

Families make up a much higher percentage of caravan holiday makers (53%) than all holiday makers (41%) and over one third of those taking caravan holidays are from social class D/E compared to just 22% of all holiday makers. This differs from the Isle of Wight where a higher SEG is generally to be found.

Holiday parks therefore appear to fulfil a valuable role in providing affordable holidays for a significant proportion of Welsh holiday makers as well as those from neighbouring regions, with a significant proportion still providing for those looking for a relatively low cost holiday.

Nevertheless, Wales also contains some of the highest quality holiday parks in the country, one of the best known being The Warren at Abersoch which is regarded within the industry as setting some of the highest standard in the country and certainly commands some of the highest holiday home park values for owner occupied units in Britain. This is a function of its beach side location, a dramatic setting on the Llyn Peninsula and ready access to a sizeable population in North West England via the A55 expressway.

Length of Stay and Average Expenditure – Wales 2004

	Caravan Trips %	All Holiday Trips %	Static Caravan Trips %	Touring Caravan Trips %
1 Night	5	11	6	0
2-3 Nights	36	46	36	36
4-7 Nights	42	33	47	18
8+ Nights	1.7m	6.2m	1.4m	0.3m
BASE				
Average Length of Stay (Nights)	5.4	4.3	4.8	8.9
Average Spend Per Trip	£138	£182	£143	£117
Average Spend Per Night	£26	£43	£43	£13

Source: Wales Tourist Board

Further statistics taken from ‘Caravan Tourism to Wales 2004’ (Welsh Tourism Board) are contained in **Appendix 3**.

Based on these figures the total value of holiday park tourism to the Wales economy was £2.35 million in 2004.

What is interesting here is the relative level of values per trip between Wales (£138) and the Isle of Wight (£202). Even allowing for averaging there is some evidence that the staying visitor on the Island is likely to spend more on a holiday park trip than might be the case in Wales. This may also reflect relative regional standards of living and income levels for the main Island market drawn as it is primarily from the South-East.

An interesting local area tourism study was undertaken in Ceredigion in 2004 and sheds some further light on the likely outputs from this sector.²⁶ Ceredigion has approximately 9,000 holiday park units containing approximately 36,000 bed spaces, generating an overall turnover output of some £70 million which equates to approximately £7,700 per holiday unit per annum. This can only be a very broad comparison, but when related to the figures already guesstimated in relation to the Isle of Wight (£6,629) they are not substantially different; although it should be noted perhaps that a larger percentage of holiday units (in particular caravans) within Ceredigion are owner-occupied rather than fleet letting units. The Ceredigion figures are also based on year 2000 statistics and are therefore likely to have increased marginally from that position.

Devon

Holiday caravan parks have been a common feature of tourism in Devon and again are well recognised in their role in providing a range of mainly self catering holiday accommodation, albeit that this too is evolving into new product areas.

Devon County Council indicates that in 2004 there were 56,970 holiday park units and a further 64,230 touring pitches in the County; a total of 121,200 units. Based on their published *Tourism Trends in Devon 2004*²⁷ these parks delivered tourism spending in the season November 2003 to October 2004 as follows:-

Tourist Spending in Devon 2003-4				
	NIGHTS	DAILY SPEND PER NIGHT (£)	TOTAL ANNUAL SPENDING (£)	ANNUAL INCOME TO DEVON (£M)
HOLIDAY PARKS	7,730,200	31.34	242.23	62.71
TOURING PITCHES	4,838,000	19.56	94.62	19.87
TOTALS	12,568,200	50.90	336.49	£82.58m

‘Holiday parks’ are defined in their statistics as including static holiday caravans, chalets and other accommodation situated on holiday parks.

On this basis each holiday park unit is generating £2,776 per annum annual spending into the economy. Significantly lower than that identified for the Isle of Wight. However, the variable is the level of touring pitches. In a detailed survey undertaken in the mid 1990’s only 11,884 touring pitches were identified on all parks, based on a site by site analysis and Licencing

²⁶

²⁷ Tourism Trends in Devon 2004 (November 2005) Devon County Council

returns. The growth since then which is apparent from the numbers now provided is not seen as realistic and may include tent camping pitches which will radically skew the figures.

If one takes the holiday park element alone the resultant figure is a more realistic £4,252 per unit per annum.

We have differed over many years from Devon County Council in their deduction for 'leakage'; ie the difference between the total annual spend and that retained by Devon itself – a significantly reduced figure. The leakage deduction figure applied in their statistics has remained unaltered in nearly 20 years and has never been clearly defined. We have argued that (in similar manner to the Isle of Wight) most businesses are small, local, family-run enterprises that re-circulate their income locally, and therefore the retention levels are much higher than envisaged in their research, although still not as much as 100%.

We suggest a note of caution over these figures as they differ materially from the mid-1990's detailed position in circumstances where the likelihood of such a large increase in units through the planning process is frankly inconceivable. Our detailed assessments in the mid-1990s showed static caravans alone contributing a revenue per pitch of £11,672 and this was acknowledged by the Council in debate over Structure Plan policies to an extent that a more positive policy framework was constructed.

North Norfolk

Norfolk as a County has a significant holiday parks industry focussed almost exclusively upon the coastal areas from Hunstanton around to Great Yarmouth and Lowestoft. North Norfolk District Council undertook a tourism sector study published in December 2005²⁸. This was a substantial visitor accommodation audit and identified in the region of 5,000 static caravans within the district together with just under 4,100 pitches for touring caravans and tents. Although the location of chalet parks was identified, the survey did not determine the total number of chalets within the district.

Of the static units identified only 8% were available for rent by general holidaymakers, with the remaining 92% in private holiday owner-occupation. £44 million in spending was generated by holiday accommodation alone.

There are roughly 12,000 units of accommodation of which 84% (10,000) are on holiday parks. Holiday parks generate about £37m in tourism revenue per annum which equates to roughly £3,700 per unit. Given that touring caravan pitches represent almost half of this total unit number, the relative value for chalet and static caravan units is likely to be much higher as a contribution to the total. These are however very rough estimates and more detailed figures were unavailable from EETB at the time of this study.

Tendring District - Essex

Another area of England highly populated with holiday parks is the Essex Coast from Clacton to Walton on the Naze in Tendring District. Although no up-to-date information was available at the time of this study they are well versed in the holiday park sector and some comparisons bear making in the light of planning policy comments which come later in this report.

In their document *The Economic Impact of Tourism in Tendring District 1998* the Council note that there are approximately 9,500 holiday units of which 8,900 are static holiday caravans on some 29 parks. They significantly outnumber the hotel and guesthouse sector in terms of bedspace by at least 50 to 1 and the holiday parks accounted for 84% of all staying visitors. Here again, many of the parks have mixed letting fleet and owner-occupier units. Park Resorts now own 5 of the largest parks in this District.

In 1998 staying visitors contributed circa £128 million and therefore holiday parks are likely to have contributed about £108 million of this. On that basis each holiday unit was contributing about £11,000 per annum - comparable with that for Devon at roughly the same time - and a figure that is not unexpected based on our previous work in this area. In comparison a similar exercise at that time on the Isle of Wight showed revenue per pitch in the order of £5,000.



The Essex Coastline at Jaywick

7.0 THE HOLIDAY PARK QUESTIONNAIRE AND PUBLIC MEETING

In order to assist this Study, it was considered necessary to canvas the views of the holiday parks industry to try and establish their up to date and personal views on the various aspects of the Study brief. To this end, a questionnaire survey was sent out to all identified holiday parks in late April requesting returns by the end of May. In addition, following discussions with the Island branch of the British Holiday and Home Parks Association a public meeting was arranged which took place on 17 May 2006 at the Southern Vectis Sports and Social Club in Newport.

The questionnaire survey received ten responses and separate personal discussions took place directly with the Manager at Harcourt Sands and the Operational Director for Park Resorts concerning their 3 parks. In addition, the public meeting attracted 25 people representing 17 parks of which 8 participated in the public meeting, but did not make a specific questionnaire return. In total therefore, approximately 22 parks were canvassed in detail by one means or another, representing 25% of the Island market (31% of the operational, mainstream holiday parks business).

We would like to take this opportunity to thank, in particular, the Island branch of the BH&HPA for facilitating the public meeting and conducting their own e-mail circulation of members to notify them of the study and encourage them to take part. We are aware that several reminders were sent out during the currency of the study.

Although the survey responses represent only a fraction the holiday parks industry on the Island, we consider that they are a representative sample ranging in type, scale and nature from one small static holiday park - which has recently closed - through to the largest holiday parks on the Island and with a mix of chalet, static and touring caravan businesses within the spread of respondents.

We consider first the responses to the debate in the public meeting and then go on to consider the questionnaire responses. A copy of the questionnaire and covering letter are contained in **Appendix 4**.

7.1 The Public Meeting

The holiday park questionnaire was used as a general format for the meeting which eventually ran on to nearly three hours of constructive debate. We highlight in the following paragraphs some of the key issues raised during that debate and add our own perceptions and comments in brackets (as felt appropriate) to interpret further the comments made.

- **State of the Isle of Wight Holiday Market**

There was a general perception that tourism was under pressure from the availability of cheap flights. Whilst good performance in 2005 encouraged confidence for the beginning of 2006, there was some concern that following a good start to the year the market may fall off as the year progresses.

For those in the fully-catered sector, the start of 2006 was seen as very poor and a function of falling coach operator business as much as anything. The reason for this was stated as being the increasing fuel prices, particularly for the over 50's as a proportion of their overall budget which meant that their marginal propensity to take short break holidays was diminishing and more were staying at home. The last 2-3 years have seen an increasing demand for coach holidays in January and February but the rapid rise in fuel costs was identified as a key reason why coach companies were now struggling for business.

- **The Ferries**

One of the major areas of concern related to the long standing and continuing debate over ferry costs. Whilst one ferry company continued to offer reasonable rates and were seen as co-operative with the various holiday parks businesses, many stated that they had difficulty or would not deal with the other because they appear to be less inclined to work with the industry and were unwilling to offer beneficial rates.

Of particular concern were the almost infinitely variable tariff rates which one park operator considered to be "completely baffling". Moreover, travel offers made by the ferry companies were rarely transmitted to the operating businesses or the customer, although the larger holiday parks indicated that they were able to achieve reasonable rates. There was a feeling that the smaller holiday park businesses could not really negotiate with one ferry company and gain any trading benefit from them despite the level of business that was likely to be using their services.

There was a general expectation that fares would increase in future and that these would necessarily have to be passed on to the customer, although the extent to which this could be at full cost remained a moot point.

- **Seasonality**

On the issue of seasonality there was a general impression from most operators that 2006 would be a "steady as she goes" year with no surprises, but concerns over travel costs for visitors remained an abiding concern.

One operator pointed out that in order to achieve the same financial return he would need to achieve 4-5 bookings during the winter period for every 1 booking lost in the summer.

Winter business was identified as split between Islanders (10-20%) and those from the mainland (80%); the latter being predominantly over the Christmas and New Year period. As far as Islander business was concerned this was not so much a holiday use as a dormitory use for a variety of reasons. Many park operators noted that people who were looking to move to the Isle of Wight came over for 2-3 weeks during the winter months and rented a holiday unit as a base during that period. Others were simply moving out of their home whilst building works were undertaken or whilst in transit off Island following disposal of a property.

There was some anecdotal evidence that holiday units were being occupied by people who had holiday units elsewhere on the Island and were simply using the 12 month seasonal parks as a means of covering their occupation whilst their own holiday park was closed. The 6-8 week period after Christmas saw some notable long term bookings according to some operators. The quantum of this could not be identified, but our perception was that the issue was not perhaps as significant in terms of actual numbers as might be interpreted from the concern expressed by the individual park operators. No one was able to provide any detailed evidence in this regard.

The peak summer season was noted as June and July by most park operators who were affected in no small part by the changes in school examination periods that are now focussing family holidays on a much narrower period of time. This is particularly true of school parties who used to arrange adventure weeks in April, but these are now being redirected to post-SATS weeks in May and June. In addition, the Government's 'encouragement' to parents to keep their children in school and the well publicised penalties for those who do not, are another issue focussing family holidays into a narrowing 8 week period. Whilst the staggering of some school holiday periods has helped to keep breadth to the summer period, some park operators have noted that they were now having their holiday business focussed into a 5-6 week period.

- **Late Booking**

Several park operators noted that the booking timescale for holidays was extending and this of course is in line with general trends. Whereas they had once been sold out by January for holidays in July, vacancies still remained to be filled by March of this year, even though circumstances on the parks have not changed over the last 5 years and prices remained competitive. Online booking was seen as both a benefit and a dis-benefit, in that whilst people had greater accessibility to information and rapid booking opportunity, they could more easily establish levels of availability and to some extent wait until the last moment to book, keeping their options open between several parks in the meantime. Weather is an increasing determining factor especially in the short-break market.

- **Repeat Business**

One factor that offsets this sensitivity in the marketplace is the relatively high level of repeat business experienced by the majority of park operators. Whilst people still want to have their main holiday abroad their second or subsequent holiday will be a repeat visit to the Island, to some extent increasingly in the spring and autumn. Many park operators reported seeing the same people time and again and achieving early bookings for the following year as people were leaving the site. This of course is helping to bolster the market and is also a function of changing demographics with an ageing population less keen to travel and requiring greater certainty in their holiday operations.

The Isle of Wight was not seen as having the sophisticated cultural activity that one might find in a city break but once experienced there was a general feeling that people did come back with reports of some visitors returning year and year over 20 years. Such return cycles

indicate a propensity to take holidays that are not as weather dependant as may be envisaged, although this will doubtless still impact upon main holidays.

Despite the apparent return business, there was a general feeling that marketing could not stand still and parks should not rely on old clients. There was general agreement that at least 30% minimum new customers every year should be achieved in order to maintain the overall level of business. The best type of business was family holidays and “reminiscence” breaks, with the former being tied primarily to school holiday breaks whilst the later would fill some of the out of peak periods.

- **Events**

The large events that take place on the Island were generally seen as a good thing, particularly for those park operators involved in touring and tent camping operations. However, whilst both the Isle of Wight Festival and the Round the Island Race were very good for business, they coincided to some extent with wider public holidays and could be seen as a detriment to traditional holiday business. For example, the Round the Island Race took place in the last weekend of the school holidays and whilst a potential attraction, could also be a discouragement to mainstream business. If the Island could develop a programme of events which spread opportunities into the quieter seasonal periods throughout the year then would be of positive benefit to the industry.

Promotion of the Island should continue outside the main season.

- **Quality and Value**

The raising of quality within the industry was tackled as an issue. There was a general view that quality did not necessarily equate to “expensive” or “upmarket”. Delivering a quality product could take place across the board and many thought that trying to target high spenders alone would cut the overall level of tourism to the Island even further and could in fact be at risk. Those with high levels of discretionary spend are less likely to remain a loyal return visitor when presented with alternative spending opportunities. Moreover the capital investment required to deliver to that market was seen as prohibitive to the majority. The general conclusion was that it was not practical to target any particular market sector for the future of Island tourism and that the industry could continue to cater for all types. There was as much validity in providing budget accommodation for lower cost holidays as there was developing for the top end owner-occupied holiday accommodation now being produced on parks like the Savoy.

- **Incomers**

There was a perception that mainlanders who had moved to the Island to retire were increasingly inclined to discourage tourism and that there was a view within the industry that in fact tourism wasn’t wanted on the Island. The foundation for these comments was difficult to determine and appeared to be based on a variable perception of the way in which both the Council and the public responded to tourism issues and pressures. They felt however that retirees were increasingly inclined to deter tourism once they had established

their home on the Island; albeit that they were once tourists themselves and had probably been attracted to the Island in the first place through a tourism trip. (This is nothing unique to the Island and is a feature of tourism in many parts of Britain. Cornwall for example experiences a similar level of antipathy towards tourists by those who have retired there).

- **Planning**

When considering planning policy, eight of the parks attending the meeting indicated that they had or were in the process of making planning applications to carry out extensions or developments on their park. Several had achieved planning permissions in recent years whilst others had failed at the application stage or subsequently on appeal (details are set out later in the Planning and Policy Section in Section 11).

Many of the parks expressed a degree of frustration at the difficulty of achieving planning permissions which were part and parcel of upgrading and improvement plans, as well as simply addressing the need for more bedspaces within their particular sector.

The costs of meeting modern legislative standards (particularly within the health and safety sector) necessitated some means of recouping the capital investment through higher occupancy levels. With many parks being based on formats developed over 50 years ago, they were struggling to satisfy visitors increasing expectations within a system that was not flexible enough for their needs. There was a consensus that whilst the Council appeared helpful and responsive in discussions, the end result was that planning became a bar to progress.

The Unitary Development Plan was perceived as being full of enthusiasm for tourism, but nevertheless imposed considerable restrictions on the ability of the tourist industry to respond to changing demand. Several park operators questioned why land allocations for industry and housing were readily identified, but tourism was not, even though it was a significant element of the Island's economy.

- **Alternative Uses**

In response to issues concerning a change of use of holiday parks to other purposes, there was general expectance that as some sites were now surrounded by housing, their ability to fulfil a true tourism role was significantly reduced. However, if the Council wanted to get rid of "inappropriate sites" then it would be necessary to make a balancing allocation elsewhere if the industry was not to diminish further.

One park operator said that he had been battling with the planners since the 1950's and his perception was that they did not want anything to do with the caravan and holiday parks sector. He perceived that there was considerable pressure from outside sources (unspecified) who seemed to have considerable influence with the planners.

(Our involvement with the Island holiday parks economy over many years has caused us to come across this particular issue more than once from different operators, but whether this

is just a lack of satisfaction with their own ability to make progress or a comment on the wider attitude of the Council is difficult to determine).

Another park operator questioned the Council's apparent desire to replace "unsuitable" holiday accommodation with "suitable" holiday accommodation, although he again made the point that it seemed to go unspecified by those who were seeking such action. He questioned what constituted a "suitable" holiday park.

- **Market Perception**

With regard to market perception, some park operators noted an increasing reluctance for chalet bookings. There was a perception that chalet equalled 'hi-de-hi' whilst caravans were a more clearly understood entity and were therefore in the consumers mind "better". We raised the question of whether built structures were better in the long term, but many pointed out that a caravan holiday was "part of the holiday experience" and that caravans could be replaced and keep up with changes in the market far better than built accommodation. The general public were difficult to define in narrow terms and therefore marketing should be as broadly based as possible, *"as long as the Isle of Wight is marketed properly then visitors can find a site which suits them"*.

- **Owner-Occupier**

With regard to the owner-occupation of holiday accommodation within holiday parks, this generated considerable debate and is evidently a topical issue. Businesses such as the Savoy and potentially Harcourt Sands saw the redevelopment of their businesses along owner-occupied lines as providing a new lease of life for the next 20-30 years and was a sound investment opportunity which would help recover an otherwise failing business for the long term benefit of the market. Others felt that owner-occupation was a "double edged sword" whilst sustaining some areas and businesses which might otherwise have failed, it could also result in potential abuse of the planning system (holiday parks being used for residential purposes) and also level down the overall scale of activity.

There was a general agreement that holiday parks should not be allowed to operate as unofficial residential parks and that the Council were tending to turn a blind eye in this respect by failing to enforce breaches of planning control. Here again, anecdotal evidence suggested that despite recent activities by the Council to address this issue, some parks remained open to abuse in this way.

Some questioned whether in fact there was a role for holiday parks within the affordable housing sector. With prices being indicated at in excess of £160,000 to buy with a further £4,000 annual ground rent and then costs of services on top, this equated to the same price as the lower end of the housing market on the Island, however there was a general feeling that there would remain a demand for this kind of property.

Where caravan sales were taking place for owner-occupied holiday accommodation, there was a consensus that sub-letting would need to be encouraged if only to support and maintain the level of facilities on a park. There was a general feeling that owner-occupiers

were less likely to use park facilities than traditional holiday makers, however, owner-occupiers might tend to use the Island's facilities more broadly rather than focussing their interest on the park as a whole.

- **Economic Value**

There was a general feeling that the holiday parks industry was not recognised for its value in the local economy and as there were no votes in the holiday industry it was not considered important to the Council. The lack of understanding about how the industry operates was also outlined by several operators. One example was the apparent emphasis on encouraging more day visitors without any apparent explanation as to why. It was evident that staying visitors increased tourism substantially but there seemed to be little similar encouragement for this sector.

Holiday accommodation and in particular camping and caravanning was often located at the back of holiday guides. The new online booking system was designed primarily for hotel rooms and does not operate successfully for the holiday parks industry. The Visit Britain website is similarly only geared towards the booking of rooms and is unable to do packages, whilst the Isle of Wight Tourism website appears to have been left out in the cold. The general view was that the current system was not delivering.

7.2 The Questionnaire Responses

We set out below responses received to individual questions on the questionnaire survey which reinforce some of the points made above in the public meeting.

What is your assessment of the current Island holiday market?

- Quiet for 2 years running but now getting better.
- Quieter in May, June, July and October and achieving about 2 or 3 bookings a week.
- Slightly depressed and not helped by Local Authority policies.
- Not so busy this year to date as a result of weather and ferry costs.
- Not good.
- Grim!
- Buoyant.
- Need more out of seasonal business but not at expense of main holiday season.
- Customers looking for quality accommodation.
- Expectations very high even at the cheaper end of the market.
- High personal debt levels and threat of rising interest rates a worry especially for those who have invested in high quality, expensive accommodation.
- Exceptionally high increases in utility costs are worrying as this is a substantial part of our expenses but will be difficult to raise prices above inflation. This is already affecting profit margins and hence ability to develop.
- Buoyant.

- In overall decline, however there is prospect of growth in some niche markets. We sell clean, green country camping and have managed to build good customer loyalty on that basis.
- In general overall decline, however some growth may be possible in the high quality self-catering sector.
- Growing – provided good quality accommodation offered.

What changes do you perceive in your business, the nature of the holiday maker or the demands of the market?

- Good quality, price, second holiday (different age group), looking for different things.
- Our client base will probably remain transient – dependent upon the national economy. The holidaymaker is looking for value for money which is not necessarily up market facilities.
- We will carry on upgrading accommodation units. We would also like to develop a new holiday lodge estate on adjacent land, if we can get planning permission.
- We are only able to attract sufficient numbers during summer holidays. Have to provide long term lettings to Island home seekers out of season.
- Continuing upgrade of site and accommodation and services provided.
- Higher standards required ie. water and drainage on pitches (this from a touring caravan park).
- The constant need to invest in higher standard facilities, in order to retain our market share of business.
- Gradual overall decline in business, the only growth seems to be in the short breaks second/third holiday market. Higher standards and a greater range of facilities, these are only possible on the larger sites.
- Most are expecting/demanding better standards.
- ICT is generating more and more enquiries.

What do you consider to be the key issues affecting the industry in the Island?

- The national economy – the weather – the cost of travel (ferry prices and road fuel costs) – the negative attitude towards our industry displayed by some elected Council officers, and the majority of the retired population who oppose any business operation (including agriculture) located outside an industrial estate.
- Ferry costs – need to work hard to keep repeat business i.e. positive welcome at all levels – need more events, particularly off season; the Music Festival, Vintage Cars etc all generate good business – more please!
- The cost of ferries and especially [name of ferry company] – travel costs generally – ferry tariffs are confusing.
- Continuing change of policy and direction on tourism issues from the Council. Insufficient funding for generic advertising of Island. Modernisation of infrastructure lagging behind customer expectation. Ferry prices. On the plus side, events organised over the past few years have been very successful and brought a lot of people and publicity to the Island.
- Ferry fares – expense.

- Higher overheads, larger vans need slightly larger parks to be profitable. Ferries.
- We are open all year (but most things are not).
- The local authorities' policies in respect of the "image" campaign, planning restraints and an acceptance of the importance of tourism to the Island.
- Costs of getting on the Island – more promotion by the Island Council – support for new development that would increase more up-market holiday rental accommodation.

What is your assessment of the Island economy? How is it performing and what changes would benefit your business?

- We are not directly affected by the Island economy as almost all customers come from the UK etc. (an interesting comment if slightly misunderstanding the question)
- The increase in Council tax coming on top of other rising costs is having to be passed on and is making us uncompetitive with mainland locations (where there is no ferry cost).
- Island economy dominated by public services, fewer big employers than a few years ago.
- The Island has a weak economy by comparison with Hampshire and Dorset.
- The average wage is lower and the percentage of unemployment is higher, it will need a massive regeneration budget to heal the sick patient.
- Ticking over. Council taking more interest in promoting tourism. Tourism is life blood of Island.
- Fair to good.
- The Island economy does not appear to be demonstrating any real growth and is being constrained by lack of investment and marketing.
- A bit slow to us as a new owner on the Island.

How would you develop your business over the next 5 years if allowed?

- If market stays buoyant we will build a new office/reception block in the next 2 years. Would like to develop 6 up market log cabins to achieve a range of accommodation to good-quality-basic to top-of-the-range and therefore spread risk in different economic climates and provide customer with choice.
- We would like to site an additional hire fleet of static caravans/lodges to expand the business.
- Relocate to a suitable local green field site. The ability to move the business to a larger site nearby, to enable expansion to form an economically viable unit.
- Develop adjoining land. Create 'super' pitches for those that want them. (a touring site)
- Continue to upgrade and improve the site, perhaps more balconies on units. However, due to coastal management and maintenance of sea defences in the future the site would be in danger of flooding and also (there are difficulties because of) the area of outstanding natural beauty it borders.
- Aim to provide improved accommodation and facilities to ensure continuity of development.
- Move some accommodation more upmarket with new development on farmland next door with camping and caravanning site with top of the range facilities on each plot.

- Convert the clubhouse to permanent accommodation and get out of the holiday business!

What marketing initiatives would assist you in developing your business in the future?

- More generic Island marketing especially aimed at out of season, but not forgetting main season.
- All marketing should be aimed at “breaks” not “short breaks”; cost of ferry militates against a lot of “short” breaks especially with a tourer.
- Promoting the Island as a destination for diverse holidays/breaks throughout the year, suing new money; assisted area status?
- Higher profile national marketing of the Island as a holiday destination.
- A renewed image campaign for the Island.
- Effective “image” campaign designed to benefit all types of tourism. Tourism to be given higher profile by local authority.
- More national advertising.
- A staggering of school holidays would extend the main holiday seasons.
- More events off season – car rallies, racing, festivals etc.
- More flexibility by education authorities permitting parents to take children away for holidays during term time. The Island needs to promote an all year round holiday location.

Do you have any other comments that can inform our understanding of your market and how it may be changing, improved, assisted etc.?

- Customers expect good quality accommodation and service. However they do not have an unlimited amount of money to spend. Although we cater for many people – elderly couples, young families, couples – they all come to the Island because it is small, quiet and beautiful countryside with nice beaches.

People come all year round – the shoulder month of April, May and September and October are increasing in popularity for those wanting second holidays, often one week at each end of the year, but this is not encouraged as facilities and businesses are not always open.

People now book later due to job security, money, family situations. The fact that children cannot be taken out of school tends to affect June/July bookings. Bookings are weekly April to end of October with very, very short break in April and October. In the winter, bookings are a mixture of short breaks and weeks about half and half. There are less multi-week bookings over the last few years.

More people with allergies and a wish for non-smoking and pet-free accommodation.

- It appears that the market is being influenced by educational restraints – ie. no holidays in term times and different term lengths and holiday periods. Ferry prices will always influence the “unseen” holidaymakers and they also deter the regular visitors. The Island therefore has to be marketed even more to overcome these perceived obstacles.

This will require the local authority's prioritisation and investment and an aggressive marketing strategy.

- The demand for better quality accommodation is quite clear, expectations are high. However, we have found it important to maintain a range in order that lower income families can still come on holiday to the Island. We would like to provide a new holiday lodge development – it would be only one on the Island, with top of the range accommodation, with all year round holiday accommodation.
- Isle of Wight Tourism appears to us to be a missed opportunity – it is good at producing an annual accommodation guide and a few leaflets but what else does it do? I can count on my fingers the number of referrals from Isle of Wight Tourism – do they ignore [us] and if so why or do all other sites share the same experience? Are they geared towards the hotel trade?
- I doubt much can be done! Rising costs are killing it! All the legislation, reasonable in itself, is a burden when it is accumulated. Health and safety risk analysis etc is becoming a religion and an end in itself rather than facilitating good practice. Every piece of legislation costs and those costs have to be passed on. Everyone is passing on costs and consumers are voting with their feet. To stay at this site during peak season will cost £400 for accommodation and up to £106 for 7 days ferry together with fuel and that is before spending a penny on holiday.
- With the development of the towns and villages many sites are not now located in suitable surroundings. However there is no scope within the UDP to develop new sites or extend existing ones to replace now unsuitable sites. Whilst there are some kind words in the planning process (and the Council generally) to recognise the importance of tourism generally to the Island's economy, this industry [presumably the holiday parks sector] is never mentioned or recognised. It is the Cinderella to the hotel industry.

The above comments also apply to sites in coastal locations now considered an eyesore but no alternative sites are ever found. The attitude of the Council and planners to "caravans" remains as it was 50 years ago and I am sure that given the chance they would get rid of them all despite the economic effects. Perhaps this is harsh but after 18 years of developing this park, it has been an uphill struggle all the way.

- We have been trying to sell [the holiday park] as a business for several years without any success, and reluctantly took the decision to close in 2005. The caravans have all been removed from the site. We have changed our site licence to enable us to site Park Homes for permanent use. This is our least favoured option, as we feel that bricks and mortar housing would be more suitable on this site.
- We work hard to a very high standard. We keep improving and we are reaping the rewards.

This questionnaire response does provide a representative sample across all elements of the holiday parks industry on the Island and there are some revealing personal views expressed in

these statements. For the avoidance of doubt we have randomised the order of responses to each question so that bullet point positioning under each heading does not represent the views of the same holiday park. Despite the aim to keep the issues at a generalised level there are some evident personal concerns which must be taken into account when assessing the overall nature and extent of the response. Nevertheless, in order to understand and perhaps respond to these (often hidden) difficulties we felt it was necessary to set out all the responses for the Council so that a fair balance of views was available. We have not edited or omitted response evidence as a result.

7.3 Employment Issues

In conducting this study we took the opportunity to investigate a number of other issues and in particular matter relating to employment. Naturally enough there is a range of scales of employment depending on the size and nature of the holiday park. Many businesses are family run as a husband and wife team and therefore ancillary employment is often part-time or seasonal. However, we endeavour to characterise some of the parks who responded to the questionnaire and establish their employment profiles accordingly:-

Park 1

- Small, static holiday caravan park
- Open all year
- Long standing ownership
- Limited facilities

PARK 1	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	1	3	-	-
PART TIME	1	1	-	-
SEASONAL	-	-	25	-
FROM OVERSEAS	-	-	-	-

Park 2

- Large mixed holiday park
- Open April – October
- Long standing ownership

PARK 2	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	11	10	4	9
PART TIME	1	5	-	1
SEASONAL	1	3	42	46
FROM OVERSEAS	-	-	-	9

Park 3

- Mid sized static holiday caravan park
- Family run

- Recent owners

PARK 3	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	2	3	1	-
PART TIME	-	-	-	-
SEASONAL	-	-	14	-
FROM OVERSEAS	-	-	-	-

Park 4

- Large built chalet park
- Private owners

PARK 4	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	2	1	-	-
PART TIME	-	-	1	-
SEASONAL	1	1	-	-
FROM OVERSEAS	-	-	4	-

Park 5

- Large, chalet park
- Private owner

PARK 5	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	2	-	-	-
PART TIME	1	-	-	-
SEASONAL	1	-	-	15
FROM OVERSEAS	-	-	-	-

Park 6

- Well established static holiday caravan park
- Long standing ownership
- 5-star quality grading

PARK	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	1	2	-	-
PART TIME	½	2	-	-
SEASONAL	-	1	10-20	-
FROM OVERSEAS	-	-	-	-

Park 7

- 4 star camping and touring park
- Long standing ownership
- Open May – September

PARK 7	OFFICE	MAINTENANCE	HOUSEKEEPING	OTHER
FULL TIME	-	-	-	-
PART TIME	1	1	-	-
SEASONAL	-	-	-	2
FROM OVERSEAS	-	-	-	-

7.4 Discussions with Harcourt Sands



During one of our visits to the Island we took the opportunity to meet Nick Herridge, the operational director for Harcourt Sands, to discuss their particular circumstances in the light of a press release stating that they would be closing the business at the end of the season. Nick has been at Harcourt Sands since 1991 and has a very clear understanding of the business and its development to date.

Harcourt Sands has been in the ownership of Renowned since 1999 in conjunction with three other parks purchased from the former Rank Organization Haven Leisure. Although originally open between March and October in each year, they have been trying to remain open for a longer season in recent years. The start of 2006 proved to be extremely difficult and whilst they are maintaining a significant six-figure debt at a manageable level, their prognosis for the remainder of the year suggested that they could not carry on with their present business. Their operating profit for the year was wiped out in the first two months of 2006 due to booking cancellations.

The family market is declining and focused on a very tight seasonal period. School venture weeks have been growing, but again are compressed into an eight week period due to exam timetables. They have tried September as an alternative but the market has been resistance to this.

For the remainder of the year they have been reliant on the coach market, but this is being squeezed and they have recently been negotiating at prices as low as £12 per night including a free bar! There is little loyalty within this market and it is entirely driven by the lowest achievable price. In addition, operators are increasingly claiming that the accommodation is too small.

The difficulty is that with such a large site they have to go for this business in order to fill the accommodation, particularly as they have a large staff in place being a fully catered site. At

maximum occupancy they have a site population of 750-800 at the peak of the season when families are in occupation.

Coach companies also like to make pre-allocations without putting any deposit down but have a habit of dropping the booking at the last-minute when they themselves have been unable to fill the business at their end. Although this is at no cost to the coach company, it leaves not only a vacant period in the accommodation but also provides little or no time to find alternative occupancy to fill the void. Their perception is that gas and electricity prices are hitting the discretionary spend of those looking to take coach holidays.

They have tried amalgamation of units in order to overcome this problem at a cost per unit of the 40-50 thousand pounds but this simply achieves a minimum expected requirement and effectively causes a loss of overall occupancy on the park. The chalets are also difficult to upgrade with asbestos surveys causing costs and delays and the requirement for specialist services. A simple refurbishment may be in the order of £14,000 per unit. As a result of this, as they are struggling.

Similarly, the main facility buildings are in need of a complete overhaul. The ballroom is considered to be more like a working men's club and the dining rooms akin to a school canteen. (From our own inspection of the property this description seems a little harsh, but is understandable perhaps in the context of the nature of use when the site is at full occupancy).

In relation to overall prices they have only been able to achieve a 2-3% top line increase but staff salaries alone have increased by 6% and with fuel costs climbing steadily profits are being eaten away and available revenue for upgrading and improvement works is not available.

The costs of meeting new legislation are huge on a site of this size and there is always something else to expend scarce resources on.

The leisure centre is open for general public use on a "pay-as-you-go" basis. Even so, this is not a significant income generator, contributing no more than £45,000 per annum and is generally run as a 'lost leader'.

Whilst the various initiatives of the tourism bodies are supported, this does lead to problems for Harcourt Sands. The Isle of Wight Festival for example appears to attract a poor quality visitor who cause damage to buildings and verbally abuse his staff: (This is a feature of holiday centres that has been replicated in other businesses and led to the demolition of two Butlins centres in 1999).

In a broader context, his general impressions are that the European experience is leading to heightened expectations both in terms of the quality of accommodation and level of facilities. The general appearance of Island seafronts is dated with traditional arcades rather than chic boutiques. Most people are expecting nice dining with good shopping in high standard accommodation, although they still expect to pay relatively little in relation to mainstream holiday taking.

A holiday park like Harcourt Sands is much like a cruise ship. It needs constant attention and upgrading, but sooner or later even the greatest of cruise liners must go to the breakers yard.

Into the light of the decision to close the site, the business is in the process of discussing its future with the Council but it seems likely that the only option available is to redevelop the site for alternative holiday or other use.

Subsequent discussions with architect Terry Dinham of the TD Partnership - who have been appointed by Renowned to consider the future of the park - indicate that they are now in the process of consolidating their redevelopment proposals. They consider that the site should be redeveloped as an up-market holiday village with high quality accommodation and supporting facilities such as a restaurant and spa. They believe the location is ideal for this kind of scheme, being well related to Island transport links and with a commanding coastal position which will be attractive to a wide market. The scheme will be developed as a themed village although the final format and style has yet to be determined. Four options are currently under consideration.

A proportion of the scheme will, they consider, have to include open market housing as a funding vehicle for the development.

7.5 Discussions with Park Resorts

We took the opportunity to discuss this study with Alan Castledine the operations director for Park Resorts who are the second largest holiday park operator in Britain often Bourne Leisure.



Park Resorts have three holiday parks on the Island; Thorness Bay, Nodes Point and Lower Hyde. Thorness Bay is the second largest on the Island but as a company they provide approximately 20% of the Island's total holiday park pitches. They are also singled out as a company with specific interests in the sale of holiday caravans for second homes and this is an area that has been noted as being of concern in some quarters.

Park Resorts developed out of the sale of part of the stock from Haven Leisure Ltd. and have recently acquired a further 15 parks following the acquisition of Great British Holidays.

The overall aim of the business is to balance risk in addressing the needs of the holiday market. This essentially boils down to making sure that market expectations are satisfied but that not all one's eggs are put into the same basket. Because of the size of the holiday parks involved and the operational costs associated with them, it is necessary to maintain maximum volume if the business is to survive. To this end they seek to develop a mix of accommodation types and formats which will appeal to the broadest range of holidaymakers.

Park Resorts business model is to aim for the middle ground in terms of accommodation provision and they have made considerable strides in recent years in adapting and upgrading existing holiday parks at considerable expense in the interests of the longer term business future

for the company. The three parks on the Island have been subject to multimillion pound investment in the last five years and more is planned subject to achieving planning permissions.

In onset to a straight question concerning their intentions for the parks for the future, Alan Castledine was quite straightforward in confirming that it would not be their intention to go solely to either owner occupied units or an entire fleet operation. The final balance would be somewhere in between. That are a number of reasons for this but again it is about finding a suitable risk point in the overall operation of business. An entire fleet operation is a very expensive business and subject to the increasing vagaries of a very footloose market. The marketing costs necessary to attract the level of business necessary to fill a park like Thorness Bay on an entirely letting basis would be huge. Similarly, to have the park entirely given over to owner occupied as would be to put at risk the business in the event of a significant change in the market.

The owner occupier market was important in some respects for its ability to deliver capital receipts for new development. This provided a rapid return on investment and helped to encourage upgrading and improvement throughout the park. Owner occupier expectations were generally very high and require high standards to be set.

The letting market was equally important in helping to generate sales and keep the additional income streams from bars and other facilities at high levels. These income streams were just as important to the overall business which was all about maintaining slim margins in an increasingly competitive market.

Overall Park Resorts has approximately 40% of its total holiday unit stock given over to an occupation with the balance being in holiday letting format. The current position on the Island is approximately 30% for owner occupiers. Even so, part of the marketing strategy employed by the Company is to encourage holiday time owners to sublet in order to recoup their investment. This has the double benefit of not only providing greater security for the owner and the business, but also helps to support the other facilities on the site. From their database it is evident that a number of the holiday units to have been purchased by on-Island businesses simply for letting purposes and therefore a slightly false impression is given as to the extent of owner occupation on their parks. In essence, and there is any "by to let" market in operation on the Island as an ancillary holiday letting business in conjunction with the mainstream holiday park operators.

In addition, this opportunity has brought forth a number of private letting operations which feed off the back of the main park. The Company do not deter these businesses. In fact they positively welcome their contribution as an added marketing tool.

One issue that Alan Castledine felt bore further consideration was the beneficial potential of the owner occupied holiday home units in satisfying wider market demands for second time property on the Island. Second home ownership was continuing in the traditional property market irrespective of anything which the holiday home industry was doing and was materially impacting upon the Island housing market as a result. It was likely that some of the sting was being taken out of this market by the availability of alternative holiday home accommodation

on holiday parks. The redevelopment of Savoy clearly recognised the market opportunity in this respect. Those who sought to criticize the industry might also wish to bear this issue in mind.

Park Resorts acquisition of Great British Holiday Parks has resulted in those largely owner occupied sites reverting in part to a mixed format in order to spread risk. Similar developments can be seen within other sizable operating companies such as Weststar and Cinque Ports; the latter having recently been acquired by a venture capital business under the direction of a former Great British Holiday Parks Director. Even Bourne Leisure themselves have as part of their business model the retention of a letting fleet.

The one difficulty expressed in relation to taking their business forward has been the five year battle to secure relevant planning permissions within their various parks. Whilst they acknowledge the need for care and attention to environmental issues, they believe they have probably single-handedly invested more money in the Island's tourism economy than any other operator or business, yet this has been done against a backdrop of challenge and deterrence rather than a policy of support and encouragement. In terms of taking their business forward, they would hope that a more constructive dialogue could developed with the Council such that planning propositions that were taking the market forward and helping to upgrade and improve the Island accommodation experience for visitors would be given more credence than it appears to be at the present time.

8.0 OTHER ISSUES

There are clearly a range of issues affecting holiday park operators on the Island ranging from the difficulties of adapting to a changing tourism market, through to the continuing difficulties of providing cost effective holidays in circumstances where additional travel costs on the ferries are a constraint on business. As one might expect, there appears to be no single view as to the likely future market for tourism on the Island, although there is a noticeable lack of real and positive enthusiasm for the longer term. The real issue perhaps is one of a lack of any positive encouragement (whether real or perceived) and this is perhaps an area which the Island Council can begin to address both in terms of planning policy and the expressions of support for holiday parks as part of the wider tourism offer.

From the Councils point of view there are evident concerns over the ‘new’ market being introduced with owner-occupied holiday accommodation and the evident risk of unlawful residential use of holiday accommodation. The Council also have to balance in policy terms the demands of the holiday parks industry within a limited land mass, much of which is designated as an Area of Outstanding Natural Beauty or has other environmental designations.

8.1 SWOT

<p>Strengths</p> <p>A sizable group of holiday parks across a diverse range of accommodation and holiday offer</p> <p>Unique location close to a sizeable market</p> <p>The presence of a national holiday park operator adding credibility to the market</p> <p>Increasing awareness of environmental issues and involvement in the Bellamy Conservation Awards</p> <p>High number of star-graded parks at 3 star or above</p> <p>High levels of repeat business despite the added costs of access</p>	<p>Opportunities</p> <p>Many parks appear keen to upgrade and improve subject to achieving planning consent</p> <p>New markets can be tapped into, especially in niche sectors</p> <p>There remains a loyal holiday following that can be tapped into and encouraged to remain</p> <p>Changing national holiday taking patterns and the scale of the South East market suggest wider opportunities if a flexible approach is adopted</p>
<p>Weaknesses</p> <p>Ageing traditional holiday accommodation on many parks in need of replacement</p> <p>The scale of the older chalet unit market as a proportion of the whole is a concern</p> <p>Signs that larger traditional parks can no longer remain competitive/economic without</p>	<p>Threats</p> <p>Failure to update older accommodation could deter tourism which would be difficult to retrieve</p> <p>An inflexible policy framework could stall the industry or at best add to costs</p> <p>Travel costs to the Island become too large a percentage of the overall holiday and</p>

<p>a change of format</p> <p>Uncertain and inflexible travel fares remains a problem for some in selling their holidays</p> <p>Smaller family businesses can find the substantial capital required to invest too difficult to support</p>	<p>visitor levels begin to fall</p> <p>Changing demographics away from the family market reduces volume business</p>
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8.2 Tackling Perceptions

The Chalet

This has already been discussed in other parts of the report, but there remains a concern in some quarters that reference to a chalet invokes in the public mind Hi-de-Hi and the remnants of the Butlins/Pontins holiday parks era. To that extent some operators are either economical with their marketing language ('bungalows', 'lodges', 'cottages') and run the risk of dissatisfaction or rejection of the holiday offer or are simply unable to do anything else but play to that diminishing market. This latter option can be beneficial where the accommodation is on a sufficient scale that volume of business can overcome operating costs. Even so the imminent closure of Harcourt Sands points to the continuing difficulties in satisfying the consumer in even quite well appointed chalet developments. We understand that Gurnard Pines is also beginning to scale down its traditional entertainments format to address changing tastes.

Simply re-branding and retro-fitting does not overcome the basic problem that much of the accommodation stock is too old – well beyond any identifiable design life – too costly to maintain and insufficiently flexible in either location or physical extent to be able to make any material changes of real value.

There is a real probability that the trends toward alternative forms of holiday accommodation - particularly the redevelopment of chalet parks into other types of accommodation – will continue and the Island will see a retraction from holiday chalets as a mainstream product entirely within the foreseeable future.

The scale of the chalet unit market is a real weakness as many will require upgrading or redevelopment in the foreseeable future. Given that this represents 30% of both the Island parks and bedspaces it presents a very real concern for the future holiday park product.

The Caravan

“To non-caravanners, planners and environmentalists, caravanners represent a uniformly problematic population crawling along country lanes and despoiling areas of outstanding natural beauty with row after row of standardised white boxes. Though models are updated annually, and though there are some differences across the price range, caravans are remarkably similar in style, design and manufacture. Yet caravanners are quick to mark themselves off both socially and culturally from their fellow travellers. To those involved, the world of caravanning is marked by finely tuned and quite precisely calibrated forms of social differentiation”.

Source: Home from Home?: a research note on recreational caravanning (1998)²⁹

From our experience within the holiday caravan parks industry over 30 years this comment encapsulates many of the prejudices and potential misunderstandings of a well established element of the UK tourism industry. The study went on to identify four broad types of participant in caravanning, all of which are evident within the Island holiday market:-

- **Family Fun Seekers**
Who rent static caravans for fixed holiday periods, frequently at the seaside, with a requirement for a high degree of entertainment either on or off the park. Effectively the requirement is for a relatively cheap family holiday in accommodation where ‘you know what you are getting’.
- **Activity Seeking Tourers**
This group use touring caravans as a means of providing accommodation whilst participating in sporting or leisure activities. It is simply a glorified tent.
- **Private Relaxers**
Have their own static or touring caravan but look for quiet enjoyment with lower levels of socialisation and less need for entertainment or supplementary activities. Quiet sites without children ‘allowed to run riot’.
- **The Enthusiast**
Regular attendees at touring caravan rallies and conventions and likely to be members of national caravan organisations such as the Caravan Club.

The type of caravanner may also be distinguished by lifestage – starting as an Activity Seeker, moving through Family Fun Seeker into the Private Relaxer as age and family circumstances alter.

These characterisations are however useful in so far as they point to the diverse needs of the industry and the potential for niche market growth. Whilst there is an inevitable interaction between all groups on some of the larger parks, for the most part people will source holiday

²⁹ Home From Home?: a research note on recreational caravanning (1998) Dale Southerton, Elizabeth Shove, Alan Warde, Rosemary Deem – Department of Sociology: Lancaster University.

parcs that fulfil their holidaying aspirations and a range of types, sizes and level of facilities is therefore valuable in ensuring the optimum scope for capturing market share.

The objective therefore should be to ensure the retention of as diverse a holiday parks market place as possible, within the bounds of commercial practicality and enable the park operators to address their perceived markets in distinct ways. Endeavouring to have all holiday parks providing similar levels of facilities and grade scales could be a mistake, particularly where the opportunity cost of sourcing a suitable holiday on the mainland is so much lower than on the Island.

8.3 Environment and Sustainability Issues

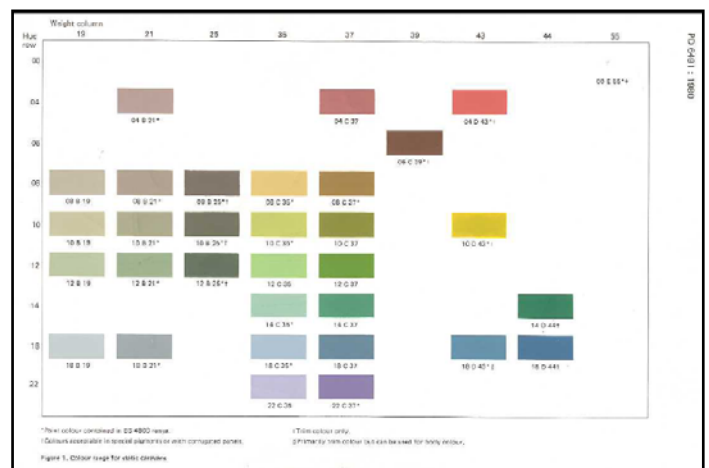
The holiday parks market has been particularly sensitive to criticism about its effect on the environment, not least within the holiday caravan sector where local planning authorities generally consider them to be unacceptable and intrusive development in the countryside. Nevertheless, it is important to recognize that the industry as a whole has in fact been in the vanguard of addressing environmental awareness and developing a range of initiatives to better assimilate their business in the landscape.

Many sustainable initiatives are now evident on holiday parks within the Island and the background to this merits some consideration in order to demonstrate the extent to which the industry has made strides in this direction. This is particularly helpful when considering the efforts made by the holiday parks industry in comparison with other industry sectors.

Almost from the outset, holiday parks have been encouraged to screen their development within the wider landscape, although this has only generally been achievable by authorities when planning permissions have been sought. There has been a legacy of pre-war development (in particular former holiday centre development) around Britain which remains difficult to integrate.

One of the earliest initiatives was the development of a British Standard for the colouring of static holiday caravans (originally PD 6491:1980 now BS 6770:1988). Several local authorities had developed their own caravan colouring conditions during the 1970s based on no more than Dulux paint charts. The Lake District and Dales National Parks were early users of this technique in the granting of planning permissions. However, this necessitated the application of paint to existing manufactured units and often led to a more obvious feature in the landscape as they tended to be very dark colours.

The British Standard was developed to provide an indication for the colour range as guidance for local authorities and provided a mix of some 32 colours



that were considered suitable for a variety of landscape settings. When renumbered in 1988 the guidance was extended to cover parks homes, holiday caravans and transportable accommodation units.

Another fundamental problem with post-painted units was the change in structural integrity caused by overheating. Early attempts to colour touring caravans ceased as a result of this problem. However, by the mid-1980s that was a rapid development in the availability of pre-coloured sheet steel which could be used by manufacturers to construct holiday caravans in a controlled environment. This did away with the necessity to paint units after construction and was quickly taken up by many park operators, not only as a means of adding weight to their proposed landscaping schemes, but also to address the emerging consumer market for more



environmentally aware businesses. A good example of the use of coloured units can be seen at the Old Mill Caravan Park.

Old Mill Caravan Park

The trend also accompanied a change in the nature of the units themselves from the aluminium clad style to timber clad or a textured painted finish. This allowed further adaptability and was often seen by local authorities as a more acceptable exterior for a countryside location. The Island has seen a number of "lodge" style units in recent years. Surprisingly however the colouring condition is rarely used even today and more often than not it is offered by the applicant rather than sought by the local authority.

Following a stinging attack by the Countryside Commission in 1990 the holiday parks industry sought to demonstrate to Government that it was a responsible and important market sector which was already well ahead of others within the tourism and leisure industry in addressing environmental awareness. In conjunction with the National Caravan Council, the Countryside Commission and English Tourist Board, the British Holiday and Home Parks Association produced a document "**Holiday Caravan Parks - Caring For The Environment A Guide To Good Practice**" which "*celebrates the immense strides which have been taken by the industry in addressing environmental issues and shows clearly that any partnership approach to development opportunities will enable the full potential of the industry to be reached within a framework of environmental protection and enhancement.*"

This document set out a range of guidelines and gave examples of best practice at that time many of which remain valid today. Although it has been out of print for many years, this document was circulated to all local authorities at that time and into the recently issued "**Good Practice Guide On The Planning For Tourism**" is referred to in paragraph 21 as follows:-

*"This advice recognizes that planning provides an opportunity to improve the attractiveness of such developments to those who visit them and as features in the landscape. The environmental code for holiday parks, caravan and camping sites, and parks home estates advises Park owners on fulfilling the industry's commitment to environmental protection. "**Holiday Parks: Caring for the Environment - A Guide To Good Practice**" [1991] published by the Countryside Commission, remains an important reference document that includes many cases*

studies directing holiday park operators toward best practice. Planners should work with owners and developers of sites to ensure that the most is made of these opportunities. Where there is an identified demand for new or expanded sites, planners should ensure that environmental impacts and impacts on visual amenity are minimized."

An environmental code was developed at the same time to encourage park owners, managers and customers to participate in all aspects of environmental protection. This code covers the following areas:-

- Design and development
- Quality and training
- Customer management and local community
- Conservation and sustainability
- The use of environmentally friendly products and techniques
- Energy and natural resource conservation
- The use of biodegradable materials
- Materials recycling

This document was widely supported by Government office as well as the Department of National Heritage, Trade and Industry, the regional Tourist Boards and the Countryside Council for Wales. Here again the code was widely circulated and is now embodied within the guidelines to park operators promulgated by the BH&HPA.

David Bellamy Conservation Awards



In 1995 Professor David Bellamy approached the BH&HPA regarding the possibility of launching a scheme for the parks industry to encourage sustainable tourism and raise awareness of good environmental management. The David Bellamy Conservation Awards Scheme was established in 1996 as an acknowledgment to the industry of the many and varied endeavours by Park owners to protect and preserve the environment. The scheme is now administered by the Conservation Foundation in conjunction with the BH&HPA.

The awards are launched annually and all licenced holiday parks are eligible to enter. The park owner initially completes a simple form outlining the basic structure of the park, what features it contains, and the measures which are being taken to address environmental conservation and sustainability. A local office of the Wildlife Trust then undertakes an assessment which is audited and managed by the Conservation Foundation. There are three levels of awards, Bronze, Silver and Gold, with annual assessments taking place to ensure continuity.

This award not only considers nature conservation but looks at the wider sustainability of the business in all respects including good management and the degree to which visitors are encouraged to participate in sustainable objectives. Various guidance documents are available as pointers to best practice.

As noted earlier, a number of holiday parks on the Island now have a Bellamy award and the majority are of Gold standard.

Green Island Awards



The Isle of Wight's Sustainable Tourism Network operates the Green Island programme. This is a programme aimed at developing a more sustainable, environmentally sensitive tourism industry across the Isle of Wight. All businesses featured within their website are members of the Green Island Awards Scheme and are all graded with either Gold, Silver or Bronze standards depending on their commitment to improved environmental, economic & social performance.

Green Island is a partnership made up of 10 major tourism and environment organisations on the Isle of Wight. The organisation has been in place since 2001 although it expanded during 2003 as projects got underway. Green Island was developed and piloted during 2002 and is funded through the Leader+ Rural Action Programme (50%) and the Isle of Wight Council (50%). Further finance is provided through one-off payments by the Environment Agency and private sector.

Holiday parks that have been awarded a Green Island grading include Heathfield Farm in Freshwater, winner of the 2004 Green Island Campsite of the Year, Ninham Country Holidays in Shanklin with an exceptional environmental programme, Southland Camping in Newchurch, Landguard Camping in Shanklin, Old Barn Touring near Shanklin and Compton Farm on the southwest coast. Waverley Park located on the north coast in East Cowes, was a new member of Green Island in 2005.

As far as static caravan parks are concerned Hillgrove Park in St Helens, Orchards Holidays in Newbridge, Lower Hyde in Shanklin, Field Lane in St Helens, Old Mill Park in St Helens and Rookley Country Park in Rookley all have awards. Similarly Silverglades at Cranmore and Freshwater Fruit Farm (2005 Green Island Camping & Holiday Park of the Year) at Willmingham have recently received awards.

Evidently the holiday parks industry is prepared to participate and play its part in evolving sustainable tourism initiatives on the Island.

8.4 Higher Quality and Value

There is a view expressed by the majority of holiday park operators that the requirement of many – particularly decision makers – is that the holiday parks industry should improve the quality and relative value of its product. The concern however is that this is being interpreted as a requirement to go up-market to a five-star standard, rather than addressing the needs of the

broader range of tourism to the Island with a product that satisfies their particular needs at a price that suits their pocket. The early draft of the LDF Core Strategy did nothing to dispel this suggestion.

This is certainly an area that the Council could usefully enter into debate with the holiday parks industry in order to clarify thinking and define exactly what is required of this sector for the future. As already identified, the industry is well spread within the market place offering a wide range of options to a diverse tourism market. Given the relative sensitivities of tourism to the Island and its inherent drawbacks in comparison with mainland opportunities, we consider that it would be foolhardy to proceed with an agenda that simply plays to the highest common denominator.

Whilst new opportunities and ideas - such as those being developed at the Savoy and by some holiday park operators in expanding their owner-occupied sector - are perhaps to be supported and encouraged as further diversification of the Island business, the quality levels on other parks can be improved where they are able to achieve marginal improvements through planning permissions and well structured capital investment. The difficulty however is defining how far one should go in any particular case. We suggest that the Island market has demonstrated an ability to adapt, survive and retain meaningful levels of valuable tourism business over many decades despite rather than because of official involvement. Whilst it is coming under additional pressure now with its aging accommodation stock on a number of parks, this is by no means the case on all. Moreover, the market is already identifying the issue and parks are trying to respond. We could identify no lethargy within the parks that really matter to the Island economy over response to future market demand.

Quality is a function of perception as much as physical appearance. Whilst the general level of expectation amongst holiday makers is steadily rising, the general public also recognize that value for money can come at a price. There would be validity in supporting the uplifting of the current base products (primarily on chalet parks) to overcome their evident difficulties in attracting a volume market. However, in other sectors there appears to be less immediate need to direct their way forward. Most park operators of substance are already trying to address their own market needs through upgrading and improvement. New units of accommodation are being sought through planning applications and within the caravan sector modern units are appearing on most parks allowing longer seasonal use.

We therefore consider that for most parks issues of quality and value can be addressed by the industry on its own behalf if it is given sufficient flexibility and opportunity to do so. Whilst proper controls need to be put in place, particularly in relation to impact on residential and environmental amenity, the holiday parks industry is best placed to understand its own market and need not be encouraged down any particular route. Moreover this could be putting the Island economy at some risk if a desire for some sort of "upmarket" Island were to become the primary aim. It would only take a marginal shift in confidence within the national economy to fundamentally change the way in which discretionary spend was made at the top end of the market. Given the wider position of the Island in economic terms, we consider that a diverse tourism base should be maintained in order for the Island to be as risk-averse as some of the operators demonstrate through their own business management.

The Island perhaps enjoys a slightly schizophrenic existence throughout any year being home to a sizable resident population, attractive as a retirement location, host to nationally recognized events involving at one end of the scale large numbers of young people and at the other a significant number of the very wealthy during Cowes week. On top of this are the thousands of holidaymakers intent on fulfilling their own tourism needs in a wide range of different ways.

The holiday parks industry may be a little oversensitive about the expectations of the Council and others of them in terms of delivering to these markets. Equally, an apparent lack of discourse between the Council and the industry and a lack of clarity and direction on future expectations for the sector is not helping.

8.5 Is local opposition correctly weighted?

To be fair, we are not sure that there is a great deal of local opposition to the holiday industry per se and in fact many of the Island businesses rely upon trade from the holiday park sector in order to sustain their own enterprises.

Here again, the holiday park's industry may be a little over-sensitive in their belief that they come a poor second to other sectors of the economy which in fact are much smaller in scale but given far more credence and public support. There does not appear to be any real evidence to substantiate this point, although the comments made in the response to the questionnaire survey highlight a number of issues in this respect.

There will inevitably be concern in some quarters where development is concerned and planning has never been uncontentious in the context of holiday park development. People will always have their own prejudices and often fail to consider the broader picture when making comment. The dilemma for the holiday park's industry is that whilst the loss of a hotel on the Island might be a source of concern, the loss of a holiday park is more likely to attract a welcome response, even though the relative value of that loss to the Island in various ways may be materially greater for the reasons already outlined.

Here again it is a matter of perception within the Island community. Whether one can overcome such a stance is debatable but there may be scope to develop a closer relationship between the holiday park industry and the local community through the encouragement of shared use of facilities, particularly within the larger holiday centres. This might even assist in meeting sustainability targets. Equally, the Council could seek to foster closer links and understanding with the industry and possibly promote its cause within the wider tourism market more overtly.

New residents to the Island are likely to be the most vociferous in objecting to change. This is not intrinsically limited to the Island and is common in many areas. The Council should be sensitive to this issue and ensure that personal prejudices and self interest of relative newcomers to the Island do not sway or unduly influence policy or decision making in relation to the holiday park's industry.

9.0 SECOND HOME OCCUPATION OF HOLIDAY UNITS

A key issue for the current Island market is the fairly recent trend toward selling holiday units (including chalets and static caravans) for private holiday ownership purposes. Although Sandhills and one or two smaller parks have developed for owner-occupation over a considerable period, unlike mainland Britain (which is characterised by about 80% of the holiday caravan market being owner-occupier in status) the Island economy has remained rooted in the tradition holiday letting business.

Following the sale of Haven Holiday Parks and the de-camping of the Rank organisation from the Island, the new entrants into the national caravan industry sector brought with them a new format for holiday park development for the future. This has given rise to alarm in some circles and calls for added control. It is perhaps the most significant change in the Island tourism market in recent years and merits some detailed analysis in order to properly understand and address this issue.

9.1 What Drives the Second Home Market?

The ability to acquire any residential property is primarily a function of the national economy and levels of both employment and income. A stable and improving economic environment with fuller employment and commensurately greater levels of disposable income creates the availability of surplus income and offers the opportunity to consider luxury purchases such as a second home. There has probably never been a generation that has not hankered after ‘that little place in the countryside’, the ‘get away from it all’ retreat with ‘roses round the door’. These well appreciated clichés typify a human tendency to (whenever possible) achieve a complete break from a normal humdrum workaday existence by finding that rural ‘hideaway’.

Second homes were once affordable to just a few. But changing lifestyles mean that is no longer the case. In fact, second homes are one of the fastest growing sectors of the property market. A recent Report by the Centre for Future Studies, for the financial services company Direct Line³⁰ indicates that demand for second homes will rise by 24 per cent during the next decade. Some of this growth will be driven by the buy-to-let investment market, but the last few years have seen an upswing in demand for holiday homes, second homes in the country and increasingly pied-à-terre in cities. Perhaps surprisingly, research has found that the highest concentration of second homes is not in rural idylls, but in cities. London has the highest density of second homes, but there are also significant numbers in cities such as Bradford, Leeds and Glasgow. Some families are opting to reverse their traditional living patterns through the purchase of a small city flat for weekday use and a larger rural home for the weekends.

As noted above the reason for such a purchase can be more prosaic, as a hedge against inflation, pension scheme or for long term retirement planning. The principal reasons for purchasing a second home in the UK based upon the Direct Line survey are:-

- A retreat for holidays, recreation and leisure (51%)
- A base for work or commuting to work (19%)

³⁰ "Second Homes in the UK" – The Centre for Future Studies (July 2005)

- An investment (14%)
- A home for family members who are studying away from the family residence (5%)
- Inheritance properties (4%)
- Properties purchased due to marital breakdown (4%)

9.2 A Typical Second Home Owner

Based on market assessments, a typical second home owner is likely to be:-

- Over 45 years old with an income of at least £75,000.
- Has a main home in the UK worth £400-500,000.
- Tend to be couples with older children, empty nesters or retired couples.
- Tend to be employed in managerial positions or professional occupations and many are business owners.

The ODPM survey provides a further indication of underlying reasons for having a second home which suggests some differences in weight of reasons, particularly in the context of investment. This variation can be anticipated, as people's opinions when considering this sort of issue can be just as uncertain in how they justify their reasoning and may vary depending upon who is asking the question.

Reasons for having a second home (S355)		<i>England 2003/4</i>
<i>Households with a second home in England</i>		
Reason for having second home		<i>percentages¹</i>
Holiday home/retirement/weekend cottage		38
Working away from main home		10
Living away from home (eg student)		4
Marital breakdown		3
Intending to sell previous home/waiting to move into new home/inherited and intending to sell ²		1
It is an investment		40
Other		19
Thousands (=100%)		298
¹ Percentages do not sum to 100% as more than one reason could be given.		
² This reason could not have been given in isolation, or the second home would not have been counted as a 'true' second home.		
Source: ODPM Survey of English Housing		

There is a primary necessity required to cause such a substantial discretionary purchase to occur and that must be a degree of long term economic (and hence income) certainty which the purchaser believes can be sustained. There is no doubt that the UK economy has been relatively stable over a significant period of time and has demonstrated sufficient robustness to largely avoid the evident recessions in Europe and the United States early in the new century. Whilst there is a market expectation that the economy will continue in a similar vein for the foreseeable future, income uncertainty and any marked rise in unemployment rates – particularly in the higher earning sectors of the business community who are the principal second home owner market – could result in a rapid reduction in purchases. Another bursting of a 'dot-com' bubble or the like would be likely to have significant effects upon purchaser

confidence. This would have a secondary effect (in more demanding economic circumstances) of then pushing a glut of second homes onto the market to realise capital, further eroding potential sales and reducing capital values.

However, changing demographics may help to bolster the market as the age profile of the UK population trends towards the older age range and particularly those in the target market area between 45-64 years, who will become a significantly larger proportion of the overall population. Given that a large proportion of these people will have become reasonably affluent by the time they reach this age period it is likely that the potential pot of second home purchases will remain sizeable. The general expectation is that (subject to any significant economic change) the market is likely to remain steadily improving for the next 10 years.

The UK's rising affluence is therefore set to be a key driver in the second home market. Some 6 ½% of the UK population (3.1 million people) currently earn upward of £80,000 or possess in the region of £150,000 worth of net assets. UK residents are predicted to be 73% better off over the next 20 years offering the potential for many of these to use their disposable income to invest in second home property.

National Statistics **Second Residences in the UK**

1. Introduction

Living arrangements in the UK have become more complex in recent years, with a number of issues contributing to an increase in the number of people in the UK who have second residences:

- A larger number of divorces has increased the number of children whose parents live at separate addresses, and in many cases the children divide their time between the two homes.
- Employment patterns have given rise to alternative living arrangements such as a household member living away from the household for part of the week, or a sustained period of time. This person therefore has two residential addresses.
- There are a large number of people in residential homes who have a partner in a private residence. These people are often recorded as living at their partner's residence as well as at the residential home.
- Many elderly people spend large parts of the year living abroad, dividing their time between their home in the UK and their home abroad.
- International commuting is on the increase, resulting in people working in other countries for periods of time.

It is important to understand the issues surrounding multiple residences so that the planning of services for areas with large fluctuations in populations, such as commuter areas and holiday destinations, can be carried out effectively. With an increasing number of people being associated with more than one address there is an emerging requirement to include additional questions about residence patterns on the 2011 Census questionnaire. Such questions would not only enable us to

find out about the incidence and location of second homes across the UK, but would also support the enumeration of people with complex living arrangements.

2. Research

Data on second homes are available from a number of sources including the Survey of English Housing (SEH), the Omnibus Survey, Council Tax data and the Census. Recent data show that approximately 1 per cent of homes in the UK are second residences. Although this is only a small percentage overall, the proportion of second homes in some Local Authorities (LAs) is significant. Second homes make up around 10 per cent of households in several LAs, with some having as many as 26 per cent second homes.

Figures show how the number of second homes owned by households in England has changed between 1994 and 2004, based on the findings from the Survey of English Housing (SEH). There is an increasing trend in second home ownership, both in England and outside Great Britain, although there is considerable fluctuation. If this increasing trend continues, there will be a significant proportion of second homes in the UK in 2011.

Findings from the SEH show that approximately 50 per cent of second residences in the UK are holiday homes, and residences for people working away from their main home make up another 20 per cent. Areas with a lot of holiday homes will have large seasonal fluctuations in their population, and commuter areas will have a larger population during the week than at weekends.

Data from the Omnibus Survey gives slightly different results, with 'as an investment' being the main reason given for owning a second home. However, the definition of second homes used in this survey includes homes that are the main residence of somebody else. Such properties were not included in the SEH, which can explain the difference between the two sets of results.

Although we know that there are children of divorced parents who split their time between two addresses, and people in residential homes who may also have an address at a private residence, there is currently no information available on the numbers or location of these people and properties.

3. Conclusions

It is clear that the issue of multiple residences is important, particularly in certain LAs. Additional residency questions on the Census questionnaire would provide valuable information to service providers about areas which have fluctuating populations due to large numbers of second homes. Therefore, information on additional addresses of respondents is being considered for collection by the 2011. Suggested additional questions are whether a person lives at another address for part of the year, and if so, what this address is, what the address is used for, and the amount of time spent at this address.

Information gathered from additional residency questions would not only give a better understanding of the complex living arrangements in the UK for service providers, but would also provide a better understanding of the coverage of the 2011 Census. This applies to both under-coverage and over-coverage. People with second homes can be hard to count because if they spend long periods of time at their second home, this reduces the probability that contact will be made with them at their main residence. However, it is also possible that people with second

homes may be counted at both of their addresses, resulting in an overcount.

Additional residency questions and definitions would also support the enumeration of people with complex living arrangements. It would be easier for people with multiple residences to identify which address is their usual residence, enabling accurate information on both usual and second residence to be recorded.

The lack of data on children and elderly people with more than one residence means that these important and increasing populations are not well understood at present. There is therefore a good case for attempting to collect such information in the 2011 Census if it is possible to do so.

Alexa Courtney
May 2005

Security fears also play their part in encouraging second home purchase and this has two effects. Firstly uncertainty over overseas political situations tends to encourage people to stay closer to home and avoid regular overseas travel. This supports the UK domestic market for second homes. Secondly with cities and principal urban areas now becoming evident targets for terrorist activity, isolated rural locations tend to be favoured as a potential “bolt-hole” in the event of problems. This latter point has been ably demonstrated in the United States with the considerable development of upmarket, second home, gated resorts for the wealthy American where property is positively sold on the basis that greater security can be provided away from likely centres for terrorist activity.

9.3 The Second Home Market - At Home and Overseas

The growth in second home ownership has become an identifiable issue both at home and overseas. Once the province solely of the very rich recent evidence suggests that up to 2% of all UK adults (some 1 million people) now own a holiday property abroad.³¹ Second home ownership in the UK has risen steadily over the past 10 years and now represents a significant proportion of the housing market.

Government surveys indicate that the number of English households owning a second home in the UK in 2003/2004 amounted to some 324,000 an increase of some 16% on the 2002/2003 figure of 295,000. Since 1994/5 the second home market has grown by some 36% for the UK as a whole. Evidently the majority of second homes are acquired in England with relatively small numbers in the remainder of the country in comparison.

National Census figures indicate that there are a total of 22,539,000 houses in England and Wales. 21,660,000 of these are occupied (20,451,000 in England and 1,209,000 in Wales), 727,000 are vacant (676,000 in England and 51,000 in Wales) and 151,000 are second homes or holiday accommodation (135,000 in England and 16,000 in Wales)³².

In 2003/2004 UK residents owned some 178,000 properties in foreign countries – Spain being the most popular place for UK residents followed by France, Portugal and Italy. This represents

³¹ “Holiday Property Abroad” – Mintel UK Leisure Intelligence (Nov 2004)

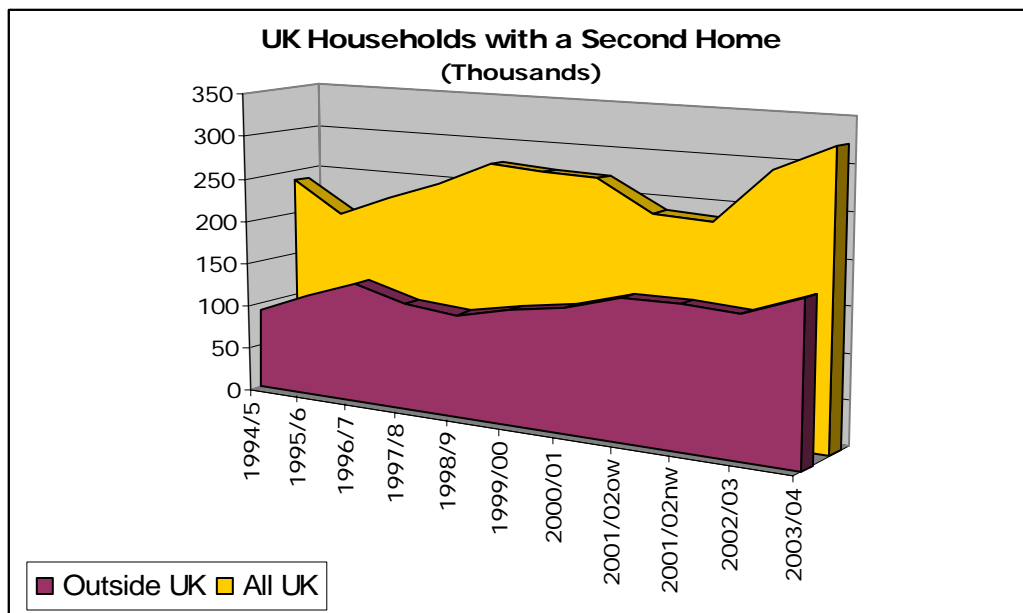
³² 2001 Census

a 14.8% increase on the year from 2002/3, and a growth of just under 100% (96%) over the period from 1994/5.

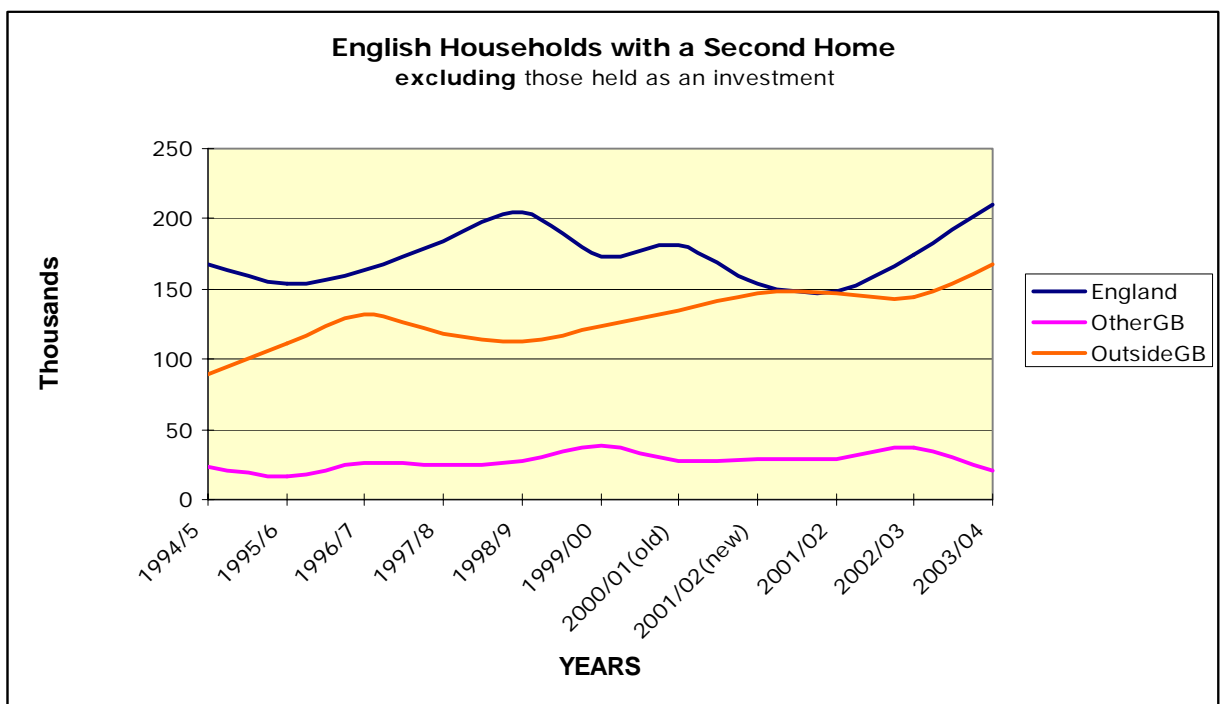
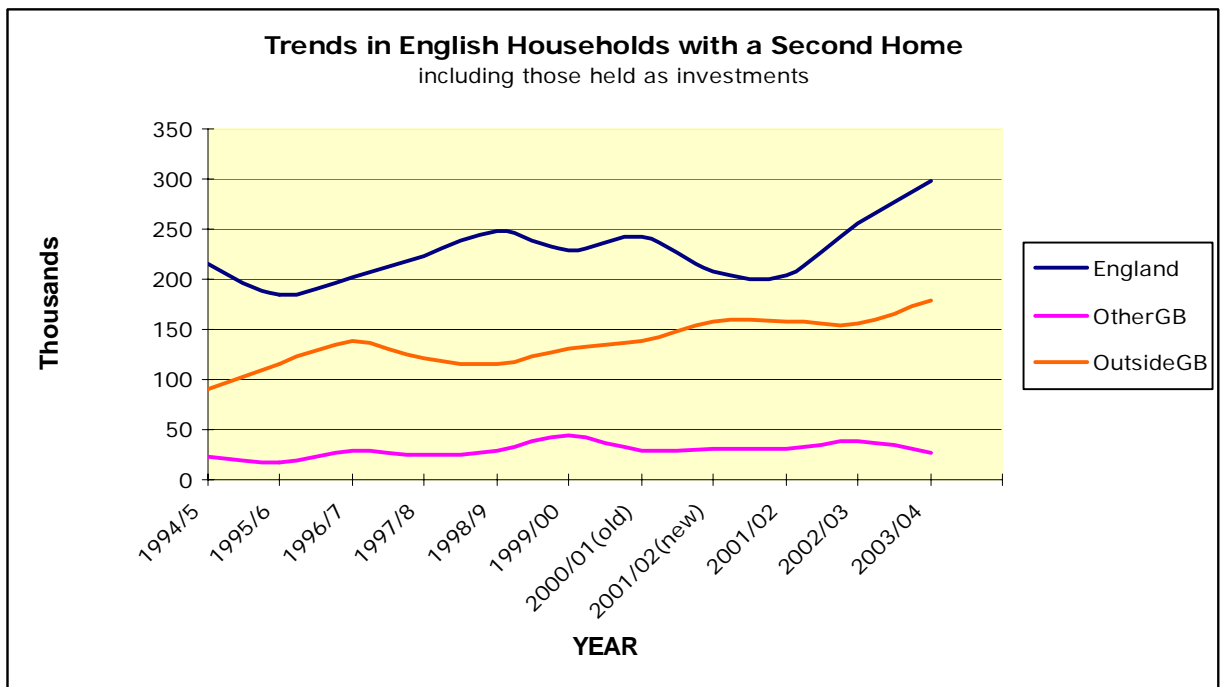
English households with a second home (S366)						England
Households with a second home in England						
Number of households with a second home						
Year	including those held as investments			excluding those held as investments		
	England <i>thousands</i>	Other GB <i>thousands</i>	Outside GB <i>thousands</i>	England <i>thousands</i>	Other GB <i>thousands</i>	Outside GB <i>thousands</i>
1994/5	215	23	91	168	23	89
1995/6	185	18	116	154	17	111
1996/7	201	28	138	164	26	132
1997/8	224	25	122	184	25	118
1998/9	248	29	116	205	28	113
1999/00	228	45	130	173	39	124
2000/1	243	28	139	182	27	135
2001/2 - ow	208	30	157	154	29	147
2001/2 - nw	204	30	157	149	29	147
2002/3	256	39	155	175	37	144
2003/4	298	26	178	210	21	167

Source: ODPM Survey of English Housing

The figures set out above are shown in diagrammatic format below. This better illustrates the trends over the period and shows the step change in 2002/3 following the introduction of a more refined statistical base in the previous period.



Here again the charts below represent the trends both with and without those second homes that have been acquired as an investment.



The interesting distinction between these two sets of figures is the upturn in acquisition of second homes purchased NOT just as an investment – i.e. as a holiday or alternative home – both in England and to a lesser extent overseas.

Overall, nearly two thirds of second homes owned abroad by UK residents are in Europe, with 6% located in the United States (principally Florida) and the rest in countries such as Australia, New Zealand, Canada, India, Pakistan, South Africa, Sri Lanka and the Caribbean Islands.

9.4 Why Choose the UK?

Statistical research suggests that the main reasons for choosing a second home in the UK rather than overseas are as follows:-

- The property is not principally used as a holiday home (32%)
- Access to a second home in the UK is more convenient (31%)
- The UK presents better investment opportunities than overseas (21%)
- Britain's prefer the British culture (12%)
- Climate (8%).

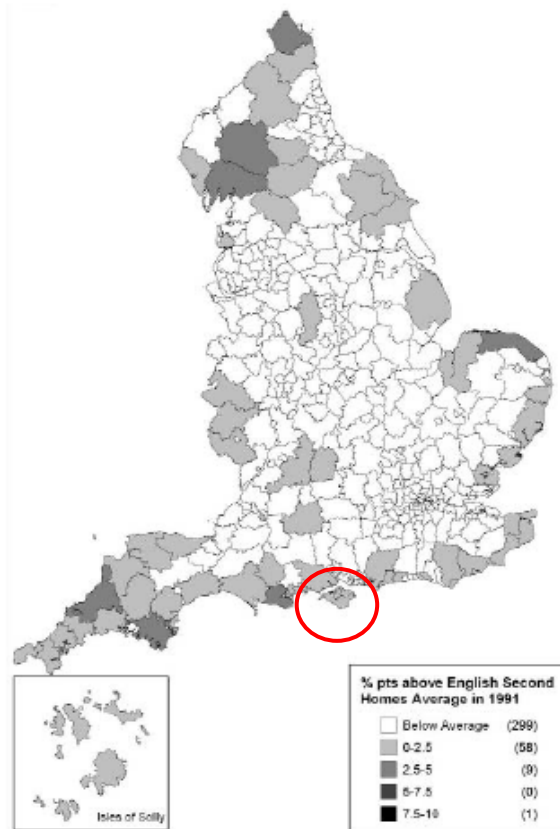
The first of these points seems to contradict the main reason for purchase identified above, but may be a function of syntax in terms of how people qualify their use of the property. For example use of a second home as a weekend retreat may not be perceived as taking a "holiday", as effectively the perception is the use of another house rather than their principal residence during a normal weekend period. 'Holidays' tend to be co-related with the physical act of taking leave from work rather than simply enjoying recreation or time away from home in another location, even where that occurs on a regular basis; i.e. at a persons second home.

9.5 Where in the UK?

In December 2002 the Countryside Agency produced a Report "*Second Homes In Rural Areas Of England*" which suggested that there were some 100,000 second homes in rural England concentrated primarily on coastal areas, including the counties of Cornwall, Devon and Somerset and almost the entire South Coast stretching from Lands End to Felixstowe, including the Isle of Wight, as well as the National Parks, Isles of Scilly, the Welsh Borders and the Cotswolds. The Report noted that even within areas containing relatively high numbers of second homes, there tended to be further concentration in particular villages, sometimes creating "micro-crisis" in the local housing market. Whilst traditionally, second home buyers had been typified as seeking a small, low maintenance and traditional, rural property, second home purchases were identified as now competing for the full range of property types including new build and ex-local authority housing.

The following chart taken from that Report shows the distribution of second homes in England in 1991.

Figure: Distribution of second homes in 1991 – Percentage points above the English average (average = 0.41)



Source: Countryside Agency

Although there is some variability in the final totals, the following figure shows the general disposition of second homes throughout England in 2003/4. Whilst the south-west and south-east predominate, London and the North-east are also significant and the former concentration on the coast is increasingly replaced by deep rural locations.

Location of second homes in England (S356)		England 2003/4
Households with a second home in England		
Number of second homes		
	thousands	percentages
North East and North West ¹	32	13
Yorkshire and the Humber	19	8
Midlands ²	26	10
East	33	13
London	30	12
South East	52	21
South West	60	24
England	253	100

^{1,2} Not all Government Office regions can be shown separately due to small sample sizes.

Source: ODPM Survey of English Housing

A report by Direct Line Insurance of August 2005 suggests that second homes are now more evenly spread throughout the UK with recent upward trends occurring in the South West, Midlands and the East of England. However, the South West remains the most popular location, accounting for approximately 27% of second homes but in a region containing only 10% of all households in England. The South East with 23% of second homes is the next most popular location with the least popular being the East and West Midlands.

Direct Line indicate that proximity to London is an important motivation for second home buyers with the New Forest, Dorset, Bath, the Cotswolds and Norwich all having become second home hot spots for this reason. In a ranking of all UK hot spots, London is the most popular individual location, closely followed by a number of popular rural or coastal locations such as Snowdonia and Great Yarmouth.

UK Second Home Hotspots in 2015	
Holiday home hotspots	
	Beckhurst, Sussex
	Exmoor, Devon
	Mull, West coast of Scotland
	Northants, East Midlands
	Northumberland coast
	Norwich, Norfolk
	North Yorkshire Moors
	Snowdonia, Wales
Close to work hotspots	
	Central London
	Glasgow
	Liverpool
	Newcastle
Investment hotspots	
	Birmingham
	Bradford city centre
	East London
	Scottish Borders
	Southend
	Source: Direct Line 2005

9.6 Second Home Tenure

As may be evident already from the information so far, the vast majority of second homes are privately owned. Surprisingly, despite having been in the forefront of public attention and positive marketing for some time, Timeshare ownership in England remains a very small overall percentage of the second home market. Of interest though is the rental sector where some 11,000 homes have been identified.

England 2003/4		
Tenure of second home (S354)		
<i>Households with a second home in England</i>		
Tenure of second home	<i>thousands</i>	<i>percentages</i>
Owned	278	93
Rented	11	4
Timeshare	3	1
Other	5	2
Total	298	100
Source: ODPM Survey of English Housing		

9.7 Wider Public Perception of Second Homes

There is an implication from these figures that all second homes are bricks and mortar residential properties that would be available on the open market for normal residential occupation without restriction; i.e. they could be a person's only or main residence or used in a second home capacity. An investigation Report "*Priced Out: The Rising Cost of Rural Homes*" published by Shelter in October 2004 uses the same Government figures as a basis on which to highlight the difficulties of addressing affordable housing need in rural areas, although the Government's definition of second homes is far wider, encompassing not only traditional houses but also those which are rented, are timeshare or a range of other types. It is not clear therefore whether these figures might also include second homes owned within the holiday parks industry.

This is an important issue in so far as any proposal which seeks to introduce (effectively) second homes into the countryside could arguably use these statistics to point up a need to satisfy the demands of the second home market which would help to reduce impact upon the traditional local housing market. However, the public perception of the impacts upon the local area will also need to be weighed in the balance given the increasing national concern over second home ownership, particularly in rural areas.

The Shelter report suggests that "*An explosion in the number of second-home owners has pushed up rural house prices to such an extent that many people cannot afford to live in the villages they grew up in*". Given the variability in definition discussed above this sort of bald statement fails to properly define what is meant by second homes. Arguably the man in the street will assume the discussion concerns traditional property, but the implications of such a statement are likely to be applied far more widely in addressing development proposals.

This Report reveals that ownership of second homes in rural areas has increased dramatically (15 % increase since last year) against a backdrop of rising homelessness and increasingly unaffordable homes.

The Government's Rural Strategy 2004 has highlighted both the increasing problem of rural homelessness and the pressing need for affordable housing. Departments with responsibility for rural affairs are committed to action on the particular problems of shortages of affordable housing in rural areas and, in England, to work with the Office of the Deputy Prime Minister and Regional Housing Boards to agree strategies and targets on affordable housing. Many are

concerned that the growing inequality in housing in rural areas is marginalising sections of society with consequences that are only just beginning to register in the political arena.

In a more regional context the GBM Union have raised concerns over the number of vacant homes in the south-west region with some 60,000 currently unoccupied combined with a further 40,000 holiday homes³³. Cornwall heads the second home league followed by Devon, and in these areas second homes account for some 6-7% of the housing stock. Paul Kenny of the GMB, said *“House prices in many parts of the country have risen beyond the reach of workers earning average of below average wages. Serious consideration needs to be given to levying a tax on empty properties and second homes, to reduce the number of homes that are lying idle”*.

9.8 The Future for the Second Home Market

The Direct Line Report contains an interesting projection for the second home markets up to 2015. The expectation is that there will be a continued gradual rise in second home ownership with second homes set to make up an even greater proportion of the overall housing by 2015. The Report concludes that by 2015 UK residents will own 156,000 more second homes in the UK than abroad.

If ownership continued to increase at its current rate this would effectively mean an increase to 405,000 second homes in the UK, amounting to an average annual growth rate of 3.2% per year or 24% over the next 10 years. This growth rate would outstrip targets for growth in the overall UK housing market and therefore some caution should be exercised in assuming that current growth rates will be sustained over that period. There are a variety of social and economic factors that could materially impact upon second home ownership over that period that should be factored into any assessment.

³³ BBC News

Second-homes boom predicted

Stephanie Condon, Daily Mail

25 August 2005

FOR thousands of Britons, buying a second home has meant looking at places such as Spain, the Dordogne in France and Tuscany in Italy.



In the UK, there was the West Country or the Cotswolds.

Now, however, would-be buyers are turning their attentions to slightly less obvious areas - such as Bradford and the East End of London.

Already only half of second homes are bought for holidays, with the rest chosen for the convenience of work or as an investment. A Report entitled *Second Homes in the UK* reveals that more than half a million Britons own at least two homes - 328,000 in the UK and 178,000 abroad.

It says the figures are set to rise to 405,000 in the UK and 249,000 overseas by 2015. There are currently more second homes in London than anywhere else, followed by Birmingham, Snowdonia and Manchester.

But by 2015, the likely hotspots for holidays will include Beckhurst in Sussex, Mull on the west coast of Scotland and the North Yorkshire-Moors, say the researchers. People buying for the convenience of work will opt for second homes in Central London, Glasgow, Liverpool and Newcastle.

And those buying to invest will go for second homes in Birmingham, Bradford city centre, East London, the Scottish Borders and Southend.

Parents will buy flats so their children can remain solvent during university, and as an investment. And Britons will buy in the UK in the expectation that global warming will give us a climate similar to France and Spain today. The Report says rising house prices, especially in cities, have fuelled a tendency for families to be split between two homes.

For many households, the breadwinner spends weekdays in a second home in the city while the rest of the family live in a main home outside the commuter belt - where property is cheaper.

The researchers also point out that the population is ageing, and by 2015 more people will be 45 and over and better able to afford a second home. The boom could drive up the cost of housing in rural areas, however. Andrew Lowe, head of Home Insurance at Direct Line which commissioned the Report, said: 'Obviously a large increase in the second homes market is going to potentially increase the likelihood of local people being priced out of the market in certain areas.'

The predicted rise in the number of second homes comes despite a Government move to prevent it.

9.9 Holiday Park Units as Second Homes

As already identified there is a considerable market within the UK for second homes and with the significantly improving quality of holiday homes over the last 15 to 20 years combined with increased disposable income, the holiday parks industry has naturally become an area of interest.

For the park operator the benefits are self evident. They are able to re-developed their park to a far higher standard and note that they will recover the investment within a realistic time frame subject to the general level of demand remaining high. Although some calming in the holiday parks market has been experienced in recent years, the overall prognosis for the future of holiday home ownership on caravan parks remains good. Whilst marketing is also necessary to achieve good sales, this is nothing in costs terms when compared with the marketing and management costs necessary to achieve holiday lettings that will return a reasonable profit on a substantial capital investment. Moreover once the units are sold, the management of the holiday park becomes more straightforward and the income stream - based as it is on an annual pitch fee and service charge - ensures certainty of income and the ability to plan ahead for future developments.

There is no doubt that from any business point of view the profit margins on letting accommodation are better than for owner-occupier homes. However they run a close second. When letting is encouraged as part of the sales deal then the park operator achieves the best of both worlds - not only securing a higher quality development with rapid returns on the capital investment, but also then delivering a regular income stream from letting over and above the annual pitch fee charges.

As already noted, on larger parks on the Island there is a positive encouragement to letting as part of the sales deal so as to ensure a consistent stream of visitors to the park who will then use the additional facilities (particularly the bars) and deliver further revenue in that way. Moreover, from evidence on the Island the availability of units for sale has spawned a whole new ownership, marketing and management industry which operates parasitically within the larger holiday parks. These are Island businesses that have grown entirely out of this change in market provision and are adding additional tourism value through the letting of owner-occupied accommodation. This may give a false impression of the size of the market as many of these businesses advertise themselves as 'holiday park' organisations.

What is actually happening is a whole new sub-group of marketing and caravan owner businesses developing on the back of the availability of owner-occupied homes. Evidently not all such 'second home' units are owned privately in the sense of being unavailable to the market. Many are owned simply as an investment and personal business opportunity. This is good news for all concerned.

As far as tourism revenue is concerned, it is probably true to say that the maximum return to the local economy is similarly achieved from letting units. However, because of the potential variability in markets from year to year and the additional management and marketing costs to deliver that business, the net benefit may not be as large as one might envisage over a period of time. Holiday home sales tend to bring about a more domestic tourism flow, but this is more

consistent over the year and tends to support the shoulder and winter months more successfully than the letting market. As it often attracts a higher worth visitor (able to afford their own unit and visit regularly) the spending levels per head are likely to be relatively higher over a period of time.

People who have invested significant sums in their holiday home unit tend to utilize it on a more frequent basis or let their friends and family use it when they are not there. Because of this they are likely to live within a 1½ to two hour drive-time so they can access their holiday home quickly and easily for weekends and short breaks as well as longer holidays. Given the evident demand already apparent on the Island it is also significant that the ferry costs are less of a factor in the decision to purchase than might be expected. This may again indicate a higher value customer who can vary their travelling patterns to avoid high cost peak travel periods and/or is less sensitive to travel costs overall as they have committed to the Island for a period of time.

From experience on mainland parks there is a degree of integration between long-standing holiday homes uses and the local community such that they tend to use local shops and services more frequently because they are used to the area. Letting visitors may tend to bring food, drink and other items with them through lack of knowledge of the availability of local shops and because they have no direct commitment to the Island for the longer term.

A substantial report was completed in December 2003³⁴, which analysed the holiday caravan park market in Wales. This was an in-depth analysis looking particularly at the impact of caravans used as second homes and the extent to which this affected the economy.

For caravan holidays in general, the survey showed very high levels of satisfaction with the product, both from owners and renters. The report pointed out that “*the caravan holiday home product is unique in the accommodation sector in that the living accommodation is replaced and renewed at regular intervals, which means it can readily adapt to changing tastes and requirements*”. 90% of renters chose the holiday because it was good value and this was seen as the most important motivation, slightly more important than visiting Wales itself.

Value for money featured strongly in the appeal of a caravan holiday although other factors were also important. Similar to the Isle of Wight, the study identified a very loyal market with a high propensity for repeat visits. Owners were spending 74% of their long holiday and 91% of their short holidays in Wales and very few were going abroad or to the rest of the UK.

The paper concluded that ‘on paper’, the business was very optimistic about the future with high levels of satisfaction and repeat business. However it points out that caravan holiday homes are not like other sectors of tourism, firstly because of planning constraints effectively restricting growth and secondly, because the majority of park owners and managers do not necessarily see themselves as engaging in marketing in the same way that many parts of the tourism industry do, because owned pitches predominate and the majority of parks have no letting units.

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It was clear in this report that rental units generate more tourism revenue than owned units, but those parks which were predominantly or wholly owned units had a greater degree of certainty in their future delivery of tourism revenue.

Comparisons are always subjective as people will travel to a particular area for a variety of different reasons. Our examples from the West Country, Wales and North Norfolk are all relatively inaccessible to a South-East based population in comparison to the Isle of Wight and in terms of fulfilling a role for tourists from the South East region, are likely to be directed to the long holiday break than the short weekend break. The Isle of Wight however is much more accessible in this context and Tendring in Essex offers a good comparison.

10.0 RESIDENTIAL USE OF HOLIDAY PARKS

The residential use of holiday property is not a new phenomenon and has to some extent been present within the holiday industry for decades, albeit at a relatively low level of significance. The caravan industry has been susceptible to such activities but the problem is not confined to caravans alone and has been evidenced in holiday chalet and other purpose built property in the past.

10.1 Why does it happen?

There are numerous reasons why such a misuse (in planning terms) of holiday accommodation occurs. The hotel sector, particularly in the traditional seaside resorts, has been prone to residential misuse simply as a means of survival as their holiday market has dwindled. Hostelling and the continuation of winter lettings has become a feature of some resorts, increasingly reinforced by hoteliers and others being 'invited' to take short term occupants by desperate Council Housing Departments. The 'Bed and Breakfasting' news stories of the 1980's and 1990's reflected the social needs of the time and Government drives to 'clear the streets' of the homeless, but they required the use of available holiday accommodation to fill the need as Council property was increasingly depleted through sales on the open market and sheer weight of demand. This naturally started a trend that continues today and the development of more advanced HMO³⁵ guidance is a product of this trend.

Changes in the residential property market over the last 15 years or so have also driven a desire to use holiday property residentially. Those able to purchase traditional dwellings (without restrictions) have invested for the future and sought to provide for their retirement by facilitating a downsizing to their 'holiday home' whilst selling their main home to add capital to their pension pot. The property was therefore used in a holiday capacity until such time as it reverted to as full residential use. This has been putting pressure on the housing market nationally and the lack of affordable housing in many parts of Britain is attributed in no small part to growth in the 'second home' market.

There is also anecdotal evidence that those who suffered negative equity following the early 1990's property crash and had a holiday home used the latter as a 'lifeboat' which started a trend, but the actual extent of such use is not regarded as significant.

The need for a roof over ones head has therefore been a key factor in the residential use of holiday property and as social demographics moves toward ever smaller family sizes and the pressures of modern life continue to dislocate families such needs are not likely to diminish.

The other demographic trend that is placing pressure on holiday property results from a complex mix of an ageing, relatively wealthy, population and changes in planning law and licensing of holiday caravan parks that have encouraged some abuse of holiday units.

In the late 1980's tourism authorities and Government were encouraging a move throughout the tourism industry to find means to spread the season into the shoulder months, thereby reducing the highly peaked tourist season and its attendant out of season problems. The holiday caravan

³⁵ HMO - Houses in Multiple Occupation

industry in particular was encouraged and encouraging of such a move and when the Government sought to replace Development Control Policy Note 8: Caravans they embodied specific guidance in relation to caravan development within Annex B of Planning Policy Guidance Note 21: Tourism. Seasonal and Holiday Occupancy conditions were also provided for within Annex C to that guidance note.

Originally planning permissions for the use of land for holiday caravans was often unspecified by condition as to the length of the season, this being left to the parallel controls exercised through the Site Licence. Licensing, introduced by the Caravan Sites and Control of Development Act 1960, considers the environmental health aspects of caravan park development and occupation and therefore set occupancy periods for caravans based upon the capabilities of the units to accommodate people properly. A typical occupancy period established almost universally across Britain at the time was 1st March to 31st October in any year. The site was therefore required to be unoccupied outside this period because the caravans of the day were not considered suitable for occupation throughout the winter period.

As the 1960's progressed this early environmental health control measure was adopted by planning authorities through planning conditions as a means of controlling parks both from an environmental amenity standpoint and to 'belt and brace' any chance of residential occupancy developing by default. In addition those early parks with unrestricted planning permissions quickly discovered through various appeal case law that they were entitled to an unrestricted use in terms of the nature of the caravan that could be stationed upon the site and there have been many holiday parks over the years converting lawfully to residential caravan parks simply by seeking a Site Licence variation.

By the late 1980's the caravan industry was making rapid progress on the development of holiday caravan units that were capable of over-wintering, under pressure from the consumer for higher quality and greater flexibility of use, particularly during the Christmas and New Year period. Variations in autumn school holiday periods was also cited as a factor in the need for extensions to allow early November.

This all accompanied the development of fully serviced pitches on holiday parks and the demise of the toilet block for ablutions. The industry therefore had a product in place that could fulfil the Governments aims and following the publication of PPG21 many parks began to make inroads into longer seasonal use. For those parks with no season occupancy planning conditions it was simply a matter of seeking a licence variation. For others a modification to the relevant planning condition or a wholly new planning application for an extended season was the way forward. Given the guidance in place this was generally supported and permissions granted accordingly.

This also made economic sense to the park operators. Draining down systems and mothballing the park for the winter period was an additional expense. Staff retention was also important for continuity of the business and the longer season allowed for seasonal jobs to become permanent with fewer problems re-hiring the following year. Whilst income levels may not have met their summer heights it remained viable for many of the larger parks to remain open and with a growth in the short-break market it offered an ideal opportunity for many to create niche

products for the out of season period. This knocked-on into local shops and services, many of which were reliant upon the summer trade.

Scarborough Borough Council was one of the first to address the issue by effectively resolving in Committee to adopt a policy throughout the District of allowing parks to extend their open season to 10½ months from 1st March in any year, irrespective of their planning circumstances. In effect an early SPG³⁶ approach. Others followed with policies in their Local Plans and a variety of alternatives were adopted. Haven Holidays (formerly part of The Rank Organisation but now Bourne Leisure Ltd) obtained such a seasonal period across the whole of their 60+ park portfolio including their parks on the Island at that time.

Of course, once one park was able to market on the basis of an extended season so others felt the need to follow, or lose out in the marketplace and so the idea snowballed. As the 1990's progressed the policy debate matured and after a number of planning appeals the 10½ month format (1st March to early January) was fairly well fixed in the planning agenda.

However, not everyone took up the opportunity and some obtained the permission but for personal reasons didn't implement it, or were simply awaiting developments. The Isle of Wight was a particular area of reticence in this regard, not least because the holiday parks business was almost entirely comprised as a letting fleet with no pressure from holiday caravan owners for the longer seasonal use.

10.2 What is the Holiday Industry doing about it?

One of the emerging issues today for the Industry is detecting a residential use of privately owned holiday property. On smaller parks this is perhaps self-policing by dint of scale, but on larger parks the issues can become as problematic for the park operator as for the local authority. People who stay on-site for the 'season' often do disappear when the site closes to comply with planning conditions, returning again at the commencement of the new season. The park operator has therefore fulfilled his requirements. However, the availability of cheap European flights is increasingly allowing 'owners' to resort to say Spain for six weeks on holiday and then return to live in their holiday home again. The park operator may be none the wiser. One recent example in the north east of England was an elderly couple who own a holiday caravan on a large park confirming to the park operators' satisfaction that they lived locally with relatives. They were registered for all purposes at that relatives address but never actually lived there.

The residential use of holiday park property is as much of a problem for the scrupulous park operator - as it may be for the local authority - for a number of reasons. Firstly they are in the business of selling a holiday within a tourism environment and the additional paraphernalia and expectations attendant upon a residential use are likely to result in disputes and conflict between occupiers which the operator will find difficult to resolve. In effect his business may be affected by such unlawful use.

Secondly if (as has been the case in some instances within the Industry) holiday units have been positively sold on the basis that they can be lived in 'all year round' or that a blind eye will be

³⁶ Supplementary Planning Guidance

turned in such circumstances, there can be resultant contractual issues if the occupier is then dispossessed of that 'right' through the repercussions of planning enforcement action. The park operator can be sued for breach of contract. We have seen recent evidence of this problem on the Cotswold Water Park in Gloucestershire where a holiday home on a well conditioned bricks and mortar development was sold by an over-enthusiastic sales representative on the basis of year round occupation. Following threatened enforcement action the company has had to rectify the position and may need to buy back the home (in excess of £400,000) as this was the home owners' only property. The legal repercussions have yet to fully materialise. Even where the park operator has failed to spot the breach, if he has not taken reasonable steps to prevent such action, then it has been the case that the occupier can claim the park operator created a tenancy or licence at will and therefore can sue for breach of that contract accordingly.

Thirdly, in so far as holiday caravan park operators are concerned, they retain a material interest in the land as owner and therefore in planning terms are the actionable party in any enforcement action. If someone on the park brings about enforcement action by virtue of a breach of planning control, the park operator is the person who will suffer, not the occupier, and therefore it is in his interests to ensure that the park is operated within the remit of the planning conditions. A breach of planning condition cannot be appealed against. Equally, the park operators' recourse to the occupier for breach of contract is unlikely to bring about anything material and certainly unlikely to result in any financial recompense for all the trouble.

Finally, there are material differences between Site Licensing conditions for holiday and residential caravan parks. Where it is claimed that a residential use has been created unlawfully then if those various Model Standard conditions are not fully satisfied, to a residential standard, the local authority could take the park operator to court for breach of Site Licence. This is a far more rapid and actionable measure, although we are not aware that this option has yet been used in this context. Issues over Insurance liability are also likely to be a concern in these circumstances.

10.3 The Issue on the Island Today

The sale of holiday property on the Island in recent years as second homes (caravan and chalet units in particular) has begun to cause concern in some quarters and there is a growing body of opinion (and some evidence) that there are abuses of the planning system occurring with some park operators allowing by default (and allegedly deliberately encouraging) 'owners' to use their holiday property on a residential basis. The Isle of Wight Council planning enforcement department circulated letters to all park operators in March 2004 advising them of the issue and drawing their attention to the limitations and requirements of their planning permissions.

Although we do not believe the practice is widespread on the Island nor significant in terms of overall unit numbers at the moment, our visits to the holiday parks on the Island did indicate that some residential use of holiday accommodation was taking place. We have been informed anecdotally that some park operators on the Island - who are open all year - experience bookings in their letting units in early January which coincide with the seasonal closed period for some parks; although again in terms of actual numbers of people it is not considered to be significant at this stage.

An appeal decision in 2004 concerning a proposal at Gurnard Pines provides some assistance in terms of the Planning Inspectorates attitude to the issue of seasonal occupancy conditions.

Gurnard Pines sought the variation of a condition attached to a planning permission for 42 holiday lodges (replacing 44 static caravans) which stated that:-

“The occupation of the 42 proposed holiday chalets hereby permitted shall be limited to holiday use only and they shall not be occupied by any person, or family, or group of persons for a period in total exceeding six weeks in any rolling year without the prior written approval of the Local Planning Authority”.

The issue for the Inspector on appeal was whether the condition was reasonable and necessary in relation to the aims of local and national policy to support tourism.

A full copy of the decision is attached as **Appendix 5** but in summary the Inspector determined that:-

“I consider that, in contrast to the monitoring of the permanent residential accommodation, the 6 week clause would be difficult to enforce without the sort of intrusive checks on occupants that would be contrary to advice in Annex C of PPG21. For the reasons above and in the absence of any specific justification for the disputed part of condition 2, I find that this is unnecessary, unreasonable and unduly burdensome”.

The Inspector also made some interesting general comments that merit consideration in a wider tourism context. He felt that adequate monitoring under the terms of Annex C to PPG21 would be adequate. He was aware that the chalets would be sold leasehold to individual owners, and that potentially (if a six week limitation was imposed) the units might remain empty for much of the year contrary to the aims of the UDP to develop tourism and spread the seasonal use of holiday accommodation. The Council’s rationale was to effectively force frequent use of the accommodation, although the Inspector was presented with no evidence to support the potential for a loss of trade as a result of not having the 6-week limitation. He also felt that the removal of the condition would not be a significant discouragement to sub-letting. No specific harm appeared to have been generated by other chalets on the park granted permission without such a clause.

A report to the Council’s Development Control Committee in December 2004 by the Head of Planning services considered both this and a second appeal (Marlborough Hotel) concerning holiday occupancy conditions. Both appeals were allowed. His conclusions were that:-

“There has been concern for a considerable period of time that it would be very difficult to sustain holiday occupancy conditions which fail to accord with national policy and are not supported in our own Unitary Development Plan. Consequently Members will understand that Officers were not unduly surprised by the outcome of these two appeals..... My assessment of these two decisions is that the Inspector has correctly applied both national policy and local policies...by allowing the appeals. Officers have concluded that it would not be appropriate, possibly unlawful, and indeed could prove to be futile to continue to impose conditions on this

nature particularly as they fail to comply with national/local policy; they are not enforceable and they could not be sustained on appeal”.

10.4 Means of Detection

Naturally, occupation of holiday units when the site should be closed is an evident breach and simple to spot. The problem may be harder though on year round sites and those which only close for a short period.

PPG21 notes in Annex C that:-

"The Department considers that authorities should normally be able to establish from the general lifestyles of the occupants of such accommodation (including their use of local services) whether it is being used exclusively by holidaymakers. If the occupants were using the accommodation as a base from which to go out to work, or if their children were being educated locally, there would be a strong case for arguing that accommodation authorised for holiday occupation was being used for permanent residential accommodation. But enforcement of such conditions need not and should not require intrusive checks on occupants of holiday properties".

Registration for Council Tax purposes is often a primary source of information, so too the local voting register where from that one can determine a vote whilst away from home distinct from a local occupation vote. School records as noted may also help.

This nevertheless requires positive input from enforcement departments and adequate control may be affected by lack of available time and resources. See **Appendix 6** for Annex C details.

10.5 What Control Measures Can Be Taken?

PPG21 guidance remains pertinent and states:-

Where a breach of a holiday occupancy condition is suspected, section 171C of the Town and Country Planning Act 1990 enables the local planning authority to serve a planning contravention notice to require information about activities on land. One question to ask in such a notice might usefully be whether any tenancy agreement or licence includes a statement that the letting is for holiday purposes. The lack of such a statement might well indicate that the condition has been breached, because any landlord or licensor of genuine holiday accommodation is likely to have ensured that the tenancy is not an assured tenancy under the Housing Act 1988 and that a right of occupation of a dwellinghouse is excluded from the provisions of the Protection from Eviction Act 1977.

The new Good Practice Guide (2006) continues to refer to Seasonal and Holiday Occupancy Conditions in Annex B, but does not recognise this issue for comment in the same way. The Guide highlights measures that have been in discussion with the holiday parks industry in East Yorkshire which shed light on how conditions may be applied in the future.

Controlling use of holiday caravan and other holiday park accommodation

East Riding of Yorkshire Council established a joint working group to establish the best approach to secure holiday use of caravan parks. This group comprised Councillors and Council officers; representatives from the British Holiday and Homes Parks Association Ltd; the park operators and their agents; and the caravan manufacturers. It concluded that planning conditions needed to be stronger, requiring documentary evidence of occupiers maintaining a primary residency elsewhere to be provided.

As a result the planning committee agreed that future planning permissions for holiday caravan parks, holiday log cabins and holiday chalets shall normally be subject to the following conditions:

- (i) the caravans (or cabins/chalets) are occupied for holiday purposes only;
- (ii) the caravans (or cabins/chalets) shall not be occupied as a person's sole, or main place of residence;
- (iii) the owners/operators shall maintain an up-to-date register of the names of all owners/occupiers of individual caravans/log cabins/chalets on the site, and of their main home addresses, and shall make this information available at all reasonable times to the local planning authority.

The reason for these conditions is to ensure that approved holiday accommodation is not used for unauthorised permanent residential occupation. The register required in (iii) above shall normally be collected by the caravan site licence holder or his/her nominated person.

Source: Good Practice Guide on Planning for Tourism

These are all suggestions that have been circulating within the Industry in recent years. In particular the maintaining of a register of names and 'only or main residence' details provides a valuable source of control which can be tied into park operator contracts. Many reputable operators send a reminder (as much for contractual purposes as planning) to their holiday home owners each year on the anniversary of their site rent payment and some require signature of a declaration when making their payment. However, there may remain issues concerning the implications of the Data Protection Act and this will need to be resolved.

The Council may wish to consider using these guidelines as a foundation for Development Control Policies within the LDF.

For holiday parks where the accommodation is owned privately we suggest that the Council at least consider developing a form of words to be circulated to park operators that can be used in correspondence with holiday home occupiers, explaining their rights and the limitations of their occupancy in planning terms. The BH&HPA and NCC now provide a detailed '**Code of Practice for Selling and Siting Holiday Caravans**' which forms the basis for the contract between the parties. Encouragement might also be given to park operators to provide the following to their occupiers when entering in to any new licence arrangements.

This additional guidance might take the following form:-

To the Holiday Home Occupier

You have purchased a holiday home on [*name of park*] which is subject to important town planning and site licence controls. We want you to enjoy your holiday ownership but you should be aware of the following limitations: -

- **You must not use your holiday home for residential purposes.** You cannot use your holiday home as your only or main residence. If you do so you may be subject to legal action to rectify the breach of planning control.
- **You may only occupy your unit during the licenced season which on this park is [*insert dates*].** You must not stay in your holiday home during the closed period. The Council will be carrying out random checks to ensure compliance in this respect.
- **It is in your own interests to ensure your park operator has full details of your only or main residence.** Failure to provide sufficient information may be taken as evidence of a potential breach of planning control.
- **A failure to abide by these requirements could invalidate your contract/licence with the park operator who may require you to leave the site.**

Thank you for helping us and your park operator to maintain the proper legal basis for your holiday home occupation.

11.0 PLANNING POLICY ISSUES AND FUTURE DEVELOPMENT

11.1 Background

As already noted holiday parks and in particular holiday caravan parks, have always been a sensitive issue in planning terms and subject to no small amount of planning debate over the years. Holiday parks are not a form of development that is best suited or readily absorbed within urban areas; not least because for many, the purpose of visiting a holiday park is for rest and relaxation in a coast or countryside location, often as a variation from their own urban based lifestyle. This change in ‘atmosphere’ is a fundamental part of the holiday parks experience which would be difficult if not impossible to replicate within an urban setting. Therefore, holiday parks are prima-facie developments which require a location beyond defined settlement boundaries.

This has been tacitly (some would say grudgingly) accepted by planning authorities over the years and the industry as a whole has strived to ensure that successive Governments were made aware of the value of the holiday parks industry to the national economy and the resultant need for flexibility in planning to allow that industry to continue its important contribution. This has not always been seen as significant in tourism terms and to some extent the industry has evolved on the back of planning appeal decisions where holiday park decisions have generally run counter to the normal success rates experienced in other property sectors.



The British Holiday and Home Park Association in conjunction with the English Tourist Board produced a paper in the late 1990’s “**Holiday Parks in the Countryside – Planning for the Future**” which sought to outline the various issues pertaining to holiday parks and a copy of this document is enclosed at **Appendix 7**. Reflections on this document and the continuing efforts of the industry to promote its cause have played no small part in continuing the specific guidance in the latest policy proposals.

11.2 National Guidance

Following the demise of Development Control Policy Note 8, the industry worked hard to establish specific guidance within Planning Policy Guidance Note PPG21: Tourism (1992) which contained specific guidance in Annex B (see **Appendix 8**). This PPG is now replaced by the ‘**Good Practice Guide on Planning for Tourism**’ published in May 2006 which will form the basis for guidance to local authorities on all forms of tourism development for the

foreseeable future. Nevertheless, paragraphs 19 – 23 contain specific information regarding holiday, touring caravan and chalet parks as follows:-

Holiday, touring caravan, and chalet parks

19. In the UK as a whole, the parks industry accounts for tourist spend of some £3.23 billion each year, accommodating some 22% of all holiday bed nights. The industry comprises holiday chalets, caravan holiday homes, pitches for touring caravans, motor-homes and tenting and all types of self-catering accommodation. Holiday parks are the largest provider of rural tourism bed spaces.

20. PPS7 provides advice for planning policies and development proposals for static holiday and touring caravan parks and holiday chalet developments. Planners should carefully weigh the objective of providing adequate facilities and sites with the need to protect landscapes and environmentally sensitive sites. They should examine the scope for relocating any existing visually or environmentally-intrusive parks away from sensitive areas, or for re-location away from sites prone to flooding or coastal erosion. However, the high land values associated with holiday parks, the cost of infrastructure and possible planning issues relating to a proposed site may make such proposals impractical and unviable.

21. This advice recognises that planning provides an opportunity to improve the attractiveness of such developments to those who visit them and as features in the landscape. The *Environmental Code for Holiday parks, Caravan and Camping Sites, and Park Home Estates*²⁰ advises park owners on fulfilling the industry's commitment to environmental protection. *Holiday Parks: Caring for the Environment – a guide to good practice* (1991), published by the Countryside Commission, remains an important reference document that includes many case studies directing holiday park operators toward best practice. Planners should work with owners and developers of sites to ensure that the most is made of these opportunities. Where there is an identified demand for new or expanded sites, planners should ensure that environmental impacts and impacts on visual amenity are minimised.

22. New sites that are close to existing settlements and other services will generally be more sustainable as some local services may be accessed by means other than by car. Similarly caravan storage facilities that are close to existing settlements may have less adverse impact and be more sustainable. However, there may be valid reasons for extending or improving existing holiday parks that are not be located close to existing settlements by virtue of their support for successful local businesses and the provision of employment. Authorities should also consider how the proposal will affect tourism in the area, particularly in terms of its economic and environmental impacts.

23. Local planning authorities may attach conditions to planning permissions for holiday parks to ensure that they are used for holiday purposes only. However, with better caravan standards and the trend towards tourism as a year round activity, authorities should give sympathetic consideration to applications to extend the opening period allowed under existing permissions. Annex B covers these matters in more detail.

This guidance document is designed to:-

- ensure that planners understand the importance of tourism and take this fully into account when preparing development plans and taking planning decisions;
- ensure that those involved in the tourism industry understand the principles of national planning policy as they apply to tourism and how they can be applied when preparing individual planning applications;
- ensure that planners and the tourism industry work together effectively to facilitate, promote and deliver new tourism developments in a sustainable way.

The guide recognises that tourism is extremely diverse and that it is essential for planners to recognise this diversity when preparing development plans and taking planning decisions.

The role for tourism is therefore clearly supported by Government and covers a wide range of strategic initiatives. The Islands historic role as a resort has placed tourism in the position of a key provider of jobs and revenue and has embedded tourism at all levels within the economy, much of which still relies on the Island maintaining its attractiveness to all tourism sectors.

The planning system is encouraged to take a proactive role in facilitating and promoting the implementation of good quality development so as to ensure the tourism industry can develop and thrive so as to maximise its valuable economic, social and environmental benefits. Specific reference is made to the provision of essential facilities for visitors in rural areas and here again local authorities through the regional spatial strategy and local development framework policies “should therefore engender a positive approach to rural tourism proposals by applying certain principles”. This introduces Planning Policy Statement 7 (PPS7): Sustainable Development in Rural Areas, which sets out specific national planning policies on tourism and leisure in rural areas. Paragraphs 39 and 40 of PPS7 states:-

39. In considering planning policies and development proposals for static holiday and touring caravan parks and holiday chalet developments, planning authorities should:

(i) carefully weigh the objective of providing adequate facilities and sites with the need to protect landscapes and environmentally sensitive sites, and examine the scope for relocating any existing, visually or environmentally-intrusive sites away from sensitive areas, or for re-location away from sites prone to flooding or coastal erosion;

(ii) where appropriate (e.g. in popular holiday areas), set out policies in LDDs on the provision of new holiday and touring caravan sites and chalet developments, and on the expansion and improvement of existing sites and developments (e.g. to improve layouts and provide better landscaping); and

(iii) ensure that new or expanded sites are not prominent in the landscape and that any visual intrusion is minimised by effective, high-quality screening.

40. Local planning authorities should support the provision of other forms of self-catering holiday accommodation in rural areas where this would accord with sustainable development objectives. The re-use and conversion of existing non-residential buildings for this purpose may have added benefits, e.g. as a farm diversification scheme.

Here again there is naturally a requirement for new proposals to respect the landscape and environmental sensitivities of the area, but where appropriate (in popular holiday areas) local authorities are encouraged to set out policies in their local development documents for the provision of new holiday and touring caravan and chalet developments and on the expansion and improvement of existing sites and developments, whilst ensuring that new or expanded sites are not prominent in the landscape and that visual intrusion is minimised by effective, high quality screening.

None of this specifically precludes opportunities for development, but as ever, the devil is often in the detail. A common means of overcoming this as far as local authorities are concerned is to establish within development policies a significant number of criteria hurdles, sufficient that any development is likely to fall at one, thereby providing a basis for refusal.

11.3 Regional Spatial Strategy

The draft South East Plan recognises that it is important to establish a comprehensive, long-term vision for the role of tourism and related activities within a locality. The vision needs to be sufficiently explicit and embedded in the community strategy, the local cultural (or tourism) strategy and the Local Development Framework in order to shape investment and decisions. In seeking to implement the vision an integrated approach is needed to ensure that tourism objectives are reflected in local activities such as town centre management and regeneration, open space strategies, heritage enhancement initiatives, countryside management and environmental stewardship.

A Regional Spatial Strategy for Tourism and Related Sport and Recreation was adopted as a formal alteration to regional planning guidance for the south east (RPG9) in November 2004 (as new Chapter 14). It is proposed to roll forward the policies and supporting text contained in RPG9 Chapter 14 into the draft South East Plan, as they are considered relevant and robust for the plan period to 2026. As far as tourism accommodation is concerned the following policy is proposed:-

1.33 Unserviced accommodation (eg camping and caravan sites, holiday parks, self-catering units, farmhouses and youth hostels) is a popular and vital component of the leisure accommodation offer in the region and provides a particularly valuable role in supporting longer stay/higher value rural tourism. Many self-catering units in rural parts of the region are under pressure to convert to residential uses to secure quick and substantial financial returns. Local planning authorities should seek to protect good quality accommodation in rural areas where there is evidence of market demand.

POLICY TSR6

The diversity of the accommodation sector should be positively reflected in tourism and planning policies.

i Development plans should:

1. Consider hotels as town centre uses to accord with the sequential approach as

- set out in PPG6 (Town Centres and Retail Developments), except in circumstances specified in paragraph 1.31.
2. Provide specific guidance on the appropriate location for relevant accommodation sub-sectors based on their needs and characteristics.
 3. Encourage the extension of hotels where this is required to upgrade the quality of the existing stock to meet changing consumer demands.
 4. Include policies to protect the accommodation stock where there is evidence of market demand.
 5. Strongly encourage the provision of affordable staff accommodation as part of large new and existing accommodation facilities in areas of housing pressure. The criteria for the application of such a requirement should be clearly set out in the development plans.
 6. Where relevant, include policies to facilitate the upgrade and enhancement of existing unserviced accommodation where this will not harm landscape quality or identified environmental assets. Particular attention should be paid to identifying suitable sites for the relocation of holiday parks under threat from coastal erosion.
- ii The regional tourist board and local authorities should, working together, undertake active monitoring of the demand for and supply of tourism accommodation on a regional and sub-regional basis.

11.4 The Isle of Wight UDP

The current policy framework for the Isle of Wight is contained in the Unitary Development Plan adopted in 2001. The strategic policies of the plan do not deal specifically with tourism issues but strategic policy S5 notes that, “*proposals for development which on balance (bearing in mind all the part 2 policies) will be for the overall benefit of the Island, by enhancing the economic, social or environmental position will be approved, provided any adverse impacts can be ameliorated*”.

Taken on its face therefore, tourism development which enhances the economic, social or environmental position of the Island should be approved and, even though there may be adverse impacts, the strategic policy allows for ‘amelioration’ measures to be weighed in the balance.

The difficulty however, for the holiday parks industry is the preceding policy S4 which states, “*the countryside will be protected from inappropriate development*”. For the most part planners consider holiday park development to be prima facie inappropriate development in such locations, despite the evident needs of that sector, because of their visual and environmental impact. This has been considered to be the case even for developments which have been proposed within the bounds of existing holiday parks, where arguably the material impact (if any exists) is significantly reduced from that which might be associated with a green field development. Recent appeal decisions have suggested however that this rather strong stance has not been upheld by the Inspectorate on every occasion.

The specific policies for the development of holiday accommodation are set out in Chapter 9: Tourism as follows:-

T3 Planning proposals for the development of holiday accommodation will only be acceptable in principle where:

- a they are associated with an existing permanent accommodation site; or
- b a new hotel, similar serviced accommodation or self-catering accommodation is provided; or
- c existing accommodation is upgraded; or
- d the extension of the tourist season is promoted; or
- e they are small scale and ancillary to an existing agricultural enterprise; or
- f an existing touring caravan and camping site is upgraded, without detriment to the visual amenity and rural character of the area and does not become permanent holiday accommodation; and
- g it does not involve the loss of bed spaces considered to be important to the tourist industry unless required by development to upgrade accommodation at a lower density; and
- h the Council is satisfied the development will be retained for holiday use.

T5A New touring caravan and tented camping site will be permitted provided the sites are located in visually unobtrusive locations and the caravans and tents are removed from the site outside of the holiday season.

T5B Development which will result in the loss of touring caravan and tented camping sites, including changes to permanent holiday accommodation, will not be approved if the visual or other impact of permanent development of the site detract from its rural character.

T6 Planning applications for the expansion of existing permanent accommodation sites, as defined on the proposals map, will be approved where the following criteria can be met:

- a they adjoin or are directly related to the existing built facilities;
- b they do not detract from their surroundings;
- c they enhance the environment, or improve the visual appearance of the site;
- d new or replacement units are appropriate in design and appearance and the resulting density of the site does not adversely affect the rural character of the area.

T7 Planning proposals for tourism uses in the areas specified below, and defined on the proposals map, will be acceptable in principle:

- a Shanklin Esplanade;
- b Battery Gardens, Sandown Bay Leisure Centre, Old Reservoir and Los Altos Park (part);
- c Culver Parade and land at Yaverland, Sandown;
- d Westridge, Ryde;
- e Upper Chine (former school site);
- f Ryde Sea Front;
- g Woodside, Wootton;
- h St Georges Park and adjoining land to the east, Newport.

The Council will formulate development briefs, where necessary, in order to further encourage and guide development.

Policy T3 sets out a series of criteria against which holiday accommodation will only be acceptable in principle where the relevant criteria are satisfied. Whilst acknowledging the important role that the range of holiday accommodation facilities provides, and encouraging its retention, upgrading and improvement, the policy still presents some challenging issues. Nevertheless this has been the foundation for planning approvals on the Island to date.

Policy T5A considers new touring caravan and tent camping sites but only those which can be developed in a specific way. The local authority consider it inappropriate that touring pitches should have hard standings or tent bases, in effect relying on the ability of the land to revert to green fields. To some extent this is counterproductive from a tourism industry standpoint as it perpetuates the peak season role of sites which may be incapable of use during the wetter months of the year when hard standings become a requirement. This policy also appears to pre-suppose that such developments are generally ancillary to ongoing agricultural activities, whereas for the most part they are small business operations in their own right not directly related to other agricultural pursuits and cannot therefore be considered in the context of rural diversification. The lack of opportunity to create modern touring and tent camping pitches provides something of a brake on product development, but as there are already a substantial range of existing tourism and camping sites on the Island – some of which have recently obtained extensions (eg. Southlands) – the actual impact of this policy is diminished. The policy has been applied in the narrower context of suggesting that a new touring caravan and tent camping site equates to an extension of an existing site, whereas on its face one might assume it relates solely to an entirely new park, unrelated to anything currently in place.

Policy T5B seeks to avoid the change of use of touring caravan and tent camping pitches to more permanent forms of holiday accommodation in circumstances where the rural character of the area will be affected. This is of course an entirely subjective issue but it is clear from the justification paragraphs that the overall aim of the policy is to prevent any change of use to other forms of holiday accommodation. In fact the policy is cast more broadly to restrict a change of use to any other use as well.

Policy T6 considers permanent accommodation sites and primarily relates to holiday centres which contain chalets or static caravans. Here again a series of criteria are applied, but unlike Policy T3 where the criteria are looked at individually, it is necessary for any development proposal to satisfy all four criteria under Policy T6 to achieve consent.

The UDP's Proposals Maps highlighted the majority of holiday parks on the Island with a specific designation, but this simply highlighted the definitive area considered acceptable to the planning authority and did not in all cases extend to the full extent of the holiday park. It has therefore been a debate on appeal subsequently as to whether the identified "permanent" accommodation site "area" defines the extent of permissible development or is rather more an arbitrary boundary against which new proposals can be judged. Paragraph 9.21 of the UDP indicates however that "the policy enables sites to retain the flexibility to undertake appropriate

expansion and upgrading”. This however must be balanced against overall visual appearance of the site and impact on surroundings.

Finally, Policy T7 identifies certain sites for possible tourism use including Woodside at Wootton which (as noted above) has planning permission granted in 2005 for 186 holiday chalets on the site of the former Warners Holiday Centre.

Paragraph 26 of the new Government guidance document notes that “*local planning authorities should support the provision of other forms of self-catering holiday accommodation in rural areas where this would accord with sustainable development objectives.*”

One of the problems of course is that to many people, sustainability equates direct with restriction on travel – particularly by car – and this of course is fundamentally counter to the aims of a holidaymaker who not only has to travel to the accommodation in the first instance, but then seeks to travel around the area concerned enjoying the sights and facilities available. This is even more of a dilemma for those businesses (whether accommodation or other tourism businesses) in rural areas which almost inevitably require access by car. The Island however, does benefit from a well established and regular bus network and of course has some limited rail links, although the south and west of the Island are more inaccessible and holiday parks in these locations must generally rely upon access by car.

Taken to its ultimate extent, the desire to reduce the need to travel would effectively preclude tourism as a social function altogether and this of course is absurd. The economic impact alone of such a strategy on the Island (let alone anywhere else) would be disastrous. In addressing future planning policy for the Island therefore, the local authority should be encouraged to provide clear guidance to the tourism industry on how it may address sustainability initiatives given the practical circumstances of the industry as it stands today. We have already outlined the initiatives which are being taken in other respects within the holiday park sector and every encouragement should be given in policy terms to their continuation and evolution as these are part and parcel of the overall approach.

11.5 The Isle of Wight LDF Core Strategy

The Isle of Wight Council has recently published the Island Plan Core Strategy as part of its new portfolio of policy documents under the Local Development Framework, which will eventually replace the adopted UDP. At the time of writing this study, the submission Core Strategy remained open for consultation.

The overall vision for the Isle of Wight is, “*a progressive Island built on economic success, high standards and aspirations and a better quality of life for all*”. Within the spatial objectives, tourism is not specifically singled out for consideration, but appears to be embodied within Policy E1 – Supporting Employment Generating Sectors. Economic regeneration and growth is noted as being at the heart of the Isle of Wight’s future objectives and paragraph 6 notes that the Island will encourage development proposals that extend the visitor and tourism offer of the Island, particularly in terms of value and quality of offer and those which support tourism in off-peak seasons, as well as supporting sustainable and eco-tourism.

Policy E2 goes on to point out that smaller settlements and the rural areas of the Island will contribute to economic regeneration through the diversification of local economic activities. We presume in this context that the existing holiday parks industry will be seen as a local economic activity in such areas and therefore its growth and development will be supported in principles. More specific provisions are made with regard to Ryde, Sandown, Shanklin and Ventnor, but being primarily urban areas the relevance of these policies to the holiday parks industry is deminimus.

11.6 Examples from Other Authorities

The planning policies that have been applied to holiday parks by different authorities up and down the country are as varied as the number of opinions about the nature and appearance of the units themselves. There is no clear cut policy line which might give some assistance to the Island policy makers but it is fair to say that the general tone of most development plan policies is cautious if not wholly restrictive.

In this section we consider a few of the emerging development plan policies relating to holiday parks from authorities with substantial numbers of units who are well versed in the planning issues relating to this sector.

Tendring District Replacement Local Plan

Tendring District Council have generally adopted a constructive approach to the holiday parks industry and have sought to safeguard their existing holiday parks from redevelopment for alternative uses in the interests of sustaining their contribution to the local economy. This continues in the Tendring District Replacement Local Plan which is scheduled to go to Inquiry this summer (2006). Their proposed policy states:-

Existing Caravan and Chalet Parks

3.67 Over the last 20 years various caravan and leisure parks including two holiday camps have closed, reflecting the changing market for holidays in this type of accommodation. Some sites have been developed for housing.

3.68 Despite the loss of certain sites there are still approximately 9,000 caravans and chalets in the District with sizeable sites remaining in Clacton/Jaywick, St. Osyth/Point Clear, Little Clacton, Weeley, Walton and Dovercourt which account for 84% of the holiday accommodation used by tourists in the District. The Council recognises that these existing sites are an important element of the local holiday industry and their retention and improvement are generally supported. The redevelopment of these sites for tourism purposes should not be seen as being excluded if redevelopment proposals will have the effect of significantly enhancing and further strengthening tourism in the area. Various site operators have embarked upon new investment programmes recently and these are welcomed as part of an overall upgrading and modernisation of the stock. Further proposals to modernise and introduce new, imaginative layouts, improved landscaping, better quality accommodation and an improved range of on site facilities will be supported in parallel with the policies on the provision of new leisure parks.

Policy ER18 - Caravan and Chalet Parks

The Council will seek to safeguard existing caravan and chalet parks from redevelopment for alternative uses. When considering planning applications material considerations will include whether the park:

- a) occupies a prime site in the main tourist areas within an attractive location;**
- b) provides or could provide a range of recreational facilities;**
- c) has been upgraded or offers the potential for further upgrading; and**
- d) provides or has the potential to provide a range of holiday accommodation.**

3.69 Prime sites are considered to be the larger sites which provide the bulk of the accommodation, contribute to the holiday character of the area and promote Tendring as a tourist destination. These sites also tend to contain higher quality accommodation and are therefore likely to best meet the needs of present and future visitors.

3.70 The main tourist areas comprise Clacton/Jaywick, Walton, St. Osyth/Point Clear and Dovercourt and it is within these locations that it is most important to sustain tourism. In addition, there are also larger sites in the rural areas which will be safeguarded. Sites in attractive locations are likely to be more adaptable to meet the needs of more discerning tourists.

3.71 Sites with a good range of recreational facilities, especially indoor facilities are more likely to prove popular than sites without such facilities. In some cases the recreational facilities are also available to non residents and provide for day visitors and residents. The loss of sites with facilities can therefore have a serious impact on tourism amenity. Sites which are large enough to provide the space and the income to invest in recreation facilities should also be safeguarded.

3.72 Safeguarding upgraded sites is a necessary objective, as they represent significant capital investment, which may not be repeated and offer the best opportunity to cater for current and future tourism potential. Similarly sites which by virtue of their location, character, layout and size offer scope for upgrading or further upgrading will also be safeguarded.

3.73 The protection of a range of holiday accommodation including letting caravans, chalets and owner occupied units is also an important objective for maintaining and enhancing the development of tourism.

3.74 The Council will allow extensions to existing sites where significant improvements can be made to the appearance, layout and amenity of such sites. Within the St. Osyth Beach, Jaywick and Point Clear areas the topography dictates a particular need for all proposals relating to the upgrading of existing caravan and chalet parks, to be accompanied by very extensive and appropriate landscaping schemes which respect local conditions. This will help to improve the appearance of individual sites, and reduce their impact on the flat and exposed nature of the coastal landscape in this area.

Policy ER19 — Extensions to Static Caravan and Holiday Parks

Permission for extensions to existing static caravan and chalet sites will be granted providing:

- a) material improvements to the overall layout, amenity and appearance of the site will be secured;**
- b) a landscaping scheme designed to minimise the impact of the site on the surrounding landscape to a satisfactory standard is provided;**
- c) an effective natural boundary to the extended site such as a tree belt is provided, and**
- d) the site is not in an area of high flood risk.**

The local authority consider that safeguarding upgraded holiday sites is a necessary objectives as they represent significant capital investment which may not be repeated and offer the best opportunity to cater for current and future tourism potential. Similarly, sites which offer scope for upgrading or further upgrading are also safeguarded. This takes the form of a definitive allocation within the Local Plan Proposals Map.

The protection of a range of holiday accommodation including letting caravans, chalets and owner occupied units is also an important objective for maintaining and enhancing the development of tourism.

The council will generally allow extensions to existing sites where significant improvements can be made to their appearance, layout or the amenities on the site. Upgrading of existing caravans and chalet parks is generally accompanied by a requirement for extensive and appropriate landscaping schemes. The plan is currently proceeding through its Inquiry stage but more recently we have been involved in negotiating the withdrawal of coastal protection belt status for certain holiday parks which would then allow previously undeveloped areas to fall within the caravan park protection zone and permit their development accordingly. This was seen as an important initiative by the Council in ensuring that existing holiday parks (in this case a sizeable park) had optimum opportunity to upgrade and improve and thereby deliver wider tourism benefits to the areas.

In relation to occupancy timescales, their current policy provides for a restrictive occupancy period between 1st March – 14th January in any one year and this is applied across the board to all their holiday units.

Proposals for new holiday villages (defined as comprising well designed timber chalets) and related recreational and leisure facilities will be supported in appropriate locations subject to satisfying various criteria. This is seen as a means of extending and developing higher quality facilities and diversifying the tourism base within a setting that is different from the traditional holiday park format.

The policies for touring caravan and tents continue to be supportive and developments will be allowed, even in rural areas, providing the proposal conforms with countryside and transport policies.

Ceredigion UDP

At the other end of the scale are policies in Ceredigion District which effectively seek to limit any further development on the basis that an adequate provision has been made for static caravans in the county and it is opposed to further increases. Whilst there may be circumstances where the relocation of static caravans would present an environmental gain, the Council note that they would need to weigh the environmental benefits of removing the caravans from one location against the impact of increasing the numbers and the size of the site in another, together with the economic benefits that may be derived.

Of the estimated 6,700 static holiday caravans in Ceredigion, 84% are privately owned and have effectively become second homes. Whilst the council acknowledge that they “undoubtedly bring economic benefits to the area” they consider they do not generate the throughput of new visitors to the area that they would expect. The Council seek to maintain the traditional family holiday market and also require improvements in landscaping and facilities where possible.

Extensions to the boundaries of existing caravan sites will however be permitted providing there are no increases in overall numbers of units and where proposals are part of a comprehensive scheme to improve the appearance and layout of the whole site. This is often helpful as it allows parks to “breathe out” for the reasons outlined elsewhere in this Report and evidently the quid pro quo is improved layout and landscaping.

By virtue of the fact that the majority if not all of the holiday caravan or chalet sites are located in a very rural environment, the Council do not accept the changeover of those units to permanent residential units, not least because they wish to maintain the availability of sites for the benefit of the tourism economy. However, a changeover from static caravans to more permanent forms of holiday accommodation may be permitted where, here again, improvements to the quality of the environment and the standard of facilities on the site is achieved.

11.7 Future Policy Options for the Isle of Wight

The holiday parks industry is an important and valuable element of the Island economy which constitutes a substantial “local business” when taken together and has a long standing role in contributing the Island’s economic wellbeing and employment, both for itself and for its knock-on benefits into the wider economy. As we have identified, there are emerging trends within the marketplace and potential weaknesses in the existing accommodation stock that give rise to the need for flexibility in planning policy terms, to ensure that existing businesses can adapt and change with the market.

It is questionable whether any brand new holiday parks are required, given the existing stock, but there may remain some opportunities on the Island to use land for this purpose and therefore

planning policies may need to remain open to the consideration of new sites on their individual merits.

With regard to existing sites the Island's holiday park industry is approaching - if not already at - a defining moment in its evolution. The accommodation base on many of the traditional holiday parks is now well beyond its usable life and in many respects is no longer fulfilling the needs of the modern tourism market except at the budget end of the scale. There is evidence of dereliction and closure as well as a desire for some to redevelop with more modern forms of accommodation. There are also changes afoot within the overall nature of tourism to the Island with the growth in holiday home ownership as oppose to fleet letting.

What therefore are the planning policy options for the tourism industry?

Do Nothing

The first option is perhaps to allow the industry to remain largely unchanged without encouragement to upgrade and improve and make no policy provision for this to take place. Clearly this is not envisaged by the Council nor the Government and would be a hugely retrograde step - albeit perhaps fulfilling some parties aspirations for a lower impact tourism base for the Island.

A Free Market Approach

At the other end of the scale of course there is the option to allow the industry to react to its market entirely at will with limited or no control, save perhaps for the development of wholly new operations in sensitive green-field locations. Here again this may be self-defeating as it could open the door to significant changes of use both within and away from tourism uses.

Managed Growth

The following planning issues are likely to be the main points of interest for the industry in the future.

Redevelopment within the bounds of existing holiday parks to replace existing forms of accommodation. This will almost certainly involve either conversion of the existing built stock (in the manor of the Savoy Holiday Park) or the creation of wholly new accommodation stock (Woodside Bay, Harcourt Sands?) and this is likely for the most part to be a change from built accommodation to static holiday caravans or lodges where they can be replaced over time in order to upgrade facilities. Creating wholly new built accommodation is extremely expensive and is more likely to encourage owner-occupier sales for holiday purposes rather than for letting purposes.

A policy which supports the upgrading and improvement of holiday parks within their existing bounds should continue.

Because of the relative density of holiday caravan units in comparison with built accommodation there may be a necessity for additional land take in order to contain a similar

number of holiday units – effectively the park will need to ‘breathe out’ in order to provide the same level of facilities. This may be necessary not only to support the business as a whole, but also to provide sufficient accommodation to maintain the level and scale of facilities, particularly on larger holiday parks where much of their business relies on significant levels of holidaying population.

Whilst this may introduce the risk of additional environmental or visual impact, such circumstances do provide the local authority with the opportunity to require landscaping measures for the longer term that might not otherwise be achievable. Amelioration of effects has been considered acceptable up to now and there would appear to be no reason why such measures cannot continue to be acceptable in the future.

Policies that support the expansion of parks in appropriate circumstances - such as meeting the needs of the market with new accommodation or where material improvements to the overall layout, amenity and appearance of the site will be secured – should be considered.

The substantial capital costs involved in altering the accommodation base to a more modern product will also need to be borne in mind. This may require an increase in the number of holiday units overall in order to offset development costs. The benefit to the Island will be an uplift in the overall standard of accommodation and the opportunity to require additional landscaping measures; although here again these may only be achievable up to a point.

‘Seasonal occupancy’ conditions should continue to be applied to new holiday park planning permissions, and encouragement to the extension of the holiday season should form part of this. Clearly the imposition of ‘occupancy conditions’ presents a problem, which is not varied by the new guidance from Government. If anything that guidance sets out a more positive framework for managing holiday park occupancy. We have made additional recommendations in this regard above.

In order to gain the full support of an apparently sceptical holiday parks industry in meeting the aims of the Council, we would recommend consideration is given to establishing a **Holiday Park Working Party** to consider the following issues:-

- The means by which park operators seeking to develop owner-occupied holiday accommodation can be encouraged to promote sub-letting as part of the business.
- The determination of a certain seasonal occupancy period (eg 1st March to 14th January in any year) to be applied to future planning permissions which meets the needs of the Island market.
- To consider means of monitoring and/or addressing the issue of residential occupation of holiday accommodation such as the suggested guidance letter proposed above.
- To consider the needs for Supplementary Planning Guidance as part of the LDF process which could deal with these various issues.

- To provide a liaison point between the Industry, the Council and Councillors as a way of developing a greater understanding of the desires of both groups and to establish ways in which those aspirations might be addressed.

11.8 Alternative Use of Holiday Parks

As part of this commission we were asked to consider the potential for alternative uses of holiday parks that have reached the end of their useful life within the tourism market, whether by virtue of no longer being situated within a suitable setting - having been surrounded by more urban forms of development - or simply because the capital cost of restoring the park to a usable modern condition is not justified against the likely returns.

There are a number of holiday parks that fall to be considered for alternative use. Of the eight parks that are closed, we understand that Downsview Holiday Centre has already been redeveloped for housing – we were unable to locate it. Flowersbrook closed some time ago and several of the others could not be traced at all. Tutton Hill Camping does not present a development opportunity - other than a reversion to its previous use - given its location in the countryside and limited or no brownfield status.

Ivylands in Freshwater closed in 2005 and attempts have already been made to achieve an alternative use for this park. From the information provided by the park operator, it appears that it enjoys a Lawful Development Certificate for the siting of 11 static caravans which can also be used for permanent residential occupancy. Planning permission was refused in 2003 for the change of use of this site to residential development for traditional housing. At that time the park was still in use for holiday purposes and one of the grounds of refusal concerned its loss to the tourism industry. Although situated on the edge of but contiguous with the settlement, it lies outside the designated development boundary and therefore was refused on policy grounds.

Solent Lawns may be another example of a traditional chalet based holiday park which is now encapsulated by housing development and could reasonably be utilized as an allocated housing site within the LDF. We were unable to discover what plans for redevelopment were being considered by the operating company, but we note that there does not appear to be any current planning applications in place for alternative use. This site did however strike us as having rather more straightforward planning potential and its apparent location within the settlement boundary offers an opportunity for its consideration in diverse ways.

Mobile Homes

Ivylands does raise an interesting opportunity for the Island in addressing lower-cost and affordable housing need through the use of residential caravans. These are a particular form of housing which has been quietly evolving since the last war to the point where they now provide for over 250,000 people living in 100,000 Park Homes on over 1,000 parks throughout the country.



We do not intend elaborating in detail in this report on the Park Home sector of the housing market as this is a separate report in itself and has been the subject of much political debate over the years. However, it may be an area of consideration for alternative use of holiday parks given that they are largely laid out to suit the purpose already and it is but a small step in planning terms. One of the key benefits is that such parks remain under the control of a park operator and are therefore subject to the dual controls of planning and site licensing. The principal Park Home Estate on the Island is Medina Park close to East Cowes. Although there are one or two other residential caravans on the Island, this is the only substantial park fulfilling this housing need.

Other holiday parks, particularly within the Sandown area are now adjoining or surrounded by traditional housing development and it seems entirely practicable that when these parks reach the point of closure, the Council takes the opportunity to reuse the site for alternative development. This was a point debated during the UDP inquiry and led to a number of holiday parks being brought within the defined settlement boundary in order to allow such alternatives to be considered in due course.

Whether it is appropriate or necessary to positively encourage such a change of use in those circumstances is debatable. Where the holiday parks are continuing to fulfil a commercial need and remain viable, then arguably they should be allowed to continue. Tourists tend to vote with their feet when the product does not live up to their expectations and this will naturally bring about the opportunity to do something else with the site. The Island is in relatively short of brownfield opportunities and therefore these parks present a viable opportunity to avoid breaking into greenfield land before it is absolutely necessary.

Deliberate Rundown

One of the points put to us in the proposal concerned an impression that businesses were deliberately being run down in order to achieve alternative development use. In considering the various parks around the Island, and in discussions with holiday park operators, we did not gain the impression that such action was either being undertaken or could be attributed to any particular park operator. There are evident signs that some of the more traditional parks have not been able to keep pace and the accommodation stock is of low quality, but the reasons for this have already been discussed above. It seems unlikely that this was done deliberately and is rather more a function of the changing market and sizable capital costs involved in redevelopment more than any particular expectation of alternative use value.

Those traditional parks such as the Savoy and Harcourt Sands which are currently investigating alternative use are doing so within a tourism context. Had they wanted to, it does not seem unreasonable to consider that either of these parks might fall eventually for traditional bricks and mortar dwellings. Harcourt Sands perhaps rather more than the Savoy. We are aware that other holiday parks would like to achieve permission for substantial upgrading, but here again they are directing themselves to meeting the needs of the holiday industry rather than harbouring any ulterior motive for more valuable alternative use. The perception in this regard appears misplaced.

Former Holiday Centres

Many of the more rundown enterprises are evident on the Military Road in locations that are extremely challenging from a planning standpoint. A key question therefore is what may be done with these sites when and if they finally close. Based on evidence from other parts of the country a large number of these traditional holiday centres remain closed and undeveloped for want of an alternative use because they are situated in areas that do not fall within any appropriate planning discretion. Whilst they may constitute sizable brownfield locations in rural areas, they would fail under a number of national planning policy guidelines let alone any sequential testing exercise that might be undertaken on the Island.

Given encouragement to upgrading and improvement, where replacement accommodation might be envisaged, the operators might find opportunities to recreate new forms of accommodation. The Council have evidently been prepared to consider this at Woodside and the same stance may benefit other parks.

New Products

In Cornwall there is resurgence in holiday park development using purpose-built accommodation which is both sold and let. An example is the development at Pendra Loweth near Falmouth. In this case a former touring and camping park has been redeveloped for a holiday 'village' using architectural themes drawn from the local fishing villages.





MAEN VALLEY • FALMOUTH • CORNWALL

Pendra Loweth is a development of 100 single and two storey holiday cottages designed in traditional Cornish style to recapture a village flavour, grouped around courtyards and landscaped gardens. The cottages have two or three-bedroom accommodation including fully fitted kitchens and bathrooms with a wide range of built-in fittings.

There are no restrictions on occupancy periods, and cottages can be used not only as a second home, but are encouraged as an investment property, that can generate income throughout the year.

Care has been taken with the layout to ensure optimum benefits from the landscaped grounds and to maintain maximum privacy.

The existing facilities include a shop and clubhouse as well as sports areas and are being extended and enhanced to provide indoor swimming, sauna, spa, squash, outdoor tennis and croquet.

This is an unexpected turn in the fortunes of an otherwise unsurprising holiday park and is a testament to the commitment of the park operator and the desire of the local authority to encourage new ventures in meeting tourism demand.

Social Housing

If the accommodation can be recovered sufficiently to create a smaller number of habitable units, one might envisage their use for specialist housing accommodation within the social sector, for the elderly or infirm, where travel was not so much of a priority on a day to day basis. The development of "retirement villages" in the United States is beginning to gain ground in Europe and that are already schemes in the UK addressing this market. With an increasingly aging population, the opportunities to provide single-story accommodation in a pleasant

location with a range of attendant facilities in a protected environment is likely to be highly attractive to many elderly people. This might also relieve pressure on the Island's general housing market.

Rural communities lend themselves to a concerted strategy of building "lifetime housing" and to use "assistive technology" in housing for certain groups as a means of overcoming or attenuating some of the service, access and infrastructure deficiencies, to such areas. Older people and young families are obvious beneficiaries and the Government is currently investing in local authorities to take these ideas forward.

Local authorities are urged to consider the need for affordable housing when preparing their development plans and should adopt policies to make sure this will be delivered. Planning policy guidance on housing draws attention to the importance of affordable housing provision in rural areas to meet local needs and to deliver sustainable communities. In the case of assistive-living, technology is used to meet the progressive needs of old people by allowing them to remain within a rural environment, whilst having their well-being monitored at a distance.

PONTINS GETS THE GO AHEAD

News Release: 20 September 2002

The Secretary of State has decided to grant planning permission for a retirement Village on the site of the former Pontins Holiday camp at Middleton Towers.

In reaching his decision the Secretary of State agreed that the derelict holiday camp is a blot on the rural landscape and that the proposals offer a clear opportunity to enhance its appearance.

The decision is subject to a legal agreement which would restrict the occupancy of the village to the elderly for the life of the development.

The decision has been welcomed by the City Council as it supports their recommendation that planning permission should be granted.

Commenting, Councillor Keith Budden, Chair of the Councils Planning and Highways Regulatory Committee said:

"We very much welcome the Secretary of State's approval of this application which was supported by the City Council. This development will bring into beneficial use a derelict site and hopefully encourage further investment in the area. The Council will now seek a meeting with the applicants to find out how they envisage implementing this approval and on what timetable."

Source: Lancaster City Council

- Further details about the scheme for the former Pontins site are provided in **Appendix 9**. Construction work has recently commenced on site.

It is clear that the Secretary of State is prepared to consider specialist proposals of this nature distinct from the normal planning guidelines and given the locational limitations of the Middleton Towers site there is some prospect that a similar approach could be encouraged for schemes on the more remote sites on the Island.

In February 2004 the audit commission published "**Assistive Technology: Independence and Well-Being**" detailing the role that assistive technology can play in keeping people independent. In March 2005, the department of health announced funding of £80 million for Councils to develop innovative ways to help older people avoid emergency hospital visits and to live independently for longer. The new "*Older People Projects*" grant aims to encourage Councils in England with their NHS, local Government, voluntary and independent sector partners to establish sustainable arrangements for supporting older people in active and healthy living. This came on-stream in April 2006.

The Government wishes to develop a clear way forward for using technology in the home and wants to get this across to suppliers and users/services ahead of the funding being available. In particular, the Government believes that primary care trusts, housing providers and social care agencies have a responsibility to make this work.

Specialist needs are of course one area that is already seemingly well provided for on the Island through residential centres and the use of land for school groups and Outward Bound courses. The scope for providing further facilities for this sector is limited and the likely financial resources available will undoubtedly be the stumbling block to any realistic alternative use of redundant holiday parks for such purposes within the public sector. Private sector initiatives may however offer wider scope for new opportunities.

Generally

It may be something of a surprise, but apart from those parks which find themselves embedded within settlements, there are very few nationally which come forward for alternative use. Because they are a relatively scarce commodity in their own right, they do command a value in the marketplace even though they may be rundown. This is perhaps more true for holiday caravan parks than the traditional holiday centres. The greater commercialization of the holiday caravan industry over the last 10-15 years means that park operators are now keen to secure rundown parks on which they can redevelop to more modern standards. Whilst these are generally identified by those seeking to establish owner-occupied holiday caravan occupancy, this does mean that the park itself obtains a new lease of life and continues to serve the tourism market without being entirely lost to that market.

More often than not this can be done without any requirement for planning permission and therefore naturally takes place within the market. However, where new development is sought and planning permission required, parks are often constrained by the need to secure a new consent and the objectives of keeping the property within the tourism sector tend to be subsumed beneath wider value opportunities and the likelihood (or not) of securing a permission of value.

Apart from Ivylands, we are not aware of any static holiday caravan park that has deliberately sought alternative use development beyond that which they already have. We are aware however that an application has been made at Flowersbrook Park in Ventnor, for a certificate of lawful use for the continued use of land for permanent holiday caravan's and owners living accommodation. Both parks appear to have been subject to scrutiny in this regard in recent years.

Would the loss of a holiday park within the Island market be of concern?

Given what has already been said, it seems realistic to answer this question in the negative, although this may depend on exactly which park one were talking about. From an overall market standpoint, the loss of more marginal parks such as the traditional holiday centre chalet-based parks along the Military Road may not be fundamental to the perception of the Island for tourism purposes nor to the economy, although they would be a personal loss to those who currently still enjoy them.

The loss of one of the more significant and substantial operational parks might be a different matter, but even here there would be likely to be a redistribution of visitors to other parks on the Island thereby helping to bolster those businesses. From our investigations however the likelihood of a total loss of such a park of value to the Island economy is not envisage at the present time; and unlikely to take place at all if considered within the framework of positive planning initiatives to ensure that viable alternative tourism uses can be found for the sites. We think here particularly of Harcourt Sands, given their current intention to close at the end of the season.

In the following section we consider this issue in a little more detail having regard to the more localised requirements of the Bay Area.

12.0 BAY AREA ACTION PLAN

As part of our research we were asked to consider the specific circumstances of the holiday parks within the Sandown Bay area of the Island which has been identified for an Action Area Plan within the emerging Local Development Framework.

The requirements was to providing an analysis of the Island holiday parks industry within the Action Area boundary and identify as far as possible where the opportunities and constraints may lie in progressing the aims and objectives of this specific Plan.

The Issues Report for the Bay Action Area Plan was published in Mid-July 2006 and notes that:-

The Bay is an area of significant potential change. As such, it requires appropriate planning policies and needs to prioritise development objectives and co-ordinate requirements for new infrastructure. An Area Action Plan for the Bay will be created to address these requirements and needs. It is important to note that the Area Action Plan does not provide details of or approve specific projects. It is not a master plan – it will be an agreed framework of policies and potential projects through which the vision for the transformation of the Bay will be achieved.

Strategic Objective 1.4 (SO1.4) of the Local Development Framework Core Strategy seeks to encourage the regeneration of the Sandown and Shanklin area as a *“home for an evolving tourism industry”* with *“a more diverse business base and a stronger residential community”*. This will be achieved in several ways, but in relation to tourism and leisure the aim of the Council is to *“support the consolidation, regeneration and strengthening of the tourism sector with greater focus on quality facilities for short-break, active, out-door and ecotourism markets”*.

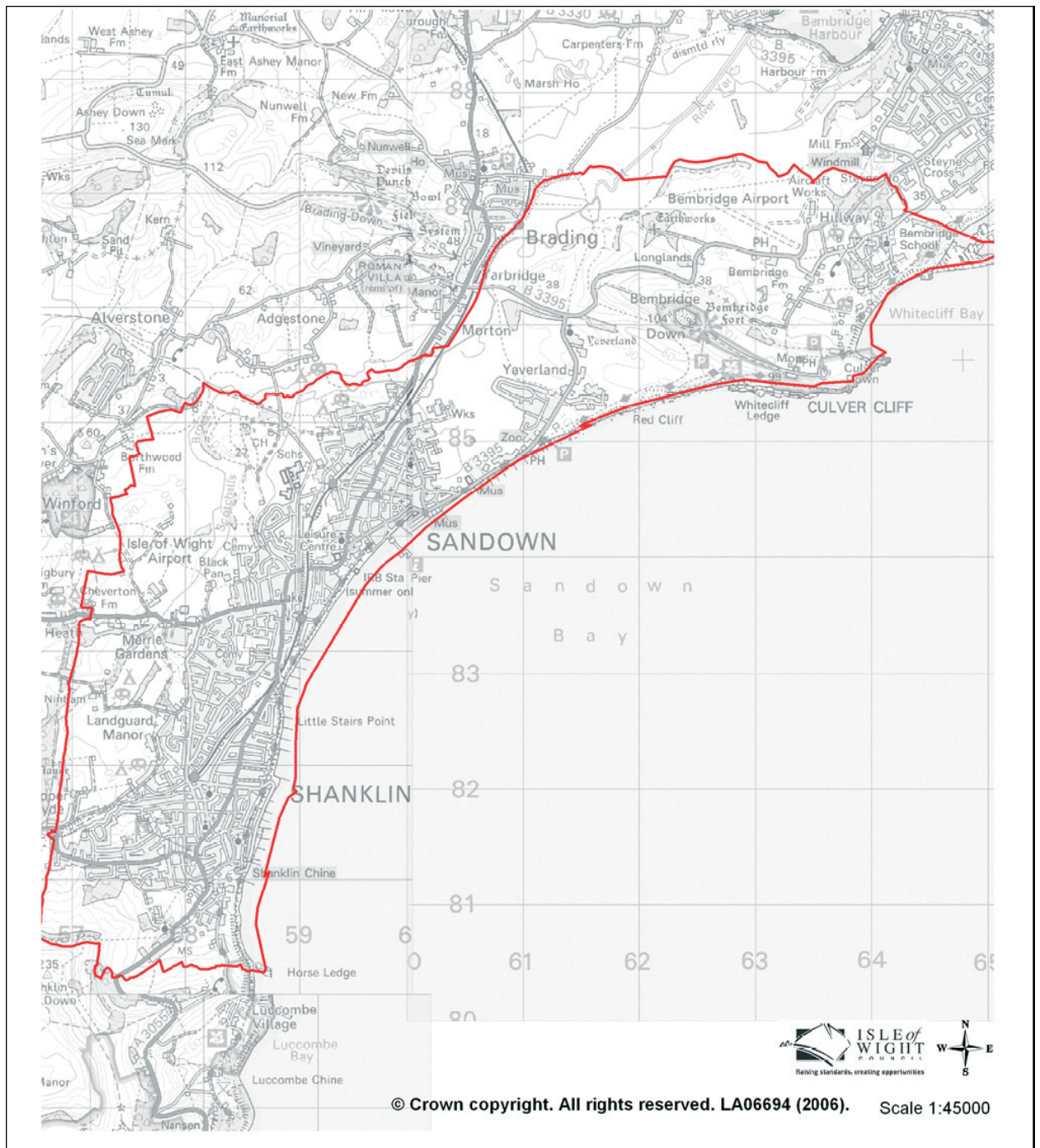
The Action Area Plan boundary is illustrated in the plan extract below.

12.1 Holiday Parks in the Bay Area

Within the Bay Area we have identified the following:-

- There are 14 holiday park businesses on 12 parks within the defined Bay Area
- There are an additional 5 parks that are either immediately adjoining or have a direct affinity with the Bay Area
- The total acreage of holiday parks within the Bay Area is in the order of 150-200 acres plus a little more for those beyond the defined area (say 40 acres)
- There are 5 chalet park businesses; 5 static caravan parks; 1 static/tourer park and three mixed holiday parks
- There are 2,416 holiday units (31.5% of the Island holiday park total) with about 10,000 bedspaces; representing about 1/3 of the Island holiday park bedspace total
- A cautious assessment concludes that the average annual tourism revenue contribution from holiday parks into the Bay Area is in the order of £12m - £13m; or about 25% of the Island holiday park tourism revenue.

Bay Action Area Plan Boundary



Source: Isle of Wight Council

In the following sections we outline these findings in more detail and then go on to consider how the holiday parks industry within the area can contribute to the aims of the Plan and whether there are alternative proposals that might be considered to overcome identified problems within the industry in this area.

The Number of Holiday Parks

The Table below establishes the details of the parks within and adjoining the Bay Area defined on the plan. Of the 14 holiday park businesses identified within the boundary, two (Gulls Nest and Rose Holiday Chalets) are situated within or directly associated with existing holiday parks (Sandhills and Sandown Bay Holiday Centre respectively) so there are in fact 12 identifiable parks.

There are a further 5 holiday parks that arguably should be considered as forming part of the overall holiday park offer within the Bay Area. Three of these parks (Adgestone, Old Mill and Village Way) are immediately outside the currently defined boundary and in fact the boundary appears to divert deliberately to avoid the latter two parks. Queen's Bower and Southland are a little further away, but in our view relate directly to the Bay Area and rely to some extent on that relationship for their business. The furthest distant (Southland) at just a mile from the boundary and just over two miles from the centre of Sandown, is actually closer to the main resort area than those parks at Yaverland and Bembridge. Whilst it is inevitable that a boundary has to be drawn somewhere, the sphere of influence of holiday parks in their role as a holiday accommodation provider for the area will be wider than the defined zone.

Type of Holiday Park

Within the Bay Area there are 5 chalet park businesses; 5 static caravan parks; 1 static/tourer park and three mixed holiday parks. Of these Whitecliff Bay and Lower Hyde are two of the largest parks (in terms of unit numbers) on the Island. Fairway, Landguard and Sandhills are also sizeable holiday park businesses.

For the parks just beyond the boundary there are 4 touring and tent camping parks and one static holiday caravan park. The largest (Adgestone) is operated by the Caravan and Camping Club of Great Britain as a private members site.

Area

Acreages declared by the parks amount to some 134 acres within the Bay Area and some 38 acres beyond. Taking a similar density ratio (about 15 units per acre on average across the Island) the total acreage for holiday parks within the Bay Area is in the order of 150-200 acres plus a little more for those beyond the defined area (say 40 acres).

Unit Numbers

Within the Bay Area there are 2,416 holiday units made up as follows:-

- 528 chalet units
- 1100 static holiday caravan units (of which 37 were vacant)
- 746 touring caravan pitches (76 pitches with all-weather hard standings)
- 42 tent pitches

BAY AREA HOLIDAY PARKS				CHALETS		STATICS							
	TYPE	STAR	BELLAMY	FLEET	OWNED	FLEET	OWNED	VACANT	TOURER	TENT	TOTAL	ACREAGE	SEASON
Cheverton Copse Holiday Park	ST/TR	4	Gold			57		20	26		103	4.75	6
Fairway Holiday Park	STATIC	3				108	90				198		10
Fort Holiday Park	STATIC	3				45					45		8
Fort Spinney Holiday Centre	CHALET	5		18							18		12
Gulls Nest	CHALET			4							4		8
Landguard Holidays	MIXED	4	Gold			136			150		286	7	12
Ninham Country Holiday Park	STATIC	4				6			88		94		8
Park Resorts Lower Hyde	MIXED	4	Gold	29		167	135	17	82	42	472	60	10
Riverside Caravan Park	STATIC					59					59		8
Rose Holiday Chalets	CHALET			45							45		12
Sandhills Holiday Parks	STATIC	3					220				220		7
Sandown Bay Holiday Centre	CHALET				186						186	13	10
Sandown Holiday Chalets	CHALET	4		34							34	2	8
Whitecliff Bay Holiday Park	MIXED	4	Silver	212		3	37		400		652	47	8
Adgestone Club site - Camping & Caravan Club	TR/T	4							270		270	22	8
Old Barn Touring Park	TR/T	4	Gold						60		60	5	6
Queens Bower Dairy Caravan Park	TR/T								20		20	2.5	6
Southland Camping Park	TR/T	5	Gold						120		120	8	7
Village Way Caravan Park	STATIC	3				12			10		22		12
TOTALS				342	186	593	482	37	1226	42	2908	171.25	

	Parks within the defined Bay Area Plan Boundary
	Parks adjoining or directly related to the Bay Area

For those parks just beyond the defined Bay Area there are a total of 492 units comprising:-

- 12 static holiday caravans
- 480 touring caravan pitches (9 with hard standings)

In total therefore there are 2908 units in the vicinity of the Bay Area. This represents 38% of the Island total (31.5% for units within the currently defined area).

In terms of type of unit within the Bay Area there are just over 23% of the Islands total supply of chalet units; 48% of the currently available static holiday caravan pitches and 26% of the touring and tent pitches on the Island.

If one adds in the units from the other parks noted above, a significant difference arises because of the number of touring and camping pitches, which increases the representation to some 41% of the Island total.

Of the 37 static holiday caravan pitches identified as vacant, 20 are currently awaiting development and the balance are under redevelopment.

Fleet and Owned Units

With reference back to Section 5.6 of this report we have identified that there are 186 chalet units and 482 static holiday caravan units within the Bay Area which are already in or available for private holiday ownership. In total this represents approximately 51% of the Islands total private owner fleet (54% of private owner chalets on the Island and 27% of static caravans).

Bedspace Numbers

Based upon the same bedspace assessment set out in section 5.7 we estimate that within the defined Bay Area there are about 10,000 bedspaces provided by holiday parks.

UNIT TYPE	NUMBER OF UNITS	LOW RANGE	HIGH RANGE
CHALET	528	2112	2112
STATIC CARAVAN	1100	4400	6600
TOURING CARAVAN	746	1492	2984
TENT	42	84	168
TOTAL	2416	8,088	11,864

If one adds in the additional bedspaces from the parks identified in the vicinity of the Bay Area the figure rises to approximately 12,000; allowing for under-occupancy etc as before.

UNIT TYPE	NUMBER OF UNITS	LOW RANGE	HIGH RANGE
CHALET	528	2112	2112
STATIC CARAVAN	1112	4448	6672
TOURING CARAVAN	1226	2452	4904
TENT	42	84	168
TOTAL	2908	9096	13,856

However, the bedspaces provided by chalet and static caravans are little changed between the two groups, with the majority being within the defined Bay Area boundary. The majority of the additional bedspaces comprises touring caravan pitches, which almost doubles the local provision.

Overall the Bay Area represents about one third of the Islands' total holiday park bedspace stock (40% if one also takes the vicinity parks into account).

Quality Grading

Of the parks within and in the vicinity of the Bay Area there are:-

Within the Defined Bay Area	Within the vicinity of the Bay Area
1 Star 0	1 Star 0
2 Star 0	2 Star 0
3 Star 3	3 Star 1
4 Star 6	4 Star 2
5 Star 1	5 Star 1
Ungraded 4	Ungraded 1

Of all the holiday parks concerned there are 6 within the David Bellamy Conservation Awards scheme of which 5 are at the Gold Standard and 1 at the Silver Standard.

This represents about 17% of all star graded parks and 37% of Bellamy Award parks on the Island.

Seasonal Use and Occupancy

Of the 14 holiday parks within the defined Bay Area 8 are open for the standard season (March to October) or less, with 6 being open for 10 months (2) or a full twelve months (3). Of the vicinity parks one is open all year round with the remainder open for the usual season or less. Although Cheverton Copse is only open for 6 months of the year, this is by choice of the park operator and the park could be open for the full 12 months by virtue of its current planning permission and site licence.

From the information available it was not possible to discern any variations in seasonal occupancy between parks within the Bay Area and elsewhere on the Island. To some extent this is a function of the opening periods of the parks and with two of the largest parks on the Island situated within the Bay Area they will have some influence upon the way the holiday parks market delivers volume business into the area, particularly during the shoulder and winter months.

Value of Holiday Parks to the Bay Area

In section 6 we considered the economic value of holiday parks to the Island economy and - based upon various estimates - it appears that the Island generates about 800,000 visits to

holiday parks with a tourism revenue contribution of about £50m per annum. This equates to approximately £714,000 per park per annum or £1,666 per bedspace per annum or £6,629 per holiday unit per annum.

On the same basis we have estimated the tourism revenue contribution from the holiday parks within and in the vicinity of the Bay Area as follows:-

- Economic value from holiday parks within the defined Bay Area
£16m
- Economic value from holiday parks within and in the vicinity of the defined Bay Area
£19m

There will be significant variability within these broad figures, not least because there is a substantial proportion of touring caravan pitches within the overall supply for the area, which are unlikely to generate the same overall revenue per unit or bedspace than may be achieved from chalets or static holiday caravans. Also as one begins to interrogate the figures at a more detailed level the broad averages become more sensitive. A cautious view is therefore required.

Based on the 'value per park as a whole' the overall contribution from the Bay Area parks would be some £10m - 11m per annum and about £13.5m - £14.5m when including the vicinity parks. Similar figures are arrived at if one applies a full contribution for the chalets and static caravan units and about half that for touring and tent units in each case.

A cautious assessment may therefore conclude that the average annual contribution from holiday parks into the tourism revenue generated by the Bay Area is in the order of £12m - £13m; or about 25% of the Island holiday park tourism revenue. This might range from about 20% to 38%, although the latter is very optimistic in our view.

Location

Perhaps surprisingly there are only four parks within the Bay Area that are directly adjoining the coastline. The majority are situated inland away from the sea to the west and north of the settlement. A number are directly related to the settlement, being almost encapsulated by bricks and mortar development. Fairway Holiday Park is an evident example of this.

Despite this apparent locational limitation (the traditional perception being that people on holiday want to be by the sea) there does not seem to be any noticeable effect upon the level or type of tourism trade to these parks. In fact the parks adjacent to the coast tend to exhibit a more traditional format in comparison with those further inland. This may be a function of competition encouraging investment to overcome apparent locational disadvantage.

What it does suggest however is that visitors to the area are reasonably footloose and may enjoy the proximity to a wider tourism offer than simply those facilities provided on the parks. The Bay Area does not benefit from direct ferry access and is ostensibly at the wrong end of the Island from the key Island feature (The Needles), is eastern rather than western facing (no over-water sunsets) and at a physical extreme rather than centrally located. It does however benefit from better beaches, although the level of attraction generated by these is diminishing to some

extent as a national driver for coastal tourism. So, visitors have to purposefully access the Bay Area in one way or another, rather than being easily delivered straight to it. The fact that they do this is a function of availability of accommodation, historical precedent and more importantly an overall sense of a holiday atmosphere to Sandown and its environs. The ability to access other parts of the Island conveniently may also indicate that the Bay Area is a focal point for tourists who perceive a ‘local holiday environment’ within the Bay Area from which they can then range more widely. This must be contrasted with the demographic profile that suggests increasing gentrification.

12.2 Opportunities and Constraints

Given the scale of holiday park accommodation within the Bay Area there are clearly opportunities to upgrade and improve the offer so as to maintain the range and type of accommodation for the future. However, as outlined earlier in this report, there are short to medium term concerns – particularly with regard to the chalet market – that require urgent attention. Evidently at least one of the larger chalet parks is already moving toward the use of units for residential rather than holiday purposes; no doubt driven in that direction as much as anything by the need to maintain revenues from a declining tourism base for this type of holiday. Equally, we are aware that some long established holiday parks are now positively active in seeking reinvestment and redevelopment to address the changing market.

It is the intention that the Bay Area shall be a “*home for an evolving tourism industry*” which will be achieved by:-

- *Supporting the consolidation, regeneration and strengthening of the tourism sector with greater focus on quality facilities for short break, active, outdoor and eco-tourism markets*

The issue for the holiday parks industry is therefore what their role should be for the future and how this can be achieved. Our thoughts and comments on the draft Action Area Plan are set out in **Appendix 10**.

To support and maintain the area in the future it is essential that jobs and revenue are sustained and improved upon. In order to do this without a radical change in emphasis for the Bay Area (towards say a focus for engineering businesses) tourism in all its forms must be supported and developed. It is evident from the draft Action Area Plan that the Bay Area generates a disproportionate amount of tourism revenue (41%) in comparison with the rest of the Island, with the majority coming from staying visitors. Clearly therefore the loss of bedspaces for staying visitors will potentially have a more damaging impact upon revenue flows than a comparable loss of from day visitors (by a factor of at least 6 times based on the figures in the draft plan - £7 per day to £48 per day). Put another way, for each bedspace lost to the area, there would be a requirement to attract 6 – 7 additional day visitors to make up the loss in revenue. On any sort of scale this would place a considerable burden on the area, even if it were achievable. It is also unlikely that an uplift in tariffs on remaining units would be sufficient to offset the loss of a significant proportion of holiday units and may impact detrimentally in any event by pricing the accommodation out of the market.

On the face of it therefore the most obvious answer is to keep as many bedspaces as possible. However, if they are not occupied because of over-supply in a declining market, or they no longer fulfil the visitor requirements and aspirations already outlined, their contribution will be reduced in any event; the perception of the area and the effectiveness of the individual businesses will be damaged; investment in upkeep and redevelopment will be reduced and this could bring about a worsening of the situation overall and not deliver to the requirements of the Plan. Equally, allowing holiday parks to close and be redeveloped for other purposes, could remove the very asset that is delivering revenue and employment opportunities to the area. A balance must therefore be struck.

The Options for Sustainable Tourism in the Bay Area

Essentially tourism in the Bay Area will be best supported by sustaining the attractiveness of the area (physically and environmentally) with the provision of a range of tourism attractions and a range of accommodation which causes people to stay on holiday for longer periods and over a longer period of the year. No one element though will be sufficient in itself to sustain tourism in the area.

Simply put, tourism jobs and revenues must be maintained and improved, but how can this be achieved? Three obvious ways to improve tourism revenue flows might be as follows:-

- **Increase the number of holiday parks / bedspaces**

This would seem an unlikely route to take, given that there may already be an oversupply in general within the parks already present in the area. Yet planning permissions have been granted in recent years for both touring and static caravans within and adjoining the Bay Area which have been, or are in the process of being, successfully developed. The emphasis may therefore be rather more on providing an increase in the right sort of bedspaces.

- **Increasing bedspace tariffs**

This is not something the Council can really manipulate and the area must therefore rely upon the businesses to remain successful and attractive to tourists. Some authorities have toyed with the idea of tourism taxes (primarily for environmental conservation purposes) but we perceive this would only be sustainable in circumstances where a real and perceivable benefit was being delivered to the area. Most tourists would be put off by such a levy and given the Island's additional access costs would be likely to deter rather than attract.

- **Concentrate on supporting the highest revenue earning opportunities**

Assuming these can be accurately determined this would seem a logical option, but this would mean putting greater emphasis on just one market sector. It is evident that aiming too high in terms of the quality and delivery value of the product could be a false economy. Equally, other market sectors could be detrimentally affected thereby

exacerbating the problem. We consider a diverse approach which dilutes risk would be a more satisfactory approach to adopt.

The Council could of course rely solely upon the holiday parks market to determine the nature and level of holiday park accommodation for the area in the future, simply responding to closures and concentrating upon other elements of the tourism market. But could the Council afford to lose holiday accommodation within the area given that it represents such a significant driver of the local economy and is so sensitive in terms of revenue generation? Here again finding the balance point is the key.

In common with other parts of the Island there are evidently parks within the Bay Area that have reached the end of their useful life and now require a substantial reinvestment and redevelopment for tourism or other purposes. Given the scale of the investment necessary to achieve this it is likely that even some of the more substantial businesses could struggle to deliver such a radical change without support. The loss of a park or two to the market may not be significant, but wholesale change could impact directly upon the aims of the Plan.

When considering the type of units that might be subject to change, it must be remembered that there is a disproportionate number of touring and tent camping pitches within the area compared to chalets of static caravans. Whilst touring and camping pitches do deliver meaningful levels of tourism revenue, the more substantive tourism value is delivered by the chalet and static caravan sector and their relative scarcity in comparison results in even greater sensitivity when considering market losses. However, here again if they are not being occupied, then they are not delivering to the market and where this is a long term trend they could arguably be lost without any detrimental effect. In reality their loss is likely to affect the individual business and potentially the wider perception of the area in tourism terms unless replaced by something else. The real problem is what to do with the traditional chalets.

12.3 A Suggested Approach

As discussed elsewhere in this report two of the key market trends are the change from chalets to static caravans as the preferred unit of accommodation and the increase in owner-occupation of holiday units in comparison with fleet letting. Both are assisting the revitalisation of the Island holiday market.

The change from chalet to static caravan has the following main benefits:-

- Replaces older stock with newer units
- Comparable if not better rental / tourism income levels
- More flexible in siting
- Easily updated to maintain quality
- Better internal facilities
- Often increases the number of bedspaces for the same number of units
- Understood and sought-after by a significant part of the tourism market
- Wide range of styles, designs and formats available
- Additional tier of control through the Site Licencing process

The increase in holiday home ownership has already been discussed in this report but generally results in the following:-

- Greater business security for the park operator and the Island tourism economy
- Faster recovery of capital costs of development
- Longer seasonal use encouraging year round employment potential
- Higher quality accommodation units
- Additional letting opportunities and generation of acolyte businesses

The other evident trend is the redevelopment of traditional holiday chalet parks for owner-occupier holiday accommodation (as currently under way at the Savoy) and as proposed in Section 11.8 which highlights some other alternative use options.

If the key priorities are to regenerate and improve the holiday accommodation offer within the context of sustaining and developing the wider tourism offer of the area then the following may be a suitable way forward in addressing the needs of the Bay Area:-

- 1 **Encourage seasonal extension by entering dialogue with the park operators and granting permission for extended seasonal opening.** This would be in line with long standing Government guidance and the general aims of the current UDP.
- 2 **Facilitate shoulder-month and out of season business through targeted marketing for the Bay Area to groups and businesses capable of delivering multiple occupancy.** This is a particular requirement for the larger parks where scale is an issue in keeping facilities open all year round.
- 3 **Positively encourage the replacement of redundant chalet units with developments for static holiday caravans or other modern holiday accommodation units.** There may be a need to acknowledge that the majority of these replacement units are likely to be for sale as second homes rather than for fleet letting, as the capital costs of redevelopment will need to be recovered quickly.
- 4 **Protect the better parks from change of use out of tourism, except where a full and considered justification for change can be made.** These are your key tourism accommodation assets and require not only protection, but also support and encouragement to continue delivering to that market.
- 5 **Allow parks to change use both within tourism and possibly out of it completely.** Where it is clear that the capital investment required for regenerating a holiday park is beyond that businesses ability to recover it within a commercially acceptable timeframe then the Council should seek to encourage a positive change of use for another material benefit to the area. This may be for an alternative form of tourism development, but arguably this is more likely to be within the context of residential development for those sites within or on the edge of the settlement boundary. For other parks in the countryside it may be for alternate forms of tourism use (eg touring pitches to static caravans) or possibly for mobile homes as discussed above.

We do not believe that there is a requirement to positively encourage the change of use of holiday parks out of tourism simply to fulfil another policy aspiration for the area. None of the parks within the Bay Area appear constrained by their apparently non-tourism location and those which are well located within the settlement boundary appear quite capable of sustaining their business at the present time. This may change in the future though. Those parks which have already moved away from tourism uses (albeit possibly unlawfully) may however be a target for specific alternative use consideration. However, it may be that there should be encouragement toward an alternative form of holiday unit in the first instance, or even a mixed development, before allowing wholesale change.

We are aware that the owners of Whitecliff Bay Holiday Park have been in dialogue with the Council to establish the parameters for a substantial upgrading and improvement programme for this substantial, but largely traditional holiday park. The scale of its traditional chalet units is a key area of concern. Being one of the largest on the Island, with a good mix of accommodation and facilities, this is clearly a holiday park that the Council should be protecting from closure and facilitating in its transformation for the future. Being open for only 8 months of the year there is evidently an opportunity here to expand the business potential in tourism revenue terms if the product can be adapted to suit the emerging markets.

Another example is the Sandown Bay Holiday Centre at Yaverland where it is alleged that some of the holiday chalet units are now being used residentially. This park is evidently close to the end of its productive life in tourism terms and would require wholesale redevelopment in order to regenerate it. However, it is in a commanding and highly sought after position from a number of standpoints and arguably could be redeveloped as a premier resort location in the right circumstances. Equally, if (after examination) it is not capable of redevelopment for holiday accommodation purposes then maybe a mixed holiday/residential format might be achievable. At the ultimate end of the process a full redevelopment for residential purposes may be considered the only option.

Where a proposal comes forward for a change of use of a holiday park to another use the Council may wish to develop a checklist for decision-making; effectively sequentially testing the alternatives and weighing these against the potential losses and benefits that would flow from the proposal. We would be happy to explore such a process with the Council separately in due course.

The key problem for most (if not all) holiday park operators is the large capital requirements necessary to undertake redevelopment proposals. An additional option may be to consider 'enabling development' where proceeds could be ploughed back directly into the redevelopment proposals. The mechanisms for controlling such activities are already in place within the planning system. For example, residential development may be permitted as a vehicle for delivering profits which can then fund improvement schemes. This would need to be carefully contrived, but is one way that may encourage operators to pursue proposals that they would otherwise consider beyond their ability to undertake. The mixed development of sites may also be achievable in certain circumstances.

12.4 Planning Policy Options

There may be scope for developing a series of distinct planning policies which would cause such a process to be embodied within the Development Plan. We set out below some thoughts on this having regard to policies adopted by other authorities elsewhere in Britain.

REFURBISHMENT AND DEVELOPMENT OF HOLIDAY PARKS

Proposals for new holiday parks, chalet, caravan and camping sites, or schemes for the refurbishment and upgrading of existing facilities will be permitted, provided that the following criteria can be met:-

- 1. the development can be suitably undertaken so that it does not have an adverse impact on the landscape conservation, nature conservation and agricultural characteristics of the area or involve the loss of best and most versatile agricultural land;**
- 2. the development is acceptable in terms of transportation, access and safety considerations; and**
- 3. the development can be suitably undertaken so that it does not adversely affect the amenities of any adjoining residential areas.**

Explanatory text

Holiday parks form an important part of the Bay Areas tourism infrastructure and provide a substantial and valuable proportion of the holiday accommodation in the area. Holiday static and touring caravan parks are likely to form an increasingly significant part of the self-catering tourism sector in the future, particularly in replacement of older accommodation stock to a higher standard. The Council recognises the need to remain responsive to changes in the tourism market and the corresponding demand for new facilities.

Because of the limited opportunity for the development of wholly new holiday parks in the Bay Area due to lack of availability of suitable sites in appropriate locations, there is a need to ensure existing holiday parks are able to respond to changes in the market and keep up to date. The improvement and enhancement of existing holiday parks is therefore a more acceptable way of meeting changing demand.

There is extensive provision of sites for chalets, caravans and camping within the Bay Area. The size and range of these facilities vary widely, as do the standards of accommodation provided. Many operators have continued to invest in their site facilities as part of a rolling programme aimed at raising the quality of service. Other sites have managed to meet changing standards less successfully and are more likely to require substantial new investment.

Many existing holiday parks have been developed at high densities. To meet the needs and aspirations of today's holidaymakers, it is important to improve the on-site environment, reduce high densities and improve on-site facilities such as club houses, swimming pools, tennis courts, shower buildings, etc. This may need some expansion of site area to facilitate. Whilst the Council is fully supportive of endeavours to upgrade and improve holiday facilities by expanding the area covered in some cases, it is essential to ensure that developments do not have an adverse effect on other development plan objectives,

such as landscape protection.

Due regard must be had to the full range of environmental, amenity, access and agricultural considerations. In particular, sites should be as effectively screened as possible, and laid out in such a way that they minimise visually intrusion as far as possible.

The Council will seek to secure improvements to the appearance and layout of facilities and improve standards of landscaping and nature conservation. In many areas there is considerable scope to do this and many operators have developed innovative ways of screening development. Such improvements will be an important consideration in determining proposals for refurbishment and improvement of holiday parks, respecting however the degree of difficulty there may be in absorbing such developments into the landscape.

Applications for the improvement of site facilities (central 'club house' facilities, swimming pools, tennis courts, toilet and shower buildings, etc.) will be supported in principle, subject to the above considerations.

The Council will adopt a flexible approach to applications submitted for changes in emphasis of holiday uses within existing sites. Since the distinctions between touring and motorised caravans and tents are now less obvious, it will be appropriate to consider touring accommodation in terms of 'touring units', and to allow flexibility between numbers of tents and touring units within a defined site. The Council will also support in principle dividing larger sites into smaller areas, in order to reduce their wider environmental impact.

In order to facilitate and encourage beneficial improvements the Council will give favourable consideration to 'enabling development' where there is a clear and controllable mechanism for the use of proceeds to cause the development being sought.

CHANGE OF USE OR REDEVELOPMENT OF HOLIDAY PARKS

The change of use or redevelopment of existing holiday centres, chalets, caravans and camping sites to non-tourism uses will only be permitted where:-

- 1. the proposals would not result in the loss of a site which offers, or has a realistic prospect of offering, a continuing viable contribution to the stock of holiday accommodation and facilities in the resort;**

The change of use or redevelopment of existing holiday centres, chalets, caravans and camping sites to non-tourism uses will not be permitted where:-

- 2. the site continues to offer potential for development and/or redevelopment to provide an improved level of tourist accommodation and related facilities;**
- 3. the loss of a site and the introduction of a new use would be detrimental to the general character of the locality.**

Explanatory text

The facilities provided by holiday parks offer an important source of holiday accommodation for the Bay Area. Although it is recognised that potential environmental problems can occur in sensitive areas, or where such sites are concentrated, it is the Council's policy generally to support their retention and furthermore, to encourage their refurbishment (see policy suggestions outlined above). Any significant losses of holiday parks by redevelopment to other uses would be unacceptable both to the tourist industry and the local economies of their surrounding areas.

Major sites offering a range of facilities for family accommodation are particularly important, but there is also a need to retain a variety of smaller sites offering a choice of different types of accommodation and holiday experience. The Council will in the first instance encourage operators to exploit potential to make fundamental improvements to their facilities wherever possible. This will be necessary in order to maintain their role as significant providers of accommodation within the tourist industry.

However, the Council recognise that some holiday parks are now situated in locations that no longer satisfy a tourism function, having been adjoined by housing or other non-tourism uses. Equally there are some traditional holiday parks within the Bay Area containing forms of accommodation that are approaching the end of their useful life and which no longer fulfil a valuable tourism role. In circumstances where redevelopment for non-tourism use is proposed, the Council will need to be satisfied that there are no realistic alternative development options for the site in fulfilling a tourism role before supporting a change of use away from tourism.

Arguably these policy proposals could be applied Island-wide. The same broad concerns and opportunities apply to all holiday parks, although some wider environmental concerns could be relevant in determining the future of parks along the Military Road or in the vicinity of important environmental features.

12.5 Summary

The Bay Area is a significant contributor to the Island's tourism economy and the holiday parks industry is a significant element of that provision.

In the light of our findings we consider that the sphere of influence of the Bay Area could be extended to include a number of holiday parks that are situated in the vicinity of the defined area, but which may be excluded at the present time even though they are functionally related to the area in their operation and delivery of tourism revenue.

There is clearly a need to be pro-active in addressing the future needs of the holiday parks industry and we have made a number of strategic suggestions as to how the Council may approach a policy for the encouragement and facilitation of future beneficial improvement. The key concerns relate to the larger, more traditional holiday parks where older forms of accommodation predominate and the capital costs of replacement places a limit on the operators ability to upgrade and improve. Left unaddressed we believe this could potentially become an

irresolvable problem during the life of the plan and therefore merits positive action now to enable long term sustainability of the market.

A careful balance will be required to ensure that there is no wholesale move toward alternative use simply on property development grounds, yet there may be circumstances where the Council would wish to support change – or at least not resist. In such circumstances the Council may need to assure itself that there is no realistic long-term future within the tourism industry for the particular park in question, whether in part or in whole. Mixed redevelopment may be an alternative in some circumstances.

In all cases a positive planning policy framework will be essential in ‘causing’ beneficial change to occur. Placing unachievable policy hurdles in the way of otherwise acceptable proposals will inevitably result in little or no action. For example where environmental impact is concerned, there may need to be a pragmatic approach to development control, where proposals for development are adequately balanced by efforts to address environmental and visual amenity to a sensible extent. Planning gains should be achievable, but they should be equitable, given that the wider planning gain is an improved tourism offer for the Bay Area and the delivery of important elements of the Action Plan.

13.0 CONCLUSIONS

In general we found that the holiday parks market on the Isle of Wight is in good heart and continuing to generate an important contribution into the Island tourism economy.

The overall market size is significant and sufficient and there does not appear to be any great pressure for the creation of wholly new holiday parks, although the redevelopment of existing parks for more modern tourism formats is being sought by a number of operators.

The industry is diversified across a variety of different product sectors and is also variable in scale and nature of business. This is helpful in some respects because it spreads risk more widely and helps to meet the wider tourism market, without over concentrating on one particular sector. On the other hand, the relatively small scale of many of the businesses means they have limited resources to upgrade and improve, although the willingness to do so is demonstrable from the continuing activities of the majority of park operators.

There are however some sensitivities within the marketplace, particularly with regard to the more traditional holiday accommodation (i.e. chalets) which have now reached the end of their usable life. There are also difficulties in achieving a volume market for some of the larger parks in circumstances where their income base has been eroded by the continuing downward pressure of external markets and repetitive expenditure on maintaining outdated accommodation and facilities.

The achieving of appropriate planning permissions remains a particular limitation on the future development of this market sector. This is understandable from the Councils' point of view because many of these parks are located in sensitive environments around the Island. However, although some permissions have been granted for more temporary forms of holiday accommodation, such as touring and tent camping facilities, the more permanent forms of holiday unit, such as static holiday caravans and lodges, have tended to be difficult to achieve, particularly where this has meant breaking new ground either adjacent to or within the bounds of existing holiday parks.

In considering the various points made within the proposal for this study we respond in conclusion as follows:-

- *80 holiday parks on the Island are potentially unsustainable*

The actual number of operational holiday parks is less than this and even so there are a number of holiday parks at the smaller end of the scale where marginal cost and benefit to the Islands tourism economy is of little identifiable value. The loss of these smaller parks is therefore unlikely to be noticeable within the wider tourism economy of the Island if that were to happen and there is evidence of some departure at the margins.

On balance however we believe that the Island has reached its own level of provision and diversified sufficiently to ensure that there is an adequate market supply available without being over-competitive.

The development of niche markets appears to be taking place naturally. There is likely to be some continuing loss of marginal parks in foreseeable timescales, but this should not be at serious cost to the Island. Of greater concern may be the loss of more substantial parks where they are not enabled to upgrade and improve.

- *There is difficulty in maintaining the viability and survival at the top end of supply, the highest quality product.*

Rather the opposite is the case. The higher quality product is playing to the modern market and is achieving good occupancy levels at sustainable tariffs. This appears to be true across the different types of holiday park and at different grading levels, where the quality of accommodation has been maintained. This is particularly true within the static holiday caravans sector where the ability to upgrade units is much easier.

Problems do however occur with the traditional chalet accommodation on larger parks where the capital cost of upgrading and improvement is prohibitive and the units themselves are really not capable of any meaningful refurbishment that will be sufficient to command marginally higher tariffs.

- *The potential trend in supply is being run down to reduce economic viability and justify the sale of sites/units for residential purposes.*

We do not believe that this is the case nor have we found any evidence to suggest that this is a deliberate policy within holiday parks on the Island.

- *There is a perception of below average level of quality supply compared to some other UK destinations within the comparative set.*

Within our experience we would say that the Island is no better or worse than many of the other holiday resorts around Britain. Those parks which demonstrate a higher standard of product are largely those which have a proportion of, or have reverted to, owner-occupied holiday accommodation, where capital receipts from the sale of units has been ploughed back into the park to upgrade and improve the environment and facilities.

Here again the perception is probably engendered by the relatively large number of traditional holiday camps in prominent positions around the Island which have been unable to keep pace with the market and are now in a sufficiently poor condition that the only option would realistically be wholesale redevelopment.

- *The fragmenting of ownership caused by the sale/lease of individual plots/chalets/caravans makes it difficult to raise standards holistically as well as making it more difficult to exit or lever out value.*

From what has just been said the contrary is likely to be the case. If one looks at the multimillion pound capital investment that has taken place on several of the parks in recent years, this has been coincidental with the introduction of owner-occupied holiday accommodation. Not only has such activity caused the upgrading and improvement of the

holiday park as a whole - whether by virtue of securing an opportunity to apply modern planning conditions - or simply because the park operator has wanted to set new standards in meeting tourism needs. Such development has effectively sustained revenues that might not otherwise have been achieved at the same level, or at all.

Whilst there may be a material difference in the apparent level of financial returns into the tourism market from owner-occupied holiday accommodation, this sector nevertheless does contribute and from evidence on the Island the availability of units for sale has spawned a whole new ownership, marketing and management industry which operates parasitically within the larger holiday parks. These are Island run businesses that have evolved entirely out of this change in market provision and which are adding additional tourism value through the letting of owner-occupied holiday park accommodation.

Another issue to weigh in the balance here is the relative income level over a period of time, given the more fluid state of the letting market compared with the owner market. In good times the letting fleet will contribute well, but as markets tighten the net contribution from owners may continue more consistently, as owners will be reluctant to give up a holiday and have already committed to a ready source of holidays in their holiday home on the Island.

- *In recent years, some holiday parks on the Island have become surrounded by permanent housing and commercial development-potentially making the parks undesirable for holiday use and resulting in less successful operations or simply limiting further development.*

This is true, although the extent to which it has occurred is a relatively small in relation to the bulk of the holiday parks market on the Island. Nevertheless, in such circumstances the Council should weigh in the balance the opportunity to secure a brownfield site within a settlement boundary for alternative use purposes against the marginal loss of holiday accommodation that might occur. This may be loss in any event if the market moves away from those businesses. Therefore if they no longer fulfil their tourism role it seems realistic to provide for a new future for those parks. To some extent the national and local planning policy guidance currently in place causes this to occur in any event.

- *Planning and other restrictions are not allowing parks with potential to expand into the higher quality market.*

Based on the evidence of responses to the survey, comments made during the public meeting and our investigations of the planning history on the Island, there does appear to be some reticence within planning to address expansion where this involves breaking the bounds of existing holiday parks. Whether this is to achieve a higher quality market product seems to be immaterial. There have been planning permissions granted for greenfield holiday park development, but not where this involves permanent structures in a countryside location.

- *Current local authority permission for extended opening periods is causing chalets and static caravans to be used as holiday homes or permanent residences which are not servicing the holiday market.*

The role of static holiday caravans within the holiday home market is discussed at length and we believe that concern in this respect is borne out of uncertainty over a relatively new market product on the Island; albeit that it is the mainstay of the holiday parks industry elsewhere in the UK. The benefits and dis-benefits must be weighed against the opportunities and impacts on the tourism market, but we believe that in a thoughtful and positive planning framework, as encouraged by Government guidance, there are wider benefits to be had in the long run.

The opportunities to extend the holiday season and thereby benefit the wider Island market are more likely to be achieved in the context of owner-occupied holiday accommodation than from any further encouragement within the letting market, which is primarily constrained by national holiday-taking patterns. The imposition of seasonal occupancy conditions can be a source of concern, but can also be achieved successfully and a number of additional measures have been discussed in this report based on industry experiences elsewhere.

Of greater concern is the potential misuse of holiday accommodation for residential use and this need not be in circumstances only where a longer seasonal occupancy is permitted. There are a variety of reasons why this occurs and not least the increasing demand for low-price accommodation from various sectors of the population. Perhaps the most likely way that a park will be encouraged to 'allow' residential use in breach of planning consent, is where they effectively have no other option for their business due to the unacceptable nature of the holiday property on their park for modern tourism.

We are of the opinion that in circumstances where the holiday parks industry is supported in its desire to upgrade and improve any inappropriate use of accommodation will be diminished as lawful occupiers begin to make wider demands on the park operator to maintain high standards. The development of a constructive dialogue between the parties is one way of establishing a more purposeful holiday parks industry for the future.

We trust that this study has shed further light on this important part of the Islands' tourism industry and answered some of the concerns expressed in the Proposal about its future. This Report is a distillation of a large body of research work and Rural Solutions remain available to comment and advise upon aspects of the Report as necessary.

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APPENDICES

- Appendix 1** 'Isle of Wight Holiday Park Sector Audit & Review' proposal document
March 2006
- Appendix 2** Isle of Wight Holiday Parks Schedule
- Appendix 3** Statistics taken from 'Caravan Tourism to Wales 2004'
- Appendix 4** Holiday Park Questionnaire Survey and Covering letter
- Appendix 5** Gurnard Pines Occupancy Condition Appeal Decision
- Appendix 6** PPG21: Annex C
- Appendix 7** Holiday Parks in the Countryside – Planning for the Future
- Appendix 8** PPG21: Annex B
- Appendix 9** Details of Pontins Conversion at Heysham Bay, Lancashire
- Appendix 10** Comments upon the Bay Area Action Plan – Issues Report